

# EARNINGS REPORT 2014



DRIVE THE CHANGE



# EARNINGS REPORT 2014

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## KEY FIGURES

		2014	2013	Change
Worldwide Group registrations	million vehicles	2.71	2.63	+3.2%
Group revenues	€ million	41,055	40,932	+0.3%
Group operating profit	€ million	1,609	1,242	+367
	% revenues	3.9%	3.0%	+0.9 pts
Contribution from associated companies	€ million	1,362	1,444	-82
<i>o/w Nissan</i>		1,559	1,498	+61
<i>o/w AVTOVAZ</i>		-182	-34	-148
Net income	€ million	1,998	695	+1,303
Net income, Group share	€ million	1,890	586	+1,304
Earnings per share	€	6.92	2.15	+4.8
Operational Free cash flow <sup>(1)</sup>	€ million	1,083	827	+256
Automotive net cash position	€ million	2,104	1,761	+343
Sales Financing, average loans outstanding	€ billion	25.4	24.2	+4.9%

(1) 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.

## OVERVIEW

In 2014, sales of passenger cars and light commercial vehicles (PC+LCV) by the Renault group increased by 3.2% with 2,712,432 vehicles registered in a global automotive market that rose by 3.5%.

In **Europe**, Group market share was 10.1%: the Renault brand gained 0.2 points of market share, while Dacia gained 0.4 points. In the LCV segment, the Renault brand maintained its leadership for the 17<sup>th</sup> successive year, with a 14.2% market share.

**Internationally**, affected by the economic and financial crisis on main emerging markets of the Group, car registrations outside Europe dropped 5.9%. They accounted for 46% of the Group's total registrations, versus 50% in 2013. Nevertheless, the Group held firm and posted record market share in Brazil (7.1%) and Russia (7.9%), its second and third largest markets.

In 2014, **Group revenues** came to €41,055 million, an increase of 0.3% compared to 2013. At constant exchange rates, revenues grew by 3.1%.

The contribution of the **Automotive division** to revenues amounted to €38,874 million, up 0.3% vs 2013. The Group offset negative currency variations by increasing prices outside Europe and by the strong growth of sales to partners.

The **Group's operating profit** reached €1,609 million, compared to €1,242 million in 2013 (3.9% of revenues vs 3.0% in 2013).

The **Automotive operating profit** rose by €363 million to €858 million, representing 2.2% of revenues. This performance results from cost reductions and from growth in sales while unfavorable foreign exchange rates and the enrichment of some end-of-life models impacted negatively.

**Sales Financing** contributed to €751 million to Group operating profit compared to €747 million in 2013. The drop in net banking income was offset by an increase in average loans outstanding and by growth in services. The cost of risk remained stable at 0.43%.

**Other operating income and expense items** were negative by €504 million, mostly due to restructuring costs of €305 million and the impairment of assets for €153 million.

## IN BRIEF

**Group operating income** came to €1,105 million compared to -€34 million in 2013. This improvement results from the increase in operating profit and the reduction in other operating expenses of €772 million.

The **contribution of associated companies**, mainly Nissan, was €1,362 million, compared to €1,444 million in 2013, including the negative contribution of AVTOVAZ for -€182 million.

**Net income** came to €1,998 million and net income, Group share, to €1,890 million (€6.92 per share compared to €2.15 per share in 2013).

Automotive operational **free cash flow** was positive at €1,083 million, due to the increase in profitability, as well as a positive change of €596 million in the working capital requirement over the period.

A **dividend** of €1.90 per share, vs €1.72 last year, will be submitted for approval at the next Shareholders' Annual General Meeting.

## 2015 OUTLOOK

In spite of the uncertainties surrounding numerous economies, global car demand should continue to grow this year (+2%). The European market should also show a slight positive growth (+2%) while we continue to expect high volatility in our main emerging markets:

In this context, Renault group aims to:

- increase further its registrations and revenues (at constant exchange rates),
- continue to improve the Group's operating margin and that of the Automotive division,
- generate positive Automotive operational free cash flow.

## OVERVIEW

- In 2014, sales of passenger cars and light commercial vehicles (PC+LCV) by the Renault group increased by 3.2% with 2,712,432 vehicles registered in a global automotive market that rose by 3.5%.
- The Renault group gained market shares in nine of its ten main markets.
- In **Europe**, Group market share was 10.1%: the Renault brand gained 0.2 points of market share, while Dacia gained 0.4 points. In the LCV segment, the Renault brand maintained its leadership for the 17<sup>th</sup> successive year, with a 14.2% market share.
- **Internationally**, affected by the economic and financial crisis on main emerging markets of the Group, car registrations outside Europe dropped 5.9%. They accounted for 46% of the Group's total registrations, versus 50% in 2013. Nevertheless, the Group held firm and posted record market share in Brazil (7.1%) and Russia (7.9%), its second and third largest markets.
- At end-December 2014, the number of new financing contracts by **RCI Banque** was up 7.3% on 2013.

### THE RENAULT GROUP'S TOP FIFTEEN MARKETS

REGISTRATIONS	Ranking 2013	Volumes 2014* (in units)	PC / LCV market share 2014 (%)	Change in market share on 2013 (points)
1 France	1	577,601	26.6	+1.3
2 Brazil	2	237,187	7.1	+0.5
3 Russia	3	194,531	7.9	+0.3
4 Germany	4	173,479	5.3	+0.2
5 Turkey	5	133,212	17.4	+0.4
6 Italy	8	130,996	8.9	+1.6
7 Spain	9	127,666	13.2	+1.0
8 United Kingdom	11	109,014	3.9	+0.9
9 Algeria	7	91,800	26.9	+0.7
10 Argentina	6	84,946	12.9	-2.5
11 South Korea	13	80,003	4.9	+0.9
12 Belgium + Luxembourg	10	77,303	13.0	+0.0
13 Colombia	16	50,362	16.6	+0.5
14 Morocco	14	45,174	37.0	-1.9
15 India	12	44,849	1.5	-0.6

\* Figures to end-December 2014.

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## SALES PERFORMANCE

### 1.1. AUTOMOTIVE

## 1.1. AUTOMOTIVE

### 1.1.1. GROUP REGISTRATIONS WORLDWIDE BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
<b>GROUP</b>	<b>2,712,432</b>	<b>2,628,183</b>	<b>+3.2</b>
<b>EUROPE REGION</b>	<b>1,464,611</b>	<b>1,301,896</b>	<b>+12.5</b>
Renault	1,103,067	1,011,398	+9.1
Dacia	361,544	290,498	+24.5
<b>AMERICAS REGION</b>	<b>416,934</b>	<b>466,891</b>	<b>-10.7</b>
Renault	415,701	460,833	-9.8
Renault Samsung Motors	1,233	6,058	-79.6
<b>ASIA-PACIFIC REGION</b>	<b>133,172</b>	<b>108,237</b>	<b>+23.0</b>
Renault	51,914	47,092	+10.2
Dacia	1,070	1,015	+5.4
Renault Samsung Motors	80,188	60,130	+33.4
<b>AFRICA MIDDLE EAST INDIA REGION</b>	<b>308,012</b>	<b>339,289</b>	<b>-9.2</b>
Renault	226,832	265,135	-14.4
Dacia	80,580	73,367	+9.8
Renault Samsung Motors	600	787	-23.8
<b>EURASIA REGION</b>	<b>389,703</b>	<b>411,870</b>	<b>-5.4</b>
Renault	321,330	347,032	-7.4
Dacia	68,271	64,716	+5.5
Renault Samsung Motors	102	122	-16.4

\* Preliminary figures.

#### → Europe

In 2014, the Renault group recorded a 12.5% increase in new car registrations in a market that grew 5.9%. The Group increased its volumes and market share across nearly all markets. Overall, the Group exceeded the 10% market share threshold (up 0.6 points).

The most substantial growth was recorded in the **United Kingdom** (+41.9%), **Portugal** (+42.1%), **Spain** (+30.2%) and **Italy** (+28.9%). In **France**, the Renault group gained 1.3 points of market share, at 26.6% and increased registrations volumes by 5.5% compared with 2013. The Group has five vehicles among the top 10 best-selling passenger cars. With over 105,000 registrations, Clio is the best-selling car on the French market, while Captur is the most popular cross-over.

The **Renault** brand is the third largest on the PC+LCV market in the Region with 7.6% of market share (+0.2 points). Renault is the leader in France and has regained its position as the second brand in Spain. Thanks to the Clio and Captur, Renault succeeded in taking first place on the urban vehicle market (A and B segments). In the LCV segment, Renault maintained its lead for the 17<sup>th</sup> successive year (with a 14.2% market share).

For the second year running, the **Dacia** brand recorded the strongest increase in market share in Europe: (+0.4 points at 2.5%). In **France**, Dacia, the fifth brand on the market, gained 0.5 points to 4.9% market penetration, mainly driven by the success of Duster and Sandero (the third best-selling vehicle for retail customers). In **Spain**, thanks to Sandero, the top-selling vehicle for retail individuals, Dacia increased its market share by 0.7 points to 4.7%. Dacia also posted record volumes and market share in nearly all European countries, such as in **Italy** (2.7% market share) or in the **United Kingdom** where Dacia has already conquered nearly 1 point of market share after only two years on the market (23,862 new customers in 2014).

#### → Outside Europe

##### • Americas

With 416,934 new car registrations, the Group lost 10.7% in volume, in a market that dropped by 7.5%, mainly due to the economic situation in Argentina. The Renault group achieved a market share of 6.4% (down 0.2 points), thanks to its success in Brazil.

## SALES PERFORMANCE

## 1.1. AUTOMOTIVE

**Brazil** continued to be the Group's second largest market. Despite a 7% market drop, Renault registered 237,187 vehicles (+0.3%). The brand's market share thus reached a record high at 7.1% (+0.5 points).

In **Argentina**, in a difficult local economic context, Renault chose to limit its exposure to the peso and consequently the quantity of its imports. This affected registrations, which fell 39.8% compared with 2013, as well as market share, which slipped 2.5 points to 12.9%.

In **Colombia**, Renault is the second largest brand on the market and posted record registrations with 50,362 units (+13.5%) and a market share of 16.6% (+0.5 points).

- Asia-Pacific

With 133,172 units, the Group's volumes rose 23% in a market that grew by 4.6%. Renault Samsung Motors' Revival Plan drives growth.

In **Korea**, in a PC market that rose 9.0%, Renault Samsung Motors recorded a further sharp increase in volumes (+33.3%) and market share (+1 point to 5.7%). QM3 has confirmed its success with nearly 20,000 units sold since its launched in late 2013.

In **China**, the Group recorded a total of 34,067 registrations. A year after the creation of Dongfeng Renault Automotive Company (DRAC), its joint venture with Dongfeng, Renault is gearing up for the launch of its first locally manufactured vehicles in 2016.

- Africa Middle-East India

In a market that grew by 7.8%, Group's volumes dropped 9.2% in 2014 in the Region and its market share stood at 3.8% (-0.7 points).

The Group asserted itself as the leader in the **Algerian** market with 26.9% market share, up 0.7 points, in a market that dropped by 19.8%. This performance placed the Renault and Dacia brands in first and third position. The Renault plant in Oran, inaugurated in November 2014, reinforces Renault's position as a key player on the Algerian automotive market.

In **Morocco** where the market is stable (up 1.1%), the Group maintained its leadership with a 37% market share. Once again, its brands Dacia and Renault topped registrations with 45,174 vehicles sold.

In **India**, Renault remained the leading European brand with a 1.5% market share and 44,849 registrations, despite a 30.3% decrease. This negative trend is due to a trough in its product cycle.

- Eurasia

In 2014, in a market that slumped by 11.5%, the Renault Group's market share rose by 0.7 points to 10.3%, despite a 5.4% drop in registration.

In **Russia**, its third largest market, Renault, driven by the success of the Duster (once again the leading SUV on the market in 2014) and the successful launch of the New Logan and New Sandero, posted a record market share of 7.9% (+0.3 points) in a gloomy economic and monetary context.

In **Turkey**, the market dropped 10.0%, however the Group gained 0.4 points of market share (17.4%). Renault is the country's second largest brand.

In **Romania**, Dacia, the national manufacturer, continues to be the market leader. Overall, the Renault group has a total of 38.6% of market share in the country, with registrations up by 21.3%.

## 1.1.2. GROUP REGISTRATIONS BY BRAND AND BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
<b>GROUP</b>	<b>2,712,432</b>	<b>2,628,183</b>	<b>+3.2</b>
<b>BY BRAND</b>			
Renault	2,118,844	2,131,490	-0.6
Dacia	511,465	429,596	+19.1
Renault Samsung Motors	82,123	67,097	+22.4
<b>BY VEHICLE TYPE</b>			
Passenger cars	2,368,090	2,304,439	+2.8
Light commercial vehicles	344,342	323,744	+6.4

\* Preliminary figures.

Despite market share gains in Europe, registrations of the **Renault brand** slightly decreased by 0.6% on 2013, due to the decline of main emerging markets.

With 2,118,844 units sold, the Renault brand accounted for 78.1% of Group registrations.

The **Dacia brand** registrations went up by 19.1% to 511,465 units, driven by the success of its new models and the European market recovery.

In 2014, **Renault Samsung Motors** volumes grew by 22.4%.

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## SALES PERFORMANCE

### 1.2. SALES FINANCING

## 1.2. SALES FINANCING

### 1.2.1. NEW FINANCING AND SERVICES

Benefiting from a recovery in vehicle registrations in Europe, RCI Banque financed 1,245,246 new contracts in 2014, up 7.3% compared with 2013.

This performance is linked to the strategy of profitable growth initiated by RCI Banque, focusing both on international expansion and the roll-out of new services. The rate of

vehicles financed by RCI Banque stood at 35.2%, compared with 34.6% in 2013.

Average loans outstanding increased by 4.9% to €25.4 billion, of which €18.7 billion relating to the Customers business (+5.6% compared with 2013).

#### RCI BANQUE FINANCING PERFORMANCE

	2014	2013	Change (%)
<b>Number of financing contracts (thousands)</b>	<b>1,245</b>	<b>1,161</b>	<b>+7</b>
- including UV contracts (thousands)	197	189	+4
<b>New financing (€ billion)</b>	<b>12.6</b>	<b>11.4</b>	<b>+11</b>
<b>Average loans outstanding (€ billion)</b>	<b>25.4</b>	<b>24.2</b>	<b>+5</b>

#### RCI BANQUE SERVICES PERFORMANCE

	2014	2013	Change
Number of services contracts (thousands)	2,168	1,756	+23%
<b>PENETRATION RATE ON SERVICES</b>	<b>73.0%</b>	<b>62.7%</b>	<b>+10.3 pts</b>

Central to the RCI group's strategy, the growth and diversification of the Services business have three objectives: customer satisfaction, loyalty to Alliance brands and the profitability of the RCI Banque business.

Services penetration rate contracts has experienced strong growth this year at 73.0% (compared with 62.7% at the end of 2013).

### 1.2.2. RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

The penetration rate grew by 0.6 points compared with 2013, to reach 35.2%. It was supported by the recovery of the

automotive market in Europe, where the rate of new vehicles financed is high.

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

	2014 (%)	2013 (%)	Change (points)
Renault	35.7	35.2	+0.5
Dacia	36.0	33.5	+2.5
Renault Samsung Motors	49.0	47.5	+1.5
Nissan	32.2	32.5	-0.2
Infiniti	34.3	33.8	+0.5
<b>RCI BANQUE</b>	<b>35.2</b>	<b>34.6</b>	<b>+0.6</b>



## SALES PERFORMANCE

## 1.2. SALES FINANCING

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

	2014 (%)	2013 (%)	Change (points)
Europe Region	36.4	35.1	+1.3
Americas Region	38.9	42.7	-3.8
Asia-Pacific Region	48.1	47.4	+0.7
Africa Middle-East India Region	29.6	30.5	-0.8
Eurasia Region	26.9	24.9	+2.0
<b>RCI BANQUE</b>	<b>35.2</b>	<b>34.6</b>	<b>+0.6</b>

In **Europe**, RCI Banque took advantage of the recovery in the automotive market and the good performance of Alliance registrations. Boosted by the success of new models and increased market share for Alliance manufacturers, the number of new vehicle financing contracts rose by 15.7% in 2014. With vehicle financing penetration rate at 36.4%, Europe was up 1.3 points compared with 2013.

The **Americas** Region (Brazil, Argentina), marked by a decline in the automotive market (-11.4% on the RCI Banque scope compared with 2013), maintained a high level of performance, with a vehicle financing penetration rate of 38.9% (compared with 42.7% at December 31, 2013). Brazil retained its position as the second largest contributor of the Group in terms of volume of financing contracts.

In **Asia-Pacific** (South Korea), RCI Banque resisted fierce competition from banking networks, with a vehicle financing penetration rate at 48.1% (+0.7 points) in 2014, taking advantage of the increase in the automotive market and the growing market share of Alliance brands.

In the **Africa Middle-East India** Region (Morocco), the vehicle financing penetration rate stood at 29.6%, down slightly by 0.8 points from 2013.

The **Eurasia** Region (Romania, Turkey and Russia) continued to grow and posted a vehicle financing penetration rate of 26.9%, up 2.0 points compared with 2013. Included for the first time in 2013, Russia and Turkey positioned themselves in the third and ninth place, respectively, of RCI Banque subsidiaries in terms of the number of new vehicle financing contracts.

## 1.2.3. INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

As part of its strategy, RCI Banque continued its international expansion by fully supporting the market development of Alliance brands.

Despite the downturn in its key emerging markets, the RCI Banque share of business outside Europe still represented more than a third of the number of new vehicle financing contracts (34% in 2014, compared with 38% in 2013).

In Turkey, despite the 10,0% decline in the automotive market, the vehicle financing penetration rate of the joint venture between RCI Banque and Oyak stood at 23.2% (-1.8 points compared with 2013).

In this market, the financing of the Dacia brand pursued its development, with a penetration rate of 33,0%, up 5,0 points over 2013.

In Russia, although penalized by an automotive market down 10.6% compared to 2013, RN Bank (a financing bank created in 2014 in partnership with Nissan and Unicredit) contributed significantly to the growth of the RCI Banque

group, while supporting Alliance sales. Datsun, the sixth brand of the Alliance financed by RCI Banque since 2014, has already shown excellent performance.

RCI Banque is pursuing its policy of diversifying financing sources by successfully expanding its savings account activity in Austria. Now rolled-out in three European countries (France, Germany and Austria), savings accounts constitute a major refinancing tool for RCI Banque. In 2014, total savings deposits reached €6.53 billion, or 26% of the Group's average loans outstanding. In line with its strategy, RCI Banque confirms its objective of refinancing 30% of its outstandings through deposits by 2016.

As services operator for electric-vehicle battery rental in 20 countries for the Alliance, RCI Banque had 58,416 batteries in its inventory at December 31, 2014. In addition to the five models already on the market (Kangoo Z.E., Fluence Z.E., Twizy and ZOE for Renault and Leaf for Nissan), RCI Banque expanded its area of activity by financing the battery for the new Nissan e-NV200 model, on sale since July 2014.

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## SALES PERFORMANCE

### 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

### RENAULT GROUP WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
Twingo	84,305	84,680	-0.4
Clio	457,822	461,971	-0.9
ZOE	11,323	8,874	27.6
Thalia	266	16,248	-98.4
Captur / QM3	196,592	94,954	+++
Pulse	2,797	4,791	-41.6
Logan	309,549	257,354	20.3
Sandero	351,126	354,883	-1.1
Lodgy	27,999	43,648	-35.9
Mégane / Scénic	274,843	302,205	-9.1
Fluence (incl. Z.E.) / SM3 / Scala	111,299	134,835	-17.5
Duster	395,350	376,606	5.0
Laguna	16,191	18,322	-11.6
Latitude / SM5 / Safrane	32,709	38,764	-15.6
Koleos / QM5	57,282	52,945	8.2
Espace	7,004	8,379	-16.4
SM7 / Talisman	4,977	3,767	32.1
Kangoo (incl. Z.E.)	145,421	146,668	-0.9
Dokker	57,654	51,874	11.1
Trafic	67,778	61,609	10.0
Master	91,213	89,687	1.7
Other	8,932	15,119	-40.9
<b>TOTAL WORLDWIDE GROUP PC / LCV REGISTRATIONS</b>	<b>2,712,432</b>	<b>2,628,183</b>	<b>3.2</b>
<i>* Preliminary figures.</i>			
Twizy**	2,450	3,059	-19.9

\*\* Twizy is a quadricycle and therefore not included in Group automotive registrations.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP  
EUROPEAN REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
Twingo	83,021	82,161	1.0
Clio	331,854	313,669	5.8
ZOE	11,231	8,863	26.7
Thalia	2	834	-99.8
Captur / QM3	166,184	86,744	91.6
Pulse	-	-	-
Logan	41,692	17,956	+++
Sandero	138,117	121,759	13.4
Lodgy	20,600	34,530	-40.3
Mégane / Scénic	252,789	265,692	-4.9
Fluence (incl. Z.E.) / SM3 / Scala	5,022	6,457	-22.2
Duster	126,307	84,648	49.2
Laguna	16,065	18,047	-11.0
Latitude / SM5 / Safrane	485	584	-17.0
Koleos / QM5	7,427	8,459	-12.2
Espace	7,003	8,378	-16.4
SM7 / Talisman	-	-	-
Kangoo (incl. Z.E.)	93,955	86,808	8.2
Dokker	34,756	31,541	10.2
Trafic	59,751	54,731	9.2
Master	59,721	55,537	7.5
Other	8,629	14,498	-40.5
<b>TOTAL EUROPEAN GROUP PC / LCV REGISTRATIONS</b>	<b>1,464,611</b>	<b>1,301,896</b>	<b>12.5</b>
<i>* Preliminary figures.</i>			
Twizy**	2,316	2,999	-22.8

\*\* Twizy is a quadricycle and therefore not included in Group automotive registrations.

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## SALES PERFORMANCE

### 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

#### RENAULT GROUP INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
Twingo	1,284	2,519	-49.0
Clio	125,968	148,302	-15.1
ZOE	92	11	+++
Thalia	264	15,414	-98.3
Captur / QM3	30,408	8,210	+++
Pulse	2,797	4,791	-41.6
Logan	267,857	239,398	11.9
Sandero	213,009	233,124	-8.6
Lodgy	7,399	9,118	-18.9
Mégane / Scénic	22,054	36,513	-39.6
Fluence (incl. Z.E.) / SM3 / Scala	106,277	128,378	-17.2
Duster	269,043	291,958	-7.8
Laguna	126	275	-54.2
Latitude / SM5 / Safrane	32,224	38,180	-15.6
Koleos / QM5	49,855	44,486	12.1
Espace	1	1	0.0
SM7 / Talisman	4,977	3,767	32.1
Kangoo (incl. Z.E.)	51,466	59,860	-14.0
Dokker	22,898	20,333	12.6
Trafic	8,027	6,878	16.7
Master	31,492	34,150	-7.8
Other	303	621	-51.2
<b>TOTAL INTERNATIONAL GROUP PC / LCV REGISTRATIONS</b>	<b>1,247,821</b>	<b>1,326,287</b>	<b>-5.9</b>
<i>* Preliminary figures.</i>			
Twizy**	134	60	+++

\*\* Twizy is a quadricycle and therefore not included in Group automotive registrations.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP  
WORLDWIDE PRODUCTION BY MODEL<sup>(1)</sup>

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2014*	2013	Change (%)
Twizy	2,248	2,288	-1.7
Twingo	98,787	83,630	18.1
Clio	436,658	458,302	-4.7
ZOE	12,739	9,969	27.8
Thalia	-	10,195	---
Captur / QM3	209,865	117,517	78.6
Logan	190,973	212,734	-10.2
Sandero	312,123	369,022	-15.4
Other Logan	42,631	17,761	+++
Lodgy	25,679	34,254	-25.0
Mégane / Scénic	255,888	278,188	-8.0
Fluence (incl. Z.E.) / SM3 / Scala	96,871	120,212	-19.4
Duster	336,827	323,299	4.2
Laguna	14,322	17,902	-20.0
Latitude / SM5	31,941	37,550	-14.9
Koleos	56,160	51,606	8.8
Espace	6,660	7,494	-11.1
SM7 / Talisman	4,994	3,805	31.2
Kangoo (incl. Z.E.)	140,478	172,316	-18.5
Dokker	56,030	56,705	-1.2
Trafic	31,498	-	+++
Master	124,129	108,300	14.6
Other	86,647	27,284	+++
<b>GROUP GLOBAL PRODUCTION</b>	<b>2,574,148</b>	<b>2,520,333</b>	<b>2.1</b>
<b>o/w produced for partners:</b>			
GM (Master)	18,587	13,834	34.4
Nissan (Mercosur / Korea)	52,364	31,010	68.9
Daimler (Citan + Smart)	34,103	17,687	92.8

\* Preliminary figures.

PRODUCED BY PARTNERS FOR RENAULT	2014*	2013	Change (%)
Nissan (incl. India)	101,511	154,262	-34.2
Others (GM, Iran, AVTOVAZ)	87,054	33,611	+++

\* Preliminary figures.

(1) Production data concern the number of vehicles leaving the production line.

# 1

## SALES PERFORMANCE

### 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

#### GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION

At December 31, 2014

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

## SUMMARY

(€ million)	2014	2013	Change
<b>Group revenues</b>	<b>41,055</b>	<b>40,932</b>	<b>+0.3%</b>
<b>Operating profit</b>	<b>1,609</b>	<b>1,242</b>	<b>+367</b>
Operating income	1,105	-34	+1,139
Financial income	-333	-282	-51
<b>Contribution from associated companies</b>	<b>1,362</b>	<b>1,444</b>	<b>-82</b>
<i>o/w Nissan</i>	<i>1,559</i>	<i>1,498</i>	<i>+61</i>
<b>Net income</b>	<b>1,998</b>	<b>695</b>	<b>+1,303</b>
<b>Automotive operational free cash flow</b>	<b>1,083</b>	<b>827</b>	<b>+256</b>
<b>Automotive Net cash position</b>	<b>2,104</b>	<b>1,761</b>	<b>+343</b>
Shareholders' equity	24,898	23,214	+1,684

## 2.1. COMMENTS ON THE FINANCIAL RESULTS

### 2.1.1. CONSOLIDATED INCOME STATEMENT

#### OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2014					2013				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive	7,727	11,012	7,984	12,151	38,874	7,736	11,647	7,483	11,909	38,775
Sales Financing	530	551	546	554	2,181	529	529	515	584	2,157
<b>Total</b>	<b>8,257</b>	<b>11,563</b>	<b>8,530</b>	<b>12,705</b>	<b>41,055</b>	<b>8,265</b>	<b>12,176</b>	<b>7,998</b>	<b>12,493</b>	<b>40,932</b>

  

(In %)	Change				
	Q1	Q2	Q3	Q4	Year
Automotive	-0.1%	-5.5%	+6.7%	+2.0%	+0.3%
Sales Financing	+0.2%	+4.2%	+6.0%	-5.1%	+1.1%
<b>Total</b>	<b>-0.1%</b>	<b>-5.0%</b>	<b>+6.7%</b>	<b>+1.7%</b>	<b>+0.3%</b>

The **Automotive division's contribution** to revenues amounted to €38,874 million, stable compared to 2013 (+0.3%). Excluding a negative exchange rate effect of 3.0 points reflecting the sharp devaluation of a basket of currencies (mainly the Argentinean peso, the Russian ruble and the Brazilian real), Automotive division's revenues grew by 3.3%. This increase is mainly due to:

- the growth in sales to partners driven by the outcome of many projects (e.g. engine sales increase, production

of Rogue in Korea and of Smart in Europe), which had a favorable impact of 3.2 points;

- a positive price effect of 0.8 points arising from price rises in emerging countries to mitigate the impact of the decline in the value of certain currencies.

These positive effects were partially offset by lower volumes billed (-0.8 points) despite an upward trend in registrations, due to adjustments in inventory with independent dealers.

#### OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING INCOME PROFIT

(€ million)	2014	2013	Change
<b>Automotive division</b>	<b>858</b>	<b>495</b>	<b>+363</b>
<i>% of division revenues</i>	<i>2.2%</i>	<i>1.3%</i>	<i>+0.9 pts</i>
<b>Sales Financing</b>	<b>751</b>	<b>747</b>	<b>+4</b>
<b>Total</b>	<b>1,609</b>	<b>1,242</b>	<b>+367</b>
<i>% of Group revenues</i>	<i>3.9%</i>	<i>3.0%</i>	<i>+0.9 pts</i>

# 2

## FINANCIAL RESULTS

### 2.1. COMMENTS ON THE FINANCIAL RESULTS

The **Automotive division's operating profit** income rose by €363 million to €858 million (2.2% of its revenues), owing mainly to:

- the *Monozukuri* cost reduction plan for €778 million plus lower G&A cut for €66 million;
- a decrease in raw materials prices, which had a positive impact of €134 million;
- business growth of €86 million. This amount stems from the increase in industrial activities of €121 million and a negative impact of -€35 million from RCI Banque and other activities (Group network sales, parts and accessories).

These positive effects offset:

- a negative exchange rate effect of -€471 million, primarily reflecting the fall in the value of the Russian ruble and the Argentinean peso. It should be noted, however, that the devaluation of the Turkish lira had a positive impact due to exports to the Eurozone;
- a negative product mix/price/enrichment effect of -€226 million. Price increases in emerging countries could not fully offset the enrichment aimed at strengthening the commercial competitiveness of certain products.

The contribution of **Sales Financing** to the Group operating profit was €751 million, compared with €747 million in 2013. The amount remained stable as a drop in net banking income was offset by an increase in average loans outstanding and growth in the service business. Despite the volatility in some emerging countries, cost of risk (including country risk) remained stable at 0.43%. This ratio reflects the Group's ability to implement a policy of acceptance and effective recovery while pursuing business growth.

**Other operating income and expenses** showed a net expense of €504 million, compared with a net expense of €1,276 million in 2013. This net expense consisted mainly of:

- restructuring costs amounting to €305 million, primarily related to the ongoing implementation of the competitiveness agreement signed in France;
- impairment losses on assets for certain programs totaling €153 million;
- various items, including €45 million to cover a risk related to a change in German regulations on set-up fees for the financing business.

After taking into account other operating income and expenses, the Group reported **operating income** of €1,105 million, compared with net operating loss of €34 million in 2013.

**Financial income** showed a net expense of €333 million, compared with a net expense of €282 million in 2013.

Renault's share in **associated companies** recorded a contribution of €1,362 million, primarily including:

- €1,559 million from Nissan (compared with €1,498 million in 2013);
- -€182 million from AVTOVAZ (compared with -€34 million in 2013).

**Current and deferred taxes** showed a charge of €136 million, down compared with 2013, of which €396 million for current taxes and €210 million in recognized deferred taxes, specifically with respect to tax consolidation in France.

**Net income** totaled €1,998 million, compared with €695 million in 2013; Net income, Group share was €1,890 million (compared with €586 million in 2013).

### 2.1.2. AUTOMOTIVE OPERATIONAL FREE CASH FLOW

#### AUTOMOTIVE FREE CASH FLOW

(€ million)	2014	2013	Change
Cash flow (excluding dividends received from publicly listed companies)	3,138	2,914	+224
Change in the working capital requirement	596	790	-194
Tangible and intangible investments net of disposals	-2,416	-2,543	+127
Leased vehicles and batteries	-235	-334	+99
<b>FREE CASH FLOW</b>	<b>1,083</b>	<b>827</b>	<b>+256</b>

In 2014, the Automotive division reported positive operational **free cash flow** of €1,083 million, resulting from:

- cash flow of €3,138 million, arising from an improvement of the operational profitability;
- a positive change in the working capital requirement of €596 million, mainly due to a rise in account payables;

- tangible and intangible investments net of disposals of -€2,416 million, up slightly compared with 2013. Net capital expenditure and R&D expenses remained at 7.4% of Group revenues, in line with the Group Plan's objective of under 9% of revenues.



## RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ million)	2014	2013	Change
R&D expenses	-1,890	-1,793	-97
Capitalized development expenses	842	732	110
% of R&D expenses	44.6%	40.8%	3.7%
Amortization	-673	-751	78
<b>Gross R&amp;D expenses recorded in the income statement</b>	<b>-1,721</b>	<b>-1,812</b>	<b>91</b>

## TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	2014	2013
Tangible investments (excluding leased vehicles and batteries)	1,541	1,914
Intangible investments	964	827
<i>o/w capitalized R&amp;D</i>	842	732
Total acquisitions	2,505	2,741
Disposal gains	-89	-198
<b>Total Automotive division</b>	<b>2,416</b>	<b>2,543</b>
<b>Total Sales Financing</b>	<b>6</b>	<b>8</b>
<b>TOTAL GROUP</b>	<b>2,422</b>	<b>2,551</b>

Gross capital investments were down in 2014 compared with 2013; the breakdown was 67% in Europe and 33% in the rest of the world:

- in Europe: investments were focused on the development and adaptation of industrial facilities related to the renewal of the A range (New Twingo), the C range (Kadjar), the

D range (New Espace and future D-segment sedans), LCV (new Trafic) and mechanical components (R9 engine);

- outside Europe: investments mainly concerned the Entry range (Morocco, Russia, South America and India) and modernization of industrial facilities.

## NET CAPEX AND R&amp;D EXPENSES

(€ million)	2014	2013
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	2,422	2,551
Capitalized development expenses	-842	-732
Capex invoice to third parties and others	-190	-272
<b>Net industrial and commercial investments (1)</b>	<b>1,390</b>	<b>1,547</b>
<i>% of Group revenues</i>	3.4%	3.8%
<b>R&amp;D expenses</b>	<b>1,890</b>	<b>1,793</b>
<i>o/w billed to third parties</i>	-254	-277
<b>Net R&amp;D expenses (2)</b>	<b>1,636</b>	<b>1,516</b>
<i>% of Group revenues</i>	4.0%	3.7%
<b>Net Capex and R&amp;D expenses (1) + (2)</b>	<b>3,026</b>	<b>3,063</b>
<i>% of Group revenues</i>	7.4%	7.5%

# 2

## FINANCIAL RESULTS

### 2.1. COMMENTS ON THE FINANCIAL RESULTS

#### 2.1.3. AUTOMOTIVE NET CASH POSITION

##### CHANGE IN AUTOMOTIVE NET CASH POSITION (€ million)

<b>Net cash position at December 31, 2013</b>	<b>1,761</b>
Operational free cash flow for 2014	1,083
Dividends received	463
Dividends paid to Renault's shareholders	-542
Financial investments and others	-661
<b>Net cash position at December 31, 2014</b>	<b>2,104</b>

The €343 million increase in the **net cash position of the Automotive division** compared to December 31, 2013 can be explained by:

- Operational Free cash flow;
- Net dividends flow (-€79 million);
- Various transactions such as the acquisition of interests in Alliance Rostec Auto BV and the joint venture with Dongfeng in China.

##### AUTOMOTIVE NET CASH POSITION

(€ million)	Dec. 31, 2014	Dec. 31, 2013
Non-current financial liabilities	-7,272	-6,837
Current financial liabilities	-3,872	-3,449
Non-current financial assets – other securities, loans and derivatives on financial operations	514	368
Current financial assets	1,143	975
Cash and cash equivalents	11,591	10,704
<b>Net cash position</b>	<b>2,104</b>	<b>1,761</b>

In 2014, **Renault** contracted some €1.8 billion in medium/long-term loans, thus refinancing all of its bond repayments falling due in 2014. Notably, Renault extended the maturity of its debt by issuing a seven-year bond for €500 million. It also strengthened its historic presence in the Japanese domestic market by issuing a record 150 billion yen bond (Samurai bond). In addition, Renault issued a three-year bond for 500 million yuan (Dim Sum bond). The Automotive division's liquidity reserves stood at €14.8 billion at December 31, 2014.

These reserves consisted of:

- €11.6 billion in cash and cash equivalents;
- €3.2 billion in undrawn confirmed credit lines.

At December 31, 2014, **RCI Banque** had available liquidity of €6.9 billion, consisting of:

- €4.0 billion in undrawn confirmed credit lines;
- €1.9 billion in central-bank eligible collateral;
- €913 million in high quality liquid assets (HQLA);
- €96 million in available cash.

## 2.2. CONSOLIDATED FINANCIAL STATEMENTS

### 2.2.1. CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	2014	2013
<b>Revenues</b>	<b>4</b>	<b>41,055</b>	<b>40,932</b>
Cost of goods and services sold		(33,310)	(33,611)
Research and development expenses	10-A	(1,721)	(1,812)
Selling, general and administrative expenses		(4,415)	(4,267)
<b>Operating margin</b>	<b>5</b>	<b>1,609</b>	<b>1,242</b>
Other operating income and expenses	6	(504)	(1,276)
<i>Other operating income</i>	6	102	222
<i>Other operating expenses</i>	6	(606)	(1,498)
<b>Operating income (loss)</b>		<b>1,105</b>	<b>(34)</b>
Net interest income (expenses)		(282)	(267)
<i>Interest income</i>		216	183
<i>Interest expenses</i>		(498)	(450)
Other financial income and expenses	7	(51)	(15)
<b>Financial income (expenses)</b>		<b>(333)</b>	<b>(282)</b>
<b>Share in net income (loss) of associates and joint ventures</b>		<b>1,362</b>	<b>1,444</b>
<i>Nissan</i>	12	1,559	1,498
<i>Other associates and joint ventures</i>	13	(197)	(54)
<b>Pre-tax income</b>		<b>2,134</b>	<b>1,128</b>
Current and deferred taxes	8	(136)	(433)
<b>Net income</b>		<b>1,998</b>	<b>695</b>
Net income – non-controlling interests' share		108	109
Net income – parent-company shareholders' share		1,890	586
Basic earnings per share <sup>(1)</sup> in €	9	6.92	2.15
Diluted earnings per share <sup>(1)</sup> in €	9	6.89	2.14
Number of shares outstanding (in thousands)	9		
<i>For basic earnings per share</i>		273,049	272,290
<i>For diluted earnings per share</i>		274,101	274,096

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

NB: The notes indicated refer to the Notes to the 2014 consolidated financial statements presented in chapter 4 of the 2014 registration document.

# 2

## FINANCIAL RESULTS

### 2.2. CONSOLIDATED FINANCIAL STATEMENTS

#### 2.2.2. CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	2014			2013		
	Gross	Tax effect <sup>(1)</sup>	Net	Gross	Tax effect	Net
<b>NET INCOME</b>	<b>2,134</b>	<b>(136)</b>	<b>1,998</b>	<b>1,128</b>	<b>(433)</b>	<b>695</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>	<i>(276)</i>	<i>18</i>	<i>(258)</i>	<i>73</i>	<i>(5)</i>	<i>68</i>
Actuarial gains and losses on defined-benefit pension plans	(161)	18	(143)	73	(5)	68
Fair value adjustments on financial liabilities <sup>(2)</sup>	(115)	-	(115)	-	-	-
<i>Items that have been or will be reclassified subsequently to profit or loss</i>	<i>(2)</i>	<i>38</i>	<i>36</i>	<i>220</i>	<i>(5)</i>	<i>215</i>
Translation adjustments on foreign activities <sup>(3)</sup>	(100)	-	(100)	(383)	-	(383)
Partial hedge of the investment in Nissan <sup>(4)</sup>	8	55	63	209	-	209
Fair value adjustments on cash flow hedging instruments <sup>(5)</sup>	(4)	2	(2)	39	(5)	34
Fair value adjustments on available-for-sale financial assets <sup>(4)</sup>	94	(19)	75	355	-	355
<b>Total other components of comprehensive income from parent company and subsidiaries (A)</b>	<b>(278)</b>	<b>56</b>	<b>(222)</b>	<b>293</b>	<b>(10)</b>	<b>283</b>
<b>SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>	<i>(73)</i>	<i>-</i>	<i>(73)</i>	<i>42</i>	<i>-</i>	<i>42</i>
Actuarial gains and losses on defined-benefit pension plans	(73)	-	(73)	42	-	42
<i>Items that have been or will be reclassified subsequently to profit or loss <sup>(6)</sup></i>	<i>507</i>	<i>-</i>	<i>507</i>	<i>(1,965)</i>	<i>-</i>	<i>(1,965)</i>
Translation adjustments on foreign activities	448	-	448	(2,112)	-	(2,112)
Fair value adjustments on cash flow hedging instruments	22	-	22	5	-	5
Fair value adjustments on available-for-sale financial assets	37	-	37	142	-	142
<b>Total share of associates and joint ventures in other components of comprehensive income (B)</b>	<b>434</b>	<b>-</b>	<b>434</b>	<b>(1,923)</b>	<b>-</b>	<b>(1,923)</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)</b>	<b>156</b>	<b>56</b>	<b>212</b>	<b>(1,630)</b>	<b>(10)</b>	<b>(1,640)</b>
<b>COMPREHENSIVE INCOME</b>	<b>2,290</b>	<b>(80)</b>	<b>2,210</b>	<b>(502)</b>	<b>(443)</b>	<b>(945)</b>
Parent-company shareholders' share			2,090			(1,055)
Non-controlling interests' share			120			110

(1) Income of €262 million resulting from recognition of net deferred tax assets of the French tax consolidation in 2014, comprising €210 million related to net income and €52 million relating to other components of comprehensive income (note 8-B).

(2) Correction to the fair value of financial liabilities at December 31, 2013.

(3) There were no reclassifications to profit or loss in 2014 (€9 million in 2013).

(4) There were no reclassifications to profit or loss for this item in 2014 or 2013.

(5) Including €11 million reclassified to profit or loss in 2014 (€25 million in 2013).

(6) There were no reclassifications to profit or loss in 2014 (€(19) million in 2013).

## 2.2.3. CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	Dec. 31, 2014	Dec. 31, 2013
<b>NON-CURRENT ASSETS</b>			
Intangible assets	10-A	3,443	3,282
Property, plant and equipment	10-B	10,801	10,973
Investments in associates and joint ventures		16,720	14,874
<i>Nissan</i>	12	15,833	14,068
<i>Other associates and joint ventures</i>	13	887	806
Non-current financial assets	22	1,681	1,530
Deferred tax assets	8	716	396
Other non-current assets	17	1,152	1,076
<b>Total non-current assets</b>		<b>34,513</b>	<b>32,131</b>
<b>CURRENT ASSETS</b>			
Inventories	14	3,391	3,162
Sales financing receivables	15	25,733	23,650
Automotive receivables	16	1,242	970
Current financial assets	22	1,530	1,098
Current tax assets	17	38	64
Other current assets	17	2,607	2,256
Cash and cash equivalents	22	12,497	11,661
<b>Total current assets</b>		<b>47,038</b>	<b>42,861</b>
<b>TOTAL ASSETS</b>		<b>81,551</b>	<b>74,992</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(134)	(187)
Revaluation of financial instruments		703	571
Translation adjustment		(3,276)	(3,674)
Reserves		20,381	20,629
Net income – parent-company shareholders' share		1,890	586
<b>Shareholders' equity – parent-company shareholders' share</b>		<b>24,476</b>	<b>22,837</b>
Shareholders' equity – non-controlling interests' share		422	377
<b>Total shareholders' equity</b>	<b>18</b>	<b>24,898</b>	<b>23,214</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	8	141	121
Provisions for pension and other long-term employee benefit obligations – long-term	19	1,683	1,447
Other provisions – long-term	20	1,240	1,097
Non-current financial liabilities	23	7,537	7,100
Other non-current liabilities	21	1,204	1,119
<b>Total non-current liabilities</b>		<b>11,805</b>	<b>10,884</b>
<b>CURRENT LIABILITIES</b>			
Provisions for pension and other long-term employee benefit obligations – short-term	19	67	111
Other provisions – short-term	20	1,088	984
Current financial liabilities	23	3,216	2,921
Sales financing debts	23	25,828	23,757
Trade payables		7,094	6,171
Current tax liabilities	21	162	126
Other current liabilities	21	7,393	6,824
<b>Total current liabilities</b>		<b>44,848</b>	<b>40,894</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>81,551</b>	<b>74,992</b>

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## FINANCIAL RESULTS

### 2.2. CONSOLIDATED FINANCIAL STATEMENTS

#### 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
<i>(€ million)</i>											
<b>Restated balance at December 31, 2012 <sup>(1)</sup></b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(201)</b>	<b>36</b>	<b>(1,388)</b>	<b>19,201</b>	<b>1,749</b>	<b>24,309</b>	<b>255</b>	<b>24,564</b>
Net income	-	-	-	-	-	-	-	586	586	109	695
Other components of comprehensive income <sup>(2)</sup>	-	-	-	-	535	(2,286)	110	-	(1,641)	1	(1,640)
<b>2013 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535</b>	<b>(2,286)</b>	<b>110</b>	<b>586</b>	<b>(1,055)</b>	<b>110</b>	<b>(945)</b>
Allocation of 2012 net income	-	-	-	-	-	-	1,749	(1,749)	-	-	-
Dividends	-	-	-	-	-	-	(469)	-	(469)	(56)	(525)
(Acquisitions) / disposals of treasury shares and impact of capital increases	-	-	-	14	-	-	-	-	14	-	14
Changes in ownership interests <sup>(3)</sup>	-	-	-	-	-	-	19	-	19	68	87
Cost of share-based payments	-	-	-	-	-	-	19	-	19	-	19
<b>Balance at December 31, 2013</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(187)</b>	<b>571</b>	<b>(3,674)</b>	<b>20,629</b>	<b>586</b>	<b>22,837</b>	<b>377</b>	<b>23,214</b>
Net income	-	-	-	-	-	-	-	1,890	1,890	108	1,998
Other components of comprehensive income <sup>(2)</sup>	-	-	-	-	132	398	(330)	-	200	12	212
<b>2014 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>398</b>	<b>(330)</b>	<b>1,890</b>	<b>2,090</b>	<b>120</b>	<b>2,210</b>
Allocation of 2013 net income	-	-	-	-	-	-	586	(586)	-	-	-
Dividends	-	-	-	-	-	-	(469)	-	(469)	(52)	(521)
(Acquisitions) / disposals of treasury shares and impact of capital increases	-	-	-	53	-	-	-	-	53	-	53
Changes in ownership interests <sup>(3)</sup>	-	-	-	-	-	-	10	-	10	(23)	(13)
Cost of share-based payments	-	-	-	-	-	-	(45)	-	(45)	-	(45)
<b>Balance at December 31, 2014</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(134)</b>	<b>703</b>	<b>(3,276)</b>	<b>20,381</b>	<b>1,890</b>	<b>24,476</b>	<b>422</b>	<b>24,898</b>

(1) The restatements resulting from retrospective application of IFRS 11 "Joint Arrangements" and IAS 19 (revised) "Employee benefits" are presented in note 2-A2 to the annual consolidated financial statements for 2013.

(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period. In 2014 they also include an amount of €(115) million corresponding to a correction to the fair value of financial liabilities at December 31, 2013 (effect of €(50) million at December 31, 2012).

(3) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests. In 2013 they included the effects of Renault Pars' deconsolidation from June 30, 2013, the takeover of RCI Financial Services s.r.o. in October 2013, and the transfer of control over Renault South Africa in November 2013.

Details of changes in consolidated shareholders' equity in 2014 are given in note 18.

## 2.2.5. CONSOLIDATED CASH FLOWS

(€ million)	NOTES	2014	2013
<b>Net income</b>		<b>1,998</b>	<b>695</b>
Cancellation of dividends received from unconsolidated listed investments <sup>(1)</sup>		(31)	(27)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		2,711	3,169
Share in net (income) loss of associates and joint ventures		(1,362)	(1,444)
Other income and expenses with no impact on cash	26-A	92	815
Dividends received from unlisted associates and joint ventures		-	6
<b>Cash flow <sup>(2)</sup></b>		<b>3,408</b>	<b>3,214</b>
<b>Dividends received from listed companies <sup>(3)</sup></b>		<b>463</b>	<b>433</b>
Net change in financing for final customers		(1,618)	(534)
Net change in renewable dealer financing		(202)	(781)
<b>Decrease (increase) in sales financing receivables</b>		<b>(1,820)</b>	<b>(1,315)</b>
Bond issuance by the Sales Financing segment	23-A	3,469	2,958
Bond redemption by the Sales Financing segment	23-A	(3,396)	(2,465)
Net change in other sales financing debts		1,682	917
Net change in other securities and loans of the Sales Financing segment		(314)	(365)
<b>Net change in financial assets and debts of the Sales Financing segment</b>		<b>1,441</b>	<b>1,045</b>
<b>Change in capitalized leased assets</b>		<b>(291)</b>	<b>(333)</b>
<b>Decrease (increase) in working capital</b>	<b>26-B</b>	<b>771</b>	<b>528</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES <sup>(4) (5)</sup></b>		<b>3,972</b>	<b>3,572</b>
Capital expenditure	26-C	(2,511)	(2,749)
Disposals of property, plant and equipment and intangibles		90	198
Acquisitions of investments involving gain of control, net of cash acquired		(11)	(5)
Acquisitions of other investments, net of cash acquired		(415)	(273)
Disposals of investments involving loss of control, net of cash transferred		-	26
Disposals of other investments, net of cash transferred and other		-	91
Net decrease (increase) in other securities and loans of the Automotive segment		62	(12)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,785)</b>	<b>(2,724)</b>
Transactions with non-controlling interests <sup>(6)</sup>		-	(2)
Dividends paid to parent-company shareholders	18-D	(503)	(502)
Dividends paid to non-controlling interests		(56)	(48)
(Acquisitions) sales of treasury shares		(26)	-
<b>Cash flows with shareholders</b>		<b>(585)</b>	<b>(552)</b>
Bond issuance by the Automotive segment	23-A	1,680	1,716
Bond redemption by the Automotive segment	23-A	(1,513)	(1,152)
Net increase (decrease) in other financial liabilities of the Automotive segment		(52)	(24)
<b>Net change in financial liabilities of the Automotive segment</b>		<b>115</b>	<b>540</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(470)</b>	<b>(12)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>717</b>	<b>836</b>

(1) Dividends received from Daimler.

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends from Daimler (€31 million) and Nissan (€432 million) in 2014.

Dividends from Daimler (€27 million) and Nissan (€406 million) in 2013.

(4) Current taxes paid in 2014 amount to €268 million (€356 million in 2013).

(5) Interest paid in 2014, net of taxes, amounts to €259 million (€337 million in 2013). Details are given in note 26.

(6) Acquisitions of additional investments in controlled companies (note 2-J).

(€ million)	2014	2013
<b>Cash and cash equivalents: opening balance</b>	<b>11,661</b>	<b>11,180</b>
Increase (decrease) in cash and cash equivalents	717	836
Effect of changes in exchange rate and other changes	119	(355)
<b>Cash and cash equivalents: closing balance</b>	<b>12,497 <sup>(1)</sup></b>	<b>11,661</b>

(1) Cash subject to restrictions on use is described in note 22-A2.

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## FINANCIAL RESULTS

### 2.2. CONSOLIDATED FINANCIAL STATEMENTS

#### 2.2.6. INFORMATION ON OPERATING SEGMENTS

##### A. CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

<i>(€ million)</i>	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2014</b>				
Sales of goods	37,176	31	-	37,207
Sales of services	1,698	2,150	-	3,848
<b>External revenues</b>	<b>38,874</b>	<b>2,181</b>	-	<b>41,055</b>
Intersegment sales	(356)	413	(57)	-
<b>Sales by segment</b>	<b>38,518</b>	<b>2,594</b>	<b>(57)</b>	<b>41,055</b>
<b>Operating margin <sup>(1)</sup></b>	<b>861</b>	<b>751</b>	<b>(3)</b>	<b>1,609</b>
<b>Operating income (loss)</b>	<b>409</b>	<b>699</b>	<b>(3)</b>	<b>1,105</b>
<b>Financial income (expenses) <sup>(2)</sup></b>	<b>(108)</b>	<b>(15)</b>	<b>(210)</b>	<b>(333)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>1,366</b>	<b>(4)</b>	-	<b>1,362</b>
<b>Pre-tax income</b>	<b>1,667</b>	<b>680</b>	<b>(213)</b>	<b>2,134</b>
Current and deferred taxes	88	(225)	1	(136)
<b>Net income</b>	<b>1,755</b>	<b>455</b>	<b>(212)</b>	<b>1,998</b>
<b>2013</b>				
Sales of goods	36,964	33	-	36,997
Sales of services	1,811	2,124	-	3,935
<b>External revenues</b>	<b>38,775</b>	<b>2,157</b>	-	<b>40,932</b>
Intersegment sales	(361)	400	(39)	-
<b>Sales by segment</b>	<b>38,414</b>	<b>2,557</b>	<b>(39)</b>	<b>40,932</b>
<b>Operating margin <sup>(1)</sup></b>	<b>521</b>	<b>747</b>	<b>(26)</b>	<b>1,242</b>
<b>Operating income (loss)</b>	<b>(744)</b>	<b>736</b>	<b>(26)</b>	<b>(34)</b>
<b>Financial income (expenses) <sup>(2)</sup></b>	<b>(107)</b>	-	<b>(175)</b>	<b>(282)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>1,430</b>	<b>14</b>	-	<b>1,444</b>
<b>Pre-tax income</b>	<b>579</b>	<b>750</b>	<b>(201)</b>	<b>1,128</b>
Current and deferred taxes	(203)	(238)	8	(433)
<b>Net income</b>	<b>376</b>	<b>512</b>	<b>(193)</b>	<b>695</b>

*(1) Details of amortization, depreciation and impairment are provided in the consolidated cash flow statements by operating segment.*

*(2) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.*



**B. CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT**

<b>ASSETS</b> (€ million)	<b>Automotive</b>	<b>Sales Financing</b>	<b>Intersegment transactions</b>	<b>Consolidated total</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment and intangible assets	14,076	178	(10)	14,244
Investments in associates and joint ventures	16,670	50	-	16,720
Non-current financial assets – investments in non-controlled entities	4,353	11	(3,131)	1,233
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	514	-	(66)	448
Deferred tax assets and other non-current assets	1,663	238	(33)	1,868
<b>Total non-current assets</b>	<b>37,276</b>	<b>477</b>	<b>(3,240)</b>	<b>34,513</b>
<b>CURRENT ASSETS</b>				
Inventories	3,361	39	(9)	3,391
Customer receivables	1,409	26,198	(632)	26,975
Current financial assets	1,143	1,136	(749)	1,530
Current tax assets and other current assets	1,805	3,033	(2,193)	2,645
Cash and cash equivalents	11,591	1,102	(196)	12,497
<b>Total current assets</b>	<b>19,309</b>	<b>31,508</b>	<b>(3,779)</b>	<b>47,038</b>
<b>TOTAL ASSETS</b>	<b>56,585</b>	<b>31,985</b>	<b>(7,019)</b>	<b>81,551</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> (€ million)				
<b>SHAREHOLDERS' EQUITY</b>				
	<b>24,811</b>	<b>3,136</b>	<b>(3,049)</b>	<b>24,898</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term provisions	2,598	325	-	2,923
Non-current financial liabilities	7,272	265	-	7,537
Deferred tax liabilities and other non-current liabilities	779	566	-	1,345
<b>Total non-current liabilities</b>	<b>10,649</b>	<b>1,156</b>	<b>-</b>	<b>11,805</b>
<b>CURRENT LIABILITIES</b>				
Short-term provisions	1,114	41	-	1,155
Current financial liabilities	3,872	-	(656)	3,216
Trade payables and sales financing debts	7,235	26,681	(994)	32,922
Current tax liabilities and other current liabilities	8,904	971	(2,320)	7,555
<b>Total current liabilities</b>	<b>21,125</b>	<b>27,693</b>	<b>(3,970)</b>	<b>44,848</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>56,585</b>	<b>31,985</b>	<b>(7,019)</b>	<b>81,551</b>

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## FINANCIAL RESULTS

### 2.2. CONSOLIDATED FINANCIAL STATEMENTS

#### Consolidated financial position by operating segment – December 31, 2013

ASSETS (€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment and intangible assets	14,146	119	(10)	14,255
Investments in associates and joint ventures	14,859	15	-	14,874
Non-current financial assets – investments in non-controlled entities	4,036	55	(2,895)	1,196
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	368	-	(34)	334
Deferred tax assets and other non-current assets	1,301	206	(35)	1,472
<b>Total non-current assets</b>	<b>34,710</b>	<b>395</b>	<b>(2,974)</b>	<b>32,131</b>
<b>CURRENT ASSETS</b>				
Inventories	3,121	48	(7)	3,162
Customer receivables	1,031	23,997	(408)	24,620
Current financial assets	975	925	(802)	1,098
Current tax assets and other current assets	1,604	2,900	(2,184)	2,320
Cash and cash equivalents	10,704	1,201	(244)	11,661
<b>Total current assets</b>	<b>17,435</b>	<b>29,071</b>	<b>(3,645)</b>	<b>42,861</b>
<b>TOTAL ASSETS</b>	<b>52,145</b>	<b>29,466</b>	<b>(6,619)</b>	<b>74,992</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)</b>				
<b>SHAREHOLDERS' EQUITY</b>				
	<b>23,127</b>	<b>2,899</b>	<b>(2,812)</b>	<b>23,214</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term provisions	2,277	267	-	2,544
Non-current financial liabilities	6,837	263	-	7,100
Deferred tax liabilities and other non-current liabilities	691	549	-	1,240
<b>Total non-current liabilities</b>	<b>9,805</b>	<b>1,079</b>	<b>-</b>	<b>10,884</b>
<b>CURRENT LIABILITIES</b>				
Short-term provisions	1,067	28	-	1,095
Current financial liabilities	3,449	-	(528)	2,921
Trade payables and sales financing debts	6,349	24,657	(1,078)	29,928
Current tax liabilities and other current liabilities	8,348	803	(2,201)	6,950
<b>Total current liabilities</b>	<b>19,213</b>	<b>25,488</b>	<b>(3,807)</b>	<b>40,894</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>52,145</b>	<b>29,466</b>	<b>(6,619)</b>	<b>74,992</b>

## C. CONSOLIDATED CASH FLOWS BY OPERATING SEGMENT

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2014</b>				
<b>Net income</b>	<b>1,755</b>	<b>455</b>	<b>(212)</b>	<b>1,998</b>
Cancellation of dividends received from unconsolidated listed investments <sup>(1)</sup>	(31)	-	-	(31)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,702	9	-	2,711
Share in net (income) loss of associates and joint ventures	(1,366)	4	-	(1,362)
Other income and expenses with no impact on cash	78	16	(2)	92
Dividends received from unlisted associates and joint ventures	-	-	-	-
<b>Cash flow <sup>(2)</sup></b>	<b>3,138</b>	<b>484</b>	<b>(214)</b>	<b>3,408</b>
<b>Dividends received from listed companies <sup>(3)</sup></b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>463</b>
Decrease (increase) in sales financing receivables	-	(1,936)	116	(1,820)
Net change in financial assets and sales financing debts	-	1,429	12	1,441
Change in capitalized leased assets	(235)	(56)	-	(291)
Decrease (increase) in working capital	596	138	37	771
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>3,962</b>	<b>59</b>	<b>(49)</b>	<b>3,972</b>
Purchases of intangible assets	(964)	(3)	-	(967)
Purchases of property, plant and equipment	(1,541)	(3)	-	(1,544)
Disposals of property, plant and equipment and intangibles	89	1	-	90
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(11)	-	-	(11)
Acquisitions and disposals of other investments and other assets	(400)	(15)	-	(415)
Net decrease (increase) in other securities and loans of the Automotive segment	69	-	(7)	62
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(2,758)</b>	<b>(20)</b>	<b>(7)</b>	<b>(2,785)</b>
Cash flows with shareholders	(568)	(227)	210	(585)
Net change in financial liabilities of the Automotive segment	242	-	(127)	115
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(326)</b>	<b>(227)</b>	<b>83</b>	<b>(470)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS <sup>(4)</sup></b>	<b>878</b>	<b>(188)</b>	<b>27</b>	<b>717</b>

(1) Dividends received from Daimler.

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends received from Daimler (€31 million) and Nissan (€432 million).

(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2014</b>				
<b>Cash and cash equivalents: opening balance</b>	<b>10,704</b>	<b>1,201</b>	<b>(244)</b>	<b>11,661</b>
Increase (decrease) in cash and cash equivalents	878	(188)	27	717
Effect of changes in exchange rate and other changes	9	89	21	119
<b>Cash and cash equivalents: closing balance</b>	<b>11,591</b>	<b>1,102</b>	<b>(196)</b>	<b>12,497</b>

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### 2.2. CONSOLIDATED FINANCIAL STATEMENTS

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2013</b>				
<b>Net income</b>	<b>376</b>	<b>512</b>	<b>(193)</b>	<b>695</b>
Cancellation of dividends received from unconsolidated listed investments <sup>(1)</sup>	(27)	-	-	(27)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	3,164	5	-	3,169
Share in net (income) loss of associates and joint ventures	(1,430)	(14)	-	(1,444)
Other income and expenses with no impact on cash	825	(2)	(8)	815
Dividends received from unlisted associates and joint ventures	6	-	-	6
<b>Cash flow <sup>(2)</sup></b>	<b>2,914</b>	<b>501</b>	<b>(201)</b>	<b>3,214</b>
<b>Dividends received from listed companies <sup>(3)</sup></b>	<b>433</b>	<b>-</b>	<b>-</b>	<b>433</b>
Decrease (increase) in sales financing receivables	-	(1,240)	(75)	(1,315)
Net change in financial assets and sales financing debts	-	1,063	(18)	1,045
Change in capitalized leased assets	(334)	1	-	(333)
Decrease (increase) in working capital	790	(198)	(64)	528
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>3,803</b>	<b>127</b>	<b>(358)</b>	<b>3,572</b>
Purchases of intangible assets	(827)	(4)	-	(831)
Purchases of property, plant and equipment	(1,914)	(4)	-	(1,918)
Disposals of property, plant and equipment and intangibles	198	-	-	198
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	24	(3)	-	21
Acquisitions and disposals of other investments and other assets	(183)	1	-	(182)
Net decrease (increase) in other securities and loans of the Automotive segment	(20)	-	8	(12)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(2,722)</b>	<b>(10)</b>	<b>8</b>	<b>(2,724)</b>
Cash flows with shareholders	(539)	(188)	175	(552)
Net change in financial liabilities of the Automotive segment	461	-	79	540
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(78)</b>	<b>(188)</b>	<b>254</b>	<b>(12)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS <sup>(4)</sup></b>	<b>1,003</b>	<b>(71)</b>	<b>(96)</b>	<b>836</b>

(1) Dividends received from Daimler.

(2) Cash flow does not include dividends received from listed companies.

(3) Dividends received from Daimler (€27 million) and Nissan (€406 million).

(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>2013</b>				
<b>Cash and cash equivalents: opening balance</b>	<b>10,072</b>	<b>1,338</b>	<b>(230)</b>	<b>11,180</b>
Increase (decrease) in cash and cash equivalents	1,003	(71)	(96)	836
Effect of changes in exchange rate and other changes	(371)	(66)	82	(355)
<b>Cash and cash equivalents: closing balance</b>	<b>10,704</b>	<b>1,201</b>	<b>(244)</b>	<b>11,661</b>

### 2.2.7. INFORMATION BY REGION

The Regions presented correspond to the geographic divisions used for Group management.

The Group adjusted its international organization in 2014. The former Asia-Pacific and Euromed-Africa regions were split to form three new regions:

- The new Africa Middle-East India region comprising countries in Africa and the Middle East plus India.
- The Asia-Pacific region including China, countries of the ASEAN (Association of South-East Asian Nations), Korea, Japan, Australia and Oceania.
- The Eurasia region is now extended to include Turkey, Romania, Moldova and Bulgaria.

Figures for 2013 correspond to the new segments adopted in 2014.

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

	Europe <sup>(1)</sup>	Americas	Asia-Pacific	Africa Middle-East India	Eurasia	Consolidated total
<i>(€ million)</i>						
<b>2014</b>						
Revenues	25,711	4,827	2,685	3,391	4,441	41,055
Property, plant and equipment and intangibles	10,524	707	477	791	1,745	14,244
<b>2013</b>						
Revenues	23,803	5,933	2,350	3,772	5,074	40,932
Property, plant and equipment and intangibles	10,285	639	437	831	2,063	14,255

*(1) Including the following for France:*

<i>(€ million)</i>	2014	2013
Revenues	9,836	10,004
Property, plant and equipment and intangibles	8,799	8,613



## Financial information on the Alliance

# 3

## 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 2014.

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, 2014, 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, 2014 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 2014

(€ million)	Renault	Nissan <sup>(1)</sup>	Intercompany eliminations	Alliance
Sales of goods and services of the Automotive segment	38,874	74,289	(3,722)	109,441
Sales Financing revenues	2,181	5,416	(156)	7,441
<b>Revenues</b>	<b>41,055</b>	<b>79,705</b>	<b>(3,878)</b>	<b>116,882</b>

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

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 2014 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in 2014 are as follows:

(€ million)	Operating margin	Operating income	Net income <sup>(2)</sup>
Renault	1,609	1,105	439
Nissan <sup>(1)</sup>	4,892	4,550	3,706
<b>Alliance</b>	<b>6,501</b>	<b>5,655</b>	<b>4,145</b>

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

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

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

For the Alliance, the operating margin is equivalent to 5.6% of revenues.

In 2014, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,721
Nissan <sup>(1)</sup>	2,653
<b>Alliance</b>	<b>4,374</b>

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.



## BALANCE SHEET INDICATORS

## CONDENSED RENAULT AND NISSAN BALANCE SHEETS

## RENAULT AT DECEMBER 31, 2014

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	3,443	Shareholders' equity	24,898
Property, plant and equipment	10,801	Deferred tax liabilities	141
Investments in associates (excluding Alliance)	887	Provisions for pension and other long-term employee benefit obligations	1,750
Deferred tax assets	716	Financial liabilities of the Automotive segment	10,488
Inventories	3,391	Financial liabilities and debts of the Sales Financing segment	26,093
Sales financing receivables	25,733	Other liabilities	18,181
Automotive receivables	1,242		
Other assets	7,008		
Cash and cash equivalents	12,497		
<b>Total assets excluding investment in Nissan</b>	<b>65,718</b>		
Investment in Nissan	15,833		
		<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>81,551</b>
<b>TOTAL ASSETS</b>	<b>81,551</b>		

NISSAN AT DECEMBER 31, 2014 <sup>(1)</sup>

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	5,091	Shareholders' equity	39,712
Property, plant and equipment	38,352	Deferred tax liabilities	5,685
Investments in associates (excluding Alliance)	3,402	Provisions for pension and other long-term employee benefit obligations	2,061
Deferred tax assets	1,119	Financial liabilities of the Automotive segment	(2,522)
Inventories	10,076	Financial liabilities and debts of the Sales Financing segment	51,285
Sales financing receivables	43,502	Other liabilities	25,386
Automotive receivables	3,925		
Other assets	8,626		
Cash and cash equivalents	5,897		
<b>Total assets excluding investment in Nissan</b>	<b>119,990</b>		
Investment in Nissan	1,617		
		<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>121,607</b>
<b>TOTAL ASSETS</b>	<b>121,607</b>		

(1) Converted at the closing rate at December 31, 2014: EUR 1 = JPY 145.2.

(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€11,130 million at December 31, 2014).

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 2014, excluding leased vehicles and batteries, amount to:

(€ million)	
Renault	1,544
Nissan <sup>(1)</sup>	3,268
<b>Alliance</b>	<b>4,812</b>

(1) Converted at the average exchange rate for 2014: EUR 1 = JPY 140.4.

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 €24 billion increase in shareholders' equity – non-controlling interests' share.







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