



EARNINGS REPORT

2017

EARNINGS REPORT 2017

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KEY FIGURES

		2017	2016 Restated*	Change
Worldwide Group registrations**	Million vehicles	3.76	3.47	+ 8.5%
Group revenues	€ million	58,770	51,243	+ 14.7%
Group operating profit	€ million	3,854	3,282	+ 572
	% revenues	6.6%	6.4%	+ 0.2 pts
Group Operating income	€ million	3,806	3,283	+ 523
Contribution from associated companies	€ million	2,799	1,638	+ 1,161
o/w Nissan	€ million	2,791	1,741	+ 1,050
o/w AVTOVAZ	€ million	-	- 89	+ 89
Net income	€ million	5,210	3,543	+ 1,667
Net income, Group share	€ million	5,114	3,419	+ 1,695
Earnings per share	€	18.87	12.57	+ 6.30
Automotive excluding AVTOVAZ operational free cash flow ⁽¹⁾	€ million	883	1,107	- 224
Automotive including AVTOVAZ operational free cash flow ⁽¹⁾	€ million	945	NM	NM
Automotive including AVTOVAZ net cash position	€ million	2,928	2,416	+ 512
Sales Financing, average performing assets	€ billion	39.6	33.3	+ 18.9%

(1) Automotive operational free cash flow: cash flows (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement. Detailed calculation in chapter 4.2.6.1.A4 of the condensed consolidated financial statements.

* The figures at 31 December 2016 take into account the adjustments to the acquisition price allocation of the AVTOVAZ Group (note 3-B) recorded in 2017 and are therefore different from those previously published.

** 2016 Group registrations have been restated to include Lada registrations.

As the acquisition of control, as defined by IFRS 10, over the J.V. ARA b.v. and the AVTOVAZ Group, took place on December 28, 2016, the net income of the J.V. ARA b.v. and the AVTOVAZ Group for 2016 is still included by the equity method in Groupe Renault's profit & loss. Only the year-end balance sheet figures at December 31, 2016 for the J.V. ARA b.v. and the AVTOVAZ Group are included in the Groupe Renault's consolidated financial position at December 31, 2016. In 2017, the completeness of financial data of the J.V. ARA b.v. and the AVTOVAZ Group is consolidated by full integration into Groupe Renault's accounts.

OVERVIEW

In 2017, **Groupe Renault** reached a new sales record and remains for the second year in a row the number-one French automotive Group worldwide, with 3.76 million vehicles registered. Volume and market shares were up in all regions.

In 2017, **Group revenues** came to €58,770 million (+14.7%), including €2,727 million for AVTOVAZ. Excluding the impact of the AVTOVAZ consolidation⁽¹⁾, Group revenues increased by 9.4% to €56,043 million (+10.1% at constant exchange rates).

Automotive excluding AVTOVAZ revenues amounted to €53,530 million (+9.3%) mainly due to volume growth (+3.3 points) and to the increase in sales to partners (+2.6 points). The latter reflects the start of production of Nissan Micra in France and the positive momentum of our CKD⁽²⁾ activities in Iran and China. The price effect (+1.5 points) benefits mainly from price increases related to the renewal of the range. The other effects (+2.0 points) are partly the result of the positive performance of used vehicle and spare parts activities. The currency impact is negative (0.7 points), mainly due to the devaluation of the Argentinian peso, the Turkish lira and the British pound.

The **Group's operating margin** amounted to €3,854 million, and represents 6.6% of revenues.

The **Automotive excluding AVTOVAZ operating margin** was up €363 million (+15.2%) to €2,749 million, representing 5.1% of revenues compared to 4.9% in 2016. This performance can be explained mainly by strong business growth (€493 million positive impact) and Monozukuri⁽³⁾ gains (€663 million). The mix/price/enrichment effect did not benefit as much as in 2016 from price increases in emerging markets to offset currency devaluation and becomes negative at €230 million. Raw materials had a negative effect of €394 million, reflecting in large part the increase in steel prices. The negative currency impact (-€300 million) was mainly due to the devaluation of the Argentinian peso, the British pound, and the US dollar.

The **operating margin of AVTOVAZ** (non-consolidated in 2016) amounted to €55 million, i.e. 2.0% of its revenues.

Sales Finance contributed €1,050 million to the Group's operating margin, compared with €896 million in 2016. This 17.1% increase is mainly due to the increase in average performing assets (+18.9%), reflecting the strong sales momentum of RCI Banque.

(1) AVTOVAZ profit and loss account consolidated by full integration from 1st of January 2017.

(2) CKD: Complete Knock Down.

(3) Monozukuri: purchasing performance (excluding raw materials), warranty, R&D expenses, manufacturing and logistics costs.

IN BRIEF

Other operating income and expenses amounted to -€48 million (compared to +€1 million in 2016).

The **Group's operating income** came to €3,806 million, compared to €3,283 million in 2016 (+15.9%).

Net financial income and expenses amounted to -€504 million, compared to -€323 million in 2016. This deterioration is mainly due to the consolidation of AVTOVAZ's net financial income and expenses for -€112 million, as well as the negative impact of the value adjustment for redeemable shares (-€120 million compared to -€3 million in 2016).

The **contribution of associated companies**, primarily Nissan, came to €2,799 million, compared to €1,638 million in 2016. Nissan's contribution includes a non-recurring income of €1,021 million linked to the tax reform voted at the end of 2017 in the USA and to the sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed a charge of €891 million.

Net income amounted to €5,210 million (+47.1%) and net income, Group share, to €5,114 million (€18.87 per share, compared with €12.57 per share in 2016). Excluding non-recurring items mentioned for Nissan, net income, Group share, would have been €4,093 million (€15.10 per share).

Automotive operational free cash flow (including AVTOVAZ) was positive at €945 million after taking into account a positive change in working capital requirements of €550 million and an increase in investments of €359 million.

At December 31, 2017, total inventories (including at the independent network) represented 57 days of sales, compared with 59 days at end-December 2016.

A **dividend** of €3.55 per share, versus €3.15 last year, will be submitted for approval at the next Shareholders' Annual General Meeting.

OUTLOOK 2018

In 2018, the global market is expected to grow 2.5% vs 2017. The European market is expected to expand 1% with an increase of 1% for France.

At international level, Russia is expected to grow by close to 10%. Brazil, as well as China, are expected to grow by more than 5%, and India by 6%.

Within this context, Groupe Renault is aiming to:

- Increase Group revenues (at constant exchange rates and perimeter)*;
- Maintain Group operating margin above 6.0%*;
- Generate a positive Automotive operational free cash flow.

** Excluding IFRS 15 impact.*

OVERVIEW

- In 2017, sales of passenger cars and light commercial vehicles (PC+LCV) by **Groupe Renault** increased by 8.5%, with 3.76 million vehicles registered in a global automotive market that rose by 2.3%.
- This fifth consecutive year of growth in registrations allowed the Group to set a new sales record. The Group's worldwide market share now stands at 4.0% (+ 0.2 points). This year again, both Renault and Dacia brands have registered record sales. Renault keeps its position as the world's leading French brand.
- In **Europe**, the Group continues to benefit from the still growing European automotive market (+ 3.3%) with a 5.6% increase in registrations to 1.9 million vehicles, corresponding to a market share of 10.8%. Renault remained Europe's second biggest automotive brand and maintained its leadership in the electric vehicle segment with a market share of 23.8%. Registrations of ZOE, Europe's top-selling electric vehicle, rose 44%.
- **Outside Europe**, Groupe Renault's sales were up 11.6% on 2016 against growth of 3.3% on the market as a whole. Volumes and market shares were up in all regions. In particular, the Group posted a sales increase of 13.6% in the Eurasia Region and 17.0% in the Asia-Pacific Region.
- In 2017, the number of new financing contracts by **RCI Banque** was up 13.2% compared to 2016.

THE GROUPE RENAULT'S TOP FIFTEEN MARKETS

REGISTRATIONS		Ranking 2016	Volumes 2017* (in units)	PC + LCV market share 2017 (%)	Change in market share on 2016 (points)
1	France	1	673,852	26.4	- 0.4
2	Russia	2	448,270	28.0	+ 1.1
3	Germany	3	228,046	6.1	+ 0.6
4	Italy	4	215,901	10.0	+ 0.6
5	Spain	5	185,760	13.0	+ 0.0
6	Turkey	6	178,646	18.7	+ 1.5
7	Brazil	7	167,147	7.7	+ 0.1
8	Iran	11	162,079	10.8	+ 2.4
9	United Kingdom	8	115,262	4.0	- 0.5
10	Argentina	12	115,243	13.3	- 1.2
11	India	9	112,489	3.1	- 0.9
12	South Korea	10	100,537	5.7	- 0.5
13	Belgium-Luxembourg	13	88,547	12.9	- 0.9
14	China	21	72,137	0.3	+ 0.1
15	Morocco	14	70,536	41.8	+ 4.0

* Figures as of end-December 2017 (excluding Twizy).

1.1 AUTOMOTIVE

1.1.1 WORLDWIDE GROUP REGISTRATIONS BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)***	2017*	2016**	Change (%)
GROUP	3,761,634	3,468,174	+ 8.5
EUROPE REGION	1,911,169	1,809,951	+ 5.6
Renault (incl. Alpine)	1,441,800	1,390,825	+ 3.7
Dacia	463,712	414,982	+ 11.7
Lada	5,657	4,144	+ 36.5
AMERICAS REGION	389,419	354,241	+ 9.9
Renault	389,205	354,241	+ 9.9
Lada	214	0	-
ASIA-PACIFIC REGION	195,869	167,403	+ 17.0
Renault	93,410	54,925	+ 70.1
Dacia	1,417	1,381	+ 2.6
Renault Samsung Motors	99,846	111,097	- 10.1
Lada	1,196	0	-
AFRICA MIDDLE-EAST INDIA REGION	532,391	491,301	+ 8.4
Renault	438,144	414,375	+ 5.7
Dacia	92,704	76,926	+ 20.5
Lada	1,543	0	-
EURASIA REGION	732,786	645,278	+ 13.6
Renault	308,430	273,516	+ 12.8
Dacia	97,402	90,926	+ 7.1
Lada	326,954	280,836	+ 16.4

* Preliminary figures.

** 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Bermuda, Colombia, South Korea, Guatemala, Ireland, Lebanon, Morocco, Mexico and Tahiti.

→ Europe

In **Europe**, in a market that grew 3.3%, Group registrations rose 5.6% to 1,911,169 vehicles. The Group took a 10.8% share of the European market, up 0.2 points.

The Renault brand alone saw sales rise 3.7% for a market share of 8.2%. Renault sales were buoyed in particular by the complete renewal of the Mégane family in 2016, and the launch last June of new Koleos. Clio remains Europe's second best-selling vehicle, while Captur is the number-one crossover in its class.

In the **electric vehicle** segment, Renault maintained its leadership with a market share of 23.8%. Sales volumes increased 38%. Registrations of ZOE, Europe's top-selling electric vehicle, rose 44%.

Even before the launch of new Duster at the very start of 2018, the **Dacia brand** set a new European sales record with 463,712 registrations (+ 11.7%), and market share of 2.6%, a rise of 0.2 points. The rise is linked primarily to the strong results of Sandero phase 2, launched at end-2016.

→ Outside Europe

Outside Europe, the Group increased volumes and market share across all regions.

Group registrations rose 11.6% in a market that grew 3.3%. Sales outside Europe now account for 49.2% of the total.

Groupe Renault consolidated its positions with the success of its new range: Renault Kaptur, Lada Vesta and Lada XRAY in Russia, Koleos in China, Mégane Sedan in Turkey, Duster Oroch and Kwid in the Americas.

• Eurasia

In Eurasia, registrations rose 13.6% in a market that grew 7.0%. The market share of the Group, now including the Lada brand, increased 1.4 points to 24.5%, notably on the back of strong momentum in Russia.

The **Russian** market expanded for the first time in four years, with a rise of 12.2%. The Group increased sales by 16.9% (including Lada). More than one vehicle in every four sold in Russia in 2017 was a Lada or a Renault.

Lada posted a 17.0% rise in sales with market share of 19.5% (+ 0.8 points) following the successful renewal of its range with, in particular, the models Lada Vesta and Lada XRAY.

The Renault brand claimed record market share of 8.5%, a rise of 0.3 points. Kaptur posted 30,958 registrations and Duster 43,715.

Russia remains the Group's second-biggest market with the consolidation of Lada sales volumes.

In **Turkey**, Renault set a new historic record with sales rising 7.0% (130,276 vehicles) on a market that fell 2.8%. Mégane Sedan confirmed its success with almost 39,300 registrations. Brand market share rose 1.3 points to 13.6% making Renault the country's number-one brand for both passenger cars and LCV sales.

• Asia-Pacific

In the Asia-Pacific Region, registrations increased 17.0% in a market that expanded 2.7%.

In **China**, Renault sold over 72,100 vehicles compared with 35,278 in 2016, thus doubling sales volumes in the space of one year. New Koleos consolidated its success with over 43,400 registrations.

Renault Samsung Motors saw sales fall 10.1% owing to the lack of new models in a fiercely competitive market. This fall follows strong growth in 2016 with the launch of SM6 and QM6.

• Africa Middle-East India

In Africa Middle-East India, Group registrations rose 8.4% in a market that expanded 2.0%. Market share rose 0.4 points to 6.6%.

In **Iran**, registrations rose 49.3% for market share of 10.8% (+ 2.4 points) on the back of the success of Tondar and Sandero.

In **India**, Renault continues to rank as the number-one European car brand with market share of 3.1%. Sales fell 14.9% pending the ramp-up of Captur.

In **North Africa**, Group sales rose 5.6% in a market that was down 4.7%. The Group had market share of 42.4 %, a rise of 4.1 points, buoyed primarily by results in Algeria, where it posted record market share of 62.8% a rise of 11 points.

• Americas

In the Americas Region, sales rose 9.9% in a market that expanded 7.2% for market share of 6.7%, a rise of 0.2 points.

The Group is continuing to reap the full benefits of the recovery of the **Brazilian** market, which grew 9.3%. Sales rose 11.4% for record market share of 7.7% (+ 0.1 points), buoyed by the good results of the new models, Captur and Kwid. Launched in July, Kwid has already sold in almost 22,600 units.

In **Argentina**, where the market surged 26.4%, the Group posted a 16.3% sales increase, pending the ramp-up of Kwid.

1.1.2 GROUP REGISTRATIONS BY BRAND AND BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)***	2017*	2016**	Change (%)
GROUP	3,761,634	3,468,174	+ 8.5
BY BRAND			
Renault (incl. Alpine)	2,670,989	2,487,882	+ 7.4
Dacia	655,235	584,215	+ 12.2
Lada	335,564	284,980	+ 17.8
Renault Samsung Motors	99,846	111,097	- 10.1
BY VEHICLE TYPE			
Passenger cars	3,298,775	3,023,433	+ 9.1
Light commercial vehicles	462,859	444,741	+ 4.1

* Preliminary figures.

** 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Bermuda, Colombia, South Korea, Guatemala, Ireland, Lebanon, Morocco, Mexico and Tahiti.

Registrations of the **Renault brand** increased by 7.4% compared to 2016, thanks to the success of new models in a context of dynamic markets (still growing European market, recovery of the Brazilian and Russian markets, and strong market growth in Iran).

With 2,670,989 units sold, the Renault brand accounted for 71% of Group's registrations.

The **Dacia brand's** registrations went up by 12.2% to 655,235 units, driven by a strong growth in Europe, linked primarily to the strong results of Sandero phase 2, launched at end-2016.

Renault Samsung Motors saw sales fall 10.1% owing to the lack of new models in a fiercely competitive market. This fall follows strong growth in 2016 with the launch of SM6 and QM6.

Lada brand posted a 17.8% rise in sales thanks to the Russian market recovery and following the successful renewal of its range with, in particular, the models Lada Vesta and Lada XRAY.

1.2 SALES FINANCING

1.2.1 NEW FINANCING AND SERVICES

Benefiting from the strong growth in the world automotive market, RCI Banque once again posted an increase in its sales performance for 2017, reaching a record level of activity in financing and services. RCI Banque thus establishes itself as a true strategic partner to the Alliance brands.

With over 1,771,000 contracts financed at the end of December 2017, representing an increase of 13.2% over the previous year, RCI Banque generated €20.6 billion in new financings. This performance was notably driven by the growth in the European automotive market, but also by the economic recovery in emerging markets (Brazil, Argentina, Russia). There was also a positive impact from the consolidation of the activity of the colombian subsidiary, RCI Colombia SA, since February 2017.

The Group's vehicle financing penetration rate stands at 39.6%, up 1.9 points compared to 2016. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 42.6%, versus 41.0% in 2016.

This good performance is accompanied by the development of the used vehicle financing business, which recorded almost 320,000 contracts financed in 2017, representing an increase of 15.7% compared to the previous year.

In this context, average performing assets (APA) now stand at €39.6 billion, showing a 19.0% increase compared to 2016. Of this amount, €29.9 billion was directly related to the Customers business, up 18.5%.

RCI BANQUE FINANCING PERFORMANCE

	2017	2016	Change (%)
Number of financing contracts (<i>Thousands</i>)	1,771	1,564	+ 13.2
- including UV contracts (<i>Thousands</i>)	320	276	+ 15.7
New financing (€ billion)	20.6	17.9	+ 14.9
Average productive assets (€ billion)	39.6	33.3	+ 19.0

Building on the dynamic trend in the automotive market and the strong growth in new and used vehicle financing, the services business continued to develop with an increase of 27.5% in volume

compared to 2016. The volume of services sold at the end of 2017 stood at 4.4 million insurance and service contracts, of which 65% were customer and vehicle use-related services.

RCI BANQUE SERVICES PERFORMANCE

	2017	2016	Variation
Number of services contracts (<i>Thousands</i>)	4,355	3,415	+ 27.5%
PENETRATION RATE ON SERVICES	119.1%	100.3%	+ 18.8 pts

1.2.2 RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY BRAND

	2017 (%)	2016 (%)	Change (points)
Renault	40.1	37.8	+ 2.3
Dacia	42.8	40.5	+ 2.2
Renault Samsung Motors	57.4	52.9	+ 4.5
Nissan	35.3	35.0	+ 0.4
Infiniti	27.4	27.1	+ 0.3
Datsun	22.7	18.6	+ 4.0
RCI BANQUE	39.6	37.7	+ 1.9

PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY REGION

	2017 (%)	2016 (%)	Change (points)
Europe	43.3	41.5	+ 1.9
Americas	38.8	37.7	+ 1.1
Asia-Pacific	57.4	52.3	+ 5.0
Africa Middle-East India	21.8	18.2	+ 3.7
Eurasia	26.7	24.7	+ 2.0
RCI BANQUE	39.6	37.7	+ 1.9

In 2017, RCI Banque posted growth in its vehicle financing penetration rate across all regions and Alliance brands.

The **Europe Region** saw an increase of 9.4% in the number of new vehicle financing contracts compared to 2016, with a vehicle financing penetration rate of 43.3%, representing an increase of 1.9 points compared to the previous year.

In a context of market recovery, the **Americas Region** saw a strong increase of 7.2% in its automotive market compared to 2016. Supported by the commercial performance of Argentina and Colombia, the vehicle financing penetration rate in the region was high at 38.8%, up by 1.1 points compared to end-2016.

The **Asia-Pacific Region** (South Korea only) recorded the strongest increase in the penetration rate: reaching 57.4%, up by + 5 points compared to 2016. Thus more than half of new vehicles sold by Renault Samsung Motors was financed by RCI Banque, which posted strong commercial performance in the context of a declining automotive market.

Driven by good results at RCI Banque for the Datsun brand in India, the financing penetration rate for the **Africa Middle-East India Region** was 21.8% in 2017, up by 3.7 points compared to the previous year.

The **Eurasia Region** posted a financing penetration rate up by 2.0 points at 26.7% for 2017. In Russia, in a context of recovering automotive sales, the financing penetration rate reached 27.5%, up by 0.6 points. In Turkey, the penetration rate amounted to 26.6%, up by 4.5 points, in a declining automotive market.

1.2.3 INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

In 2017, RCI Banque continued to capture new markets, supporting the commercial development of the Alliance brands.

After the successful operational launch in 2016, 2017 was marked by the entry of the colombian subsidiary, RCI Colombia SA, into the consolidation scope in February 2017. In this market, RCI Banque achieved a financing penetration rate of 51.6% with nearly 25,000 financing contracts under management.

In a context of growth in the world automotive market, the share of RCI Banque business outside of Europe accounted for nearly 28% of the number of new vehicle financing contracts.

2017 was marked by the continued development strategy for new mobility services, a market in which RCI Banque aims to become a leading player. After the launch of RCI Mobility, RCI Banque

acquired Class & Co, parent company of Yuso, an automated fleet management solution for taxis, private hire cars and delivery services, and Marcel, a private hire car reservation service in Île-de-France.

This year also saw the relaunch of the sales activity of Karhoo, in which RCI Banque is the majority shareholder. Karhoo brings together taxi and private hire car companies on a single integrated reservation platform, allowing final users to reserve, modify, monitor and pay their trips, and benefit from a very wide choice of vehicle fleets and services. This approach comes under RCI Bank and Services' ambition to offer customers of Alliance brands, as well as new users, simple, attractive and personalized auto-mobility solutions.

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2017*	2016**	Change (%)
Kwid	124,807	111,688	+ 11.7
Twingo	82,287	86,860	- 5.3
ZOE	31,932	21,998	+ 45.2
Clio	441,087	460,870	- 4.3
Captur / QM3	246,220	260,800	- 5.6
Logan	341,986	337,051	+ 1.5
Sandero	501,258	402,622	+ 24.5
Lada Granta	101,340	91,403	+ 10.9
Lada Vesta	77,905	55,631	+ 40.0
Lada XRAY	34,446	20,120	+ 71.2
Lada Largus	44,299	40,088	+ 10.5
Lada 4x4	37,475	35,015	+ 7.0
Mégane / Scenic / Mégane Sedan	337,841	258,712	+ 30.6
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	14,187	59,662	- 76.2
Kadjar	154,898	164,374	- 5.8
Duster	324,066	329,969	- 1.8
Kaptur / Captur Amériques	62,147	15,160	+++
Lodgy	43,393	41,026	+ 5.8
Latitude / SM5	7,470	7,044	+ 6.0
Talisman / SM6	83,539	94,871	- 11.9
Koleos / QM5	76,264	14,690	+++
Espace	18,686	27,350	- 31.7
SM7	5,932	7,150	- 17.0
QM6	27,837	14,126	+ 97.1
Kangoo (incl. Z.E.)	160,034	150,264	+ 6.5
Dokker	90,269	77,286	+ 16.8
Trafic	104,913	99,025	+ 5.9
Master	97,180	94,666	+ 2.7
Oroch	31,353	28,599	+ 9.6
Alaskan	1,754	293	+++
Others (excl. Lada)	14,730	17,038	- 13.5
Others Lada	40,099	42,723	- 6.1
TOTAL WORLDWIDE GROUP PC + LCV REGISTRATIONS	3,761,634	3,468,174	+ 8.5
Twizy***	1,750	2,318	- 24.5

* Preliminary figures.

** 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Bermuda, Colombia, South Korea, Guatemala, Ireland, Lebanon, Morocco, Mexico and Tahiti.

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
EUROPEAN REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2017*	2016**	Change (%)
Twingo	78,280	85,281	- 8.2
ZOE	31,302	21,742	+ 44.0
Clio	363,788	351,215	+ 3.6
Captur	213,886	217,460	- 1.6
Logan	37,916	37,245	+ 1.8
Sandero	194,961	168,237	+ 15.9
Mégane / Scenic / Mégane Sedan	279,198	233,305	+ 19.7
Fluence (incl. Z.E.)	180	3,872	- 95.4
Kadjar	113,652	128,576	- 11.6
Duster	144,944	140,547	+ 3.1
Lodgy	28,764	22,847	+ 25.9
Talisman	32,451	34,202	- 5.1
Koleos	13,194	122	+++
Espace	18,583	27,305	- 31.9
Kangoo (incl. Z.E.)	109,398	105,963	+ 3.2
Dokker	57,121	46,034	+ 24.1
Trafic	97,858	92,398	+ 5.9
Master	75,688	75,697	0.0
Alaskan	1,013	-	-
Others (incl. Lada)	18,992	17,903	+ 6.1
TOTAL EUROPEAN GROUP PC + LCV REGISTRATIONS	1,911,169	1,809,951	+ 5.6
Twizy***	1,683	2,227	- 24.4

* Preliminary figures.

** 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations, except in Ireland.

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2017*	2016**	Change (%)
Kwid	124,807	111,688	+ 11.7
Twingo	4,007	1,579	+ 153.8
ZOE	630	256	+ 146.1
Clio	77,299	109,655	- 29.5
Captur / QM3	32,334	43,340	- 25.4
Logan	304,070	299,806	+ 1.4
Sandero	306,297	234,385	+ 30.7
Lada Granta	100,755	90,787	+ 11.0
Lada Vesta	76,995	55,631	+ 38.4
Lada XRAY	34,446	20,120	+ 71.2
Lada Largus	44,299	40,088	+ 10.5
Lada 4x4	35,013	33,059	+ 5.9
Mégane / Scénic / Mégane Sedan	58,643	25,407	+ 130.8
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	14,007	55,790	- 74.9
Kadjar	41,246	35,798	+ 15.2
Duster	179,122	189,422	- 5.4
Kaptur / Captur Americas	62,147	15,160	+ + +
Lodgy	14,629	18,179	- 19.5
Latitude / SM5	7,470	7,043	+ 6.1
Talisman / SM6	51,088	60,669	- 15.8
Koleos / QM5	63,070	14,568	+ + +
SM7	5,932	7,150	- 17.0
QM6	27,837	14,126	+ 97.1
Kangoo (incl. Z.E.)	50,636	44,301	+ 14.3
Dokker	33,148	31,252	+ 6.1
Trafic	7,055	6,627	+ 6.5
Master	21,492	18,969	+ 13.3
Oroch	31,353	28,599	+ 9.6
Alaskan	741	293	+ 152.9
Others (excl. Lada)	1,498	3,325	- 54.9
Others Lada	38,399	41,151	- 6.7
TOTAL INTERNATIONAL GROUP PC + LCV REGISTRATIONS	1,850,465	1,658,223	+ 11.6
Twizy***	67	91	- 26.4

* Preliminary figures.

** 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Bermuda, Colombia, South Korea, Guatemala, Lebanon, Morocco, Mexico and Tahiti.

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
WORLDWIDE PRODUCTION BY MODEL*

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2017**	2016***	Change (%)
Twizy	3,367	2,855	+ 17.9
Kwid (Curitiba)	35,576	119	+ + +
Twingo	82,638	83,855	- 1.5
Clio	437,114	461,640	- 5.3
ZOE	29,671	25,478	+ 16.5
Captur	249,031	242,915	+ 2.5
Logan	229,213	224,265	+ 2.2
Sandero	443,592	342,415	+ 29.5
Lodgy	41,467	37,105	+ 11.8
Mégane / Scenic	276,531	282,842	- 2.2
Fluence / Mégane Sedan / SM3	63,487	69,477	- 8.6
Duster / Duster Oroch	314,310	306,539	+ 2.5
Kaptur / Captur Americas	67,970	21,999	+ + +
Kadjar	126,041	140,795	- 10.5
Lada Granta	98,014	NM	NM
Lada Vesta	83,455	NM	NM
Lada XRAY	34,087	NM	NM
Lada Largus	47,734	NM	NM
Lada 4x4	39,465	NM	NM
Latitude / SM5	7,071	5,131	+ 37.8
Talisman / SM6	78,075	107,221	- 27.2
Koleos / QM5 / QM6	72,049	23,187	+ 210.7
Espace	18,206	26,395	- 31.0
SM7	6,323	6,791	- 6.9
Kangoo	166,898	159,786	+ 4.5
Dokker	91,881	80,783	+ 13.7
Trafic (incl. GM, Nissan, Fiat)	135,367	121,655	+ 11.3
Master (incl. GM, Nissan et RVI)	139,126	142,086	- 2.1
Oroch	31,947	32,544	- 1.8
Alpine	116	30	+ + +
Others	379,250	226,801	+ 67.2
GROUP GLOBAL PRODUCTION	3,829,072	3,174,709	NM
o/w produced for partners:			
GM	21,834	28,251	- 22.7
Nissan	282,262	164,401	+ 71.7
Daimler	76,228	75,382	+ 1.1
Renault Trucks	12,971	12,625	+ 2.7
Fiat	17,930	12,525	+ 43.2
PRODUCED BY PARTNERS FOR RENAULT	2017**	2016	Change (%)
Kwid (India - Nissan)	105,788	115,223	- 8.2
Duster (India - Nissan)	15,469	20,592	- 24.9
Kadjar (China - DRAC)	26,589	25,450	+ 4.5
Koleos (China - DRAC)	48,122	7,538	+ + +
Logan (Iran)	107,771	109,610	- 1.7
Sandero (Iran)	52,510	58,228	- 9.8
Alaskan (Mexique & Espagne - Nissan)	3,811	-	-
Others (Nissan, DRAC, Pars Khodro, Iran Khodro)	7,244	7,002	+ 3.5

* Production data concern the number of vehicles leaving the production line.

** 2017: Preliminary figures.

*** 2016: Group production does not include Lada models and the production of Renault's vehicles by AVTOVAZ is mentioned in the production by partners for Renault. In 2017, AVTOVAZ production is included in the Groupe Renault's production.

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SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GEOGRAPHICAL ORGANIZATION OF THE GROUPE RENAULT BY REGION – COUNTRIES IN EACH REGION

At December 31, 2017

EUROPE	AMERICAS	ASIA-PACIFIC	AFRICA MIDDLE-EAST INDIA	EURASIA
Albania	Argentina	Australia	Algeria	Armenia
Austria	Bolivia	Brunei	Egypt	Azerbaijan
Baltic States	Brazil	Cambodia	French Guiana	Belarus
Belgium-Lux.	Chili	China	Guadeloupe	Bulgaria
Bosnia	Colombia	Hong Kong	Gulf States	Georgia
Croatia	Costa Rica	Indonesia	India	Kazakhstan
Cyprus	Dominican Rep.	Japan	Iran	Kyrgyzstan
Czech Rep.	Ecuador	Laos	Iraq	Moldova
Denmark	El Salvador	Malaysia	Israel	Romania
Finland	Honduras	New Caledonia	Jordan	Russia
France Metropolitan	Mexico	New Zealand	Lebanon	Tajikistan
Germany	Nicaragua	Philippines	Libya	Turkey
Greece	Panama	Singapore	Madagascar	Turkmenistan
Hungary	Paraguay	South Korea	Martinique	Ukraine
Iceland	Peru	Tahiti	Morocco	Uzbekistan
Ireland	Uruguay	Thailand	Pakistan	
Italy	Venezuela	Viet Nam	La Réunion	
Macedonia			Saint Martin	
Malta			Saudi Arabia	
Montenegro			South Africa	
Netherlands			Sub Saharian African countries	
Norway			Tunisia	
Poland				
Portugal				
Serbia				
Slovakia				
Slovenia				
Spain				
Sweden				
Switzerland				
United Kingdom				

Group Top 15 markets in bold.

SUMMARY

(€ million)	2017	2016 Restated*	Change
Group revenues	58,770	51,243	+ 14.7%
Operating profit	3,854	3,282	+ 572
Operating income	3,806	3,283	+ 523
Net financial income and expenses	- 504	- 323	- 181
Contribution from associated companies	2,799	1,638	+ 1,161
o/w Nissan	2,791	1,741	+ 1,050
Net income	5,210	3,543	+ 1,667
Automotive excluding AVTOVAZ operational free cash flow	883	1,107	- 224
Automotive including AVTOVAZ operational free cash flow	945	NM	NM
Automotive including AVTOVAZ net cash position	2,928	2,416	+ 512
Shareholders' equity	33,442	30,924	+ 2,518

* The figures at 31 December 2016 take into account the adjustments to the acquisition price allocation of the AVTOVAZ Group (note 3-B) recorded in 2017 and are therefore different from those previously published.

2.1 COMMENTS ON THE FINANCIAL RESULTS

2.1.1 CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2017					2016				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	11,939	15,056	10,974	15,561	53,530	9,942	14,136	9,989	14,928	48,995
AVTOVAZ	569	722	634	802	2,727	NM	NM	NM	NM	NM
Sales Financing	621	630	610	652	2,513	547	560	557	584	2,248
Total	13,129	16,408	12,218	17,015	58,770	10,489	14,696	10,546	15,512	51,243

(In %)	Variation				
	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	20.1	6.5	9.9	4.2	9.3
AVTOVAZ	NM	NM	NM	NM	NM
Sales Financing	13.5	12.5	9.5	11.6	11.8
Total	25.2	11.6	15.9	9.7	14.7

The **Automotive excluding AVTOVAZ contribution** to revenues amounted to €53,530 million, an increase on 2016 (+9.3%). This increase is mainly due to:

- a volume effect of 3.3 points. In 2017, Groupe Renault gained market share in all regions thanks to its renewed and expanded range, in a context of dynamic automotive markets (good performance in Europe, rebound of the Russian and Brazilian markets, etc.).
- a positive price effect of 1.5 points, resulting from the impact of new models and price increases in some emerging countries to offset the devaluation of currencies (in Turkey and Argentina, for example);

- a growth in sales to partners had a favorable impact of 2.6 points, mainly thanks to the start-up of Nissan Micra's production in France and a significant rise in CKD (complete knock down) activity in Iran and China;
- a favorable product mix effect of 0.7 points, largely due to the launch of vehicles in the higher market segments (Koleos, Captur, Scenic);
- other effects of 2.0 points were mainly due to the good performance of spare parts and used vehicles.

These positive factors offset the negative currency impact by 0.7 points, mainly due to the decline in the Argentine peso, the Turkish pound and the British pound.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ millions)	2017	2016	Change
Automotive excl. AVTOVAZ	2,749	2,386	+ 363
% of division revenues	5.1%	4.9%	+ 0.2 pts
AVTOVAZ	55	NM	NM
% of AVTOVAZ revenues	2.0%	NM	NM
Sales Financing	1,050	896	+ 154
Total	3,854	3,282	+ 572
% of Group revenues	6.6%	6.4%	+ 0.2 pts

The **Automotive excluding AVTOVAZ operating margin** rose by €363 million to €2,749 million (5.1% of revenues), owing mainly to:

- business growth (€493 million);
- improving efforts to reduce costs by €663 million, thanks to the good performance of purchasing (excluding raw materials). R&D spending continues to increase to meet the technological and regulatory challenges of tomorrow.

These positive effects offset:

- a negative mix/price/enrichment effect for €230 million, particularly because the Group is no longer taking as much advantage as in 2016 of price increases in emerging countries to compensate for currency devaluation;
- a €394 million significant tailwind from raw materials largely reflecting rising steel prices;
- a negative currency impact at - €300 million, reflecting firstly the depreciation of the Argentinean peso, British pound and the US dollar;
- company's G&A increasing by €125 million in line with the strong development of the business (especially internationally) and the company's digitalization projects.

The **operating margin of AVTOVAZ** (non-consolidated in 2016) amounted to €55 million, i.e. 2.0% of its revenues.

Sales Financing contributed €1,050 million to the Group's operating margin, compared with €896 million in 2016. This 17.1% increase is mainly due to the increase in average performing assets (+18.9%), reflecting the strong sales momentum of RCI Banque.

Other operating income and expenses amounted to -€48 million (compared to +€1 million in 2016).

The **Group's operating income** came to €3,806 million, compared to €3,283 million in 2016 (+15.9%).

Net financial income and expenses amounted to -€504 million, compared to -€323 million in 2016. This deterioration is mainly due to the consolidation of AVTOVAZ's net financial income and expenses for -€112 million, as well as the negative impact of the value adjustment for redeemable shares (-€120 million compared to -€3 million in 2016).

The **contribution of associated companies**, primarily Nissan, came to €2,799 million, compared to €1,638 million in 2016. Nissan's contribution includes a non-recurring income of €1,021 million linked to the tax reform voted at the end of 2017 in the USA and to the sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed a charge of €891 million.

Net income amounted to €5,210 million (+47.1%) and net income, Group share, to €5,114 million (€18.87 per share, compared with €12.57 per share in 2016). Excluding non-recurring items mentioned for Nissan, net income, Group share, would have been €4,093 million (€15.10 per share).

2.1.2 AUTOMOTIVE OPERATIONAL FREE CASH FLOW

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ millions)	2017	2016	Change
Cash flow (excluding dividends received from publicly listed companies)	4,327	4,362	- 35
Change in the working capital requirement	447	356	+ 91
Tangible and intangible investments net of disposals	- 3,362	- 3,047	- 315
Leased vehicles and batteries	- 529	- 564	+ 35
OPERATIONAL FREE CASH FLOW EXCLUDING AVTOVAZ	883	1,107	- 224
OPERATIONAL FREE CASH FLOW OF AVTOVAZ	62	NM	NM
OPERATIONAL FREE CASH FLOW INCLUDING AVTOVAZ	945	NM	NM

In 2017, the **Automotive including AVTOVAZ segment** reported positive **operational free cash flow** of €945 million, of which €62 million of AVTOVAZ operational free cash flow. Excluding AVTOVAZ, the change is resulting from:

- cash flow (excluding dividends received from publicly listed companies) of €4,327 million (-35 million compared with 2016 largely related to the increase in taxes disbursed in 2017 compared to 2016);

- a positive change in the working capital requirement of €447 million, despite a rise in inventories;
- property, plant and equipment and intangible investments net of disposals of €3,362 million, an increase of €315 million compared with 2016.

RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs

(€ millions)	2017	2016	Change
R&D expenses	- 2,958	- 2,530	- 428
Capitalized development expenses	1,193	903	+ 290
% of R&D expenses	40.3%	35.7%	+ 4.6 pts
Amortization	- 803	- 743	- 60
Gross R&D expenses recorded in the income statement excl. AVTOVAZ	- 2,568	- 2,370	- 198
Gross R&D expenses recorded in the income statement for AVTOVAZ	- 22	NM	NM
Gross R&D expenses recorded in the income statement incl. AVTOVAZ	- 2,590	- 2,370	- 220

The capitalization rate excluding AVTOVAZ increased from 35.7% in 2016 to 40.3% in 2017 in connection with the progress of projects.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ millions)	2017	2016
Tangible investments (excluding leased vehicles and batteries)	2,221	2,037
Intangible investments	1,285	1,054
o/w capitalized R&D	1,193	903
Total acquisitions	3,506	3,091
Disposal gains	- 144	- 44
Total Automotive excl. AVTOVAZ	3,362	3,047
Total AVTOVAZ	79	NM
Total Sales Finance	7	6
Total Group	3,448	3,053

Total gross capital expenditure rose in 2017 compared with 2016; the breakdown was 60% in Europe and 40% in the rest of the world.

- In Europe, capital expenditure focused on the renewal of the A and B ranges (new Captur and Clio family), the launch of the Alpine A110 and the adaptation of industrial facilities to changes in engine demand. A significant effort was also made to boost the competitiveness and flexibility of European plants. Lastly,

significant investment programs were committed to support the Company's digital transformation, increase engineering efficiency.

- Outside Europe, investments targeted mainly the Global Access range (Captur in India, new Duster in Romania, Kwid and Kangoo in South America), and the renewal of the powertrain range in Brazil.

NET CAPEX AND R&D EXPENSES

(€ millions)	2017	2016
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	3,369	3,053
Capitalized development expenses	- 1,193	- 903
Capex invoice to third parties and others	- 200	- 226
Net industrial and commercial investments excl. AVTOVAZ (1)	1,976	1,924
% of Group revenues excl. AVTOVAZ	3.5%	3.8%
R&D expenses excl. AVTOVAZ	2,958	2,530
o/w billed to third parties	- 373	- 246
Net R&D expenses excl. AVTOVAZ (2)	2,585	2,284
% of Group revenues excl. AVTOVAZ	4.6%	4.5%
Net CAPEX and R&D expenses excl. AVTOVAZ (1) + (2)	4,561	4,208
% of Group revenues excl. AVTOVAZ	8.1%	8.2%
Net CAPEX and R&D expenses incl. AVTOVAZ	4,648	NM
% of Group revenues incl. AVTOVAZ	7.9%	NM

Net Capital expenditure and R&D expenses amounted to 7.9% of Group revenue, compared with 8.2% in 2016. This percentage is

remains in line with the Group Plan's objective to remain below 9% of revenues.

2.1.3 AUTOMOTIVE NET CASH POSITION AT DECEMBER 31, 2017

CHANGE IN AUTOMOTIVE NET CASH POSITION (€ million)

Net cash position at December 31, 2016 (published)	+ 2,720
<i>Adjustments to the acquisition price allocation of AVTOVAZ</i>	<i>- 304</i>
Net cash position at December 31, 2016 (restated)	+ 2,416
Operational free cash flow for 2017	+ 945
Dividends received	+ 761
Dividends paid to Renault's shareholders	- 916
Financial investments and others	- 278
Net cash position at December 31, 2017	+ 2,928

The €512 million increase in the **net cash position of the Automotive segment** compared with December 31, 2016 restated is due to:

- operational free cash flow;
- net dividends;
- various elements (treasury stocks purchase, equity investment).

AUTOMOTIVE NET CASH POSITION

(€ million)	Dec. 31, 2017	Dec. 31, 2016 Restated*
Non-current financial liabilities	- 5,388	- 4,929
Current financial liabilities	- 4,761	- 6,049
Non-current financial assets – other securities, loans and derivatives on financial operations	+ 89	+ 109
Current financial assets	+ 1,143	+ 1,188
Cash and cash equivalents	+ 11,845	+ 12,097
Net cash position	+ 2,928	+ 2,416

* The figures at 31 December 2016 take into account the adjustments to the acquisition price allocation of the AVTOVAZ Group (note 3-B) recorded in 2017 and are therefore different from those previously published.

During 2017, **Renault** issued two Eurobonds of €750 million each (maturity six and eight-years) *via* its EMTN program and a private placement of Yen 7 billion with maturity of three-years. Renault also issued a Samurai for a nominal amount of Yen 90 billion *via* its Shelf Registration program, comprising two tranches, one for Yen 63.4 billion with a three-years maturity and the other for Yen 26.6 billion with a five-years maturity.

The Automotive segment's liquidity reserves stood at €15.2 billion at December 31, 2017. These reserves consisted of:

- €11.8 billion in cash and cash equivalents;
- €3.4 billion in undrawn confirmed credit lines.

At December 31, 2017, **RCI Banque's** liquidity reserve stood at €10.2 billion, consisting of:

- €4.4 billion in undrawn confirmed credit lines;
- €3.6 billion in European central-bank eligible collateral;
- €1.8 billion in high quality liquid assets (HQLA);
- €0.4 billion in available case.

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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2.2.1 CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	2017 ⁽¹⁾	2016
Revenues	4	58,770	51,243
Cost of goods and services sold		(46,477)	(40,256)
Research and development expenses	10-A	(2,590)	(2,370)
Selling, general and administrative expenses		(5,849)	(5,335)
Operating margin	5	3,854	3,282
Other operating income and expenses	6	(48)	1
<i>Other operating income</i>	6	214	727
<i>Other operating expenses</i>	6	(262)	(726)
Operating income (loss)		3,806	3,283
Cost of net financial indebtedness	7	(369)	(284)
<i>Cost of gross financial indebtedness</i>	7	(441)	(385)
<i>Income on cash and financial assets</i>	7	72	101
Other financial income and expenses	7	(135)	(39)
Financial income (expenses)	7	(504)	(323)
Share in net income (loss) of associates and joint ventures		2,799	1,638
<i>Nissan</i>	12	2,791	1,741
<i>Other associates and joint ventures</i>	13	8	(103)
Pre-tax income		6,101	4,598
Current and deferred taxes	8	(891)	(1,055)
Net income		5,210	3,543
Net income – non-controlling interests' share		96	124
Net income – parent-company shareholders' share		5,114	3,419
Basic earnings per share ⁽²⁾ (in €)		18.87	12.57
Diluted earnings per share ⁽²⁾ (in €)		18.68	12.46
Number of shares outstanding (in thousands)			
<i>For basic earnings per share</i>	9	271,080	271,968
<i>For diluted earnings per share</i>	9	273,749	274,331

(1) The revenues of the joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A).

(2) Net income – parent-company shareholders' share divided by number of shares stated.

NB: The notes indicated refer to the Notes to the 2017 consolidated financial statements presented in chapter 4 of the 2017 registration document.

2.2.2 CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	2017 ⁽¹⁾			2016		
	Gross	Tax effect ⁽²⁾	Net	Gross	Tax effect ⁽²⁾	Net
NET INCOME	6,101	(891)	5,210	4,598	(1,055)	3,543
OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT-COMPANY AND SUBSIDIARIES						
<i>Items that will not be reclassified subsequently to profit or loss</i>	13	(25)	(12)	(176)	159	(17)
Actuarial gains and losses on defined-benefit pension plans	13	(25)	(12)	(176)	159	(17)
<i>Items that have been or will be reclassified subsequently to profit or loss</i>	(142)	(16)	(158)	(213)	240	27
Translation adjustments on foreign activities ⁽³⁾	(272)	-	(272)	38	-	38
Partial hedge of the investment in Nissan	113	(17)	96	(70)	204	134
Fair value adjustments on cash flow hedging instruments ⁽⁴⁾	5	-	5	(68)	59	(9)
Fair value adjustments on available-for-sale financial assets ⁽⁵⁾	12	1	13	(113)	(23)	(136)
Total other components of comprehensive income from parent-company and subsidiaries (A)	(129)	(41)	(170)	(389)	399	10
SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME						
<i>Items that will not be reclassified subsequently to profit or loss</i>	130	-	130	(225)	-	(225)
Actuarial gains and losses on defined-benefit pension plans	130	-	130	(225)	-	(225)
<i>Items that have been or will be reclassified subsequently to profit or loss ⁽⁶⁾</i>	(1,488)	-	(1,488)	230	-	230
Translation adjustments on foreign activities	(1,519)	-	(1,519)	229	-	229
Other adjustments	31	-	31	1	-	1
Total share of associates and joint ventures in other components of comprehensive income (B)	(1,358)	-	(1,358)	5	-	5
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	(1,487)	(41)	(1,528)	(384)	399	15
Comprehensive income	4,614	(932)	3,682	4,214	(656)	3,558
Parent-company shareholders' share			3,575			3,435
Non-controlling interests' share			107			123

(1) The revenues of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A).

(2) In 2017, the tax effect includes an expense of €(255) million (income of €44 million in 2016) resulting from recognition of net deferred tax assets of the French tax consolidation group, comprising €(236) million related to the net income and €(19) million related to other components of comprehensive income (in 2016, €(301) million expenses and €345 million income respectively) (note 8-B).

(3) None were reclassified to profit or loss in 2017 (€23 million in 2016).

(4) Including €(12) million reclassified to profit or loss in 2017 (€(4) million in 2016).

(5) Including €3 million reclassified to profit or loss in 2017 (€1 million in 2016).

(6) None were reclassified to profit or loss in 2017 (€349 million in 2016).

2.2.3 CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	Dec. 31, 2017	Dec. 31, 2016 ⁽¹⁾
NON-CURRENT ASSETS			
Intangible assets and goodwill	10-A	5,240	4,989
Property, plant and equipment	10-B	13,582	12,988
Investments in associates and joint ventures		19,811	19,026
<i>Nissan</i>	12	19,135	18,304
<i>Other associates and joint ventures</i>	13	676	722
Non-current financial assets	22	1,395	1,379
Deferred tax assets	8	971	1,217
Other non-current assets	17	1,435	1,366
Total non-current assets		42,434	40,965
CURRENT ASSETS			
Inventories	14	6,328	5,813
Sales financing receivables	15	39,334	34,358
Automotive receivables	16	1,753	1,900
Current financial assets	22	1,932	1,908
Current tax assets	17	91	44
Other current assets	17	4,014	3,611
Cash and cash equivalents	22	14,057	13,853
Total current assets		67,509	61,487
Total assets		109,943	102,452
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Notes	Dec. 31, 2017	Dec. 31, 2016 ⁽¹⁾
SHAREHOLDERS' EQUITY			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(494)	(321)
Revaluation of financial instruments		809	758
Translation adjustment		(3,376)	(1,668)
Reserves		26,183	23,643
Net income – parent-company shareholders' share		5,114	3,419
Shareholders' equity – parent-company shareholders' share		33,148	30,743
Shareholders' equity – non-controlling interests' share		294	181
Total shareholders' equity	18	33,442	30,924
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	180	124
Provisions for pension and other long-term employee benefit obligations – long-term	19	1,584	1,717
Other provisions – long-term	20	1,514	1,460
Non-current financial liabilities	23	5,401	4,943
Other non-current liabilities	21	1,579	1,530
Total non-current liabilities		10,258	9,774
CURRENT LIABILITIES			
Provisions for pension and other long-term employee benefit obligations – short-term	19	51	54
Other provisions – short-term	20	915	1,106
Current financial liabilities	23	3,792	5,248
Sales financing debts	23	41,395	36,041
Trade payables		9,904	9,533
Current tax liabilities	21	246	321
Other current liabilities	21	9,940	9,451
Total current liabilities		66,243	61,754
Total shareholders' equity and liabilities		109,943	102,452

(1) The figures at December 31, 2016 include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), and are thus different from the previously published figures.

2.2.4 CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares (thousand)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent-company shareholders' share)	Shareholders' equity (parent-company shareholders' share)	Shareholders' equity (non-controlling entities' share)	Total shareholders' equity
(€ million)											
Balance at Dec. 31, 2015	295,722	1,127	3,785	(227)	890	(2,059)	21,653	2,823	27,992	482	28,474
2016 net income								3,419	3,419	124	3,543
Other components of comprehensive income ⁽¹⁾					(132)	391	(243)		16	(1)	15
2016 comprehensive income					(132)	391	(243)	3,419	3,435	123	3,558
Allocation of 2015 net income							2,823	(2,823)			
Dividends							(655)		(655)	(109)	(764)
(Acquisitions) disposals of treasury shares and impact of capital increases				(94)					(94)		(94)
Changes in ownership interests ^{(2) (3)}							9		9	(315)	(306)
Cost of share-based payments and other							56		56		56
Balance at Dec. 31, 2016 ⁽³⁾	295,722	1,127	3,785	(321)	758	(1,668)	23,643	3,419	30,743	181	30,924
2017 net income								5,114	5,114	96	5,210
Other components of comprehensive income ⁽¹⁾					51	(1,708)	118		(1,539)	11	(1,528)
2017 comprehensive income					51	(1,708)	118	5,114	3,575	107	3,682
Allocation of 2016 net income							3,419	(3,419)			
Dividends							(855)		(855)	(133)	(988)
(Acquisitions) disposals of treasury shares and impact of capital increases				(173)					(173)		(173)
Changes in ownership interests ⁽²⁾						3	(155)		(152)	139	(13)
Cost of share-based payments and other						(3)	13		10		10
Balance at Dec. 31, 2017	295,772	1,127	3,785	(494)	809	(3,376)	26,183	5,114	33,148	294	33,442

(1) Changes in reserves correspond to actuarial gains and losses net of tax on defined-benefit pension plans during the period.

(2) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests. In 2017, they include Renault's acquisition of the shares of Alliance Rostec Auto B.V. previously held by Nissan, which took place in September 2017, and a put option for AVTOVAZ shares subscribed with a third party, giving rise to recognition of €(139) million in Shareholders' equity (parent-company shareholders' share) and €87 million in Shareholders' equity (non-controlling interests' share) (note 3-B).

(3) The figures at December 31, 2016 include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), and are thus different from the previously published figures.

Details of changes in consolidated shareholders' equity in 2017 are given in note 18.

2.2.5 CONSOLIDATED CASH FLOWS

(€ million)	Notes	2017 ⁽¹⁾	2016
Net income		5,210	3,543
Cancellation of dividends received from unconsolidated listed investments		(51)	(44)
Cancellation of income and expenses with no impact on cash:			
- Depreciation, amortization and impairment		3,046	2,840
- Share in net (income) loss of associates and joint ventures		(2,799)	(1,638)
- Other income and expenses with no impact on cash, before interest and tax	26-A	1,130	1,405
Dividends received from unlisted associates and joint ventures		3	1
Cash flows before interest and tax ⁽²⁾		6,539	6,107
Dividends received from listed companies ⁽³⁾		761	772
Net change in financing for final customers		(4,617)	(3,934)
Net change in renewable dealer financing		(888)	(1,981)
Decrease (increase) in sales financing receivables		(5,505)	(5,915)
Bond issuance by the Sales Financing segment	23-C	7,409	5,353
Bond redemption by the Sales Financing segment	23-C	(3,797)	(3,673)
Net change in other sales financing debts		2,353	4,030
Net change in other securities and loans of the Sales Financing segment		(227)	(412)
Net change in financial assets and debts of the Sales Financing segment		5,738	5,298
Change in capitalized leased assets		(622)	(705)
Decrease (increase) in working capital before tax	26-B	(112)	(239)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		6,799	5,318
Interest received		70	90
Interest paid		(451)	(416)
Current taxes (paid) / received		(716)	(603)
CASH FLOWS FROM OPERATING ACTIVITIES		5,702	4,389
Capital expenditure	26-C	(3,601)	(3,097)
Disposals of property, plant and equipment and intangibles		153	44
Acquisitions of investments involving gain of control, net of cash acquired ⁽⁴⁾		(31)	(133)
Acquisitions of other investments, net of cash acquired		(37)	(48)
Disposals of other investments, net of cash transferred and other ⁽⁵⁾		1	1,120
Net decrease (increase) in other securities and loans of the Automotive segments		(117)	207
CASH FLOWS FROM INVESTING ACTIVITIES		(3,632)	(1,907)
Dividends paid to parent-company shareholders	18-D	(916)	(701)
Transactions with non-controlling interests ⁽⁶⁾		(41)	-
Dividends paid to non-controlling interests	18-I	(133)	(108)
(Acquisitions) sales of treasury shares ⁽⁷⁾		(226)	(102)
Cash flows with shareholders		(1,316)	(911)
Bond issuance by the Automotive segments	23-C	2,259	616
Bond redemption by the Automotive segments	23-C	(2,134)	(1,510)
Net increase (decrease) in other financial liabilities of the Automotive segments		(516)	(1,040)
Net change in financial liabilities of the Automotive segments	23-B	(391)	(1,934)
CASH FLOWS FROM FINANCING ACTIVITIES		(1,707)	(2,845)
Increase (decrease) in cash and cash equivalents		363	(363)

(1) The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together from the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A3).

(2) The operational cash flow before interests and tax is presented excluding dividends received from listed companies.

(3) Dividends received from Daimler (€51 million in 2017 and €44 million in 2016) and Nissan (€710 million in 2017 and €728 million in 2016).

(4) The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.

(5) Renault SA sold Nissan shares for an amount of € 1,119 million in 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to 2016 consolidated financial statements).

(6) Principally including Renault's acquisition of the shares of Alliance Rostec Auto B.V. previously held by Nissan, which took place in September 2017 (note 3-B).

(7) In compliance with current regulations, Renault acquired Renault shares sold by the French State in November 2017 for the amount of €121 million, for a share offering reserved for current and former employees to be launched within one year (note 18-C).

(€ million)	2017 ⁽¹⁾	2016
Cash and cash equivalents: opening balance	13,853	14,133
Increase (decrease) in cash and cash equivalents	363	(363)
Effect of changes in exchange rate and other changes	(159)	83
Cash and cash equivalents: closing balance ⁽²⁾	14,057	13,853

(1) The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A3).

(2) Cash subject to restrictions on use is described in note 22-C.

2.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

2.2.6.1 INFORMATION ON OPERATING SEGMENTS AND REGIONS

The number of Renault operating segments increased from two to three in late 2016 following the acquisition of control, as defined by IFRS 10, over the joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, which took place in late December 2016 and is described in notes 3-B and 13-A to the consolidated financial statements for 2016, and note 3-B to the consolidated financial statements for 2017:

- The segment comprising the Group's automotive activities, as they existed until Renault acquired control of the AVTOVAZ Group under IFRS 10, is now called "Automotive excluding AVTOVAZ". This segment comprises the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in automotive-sector associates and joint ventures, mainly Nissan, and AVTOVAZ (until December 28, 2016).
- The Sales Financing segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures, is unchanged.
- From the date of acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V. and the AVTOVAZ Group in December 2016, the Group has a third operating segment called "AVTOVAZ", which consists of the Russian automotive subgroup and its parent company.

As the acquisition of control, as defined by IFRS 10, took place on December 28, 2016, these entities have been fully consolidated since December 31, 2016. The figures for the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment for 2017 and 2016 are therefore established as follows:

- The net income and changes in cash of Alliance Rostec Auto B.V. and the AVTOVAZ Group are fully consolidated in the AVTOVAZ segment for the first time from January 1, 2017, while the consolidated financial position of the AVTOVAZ segment has included the assets and liabilities of the AVTOVAZ Group and its parent company since December 31, 2016.
- The AVTOVAZ segment includes adjustment of certain assets and liabilities to fair value in application of IFRS 3, and its consequences for determination of net income, as explained in note 3-B. The AVTOVAZ segment figures at December 31, 2016 as reported in the 2017 consolidated financial statements include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), and are thus different from the previously published figures.
- The net income of Alliance Rostec Auto B.V. and the AVTOVAZ Group for 2016 are still included by the equity method in the Automotive (excluding AVTOVAZ) segment.
- The income generated by the acquisition of control as defined by IFRS 10 is included in the 2016 net income of the Automotive (excluding AVTOVAZ) segment (note 6-B).

Details of AVTOVAZ's financial information (excluding items included in the consolidated financial position) for the year ended December 31, 2016, as prepared under IFRS and published by AVTOVAZ, are provided in note 13-A.

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. Information by operating segment

A1. Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ ⁽¹⁾	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
Sales of goods	51,284	2,694	-	53,978	29	-	54,007
Sales of services	2,246	33	-	2,279	2,484	-	4,763
External sales	53,530	2,727	-	56,257	2,513	-	58,770
Intersegment sales	(379)	765	(765)	(379)	532	(153)	-
Sales by segment	53,151	3,492	(765)	55,878	3,045	(153)	58,770
Operating margin ⁽²⁾	2,630	57	(2)	2,685	1,050	119	3,854
Operating income	2,617	23	(2)	2,638	1,049	119	3,806
Financial income (expenses)	(392)	(112)	-	(504)	-	-	(504)
Share in net income (loss) of associates and joint ventures	2,808	(24)	-	2,784	15	-	2,799
Pre-tax income	5,033	(113)	(2)	4,918	1,064	119	6,101
Current and deferred taxes	(528)	(2)	-	(530)	(325)	(36)	(891)
Net income	4,505	(115)	(2)	4,388	739	83	5,210

(1) For reasons of comparability with previous periods, 2017 external sales by the Automotive (excluding AVTOVAZ) segment still include sales to the AVTOVAZ Group, which amount to €276 million in 2017, and these sales are thus included in the AVTOVAZ segment's intersegment sales.

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
YEAR 2016				
Sales of goods	46,993	28	-	47,021
Sales of services	2,002	2,220	-	4,222
External sales	48,995	2,248	-	51,243
Intersegment sales	(430)	464	(34)	-
Sales by segment	48,565	2,712	(34)	51,243
Operating margin ⁽²⁾	2,327	896	59	3,282
Operating income	2,326	898	59	3,283
Financial income (expenses)	(323)	-	-	(323)
Share in net income (loss) of associates and joint ventures	1,631	7	-	1,638
Pre-tax income	3,634	905	59	4,598
Current and deferred taxes	(754)	(285)	(16)	(1,055)
Net income	2,880	620	43	3,543

(1) In 2016, the Automotive excluding AVTOVAZ segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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A2. Consolidated financial position by operating segment

DECEMBER 31, 2017	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS (€ million)							
NON-CURRENT ASSETS							
Property, plant and equipment and intangible assets and goodwill	16,818	1,616	-	18,434	388	-	18,822
Investments in associates and joint ventures	19,694	15	-	19,709	102	-	19,811
Non-current financial assets – investments in companies	6,241	-	(303)	5,938	2	(4,634)	1,306
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	139	-	(50)	89	-	-	89
Deferred tax assets and other non-current assets	1,753	477	(146)	2,084	411	(89)	2,406
Total non-current assets	44,645	2,108	(499)	46,254	903	(4,723)	42,434
CURRENT ASSETS							
Inventories	5,939	344	-	6,283	45	-	6,328
Customer receivables	2,238	214	(435)	2,017	39,972	(902)	41,087
Current financial assets	1,181	-	(38)	1,143	1,610	(821)	1,932
Current tax assets and other current assets	2,853	139	(6)	2,986	4,761	(3,642)	4,105
Cash and cash equivalents	11,718	130	(3)	11,845	2,354	(142)	14,057
Total current assets	23,929	827	(482)	24,274	48,742	(5,507)	67,509
Total assets	68,574	2,935	(981)	70,528	49,645	(10,230)	109,943
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)							
SHAREHOLDERS' EQUITY	33,447	(99)	(138)	33,210	4,672	(4,440)	33,442
NON-CURRENT LIABILITIES							
Long-term provisions	2,549	18	-	2,567	531	-	3,098
Non-current financial liabilities	4,392	1,211	(215)	5,388	13	-	5,401
Deferred tax liabilities and other non-current liabilities	1,147	83	(146)	1,084	675	-	1,759
Total non-current liabilities	8,088	1,312	(361)	9,039	1,219	-	10,258
CURRENT LIABILITIES							
Short-term provisions	868	87	-	955	11	-	966
Current financial liabilities	4,270	532	(41)	4,761	-	(969)	3,792
Trade payables and sales financing debts	9,595	824	(400)	10,019	42,248	(968)	51,299
Current tax liabilities and other current liabilities	12,306	279	(41)	12,544	1,495	(3,853)	10,186
Total current liabilities	27,039	1,722	(482)	28,279	43,754	(5,790)	66,243
Total shareholders' equity and liabilities	68,574	2,935	(981)	70,528	49,645	(10,230)	109,943

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 ⁽¹⁾	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS (€ million)							
NON-CURRENT ASSETS							
Property, plant and equipment and intangible assets and goodwill	15,843	1,755	-	17,598	388	(9)	17,977
Investments in associates and joint ventures	18,888	41	-	18,929	97	-	19,026
Non-current financial assets – investments in companies	5,790	-	(509)	5,281	1	(4,012)	1,270
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	166	-	(57)	109	-	-	109
Deferred tax assets and other non-current assets	1,897	366	-	2,263	376	(56)	2,583
Total non-current assets	42,584	2,162	(566)	44,180	862	(4,077)	40,965
CURRENT ASSETS							
Inventories	5,456	312	-	5,768	54	(9)	5,813
Customer receivables	2,377	251	(451)	2,177	34,923	(842)	36,258
Current financial assets	1,228	-	(40)	1,188	1,383	(663)	1,908
Current tax assets and other current assets	2,417	304	(178)	2,543	4,171	(3,059)	3,655
Cash and cash equivalents	11,820	277	-	12,097	1,894	(138)	13,853
Total current assets	23,298	1,144	(669)	23,773	42,425	(4,711)	61,487
Total assets	65,882	3,306	(1,235)	67,953	43,287	(8,788)	102,452
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)							
SHAREHOLDERS' EQUITY	31,098	18	(330)	30,786	4,028	(3,890)	30,924
NON-CURRENT LIABILITIES							
Long-term provisions	2,700	13	-	2,713	464	-	3,177
Non-current financial liabilities	3,851	1,315	(235)	4,931	12	-	4,943
Deferred tax liabilities and other non-current liabilities	945	95	-	1,040	614	-	1,654
Total non-current liabilities	7,496	1,423	(235)	8,684	1,090	-	9,774
CURRENT LIABILITIES							
Short-term provisions	1,055	79	-	1,134	26	-	1,160
Current financial liabilities	5,343	746	(40)	6,049	-	(801)	5,248
Trade payables and sales financing debts	9,260	754	(416)	9,598	36,760	(784)	45,574
Current tax liabilities and other current liabilities	11,630	286	(214)	11,702	1,383	(3,313)	9,772
Total current liabilities	27,288	1,865	(670)	28,483	38,169	(4,898)	61,754
Total shareholders' equity and liabilities	65,882	3,306	(1,235)	67,953	43,287	(8,788)	102,452

(1) The figures at December 31, 2016 include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), and are thus different from the previously published figures.

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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A3. Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
Net income	4,505	(115)	(2)	4,388	739	83	5,210
Cancellation of dividends received from unconsolidated listed investments	(51)	-	-	(51)	-	-	(51)
Cancellation of income and expenses with no impact on cash:							
- Depreciation, amortization and impairment	2,852	109	-	2,961	85	-	3,046
- Share in net (income) loss of associates and joint ventures	(2,808)	24	-	(2,784)	(15)	-	(2,799)
- Other income and expenses with no impact on cash, before interest and tax	597	139	-	736	372	22	1,130
Dividends received from unlisted associates and joint ventures	3	-	-	3	-	-	3
Cash flows before interest and tax ⁽¹⁾	5,098	157	(2)	5,253	1,181	105	6,539
Dividends received from listed companies ⁽²⁾	761	-	-	761	-	-	761
Decrease (increase) in sales financing receivables	-	-	-	-	(5,568)	63	(5,505)
Net change in financial assets and sales financing debts	-	-	-	-	5,871	(133)	5,738
Change in capitalized leased assets	(529)	-	-	(529)	(93)	-	(622)
Change in working capital before tax	447	98	5	550	(613)	(49)	(112)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	5,777	255	3	6,035	778	(14)	6,799
Interest received	68	17	(4)	81	1	(12)	70
Interest paid	(352)	(128)	4	(476)	-	25	(451)
Current taxes (paid)/received	(487)	(6)	-	(493)	(220)	(3)	(716)
CASH FLOWS FROM OPERATING ACTIVITIES	5,006	138	3	5,147	559	(4)	5,702
Purchases of intangible assets	(1,285)	(24)	-	(1,309)	(2)	-	(1,311)
Purchases of property, plant and equipment	(2,221)	(81)	17	(2,285)	(5)	-	(2,290)
Disposals of property, plant and equipment and intangibles	144	29	(20)	153	-	-	153
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(16)	-	-	(16)	(15)	-	(31)
Acquisitions and disposals of other investments and other	(37)	1	-	(36)	-	-	(36)
Net decrease (increase) in other securities and loans of the Automotive segments	(228)	-	-	(228)	-	111	(117)
CASH FLOWS FROM INVESTING ACTIVITIES	(3,643)	(75)	(3)	(3,721)	(22)	111	(3,632)
Cash flows with shareholders ⁽³⁾	(1,267)	-	-	(1,267)	(49)	-	(1,316)
Net change in financial liabilities of the Automotive segments	(54)	(194)	(3)	(251)	-	(140)	(391)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,321)	(194)	(3)	(1,518)	(49)	(140)	(1,707)
Increase (decrease) in cash and cash equivalents	42	(131)	(3)	(92)	488	(33)	363

(1) Cash flows before interest and tax do not include dividends received from listed companies.

(2) Dividends received from Daimler (€51 million) and Nissan (€710 million).

(3) Including the acquisitions of the shares of Alliance Rostec Auto B.V. previously held by Nissan (note 3-B) and the Renault shares sold by the French State, for a share offering reserved for current and former employees (note 18-C).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
Cash and cash equivalents: opening balance	11,820	277	-	12,097	1,894	(138)	13,853
Increase (decrease) in cash and cash equivalents	42	(131)	(3)	(92)	488	(33)	363
Effect of changes in exchange rate and other changes	(144)	(16)	-	(160)	(28)	29	(159)
Cash and cash equivalents: closing balance	11,718	130	(3)	11,845	2,354	(142)	14,057

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
Year 2016				
Net income	2,880	620	43	3,543
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash:				
- Depreciation, amortization and impairment	2,779	61	-	2,840
- Share in net (income) loss of associates and joint ventures	(1,631)	(7)	-	(1,638)
- Other income and expenses with no impact on cash, before interest and tax	1,059	330	16	1,405
Dividends received from associate companies and non-listed co-companies	-	1	-	1
Cash flows before interest and tax ⁽²⁾	5,043	1,005	59	6,107
Dividends received from listed companies ⁽³⁾	772	-	-	772
Decrease (increase) in sales financing receivables	-	(6,007)	92	(5,915)
Net change in financial assets and sales financing assets	-	5,276	22	5,298
Change in capitalized leased assets	(564)	(141)	-	(705)
Change in working capital before tax	356	(615)	20	(239)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	5,607	(482)	193	5,318
Interest received	114	-	(24)	90
Interest paid	(441)	-	25	(416)
Current taxes (paid) / received	(354)	(254)	5	(603)
CASH FLOWS FROM OPERATING ACTIVITIES	4,926	(736)	199	4,389
Purchases of intangible assets	(1,054)	(4)	-	(1,058)
Purchases of property, plant and equipment	(2,037)	(2)	-	(2,039)
Disposals of property, plant and equipment and intangibles	44	-	-	44
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired ⁽⁴⁾	(397)	(18)	282	(133)
Acquisitions and disposals of other investments and other ⁽⁵⁾	1,087	(15)	-	1,072
Net decrease (increase) in other securities and loans of the Automotive segments	268	-	(61)	207
CASH FLOWS FROM INVESTING ACTIVITIES	(2,089)	(39)	221	(1,907)
Cash flows with shareholders	(896)	(15)	-	(911)
Net change in financial liabilities of the Automotive segments	(1,788)	-	(146)	(1,934)
CASH FLOW FROM FINANCING ACTIVITIES	(2,684)	(15)	(146)	(2,845)
Increase (decrease) in cash and cash equivalents	153	(790)	274	(363)

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
YEAR 2016				
Cash and cash equivalents: opening balance	11,571	2,672	(110)	14,133
Increase (decrease) in cash and cash equivalents	153	(790)	274	(363)
Effect of changes in exchange rate and other changes	96	12	(25)	83
Cash and cash equivalents: closing balance	11,820	1,894	139	13,853

(1) In 2016 the Automotive (excluding AVTOVAZ) segment includes the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

(2) Cash flows before interest and tax do not include dividends received from listed companies.

(3) Dividends received from Daimler (€44 million) and Nissan (€728 million).

(4) The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.

(5) Renault SA sold Nissan shares for an amount of €1,119 million in 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the consolidated financial statements for 2016).

A4. Other information for the automotive segments: net cash position or net financial indebtedness and operational free cash flow

The net cash position or net financial indebtedness and operational free cash flow are only presented for the Automotive segments, since these indicators are not relevant for monitoring Sales Financing activity.

Net cash position (net financial indebtedness)

(€ million)	December 31, 2017			Total Automotive
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	
Non-current financial liabilities	(4,392)	(1,211)	215	(5,388)
Current financial liabilities	(4,270)	(532)	41	(4,761)
Non-current financial assets – other securities, loans and derivatives on financing operations	139	-	(50)	89
Current financial assets	1,181	-	(38)	1,143
Cash and cash equivalents	11,718	130	(3)	11,845
Capitalizable loans from Renault s.a.s. to AVTOVAZ	(87)	-	87	-
Net cash position (net financial indebtedness) of the Automotive segments	4,289	(1,613)	252	2,928

(€ million)	December 31, 2016 ⁽¹⁾			Total Automotive
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	
Non-current financial liabilities	(3,849)	(1,315)	235	(4,929)
Current financial liabilities	(5,343)	(746)	40	(6,049)
Non-current financial assets – other securities, loans and derivatives on financing operations	166	-	(57)	109
Current financial assets	1,228	-	(40)	1,188
Cash and cash equivalents	11,820	277	-	12,097
Capitalizable loans from Renault s.a.s. to AVTOVAZ	(97)	-	97	-
Net cash position (net financial indebtedness) of the Automotive segments	3,925	(1,784)	275	2,416

⁽¹⁾ The figures at December 31, 2016 include adjustments recognized in 2017 relating to allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), and are thus different from the previously published figures.

Operational free cash flow

(€ million)	Year 2017			Total Automotive
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	
Cash flows (excluding dividends from listed companies) before interest and tax	5,098	157	(2)	5,253
Changes in working capital before tax	447	98	5	550
Interest received by the Automotive segments	68	17	(4)	81
Interest paid by the Automotive segments	(352)	(128)	4	(476)
Current taxes (paid)/received	(487)	(6)	-	(493)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,362)	(76)	(3)	(3,441)
Capitalized leased vehicles and batteries	(529)	-	-	(529)
Operational free cash flow of the Automotive segments	883	62	-	945

Automotive (excluding AVTOVAZ) (€ million)

	Year 2016
Cash flows (excluding dividends from listed companies) before interest and tax	5,043
Changes in working capital before tax	356
Interest received by the Automotive (excluding AVTOVAZ) segment	114
Interest paid by the Automotive (excluding AVTOVAZ) segment	(441)
Current taxes (paid)/received	(354)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,047)
Capitalized leased vehicles and batteries	(564)
Operational free cash flow of the Automotive (excluding AVTOVAZ) segment	1,107

B. Information by region

The regions presented correspond to the geographic divisions used for Group management. The regions are defined in section 1.3.1.3 of the registration document.

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

	Europe ⁽¹⁾	Americas	Asia-Pacific	Africa Middle East India	Eurasia	Consolidated total
<i>(€ million)</i>						
2017						
Revenues	36,249	6,773	3,638	4,512	7,598	58,770
<i>Including AVTOVAZ ⁽²⁾</i>	44	5	-	2	2,951	<i>3,002</i>
Property, plant and equipment and intangibles	12,956	1,073	522	706	3,565	18,822
<i>Including AVTOVAZ ⁽²⁾</i>	-	-	-	-	1,533	<i>1,533</i>
2016						
Revenues	33,195	4,194	5,434	4,212	4,208	51,243
Property, plant and equipment and intangibles	12,038	1,054	589	714	3,582	17,977
<i>Including AVTOVAZ ⁽²⁾</i>	-	-	-	-	1,755	<i>1,755</i>

(1) Including the following for France :

<i>(€ million)</i>	2017	2016
Revenues	12,670	11,968
Property, plant and equipment and intangibles	10,325	9,680

(2) The results of the joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017.

Financial information on the Alliance

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2017.

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

Information concerning Renault is based on the consolidated figures released at December 31, 2017, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to December 31, 2017 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

The preparation of the key performance indicators under Renault accounting policies takes into account the restatement of the figures published by Nissan under Japanese Accounting Standards into IFRS. Additionally, the following adjustments have been performed:

- reclassifications when necessary to harmonize the presentation of the main income statement items;
- adjustments to fair value applied by Renault for acquisitions of 1999 and 2002.

REVENUES 2017

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services of the Automotive segment	56,257	84,939	(6,402)	134,794
Sales Financing revenues	2,513	8,772	(137)	11,148
Revenues	58,770	93,711	(6,539)	145,942

(1) Converted at the average exchange rate for 2017: EUR 1 = JPY 126.7.

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. These items have been eliminated to prepare the revenue indicator. Their value is estimated on the basis of Renault's 2017 results.

The **operating margin**, the **operating income** of the Alliance in 2017 are as follows:

(€ million)	Operating margin	Operating income	Net income ⁽¹⁾
Renault	3,854	3,806	2,419
Nissan ⁽²⁾	4,478	5,048	6,588 ⁽³⁾
Alliance	8,332	8,854	9,007

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

(2) Converted at the average exchange rate for 2017: EUR 1 = JPY 126.7.

(3) Nissan's net income includes €1,770 million related to the impact of the US tax reform and €620 million of gain on Calsonic Kansei's shares disposal (net of tax).

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

For the Alliance, the operating margin is equivalent to 5.7% of revenues.

In 2017, the Alliance's **Research and Development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	2,590
Nissan ⁽¹⁾	2,951
Alliance	5,541

(1) Converted at the average exchange rate for 2017: EUR 1 = JPY 126.7.

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ million)

RENAULT AT DECEMBER 31, 2017

ASSETS

Intangible assets	5,240
Property, plant and equipment	13,582
Investments in associates (excluding Alliance)	676
Deferred tax assets	971
Inventories	6,328
Sales financing receivables	39,334
Automotive receivables	1,753
Other assets	8,867
Cash and cash equivalents	14,057
Total assets excluding investment in Nissan	90,808
Investment in Nissan	19,135
Total assets	109,943

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	33,442
Deferred tax liabilities	180
Provisions for pension and other long-term employee benefit obligations	1,635
Financial liabilities of the Automotive segment	9,180
Financial liabilities and debts of the Sales Financing segment	41,408
Other liabilities	24,098
Total shareholders' equity and liabilities	109,943

NISSAN AT DECEMBER 31, 2017⁽¹⁾

ASSETS

Intangible assets	6,051
Property, plant and equipment	41,954
Investments in associates (excluding Alliance)	5,967
Deferred tax assets	1,494
Inventories	12,618
Sales financing receivables	58,340
Automotive receivables	3,849
Other assets	10,694
Cash and cash equivalents	9,296
Total assets excluding investment in Renault	150,263
Investment in Renault	2,369
Total assets	152,632

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	47,165
Deferred tax liabilities	4,330
Provisions for pension and other long-term employee benefit obligations	2,714
Financial liabilities of the Automotive segment ⁽²⁾	(909)
Financial liabilities and debts of the Sales Financing segment	66,980
Other liabilities ⁽³⁾	32,352
Total shareholders' equity and liabilities	152,632

(1) Converted at the closing rate at December 31, 2017: EUR 1 = JPY 135.

(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€7,185 million at December 31, 2017).

(3) Following announcement by Nissan on the August 8th, 2017, of execution of tender agreement to tender its shareholding in AESC, all current and non-current assets and liabilities are combined with Other assets and Other liabilities.

The values displayed for Nissan assets and liabilities reflect the restatements for the harmonization of accounting standards and adjustments to fair value applied by Renault for the acquisitions made in 1999 and 2002, mainly concerning revaluation of land, capitalization of development expenses, and pension-related provisions.

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

Purchases of property, plant and equipment by both Alliance groups for 2017, excluding leased vehicles and batteries, amount to:

(€ million)

Renault	2,290
Nissan ⁽¹⁾	3,207
Alliance	5,497

(1) Converted at the average exchange rate for 2017: EUR 1 = JPY 126.7.

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

- a maximum 5-10% decrease in shareholders' equity - Group share;
- a €27.6 billion increase in shareholders' equity - non-controlling interests' share.

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