

PRESS RELEASE

#RenaultResults

2017 FINANCIAL RESULTS

Renault performance achieves historic record, including sales, revenues, operating margin and net income

- Registrations increased 8.5% to 3.76 million units.
- Group revenues increased by 14.7% to €58,770 million (+9.4% excluding the AVTOVAZ consolidation effect ⁽¹⁾).
- Group operating margin stood at €3,854 million, representing 6.6% of revenues. Excluding AVTOVAZ, the operating margin increased by 15.8% to €3,799 million (6.8% of revenues, as compared with 6.4% in 2016).
- Group operating income stands at €3,806 million (+15.9%) compared with €3,283 million.
- Net income at €5,210 million (+47.1%) compared with €3,543 million. Excluding non-recurring items mentioned for Nissan, net income would have been €4,189m (+18.2%).
- Positive Automotive operational free cash flow of €945 million.

“2017 was another record year for Groupe Renault. The commercial and financial results are the outcome of our strategy deployed over the past years and the efforts of all the group’s employees. With this performance, and the implementation of our new strategic plan “Drive The Future”, we are confident in our ability to face the current and future challenges of the automotive industry”, said Carlos Ghosn, Chairman and Chief Executive Officer of Renault.

Boulogne-Billancourt, 02/16/2018 – **Group revenues** came to €58,770 million (+14.7%), including €2,727 million for AVTOVAZ. Excluding the impact of the AVTOVAZ consolidation, Group revenues increased by 9.4% to €56,043 million (+10.1% at constant exchange rates).

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

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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 CKD¹ activities for 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 Monozukuri² 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.

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.

¹ CKD: Complete Knock Down

² Monozukuri : purchasing performance (excluding raw materials), warranty, R&D expenses, manufacturing and logistics costs

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%.

The Group 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*

GROUPE RENAULT CONSOLIDATED RESULTS

€ million	2016	2017 (1)	Change
Group revenues	51,243	58,770	+7,527
Operating profit	3,282	3,854	+572
<i>% of revenues</i>	<i>6.4%</i>	<i>6.6%</i>	<i>+0.2 points</i>
Other operating income and expenses items	1	-48	-49
Operating income	3,283	3,806	+523
Net financial income and expenses	-323	-504	-181
Contribution from associated companies	1,638	2,799	+1,161
<i>o/w : NISSAN</i>	<i>1,741</i>	<i>2,791</i>	<i>+1,050</i>
Current and deferred taxes	-1,055	-891	+164
Net income	3,543	5,210	+1,667
Net income, Group share	3,419	5,114	+1,695
Automotive operational free cash flow	1,107	945	-162

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

ADDITIONAL INFORMATION

The consolidated financial statements of Groupe Renault at December 31, 2017 were approved by the Board of Directors on February 15, 2018.

The Group's statutory auditors have conducted an audit of these financial statements and their report will be issued shortly.

The earnings report, with a complete analysis of the financial results in 2017, is available at www.group.renault.com in the Finance section.

About Groupe Renault

Groupe Renault has been making cars since 1898. Today it is an international multi-brand group, selling close to 3.76 million vehicles in 127 countries in 2017, with 36 manufacturing sites, 12,700 points of sales and employing more than 120,000 people. To meet the major technological challenges of the future and continue its strategy of profitable growth, the Group is harnessing its international growth and the complementary fit of its five brands, Renault, Dacia and Renault Samsung Motors, Alpine and LADA, together with electric vehicles and the unique Alliance with Nissan and Mitsubishi. With a new team in Formula 1 and a strong commitment to Formula E, Renault sees motorsport as a vector of innovation and brand awareness.

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