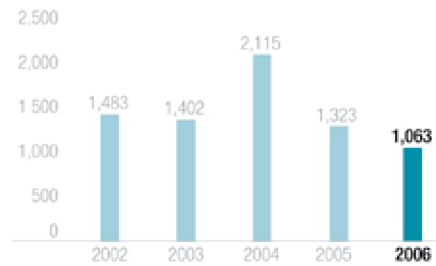
2006 ANNUAL REPORT

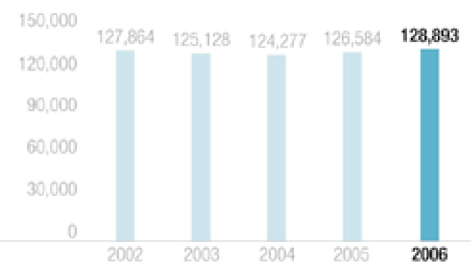
RENAULT

Key figures 2006

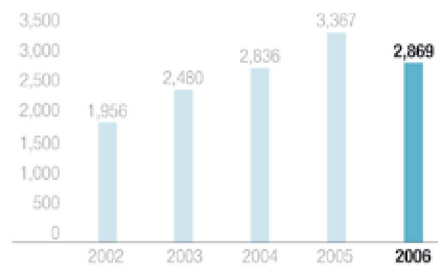
Operating margin
(€ million)



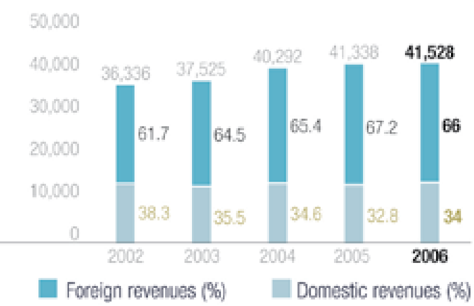
Workforce
(in units) – at December 31, 2006



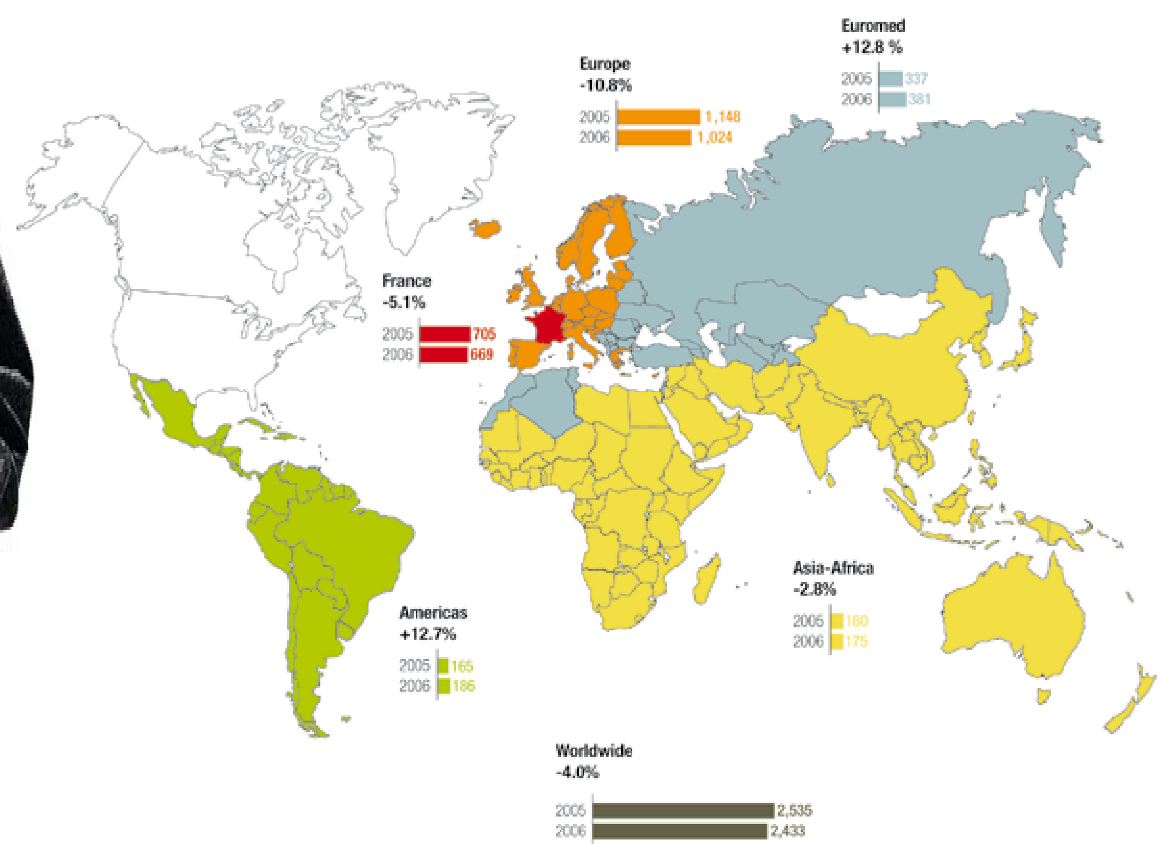
Net income – Renault share
(€ million)



Revenues – Renault share
(€ million)

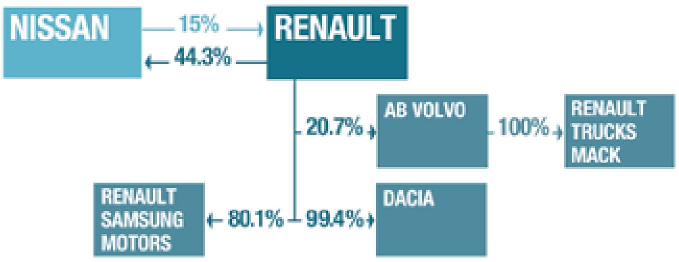


2006 Commercial results
(Thousand units - Cars + LCVs)



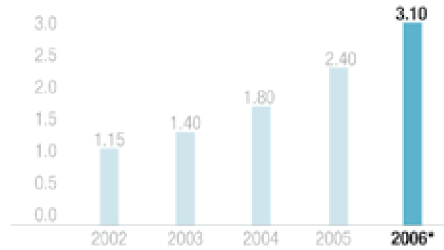
Simplified strucuture of the Renault group

at December 31, 2006



Dividend per share

€



* As proposed at the Annual Renault General Meeting of May 2, 2007.

Automobile market (millions of units)

	2002	2003	2004	2005	2006
Europe (*)	**17.2**	**17.1**	**17.5**	**17.5**	**17.8**
International (**)	38.9	40.3	43	45.2	**47.4**

Group market share (%)

	2002	2003	2004	2005	2006
Europe (*)	11.3	11.1	10.8	10.4	**9.4**
Passengers cars	10.7	10.6	10.3	9.9	**8.7**
Light commercial vehicles	15.6	14.9	14.8	14.4	**14.1**

Group sales worldwide (units)

	2002	2003	2004	2005	2006
Europe (*)	2,015,281	1,954,720	1,928,426	1,852,474	**1,692,196**
International (**)	425,702	460,798	561,344	682,217	**741,176**
Worldwide	**2,440,983**	**2,415,518**	**2,489,770**	**2,534,691**	**2,433,372**

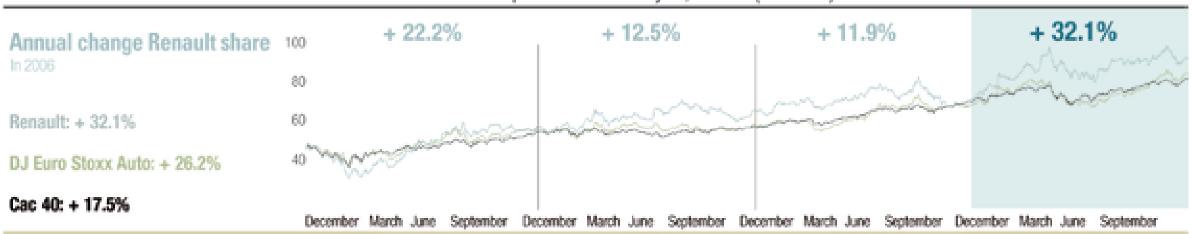
International group sales (**)

	2002	2003	2004	2005	2006
%	17.4	19.1	22.5	26.9	**30.5**

(*) France and Europe regions (**) Euromed, Americas and Asia-Africa regions

Renault share performance from January 2, 2003 to December 31, 2006 (€)

CAC 40 and DJ Stoxx Auto indexed on Renault share price at January 2, 2003 (€48.05)



	2003	2004	2005	2006
Year-end price	54.70	61.55	68.90	**91.00**
High	60.30	70.40	82.45	**97.85**
Low	29.51	51.35	61.30	**70.20**

Renault's share price rose 32.1% in 2006.

Key figures 2006

Group sales worldwide:

2,433,372 vehicles

Revenues - Renault share:

€41,528 million

Operating margin:

€1,063 million

Net Income - Renault share:

€2,869 million

Dividend per share:

€3.10*

Workforce:

128,893

*As proposed at the Annual General Meeting of May 2, 2007.

Contents

The 2006 annual report is supplemented by the registration document filed with the French securities regulator, the AMF, and posted on www.renault.com/Finance.

2006 in pictures

The launch of Renault Commitment 2009 on February 9 stands out as the highlight of 2006. The Group's internationalization and environmental efforts continued. In the sports arena, Renault finished the year with a double Constructors' and Drivers' Formula 1 World Championship title.

Renault Commitment 2009

President Carlos Ghosn presented "Renault Commitment 2009" on February 9, a plan which aims to make and sustain Renault as the most profitable European volume car company.
Renault makes three major commitments: position the next Laguna, to be launched in 2007, among the top three models in its segment in terms of product and service quality; achieve an operating margin of 6% in 2009; and sell an additional 800,000 units in 2009 as compared to 2005.

"Renault makes three major commitments"

World champions

Following the Brazilian Grand Prix on October 22, Renault was crowned Formula 1 World Champion for the second consecutive year in both the Constructors' and Drivers' categories. This unprecedented achievement by a volume automaker is a tribute to Renault's technological and mechanical excellence and to the reliability of its vehicles.

Biofuels

Renault will contribute to reducing CO_2 emissions by ensuring that 50% of gasoline-powered engines offered for sale by 2009 will run on an E85 gasoline-ethanol mix, and 100% of diesel engines on 30% biodiesel fuel. With Clio Hi Flex, Mégane II, Scénic and Master, Renault now offers a complete range of models equipped with Flex Fuel engines. Renault has sold over 20,000 vehicles of this type in Brazil since 2004.

Paris Motor Show

At the Paris Motor Show in October 2006, Renault unveiled Logan MCV, the Logan station wagon launched in the fall, as well as two vehicles that symbolize the upcoming overhaul of the range. The Twingo Concept show car offers a foretaste of the next Twingo, to be launched in 2007, while Koleos Concept evokes Renault's future crossover.

Over 247,000 Logans sold worldwide

Four years after entering the Moroccan market, Dacia climbed to the top spot in the Kingdom's car sales in March 2006, thanks to Logan's success. This represents an industrial as well as a commercial achievement, as Logan is manufactured locally in Casablanca by Renault subsidiary Somaca.

Alliance: united for performance

The fourth Alliance Convention was held in Paris in September 2006, bringing together some 300 key players from Renault and Nissan. Discussions took place around a variety of Alliance topics, such as quality or expanding into new markets. The participants celebrated the Alliance's successes, for example the M9R, which has become a benchmark in its category in terms of performance and driving pleasure.

From the President and CEO

As expected, the first year of the Renault Commitment 2009 plan was a year of transition for the Group. Our strategy involved in-depth changes throughout the company.

- We started by setting priorities, based on our three commitments: quality, profitability and growth. Renault Commitment 2009 was cascaded across the company to enable all 129,000 employees to work towards the same direction in the next three years. We set quantified objectives and prepared action plans for each function in every region. The goal is to mobilize the full potential of Renault and seize every opportunity to make it grow.
- Implementing Renault Commitment 2009 also meant re-examining our organization, methods and processes to ensure that, everywhere in the world, our overriding concern is customer satisfaction. The creation of the Regional Management Committees, for example, put international operations at the center of the company. All functions can now respond to the specific needs of each region and manage operations directly and quickly at the local level.

In September 2006, we decided to make an objective assessment of the plan's deployment through a survey conducted by an independent institute. Every employee was given a chance to express their opinions on the quality of management. The results were compared against a panel of 33 international companies considered to be high performers. They show that the men and women of Renault are highly dedicated and committed to the Company's ambitions. Of the 100,000 who responded, 91% said they are proud to work for Renault. This is 8 points higher than the panel average. 85% of employees consider that our strategy and objectives are clear and motivating – a score that ranks us with the benchmark. These findings demonstrate that Renault is geared up and mobilized to deliver on Renault Commitment 2009.

This start-up phase is crucial to the success of the plan. But it was probably also the most frustrating, because everybody had to work very hard to incorporate and implement the changes without seeing any results.

Moreover, we implemented these changes against strong external headwinds. Like the rest of the industry, we faced three main challenges in 2006:

- First, raw material costs rose significantly, and certainly more than expected. This increase could not be passed on to sales prices.
- Second, our main markets performed sluggishly in 2006. The French market declined by 1.9% and the European market grew by 1.3%, thanks mainly to a dynamic LCV segment, which climbed 4.6%, compared with growth of only 0.8% in the passenger car segment. In addition, the product mix on these markets deteriorated. In Western Europe, the mid-range segment lost 5.5%, mainly to the benefit of the entry-level segment, which gained 6.5%.
- And third, competition was tough. In 2006, sales incentives reached their highest level ever in Spain, Germany, Italy and the UK.

Despite this challenging environment and thanks to the efforts of every employee, we have achieved our first profitability milestone by realizing an operating margin of 2.56%. Quality has improved significantly this year, as seen in the fact that Clio III ranked among the Top 3 right after its launch. And as for our third commitment, growth, we concentrated this year on preparing for the new products, technologies and markets that will fuel growth in the coming years

In Renault Commitment 2009, we also promised that shareholders would participate in the progress made. We have therefore decided to raise the dividend steadily to €4.5 per share by 2009. This year, the Board of Directors will propose that the Annual General Meeting raise the dividend from €2.4 in 2006 to €3.1 in 2007.

The second half of 2007 will mark Renault's return to growth, supported by the launch of four new products (Twingo, Laguna sedan and Laguna station wagon and the Group's first cross-over) and the commercialization of Logan in India, Iran, Argentina and Brazil.

You can count on the commitment of our men and women to make Renault the most profitable European volume carmaker in 2009.

Renault Commitment 2009

On February 9, 2006, President and CEO Carlos Ghosn presented the Renault Commitment 2009 plan, which hinges on **three commitments:**

- Quality: position the next Laguna among the top three models in its segment in terms of product and service quality
- Profitability: achieve an operating profit margin of 6% in 2009
- Growth: sell an additional 800,000 units in 2009, compared to 2005

What progress has been made on Renault Commitment 2009, one year into the plan?

Quality

The first commitment is quality. Renault is now on track to placing the future Laguna in the Top 3 in terms of product and service quality.

Product quality has improved significantly.

- The incident rate fell significantly and consistently across the entire range from 2004 to 2006. Some of our vehicles now rank among the top performers in their segment in Europe, such as Clio III, which external surveys placed among the Top 3 right after its launch.
- The 12-month incident rate for new vehicles has dropped by 40% throughout the entire range.
- Warranty costs as a percentage of revenues are 30% lower in 2006 than in 2005.
- Laguna – the emblem of the quality commitment – is currently in the preparation stage at the Sandouville plant. To date, all development and production milestones have been reached on schedule and with above-target results. This should put Laguna in the Top 3 of its segment in terms of quality. Obviously, customers will have the final say when the car enters the showrooms, but in the meantime, the results are very encouraging.

Progress has been made on **service quality** as well.

- Renault's worldwide network has joined forces to deploy the service chapter of the Renault Excellence Plan (PER4). The aim is to establish service standards that are applied worldwide throughout the network, with 10 essential points to be respected in sales and 10 in aftersales.
- The plan is beginning to produce its first effects. The share of customers who say they are "fully satisfied" with sales and aftersales services increased from 71% to 75% from January to December 2006.

Clio III placed among the Top 3 right after its launch.

Meeting of Renault and Nissan cross-functional teams in 2006.

Profitability

The second commitment is profitability. With an operating profit margin of 2.56% in 2006, Renault has achieved its first profitability milestone (2.5%) thanks to cost reductions, improved profitability of international operations and a strong position in the European LCV market.

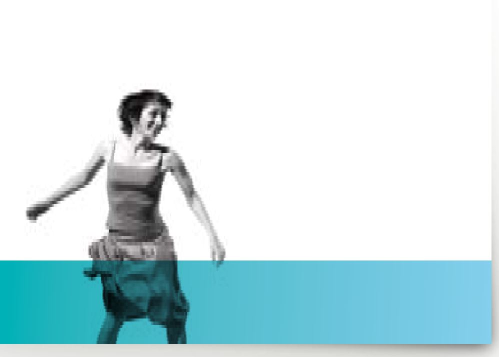
Cost reduction objectives were set for each functional department. What are the results at the end of 2006?

- Excluding the impact of raw material prices, purchasing cost reductions are on track with a 4.1% reduction in 2006.
- Manufacturing costs were up 0.5% in 2006. The under-absorption of fixed costs, due to declining volumes in Europe, was not entirely offset by the improved industrial performance of our plants.
- Logistics costs fell 2.9%.
- General expenses shrank by 3% in 2006 and represent 4.9% of revenues.
- Distribution costs rose 0.7% in Europe. The main factors include increased costs for our deliberate effort to reduce used-vehicle inventories, which declined 21%, and higher sales incentives for fleet and retail customers, particularly in the mid- to upper range.
- In 2006, investment costs were optimized by 26% on the new projects.
- R&D spending increased to prepare for the extension of our product line-up and accelerate the development of technologies, particularly in the fields of environment and safety.

At the same time, the **cross-functional teams** have identified opportunities for generating additional operating profits of over €1.5 billion during the plan period. Action plans are already being implemented for half of these opportunities. In 2006, cooperation between the cross-functional teams and the functional departments contributed €200 million to operating profits through various measures. Some examples are:

- increasing local content and optimizing logistics;
- simplifying the product range with a 40% reduction in the number of versions sold in Europe;
- carry-over of existing parts;
- developing other businesses, such as accessories and customized cars;
- reducing investment expenditure, for example by saving 40% on the capacity extension of the plant in Bursa.

Renault is also enhancing its **brand image**. On the basis of the company's strengths, personality and history, the first step was to determine what Renault wants to be and what its "customer promise" is. All employees are now mobilizing around the brand identity so that each person, within their specific sector, can contribute to making the brand more consistent and understandable for the customers. The first concrete signs of the brand identity will be unveiled in the fall, for the launch of the new Laguna.



Renault Commitment 2009

Growth

The third commitment is growth. Group sales fell 4% this year as Renault concentrated on preparing for the new products, technologies and markets that will fuel growth in the coming years.

Products

Last year, Renault announced a product offensive unprecedented in its history, with the launch of 26 cars during the plan. Half of these cars will be renewals of existing models, and the other half will expand the line-up into new segments. The first tangible results are now visible:

- Two vehicles, Logan MCV and Logan Van, are already in the showrooms.
- Three other vehicles have entered the plants and their industrial processes are being fine-tuned before production ramps up.
- 14 have passed the "contract" milestone. At this stage, the car's design has been fixed, the specifications have been established and the profitability commitments are set. All sectors are now working on developing the various components.
- Six vehicles have passed the "pre-contract" stage, which means that their technical and economic feasibility is assured under the targeted quality, cost and time conditions.
- As for the last vehicle, its target customers, main features and characteristics have been determined.

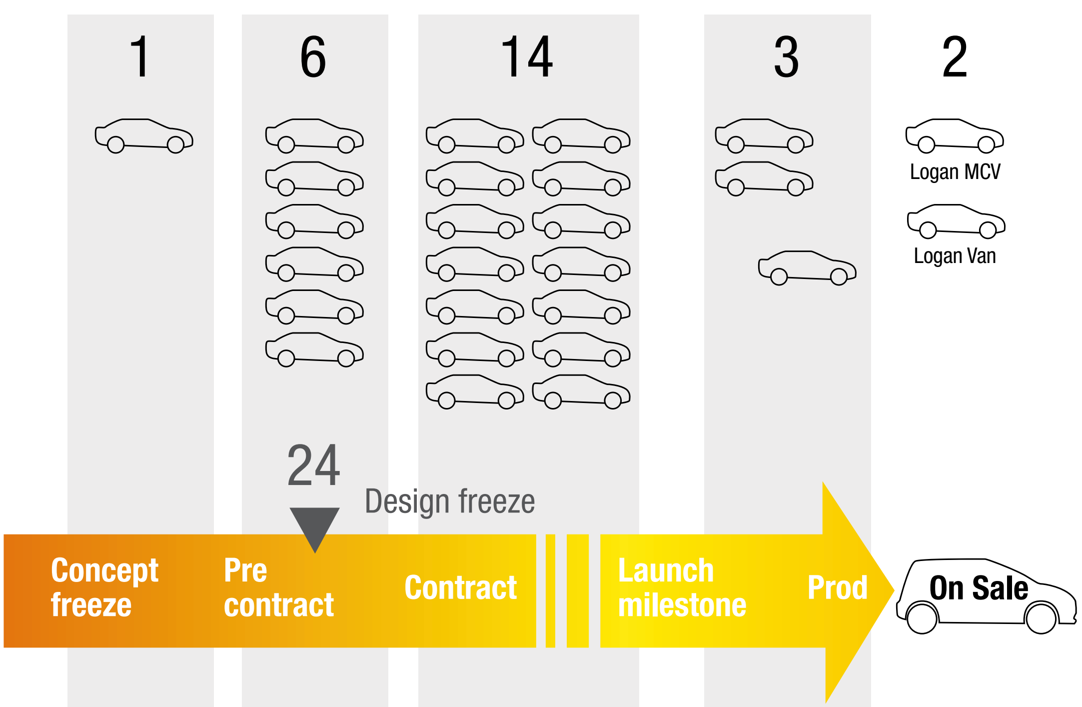
Technologies

This product offensive will be supported by technological progress made in collaboration with Renault's Alliance partner, Nissan. In this respect, Renault filed more patents than any other company in France in 2005 and 2006.

Renault devoted most of its efforts to the environment in order to remain among the top three automakers in France in terms of fuel economy and CO_2 emissions.

In 2006, Renault sold 785,000 vehicles emitting less than 140g of CO_2 per kilometre in Europe, of which 294,000 (an 18.5% increase over the year) emitting less than 120g. These results are in line with the objective set in Renault Commitment 2009 of selling 1 million vehicles emitting less than 140g of CO_2/km, of which one-third will emit less than 120g.

Product plan update



Progress in this field should continue thanks to the breakthroughs made on immediate and affordable solutions, such as biofuels or optimizing traditional engines, which still account for over 90% of the world market.

At the end of 2006, Renault introduced Trafic and Master models running on both diesel and a B30 biofuel mixture in France. They sell at the same price as the equivalent diesel versions. Next spring we will add a 110hp 1.6l 16V Mégane using E85 bioethanol to the biofuel lineup.
Renault also extended its powertrain range with engines that combine driving pleasure with fuel economy. The 140hp 2.0 16V is the first gasoline engine developed within the Alliance, and the 2.0 dCi is becoming a market benchmark with the best output in its category.
At the Paris Motor Show Renault also presented the 100hp TCE (Turbo Control Efficiency). This small, turbocharged 1.2l engine offers the power of a 100hp unit with low consumption and emissions of less than 140g of CO_2 per kilometre. It will equip the new Twingo.

Markets
Growth is also a matter of markets.
In Europe, Renault continues to focus on distribution channels for corporate and retail customers, rather than short-term rentals and self-registrations, in order to enhance the value of its products.
In Colombia, capacity was boosted from 45,000 to 70,000 in August 2006. In Russia, capacity will increase from 60,000 units in 2006 to 160,000 in 2009, and in Romania the output of the Pitesti plant will rise from the current 235,000 to 350,000 units by 2008.
Renault is also following growth into new markets. Its projects in India and Iran will bear fruit in 2007 as production and sales of Logan begin in both countries this spring as well as in the Mercosur countries.

Outlook for 2007

Renault will remain under pressure in the first half of 2007, as in 2006, but the second half will mark the start of the product offensive. Eight vehicles will enter the production stage. After the launch of Logan MCV and Logan Van, four new vehicles will come on the market.
- The new Twingo, to be unveiled in Geneva in March, will be commercialized in June.
- Laguna will enter the showrooms in October.
- It will be followed by the station wagon version in December.
- And lastly, the Group's first cross-over, which was foreshadowed by Koleos Concept revealed at the Paris Motor Show, will be launched in Korea under the Renault Samsung Motors badge in December. It will arrive on European markets in the first half of 2008.

In addition to these major events, Renault will also launch a facelift of the SM5 in Korea in mid-year.
As for Logan, it will be commercialized for the first time in India, Iran, Argentina and Brazil before summer.
These launches are the first wave of the product offensive, which will gain even more momentum in 2008, when an average of one new car a month will be launched.

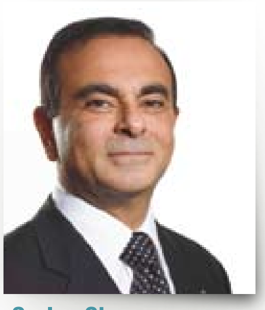
Trafic Biofuel B30 launched in Europe at the end of 2006.

Corporate governance

Board of Directors at December 31, 2006

Louis Schweitzer

Chairman of the Board
Chairman of the Appointments and Governance Committee
Age 64
233,845 shares and 4,969 ESOP units
Date of first term: May 1992
Current term expires (AGM): 2009



Carlos Ghosn

President and CEO
President and CEO, Nissan Motor Co. Ltd.
President of the Alliance Board and Renault-Nissan b.v.
Age 52
5,200 shares
Date of first term: April 2002
Current term expires (AGM): 2010

Yves Audvard

Renault Advanced Process Design Engineer
Director elected by employees
Member of the International Strategy Committee
Age 54
6 shares and 82 ESOP units
Date of first term: November 2002
Current term expires (AGM): 2008

Michel Barbier

Renault Working Conditions Technician
Director elected by employees
Member of the International Strategy Committee
Age 51
141 shares
Date of first term: November 2002
Current term expires (AGM): 2008

Catherine Bréchignac*

Managing Director, CNRS
Age 60
Date of first term: December 2006
Current term expires (AGM): 2008

Alain Champigneux

Renault Document Manager,
Director elected by employees
Member of the Accounts and Audit Committee
Age 53
551 ESOP units
Date of first term: November 2002
Current term expires (AGM): 2008

François de Combret

Senior Advisor to Union de Banques Suisses
Independent Director
Member of the Remuneration Committee
Age 65
1,000 shares
Date of first term: July 1996
Current term expires (AGM): 2008

Charles de Croisset

Vice-Chairman, Goldman Sachs Europe
Independent Director
Member of the Accounts and Audit Committee
Age 63
1,000 shares
Date of first term: April 2004
Current term expires (AGM): 2008

Jean-Louis Girodolle*

Inspector of Finance and Deputy Director, Treasury & Economic Policy Department, Ministry of the Economy, Finance and Industry
Member of the Accounts and Audit Committee
Age 38
Date of first term: October 2003
Current term expires (AGM): on January 1, 2007, replaced by Rémi Rioux.

Itaru Koeda

Co-Chairman of the Board of Directors and Executive Vice President of Nissan Motor Co., Ltd.
Age 65
500 shares
Date of first term: July 2003
Current term expires (AGM): 2009

Marc Ladreit de Lacharrière

Chairman and CEO, Fimalac
Independent Director
Member of the Remuneration Committee and the Appointments and Governance Committee
Age 66
1,020 shares
Date of first term: October 2002
Current term expires (AGM): 2010

Dominique de La Garanderie

Attorney and former Chair of the Paris Bar Association
Independent Director
Member of the Accounts and Audit Committee and the Appointments and Governance Committee
Age 63
150 shares
Date of first term: February 2003
Current term expires (AGM): 2009

Henri Martre

Honorary Chairman, Aérospatiale
Independent Director
Chairman of the International Strategy Committee
Age 79
328 shares
Date of first term: July 1996
Current term expires (AGM): 2007

Jean-Claude Paye

Attorney
Independent Director
Member of the Accounts and Audit Committee and the International Strategy Committee
Age 72
100 shares
Date of first term: July 1996
Current term expires (AGM): 2010

Franck Riboud

Chairman and CEO, Chairman of the Executive Committee, Danone Group
Independent Director
Chairman of the Remuneration Committee
Age 51
331 shares
Date of first term: December 2000
Current term expires (AGM): 2010

Hiroto Saïkawa

Executive Vice-President, Nissan Motor Co., Ltd.
Age 53
100 shares
Date of first term: May 2006
Current term expires (AGM): 2010

Georges Stcherbatcheff

Renault Representative for Industry-wide Standardization
Director elected by employee shareholders
Member of the International Strategy Committee
Age 60
40 shares and 1,810 ESOP units
Date of first term: April 2004
Current term expires (AGM): 2009

Robert Studer

Former Chairman, Union de Banques Suisses
Independent Director
Chairman of the Accounts and Audit Committee
Age 68
1,000 shares
Date of first term: July 1996
Current term expires (AGM): 2007

** Civil service regulations prohibit these Directors, as representatives of the French state, from owning company shares.*

Corporate governance

Activities of the Renault Board of Directors

The Board met ten times in 2006, including two exceptional sessions to discuss Renault Commitment 2009 and a possible alliance with General Motors. At each of these meetings, senior management gave a financial, sales, manufacturing and technical review of all of the company's businesses and answered questions from the Board. The main items discussed were as follows:

Accounts and budget

The Board adopted the 2006 full-year and half-year consolidated financial statements and set the dividend to be proposed to the Annual General Meeting. It also adopted the 2007 operating and investment budget.

Corporate governance

The Board conducted a simplified self-evaluation of its operations, confirming the positive findings of the 2005 evaluation (see box). It also adopted the Chairman's report on internal control procedures and the activities of the Board.

Group strategy

The Board reviewed progress on the strategic objectives of Renault Commitment 2009 and examined the human resource policies related to the plan. It studied the possibility of an alliance with General Motors, evaluated the progress of the Logan program, in particular in terms of international strategy, and analyzed the Group's quality approach.
The Board approved Renault's plans for a site in India and examined the progress of the Russia project.

Alliance

The Board was apprized of the decisions and proposals of the Alliance Board and, in accordance with Alliance governance regulations, of the possibility of a future alliance with General Motors.

Activities of the Board committees

Since its meeting of April 29, 2005, the Board of Directors has had four specialized committees.

The Accounts and Audit Committee

Chaired by Robert Studer, the Committee's other members are Alain Champigneux, Charles de Croisset, Dominique de La Garanderie, Jean-Louis Girodolle and Jean-Claude Paye. Four of the six members are independent directors. The Committee met three times in 2006 and reviewed in particular: the consolidated financial statements and single-entity financial statements for Renault S.A. for 2005 and first-half 2006; the proposed dividend payout for fiscal year 2006; fees for Statutory Auditors and their organizations; the internal audit plan; RCI Banque group structure, operations and strategy; streamlining local structures in Mercosur countries.

The Remuneration Committee

Chaired by Franck Riboud, the Committee's two other members are François de Combret and Marc Ladreit de Lacharrière. All three are independent directors. The Committee met four times in 2006 and examined the conditional stock option plan for 2006, 2007 and Renault Commitment 2009, as well as the remuneration of the Chairman of the Board, the President and CEO and members of the Executive Committee. It also examined a proposal to clarify of the supplementary retirement plan for managers.

Carlos Ghosn presents the Group's stock market performance to shareholders at the AGM.
The members of the Group Executive Committee (from left, Patrick Blain, Michel Gornet, Thierry Moulonguet, Michel de Virville, Patrick Pélata, Jean-Louis Ricaud) and Louis Schweitzer, Chairman of the Board (center), are present.

The Appointments and Governance Committee

Chaired by Louis Schweitzer, the Committee's other members are Marc Ladreit de Lacharrière and Dominique de La Garanderie, both independent directors. The Committee met twice in 2006, and focused mainly on the composition of the Board of Directors and the revision of the list of independent directors based on criteria from the joint report of business associations AFEP and MEDEF. In accordance with governance rules, the Committee reviewed succession plans for Renault managers.

The International Strategy Committee

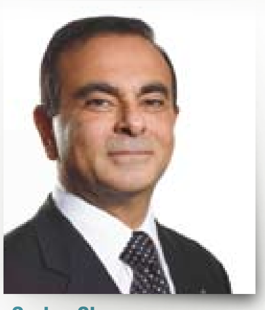
Chaired by Henri Martre, the Committee includes Yves Audvard, Michel Barbier, Jean-Claude Paye and Georges Stcherbatcheff. Two of the five members are independent directors. The Committee met twice in 2006 and examined the situation of the Renault-Nissan Alliance with respect to market developments, Euromed zone strategy and global barriers to trade in the automobile industry.

Audit of the Board of Directors

- On December 5, 2006, the Board of Directors conducted a simplified self-evaluation of structure, organization and operating procedures. This assessment confirmed the positive results of the 2005 evaluation.
- The quality of the Board's organization and operation is thus clearly recognized. Directors commended in particular the frequency of meetings, the relevance of agendas and background documentation, the quality of deliberations and respect for confidentiality. The Board's composition including independent directors and directors representing employees was the main reason for satisfaction.
- The Chairman of the Board of Directors and the relevant committees examined topics as requested by directors. Concerning Renault's long-term strategy and development, the Appointments and Governance Committee proposed the organization of a strategy day in 2008 to prepare for the follow up to Renault Commitment 2009. Topical Board meetings (research, social, environment) will be scheduled in the interim.

Management team

Group Executive Committee at December 31, 2006



Carlos Ghosn

President and Chief Executive Officer
Age 52

École Polytechnique.
École des Mines.
In 1996, after 18 years at Michelin, he joined Renault as Executive Vice President in charge of operations in Mercosur countries as well as Advanced Research, Car Engineering, Car Manufacturing, Powertrain Operations and Purchasing.
In 1999, he was appointed Nissan's Chief Operating Officer, and became the company's President and Chief Executive Officer in 2001. President and Chief Executive Officer of Renault since May 2005, he remains President and CEO of Nissan.

Patrick Blain

Executive Vice President, Sales and Marketing & LCV Division,
Leader, Europe
Age 54

École des Mines.
Master's Degree in Economics.
Master of Science, Stanford University.
Joined Renault in 1977.
Senior Vice President, Market Area France and member of the Renault Management Committee in 1998, then Senior Vice President, Market Area Europe in 2000.
On January 1, 2005 he was appointed Executive Vice President, Sales & Marketing and became a member of the Group Executive Committee and the Renault-Nissan Alliance Board.

Patrick Pélata

Executive Vice President, Plan, Product Planning and Programs,
Leader, Asia-Africa
Age 51

École Polytechnique. École Nationale des Ponts et Chaussées, Doctorate from EHESS. Joined Renault in 1984 and became Senior Vice President, Vehicle Engineering Development and a member of the Management Committee in 1998. In 1999, he became Nissan Executive Vice President, Corporate and Product Planning, Design and Programs, and a member of the Executive Committee. He is a member of Nissan's Board of Directors. He was appointed Executive Vice President, Plan, Product Planning and Programs with the Renault group and became a member of the Group Executive Committee on July 1, 2005. He is also a member of the Renault-Nissan Alliance Board.

Michel Gornet

Executive Vice President, Manufacturing and Logistics
Leader, France
Age 60

École Polytechnique.
Harvard Business School.
Joined Renault in 1968.
General Manager of the Billancourt plant in 1986, then of the Sandouville plant in 1989. He became Senior Vice President, Manufacturing in 1994 and joined the Renault Management Committee at that time. He was appointed Executive Vice President, Manufacturing and Logistics and member of the Group Executive Committee on January 1, 2005.

Thierry Moulonguet

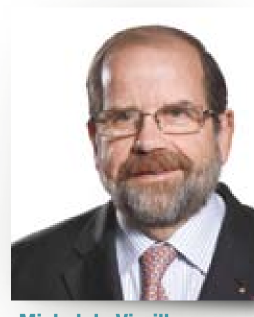
Executive Vice President, Chief Financial Officer
Leader, Americas
Age 55

École Nationale d'Administration.
Joined Renault in February 1991 as Head of Group Financial Relations, before being appointed Vice President, Controller of Capital Expenditures in 1996.
In 1999, following the signature of the Renault-Nissan Alliance agreement, he joined Nissan Motors in Japan as Deputy Chief Financial Officer. In 2000 he was appointed Chief Financial Officer of Nissan. On January 1, 2004 he became Executive Vice President and Chief Financial Officer of Renault and a member of the Group Executive Committee.

Jean-Louis Ricaud

Executive Vice President, Engineering and Quality
Age 54

École Normale Supérieure. Agrégation in mathematics. Chief Engineer at the Ecole des Mines.
Began his career at Cogema. Joined Renault in 2002 as Senior Vice President, Quality and a member of the Renault Management Committee. He was appointed Executive Vice President, Engineering and Quality and became a member of the Group Executive Committee and the Renault-Nissan Alliance Board on January 1, 2005.



Michel de Virville

Corporate Secretary General
Executive Vice President,
Group Human Resources
Age 61

Doctorate in mathematics.
Research engineer at the CNRS (National Center for Scientific Research). Ministry of Labor, 1986. Advisor at the Auditor-General's Department. Joined Renault in 1993.
Became Head of the Human Resources Department in 1996, with responsibility for the Personnel and Social Affairs Division.
In 1998, he was appointed Corporate Secretary General and Executive Vice President, Renault Group Human Resources. He has been a member of the Group Executive Committee since July 1, 1993.

Executive Committee and Management Committee at December 31, 2006

Carlos Ghosn*
President and Chief Executive Officer

Patrick Blain*
Executive Vice President, Sales and Marketing & LCV Division, Leader, Europe

Marie-Christine Caubet
Senior Vice President, Market Area Europe

Jacques Chauvet
Senior Vice President, Market Area France

Marie-Françoise Damesin
Senior Vice President, Corporate Communications

Alain Dassas
President, Renault F1 Team

Rémi Deconinck
Senior Vice President, Product Planning

Odile Desforges
Senior Vice President, Purchasing Chairman and Managing Director, Renault-Nissan Purchasing Organization (RNPO)

Jean-Baptiste Duzan
Senior Vice President, Corporate Controller

Michel Faivre-Duboz
Senior Vice President, Vehicle Engineering Development

Philippe Gamba
Chairman and Chief Executive Officer, RCI Banque

Manuel Gomez
Special Advisor to the President and Chief Executive Officer

Michel Gornet*
Executive Vice President, Manufacturing and Logistics, Leader, France

Philippe Klein
Senior Vice President, CEO Office

Jacques Lacambre
Special Advisor to the Executive Vice President, Engineering and Quality

Patrick le Quément
Senior Vice President, Corporate Design

Benoît Marzloff
Senior Vice President, Strategy and Marketing

Luc-Alexandre Ménard
Senior Vice President, Public Affairs, Chairman of Dacia, Leader, Euromed

Bruno Morange
Senior Vice President, Light Commercial Vehicles

Thierry Moulonguet*
Executive Vice President, Chief Financial Officer Leader, Americas

Patrick Pélata*
Executive Vice President, Plan, Product Planning and Programs, Leader, Asia-Africa

Jean-Louis Ricaud*
Executive Vice President, Engineering and Quality

Jérôme Stoll
Senior Vice President, Mercosur

Yann Vincent
Senior Vice President, Quality

Michel de Virville *
Corporate Secretary General, Executive Vice President, Group Human Resources

** Members of the Group Executive Committee.*

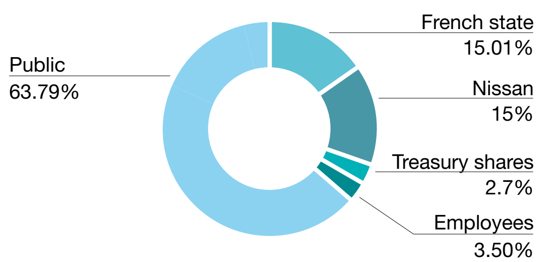
Safety is one of Renault's priorities. All models (here Logan) undergo a crash test to evaluate occupants' safety.

Renault shareholders

Building a lasting relationship with shareholders

Keeping shareholders informed and involved.

Renault shareholders at December 31, 2006



A survey of holders of Renault bearer shares conducted on October 15, 2006 to estimate free float showed that individuals held around 5% of equity and institutional investors around 58.7%, including 13.3% held by French institutions and 45.4% by foreign institutions.

Keeping all shareholders in the picture

Since its shares began public trading in November 1994, Renault has been committed to delivering the same level of consistently clear, transparent information for all individual and institutional shareholders.

Winning the loyalty of individual shareholders

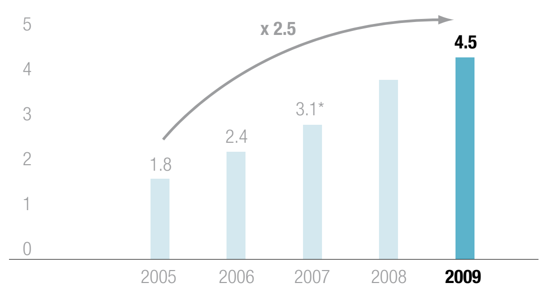
Renault makes information available to its shareholders through a variety of communication tools: designated web pages, toll-free interactive voice response system and email contact (communication.actionnaires@renault.com). To help foster a close and informative relationship, the Renault Shareholders' Club was created in May 1995 for all shareholders, even those who own only one share. Today, nearly 8,000 members receive Renault's quarterly "Shareholder Newsletter" and are invited to participate in events such as site and factory visits or thematic breakfasts with presentations of automobile exhibits, Formula 1, concept-cars, etc. Over 21 such events were offered to Renault Shareholders' Club members in 2006. Informational sessions on Group strategy were also organized in France, and Renault held meetings with shareholders in Marseilles, Lyons, Lille and Bordeaux.

A Shareholders' Advisory Committee, launched in 1996, also works to constantly improve the information provided to individual shareholders. The twelve Committee members met four times in 2006 to discuss such topics as the Annual General Meeting, analysis and perceptions of Renault Commitment 2009, the annual report and the registration document. Renault extends its heartfelt thanks to the members of the Committee for the quality of their work, particularly on the annual report, which was awarded a prize in November 2006.

Participating in the success of Renault Commitment 2009

When Renault Commitment 2009 was presented in February 2006, the Group underscored its desire for all shareholders to participate in the success of the growth plan. Consequently, it will propose that the Board of Directors submit a dividend increase to the Annual General Meeting every year.

Dividend proposal
(€ per share)



As proposed by the Board of Directors and subject to approval by the Joint Extraordinary and Annual General Meeting of May 2, 2007.

Fostering close relationships with institutional investors around the world

Renault fosters its ongoing relationships with French and foreign financial analysts and institutional investors. The Group organizes meetings for financial results releases or the announcement of strategic events, in addition to holding individual meetings with investors throughout the year at the Group's headquarters and abroad. Renault's managers also speak at conferences organized by intermediaries and investors in Europe and the United States, as well as at major auto shows and Group publicity events.

Financial announcements in 2007

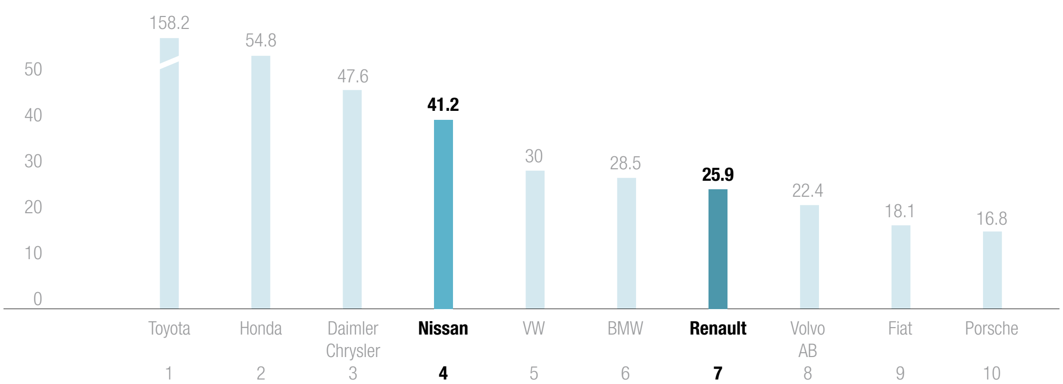
February 8	2006 annual results
April 27	First-quarter 2007 revenues
May 2	Annual General Meeting
May 15	Dividend payment *
July 25	First-half 2007 results
October 24	Nine-months 2007 revenues

**As proposed by the Board of Directors and subject to approval by the Joint Extraordinary and Annual General Meeting of May 2, 2007.*

Carlos Ghosn talks with shareholders after the May 4, 2006 AGM.

Market capitalization: Renault placed seventh worldwide in automobile manufacturing

(€ billion)



Source Reuters

On the basis of a share price of €91, the Renault group's market capitalization stood at nearly €25.9 billion at December 31, 2006, compared with €19.6 billion a year earlier.

Shareholder information

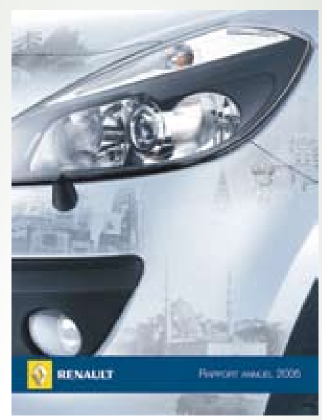
E-mail: communication.actionnaires@renault.com.

Interactive voice response system: 0 800 650 650 (toll-free in France) and +33 (0)1 76 84 59 99.
Renault group employee shareholder hotline:+ 33 (0)1 76 84 33 38 / + 33 (0)1 76 84 31 74.

Access all our documents and watch live broadcasts of major Group events (AGM, earnings releases): www.renault.com/Finance.

To register your Renault shares in bearer form:
BNP PARIBAS – Securities Service – Actionnariat Renault – Immeuble Tolbiac – 75 450 – Paris Cedex 09 – France
Phone: + 33 (0)1 40 14 89 89.

Renault's 2005 Annual Report rewarded for excellence



Renault was awarded the Best 2005 Annual Report prize in the CAC 40 category by the periodicals *Les Échos* and *La Vie Financière*. This prize recognizes the quality and transparency of the Group's documentation (annual report and registration document).
In particular, the jury praised:
- The documents' clarity, readability, and graphic quality, ensuring easy access to information.
- The availability in the annual report of all information needed by shareholders. The description of Renault Commitment 2009 was particularly appreciated.
- The detailed presentation of financial data.


LOGAN
MCV

1

Renewal of the product lineup

Renault's sales dipped 4% in 2006. In the France and Europe regions, the decline came to 8.7% in the run-up to the new product launches and as a result of the shift in commercial policy towards more profitable sales. Renault nevertheless remains the top-selling brand in these regions for LCVs, and the number two for passenger cars and LCVs combined. International sales continued to show strong growth, rising by 8.6% on 2005 and accounting for 30% of total sales at end 2006 compared with 27% the year before.

Product pipeline

Twingo Concept

The Twingo Concept show car gave Paris Motor Show visitors a foretaste of the next Twingo to be launched in June 2007. Aimed unerringly at the young and musical, Twingo Concept stands out as a sporty and attractive city car. This distinctive style will also characterize the next Twingo, whose GT version will echo 90% of the show car's exterior design.

Following Twingo's thirteen years of uninterrupted success, the much-anticipated arrival of its latest incarnation illustrates Renault's promise to overhaul its product range as part of Renault Commitment 2009. Twingo is one of thirteen replacement models among the 26 new model launches planned between now and 2009.

Twingo Concept is a sports car par excellence, its youthful design matched by its 100hp 1.2 16V turbo-charged gasoline engine. The engine's efficiency allows Twingo Concept to combine high performance with environmental protection. Its low fuel consumption keeps CO_2 emissions below 140g/km, in line with one of the environmental goals set in Renault Commitment 2009: to sell one million cars emitting less than 140g/km of CO_2 by 2008, of which a third emitting less than 120g. The new Twingo will also be marketed with diesel engine and right-hand drive options, which were not available before now.

Twingo Concept's interior is inventive and roomy. It accommodates four passengers in independent bucket seats with integrated headrest, offering optimum seating comfort. The car's ambiance takes its cue from the musical universe: a central console is equipped with a USB port and multiple docks for Apple iPods and a Nokia smartphone. The dashboard includes an integrated mixing deck, and the steering wheel is fitted out with a Bluetooth e-conferencing microphone as well as controls for all of Twingo Concept's on-board devices.

Koleos Concept

Renault unveiled Koleos Concept at the Paris Motor Show. This show car prefigures the upcoming Renault crossover, which will be marketed in Europe beginning in spring 2008. It combines the comfort and ruggedness of an SUV with the dynamic and fluid performance of a sports sedan, while its spacious cabin evokes that of an MPV.

Koleos Concept marks Renault's arrival on the SUV segment and confirms the company's commitment to launching 13 models to expand the product range into high added-value niches. It also highlights Renault's intention to move into the very profitable crossover market.

Koleos Concept was designed jointly by Renault, Renault Samsung Motors (RSM) and Nissan. Its athletic lines were drawn by Renault's Design department in cooperation with that of Renault Samsung Motors in South Korea. Engineering was developed through the Renault-Nissan Alliance.

Koleos Concept's innovative chassis is an expression of Nissan's recognized know-how in crossover vehicles. It was presented in Paris with a 2.0 dCi diesel engine, also developed through the Alliance. Combined with a manual 6-speed gearbox, this engine gives Koleos Concept the driving pleasure of a sedan.

Renault's future crossover will be sold under the Renault brand and, in South Korea, under the Renault Samsung Motors brand. Manufactured by RSM's Busan plant in Korea, it will be launched in South Korea, where the crossover market represents almost a quarter of domestic auto sales, at the end of 2007. The future crossover gives Renault the opportunity to attract a new clientele and to win market share in a high-growth segment.

Unveiled at the Paris Motor Show (France), Koleos Concept prefigures the upcoming crossover, which will be rolled out in spring 2008.

Product pipeline

Logan MCV

Two years after the introduction of Logan sedan, Dacia expanded its lineup with the launch of the Logan MCV (Multi Convivial Vehicle) station wagon in 2006. Presented as a show car (Logan Steppe Concept) at the Geneva International Motor Show in March 2006, Logan MCV was revealed in its definitive form at the Paris Motor Show. It is the second model in the Logan range. Manufactured at the Dacia plant in Pitesti, Romania, Logan MCV was rolled out under the Dacia brand in Romania and Bulgaria in October 2006 before entering the major European markets at the start of 2007.

Just as Logan revolutionized the family sedan market, Logan MCV is poised to break out in the station wagon segment. Offering seating for up to seven adults, this new model combines a roomy, multi-purpose interior with unequalled space, versatility and value. In its five-seat configuration the car has a loading capacity of 700 liters.

Logan MCV was developed for often extreme driving conditions. At once simple, robust and reliable, the car benefits from Renault's engineering expertise, in particular with the choice of the Alliance's B-platform. Designed for a wider range of uses than Logan sedan, Logan MCV also offers more safety features.

Logan MCV comes with three gasoline engines (1.4 and 1.6 MPI, 1.6 16V) and a diesel engine (1.5 dCi), all of which have proven themselves in numerous models in the Renault lineup.

Combining spaciousness and comfort, Logan MCV has all the trappings for success on the station wagon market.

Logan MCV was launched under the Dacia brand in Romania and Bulgaria in October 2006.

Nepta, Renault's latest high-end concept car.

Nepta and Altica

The Nepta concept car illustrates Renault's commitment to strengthening its presence at the high end of the market, where it aims to double its sales by 2010. Its 420hp 3.5 V6 direct fuel-injection engine provides top of the range driving pleasure.

The Altica concept car evokes a station wagon, combining practicality with an athletic feel. Its long hood and curved forms highlight the car's sporty energy, while the spacious interior and extensive window surface offer exceptional traveling comfort. Equipped with a 2.0 dCi diesel engine from the Renault-Nissan Alliance, Altica is extremely economical with fuel consumption of 5.3l/100km on a combined cycle and a maximum CO_2 emissions rate of 140 g/km.

The Altica concept car offers a practical and sporty vision of the station wagon.

"Keeping the focus on our customers"

Rémi Deconinck
Senior Vice President,
Product Planning

Where does the product plan fit into Renault Commitment 2009?
Renault's entire strategy is based on the successful deployment of the product plan. Twenty-six new vehicles will be launched by 2009, half of which to replace existing models, and the other half to expand the range. This means that we are preparing to conquer new clients and new markets. It is a true growth plan. Between now and 2009, we will be launching new products twice as fast as in the past decade.

What are the major challenges in reaching this goal?
Renault needs to make the shift from an essentially European positioning to one that is far more international. The Group already operates in Central Europe and Russia, and in 2007 it will launch production in Iran and India. To support this evolution, the Product function will be reinforced. We will have more correspondents around the world able to relay customer expectations, because the key to creating cars with market appeal is understanding customers' needs. And these are very different from one market to another. The Logan experience taught us a great deal in this area, which is what led us to diversify that model.

What are the next steps?
The Koleos Concept, Twingo Concept and Logan MCV unveiled at the Paris Motor Show indicate the direction we intend to take. The first is a symbol in its own right, representing Renault's desire to enter the crossover market. It was designed with Nissan's know-how and will be manufactured in South Korea. And, of course, in 2007 we will launch the next Laguna, which is a pivotal element of Renault Commitment 2009.

Passenger cars

Contrasting performances in global sales

Group sales slipped 4% in 2006 to 2.433 million units.

In 2006, worldwide sales for the Renault group totaled 2,433,000 vehicles, down more than 101,000 units, or 4%, on 2005. This result reflects contrasting trends, with a decline of more than 160,000 units, or 8.7%, in the France and Europe regions, and an increase of almost 59,000 vehicles, or 8.6%, in the rest of the world. The Dacia and Renault Samsung Motors brands continued to perform well, with sales up more than 32,000 units (19.5%) and 2,000 units (2%) respectively, whereas Renault brand sales were down 136,000 units, or 6%.

Twingo

In the small city car segment (A segment), after 13 years on the market and with a restyle scheduled for June 2007, Twingo registrations dropped 28.7% to 55,000 units. In France, despite a 6.4% decrease in registrations, Twingo was still the segment leader, with a 23.6% market share.

Modus

Modus registrations dropped by nearly 86,000 on 2005, giving it 11.4% of the mini-MPV segment. Growth in this segment was lower than estimated, and the sales targets announced when Modus was released in September 2004 have not been reached. However, a total of 308,000 units have been sold since the model was launched and customer surveys show a very high level of satisfaction among Modus owners.

Clio

With sales growth of 28.2% powered by the success of Clio III, released in September 2005 and voted Car of the Year 2006 in Europe, Clio is the second best-selling vehicle in the B segment where it has garnered 9.8% of the market. Clio II, which has been kept in the range in order to offer an entry-level vehicle in the B segment, is proving to be a valuable complement to Clio III. Clio II reported steady sales in 2006 and generated 25.3% of total Clio sales. Clio II was boosted by an upgrade in September 2006 and is now sold under the name Clio Campus. Clio III had an unprecedented standard of quality at market launch, demonstrating Renault's successful efforts to improve quality. The vehicle's high-end positioning was consolidated in May 2006 with the launch of a Renault Sport version, manufactured in Dieppe, and a new 140hp 2.0 16V gasoline engine developed through the Alliance with Nissan. And in September, Renault released a new version of Thalia/Symbol/Classic, the Clio three-box first launched in 1999 and marketed in 64 countries.

Mégane

In the C segment, Mégane II, which has been on the market for four years, recorded an 18.8% drop in sales in 2006 with 124,500 vehicles less than in 2005. With 3.4% of the European passenger car market for the year, Mégane II was the No. 3 vehicle in Europe across all categories. It is also in

third position in the segment with a share of 10.7% (versus 12.5% in 2005) and leads the segment in France (24.9%), Slovenia (22.7%), Portugal (18.7%) and the Netherlands (12.0%). In 2006, nearly 538,300 Mégane II were sold in the France and Europe regions in a segment that contracted by 4.9%. In January 2006, Mégane II was boosted by the launch of New Mégane featuring the Alliance's new diesel engine, the 150hp 2.0 dCi 16V. Sales of Scénic II were also given a boost, thanks in particular to an exclusive triple offering consisting of five-seat Scénic, five-seat Grand Scénic and seven-seat Grand Scénic. At the end of May 2006, the Douai plant passed the million-unit mark for Scénic II models rolled out since its launch in 2003.

New Clio Renault Sport was launched in 2006 with a new, naturally-aspirated 2.0 16V engine boosted to 200hp for ultimate driving pleasure.

Mégane was the best-selling French car in Europe in 2006.

Laguna
In the upper mid-range D segment, which contracted by 3.3%, nearly 78,400 Lagunas were sold in 2006. This represents a 27.2% decline on 2005, which can be attributed partly to anticipation of Laguna III, slated for release in September 2007.

Vel Satis
The brand's high-end range is up for renewal with five new vehicles scheduled for 2009, but in the meantime Vel Satis sales slipped in 2006. With 4,900 Vel Satis registered in 2006, Renault's share of the upper E1 segment dipped four-tenths of a point to 0.8%. In June 2006, Vel Satis was equipped with two new diesel engines: the 2.0 dCi, fitted with a particulate filter and available with 150hp and 175hp outputs, and the 180hp 3.0 dCi V6 in a more powerful version now teamed with a six-speed proactive automatic transmission.

Espace
Espace IV, which has been on the market for four years, confirmed its No. 1 position in the MPV segment with a share of 14.8% in 2006, down 3.4 points. The segment stabilized (up 0.9%), after contracting for almost two years. Espace leads its segment in France (35.5% share), the Netherlands (25.5%), Belgium-Luxembourg (20.1%) and Switzerland (18.1%). In March 2006, Espace was boosted by the launch of a phase-two model equipped with the Alliance's new diesel engine in 150hp and 175hp formats and fitted with a particulate filter. More than 42,000 Espace models were sold in 2006.

Renault Samsung Motors
In 2006, Renault Samsung Motors upped sales by 2.4% to more than 119,000 units, on the back of the brand's strong performance in South Korea, where Renault Samsung Motors generated 97.7% of its total sales.

SM7, the top of the Renault Samsung Motors line.

Passenger cars

Logan confirms its sucess

Logan sales have climbed rapidly since its 2004 launch, proof of the spectacular success of a model that has made its mark on the automobile world.

In 2006, Logan sales almost doubled worldwide with 247,514 units sold under the Dacia and Renault brands, taking total sales since the model was launched in Romania in September 2004 to 415,300. This is a spectacular result for a model with unmatched value for money.

Logan is now marketed under the Dacia brand in 51 countries. In Russia, Colombia, Venezuela and Ecuador, it sells under the Renault brand. In Romania, it accounts for 37.5% of passenger cars registered. In Morocco, Dacia is second only to Renault since March 2006.

The model's success has led Renault to increase production capacities at the Dacia plant in Pitesti, Romania to 235,000 units per year, up from 200,000 in mid-2006, while the Avtoframos plant in Moscow will see its capacity expand from 60,000 to 80,000 units annually in 2007. Logan is also manufactured in Colombia and Morocco and will begin producing in Iran, India and Brazil in 2007. It thus makes a key contribution to the Group's international growth and the third objective of Renault Commitment 2009: to sell an additional 800,000 units in 2009 as compared to 2005.

In early October of 2006, Dacia reinforced the model's appeal with the release of Logan New Collection featuring new upholsteries, equipment options and exterior design. It also introduced a new up-market "Prestige" version equipped with an exclusive 1.6 16V engine offering the line's best driving pleasure and performance.

Logan MCV, the line's station wagon version, was launched in Romania and Bulgaria in October 2006.

Renault signs an agreement with Mahindra in India

At the end of 2006, Renault and the Indian group Mahindra signed a memorandum of understanding for the establishment of a long-term strategic partnership in India. In the next five years, the two groups will create a new plant with annual capacity of 500,000 units serving the local market. This agreement capitalizes on the success of the existing joint venture between Renault and Mahindra for producing and marketing Logan in India as from April 2007.

In 2006, Renault sold 247,514 Logans around the world.

Powertrains

Powertrains for driving pleasure

Following the release of the 175hp version of the 2.0 dCi engine in the spring, the 150hp version was coupled to a 6-gear automatic transmission in New Scénic.

At the same time, the offer of gasoline engines was expanded with the launch of three new engines. New Clio Renault Sport was fitted out with the new, naturally-aspirated 2.0 16V engine, which reaches 200hp at 7,250rpm and is based on the 2.0 16V that made the reputation of Clio RS.

Renault presented the first gasoline engine developed within the framework of the Renault-Nissan Alliance, a 140hp 2.0 16V destined to become a benchmark on the B segment.

Another new gasoline engine, the 100hp TCE, will equip Clio, Modus and Twingo GT in the first quarter of 2007. The new 100hp TCE gasoline engine delivers the power of a 1.4-liter unit, the torque of a 1.6-liter engine (145Nm) and the fuel consumption of a 1.2-liter power plant. With CO_2 emissions restricted to 140g/km, it should establish a new benchmark in consumption for this level of performance.

Available in Clio and Modus, the particulate filter with exhaust post-injection involves some 30 patents and allows regeneration of the particulate filter under all driving conditions, including at low speeds and while idling.

100hp TCE

The powertrain range grew in 2006 with the arrival of new gasoline engines, while the benchmark 2.0 dCi engine was made available in more models.

Biofuel options already available in Europe

Renault has already brought biofuel options to the market. Trafic has been available since the end of 2006 with a B30-compatible 90hp and 115hp 2.0 dCi engine, and Master is offered with the Euro 4, B30 100hp and 120hp 2.5 dCi. These engines will run on diesel or a biodiesel mix (B30), with specific technology allowing them to adapt automatically to the type of fuel that is in the tank.

Renault will present a biofuel Mégane in 2007, equipped with a 110hp 1.6 16V engine that can run equally well on either bioethanol (E85) or gasoline.

Central to Renault's environment plan

Renault has set three goals for environmental protection in Renault Commitment 2009: rank among the top three automakers worldwide in terms of CO_2 emissions, offer a lineup of biofuel-powered vehicles, and develop a full array of alternative technologies.

Thanks to its range of efficient powertrains, Renault already ranks with the best in terms of CO_2 emissions.

Under its "120/140" plan, Renault aims to sell one million vehicles emitting less than 140g/km of CO_2 by 2008, of which one third less than 120g/km. The newest gasoline engine, the 100hp TCE, perfectly illustrates the expertise Renault has developed in this area.

The Group has also promised that 50% of gasoline-powered engines for sale in 2009 will run on biofuel (a gasoline/ethanol mix). By that date, all diesel engines in the lineup will be able to operate on 30% biofuel. Renault is already a pioneer in this field. In Brazil, the Group has been selling Flex Fuel Clio and Mégane running on E100 since 2004. At the end of 2006, the group launched Trafic and Master models fuelled by biodiesel (see box).

And lastly, within the Alliance, Renault is preparing a full range of alternative technologies, including hybrid and electric vehicles and fuel cells.

Light commercial vehicles

Renault remains No. 1 in Europe

Renault is the LCV leader in the France and Europe regions for the ninth year running.

The light commercial vehicle market in the France and Europe regions grew 4.8% in 2006 to 2.3 million units. With LCV sales up 2.9% in 2006, the Renault brand sold a record 318,000 vehicles, enabling it to maintain market share of 14.1%, down 0.3 point, and keep its No.1 spot for the ninth year running. Renault sales continued to rise in Germany (up 2.4%), the Netherlands (up 6.4%), and France (up 6.7%) where Renault captured 34.3% of the market. However, sales decreased in Italy (down 9.6%), Spain (down 2.8%) and the UK (down 1.9%).

Kangoo, which is now manufactured on four continents (Europe, Asia, South America and Africa), maintained its lead in 2006. On the small van segment, Kangoo Express remained number one in the France and Europe regions with a 19.7% share of the segment (down 0.3 point on 2005). With 108,500 units sold, Kangoo Express is in second place in the European LCV market across all categories.

On the car-derived van segment, Clio Van continued to lead with a share of 14.3% (down 0.17 point on 2005). Mégane Van registrations, down 3.5%, accounted for 5.4% of the segment (down 0.7 point).

On the van segment, Renault was in second position, increasing market share by 0.3 point to a record 13.7%. Sales of Trafic rose 2.8% and Master by 3.6%. The launches of a phase two for Trafic and a phase three for Master in October 2006 enhanced the appeal of the range and lifted sales.

Nine years after its launch, Kangoo LCV remains number one in the European small van segment.

Trafic Passenger and Trafic Generation have encountered growing success since their respective launches in 2003 and 2004.

To comply with Euro 4 standards, the diesel engine range was completely renewed with the advent of the 2.0 dCi, developed through the Alliance. This more powerful, more flexible and more fuel-efficient engine comes in two versions - 90hp and 115hp. The power of the 2.5 dCi, fitted with a particulate filter, has been increased from 135hp to 150hp.

The new engines are fitted with new manual and robotized six-speed gearboxes. Renault is now a leader in the European camping car market, with almost 9,000 units sold in 2006. Camping cars accounted for 14% of Master's sales.

New Master is equipped with 2.0 dCi (90hp and 115hp) and 2.5 dCi (100hp and 120hp) B30 compatible engines, which can run on up to 30% biodiesel. They contribute to reducing CO_2 emissions by 20% "from well to wheel".

Kangoo VP is still among the top three European brands on the leisure activity vehicle market.

The vehicle range

RENAULT

Passenger cars

Twingo

Clio II Campus

Clio III - three-door

Clio III - five-door

Clio III Renault Sport

Mégane - five-door
(exists in a three-door version)

Mégane Renault Sport

Mégane GT

Mégane sedan

Mégane coupé-cabriolet

Scénic

Logan

Laguna

Laguna Estate

Espace

Grand Espace

Kangoo Generation 2007


Thalia / Symbol / Classic


Kangoo Express


Trafic LCV

LCVs


Modus


Master LCV (L1 H1)


Master RWD


Mégane Estate

DACIA


Logan


Grand Scénic


Logan MCV


Logan Van


Vel Satis

SAMSUNG
RENAULT SAMSUNG MOTORS


SM 3


Trafic Generation


SM 5


SM 7

2

Dedicated to the success of Renault Commitment 2009

Every one of Renault's divisions geared up in 2006 to meet the three commitments of Renault Commitment 2009. Quality procedures were strengthened, R&D reorganized and the production and parts & accessories sectors reinforced. Last but not least, Renault kept its double Constructor and Driver titles in the Formula 1 World Championship.

Quality first…

The quality commitment

Renault's ambition is clear: to place the next Laguna, and then each model in the Renault lineup, in the top three of its segment for product and service quality.

Renault Commitment 2009 has added a new dimension to Renault's quality approach. The commitment to place the next Laguna among the top three of its segment for product and service quality is emblematic of this approach, and the progress made will be applied with the same diligence to the rest of the lineup, everywhere in the world.

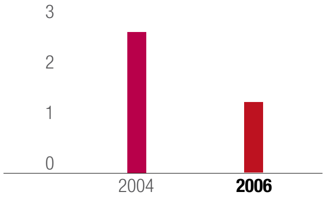
When launched in 2007, the next Laguna will be a pledge of Renault's commitment to quality across the entire line-up.

By making the next Laguna the emblem of this commitment, Renault also intends to show that the problems encountered by Laguna II when it first entered the market have been analyzed and resolved.

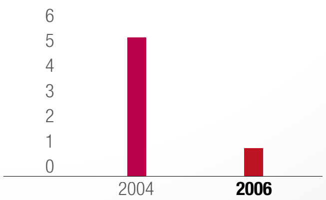
The Group is also reaffirming its ambitions in the high end of the market, a segment that is as competitive as it is profitable.

	PRODUCT QUALITY	SERVICE QUALITY
INDICATORS OF COMPARISON WITH COMPETITORS	Unpublished external survey by JD Power for initial quality	Unpublished external survey by CCX for sales
	Unpublished external survey by Sofres for quality up to 3 years on the road	Unpublished external survey by SSM for aftersales
	Published external survey by JD Power for product and service quality at 2 years on the road	
INTERNAL PROGRESS INDICATORS	Unpublished external survey by ESTEL for initial quality	Internal survey by QVN for sales
	Warranty indicators	Internal survey by QSA for aftersales

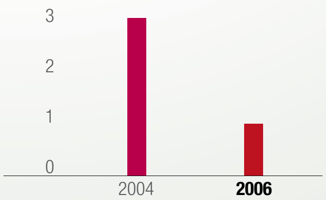
Quantified progress



More than halved the number of breakdowns for passenger and light commercial vehicles in the first three months on the road, including incidents that customers consider as off-road vehicle breakdowns.



Divided by more than five the number of defects at the end of the assembly line requiring later correction.



Divided by three the number of faulty parts delivered by suppliers.

The quality approach involves all areas of the company from design to aftersales. Independent agencies evaluate the progress achieved.

The quality and reliability of Renault's F1 engines led to twofold Constructor's and Driver's trophies for two years in a row, confirming the quality improvements achieved for volume production vehicles.

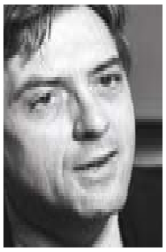
In 2003, the Group initiated a structured approach to quality improvement with the Renault Quality Plan (2003-2004), followed by the Renault Excellence Plan (2005-2008), and it is building on the progress made. The goal is to anchor quality in standardized processes within the company. All areas of activity are involved, from vehicle design through manufacture and sales to aftersales. To ensure objective results, quality commitments will be evaluated through multi-manufacturer surveys carried out by independent entities.

To support this approach and ensure that quality commitments are met, every month Renault's Executive Committee analyzes the results for the current Laguna, the next Laguna, the full lineup under development as well as the 150 major quality actions underway. The 2006 results are in line with the Group's objectives, as demonstrated in particular by the high caliber of quality achieved by Modus and Clio III right from their launch.

For service quality, results are in line with the objectives. The 2006 findings of a survey carried out in France by the independent agency JD Power place Twingo, Espace and Kangoo first in their respective categories for "Service satisfaction", while Clio placed third on its segment. The efforts that led to these successes will be pursued.

"Renault Commitment 2009 demonstrates the Group's dedication to quality."

"Making our best practices the standard"



Yann Vincent
Senior Vice President, Quality

What does the first objective of Renault Commitment 2009 mean to you?
This is a commitment to position the next Laguna among the top three of its segment in terms of product and service quality. We are talking about a concrete goal with a close deadline, and also a commitment involving all the models to follow. In terms of quality, we are not starting from a blank page. The Group set a new course with the Renault Quality Plan in 2003-2004, followed by the Renault Excellence Plan for the years 2005-2008. Renault Commitment 2009 has led us to reevaluate all of our actions, to add some and highlight others. In the end, we are focusing on 150 key actions to allow us to meet our first commitment.

Will Renault reach this objective?
We are very confident. First, because Renault likes challenges and everyone on the team is highly dedicated and motivated. Second, because the current Laguna has made huge progress and has already achieved a very satisfactory level. And finally, with Clio III and Modus, we were able to demonstrate the validity of our approach.

What are the major challenges?
With the introduction in recent years of Renault Production System, Design System and PER 4, Renault is adopting a standard-based culture. We have to continue to standardize our best practices in order to guarantee a consistently high level of quality.

Research and development

Offer the best technology to the greatest number of clients

Research was given a boost in 2006 with the creation of the Department of Research, Advanced Studies and Materials Engineering (DREAM). Its task: to strengthen links between research teams and advanced studies. Its overriding objective: to place customer satisfaction at the center of innovation strategy.

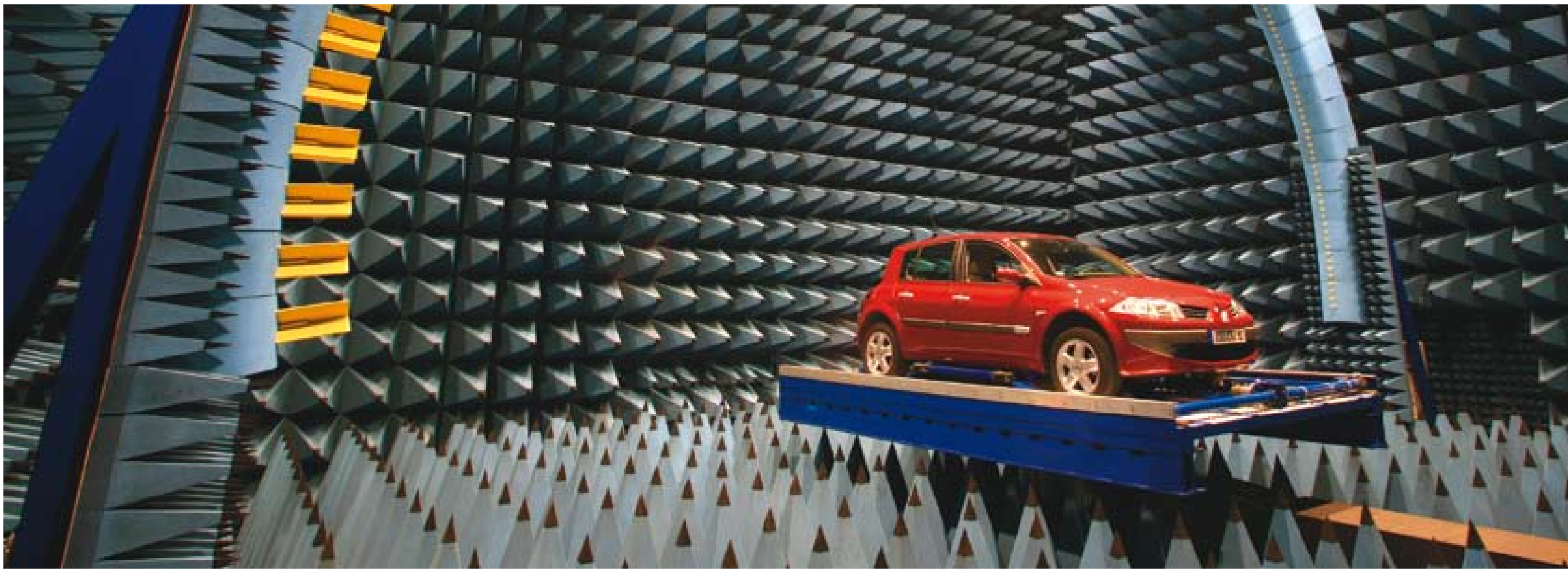
The goal of DREAM, and of all of Renault's R&D, is to facilitate access to innovation by offering the best technology in on all its vehicles, not just in the up-market range.

The 5.8% of revenues allocated to R&D (around €2.4 billion in 2006) highlight Renault's determination to prepare for the future. This substantial effort is bearing fruit, and in 2006 Renault remained the leader in terms of patents filed with 933 patent applications.

Renault's research focuses on four key fields to maintain a competitive edge:

- **Emissions.** Around half of the research budget is devoted to environmental issues and energy conservation. In Renault Commitment 2009, the Group undertook to sell a million vehicles emitting less than 140g/km of CO_2 by 2008, a third of which emitting less than 120g/km. To achieve this goal, Renault is exploring every possibility: weight reduction, improved aerodynamics, reduced road resistance, etc.
- **Traveling comfort.** Renault has identified this as one of the main criteria differentiating automakers in the coming years. Research involves comfort features such as air conditioning, frequently part of the standard offer, and on-board ergonomics.
- **Safety.** The Group already shines in this area with eight vehicles rating five stars in Euro NCAP testing. Renault's "integral safety" approach aims to prevent risks by facilitating certain driver tasks, to correct errors by ensuring vehicles have optimal road performance and to protect passengers in case of accident.
- **Dynamic vehicle performance.** Renault continues its drive to improve every feature related to the customer's perception of safety or durability; such as acoustic comfort or engine function.

All models are subjected to SAA (aeroacoustic) wind tunnel testing. Here, Clio RS is undergoing aerodynamic testing.



Renault's electromagnetic center dedicated to testing and improving vehicle safety and sturdiness as perceived by customers.

In 2006, Renault participated in 96 French or European programs on a wide array of topics ranging from accidentology or acoustics to on-board technology. These programs are developed with outside partners, suppliers or other agents, numbering from five to 50 depending on the topic.

R&D programs involve every aspect of a car. Here, the New Scénic dashboard with enhanced readability.

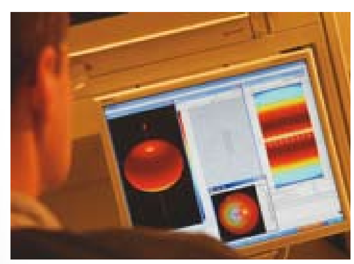
"We have to consider value for the customer"

Michel Vimont
Vice President, Research, Advanced Studies and Materials Engineering

How do Research and Advanced Studies fit into Renault's desire to center its strategy on customer satisfaction?
Historically, Renault has defined "customer need" in terms of services. Now we are going one step further by bringing in the idea of an innovation's "value for the customer". We want to put the accent on "irreversible" services, i.e, services that become standards. We also want to personalize the product offering with affordable services for the core range. Our technical solutions must be increasingly segmented to meet the growing diversity of customer expectations.

How did the creation of DREAM improve the organization of the Research function?
DREAM aims to foster closer links between Research and Advanced Studies. It was created on January 1, 2006 to improve project management in four main areas: the environment (almost half of our budget), safety, traveling comfort (a growing priority), and finally a new area: dynamic vehicle performance.

How is cooperation organized between the Renault and Nissan teams?
The goal is clear: to avoid duplicating our efforts, we must define areas of cooperation together. Projects are carried out by one or the other partner to the benefit of both companies, or together through collaboration between our teams.



Research and Advanced Studies aim to provide innovative solutions to satisfy increasingly diverse customer expectations.

Production performance

Competitive and versatile production facilities

Renault successfully launched production of four vehicles on four continents in 2006 – evidence of the company's strengths as it prepares for the 2007 industrial launch of New Twingo and the next Laguna.

Four successful production startups in 2006 demonstrate the global nature of Renault's facilities. Clio III production was launched in January at the Group's plant in Bursa, Turkey, already home to Clio II three-box and Mégane three-box.

The Dacia plant in Pitesti, Romania began manufacturing the Logan MCV station wagon in October 2006. The Curitiba plant in Brazil started up Mégane II production for both sedan and station wagon versions. In the area of light commercial vehicles, the Group began manufacturing phase 2 of Master at the Sovab plant in Batilly, France. A €200 million investment at this site has been announced to develop Master's replacement.

These production launches highlight the effectiveness of the Renault Production System (SPR), which is continually enhanced with the Alliance's best practices. Deployed in each of the Group's 34 production sites, SPR is based on task standardization and daily quality management. It aims to ensure consistent quality and performance around the world.

In 2006, Renault prepared for the launch of Twingo's successor and the next Laguna in 2007. The two vehicles entered the plant as scheduled, on target for the first industrial milestone.

Implemented in the Group's 34 production sites, SPR ensures consistent quality and performance around the world, (here in Pitesti, Romania).

Sustainable development is a major focus for Renault. Today over 90% of the Group's production sites meet ISO 14001 standards.

Renault's production facilities once again demonstrated their versatility and ability to adapt to commercial demand. The plants made ample use of the flexible working time agreements, which enable personnel to work more when demand is strong and take days off when demand is weaker.

The plants also transferred staff from plants with less activity to those with more activity, in both Spain (Valladolid) and France (Sandouville). The Valladolid plant was also able to start assembling Clio III in September 2006, less than eight months after the initial decision was made.

Renault's sustainable development policy reaps rewards

Sustainable development is at the heart of Renault's production system. The Group has been honored repeatedly for its international efforts to reduce the environmental impact of its activity, at every stage of the automobiles' life cycle. Renault thus received the eco-design prize for the Modus dashboard in 2005, and was awarded the "Environmental Management for Sustainable Development" prize by the French Ministry of Ecology and Sustainable Development (one of the Ministry's "Companies and Environment" awards) in 2006. The Group has also systematically pursued certification over the past ten years, with over 90% of Renault sites now meeting ISO 14001 standards. In another environmental move, Renault introduced water-based paint facilities in Valladolid in 2006.

Safety in the workplace was the theme of a worldwide poster campaign in 2006 based on the slogan "My safety is my business". That same year, the Group registered the best results for workplace safety among all automakers worldwide.

Purchasing

Improving purchasing efficiency

The Purchasing Department faced two major challenges in 2006: reducing costs by 14% over three years – as laid out in Renault Commitment 2009 – and maintaining performance in the face of soaring raw material and energy costs.

In 2006, the Purchasing Department intensified its efforts to support quality, profitability and growth as part of its contribution to Renault Commitment 2009.

In terms of quality, Renault is aiming for 100% conformity. For the next Laguna, 108 components were identified as critical and targeted for particular attention by the Department, either because the suppliers are new or the components are particularly complicated to manufacture. The goal is an ambitious one: 100% component reliability in the very first vehicle batches produced in the Sandouville plant.

In terms of profitability, the Purchasing Department has implemented a global cost reduction plan designed to increase the share of regional sourcing. Local content should reach 80% for vehicles manufactured at production sites outside Western Europe. Supplier engineering and tooling costs will also be reduced by 30% for each new project compared to its predecessor. The Purchasing Department is also optimizing its own costs on a global scale, with the objective of lowering operating costs by 5% annually based on the same scope.

In terms of growth, the Purchasing Department is committed to supporting the Group's sales growth by accompanying its international development and fostering local content.

The role of Renault-Nissan Purchasing Organization (RNPO) became even more important this year. Purchases made jointly through RNPO now account for 75% of the Renault-Nissan's total purchases.

2006 was marked by a difficult economic environment, with a steep rise in raw material prices leading to a cost increase of €429 million in 2006 over 2005. Renault was able to

"We promote long-term relationships"

Odile Desforges
Senior Vice President, Purchasing

How did the Purchasing Department meet its goals in the context of soaring raw material prices?
The increase in raw material prices led to €429 million in additional expenditures for Renault in 2006. We absorbed this cost by working with our suppliers to create savings. Renault helped these partners to stay on track for the economic goals the Group had set them, in particular by providing experts to advise them on potential productivity gains. We also reduced costs by working with engineering on component design. Lastly, the globalization of purchasing helped limit the impact of raw material price increases.

You brought together almost 1200 suppliers after presenting Renault Commitment 2009. What was the purpose of the meeting?
Clearly, Renault needs the support of its suppliers to meet these commitments, and in particular to reduce purchasing costs by 14% over three years. In exchange for their efforts, Renault wants its suppliers to benefit from our increase in sales of 800,000 units between 2005 and 2009. Our partners appreciate the visibility we provide them.

With the Renault-Nissan Purchasing Way, what relationship does the Alliance want to establish with its suppliers?
The Renault-Nissan Purchasing Way is based on Alliance values of respect, trust and transparency. We want to promote these values with our suppliers. We express this approach through a very clear selection process, a preference for long-term relationships, and by assisting our suppliers in achieving the best global performance standards and encouraging their development. The requirement that our suppliers participate in Renault's sustainable development initiatives, in particular through a formal commitment to respect fundamental social rights, is another application of the Renault-Nissan Purchasing Way.

largely offset this increase, however, by helping its suppliers to become more productive and making technical changes to simplify components or reduce the use of certain costly materials, such as the precious metals used in exhaust boxes.

Renault awards the first Supplier Quality trophies

Renault presented the "Renault Supplier Quality Awards" for the first time in 2006. This initiative pursues three objectives:
- recognize suppliers for their contributions to Renault's quality approach,
- honor the best suppliers for their commitment and results,
- motivate all suppliers.

The first awards were presented to Mahle, Siemens and Timken by Carlos Ghosn, President and CEO of Renault, Odile Desforges, Senior Vice President, Purchasing and Managing Director of RNPO (Renault-Nissan Purchasing Organization), and Yann Vincent, Senior Vice President, Quality.

Soaring raw materials prices led to a cost increase of €429 million vs. 2005.

The sales network

Ensuring the same service quality to customers everywhere in the world

The sales network rolled out Renault Excellence Plan 4 to improve customer service quality within the framework of Renault Commitment 2009.

Launched on February 10, 2006, Renault Excellence Plan 4 comprises five strands, including “customer experience”. By analyzing customer expectations at each stage of their interaction with the sales network, Renault identified 20 key moments in the customer-dealer relationship. It then determined the appropriate response for each of these key moments to guarantee customer satisfaction in all countries in which the Excellence Plan is deployed. The Plan’s overriding goal is to provide a consistent level of service quality.

With this in mind, Renault implemented new tools for measuring customer satisfaction, adding “secret shopper” evaluations to the traditional monthly surveys. These new tools help check how well the “20 essentials” are really being applied on the ground. Specific incentives were created to motivate the sales teams, including a worldwide contest, the Renault Global Quality Awards. They will be awarded in April 2007 to the dealers with the best customer service quality. In addition, service quality performance is now factored into the network remuneration system.

The “Renault Academy”, a global initiative aimed at standardizing training for sales personnel and repair technicians, was created as part of the human resources facet of the Excellence Plan. Lastly, a communications drive focused on Renault Excellence Plan 4 has united the company and the network around shared quality objectives.

By the end of 2006, the 26 countries involved in the program had implemented some or all of Renault Excellence Plan 4 in their networks. Some 23,000 people in all, half of them sales personnel, will have received quality training between 2006 and 2007 for a total of more than 73,000 training days. Over a million clients have already been surveyed regarding the quality of vehicle delivery and their aftersales experiences. The survey’s conclusions are clear: Renault is in the top three in 19 of the 26 countries in terms of service quality.

In 2007, the focus will be on reducing the differences in quality levels between dealerships.

The quality of service provided to the customer is crucial to the sales network’s quality approach.

“Explaining to each person their role in the customer relationship”

Marie-Christine Caubet
Senior Vice President, Market Area Europe

What does Renault Commitment 2009 mean for the sales network?
Renault Commitment 2009 is, first of all, a major management statement designed to make the Company more customer-oriented, especially through its quality objective. A detailed analysis of customer expectations enabled us to define what we call the “20 essentials”, ten in sales and ten in aftersales. Each corresponds to a specific indicator that is evaluated monthly and factored into network staff and dealer remuneration. We have thus put the emphasis on service quality, one of the main thrusts of Renault Commitment 2009. This plan has been widely deployed upstream and down. Each employee’s contribution to growth, quality and profitability has been defined individually and in a very operational manner. This is the best way to ensure that everyone is involved and dedicated to putting the customer at the center of the company.

How are you improving customer satisfaction in sales and aftersales?
Rather than implement internal indicators, which can be complex to use, we chose to explain to each person their role from the customer’s perspective. Growth is only profitable if our products and services meet customer expectations. Quality only counts if the customer recognizes it on a daily basis, both in products and service. And profitability only has value if it is shared. Shared through new investments which contribute to customer satisfaction, shared with our employees, but also with our shareholders. This is why Renault Commitment 2009 must be seen, across our business, for all of our products and in every country, as Renault’s response to all its customers. Renault Commitment 2009, and more precisely the commitments to improve customer satisfaction, is a major investment and a strong management gesture. Only thus can we make significant and lasting progress. The three-point rise in sales and aftersales satisfaction rates observed in Europe since the beginning of the year is very encouraging. It confirms that some very basic actions are appreciated by our customers, and that changes in procedures or behaviors can significantly improve our brand image.

Pursuing a selective commercial policy in Europe

In 2006, Renault stepped up the selective sales policy launched in 2005 to concentrate on the most profitable sales by reducing sales volumes to large fleets and short-term rental agencies. This selective strategy also means that Renault will not systematically participate in the sales incentive war being waged on many European markets. It contributes to the Group’s efforts to achieve an operating margin of 6% in 2009.

The new strategy will also result in a healthier used vehicle market. Sales to short-term rental agencies, for example, generally include trade-in agreements after six to nine months, which create a bloated used car market and lower prices for used models. This, in turn, affects prices for new vehicles, creating a vicious circle that Renault is now breaking.

Dealers and repair technicians receive training at the “Renault Academy”. This global initiative enforces Renault’s quality culture.

Parts and accessories

Parts and accessories contributed significantly to Renault's results in 2006, demonstrating their growing strategic importance to the Group's financial and commercial results.

Global logistics organized regionally

Logistics stand out as the main key to success for Renault's Parts & Accessories business, and play a crucial role in the quality of the Group's aftersales service.
In 2006, the Parts & Accessories Division initiated a worldwide program for spare parts logistics, aiming for the highest standards on every market in terms of product availability and delivery, costs and inventory management. The program sets goals and performance indicators and identifies the skills relevant to the context and ambitions of each region.

Parts & Accessories began a major logistical overhaul in 2006 to accompany Renault's numerous global projects, in particular the Logan production program. The current centralized system in which national warehouses are supplied by distribution centers based in France will be replaced by a decentralized organization built around Renault's new growth centers across the globe. Warehouses based in Romania or Korea, for example, will become the principal purveyors of parts to those in other countries. Other warehouses, such as those in Brazil or Argentina, will increase local sourcing.

The Parts & Accessories Division also continued to adapt its logistical capacity to developing sales in the various regions, opening a new distribution center Villeroy, France and new warehouses in Morocco and Russia. Work also began on new warehouses in Algeria and Slovenia.

Finally, to improve customer service in the dealer network, in 2006 the Division launched a program to professionalize management of spare parts in the dealerships.

Parts & Accessories warehouse in Swiecice, Poland.

Accessories: a six-point growth plan

Accessories expand or personalize the way customers use their vehicle. Renault Commitment 2009 sets forth ambitious goals for this business area: to increase sales of accessories by 50% around the world by 2009 and boost their financial contribution to Renault's business by 80%. The Parts & Accessories Division has defined a six-point breakthrough plan:

- industrialize parts installation,
- redefine and expand product planning,
- better communicate on accessories,
- integrate accessories into vehicle marketing and product strategies,
- define a commercial policy and monitor the accessories business,
- design, manufacture and purchase locally to better respond to customer demand.

Results in 2006 are ahead of schedule.

Developing additional sales networks

Parts & Accessories develops spare parts sales by marketing Renault products under rapid service banners in its brand network, as well as in aftersales networks offering multi-manufacturer products. Renault Minute, which specializes in regular maintenance, celebrated its 20th anniversary and the opening of its 1,000th outlet in Algeria in 2006. The banner is present in 21 countries.

Renault Minute Carrosserie was launched in 2002 in response to the increasing proportion of minor urban collisions. It has outlets in 19 countries and opened its 600th site in Turkey in 2006.

The Parts & Accessories Division has also launched specialized networks, such as Ixell Carrosserie and Ixtar carwashes in France. Affiliating car repair specialists to the Ixell brand will boost sales of Ixell paints, which are already well established in the market, while the creation of Ixtar carwashes will foster sales of the Ixtar brand cleaning and renovation products and equipment launched in 2005. And lastly, the Motrio multi-brand network, already present in France, Poland and Portugal, was extended to Argentina in 2006.

Three new program departments

Parts & Accessories created three major program departments in 2006 corresponding to the major market segments:

- accessories,
- bodywork and painting,
- maintenance, wear and tear and powertrains.

Each is managed by a program director who is responsible for the program's productivity and commits to specific objectives. Their role is to improve the cross-functionality and efficiency of these sectors, which are essential to the growth of Renault's Parts & Accessories business and to the Group's performance as a whole.

Renaultp@rts: €1 billion in revenues

Launched in 2003, the Renaultp@rts website enables professionals from the sales network to order all parts and accessories on the internet. A total of 11,520 customers put the website past €1 billion in revenues in 2006. Last year, Renaultp@rts was extended to Switzerland, Portugal and the Netherlands, taking the number of countries in which it is active to eight. Renaultp@rts accounted for almost 40% of the Parts & Accessories Division's wholesale activities in 2006. The next step is to continue to expand into other countries to boost growth in parts and accessories sales.

Ixtar carwashes aim to boost sales of the Ixtar brand cleaning products and equipment launched in 2005.

Sales financing

RCI Banque, partnering Renault's growth

RCI Banque, the sales financing arm of Group brands worldwide and of Nissan in Europe and South America, defined its 2006 contribution to Renault Commitment 2009 in terms of quality, profitability and growth.

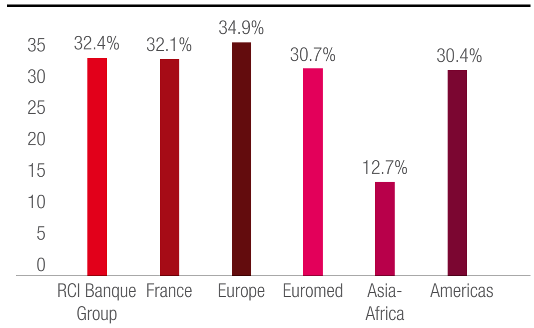
RCI Banque plays a central role in Renault's commercial strategy by providing a full range of financing solutions and services to customers and the networks distributing the Group's makes. Its contribution is crucial to achieving the objectives of Renault Commitment 2009.

RCI Banque has committed to becoming one of the Top two captive finance companies in terms of service quality by the end of Renault's business plan. To do so, it is relying on the acknowledged quality of the sales tools it provides to dealerships, its effective sales presence on the ground and a broad range of products and services. Its progress will be measured annually by an independent multi-manufacturer survey of car dealerships.

The second commitment is productivity. RCI Banque makes an essential contribution to Renault's operating margin with profits of €491.9 million in 2006. Its target under Renault Commitment 2009 is to increase its contribution and maintain return on equity at around 15%. The focus will be on confirming its competitive edge, in particular by maintaining the bank's good credit rating and thus optimizing financing costs, improving the cost of risk and reducing operating costs.

Supporting Renault's international development is RCI Banque's third commitment. New operations were launched in South Korea, Russia, Morocco, Colombia and Algeria in 2006. Together with the other development projects scheduled up to 2009, they will significantly contribute to growth in outstanding loans. The bank will also emphasize taking on 100% of customer financing whenever local conditions allow, as was the case in Romania in 2006 and is planned for the United Kingdom in 2007.

Proportion of new vehicles financed
(Renault, Nissan, Dacia, Renault Samsung Motors - 2006)



Renault Slovenia sales financing brochure.

"Support Renault's growth and profitability"

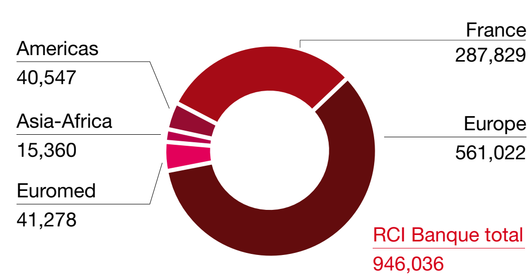
Philippe Gamba
Chairman and CEO,
RCI Banque

How does RCI Banque's international development fit into Renault Commitment 2009?
First of all, we will support sales growth (800,000 additional units to be sold in 2009 compared to 2005) by extending our own international reach from 22 countries in 2005 to between 26 and 33 countries in 2009. At the same time, the number of fully-owned subsidiaries or joint ventures should rise significantly, from 17 in 2005 to 25-29 in 2009. This strategy will increase the loan portfolio in emerging markets. By 2009, countries outside Western Europe will represent over 20% of sales volumes and around 10% of the Group's outstanding loans, a five-fold increase over 2005. Efforts will focus in particular on South Korea, where we will finance Renault Samsung Motors sales, as well as on Russia, Morocco, Argentina and Brazil.

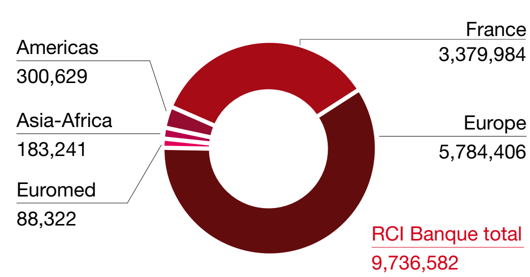
How can product development contribute to reaching these goals?
There are two main directions. First, we must develop products with trade-in commitments (balloon loans, leasing, contract hire) rather than classic credit solutions. In addition, we must offer our customers packages that combine financing, insurance and service contracts. This strategy is doubly beneficial in that it feeds profitable growth while fostering customers' loyalty to Renault.

Renault Algeria sales financing brochure.

Number of vehicles financed in 2006
(new and used vehicles)



New contracts
(€ million)



Formula 1

An unprecedented achievement

Renault won the Formula 1 Constructors' World Championship for the second year in a row in 2006, while Fernando Alonso claimed his second straight Drivers' title.

Renault has proven that the titles earned in 2005 were not a flash in the pan by once again taking home both the Constructors' and Drivers' crowns in the 2006 Formula 1 World Championships. The Renault F1 Team maintained its dominance in a completely transformed environment, in which the FIA's new regulations forced an engine change on all participants this year.

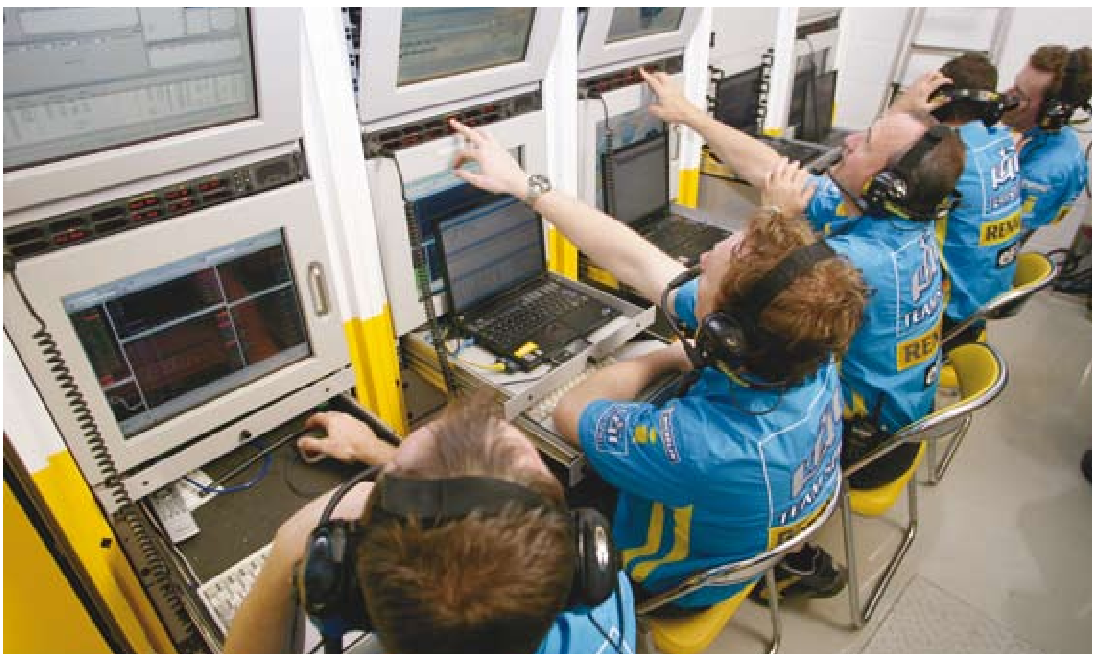
These victories were achieved through the remarkable work of the teams in Viry-Châtillon, south of Paris, responsible for the engine's design and development, and in Enstone, near Oxford, where the chassis was built. These 800 people, backed by the engineers from the Renault Technocentre in Guyancourt, are the force behind Renault's Grand Prix success. Under the guidance of Chairman Alain Dassas and Managing Director Flavio Briatore, they have once again demonstrated their ability to develop reliable and robust technology.

Looking beyond the sports dimension, Renault's Formula 1 victory is emblematic of the Group's own efforts. Formula 1 and volume production share the same single-minded dedication to reliability and quality. The Renault Commitment 2009 quality objective – to position the next Laguna among the top three of its segment – mirrors the Renault F1 Team's goal to appear on the podium at every race. The technological requirements are different, but the approach is the same, particularly in economic terms: Renault earned its trophies with one of the smallest budgets among the competition's top teams.

Formula 1 is also an incomparable means of raising Renault's profile on the four continents where the races take place. The World Championship races drew a total of 2.8 billion viewers in 2006. Of the 26,000 hours dedicated to Formula 1 in 2006, all channels combined, Renault was on screen 21.9% of the time compared with 17.9% in 2005 and 13.5% in 2004. This visibility is measurable even in countries where the brand is not sold. A survey of Indian car owners showed that 31% are familiar with Renault through Formula 1. In countries where the Group is present, Formula 1 participation boosts the brand's image in terms of reliability, quality and youth.

Finally, all Formula 1 players brokered a new contract in the summer of 2006 to ensure better financial returns for participating teams. All of these factors ensure Renault's continued commitment to Formula 1.

In 2006, Renault won the Constructors' and Drivers' World Championship with the R26.



"Our success did not come about by chance"

Alain Dassas
Chairman of the Renault F1 Team and Renault Sport

Why is this second double trophy important?
This second double win proves that our success is not a matter of luck, but the result of a clear strategy, thorough planning and stringent organization. Our teams' quality made us the most reliable players on the grid for the entire season. Renault truly deserves its two World Champion titles.

What made Renault stand out from the other constructors?
Know-how! Renault has genuine Formula 1 experience accumulated over many years. This expertise naturally places our team alongside Ferrari or McLaren. Our technical reliability was another decisive asset. As were the complete commitment of the Renault team, the unstinting participation of every business unit, from Engineering and Powertrains in France to Chassis in England. Team spirit and a determination to be the best carried Renault to victory.

What benefits could this second victory bring for Renault?
Today, Renault has shown that it can be the best in a sport as competitive, technical and demanding as Formula 1. The Group is capable of delivering the same performance and level of commitment for the quality and reliability of its volume production vehicles.

Renault Sport Technologies

Another success for the “World Series by Renault”

The second season of the “World Series by Renault” demonstrated the popularity of combining top-class competitive motor sport with entertainment off the track.

The seven events organized during the 2006 season attracted a total of 550,000 spectators, bringing to 1.2 million the number of people who have attended these races since the concept’s launch in 2005. The “World Series by Renault” motor sport event is now second only to the “24 Heures du Mans” in France, and to Formula 1 in the United Kingdom, Belgium, Spain and Turkey.

Entirely free of charge and designed to attract a wider audience than the traditional fans of motor racing, these weekends offer two types of entertainment. The first, a sporting event, includes three international championships, with the top race opposing 425hp single-seaters driven by Formula 1’s rising stars. The second consists of a series of family-oriented events, including Formula 1 demonstration runs by the Renault F1 Team, together with vintage vehicle parades, air shows, and road safety workshops.

These weekends reach well beyond the inner circle of racing fans. Sixty-five percent of spectators at “World Series by Renault” events in 2006 had never before attended an automobile race. It is a sign of the formula’s success that 95% of visitors intend to come back in 2007 – a popular feat that was widely reported in the press.

The “World Series by Renault” is an effective tool for enhancing brand awareness and attracting customers to dealerships, as entry can only be obtained with invitations handed out through Renault’s sales network. The Group will build on its success by adding events outside Europe beginning in 2008, most notably in Asia and South America.

Mégane F1 Team R26: a true sports car

Building on the success enjoyed by Mégane F1 Team following its introduction in January 2006, Renault presented Mégane F1 Team R26 at the last Paris Motor Show. The car takes its inspiration from the single-seaters competing in Formula 1 championships. The sportiest of the Mégane Renault Sport family was developed by Renault Sport Technologies with an enhanced 2.0 16V turbo engine delivering 230hp, which the 6-speed manual gearbox exploits to the full. Mégane F1 Team R26 reaches 100kph in 6.5 seconds, with a 1000-meter standing start covered in just 26.6 seconds. It also offers the best fuel consumption in its category for this power, with 8.5l/100km on a combined cycle.

“World Series by Renault” attracted over 1.2 million spectators in 2005 and 2006.

Equity interests and partnerships

AB Volvo, Europe's number one truck maker

AB Volvo's contribution to Renault's earnings amounted to €384 million in 2006, compared with €308 million in 2005.

The truck businesses of Volvo and Renault (Renault V.I. and Mack) have been grouped in AB Volvo since January 2001, making Renault the largest shareholder in the number one European manufacturer and the number two world manufacturer with a 20.74% stake and 20.53% of the voting rights. The Group is represented on the Volvo Board of Directors by Louis Schweitzer, Renault's Chairman of the Board, and Philippe Klein, Senior Vice President, CEO Office.
All three brands (Volvo Trucks, Renault Trucks and Mack) continue to develop their distinct identities while maintaining complementary geographical reach and products. They can thus offer customers a broad choice ranging from light industrial vehicles to heavy capacity trucks and an extensive network covering over 130 countries in Europe, North and South America and Asia. Worldwide sales in 2006 came to nearly 220,000 units (214,000 in 2005).

Reinforcing partnership agreements for Renault's international development

Renault capitalized on the success of its partnership in India, where it created a joint venture in 2005 with Mahindra & Mahindra to produce Logan, by signing a Memorandum of Understanding in November 2006 for the establishment of a new production site with a capacity of 400,000 units, as well as a Renault powertrain factory. This agreement aims to offer innovative products by 2009 on one of the most dynamic markets in the world.
In Morocco, Renault increased its equity stake in Somaca (Société Marocaine de Construction Automobile) to 80%, with the remaining 20% held by PSA Peugeot Citroen. The Casablanca plant builds Kangoo and Logan.
In Iran, Renault Pars (51% owned by Renault) holds the license for the X90 (Logan) program, whose platform is used for vehicle production by partners Iran Khodro and SAIPA (production capacity of 300,000 units). In May 2005, Renault and Pars Khodro (SAIPA group) signed an agreement for the assembly and distribution in Iran of the Mégane four-door sedan. Production capacity will be 15,000 units by 2008.

Nissan: a pivotal investment for a strategic Alliance

(see Nissan p. 60 and the Alliance p. 53).

Optimizing the Group's cost structure through partnerships and cooperative agreements

To improve quality and reduce costs, Renault has entered into partnership agreements in the following areas:

- the joint design and production of powertrain components (engines and gearboxes), with PSA Peugeot Citroen;
- component sales, with Volvo and MMC (gearboxes and engines) and Suzuki Jimny (diesel engines);
- the joint design and production of light commercial vehicles, with General Motors Europe. Renault Trafic and Opel/Vauxhall (GM) Vivaro are manufactured in the GM Europe plant in Luton (U.K.) and in the Nissan plant in Barcelona (Spain). The large vans produced in Renault's Batilly (France) plant are marketed under the Master name by Renault and Movano by Opel/Vauxhall (GM);
- distribution of:
  - Mascott vans manufactured in the Renault plant in Batilly (France) by the Renault Trucks network (AB Volvo group);
  - Renault vehicles in Malaysia by TC Euro Cars Sdn. Bhd, which handles the aftersales service. Renault launched Kangoo production in this partner's plant in 2004 with a production target of 4,000 units a year by 2008;
  - vehicles in the lineup (mainly Clio and Mégane) by Renault South Africa (51% held by Renault and 49% by Imperial Group).

Renault holds large stakes in Nissan and AB Volvo, two companies with a global scope. The Group continued to seek out strategic partnerships for international development in 2006, while new cooperative agreements in research, distribution and production have increased competitiveness.

AB Volvo's financial results (in € or SEK millions)

	2006			2005	
	SEK	€*	Change 2006/2005	SEK	€**
Net revenues	248,135	26,832	+ 7.3%	231,191	24,915
Operating income	20,399	2,205	+ 12.4 %	18,151	1,956
Net income	16,318	1,765	+ 24.5%	13,106	1,412
Dividend per share in SEK	16.75	FY 2005	+ 34%	12.50	FY 2004

*€1 = SEK9.25 **€1 = SEK9.28

3

The Renault-Nissan Alliance: united for performance

The Renault-Nissan Alliance is a unique partnership between two global companies which are united for performance, pursue a coherent strategy and share common goals, results-driven synergies, and best practices. Both companies respect and reinforce their respective identities and brands.

Principles of the Renault-Nissan Alliance

The principles of the Alliance

The Renault-Nissan Alliance is a unique group of two global companies linked by cross shareholdings. They are united for performance through a coherent strategy, common goals and principles, results-driven synergies and shared best practices. Both companies respect and reinforce their respective identities and brands.

The Alliance is based on trust and mutual respect. Its organization is transparent and ensures:

- clear decision making for speed, accountability and a high level of performance,
- maximum efficiency by combining the strengths of both companies and developing synergies through common organizations, cross-company teams, shared platforms and components.

The Alliance attracts and retains the best talents, provides good working conditions and challenging opportunities; it grows people to have a global and entrepreneurial mindset. The Alliance generates attractive returns for the shareholders of each company and implements the best established standards of corporate governance. It contributes to global sustainable development.

Objectives

The Alliance develops and implements a strategy of profitable growth and sets itself the following three objectives:

- to be recognized by customers as one of the best three automotive groups in the quality and value of its products and services in each region and market segment,
- to rank among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence,
- to consistently generate a total operating profit among the top three automotive groups in the world by maintaining a high operating profit margin and pursuing growth.

Strategic Management

Nissan and Renault, headquartered respectively in Tokyo and Paris, have separate managements and run their individual operations through their respective executive committees. Each is accountable to its shareholders and its board of directors.

In March 2002, the Alliance created a strategic management company jointly and equally owned by Nissan and Renault to define a common strategy and manage all synergies. This company, Renault-Nissan bv, set up under Dutch law, hosts the Alliance Board, which meets up to 10 times a year. Carlos Ghosn is the president of the board, which also includes three Renault executive vice-presidents and three Nissan executive vice-presidents. Other members of the Renault Group Executive Committee and Nissan Executive Committee (the two companies' most senior directors) also attend Alliance Board meetings. The board steers the Alliance's medium and long-term strategic objectives and co-ordinates joint global activities.

Also reporting to the Alliance Board are the Renault and Nissan Coordination Bureau and the teams working in Paris and Tokyo, which coordinate all Alliance activities, including the work of the various steering committees and cross-company teams.

The steering committees, co-chaired by members of both Renault's and Nissan's executive committees, propose

Technocentre (France) employees preview the Nissan Pick-Up presented at the first Nissan Engineering Day in Renault on November 6.

Mr. Koeda, Executive Vice President of Nissan, at the fourth Alliance Convention.

priority subjects for the Alliance Board meetings, oversee the activities of the various working groups and help implement joint Alliance projects.

Some 18 cross-company teams work for the Alliance on all major sales regions and functions, including product planning, research and advanced engineering, vehicle engineering, powertrain engineering, manufacturing and purchasing. Their mission is to explore possibilities for greater synergies between the two companies. The team members, working in Tokyo, Paris and at other Alliance facilities around the world, communicate daily with each other, usually have weekly conference calls and normally meet face to face once a month. Team leaders report to the Alliance Board on the progress made in their specific areas.

Working together

Benchmarking and transparency have led to substantial savings for both Alliance partners. Common B- and C- platforms have been developed and new powertrains are shared. Each company applies its core engineering competencies: Nissan coordinates the development of new gasoline engines while Renault coordinates the development of diesel engines. However, engines are tuned differently in their Nissan and Renault applications, drive differently and behave differently, reflecting the different brand and market priorities.

The fourth Alliance Convention, held in Paris in September 2006, brought together 300 people.

Renault-Nissan Purchasing Organization, the first and largest Alliance joint venture

RNPO is easily the largest joint venture company in the Alliance, employing a total of 300 people in Tokyo, Paris and Farmington Hills, Michigan in the USA, where Nissan's North American technical center is located. It negotiates on behalf of both Nissan and Renault and its joint purchasing activities represent 75% of the Alliance's purchasing turnover. Renault and Nissan still have separate purchasing departments to deal with their brand-specific purchasing requirements. RNPO does not replace but supplements the individual purchasing departments of Renault and Nissan.

"The amount of purchasing done by RNPO is certain to grow as we share more common components" says Odile Desforges, chairman and managing director of RNPO, and senior vice-president of purchasing at Renault. "Another goal is to source more components from LCC countries, such as China and India. This proportion is already growing spectacularly as more large supplier groups set up in these countries and as technology improves there."

RNPO employees are specifically employed by either Renault or Nissan. "Yet all employees are empowered to work for both Alliance members," says Desforges. "They have to support Nissan Value Up and Renault Commitment 2009. They have both companies' interests at heart and never put one company's interests above the other's. It is always a win-win situation."

Cooperation and synergies

Vehicle engineering

Common platforms have been developed as Nissan and Renault renew their product line-ups.
The common engineered B- and C-platform cars share 80-85% of their components. The Alliance defines a platform as all stamping parts, the components that carry the engine, the engine itself, the transmission system, the suspension, the fuel tank, the brakes and the heating and ventilation systems.

Interchangeable components

Complementary to the common platform achievements, Renault and Nissan are implementing a new approach to enable the exchange of components across platforms: the Interchangeable Components Policy (ICP). This strategy is based on a functional analysis of customers' needs and on the management of interfaces between components. Interchangeable components represent around 50% of vehicle cost. The expected savings are estimated at €500 million a year by 2010.
ICP's potential extends well beyond that of common platforms. It guarantees a "core" part even when the platform is not common. It gives greater scope for vehicle and market differentiation. This is a key area, allowing Renault and Nissan to satisfy customer needs much better at a local (regional) level. The policy standardizes parts as much as possible by using common suppliers, managed through the Renault Nissan Purchasing Organization (RNPO). It allows components to be shared not only on the same platform but across platforms and regions. ICP enables Renault and Nissan to manufacture different vehicles on the same assembly lines more efficiently. This level of standardization and sharing is only possible within a long-term partnership.

Powertrains

Cooperation in the common use and development of powertrains (engines and transmissions) within the Alliance is accelerating. Renault and Nissan aim to share powertrains, with a target of eight shared engine families and eight shared transmission families by 2010. The main existing or planned powertrain-sharing projects to date are:

- **HR15DE (S2G 1.5-liter) and MR20DE/MR18DE (M1G 1.8-2.0-liter) gasoline engines:**
  - HR15DE on Nissan Tiida and Tiida Latio, Nissan Note, Nissan Wingroad and Nissan Bluebird Sylphy.
  - MR20DE on Nissan Lafesta, Serena, Bluebird Sylphy and on Renault Clio III.
  - MR18DE on Nissan Tiida and Tiida Latio and on Nissan Wingroad.
- **M1D (M9R) 2.0-liter diesel engine:**
  - M1D on Renault Laguna II, Mégane II, Espace IV and Vel Satis, Trafic and Nissan Primastar.
- **MT1 240Nm 6-speed manual transmission:**
  - MT1 on Renault Modus, Mégane II and Clio III, and on Nissan Tiida, Sentra and Levina Geniss.

Research and advanced engineering

Renault and Nissan are cooperating on strategic fields of research and advanced engineering in which they have common interests. This cooperation aims to optimize the resource allocation of both groups, covering a broader range of potential technical solutions and accelerating work to achieve technology breakthroughs to bring new products to market. Common activities in Research and Advanced Engineering cover many different themes such as fuel cells, hybrid vehicles, materials, electronics, powertrains and active safety. By utilizing their unique strengths and international market knowledge and networks, the two groups are well positioned to increase their technological portfolio and deliver innovative solutions to place the Alliance among the best three automotive groups in key technologies.

Electric-electronic systems

Renault and Nissan jointly developed a new navigation and communication system in 2004. The first European application of this system equips the Renault Laguna and the Nissan Pathfinder, both launched on the market in March 2005. It was also introduced on Renault Espace, Laguna and Vel Satis in April 2005. There are four versions of the new system: one for Renault in the European market and three for Nissan (one for each of Nissan's major regions – Japan, Europe and North America). It is being introduced on other models such as Espace and Scénic.

The Nissan Engineering Day at Renault was an opportunity to learn about our partners' skills.

Quality

The Alliance Quality Charter defines quality rules and procedures that are implemented in all Alliance projects. Version 2 has been available since January 2003. The Charter brings Renault and Nissan closer through the implementation of common quality tools. The Quality FTT* has examined the most efficient practices of both Renault and Nissan (Japan, US and Europe) to boost quality in both companies and contribute to the achievement of corporate quality targets. Each company improves on these practices where necessary.

Manufacturing

Renault and Nissan have actively exchanged and implemented best practices in the manufacturing area. They are now working together on new steps for further improvement of the Renault Production Way / *Système de Production Renault* (SPR) and the Nissan Production Way (NPW). Each company improves its performance by learning from the experience of its partner.

Logistics

In 2004, Logistics acquired its own cross-company team in an effort to capitalize on the close geographical fit between the industrial production plants operated by the two groups worldwide. This team is also tasked with forecasting the Alliance's fast-growing international requirements. The two companies identified four strategic sectors for progress: strategy, cost management for new projects, international development and human resources. In 2006, the cross-company team established common key performance indicators to control physical activities and share business plans. They can thus systematically target regional activities and boost benchmarking and the exchange of best practices.

Process engineering

Process engineering synergies focus on the four main body assembly functions: press shop, body shop, paint and trim and the chassis shop. 2006 was an important year for these synergies. Cost reduction action plans initiated in 2005 were consolidated and ongoing monitoring ensures that the function remains on course for its 2006/2007 cost saving commitments.

The most successful partnership in the car industry

The strategy has clearly been working. Nissan has jumped from the tenth most valuable automobile company in the world in terms of market capitalization in March 1999 to the fourth at end 2006. During the same period, Renault rose from eleventh to seventh position. Together, Renault and Nissan are now the world's fourth largest car manufacturer by volume.

** FTT : Functional Task Team*

Major steps in the creation of the Renault-Nissan Alliance

- **March 27, 1999:** Renault and Nissan announce their strategic Alliance. Renault takes a 36.8% stake (shares and voting rights) in Nissan for ¥643 billion (€5 billion/ $5.4 billion).
- **June 1999:** The organizational structures for devising and implementing joint projects are established to promote the profitable growth of the Alliance partners. These structures, governed by the Global Alliance Committee (GAC), cover all of the two companies' activities.
- **October 30, 2001:** Renault and Nissan announce their decision to further strengthen the Alliance, as provided in the original agreement. Renault-Nissan b.v., a joint management company held equally by Renault and Nissan, is established under Dutch law.
- **March-May 2002:** Renault exercises the warrants it has held since 1999 ahead of schedule to increase its stake in Nissan from 36.8% to 44.43%. Nissan increases its stake in Renault to 15%.
- **May 29, 2002:** The Alliance Board meets for the first time.
- **May 2005:** Carlos Ghosn becomes President and CEO of Renault, while remaining President and CEO of Nissan, and becomes President of Renault-Nissan b.v.

Cooperation and synergies

Korea

After receiving a facelift, Renault Samsung Motors' SM3 model began exporting to Russia under the Nissan badge in February 2006. Exports have since been extended to several other countries, totaling 38,000 units in 2006.

North America

The new Versa and Sentra made their debut, using the Alliance's shared powertrains and its B and C platforms, respectively. The two models also benefit from MR engines shared across the Alliance.

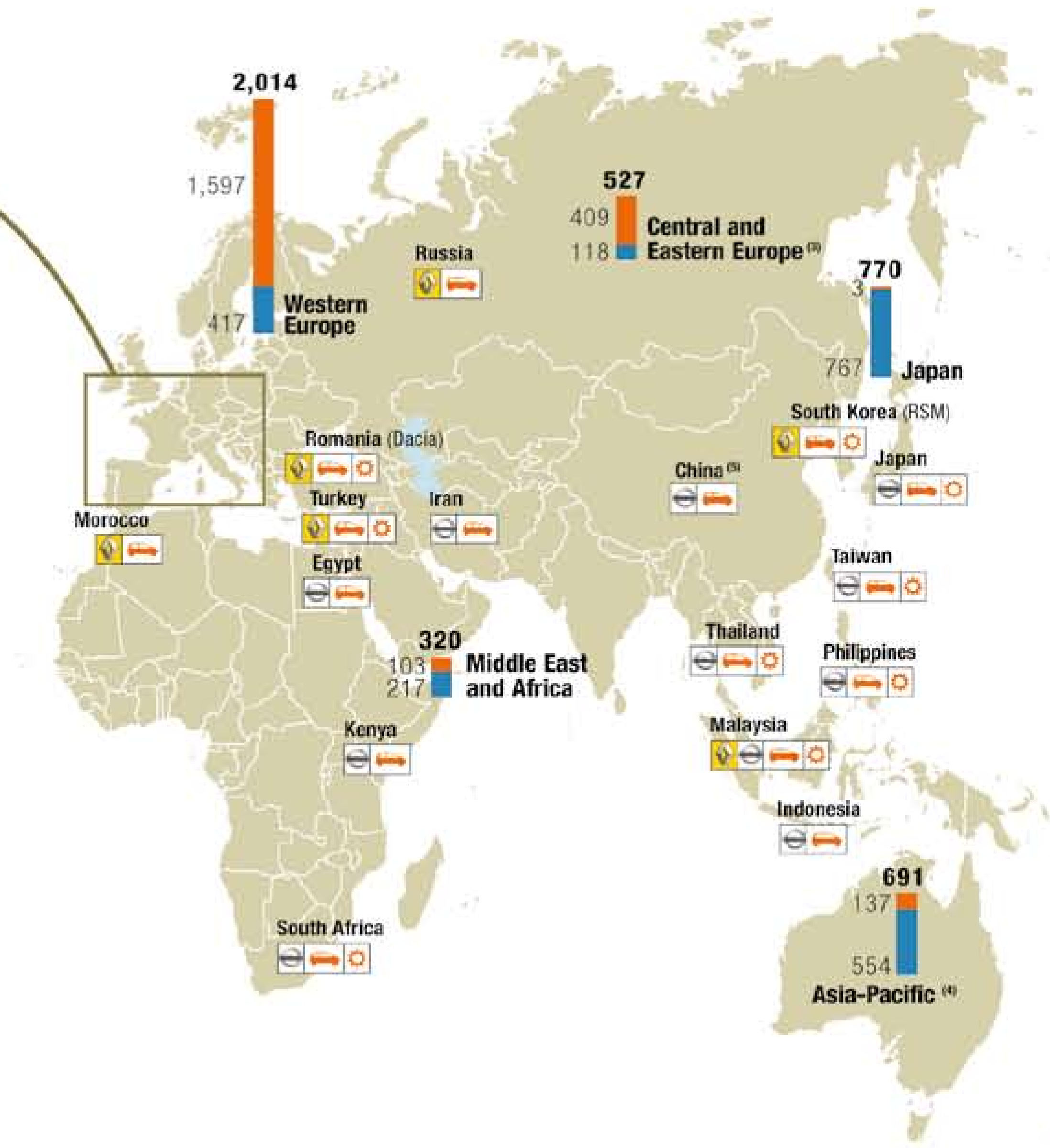
Worldwide sales and production sites

Renault group plants (Renault, Dacia and Renault Samsung Motors)
Nissan plants
Body assembly
Powertrain

(1) o/w Mexico.
(2) Including the joint LCV plant.
(3) o/w Russia and Turkey.
(4) o/w South Korea and French Overseas Departments.
(5) Nissan and Dongfeng Motor have set up a joint venture to produce and sell a range of vehicles.

Middle East and Africa

With over 15% growth in the region, Nissan supports Renault's expansion by having Nissan's national sales companies distribute Renault models.



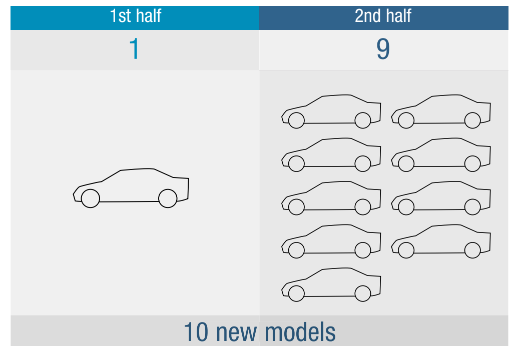
Number of units sold worldwide - 2006	
Renault group	2,433,372
Nissan group	3,477,799
Renault-Nissan Alliance	5,911,171

Nissan in 2006

Strategy and growth

On October 26, 2006, Nissan released its first-half 2006, results. They showed a decline in profit from the same period the previous year. The company had predicted the high raw material and energy prices and higher interest rates combined with little or no growth in the mature markets. These factors, combined with high levels of incentive spending, left the auto industry with no ability to pass on higher costs to the end consumer.
Moreover Nissan faced this environment at a less favorable point in its product cycle. Of the 10 new models planned in the fiscal year, just one was launched in the first half. Even at the bottom of its product cycle, Nissan recorded an operating profit margin of 7.7% for the first half of the fiscal year, once again among the highest of any volume carmaker.

FY06 first-half product launch



In the second half, Nissan launched a new product offensive. Nine new vehicles, including the new Altima, were introduced in the most important and profitable segments of the North American market, which generates over 60% of its profits.
Fiscal year 2007 brings more new products – 11 to be exact. In the US, Nissan will launch a brand-new compact crossover called Rogue.

At the high-performance end of the scale, Nissan will launch the long-awaited GT-R, an icon of the Nissan brand. In the past, it was sold mainly in Japan, but this time GT-R will be sold globally.

The new Infinity G35 launched in second-half 2006 in the United States.

Nissan worldwide developments

Establishment of a finance company in China

Shanghai (Jan. 16, 2007) – Nissan and Dongfeng Motor Group Co., Ltd. (DFG) jointly announced receipt of official approval from the China Banking Regulatory Commission (CBRC) on January 5, 2007 for the establishment of Dongfeng Nissan Auto Finance Co., Ltd. (DNAF). The initial application was filed in November 2006 following the agreement signed between Nissan Motor Co., Ltd. and Dongfeng Motor Group Co., Ltd. in August 2006 to establish a new auto finance company to be based in Shanghai.

New engine plant in China

Guangzhou (Feb. 28, 2006) – Dongfeng Motor Group Co., Ltd. announced that its newly-built engine plant in Huadu, Guangzhou will produce two all-new engines. The new plant has an annual capacity of 180,000 units and will produce four-cylinder, all-aluminum engines jointly developed by Nissan Motor Co., Ltd. and its Alliance partner Renault SA.

New plant in Russia

Moscow (April 25, 2006) – Nissan Motor Co., Ltd. announced plans to invest $200 million (RUB5.5 billion) in a new assembly plant in St. Petersburg, Russia. Production will begin in 2009.

Higher performance engines

Tokyo (Aug. 22, 2006) – Nissan Motor Co., Ltd. has developed two new-generation, six-cylinder V-type engines for front-engine, rear-wheel-drive vehicles featuring powerful performance and improved environmental friendliness. The 3.5L VQ35HR and 2.5L VQ25HR engines will be built at Nissan's Iwaki plant in Fukushima Prefecture and will equip the all-new Skyline and Infiniti G35.

Infiniti's global expansion

Moscow (August 30, 2006) – Infiniti, Nissan's luxury division, celebrated its official launch in Russia at the 2006 Moscow International Motor Show. The initial line-up of Infiniti vehicles includes the sporty crossover FX and the M luxury performance sedan. Infiniti also announced that its new European headquarters will be established in Switzerland.

All-new Nissan Altima

Nashville, Tenn. (Oct. 4, 2006) – The all-new 2007 Nissan Altima Hybrid, Nissan's first foray into the hybrid gasoline/electric vehicle segment, made its debut in California in October. The new Altima Hybrid offers all the style, convenience, comfort, quality and performance technology features and highlights of the next-generation 2007 Altima together with the added benefits of enhanced fuel economy and reduced emissions.

Thailand becomes an export base

Bangkok (Nov. 30, 2006) – Siam Nissan Automobile announced that it will export the new Nissan Tiida compact sedan and hatchback to Australia. This move underscores Nissan's long-term commitment to turn its Thai facility into a world-class production hub for exports.

Qashqai, the new compact hybrid launched in Europe.

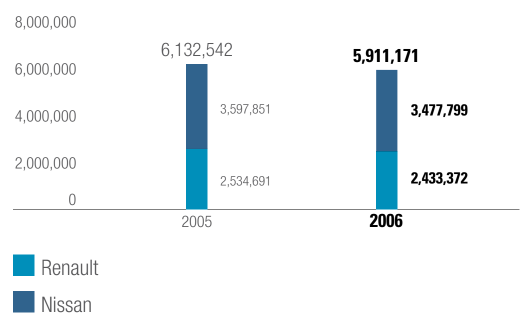
Commercial results of the Alliance

Renault-Nissan Alliance worldwide sales

The Renault-Nissan Alliance retained its position as the fourth largest global automaker in 2006 in terms of unit sales. A combined 5,911,171 vehicles were sold in 2006 (down 3.6%) to secure a global market share of 9%.

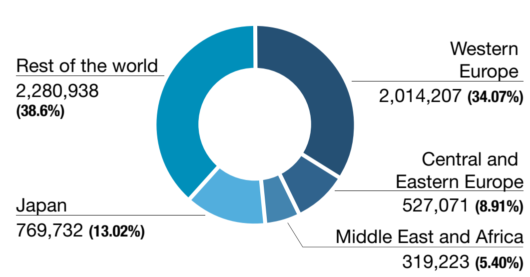
Renault and Nissan sold a total of 2,433,372 and 3,477,799 vehicles, respectively. Globally, Renault sales decreased by 4% while Nissan sales slipped 3.3%.

Renault-Nissan Alliance worldwide sales
(passenger cars and light commercial vehicles)



Major areas of growth for the Alliance were in Russia (+96.9%), Colombia (33.6%), China (22.5%), and the Middle East and Africa (+15.1%).

Worldwide sales by geographical region in 2006
(units sold and % of total)



Renault saw growth outside Europe but this was offset by declines in Europe. Nissan had a mixed year as well with a diversity of results from market to market.

Renault sold 2,115,176 vehicles under the Renault brand (down 6%), 121,855 vehicles under the Renault Samsung Motors brand (up 2%) and 196,341 Dacia-branded vehicles (up 19.5%). A total of 247,000 Logan models were sold worldwide in 2006 under both the Dacia and Renault brands. Growth for Renault came from outside Europe, driven by the increasing availability of Logan, the performance of Samsung and the growth of the Renault brand in international markets. By the end of 2006, sales outside Europe accounted for more than 30% of Renault's total global sales.

Nissan sold 3,341,527 vehicles under the Nissan brand, down 3.1% over the prior year. Global sales of Infiniti vehicles stabilized at 136,272 units, boosted at the end of the year by the new G sedan.

Nissan recorded sales of over 1 million units for the second consecutive year in its largest market, the United States. In Japan, Nissan's sales, including minicars, fell 11.5% to 766,702. In Europe, annual sales were flat at 539,773 units. New growth markets such as Russia compensated for declines in mature markets. In other global markets, weaker performances in Thailand and Taiwan were offset by continued growth in China and the markets of the Middle East.

Nissan-badged SM3 models made in South Korea for export to Russia.

In 2006, Renault Samsung Motors produced more than 38,783 SM3 models for Nissan sales in Russia, highlighting production synergies within the Alliance. This allowed Nissan to strengthen its commercial position in Russia, while at the same time allowing Renault to significantly improve its capacity utilization in South Korea.

Nissan produced nearly 79,000 light commercial vehicles in its Barcelona plant supplying vehicles for Renault, Nissan and GM. The cooperation on LCV's has allowed both companies to increase efficiencies and improve their competitive position on this profitable market.

Production of Renault Trafic cross-badged as Nissan Primastar in Nissan's plant in Barcelona, Spain.


MEGANE
RENAULT

A clear commitment to sustainable development

In the firm belief that ethics and business success go hand in hand, Renault has placed sustainable development at the heart of Renault Commitment 2009. Its achievements have earned the group excellent scores with rating agencies specialized in socially responsible investment. The results will serve to ensure Renault's success well into the future.

Human resources

More transparent management to support performances

The Group's human resource policy supports Renault Commitment 2009 by motivating its people, boosting organizational performance and sharing values. Renault has strengthened management, introduced Group-wide skills management and reinforced working conditions.

As part of its human resources policy, Renault strengthened its management system in 2006 to:
- give employees a better understanding of their role in the company;
- clarify the methods used to evaluate individual performances.

It began by asking an international research institute specialized in human resource issues to conduct a survey of the entire workforce in order to gauge personnel commitment and appreciation of management quality. The results were presented to all personnel in December 2006, and incorporated into action plans to address the weaknesses identified in the various divisions, sites and countries.

In particular, the annual review format for Renault group managers, employees, technicians and supervisors was revamped, with significant changes to how objectives are defined and assessments made.

Annual assessment reviews take place in two phases:
- the employee and his or her line manager discuss whether the objectives have been met;
- together, they then examine how these results were obtained by reviewing the employee's personal and professional skills as well as management fundamentals.

This new approach will give each person a clearer view of their mission and how their contribution to Renault Commitment 2009 is evaluated.

Finally, the link between the personal assessment, remuneration and performance bonuses is made more explicit.

The Renault Skills Program aims to develop the necessary skills for achieving Renault Commitment 2009 and future objectives.

A dynamic "Renault Skills Program"

The Renault Skills Program is designed to make sure the Group has the in-house skills it needs to reach its strategic goals. Created in 2002, the program is based on the premise that expertise is what makes a successful company, and that forward planning can ensure that this expertise is available when it is needed.
Run by functional managers with the support of Human Resources, the program aims to identify and foster the competencies the Group needs to achieve not just Renault Commitment 2009, but also the commitments it will make in the future.

Skills managers, designated by the President, manage their family of skills cross-functionally and at the global level. They are assisted by a department advisor and a human resources manager. Together, they identify the strategic competencies and critical skills to be monitored.
After assessing expected needs, they implement a skills development plan with multiple threads: recruitment policies, training programs, organizational modifications, active career development, etc.

The Renault Skills Program is a forward-looking approach: annual objectives are defined based on ongoing assessment by the skills managers. This process ensures that the company remains competitive, its functions efficient and its people employable.

Motivating working conditions

Employee health and working conditions are crucial to improving the quality of life of our staff and the company's overall performance. Based on values that hold true throughout the Group, these policies follow from the Declaration of Employees' Fundamental Rights signed in 2004. They are designed to support Renault's internationalization and its social and economic development.
Since 2000, the frequency of workplace accidents leading to lost days has been almost halved within the Group, and the severity of workplace accidents has been reduced by over a third.
Renault's approach to evaluating working conditions includes:
- assessing risks in terms of safety and ergonomics;
- involving management, employees and their representatives in these issues;
- adopting a proactive approach to human resource management, particularly for new projects and in countries where Renault is newly present.

Using management guidelines and internal and external experts, the various Group sites are audited to verify that the working conditions policy has been implemented correctly. Where this is the case, the "Renault Safety and Working Conditions Management System" seal of approval is awarded for a renewable period of three years; it can be revoked in the case of subsequent non-compliance.

Human resources: key figures at December 31, 2006

Employees	Training hours	Accident rate (F2)	Savings generated by the Ideas for Concrete Progress	Employees managed by the personnel database	Number of international representatives in the Group Works Council
128,893	**More than 5.1 million**	**3.65**	**€54.5 million**	**95,000**	**37 representatives from 17 countries**

More information on Renault's human resources policies, actions and results, is available in:
- the 2006 Registration Document
- the Sustainable Development pages on Renault's website www.renault.com

The environment

Ambitious goals for reducing CO_2 emissions

Under Renault Commitment 2009, the Group has set quantified objectives for CO_2 emissions reduction and biofuels.

Renault has undertaken to sell one million vehicles emitting less than 140g/km of CO_2 by 2008, of which one third emitting less than 120g/km (the 120/140 plan). This goal applies to both existing and future models. To achieve it, Renault will need to revisit over 100 versions already on the market in order to whittle away CO_2 emissions, gram by gram. Vehicle weight, aerodynamics, road friction, electrical accessory management, etc., will all be on the drawing board.

The "120/140" plan requires true cross-functionality from engineering to sales. In the design and development phase, lowering CO_2 emissions primarily means reducing overall consumption. Renault has identified three main approaches in this area: reducing the energy needed to power vehicles, improving powertrain efficiency, and optimizing electrical consumption.

When the car is marketed, the sales network plays a crucial role in familiarizing customers with CO_2 emissions issues and Renault's performance in this area. All dealers will receive training designed by the Group to assist them in their efforts. This training extends beyond CO_2 emissions to touch on broader environmental issues such as global warming, pollution, waste management and alternative energy sources.

On January 1, 2006, Renault introduced "CO_2 labels" in all its French dealerships, in advance of regulatory requirements made by the French government. These labels classify vehicles in seven categories based on their CO_2 emissions and fuel consumption.

According to a 2006 study by the European Federation for Transport and Environment, Renault is one of the top three European carmakers in terms of CO_2 emissions reduction.

Recyclability of parts is a crucial consideration in vehicle design.

"We are committed to rapid results"

Alice de Brauer
Vice President, Strategic Environmental Planning

How do environmental issues relate to Renault Commitment 2009?
They are an integral part of this plan, which lays out quantifiable strategic objectives concerning CO_2 emissions. To my knowledge, this is the first time an automaker has made this type of commitment at the level of its CEO. Moreover, these commitments are to short-term objectives with results that will be rapidly visible.

Why are biofuels so important?
We reviewed all the alternatives to conventional engines. For each one, we examined the benefits "from well to wheel" and the associated costs. Biofuels stood out as the obvious solution in both areas. We have decided to commit to an offer, rather than to sales volumes, because external factors such as tax incentives and the number of gas pumps are beyond our control.

What else can Renault do, beyond these commitments?
Renault wants to help drivers learn to reduce CO_2 emissions. We have, for example, created a question-and-answer game with the French Agency for Environment and Energy Management (ADEME), which explains global warming and the link between how we use our cars and the volume of CO_2 we produce.

Biofuels: reducing CO_2 emissions "from well to wheel"

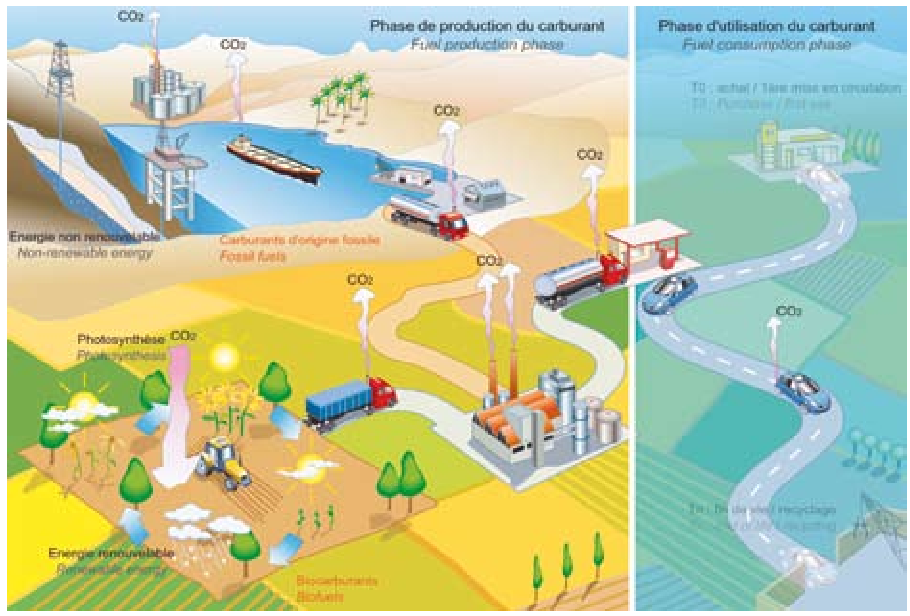
As part of the push to reduce CO_2 emissions, Renault has promised that by 2009, 50% of its gasoline-powered vehicles for sale in Europe will run on a mix of ethanol (E85) and 100% of diesel vehicles will operate on 30% biodiesel fuel. Biofuels have a clear edge in terms of environmental protection: produced from widely available crops, they provide a renewable and diversified energy source.

Biofuels also make a positive contribution in terms of CO_2 emissions measured over the entire life cycle of the fuel, i.e. "from well to wheel". Biodiesel containing 30% vegetable oil produces 20% less CO_2 than traditional diesel. A gasoline-powered vehicle using 85% ethanol can produce CO_2 "savings" of up to 70%. As they grow, plants absorb CO_2 from the atmosphere through photosynthesis, a process that partially offsets the emissions produced during biofuel production and combustion.

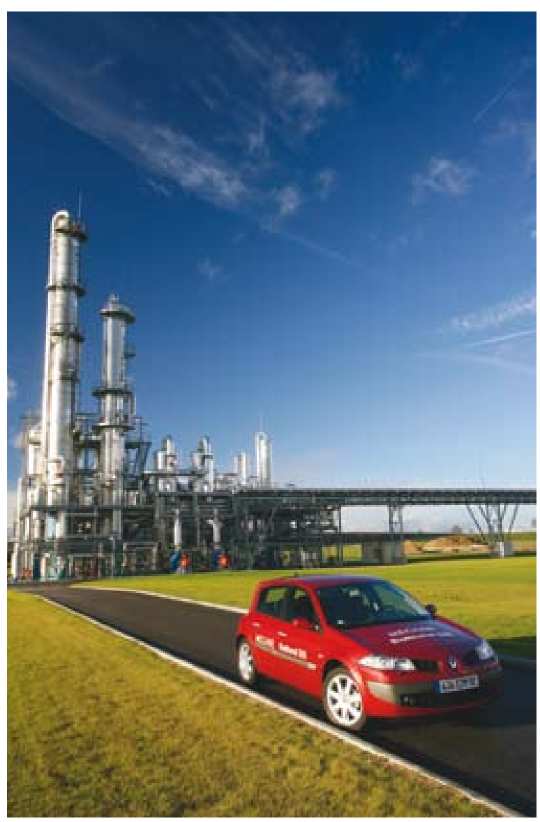
The Group has years of experience with biofuels in Brazil, where 70% of passenger cars already run on ethanol. To enter this market, Renault developed a proprietary technology called Flex Fuel, which enables engines to operate on fuel containing any mix of gasoline and ethanol.

At the end of 2006, Renault launched Trafic and Master versions in Europe which can run equally well on diesel or a B30 diesel/biofuel mix. They are among the first such vehicles on the market. In 2007, Renault will introduce a biofuel Mégane (see box). The Group's initiative in this area will be relayed by the French government's commitment to install 500 bioethanol gas pumps in 2007.

Renault, a member of the Alliance for Synthetic Fuels in Europe (ASFE), is already preparing the next generation of biofuels produced from natural gas, coal and biomass.



CO_2 "from well to wheel".



Bioethanol to fuel Mégane

In the spring of 2007, Renault will market a Mégane equipped with a 110hp 1.6 16V engine running on either bioethanol (E85) or gasoline. This will be Renault's first bioethanol offer in Europe. Modifications have been introduced to allow these engines, based on existing units from the range, to adapt automatically to the type of fuel in the tank.

Social initiatives

Renault supports social initiatives in numerous areas, such as road safety.

The international "Safety for All" program

Because human error is a factor in almost 80% of automobile accidents, and good habits are best learned at an early age, Renault has created its international "Safety for All" program, based on the Group's unique expertise in automobile safety.

Launched in 2000, the program targets children, teenagers and young drivers. To date, it has reached eight million young people and constitutes the world's largest road safety awareness program ever created by a carmaker. Some 320,000 teaching kits have been distributed in 21 countries, from Mexico to South Korea.

Information about Renault's initiatives for road safety education and awareness in the 21 participating countries is available on the bilingual website: www.securite-pour-tous.com / www.safety-for-all.com

Corporate social responsibility

Philanthropic activities totaling €6.2 million were carried out in 2006 by Renault and its subsidiaries around the world. These contributions are primarily aimed to promote education, training, humanitarian aid and road safety, and are adapted to the specific context of each Renault subsidiary or entity. Some examples of such initiatives include:

- The Renault Foundation SAS helps gifted foreign students to succeed in a multicultural environment. The Renault Foundation Argentina works to improve social conditions, education and health.
- In addition to its "Safety for All" programs, Renault organizes events such as an itinerant road safety exhibit in 17 Spanish Universities (Renault Spain).
- In-kind charitable contributions: auction of a prestigious vehicle to benefit the "Reina Sofia" Foundation (Renault Spain), donation of products (vehicles, engines, etc.) to engineering schools (Renault Samsung Motors in Korea), gift of 100 computers to the city of Mioveni for distribution to elementary and secondary schools (Dacia in Romania).
- Cash donations: donation to the association "Paralysés de France" and to the NGO "Planète Urgence" by the REAGROUP distribution subsidiary; gift to the Hospital of Novo Mesto for the purchase of a new ultrasound machine (REVOZ, in Slovenia).
- Renault also supports specific programs, such as an artistic and cultural education program for orphanages (Renault Samsung Motor) or the creation of an environmental education project (Renault Do Brazil).

Final session of the "Safety for All" program with the South Korean team.

2006 Express Yourself road safety competition. Winning poster by the Saint-François Xavier grade school (Ustaritz, France).

The *Valued Citizens* program in South Africa contributes to creating an educational environment of mutual respect and responsibility.

Focus on the "Valued Citizens" program in South Africa

In many countries Renault goes beyond mere financial contributions to carry out educational and cultural initiatives in the field. The South African "Valued Citizens" program is the most eloquent example. Renault has been the primary supporter of this program since 2003, working alongside dedicated teachers to raise students' civic awareness and responsibility.

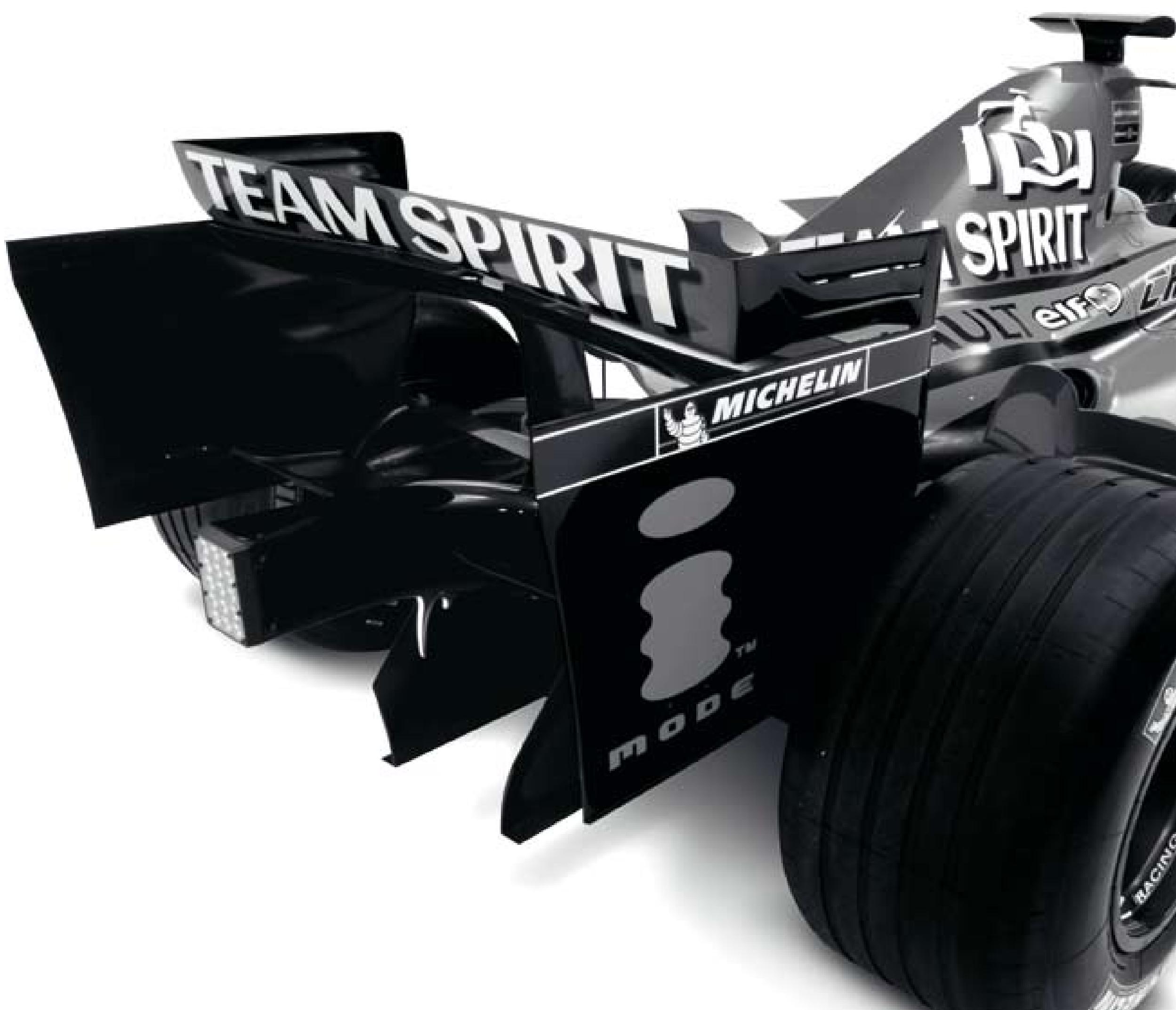
The Valued Citizens program is based on a simple but ambitious objective: to create an educational environment of mutual respect and responsibility to prevent violence and criminality. It also offers unemployed youth job opportunities as mediators. In 2006, the program trained 800 primary school teachers and involved 320 primary and secondary schools in the Guateng, Free State and Limpopo provinces. Renault remains committed to supporting and participating in this program, which has benefited 340,000 students and 2,600 teachers since its creation.

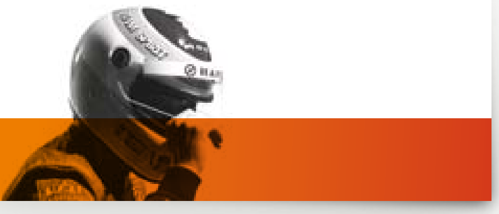

TEAM SPIRIT
MUTUA
MADRILEÑA

5

Sales performance and financial results

In 2006, Renault sold 2.43 million vehicles, representing 3.2% of the global market. The Group achieved an operating margin of €1.063 billion, or 2.56% of revenues, while net income, Renault share, was €2.869 billion.





Sales performance

Renault group sales worldide

The Renault group sold 2.4 million vehicles in 2006. Worldwide sales dipped 4% on 2005.

- In **the France and Europe regions,** Group sales contracted 8.7% in a market that edged up 1.4%. Renault pursued its selective commercial policy focused on the most profitable sales channels (retail and corporate fleets), paving the way for new model launches. The drop in sales can also be attributed to an unfavorable phase in the product cycle. The Renault brand is now No. 2 for passenger cars and light commercial vehicles (cars + LCVs), with a combined market share of 9.1%, down 1.1 points, and 1.6 million registrations. The successful launch of Clio III in the second half of 2005 kept Renault in the No. 2 spot in the small-car segment (A+B). Renault continues to lead the LCV market, with a 14.1% share, bolstered by strong performances from Kangoo, Master and Trafic. With more than 47,400 Logans sold in 2006, sales of the Dacia brand surged 54.3%.
- **In the Euromed, Americas and Asia-Africa regions,** Group sales rose 8.6%. These regions now generate 30% of worldwide Group sales, up from 27% in 2005, reflecting Renault's international expansion. All three Group brands contributed to that growth. Renault sales jumped 9.6%; Dacia increased sales volumes by 11.4% and Renault Samsung Motors sales grew by 2.0%.
  - In the Euromed region, Group sales advanced 12.8% on the success of Logan in Russia and strong results in North African countries.
  - In the Americas region, the Group - represented chiefly by the Renault brand - increased sales by 12.7% in buoyant markets.
  - In the Asia-Africa region, sales dipped 2.8%. Continued growth for Renault Samsung Motors, up 2.4%, failed to offset the 13.7% downturn of the Renault brand.

Renault group – Worldwide sales by brand and by region (cars + LCVs)

	2006	2005	(%) change
Group	**2,433,372**	**2,534,691**	**-4.0**
By brand			
Renault	2,115,176	2,250,839	-6.0
Dacia	196,341	164,364	+19.5
Renault Samsung Motors	121,855	119,488	+2.0
By vehicle type			
Passenger cars	2,043,105	2,141,565	-4.6
Light commercial vehicles	390,267	393,126	-0.7
By region			
France + Europe	**1,692,196**	**1,852,474**	**-8.7**
Renault	1,644,689	1,821,691	-9.7
Dacia	47,507	30,783	+54.3
Euromed region	**360,638**	**337,497**	**+12.8**
Renault	235,074	206,169	+14.0
Dacia	145,481	130,934	+11.1
Renault Samsung Motors	83	394	-78.9
Americas region	**185,518**	**164,591**	**+12.7**
Renault	182,463	161,641	+12.9
Dacia	421	162	+159.9
Renault Samsung Motors	2,634	2,788	-5,5
Asia-Africa region	**175,020**	**180,129**	**-2.8**
Renault	52,950	61,338	-13.7
Dacia	2,932	2,485	+18.0
Renault Samsung Motors	119,138	116,306	+2.4

Renault group – Registrations (reg's) and market share (Mkt sh.) (cars + LCVs)

SALES PERFORMANCE IN MAIN MARKETS	2006* Reg's (in units)	2006* Mkt sh. (as a%)	2005* Reg's (in units)	2005* Mkt sh. (as a%)
France region	**641,905**	**26.3**	**675,804**	**27.2**
Europe region	**1,023,424**	**6.7**	**1,147,393**	**7.6**
Germany	173,269	4.7	185,831	5.3
Italy	142,134	5.6	162,663	6.6
UK	160,286	6.0	197,366	7.1
Spain + Canary Islands	206,171	10.8	238,411	12.4
Belgium + Luxembourg	66,979	10.4	68,089	11.5
Poland	22,393	8.1	22,402	8.3
France + Europe regions	**1,665,329**	**9.4**	**1,823,197**	**10.4**
Euromed region	**373,724**	**10.2**	**333,983**	**10.4**
Romania	131,448	45.6	137,248	54.6
Russia	72,484	3.8	29,148	1.9
Turkey	92,366	14.9	116,511	16.3
Algeria	25,629	17.9	20,495	15.0
Morocco	26,750	31.7	15,096	23.3
Americas region	**185,518**	**4.1**	**164,591**	**4.0**
Mexico	20,274	1.8	24,086	2.1
Colombia	33,042	18.0	24,163	17.6
Brazil	51,682	2.8	47,528	2.9
Argentina	48,223	11.5	37,376	10.3
Asia-Africa region	**175,020**	**0.8**	**180,129**	**0.9**
South Africa	15,580	2.5	19,112	3.5
South Korea	119,088	10.0	115,425	10.0
Euromed + Americas + Asia-Africa regions**	**734,262**	**2.5**	**678,703**	**2.5**

** Preliminary figures.*
*** Excl. North America.*

Renault group – Registrations in France + Europe regions by model (cars + LCVs) (in units)

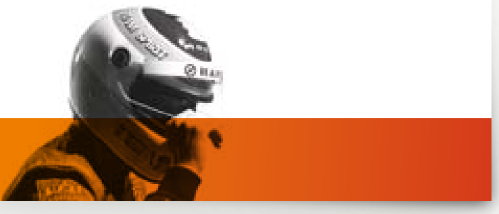
	2006*	2005*	(%) change
Twingo	55,700	78,246	-28.8
Clio / Clio III	482,355	384,167	+25.6
Thalia	8,260	12,884	-35.9
Modus	82,204	166,664	-50.7
Logan	47,362	30,269	+56.5
Mégane / Mégane II	546,079	667,084	-18.1
Laguna	77,217	107,142	-27.9
Vel Satis	4,875	7,604	-35.9
Espace / Espace IV	41,359	50,531	-18.2
Kangoo	159,852	163,982	-2.5
Trafic / Trafic II	76,429	74,976	+1.9
Master / Master II	73,333	68,613	+6.9
Mascott** / RWD Master	9,717	9,852	-1.4
Other	587	1,183	-50.4
Registrations in France + Europe	**1,665,329**	**1,823,197**	**-8.7**

** Preliminary figures.*
*** Mascott is distributed by Renault Trucks, a subsidiary of AB Volvo.*

Renault group – Registrations in Euromed, Americas and Asia-Africa regions by model (cars + LCVs) (in units)

	2006*	2005*	(%) change
Twingo	13,242	11,564	+14.5
Clio / Clio III	90,653	78,062	+16.1
Thalia / Symbol	85 327	96,223	-11.3
Modus	4,129	5,453	-24.3
Logan	200,100	114,660	+74.5
Mégane / Mégane II	124,436	138,848	-10.4
Laguna	4,240	6,555	-35.3
Vel Satis	100	115	-13.0
Espace / Espace IV	289	217	+33.2
SM3	31,999	30,735	+4.1
SM5	72,314	62,774	+15.2
SM7	17,542	25,979	-32.5
Pickup (1300)	11,746	20,568	-42.9
Kangoo	60,705	61,007	-0.5
Trafic / Trafic II	3,899	4,235	-7.9
Master / Master II	12,992	12,086	+7.5
Mascott** / RWD Master	434	390	+11.3
Other	115	9,232	-98.8
Registrations in Euromed + Americas + Asia-Africa	**734,262**	**678,703**	**+8.2**

** Preliminary figures.*
*** Mascott is distributed by Renault Trucks, a subsidiary of AB Volvo.*



Sales performance

Renault group – total industry volume (cars + LCVs) (in units)

MAIN RENAULT GROUP MARKETS	2006*	2005*	% change
France region	**2,440,582**	**2,487,854**	**-1.9**
Europe region	**15,317,275**	**15,025,356**	**+1.9**
Germany	3,670,280	3,521,594	+4.2
Italy	2,548,446	2,455,958	+3.8
UK	2,678,942	2,770,153	-3.3
Spain+Canary Islands	1,908,865	1,916,080	-0.4
Belgium+Luxembourg	641,118	594,341	+7.9
Poland	277,887	271,507	+2.3
France + Europe regions	**17,757,857**	**17,513,210**	**+1.4**
Euromed region	**3,675,354**	**3,224,902**	**+14.0**
Romania	288,296	251,396	+14.7
Russia	1,904,669	1,563,397	+21.8
Turkey	617,838	715,212	-13.6
Algeria	142,955	137,000	+4.3
Morocco	84,277	64,754	+30.1
Americas region	**4,559,184**	**4,114,020**	**+10.8**
Mexico	1,133,087	1,122,197	+1.0
Colombia	183,616	137,213	+33.8
Brazil	1,834,581	1,623,341	+13.0
Argentina	420,304	361,959	+16.1
Asia-Africa region	**21,001,339**	**19,655,686**	**+6.8**
South Africa	619,786	542,670	+14.2
South Korea	1,185,798	1,149,826	+3.1
Euromed + Americas ** + Asia-Africa regions	**29,235,877**	**26,994,608**	**+8.3**

International rollout of the Logan program

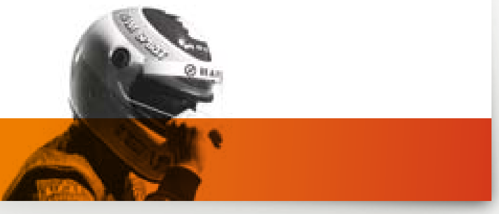
LOGAN UNIT SALES	2006*	2005*	2004*	Since Sept. 2004*
Dacia brand				
France	18,794	9,798	-	28,592
Europe	28,620	20,511	2,080	51,211
Euromed	133,707	103,076	20,751	257,534
Romania	*96,037*	*88,275*	*20,274*	*204,586*
Morocco	*12,723*	*2,499*	*-*	*15,222*
Turkey	*7,352*	*8,317*	*477*	*16,146*
Americas	417	162	-	579
Asia-Africa	2,932	1,507	2	4,441
Logan total under the Dacia brand	**184,470**	**135,054**	**22,833**	**342,357**
Renault brand				
Euromed	49,323	7,057	-	56,380
Russia	*49,323*	*7,057*	*-*	*56,380*
Americas	13,721	2,858	-	16,579
Logan total under the Renault brand	**63,044**	**9,915**	**-**	**72,959**
LOGAN TOTAL	**247,514**	**144,969**	**22,833**	**415,316**

** Preliminary figures.*
*** Excl. North America.*

Renault group – worldwide production by model and by segment (1) (cars + LCVs) (in units)

	2006*	2005*	% change
Logan	256,119	169,956	+50.7
Solenza	-	5,694	-
Low cost segment	**256,119**	**175,650**	**+45.8**
Twingo	63,448	90,674	-30.0
C44	135	-	-
Clio**	182,663	330,870	-44.8
Clio III	373,660	131,503	+207.5
Thalia	131,282	103,164	-14.6
Modus	88,116	164,741	-59.0
A and B segments	**775,611**	**810,971**	**-4.4**
Megane / Megane II	653,512	801,496	-18.5
SM3	71,817	30,091	+138.7
C segment	**725,329**	**831,597**	**-12.8**
Laguna II	73 065	112,365	-35.0
SM5	71,675	63,374	+13.1
SM7	17,807	25,089	-29.0
Espace IV	41,432	50,521	-18.0
Vel Satis	4,683	7,609	-38.5
D, E and MPV segments	**208,662**	**258,958**	**-19.4**
Kangoo	108,895	123,057	-11.5
Passenger-carrying vans	**108,895**	**123,057**	**-11.5**
Kangoo	118,217	118,667	-0.4
Trafic 2(2)	-	-	-
Master 2	111,199	106,703	-0.9
Mascott	17,413	15,255	+14.1
Pick-up 1310	11,208	19,871	-43.6
Other	52,437	55,009	-4.7
Light commercial vehicles	**310,474**	**315,505**	**-1.6**
Worldwide Group production	**2,385,090**	**2,515,728**	**-5.2**

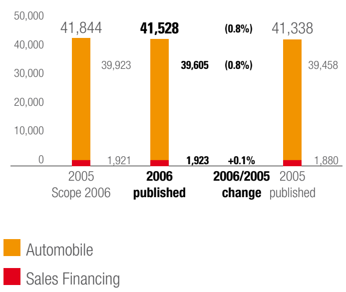
(1) Production data are the number of vehicles leaving the production line.
(2) New Trafic production at the General Motors Europe plant in Luton (UK) and the Nissan plant in Barcelona (Spain) was not recorded as Renault production.
** Preliminary figures.*
*** Excluding North America*



Financial performance and outlook for 2007

Group revenues came to €41,528 million

Revenues by Division
(€ million)



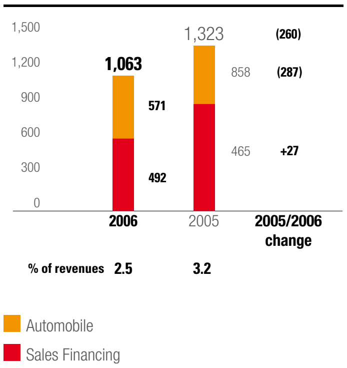
Although the revenue contribution from Sales Financing (RCI Banque) was level with 2005, the contribution from Automobile was down 0.8% on a consistent basis to €39,605 million, as a result of two trends:

- with several key products in the range scheduled for replacement in 2007, the revenue contribution from the France and Europe regions fell 4.2%. Ongoing implementation of the selective commercial policy also played a part;
- the contribution from the other regions - Euromed, Americas and Asia-Africa - was up 2.3%, chiefly on volume growth driven by the Group's three brands.

Sales of powertrains and built-up vehicles to partners made a positive contribution of 1.1%.

Operating margin on target

Operating margin by Division
(€ million)



Operating margin stood at €1,063 million, or 2.56% of revenues, versus €1,323 million, or 3.20% of revenues in 2005. Sales Financing contributed €492 million to Group operating margin, or 25.6% of its revenues, versus €465 million in 2005. Average loans outstandings held steady and risk-related costs improved relative to 2005.
Automobile contributed €571 million (1.4% of revenues), versus €858 million (2.2% of revenues) in 2005.

This decline can be attributed to:

- lower Group sales on the fiercely competitive European market. In 2006, however, Renault stepped up its selective commercial policy designed to help the Group gradually scale back its presence in the least profitable sales channels and so take fuller advantage of new product releases;
- a higher-than-expected increase in raw materials prices;
- the costs of transition to the Euro 4 emission standard, which were not passed on to selling prices;
- increased manufacturing costs as lower output by European plants made it harder to absorb fixed costs.

The operating margin target was met, in line with Renault Commitment 2009. This outcome was mainly attributable to cost-cutting efforts (purchasing costs were reduced by 4% not counting the impact of raw materials, and administrative expenses were cut by 3%, while warranty-related costs showed positive developments) and progress in regions outside Europe.

Research and Development expenses amounted to €2,400 million in 2006, €136 million higher than in 2005. This increase is linked to the development of the future product line-up under Renault Commitment 2009, i.e. 26 products over the period covered by the Plan, and relates chiefly, as in the first half, to capitalized expenses.

Net income, Renault share totaled €2,869 million

Other operating income and expenses showed a net charge of €186 million, compared with net income of €191 million in 2005 (including Renault's €150 million capital gain from the sale of its stake in Nissan Diesel). In 2006, this item essentially comprised:

- €241 million in restructuring and workforce adjustment costs and provisions, mainly concentrated in Spain (compared with €109 million in 2005);
- capital gains amounting to €109 million on the sale of land in France and Spain, versus €148 million in 2005.

After recognizing this item, Group operating income came out at €877 million, versus €1,514 million in 2005.
Net financial income came to €61 million, compared with a charge of €327 million in 2005:

- Automobile's net debt service amounted to €19 million, compared with €57 million in 2005. Despite a slight increase in average indebtedness over the period, the Group continued to optimize its debt service through efficient management of financial assets and liabilities;
- the Group made a profit of €135 million on the sale of Scania securities in second-half 2006;
- the fair value change in Renault SA redeemable shares had a negative impact of €31 million in 2006, compared with a negative impact of €271 million in 2005.

Renault booked a profit of €2,260 million from its share in the net income of associated companies in 2006.

- Nissan's contribution to Renault's earnings in 2006 was €1,789 million, compared with €1,825 million in 2005 (excluding non-recurring income of €82 million in 2006, compared with €450 million in 2005).
- AB Volvo, which held 4.9% of its own shares in 2006, taking Renault's investment to 21.8%, contributed a positive €384 million in 2006, versus €308 million in 2005.

In 2006, current and deferred taxes amounted to a net charge of €255 million, compared with €331 million in 2005.

The effective tax rate (before the impact of income from associated companies) was 27% in 2006, compared with 28% in 2005. Net income was €2,943 million, compared with €3,453 million in 2005. Net income after minority interests was €2,869 million. After neutralizing treasury stock and Renault shares held by Nissan, earnings per share came to €11.17, versus €13.19 in 2005.

A 29% dividend increase

The Board of Directors will ask the Annual General Meeting of May 2, 2007 to approve a dividend payment of €3.10 per share, up from the €2.40 paid in 2005.

Sound financial structure

The net financial debt of Automobile increased by €162 million in 2006, reaching €2,414 million at December 31, 2006:

- cash flow contracted by €215 million compared with 2005 to €3,890 million and included €602 million in dividends from associated companies (compared with €516 million in 2005), of which:
  - €431 million from Nissan,
  - €158 million from AB Volvo;
- net capital expenditure amounted to €3,585 million, compared with €2,879 million at end-2005;
- the working capital surplus was down €346 million at December 31, 2006 on a decline in trade payables linked to the slower pace of activity in Europe while, at the same time, vehicle and parts inventories contracted;
- the sale of Scania securities resulted in a €135 million capital gain.

Consequently, Automobile generated €94 million in free cash flow.

In 2006 shareholders' equity grew by €1,540 million to €21,201 million at December 31, 2006, versus €19,661 million at December 31, 2005.

The net financial debt of Automobile operations was equivalent to 11.4% of shareholders' equity at December 31, 2006, compared with 11.5% at December 31, 2005.

Outlook for 2007

Group sales will begin to grow again in 2007.

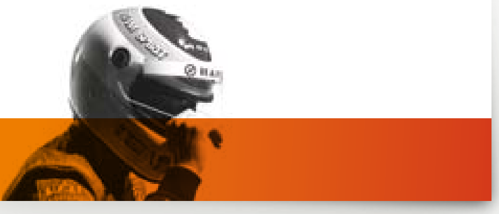
- In Europe, where the market outlook is stable, Renault will pursue its selective commercial policy. First-half 2007 will resemble 2006. In the second half, the Group will benefit from the launches of the future Twingo and Laguna.
- Outside Europe, the production start-up and market launch of Logan in Brazil, Iran and India in spring 2007 will contribute to sales growth. In addition, a cross-over vehicle will be launched in South Korea at the end of the year.

Overall, the Renault group's worldwide sales will increase slightly in 2007, with most of the growth occurring in the second half-year.

Yearly milestones for profitability were set in July 2006 to achieve the 2009 commitment of 6% operating margin. Renault has confirmed the milestone of 3% operating margin in 2007. This figure is the average for what will be a varied year, with the first half slightly lower than 2006 and the second half marked by an increase.

Summary consolidated income statement (€ million)

	2006*	2005	2004
Revenues	41,528	41,338	40,292
Operating margin	1,063	1,323	2,115
Operating income	877	1,514	1,872
Financial result	61	(327)	(331)
Share in net income of associated companies	2,260	2,597	1,923
Pre-tax Group income	3,198	3,784	3,464
Current and deferred taxes	(255)	(331)	(561)
Net income	2,943	3,453	2,903
Net income –minority interests	(74)	(86)	(67)
Net income – Renault share	**2,869**	**3,367**	**2,836**



Financial results

Summary consolidated financial statements [*]

The comparative figures for 2004 are reported after adjustment for compliance with IFRS applicable at December 3, 2006.

(*) Renault's consolidated financial statements are available on the Finance section of www.renault.com.

Consolidated income statements (€ million)

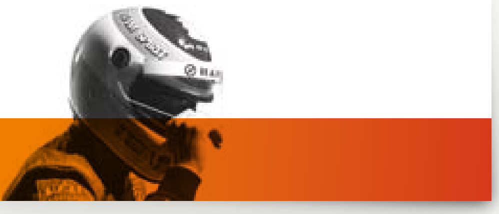
	2006	2005	2004
Sales of goods and services	40,097	39,978	38,923
Sales Financing revenues	1,431	1,360	1,369
Revenues	**41,528**	**41,338**	**40,292**
Cost of goods and services sold	(32,499)	(32,137)	(31,090)
Cost of Sales Financing	(985)	(926)	(912)
Research and development expenses	(1,963)	(2,034)	(1,676)
Selling, general and administrative expenses	(5,018)	(4,918)	(4,499)
Operating margin	**1,063**	**1,323**	**2,115**
Other operating income and expenses	(186)	191	(243)
Operating income	**877**	**1,514**	**1,872**
Net interest income (expense)	(110)	(95)	(22)
Interest income	*223*	*153*	*128*
Interest expenses	*(333)*	*(248)*	*(150)*
Other financial income and expenses, net	171	(232)	(309)
Financial expense	**61**	**(327)**	**(331)**
Share in net income (loss) of associates	**2,260**	**2,597**	**1,923**
Nissan	1,871	2,275	1,689
Other associates	389	322	234
Pre-tax income	**3,198**	**3,784**	**3,464**
Current and deferred taxes	(255)	(331)	(561)
NET INCOME	**2,943**	**3,453**	**2,903**
Net income - minority interests' share	74	86	67
Net income - Renault share	2,869	3,367	2,836
Earnings per share [(1)] in €	11.17	13.19	11.16
Diluted earnings per share [(1)] in €	11.03	13.08	11.10
Number of shares outstanding (in thousands)			
for earnings per share	256,994	255,177	254,168
for diluted earnings per share	260,090	257,342	255,435

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

Consolidated balance sheets

ASSETS - € million	31 Dec. 2006	31 Dec. 2005	31 Dec. 2004
NON-CURRENT ASSETS			
Intangible assets	3,422	2,972	2,657
Property, plant and equipment	13,166	12,691	11,597
Investments in associates	12,943	12,452	9,713
Nissan	10,715	10,477	7,929
Other associates	2,228	1,975	1,784
Non-current financial assets	563	577	696
Deferred tax assets	238	309	565
Other non-current assets	376	358	403
Total non-current assets	**30,708**	**29,359**	**25,631**
CURRENT ASSETS			
Inventories	5,314	5,862	5,142
Sales Financing receivables	20,360	20,700	19,807
Automobile receivables	2,102	2,055	1,878
Current financial assets	2,229	1,871	1,398
Other current assets	2,043	2,413	2,398
Cash and cash equivalents	6,010	6,151	5,521
Total current assets	**38,058**	**39,052**	**36,144**
TOTAL ASSETS	**68,766**	**68,411**	**61,775**

SHAREHOLDERS' EQUITY AND LIABILITIES € million	31 Dec. 2006	31 Dec. 2005	31 Dec. 2004
SHAREHOLDERS' EQUITY			
Share capital	1,086	1,086	1,086
Share premium	3,453	3,453	3,453
Treasury shares	(373)	(456)	(508)
Revaluation of financial instruments	91	33	77
Translation adjustment	(263)	562	(216)
Other reserves	13,855	11,153	8,752
Net income - Renault share	2,869	3,367	2,836
Shareholders' equity - Renault share	**20,718**	**19,198**	**15,480**
Shareholders' equity - minority interests' share	483	463	384
Total shareholders' equity	**21,201**	**19,661**	**15,864**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	251	231	454
Provisions - long-term	1,632	1,754	2,166
Non-current financial liabilities	5,430	5,901	5,404
Other non-current liabilities	428	516	426
Total non-current liabilities	**7,741**	**8,402**	**8,450**
CURRENT LIABILITIES			
Provisions - short-term	1,053	1,264	910
Current financial liabilities	3,715	2,547	2,447
Sales Financing debts	21,212	22,427	20,629
Trade payables	7,384	7,788	7,234
Current tax liability	121	215	197
Other current liabilities	6,339	6,107	6,044
Total current liabilities	**39,824**	**40,348**	**37,461**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**68,766**	**68,411**	**61,775**



Financial results

Changes in consolidated shareholders' equity

€ million	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Other reserves	Net income - Renault share	Shareholders' equity (Renault share)	Shareholders' equity (minority interests)	**Total shareholders' equity**
Balance at Dec. 31, 2004	**284,937**	**1,086**	**3,453**	**(508)**	**77**	**(216)**	**8,752**	**2,836**	**15,480**	**384**	**15,864**
2005 net income	-	-	-	-	-	-	-	3,367	3,367	86	3,453
Income and expenses recorded in shareholders' equity	-	-	-	-	(44)	778	-	-	734	32	766
Total income and expenses for the period	**-**	**-**	**-**	**-**	**(44)**	**778**		**3,367**	**4,101**	**118**	**4,219**
Allocation of 2004 net income	-	-	-	-	-	-	2,836	(2,836)	-	-	-
Dividends	-	-	-	-	-	-	(459)	-	(459)	(60)	(519)
Cost of stock option plans	-	-	-	-	-	-	24	-	24	-	24
(Acquisitions) / diposals of treasury shares	-	-	-	52	-	-	-	-	52	-	52
Impact of changes in the scope of consolidation and capital increases	-	-	-	-	-	-	-	-	-	21	21
Balance at Dec. 31, 2005	**284,937**	**1,086**	**3,453**	**(456)**	**33**	**562**	**11,153**	**3,367**	**19,198**	**463**	**19,661**
2006 net income	-	-	-	-	-	-	-	2,869	2,869	74	2,943
Income and expenses recorded in shareholders' equity	-	-	-	-	58	(825)	-	-	(767)	(18)	(785)
Total income and expenses for the period	**-**	**-**	**-**	**-**	**58**	**(825)**		**2,869**	**2,102**	**56**	**2,158**
Allocation of 2005 net income	-	-	-	-	-	-	3,367	(3,367)	-	-	-
Dividends	-	-	-	-	-	-	(617)	-	(617)	(18)	(635)
Cost of stock option plans	-	-	-	-	-	-	55	-	55	-	55
(Acquisitions) / diposals of treasury shares	-	-	-	83	-	-	-	-	83	-	83
Impact of changes in the scope of consolidation and capital increases [1]	-	-	-	-	-	-	(103)	-	(103)	(18)	(121)
Balance at Dec. 31, 2006	**284,937**	**1,086**	**3 453**	**(373)**	**91**	**(263)**	**13,855**	**2,869**	**20,718**	**483**	**21,201**

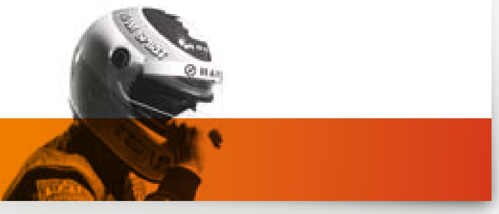
[1] The impact of changes in the scope of consolidation on the Renault share of shareholders' equity results from the treatment applied to acquisitions of minority interests and put options for buyouts of minority shareholdings in controlled companies.

Consolidated statements of cash flows

€ million	2006	2005	2004
Net income	2,943	3,453	2,903
Cancellation of unrealised income and expenses:			
Depreciation and amortisation	*2,835*	*2,705*	*2,752*
Share in net income (loss) of associates	*(2,260)*	*(2,597)*	*(1,923)*
Dividends received from associates	*602*	*516*	*552*
Other unrealised income and expenses	*193*	*393*	*748*
Cash flow	**4,313**	**4,470**	**5,032**
Financing for end customers	(12,008)	(12,998)	(11,917)
Customer repayments	12,300	12,485	10,824
Net change in renewable dealer financing	231	(304)	(35)
Decrease (increase) in Sales Financing receivables	**523**	**(817)**	**(1 128)**
Bond issuance by the Sales Financing division	18	-	1 100
Bond redemption by the Sales Financing division	(874)	(1,045)	(1,050)
Net change in other Sales Financing debts	(1,027)	3 119	667
Net change in other securities and loans of the Sales Financing division	(58)	(39)	227
Net change in Sales Financing financial assets and debts	**(1,941)**	**2,035**	**944**
Decrease (increase) in working capital	**(309)**	**(603)**	**427**
CASH FLOWS FROM OPERATING ACTIVITIES	**2,586**	**5,085**	**5,275**
Capital expenditure	(4,644)	(4,018)	(3,923)
Acquisitions of investments, net of cash acquired	(30)	(59)	(127)
Disposals of property, plant and equipment and intangibles	1,152	1,073	607
Disposals of investments, net of cash acquired, and other	55	100	34
Net decrease (increase) in other securities and loans of the Automobile division [1]	423	(149)	404
CASH FLOWS FROM INVESTING ACTIVITIES	**(3,044)**	**(3,053)**	**(3,005)**
Transactions with minority shareholders [2]	(131)	(2)	18
Dividends paid to parent company shareholders	(664)	(494)	(383)
Dividends paid to minority shareholders	(22)	(60)	(35)
Purchases/sales of treasury shares	85	56	-
Cash flows with shareholders	**(732)**	**(500)**	**(400)**
Bond issuance by the Automobile division	851	245	407
Bond redemption by the Automobile division	(928)	(388)	(290)
Net increase (decrease) in other financial liabilities of the Automobile division	1,069	(867)	(998)
Net change in financial assets and liabilities of the Automobile division	**992**	**(1,010)**	**(881)**
CASH FLOWS FROM FINANCING ACTIVITIES	**260**	**(1,510)**	**(1,281)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(198)**	**522**	**989**

€ million	2006	2005	2004
Cash and cash equivalents: opening balance	**6,151**	**5,521**	**4,276**
Increase (decrease)	(198)	522	989
Effect of changes in exchange rate and other changes	57	108	256
Cash and cash equivalents: closing balance	**6,010**	**6,151**	**5,521**

[1] In 2006, this includes a €135 million gain on the sale of Scania shares.
[2] Via capital increases or decreases and acquisitions of additional investments in controlled companies.



Financial results

Segment information – Consolidated income statements by Division

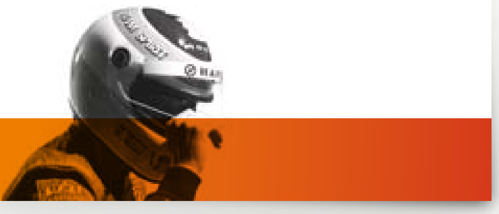
€ million	Automobile	Sales Financing	Interdivision transactions (1)	Consolidated total
2006				
Sales of goods and services	39,605	492	-	40,097
Sales Financing revenues	-	1,431	-	1,431
External sales	**39,605**	**1,923**	**-**	**41,528**
Interdivision sales (1)	(40)	270	(230)	-
Revenues	**39,565**	**2,193**	**(230)**	**41,528**
Operating margin	**486**	**492**	**85**	**1,063**
Operating income	**303**	**489**	**85**	**877**
Financial expense				**61**
Share in net income (loss) of associates	**2,255**	**5**	**-**	**2,260**
Pre-tax income				**3,198**
Current and deferred taxes				(255)
NET INCOME				**2,943**
2005				
Sales of goods and services	39,458	520	-	39,978
Sales Financing revenues	-	1,360	-	1,360
External sales	**39,458**	**1,880**	**-**	**41,338**
Interdivision sales (1)	147	268	(415)	-
Revenues	**39,605**	**2,148**	**(415)**	**41,338**
Operating margin	**858**	**465**	**-**	**1,323**
Operating income	**1,058**	**456**	**-**	**1,514**
Financial expense				**(327)**
Share in net income (loss) of associates	**2,595**	**2**	**-**	**2,597**
Pre-tax income				**3,784**
Current and deferred taxes				(331)
NET INCOME				**3,453**
2004				
Sales of goods and services	38,426	497	-	38,923
Sales Financing revenues	-	1 369	-	1,369
External sales	**38,426**	**1 866**	**-**	**40,292**
Interdivision sales (1)	302	234	(536)	-
Revenues	**38,728**	**2 100**	**(536)**	**40,292**
Operating margin	**1,640**	**461**	**14**	**2,115**
Operating income	**1,412**	**446**	**14**	**1,872**
Financial expense				**(331)**
Share in net income (loss) of associates	**1,923**	**-**	**-**	**1,923**
Pre-tax income				**3,464**
Current and deferred taxes				(561)
NET INCOME				**2,903**

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

Consolidated balance sheets by Division (€ million)

ASSETS	Automobile	Sales Financing	Interdivision transactions [1]	Consolidated total
NON-CURRENT ASSETS				
Property, plant and equipment and intangible assets	16,263	371	(46)	16,588
Investments in associates	12,928	15	-	12,943
Non-current financial assets - investments in non-controlled entities	2,401	2	(2,367)	36
Non-current financial assets - other securities, loans and derivatives on financing operations of the Automobile division	527	-	-	527
Deferred tax assets and other non-current assets	514	102	(2)	614
Total non-current assets	**32,633**	**490**	**(2,415)**	**30,708**
CURRENT ASSETS				
Inventories	5,306	8	-	5,314
Customer receivables	2,210	20,869	(617)	22,462
Current financial assets	1,678	1,171	(620)	2,229
Other current assets	1,633	1,957	(1,547)	2,043
Cash and cash equivalents	4,963	1,077	(30)	6,010
Total current assets	**15,790**	**25,082**	**(2,814)**	**38,058**
TOTAL ASSETS	**48,423**	**25,572**	**(5,229)**	**68,766**
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDER'S EQUITY	**21,129**	**2,367**	**(2,295)**	**21,201**
NON-CURRENT LIABILITIES				
Deferred tax liabilities and long-term provisions	1,563	266	54	1,883
Non-current financial liabilities	5,159	271	-	5,430
Other non-current liabilities	371	57	-	428
Total non-current liabilities	**7,093**	**594**	**54**	**7,741**
CURRENT LIABILITIES				
Short-term provisions	994	59	-	1,053
Current financial liabilities	4,423	-	(708)	3,715
Trade payables and Sales Financing debts	7,487	21,786	(677)	28,596
Other current liabilities and current tax liability	7,297	766	(1,603)	6,460
Total current liabilities	**20,201**	**22,611**	**(2,988)**	**39,824**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**48,423**	**25,572**	**(5,229)**	**68,766**

[1] *Interdivision transactions are carried out under near-market conditions.*



Financial results

Consolidated cash flow statements by Division (€ million)

	Automobile	Sales Financing	Interdivision transactions [1]	**Consolidated total**
2006				
Net income	2,586	312	45	2,943
Cancellation of unrealised income and expenses:				
Depreciation and amortisation	*2,817*	*86*	*(68)*	*2,835*
Share in net income (loss) of associates	*(2,255)*	*(5)*	*-*	*(2,260)*
Dividends received from associates	*602*	*-*	*-*	*602*
Other unrealised income and expenses	*140*	*28*	*25*	*193*
Cash flow	**3,890**	**421**	**2**	**4,313**
Decrease (increase) in Sales Financing receivables	-	524	(1)	523
Net change in Sales Financing financial assets and debts	-	(1,935)	(6)	(1,941)
Decrease (increase) in working capital	(346)	74	(37)	(309)
Cash flows from operating activities	**3,544**	**(916)**	**(42)**	**2,586**
Purchases of intangible assets	(1,129)	(3)	-	(1,132)
Purchases of property, plant and equipment [2]	(3,340)	(193)	21	(3,512)
Disposals of property, plant and equipment and intangibles [2]	884	268	-	1,152
Acquisition of investments, net of disposals and other	23	2	-	25
Net decrease (increase) in other securities and loans of the Automobile division [3]	421	-	2	423
Cash flows from investing activities	**(3,141)**	**74**	**23**	**(3,044)**
Cash flows with shareholders	(719)	(14)	1	(732)
Net change in financial liabilities of the Automobile division	966	-	26	992
Cash flows from financing activities	**247**	**(14)**	**27**	**260**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**650**	**(856)**	**8**	**(198)**

[1] Interdivision transactions are carried out under near-market conditions.
[2] Including impact of leased vehicles:

	Automobile	Sales Financing	**Group total**
Purchases of property, plant and equipment	(969)	(165)	(1 134)
Disposals of property, plant and equipment	685	268	953

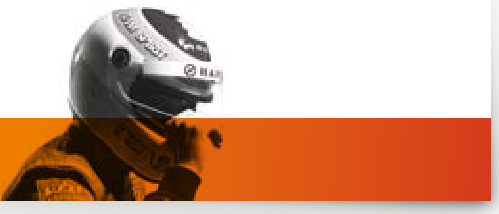
[3] In 2006, this includes a €135 million gain on the sale of Scania shares.

Consolidated cash flow statements by Division (€ million)

	Automobile	Sales Financing	Interdivision transactions [1]	Consolidated total
2005				
Net income	3,320	313	(180)	3,453
Cancellation of unrealised income and expenses:				
Depreciation and amortisation	*2,658*	*103*	*(56)*	*2,705*
Share in net income (loss) of associates	*(2,595)*	*(2)*	*-*	*(2,597)*
Dividends received from associates	*516*	*-*	*-*	*516*
Other unrealised income and expenses	*206*	*186*	*1*	*393*
Cash flow	**4,105**	**600**	**(235)**	**4,470**
Decrease (increase) in Sales Financing receivables	-	(1,009)	192	(817)
Net change in Sales Financing financial assets and debts	-	1,587	448	2,035
Decrease (increase) in working capital	(533)	(40)	(30)	(603)
Cash flows from operating activities	**3,572**	**1,138**	**375**	**5,085**
Purchases of intangible assets	(876)	(4)	-	(880)
Purchases of property, plant and equipment [2]	(2,903)	(288)	53	(3,138)
Disposals of property, plant and equipment and intangibles [2]	900	173	-	1 073
Acquisition of investments, net of disposals and other	77	(36)	-	41
Net decrease (increase) in other securities and loans of the Automobile division [3]	274	-	(423)	(149)
Cash flows from investing activities	**(2,528)**	**(155)**	**(370)**	**(3,053)**
Cash flows with shareholders	(500)	(180)	180	(500)
Net change in financial liabilities of the Automobile division	(819)	-	(191)	(1,010)
Cash flows from financing activities	**(1,319)**	**(180)**	**(11)**	**(1,510)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(275)**	**803**	**(6)**	**522**

(1) Interdivision transactions are carried out under near-market conditions.
(2) Including impact of leased vehicles:

	Automobile	Sales Financing	Group total
Purchases of property, plant and equipment	(900)	(231)	(1,131)
Disposals of property, plant and equipment	670	168	838



Financial results

Information by geographical area

	France	Europe	Euromed	Asia-Africa	Americas	Consolidated total
2006						
Revenues	14,213	18,425	3,808	2,723	2,359	41,528
Capital expenditure	2,961	865	373	283	162	4,644
Property, plant and equipment and intangibles	10,928	2,737	1,526	735	662	16,588
Other operating assets [(1)]	4,784	2,941	766	331	637	9,459
2005						
Revenues	14,289	19,326	3,445	2,158	2,120	41,338
Capital expenditure	2,607	861	362	90	98	4,018
Property, plant and equipment and intangibles	10,469	2,778	1,297	546	573	15,663
Other operating assets [(1)]	5,876	3,123	541	272	518	10,330
2004						
Revenues	14,558	19,865	3,188	993	1,688	40,292
Capital expenditure	2,634	778	359	135	17	3,923
Property, plant and equipment and intangibles	9,776	2,681	964	456	377	14,254
Other operating assets [(1)]	5,451	2,929	445	110	483	9,418

[(1)] *Other operating assets include inventories, Automobile receivables and other current assets.*

Consolidated revenues are presented by location of customers.
Property, plant and equipment and intangibles, capital expenditure and other operating assets are presented by location of subsidiaries and joint ventures.

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