

ANNUAL REPORT **RENAULT LEASING CZ, s.r.o.**

2007



RENAULT Leasing



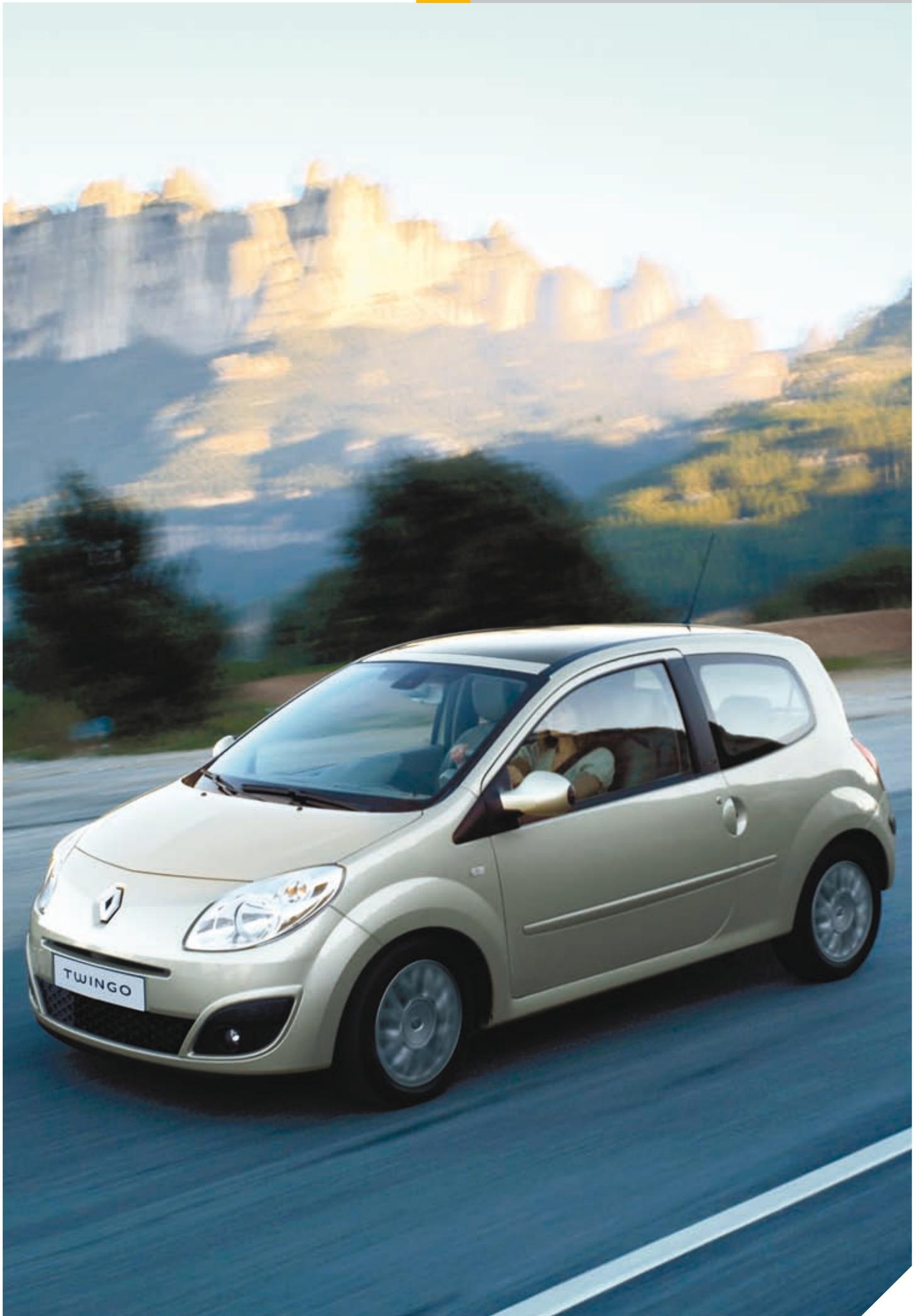
ANNUAL REPORT **RENAULT LEASING CZ, s.r.o.**

2007



TABLE OF CONTENTS

Company Profile	6
Word from the Executive Officers	8
Report on the Company's Activities	10
Audit report	16
Financial part	20
Balance sheet	22
Profit and loss account	24
Statement of changes in equity	25
Cash flow statement	26
Notes to the financial statements	28
Directory of the company and its branches	48



COMPANY PROFILE OF RENAULT LEASING CZ, s.r.o.

Renault Leasing CZ, s.r.o. is a brand-name leasing company, which provides comprehensive automobile financing services through a network of authorised Renault and Dacia dealers, including its own 10 branches, throughout the Czech Republic. Its services are designed for clientele in the private sector as well as entrepreneurs and legal entities.

Renault Leasing CZ, s.r.o. was recorded in the Commercial Register on 1 January 1999 after a contract for founding a joint enterprise entitled Renault Leasing CZ, s.r.o. (hereafter only Re-

nault Leasing) between UniCredit Leasing CZ, a.s. and RCI Banque, S.A. was signed. The subject of the company's activities is supporting new vehicle sales for the Renault and Dacia brands with brand-name financing through finance leasing, operating leasing, designated consumer loans and instalment sale. Renault Leasing also provides products and services for financing used vehicles, regardless of brand, at authorised Renault and Dacia dealers, as well as a wide variety of insurance products, which form an inseparable part of the package provided to all clients.





BASIC INFORMATION ABOUT THE COMPANY

Title:	Renault Leasing CZ, s.r.o.
Main Office:	Radlická 14/3201, 150 00 Prague 5
Legal status:	limited liability company
Date of origin:	1 January 1999

The company is part of the UniCredit Leasing CZ, a.s. consolidated group.

Identification No.:	25722328
Tax identification No.:	CZ25722328
Bank:	Komerční banka
Account No.:	27-9426000287/0100

2007

OWNERSHIP STRUCTURE OF THE COMPANY:

UniCredit Leasing CZ, a.s.	50% share
RCI Banque, S.A., groupe Renault, S.A.	50% share

Dear Business Friends

After our all-time best business results achieved in 2006, last year was again a successful period for Renault Leasing CZ.

Our success last year was built on maintaining a high proportion of signed financing contracts in the total number of the sold Renault and Dacia cars. In 2007, this percentage was 46% for Renault and 31% for Dacia. In terms of numbers, 5,424 lease and credit contracts were signed for new Renault vehicles and 602 contracts for new Dacia cars. In addition, our company signed 735 financing contracts for used cars. Our company's financial results for the past

year were very positively influenced by the fact that Renault ČR shifted its sales focus onto more expensive car segment. This strategy of the importer had a direct impact on our company' results: we recorded a significant increase by the total financed value of new deals to CZK 1,522 million (up 11.8%) despite a slight year-on-year decline in the total number of new contracts to 6,761 (down 2.3%). This growth in the financed value contributed positively to the performance of most of our company's financial indicators. As at December 31, 2007, the total financed value of all

contracts in our portfolio (rest capital) reached CZK 2,688 million, which is a year-on-year increase of 13.8%.

Thus, last year, Renault Leasing CZ again fully confirmed its stable position as a reputable leasing company that, in cooperation with Renault ČR, offers cost-effective and reliable financing of cars of the Renault and Dacia brands.

In 2008, our top priority will be again to provide our customers with attractive solutions to finance their cars in cooperation with the importer. A big challenge is to further develop our business in the financing of





used cars and to develop more supplementary products, especially in the field of insurance.

As regards the Renault and Dacia dealer network, our main priority will be to further improve the quality of our cooperation. A key prerequisite for achieving

this goal is the further development of our on-line links with dealers through the Portál (Portal) application which, thanks to integration with the importer's offer software, is a convenient and effective means of communication in the process of appro-

ving contracts concerning our common customers.

In conclusion, we would like to say Thank You to all those who provided our company with their support last year, especially to all our colleagues from Renault Leasing CZ, RCI Finance

CZ, parent companies RCI Banque and UniCredit Leasing CZ and our business partners from Renault ČR and the Renault and Dacia dealer network. Last, but not least, we would like to thank again our loyal customers.

Jean-Jacques Thibert
Executive Officer

Ing. Bohumil Bucek
Executive Officer

Economic development of the Czech Republic

In 2007, the Czech economy continued to maintain a good pace of growth compared with other EU countries, with the real GDP growing 6.5% year on year. Higher private consumption, higher incomes and higher volume of purchases on credit corresponded with a better situation on the labor market. On a quarterly basis, the average rate of registered unemployment gradually declined from 7.7% in Q1 to 6.7% in Q2, 6.3% in Q3 and to 5.8% in Q4. On the other hand, the last four months

of 2007 saw a substantial rise in inflation up to a six-year high. In December, the year-on-year rise was 5.4%, up three percentage points from 2.4% in August. This significant rise of inflation was mainly driven by a jump in food prices which accounted for 1.8 percentage points of the December rate. Housing prices, which have a high weight in the index, also went up in the last month of the year, driven by rising rents. The transportation sector registered a rise in fuel prices and rail transport charg-

es. In January, inflation continued to rise, reaching the 7.5% year-on-year mark, fueled by higher prices of a wide range of goods and services, from energy to television fees. Besides this, the newly introduced healthcare fees contributed 0.5 percentage point to the rise in the Consumer Price Index (CPI). Even though the price hikes will become more moderate later in the year, this year's average rate of inflation will likely more than double from the 2.8% level recorded in the previous year.

After its tight monetary policy in November 2007, the ČNB remained calm late in the year, when only two members of seven voted for a 25 bps increase in interest rates. It was probably mainly the strength of the Czech currency and the expected decrease in inflation early in 2008 that led the remaining five central bankers to leave the two-week repo rate unchanged at 3.50%. Although the ČNB is fully aware that the higher inflation was caused mainly by a one-time increase in regula-

ECONOMIC DEVELOPMENT OF THE CZECH REPUBLIC – KEY DATA

	2006	2007	2008p	2009p	2010p
Nominal GDP (EUR billion)	114	128	147	159	174
GDP per capita (EUR)	11 110	12 410	14 170	15 360	16 770
Real GDP, year-on-year change (%)	6,4	6,5	4,0	4,5	4,5
Inflation (CPI), year-on-year change, December (%)	1,7	5,4	5,0	2,7	2,7
Inflation (CPI), year-on-year change, average (%)	2,5	2,8	6,5	3,2	2,7
Unemployment (%)	8,1	6,6	5,7	5,5	5,5
Exchange rate (CZK/EUR, end of period)	27,50	26,62	26,50	26,00	25,50
Exchange rate (CZK/EUR, average)	28,34	27,76	26,40	26,20	25,70
2-week repo rate, end of period	2,50	3,50	3,75	4,00	4,00
2-week repo rate, annual average	2,17	2,88	3,73	3,90	4,00
1M Pribor, December average	2,52	3,98	3,85	4,05	4,05
1M Pribor, annual average	2,22	2,96	3,80	3,95	4,05
Current account/GDP (%)	-3,1	-3,0	-3,3	-3,2	-3,2
Foreign direct investment (FDI)/GDP (%)	4,2	4,7	4,4	5,5	4,0
Public/state debt/GDP (%) (ESA 95)	30,1	29,3	29,4	29,6	29,9
Fiscal GDP balance (%) (ESA 95)	-2,9	-1,9	-2,9	-2,9	-2,7
Total foreign debt/GDP (%)	37,7	39,0	39,2	39,4	39,5

tory prices and by a supply-side shock, the recent price hikes have added to the central bank's concerns about their impact on the expected rate of inflation. These concerns led the ČNB to a decision to raise interest rates by a further 25 bps in early February 2008. The overall global growth and development and the ČNB's moderate statements may lead us to a conclusion that it is not necessary to count on any significant policy tightening for the rest of the year. Nevertheless, another slight increase in rates should be expected during 2009.

In the last months of 2007 and early in 2008 the Czech currency continued to strengthen, setting new highs against both the euro and the dollar. The

speed of the currency's appreciation was unusual: the crown gained almost 10% against the euro and 17.5% against the dollar between mid-2007 and the end of January 2008. The appreciation was influenced by growing trade volumes and by the fact that in the last months of the year a number of global investors built new crown positions as a safety precaution against higher risk aversion on financial markets. Outlook indicates that the continuing uncertainty on international financial markets may keep the volatility of the EUR/CZK exchange rate at a high level for a major part of this year. Moreover, it is expected that once investors' trust in more risky assets is restored, the overvalued Czech currency

may depreciate. Despite the expected slight depreciation of the Czech currency against the euro at the end of the year, it can be assumed that the average exchange rate in 2008 will reach the 26.40 mark, down by almost 5% from the 2007 average.

The impact of fiscal reform bringing higher indirect taxes and reducing social expenses, combined with a sharp increase in inflation will further cut the growth of private expenditure in 2008. Consequently, this may be expected to result in a significantly lower pace of growth in the real income of households and reduce the household consumption growth to 3.5% year-on-year in 2008 compared to the 5.6% year-on-year forecast for 2007. The

gross capital formation will also decline, influenced only by lower inventory formation. Finally, the deceleration of external demand, combined with the impact of real appreciation of the Czech crown, will reduce the pace of growth of exports. Nevertheless, we may expect that the rate of growth of imports will decelerate even more, because of weaker domestic demand, which will result in an overall positive contribution of net exports to economic growth in 2008. We predict the year-on-year GDP growth to reach the 4.0% mark, with the lowest growth rate expected in Q1. The overall impact of the crisis on international markets on the Czech economy will be very moderate.

The Czech leasing market in 2007

In 2007, the Czech leasing market recorded very high growth in the volume of transactions and the number of new contracts, reaching the highest levels since 2000. According to the data from the Czech Leasing and Financial Association, the value of new leases of movable assets reached CZK 122.75bn, which is a year-on-year increase of 15.4%, or 14.9% for the 15 largest companies. New

leases of real estate property attained CZK 11.9bn, up 6.4% from the same period of the previous year. The adopted tax reform, which extended minimum depreciation periods from 3 to 5 years for cars and from 8 to 30 years, had the most visible impact at the end of the year, when a number of corporate customers decided to finance their needs under the old terms.

In terms of segments, the Czech leasing market still registers a visible decline in the share of car leases in the overall lease value of movable assets, which has been below 50% long term. A downward trend was registered in passenger cars (the share of 24.5%), while growth rates were recorded for light industrial vehicles (19.9%) and trucks (23.3%). The car leasing results were influenced by

the growth in the total number of newly registered vehicles, which was up 16.4% (14.2% and 18.8% for new and used cars, respectively). Growth was also registered in the segment of buses, trolleybuses and other heavy-weight road vehicles (3.8%). The share of the segment of machinery and equipment expanded to 24%.

In terms of transaction value, the market is still dominated by

finance leases with a share of 87.5%. The share of operating leases dropped slightly from 14% to 12.5%, but in absolute terms it expanded by 3.8%, which corresponds to the trends in highly developed EU countries.

In terms of customer structure in 2007, most leases were provided again to the private services sector, which accounts for nearly one half of the total value of transactions (48.3%), and industry (32%). Private individuals made up 8.5% of the total lease value.

In recent years, the total lease value has been more or less stable. However, growth has been registered in the services for suppliers (pre-financing and financing of warehouses) and for clients, especially in the field of insurance.

For several years, the market of non-leasing financial products has been characterized by strong growth. In 2007, the value of consumer loans (the so-called "initial debt") surged by 30.3%. The funding through business loans and hire-purchase schemes for businessmen rose sharply by 56.8%.

The 2007 statistics again confirmed a high degree of concentration in the Czech leasing market, with the top 5 companies holding nearly one-half of the market (47.9%). The combined market share of the top 15 companies is 80%.

The Czech leasing market ranks among the fastest growing markets in Central and Eastern Europe and it is also very important in terms of the funding of movable property (almost one third). In the fol-

lowing periods, we may expect continued growth of the market, especially in the segment of machinery and equipment. An important factor for future growth will be the ability of leasing companies to cope with the new conditions introduced by the tax reform and to come up with product offerings attractive to businessmen (e.g. shorter payback periods under finance leases). The market will also see the continued growth of non-leasing forms of financing. This growth will be connected with the increasing competition from banks' credit products, which already allow for easy funding of a car, machine or real estate, but also with new low capitalization rules, which might be restrictive for a number of corporate clients.

Other leasing trends are visible in full-service operating leases. The trend of outsourcing of services related to the use of property (vehicle fleet, equipment, real estate) has already arrived from highly-developed European countries into the Czech Republic and it is highly likely that its future market share will reach several dozens of percent. Businessmen and companies will also pay more and more attention to economic advantages (out-of-balance).

As regards general trends in the leasing business, we may expect more tailor-made and end-to-end solutions for businesses and the growing use of alternative sales channels (retention, the Internet, etc.).

DEVELOPMENT TRENDS 1999 – 2007

Year	2000	2001	2002	2003	2004	2005	2006	2007
Number of new contracts (NVs + UVs)	4 809	4 819	5 749	4 981	3 850	6 424	6 830	6 760
(in millions of CZK)								
New trades expressed at their acquisition price	1 900	1 898	2 122	1 850	1 418	2 073	2 163	2 347
New trades expressed at their financed value	1 062	1 036	1 240	1 066	879	1 324	1 361	1 522
Overall output	793	1 424	2 104	2 178	2 071	1 887	1 913	1 951
Profit/loss	-47	-29	7,8	63,0	67,9	52,3	28.5	59,2
Balance sum	2 377	3 066	3 292	3 254	2 859	3 175	3 465	3 855
Rest capital	1 279	1 648	1 887	1 927	1 795	2 070	2 361	2 688

The company's business results

In 2007, official manufacturers and importers of road motor vehicles sold 132,542 new passenger cars and 62,038 light industrial vehicles in total on the Czech market. Overall, passenger car sales were up 6.9% year on year. The sales of light industrial vehicles recorded an even more significant year-on-year growth of 25.4%. The reason behind several years of strong growth in the sales of light industrial vehicles is the possibility of rebuilding passenger cars into vehicles of the N1 category with deductible VAT.

Renault ČR reached the third position in the ranking of top importers on the Czech car market, failing to defend its second position from the previous year. In 2007, the company sold 7,477 passenger cars and 4,242 light industrial vehicles of the Renault brand, which is a year-on-year decrease of 8.3% for

passenger cars and a year-on-year increase of 15.5% for light industrial vehicles. Thus, 11,719 vehicles of the Renault brand were sold in total, which is a decline of 1% compared to 2006. The brand's market share is 6%.

At the same time, Renault ČR sold 1,912 passenger and light industrial vehicles of the Dacia brand, which is a year-on-year increase of 23.3%. The strong growth in Dacia sales was driven by the introduction of the new Dacia Logan MCV. Combined, Renault ČR sold 13,631 Renault and Dacia cars on the Czech market, recording a year-on-year sales increase of 1.9% and reaching a market share of 7%.

A very significant contribution to these sales results was made by Renault Leasing CZ, which provided customers throughout the year with quality branded financial serv-

ices and, in association with Renault ČR, launched new attractive funding solutions which made Renault and Dacia cars affordable to numerous customers. An example of these successful funding solutions was the introduction of a lease with zero down payment or insurance package Kasko Max (a combination of collision and GAP coverage) with motor third party liability coverage free of charge throughout the entire term of the financing contract.

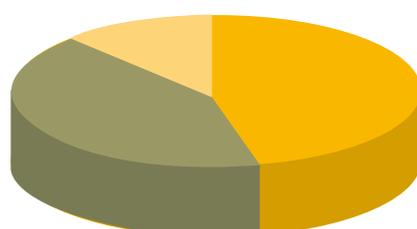
In 2007, Renault Leasing CZ almost matched its all-time best sales results achieved in the previous year. 5,424 lease and credit contracts were signed for new Renault cars, which is a year-on-year increase of 1% and a share (penetration) of the sold Renault cars of 46% (the same result as in 2006).

As for the Dacia brand, a total of 602 lease and credit

contracts were signed, which is a decline of 1.8% compared to 2006 and share (penetration) of the sold Dacia cars of 31% (40% in 2006). The year-on-year decline of the share (penetration) of the sold Dacia cars was caused by the arrival of the new Dacia Logan MCV, which was sold in the first months after its launch mainly for cash and thus contributed negatively to the financial performance of Renault Leasing CZ with regard to new Dacia cars. 735 contracts for used cars were signed in 2007, which is a year-on-year decrease of 20%. Overall, Renault Leasing CZ signed a total of 6,761 contracts in 2007, which is a decrease of 2.3% compared to 2006.

These good business results were achieved in spite of unexpected staff changes at some branch offices of the company during the year. At the same time, Renault Leas-

**SHARE OF PRIVATE, COMMERCIAL AND USED VEHICLES
IN THE RENAULT LEASING PORTFOLIO DURING 2007**



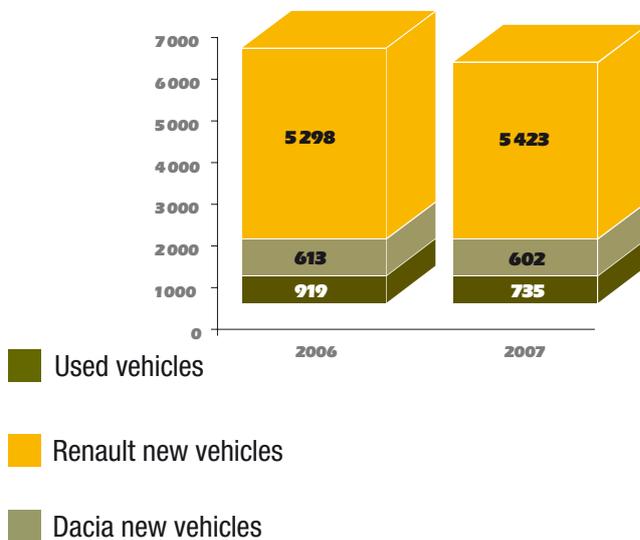
	2007	share 2007
NEW VEHICLES - PRIVATE	3,251	48,1%
NEW VEHICLES - COMMERCIAL	2,775	41,0%
USED VEHICLES	735	10,9%
	6,761	100,0%

ing CZ and its dominant position as a branded company providing funding for Renault and Dacia cars, faced tough competition from its rivals, who have strong expertise in the funding of used cars and providing consumer loans and who use very aggressive pricing and contract approval strategies.

As a result of Renault ČR's shifting its focus onto the high-end segment (Renault Mégane, Scénic and indus-

trial vehicles) the average acquisition price excluding VAT rose in 2007 to CZK 347,166 (compared to CZK 329,280 in 2006) on the average contract term of 45 months. The average extraordinary lease payment slightly decreased from 37.2% to 35.2%. The rise in acquisition prices and the decrease in extraordinary lease payments resulted to a year-on-year increase in the value financed.

SEGMENT SHARES IN THE PORTFOLIO OF NEW CONTRACTS



Services provided

The services provided by Renault Leasing CZ are aimed at all types of customers such as private individuals, business entities and companies, who have a wide choice of funding options for new cars of the Renault and Dacia brands, as well as used cars of any brand at authorized dealerships of Renault and Dacia. According to their individual needs, clients

may choose funding through a finance lease, special-purpose consumer loan RenCREDIT or operating lease, including the full service option.

Current customers can make use of the Loyalty Program of Renault Leasing CZ which allows them to sign further contracts with a free-of-charge extended warranty for the new car being financed. A matter

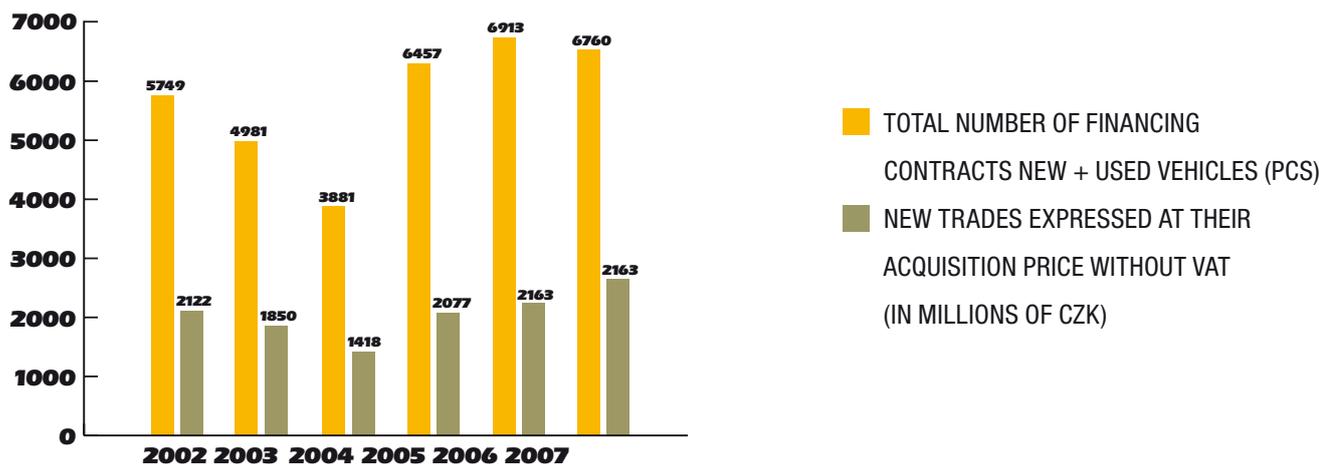
of course is free consulting on funding a car purchase, which is provided to both current and new clients.

Through the services of its broker, sister company UniCredit pojišťovací makléřská spol. s r.o., Renault Leasing CZ collaborates with a number of renowned insurers and offers high-quality and cost-effective collision, statutory and supple-

mentary car insurance according to the client's choice and preference.

All the products and services of Renault Leasing CZ are currently provided through its network of 10 regional branches and all dealerships of the Renault and Dacia brands across the Czech Republic.

BUSINESS RESULTS FOR RENAULT LEASING



The company's operating activity

Renault Leasing CZ is one of the most important parts of Financial Group UniCredit Leasing CZ, a.s. (a member of the UniCredit Group) and most of its commercial and administrative activities are carried out in association with its parent company. Renault Leasing CZ makes full use of the branch network and administrative facilities of UniCredit Leasing CZ, a.s., which ensures that all the necessary tasks are completed effectively.

Strategic goals and outlook for 2008

The goal of Renault Leasing CZ for 2008 is to retain its stable position as a reputable branded leasing company that provides quality and reliable financing to support sales of Renault and Dacia vehicles in the Czech Republic. We will have to cope effectively with legislative changes that have an impact on the tax deductibility of finance lease contracts and to provide our customers with suitable financial products that will comply with these new tax deductibility regulations.

Taking into consideration that Renault ČR will launch a number of new models on the Czech market during 2008, it will be a big challenge for Renault Leasing CZ to provide the

importer with maximum support to ensure the successful introduction of these models and to defend its position as the dominant branded financial company.

To achieve our demanding goals, it will be again necessary to work very closely with Renault ČR, especially in the preparation of attractive financial products for end customers and their communication, as well as in the implementation of important projects for the Renault and Dacia dealer networks. One of our top challenges and priorities is the funding of used cars, a segment where we want to expand our business activities.

As regards sales to businessmen and companies, an

area that will be one of the top priorities of Renault ČR in 2008, we will continue to provide our clients, in association with Renault ČR, with successful promotional offers of finance leasing and credit (loan) packages with the participation of Renault ČR (Business Leasing a Business Credit), we will continue to participate in the implementation of Renault Fleet Academy, a training project for fleet sellers, and last, but not least, we will develop our product Renault Full Service Leasing under our brand Renault Business Finance, which is targeted at customers interested in operating leases.

As for our relations with the Renault and Dacia dealer network, we will continue to do our

best to improve the quality of our cooperation with individual dealers. As part of these efforts, we will continue to develop our central contract approval system which, thanks to online connection of dealers and integration into the new offer software of Renault ČR, will add significantly to the speed and comfort of the contract approval process for individual dealers as well as customers.

We also plan to extend our portfolio of supplementary insurance products with GAP insurance and, at the same time, we would like to maintain the good results of our insurance product Payment Protection Insurance, which we successfully launched in early 2007.

Research and development Environmental protection

The company is not involved in these activities.

AUDIT REPORT **RENAULT LEASING CZ, S.R.O.**

2007



INDEPENDENT AUDITOR'S REPORT To the Partners of RENAULT LEASING CZ, s.r.o.

Having its registered office at: Radlická 14/3201, Praha 5
Identification number: 25722328
Principal activities: leasing and purchase of goods for resale and sale

Report on the Financial Statements

Based upon our audit, we issued the following audit report dated 25 March 2008 on the financial statements which are included in this annual report on pages 20 to 47:

“We have audited the accompanying financial statements of RENAULT LEASING CZ, s.r.o., which comprise the balance sheet as of 31 December 2007, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of RENAULT LEASING CZ, s.r.o. as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.”

Report on the Annual Report

We have also audited the annual report for consistency with the financial statements referred to above. This annual report is the responsibility of the Company’s Statutory Body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report is consistent, in all material respects, with the financial statements referred to above.

In Prague on 20 June 2008

Audit firm:

Deloitte Audit s.r.o.

Certificate no. 79

Represented by:


Diana Rogerová, authorised employee

Statutory auditor:


Diana Rogerová, certificate no. 2045

FINANCIAL PART **RENAULT LEASING CZ, s.r.o.**

2007



BALANCE SHEET

in CZK thousand		31.12.2007			31.12.2006
		Gross	Adjustment	Net	Net
TOTAL ASSETS		6 725 777	2 870 539	3 855 238	3 465 121
B.	Fixed assets	6 198 257	2 851 488	3 346 769	3 161 875
B.II.	Tangible fixed assets	6 198 257	2 851 488	3 346 769	3 161 875
B.II.2.	Structures	929	55	874	910
B.II.3.	Individual movable assets and sets of movable assets	6 196 561	2 851 433	3 345 128	3 160 432
B.II.8.	Prepayments for tangible fixed assets	767		767	533
C.	Current assets	525 996	19 051	506 945	302 306
C.I.	Inventories	558		558	
C.I.5.	Goods	558		558	
C.II.	Long-term receivables	242 147	2 307	239 840	203 087
C.II.7.	Other receivables	242 147	2 307	239 840	203 087
C.III.	Short-term receivables	271 242	16 744	254 498	97 289
C.III.1.	Trade receivables	42 596	8 578	34 018	18 805
C.III.6.	State - tax receivables	13 732		13 732	3 456
C.III.7.	Short-term prepayments made	81		81	374
C.III.8.	Estimated receivables	360		360	381
C.III.9.	Other receivables	214 473	8 166	206 307	74 273
C.IV.	Current financial assets	12 049		12 049	1 930
C.IV.1.	Cash on hand	903		903	1 808
C.IV.2.	Cash at bank	11 146		11 146	122
D. I.	Other assets	1 524		1 524	940
D.I.1.	Deferred expenses	43		43	86
D.I.3.	Accrued income	1 481		1 481	854



Jean-Jacques Thibert
Executive Officer



Ing. Bohumil Bucek
Executive Officer

in CZK thousand		31.12.2007	31.12.2006
TOTAL LIABILITIES & EQUITY		3 855 238	3 465 121
A.	Equity	283 154	224 115
A.I.	Share capital	70 000	70 000
A.I.1.	Share capital	70 000	70 000
A.II.	Capital funds	36 000	36 000
A.II.2.	Other capital funds	36 000	36 000
A.III.	Statutory funds	8 425	8 392
A.III.1.	Statutory reserve fund / Indivisible fund	8 164	8 164
A.III.2.	Statutory and other funds	261	228
A.IV.	Retained earnings	109 570	81 196
A.IV.1.	Accumulated profits brought forward	109 570	81 196
A.V.	Profit or loss for the current period (+ -)	59 159	28 527
B.	Liabilities	2 459 440	2 178 723
B.II.	Long-term liabilities	69 299	80 597
B.II.5.	Long-term prepayments received	10 088	41 482
B.II.10.	Deferred tax liability	59 211	39 115
B.III.	Short-term liabilities	206 542	187 616
B.III.1.	Trade payables	91 822	68 136
B.III.5.	Payables to employees	320	328
B.III.6.	Social security and health insurance payables	228	234
B.III.7.	State - tax payables and subsidies	94	103
B.III.8.	Short-term prepayments received	98 520	108 984
B.III.10.	Estimated payables	15 558	9 831
B.IV.	Bank loans and borrowings	2 183 599	1 910 510
B.IV.1.	Long-term bank loans	905 000	840 000
B.IV.2.	Short-term bank loans	1 278 599	1 070 510
C. I.	Other liabilities	1 112 644	1 062 283
C.I.1.	Accrued expenses		72
C.I.2.	Deferred income	1 112 644	1 062 211



Jean-Jacques Thibert
Executive Officer



Ing. Bohumil Bucek
Executive Officer

PROFIT AND LOSS ACCOUNT

in CZK thousand		Year ended 31.12.2007	Year ended 31.12.2006
I.	Sales of goods	796	190
A.	Costs of goods sold	712	190
+	Gross margin	84	
II.	Production	1 950 231	1 913 354
II.1.	Sales of own products and services	1 950 231	1 913 354
B.	Purchased consumables and services	192 178	194 020
B.1.	Consumed material and energy	868	1 153
B.2.	Services	191 310	192 867
+	Added value	1 758 137	1 719 334
C.	Staff costs	9 342	9 785
C.1.	Payroll costs	6 739	7 114
C.3.	Social security and health insurance costs	2 378	2 492
C.4.	Social costs	225	179
D.	Taxes and charges	35	159
E.	Depreciation of intangible and tangible fixed assets	1 660 585	1 595 516
III.	Sales of fixed assets and material	49 955	61 790
III.1.	Sales of fixed assets	49 955	61 790
F.	Net book value of fixed assets and material sold	34 322	41 494
F.1.	Net book value of sold fixed assets	34 322	41 494
G.	Change in reserves and provisions relating to operating activities and complex deferred expenses	-11 356	1 781
IV.	Other operating income	73 224	90 108
H.	Other operating expenses	72 619	141 921
*	Operating profit or loss	115 769	80 576
X.	Interest income	33 508	17 603
N.	Interest expenses	69 203	56 045
O.	Other financial expenses	819	1 227
*	Financial profit or loss	-36 514	-39 669
Q.	Income tax on ordinary activities	20 096	12 380
Q 2.	- deferred	20 096	12 380
**	Profit or loss from ordinary activities	59 159	28 527
***	Profit or loss for the current period (+/-)	59 159	28 527
****	Profit or loss before tax	79 255	40 907



Jean-Jacques Thibert
Executive Officer



Ing. Bohumil Bucek
Executive Officer

STATEMENT OF CHANGES IN EQUITY

in CZK thousand	Share capital	Capital funds	Statutory funds	Accumulated profits brought forward	Accumulated losses brought forward	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 December 2005	70 000	36 000	8 354	29 048		52 297	195 699
Distribution of profit or loss			149	52 148		-52 297	
Payments from capital funds			-111				-111
Profit or loss for the current period						28 527	28 527
Balance at 31 December 2006	70 000	36 000	8 392	81 196		28 527	224 115
Distribution of profit or loss			153	28 374		-28 527	
Payments from capital funds			-120				-120
Profit or loss for the current period						59 159	59 159
Balance at 31 December 2007	70 000	36 000	8 425	109 570		59 159	283 154



Jean-Jacques Thibert
Executive Officer



Ing. Bohumil Bucek
Executive Officer

CASH FLOW STATEMENT

in CZK thousand		Year ended 31.12.2007	Year ended 31.12.2006
P.	Opening balance of cash and cash equivalents	1 930	3 964
Cash flows from ordinary activities			
Z.	Profit or loss from ordinary activities before tax	79 255	40 907
A.1.	Adjustments for non-cash transactions	1 669 291	1 615 443
A.1.1.	Depreciation of fixed assets	1 660 585	1 595 516
A.1.2.	Change in provisions and reserves	-11 356	1 781
A.1.3.	Profit/(loss) on the sale of fixed assets	-15 633	-20 296
A.1.5.	Interest expense and interest income	35 695	38 442
A.*	Net operating cash flow before changes in working capital	1 748 546	1 656 350
A.2.	Change in working capital	-110 755	-63 317
A.2.1.	Change in operating receivables and other assets	-192 298	-105 640
A.2.2.	Change in operating payables and other liabilities	82 101	42 323
A.2.3.	Change in inventories	-558	
A.**	Net cash flow from operations before tax and extraordinary items	1 637 791	1 593 033
A.3.	Interest paid	-82 017	-54 398
A.4.	Interest received	32 025	17 603
A.5.	Income tax paid from ordinary operations	2 302	
A.***	Net operating cash flows	1 590 101	1 556 238
Cash flows from investing activities			
B.1.	Fixed assets expenditures	-1 871 512	-1 826 906
B.2.	Proceeds from fixed assets sold	49 955	61 790
B.***	Net investment cash flows	-1 821 557	-1 765 116
Cash flow from financial activities			
C.1.	Change in payables from financing	241 695	206 955
C.2.	Impact of changes in equity	-120	-111
C.2.5.	Payments from capital funds	-120	-111
C.***	Net financial cash flows	241 575	206 844
F.	Net increase or decrease in cash and cash equivalents	10 119	-2 034
R.	Closing balance of cash and cash equivalents	12 049	1 930



Jean-Jacques Thibert
Executive Officer



Ing. Bohumil Bucek
Executive Officer



NOTES
TO THE FINANCIAL
STATEMENTS

RENAULT LEASING CZ, s.r.o.

2007



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Name of the Company: RENAULT LEASING CZ, s.r.o.
Registered Office: Prague 5, Radlická 14/3201
Legal Status: Limited Liability Company
Corporate ID: 25722328

Table of contents

1.	General information	32
1.1.	Incorporation and Description of the Business	32
1.2.	Year-on-Year Changes and Amendments to the Register of Companies	32
1.3.	Organisational Structure of the Company	32
1.4.	Group Identification	33
1.5.	Members of Statutory and Supervisory Bodies as of 31 December 2007	33
2.	Basis of accounting and general accounting principles	33
3.	Summary of significant accounting policies	33
3.1.	Tangible Fixed Assets	33
3.2.	Inventory	34
3.3.	Receivables	34
3.4.	Other Assets	35
3.5.	Trade Payables	35
3.6.	Loans	35
3.7.	Other Liabilities	35
3.8.	Reserves	35
3.9.	Foreign Currency Translation	35
3.10.	Taxation	35
3.10.1.	Depreciation of Fixed Assets for Tax Purposes	35
3.10.2.	Current Tax Payable	36
3.10.3.	Deferred Tax	36
3.11.	Impairment	36
3.12.	Income and Expense Recognition	36
3.13.	Use of Estimates	37
3.14.	Year-on-Year Changes in Valuation, Depreciation or Accounting Policies	37
3.15.	Cash Flow Statement	37
4.	Additional information on the balance sheet and profit and loss account	37
4.1.	Tangible Fixed Assets	37
4.2.	Receivables	39
4.2.1.	Trade Receivables	39
4.2.2.	Intercompany Receivables	39

4.2.3. Other Receivables	40
4.3. Provisions	40
4.4. Financial Assets	40
4.5. Equity	40
4.6. Gains or Losses from the Revaluation of Assets and Liabilities	41
4.7. Reserves	41
4.8. Short-Term Payables	41
4.9. Intercompany Payables	41
4.10. Accrued Expenses and Deferred Income	42
4.11. Bank Loans	42
4.12. Deferred Tax and Current Tax Payable	43
4.13. Income Tax on Ordinary and Extraordinary Activities	44
4.14. Off Balance Sheet Assets and Liabilities	44
4.15. Details of Income	44
4.16. Consumed Purchases	44
4.17. Services	44
4.18. Interest Income	45
4.19. Interest Expense	45
4.20. Change in Reserves and Provisions Relating to Operating Activities	45
4.21. Other Operating Income	45
4.22. Other Operating Expenses	46
4.23. Income and Expenses Generated with Related Parties	46
5. Employees, management and statutory bodies	46
6. Post balance sheet events	46

1. GENERAL INFORMATION

1.1. Incorporation and Description of the Business

RENAULT LEASING CZ, s.r.o. (hereinafter the "Company") is a Czech legal entity and a limited liability company that was established on 1 January 1999 and has its registered office at Radlická 14/3201, Prague, the Czech Republic. According to the details held in the Register of Companies, the Company is primarily engaged in finance leasing and other types of automobile leasing.

The Company's issued share capital is CZK 70,000 thousand.

The Company's financial statements have been prepared as of and for the year ended 31 December 2007.

The following table shows individuals and legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

Owners	Ownership percentage
UniCredit Leasing CZ , a.s. (until 4 November 2007 CAC Leasing, a.s.)	50 %
RCI BANQUE S.A.	50 %
Total	100 %

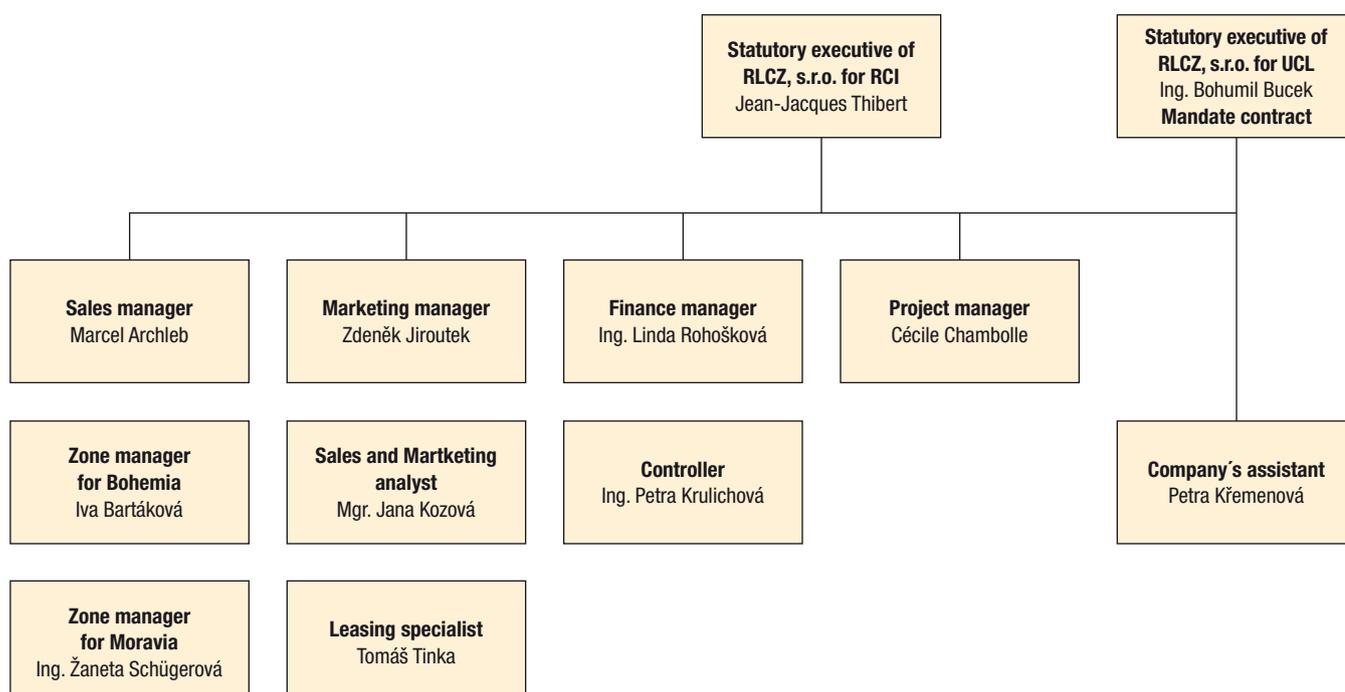
1.2 Year-on-Year Changes and Amendments to the Register of Companies

On 15 January 2007 Bohumil Bucek was registered in the Register of Companies as the Company's statutory executive.

The position originated on 1 January 2007.

1.3. Organisational Structure of the Company

The Company has 11 employees. The Company's activities are outsourced to UniCredit Leasing CZ, a.s.



1.4. Group Identification

The Company is included in the UniCredit Leasing CZ, a.s. consolidation group.

1.5. Members of Statutory and Supervisory Bodies as of 31 December 2007

Statutory body:	Jean-Jacques Thibert	statutory executive
	Bohumil Bucek	statutory executive

The statutory executives act and sign jointly on behalf of the Company by attaching their signatures (according to signature specimens) to the business name of the Company. Typically, the statutory executives also indicate their position within the Company in respect of the particular legal act.

2. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

These financial statements are presented in thousands of Czech crowns ('CZK '000').

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Tangible Fixed Assets

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

Tangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 40 thousand on an individual basis.

Tangible fixed assets are stated at cost which includes the purchase price, freight costs and other costs directly attributable to acquisition.

The cost of fixed asset improvements exceeding CZK 40 thousand for the period increases the acquisition cost of the related fixed asset.

Low value tangible fixed assets (with a cost lower than CZK 40 thousand) are expensed in the year of acquisition.

Depreciation

A) Tangible fixed assets intended for internal use:

The Company uses tax accelerated depreciation rates for accounting depreciation purposes.

The estimated useful lives are determined as follows:

	Number of years
Buildings	30
Machinery, tools and equipment	3 – 10
Vehicles	4
Furniture and fixtures	5

B) Tangible fixed assets held for lease purposes

Assets held for lease purposes are depreciated over the term of the lease contract subject to compliance with the finance lease conditions set out the legislation.

Assets held for operating lease are depreciated as internal assets using the accelerated method based on depreciation rates.

Short-term advance payments made in respect of tangible fixed assets held for lease purposes have been adjusted in the financial statements through provisions that reflect the degree of risk exposure as regards the recoverability of these advance payments

Provisioning

In the year ended 31 December 2007, based upon the results of inventory taking, the Company recognised provisions against lease contracts terminated due to criminal charges for fraud. In respect of all these contracts, the Company charged a full provision for the net book value of tangible fixed assets. In addition, the Company recognises provisions based on an individual assessment.

3.2. Inventory

Purchased inventory is valued at acquisition costs. The acquisition cost includes the purchase cost and indirect acquisition costs. Due to its characteristics, inventory is issued out of stock using the individual price of each specific inventory item.

Provisioning

The Company recognises provisions against inventory whose impairment is not deemed permanent, e.g. on the basis of an analysis of selling prices.

3.3. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. (Receivables acquired for consideration or through an investment are stated at cost less provisions for doubtful and bad amounts.)

Provisioning

A temporary impairment of doubtful receivables is recognised through provisions charged to expenses.

Provisions are determined based on the analysis of receivables and statistical data concerning the prematurely terminated contracts, taking into account the balances of the received prepayments.

Provisions against car leases have been determined based on the balances and aging of receivables at 5 percent for receivables older than 60 days, 7 percent for receivables older than 90 days, 55 percent for receivables - passenger cars, and 70 percent for receivables - trucks - older than 120 days, and full provisions for receivables older than 360 days.

Provisions against other receivables have been established on an individual basis by reference to the assessment of transactions with problematic suppliers, predominantly car dealers.

3.4. Other Assets

Deferred expenses principally include rental charges, newspaper and magazine subscriptions and airline tickets and are recognised in expenses in the period to which they relate on an accruals basis.

Estimated receivables principally comprise bonuses from insurers.

3.5. Trade Payables

Trade payables are stated at nominal value.

3.6. Loans

Valuation

Loans are stated at nominal value.

The portion of long-term loans maturing within one year from the balance sheet date is included in short-term loans.

3.7. Other Liabilities

Estimated payables primarily consist of interest on loans, payables arising from fees charged by debt collection agencies that relate to the year ended 31 December 2007 on an accrual basis, commissions billed to suppliers for contracts concluded in the year ended 31 December 2007, premiums and bonuses and related health and social security insurance.

Deferred income primarily consists of fees related to lease contracts, lease payments, mandatory third party liability insurance and extraordinary lease payments and is recorded to income in the period to which it relates on an accruals basis.

Estimated payables principally consist of interest expenses, fees for collection services and commissions.

3.8. Reserves

Reserves are intended to cover future obligations or expenditure, the nature of which is clearly defined and which are either likely to be incurred or certain to be incurred, but which are uncertain as to the amount or the date on which they will arise.

3.9. Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction.

3.10. Taxation

3.10.1. Depreciation of Fixed Assets for Tax Purposes

Depreciation of fixed assets is calculated using the straight line or accelerated methods for tax purposes, depending on the type of asset.

3.10.2. Current Tax Payable

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

3.10.3. Deferred Tax

Deferred tax is accounted for using the balance sheet liability method.

Under the liability method, deferred tax is calculated at the income tax rate that is expected to apply in the period when the tax liability is settled or the asset realised.

The balance sheet liability method focuses on temporary differences which are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount that will be deductible for tax purposes in the future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities (eg, a group of companies in different tax jurisdictions).

3.11. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of net selling price and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3.12. Income and Expense Recognition

Income and expenses are recognised on an accruals basis, i.e. in the period to which they relate.

The Company's income consists of proceeds from the provision of lease services, instalment sales and credit financing.

The Company's expenses are principally composed of depreciation charges on assets, interest expenses and other operating expenses that include car insurance and mandatory third party liability insurance ('MTPL').

The Company pays commissions to selected suppliers for agency services related to leases. These commissions are charged to the current year's expenses.

3.13. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company believes that the estimates and assumptions used will not significantly differ from the actual results and outcomes in the following reporting periods.

3.14. Year-on-Year Changes in Valuation, Depreciation or Accounting Policies

There were no significant year-on-year changes in the applied accounting policies.

3.15. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance. Cash and cash equivalents can be analysed as follows:

	(CZK '000)	
	31 Dec 2007	31 Dec 2006
Cash on hand	903	1 808
Cash at bank	11 146	122
Total cash and cash equivalents	12 049	1 930

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

4.1. Tangible Fixed Assets

(CZK '000)							
	Balance at 31 Dec 2005	Additions	Disposals	Balance at 31 Dec 2006	Additions	Disposals	Balance at 31 Dec 2007
Buildings	0	929	0	929	0	0	929
Individual movable assets	5 588 945	1 852 328	-1 653 607	5 787 666	1 900 300	-1 491 405	6 196 561
Acquisition of tangible fixed assets	0	1 853 257	-1 853 257	0	1 900 300	-1 900 300	0
Prepayments for tangible fixed assets	0	82 174	-81 641	533	91 819	-91 585	767
Total	5 588 945	3 788 688	-3 588 505	5 789 128	3 892 419	-3 483 290	6 198 257

ACCUMULATED DEPRECIATION

(údaje v tis. Kč)							
	Balance at 31 Dec 2005	Additions	Disposals	Balance at 31 Dec 2006	Additions	Disposals	Balance at 31 Dec 2007
Buildings	0	-19	0	-19	-36	0	-55
Individual movable assets	-2 605 776	-1 662 955	1 653 607	-2 615 124	-1 723 895	1 491 406	-2 847 613
Total	-2 605 776	-1 662 974	1 653 607	-2 615 143	-1 723 931	1 491 406	-2 847 668

Additions and disposals of accumulated depreciation include both additions and disposals of accumulated depreciation and the net book value of fixed assets or the value of damaged assets.

PROVISIONS

(CZK '000)

	Balance at 31 Dec 2005	Additions	Disposals	Balance at 31 Dec 2006	Additions	Disposals	Balance at 31 Dec 2007
Individual movable assets	-11 190	-920	0	-12 110	0	8 290	-3 820
Prepayments for tangible fixed assets	0	0	0	0	0	0	0
Total	-11 190	-920	0	-12 110	0	8 290	-3 820

NET BOOK VALUE

(CZK '000)

	Balance at 31 Dec 2005	Balance at 31 Dec 2006	Balance at 31 Dec 2007
Buildings		910	874
Individual movable assets	2 971 979	3 160 432	3 345 128
Prepayments for tangible fixed assets	0	533	767
Total	2 971 979	3 161 875	3 346 769

For the year ended 31 December 2007, depreciation charges of tangible assets recognised in expenses amounted to CZK 1,660,585 thousand (2006: CZK 1,595,516 thousand).

Of the above fixed assets, the net book values of the assets owned by the Company and assets acquired under operating lease agreements were CZK 874 thousand and CZK 123 thousand, respectively.

4.2. Receivables

4.2.1. Trade Receivables

As of 31 December 2007, the Company carried short-term trade receivables of CZK 42,596 thousand (2006: CZK 28,682 thousand).

As of 31 December 2007, the provision against outstanding short-term receivables deemed doubtful amounted to CZK 8,578 thousand (2006: CZK 9,877 thousand).

Receivables past due dates by more than 180 days amounted to CZK 10,324 thousand for the year ended 31 December 2007 (2006: CZK 11,220 thousand).

Set out below is an analysis of receivables from lease agreements according to their aging categories:

(CZK '000)

Past due receivables, gross	31 Dec 2007	31 Dec 2006
Less than 30 days	25 923	13 301
31 – 90 days	3 590	2 697
91 – 180 days	2 083	1 126
181 – 360 days	1 878	2 322
More than 360 days	8 086	8 898
Total short-term receivables under lease contracts	41 560	28 344
Other trade receivables	1 036	338
Total trade receivables	42 596	28 682
Provisions against receivables	-8 578	-9 877
Trade receivables	34 018	18 805

4.2.2. Intercompany Receivables

(CZK '000)

Name of the company	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Short-term receivables		
Trade receivables		
RENAULT CR	10 179	0
UniCredit Leasing CZ, a.s.	0	344
UniCredit pojišťovací makléřská spol. s r.o.	5 655	1 869
UniCredit Fleet Management, s.r.o.	0	53
RCI FINANCE CZ s.r.o.	14	16
RCI Banque SA		0
Total intercompany receivables	15 848	2 282
Other than intercompany receivables	26 748	26 400
Total short-term receivables	42 596	28 682

4.2.3. Other Receivables

As of 31 December 2007, the Company carried other long-term receivables from instalment sales and credit leasing amounting to CZK 242,147 thousand (2006: CZK 211,199 thousand) and other short-term receivables from instalment sales, credit leasing and up-front funding of dealers amounting to CZK 214,473 thousand (2006: CZK 78,402 thousand). These long-term and short-term receivables were provisioned to the value of CZK 2,307 thousand (2006: CZK 8,112 thousand) and CZK 8,166 thousand (2006: CZK 4,129 thousand), respectively.

4.3. Provisions

Provisions indicate a temporary impairment of assets.

Movements in accounts of provisions are as follows:

(CZK '000)

	Balance at 31 Dec 2005	Charge for provision	Release of provision	Balance at 31 Dec 2006	Charge for provision	Release of provision	Balance at 31 Dec 2006
Provisions against receivables							
– statutory	5 731	0	0	5 731	0	0	5 731
Provisions against receivables							
– other	14 090	5 111	2 815	16 386	8 338	11 404	13 320
Total provisions against receivables	19 821	5 111	2 815	22 117	8 338	11 404	19 051

Statutory provisions are recorded in compliance with the Provisioning Act. Provisions against receivables include the aggregate balance of provisions held against short-term and long-term receivables.

4.4. Financial Assets

The Company has overdraft accounts with UniCredit Bank Czech Republic, a.s. and Komerční banka, a.s. which enable the Company to maintain a credit balance. As of 31 December 2007, the credit balance was CZK 93,599 thousand (2006: CZK 55,510 thousand). These overdraft accounts are recorded as a component of a short-term bank loan in the balance sheet.

4.5. Equity

The Company's share capital consists of an investment of CZK 35,000 thousand made by UniCredit Leasing, a.s. and an investment of CZK 35,000 thousand made by RCI Banque, S.A. These investments were fully paid.

In January 2001, the Extraordinary General Meeting approved additional payments of both shareholders in the aggregate amount of CZK 36,000 thousand. The amount was recognised to 'Other capital funds'.

The founders of the Company created a reserve fund of CZK 50 thousand over the equity investment amounts as of the formation date of the Company. These funds are intended for settlement of the Company's losses. In 2003, the reserve fund was increased by CZK 1,570 thousand, in 2004 by CZK 3,150 thousand, in 2005 by CZK 3,395 thousand, and as of 31 December 2007 the amount remains at CZK 8,164 thousand.

The social fund amounted to CZK 261 thousand (2006: CZK 228 thousand).

The Company's equity as of 31 December 2007 and 2006 amounted to CZK 283,154 thousand and CZK 224,115 thousand, respectively.

4.6. Gains or Losses from the Revaluation of Assets and Liabilities

(CZK '000)

	Revaluation of derivatives	Deferred tax	Total gains or losses from revaluation
Balance at 31 Dec 2005	-52	13	-39
Disposals	52	-13	39
Balance at 31 Dec 2006	0	0	0
Disposals	0	0	0
Balance at 31 Dec 2007	0	0	0

4.7. Reserves

(CZK '000)

	Other reserves	Total reserves
Balance at 31 Dec 2005	1 435	1 435
Charge for reserves	0	0
Use of reserves	1 435	1 435
Balance at 31 Dec 2006	0	0
Charge for reserves	0	0
Use of reserves	0	0
Balance at 31 Dec 2007	0	0

4.8. Short-Term Payables

The Company carried short-term trade payables of CZK 91,822 thousand as of 31 December 2007 (2006: CZK 68,136 thousand).

Prepayments for lease instalments totalled CZK 98,520 thousand (2006: CZK 108,984 thousand) as of 31 December 2007.

The Company maintains past due short-term trade payables of CZK 50,285 thousand. Of this total balance, CZK 15 thousand is past due for more than 90 days.

4.9. Intercompany Payables

(CZK '000)

Name of the company	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Short-term payables		
Trade balances		
REARGROUP Praha, s.r.o.	4 979	2 113
RENAULT Česká republika a.s.	932	110
RCI Finance	26	0
UniCredit Leasing CZ, a.s.	12 139	10 108
UniCredit pojišťovací makléřská spol. s r.o.	24 282	16 128
Total intercompany payables	42 358	28 459
Other than intercompany payables	49 464	39 677
Total short-term payables	91 822	68 136

4.10. Accrued Expenses and Deferred Income

The Company records deferrals for lease prepayments and received fees under lease contracts over the life of lease contracts. Deferred income as of 31 December 2007 and 2006 was as follows:

	(CZK '000)	
	31 Dec 2007	31 Dec 2006
Deferral for lease payments	1 065 185	1 012 669
Received fees under lease contracts	45 752	42 924
Deferral – MTPL	1 707	6 618
Total	1 112 644	1 062 211

As of 31 December 2007, estimated payables amounted to CZK 15,558 thousand (2006: CZK 9,831 thousand). These primarily relate to interest on a loan amounting to CZK 11,167 thousand (2006: CZK 7,570 thousand), fees charged by debt collection agencies and costs of commissions totalling CZK 2,695 thousand (2006: CZK 1,891 thousand).

4.11. Bank Loans

As of 31 December 2007, the Company had the following bank loans:

	(CZK '000)	
Bank/Creditor	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Short-term bank loans		
UniCredit Bank Czech Republic a.s.	270 000	70 000
Česká spořitelna, a.s.	60 000	220 000
RCI BANQUE S.A.	405 000	275 000
ING Bank N.V.	150 000	60 000
CALYON BANK CZECH REPUBLIC, a.s.	60 000	190 000
Komerční banka, a.s.	240 000	200 000
Overdraft facilities		
Komerční banka, a.s.	93 599	55 510
Total short-term bank loans	1 278 599	1 070 510
Long-term loans		
Česká spořitelna, a.s.	0	60 000
CALYON BANK CZECH REPUBLIC, a.s.	0	60 000
ING BANK CZK	0	350 000
UniCredit Bank Czech Republic a.s.	20 000	60 000
RCI BANQUE S.A	125 000	160 000
Komerční banka, a.s.	210 000	230 000
Long-term bank loans	905 000	840 000
Total bank loans	2 183 599	1 910 510

All loan contracts are collateralised by statements of guarantee of UniCredit Leasing CZ, a.s. and RCI Banque S.A.

The average interest rate for the year ended 31 December 2007 was 4.28 percent (2006: 3.6 percent).

The costs of interest on bank loans and overdraft facilities amounted to CZK 69,203 thousand for the year ended 31 December 2007 (2006: CZK 55,055 thousand).

4.12. Deferred Tax and Current Tax Payable

The deferred tax asset/(liability) is analysed as follows:

DEFERRED TAX ARISING FROM

(CZK '000)

	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Net book value of fixed assets	-195 261	-161 247
Receivables	1 749	4 906
Reserves	0	0
Outstanding contractual penalties and default interest	136	495
Derivatives	0	0
Tax losses carried forward	134 165	116 731
Total	-59 211	-39 115

(CZK '000)

Deferred tax asset/(liability) - breakdown	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Recognised asset (liability)	-59 211	-39 115
Unrecognised asset	0	0
Total	-59 211	-39 115

The impact of the movements as of 31 December 2007 and 31 December 2006 was as follows:

(CZK '000)

Analysis of movements

1 January 2007	-39 115
Impact of change of rate	8 459
Recognition of an asset not recognised previously	0
Current changes charged to the profit and loss account	- 28 555
Total charges against the profit and loss account	-20 096
Total recognised in equity	0
31 December 2007	-59 211

(CZK '000)

Analysis of movements

1 January 2006	-26 722
Impact of change of rate	0
Recognition of an asset not recognised previously	0
Current changes charged to the profit and loss account	-12 393
Total charges against the profit and loss account	-12 393
Current changes recognised in equity	13
Total recognised in equity	-13
31 December 2006	-39 115

4.13. Income Tax on Ordinary and Extraordinary Activities

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

(CZK '000)

	Balance at 31 Dec 2007	Balance at 31 Dec 2006
Profit before tax	79 255	40 907
Tax at the domestic income tax rate of 24%	19 020	9 818
Tax effect of expenses that are not deductible in determining taxable profit	1 076	2 562
Utilisation of tax losses previously excluded from deferred tax accounting	0	0
Total income tax on ordinary and extraordinary activities	20 096	12 380

4.14. Off Balance Sheet Assets and Liabilities

The Company carried assets that are not reported in the balance sheet as of 31 December 2007. These assets consisted of contractual penalties of CZK 64 thousand billed prior to 31 December 2001 that are retained off balance sheet.

4.15. Details of Income

The breakdown of income from current activities is provided in the following table:

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Proceeds of lease payments and instalment sales	1 875 659	1 832 097
Proceeds of lease fees	22 492	24 415
Proceeds of fees from dealers	44 397	48 994
Other income	8 749	8 038
Total income	1 951 027	1 913 544

4.16. Consumed Purchases

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Consumed overhead material	868	1 130
Consumed promotional material	0	0
Consumed energy	0	23
Total consumed purchases	868	1 153

4.17. Services

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Commission costs	133 296	140 067
Operating costs	36 318	32 195
Collection costs	4 366	3 891
Promotional costs	10 479	10 632
Other services	6 851	6 082
Total	191 310	192 867

4.18. Interest Income

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Interest on current bank accounts	48	13 287
Interest on swaps	0	858
Interest on up-front funding	4 490	3 458
Received interest – loan contracts	28 970	0
Total	33 508	17 603

4.19. Interest Expense

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Interest on bank loans	69 203	55 055
Interest on swaps	0	990
Total	69 203	56 045

4.20. Change in Reserves and Provisions Relating to Operating Activities

(CZK '000))

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Change in reserves (refer to Note 4.7.)	0	-1 435
Change in provisions against assets (refer to Note 4.1.)	- 8 290	920
Change in statutory provisions against receivables (refer to Note 4.3.)	0	0
Change in tax non-deductible provisions against receivables (refer to Note 4.3.)	-3 066	2 296
Total	-11 356	1 781

4.21. Other Operating Income

(CZK '000)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Contractual penalties and default interest	1 220	1 396
Income from statutory contractual insurance	10 383	29 024
Income from total damage	33 652	41 640
Sundry operating income	27 969	18 048
Total other operating income	73 224	90 108

4.22. Other Operating Expenses

(údaje v tis. Kč)

	Year ended 31 Dec 2007	Year ended 31 Dec 2006
Insurance	19 981	66 460
Statutory contractual insurance	11 030	34 896
Damage – insured events	29 027	37 911
Sundry operating expenses	12 581	2 654
Total other operating expenses	72 619	141 921

4.23. Income and Expenses Generated with Related Parties

The Company has entered into a contract for cooperation with UniCredit Leasing CZ, a.s., which presently renders services to RENAULT LEASING CZ, s.r.o. that are related to the administration of lease contracts and risk management, as well as accounting and other support services.

For the year ended 31 December 2007, the fee for these services amounted to CZK 36,318 thousand (2006: CZK 32,195 thousand). Income from the services of UniCredit pojišťovací makléřská, s.r.o. amounted to CZK 1,463 thousand and CZK 4,809 thousand in 2007 and 2006, respectively.

5. EMPLOYEES, MANAGEMENT AND STATUTORY BODIES

The Company has eleven employees. The Company's activities are outsourced to UniCredit Leasing CZ, a.s.

2007

(údaje v tis. Kč)

	Number of staff	Payroll costs	Social security and health insurance	Other costs	Total staff costs
Staff	9	5 375	1 899	216	7 490
Managers	2	1 364	479	9	1 852
Total	11	6 739	2 378	225	9 342

2006

(údaje v tis. Kč)

	Number of staff	Payroll costs	Social security and health insurance	Other costs	Total staff costs
Staff	9	5 210	1 627	151	6 988
Managers	2	1 904	865	28	2 797
Total	11	7 114	2 492	179	9 785

The statutory executives and Supervisory Board members were not provided with any loans or bonuses in the year ended 31 December 2007.

6. POST BALANCE SHEET EVENTS

No significant events occurred after the balance sheet date.



DIRECTORY
OF THE COMPANY
AND ITS BRANCHES **RENAULT LEASING CZ, s.r.o.**

2007



Main Office:

RENAULT LEASING CZ, s.r.o.

Radlická 14/3201, 150 00 Praha 5

tel.: 257 091 172, fax: 257 091 450

Customer Centre tel.: 844 11 33 55, fax: 844 11 33 99

email: renault.leasing@unicreditleasing.cz

www.renaultleasing.cz

Our branches:

BRNO: Veveří 9, tel.: 541 128 222, fax: 541 128 240

ČESKÉ BUDĚJOVICE: U Zimního stadiónu 3, tel.: 387 313 191-2, fax: 387 313 193

HRADEC KRÁLOVÉ: Šimkova 1224, tel.: 495 512 383, fax: 495 511 799

JIHLAVA: Masarykovo náměstí 1222/54, 586 01, tel.: 567 128 011-12, fax: 567 311 248

LIBEREC: Moskevská 640/55, tel.: 485 106 610, fax: 482 710 375

OSTRAVA: Jurečkova 20, tel.: 596 101 211, fax: 596 132 097

PLZEŇ: Purkyňova 27, tel.: 377 220 209-11, fax: 377 220 212

PRAHA: Radlická 14/3201, tel.: 257 091 111, fax: 257 091 371

ÚSTÍ NAD LABEM: Mírové nám. 35a, tel.: 475 220 274, fax: 475 220 019

ZLÍN: Kvítková 552, tel.: 577 578 111, fax: 577 435 037

Our offices:

HODONÍN: Brněnská 48, tel.: 518 304 412, fax: 518 341 782

KARLOVY VARY: Krále Jiřího 39, tel.: 353 234 565-6, fax: 353 234 563

OPAVA: Holasická 2, tel.: 553 791 670, fax: 553 791 671

OLMOUC: Rooseveltova 24, tel.: 585 227 172, fax: 585 436 789

