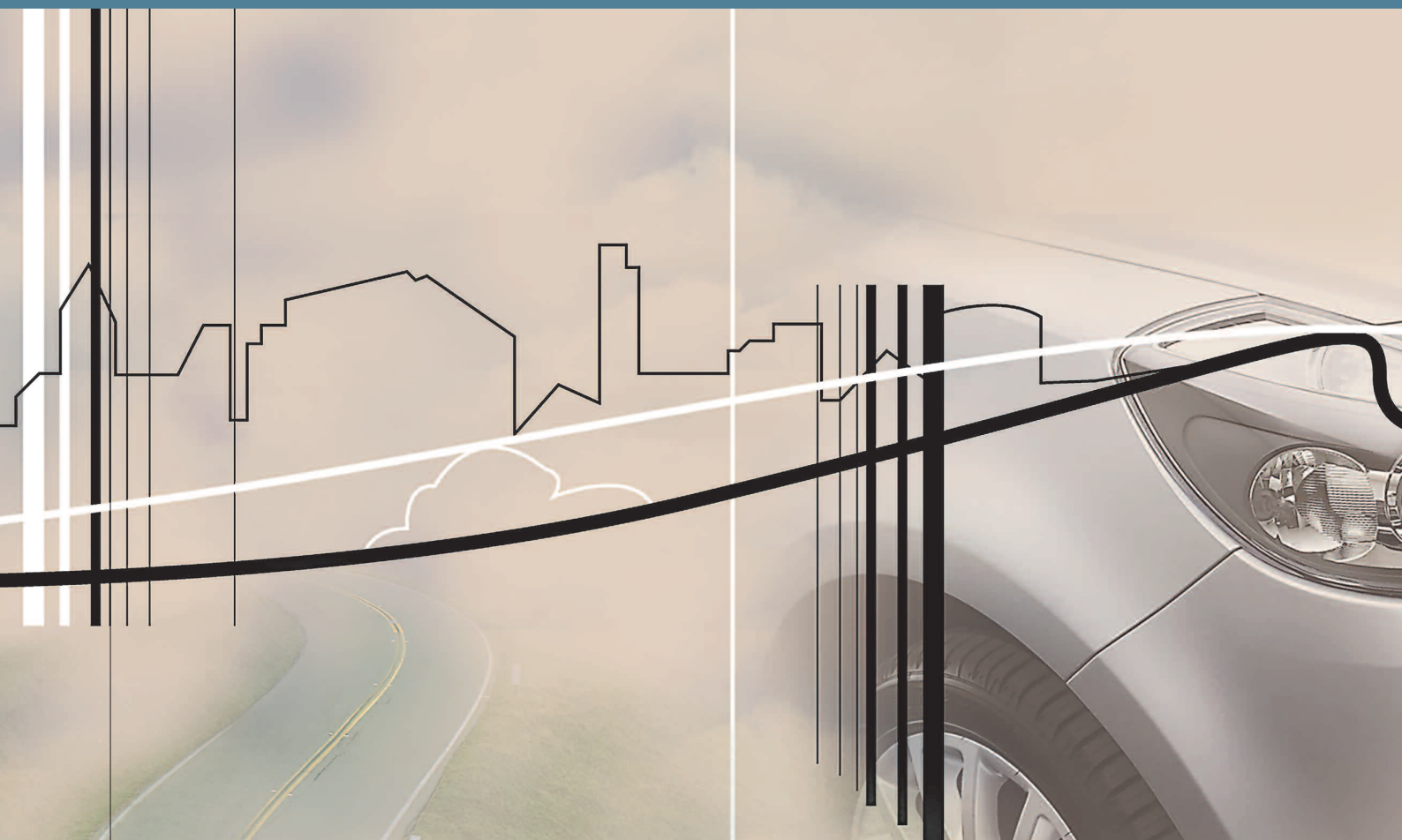


RCI Banque

Business report 2006



RENAULT

BUSINESS ACTIVITY

- UNDER THE “RENAULT COMMITMENT 2009”, RCI BANQUE IMPLEMENTS ITS OBJECTIVES OF QUALITY, PROFITABILITY AND GROWTH. INTERNATIONAL EXPANSION WILL REMAIN A KEY STRATEGIC FOCUS.
- AMID DIFFICULT MARKET CONDITIONS FOR THE AUTOMOBILE INDUSTRY, RCI BANQUE MAINTAINED, IN 2006, A SATISFACTORY LEVEL OF PENETRATION (32.4%) AND ISSUED €9.7 BILLION OF NEW FINANCINGS (-6%).

The RCI Banque group finances sales of Renault Group vehicles (Renault, Samsung and Dacia) world-wide and of Nissan cars mainly in Europe. The RCI Banque group is active in France, in Europe (15 countries), in America (Brazil, Argentina, Mexico and Colombia) in Euromed zone (Romania, Russia, Morocco, Algeria) and in Asia (South Korea).

As a captive finance company, the RCI Banque group offers a comprehensive range of financing and related services to three target customer categories:

- The **Retail** and **Corporate** markets. The RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides services to motorists such as maintenance contracts, extended warranties, roadside assistance and fleet management;
- Renault and Nissan **Dealers**. The RCI Banque group finances inventories of new cars, used cars and spare parts, as well as short-term cash requirements.

2006 BUSINESS ACTIVITY

In 2006, a transitional year for the Renault Group, worldwide sales slipped 4% to 2,433,604 vehicles.

Outside Europe, sales rose 8.8% to 742,019 units, in particular thanks to Logan, to the performance of Renault Samsung Motors and to Renault brand growth in the international markets. At the end of 2006, sales outside Europe represented more than 30% of the Renault Group's sales. Each of the three brands (Renault, Dacia and Samsung) contributed to that growth.

In France and in Europe, in highly-competitive markets, the absence of new models and the acceleration of the selective sales policy, resulted in a dip in sales of 8.7% to 1,691,585 units, accompanied however by a noticeable increase in the vehicles' residual value.

Nissan sold 346,800 units in the 13 countries where the RCI Banque group finances sales of these vehicles. Its market share was 1.8%.

The RCI Banque group wrote 946,036 new vehicle finance contracts in 2006. Of these, 12.3% (116,480 contracts) were outside Western Europe.

Amid difficult market conditions for the automobile industry, new financings by the RCI Banque group totaled €9,737 billion in 2006, dipping 6% from the same period in 2005. RCI Banque maintained at a satisfactory level (34%) its penetration rate in sales of new Renault and Nissan Group vehicles in Western Europe (versus 34.9% in 2005).

Customer and Dealer outstanding loans were €23 billion at December 31st, 2006, down slightly (1.8%) compared with the end of December 2005.

In line with its strategic role of supporting the carmakers' brands in most markets, the RCI Banque group continued to step up the pace of its international expansion:

- In South Korea, successful launch of RCI Financial Services Korea, a 100% subsidiary.
- In Russia, opening of a subsidiary bearing a promising commercial agreement.
- In Poland, launch of direct customer loan activity by RCI Banque Polska, a 100% banking subsidiary.
- In Slovenia, opening of a branch responsible for Dealer loan financing.
- In Croatia, Colombia and Algeria, retail sales financing began under a commercial agreement.

In the Enterprise segment, RCI Banque entered into a partnership in the Netherlands, as part of its new strategy for improving competitiveness.

PASSENGER CAR & LIGHT UTILITY VEHICLE MARKET*		Renault Group market share (%)	Nissan market share (%)	RCI Banque penetration rate (%)	No. of cars financing contract processed	New financings (€m)	Net loans outstanding at year-end (€m)	Of which: dealers (€m)
Western Europe	2006	9.9	2.2	34.0	829,556	9,077	21,935	5,013
	2005	10.9	2.4	34.9	929,400	10,055	22,824	5,314
<i>Of which: Germany</i>	2006	4.7	1.6	40.1	154,504	1,690	4,795	887
	2005	5.3	1.6	47.0	185,190	1,941	5,266	1,129
<i>Of which: Spain</i>	2006	10.8	3.2	45.9	140,929	1,735	3,802	741
	2005	12.4	3.6	43.7	154,713	1,949	3,849	853
<i>Of which: France</i>	2006	26.3	1.7	32.1	287,829	3,380	7,807	1,984
	2005	27.2	2.0	32.5	307,855	3,568	7,687	1,978
<i>Of which: UK</i>	2006	6.0	3.2	29.1	108,041	868	1,776	362
	2005	7.1	3.7	26.4	116,708	928	1,795	323
<i>Of which: Italy</i>	2006	5.6	1.9	32.7	68,117	718	1,962	395
	2005	6.6	2.2	35.8	86,112	881	2,264	403
Brazil	2006	2.8	0.3	38.3	27,502	241	371	100
	2005	2.9	0.5	50.8	31,977	132	196	57
South Korea**	2006	10.0	0.1	12.7	15,360	183	141	-
	2005	-	-	-	-	-	-	-
Rest of world***	2006	16.3	0.4	29.2	73,618	235	536	137
	2005	17.5	0.4	30.4	75,273	155	390	109
Total group	2006	9.7	1.8	32.4	946,036	9,737	22,983	5,250
RCI Banque	2005	10.7	2.1	34.8	1,036,650	10,342	23,411	5,480

Nb: 2005: Proforma including Renault and Dacia.

* Figures apply to the markets for passenger cars and light utility vehicles,

** 2006: South Korea consolidated,

*** Rest of world: Poland, Czech Republic, Slovakia, Romania, Hungary and Argentina.

CONSOLIDATED FINANCIAL HIGHLIGHTS

- PRE-TAX INCOME UP 7.4% TO €491 MILLION.
- ROE* OF 15.1%.

EARNINGS

The RCI Banque group's consolidated pre-tax income for the year ended December 31st, 2006 was €491m, up 7.4% on December 2005.

This improvement in earnings was mainly due to:

- the growth in net banking income of 1.7%, compared with December 2005, resulting from a rise in average performing loans outstanding (+1%),
- the increased margin on services (0.72% of average performing loans outstanding at December 2006, compared with 0.59% at December 2005),
- the reduction in the cost of risk (0.61% of average performing loans outstanding at December 2006, compared with 0.72% in December 2005),
- the control of operating costs, in which the slight rise resulted solely from the increased extent of the international activities.

Consolidated net income was €305m at December 31st, 2006, versus €311m in December 2005, owing to the increased corporate income tax expense. (There had been exceptional tax income during 2005.)

INCOME STATEMENT (consolidated, in million of euros)	2006 IFRS	2005 IFRS	2004 IFRS
Operating income	1,911	1,865	1,865
Operating expense	(892)	(863)	(901)
Net banking income	1,019	1,002	964
Operating cost	(392)	(389)	(396)
Cost of risk	(141)	(159)	(126)
Share of net income of associates	5	2	-
Consolidated income before tax	491	457	442
CONSOLIDATED NET INCOME	305	311	266

BALANCE SHEET

The RCI Banque group's shareholder's equity rose by €352m to €2,414m, mainly due to the impact of the net income (€305m) and to the rise in the market value of the derivative instruments recognized under Cash Flow Hedge (€60m).

The RCI Banque group's sales financing outstandings (net) were €23bn at the end of December 2006, compared with €23.4bn at the end of December 2005, a dip of 1.8%. This was due in particular to the fall in Dealer outstandings and to the sale of the long-term leasing portfolio in the Netherlands. The rise in outstandings seen in France and Spain was partly offset by the fall in Italian and German activities.

The RCI Banque group continued in 2006 its refinancing diversification policy, in particular through securitizations. The proportion of this resource rose from 12% to 15% of total indebtedness. Resources deriving from medium and long-term instruments (>1 year) remained steady at 70%.

PROFITABILITY

At December 31st, 2006, the RCI Banque group's solvency ratio stood at 9.5% and its Tier 1 capital ratio at 8.4%, versus 9.2% and 8.1% at December 31st, 2005.

Excluding non-recurring items, return on equity (ROE) was 15.1%, versus 15.5% in 2005.

*Excluding non-recurring items

BALANCE SHEET (consolidated, in million of euros)	2006 IFRS	2005 IFRS	2004 IFRS
Net total outstandings	22,983	23,411	22,142
Of which:			
• Retail customer loans	11,695	11,738	11,410
• Leasing & long-term rentals	6,038	6,193	5,828
• Dealers	5,250	5,480	4,904
Financial asset at fair value through profit or loss and hedging derivatives	186	177	346
Other assets	1,952	2,729	1,850
Shareholders' equity (including current year's net income)	2,685	2,329	2,269
• Equity	2,414	2,062	1,861
• Subordinated debts	271	267	408
Bonds	3,005	3,882	4,957
Negotiable debt securities (CD, BT, CP, BMTN, EMTN)	10,473	10,621	8,798
Securitization	3,108	2,850	2,512
Banks & other lenders (including <i>Schuldschein</i>)	4,579	5,408	4,600
Financial liability at fair value through profit or loss and hedging derivatives	117	179	259
Other liabilities	1,154	1,048	943
Total balance sheet	25,121	26,317	24,338

FINANCIAL POLICY

- FITCH UPGRADES RCI BANQUE'S LONG-TERM DEBT RATING BY ONE NOTCH TO A-.
- LAUNCH OF THE LARGEST PUBLIC EUROPEAN AUTO ABS (€1.8 BILLION).

The objective of RCI Banque's financial policy is to protect the gross margin of each group entity while maintaining secure sources of funding for its business activities. The group financial policy is defined and implemented by RCI Banque at the consolidated level. It applies to all the Group's Renault and Nissan sales finance affiliates.

The strength of the group's balance sheet is evidenced by strictly limited market risks (interest rate, currency and counterparty exposure) that are monitored on a daily basis, by the quality of its financial ratios and by substantial confirmed available lines of credit that provide secure access to diversified sources if funding in financial markets:

- At December 31st, 2006, the RCI Banque group's sensitivity to interest rate risk was €3.44m for 100 basis points.
- Exposure to currency risk amounted to €1.4m. Over 87% of the group's requirements are in euros.
- Available securities totaled €7,205m, (including €5,378m in confirmed lines of credit, slightly increased compared to December 31st, 2005, and €1,827m in reserves and cash available from the Central Bank facility). Available securities allowed to cover amply the combined total of commercial paper and certificates of deposit outstanding.

RCI Banque continued during 2006 its financing sources diversification policy, and increased the proportion of its funding coming from the ABS market.

After the amortization of the series issued in 2002 by the French subsidiary DIAC's, RCI Banque launched a new issue. The eligibility criteria were revised to take account of the development of "balloon" type loans, thus enabling the largest public automobile loans ABS issue in Euros to be launched, totaling €1.8bn. RCI Banque also continued its resource diversification policy and refinanced part of its Dealer outstanding in Germany using a private securitization through a conduit.

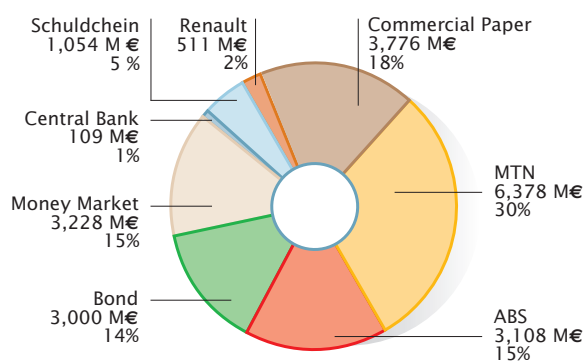
The total resources derived from securitized assets consequently rose significantly to €3,108m, i.e. 15% of indebtedness, compared with 12% at the end of 2005. Issues under the EMTN program were correspondingly less than those for the previous year at €1,800m.

This increase in securitized resources also led to a net rebalancing of the main lenders' nationalities; United Kingdom: 27%, France: 27% and Germany: 23%, compared respectively with 10%, 42% and 25% in 2005.

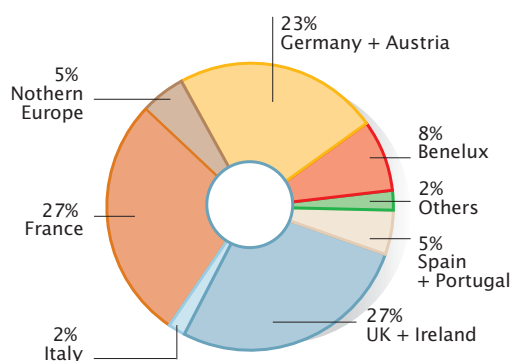
The proportion of financings with an initial term of one year or more represented 70% of resources at December 31st, 2006, holding stable compare to the end of 2005.

In accordance with longstanding policy, RCI Banque provides centralized refinancing for its affiliates in countries rated single-A or better. Thus, the subsidiary in South Korea, which started business in March, benefited from very competitive refinancing.

Composition of debts at December 31st, 2006



Regional breakdown of RCI group's medium-term debt during 2006



The group's programs are concentrated on two issuers (RCI banque, DIAC)
They represent a total of over €24 billion.

ISSUER	PROGRAM	MARKET	SIZE	S & P	MOODY'S	FITCH	R & I
RCI Banque	Euro CP	euro	EUR 2,000 million	A2	P2	F2	a1
RCI Banque	Euro MTN	euro	EUR 12,000 million	A-	A3	A-	A
RCI Banque	CD	French domestic	EUR 4,000 million	A2	P2	F2	
RCI Banque	BMTN	French domestic	EUR 2,000 million	A-	A3	A-	
Diac	CD	French domestic	EUR 1,500 million	A2	P2	F2	
Diac	BMTN	French domestic	EUR 1,500 million	A-	A3	A-	
RCI Banque	CP	US domestic	USD 1,000 million	A2	P2	F2	
RCI Banque + Overlease + Renault AutoFin (Guarantor RCI)	CP	Belgian domestic	EUR 500 million	A2	P2	F2	