SECURITIES REPORT

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Securities Report under Article 24, Paragraph 1 of the Financial Instruments and Exchange Law filed on May 31, 2019 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

2. The documents attached to the Securities Report filed as stated above are not included herein. However, a copy of the audit report is attached at the end hereof.

RENAULT

(E05907)

(TRANSLATION)

Cover Page

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Corporate Name:	Renault
Name and Title of Representative:	Thierry Bolloré Chief Executive Officer
Location of Head Office:	13-15, Quai Le Gallo, 92 100 Boulogne-Billancourt, France
Name of Attorney-in-fact:	Takashi Tsukioka, Attorney-at-law
Address of Attorney-in-fact:	Nagashima Ohno & Tsunematsu JP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo
Telephone Number:	03-6889-7000
Name of Person to Contact: Place to Contact:	Ryosuke Fukuhara, Attorney-at-law Nagashima Ohno & TsunematsuJP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo
Telephone Number:	03-6889-7000
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Note (1) Unless otherwise specified herein, the "Company", "Renault", "Renault SA" or "Renault S.A." refers to Renault, and the "Group", the "Renault Group" refers to Renault and all of its fully consolidated subsidiaries.

Note (2) Unless otherwise specified herein, the reference to "Euro", "€" and "EUR" are to the lawful currency of European Union and French Republic. The telegraphic transfer for selling Euro against yen quoted by MUFG Bank, Ltd. as of March 11, 2019 was EUR 1 = JPY126.09**.** Any conversions made herein from the Euro amounts into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.

Note (3) Where figures in tables in this document have been rounded, the totals may not necessarily be the aggregate of the sum of the relevant figures.

PART I CORPORATE INFORMATION

I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS

1. SUMMARY OF CORPORATE SYSTEM, ETC.

(1) CORPORATE SYSTEM IN THE COUNTRY OR STATE TO WHICH RENAULT BELONGS:

Most often used forms of limited liability companies are *Société Anonyme* and Société par actions *simplifiée* forms for larger scale companies and *Société à Responsabilité Limitée* form for smaller scale companies. The legal framework applicable to such companies is the French Commercial Code.

The following is a summary of the major provisions applicable to *Sociétés Anonymes* (hereinafter referred to as an "SA") under the French Commercial Code modified pursuant, amongst others, to a law dated May 15, 2001 titled N.R.E ("*Nouvelles Régulations Economiques*"), a law dated August 1, 2003 titled "*Loi de Sécurité Financière*", an Ordinance n°2004-604 dated June 24, 2004, a law dated July 26, 2005, titled "*Loi pour la confiance et la modernisation de l'économie*, a law dated August, 4, 2008 titled LME ("*Loi de modernisation de l'économie")*, an Ordinance n° 2010-1511 dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies, a law dated March 22, 2012 titled *"Loi de simplification du droit et d'allègement des démarches administratives" ("Loi Warsman II")*, a law dated March 29, 2014 aiming at recapturing the real economy ("*Loi Florange*"), an Ordinance n°2014-863 dated July 31, 2014 relating to company law, an Ordinance n° 2014-948 dated August 20, 2014 on corporate governance and equity transactions in publicly-owned companies, an Ordinance n°2015-1127 dated September 10, 2015 reducing the number of shareholders in a non-listed SA, a Law n°2015-990 dated August 6, 2015 aiming at simplifying economy ("*Loi Macron*"), an Ordinance n°2016-131 dated February 10, 2016, aimed at reforming contract law, a Law n°2016-1691 dated December 9, 2016 aiming at fighting against corruption ("*Loi Sapin II*"), and a Decree n° 2017-663 dated April 27, 2017 and a Law n° 2018-771 dated September 5, 2018, providing new rules on gender pay equality.

Upon the incorporation of an SA, the By-laws shall be prepared and signed by the initial shareholders. Such By-laws shall be filed with the Registrar of the authorized Commercial Court depending on the intended location of the SA's headquarters. The status of a legal entity can be obtained only when a registration certificate is issued by the Registrar of the Commercial Court.

The By-laws is a document which provides for the basic rules governing the SA.

Shareholders

A *société anonyme* is a corporation composed of at least two shareholders (seven in an SA with listed securities) created for a commercial purpose. The shareholders of an SA are subject to liability for the debts of the corporation only to the extent of their capital contributions thereto.

The shareholders are vested the ultimate power over the SA. In particular, the shareholders appoint the Supervisors ("membres du conseil de surveillance"), or the Executive Officers ("membres du directoire"), in a two-tier company, or the Directors ("administrateurs"), in a unitary company, as the case may be, and the Independent Auditor (*commissaire aux comptes*) of the corporation, may declare dividends, may approve the financial statements, may decide to dissolve the corporation and may authorize any modification of the registered capital, as well as any other amendments of the By-laws.

Capital Stock

Subject to certain limited exceptions, the registered capital of the SA may not be less than EUR 37,000 (*Article L. 224-2 of the French Code de commerce).*

Under the French Law, the capital stock of the SA is divided into shares and may comprise, preferred shares, investment certificates (*certificats d'investissement*; hereinafter referred to as the "CI") and voting rights certificates (certificats de droit de vote; hereinafter referred to as the "Voting Right Certificate"), although it is no longer possible to issue new CI and Voting Rights Certificates.

There are no legal restrictions on the par value of a share and the par value of a share is not required to be provided in the By-laws. Shares may be issued by the SA either in nominative or in bearer form, except where the nominative form is mandatory pursuant to French laws or provisions set forth in By-laws. Shares issued by a listed company and which must not be in nominative form pursuant to French laws or provisions set forth in By-laws must be in bearer form. Whether the shares are in nominative form or bearer form, the ownership of such shares is represented by an entry in the shareholders' account and shareholders' registry opened with the company (in case of a nominative share) or with a financial institution (in case of a bearer share), instead of a share certificate.

CI are transferable securities deriving from the fractioning of existing shares or a share capital increase against cash, and representing the economic interests granted to the shares (i.e. right to dividend, surplus and residual property after liquidation) and granting a right to the CI holder to request for the same information held by a shareholder. The voting right of CI is represented by the Voting Right Certificate. Therefore, at the time CI were issued, the same number of the Voting Right Certificates was issued. The issued CI could not exceed 25% of the issued capital. In the event the CI and the Voting Right Certificate is transferred to the same person, such CI and Voting Right Certificate will be consolidated into one ordinary share. The Voting Right Certificate (if there is issued CI) may only be in nominative form. It is reminded that CI can no longer be issued by the company ("*titres en voie d'extinction*").

In order to render effective a transfer of shares, the shareholders are required in practice to give instructions to the company or, as the case may be, to the financial institution to implement the transfer of the shares from the initial shareholder to the benefit of the new shareholder. The shares may be freely transferred to a third party if no provision requiring approval (generally, approval of the Board of Directors or of the Supervisory Board, as the case may be) is provided in the By-laws. Such restricting provisions are not allowed in the By-laws of listed companies.

Form of Capital Investment

The shares are issued upon payment in cash or contribution in kind. The amount paid must be deposited with the bank, notary public or the *Caisse des Dépôts et Consignations*. Upon incorporation of the company and in certain circumstances, articles L. 225-11 and R. 225-12 of the French Commercial Code (as amended by Loi Sapin II) provide that such deposited funds may be withdrawn.

Should the shares be issued against cash (exclusively), upon incorporation of the company at least 50% of their nominal value must be paid at the point of issuance, the remaining portion of the nominal value having to be paid within the 5 years following incorporation. After incorporation of the company, at least 25% of the nominal amount of the shares issued against cash (exclusively) must be paid at the point of issuance, the remaining portion of the nominal value having to be paid within the 5 years following the share capital increase. By exception, in case the shares are issued with a premium, such premium must be paid in whole at the point of issuance.

When shares are issued in consideration of contribution in cash, the existing shareholders have a preferential right to subscribe for the shares to be issued. The shareholders can waive such preferential right during a shareholders meeting or individually.

In case the shares are issued in consideration of contribution in kind (tangible or intangible assets), a report on the amount of such contribution by an independent appraiser (*commissaire aux apports*) appointed by the Commercial Court will be required, except in certain circumstances. Such report, if any, shall be filed with the Registrar of the authorized Commercial Court.

Increase or Decrease of Capital

The capital of an SA may be increased either by an issuance of new shares or an increase in par value of outstanding shares or the exercice of rights attached to securities giving access to the company's share capital. The authorization to increase the capital is within the sole competence of the shareholders assembled at an Extraordinary General Meeting which can delegate this power or its competence to the Board of Directors or the Management Board, as the case may be. Issuance of shares can be generally made in consideration of (a) contributions made in cash, (b) contributions made in kind or (c) by capitalization of reserves, benefits, or issuance premiums.

An SA may reduce its capital by the reduction of the par value of its shares or by the reduction in number of its outstanding shares upon approval of the Extraordinary General Meeting of shareholders, who can delegate this power or its competence to the Board of Directors or the Management Board, as the case may be. Strict equality among the rights of the shareholders must be respected. Similarly, the corporation may not, by reducing its capital, place its creditors in a less advantageous situation.

Increase or decrease in capital requires certain filings with the Registrar of the Commercial Court.

Issuance of Bonds or Hybrid Securities

The Board of Directors may decide to issue, by its own[(1)], ordinary bonds (other than those giving access to the share capital of the company), except if this right is reserved to the General Meeting of the Shareholders in the By-laws or if the General Meeting has specifically used this right.

The Board of Directors, upon delegation of the shareholders at the Extraordinary General Meeting of the shareholders, may issue securities that grant, within a certain period or on a particular date, the holder of such securities the right to subscribe to shares representing a portion of the share capital of the company by way of conversion, exchange, redemption, presentation of warrants or any other method.

[(1)] The ordinance n°2017-970 dated 10 March 2017 has expanded the circle of persons who can be granted a delegation of power by the board of directors to issue bonds.

Management

The management of an SA is entrusted (a) either to a Board of Directors and its Chairman ("Président") and Chief Executive Officer ("Directeur Général") or (b) to a Management Board (*directoire*) acting under the supervision of a Supervisory Board (*conseil de surveillance*).

The management of Renault is entrusted to a Board of Directors and its Chairman and Chief Executive Officer – see Section I-1- (2) "Management" below.

At an Extraordinary Shareholders Meeting, the shareholders may decide, upon proposal of the management, to change the form of management.

(a) Board of Directors and the Chairman and Chief Executive Officer

Power of representation of the company is entrusted (i) either to its Chairman and Chief Executive Officer being the same person or (ii) to its Chief Executive Officer (and having therefore a separate "non executive" Chairman). The law makes a distinction between the function of Chairman and Chief Executive Officer, even though both functions can be vested in a single person:

(i) either a management entrusted to its Chairman and Chief Executive Officer (CEO).

The management is vested in a single person who acts both as Chairman and Chief Executive Officer ("Président-Directeur Général"). Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, the Chairman and Chief Executive Officer has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties.

(ii) or a management entrusted to its Chief Executive Officer (CEO).

Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, he has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties. The Board of Directors may elect or dismiss such CEO.

In such case, the Chairman directs the work of the Board of Directors and executes its decisions whereas the CEO represents the company.

In both cases, on the CEO's motion, the Board of Directors may elect or dismiss one or more general managers ("*Directeurs Généraux Délégués*") limited to 5. The general manager(s) has the power to represent the company in accordance with article L. 225-56 of the French Commercial Code.

The Board of Directors consists of 3 or more and 18 or less Directors ("*membres du Conseil d'Administration*"). <u>In the event of the death, resignation or dismissal of the Chairman of the Board of Directors and if the Board has not been able to replace him/her by one of its members, he may appoint, subject to the provisions of article L. 225-24, an additional director to perform the Chairman's functions.</u> The Directors representing the employees and the Directors representing the employee shareholders, if any, are not taken into account when calculating the maximum number of Directors. In the event of a merger or consolidation of companies, the number of Directors may be increased up to 24 for 3 years. A Director may be a French national or a foreigner, an individual or a legal entity, in which case it must designate an individual as its permanent representative. The number of Boards of Directors that an individual can be a member of is, in principle, limited to five. Unless another age limit is set in the By-laws, the number of members of the Board of Directors exceeding the age of 70 cannot exceed one-third of the Board.

The By-laws may require that a director own a certain number of shares. Directors are appointed at the General Meeting of the shareholders with a maximum term of office of 6 years. A Director may be dismissed from its office by the shareholders without prior notice, reason or compensation, nevertheless, the dismissal procedure must not be abusive.

French law makes a clear distinction between the management power of the company conferred upon either the Chairman and CEO or CEO and the power of control of the company which is conferred upon the Board of Directors.

Powers are only restricted by the purposes of the company and powers granted to the General Meeting of the shareholders under law. Restrictions imposed on the powers of the CEO are binding internally within the company, but cannot be asserted against third parties. Resolutions at the Board of Directors are made by a majority vote of the Directors in attendance or represented by proxy. In the event of a tie vote, unless otherwise provided in the By-laws, the Chairman has the deciding vote. The quorum is half of the total number of Directors.

(b) Management Board and Supervisory Board

Under the French Commercial Code, an SA may be managed by a Management Board (*directoire*) which is under the supervision of the Supervisory Board (*conseil de surveillance*).

The Supervisory Board consists of 3 or more and 18 or less Supervisors (in the case of merger or consolidation of a company, 24 or less for 3 years). A Supervisor, unless otherwise provided in the By-laws, may be a French national, a foreigner (except otherwise provided in By-laws in respect of non EU residents), an individual or legal entity. The Supervisor is appointed by the shareholders for maximum a term of office of 6 years, and may be dismissed from its office without cause therefore at the Ordinary General Meeting of the shareholders. Nevertheless, the dismissal procedure must not be abusive. If a corporate body is a member of the Supervisory Board, such corporate body must designate an individual as its permanent representative. The number of Supervisory Boards that an individual can be a member of is limited to five, except otherwise provided in the By-laws. The number of members of the Supervisory Board exceeding the age of 70 cannot exceed one-third of the Board, or any other age limit set forth in the By-laws. Most of the provisions relating to the Supervisory Board are the same as those applicable to the Board of Directors; however, the Board of Directors has a management function whereas the Supervisory Board only supervises the Management Board, and has no power of management.

The Management Board consists of 1 or more and 5 or less members (in the case of a listed company, 7 or less members). Its members (Executive Officers) are required to be individuals and are appointed by the Supervisory Board. The Executive Officer does not need to be a shareholder. By exception, where an SA has a share capital of less than EUR 150,000, the Management Board may only be composed of one Executive Officer called the Sole Executive Officer ("*directeur général unique*"). The term of office of the member of the Management Board is 4 years if there are no relevant provisions in the By-laws and between 2 years and 6 years if there is such provision. The Management Board has extensive powers which are restricted by the purposes of the company and the powers granted to the Supervisory Board and to the General Meeting of Shareholders. Restrictions imposed on the powers of the Management Board are binding internally within the company, but cannot be asserted against third parties. Rules regarding management decisions to be made by the Management Board are set forth in the By-laws. The Management Board is a managing body adopting a council system. Any action made individually is considered made collegially by the Management Board. The members of the Management Board can, with the approval of the Supervisory Board and provided there is no contrary provision in the By-laws, distribute among themselves the tasks to be undertaken. Generally, one member of the Management Board is appointed as the representative of the company by the Supervisory Board. The person thus appointed shall be given the title of Chairman of the Management Board ("*Président du Directoire*"). The Chairman of the Management Board can be assisted by one or several Executive Officers called

"*Directeurs Généraux*".

The Management Board submits a report to the Supervisory Board on a quarterly basis (at least). Within three months after the end of the financial year, the Management Board must establish and rule on the annual corporate accounts and consolidated accounts, if any, and submit them to the control of the Supervisory Board, together with its management report, which will be presented at the annual shareholders meeting approving the accounts. The member of the Management Board cannot at the same time be a member of the Supervisory Board of the same corporation. In order to dismiss a member of the Management Board, it must be approved by the Ordinary General Meeting of the shareholders or the Supervisory Board if provided in the By-laws. If a member of the Management Board is dismissed for no reason, it may claim compensation for damages.

Shareholders' Rights

(a) General Meetings of Shareholders

A General Meeting of the Shareholders ("*assemblée générale des actionnaires"*) must be held at least once a year, to ratify regulated agreements entered into in accordance with article L. 225-38 of the French Commercial Code, to receive the written report of the Board of Directors (or Management Board) and the Statutory Auditor on the operations of the corporation for the past fiscal year and to rule on the financial statements therefore. Other meetings of the shareholders may be convened from time to time: a meeting of the shareholders is called an Extraordinary General Meeting of the Shareholders ("*assemblée générale extraordinaire des actionnaires"*) when, due to certain fundamental changes in the structure of the SA, amendment(s) of the By-laws must be approved by the shareholders or modifications of the authorized capital must be authorized. Any other meeting is called an Ordinary General Meeting of the Shareholders ("*assemblée générale ordinaire des actionnaires"*).

Decisions at Ordinary General Meetings of the Shareholders are adopted by a simple majority of the voting shares present, or represented thereat; at Extraordinary General Meetings of the Shareholders, decisions are adopted by a two-thirds majority of the voting shares present, or represented thereat.

In the event the By-laws provide for various classes of shares, the rights granted to the various classes of shares cannot be changed without approval of the Extraordinary General Meeting of the shareholders duly notified to all shareholders. Such resolution must be approved beforehand by a special meeting of shareholders of the relevant class of shares.

(b) Voting Right

As a general rule, each share is entitled to one vote. Certain shares do not have the right to vote, while others may be granted double voting rights. Shareholder's agreements, voting trusts, voting pools, irrevocable proxies or any other mechanism tending to restrict a shareholder's ability to freely vote his shares are generally prohibited but subject to certain exceptions. Nonetheless, shareholders may grant a proxy, valid, in principle, for only one shareholders' meeting, empowering either another shareholder, his spouse; or his partner in a civil partnership ("*son partenaire pacsé*"), or in the case of a listed company any natural or legal person, to vote in his name and account. Shareholders may hold more than one proxy. Finally, where a shareholder grants a proxy without specifying who is to vote his shares and how they are to be voted, the chairman of the meeting of the shareholders is entitled to vote on behalf of the concerned shareholders provided that he votes in favor of the resolutions proposed or supported by the Board of Directors or the Management Board and against all other resolutions.

For companies whose shares are admitted on a regulated market, if the shares owned by a shareholder or jointly by shareholders become over or under the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% of the share capital or number of voting rights (in the event there is a difference between the number of shares and the number of voting rights), such shareholders must give a notice thereof to the company and the *Autorité des Marchés Financiers*.

Article L. 225-123 paragraph 3 of the French Commercial Code provides that, regarding the companies whose shares are admitted on a regulated market, a double voting right is attributed to all fully paid-up shares and for which proof of registration for two years in the name of the same shareholder is provided unless this is expressly disapplied in the By-laws. This registration must be unbroken and is to be considered as from April 2, 2014 for these companies which had not attributed any double voting rights before April 2, 2014. As a consequence, in these companies, eligible holders of registered shares benefit from double voting rights as from April 3, 2016.

(c) Dividends

Dividends must be approved by the shareholders. Dividends may only be declared out of distributable profits of the parent company (*bénéfice distribuable*) which are equal to the net after tax profit *minus* any loss carry-forwards (*reports à nouveau déficitaires*) or allocations to reserves (including as the case may be statutory reserves under French law) *plus* any profit carry-forwards (*reports à nouveau bénéficiaires*) and special reserves created by the By-laws or shareholder resolutions from which dividends may be declared.

Dividends may be declared, among other conditions, only after the shareholders have approved the financial statements of the corporation for the past fiscal year and have determined the amount of distributable profits. The only exception to this mandatory chronological sequence of events is the declaration by the corporation of interim dividends (*acomptes sur dividendes*) which may be declared from time to time under certain circumstances during the fiscal year by the Board of Directors or Management Board. All persons who are shareholders as of the date of the declaration of the dividend normally have the right to receive dividends.

(d) Liquidation

An SA may be dissolved for any of a number of reasons, including the will of the shareholders, the end of its stated period of duration, the accomplishment of its corporate purpose, and the satisfaction of a condition precedent contained in the By-laws requiring dissolution.
Except where the company is wholly-owned by a sole shareholder, as soon as the decision to dissolve the SA has been taken, the corporation is in liquidation.

The liquidation is carried out by one or more liquidators appointed either by shareholders or the Commercial Court as applicable. The liquidator must carry out the formalities of publication, marshal the assets of the corporation and pay all of its outstanding debts.

Once all corporate debts and all shareholders benefiting from social distribution rights have been paid, the liquidator has the authority to distribute corporate assets to the shareholders.

Upon the termination of the liquidation, the liquidator must call a meeting of the shareholders to approve the liquidation and to declare the corporation definitively liquidated. After such meeting, the corporation ceases to exist as a legal entity.

(2) CORPORATE SYSTEM AND ORGANIZATION PROVIDED FOR IN BY-LAWS, ETC. OF RENAULT:

General Matters

Organized as a société anonyme (limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was incorporated on June 28, 1955 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 6420 Z; Siret code: 441.639.465.00018). Legal documents such as the By-laws, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the By-laws). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

The shareholders, whose shares are fully paid up, have, in proportion to their shares, a preferential right to subscribe new shares created for a capital increase. Such preferential right shall be exercised in accordance with the terms, conditions and lead time prescribed by applicable law.

The shareholders may individually waive their preferential right.

A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions.

Besides the right to vote, each share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus.

Each time the holding of several shares is required to exercise a right, the shares which are below the amount required shall not grant their owners any right against the company, and the shareholders shall be in charge, in such case, of gathering the necessary amount of shares.

Ownership of a share automatically entails acceptance of the By-laws of Renault and the Shareholders Meeting's resolutions.

The shares are non dividable vis-à-vis the company.

The joint owners of one or several shares shall be represented at the Shareholders' Meetings by one of them or by a single proxy of their choice.

In case of division of ownership of a registered share the entry in the company's book shall mention the name of the usufructuary (*usufruitier*) and of the bare owner(s) (*nu-propriétaire*).

The voting right attached to a share shall belong to the usufructuary at all Shareholders' Meetings.

Every shareholder may vote by correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via visioconference or any other telecommunication means, under those conditions laid down in applicable regulations at the time such means are used.

At every Shareholders' Meeting each shareholder in attendance has as many votes as he holds or represents shares, subject to the provisions under the By-laws and subject to no limitation other than any resulting from legal provisions.

(b) Right to Appoint Directors

Up to fourteen directors are appointed by the Annual General Meeting of Shareholders (art. 11 of the By-laws) (i), a French State representative is designated pursuant to Article 4 of Order No. 2014-948 of August 20, 2014 (ii), three directors are elected by the employees of the Company and of its direct or indirect subsidiaries, having registered office of French territory and two Directors are appointed by the French State (iii) and one director representing employee shareholders is appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy (iv).

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried forward. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of a dividend in shares must be submitted within the time period established by the Annual General Meeting without exceeding three months from the date of the Meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

Dividends are paid at the places and times set by the Shareholders' Meeting, or failing which, by the Board of Directors.

Dividends not claimed within five years of the date of payability lapse in the conditions prescribed by law.

Holding of Stock and Transfer Thereof

Shares are freely transferable in accordance with legislative and regulatory provisions. Such transfers are made in shareholders' account and shareholders' registry.

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the By-laws. However, shares that are issued against cash and that are not fully paid-up must be in registered form. Renault is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings. In addition to the statutory requirement to inform the company of shareholdings exceeding a certain fraction of the share capital, any shareholder or management company for an undertaking for collective investment in transferable securities in a fund management organization holding a number of shares or voting rights greater than 2% of the share capital or a multiple of this percentage which is less than or equal to 5% of the share capital or the voting rights, is obliged to disclose to the company the total number of shares he possesses, by registered letter with acknowledgement of receipt, within a time period provided for in a decree of the Conseil d'Etat. Beyond 5%, the foregoing mandatory disclosure shall apply to any 1% fraction of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or shares assimilated to equity held as defined by the provisions of Article L.233-7 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The declaration requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 1% or 2 % as applicable.

If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are deprived of voting rights for all shareholders' meetings for a period of two years after the required declarations are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

Management

As a preliminary it is specified that since shareholders meeting dated April 26, 2002, Renault has implemented the provision of the law dated May 15, 2001 titled N.R.E. as referred and further detailed in the above sub-section (1) "Corporate System in the Country or State to which Renault Belongs".

Members of the Board of Directors

According to the current By-laws, Renault is administered by a Board of Directors comprising:

A/Directors appointed by the Shareholders' General Meeting

These Directors shall not be less than 3 and at most 14 Directors and may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a Director in its own name, without prejudice to the joint liability of the legal person he represents.

Subject to the requirements to be fulfilled on renewal of Directors, the term of office of Directors shall be of four (4) years. However, where a Director is appointed in the place of another Director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor. The Directors chosen by the Shareholders' Meeting may be re-eligible subject to statutory provisions more particularly concerning age limits**.**

Any Director's function shall cease at the end of the Ordinary General Meeting called to approve the accounts of the previous fiscal year, and held during the year during which the said Director's term of office expires.

In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of Directors remains at least equal to the minimum required by the By-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new Directors to replace those who have died or resigned.

B/ As the case may be, a French State representative designated pursuant to Article 4 of Order No. 2014-948 of August 20, 2014

C/ Directors elected by the employees

There are three Directors elected by the employees, one of them is representing the engineers, executives and similar.

They shall be elected by the employees of Renault and its direct or indirect subsidiaries, having their registered office on French territory.

Since the Shareholders general meeting of April 29, 2008, their term of office shall be four years (6 years previously). However this shall cease ipso jure when these representatives no longer fulfill the eligibility requirements provided for in article L.225-28 sub.§ 1 of the French Commercial Code, or again in the event of the termination of their employment agreement in accordance with article L.225-32 sub.§ 1 of the French Commercial Code.

The status and the methods of election of these Directors are laid down by the provisions of articles L.225-27 to L.225-34 and R. 225-34-2 to R. 225-34-6 of the French Commercial Code on commercial companies and by the By-laws.

The three Directors representing employees shall be elected by separate electorates:

- Engineers, executives and similar (one seat) comprising electors usually voting in the third electorate (for companies having 3 electorates) for the election to the Workers Council (*Comité d'entreprise*). In companies or establishments not having three electorates or not having a Workers Council, the classification of Executive, as defined by the Collective Agreements applicable to the companies and establishments under consideration, shall be used.

  This seat shall be filled by a two-round majority vote. Each candidacy shall comprise the name of the candidate and his substitute.

- Other employees, comprising all the other employees (two seats). Seats shall be filled by a ballot for lists by proportional representation, the list with the greatest number of votes is winning, but with no possibility of including a name on one list in another. Each list shall contain twice as many candidates as the number of seats to be filled.

  In the event of a tie, candidates who have worked in Renault longest shall be elected.

Candidates or lists of candidates may be presented either by one or several representative organizations, in the meaning of article L.2314-8 and L.2122-1 of the French Labor code, or by 100 electors.

To be eligible, candidates must be party to an employment agreement with Renault or one of its direct or indirect subsidiaries, having their registered offices on French territory, for a minimum of two years prior to the date of effect of the term of office for which they have been elected, and corresponding to an effective work.

The number, place and composition of polling stations shall be fixed by Renault's establishments and subsidiaries concerned thereby, in conformity with accepted common practice in force for the elections of employee representatives.

Voting arrangements which are not specified by French Commercial Code or by the By-laws, and the conditions governing the term of office for Directors elected by the employees, shall be laid down by senior management after consultation of the unions which are representative at Renault's level.

D/One Director representing the employee shareholders:

When the appointment of a Director representing shareholders becomes mandatory under article 225-23 of the French Commercial Code, the Board of Directors has to convene an extraordinary general meeting in order to modify the By-laws of the Company accordingly. Thus appointment procedures for the Director representing employee shareholders are mainly provided by the By-laws.

His term of office shall be 4 years (6 years previously).

However, his term of office shall cease ipso jure and the Director representing employee shareholders shall automatically be deemed to have resigned:

- in the event of loss of his employment with Renault or with one of its direct or indirect subsidiaries,

- in the event of loss of his quality as shareholder of Renault, subject to a ratification within three months,

- or in the event that the subsidiary of which he is an employee is no longer controlled by Renault.

In the event of death or resignation, the seat vacated by the Director representing the employee shareholders shall be filled with all dispatch, in the same conditions as those governing the appointment of the Director vacating the seat. The term of office of the Director thus appointed to replace another shall end at the date the term of office of the replaced Director would have ended.

Designation of candidate:

The calendar for the designation of candidates shall be fixed by the Chairman of the Board of Directors. It shall be posted in the companies concerned at least one month prior to the General Meeting called to appoint the Director representing the employee shareholders.

The Chairman of the Board of Directors shall consult the employee shareholders holding securities with a view to designating their candidates before holding the General Meeting called to appoint the Director representing the employee shareholders. Minutes shall be drawn up indicating the number of voting rights polled by each candidate.

The two candidates having polled the greatest number of votes among those with a number of votes at least equal to 5% of the employee shareholders shall be candidates for election by the Ordinary General Meeting.

In the event that no candidate attains the threshold of 5%, the two candidates with the largest number of votes shall be presented for election by the Ordinary General Meeting of Renault shareholders.

Each candidate shall present himself with a substitute who will take the place of the principal candidate in the event that he definitively leaves office as Director during the term of office to which he is elected. In that case, the substitute shall replace the principal for the remaining duration of the latter's term of office.

In addition to the voting conditions described above, regulations drawn up on the designation of the Director representing the employee shareholders shall describe the practical terms for this vote.

Appointment procedures:

The Director representing employee shareholders shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

Organization of the Board of Directors

The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.

The term of office of the Chairman shall not exceed the term of his office as a Director. The Chairman must be aged less than 72 provided that if this age limit is reached during his term of office the Chairman shall continue in office until the end of the term of his mandate without being eligible for re-election.

Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a Director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.

The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom needs be a Director.

On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks.

Meetings of the Board of Directors

The Board of Directors shall meet as often as Renault's interest so requires. It meets on call by its Chairman, or one third of the Directors if a Board meeting has not been held in over two months, either at the registered office, or at any other place specified in the notice of meeting.

Notices of meeting may be made by all means, even verbally. The Board of Directors may validly take resolutions, even without notice of meeting, if all members are present or represented.

Resolutions are adopted under quorum and voting rules provided by law; in the event of a tie, the chairman of the meeting has a casting vote, unless the vote is on the appointment or revocation of the Chairman of the Board of Directors.

Any Director may, for any meeting, give his proxy in any way to another Director to vote in his stead; no Director may represent more than one other Director. In the event of one or several vacancies for any reason whatsoever in the seats of Directors elected by the employees, whom could not be replaced as laid down by the provisions of article L.225-34 of the French Commercial Code, the Board of Directors shall be deemed validly composed with the remaining Directors and may validly meet and take resolutions before the election of the new Directors representing employees.

Persons invited by the Chairman to attend Board of Directors' meetings shall be bound by the same duty of confidentiality as the Directors.

The internal regulations appended to these By-laws shall, pursuant to laws and regulations, determine the conditions for the organisation of meetings of the Board of Directors which may take place through videoconferencing or means of telecommunication which guarantee the effective participation of the Directors.

Board resolutions are evidenced by minutes signed by the chairman of the meeting and at least one Director. If the chairman of the meeting cannot sign, the minutes are signed by at least two Directors who took part in the resolutions. The minutes are entered on loose-leaf sheets numbered and initialed continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board of Directors, a general manager, the acting chairman or the Secretary of the Board of Directors expressly authorized to do so.

The number of incumbent Directors and their presence at a Board meeting, in person or by proxy are sufficiently evidenced by a copy of or an excerpt from the minutes.

Functions of Chairman

The functions of Chairman shall be exercised according to legal and regulatory provisions.

On April 26, 2002, the Board of Directors of Renault decided that the management will be vested in a single person who will act both as chairman and chief executive officer. Further details are provided in Part I-1-(1) under the heading « management ».

Since a decision of the Board of Directors dated April 29, 2005, the functions of Chairman and CEO were split. The Board of Directors decided in May 6, 2009 that the management will be vested in a single person again, who will act both as Chairman of the Board and Chief Executive Officer.

The Chairman organizes and directs the work of the Board of Directors, accounts for the same to the Shareholders' Meetings and executes its decisions. He ensures the proper working of the corporate decision-making bodies and ensures that the Directors are able to fulfill their tasks.

In case the Chairman cannot exercise his functions for any reason whatsoever, the Board may assign them in all or in part to a Director, provided such assignment which may be renewed, is made for a limited time if the impediment is temporary, or until the appointment of the new Chairman in the event of his death.

Remuneration of Directors – Expenses

The Shareholders' Meeting may grant to the Directors, as attendance fees, a remuneration which amount, fixed by the Shareholders' Meeting shall be maintained until a new decision.

The Board of Directors allocates such amount among the Directors in a manner that it deems fit and in compliance with the law.

Directors may, upon presentation of relevant documents, obtain the reimbursement by Renault of expenses incurred in the exercise of their functions.

Liability

Directors shall be liable, individually or jointly as the case may be, vis-à-vis Renault or third parties, for any infringement of the statutory provisions applicable to limited liability companies, and for any infringement of the By-laws.

General Meeting of Shareholders

The General Meeting is comprised of all shareholders whose shares were registered in the name, at the latest two business days before the date of the meeting under the following conditions.

For the bearer shares, proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L.228-1 of the Commercial Code, on the second business day preceding the General Meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary. The registration or the accounting records of shares held in accounts kept by the authorized intermediary shall be recorded in a shareholding certificate issued by said intermediary.

Any shareholder may give his proxy to any other designated person (physical or legal), shareholder or not, to represent him at Shareholders' Meeting.
Shareholders' Meetings are convened in accordance with the legal and regulatory provisions.

The agenda of every Shareholders' Meeting is set by the author of the notice.

However, one or more shareholders may, in the conditions prescribed by law, request the entry in the agenda of items or draft resolutions.

Shareholders' meeting may not vote on a matter which is not entered on the agenda except for the dismissal (*révocation*) of Directors and Supervisors and their replacement.

Every Shareholders' Meetings is held at Renault's registered office or any other place specified in the notice.

Resolutions are adopted by Shareholders' Meetings under the legal quorum and voting rules.

The calculation of the quorum and voting majority shall include the shareholders who attend the Meetings through videoconferencing or via means of telecommunications allowing them to be identified, the nature and conditions of which shall be fixed by a Decree enacted in the *Conseil d'État* (French supreme body responsible for administrative law).

Every Shareholders' Meeting is chaired by the Chairman of the Board or, in his absence or in case of unavailability, by the Director delegated by the Board of Directors for this purpose.

The two shareholders of the Shareholders' Meeting having the largest number of votes and willing to do so serve as tellers *(scrutateurs)*.

The Chairman of the Shareholders' Meeting and the *scrutateurs* appoint the Secretary of the meeting, who do not need to be a shareholder.

An attendance list is kept at every Shareholders' Meeting in accordance with the law.

The proxies of the shareholders present by proxy and the ballot (*bulletin de vote*) received by mail are attached to the attendance sheet.

The attendance list, duly initiated by the shareholders and proxy agents, is certified by the Chairman of the Shareholders' Meeting and the *scrutateurs* of the Shareholders' Meeting.

Every shareholder may vote by correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via the Internet, under those conditions laid down in applicable regulations at the time such means are used. Those shareholders, who use the electronic voting form proposed on the site for this purpose, within the given deadlines, shall be assimilated to shareholders who are present or represented.

The proxy power or the vote which is thereby expressed prior to the General Meeting via such electronic means, as well as the confirmation of receipt which is given, are deemed to be non-revocable writs which may be relied upon against all parties, it being specified that in the event of sales of shares prior to 0:00 hours (Paris time) on the second business day preceding the General Meeting, Renault will consequently invalidate or amend, as applicable, the proxy powers or votes expressed prior to that time and that date.

At every Shareholders' Meeting each shareholder in attendance has as many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the By-laws.

Shareholders' decisions are evidenced by minutes entered on loose-leaf sheets numbered and initialled continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Shareholders' Meeting and the *scrutateurs* .

An Ordinary Shareholders' Meeting is the one called to make all decisions which are not to be taken by the Extraordinary Shareholders' Meeting.

The Board's report on the company's businesses is reported at the Ordinary Shareholders' Meeting. The auditors' report is also reported to the Ordinary Shareholders' Meeting.

The Ordinary Shareholders' Meeting approves or disapproves the balance sheets and accounts.

The Ordinary Shareholders' Meeting allocates the profits and declares dividends in accordance with article 34 of the By-laws.

The Ordinary Shareholders' Meeting appoints the auditors.

The Ordinary Shareholders' Meeting fixes the attendance fees granted to the Board of Directors.

The Ordinary Shareholders' Meeting decides on the special auditor's report on conventions authorized by the Board of Directors in accordance with the law.

The Ordinary Shareholders' Meeting may authorize all issues of bonds or other similar securities.

The Extraordinary Shareholders' Meeting may amend the By-laws in all respect authorized by law.

Independent Auditors (Commissaires aux Comptes)

The Shareholders' Meeting shall elect at least two Independent Auditors having the audit duties prescribed by law.

The Independent Auditors were appointed by the ordinary session of the joint general meeting of June 7, 1996, reappointed by the general meeting of April 26, 2002, and reappointed by the general meeting of April 29, 2008, for a six year (renewable) term. The term of the Independent Auditors ended after the shareholders' meeting called to approve the financial statements for 2013.

At the shareholders' general meeting held on April 30, 2014, one of the Independent Auditor was reappointed and the other one was substituted by a new Independent Auditor for a six year (renewable) term. The term of the Independent Auditors shall end after the shareholders' meeting called to approve the financial statements for 2019.

Said Independent Auditors must have the qualifications prescribed by law. They are elected for six fiscal years and are re-eligible.

One or more alternate Independent Auditors are elected to replace the regular auditors in the event of death, disability, refusal to act or resignation.

Accounting

The fiscal year is the calendar year. It starts on January 1 and ends on December 31 of each calendar year.

2. FOREIGN EXCHANGE CONTROL SYSTEM:
FOREIGN INVESTMENTS IN FRANCE

According to French law (Monetary and Financial Code (the "CMF") (*décret* of December 30, 2005 n°2005-1739, *décret* of May 7, 2012 n°2012-691, *décret* of 14 May 2014 n°2014-479 and *arrêté* of 7 March 2003 (the "***Arrêté***"), as amended from time to time, as the case may be) foreign investments in France may be subject to a statistical declaration (A), and/ or prior authorization from the French Ministry of Economy (B).

Definitions

Residents: individuals having their main interest in France, French civil servants and other public service employees in office abroad as from their first day of employment, as well as French or foreign entities for their establissements in France.

Non-residents: individuals having their main interest abroad, foreign civil servants and other public service employees in office in France as from their first day of employment as well as French or foreign entities for their establissements abroad.

EEA investor: investors from EEA States which have entered into a convention on administrative assistance for the purposes of combatting tax avoidance and tax evasion with France.

A-Transactions subject to a statistical declaration to the Banque de France

The credit institutions, investments companies and other finance related companies have to make monthly statistic declarations related to settlements between residents and non-residents which are made in France and which exceed Euro 12,500 based on elements disclosed to them by such residents (Article R.152-1 of the CMF).

Companies or groups of companies for which the amount of transactions with foreign countries, exceed, for some services Euro 30,000,000 in a fiscal year have to declare on a monthly basis all transactions made with foreign countries or in France with non-residents (Article R.152-1 of the CMF and Article 1 of the Arrêté).

Residents directly making transactions abroad, from, *inter alia*, accounts opened abroad, or by way of debt set off/compensation, have to declare on a monthly basis to the *Banque de France* if such transactions exceed Euro 1,000,000 (Article R.152-1 of the CMF and Article 2 of the Arrêté).

Certain other transactions have to be declared to the *Banque de France* if their amount exceeds Euro 15,000,000 within 20 days following their completion (Article R.152-3 of the CMF):

- Direct foreign investments in France or French investments abroad involving transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non-resident company. Transactions between related companies are also involved here (i.e. loans, deposits...) as well as real estate investments;

- Acquisition or sale of non-resident companies by residents;

- Acquisition or sale of real estate abroad by residents, and in France by non-residents.

B-Investments subject to prior authorization

Notwithstanding the foregoing, some specific foreign investments are subject to the prior authorization of the Ministry of Economy, *Direction du Trésor* (Articles R.153-2 and R.153-4 of the CMF and Article 7 of the *Arrêté*):

Definition of 'foreign investment' submitted to prior authorization depends on whether the investor is a non-EU/EEA or a EU/EEA investor (Article R.153-2 and R.153-4 of the CMF). With regard to both non-EU/EEA and EU/EEA investors, the CMF defines a 'foreign investment' as:

(1) the acquisition of control, within the meaning of Article L.233-3 of the Commercial Code, of a company having its registered office in France;

(2) the acquisition of all or part of a branch activity of a company having its registered office in France,

(Articles R.153-1 and R153-3 of the CMF)

However, if the investor is a non-EU/EEA investor, the CMF also defines 'foreign investment' as:

(3) the crossing of 33.33% of holding of the share capital or voting rights in a company having its registered office in France (Article R 153-1 of the CMF).

If the foreign investment falls within one of the three categories above, it will be subject to prior approval by the Minister of Economy if it is also made in one of the strategic business sectors listed below (which will vary depending on whether it is a non EU/ EEA investor, a EU/EEA investor) (the "**Strategic Sectors**"):

- Foreign investments related to public order or public safety as well as those related to regulated private security activities;

- Foreign investments related to national defense, weapons and explosives;

- Foreign investments related to cryptology, interception of communication and information system security;

- Foreign investments related to production of antidotes, dual-purpose goods and technologies;

The French Government issued a decree (n°2014-479) on May 14, 2014 (the "Decree") that extends the Strategic Sectors for which foreign investors must obtain prior authorisation from the French Minister of Economy before making an investment in a French company. Six new sectors have now been added by the Decree, i.e.:

- the integrity, the safety and the continuity of the supply of water;

- the integrity, the safety and the continuity of electricity, gas, hydrocarbons and any other source of energy;

- the integrity, the safety and the continuity of operation of transport networks and services;

- the integrity, the safety and the continuity of electronic communications networks and services;

- the integrity, the safety and the continuity of operation of facility, installation or structure which are of vital importance within the meaning of Articles L. 1332-1 and L. 1332-2 of the French Defence Code;

- the protection of public health.

The Ministry of Economy, when considering requests for authorization from foreign investors, is required to make a decision within two months from the date the application is received (Article R.153-8 of the CMF). If no response is received from the Ministry within this period, the direct investment is deemed to be authorized.

The Ministry of Economy may give its approval subject to commitments being undertaken by the foreign investor (Article R.153-9 of the CMF). In this respect, the Minister may order the divestment of any activity falling within the scope of the Strategic Sectors (i.e. even if the activity represents a very significant part of the targeted business or company).

Any undertaking, agreement or covenant which, directly or indirectly results in the completion of an investment in a protected sector without prior authorisation having been obtained is null and void (Article L.151-4 of the CMF).

Failure to request such authorization can also give rise to an injunction from the Ministry and, potential criminal sanctions.

According to Article R. 153-13 of the CMF (created by Decree n°2017-932 dated May 10, 2017), completion of an investment duly authorized by the Ministry of Economy shall be notified in the conditions set forth by the Arrêté.

In any cases, if a foreign investor wishes to practice in France within an economically regulated sector, he is also subject to the particular regulations required by a practice in such regulated sector.

3. TAXATION:

(1) TAXATION IN FRANCE

The following is a general summary of the material French tax consequences of acquiring, owning and disposing of bonds for a person (i) who is a resident of Japan for the purposes of Japanese tax and the "Convention Between France and Japan for the Avoidance of Double Taxation with Respect to Taxes on Income" dated March 3, 1995 (the "Treaty") and the rider dated January 11, 2007, (ii) who is entitled to the benefits of the Treaty and (iii) whose payments under the bonds are made on an account opened in its name of or for its benefit in Japan.

This discussion is intended only as a descriptive summary. It does not cover all aspects of French tax laws and of the Treaty which may be relevant to a bondholder of bonds with respect to his particular situation.

1) Taxation on Interest on the Bonds

Payments of interest and other revenues made on bonds issued on or after 1 March 2010 are not subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory ("*Etat ou territoire non cooperatif*") within the meaning of Article 238-0 A of the French *Code Général des Impôts*. If such payments under the bonds are made in a non-cooperative State (i.e. an account opened in a non-cooperative State in the name of or for the benefit of a bondholder), a 75% withholding tax will apply, subject to certain exceptions and the more favourable provisions of an applicable tax treaty. As Japan is not listed as a non-cooperative State, the payments of interest and other revenues made in Japan on bonds issued on or after March 1, 2010, will be made without deduction or withholding in France.

2) Taxation of capital gains

Pursuant to the Treaty, a bondholder will not be subject to French tax on any gain from the sale or disposal of his bonds.

3) French Estate and Gift Taxes

Since France and Japan have not entered into an estate and gift tax treaty, the transfer of bonds by gift or by reason of death of the Bondholder will, under French domestic law, be subject to French gift or inheritance taxes. Bondholders should consult their own tax advisor concerning the application of estate and gift tax to their holding of the Bond.

4) Stamp Duty on Transfer of Bonds

The transfer of bonds issued by a company established in France shall be subject to a fixed tax of EUR 125 but only if such transfer is concluded in an agreement filed voluntarily with the French registry office.

(2) TAXATION IN JAPAN

Resident of Japan and Domestic Corporation

Interest on the Company's bonds (hereinafter referred to as the "Bonds"), any excess of the redemption amount of the Bonds over the purchase price for the Bonds and any income derived from disposing of the Bonds that will be received by a resident of Japan or a domestic corporation in Japan are in principle subject to the taxation under the current Japanese tax laws.

Non-resident and Foreign Corporation

Interest on the Bonds, any excess of the redemption amount of the Bonds over the purchase price for the Bonds and any income derived from disposing of the Bonds that will be received by a non-resident of Japan or a foreign corporation are in principle not subject to the taxation in Japan if such non-resident of Japan or foreign corporation does not have a permanent establishment in Japan. Interest on the Bonds, any excess of the redemption amount of the Bonds over the purchase price for the Bonds and any income derived from disposing of the Bonds that will be received by a non-resident of Japan or a foreign corporation having a permanent establishment within Japan could be subject to the taxation under the current Japanese tax laws where such interest, excess and income are attributable to the business conducted through the permanent establishment within Japan as well as in certain other circumstances. Applicable tax treaty provisions may restrict or eliminate these tax liabilities for non-resident of Japan or foreign corporation.

4. LEGAL OPINIONS

A legal opinion has been provided by Jean-Benoit Devauges, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and validly exists as a corporation in good standing under the laws of the Republic of France;

(ii) to the best of its knowledge, the statements with respect to the matters concerning the laws of the Republic of France in this Securities Report are accurate in all material respects.

II. OUTLINE OF THE COMPANY

1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.:

Please read following charts together with the information provided in VI. Financial Condition of this PART I.

1.1 Consolidated Figures

The figures for the years 2014, 2015, 2016, 2017 and 2018 are presented under IFRS.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

	Under IFRS					
(Consolidated figures(6))	2014	2015(1)	2016(2)	2017(3)	2017 restated (4)	2018(5)
Revenues	41,055	45,327	51,243	58,770	58,770	57,419
Operating margin(7)	1,609	2,375	3,282	3,854	3,854	3,612
Operating income	1,105	2,176	3,283	3,806	3,806	2,987
Group pre-tax income(9)	2,134	3,326	4,598	6,101	6,214	4,174
Net income	1,998	2,960	3,543	5,210	5,308	3,451
Net income - parent company shareholders' share (f)	1,890	2,823	3,419	5,114	5,212	3,302
Comprehensive income	2,210	4,215	3,558	3,682	3,780	3,388
Average number of shares outstanding (8) (in thousand) (b)	273,049	272,708	271,968	271,080	271,080	269,850
Number of shares at December 31 (g)	295,722,284	295,722,284	295,722,284	295,722,284	295,722,284	295,722,284
Share capital	1,127	1,127	1,127	1,127	1,127	1,127
Shareholders' equity(10) (a)	24,898	28,474	30,924	33,442	33,679	36,145
Total assets (e)	81,551	90,605	102,452	109,943	109,899	114,996
Capital adequacy ratio (%) (a)/(e) (rounding to two digits to the right of the decimal point)	30.53	31.43	30.18	30.42	30.65	31.43
Shareholders' equity per share(10) (EUR) (a)/(g) (rounding to two digits to the right of the decimal point)	84.19	96.29	104.57	113.09	113.89	122.23
Net dividend per	1.90(11)	2.40(12)	3.15(13)	3.55(14)	3.55	3.55(15)

share (EUR)(c)						
Earnings per share (EUR) (d)=(f)/(b) (rounding to two digits to the right of the decimal point)	6.92	10.35	12.57	18.87	19.23	12.24
Cash flows from operating activities	3,972	6,035 (16)	4,389	5,702	5,702	6,285
Cash flows from investing activities	(2,785)	(3,049)	(1,907)	(3,632)	(3,632)	(4,662)
Cash flows from financing activities	(470)	(1,052) (17)	(2,845)	(1,707)	(1,707)	(953)
Dividend payout ratio (%) (c)/(d) (rounding to two digits to the right of the decimal point)	27.46	23.19	25.06	18.81	18.46	29.00
Number of employees at December 31(persons) (*Excluding employees under the early retirement scheme.)	117,395	120,136	124,849	181,344	181,344	183,002

(1) Taxes, which satisfy the definition of tax based on a notion of taxable income within the meaning of IAS 12 "Income Taxes" and which were previously presented as operating expenses, have been reclassified under current taxes from 2016 and conversely for taxes not satisfying the definition of tax based on net income. The presentation of the 2015 financial statements was restated accordingly. For more details, see notes 2-A2 and 2-A3 of the 2016 Consolidated Financial Statements.

(2) The figures at December 31, 2016 related to shareholders' Equity and Total Assets include corrections determined in 2017 relating to the final allocation of the purchase price paid by Renault to acquire the control over AVTOVAZ , which was completed in 2017 (refer to note 3-B of the 2017 Consolidated Financial Statements), and are thus different from the previously published 2016 figures.

(3) The income statement of the Alliance Rostec Auto b.v. joint-venture and the AVTOVAZ group, which together make up the AVTOVAZ segment, is fully consolidated from January 1, 2017. The relevant figures are provided in the operating segments notes to the 2017 Consolidated Financial Statements (Information by operating segment - A1 Consolidated income statement by operating segment»).
The cash flows of the Alliance Rostec Auto b.v. joint-venture 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 operating segments notes to the 2017 Consolidated Financial Statements (Information by operating segment – A3 Consolidated cash flows by operating segment»).

(4) The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously

published figures. For more details, please see note 2-A5 of the 2018 consolidated Financial Statements.

(5) The figures for 2018 are established in application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". The changes related to the application of these new standards are presented in note 2-A.

(6) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting standards or methods.

(7) Corresponds to operating income before "other operating income and expenses"

(8) Weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(9) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.

(10) Under IFRS, non-controlling interests are included in shareholders' equity.

(11) Dividend proposal by the Combined General Meeting of April 30, 2015. Such dividend has been paid on May 15, 2015.

(12) Dividend proposal by the Combined General Meeting of April 29, 2016. Such dividend has been paid on May 17, 2016.

(13) Dividend proposal by the Combined General Meeting of June 15, 2017. Such dividend has been paid on June 23, 2017.

(14) Dividend proposal by the Combined General Meeting of June 15, 2018. Such dividend has been paid on June 25, 2018.

(15) Dividend proposal by the Combined General Meeting of June 12, 2019. Such dividend will be paid on June 20, 2019.

(16) Interest and current taxes received and paid are reported from 2015 onwards on separate lines in the statement of consolidated cash flows, clarifying their impact on cash flows from operating activities. For more detail, see notes 2-A2 and 2-A3 of the 2016 Consolidated Financial Statements.

(17) Interest on derivatives on financing operations of the Automotive segments are classified from 2015 onwards as cash flows from operating activities, whereas it was previously classified as cash flows from financing activities. The resulting reclassifications for 2015 are presented in notes 2-A2 and 2-A3 of the 2016 Consolidated Financial Statements.

1.2 Non-consolidated Figures

Non consolidated figures have been prepared in accordance with accounting principles generally accepted in France.

Moves to strengthen the Alliance between Renault and Nissan and delegate strategic management to Renault-Nissan b.v. made it necessary to reorganize Renault. This resulted in the formation of a simplified joint-stock company, Renault s.a.s., wholly owned by Renault S.A.

Renault S.A. transferred its operating assets to Renault s.a.s., in accordance with the contribution agreement of February 22, 2002. This transfer was approved by Renault shareholders at the Extraordinary General Meeting of Renault Shareholders of March 28, 2002 and by Renault s.a.s.'s sole shareholder. It took effect on April 1, 2002, with a retroactive effect as at January 1, 2002 for accounting and tax purposes.

After the transfer, in addition to Renault s.a.s. and its subsidiaries, Renault S.A.'s assets primarily consist of the equity interest in Nissan, while its liabilities mainly comprise redeemable shares, financial liabilities and bank borrowings.

Since April 29, 2005, Renault s.a.s. is managed by the President and CEO (Chairman and CEO since May 6, 2009) of Renault S.A and by a Board of Directors composed of the same members as Renault S.A.'s Board of Directors. This reorganization has no effect on Renault's staff or shareholders, or consolidated financial statements.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

Non-consolidated	2014	2015	2016	2017	2018
Revenues	0	0	0	0	0
Operating income/(expense)	(36)	(44)	(47)	(37)	(48)
Income before tax and exceptional items	589	503	586	841	1,646
Pre-tax income	589	503	1,301	842	1,635
Net income (f)	684	663	1,382	937	1,726
Number of shares at December 31(g)	295,722,284	295,722,284	295,722,284	295,722,284	295,722,284
Share capital	1,127	1,127	1,127	1,127	1,127
Shareholders' equity (a)	15,204	15,947	19,030	20,894	21,822
Total assets (e)	26,326	27,257	29,349	31,580	31,965
Capital adequacy ratio (%) (a)/(e) (rounding to two digits to the right of the decimal point)	57.75	58.51	64.84	66.16	68.27
Shareholders' equity per share(EUR) (a)/(g) (rounding to two digits to the right of the decimal point)	51.41	53.93	64.35	70.65	73.79
Net dividend per share (EUR)(c)	1.90(1)	2.40(2)	3.15(3)	3.55(4)	3.55(5)
Number of employees (persons)	0	0	0	0	0

(1) Dividend proposal by the Combined General Meeting of April 30, 2015. Such dividend has been paid on May 15, 2015.
(2) Dividend proposal by the Combined General Meeting of April 29, 2016. Such dividend has been paid on May 17, 2016.
(3) Dividend proposal by the Combined General Meeting of June 15, 2017. Such dividend has been paid on June 23, 2017.
(4) Dividend proposal by the Combined General Meeting of June 15, 2018. Such dividend has been paid on June 25, 2018.
(5) Dividend proposal by the Combined General Meeting of June 12, 2019. Such dividend will be paid on June 20, 2019.

2. HISTORY:

1898
The Renault Frères company is founded: manufacture of vehicles and working of automotive patents: the first direct-drive transmission.
It achieved international renown with its racing victories and became specialized in manufacturing passenger cars and taxis.

- During the First World War: production of trucks, light tanks and aircraft engines.

1945
The Company was nationalized and became the Régie Nationale des Usines Renault and concentrated on producing the 4CV.

1972
The Renault 5: one of the Group’s best-selling models ever.

THE 1980’S

A diversification strategy at industrial, financial and service levels, with its industrial and commercial establishments expanding internationally. A restructuring and refocus on its basic businesses were the consequence of the difficulties experienced by the Company in 1984.
1987 : the Company became profitable once again.

THE 1990’S

1990 : a public limited company and a close cooperation agreement is signed with the Volvo group.
1991 : cross-shareholding in the cars and heavy trucks businesses. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.
Novembre 1994 : the French government opened Renault to outside capital, a first step towards privatization, which took place in July 1996.
1998 : inauguration of the Technocentre in Guyancourt (Engineering and design), and the Curitiba plant in Brazil.
1999 : a historic Alliance with Nissan was signed on March 27 in Tokyo and took a 51% ownership interest in the Romanian manufacturer Dacia.

2000

80.1% stake in Dacia and Samsung in South Korea taken over.

2002
Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic structure. Renault raised its stake in Nissan from 36.8% to 44.4%. At the same time, Nissan took a 15% ownership interest in Renault.

2003
The year of the MEGANE II, with five different bodies (SCENIC II, GRAND SCENIC, MEGANE Hardtop Convertible, MEGANE Four door sedan and MEGANE ESTATE) were added to the two models launched in 2002, seven models were launched in 17 months and became the bestselling car in Europe.

2008
An additional action plan was set up following the financial and economic crisis, with particular emphasis on controlling stocks and reducing costs and investments. New business locations planned by the Renault-Nissan Alliance in Tangiers (Morocco) and in Chennai (India) were deferred or put on hold. Renault is supported by its subsidiary Avtoframos, which produces LOGAN and sells a range of imported Renault vehicles, and also its strategic partnership with AVTOVAZ.

2009
Management of the crisis included the setting up of the Renault Volontariat plan as well as implementation of a social contract (part‑time working and wages maintained), to reach a positive free cash flow.

2010
・ More than 2,625,000 units (passenger cars+LCVs) sold.
・ The DeZir concept-car is presented in Paris, giving concrete expression to the Group’s new strategy on design, based on the life-cycle. The Alliance and Daimler AG sign a long-term strategic cooperation agreement. Daimler holds 3.1% of Renault and Nissan shares, and Renault and Nissan each hold 1.55% of the Daimler shares.

2011
・ 2.72 million units sold, the commitment to an Operational free cash flow of €500 million was met and the net debt position was at the 1998 level.
・ Supplies were severely disrupted by the earthquake and tsunami in Japan.
・ The sovereign debt crisis in the Euro zone and attempted fraud, which resulted in an overhaul of Renault's governance.
・ The Renault 2016 strategic plan Drive the Change was launched.

2012
・ 2.5 million vehicles (-6.3% compared to 2011).
・ For the first time in its history, the Group sold as many vehicles outside Europe as within Europe. Brazil and Russia are now the Group’s second and third biggest markets.
・ 11th title of World Champion of Formula-1 manufacturers.
・ Launch of the CITAN (Daimler), the small light commercial vehicle, and signature of an agreement to take control of AVTOVAZ in Russia strengthened partnerships.

2013

The Group sold 2,628,208 vehicles in 2013 against 2,548,622 in 2012.

・ In 2013, CLIO IV was the third biggest selling vehicle in Europe, and the top seller in France. CAPTUR, Renault’s urban crossover, was released and was number one in its category in France and Europe.

・ The ZOE, an all-electric car, was launched. Renault led sales of electric vehicles in Europe.

・ DUSTER, voted car of the year in India, is the Group’s best-selling vehicle since it was launched in 2010.

・ A contract for a new dynamic of growth and social development at Renault in France was signed in March.

・ ALPINE returned to the Le Mans 24 Hours race and, for the 12th time, Renault was world champion of the Formule-1 engine manufacturers, the unveiling of the new Renault Energy F1-2014 electrified Power Unit.

2014

・ 2.7 million units for Groupe Renault in 2014, increasing 3.2% from 2013.

・ China – On December 16, 2013, Carlos Ghosn, Chairman and CEO of Renault, and Xu Ping, Chairman of Dongfeng Motor, signed an agreement to set up Dongfeng Renault Automotive Company (DRAC).

・ Malaysia – Development of manufacturing facilities: Renault and Tan Chong Motors signed a local assembly agreement.

・ Car-sharing – Renault and Bolloré signed an agreement to promote the development of electric vehicles.

・ FIA Formula-E Championship – Motor sports are entering a new era with the very first FIA Formula-E race held in the streets of Beijing in China.

・ EOLAB – with consumption of 1 l/100km in mixed NEDC (22g of CO2/km)*, EOLAB is a reflection of Renault’s constant desire to further reduce the environmental footprint of its vehicles.

・ ALPINE – ELMS/ALPINE A450B. The Signatech-ALPINE team won its second consecutive title at the European Le Mans Series, ALPINE is continuing to prepare the Berlinette of the twenty-first century, which will be marketed in 2016.

2015

・ 2.8 million units for Groupe Renault in 2015 increasing 3.3% from 2014.

・ The strategic partnership between Daimler and the Renault-Nissan Alliance celebrates its fifth anniversary. The number of joint projects has risen from three to 13 in Europe, Asia and the Americas.

・ ALPINE celebrates 60 years of motorsport passion by unveiling its new ALPINE Celebration show car, developed specially for the Le Mans race.

・ First title in the history of 100% ELECTRIC automotive sports, the e.dams-Renault team wins the first Formula-E Championship.

・ The Renault-Nissan Alliance publishes the record amount of synergies generated in 2014: €3.8 billion.

・ In a little over 10 years, Dacia has won over 3,500,000 customers in Europe and the Mediterranean Region.

・ Renault-Nissan Alliance at COP21, during the event, 200 electric Alliance vehicles transported nearly 8,000 participants and avoided the discharge of 18 metric tons of CO2 into the atmosphere.

2016

・ Two years after the creation of the jointventure, Dongfeng Renault Automotive Company opens the Wuhan plant, which manufactures the KADJAR and the New KOLEOS.

・ Renault announces the production of the KWID in Brazil in a version adapted by Renault Technology Americas and Renault Design Latin America.

・ After Silicon Valley, Renault continues its strategy of innovation and opens a Renault Open Innovation Lab in Tel Aviv. The purpose of this initiative is to promote electric vehicles and promote creativity based on sustainable mobility.

・ After DeZir in 2010, Renault unveils TreZor, its new concept-car. This electric coupé is an expression of Renault's design maturity, which is the biggest reason people buy the brand's cars in Europe.

・ The Renault-Nissan Alliance and Microsoft Corp. have signed a global partnership agreement to develop the technologies of tomorrow and advance connected driving experiences around the world.

・ Nissan is finalizing its 34% stake in Mitsubishi Motors Corporation.
The arrival of a new member, alongside Renault and Nissan, is an important step for the Alliance.

・ On December 28, AVTOVAZ became fully consolidated within Renault's accounting scope.

2017

・ Groupe Renault has consolidated sales of the Lada brand since January 1, 2017

・ Renault plant of the future, the industry revolution 4.0 to support operators, manufacture connected vehicles and strengthen the customers' place in the plant.

・ Joint venture with oktal Groupe Renault accelerates its development of autonomous vehicles by investing in "Autonomous Vehicle Simulation".

・ Groupe Renault and Sanef cooperate to develop advanced solutions for autonomous vehicles.

・ Three seasons of FORMULA E and three titles for Renault in the FIA Formula E championship.

・ eGT New Energy Automotive Co. Ltd, a new joint venture (Renault 25%, Nissan 25% Dongfeng 50%) to develop zero-emission mobility in China.

・ Concept-Car SYMBIOZ, Renault's vision for the automobile and its place in society by 2030.

・ "Drive the future 2017-2022" the new strategic plan for Groupe Renault.

・ Groupe Renault and Brilliance China Automotive sign an agreement for the creation of a joint venture for the manufacture and sale of light commercial vehicles in China in three segments and three brands – Jinbei, Renault and Huasong.

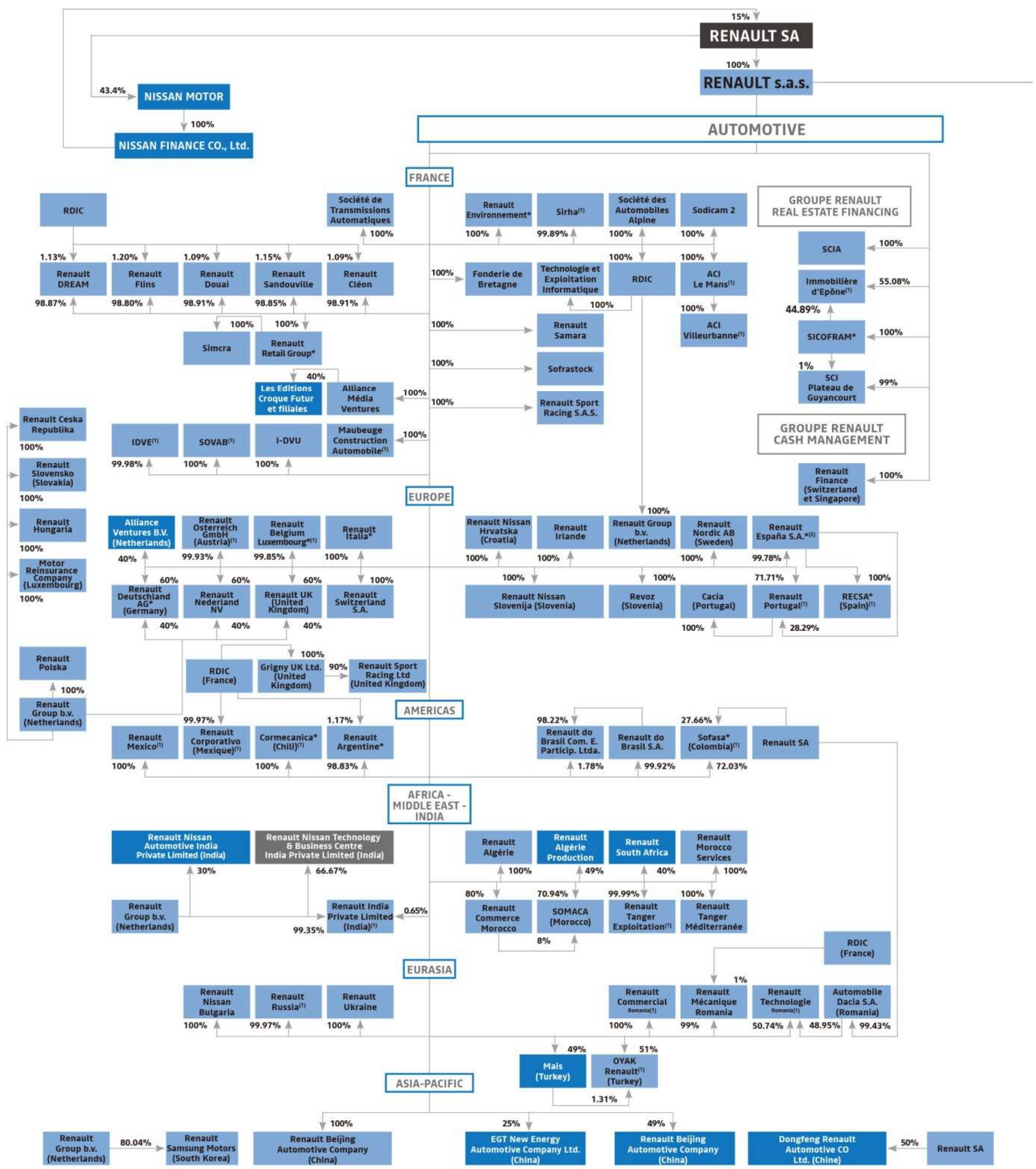
3. CONTENTS OF BUSINESS:

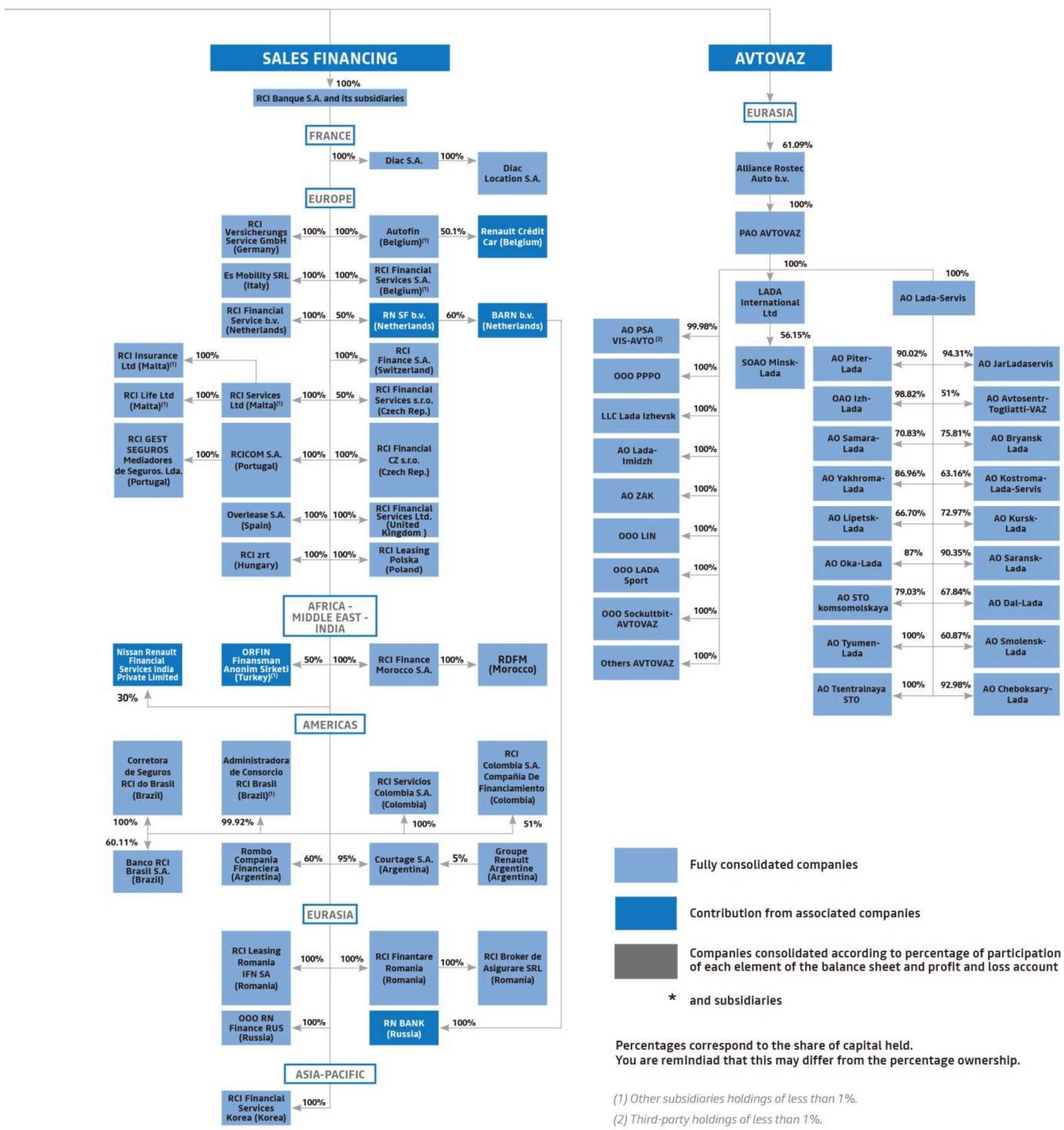
The Group's activities have been organized into two main types of operating activities, in more than 130 countries:

- Automotive, with the design, manufacture and distribution of products through its distribution network (including the Renault Retail Group subsidiary):
- new vehicles, with several ranges (PC, LCV and EV [exclusively Renault]) marketed under five brands: Renault, Dacia, Renault Samsung Motors, Alpine and Lada. Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries,
- used vehicles and spare parts,
- the Renault powertrain range, sold B2B;
- miscellaneous services: sales financing, leasing, maintenance and service contracts.

The information contained below regarding the "DETAILED GROUP CONSOLIDATED ORGANIZATION CHART AT DECEMBER 31, 2018" strictly contains information presented in the Renault Registration Document for the period ending December 31, 2018. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

DETAILED ORGANIZATION CHART OF THE CONSOLIDATED GROUP AS OF DECEMBER 31, 2018





Percentages correspond to the share of capital held.
You are remIndiad that this may differ from the percentage ownership.

(1) Other subsidiaries holdings of less than 1%.

(2) Third-party holdings of less than 1%.

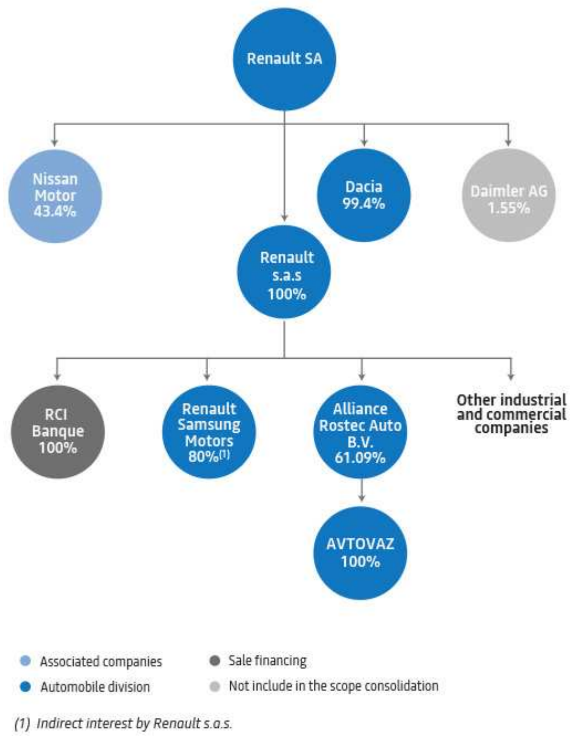
In addition, Renault has equity investments in the following two companies:

- Renault's equity investment in Nissan;
- Renault's equity investment in AVTOVAZ.

The investment in Nissan is consolidated under the equity method in the Group's financial statements, that in AVTOVAZ is fully consolidated.

STRUCTURE OF GROUPE RENAULT

(as a % of shares issued)



(1) ACTIVITIES

A. Automotive:

(I) brands and ranges

Groupe Renault designs, manufactures and sells passenger cars and light commercial vehicles and innovative services accessible to as many people as possible under five automotive brands: Renault, Dacia, Renault Samsung, Alpine and Lada.

The Renault brand: passion for life

It is the passion that inspires us every day, the passion that we put into our products and services so that our customers can also live their lives with passion.

We offer French Design, sensual and warm with loving attention to quality of execution and finishing and to innovative concepts that rewrite the rules of the automotive market. We offer Easy Life, the promise to make our customers' lives easier so that they can enjoy it to the full, through products and services that meet their onboard and off-board connectivity needs and intuitive equipment that will make life easier on a daily basis.

Renault, one of the few automobile brands born in the nineteenth century, celebrated its 120th birthday in 2018.

The leading French brand worldwide, Renault is established in 134 countries and distributed at 12,000 points of sale. It offers a range of more than 30 models, all countries combined. Proud of its French roots, Renault is continuing its international expansion. Renault's vehicle range is designed to meet local needs as effectively as possible in all locations. Renault unveiled its ARKANA show car this year, a crossover coupé with international ambitions and hinting at its Segment C origins; this vehicle will be sold in Russia starting in 2019.

Renault designs cars for every stage of life, to meet everyone's needs and fulfill everyone's passion. Leader in electric vehicles in Europe with its Z.E. range, Renault constantly aims to make daily electric vehicle use even easier. With the Renault PRO+, the brand is committed to simplifying the lives of its professional customers with customized solutions. Our range of RS sports vehicles transform our customers' daily lives into an exhilarating experience and supplements our commitment to Formula 1, a vector of innovation and reputation.

Renault EASY CONNECT simplifies the on-board connectivity experience, offering an ecosystem of services for serene travel and more enjoyment on board.

Renault is also committed to sustainable mobility for all and shares its vision of tomorrow's mobility: electric, connected, autonomous and shared, via the EZ-GO, EZ-PRO and EZ-ULTIMO concept-cars.

Passenger cars (PC)

In the small car segment (A and B-segments and similar passenger cars), Renault offers a wide range of complementary models: the KWID, LOGAN, SANDERO, SANDERO Stepway, TWINGO, CLIO, CAPTUR and SYMBOL.

KWID was launched in October 2015 on the Indian market, in mid-2017 in Brazil, at the end of the year in Argentina and will be launched very soon in Mexico and Colombia. Over 425,600 cars have been sold. Its success is a testament to the unique, trusted product offering designed to be affordable for as many people as possible as well as to the quality of the sales strategy that accompanied the launches: a dealer network that is motivated and fully supported by modern and efficient digital tools. KWID thus confirms its very strong potential for global expansion thanks to its position in the Top 3 in India and as the leader in Brazil in Segment A.

In the small city car Segment A, TWINGO is winning points. With its exceptional agility and a unique EDC offer for the segment, TWINGO, a perfect ally for the city, has won its audience over. Thanks to momentum from iconic limited series such as "RedNight" or alluring ones such as "Limited", this year the TWINGO range still maintains its complete leadership of Segment A in France (25.6% of

Segment A share FY 2018), far ahead of its competitors, the F500 (15.8% market share) and the P108 (11.5% market share). It has even earned a position in Europe, where it now ranks fifth (7.3% FY 2018 Segment A share) with an increase of 11.4% in volume. The GT version (manual transmission or EDC 110hp engine) is a hit with customers eager for extreme sensations, particularly in Germany and Belgium.

In Segment B (sedans & station wagons), since the launch of the CLIO's fourth generation, the model is the sales leader in the segment in Europe. Thanks to regular momentum in the range, volumes and segment share increased further in 2018 to reach 367ku and 11.7% of Segment B market (sedans & station wagons). In France, the CLIO is the best-selling vehicle for the sixth consecutive year, with 151.8ku. This success in Europe is supplemented by the successful launch of the CLIO in Algeria with 13.4ku, produced locally in the Oran plant, where CLIO production started in March 2018.

The station wagon version, with its attractive shooting-brake styling, remains in second place in this B-Break sub-segment in Europe (25.5% share of the B-Break sub-segment in 2018). Finally, for customers seeking for a sporty look at reasonable budget, the Pack GT-Line offers a sporty appearance with an optional exterior and interior trim pack.

In the growing B crossover sub-segment, the CAPTUR has maintained its leadership position in Europe over the long term (13.3% share of Segment B – crossover in 2018) despite a very aggressive competitive environment (2017 arrival of the VW T-Roc, Citroën C3 aircross, Hyundai Kona, Kia Stonic, Seat Arona, *etc.*). Marketed *in* more than 45 countries, the CAPTUR is a global car that is highly acclaimed by our customers and contributes significantly to the image of the Brand in the countries where it is sold.

The DUSTER is also a success in international markets thanks to its robustness, roominess, reliability and equipment tailored to the needs of different markets. The DUSTER represents a significant share of PC sales in India, Russia, Brazil, Colombia, Argentina and elsewhere, putting it at the top of C-SUV segment sales in 2018 in all these countries. This success is repeated year after year!

In an attempt to reinforce its image as the leading SUV brand in Russia, Renault has begun a new chapter in the history of its iconic Stepway range (SANDERO Stepway, LOGAN Stepway Cross Sedan and DOKKER Stepway). All of these models are equipped with the new MediaNav Evolution multimedia system with AndroidAuto® and CarPlay®. This feature gives consumers the ability to interact more easily with their smartphones via the instrument panel screen. The Stepway range is an important part of the brand strategy for Renault Russia, whose tag-line is "My country. My freedom. My Renault."

Following Russia in 2016, the KAPTUR/CAPTUR made its entry on the various markets of South America and India in 2017. Produced in the Moscow, Curitiba and Chennai plants, the KAPTUR/CAPTUR, a C-segment SUV, is well matched with the DUSTER, thanks to its very attractive design and product characteristics adapted to the requirements of these markets. With more than 70,000 sales in 2018, the KAPTUR/CAPTUR confirmed its strong global expansion potential.

Renault is the first mass-market carmaker to launch a crossover coupé. The ARKANA is the perfect fusion between the elegance of a sedan and the robustness of an SUV: an innovative and pioneering concept with Renault brand features to meet new aspirations in the Russian market. This concept has international ambitions, starting with China and South Korea. The ARKANA will accordingly contribute fully to the objectives of the Drive the Future strategic plan. This crossover coupé is destined to become the flagship of the brand in Russia. Today, Renault has a record market share of 8.5% thanks to the success of the Renault KAPTUR and DUSTER. The launch of the ARKANA should allow it to achieve a 10% market share. See you in 2019 to unveil this Group jewel…

Segment C represented 27.8% of the global market in 2018 and 35.2% in Europe, where Renault is in the Top 10 (behind VW, Peugeot, BMW, Ford, Opel, Skoda, Toyota, Mercedes and Nissan) with a 5.4% segment share and more than 336,000 vehicles sold, a decrease of 14.1% from 2017.

For the past 10 years, the **C-SUV segment** has continued to grow steadily worldwide, with a +9.0% rise in 2018.

In Europe, the **C-SUV segment** increase was +12.5%, with more than 2.8 million vehicles sold, representing 45.4% of sales in the C-segment.

Based on its two main strengths (exterior design and comfort), and in an increasingly competitive market, the KADJAR sold over 134,000 units worldwide in 2018.

For the KADJAR in Europe, this means sales of over 101,000 and a segment share of 3.6% in 2018. In some major markets, it performed well, as it did in France, where the model is in the Top 4 with a segment share of 6.6% and more than 27,000 registrations.

The KADJAR is also the top Renault vehicle manufactured in China, at the Wuhan plant, for the Chinese market. It was launched in the fastest-growing segment in China, SUVs, and sold over 18,000 units in 2018.

The new KADJAR arrives in the showrooms in January 2019 with a restyling that makes its design even more modern and attractive. Its interior has also changed to offer more comfort and noticeably better quality. The new Kadjar has a new range of efficient and competitive engines (gasoline & diesel).

The **C-HATCH segment** fell 0.2% worldwide in 2018, while in Europe it decreased by 7.3%. Similarly, the **C-ESTATE segment** fell 2.6% worldwide and 9.0% in Europe. In 2018, the **HATCH+BREAK segment** accounted for 44.0% of the C-segment, in which the MEGANE is in seventh place with a segment share of 5.2% (-0.64 pt vs 2017) and more than 141,000 vehicles sold in Europe.

In 2018, the MEGANE HATCH rose to the Top 2 in France (37,490 vehicles sold), with a 15.7% segment share (+0.52 points vs 2017). The MEGANE is also among the Top 3 in Spain, with a 7.1% segment share (-1.12 points vs 2017); The MEGANE Estate is the leader in Portugal, with a 20.0% segment share (-0.82 points vs 2017), second in France (24.2% segment share, -2.93 points vs 2017) and the Netherlands (19.1% segment share, -0.25 points vs 2017).

The MEGANE Sedan is the leader in its segment in Turkey, with over 24,000 units sold in the year.

With 188,034 units sold, including 141,566 in Europe, the MEGANE, in these three versions, is the largest sales volume in the Segment C for Renault.

The model is very popular with its buyers for its design, level of equipment and comfort. Moreover, the design continues to be the first reason for choosing the model, unlike the rest of the segment, where the first reason for buying is usually brand loyalty.

With the SCENIC, Renault is holding up against its rivals **in a C-MPV segment** down 22.6% in Europe, the major market for the model. The segment represented 9.4% of Segment C in 2018.

Last year, the SCENIC attracted 93,415 customers on the continent, with a 16.0% segment share (+2.10 points vs 2017). The leader in the segment in France, Belgium and Italy, it occupies first place in the European **C-MPV** market.

In France, the SCENIC (41,636 vehicles sold) represents a segment share of 37.2% (+5.23 points vs 2017). In Italy (8,003 vehicles sold) the segment share is 18.4% (+1.13 points vs 2017) and in Belgium, the SCENIC (9,049 vehicles sold) achieved a segment share of 30.3% (+9.15 points vs 2017).

To keep increasing its attractiveness, the SCENIC has strengthened its range of engines in 2018 with the introduction of the new 1.3 TCE gasoline engine available in manual and automatic transmission. A new diesel engine also makes its appearance in manual transmissions and will soon be available in an automatic version.

The KANGOO kept its fifth place in the crew van segment in Europe in 2018 with more than 9% segment share. The KANGOO VP is marketed in 35 countries, with particular success in countries such as Morocco, where the model increased its market share in 2017. It is produced in Maubeuge

(France) and at the end of 2017, celebrated the 20th anniversary of the appearance of the Ludospace with sliding side doors!

With its full range of high-end vehicles, Renault now covers all segments in the category: MPV with the ESPACE, sedans with the TALISMAN, also available in a station wagon version for Europe, and an SUV with the KOLEOS. These three models also ensure wide geographic coverage, accounting for approximately 60% of sales in Korea (SM6 and QM6) and China (KOLEOS).

The Renault ESPACE meets the needs of high-end customers perfectly thanks to:

- its design: the Renault ESPACE silhouette is now a crossover with references to the world of SUVs and an elegant execution;
- its unique driving experience: the Renault ESPACE has the MULTI-SENSE system, which offers five unique driving modes. MULTI-SENSE can be coupled to a 4CONTROL four-wheel steering chassis and adjustable damping;
- the on-board experience: the Renault ESPACE offers comfort to all passengers (up to seven seats) with its wraparound seats, brightness with its panoramic windshield, and cargo volume (up to 888 dm^3).

In addition to the TCe 225 EDC FAP gasoline engine, in 2018, the Renault ESPACE introduced new powerful and efficient engines: the Blue dCi 160 EDC and the Blue dCi 200 EDC, which meet new standards for pollution control. The performance of these new engines have been hailed by the press.

The Renault ESPACE sold 12,725 vehicles in 2018 with a 14.9% market share in its category in Europe (excluding unreleased right-hand drive vehicles). It is first in that category in France, Belgium, Italy and the Netherlands. In 2018, 55% of the Renault ESPACE sales were for the INITIALE PARIS version, the most exclusive model.

The TALISMAN is in the highly competitive large prestige sedan segment (D-segment). To appeal to potential clients, whether private individuals or company executives, the TALISMAN boasts four key strengths:

- sleek, assertive styling with a hint of Latin sensuality while adhering to the segment's strict rules of the three-box sedan (or station wagon). Forty-five percent of customers chose the Talisman for its design, making it the foremost reason for choosing it, above its main competitors;
- a spacious and comfortable cabin with front seats inspired by airline business class: high-quality workmanship and best-in-class functionality: heating, ventilation and integrated massage function;
- immersive driving pleasure: MULTI-SENSE technology to match the driver's mood. The TALISMAN is the only D-segment sedan to have 4CONTROL four-wheel steering (moreover combined with active damping), allowing it to deliver unique road handling, plus safety, agility and dynamism, and outstanding ride comfort;
- a wide and revamped range of efficient WLTP-compliant engines: two gasoline turbo engines with FAP (160 to 225hp TCe EDC) and four turbo diesel engines with SCR technology (120hp to 200hp Blue dCi with manual and automatic EDC transmission), combining pleasure and efficiency with controlled CO_2 and NO_x consumption and emissions.

In 2018, the Renault TALISMAN sedan and ESTATE sold (excluding right-hand drive, not sold) 20,004 units and accounted for 4.6% of their category in Europe, excluding luxury and premium brands, ranking fifth. The TALISMAN is also sold beyond the borders of Europe with 3,945 sales in 2018 in Iran, the Gulf countries, Turkey, Morocco, and sub-Saharan Africa, where it is a great success as the brand's flagship.

The Renault KOLEOS had a good commercial launch, with the help of strong product advantages:

- its design: an SUV with broad shoulders and muscular flanks, the Renault KOLEOS makes an impression with its robust front, wide wheels and imposing seats. Design is naturally the first reason for choosing Renault KOLEOS in every region where it is sold;

- its refined interior and on-board comfort: the design and the choice of quality materials meet the requirements of the segment. The Renault KOLEOS offers comfort: in the front, with heated and ventilated seats, in the rear with unequaled habitability;
- its maneuvering capabilities: Renault KOLEOS also offers all-wheel drive in the ALL Mode 4x4-i system. This all-wheel drive system provides constant monitoring of wheel-to-ground adhesion.

In 2018, the Renault KOLEOS expanded to Europe new driving aids to meet the expectations of its customers: adaptive cruise control, emergency braking with pedestrian detection in urban areas and fatigue detection alert.

Sold in over 80 countries, the Renault KOLEOS is the most international high-end vehicle with 68.3% of sales in Asia Pacific (with 32,999 in South Korea, 32,789 in China), in Europe with 19% of sales, but also in the Americas region (4.5%) and Middle-East Africa (6.2%).

Light commercial vehicles (LCVs)

Groupe Renault is continuing to develop light commercial vehicles, not only under the Renault brand but also through manufacturing partnerships with Opel, Nissan, Renault Trucks, Daimler and, since 2016, with Fiat on the TALENTO van. The partnership with Nissan will be strengthened in 2019 with the production of the NV250 van at the Maubeuge plant.

The pick-up market represents a potential to conquer new markets and customers, as demonstrated by the ALASKAN and OROCH, which confirm the Renault offensive: 23% higher volume than in 2017. The ALASKAN is present in the Americas, in Colombia (4.5% segment share), Chile and Peru, as well as in Europe, where the model achieved a segment share of 1.4%.

The OROCH broke its sales record, with 36,604 units in 2018, up 17%. It is at the top of its segment in Argentina and Colombia, second in Chile and debuted in third place in Mexico in its first year of launch. In Brazil, with 13,140 sales, 2,365 more than in 2017, OROCH is facing stiff competition from the Fiat Toro and Strada: these two alone accounted for 37% of the 0.5t pick-up segment share.

In late 2015, Renault launched the expert Renault Pro+ brand for professional customers all over the world, by highlighting the products and services dedicated to them. The specialized Renault Pro+ network is the spearhead of the expert brand. Launched in 2009, this specialized network currently comprises 661 points of sale that meet standards tailored to business customers' expectations, demonstrating its efficiency year after year.

The Group's sales performance in 2018 was exceptional in many ways with historic PC and LCV sales records for the OROCH, ALASKAN, DOKKER, TRAFIC and MASTER! As a result, with 466,900 sales of LCVs, or 4.47% global market share (excluding North America), the Group has set a new benchmark. In non-pick-up markets in Europe, the Renault brand once again beat its sales record (306,000) and remained a solid leader with 15.6% of the LCV market. Outside Europe, the Group's LCV sales were resilient despite the falls in the Argentinean and Turkish markets, and the end to sales in Iran. Renault remains the leading non-pick-up LCV in the four main Latin American markets. International accounts for 26% of global LCV sales.

Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2 to 22 m^3 in gasoline, diesel and electric vehicles (TWIZY Cargo, ZOE Company, KANGOO Z.E. and MASTER Z.E.). Renault is the European leader in EV LCV sales with a 46.2% market share, thanks to the KANGOO Z.E., a best-seller with almost 9,000 sales (more than twice as many as 2017), and the Zoe LCV.

In the small van segment (weight <2 metric tons), the KANGOO Express remains an essential benchmark in the market. The 2018 production of the combustion and electric utility versions exceeded even 2017's. The KANGOO Z.E., the electric model, has doubled its sales, taking advantage of its new 33 kWh battery and new electric engine and has a 40.9% market share in electric LCVs.

As for 5-seat PC derivatives, which are celebrating their 20th anniversary, the KANGOO will have performed for the first three quarters in expectation of the arrival of the new Blue dCi Euro 6Dtemp diesel engines. Combined with a Turkish market, which is traditionally Ludospace-oriented, its performance in 2018 fell sharply, down 21%. Over its 10 years of existence, the KANGOO (PC + LCV combined) sold nearly 124,850 units.

In Latin America, the first-generation KANGOO had a successful run and made way for a new generation of KANGOO, which is produced in Cordoba (Argentina) and was launched in April 2018, thus reinforcing the leadership of Renault vans in South America in the long term. The very unfavorable economic situation in Argentina temporarily contradicts the very favorable reception for this new product, and Renault KANGOO achieved a 40.5% market share in a market down 17%.

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive with the TRAFIC range that was completely renewed and a MASTER range that was revamped in late 2014. With nearly 213,000 units, the range of vans sold under the Renault brand had a new sales record in 2018, crossing the 200,000 unit threshold for the third year in a row. More specifically, the MASTER had a fourth consecutive record year (104,000 sales excluding Renault Trucks).

Developed in partnership with General Motors, the Renault TRAFIC's production was transferred from the Nissan plant in Barcelona to the Renault site in Sandouville, France, which has also been producing vehicles for our partners Fiat and Nissan since the second half of 2016, in addition to part of the production of Vauxhall/Opel.

Intended as a mobile office, with a robust, dynamic design that captures the Renault brand identity, the TRAFIC is larger and more comfortable with increased working length and capacity.

In 2018, the Renault TRAFIC flirted with the 100,000 annual sales milestone (97,367 units) and maintained its third place in the LCV Compact Van segment in Europe (with a 13.8% segment share).

In the large van segment, the Renault MASTER offers "made-to- measure" features and enhanced safety, with over 350 versions, four lengths, three heights, vans, combis, platform and chassis cab, front and rear-wheel drive, *etc.*, offering a working volume of between 8 and $22m^3$.

In terms of engines, the Renault MASTER has a range of 110hp to 170hp 2.3 dCi engines. The Twin Turbo engines incorporate two series-mounted turbochargers that allow the engine to still function within optimal performance ranges and to improve CO_2 consumption and emissions.

The Renault MASTER is manufactured at the Batilly plant (France) and Curitiba plant (Brazil). It is sold in 30 different countries. In Europe, the share of the LCV Large Vans segment stood at 14.4%, up 0.7 points compared to the previous year (including sales of Renault Trucks), thus allowing the Renault MASTER to consolidate its place on the podium. Internationally, in 2018 the Renault MASTER positioned itself as a leader on strategic markets, including Brazil (47.3% segment share) and Morocco (33.1% segment share). The Master maintains its position on the podium in Australia (16.1%) and Argentina (19.1%).

The Renault MASTER also continued its international expansion, with a particularly promising launch in October 2018 in South Korea.

The Renault Z.E.: European market leader in 100%-electric vehicles with growth internationally

In 2018, the electric market continued to grow in Europe, with volumes up +45% vs 2017. The arrival of competitors and announcements made by other major manufacturers about their future launches confirm Groupe Renault's strategic choice to invest in the 100% electric vehicle market.

Groupe Renault remains a major player in the EV market and shared the top of the podium with its partner Nissan in 2018: more than one out of five electric vehicles sold in Europe is a Renault. In 2018, in an increasingly competitive market, the success of the ZOE, with a real autonomy of 300km, is confirmed by a 26% increase in registrations vs 2017. Renault maintains its leadership in Europe in terms of cumulative sales of EVs since 2010: today one out of four electric vehicles in the European fleet since 2010 is a Renault.

In the electric light commercial vehicle segment, the KANGOO Z.E. remained the undisputed leader in Europe for the eighth consecutive year with a 41% share of the electric segment. In 2017, the

KANGOO Z.E. received a new battery and new engine to give it greater autonomy, which allowed it to double its sales in 2018 and approach 10,000 units produced.

Groupe Renault also continues to increase its sales internationally. In 2018, the Group sold its electric vehicles in 35 countries outside Europe. For example, thanks to the launch of the Renault Twizy in Korea, quadricycle volumes have increased by 45% globally compared to 2017.

Since the launch of the Renault electric program, the Group has sold more than 194,000 electric vehicles in Europe and more than 200,000 electric vehicles worldwide (133,000 ZOE, 38,000 KANGOO Z.E., 9,800 FLUENCE Z.E./SM3 Z.E., 26,000 TWIZY and 100 MASTER Z.E.).

Groupe Renault's good performance is part of the Alliance's overall strategy. Since 2010, the Renault-Nissan-Mitsubishi Alliance has sold over 700,000 100%-electric vehicles, a performance that has kept it in first place in the global EV market.

At the global level, the 100%-electric market has risen sharply (+77% in China and +45% in Europe vs 2017), driven mainly by the Chinese and US markets. For the first time, global sales surpassed the million mark in 2018. The largest EV market in the world is China (60% of the world market). In order to meet the growing needs of that market, in October 2018, Groupe Renault introduced the Renault K-Z.E. showcar. This sixth model in the Group's electric range will be launched in China in 2019.

The European market remains the second-largest EV market in the world, followed closely by the US market, which has doubled compared to last year. In 2018, the European market reached a new record with close to 217,000 vehicles sold. Norway is the leading European market for electric vehicles in terms of volume and market share: more than one vehicle in four sold is electric. France remains the second-largest European market for electric vehicles (it was already second-largest in 2017) and registrations increased by 27%.

For Groupe Renault, the largest markets are France, Germany, Norway, the United Kingdom and Spain.

The growth of the electric market is also linked to infrastructure. The number of charging stations has multiplied in some regions to meet growing demand from users of electric vehicles. In several countries, there is a rapid charging station network that covers almost 100% of highways.

To facilitate the use of electric vehicles, Renault continues to develop innovative connected services, For example, the Z.E. Pass application allows drivers to locate available charging stations and offers a roaming service that gives access to most terminals without the need for multiple subscriptions. In addition, a new service helps to plan long journeys by calculating the total travel time (journey + battery recharge) and gives directions to the most relevant charging station. The first on the market, this service will be available at the end of 2018 on smartphones via the MY Renault app.

Renault is also committed to ecosystem development that promotes – and is encouraged by – the widespread rollout of electric mobility. For example, the Group has set up solutions with its partners to reduce the carbon footprint of an ecosystem. These solutions have already been deployed on two smart islands (Porto Santo and Belle-Île-en-Mer) through three pillars: electric car-sharing vehicles, stationary solar energy storage and smart charging.

Dacia: a new record year

In 2018, Dacia turned 50. The brand is sold in 44 countries in Europe, Northwest Africa, Turkey and Israel. The philosophy of the Dacia brand is the assurance of a range of vehicles and services that are attractive and simple, reliable and well priced. Today, with iconic models such as the DUSTER and SANDERO and a strong community spirit, Dacia has already attracted over 5.6 million customers since 2004, the year in which it launched the LOGAN, Groupe Renault's first vehicle in the brand's renewal.

- the brand continues to grow (sales up +7% vs 2017) and set a new sales record of 700,798 vehicles based on its full range with the DUSTER, SANDERO, SANDERO Stepway, LOGAN, LOGAN MCV, LODGY and DOKKER;

- the brand is the leader in Romania, Bulgaria and Morocco.

Dacia offers a range of robust, reliable vehicles with a three-year or 100,000km warranty. Dacia has a clear commercial offering (equipment, price policy), making the purchase as simple as possible. Vehicle equipment and features, kept to a strict minimum, are easy to use and maintain. And of course, Dacia customers enjoy unbeatable value for money. With the Dacia range, customers who previously would have purchased a used vehicle can now afford to buy new.

In Europe, Dacia achieved a dual record in both volume (511,600 registrations at the end of 2018, +10.3%) and market share (2.9%, +0.3 points).

In Europe, the SANDERO ranks first in the personal PC market. The DUSTER ranks first in the PC market for SUVs sold to individuals.

In addition to its commercial success, Dacia has found a way of uniting its customers around a "smart purchase".

In many countries, customers can come together to discuss and share their common values: freedom of spirit, simplicity and generosity. These community events get bigger every year. They are truly convivial moments which create a strong bond between customers and the brand.

On social networks, Dacia customers are also keen to express their commitment to the brand on Facebook. The ever-growing community celebrated reaching five million members this year with the #DaciaRoadStories digital campaign. French fans were also able to choose the design of the future Dacia SANDERO Escape Limited Series at the Paris Motor Show.

After seven years of success and more than a million models sold, the DUSTER affirmed its SUV personality with a robust exterior design. Equipment such as the multi-view camera system makes it easy to use in 4X4 mode. With its still-unbeatable price, it is designed to attract customers and continue its success story. It received several awards during the year such as the prize for 4x4 of the year in France.

With a design that was revamped at the end of 2016, the LOGAN, LOGAN MCV, SANDERO and SANDERO Stepway range had a very successful year with more than 357,700 sales, up 4%.

The Dacia LODGY MPV is a vehicle with the interior space of a large C-segment minivan sold for the price of a B-segment minivan. This vehicle is a response to the needs of families who traditionally buy used vehicles. With its Stepway version, the LODGY boasts a muscular look and a strong personality inspired by the world of crossover vehicles.

In 2018, sales of the DOKKER, the practical and versatile 5-seater crew van, and the DOKKER Van, its LCV version, continued to grow in the European and international markets. 2018 was again a record year, with over 100,000 sales, mainly in the Combispace segment in Europe, where it achieved third place.

Renault Samsung Motors

Founded in 2000, the Renault Samsung Motors (RSM) brand is marketed exclusively in South Korea, with a range of five sedans (including one 100% electric model) and two SUVs.

- Particularly renowned for its quality of service, in 2018, RSM ranked as the leader in customer satisfaction for the seventeenth consecutive year in sales, and for the third consecutive year in after-sales.
- The brand's volumes were 84,954 units in 2018 with a market share of 5.5%.

In terms of sedans, the SM3 covers the C-segment and is also available as an electric version, the SM3 Z.E.

The SM6 sedan replaced the SM5 in the family segment. The SM6 is closely derived from the Renault TALISMAN. Both vehicles were developed at the same time by the two engineering centers Renault Technologies Korea in Seoul and the Renault Technocentre in France. First marketed in March 2016, the SM6 was an immediate success that lasted through 2017 and 2018: SM6 achieved

24,800 sales, or an 11.4% segment share (third place), just behind by the Kia K5, which got a major facelift at the beginning of the year.

The SM5 sedan is still being marketed, and it serves as an entry-level model for the SM6. Its volumes rose sharply in 2018, climbing to fifth place with nearly 9,500 units sold.

In the large luxury sedan segment, the brand has the SM7, featuring a V6 engine and the latest technology of the Renault-Nissan Alliance. For that brand, 2018 volumes exceeded 4,800 units.

For SUVs, the range includes the QM3 (6,367 sales), derived from the Renault CAPTUR, and the QM6, launched on September 1, 2016. Sold under the Renault Samsung Motors brand, the QM6 is positioned in the D-SUV segment. In 2018, 32,999 units were sold. The QM6 ranks third in its category, with a 13% segment share in a market dominated by local players. The vehicle is produced at the Busan plant.

Whereas the QM3 is imported from Europe, all of the other RSM brand models are manufactured at the Busan plant. Illustrating the synergies of the Alliance, this plant also produces the ROGUE model for Nissan, which is exported to North America, with a total of 107,000 units in 2018 (this model shares the RSM QM6 and Renault KOLEOS platform).

Alpine: back on top

The A110 is sold in Europe, Japan and Australia. The 1,955 numbered cars in the New Alpine A110 First Edition were sold out in a few days, and several thousand orders have already been recorded for the A110 Pure and A110 Legend versions.

With competition in its DNA, in 2018, Alpine started its single-brand championship with its competition partner Signatech. The Alpine Elf Europa Cup is making stops at the finest European circuits. With Signatech once again, Alpine introduced the A110 GT4, a version made for competition, at the Geneva Motor Show. Designed and marketed by Signatech, the A110 GT4 is targeted to the most experienced drivers.

The 2016 LMP2 World Champion in FIA WEC, this year, the Signatech-Alpine-Matmut team won the Le Mans 24 Hour race in the LMP2 category, celebrating the 40th anniversary of the victory of the Alpine A442b at the 1978 Le Mans 24 Hour race in perfect style.

Lada: the transformation continues

An iconic leader on the Russian market for 50 years, Lada has been Groupe Renault's fifth brand since the end of December 2016. The brand is designed, produced and sold by AVTOVAZ, a Groupe Renault partner since 2008, which is also the leading car manufacturer in Russia, producing cars for the Renault-Nissan- Mitsubishi Alliance for the Russian market and some export markets. With the launch of the Lada Vesta in 2015, the Russian brand Lada entered a new era with strong ambitions: a range of vehicles and services that is accessible and adapted to local conditions, new design codes and a changing network. In 2018, Lada confirmed its dynamism, introducing new models into the markets such as the Nouvelle GRANTA family, the VESTA Sedan Cross, Vesta Sport and XRAY Cross; The Lada Vesta is the best-selling vehicle in Russia. A new communication tone and style and a new signature were launched at the end of 2018 to highlight this transformation and the brand's ambition. Lada is on track to maintain its leadership in a recovering Russian market and expanding abroad, mainly into the CIS countries, the Middle-East and Latin America.

- thanks to a favorable environment and the success of its renewed range, Lada sales increased by 18.7% to some 398,000 vehicles, of which 360,000 were sold on the Russian market and 38,000 internationally;
- the Lada brand is the leader in the Russian automotive market with a market share of 20.0% (20.8% in the PC market), an improvement of 0.5 points compared to 2017, the highest in the last seven years;
- this growth is driven by the success of its models, with four Lada vehicles among the Top 10 most sold vehicles in Russia and the Lada Vesta and Lada GRANTA in the Top 3;

- Lada can rely on Russia’s largest network with around 300 points of sale, nearly 80% of which have adopted the brand’s new visual identity;
- in export, Lada is expanding in its historical markets with the help of its new models: the brand has registered record market shares in Belarus (20.2%, +9.8 points vs 2017) and Kazakhstan (22.6%, +4.1 points) where it regained its leading position;
- AVTOVAZ also produced around 116,000 units for the Alliance (+8% vs 2017): the Renault LOGAN, LOGAN Stepway, SANDERO, SANDERO Stepway; The Nissan ALMERA and Datsun ON-DO and MI-DO.

(II) Internationalization of the Group

INTERNATIONAL SALES OF THE GROUP

Sales excluding Europe *(%)*

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017 (1)	**2018 (2)**
Group sales internationally *(%)*	33.8%	37.4%	43.1%	50.1%	50.5%	46.0%	42.5%	43.3%	49.2%	50.6%
Group sales internationally *(volume)*	779,676	983,682	1,172,696	1,277,229	1,326,288	1,247,101	1,194,735	1,379,999	1,850,253	1,963,553
(1) Including the Ladarand from 2017.										
(2) Including the Jinbei & Huasong brands from 2018.										

ALL BRANDS WORLD MARKET BY REGION IN 2018

In volume and as a % of the TAM PC + LCV

	In volume	In % of the TAM Worldwide PC + LCV
TOTAL EUROPE	**17,655,734**	**19.0%**
France	2,632,620	2.8%
G9	15,023,114	16.2%
TOTAL INTERNATIONAL	**75,256,933**	**81.0%**
Africa – Middle-East – India	7,794,511	8.4%
Eurasia	2,932,751	3.2%
Americas	6,020,748	6.5%
Asia – Pacific	39,213,810	42.2%
North America	19,295,113	20.8%
TOTAL WORLDWIDE	**92,912,667**	**100.0%**

GROUPE RENAULT SALES WORLDWIDE BY REGION

By volume, including Renault, Dacia, Renault Samsung Motors, Alpine, Lada and Jinbei & Huasong

	2018	Change	2017
TOTAL EUROPE	**1,920,742**	**+0.5%**	**1,911,824**
France	689,788	+2.4%	673,868

G9	1,230,954	-0.6%	1,237,956
TOTAL INTERNATIONAL	**1,963,553**	**+6.1%**	**1,850,253**
Africa – Middle-East – India	448,959	-15.6%	532,118
Eurasia	747,602	+2.0%	732,795
Asia – Pacific	329,744	+68.3%	195,920
Americas	437,248	+12.3%	389,420
TOTAL WORLDWIDE	**3,884,295**	**+3.2%**	**3,762,077**

GROUPE RENAULT SALES WORLDWIDE BY BRAND

In volume of PC + LCV

	2018	2017	Change
Renault			
Passenger cars	2,124,364	2,264,823	-6.2%
Light commercial vehicles	408,203	406,968	+0.3%
TOTAL RENAULT	**2,532,567**	**2,671,791**	**-5.2%**
Dacia			
Passenger cars	655,172	609,684	+7.5%
Light commercial vehicles	45,626	45,131	+1.1%
TOTAL DACIA	**700,798**	**654,815**	**+7.0%**
Renault Samsung Motors			
Passenger cars	84,954	99,846	-14.9%
Alpine			
Passenger cars	2,091	7	+++
Lada			
Passenger cars	385,069	324,739	+18.6%
Light commercial vehicles	13,213	10,879	+21.5%
TOTAL LADA	**398,282**	**335,618**	**+18.7%**
Jinbei & Huasong			
Passenger cars	13,416	0	0
Light commercial vehicles	152,187	0	0
TOTAL JINBEI & HUASONG	**165,603**	**0**	**0**
Groupe Renault			
Passenger cars	3,265,066	3,299,099	-1.0%
Light commercial vehicles	619,229	462,978	+33.7%
TOTAL GROUPE RENAULT	**3,884,295**	**3,762,077**	**+3.2%**

Europe Region sales

MARKET ALL BRANDS EUROPE REGION

By volume of PC + LCV registrations

	2018	2017	Change

Germany	3,724,752	3,715,174	+0.3%
United Kingdom	2,734,276	2,910,405	-6.1%
France	2,632,620	2,549,402	+3.3%
Italy	2,090,668	2,166,151	-3.5%
Spain + Canary Islands	1,536,545	1,434,593	+7.1%
Belgium-Luxembourg	689,633	685,174	+0.7%
Poland	599,065	546,763	+9.6%
Netherlands	523,247	487,939	+7.2%
Sweden	410,503	435,033	-5.6%
Austria	384,904	393,668	-2.2%
Switzerland	336,163	348,886	-3.6%
Czech Republic	281,662	290,706	-3.1%
Portugal	267,701	260,844	+2.6%
Denmark	253,187	258,673	-2.1%
Ireland	151,163	155,539	-2.8%
Norway	186,616	196,103	-4.8%
Hungary	159,649	136,465	+17.0%
Finland	136,699	134,583	+1.6%
Greece	110,554	94,852	+16.6%
Slovakia	107,233	103,689	+3.4%
Slovenia	85,571	83,041	+3.0%
Baltic States	86,941	78,733	+10.4%
Croatia	68,996	59,304	+16.3%
Other Balkans	53,059	46,740	+13.5%
Iceland	19,871	23,496	-15.4%
Greek Cyprus	15,372	15,148	+1.5%
Malta	9,084	8,586	+5.8%
TAM EUROPE	**17,655,734**	**17,619,690**	**+0.2%**

RENAULT BRAND SALES[1] AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018				2017		
Renault markets	Sales	Market share *(%)*	Change in share *(pts)*	Ranking	Sales	Market share (%)	Ranking
Germany	158,181	4.2	-0.1	8	160,340	4.3	8
Other Balkans	4,123	7.8	-0.2	2	3,743	8.0	3
Austria	22,684	5.9	-0.1	4	23,750	6.0	4
Belgium-Luxembourg	66,771	9.7	-0.2	2	67,522	9.9	1
Greek Cyprus	84	0.5	-2.1	27	397	2.6	11
Croatia	7,738	11.2	+1.4	2	5,837	9.8	2
Denmark	16,413	6.5	-0.9	5	19,152	7.4	4
Spain + Canary Islands	124,349	8.1	-0.9	2	129,458	9.0	1
Finland	4,123	3.0	-1.1	12	5,530	4.1	11

France	547,026	20.8	-1.0	1	554,505	21.8	1
Greece	4,413	4.0	+0.1	11	3,652	3.9	12
Hungary	8,783	5.5	+0.3	8	7,119	5.2	8
Ireland	10,629	7.0	-0.4	6	11,556	7.4	6
Iceland	999	5.0	-0.5	7	1,290	5.5	6
Italy	142,155	6.8	-0.2	4	152,663	7.0	4
Malta	528	5.8	+0.1	8	492	5.7	8
Norway	5,215	2.8	+0.6	12	4,261	2.2	16
Baltic States	6,304	7.3	+0.5	5	5,277	6.7	5
Netherlands	48,180	9.2	-1.1	2	50,110	10.3	2
Poland	36,831	6.1	-0.5	6	36,508	6.7	5
Portugal	39,656	14.8	+0.3	1	37,823	14.5	1
Czech Republic	12,556	4.5	-0.1	7	13,376	4.6	6
United Kingdom	79,216	2.9	-0.2	13	90,051	3.1	12
Slovakia	5,306	4.9	+0.1	7	5,040	4.9	6
Slovenia	13,051	15.3	+0.5	2	12,272	14.8	2
Sweden	19,425	4.7	-0.3	7	21,815	5.0	6
Switzerland	16,535	4.9	-0.2	7	17,726	5.1	7
TOTAL RENAULT	**1,401,274**	**7.9**	**-0.2**	**2**	**1,441,265**	**8.2**	**2**

(1) Excluding sales to governments.

DACIA BRAND SALES (1) AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Dacia markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share(%)
Germany	74,525	2.0	+0.3	64,918	1.7%
Other Balkans	4,211	7.9	+0.2	3,601	7.7%
Austria	10,391	2.7	+0.2	9,799	2.5%
Belgium-Luxembourg	21,781	3.2	+0.1	20,868	3.0%
Greek Cyprus	3	0.0	-0.6	95	0.6%
Croatia	3,376	4.9	+0.2	2,760	4.7%
Denmark	3,157	1.2	-0.5	4,460	1.7%
Spain + Canary Islands	65,102	4.2	+0.3	56,301	3.9%
Finland	2,085	1.5	+0.1	1,879	1.4%
France	141,606	5.4	+0.7	119,356	4.7%
Greece	1,418	1.3	+0.4	803	0.8%
Hungary	9,713	6.1	-0.2	8,556	6.3%
Ireland	3,721	2.5	+0.1	3,731	2.4%
Iceland	715	3.6	+0.5	739	3.1%
Italy	66,330	3.2	+0.2	63,437	2.9%
Malta	119	1.3	-0.7	171	2.0%
Norway	263	0.1	+0.1	110	0.1%
Baltic States	2,169	2.5	-0.4	2,260	2.9%

Netherlands	4,978	1.0	-0.1	5,035	1.0%
Poland	27,083	4.5	+0.1	23,956	4.4%
Portugal	6,849	2.6	-0.1	6,900	2.6%
Czech Republic	16,069	5.7	+0.4	15,382	5.3%
United Kingdom	24,249	0.9	+0.0	25,211	0.9%
Slovakia	5,095	4.8	+0.3	4,583	4.4%
Slovenia	3,139	3.7	-1.6	4,341	5.2%
Sweden	4,634	1.1	-0.1	5,523	1.3%
Switzerland	8,812	2.6	+0.0	8,979	2.6%
TOTAL DACIA	**511,593**	**2.9**	**+0.3**	**463,754**	**2.6%**

(1) Excluding sales to governments.

ALPINE BRAND SALES

In volume of PC

Alpine Markets	**2018**	2017
Germany	218	0
Austria	46	0
Belgium-Luxembourg	86	0
Spain + Canary Islands	27	0
France	1,156	7
Italy	35	0
Baltic States	1	0
Netherlands	52	0
Poland	16	0
Portugal	14	0
Czech Republic	2	0
United Kingdom	142	0
Switzerland	148	0
TOTAL ALPINE	**1,943**	**7**

LADA BRAND SALES

In volume of PC + LCV

Lada market	**2018**	2017
Germany	2,685	2,832
Other Balkans	654	475
Austria	248	235
Belgium-Luxembourg	25	42
Croatia	4	2
Spain + Canary Islands	2	1
Finland	9	13
Hungary	879	1,065
Italy	60	36
Baltic States	441	165

Poland	17	30
Czech Republic	102	232
Slovakia	652	528
Slovenia	12	3
Sweden	6	0
Switzerland	5	24
TOTAL LADA	**5,801**	**5,683**

Sales Africa – Middle-East – India Region

MARKET ALL BRANDS AMI REGION

By sales volume PC + LCV

Principal markets	**2018**	2017	Change
India	3,983,507	3,675,139	+8.4%
Iran	959,628	1,429,172	-32.9%
South Africa + Namibia	525,358	533,828	-1.6%
Saudi Arabia	411,495	523,102	-21.3%
Israel	269,880	286,472	-5.8%
Pakistan	256,044	239,725	+6.8%
Morocco	177,361	168,593	+5.2%
Egypt	180,000	128,941	+39.6%
Dubai	160,800	180,350	-10.8%
Algeria	127,300	101,183	+25.8%
Kuweit	102,500	101,523	+1.0%
TAM AFRICA – MIDDLE-EAST – INDIA	**7,794,511**	**8,006,628**	**-2.6%**

RENAULT BRAND SALES (1) AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share(%)
Iran	101,347	10.6	-2.4	184,580	12.9%
India	82,368	2.1	-1.0	112,489	3.1%
Algeria	37,505	29.5	-1.3	31,146	30.8%
Morocco	25,769	14.5	+0.5	23,689	14.1%
South Africa + Namibia	25,500	4.9	+0.6	22,632	4.2%
Egypt	18,503	10.3	+2.9	9,500	7.4%
Overseas departments*	13,155	17.0	-0.1	12,509	17.2%
Israel	11,904	4.4	-0.4	13,786	4.8%
Saudi Arabia	6,195	1.5	+1.0	2,575	0.5%
Tunisia	4,503	8.7	+1.6	4,511	7.1%
TOTAL RENAULT	**348,166**	**4.5**	**-1.0**	**438,364**	**5.5%**

** Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

(1) By sales volume + Brokers

DACIA BRAND SALES [1] AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Dacia principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share(%)
Morocco	49,649	28.0	+0.2	46,851	27.8%
Algeria	33,432	26.3	-4.2	30,776	30.4%
Overseas departments*	6,650	8.6	+0.3	6,086	8.3%
Israel	4,622	1.7	+0.1	4,638	1.6%
Tunisia	1,055	2.0	-0.7	1,776	2.8%
Lebanon	648	1.8	+0.3	615	1.5%
Mayotte	343	19.8	-2.2	340	22.0%
TOTAL DACIA	**96,889**	**1.2**	**+0.1**	**92,211**	**1.2%**

* *Overseas departments: Reunion, Martinique, Guadeloupe, French Guiana and Saint-Pierre-et-Miquelon.*

(1) By sales volume + Brokers.

LADA BRAND SALES

In volume of the TAM PC + LCV

Lada market	2018	2017
Egypt	2,001	1,003
Lebanon	422	531
Cuba	344	0
Tunisia	200	0
Jordan	123	9
TOTAL LADA	**3,090**	**1,543**

JINBEI & HUASONG BRAND SALES

In volume of the TAM PC + LCV

Jinbei & Huasong principal markets	2018	2017
Egypt	504	0
Cuba	287	0
TOTAL JINBEI & HUASONG	**814**	**0**

Sales Eurasia Region

MARKET ALL BRANDS EURASIA REGION

By sales volume PC + LCV

Principal markets	2018	2017	Change
Russia	1,800,351	1,595,737	+12.8%
Turkey	620,937	956,194	-35.1%
Romania	182,124	149,370	+21.9%
Ukraine	86,613	87,634	-1.2%
Uzbekistan	61,400	58,800	+4.4%

Kazakhstan	58,276	46,840	+24.4%
Belarus	51,767	34,809	+48.7%
Bulgaria	42,907	38,394	+11.8%
TAM EURASIA	**2,932,751**	**2,992,872**	**-2.0%**

RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Russia	137,062	7.6	-1.0	136,682	8.6%
Turkey	85,839	13.8	+0.2	130,276	13.6%
Romania	14,853	8.2	-0.1	12,292	8.2%
Belarus	11,310	21.8	-8.2	10,451	30.0%
Ukraine	11,025	12.7	+0.3	10,890	12.4%
Bulgaria	4,607	10.7	-1.7	4,770	12.4%
TOTAL RENAULT	**267,538**	**9.1**	**-1.2**	**308,430**	**10.3%**

DACIA BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Dacia principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Romania	54,593	30.0	+1.0	43,262	29.0%
Turkey	29,918	4.8	-0.2	48,370	5.1%
Bulgaria	5,170	12.0	-0.1	4,674	12.2%
Moldova	1,157	18.1	-1.4	1,096	19.5%
TOTAL DACIA	**90,838**	**3.1**	**-0.2**	**97,402**	**3.3%**

LADA BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Lada principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Russia	360,204	20.0	+0.5	311,588	19.5%
Kazakhstan	13,192	22.6	+4.1	8,684	18.5%
Belarus	10,464	20.2	+9.8	3,625	10.4%
Uzbekistan	2,651	4.3	+3.3	580	1.0%
Azerbaijan	1,159	29.0	-17.8	935	46.8%
Ukraine	575	0.7	-0.2	771	0.9%
Bulgaria	415	1.0	+0.1	325	0.8%
TOTAL LADA	**389,026**	**13.3**	**+2.3**	**326,963**	**10.9%**

JINBEI BRAND SALES

By sales volume PC

Jinbei Market	2018	2017
Armenia	200	0
TOTAL JINBEI	**200**	**0**

Sales Asia – Pacific Region

MARKET ALL BRANDS ASIA-PACIFIC REGION

By sales volume PC + LCV

Principal markets	2018	Change	2017
China	27,007,879	-1.8%	27,496,812
Japan	5,167,111	+0.9%	5,121,638
South Korea	1,784,614	+1.3%	1,762,094
Australia	1,121,396	-3.5%	1,161,614
Indonesia	1,051,234	+6.6%	986,299
Thailand	1,047,208	+20.2%	871,503
Malaysia	603,411	+4.6%	576,636
Taiwan	417,657	-3.9%	434,657
Philippines	408,967	-12.8%	468,981
Vietnam	242,474	+14.4%	211,998
New Zealand	156,346	+1.1%	154,655
Singapore	93,479	-19.5%	116,127
Hong Kong	39,324	-6.2%	41,906
Myanmar	14,409	+104.5%	7,047
Brunei	13,000	+1.6%	12,800
TAM ASIA – PACIFIC	**39,213,810**	**-0.6%**	**39,469,788**

RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
China	52,734	0.2	-0.1	70,941	0.3%
Australia	10,018	0.9	-0.0	10,812	0.9%
Japan	7,130	0.1	-0.0	7,119	0.1%
South Korea	5,415	0.3	+0.3	691	0.0%
Malaysia	902	0.1	+0.1	573	0.1%
Singapore	811	0.9	-0.1	1,096	0.9%
Tahiti	659	9.8	+2.1	477	7.6%
TOTAL RENAULT	**79,157**	**0.2**	**-0.0**	**93,441**	**0.2%**

DACIA BRAND SALES

In volume of the TAM PC + LCV

Dacia markets	2018	2017

New Caledonia	784	895
Tahiti	665	523
TOTAL DACIA	**1,449**	**1,418**

RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC

	2018			2017	
Renault Samsung Motors market	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
South Korea	84,954	5.5	-1.1	99,846	6.5%
TOTAL RENAULT SAMSUNG MOTORS	**84,954**	**0.3**	**-0.0**	**99,846**	**0.3%**

ALPINE BRAND SALES

By sales volume PC

Alpine Markets	**2018**	2017
Japan	116	0
Australia	32	0
TOTAL ALPINE	**148**	**0**

LADA BRAND SALES

By sales volume PC

Lada market	**2018**	2017
China	0	1,215
TOTAL LADA	**0**	**1,215**

JINBEI & HUASONG BRAND SALES

By sales volume PC + LCV

Jinbei & Huasong Markets	**2018**	2017
China	163,965	0
Myanmar	67	0
Laos	4	0
TOTAL JINBEI & HUASONG	**164,036**	**0**

Sales Americas Region

MARKET ALL BRANDS AMERICAS REGION

By sales volume PC + LCV

Principal markets	**2018**	Change	2017
Brazil	2,468,434	+13.6%	2,172,738
Mexico	1,421,458	-7.1%	1,530,317
Argentina	773,641	-10.4%	863,824
Chile	417,205	+13.1%	369,029
Colombia	245,622	+7.9%	227,662

Peru	147,916	-9.3%	163,000
Ecuador	130,783	+31.6%	99,345
Porto Rico	90,000	-0.7%	90,650
TAM AMERICAS	**6,020,748**	**+2.7%**	**5,860,627**

RENAULT BRAND SALES AND MARKET SHARES

In volume and as a % of the TAM PC + LCV

	2018			2017	
Renault principal markets	Sales	Market share *(%)*	Change in share *(pts)*	Sales	Market share
Brazil	214,822	8.7	+1.0	167,147	7.7%
Argentina	114,348	14.8	+1.4	115,242	13.3%
Colombia	49,588	20.2	-0.7	47,514	20.9%
Mexico	27,784	2.0	-0.0	30,199	2.0%
Chile	13,503	3.2	-0.7	14,489	3.9%
Uruguay	5,536	12.5	+3.5	4,902	9.0%
Peru	5,014	3.4	+1.0	3,892	2.4%
Ecuador	2,295	1.8	-0.2	1,945	2.0%
Bolivia	1,773	5.2	-2.0	2,364	7.3%
TOTAL RENAULT	**436,330**	**7.2**	**+0.6**	**389,206**	**6.6%**

LADA BRAND SALES

By sales volume PC + LCV

Lada principal markets	**2018**	2017
Chile	185	0
Bolivia	180	213
TOTAL LADA	**365**	**214**

JINBEI BRAND SALES

By sales volume PC

Jinbei principal markets	**2018**	2017
Bolivia	222	0
Peru	178	0
TOTAL JINBEI	**553**	**0**

Groupe Renault worldwide electric vehicle sales

	2018	2017	Change
ZOE	40,508	31,916	+26.9%
Kangoo Z.E.	9,021	4,381	+105.9%
Master Z.E.	102	0	+100.0%
Fluence Z.E.	6	33	-81.8%
SM3 Z.E.	1,235	2,014	-38.7%
TOTAL Z.E.	**50,872**	**38,344**	**+32.7%**

Worldwide Twizy sales

	2018	2017	Change
TWIZY	**3,916**	**2,599**	**+50.7%**

(III) Business-to-business powertrain activity

The powertrain business is an important sector in implementing effective industrial R&D synergies with Renault's partners, including the Nissan-Mitsubishi Motors Corporation Alliance partners. A dedicated department oversees this BtoB powertrain activity, both in respect of exchanges of powertrain parts with partners, and for related engineering activities. The aim of these synergies is to pool development costs, to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault.

In addition to the Alliance with Nissan and Mitsubishi Motors Corporation that enables the companies to share a common range of products, an industrial system and a supplier network, this BtoB activity seeks to promote and offer Renault's powertrain units in the context of automotive cooperations or third-party sales. They enable our partners to benefit from Renault technology and give Renault access, where useful, to its partners' developments and manufacturing capacity. This activity also serves as a basis on which to identify and set up one-off cooperation projects and to evaluate our competitiveness and level of quality compared to our competition.

Advantages

A modern, CO_2 efficient powertrain range: with its internal-combustion and electric range, Renault has once again demonstrated its commitment to taking the lead in reducing the environmental footprint of vehicles. The qualities of the Renault powertrain range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for petrol and diesel engines, as well as for gearboxes.

Nissan, Renault's partner in the Alliance, has risen from eighth place in the manufacturers' rankings in 2013 to fourth place in 2014 for average certified CO_2 emissions in its European range of passenger cars. This is mainly due to the deployment of the latest generation of Renault engines. After the partnership agreement signed in 2010 between the Renault-Nissan Alliance and the Daimler group, Renault's range of diesel engines also enable Mercedes to offer versions of its A, B and C Class vehicles emitting less than 100g of CO_2/km in New European Driving Cycle (NEDC). For the past seven years, Groupe Renault has featured in the top three highest performing manufacturers in Europe for certified CO_2 emissions and fuel consumption, with average emissions of 112.4g of CO_2/km at the end of 2018, and diesel or gasoline engines emitting less than 100g of CO/km in NEDC cycle on nine models in its passenger car range.

The organization

In Renault's Strategy, Business Development and Business Management department, dedicated teams work to detect opportunities, prepare bids, and negotiate contracts. Sensitive to the expectations of OEM customers, these teams allow for optimized responsiveness by interfacing with all Renault Engineering departments.

(IV) Main manufacturing sites

To meet the demands of our customers, Groupe Renault relies on an industrial footprint consisting of 41 industrial sites. In 2018, utilization rates for production capacity, undergoing change since 2017, amounted to 106% globally and 99% in the Europe Region, based on a standard figure of 3,760 hours per year (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year).

Utilization rates for production capacity are calculated using the Harbour method, *i.e.*, on the basis of two teams.

The enlarged Alliance and Renault's numerous strategic partnerships offer opportunities for synergies through the sharing of manufacturing facilities.

In 2018, for example:

- Renault-Nissan vehicles are produced by AVTOVAZ in Russia;
- Flins, Batilly, Sandouville, Moscow, Busan and Curitiba LCV) are Renault plants producing vehicles for Nissan, with Cordoba now also joining the list;
- the Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler;
- Sandouville and Batilly are two vehicle assembly plants that produce vehicles for other partners including Opel, RVI and Fiat;
- finally, in India, Renault and Nissan share a plant common to both.

As regards engines and gearboxes, the cross-use of the Alliance's plants makes it possible to offer regional manufacturing opportunities for the powertrain parts necessary for each market, while minimizing investments and making the most of our production capacities. The following is a selection of examples:

- for Nissan and Daimler, diesel engines are produced in the Renault plants in Cléon and Valladolid and gasoline engines in Valladolid and Pitesti;
- in Europe, Nissan's Sunderland plant produces engines for Renault. In Japan, Nissan's Yokohama plant also produces a gasoline engine for Renault;
- gearboxes are assembled for Daimler and Nissan in Cléon, for Nissan in Pitesti, Seville, Cacia and Los Andes;
- AVTOVAZ assembles engines and gearboxes for Renault and Nissan.

Production by plant and Region	2018
FRANCE	
Batilly (Sovab)	
Renault MASTER	96,346
Master Z.E.	307
Nissan NV400	6,945
Others	39,021
Caudan (Fonderie de Bretagne)	
Iron foundry (tons)	18,600
Choisy-le-Roi	
ES transmissions	29,350
ES engines	34,660
Cléon	
Transmissions	372,759
Engines	686,798
Electric engine	73,775
Aluminum foundry (tons)	19,297
Dieppe	
Clio RS	3,932
Alpine	3,304
Douai	

ESPACE	10,771
Scenic	89,968
TALISMAN	18,900
Flins	
Clio	73,966
ZOE	49,472
Nissan MICRA	72,606
Le Mans	
Rear suspensions	1,556,243
Front suspensions	806,041
Iron foundry (metric tons)	111,263
Maubeuge	
Kangoo/Citan	148,941
Kangoo Z.E.	9,565
Ruitz (STA)	
Automatic gearboxes	110,007
Sandouville	
Renault TRAFIC	94,003
Nissan NV300	6,310
Others	25,914
Villeurbanne	
Front suspensions	306,651

Production by plant and Region	2018
EXCLUDING FRANCE	
SPAIN	
Palencia	
MEGANE	85,161
MEGANE station wagon	57,243
KADJAR	114,632
Seville	
Transmissions	1,093,276
Valladolid	
Twizy	5,304
Captur	229,741
Others	47
Valladolid Motores	
Engines	1,438,202
Barcelona (Nissan group plant)	
Alaskan	1,760
PORTUGAL	
Cacia	
Transmissions	697,418
SLOVENIA	

Novo Mesto	
Clio	73,395
Twingo/Smart	135,962
Others	13
AFRICA, MIDDLE-EAST, INDIA	
ALGERIA	
Oran	
Logan	23,837
Sandero	33,302
Clio	13,458
INDIA	
Chennai [Nissan group plant]	
Duster	11,270
Kwid	76,190
Lodgy	1,194
Captur	1,608
IRAN	
Teheran – Iran Khodro – Pars Khodro [partner plants]	
Logan/Logan pick-up/Sandero	91,000
Teheran – ACI Pars	
Front suspensions	69,446
Rear suspensions	70,715
MOROCCO	
Casablanca (SOMACA)	
Logan	29,689
Sandero	53,745
Tangiers	
Lodgy	33,483
Sandero	168,686
Dokker	96,627
Logan MCV	19,856

Production by plant and Region	2018
EURASIA	
ROMANIA	
Mioveni (Dacia)	
Logan	33,841
Logan MCV	22,354
Sandero	42,146
Duster	4,582
New Duster	232,338
Transmissions	440,339
Engines	561,192
Front suspensions	409,093

Aluminum foundry (metric tons)	27,442
RUSSIA	
Moscow	
Kaptur	34,334
Duster	47,151
Nissan Terrano	16,253
Togliatti (AVTOVAZ)	
Logan	38,505
Sandero	37,950
Lada X-RAY	40,421
Lada LARGUS	58,624
Lada KALINA	18,393
Lada GRANTA	108,047
Lada PRIORA	7,224
Lada 4X4	41,161
Nissan Almera	15,847
Datsun MI-DO	2,746
Datsun ON-DO	20,829
Izhevsk (AVTOVAZ)	
Lada VESTA	131,310
TURKEY	
Bursa (Oyak-Renault)	
Clio	241,294
Clio station wagon	50,747
Fluence	44,521
Others	333
Transmissions	239,574
Engines	603,415
Rear suspensions	336,888
Front suspensions	336,888

Production by plant and Region	2018
ASIA-PACIFIC	
SOUTH KOREA	
Busan (Renault Samsung Motors)	
Talisman/SM6	26,198
Fluence/SM3	5,085
SM3 Z.E.	1,212
Latitude/SM5	10,002
Koleos/QM6	61,234
SM7	4,869
Nissan Rogue	107,251
Engines	89,214
CHINA	

Wuhan – DRAC [partner plant]	
Kadjar	16,459
Koleos	31,299
Shenyang – RBJAC [partner plant]	
Jinbei Haise/Grand Haise/Granse/F50 /Huasong 7	42,468
AMERICAS	
ARGENTINA	
Córdoba	
Logan	11,330
Sandero	15,979
Dokker	12,697
Nissan Navara	5,110
Others	105
Planta Fundicion Aluminio (PFA)	
Aluminum foundry (metric tons)	3,314
BRAZIL	
Curitiba	
Master	11,354
Duster	32,634
Duster Pick-up	39,827
Logan	25,059
Sandero	57,396
Captur	42,044
Kwid	92,560
Engines	297,052
CHILE	
Los Andes (Cormecanica)	
Transmissions	322,147
COLOMBIA	
Envigado (Sofasa)	
Logan	14,734
Sandero	24,611
Duster	29,909
MEXICO	
Cuernavaca (Nissan group plant)	
Alaskan	212

(V) Groupe Renault distribution network

Organization of the distribution networks

Groupe Renault distributes vehicles under its brands through both primary and secondary distribution networks.

The primary network is contractually bound to Renault via a concession agreement (or agency or authorized repair center agreement, depending on the country) and comprises:

- dealers independent of Groupe Renault;
- establishments belonging to Renault through its subsidiary Renault Retail Group (RRG) or branches.

The secondary network includes mainly small dealers, independent of Groupe Renault, and bound contractually to the primary network, most often via an agency contract, or authorized distribution or repair center contract.

The main developments in our network have focused on strengthening customer satisfaction, brand differentiation and adaptation for the marketing of new vehicles. This is especially true for our range of electric vehicles with the wider rollout of Expert Sites. At the same time, the transformation of the network made necessary by changes in customer needs and the digitization of services is underway and its deployment will be based on the 2022 strategy:

- hub organization that enables the pooling of back office services, implementation of separate formats and online commerce;
- the implementation of methods and standards with a Kaizen approach at our dealerships that makes customers the center of our processes and incorporates digital tools.

	2018		2017	
Number of Renault sites	Worldwide	o/w Europe	Worldwide	o/w Europe
Primary network	5,482	2,526	5,484	2,542
o/w RRG dealers and branches	*250*	*161*	*208*	*197*
o/w Renault Pro+ specialized dealerships	*661*	*511*	*647*	*497*
Secondary network	6,145	5,832	6,301	5,993
TOTAL SITES	**11,627**	**8,358**	**11,785**	**8,535**

	2018		2017	
Number of Dacia sites	Worldwide	o/w Europe	Worldwide	o/w Europe
Primary network	2,878	2,485	2,755	2,383

	2018		2017
Number of Alpine sites	Worldwide	Europe	Europe
Primary network	75	59	56

	2018	2017
Number of Renault Samsung Motors sites	Korea	Korea
Primary network	664	670

	2018		2017	
Number of Lada sites	Worldwide	o/w Russia	Worldwide	o/w Russia
Primary network	606	299	650	315

(VI) Renault Retail Group (RRG)

A wholly-owned subsidiary of the manufacturer, RRG is Groupe Renault's leading European distributor of vehicle sales and related services and after-sales activities.

RRG represents 20% of Groupe Renault revenues and 10% of its payroll (excluding AVTOVAZ).

RRG's mission is to distribute all of the Alliance's products and services (Renault, Dacia, Alpine and Nissan, in some countries) to professional and individual customers.

Activities cover new vehicles, used vehicles and spare parts and also includes maintenance, mechanics, bodywork, express repairs (Renault Minute and Renault Minute bodywork), short-term rental (Renault Rent), Mobility services (Renault Mobility), financing and brokerage.

RRG has over 200 sales and service outlets in 13 European countries: Austria, Belgium, the Czech Republic, France, Germany, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the United Kingdom.

In 2018, in line with Groupe Renault's network strategy, RRG deployed a lean management approach, which aims to improve productivity, in terms of both quality and time, thereby reducing costs while enhancing customer satisfaction and business performance. This resulted in the extension of reception and production opening hours, with a two-shift organization in some workshops.

2018	Revenues *(€ billion)*	NV sales	UV sales
TOTAL	**9.5**	**324,483**	**215,627**
France	5.7	183,433	147,830
Europe	3.8	141,050	67,797

Number of Renault Retail Group sites	**2018**		2017	
	Worldwide	o/w Europe	Worldwide	o/w Europe
o/w RRG dealers and branches		190		197

Renault Pro+: the expert brand and its specialized market

In late 2015, Renault launched the expert Renault Pro+ brand for professional customers all over the world, by highlighting the products and services dedicated to them.

The specialized Renault Pro+ network is the spearhead of the expert brand. Launched in 2009, this specialized network currently comprises 661 points of sale that meet standards tailored to business customers' expectations.

Renault Pro+ specialized dealerships are bound by a triple customer pledge based on:

- the specialization of sales teams and after-sales staff, with a dedicated area for business customers;
- a large range of options, including for chassis cabs, facilitated by the wide range of vehicles on display and available for test drive;
- guaranteed mobility for business customers with a dedicated after- sales team.

(VII) Automotive cash flow management

For Automotive, Groupe Renault has established a financial organization whose aims are to:

- automate the processing of routine cash inflows and outflows;
- meet the subsidiaries' refinancing requirements and pool surplus cash;
- centralize the handling of euro-denominated and foreign exchange transactions so as to optimize the management of currency, liquidity, interest rate, counterparty and country risk while reducing financial and administrative costs;
- centralize virtually all financing operations, including securities issuance, bank loans and credit agreements, at parent company level.

Within this framework, Renault's Financing and Treasury department, which is responsible for cash management and financing for the Group's industrial and commercial activities in Europe, has a specialized entity, Renault Finance, which it uses to:

- conduct capital market trading after intra-Group netting: forex, rates, commodities and short-term investments;
- make foreign currency payments for French and European subsidiaries;
- conduct cash pooling in the currencies of certain subsidiaries (United Kingdom, Hungary, Poland, Sweden, Switzerland, Australia and the Czech Republic).

For the euro zone, cash is centralized through a Renault SA IT platform that manages all subsidiaries' euro-denominated transactions and interfaces with the automotive sector's banks.

Outside the euro zone, Renault Finance offers certain subsidiaries access to centralized cash management tools.

Renault Finance

A Swiss company domiciled in Lausanne, Renault Finance is active in the international financial markets, following a set of strict risk management rules. Its arbitrage activity allows it to obtain very competitive quotes for financial products from foreign exchange markets, interest rates or raw materials. This makes it Renault's natural counterparty for most automotive market transactions. By extending this service to the Nissan group, Renault Finance has become the Alliance's trading room.

To optimize the quality of the service provided to the Alliance, Renault Finance is equipped with some of the most advanced tools on the interbank markets and has a wholly owned subsidiary in Singapore, Renault Treasury Services.

B. Nissan, AVTOVAZ, partnerships and collaborative projects

Nissan

Renault's shareholding in Nissan is described in detail in "(2) THE RENAULT-NISSAN ALLIANCE" below.

Nissan's market capitalization at December 31, 2018 was ¥3,714 billion (€29,513 million), based on a closing price of ¥880 per Nissan share.

Renault holds 43.4% of Nissan's share capital. At December 31, 2018, the market value of the shares held by Renault totaled €12,809 million, based on a conversion rate of ¥125.85 for €1.

Renault accounts for its shareholding in Nissan using the equity method, as described in note 12 of the notes to the consolidated financial statements.

AVTOVAZ

In Russia, AVTOVAZ continued its commercial and financial recovery, ahead of its medium-term plan and made a positive contribution to the results of Groupe Renault:

- a contribution of €3.04 billion to revenues (compared with €2.73 billion in 2017);
- a contribution of €204 million to operating profit (compared with €55 million in 2017).

These results are the fruit of the medium-term plan approved by AVTOVAZ shareholders in 2016, which aims to achieve a return to growth and profitability. The plan's objectives included market share in Russia of at least 20% (PC), in a market expected to grow after several years of decline, cost cutting, notably through increased local integration, a revival of exports and the development of new vehicle and engine ranges. Against this backdrop, the new special investment contract (SPIC) signed by AVTOVAZ with the Russian authorities in December 2018, together with Lada Izhevsk, Renault Russia, Nissan Motor Manufacturing Russia (NMGR) and Mitsubishi Motors Russia (NMR), will cover the launch of new models and the modernization of AVTOVAZ's plants in the coming years. At the same time, several transactions were carried out in 2018, putting the final touches to a financial restructuring process dating back to the end of 2016. They also saw all outstanding AVTOVAZ shares bought out in the second half of the year.

A RUB 61.4 billion AVTOVAZ capital increase reserved for Alliance Rostec Auto b.v. was finalized in April 2018. Renault and its Russian partner Rostec subscribed to the Alliance Rostec Auto b.v.

capital increase in the amount of RUB 30.7 billion each, released by offsetting operating receivables and loans from Renault and Rostec in respect of AVTOVAZ.

Following the closed subscription, Alliance Rostec Auto b.v. held more than 75% of AVTOVAZ's capital, and a mandatory buyout was accordingly launched in early July 2018, closing in September 2018.

As the mandatory buyout left Alliance Rostec Auto b.v. holding more than 95% of the share capital of AVTOVAZ (96.64%), a squeeze-out was subsequently initiated on September 28, 2018, in accordance with the applicable Russian securities regulations. The squeeze-out was closed in December 2018, leaving Alliance Rostec Auto b.v. holding 100% of AVTOVAZ's share capital. As the AVTOVAZ shares are no longer traded, the process of delisting it from the Moscow Stock Exchange was started in early 2019. As a result of these transactions, Renault owned 61.09% of the shares in the capital of Alliance Rostec Auto b.v., which in turn held 100% of AVTOVAZ, as of December 31, 2018. In the consolidated financial statements, Renault's stake in Alliance Rostec Auto b.v. was 67.61% as of December 31, 2018, as a result of the capital increase scheduled for early 2019 in accordance with the shareholders' resolutions of November 28, 2018.

Strategic cooperation between Renault-Nissan Alliance and Daimler AG

Strategic cooperations

The Alliance has demonstrated its ability to cooperate with various partners. These strategic cooperations make it possible to increase economies of scale, accelerate growth in new regions, gain access to new technologies, share costs and fund research and development of next-generation vehicles and engines. Existing and potential partners of the Alliance especially appreciate its ability to deepen collaboration over several business cycles.

The Alliance's most significant strategic collaboration is by far the one with the premium manufacturer Daimler. This partnership began in April 2010. This strategic cooperation is strengthened by cross-shareholdings: Daimler holds 3.1% of Renault's and Nissan's share capital, while Renault and Nissan each hold 1.55% of Daimler's share capital.

This co-operation is managed by a Cooperation Committee co-chaired by Mr Thierry Bolloré, Chief Executive Officer of Renault, Mr Hiroto Saikawa, Chief Executive Officer of Nissan, and Mr Dieter Zetsche, Chairman of the Management Board of Daimler, and composed of the senior executives of Renault, Nissan, Mitsubishi Motors and Daimler. This committee, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. No specific areas of potential collaboration are excluded. When teams suggest projects that could benefit all partners, they then launch feasibility studies. If senior executives and Board members of all companies agree, then the project is approved.

Cooperation between the Alliance and Daimler has intensified since 2010. In 2018, Mitsubishi Motors was fully integrated into the cooperation with Daimler.

It now covers a number of projects developed on three continents. The key projects in which Renault is currently participating are as follows:

- in addition to the thermal versions of Twingo and Smart, an electric version of the Smart 2 and 4-seater was launched in 2017. The new electric engines are being built at the Renault plant in Cléon. The battery of the electric Smart is produced by a Daimler subsidiary, "Deutsche ACCUmotive" in Kamenz, Germany;
- Renault developed a small light commercial vehicle based on Kangoo for Daimler. This vehicle has been manufactured in the Maubeuge Renault plant since 2012;
- the Alliance and Daimler are jointly developing a new direct- injection turbocharged small gasoline engine family (1l and 1.3l). The new engines will feature state-of-the-art technology in a compact package and will offer a significant improvement in fuel economy, as well as low emissions. The new engines debuted in Daimler, Renault and Nissan vehicles in late 2017;

- the Mercedes-Benz one-ton pick-up, which shares its architecture with the Nissan NP300 NAVARA and the Renault ALASKAN, is built by Nissan in its Barcelona plant;
- the Q30 and QX30, high-end compact vehicles marketed under the Infiniti brand and based on Daimler architecture, are manufactured at the Nissan plant in Sunderland, United Kingdom. Production of the Q30 began in November 2015 and of the QX30 in early 2016;
- early 2018, the production of Infiniti QX50 compact premium segment vehicles and Mercedes-Benz Class A started at the shared plant in Aguascalientes (COMPAS) as a joint venture.

Supplier relations and support

A long-lasting and effective relationship with its suppliers is essential to Groupe Renault's business. Any failure in this relationship, be it related to the quality of the parts delivered, a logistical problem, a project lag, or the deterioration of the financial health, can have a considerable impact both on the production of Renault plants and on the progress of projects.

Purchasing processes are, therefore, a strategic issue for Groupe Renault and, in a number of significant areas, key to its long-term future:

- supporting the implementation of the Purchasing strategy devised in accordance with the Group's strategic guidelines;
- measuring and managing suppliers' achievement of QCDW (Quality, Cost, Delivery, Weight) targets;
- selecting suppliers and developing a robust and sustainable relationship that is of mutual benefit, while still ensuring Groupe Renault maintains its competitive edge;
- contributing to the Groupe Renault brand image by supplying high-quality goods and services, the international development of its suppliers and the quality of the relationship with those same suppliers.

It is essential that carmakers and suppliers work closely together to create value together. Groupe Renault's objective is to build performance as part of an equitable, educational, long-term partnership with suppliers.

To this end, Groupe Renault has put in place a policy to support suppliers worldwide, which involves:

- sharing best industrial practices (regular meetings, expert assignments);
- optimizing processes in order to help suppliers cut costs without reducing their margins;
- quality management support with the establishment of a Renault expert contact for each supplier to reinforce the level of quality requirements on the ground with regard to our suppliers, to ensure optimal follow-up and better responsiveness;
- offering suppliers an opportunity to grow with the Group. Renault's manufacturing facilities in other countries and partnerships create opportunities for suppliers to expand into new markets or increase their volumes;
- cooperation on innovation. Beyond the research and advanced studies conducted internally and with Nissan, Renault works with suppliers on new joint innovations, sharing its strategic aims right from project design;
- raising suppliers' awareness of CSR.

As part of stronger relations with suppliers, Renault, Nissan and Mitsubishi Motors have implemented a joint selection process whose goal is to enable suppliers recognized as the most efficient and reliable to be granted Alliance Growth Partners (AGP) status.

This status allows them to access information about the Alliance's medium-term strategy for innovation, new products and international development to best support the growth of the Company.

Finally, as part of its supplier development and recognition plan, Renault awards “Supplier Trophies” each year. These trophies reward particularly high-performing suppliers in five priority categories for Renault: quality, innovation, responsible purchasing, design and the service provided to manufacturing. In 2018, 12 suppliers won awards for their outstanding achievements in one of these three areas:

- Responsible purchasing: Hankook Tire Co., Ltd,, LTD, HP, Henkel;
- Quality: CTR CMS CO, Calsonic, Tower Autoaruja, Kiriu-Samick Co., Ltd, Yazaki Europe Limited;
- Best service provided to manufacturing: Euro Auto Plastic Systems, EAPS. Innovation: Faurecia, IAV Group. Design: groupe D3.

New Mobilities and Services

In 2017, implementation of the **Zity** platform, the result of a close collaboration between Renault and the Spanish infrastructure operator “Ferrovial Servicios”: the objective is to meet the expectations of the people of Madrid and support the development of new urban mobility habits by them. Inaugurated at the end of 2017, the service already passed the 100,000 user mark in July 2018. The service gives access to a fleet of 500 Renault ZOE spread over most of the urban area. These 100% electric cars are equipped with the intuitive connected navigation system R-Link and driving or parking assistance. Their battery gives them autonomy of about 300 kilometers of actual use. To locate an available vehicle and reserve and open it, the user needs only a smartphone equipped with the dedicated application.

In 2017, Groupe Renault acquired **Power Vehicle Innovation** (PVI), a company based in Gretz Armanvilliers (France), which employs 94 people on its site. The acquisition of PVI allows Renault to accelerate the implementation of new technologies, especially in the conversion of electric light commercial vehicles, like the new MASTER Z.E., a light commercial vehicle developed in synergy with PVI.

In November 2018, Groupe Renault announced the acquisition of **Carizy**, a service company specializing in intermediation between private individuals in the sale of used vehicles. It employs about 30 people. This acquisition enables the Group to integrate the necessary know-how and skills to quickly establish itself in the consumer to consumer (C2C) market. Carizy’s expertise complements the long-standing expertise of Renault and its sales network in the sale of used cars business-to-business (B2B) and business-to- consumer (B2C).

In January 2018, Renault-Nissan-Mitsubishi Motors announced the launch of **Alliance Ventures BV**, based in Amsterdam (the Netherlands), a venture capital fund to develop open innovation and new mobilities over the next five years. An investment of almost $1 billion over five years is planned. Alliance Ventures will invest in start-ups that can bring new advanced technologies to the Alliance and enable it to develop new activities while ensuring a fair financial return. The fund will invest at each stage of development of a start-up, acting as an incubator for new entrepreneurs in the automotive industry or enabling the establishment of new partnerships.

The new entity is financed jointly by Renault (40%), Nissan (40%) and Mitsubishi Motors (20%). The initial investment is $200 million.

The first transaction by Alliance Ventures is an investment in Ionic Materials, a promising US company that develops materials for cobalt-free batteries. Alliance Ventures has most recently announced its participation in fundraising efforts for (i) Coord, a US mobility data management platform; (ii) WERIDE.AI, China’s leading autonomous driving company, (iii) Transit, a multi-modal carrier application company, (iv) Enevate Corporation, which specializes in the design of lithium-ion batteries.

In December 2017, Groupe Renault and the **Challenges** Group decided to join forces to meet the challenges of publishing services for connected, autonomous cars and problems surrounding innovative distribution of print media. Groupe Renault acquired 40% of the capital of the Challenges Group.

Renault Digital

On January 1, 2017, Renault Digital, a wholly-owned subsidiary of Groupe Renault, was created. This entity's main missions are to conduct or support the Group's digital projects, exploit the full value of the data generated by the activity, strengthen employee skills and attract digital talent, and inform employees about smarter approaches to work. Renault Digital teams mobilized more than 300 full-time equivalents in 2018.

Renault Venture Capital

In July 2017, a company was created with an initial capital allocation of €20 million, a wholly-owned subsidiary of Renault s.a.s. whose purpose is to acquire minority stakes in start-ups or other companies. RVC aims to promote Renault's embrace of open innovation and to create links with emerging businesses in the future fields of automotive products and services. These will make it possible to establish privileged relations with start-ups. This activity, which is an ideal complement to Research and Development carried out internally, will create an image of proactivity focused on open innovation and joint development and will allow faster decision-making.

In October 2018, Groupe Renault invested in the French start-up **Akoustic Arts**, which specializes in directional sound and employs a dozen people.

Light commercial vehicles

Renault has several agreements with General Motors Europe/Opel, Nissan, Renault Trucks, Daimler and more recently Fiat.

Renault and General Motors Europe signed a framework agreement in 1996 that included a commitment to work together. The aim was for the two manufacturers to increase their market presence in Europe and share development costs.

In compact vans, under the partnership with GM Europe, the production of the latest generation of TRAFIC started in April 2014 in the Sandouville plant and of the Opel/Vauxhall VIVARO in the GM Europe plant in Luton in September 2014. The marketing of the TRAFIC and Vivaro began in September 2014.

In March 2017, General Motors and Peugeot SA agreed that Peugeot would take over GM's European operations (Opel Vauxhall). This transaction took place in two stages: the transfer of assets, including the contracts with Renault, as well as the Luton (United Kingdom) plant that produces Opel/Vauxhall VIVARO compact vans, to a new entity, Opel Automobile, on June 30, 2017; followed by the sale of Opel Automobile (and its contractual obligations with Renault) to Peugeot SA on August 1, 2017, which constitutes a change of control for that entity.

In 2018, Peugeot SA announced its decision to stop production of the Opel/Vauxhall VIVARO in Luton by mid-2019. An agreement to terminate cooperation was signed to that effect.

In July 2014, Renault signed a cooperation agreement with Fiat for the manufacturing at the Sandouville plant of a compact van developed by Renault based on the new generation of TRAFIC vehicles, the Talento. Production started in May 2016 and sales began in July 2016. This vehicle is distributed by Fiat across its network and under its brand name.

Under the Renault-Nissan Alliance, an agreement was signed with Nissan for the manufacturing at the Sandouville plant of a new compact van developed by Renault based on the newest generation of TRAFIC vehicles, the NV300. This vehicle is in continuity with the distribution agreement with Nissan for the PRIMASTAR, a compact van based on the previous generation of TRAFIC vehicles signed with Nissan in 2003. Production and sale of the NV300 started in 2016.

The offering in the large vans segment was renewed in 2010, with the launch of the new range of the Renault MASTER and Opel/ Vauxhall Movano, both manufactured by Renault at its Batilly plant in France. Movano was sold to Opel/Vauxhall as part of a supply agreement signed at the end of 2007.

The New MASTER is also distributed by the Renault Trucks network under the terms of sales agreements entered into in 2009.

Finally, as part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the New Renault MASTER called the NV400. This vehicle has been sold by Nissan since end-2011.

On the van segment, as part of the strategic cooperation between the Renault-Nissan Alliance and Daimler announced on April 7, 2010, Renault and Daimler studied the development of a light commercial vehicle called the CITAN. This new urban LCV by Mercedes-Benz was developed by Renault on the basis of the KANGOO platform and is built exclusively at the Renault plant in Maubeuge (France). CITAN has been sold by Mercedes since fall 2012.

In addition, under the Renault-Nissan Alliance, an agreement was reached for the development and sale of a small van based on the current Renault KANGOO, called the NV250. This vehicle will be manufactured by Renault at the Maubeuge plant and marketed by Nissan from the end of 2019 to replace the NV200.

In the pick-up segment, Renault signed an agreement with Nissan in 2015 for the development and production of a Renault pick-up, the ALASKAN, based on the platform of the New Nissan NP300. This vehicle is produced in the Nissan plant in Cuernavaca, Mexico, and was launched commercially in Colombia in the second half of 2016. Starting in October 2017, the vehicle is also manufactured in the Nissan plant in Barcelona (Spain) and marketed in Europe under the name ALASKAN.

Accelerating international expansion

Various agreements have been signed with local partners (manufacturers and local authorities).

In Turkey

Groupe Renault and Oyak, Turkey's largest professional supplementary pension fund, have renewed their half-century partnership. Both shareholders of MAIS and Oyak Renault have declared that they will continue their cooperation for another 27 years, signing a new shareholder agreement and new side agreements on June 26, 2018.

This contract governs the largest cooperation ever in the Turkish car industry and covers Groupe Renault's industrial and commercial activities in Turkey. Oyak Renault will continue to play a key role in Groupe Renault's industrial operations for the production and export of vehicles, engines and transmissions. MAIS will continue to manage sales and after-sales operations for vehicles, spare parts and services for the Renault and Dacia brands.

These new agreements do not change the distribution of the shareholders' ownership of each of the entities (MAIS: 51% Oyak Group – 49% Groupe Renault; Oyak Renault: 51% Groupe Renault, 49% Oyak Group). These new contracts demonstrate the strength of the relationship between the two partners, whose common goal is to maintain their industrial and sales leadership in Turkey.

In China

Renault continued its activity in China in 2018. The product range includes the CAPTUR, which has been imported since June 2015, the KADJAR, produced in China and launched in March 2016, the KOLEOS, produced and launched in November 2016, and the ESPACE, imported since December 2017. The production site of the Dongfeng Automotive Company (DRAC), a Renault company jointly owned (50/50) by Dongfeng and Renault, has a capacity of 150,000 units. It is located in Wuhan, the capital of Hubei Province.

In September 2017, Renault, Dongfeng and Nissan created a new joint venture (eGT). Renault holds 25% of eGT's shares, Nissan 25% and Dongfeng the remaining 50%. This new company is based in Shiyan (Hubei Province) and is dedicated to developing an electric vehicle for China. The launch of K-Z.E. for 2019 in China was announced at the 2018 Paris Motor Show.

Finally, in December 2017, Renault signed a joint venture agreement with CBA (China Automotive Holding Limited), which led to the creation of a joint venture (owned 49% by Renault) for the production of light commercial vehicles at the Shenyang site. This company, RBJAC (Renault Brillance Jinbei Automotive Company), markets vehicles under the Jinbei brand. The new industrialization project for the MASTER in Shenyang is underway, with a rollout scheduled for the end of 2020.

In India

In Chennai, the Alliance continues to build its joint production site as part of a joint venture with Nissan (JV RNAIPL). Production started in 2010 with the Nissan MICRA, followed by the production launches of the FLUENCE, KOLEOS, PULSE, SCALA and DUSTER for Renault. In 2015, Renault started production of the LODGY, then the KWID. In 2018, Renault sold nearly 83,900 vehicles. Renault also exports models made in India to Sri Lanka, Nepal, Bhutan and Bangladesh with the support of local importers in those countries.

In the same region, the joint-venture between Renault and Nissan, RNTBCI, has provided engineering, computer, purchasing and accounting services for all of the entities in the Alliance around the world since 2008. A significant part of its services are performed on behalf of the entities of the Alliance in India, thus contributing to the commercial development of the Alliance in that country.

In Iran

Renault maintains its presence in strict compliance with the legal restrictions set by international regulations for the country. As a result, Renault decided to drastically limit its activities in Iran. Accordingly, deliveries of KD parts to Iran ceased on August 6, 2018 and Renault Pars limited its activities to after-sales. Production by our partners reached 75,100 vehicles in 2018. Renault based its activities on the X90 platform: TONDAR (Iranian name of LOGAN), TONDAR pick-up and SANDERO. Since the start of manufacturing in 2007, the cumulative production of those vehicles was 794,500 units.

The Iranian business was taken out of the Group’s consolidated scope in 2013.

On August 7, 2017, Groupe Renault announced the signing of a joint-venture with IDRO, an industrial investment and renovation fund in Iran, and PARTO NEGIN NASEH Co, a holding company of NEGIN Khodro, the importer of Renault products into Iran. This agreement did not enter into force as planned in 2018 due to the international climate and was therefore not implemented.

In South Africa

Following the cooperation agreement signed in May 2007 with Nissan, vehicles of the LOGAN range (pick-up and SANDERO) have been assembled locally in the Rosslyn factory since 2009. The pick-up is assembled by Nissan, which sells the vehicle under its own brand name.

In 2013, Renault s.a.s. signed an agreement with its historic South African commercial partner, Imperial group, to transfer the majority of the shares in their joint subsidiary, Renault South Africa. Since December 2013, Renault s.a.s. has had a 40% stake in the subsidiary and Imperial group 60%. This enabled the acceleration of Groupe Renault’s expansion in this country from a 3.0% market share in 2014 to a 4.8% share in 2018.

In 2018, the release of the Kwid, imported from India, allowed Renault to sell 25,500 vehicles in South Africa.

In Morocco

In 2018, Groupe Renault consolidated its leading position in Morocco and became the second-largest company in the Kingdom. The two plants in Tangiers and Somaca produced over 400,000 vehicles in 2018. Export volumes reached 333,100 vehicles and locally, 75,400 vehicles were sold. Thanks to the success of the two Dacia and Renault brands, the Group recorded a record 42.5% market share at December 31, 2018.

An agreement was signed with the State at the end of October 2018 to double SOMACA’s annual production capacity (Dacia Logan and Sandero) by 2022 and reach 160,000 vehicles per year. Since the signing of the Ecosystem Convention with the Moroccan Government in 2016, the base of local suppliers has doubled. The local integration rate reached 50% in 2018. The commitment is 65% in 2023.

In Algeria

The Oran plant is managed by Renault Algérie Production, a partnership between Renault (49%), the SNVI (Société Nationale des Véhicules Industriels, 34%) and the FNI (Fonds National d'Investissement, 17%).

Four years after production began, the Oran plant continues to grow at an accelerated pace. Initially planned for production of 25,000 units per year, its capacity has been increased with the industrialization of a third CLIO IV car marketed since April 2018. The plant produced 70,000 vehicles in 2018.

The environment

Renault Environnement, a wholly-owned subsidiary of Renault s.a.s., was founded in mid-2008. Its role is to develop new businesses around the themes of sustainable development and the environment, in line with Groupe Renault's environmental policy.

Renault Environnement has a joint-venture with SITA Recyclage, a subsidiary of Suez, to develop the recycling of ELVs (end-of-life vehicles) and the return to the market of recycled materials and re-used parts.

Through its subsidiary Gaïa and its equity investment in Boone Comenor Metalimpex, Renault Environnement also recovers automotive parts (production scrap and end-of-life parts) and metallic waste from Group sites.

C. Sales financing

RCI Bank and Services offers financial solutions to facilitate access to automotive mobility for Alliance customers.

Taking into account each brand's specific characteristics and anticipating new needs and uses of their customers, RCI Bank and Services supports their marketing policies and works with them to win new customers and build loyalty.

RCI Bank and Services brings together three worlds: automotive, through its historic activity, banking, through its business line, and services, through its offers. Every day in 36 countries around the world, RCI Bank and Services supports the development of the Alliance's brands and their distribution networks, by offering their customers a comprehensive range of financing products, insurance and services.

Our vision is to:

Make mobility easier for everyone, which is the reason we create personalized services;

Innovate to better serve our customers.

Customized offers for each of type of customer

For **Private** customers, we propose offers for financing and services that are appropriate for their projects and their usage patterns, to facilitate and enhance their driving experience throughout their entire automotive mobility adventure. Our solutions and services are for both new and used vehicles.

For **Professional** customers, we provide a diverse range of mobility solutions to free them from the restrictions relating to managing their fleet of vehicles and enable them to concentrate on their core business.

For the Alliance **brand networks**, we provide active support by financing inventory (new and second-hand vehicles and spare parts), as well as short-term cash requirements.

Savings bank activity: a pillar of corporate refinancing

The Savings business was launched in 2012 and now operates in four markets, namely France, Germany, Austria and the United Kingdom. Savings deposits are a key instrument in the diversification of the Group's sources of refinancing for its operations. Deposits collected came €15.9 billion, or approximately 34% of net assets at the end * of December 2018.

* Net assets at year-end: total net outstandings at year-end + operational leasing operations net of depreciation, amortization and provisions.

Over 3,500 employees active in five regions

Our employees work in 36 countries in five major regions of the world: Europe; Americas; Africa – Middle-East – India; Eurasia; Asia-Pacific.

Business activity

RCI Bank and Services saw a further increase in its sales performance in 2018 and continues to implement its ambitions. This makes RCI Bank and Services a reliable strategic partner of the Alliance brands.

With 1,798,901 contracts financed in 2018, an increase of 1.6% over last year, RCI Bank and Services generated €20.9 billion in new financing.

The Group's vehicle financing penetration rate stands at 40.7%, up 1.1 points compared to 2017. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 42.9%, versus 42.6% in 2017.

UV Financing activity continues to grow sharply with 355,274 applications funded, an increase of 11.1% compared to 2017.

Average performing assets (APA)** stand at €44.4 billion, an increase of 12.0% compared to 2017. Of this amount, €34.0 billion was directly related to the Customers business, up 13.6%.

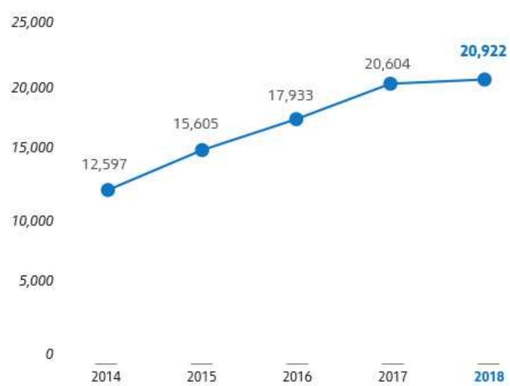
Supported by growth in new and used vehicle financing, Services activity is intensifying, with volumes up 11.1% over the last twelve months. The number of services sold in 2018 represents 4.8 million insurance and service contracts, of which 66% were customer and vehicle use-related services.

** Average Performing Assets: APA are average loans outstanding plus assets related to operating lease activities. For customers, this is the average of the performing assets at the end of the month. For the network, this is the average of daily performing assets.

NEW FINANCING CONTRACTS

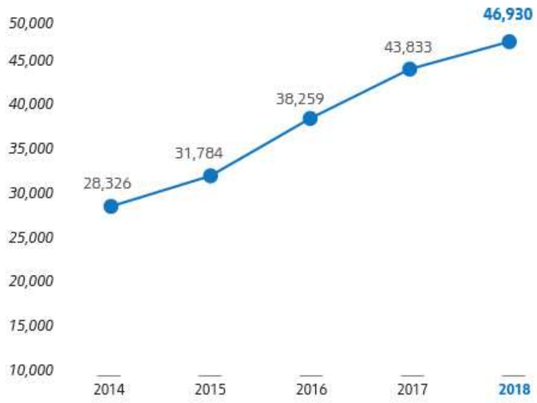
(excluding personal loans and credits cards)

(€ million)



NET ASSETS AT END* 2018

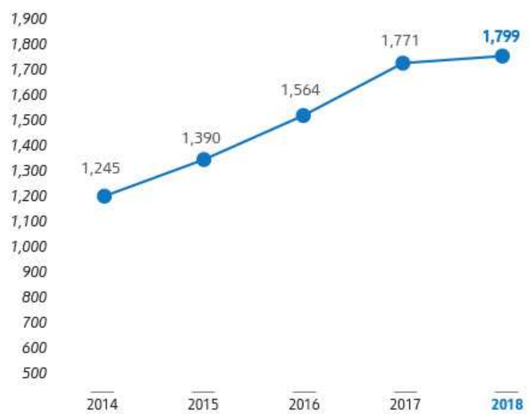
(€ million)



* Net assets at year-end: total net outstandings at year-end + operational leasing operations net of depreciation, amortization and provisions.

TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS

(thousands)



Source: Group Performance Summary

The Europe Region posted a financing penetration rate of 44.9%, compared to 43.3% last year, and saw a 2.4%increase in the number of new and used vehicle financing contracts compared to 2017.

In an uncertain economic environment (mainly in Argentina), the financing penetration rate in the Americas Region was 35.0%, down 3.8 points from 2017. However, Colombia, a subsidiary that entered the scope of consolidation last year, posted a high penetration rate of 47.5%.

The Asia-Pacific Region has the highest Funding financing penetration rate among RCI group Regions (56.8%). Accordingly more than half of new vehicles sold by Renault Samsung Motors were financed by RCI Banque, which posted excellent commercial performance.

Supported by the sales momentum of the subsidiaries of the Africa – Middle-East – India Region, the financing penetration rate continued to rise to 27.8%, an increase of 6.0 percentage points compared to 2017.

The Eurasia Region financing penetration rate stood at 27.0%, benefiting in particular from the good performance of Turkey, which saw its Financing penetration rate increase by 1.7 points to 28.3%.

Earnings

Net banking income (NBI) reached €1,930 million, an increase of 18.6% compared to the end of December 2017. This growth can be explained by the increase in Financing activities (increase in average productive assets (APA) of 12.0%) and by the increase in Services activities (+16.8% compared to the previous year over the same period).

Operating expenses amounted to €563 million, or 1.27% of APA, down 5 basis points compared to the previous year. The operating ratio remains at a significantly low level compared to the market (29.2%), demonstrating the Group's ability to control its operating expenses while supporting its strategic projects and business growth.

The total cost of risk is 0.33% of APA, which is under control after a low point of 0.11% in 2017, thus confirming a robust policy of acceptance and recovery.

Cost of risk for Retail Customer business (financing of individuals and businesses) remains under control at 0.51% of APA in 2018, compared to a historic low of 0.19% in 2017. Since the transition to IFRS 9, the cost of risk includes a provision for performing loans and off-balance sheet commitments. The application of this standard in 2018 led to an increase in the cost of risk, due in particular to the growth of outstandings.

For the Dealer Networks business (dealer financing), the cost of risk is negative, as in 2017, at -0.33% of APA in 2018, compared with -0.15% the previous year. New reversals of provisions were recorded for those outstandings, which remained stable in amount and of good quality.

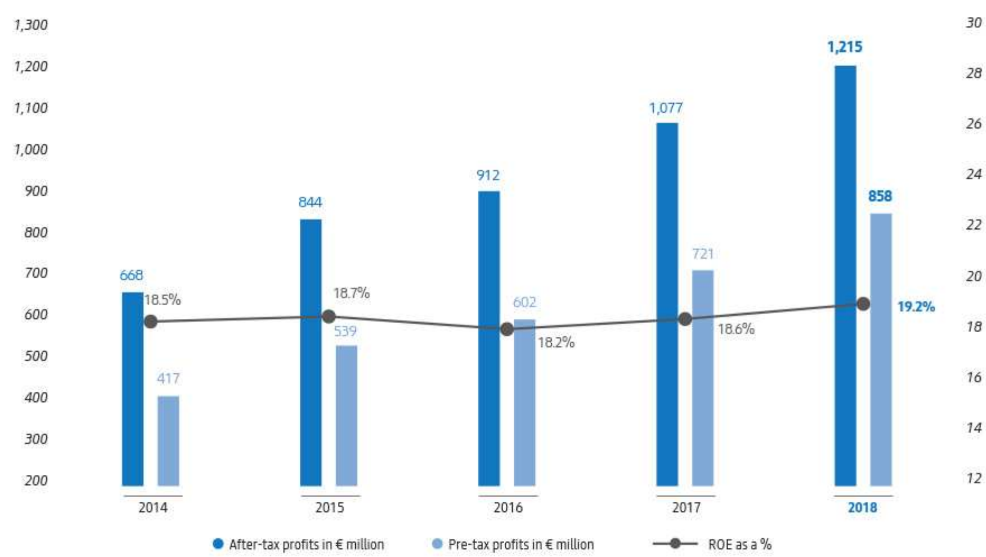
Pre-tax income stood at €1,215 million, up 12.8% from the same period last year, despite a negative exchange rate effect of €48 million, due mainly to the devaluation of the Brazilian real and Argentine peso.

Consolidated net income (parent company shareholders' share) reached €858 million at the end of December 2018, compared with €721 million in 2017.

On January 9th 2019, the Italian competition authority (Autorità Garante della Concorrenza e del Mercato, AGCM) pronounced penalties against the main financing captives in the automotive industry operating in Italy for the exchange of commercial information. The total amount of fines imposed by the AGCM is €678 million. The amount notified against the Italian branch of RCI Banque amounted to €125 million. This amount is not provisioned in the 2018 financial statements. RCI Banque disputes this decision and will appeal to the Administrative Court.

RESULTS

(€ million)



* ROE 2014 excluding non-recurring items (-€77 million).

The balance sheet

Good commercial performances, especially in Europe, drove historic growth in net assets at the end of December 2018 to €46.9 billion, compared to €43.8 billion at the end of December 2017 (+7.1%).

Consolidated equity amounted to €5,307 million against €4,719 million at December 31, 2017 (+12.5%).

Solvency

The Core Tier One solvency ratio was 15.5% at the end of December 2018, against 15.0% at the end of December 2017.

Financial policy

In 2018 the European Central Bank maintained its key interest rate unchanged and announced it should be kept at that level at least until the summer of 2019. At the same time, the ECB gradually reduced its asset purchase program, down from €30 billion per month in the first part of the year to €15 billion from October, and ended it in December. From 2019, it will reinvest proceeds from maturing securities to maintain favorable liquidity conditions.

In the United States, Jerome Powell, the new Chairman of the Federal Reserve, raised its key interest rates four times, thereby taking the Fed Funds' target range to 2.25-2.50%. In the United Kingdom, the Bank of England, which in November 2017 initiated its first monetary tightening in a decade,raised its official interest rate to 0.75% in July.

The anticipated global economic slowdown and the end of the central banks' accommodating monetary policies gradually altered the macro-economic climate that prevailed at the beginning of the year. The trade war between the United States and China, the United Kingdom's breakaway from the European Union and the budgetary negotiations between Italy and Brussels also contributed to heightened volatility. Against this backdrop the markets reverted to risk aversion mode in the second half of the year, evidenced by a fall in equities markets [1] and widening credit spreads [2].

After a peak of 0.50% in February, the 5-year swap rate ended down 12bp at 0.20%.

RCI Banque issued the equivalent of €2.9 billion in public bond format, making a number of successive issues. The first was a five- year floating rate issue for €750 million, the second a dual tranche issue for €1.3 billion (three-year fixed rate €750 million, seven-year floating rate €550 million), and the third an eight-year fixed rate bond for €750 million.At the same time,the company issued a five- year fixed rate CHF125 million bond,a transaction that enabled it to both diversify its investor base and fund assets in that currency.

Three private format placements, one two-year and one three-year, were also made for a total of €600 million.

On the secured funding segment, RCI Banque sold a public securitization backed by auto loans in France for €722.8 million, split between €700 million of senior securities and €22.8million of subordinated securities.

This combination of maturities, types of coupon and issue formats is part of the strategy implemented by the group for a number of years to diversify its sources of funding and reach out to as many investors as possible.

In addition, the group's entities in Brazil, South Korea, Morocco, Argentina and for the first time Columbia also tapped their domestic bond markets.

Retail customer deposits have increased by €0.9 billion since December 2017 and at 31 December 2018 totaled €15.9 billion, representing 34% of net assets at the end of December, in line with the company's goal of collecting retail deposits equivalent to approximately one third of the financing granted to its customers.

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1 *Euro Stoxx 50 down 15%*

2 *Iboxx EUR Non-Financial up 56 bp, Iboxx Auto up 95 bp*

These resources, to which should be added,based on the European scope, €4.4 billion of undrawn committed credit lines,€3.8 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA) and €0.4 billion of financial assets, enable RCI Banque to maintain the financing granted to its customers for almost 12 months without access to external sources of liquidity.

In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

The strength of the group's balance sheet is also evidenced by very low market risks (interest rate, currency and counterparty risks), which are monitored daily on a consolidated basis.

RCI Banque's overall sensitivity to the interest rate risk remained below the €50 million limit set by the group.

At 31December2018, a 100-basis point rise in rates would have an impact on the group's net interest income (NII) of:

- +€3.4 million in EUR;
- +€1.4 million in MAD;
- +€0.8 million in GBP;
- +€0.3 million in KRW;
- -€0.4 million in BRL;
- -€0.4 million in CZK;
- -€0.7 million in CHF.

The absolute sensitivity values in each currency totaled €7.8 million.

The RCI Banque group's consolidated foreign exchange position totaled €9.2 million.

(2) THE RENAULT-NISSAN ALLIANCE

Overview

Twenty years of cooperation

The Alliance between the Renault and Nissan groups constitutes the most sustainable and productive multi-cultural strategic collaboration in the automotive industry. For 20 years, this partnership has offered a unique, pragmatic and agile model, always able to evolve and integrate new projects and partners. Now extended to Mitsubishi Motors, it forms the largest automotive alliance in the world.

In 2018, the Alliance achieved significant growth, with 10.76 million vehicles sold worldwide, and remains no. 1 worldwide in terms of sales of passenger cars and light commercial vehicles. The Alliance is also the manufacturing leader of zero-emission vehicles and is developing the innovative technologies of tomorrow's autonomous, connected and affordable vehicles.

The Alliance aims to create value for each partner and for all stakeholders (employees, customers, suppliers, *etc.*) through the identification of synergies and the implementation of common solutions in the interest of its members.

The "Alliance 2022" mid-term plan launched in September 2017 aims to double the annual amount of synergies from €5 billion in 2016 to more than €10 billion in 2022. It is based in particular on:

- four common platforms on which over nine million vehicles will be produced;
- a greater proportion of common engines – from one-third in 2016 to three-quarters of engines shared in 2022;

- the sharing of electrification, connectivity and autonomous driving technologies;
- 12 new 100% electric models with shared platforms and components;
- 40 new vehicles with autonomous driving technologies;
- the ambition to become an on-demand mobility services operator using robo-vehicles.

Founding principles of the Alliance

The success and sustainability of the Alliance are based on principles of trust, fairness, transparency and mutual respect among its members.

The Alliance ensures a strict balance between partners and the preservation of their respective interests.

It strives to develop "win-win" solutions, always determined by consensus since the beginning of the partnership and to maximize synergies while preserving each partner's brand identity and corporate culture.

Since 1999, the Alliance has never deviated from these founding principles.

Founding objectives of the Alliance

Since 1999, the Alliance has pursued a strategy of sustainable and profitable growth with three long-term objectives:

- to rank in the top three automotive groups for quality and attractiveness of its products and services in each region of the world and range segment;
- to rank in the top three automotive groups in key technologies, each partner being a leader in specific fields of excellence; and
- to rank in the top three automotive groups by operating profit, thanks to a high operating margin and sustained growth.

History

Creation of the Alliance

On March 27, 1999, Renault and Nissan entered into the founding agreement of the Alliance, the Alliance and Equity Participation Agreement (the "**AEPA**").

Under the provisions of the AEPA, Renault acquired a 36.8% stake in Nissan's share capital and subscribed for share subscription warrants that enabled it to increase its stake first to 39.9% and then to 44.4% of Nissan's capital.

For its part, Nissan was given the opportunity to acquire a stake in Renault in the future.

Strengthening of the Alliance

Entry into force of the RAMA

Nissan's turnaround and the Alliance's rapid success led the partners to take a new step forward by accelerating the implementation of their financial agreements, and further institutionalizing their commercial and industrial cooperation.

Accordingly, on December 20, 2000, Renault and Nissan entered into the Alliance's second master agreement, the "Alliance Master Agreement" (the "**AMA**"), which was reiterated and updated on March 28, 2002 in the "Restated Alliance Master Agreement" (the "**RAMA**").

Reciprocal acquisitions of stakes by Renault and Nissan

Under the AMA and then the RAMA, Renault strengthened its stake in Nissan, and Nissan acquired a 15% stake in Renault's share capital:

- on March 1, 2002, Renault increased its stake in Nissan from 36.8% to 44.4%; on April 6, 2010, a share exchange agreement between Renault, Nissan and Daimler resulted in Renault's stake in

Nissan decreasing from 44.4% to 43.4% at the same time as Daimler entered the capital of Renault and Nissan; and

- on March 29, 2002 and May 28, 2002, Nissan increased its stake in Renault to 15% through two capital increases reserved to Nissan Finance Co. Ltd, a wholly-owned subsidiary of Nissan.

Pursuant to Article L. 233-31 of the French Commercial Code, the Renault shares held by Nissan Finance Co. Ltd are not taken into account in the calculation of the quorum, and do not confer voting rights, *i.e.*, the voting rights attached to such shares cannot be exercised at shareholders' general meetings.

Creation of Renault-Nissan b.v.

Renault-Nissan b.v. ("**RNBV**") was formed on March 28, 2002 in application of the RAMA.

This Amsterdam-based company has been owned equally by Renault and Nissan since 2002. It coordinates the common activities on a global scale and contributes to the preparation of the Alliance's strategy and mid and long-term planning (see "Powers of RNBV" below).

Deepening of the Alliance

Combination of the roles of Chairman and Chief Executive Officer of Renault and of Nissan in 2005

In 2005, Mr Carlos Ghosn became Chairman and Chief Executive Officer of Renault, while remaining Chairman and Chief Executive Officer of Nissan.

On April 1, 2017, Mr Hiroto Saikawa succeeded Carlos Ghosn as Chief Executive Officer of Nissan. Mr Carlos Ghosn remained Chairman of Nissan from April 1, 2017 to November 22, 2018.

Intensification of the partnership

On April 15, 2009, it was decided to accelerate and intensify the partnership between Renault and Nissan.

Alliance Directors and Managing Directors of both Renault and Nissan were appointed by RNBV to share best practices within the Alliance and complete the search for synergies.

Consolidation of the Alliance

In the context of the increase by the French State's stake in the share capital of Renault and then the introduction of double voting rights, the Board of Directors of Renault authorized, on December 11, 2015, the signing of the following agreements, which the shareholders' general meeting approved on April 29, 2016:

- a governance agreement entered into on February 4, 2016 between Renault and the French State, aimed at restricting the free exercise of the French State's voting rights for certain decisions submitted to Renault's shareholders' general meeting.

  This agreement is described in "Shareholders' agreements on shares and voting rights of the Company;" and

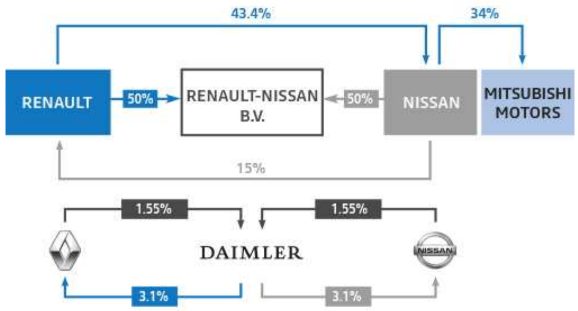
- a third amendment to the RAMA signed on December 11, 2015 between Renault and Nissan that enshrines in particular the constant practice of non-interference of Renault in the governance of Nissan.

On November 2, 2017, the French State sold the 14 million Renault shares acquired in 2015. On that occasion, and in accordance with applicable regulations, Renault bought back 1,400,000 shares (*i.e.*, 10% of the shares sold by the French State) with the aim of implementing an offer reserved for employees and former employees of the Group.

The agreements concluded between with the French State and Nissan remain in force.

Expansion of the Alliance to Mitsubishi Motors

Acquisition by Nissan of a stake in Mitsubishi Motors



On October 20, 2016, Nissan, which is 43.4% owned by Renault, acquired a 34% stake in Mitsubishi Motors, thus becoming its largest shareholder.

The acquisition of Mitsubishi Motors by Nissan enabled the expanded Alliance to consolidate its industrial position, the three manufacturers having a combined sales volume of more than 10.76 million units in 2018.

Integration of Mitsubishi Motors within the Alliance

The process of integrating Mitsubishi Motors within the Alliance has begun.

As part of the strengthening of the convergence within the Alliance, Mitsubishi Motors joined as from April 2018 the Purchasing, Business Development and Quality and Total Customer Satisfaction converged functions. Mitsubishi Motors will also gradually participate in other converged functions within the Alliance as from 2019.

A “new start” for the Alliance

On March 12, 2019, Mr Jean-Dominique Senard, Chairman of the Board of Directors of Renault, Mr Thierry Bolloré, Chief Executive Officer of Renault, Mr Hiroto Saikawa, Chief Executive Officer of Nissan, and Mr Osamu Masuko, Chief Executive Officer of Mitsubishi Motors, signed a letter of intent in which they committed to a "new beginning" for the Alliance with the creation of an Alliance Operating Board comprised of four main members: the Chairman of the Board of Directors of Renault (who will chair the Alliance Board), the Chief Executive Officer of Renault, the Chief Executive Officer of Nissan and the Chief Executive Officer of Mitsubishi Motors.

Strategic cooperations of the Alliance

The Alliance has also entered into strategic cooperations with other manufacturers, including Daimler.

Functioning of the Alliance in 2018

Role of RNBV

Since 2002, RNBV has had decision-making and recommendation powers that it exercises in consensus with each partner and in compliance with their interests.

These decision-making and recommendation powers are exercised in areas that affect Alliance-wide strategy and planning. They are described in “Powers of RNBV” below.

RNBV’s decisions and recommendations reflect the common positions of the Alliance partners. They are made in compliance with Renault’s corporate interest.

Furthermore, RNBV has control over Alliance Purchasing Organization (APO), created in April 2001 under the corporate name Renault-Nissan Purchasing Organization (RNPO), of which RNBV has been the sole shareholder since June 24, 2003 and which missions are described in “Synergies – A way to measure the benefits of the cooperation”.

RNBV does not intervene in the operational management of Renault or Nissan and does not share in the profits or bear the associated risks. Operational decisions are made and implemented by each company to the extent that such company is affected by them, including decisions on the so-called converged activities (see “Synergies – A way to measure the benefits of cooperation” below).

Powers of RNBV

Delegation of certain powers to RNBV

In accordance with the RAMA and Article 15 of the Renault s.a.s. by-laws, Renault and Nissan have delegated certain powers to RNBV pursuant to a management agreement signed on April 17, 2002 for an initial period of 10 years (the “Management Agreement”).

In April 2012, the Management Agreement was renewed for another 10-year period pursuant to an agreement entitled Renewal Agreement of the Management Agreement the provisions of which are identical to those of the Management Agreement (**the “Renewal Agreement of the Management Agreement”**). Renault shareholders were informed of this at Renault's 2012 annual shareholders' general meeting.

The delegation of powers granted to RNBV will expire on April 16, 2022. The Renault shareholders will be informed of the renewal of the Management Agreement.

List of powers delegated to RNBV

The list of powers delegated to RNBV is restrictive and has not changed since the creation of the Alliance.

First and foremost, RNBV has decision-making powers that cover:

- adoption of 3-, 5- and 10-year plans (strategic Company projects, with quantified data);
- approval of product plans (phase of strategic projects corresponding to the design, manufacturing and sale of current or future products, vehicles and components);
- decisions concerning the sharing of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- principles of financial policy, including:
- discount rates used for profitability studies and hurdle rates, applicable to future models and investments,
- risk management rules and the policy applicable to them,
- financing and cash management rules,
- debt leverage strategy;
- management of common subsidiaries, and the creation, modification, steering and disbandment of Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These teams operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific area of activity; and
- any other subject or project assigned to RNBV on a joint basis by Nissan and Renault.

RNBV also has the exclusive power to propose a set of decisions to Renault and Nissan. Both manufacturers remain free to follow those proposals or not.

These proposals relate to:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes for management;
- significant changes in scope involving total amounts of $100 million or more;
- strategic investments exceeding $500 million; and
- strategic cooperations between Nissan or Renault and third parties.

Governance of RNBV

The functioning of the Management Board of RNBV is described in Articles 14 et seq. of the RNBV Articles of Association.

A French translation of the RNBV Articles of Association is available on the Renault website.

Composition of the RNBV Management Board

The composition of the Management Board of RNBV has always followed a principle of balance in the representation of Renault and Nissan. In practice, decisions and recommendations from RNBV are always made by consensus between the two shareholders.

Pursuant to the RNBV Articles of Association and the RAMA, the Management Board currently comprised 10 members on 2018, December 31:

- five members are appointed by Renault, the "**R Members**", including Renault's Chief Executive Officer who holds the title of "Chairman and CEO", *i.e.*, Chairman of the Management Board of RNBV;
- five members are appointed by Nissan, the "**N Members**", including Nissan's Chief Executive Officer who holds the title of Vice-Chairman, *i.e.*, Vice-Chairman of the Management Board.

The Chairman and the Vice-Chairman of the Management Board of RNBV have four votes each, and the other members of the Management Board have one vote each. In the event of a tie, the Chairman has a casting vote.

All decisions of the Management Board are made by simple majority of the votes of the members present or represented.

The R Members may be dismissed at any time by Renault and the N Members, including the Vice-Chairman of the Management Board, may be dismissed at any time by Nissan.

Composition of the Management Board as at December 31, 2018

	Position	Vote
Carlos Ghosn Chairman and CEO of Renault Chairman of Nissan (until November 22, 2018)	Chairman of the Management Board	4
Hiroto Saikawa Chief Executive Officer of Nissan	Vice-Chairman of the Management Board	4
Bruno Ancelin Renault EVP, Product Planning & Programs	Member of the Management Board	1
Thierry Bolloré Chief Competitive Officer of Renault Group Group Chief Operating Officer (starting February 19, 2018)	Member of the Management Board	1
Jean-Christophe Kugler EVP, Europe Region, Renault	Member of the Management Board	1
Mouna Sepehri EVP, Renault CEO Office	Member of the Management Board	1
Philippe Klein Chief Planning Officer of Nissan	Member of the Management Board	1
José Muñoz Chief Performance Officer of Nissan	Member of the Management Board	1
Hari Nada Chief Competitive Officer of Nissan	Member of the Management Board	1
Yasuhiro Yamauchi Chief Competitive Officer of Nissan	Member of the Management Board	1

Composition of the RNBV Management Board as at April 1, 2019

	Position	Vote
Thierry Bolloré Chief Executive Officer of Renault	Chairman of the Management Board	4
Hiroto Saikawa Chief Executive Officer of Nissan	Vice-Chairman of the Management Board	4
Bruno Ancelin EVP, Product Planning & Programs, Renault	Member of the Management Board	1
Gaspar Gascon Abellan EVP, Alliance Engineering, Renault	Member of the Management Board	1
Olivier Murguet Renault EVP, Sales and Regions	Member of the Management Board	1
Mouna Sepehri Special Advisor to Renault Chief Executive Officer	Member of the Management Board	1
Hiroshi Karube Chief Financial Officer of Nissan	Member of the Management Board	1
Philippe Klein Chief Planning Officer of Nissan	Member of the Management Board	1
Hari Nada Chief Competitive Officer of Nissan	Member of the Management Board	1
Yasuhiro Yamauchi Chief Competitive Officer of Nissan	Member of the Management Board	1

Functioning/powers of the RNBV Management Board

Pursuant to the RNBV Articles of Association, the Management Board meets regularly and makes all decisions within the powers conferred to it.

The Management Board has the power to represent RNBV *vis-à-vis* third parties. Likewise, the Chairman and the Vice-Chairman each have the power to represent RNBV *vis-à-vis* third parties.

All decisions affecting the Alliance are made in the common interest of Renault and of Nissan. In the event that a member of the Management Board finds itself in a situation where there is a conflict of interest in the decision-making process, he or she shall abstain from taking part in the decision.

The members of the Executive Committees of both companies are regularly invited to contribute to the work of the RNBV Management Board as part of the Alliance Operation Committee (AOC).

Activities of the RNBV Management Board in 2018

With the support of the dedicated Alliance teams, the RNBV Management Board has carried out work in areas relating to the powers delegated to it, and in particular relating to:

- the strengthening of the convergence;
- the common platforms plan;
- the shared powertrain parts plan (engines, transmissions and other parts);
- the Renault and Nissan vehicle product plans; and
- the financial policy principles on hedging and exchange rates.

A consensual decision-making process

RNBV is the governance structure of the Alliance within which decisions are made in areas of common interest to the Alliance between Renault and Nissan.

The decisions and recommendations initiated by RNBV are prepared by Renault and Nissan managers. They reflect the common position of the Alliance partners in strategic and planning matters, within the Alliance.

Renault representatives within RNBV, as well as Renault's management and administrative bodies, ensure that all decisions initiated by RNBV are made in compliance with Renault's corporate interest.

In addition, RNBV's decisions and recommendations are submitted to the management and administrative bodies of Renault, which ensure their compliance with Renault's corporate interest. Thus, no strategic option with regard to Renault, including under powers delegated to RNBV, is taken without Renault executives or Board of Directors, depending on circumstances, having expressed an opinion.

As part of this review, the members of Renault's Board of Directors, including its independent members, have all the information they need on the questions submitted to them.

The implementation of the orientations defined by RNBV and all of the resulting operational decisions remain within the exclusive competence of Renault, which is represented by its Board of Directors and the executives authorized to represent the Company.

Beyond the areas falling within RNBV's competence, Renault is entirely free to conduct its activities, and all decisions relating to the operational, commercial, financial and social management of the company are made by its management and administrative bodies acting autonomously and independently.

Example: preparation and approval of Renault's mid-term strategic plan

Renault's mid-term strategic plan presented on October 6, 2017 was prepared at the initiative and under the responsibility of the Renault Planning Department. It was created based on contributions made by the Renault teams in the main functions of the Company and the Group's various regions and business units. This work was first presented to the Group Executive Committee of Renault over several meetings held since the work began in early 2016. At the same time, with regards to Alliance-related matters, particularly those relating to Renault and Nissan converged functions (mainly advanced research, purchasing, and cross-manufacturing), the preparation of the plan was driven by Renault and Nissan joint teams.

Matters falling under the competence of RNBV and requiring decisions common to both groups were reviewed and approved by the Management Board of RNBV.

Based on these contributions, the Renault Group Executive Committee then prepared and drew up a final version of Renault's mid-term strategic plan.

After it was approved by the Renault Group Executive Committee, the plan was approved by the RNBV Management Board with regard to aspects relating to the Alliance that fall under its competence.

The plan was then reviewed by Renault's International and Industrial Strategy Committee in anticipation of the meeting of the Renault Board of Directors.

Finally, based on all of that work and those decisions, the Renault Board of Directors reviewed and definitively approved the plan.

A new Alliance Operating Board starting March 2019

A letter of intent signed on March 12, 2019, announced the creation of a new Alliance Board that will be in charge of operational coordination between Renault, Nissan and Mitsubishi Motors and will take new initiatives that will create value for their respective shareholders and employees.

This new Alliance operating Board will comprise four members, appointed by Renault (two members, including the Chairman of the Alliance Board), by Nissan (one member), and by Mitsubishi Motors (one member). Mr Jean-Dominique Senard, Chairman of the Board of Directors of Renault, will chair the new Alliance operating Board, which will also have as members Mr Hiroto Saikawa, Chief

Executive Officer of Nissan, Mr Thierry Bolloré, Chief Executive Officer of Renault, and Mr Osamu Masuko, Chief Executive Officer of Mitsubishi Motors.

The operational decisions of the Alliance Board will be made by all members by consensus, in accordance with the Alliance's "win-win" principal.

The Alliance Board will meet monthly, and as often as the Alliance's interest requires, in Paris or Tokyo.

This new Alliance Board will oversee Alliance operations and governance issues involving Renault, Nissan and Mitsubishi Motors. In practice, the Board will replace RNBV in its governance functions. In any event, RNBV will continue to exist, and will support the Alliance Board, particularly for decisions and proposals that are delegated to RNBV pursuant to the RAMA, Management Agreements and the by-laws of Renault s.a.s. and RNBV, which will remain in force and unchanged.

The new Alliance Board may be assisted by specific operating committees that will make recommendations on new sources of value creation between the three automakers.

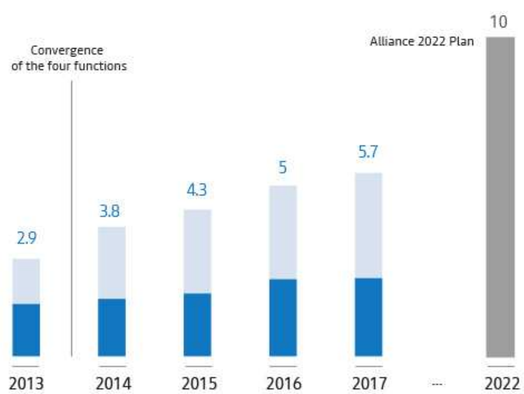
Synergies – A way to measure the benefits of the cooperation

One of the key ways to measure the effectiveness of the cooperation within the Alliance is to evaluate synergies. These synergies result from revenue increases, cost reductions and cost avoidance. Only new synergies – not cumulative synergies – are evaluated each year.

The Alliance synergies are reported by the pilots of the CCTs and validated by the management controllers. The impact on the member companies' income statements is reported during the Alliance Management Board meetings.

In June 2018, the Alliance announced synergies of €5.7 billion for the 2017 financial year, a 14% increase compared to 2016. Purchasing, Engineering, and Manufacturing were the top contributors to synergies.

As part of the "Alliance 2022" Mid-Term Plan, the Alliance aims to increase annual synergies to over €10 billion by the end of the plan.



Changes in convergence

On March 1, 2018, the Alliance announced the launch of projects to accelerate the convergence within nine key functions, in order to identify new opportunities that would allow to achieve the target of €10 billion in annual synergies by the end of the Alliance 2022 plan. These functions are: engineering; manufacturing; production engineering and supply chain management; purchasing, quality and total customer satisfaction; aftersales; business development; talents; LCV business and CEO Office.

Within this framework, a strengthened organization of the converged functions has been in place since April 1, 2018. It enables optimized expenditure, maximized pooling, technology and resource sharing and simplified decision-making processes. It accordingly plays a role in strengthening the performance and growth of the Alliance member companies, whilst complying with the autonomy and separate strategies of Groupe Renault, Nissan and Mitsubishi Motors.

4. STATEMENT OF RELATED COMPANIES (on December 31, 2018):

(1) PARENT COMPANY

Not applicable.

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2018 was 212 (including Avtovaz).
The significant subsidiaries are set out below*:
(* Individual revenue figures are assessed and presented according to the standards used for the preparation of the consolidated financial statements.)

Renault s.a.s.

13-15, quai Le Gallo, 92512 Boulogne-Billancourt Cedex (France)

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.250.
- Renault holds directly 100% of the capital of Renault s.a.s. and 100% of its voting rights.
- Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and real-estate transactions relating directly or indirectly, in whole or in part, to any of the above purposes
- Revenues at December 31, 2018: € 45,840 million.
- Workforce at December 31, 2018:32,192.

RCI Banque SA

15 rue d’Uzes 75002 Paris (France)

- The authorised share capital of RCI Banque SA is EUR 100,000,000 divided into 1,000,000 voting shares of each EUR 100.
- Renault s.a.s. holds directly 100% shares of RCI Banque SA and 100% of its voting rights.
- Business: holding company for the sales financing and customer services entities of Renault and Nissan, primarily in Europe. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.

- Net amount financed in 2018: €20.97 billion.
- Total balance sheet (consolidated) at December 31, 2018: €53,394 million.
- Workforce at December 31, 2018:3,537.

Renault Retail Group (France)

2, avenue Denis Papin, 92142 Clamart Cedex (France)

- The share capital of Renault Retail Group is EUR 99,832,670 divided into 19,966,534 voting shares of each EUR 5.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.
- Business: Trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.
- 49 branches in France.
- Revenues at December 31, 2018: €4,501 million.
- Workforce at December 31, 2018:7,975.

Renault España

Avda. de Madrid, 72, 47008 Valladolid (Spain)

- The authorised share capital of Renault España is EUR 126,501,414 divided into 21,083,569 voting shares of each EUR 6.
- Renault s.a.s. holds directly 99.78% of the authorised capital of Renault España and 99.78% of its voting rights.
- Business: Manufacturing of Renault vehicles.
- Plants in Valladolid, Palencia and Seville.
- Revenues at December 31, 2018: €7,597 million.
- Workforce at December 31, 2018:11,268.

Renault España Comercial SA

Avda. de Madrid, 72, 47008 Valladolid (Spain)

- The authorised share capital of Renault España Commercial SA is EUR 12,000,000 divided into 2,000,000 voting shares of each EUR 6.
- Renault Espana S.A holds 100% of the authorised capital of Renault España Commercial SA and

100% of its voting rights.

- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €2,580 million.
- Workforce at December 31, 2018: 313.

Renault Deutschland AG

Renault-Nissan Strasse 6-10, 50321 Brühl (Germany)

- The authorised share capital of Renault Deutschland is EUR 10,655,322.80 divided into 20,840 voting shares of each EUR 511.29.
- Renault s.a.s. holds directly 60% of the authorised capital of Renault Deutschland and 60% of its voting rights, and Groupe Renault B.V. holds directly 40% of the authorised capital of Renault Deutschland and 40% of its voting rights.
- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €3,218 million.
- Workforce at December 31, 2018: 419.

Renault Italia

Via Tiburtina 1159, 00156 Rome (Italy)

- The authorised share capital of Renault Italia is EUR 2,582,500 divided into 250,000 voting shares of each EUR 10.33.
- Renault s.a.s. holds directly 100% of the capital of Renault Italia and 100% of its voting rights.
- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €2,923 million.
- Workforce at December 31, 2018: 234.

Revoz

Belokranska Cesta 4, 8000 Novo Mesto (Slovenia)

- The authorised share capital of Revoz is EUR 55,081,000 divided into 550,810 voting shares of each EUR 100.
- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: Manufacturing of Renault vehicles.
- Plant in Novo Mesto.

- Revenues at December 31, 2018: €1,772 million.
- Workforce at December 31, 2018:3,115.

Renault Finance SA

48, avenue de Rhodanie, Case postale, 1007 Lausanne (Switzerland)

- The authorised share capital of Renault Finance is CHF 230,600,000 divided into 461,200 voting shares of each CHF 500.
- Renault s.a.s. holds 100% of Renault Finance shares and 100% of its voting rights.
- Business: Capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.
- Total balance sheet (consolidated) at December 31, 2018: €6,512 million.
- Workforce at December 31, 2018: 29.

Renault UK

The Rivers Office Park, Denham Way, Maple Cross, WD3 9YS Rickmansworth, Hertfordshire (United Kingdom)

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.
- Groupe Renault holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.
- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €1,439 million.
- Workforce at December 31, 2018: 184.

Renault Belgique Luxembourg

281, Chaussée de Mons, 1070 – Brussels (Belgium)

- The authorised share capital of EUR 18,610,000 divided into 67,500 voting shares of each EUR 275.7.
- Groupe Renault holds indirectly 100% of the authorised capital of Renault Belgique Luxembourg and 100% of its voting rights.
- Business: marketing Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €1,334 million.

- Workforce at December 31, 2018: 197.

Renault do Brasil

1300 av. Renault, Borda do Campo, Estado do Paraná, São José dos Pinhais (Brazil)

- The authorised share capital of Renault do Brasil is BRL 2,398,236,842.47 divided into 807,562,019,093 shares being 670,331,224,178 voting shares and 137,230,794,915 non-voting shares, all without nominal value.

- Groupe Renault holds directly 99.92% of the capital of Renault do Brasil and 100% of its voting rights.

- Business: Manufacturing and marketing of Renault vehicles.

- Revenues at December 31, 2018: €2,961 million.

- Workforce at December 31, 2018:7,034.

Renault Argentina

Fray Justo Santa Maria de Oro 1744, 1414 Buenos Aires (Argentina)

- The authorised share capital of Renault Argentina is ARS 600,872,556 divided into 600,872,556 voting shares of each ARS 1.

- Groupe Renault holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.
- Business: Manufacturing and marketing of Renault vehicles.
- Revenues at December 31, 2018: €1,007 million.
- Workforce at December 31, 2018: 2,688.

Renault Samsung Motors

61, Renaultsamsung-daero, 46758, Gangseo-gu, Busan (South Korea)

- The authorised share capital of Renault Samsung Motors is KRW 440,000,000,000 divided into 88,000,000 voting shares of each KRW 5,000.
- Groupe Renault holds directly 79.91% of Renault Samsung Motors share capital and, 79.91% of its voting rights.
- Business: manufacturing and marketing of Renault Samsung Motors vehicles.
- Plant in Busan.
- Revenues at December 31, 2018: €4,278 million.
- Workforce at December 31, 2018: 4,338.

Renault Algérie Spa

13, route Dar-El-Beida, Zone industrielle Oued Smar 16270 – Algiers (Algeria)

- The authorised share capital of DZD 1,037,001,545 divided into 1,037,001 voting shares.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Algerie Spa and 100 % of its voting rights.
- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €990 million.
- Workforce at December 31, 2018: 686.

Renault Commerce Maroc (Renault Maroc Commercial)

Place Bandoeng Casablanca 20000 – Casablanca (Morocco)

- The authorised share capital of MAD 50,000,000 divided into 312,500 voting shares of each MAD 160.
- Renault s.a.s. holds directly 80% of the authorised capital of Renault Maroc and 80% of its voting rights.
- Business: Marketing of Renault and Dacia brand vehicles.
- Revenues at December 31, 2018: €814 million.
- Workforce at December 31, 2018: 847.

Renault Tanger Exploitation

Zone Franche Melloussa I, 90000 – Tangiers (Morocco)

- The authorised share capital of Renault Tangiers Operations is EUR 42,000,000 divided into 420,000 voting shares of each EUR 100.
- Groupe Renault holds directly 100% of the authorised capital of Renault Tanger Exploitation and 100% of its voting rights.
- Business: Study and manufacturing of Renault vehicles
- Revenues at December 31, 2018: €2,754 million.
- Workforce at December 31, 2018: 6,908.

Oyak-Renault Otomobil Fabrikalari

F.S.M Mah. Balkan Cd. No. 47 Umraniye BP 34770, Istanbul (Turkey)

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is TRL 323,300,000 divided into 32,330,000,000 voting shares of each TRL 0.010.
- Groupe Renault holds directly 51% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: Assembly and manufacturing of Renault vehicles
- Plant in Bursa.
- Revenues at December 31, 2018: €3,549 million.
- Workforce at December 31, 2018: 7,404.

Dacia

Str. Uzinei nr 1, 115400 Mioveni (Romania)

- The authorised share capital of Dacia is ROL 2,541,738,210.57 divided into 25,417,382,105.39 voting shares of each ROL 0.100.
- Renault holds directly 99.43% of the authorised capital of Dacia and 99.43% of its voting rights.
- Business: Manufacturing and marketing of Renault and Dacia vehicles.
- Plant in Mioveni.
- Revenues at December 31, 2018: €5,305 million.
- Workforce at December 31, 2018:15,135.

CJSC Renault Russia

Volgogradskiy Prospect, 42, housing 36, 109316 Moscow (Russia)

- The authorised share capital of CJSC Renault Russia is RUB 6,841,426,980 divided into 3,513,000 voting shares of each RUB 1947. 46.
- Groupe Renault holds directly 100 % of the authorised capital of CJSC Renault Russia and 100 % of its voting rights.
- Business: Manufacturing and marketing of Renault vehicles.
- Revenues at December 31, 2018: €1,742 million.
- Workforce at December 31, 2018: 3,803.

Renault India Private Limited

ASV Ramana Towers, 4th floor #37-38 Venkatanarayana Road, T. Nagar 600 017 Chennai (India)

- The authorised share capital of Renault India Private Limited is INR 60,000,000,000 divided into 60,000,000 voting shares of each INR 1000.
- Groupe Renault holds directly 100 % of the authorised capital of Renault India Private Limited and 100 % of its voting rights.
- Business: Marketing of Renault vehicles.
- Revenues at December 31, 2018: €770 million.
- Workforce at December 31, 2018: 248.

Public Joint-Stock Company “AVTOVAZ”

36 Yuzhnoye Shosse, Togliatti, Samara Region, 445024, Russia

- RSAS Holds indirectly 61,1% shares and 61,1% of the voting rights.

- Business: Production and sale of passenger cars and their components. AVTOVAZ is the largest passenger car manufacturer in Russia and Eastern Europe, which produces LADA, Renault and Datsun branded cars.

- Revenues at December 31, 2018: €3,855 million.

- Workforce at December 31, 2018: 48,678 people.

(3) AFFILIATED COMPANIES[3]

The total number of affiliated companies at December 31, 2018 was 22.
The significant affiliated companies are set out below:

Automobile Division

NISSAN Motor Co., Ltd.

2, Takara-Cho, Kanagawa-ku, Yokohama-Shi, Kanagawa-ken (Japan).

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is capital is 605,813,000,204.581 JPY divided into 4,220,715,112 voting shares of each JPY 134.

- Renault S.A. holds directly 43.4% shares and 43.7% of the voting rights.

- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-“Renault-Nissan Alliance” of this Section.

Financial Companies (Affiliates)

Renault Credit Car

60 / 15, Ravensteinstreet, 1000, Brussels, Belgium

- RCI Banque S.A. holds indirectly 50.1% of the shares of Renault Credit Car and 50.1% of its voting rights.

- Business: credit retail

5. STATEMENT OF EMPLOYEES:

Breakdown of workforce by Region over three years and average workforce

[3] Affiliated companies are i) companies in which the Group exercises material influence and which are included in the financial statements on an equity basis and, ii) joint ventures consolidated on a proportionate basis.

Scope of labor reporting	2016	2017	2018	Percentage in 2018
GROUP* (PERMANENT + FIXED-TERM)	**124,849**	**181,344**	**183,002**	
Europe	70,616	72,132	73,094	39.9%
o/w France	*46,240*	*47,711*	*48,603*	*26.6%*
Eurasia	26,855	78,255	78,271	42.8%
of which AVTOVAZ	-	*49,771*	*48,590*	*26.6%*
Americas	10,120	12,431	12,291	6.7%
Asia – Pacific	4,499	4,531	4,497	2.5%
Africa – Middle-East – India	12,759	13,995	14,849	8.1%
Average Group workforce without AVTOVAZ	122,493	128,211	132,993	
* *Expatriates are counted in their home country.*				

As of December 31, 2018, the Group's workforce (permanent + fixed-term contracts), including AVTOVAZ, totaled 183,002 employees, with 179,465 in the Automotive division and 3,537 in the Finance division.

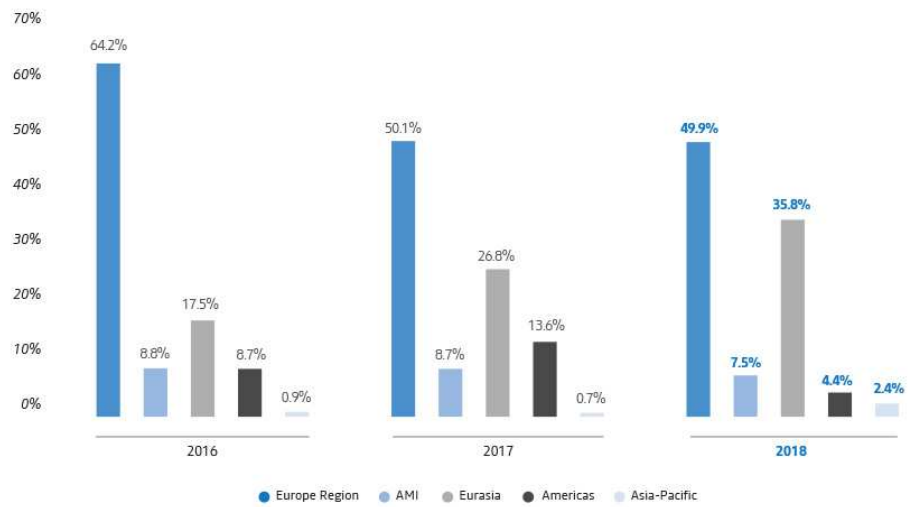
The Group's employees work in 37 countries, organized into five Regions. The "10 major countries" (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 92% of total employees.

Breakdown of recruitment

The total volume of recruitment for 2018 was practically unchanged compared to the previous year: 25,997 people (on temporary and permanent contracts), representing an increase of 2.2% compared to 2017. These recruitments have fulfilled the requirements of production units, particularly in France, Russia, Spain, Romania, Turkey, Morocco and Slovenia. They also strengthened the skills necessary to develop the mobility solutions of the future, notably in France, India and Romania. Lastly, they strengthen the abilities of the commercial network to respond to the demand for services from our customers, particularly in France.

In France, the CAP 2020 agreement signed on January 13, 2017 defined a commitment to 3,600 new hires on permanent contracts over three years, a commitment brought to 5,000 by an amendment signed in April. Since 2017, 4750 new hires were made. Added to the 2,300 other hires in the sales network and RCI, Renault recruited 7,050 new staff on permanent contracts in France in 2017 and 2018. As of December 31, 2018, Renault had also recruited 1,700 apprentices under the agreement.

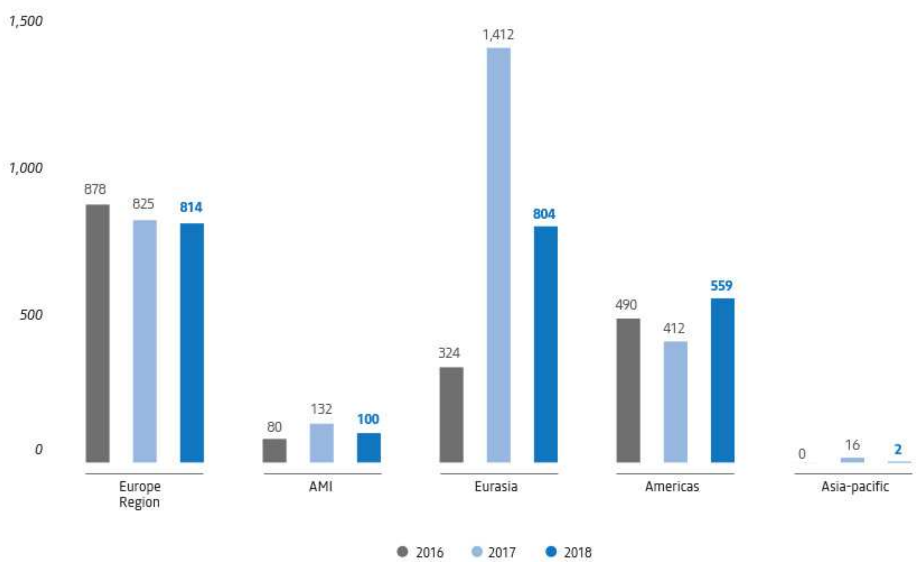
RECRUITMENT BREAKDOWN BY REGION OVER THREE YEARS



Breakdown of redundancies

At the same time, the number of dismissals stood at 2,279 people, down compared to 2017 (2,797).

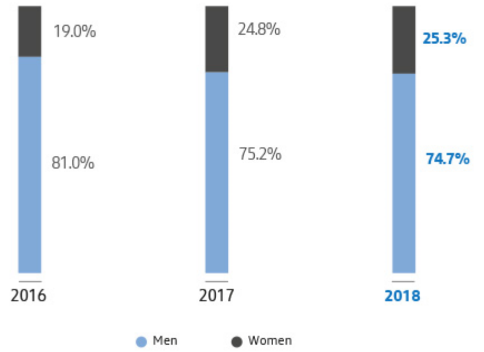
BREAKDOWN OF REDUNDANCIES BY REGION



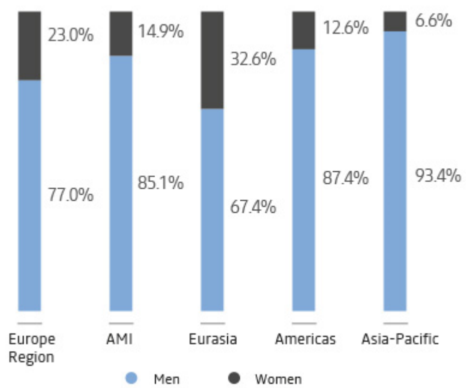
Gender diversity within the Company

As of December 31, 2018, the number of women as a percentage of the Group's total employees continued to rise owing to the proactive policy on diversity in recruitment. Women now make up 25.3% of the Group's employees, compared with 24.8% at end-2017.

BREAKDOWN OF WOMEN/MEN IN THE WORKFORCE OVER THREE YEARS



BREAKDOWN OF WOMEN/MEN BY REGION

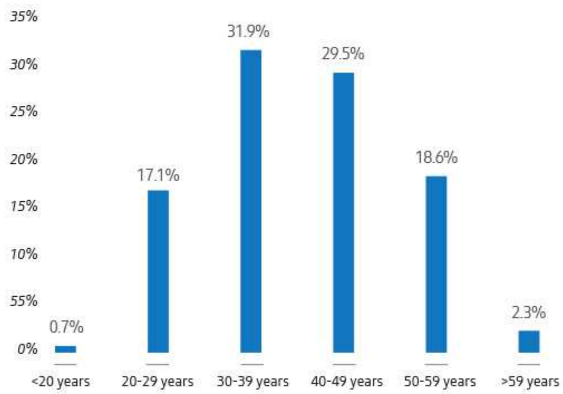


The breakdown of women/men is calculated on the basis of the global scope as of December 31, 2018.

Promoting talent at all ages

Large-scale recruitment plans have maintained a balanced breakdown of workforce by age: 17.8% of employees are under 30, 31.9% are between 30 and 39, 29.5% are between 40 and 49, and 20.8% are over 50.

BREAKDOWN OF WORKFORCE BY AGE



The breakdown by age is calculated on the global scope as of December 31, 2018.

Employee compensation

The compensation of white-collar staff is based on:

- **the level of responsibility**. Positions have been assessed according to their level of responsibility, using to the Korn Ferry Hay Group international methodology. This assessment makes it possible to draw up a complete internal mapping of positions across the various business lines and Regions, thereby ensuring greater transparency and global equality of career paths. Another advantage is that Renault can compare its pay scales with the market to better manage competitiveness and the attractiveness of the compensation policy. The fixed and variable compensation system is now determined on the basis of this job classification. This job assessment method has been introduced in 37 Group countries;

- **job mastery**, or the capacity to perform a role, defined with precise and shared criteria to make assessment more objective and standardized within the Group;
- **the extent to which targets are achieved**.

Analysis of these three components ensures that compensation is based on the individual's contribution to the Company, independent of any other factor.

The variable part of the compensation of managers and executives is calculated according to the following principles:

- the higher the level of responsibility, the higher the percentage of variable compensation;
- the higher the level of responsibility, the higher the percentage of collective targets;
- payment of variable compensation is determined by achievement of three targets at Group level.

Two systems are applied:

- a Group system for executives in positions with the highest levels of responsibility;
- a system defined at country level for other managers and executives.

The compensation of senior executives is discussed in" COMPENSATION OF OFFICERS".

Group profit-sharing

Renault has an incentive scheme for employees in France that includes the redistribution of Group profits as well as bonus payments for contributions to site performance.

2018 FINANCIAL YEAR

A new agreement for 2017-2019 was signed on March 10, 2017. As before, this agreement has two parts:

- profit-sharing linked to the Group's operating margin;
- local incentive schemes based on site performance.

Over the past three years, profit-sharing and performance-related bonuses at Renault s.a.s. totaled the following amounts:

Year *(€ million)*	Aggregate amount: financial incentive + performance-related bonuses
2016	156.2
2017	178.8
2018	170.7

Controlled development of personnel expenses

The Group's personnel expenses stood at €6,703 million in 2018, of which €6,416 million was for the Automotive branch. They are contained at a level close to 2017 (+3%). The "10 major countries" (Argentina, Brazil, South Korea, Spain, France, India, Morocco, Romania, Russia and Turkey) represent 90% of the Group's personnel expenses.

Labor expenses by Region (€ million)	2016	2017	2018	Average cost 2018
GROUP	**5,747**	**6,502**	**6,703**	**36.8**
Europe*	4,349	4,512	4,718	65.0

o/w France	*3,221*	*3,368*	*3,549*	*73.7*
Eurasia	521	1,006	1,052	13.4
o/w AVTOVAZ	-	*450*	*461*	*9.4*
Americas	368	435	400	32.3
Asia – Pacific	306	323	297	65.7
Africa – Middle-East – India	203	225	236	16.4
* *Europe including Renault-Nissan Global Management.*				

Dynamic skills management

Groupe Renault's resource management system aims to define the anticipated recruitment, training and employee adaptation needs and implement the corresponding initiatives.

These initiatives, which initially focused on the Engineering and Manufacturing business activities, were rolled out more generally in 2018 to reach all sectors in order to provide the Company with the skills it needs to make a success of its Mid-Term business plan.

These skills are identified by the network of experts, the business managers and external benchmarks so that changes in them can be anticipated over the long term. After bring trialed in IT and quality, the use of employee self-assessment is being developed as a way of mapping out current skill sets. This assessment leads to better analysis which, in turn, improves prioritization of action plan. The latter target optimal resource allocation, definition of recruitment strategies for finding new skills, training plans for the skills that need to be improved and support for inter-business activity transfers to accommodate changes in the business and its needs.

The process is supported by the HR department, which adopts a global approach, challenges the business activities and identifies the areas for change common to the various entities to better handle the Group-wide impacts of the changes.

The GPEC *(Gestion Prévisionnelle des Emplois et des Compétences)* **in France**

In France, the "Agreement for the sustainable performance of Renault in France" (CAP 2020) was signed on January 13, 2017 for the period 2017-2019. It replaced the "Agreement for a new dynamic of growth and social development at Renault in France" signed on March 13, 2013. The Group's strategic challenges and the resulting changes in skills in each business line have been discussed with the labor unions, notably at the Employment and Skills Observatory held every year. At the end of the Observatory, a map of critical and sensitive skills was distributed to all employees.

Drawing on a comprehensive range of tools, the GPEC is a lever for managing the supply of so-called "critical" skills and the retraining of employees with so-called "sensitive" skills. In 2018, over 800 employees signed up for the various initiatives offered: support to start up or takeover a business, a period of secure voluntary mobility, working part-time towards the end of one's career, or work exemption for specific careers for employees who may draw on their pension in the three years after joining the scheme.

Certified training programs have been developed to enable employees to change business-lines by teaching them skills that are both more strategic for the Company and more useful in terms of employability.

HR offices are located on each site to help and advise employees interested in the scheme and the various GPEC schemes can be consulted on the Company intranet site.

As part of its GTEC (Regional Jobs and Skills Management) scheme, to offer job support and security in France, Renault actively contributes to the work and deliberations of the skills and employment office of the Automotive and Mobility Industry (PFA). It has committed for a period of five years (2017 to 2021) to the PFA's Attractiveness, Skills and Employment program, praised by the public authorities for its innovative contribution to employment and training in the *Investissement d'Avenir* (Investment in the Future) program (PIA 2).

Training

As part of its "Drive the Future 2017-2022" mid-term plan, Groupe Renault supports the skills development of its employees to meet its sustainable growth targets.

The link between skills development and our training offering has been strengthened thanks to a strong commitment from all players involved in these activities: academies and business activity representatives, the training teams and HR, at head office and in the regions and countries where Groupe Renault operates.

At a global seminar last July, organized by the Group's "Learning & Development" department, the training managers of the 10 major countries and main regions came together with the heads of the functional academies to share with our teams the Group's training strategy, which supports employee development throughout their working life, upholding its status as a learning company.

To support this initiative, **a new learning management system – LEARNING@RENAULT** – was rolled out to all Group employees on January 18, 2018 offering access to 480 digital modules on cross-functional or managerial topics and the development of functional skills. To support the continuous development of our business sectors, we opted to increase our digital training offering to provide more daily learning opportunities.

From August 2018, **LEARNING@RENAULT** continued to be rolled out gradually, incorporating in-class training in the following countries: India, Morocco, Portugal, Romania, Russia, Slovenia, Spain and Turkey. It was deployed in France on January 7, 2019 giving access to this global training management system to more than 80% of the Group's employees.

The 13 functional academies continue to develop their training offering worldwide, following up discussions held by our functions to identify skill requirements and helping to deploy training priorities in the different countries and subsidiaries.

Accordingly, the **Engineering School** has finalized a training program dedicated to chief engineers from AVTOVAZ and has converged with Nissan towards a first batch of training courses common to the Alliance in the field of software development. The Engineering School has improved its training offer for autonomous, electric and hybrid vehicles and regulatory requirements and standards. This strengthening resulted in the creation of about 100 new training courses in 2018, including 24 online courses, in line with the strategic drivers of the company. Particular examples are the inclusion of training courses in the Alliance's new tools (One View, OneVal) and the creation of a course leading to a professional certification in project management, run by the new area of expertise created in April 2018. This training program uses varied educational activities (in-class, e-learning, self-learning platform, webinar, social learning and coaching). The participants can also obtain IPMA (International Project Management Association) certification to recognize the skills acquired in the company in their professional career. Also, the "re-skilling" course on the electrification of vehicles for specialist tests, initiated in 2016 in partnership with the GRETA in Essonne, was finalized in 2018 with a seventh module; this course had 74 participants in 2018 (74 in 2017) for 7,200 hours of training over two years and will continue in 2019.

The Digital Academy's task in 2018 was to draw up skills reference guidelines to support Groupe Renault's digital transformation. It put together training programs to accompany this transformation, with an "up-skilling" (Product Leader, Agile Business Analyst programs) or "re-skilling" (UX designer, Scrum Master, developer) process. The processes were gradually deployed, with eight employees becoming certified "UX designers" after a five-month full-time training course developed in partnership with Strate Executive Education. In addition, an 8.5 month "Become a developer" training program has been deployed in partnership with SIMPLON.

At **Design**, the first phase of a digital training program was rolled out. The digital R-Generation project aims to optimize the Design development process through the integration of new digital tools, which requires new working methods and functional skills. Before this could happen, "coaching expert" training using Adobe and Autodesk was run to help the 2D/3D design business activities improve their use of the current tools. Other courses have been designed to train the digital modelers and designers in new uses such as design UX (XD) and 3D design with “generative modeling” (Grasshopper).

The Alliance Purchasing Academy network has rolled out its purchasing training to more sites worldwide. This involved joint governance initiatives, the sharing of learning content and distance learning for local trainers via virtual classrooms.

The Finance Academy in partnership with Grenoble Management School (GEM), launched an extensive digital training program, initially for employees in Finance in France. Entitled “#DigitalMindset”, is a fast-track route for the function’s transformation program. Lasting six months, it comprises various modules: conferences, workshops and working groups, and aims to develop a digital culture by offering an overview of the digital transformations underway while providing training on the Company’s collaborative tools.

The Quality and Customer Satisfaction School has developed an online training course, entitled “The Fundamentals of Quality and Customer Satisfaction”, to teach all the business activities and employees the fundamentals and the Quality mindset. Fourteen modules, available in French and English, explain the key Quality methods, tools and processes (Customer Satisfaction Plan (CSP), QC Story, “Design to Quality”, compliance). The program will be finalized in 2019 for a Group-wide roll-out.

The Sales-Marketing and Communication Academy continued to update its training offering, launching an online “Digital Com” course to increase digital awareness in the Communications teams.

Learning & Development is also seeking to increase learning opportunities for Group employees by adding articles and videos on the topics of leadership and management, personal development, digital culture and teaching skills (learn how to teach) to the “**DRIVE YOUR LEARNING**” portal.

L&D continues to organize **Learning Expeditions**, which have three objectives: to develop a digital mindset, develop collective intelligence and provide teams with the skills to transform their business activities. The Finance, General Services, Communications, Audit & Internal Control, Compensation & Strategic Workforce Planning and Learning & Development management committees undertook learning experiences in Paris, Berlin, Tel Aviv or on the West coast of the United States.

In 2018, the total number of training hours undertaken by employees registered with the Group in 2018 (temporary and permanent) stood at 3,536,380 hours (excluding AVTOVAZ) and 5,128,819 hours (including AVTOVAZ). The breakdown of training hours by Region was as follows:

BREAKDOWN OF TRAINING HOURS BY REGION

Region/training hours	**2018**	2017
Americas	211,452	145,981
AMI	371,241	343,897
Asia-Pacific	101,060	113,518
Eurasia including AVTOVAZ	2,515,123	
Eurasia excluding AVTOVAZ	922,684	907,638
Europe (excluding France)	981,619	866,607
France	948,324	998,064
Total excluding AVTOVAZ	3,536,380	3,375,705
Total including AVTOVAZ	5,128,819	

Within the 10 major countries, training hours carried out in 2018 broke down as follows:

NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES

Training/ country	Argentina	Brazil	France	India	South Korea	Morocco	Romania	Russia (excluding AVTOVAZ)	Russia (including AVTOVAZ)	Spain	Turkey
Total hours 2014	35,229	105,298	759,745	222,885	32,954	157,535	467,034	81,596		230,087	81,596
Total hours 2015	35,057	83,642	827,928	161,654	91,805	280,875	417,151	63,286		274,121	63,286
Total hours 2016	45,400	71,538	844,738	158,277	118,164	118,621	465,297	97,998		379,383	97,998
Total hours 2017	40,459	65,271	998,064	210,494	113,246	131,912	432,594	128,996		343,632	128,996
Total hours 2018	78,522	95,564	948,324	194,636	100,549	175,434	418,138	158,617	1,751,056	344,705	158,617

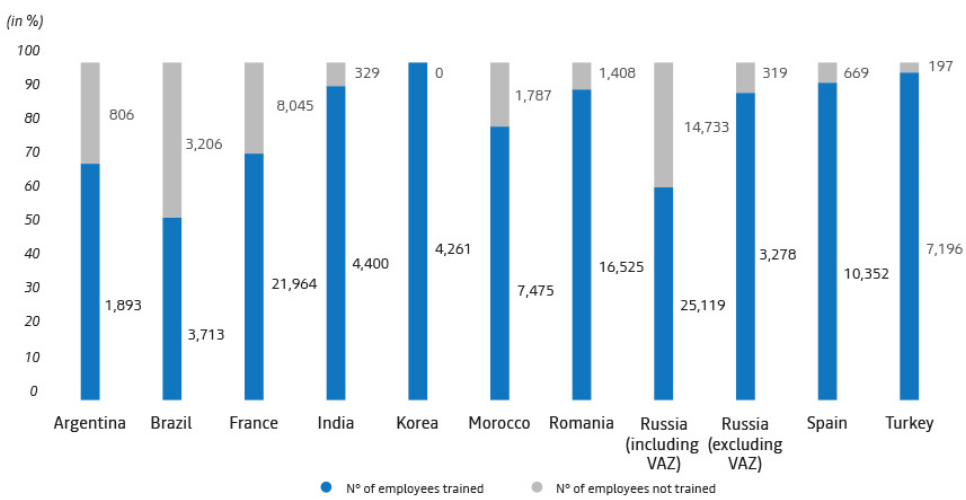
The drop in the number of training hours in France is mainly related to the increase in digital training courses (with an impact on the in-class hours of training) and the drop in the volume of hours in certain subsidiaries.

Morocco continued the deployment of management training courses, with a positive impact on the number of hours of training completed.

TRAINING ACCESS RATE AND AVERAGE TRAINING HOURS BY EMPLOYEE

In 2018, the overall training access rate (excluding AVTOVAZ) was 81.4% (74% including AVTOVAZ). The average training time (excluding AVTOVAZ) was 24.4 hours per employee (26.2 hours including AVTOVAZ).

Quarterly monitoring is performed within the major entities of the Group's 10 major countries representing 76.1% of Groupe Renault's registered workforce. The training access rate for these entities (excluding AVTOVAZ) was 82.9% (76.7% with AVTOVAZ):



The expertise network to support the Mid-Term Plan

Since 2010, the expertise network structures and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and to customer satisfaction. This year, it reached a level of maturity enabling it to cover all the Group's functions.

The 53 areas of strategic expertise are established in all major business activities, with a strong concentration in engineering. In 2018, the areas related to new technologies grew further. Existing areas were partially reviewed to ensure coherence with those created and to provide additional skills to support the transformation of all our business activities. A new area of strategic expertise was created in October 2018 within the Group's Corporate Social Responsibility (CSR) department: the DES Social Business.

The network is structured into four levels:

- **The Expert Fellow**, a member of the Renault Management Committee. Responsible for defining and ensuring the coherence of the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network to structure their production at both the strategic level with the roadmaps and the operational level regarding technical or methodological innovations, support for projects or Quality issues. The collaborative work carried out by working groups contributes to a dynamic of shared progress for the affected business activities as regards the Company's main challenges, which are largely technical. The network can thus be described as an agile organization that serves the inter-business sector. Participation in regulatory and standardization bodies and their consistency is also one of the network's deliverables;
- **53 Expert Leaders**, each reporting to a Business Vice-President who oversees their roadmap. Expert Leaders have responsibility for an area of strategic expertise. They structure and guide their internal network of experts and use an external network consisting of academics, other manufacturers, associations, incubation structures, *etc.*, to enable the Company to work in an "extended" way and expand it through involvement in collaborative or investment efforts;
- **220 Experts**, responsible for secondary fields of expertise, oversee benchmarks, identify relevant partners and invest in the protection of know-how through patents. They are responsible for promoting standards and processes;
- **500 Consultants**, responsible for specific business activities, who improve the state of the art by being "the benchmark" in their practice, thus building standards, capitalizing on them and imprinting them with their experience.

By continually expanding our expertise network, and applying it Group-wide through a series of coherent roadmaps, the Group is able to increase the pace at which knowledge is acquired and applied to the Group's business activities and projects. Thus, within the Alliance, the Renault and Nissan expertise networks regularly coordinate to work in synergy on the strategic roadmaps and joint development projects.

III. STATEMENTS OF BUSINESS

1. Management Policies, Management Environment and Problems to be Dealt With, etc.:

This section contains forward-looking statements, which are based on the judgment as of December 31, 2018.

Objectives of the internal control and risk management systems

Groupe Renault has adopted organizational structures and procedures to contain the risks inherent in its activities and to limit their negative impact. The internal control and risk management systems are implemented in all corporate functions, all activities and all Regions. The main objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that the Company's objectives will be achieved. In order to mediate between the opportunities and risks, Groupe Renault's global risk management system aims to reduce the impact and/or probability of events having a significant influence on the control of operations or the fulfillment of objectives. The internal control and risk management systems identify and assess risks by measuring the level of risk factor management and the efficacy of management plans.

Regulatory framework of the internal control and risk management systems

Since 2007, Groupe Renault has taken into account the reference framework and implementation guidelines of the French Financial Markets Authority (AMF), which were updated in July 2010, and the recommendations of the Audit Committee working group report published in July 2010.

The AVTOVAZ group has management autonomy and has implemented an internal control system and risk management system in accordance with Russian legislation and the organization described in this section; any variations are indicated and explained.

With regard to sales financing, RCI Banque has defined its own internal control framework in accordance with banking and financial regulations. This system is outlined in "Section V. 5. STATE OF CORPORATE GOVERNANCE, ETC. "General framework for internal control and risk management within the RCI Banque group"". RCI Banque is subject to controls by the French Prudential Supervisory Authority (ACPR) and the European Central Bank (ECB).

2. RISKS IN BUSINESS, ETC.

This section contains forward-looking statements, which are based on the judgment as of December 31, 2018.

In the course of its business, the Renault Group is exposed to a number of risks that can affect its assets, liabilities and financial performance. The outline of the main risks and the details on how they are managed can be found in "RISK MANAGEMENT" below.

RISK MANAGEMENT

The Group comprises three operating divisions: Groupe Renault Automotive excluding AVTOVAZ (hereafter known as “Automotive”), the AVTOVAZ group and Sales Financing (RCI Banque group). Each of them has its own risk management system, which is used to keep the risks related to its activities under control.

For Automotive, the global risk management system is based on collaboration between the Risk Management department at head office, operational risk managers in operating entities and projects and expert risk managers within certain business functions and corporate activities. This network of different levels strengthens the risk management system and provides it with the means to be proactive in controlling risks. The methodological framework implemented is described in sections ”Group internal control and risk management system” and ”Implementation of internal control and risk management objectives” below, including the classification of risks in use within the Group (Risk Universe).

For the AVTOVAZ group, the risk management system is unique, organized in accordance with Russian legislation and based on methodologies that are the subject of discussions with Groupe Renault with a view to gradual harmonization and increasing maturity. A summary of the main risk factors identified by the AVTOVAZ group is presented in this document (see section ”Risk factors for the AVTOVAZ group” below). It should additionally be noted that specific action plans are in place, in close cooperation with the Group, as part of the AVTOVAZ group’s continued operational turnaround and notably in the context of the implementation of Decree 719 in Russia and criteria relating to industrial localization.

For the Sales Financing segment (RCI Banque group activities), the comprehensive risk management system is organized in accordance with banking regulations (see section ”General framework for internal control and risk management within the RCI Banque group” below). A detailed description of this system is available in the RCI Banque group’s Annual Report. In this document, the risk factors and management procedures and principles are briefly outlined.

Lastly, it should be noted that the Group’s major risk mapping has been updated every year since 2016, in close collaboration with the preparatory work and implementation of the medium-term strategic plan, Drive the Future, so that the plan would integrate the appropriate action plans designed to respond to the operational or strategic risks identified.

In this context, this chapter describes the main risk factors currently identified by the Group’s operating segments.

Nevertheless, although the risk factors described below are identified by the Group as significant factors that may have a negative impact on its image, its assets, the conduct of its activities and the achievement of its objectives, it cannot be ruled out that other risk factors currently considered insignificant or not identified may in the future adversely affect the Group in an environment in which its activities are becoming increasingly complex and which is changing at an accelerated pace.

Risk factors for Automotive

Risks related to strategy and governance

Risks related to strategy

Risk factors

Various risks are being identified in connection with the Group’s strategy, namely:

- it may be faced with an inability to make changes to its business model so as to anticipate and adapt to potential changes and disruptions in markets, mobility offers and associated value chains;
- furthermore, the strengthening of the Group’s global presence depends to a significant extent on strong sales growth in China and improved sales in India, which are contingent on the proper execution, in highly dynamic markets, of the relevant parts of the 2017-2022 strategic plan;

- finally, even though it is a growth and performance accelerator, the Group's membership of the Renault-Nissan-Mitsubishi Alliance also entails specific forms of governance and requirements, and any changes to these may result in disturbances in the application of its strategy.

Management procedures and principles

As regards the Group's business model, the Drive the Future strategic plan aims to make this risk an opportunity by mobilizing the resources of the Group, the Alliance, RCI Banque, targeted partnerships and acquisitions, to structure a strong sustainable, electric, autonomous and connected mobility offer.

Risks related to governance

Risks related to regulatory compliance

Risk factors

Risks related to non-compliance with laws and regulations.

Management procedures and principles

The Group has a structured approach to analyze the robustness of regulatory compliance over a range of regulated areas defined in collaboration with the Legal department (including "competition", "fraud and corruption", "environment", "health-safety-work environment", "technical regulations", *etc.*).

This approach is led by the Regulatory Compliance department, part of the Internal Control department, and is monitored by the Ethics and Compliance Committee.

The aim is to ensure compliance with laws and regulations, reduce the exposure of the Company and its executives to risks of criminal, administrative and financial sanctions and protect its image.

The system is based on three types of actors:

- the departments that set specifications (Technical Regulations department, Legal department, HSE department, *etc.*), provide regulatory oversight in their respective fields, transpose regulatory criteria into internal standards and deploy them within their networks;
- the operational entities ensure regulatory compliance via their processes, based on directives and with the support of the relevant functional departments, in accordance with local regulations;
- the Regulatory Compliance department defines the methods and evaluates the regulatory compliance systems, with the support of the Legal department.

A Chief Ethics and Compliance Officer (CECO) was appointed in November 2018 in order to strengthen the Group's regulatory compliance system.

Risks related to operations

Cross-group operational risks

Risks related to geographic location and economic conditions

Risk factors

The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks: changes in economic conditions, political or regulatory instability, social unrest, protectionism, nationalization, fluctuation in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls.

Management procedures and principles

In general, the geographic breakdown of the Group's sales makes it possible to limit the impacts of regional hazards and take advantage of opportunities.

From an organizational point of view, the Group's activities are divided into five Regions, each headed by a Management Committee composed of representatives of all of the Company's functions and led by a Chairman who oversees the Region's business plan so as to contribute to the performance of the Group.

All decisions regarding the geographical location of manufacturing operations are taken in a context of an overall Group growth strategy that mitigates the risk of instability through a global industrial approach in order to ensure a diversification of risks. Country investment risk is in principle not hedged, but the risk of non-achievement of objectives is included in the expected profitability calculation. From an operational standpoint, the Group is continually increasing the local integration at its production facilities to reduce political and foreign exchange risks and thus make them more competitive.

With regard to trading flows, the Group hedges against the risk of non-payment for most payments originating from high-risk countries. The main exceptions relate to intra-Group sales, sales to industrial partners and to certain countries for which there is no hedging. Residual country risk is regularly monitored.

In order to centrally manage the risk of non-payment and put in place hedges on competitive terms, the Group has designed a "hub and spoke" invoicing system. Manufacturing subsidiaries sell their exported production to Renault s.a.s., which sells it on to commercial subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company. Some sales between countries covered by customs agreements do not use this system, however.

These general principles are illustrated and complemented by specific actions:

EUROPE

The Group's activities remain highly dependent on the European market, which accounts for about half of the Group's sales.

AMERICAS

In a volatile political and economic environment that has had a significant impact on exchange rates, particularly in Argentina and Brazil, the Americas Region has deployed an industrial, commercial and organizational action plan that has offset most impacts of external origin. Subsidiaries now benefit from an optimized structure that, if necessary, makes it possible to handle new turbulence in 2019 or benefit fully if there is an economic recovery.

AFRICA – MIDDLE-EAST – INDIA

Shipments of components to Iran have been completely halted since early August 2018 following the reinstatement of US sanctions. Restrictions on foreign exchange allocations by the central bank have also led to the shutdown of built-up imports, which has impacted the Group's manufacturing and inventories.

In Algeria, local production helps to maintain a dominant commercial position despite built-up import restrictions.

Exports from Morocco, which now exceed imports, are limiting the Group's exposure.

EURASIA

In Russia, the Group's management reflects the fluctuations of the economic environment as closely as possible and supports market recovery: active management of the pricing policy makes it possible to reconcile commercial growth with the management of exchange rate fluctuations. Stronger local integration also remains a priority at all production sites.

In Turkey, the economic situation has affected the automotive market and the Group's local sales since the second half of the year. The devaluation of the currency, however, creates export opportunities in terms of volume and profitability.

The risk regarding debt owed by Renault Ukraine to Renault s.a.s. is partially covered by credit insurance.

ASIA – PACIFIC

Renault is present in China through three joint ventures: Dongfeng Renault for the production and marketing of passenger cars under the Renault brand, Renault Brilliance Jinbei for the production and marketing of light commercial vehicles under the Renault and Jinbei brands, and eGT for the development of an affordable EV vehicle that will be marketed by the Alliance and its partner Dongfeng. All of these operations are carried out with a local partner. Production is located in China and over 80% of all purchasing is carried out with local suppliers for all vehicles.

Risks related to natural disasters

Risk factors

Natural disasters (earthquakes, storms, floods, *etc.*).

Management procedures and principles

The Group has been working for several years to increase its resilience capacity in the face of natural disasters through regular updates of risk and stakes assessments, protection programs for people and property, monitoring and crisis management systems and business continuity plans.

For example, a specific plan is being rolled out to optimize procedures covering major seismic risks (Chile, Turkey, Romania, Colombia, Slovenia, Morocco, *etc.*). This program is based on actions to strengthen buildings and facilities, training of staff on the steps to be taken in the event of an earthquake, the establishment of specific means of communication, the organization of crisis management systems, research and preparation of solutions to ensure business continuity and a customized insurance program.

Risks related to industrial accidents

Risk factors

Fires, explosions and machine breakdowns.

Management procedures and principles

For many years, the Group has focused on reducing the risk of fires, explosions and machine breakdowns at production sites, engineering and test centers and logistics platforms.

For more than 25 years, the Company has, in consultation with its insurers, put in place an ambitious and rigorous prevention policy that covers personal safety as well as that of property and business continuity.

As a result, most existing industrial plants have achieved a high level of prevention and protection, recognized via the “Highly Protected Risk” (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year across nearly 60 sites. More than 94% of the assets in the industrial, engineering and logistics scope covered by Groupe Renault “property damage and business interruption” insurance program have been awarded the HPR label by the Group’s insurance companies, thus attesting to the results obtained. This high degree of control over risks, which is recognized by insurers, has a direct positive impact on the terms at which the Group is able to buy insurance cover.

Environmental risks

Risk factors

The Group’s main environmental risks fall under four categories:

- **Climate change:**
- physical risks (exposure of sites to extreme weather events with potential negative consequences on industrial and logistical activities, supply and insurance premiums),
- risks related to the transition to a low-carbon economy (mismatch between offer of products/services and market expectations, loss of product competitiveness, increase in production costs),
- impact of the evolution of regulatory and normative requirements related to environmental performance of vehicles and/or industrial processes and, more broadly, greenhouse gas reduction targets defined in the context of the COP 21 agreement and applied to the automotive sector.

- **Health impacts:**
- health impacts due to chemicals, emissions or discharges,
- inadequate match between scientific and technical developments available to reduce health impacts and the Group's activities,
- inadequate match between the Group's product/service offerings and the expectations of customers, users or territories.
- **Scarcity of resources:**
- restrictions or even lack of access to resources for reasons related to supply-demand imbalance (market reasons: price increase or volatility), sourcing problems or geopolitical reasons (such as raw materials or water),
- management of non-recyclable or non-recoverable waste (production waste, end-of-life vehicles).
- **Protection of ecosystems:**
- environmental damage (air, water, soil, waste) related to the operation of industrial sites,
- environmental damage related to accidental pollution (air, water, soil, waste) and extreme natural phenomena,
- damage to biodiversity.

Management procedures and principles

The identification and control of environmental risks are included in the Group's overall risk management system.

Like all CSR issues, environmental issues and associated risks have also undergone a materiality analysis. This identifies and prioritizes them based on their potential impact on the economic performance of the business and their relative importance for its stakeholders.

CLIMATE CHANGE

The physical risks associated with extreme weather events, the frequency and intensity of which are likely to change as a result of the global rise in temperature, are taken into account in the same way as other natural and industrial risks as part of the Group's prevention policy (see "Risks related to natural disasters", "Risks related to industrial accidents" above).

The risks associated with the transition to a low-carbon economy (inadequate match between the Group's product and service offerings and market expectations linked to the transition, loss of competitiveness, increased production costs) are discussed in "Risks related to the development of products & services" below.

The risks and opportunities associated with the tightening of regulations on greenhouse gas emissions (in particular vehicle CO_2 emissions), and more generally associated with the growing demands of civil society with respect to the greenhouse gas emission reduction targets defined in the COP 21 agreement, are identified as a major competitive challenge for the Company. For this reason, they are monitored through a Worldwide Carbon Footprint key performance indicator and specific product competitiveness targets are set in terms of fuel consumption and CO_2 emissions (positioning of CAFE values in particular). These indicators are reviewed annually by the Group's Executive Committee, with a view to alignment over the short, medium and long-term..

HEALTH IMPACTS

Groupe Renault actively and continuously monitors scientific and technical developments relating to health issues in order to identify as early as possible the solutions available to reduce the potential impact of the Group's activities on health. This monitoring is based in particular on the analysis of environmental and health publications from the scientific community, official national or international bodies and non-governmental organizations. It also uses collaboration with technology and engineering suppliers to identify and evaluate the technological building blocks that may be integrated into future Group products.

Measures to ensure compliance with regulatory requirements for vehicle pollutant emissions are integrated into the development processes leading to the certification of vehicles. In addition, since the end of 2015, Groupe Renault has significantly strengthened and accelerated its efforts to reduce pollutant emissions in customer use. These efforts focus on the Euro 6b diesel range via improvements made to the management of the Exhaust Gas Recirculation (EGR) and NO_x trap systems deployed progressively on all productions starting in August 2016, and on the development of Selective Catalytic Reduction (SCR) technology for the diesel passenger car range to meet Euro 6d standards. At the same time, the Group has put in place enhanced governance of emissions in real driving conditions.

“Substance” risk prevention and compliance with the European REACH regulation, or its equivalents in other parts of the world, are ensured at all stages of the product life-cycle. A dedicated organization is deployed for this purpose throughout the company, and is supported by central expertise hubs and a “substance” standard, which is applied across the entire Company and supply chain.

SCARCITY OF RESOURCES

Groupe Renault uses circular economy principles to reduce the use of virgin raw materials. The Group deploys them through the design of more vehicles that use less raw materials (95% recyclable or recoverable mass), the development of technical solutions and industrial collection systems for the reuse, renovation and recycling of parts and materials from end-of-life vehicles (via its subsidiary Renault Environnement and various research projects) and finally the integration of a growing share of recycled materials into new vehicles (see section “Vehicle end-of-life”).

Risks related to potential supply restrictions and changes in material costs are discussed in “Raw material risks” below.

PROTECTION OF ECOSYSTEMS

Environmental risks (including potential damage to biodiversity) that could be caused by the Company’s activities are prevented using the environmental management system deployed across all Group sites and at all stages of the product life-cycle.

Environmental risks associated with the industrial activities of the Group’s suppliers are identified and prioritized through a specific CSR risk classification process. They are managed firstly through the deployment of the Renault-Nissan CSR Purchasing Guidelines and Renault Green Purchasing Guidelines within the entire supply chain. These guidelines define what the Alliance expects from its suppliers in terms of CSR and Renault’s specific environmental expectations. Secondly, suppliers that are most at risk undergo a CSR evaluation process based on the EcoVadis tool and on-site audits, which could lead to corrective action plans.

Risks related to the development of products & services

Risk factors

The Group is structurally exposed to a generic risk of inadequacy of its product and service offering to market expectations.

In this context, specific risks have been identified in the Drive the Future strategic plan relating to:

- the enrichment of the technological content of vehicles, especially with regard to vehicle connectivity and associated services and the development of autonomous vehicles;
- the transition of the powertrain offerings, in terms of mix and technologies (gasoline, diesel, electric hybridization of thermal engines) to conform to considerable changes in regulations and customer expectations;
- the Group’s strong ambitions in the field of electric vehicles against a backdrop of industrial dynamics and intense, complex markets with uncertain timetables.

Management procedures and principles

PRODUCT DEFINITION AND DEVELOPMENT

The definition of the Group's future products is based on customer studies and analyses of automotive competitors, so that market expectations and developments and industry trends can be identified. It is also increasingly informed, on a global scale, by anticipatory technology watch by all of the Group's development stakeholders, of the automotive industry and beyond (consumer electronics for example).

The development of new models or bodies is decided on the basis of this work and an assessment of expected profitability, calculated over the projected life-cycle, based on:

- income: sales volumes, market shares and price forecasts;
- costs: project entry ticket, projected unit costs.

Wherever reference assumptions are strongly questioned (declining markets, segments or volumes, higher investment or unit costs), the Group may have to recognize impairment on fixed assets (investment and capitalized development expenses, depreciated over the life of the vehicle) or recognize a provision to cover the contractual indemnities to be paid, if any, due to the failure to meet a minimum purchase volume.

In concrete terms, the Program departments manage the project risks and in particular simulate the projected impacts of changes in assumptions, which they present, at each development milestone, to the Group's Senior Management in order to highlight project resilience to environmental changes and decide on possible countermeasures to address identified risks.

From a more general perspective, to ensure the robustness of the product plan and keep risks under control, the Group:

- maximizes the distribution of the same model in different markets, which reduces its exposure to possible fluctuations in one of these markets;
- offers a varied, balanced Product portfolio that meets customer expectations in different segments and markets, so as to reduce the risk of dependency on a single market, segment or customer type;
- offers a diversified and adaptable engine portfolio (gasoline, diesel, electric, *etc.*) to meet customer expectations in different markets and enable potential changes in the engine mix to be supported;
- develops, with its Alliance partners, a limited number of standardized technical platforms to maximize economies of scale for component volumes and costs and facilitate their reuse from one region to another.

DEVELOPMENT OF SERVICES

The development of service offerings is mainly based on the analyses conducted by the Market Intelligence department, the Group Marketing department, the Sales and Regions department, the After-Sales department and RCI Banque. Initiatives carried out by a country's operational departments, in particular the Sales & Marketing department France or RCI Banque, are capitalized so that they can be extended and shared internationally.

A specific approach to B2B customers is led by the Renault Fleet International department and is aimed at integrating a global offer of mobility-related services that encompasses connectivity, fleet-Asset Management, financing, after-sales, or car-sharing solutions.

A coordinating committee between the Renault Sales & Marketing department and RCI allows for regular monitoring of these initiatives at the highest level of management.

Purchasing risks

Supplier risks

Risk factors

Supplier default.

Management procedures and principles

Supplier risk management is a crucial issue, in particular because of its major contribution to the cost price of the Group's vehicles.

The Group applies a precise risk control system concerning all aspects of the supplier relationship: design and development – manufacturing, logistics and quality – economic and financial sustainability.

Supplier risks are controlled using five main systems:

- **prevention policy** aimed at making suppliers responsible for their own risks, particularly with regard to the supply chain;
- **the use of Renault-Nissan-Mitsubishi Motors standards** for design, validation and specification compliance for products under development;
- **processes to detect non-compliance** in the quality of delivered parts and their traceability;
- **monitoring of supplier** risks in the areas of operations, finance and CSR (in particular health/safety, social and environment);
- **a system to implement action plans** in the event that supplier non-compliance or risk is detected.

This risk control system also involves several dedicated departments: a Supplier Risk Management and Control department and a network of financial analysts. These departments work closely with the operational purchasing managers of the Alliance Purchasing Organization (APO) as well as other departments that may be affected (Engineering, Manufacturing, Supply-Chain).

PREVENTION AND DETECTION

In addition to the prevention and detection of risks "subject to human control", the prevention policy also covers risks "beyond human control", such as natural disasters. Renault, Nissan and Mitsubishi Motors are rolling out a Business Continuity Plan program (assessment of alternative solutions and resumption of production).

With regard to operational risks, prevention is carried out as follows:

Risks linked to the compliance of products designed and developed by suppliers are managed via the Alliance New Product Quality Procedure (ANPQP), to which all suppliers must comply. Capacity risk management in the manufacturing supply sector is based on an Alliance Data Repository process with a two-year horizon.

Control of the quality of mass-produced products is based on a management system common to Renault, Nissan and Mitsubishi Motors based on the model of ISO TS 16949.

Other economic and operational risks are anticipated through annual multi-criteria rating of suppliers that assesses the quality of shareholding and management, the competitiveness of sites, their investment capacity, technological risks, and strategy and commercial dependence on major customers.

Supplier CSR risks may, in particular be identified through risk mapping, and an annual audit program has been set up. Financial risks are monitored by a network of analysts who assess the risk of default by suppliers using a common grid of Renault-Nissan-Mitsubishi Motors criteria. They compare their conclusions with scores from rating agencies, scores from Banque de France and recommendations from credit insurers, *etc.*

RISK MANAGEMENT

Supplier and supply risks are presented to and discussed by Purchasing Risk Committees. These committees exist at Group level and for each local Purchasing department. These multi-disciplinary bodies, in which all the functions affected participate (financial, legal, audit, logistics, communication, public affairs and Human Resources) are chaired by the Purchasing department.

The Purchasing Risk Committee determines the action plans to be implemented in collaboration with suppliers in order to reduce their risks, improve their competitiveness and ensure the long-term security of the supply chain.

Raw material risks

Risk factors

The risks identified concern:

- potential restrictions on the supply of raw materials due to a mismatch between supply and demand (market dynamics), sourcing issues or geopolitical reasons;
- the prices of materials, for which variations can be large and sudden, with no guarantee that increases can be recovered in vehicle sale prices.

Management procedures and principles

Certain raw materials used in the automotive industry are considered strategic since any restriction in the supply chain could impact production and other conditions. In order to keep internal management bodies informed in this regard, a strategic area of expertise called “Energy and Raw Materials Strategy” was put in place by the Group in 2010.

In particular, Groupe Renault has developed a methodology to objectively classify the critical nature of raw materials based on:

- price change risks:

  Renault uses several means to guarantee price stability over the financial year. The first consists of contracting purchasing prices at fixed prices over periods covering several months for materials not indexed on the financial markets. The second is to hedge risks linked to indexed materials.

  In order to closely monitor changes in raw material prices and examine future trends, a joint Alliance ad hoc committee, the Raw Materials and Currencies Committee (RMCC) has been tasked with defining the guidelines to be used as a reference.

  In addition, a Raw Materials Operational Committee deals more specifically with operational issues relating to the purchasing of raw materials for Renault.

- risks related to supply and impact for Renault in view of its product strategy:

  The evaluation uses objective criteria to rank these risks by type and scale. These might include supply and demand scenarios for the materials concerned, the number of actors producing the materials and their exposure, and Renault’s capacity for recycling and replacing them if necessary. This criticality matrix has identified materials to which Renault is exposed, enabling strategies to be defined upstream to secure the resources.

  The Group has been recognized for its commitment to the development of channels to recycle materials from the dismantling of end-of-life vehicles. All of these operations help secure the Group’s supplies of materials (recycled polypropylene, aluminum, copper, platinum, palladium, rhodium, *etc.*). They are led by Renault Environnement, in particular through its subsidiary Indra (a joint-venture with Suez Environnement): collection and processing of parts and materials, through its subsidiaries Gaïa (automotive sector) and Boone Comenor Metalimpex (metal waste), through innovative partnerships, *etc.*

  The expertise developed by Renault on criticality analysis methodology has become a benchmark. The Group remains strongly involved in associated national and international initiatives through cross-functional “sector” committees alongside public authorities. This enables a holistic, forward-looking approach to risk management, with public authorities providing support for priority actions.

Risks related to the supply chain

Risk factors

The Group is exposed in a significant way to the risk of a disruption in the supply chain of its production sites, which could lead to interruptions in the manufacturing chain and, ultimately, the delivery of vehicles to dealers and customers. The main drivers of these risks are either internal (due in particular to the interdependence underlying the Group’s industrial network) or external. These risks include the following:

- site supply interruption;
- failure in supply or transport systems;
- natural disasters;
- industrial accidents;
- social conflicts;
- political factors;
- inadequate capacities available.

Management procedures and principles

PREVENTION

In the Alliance's supply chain, teams of specialists are responsible for the prevention of the aforementioned risks. These preventive methods include:

- demand sensing via a sales and operational activities planning process;
- supply capacity management in conjunction with the Alliance Purchasing Organization & Supply Chain Quality department;
- supply chain capacity management for carriers and; vehicle compounds;
- risk detection and mitigation via a control tower;
- implementation of an operational team in the event of a crisis inherent to the aforementioned external factors;
- IT teams to counter events such as cyberattacks;

Whilst the maturity of these procedures varies, audits are in place to ensure compliance. IT processes are being reinforced and implemented in the Group's various entities.

PROTECTION

The protection system relies on:

- risk management at the appropriate levels of the organization;
- an end-to-end vision of risks;
- having crisis exercises in place;
- the development of cross-functional working methods to adopt a consistent approach in the different regions.

This prevention and protection system gives the Group control over its risks, both on a daily basis and over the long term.

Risks related to distribution

Risk factors

The financial health of the independent dealer networks, distributors of the Group's new vehicles and spare parts, is an important issue with regard to the Group's commercial strategy. Default by dealers could have a major impact on sales levels, both at country and region level.

Management procedures and principles

The financial health of dealerships is monitored by Renault and RCI Banque in countries in which the latter operates. A dealer rating system is used to prevent and limit the risk of default.

In other countries, Renault puts in place a credit monitoring system. The subsidiaries also actively foster the network's productivity to proactively manage this risk.

Monthly meetings of the Risks Committees are organized at country level, with RCI Banque, and a Risk Monitoring Committee meets at head office if the risk level justifies increased monitoring, based on periodic reporting of the financial health of the network and receivables.

Default risk is transferred to RCI Banque in those geographical regions in which RCI has special purpose vehicles to carry risk arising on the network and personal customers. If RCI Banque cannot handle this risk, the Group either carries it directly or transfers all or part of the risk to local banks.

A reporting system was introduced as part of the credit management system, including indicators for monitoring Automotive's trade receivables.

These tools improve the monitoring and management of payment terms and help manage customer risk and portfolio quality more effectively.

Insurance programs covering operational risks

Within Groupe Renault, financial protection against operational risk has two facets:

- high-impact, low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and whose financial impact can be predicted are provisioned by the Group, unless there is a legal requirement to insure them, via a policy of retention on the part of its subsidiary Motor Reinsurance Company (MRC) and deductibles.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with worldwide programs, in cooperation with its Alliance partners for certain risks. It is actively involved in defining the Group's prevention and protection policy.

The risk prevention policy for manufacturing is additionally described in the section "Risks related to industrial accidents".

The nature and scope of cover is determined via a preliminary risk analysis of operating entities. This approach is used for the following types of risk:

- "transportation and storage of vehicles in depots": the Alliance (Renault and Nissan) buys a capacity of €295 million per claim with a deductible of €100,000 per claim for damage caused to vehicles in depots and €45,000 per claim for land transportation;
- "property damage and operating losses": the Alliance buys a capacity of €2.25 billion per claim with sub-limits on certain types of guarantees, particularly natural disasters and problems with suppliers. Deductibles for the Group's manufacturing activities may amount to €5 million per claim; "civil liability": the Group buys a capacity of €260 million to cover general civil liability and civil liability for products and repairs carried out by Renault Retail Group sales subsidiaries; in addition, specific Environmental Liability coverage of €30 million was purchased;
- "cyber" risks: the Group has "cyber" insurance coverage;

Renault's insurers partially reinsure these global programs with MRC, a captive reinsurance company wholly-owned by the Group for Renault risks.

MRC mainly operates as follows:

- "transportation and storage of vehicles in depots": MRC covers up to €10 million per incident with a maximum annual limit of €25 million;
- "property damage and consequential operating losses": up to €20 million per incident, with a maximum annual limit of €20 million;
- "civil liability": up to a maximum annual commitment of €2.3 million.

Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.

The reasons for keeping deductibles high include the Group's consistent policy of prevention, and a desire to make each risk- bearing entity more accountable.

Risks related to cross-group functions

Financial risks

Liquidity risks

Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investment needed for its expansion. For this, Automotive borrows regularly from banks and on capital markets to refinance its gross debt and ensure its liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access.

Management procedures and principles

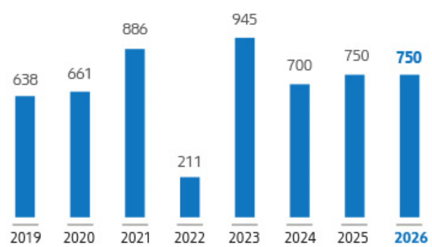
Under its centralization policy, Renault raises most of the refinancing for Automotive in the capital markets, mainly through long-term financial instruments (bonds and private placements), short-term financing such as commercial paper, bank financing, or in the form of financing obtained from public or parastatal institutions.

Renault has an EMTN bond program for a maximum of €7 billion, a bond program under the Shelf Registration scheme on the Japanese market with a ceiling of ¥200 billion and a NEU CP program for a maximum of €1.5 billion at December 31, 2018.

The contractual documentation covering these financing arrangements, including bank finance, does not contain any clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios. Some types of financing, particularly market financing, are covered by standard market clauses (*pari passu*, negative pledge, cross default).

A maturity schedule of Automotive's financial liabilities is presented in note 23-C to the consolidated financial statements.

RENAULT – MATURITY SCHEDULE FOR REDEMPTION OF BONDS, BANK AND EQUIVALENT DEBT FOR THE AUTOMOTIVE DIVISION (EXCLUDING AVTOVAZ) AT DECEMBER 31, 2018 (*)



(*) Nominal amounts valued at December 31, 2018 in € millions.

Renault also has confirmed credit lines with banks, none of which had been drawn in 2018. They constitute a liquidity reserve for the Automotive division (see note 23-C to the consolidated financial statements).

Their contractual documentation does not contain any clauses that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

In view of its available cash and confirmed credit lines not drawn at the reporting date, Automotive has sufficient financial resources to honor its commitments for the next 12 months (see note 25-B1).

RENAULT'S RATING

Agency	Rating / Perspective	Revision	Previous rating / Perspective
Moody's	Baa3 / P-3 / Stable Outlook	03/07/2019	Baa3 / P-3 / Positive Outlook
S&P	BBB /A-2 / Negative Outlook	02/20/2019	BBB / A-2 / Stable Outlook

Fitch	BBB / NR / Stable Outlook	11/28/2017	BBB- / NR / Positive Outlook
R&I	A- / Stable Outlook	11/08/2018	BBB+ / Positive Outlook
JCR	A- / Positive Outlook	03/20/2018	A- / Stable Outlook

Any downgrade in these ratings could limit and/or increase the cost of access to capital markets.

Foreign exchange risks

Risk factors

Automotive is exposed to currency fluctuations through its industrial and commercial activities. This risk is monitored or centralized within the Automotive Cash management and Financing department.

Management procedures and principles

Foreign currency transactions are mainly carried out by Renault Finance on currencies tradable on international markets.

Exchange rate fluctuations may have an impact in six Group financial aggregates (see note 25-B2 to the consolidated financial statements):

- operating margin;
- working capital requirement (WCR);
- net financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net cash position.

Operating margin: Automotive's main exposure to currency risk relates to the operating margin, which may be affected by exchange-rate fluctuations in operating flows. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management. The Group estimates that, based on the structure of its results and its operating cash flows for 2018, a 1% appreciation in the euro against all other currencies would have an impact of -€49 million on its annual operating margin.

RENAULT – ANNUAL NET AUTOMOTIVE OPERATING CASH FLOWS (EXCLUDING AVTOVAZ) IN FOREIGN CURRENCIES AT DECEMBER 31, 2018 AND IMPACT ON THE OPERATING MARGIN

The main exposure in 2018 concerned the pound sterling, amounting to a sensitivity of around -€12 million for a 1% rise in the euro. The 10 main exposures in absolute value and their sensitivities are presented below, in millions of euros:

Currency		Net annual operating flows	Impact of 1% appreciation in the euro
Pound sterling	GBP	1,191	-12
US dollar	USD	945	-9
Russian ruble	RUB	839	-8
Polish złoty	PLN	819	-8
Argentian peso	ARS	791	-8
Algerian dinar	DZD	665	-7
Romanian leu	RON	-586	6
Turkish lira	TRY	-596	6
Japanese yen	JPY	-828	8

South Korean won	KRW	-838	8

Working capital requirement: like operating margin, WCR is sensitive to exchange-rate fluctuations. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management.

Net financial income: the key principle of the Group's management policy is to minimize the impact of currency risk on net financial income. All the Group's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash management team, with monthly reporting to the Chief Financial Officer.

Investments by Automotive subsidiaries are partly financed through equity injections. Other financing requirements are usually met by Renault SA in local currency and are hedged to avoid currency impacts on net financial income.

When local circumstances prevent Renault from refinancing a subsidiary under reasonable conditions, that subsidiary may call on external sources of funding, under the control of the Renault's Central Cash management department. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company. Cash surpluses in countries that are not part of the parent company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Cash Management department.

Renault Finance may also engage in foreign exchange transactions for its own account within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on financial markets, involve only very short-term exposures that do not exceed some tens of millions of euros, such that they avoid any material impacts on Renault's consolidated results.

Share in the net income of associated companies: on the basis of its contribution to 2018 net income, a 1% rise in the euro against the Japanese yen would have decreased Nissan's contribution by €15 million.

This impact corresponds only to the impact of the euro on the conversion of Nissan's contribution to the consolidated statements of Groupe Renault; it does not reflect the inherent impact of euro fluctuations on Nissan's own accounts, given that Nissan does a more or less significant level of eurozone business that Renault has no control over.

Shareholders' equity: equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, given the size of the investment in Nissan, Renault's share in Nissan's net worth has been partially covered by a specific foreign exchange hedge (see note 12-G to the consolidated financial statements).

Net cash position: as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. At December 31, 2018, a 1% increase in the value of the euro against the yen would increase the Automotive division's net cash position by €16 million. Moreover, the Automotive net cash position may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency.

(An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-B-2 to the consolidated financial statements).

Interest rate risks

Risk factors

Interest rate risk can be assessed in respect of debt and financial investments and their payment terms (*i.e.*, fixed or variable rate). *(Detailed information on these debts and their nature is set out in note 23 to the consolidated financial statements).*

Management procedures and principles

The interest rate risk management policy for the Automotive division is based on two principles: long-term investments are generally financed at fixed rates, while liquidity reserves are generally established at floating rates. Fixed-rate borrowings remain at fixed rates as long as the rate curve is close to zero.

Yen-denominated financing to hedge Nissan's net position is taken out at fixed-rate.

A maturity schedule of Automotive's financial liabilities can be found in note 23-C to the consolidated financial statements. As far as possible, Automotive's available cash is pooled centrally by Renault SA. It is mainly invested in short-term bank deposits through Renault Finance.

Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

(An analysis carried out to measure the sensitivity to interest rate risk can be found in note 25-B3 to the consolidainancial statements).

FINANCIAL ASSETS AND LIABILITIES OF THE AUTOMOTIVE SEGMENT (EXCLUDING AVTOVAZ) BY MATURITY AND TYPE OF RATE AT DECEMBER 31, 2018 (RENAULT PARTICIPATING SHARES AND DERIVATIVES EXCLUDED)

(€ million)		Less than 1 year	More than 1 year	Total
	Fixed Rate	266	26	292
	Floating Rate	12,463	0	12,463
FINANCIAL ASSETS BEFORE HEDGING		**12,729**	**26**	**12,755**
	Fixed/Floating Rate	0	3	3
	Floating/Fixed Rate	0	0	0
HEDGING OF FINANCIAL ASSETS		**0**	**3**	**3**
	Fixed rate	266	23	289
	Floating rate	12,463	3	12,466
FINANCIAL ASSETS AFTER HEDGING		**12,729**	**26**	**12,755**
	Fixed Rate	1,086	4,851	5,937
	Floating Rate	1,825	318	2,143
FINANCIAL LIABILITIES BEFORE HEDGING		**2,911**	**5,169**	**8,080**
	Fixed/Floating Rate	275	143	418
	Floating/Fixed Rate	85	95	180
HEDGING OF FINANCIAL LIABILITIES		**360**	**238**	**598**
	Fixed Rate	896	4,803	5,699
	Floating Rate	2,015	366	2,381
FINANCIAL LIABILITIES AFTER HEDGING		**2,911**	**5,169**	**8,080**

Counterparty risk

Risk factors

In managing currency risk, interest rate risk and payment flows, the Group enters into transactions on the financial and banking markets for the placement of its surplus cash which may give rise to counterparty risk.

Management procedures and principles

Management of counterparty risk incurred by Group entities is fully coordinated and uses an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Groupe Renault companies exposed to counterparty risk. Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are monitored daily to ensure that they comply with authorized limits by counterparties, in accordance with specific procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Most deposits are with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk and lowers the systemic risk.

In 2018, the Group suffered no financial loss as a result of the failure of a banking counterparty.

Quality risks

Risk factors

Quality or general product safety crises, insufficiently competitive quality of products and services or customer satisfaction.

Management procedures and principles

One of the Group's major and fundamental objectives is to control the risks related to the physical integrity of road actors, starting with the users of its products and services. To achieve this, the Group put in place, in addition to the quality assurance mechanisms, an organizational structure and activities referred to as Operational Reliability and General Product Safety. There are several kinds of activities:

- systematic risk analysis starting from the design phase, for innovations in particular;
- "safe" design with the implementation of safety concepts (diagnostics, information correlation, redundancy, *etc.*). Note the application of ISO 26262 (Functional Safety of Electrical and Electronic Systems), which today constitutes the essential methodological reference for the functional safety of automotive systems;
- creation of safety documentation for certain solutions for safety or innovation issues;
- convergence guarantee for in-plant compliance;
- clear customer information through operating instructions and warnings in the vehicles.

In addition, the Group has set up a market monitoring system that allows it to very quickly learn about sources of customer dissatisfaction with quality and to act accordingly through such measures as recall processes for the correction of quality problems, especially those that could have potential safety consequences.

Human Resources risks

Risk factors

Lack of skills required to achieve mid-term plan objectives; possible negative impact on labor costs (use of external solutions), quality of products and services, and the innovation, production and distribution capabilities of our products, services and solutions.

Management procedures and principles

To keep pace with changes in its business activities and identify the skills required to achieve operational objectives, Groupe Renault has initiated a specific skills management approach that focuses on two main activities (detailed in section ”Dynamic skills management” above):

- identification of the skills required for each function;
- learning and development of key skills.

Guidelines

- strengthening of the Human Resources department in 2017 and 2018 in aspects related to Strategic Workforce Planning and Learning & Development;
- creation of business skills reference guides;
- creation of a cross-functional skills reference guide;
- definition of training priorities to be relayed in all Groupe Renault countries;
- deployment of Learning@Renault for in-class and digital training;
- regular monitoring of key training indicators.

The Human Resources department works in close collaboration with the various operational departments to support the development of “business activities” based on a skills management approach and the resulting definition of training priorities.

The involvement of “functional academies” and Learning & Development teams in countries makes it possible to develop a consistent and relevant training program and to share training priorities with managers and employees at all levels of the organization.

In addition, in 2018, Groupe Renault developed a new reference system for cross-functional competencies (comprising 11 core competencies) that will aid employee development in 2019 in a more agile manner, thanks in particular to a digital training offer accessible at Learning@Renault.

Periodic monitoring of the action and training plans ensures that program progress is reviewed regularly and additional actions are introduced throughout the year.

Risks related to data processing

Risk factors

The Group’s business depends on a permanent basis on the smooth running of its IT systems. The main risks that could adversely affect the Group’s IT systems are related to:

- incidents that could affect the continuity of services hosted in our infrastructures and those of our partners;
- cybercrime: global computerized attacks or attacks targeting the Group’s interests or, as a side effect, national interests. Such attacks may aim to access sensitive data (*i.e.*, products, services or personal information), steal or alter it, cause a denial of service or bring down the Group’s intranet;
- non-compliance with IT standards or practices required by legislation, external authorities or contracts with suppliers.

These risks can have a significant financial impact in the form of penalties or business interruption. They can also have an impact on trust in the Group and its brands and/or lead to a loss of competitive advantage.

Management procedures and principles

Risks are controlled, in particular, through the following:

- **at operational level:**
- deployment of the Group’s security policies and by continuous enrichment of the process of defining security requirements according to the level of criticality of the applications and data handled,

- deployment of an adaptable action plan based on a security master plan and annual risk mapping that includes:
- regular protection upgrades to the Group's IT network,
- compliance checks carried out jointly by Renault's Information Systems department, the Protection and Prevention department, the Internal Audit department and the Internal Control department,
- awareness-raising activities for employees and partners,
- supervision and management of security incidents.
- coordination of a global network of IT security experts in charge of implementing the Group's Information Systems Security Policy and rolling out best practices Group-wide;
- **at organizational and governance level:**
- the Risk and Internal Control Committee chaired by a member of the Group Executive Committee,
- Governance Committees coordinated by the Group IT Security department, which carry out inspections at operational level to check the effective application of IT security procedures, in line with the Information Systems Security Policy and best practices.

Given the Group's main business trends, its digitalization and changing threats, the major actions to optimize risk management are currently focused on the following aspects:

- enhanced protection of our digital borders, systems and sensitive data, whether stored on our intranet or in the cloud by partners and/or suppliers;
- enhanced supervision of the Group's intranet;
- compliance with the requirements of the General Data Protection Regulation;
- the implementation of a "records management" policy to reinforce the selective and secure storage of documents, in particular digital documents, which are of interest to the Group in the medium and long-term;
- the development of connected vehicle cybersecurity and related services to ensure the security of vehicles and connected services in compliance with regulations;
- renewing of insurance coverage for cybersecurity.

Legal risks

Risk factors

Groupe Renault is exposed to the following four main types of legal risks:

- **Legal and regulatory changes**

Due to its international activity, Renault is subject to a number of complex and dynamic legislations, particularly in the fields of automotive, environment, competition, labor law, *etc.*

Although Renault monitors this situation, a change in legislation or regulations having a significant impact on the Group's financial position, business or results cannot be ruled out. Moreover, the authorities or courts may also change the application or interpretation of existing laws and regulations at any time.

- **Identified risks arising from non-compliance with contractual commitments**

Identified risks arising from non-compliance with contractual commitments are, where applicable, described in the section on disputes, governmental or legal proceedings and arbitration.

Renault is not aware of any other identified risks arising from non-compliance with contractual commitments that could have a significant impact on its financial position or profitability;

- **Disputes, governmental or legal proceedings, arbitration**

Renault is involved in various governmental, legal and arbitration proceedings as part of its activities in France and internationally.

To the best of Renault's knowledge, over the last 12 months there has been no dispute or governmental or legal proceeding other than those described below or arbitration process underway or likely to occur and that could have a significant impact on its financial position, activities or results.

It should be noted that, concurrently with the works of the independent technical commission ("Royal" commission), the Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF) conducted investigations concerning the automotive industry. These investigations concerned the practices relating to the Nitrogen Oxide emissions (NO_x) of a dozen car manufacturers selling diesel vehicles in France, including Renault. The DGCCRF decided to communicate its conclusions relating to Renault on this matter to the public prosecutor who, on January 12, 2017, opened judicial investigations against Renault on the grounds of "deceit in respect of the material qualities and on the checks carried out, these facts having led to the products being harmful to human and animal health". Renault contests the existence of any infringement and intends to prove its compliance with French and European regulations in the legal investigation. Moreover, Renault, which at this stage is not a party to the proceeding, is therefore not in a position to assess the possible impact of this ongoing proceeding on the Group.

- **Intellectual property**

Renault uses various patents, trademarks, designs and models. Each year, Renault files several hundred patents (see "5. RESEARCH AND DEVELOPMENT ACTIVITIES"), some of which are the subject of fee-paying licenses granted to third parties. The Group may also use patents held by third parties under licensing agreements negotiated with those parties. As such, Renault is exposed to various intellectual property risks.

Groupe Renault's performance depends in particular on the robustness of the legal framework protecting its patents and other intellectual property rights. For example, Renault cannot guarantee that its intellectual property rights will not be misused or contested by third parties. Such misuse or claims could have a negative impact on the Group's activity, results and image.

Management procedures and principles

With regard to legal and regulatory changes, Renault requires its subsidiaries to respect the regulations in the countries in which the Company operates. Renault is in constant dialog with the national and regional authorities responsible for regulations specific to the Automotive segment, in order to anticipate changes and ensure the Group's compliance with laws and regulations.

All disputes, governmental or legal proceedings and arbitrations are subject to regular review, particularly at year-end. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risks (see note 20 "Provisions" to the consolidated financial statements).

Finally, in general, the internal control of legal risks is organized around three guiding principles:

- management of the Group's legal function, which is organized around a central function and employees in the Group's main countries. These employees report on a hierarchical and/or functional basis;
- employees of the legal function are proactive in anticipating legal risks upstream and adapting the corresponding procedures (advisory consultations, information from the central legal function, *etc.*);
- regulatory monitoring by Groupe Renault in collaboration with the different countries concerned.

Risk factors for the AVTOVAZ group

The main risk factors identified by the AVTOVAZ group teams are presented below. At this stage, the way they are categorized still uses a methodology specific to the Group.

A more detailed description of these risk factors, which includes the associated treatment plans can be found in the AVTOVAZ group's annual report.

Risks related to operations

- Risks related to purchasing costs (raw materials, components).
- Risks of default by dealers.

Risks related to production and sales

- Product quality risks.
- Risks of damage to manufacturing system (damage to property or persons due to industrial accidents or natural disasters).
- Risks related to the commercial performance of vehicles, spare parts and accessories.

Financial risks

- Liquidity risks.
- Foreign exchange risks.
- Interest rate risks.

Legal risks

- Risks related to tax legislation (Russia and export countries).
- Risks related to customs regulations (changes in customs duties).

Finally, it should be noted that the AVTOVAZ group has implemented and deploys a hedging policy for operational risks through insurance programs, in accordance with the Russian legal framework and in synergy with the relevant Alliance insurance programs described elsewhere in this document.

More detailed information regarding financial risks of the Avtovaz segment is available in note 25C of Renault's consolidated financial statements for the year ended 31 December 2018. In particular, regarding liquidity risks, detailed information is available on financial liabilities of the Avtovaz segment in note 23D of the Renault's consolidated financial statements for the year ended 31 December 2018.

At December 31, 2018, the Avtovaz Group was in compliance with all the covenants included in its loan agreement with banks.

Risk factors for Sales Financing (RCI Banque SA)

The operational sector "Sales Financing" (RCI Banque) has its own risk management system in compliance with banking and insurance regulations. Under banking regulations, RCI Banque has been supervised by the European Central Bank on a consolidated basis since January 1, 2016.

Risks linked to the Company's environment

Geographical risks

Risk factors

RCI Banque has operations in several countries. It is therefore faced with risks linked to activities pursued internationally. These risks include, in particular, economic and financial instability, and changes in government, social and central bank policies. RCI Banque's future results may be negatively impacted by one of these factors.

Management procedures and principles

RCI Banque's geographical locations are chosen, in the framework of its growth strategy, to support manufacturers, and take into account the risks of instability which are inherent to a global approach.

The scope of the financial policy extends to all of RCI Banque's consolidated subsidiaries, including those whose refinancing is not centralized.

Subsidiaries located in a country outside the eurozone for which RCI Banque deems the currency transfer and convertibility risk to be significant (in particular Brazil and Argentina) are generally refinanced locally to limit any cross-border risk or is subject to specific insurance (*e.g.* in Russia).

Risks arising from economic conditions

Risk factors

RCI Banque's credit risk is dependent on economic factors, particularly the rate of growth, the unemployment rate and household disposable income in the countries in which the RCI group has operations.

Management procedures and principles

In a complex economic environment, RCI Banque has put in place systems and procedures that respond to the legal and regulatory obligations that correspond to its banking status and allow it to globally apprehend all of the risks associated with its activities, by reinforcing the management and control systems.

Risks linked to the regulatory environment

Risk factors

Regulatory measures might have a negative impact on RCI Banque and the economic environment in which the RCI Banque group operates.

Management procedures and principles

The RCI Banque group has procedures that enable it to gain an overall insight into regulatory developments referring to its activities and to ensure that the Group complies with the various regulatory requirements.

Cross-Group operational risks linked to sales financing

RCI Banque is exposed to risks of loss arising either from external events, or from inadequacies and failures of its processes, personnel or internal systems. The operational risk to which RCI Banque is exposed mainly includes risks linked to events that are unlikely to occur but that would have a significant impact, such as the risk of business interruption due to unavailability of premises, staff or information systems.

Management procedures and principles

RCI Banque has a procedures management tool, an internal delegation system, guidelines for segregation of duties and an operational risk map.

Operational risks are assessed annually by process owners within all Group entities and monitored at three levels as indicated in section "General framework for internal control and risk management within the RCI Banque group" below.

We will discuss the following risk categories: legal and contractual risks and IT risks.

Legal and contractual risks

Risk factors

Any legislative changes impacting credit lending, insurance and related services at the point of sale or through other channels, as well as regulatory changes affecting banking and insurance activities might impact the activity of the RCI Banque group.

Management procedures and principles

RCI Banque conducts legal analyses on newly distributed products and regularly monitors the regulations to which it is subject in order to ensure compliance.

IT risks

Risk factors

The RCI Banque group's business depends in part on the smooth running of its IT systems.

The IT department at RCI Banque addresses IT-related risks (infrastructure risks, change management, data integrity, cybercrime, *etc.*) through its governance, security policy, technical architecture, processes and control of outsourcing.

Management procedures and principles

Risks are controlled, in particular, through the following:

- integration of IT risk management into the overall RCI risk management and control system at all levels of the Company;
- the level of IT network protection at the Group level;
- coordination, monitoring and day-to-day management of the Group's Information Management Policy;
- safety training and awareness-raising for all employees (e-learning, communications, *etc.*);
- the actions, support and controls carried out by the RCI Risks, Compliance and IT Systems Security department, which rely on a network of IT security officers in each subsidiary's IT Systems department, as well as a network of internal controllers;
- a Group IT systems security policy that integrates regulatory requirements (banking, GDPR/personal data, *etc.*), a global management approach and continuous adaptation of IT systems security;
- an increasingly stringent intrusion testing and surveillance policy for both external risks and internal risks;
- a management system for the disaster recovery plan (DRP) in place and regular testing of the system that include problems related to cyber-risks.

Credit risks

Risk factors

Credit risk relates to the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the Company. Credit risk is closely linked to macro-economic factors.

Management procedures and principles

RCI Banque uses advanced scoring systems and external databases, when this information is available, to evaluate the capacity of retail and business customers to fulfill their commitments. It also uses an internal rating system to evaluate lending to dealers. RCI Banque constantly updates its acceptance criteria to take into account the existing economic conditions.

The Group has detailed management procedures that it applies in all relevant countries and which notably include debt recovery processes.

Management of customer risks

The customer credit risk prevention policy aims to ensure that the cost of risk objectives fixed as part of the budgetary process for each country and each of its main markets (new and second-hand vehicle customers for retail customers, and enterprise customers) are met. The acceptance criteria are adjusted and the tools (scores and other rules) are regularly optimized for this purpose. The methods or strategies used for the recovery of outstanding or default loans are also adjusted based on customer type and the difficulties encountered. The contract may therefore be terminated prematurely when there is a risk that the loan may not be recovered in the very short-term.

COST OF RISK ON AVERAGE PRODUCTIVE ASSETS

(including country risk)

NB: ratio of losses recognized or provisioned during the financial year following default by borrowers to average loans outstanding across the whole portfolio.

Policy for granting loans

Customers who request financing are systematically scored using the Retail scale and almost systematically using the Enterprise scale. This facilitates an initial assessment of the file as part of the decision-making process. In addition to the operational process, the acceptance criteria are regularly updated based on the default rate and profitability analysis, which is based on the probability of default and loss in the event of default. The principles for identifying clients and beneficial owners as part of anti-money laundering and terrorist financing procedures are applied each time.

Recovery

The management of financing and its recovery are monitored in-depth. Subsidiary performance in terms of recovery efficiency is analyzed in the context of monthly risk reporting and is presented to the Corporate by the subsidiaries at monthly or bi-monthly committee meetings depending on the significance of the country. The methods or strategies used for the recovery of outstanding or default loans are adjusted based on customer type and the difficulties encountered. The statistical models used in particular in the calculation of regulatory requirements allow a monthly update of the probability of default measured at the time of the grant, through the integration of the customer's payment behavior. Using the same customer information, recovery scores have been introduced in Spain, South Korea and Brazil to detect at-risk profiles and make the process more efficient.

Dealer network risk management

The policy to prevent credit risks within the network aims to ensure that objectives relating to the cost of risks, fixed as part of each country's budget process are met.

For each subsidiary, network customers are monitored on a daily basis using short-term indicators, which, together with long-term indicators, allows any issues that might present a risk of partial or total non-recovery of the debt to be identified upstream.

The Network Financing department establishes the risk control procedures centrally. Customers who are identified as at risk are classed as supervised, pre-alert or alert and are reviewed by the subsidiaries' Risk Committees.

In terms of the network, all counterparties are systematically scored. All of the sections that constitute the rating, or the rating itself, are integrated into the key operational processes for acceptance, management and monitoring of activity and risks. The provisioning of the network financing business is based on the categorization of the counterparties both individually and by examining target impairment indicators.

Probabilities of default and expected losses from "Basel" tasks for the G5 countries (France, Spain, Germany, United Kingdom and Italy) are used in the provisioning system.

Financial risks

Liquidity risks

Risk factors

The Sales Financing business depends on access to financial resources: restrictions on access to liquidity might have a negative impact on its financing activity.

Management procedures and principles

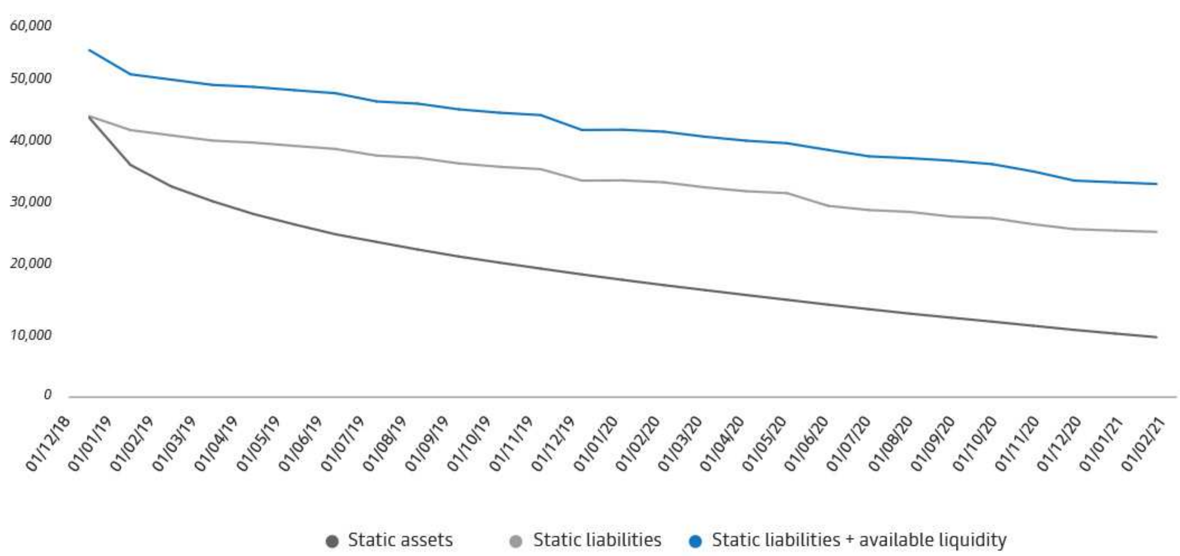
RCI Banque must always have sufficient financial resources to ensure the long-term future of its business and development.

The coordination of RCI Banque's liquidity risk is based on several indicators or analyses, which are updated monthly based on the latest estimates of outstanding loans and the refinancing operations performed. Laws relating to the outflow of deposits are subject to conservative assumptions.

The Group has a framework of indicators and limits for its liquidity risk.

RCI BANQUE GROUP LIQUIDITY POSITION*
At 12/31/2018

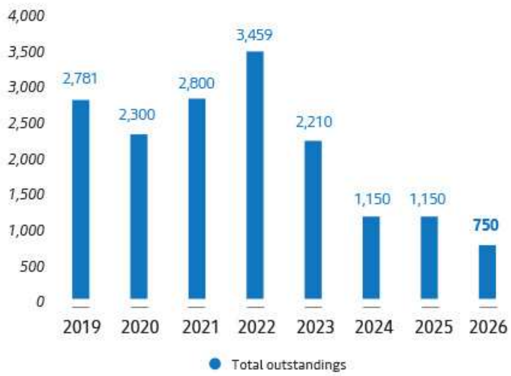
(€ million)



Static assets: assets runoff over time assuming no renewal.
Static liabilities: liabilities runoff over time assuming no renewal.

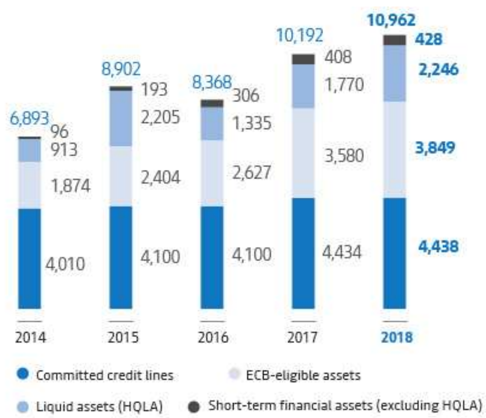
*Europe scope

SCHEDULE FOR BOND ISSUES AT DECEMBER 31, 2018
(€ million)



RCI BANQUE GROUP LIQUIDITY RESERVE*

(€ million)



*** EUROPE SCOPE**

RCI BANQUE RATINGS AT DECEMBER 31, 2018

RCI BANQUE GROUP'S PROGRAMS AND ISSUANCES

The group's issuances are concentrated on eight issuers: RCI Banque, Diac, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc (Morocco) and RCI Leasing Polska (Poland) and RCI Colombia SA Compañia de Financiamento (Colombia).

Issuer	Instrument	Market	Amount	S & P	Moody's	Other
RCI Banque SA	Euro CP program	Euro	€2,000m	A-2 (stable outlook)	P2	R&I: A-1 (positive outlook)
RCI Banque SA	Euro MTN program	Euro	€23,000m	BBB (stable outlook)	Baa1 (positive outlook)	R&I: A- (positive outlook)
RCI Banque SA	NEU CP (1) program	French	€4,500m	A-2 (stable outlook)	P2	
RCI Banque SA	NEU MTN (2) program	French	€2,000m	BBB (stable outlook)	Baa1 (positive outlook)	
Diac SA	NEU CP (1) program	French	€1,000m	A-2 (stable outlook)		

Diac SA	NEU MTN [(2)] program	French	€1,500m	BBB (stable outlook)		
Rombo Compania Financiera SA	Bond program	Argentinian	ARS 6,000m		Aa1.ar (stable outlook)	Fix Scr: AA (arg) (stable outlook)
RCI Financial Services Korea Co Ltd	Bonds	South Korean	KRW 1,520 m [(3)]			KR, KIS, NICE: A+
Banco RCI Brasil SA	Bonds	Brazilian	BRL 3,414m [(3)]		Aaa.br (stable outlook)	
RCI Finance Maroc	BSF program	Moroccan	MAD 2,000m			
RCI Leasing Polska	Bond program	Polish	PLN 500m			
RCI Colombia SA Compañia de Financiamento	CDT; Certificado de Depósito a Término	Colombian	COP 305bn [(3)]	AAA.co		

(1) "Negotiable European Commercial Paper" (NEU CP), new name for Certificates of Deposit.

(2) "Negotiable European Medium-Term Note" (NEU MTN), new name for Negotiable Medium-Term Notes.

(3) Outstandings.

RCI Banque (Europe scope) also has €4.4 billion of undrawn committed credit lines, €3.8 billion of assets that constitute eligible collateral for ECB monetary policy operations, €2.2 billion of high-quality liquid assets (HQLA) and €0.4 billion of short-term financial assets, allowing RCI Banque to secure the continuity of its commercial business activity for nearly 12 months without access to external sources of liquidity (centralized refinancing scope).

Foreign exchange risks

Risk factors

RCI Banque is exposed to currency risks which might have a negative impact on its financial position.

Management procedures and principles

Sales financing subsidiaries are required to refinance in their local currencies and therefore have no foreign exchange exposure. No foreign currency exposure is allowed in respect of RCI Banque refinancing, the trading room being used to ensure that all flows are hedged.

RCI Banque's residual exposure for other assets and liabilities (*e.g.* accrued interest not yet due on foreign currency borrowings) is kept at a marginal level for both RCI Banque and Groupe Renault.

At December 31, 2018, the RCI Banque group's consolidated foreign exchange position amounted to €9.2 million.

Lastly, equity and annual earnings for RCI Banque subsidiaries outside the euro zone are themselves subject to foreign exchange movements are not specifically hedged.

Interest rate risks

Risk factors

RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.

Management procedures and principles

Interest rate risk is monitored daily: sensitivity is calculated by currency, by management entity and by asset portfolio, thus verifying that each entity respects its individual imposed limits. Sensitivity to interest rate risk is measured using the same methodology throughout the entire RCI Banque group. The sensitivity consists of measuring the impact of a 100 bps rise in interest rates on the value of balance sheet flows. The system limits the Group's global exposure and the exposure of each entity.

In 2018, RCI Banque's overall sensitivity to interest rate risk was kept below the limit set by the Group (€50 million).

Counterparty risk

Risk factors

RCI Banque group is exposed to counterparty risk from its investments of surplus cash, and in its management of currency risk, interest rate risk and payment flows.

Management procedures and principles

Counterparty risk is managed via a system of limits fixed by RCI Banque, then validated by its shareholder as part of the consolidation of Groupe Renault's counterparty risks. This risk is managed through daily monitoring and summary reports to management.

Other risks

Risks on residual values

Risk factors

The residual value is the vehicle's estimated value at the end of its lease. The performance of the used vehicles market can entail a risk for the owner of these residual values, who is committed to taking back the vehicle at the end of its lease at the originally agreed price. This risk is principally borne by the manufacturers or the dealer network and to a marginal extent by RCI Banque. In the specific case of the United Kingdom, RCI Banque is exposed to the residual value risk on finance where there is a commitment to take back the vehicle.

Management procedures and principles

Developments in the used car market are monitored closely in line with range policy, sales channel mix and the manufacturer's price to reduce this risk as much as possible, particularly in cases when RCI Banque takes over the vehicles. Provisions are carefully made for the loan portfolio when the observed market values have fallen below the level of the RCI Banque take back commitments, or if specific future risks have been identified on the used car market.

Risks relating to the insurance activity

Risk factors

RCI Banque bears any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims incurred.

Management procedures and principles

At December 31, 2018, the change in the technical provisions of our life and non-life insurance companies represents €26 million for €349 million in gross premiums written.

These technical reserves are intended to cover all future obligations taken on by the insurer in respect of insured persons and are determined in accordance with the actuarial principles applicable to the risk profiles of the insured portfolios.

They are periodically reviewed so that their adequacy can be justified at any time.

As part of the risk control policy and regulatory requirements, the Group additionally operates strict policy selection, has drawn up underwriting guidelines and uses reinsurance agreements.

3. ANALYSIS BY MANAGEMENT OF STATE OF FINANCIAL CONDITION, OPERATING RESULTS AND CASH FLOW

Any forward-looking statements contained in this section are based on the judgment as of December 31, 2018.

(1) OUTLINE OF RESULTS OF OPERATION, ETC.:

KEY FIGURES

	2018 [1]	2017 restated	Change
Worldwide Group sales [2] *(vehicles)*	3,884,295	3,762,077	+3.2%
Group revenues *(€ million)*	57,419	58,770	-1,351
Group operating profit *(€ million)*	3,612	3,854	-242
(% revenues)	6.3%	6.6%	-0.3 pt
Group operating income *(€ million)*	2,987	3,806	-819
Contribution from associated companies *(€ million)*	1,540	2,799	-1,259
o/w Nissan (€ million)	1,509	2,791	-1,282
Net income [3] *(€ million)*	3,451	5,308	-1,857
Net income, Group share [3] *(€ million)*	3,302	5,212	-1,910
Earnings per share [3] *(€)*	12.24	19.23	-6.99
Automotive including AVTOVAZ operational free cash flow [4] *(€ million)*	607	945	-338
Automotive including AVTOVAZ net cash position [3] *(€ million)*	3,702	3,209	+493
Sales Financing, average performing assets *(€ billion)*	44.4	39.6	+12.0%

(1) Application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" as of January 1, 2018.

(2) 2018 Group registrations include Jinbei & Huasong sales.

(3) The figures for the year 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.

(4) Automotive operational free cash flow including AVTOVAZ: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.

Overview

In 2018, **Groupe Renault** sales increased by 3.2% while integrating the Jinbei and Huasong brands since January 1, 2018. At 2017 scope, Groupe Renault volumes declined by 1.2% in a world market down 0.3%, with stable sales in Europe, (+0.5%).

Groupe Renault is the European leader in the **electric vehicle** segment with a 22.2% market share.

In the **light commercial vehicle** segment, the Group grew by 33.7% (619,229 vehicles). Excluding Jinbei and Huasong, sales increased by 0.9% to 467,042 vehicles.

Groupe Renault is pursuing its **Drive the Future** plan by expanding internationally, now representing 50.6% of total sales (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei, Huasong brands, and despite the decline in sales in Turkey and India and the cessation of sales in Iran due to the application of American sanctions.

Group revenues reached €57,419 million (-2.3%), including €3,040 million for AVTOVAZ (+11.5%). Excluding currency impact, Group revenues increased by 2.5%.

Automotive excluding AVTOVAZ revenues decreased -4.4% to €51,171 million, including the negative impact from the change in interest rate subsidies allocation between the Automotive excluding AVTOVAZ segment and Sales Financing of €555 million. This change mainly reflects a negative currency effect of -4.1 points, lower volumes (-0.5 points) and sales to partners (-1.8 points). The downturn in sales to partners was mainly the result of the closure of the Iranian market and the decline in European demand for diesel. In contrast, the price effect was positive at +1.4 points thanks to price increases in emerging countries as well as Europe. The model mix was slightly negative at -0.2 points. The "Others" effect (+0.8 points), including the aforementioned change in allocation, was due in particular to the strong performance of the used vehicle and spare parts activities, and lower sales with buy-back commitments.

The **Group's operating margin** amounted to €3,612 million and represented 6.3% of revenues.

Automotive excluding AVTOVAZ operating margin was down €545 million to €2,204 million, which represented 4.3% of revenues compared to 5.1% in 2017. In addition to a negative volume effect of -€329 million, this decrease was largely explained by an unfavorable environment, both in respect of currency, with an impact of -€526 million, and raw materials (-€356 million). To offset these negative effects, the Group pursued its cost management policy resulting in a positive +€421 million from Monozukuri [4] and price increases leading to a positive mix/price/enrichment effect of +€261 million.

The **AVTOVAZ operating margin contribution** rose to €204 million, compared to €55 million in 2017, and marked a new stage in the company's recovery thanks to the success of its recently launched models in a recovering market and efforts to streamline costs. In addition, AVTOVAZ benefited in 2018 from positive non- recurring effects.

Sales Financing contributed €1,204 million to the Group's operating margin, compared to €1,050 million in 2017. This rise of nearly 15% was notably due to the good commercial performance in recent years.

Other operating income and expenses amounted to -€625 million (compared to -€48 million in 2017). This sharp deterioration stemmed mainly from two factors: on the one hand, the consequences of the Argentinean crisis for more than €200 million, and on the other hand, provisions notably relating to the early retirement program in France, for nearly €300 million.

The Group's **operating income** came to €2,987 million, compared to €3,806 million in 2017.

Financial income amounted to -€353 million, compared to -€391 million in 2017 (after taking into account the change in the accounting method for redeemable shares). Improvements in the Group's funding cost allowed it to absorb a €31 million expense relating to the application of accounting rules linked to Argentina's hyperinflation situation.

The **contribution of associated companies**, primarily Nissan, came to €1,540 million, compared to €2,799 million in 2017. In 2017. Nissan's contribution included a non-recurring income of €1,021 million linked to the USA tax reform voted at the end of 2017 and sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed an expense of €723 million.

Net income amounted to €3,451 million, and net income, Group share, to €3,302 million (€12.24 per share compared to €19.23 per share in 2017).

Automotive operational free cash flow, including AVTOVAZ for €115 million, was positive at €607 million after taking into account a positive change in working capital requirements excluding

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

AVTOVAZ for €781 million and an increase in total investments excluding AVTOVAZ for €784 million.

At December 31, 2018, total inventories (including the independent network) represented 70 days of sales, compared to 57 days at end December 2017. This sharp rise primarily reflected the weak sales in the fourth quarter of 2018.

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

Outlook 2019

In 2019, both the Global and European markets are expected to be stable [5] compared to 2018. The Russian market is expected to grow by at least 3% and the Brazilian market by 10%.

Within this context, Groupe Renault is aiming to:

- increase revenues (at constant exchange rates and perimeter) [6];
- achieve a Group operating margin of around 6%;
- generate a positive Automotive operational free cash flow.

(i) Sales performance 2018

Overview

- In 2018, worldwide sales of passenger cars and light commercial vehicles (PC+LCV) by **Groupe Renault** increased by 3.2%, with 3.88 million vehicles sold while integrating the Jinbei and Huasong brands since January 1, 2018 (165,603 vehicles). At 2017 scope, Groupe Renault volumes declined by 1.2% in a world market down 0.3%.
- The **Renault brand** registred 2,532,567 sales in 2018 (-5.2%). **Dacia** sales were up 7.0% at 700,798 vehicles. **Lada**'s sales increased by 18.7% to 398,282 registrations and **Renault Samsung Motors**' sales fell by 14.9% to 84,954 vehicles.
- **In Europe**, sales were stable (+0.5%) in a market that grew by 0.2%. The Dacia brand posted a new sales record in Europe (+10.3%) and a record market share of 2.9% (+0.3 points). This increase is linked to the performance of the New Duster launched at the beginning of the year and Sandero.
- In the **electric vehicle segment**, Renault is the European leader with a 22.2% market share. ZOE saw its volumes increase by 26.1% (39,458 vehicles) and Kangoo Z.E. by 105.1% (8,747 vehicles).
- In the **light commercial vehicle segment**, the Group grew by 33.7% (619,229 vehicles). Excluding Jinbei and Huasong, sales increased by 0.9% to 467,042 vehicles. The Renault brand reached a new record high in 2018 despite the decline in Turkey and Argentina, two important markets for this segment.
- **Groupe Renault** is pursuing its **Drive the Future** plan by expanding internationally, with sales now representing 50.6% of total (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei and Huasong brands, and despite the decline in sales in Turkey, India and the cessation of sales in Iran due to the application of American sanctions.
- The sales of the **Jinbei and Huasong** brands are taken into account as of January 1, 2018 following the creation of a Joint Venture with Brilliance China Automotive Holdings Limited and amounted to 165,603 vehicles in 2018.
- In 2018, the number of new financing contracts by **RCI Banque** was up 1.6% compared to 2017.

The Groupe Renault's top 15 markets

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5 Excluding "hard Brexit".

6 In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year and excluding significant changes in perimeter that occurred during the year.

Sales		Ranking 2017	**Volumes 2018** (1) *(units)*	PC +LCV market share 2018 *(%)*	Change in market share on 2017 *(points)*
1	France	1	689,788	26.2	-0.2
2	Russia	2	497,266	27.6	-0.5
3	Germany	3	235,609	6.3	+0.2
4	China (2)	14	216,699	0.8	+0.5
5	Brazil	8	214,822	8.7	+1.0
6	Italy	4	208,580	10.0	-0.0
7	Spain	5	189,480	12.3	-0.6
8	Turkey	7	115,842	18.7	-0.0
9	Argentina	10	114,348	14.8	+1.4
10	United Kingdom	9	103,607	3.8	-0.2
11	Iran	6	101,347	10.6	-2.4
12	South Korea	12	90,369	5.1	-0.6
13	Belgium-Luxembourg	13	88,663	12.9	-0.0
14	India	11	82,368	2.1	-1.0
15	Morocco	15	75,418	42.5	+0.7

(1) Preliminary figures as of end-December 2018 (excluding Twizy).

(2) Including Jinbei & Huasong.

Automotive

Group sales worldwide by Region

Passenger cars and light commercial vehicles *(units)* (3)	**2018** (1)	2017 (2)	Change *(%)*
GROUP	**3,884,295**	**3,762,077**	**+3.2**
EUROPE REGION	**1,920,742**	**1,911,824**	**+0.5**
Renault	1,401,376	1,442,350	-2.8
Alpine	1,943	7	+++
Dacia	511,622	463,784	+10.3
Lada	5,801	5,683	+2.1
AFRICA – MIDDLE-EAST – INDIA REGION	**448,959**	**532,118**	**-15.6**
Renault	348,166	438,364	-20.6
Dacia	96,889	92,211	+5.1
Lada	3,090	1,543	+++
Jinbei & Huasong	814	-	-
EURASIA REGION	**747,602**	**732,795**	**+2.0**
Renault	267,538	308,430	-13.3
Dacia	90,838	97,402	-6.7
Lada	389,026	326,963	+19.0
Jinbei & Huasong	200	-	-
AMERICAS REGION	**437,248**	**389,420**	**+12.3**
Renault	436,330	389,206	+12.1
Lada	365	214	+70.6
Jinbei & Huasong	553	-	-

ASIA – PACIFIC REGION	**329,744**	**195,920**	**+68.3**
Renault	79,157	93,441	-15.3
Alpine	148	-	-
Dacia	1,449	1,418	+2.2
Renault Samsung Motors	84,954	99,846	-14.9
Lada	-	1,215	---
Jinbei & Huasong	164,036	-	-

(1) Preliminary figures.

(2) 2017 figures do not include Jinbei & Huasong sales.

(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Europe

In Europe, sales were stable (+0.5%) in a market that grew by 0.2%. The Group's growth comes mainly from the B-segment (CLIO, CAPTUR, Sandero), and New Duster. CLIO remains the second best-selling vehicle in Europe and CAPTUR the first crossover in its class.

The **Dacia** brand posted a new sales record in Europe with 511,622 vehicles sold (+10.3%) and a record market share of 2.9% (+0.3 points). This increase is linked to the performance of the New Duster launched at the beginning of the year and Sandero.

In the **electric vehicle segment**, Renault is the European leader with a 22.2% market share. ZOE saw its volumes increase by 26.1% (39,458 vehicles) and Kangoo Z.E. by 105.1% (8,747 vehicles).

Outside Europe

Groupe Renault is pursuing its **Drive the Future** plan by expanding internationally, with sales now representing 50.6% of total sales (vs 49.2% in 2017), thanks in particular to the integration of the Jinbei and Huasong brands, and despite the decline in sales in Turkey, India and the cessation of sales in Iran due to the application of American sanctions.

In **Russia**, the Group's second largest country in terms of sales volume, the market grew by 12.8%. The Group is the leader, with more than one car in four sold being a Lada or a Renault. Sales increased by 10.9%. **Renault** brand volumes were stable with 137,062 vehicles sold, pending the arrival of Arkana in 2019.

Lada recorded a 15.6% increase of its sales to 360,204 vehicles, with a 20% market share (+0.5 points) thanks to the successful renewal of its range. Lada Vesta has become the best-selling vehicle in Russia.

In **Brazil**, the Group outperformed the market recovery, which rose 13.6%. Sales increased by 28.5% to nearly 215,000 vehicles and market share reached 8.7% (+1.0 points) thanks to the good results of Kwid, which was sold to more than 67,000 units.

In **Africa**, the Group strengthened its leadership with a 18.1% market share, with 218,797 vehicles sold, thanks to its performance in Morocco, South Africa and Egypt. The market share in Morocco reached 43% with a 7% increase in sales volume. Dacia maintains its leadership with Dokker and Logan, the two best-selling vehicles.

Renault brand sales rose by 14.9% to more than 26,000 units in South Africa, representing a 4.9% market share. In Egypt, its market share reached 11.4%, up by more than 3 points with 20,504 vehicles sold.

In **India**, sales were down 26.8% in a market that grew by 8.4% pending the launch of a new vehicle scheduled for the second half of 2019.

In **China**, the Group is continuing to implement the **Drive the future** plan. Dongfeng-Renault volumes are down 26.9% pending the launch of new models in 2019. In total, by integrating the new Jinbei/Huasong brands, the group's volumes in China amounted to 216,699 units.

Group sales by brand and by type

Passenger cars and light commercial vehicles (units) (3)	2018 (1)	2017 (2)	Change *(%)*
GROUP BY BRAND	**3,884,295**	**3,762,077**	**+3.2**
Renault	2,532,567	2,671,791	-5.2
Alpine	2,091	7	+++
Dacia	700,798	654,815	+7.0
Lada	398,282	335,618	+18.7
Renault Samsung Motors	84,954	99,846	-14.9
Jinbei & Huasong	165,603	-	-
BY VEHICLE TYPE			
Passenger cars	3,265,066	3,299,099	-1.0
Light commercial vehicles	619,229	462,978	+33.7

(1) Preliminary figures.

(2) 2017 figures do not include Jinbei & Huasong sales.

(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Sales of the **Renault** brand decreased by 5.2% compared to 2017.

With 2,532,567 units sold, the Renault brand accounted for 65% of Group's sales.

The **Dacia** brand's sales went up by 7.0% to 700,798 units, driven by the performance of the New Duster launched at the beginning of the year and Sandero.

Renault Samsung Motors saw sales fall 14.9% at 84,954 units owing to the lack of new models in a fiercely competitive market.

Lada brand posted a 18.7% rise in sales (398,282 units) thanks to the Russian market recovery and following the successful renewal of its range with, in particular, the models Lada Vesta and Lada XRAY.

The 165,603 sales of the **Jinbei and Huasong** brands are taken into account since January 1, 2018 following the creation of a Joint Venture with Brilliance China Automotive Holdings Limited.

Sales financing

New financing and services

Benefiting from the growth in the world automotive market, RCI Banque once again posted an increase in its sales performance for 2018, and continues to deploy its strategic ambitions.

With 1,798,901 contracts financed at the end of December 2018, representing an increase of 1.6% over the previous year, RCI Banque generated €20.9 billion in new financings. In a global automotive market that was up compared to 2017, the growth recorded in Europe and Africa Middle-East India offset the decline in new financing in other regions.

The Group's vehicle financing penetration rate stands at 40.7%, up 1.1 points compared to 2017. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate came to 42.9%, versus 42.6% in 2017.

The used vehicle financing business continues to grow with 355,274 contracts financed, up 11.1% compared to the previous year.

In this context, average performing assets (APA) now stand at €44.4 billion, showing a 12.0% increase compared to 2017. Of this amount, €34 billion was directly related to the Customers business, up 13.6%.

RCI Banque financing performance

	2018	2017	Change *(%)*
Number of financing contracts *(thousands)*	**1,799**	**1,771**	**+1.6**
including UV contracts *(thousands)*	355	320	+11.1
New financing *(€ billion)*	**20.9**	**20.6**	**+1.5**
Average loans outstanding *(€ billion)*	44.4	39.6	+12.0

RCI Banque penetration rate on new vehicle registration

PENETRATION RATE BY BRAND

	2018 *(%)*	2017 *(%)*	Change *(points)*
Renault	42.0	40.1	+1.9
Dacia	43.4	42.8	+0.6
Renault Samsung Motors	56.1	57.4	-1.2
Nissan	34.2	35.3	-1.2
Infiniti	22.9	27.4	-4.5
Datsun	22.9	22.7	+0.2
RCI Banque	**40.7**	**39.6**	**+1.1**

PENETRATION RATE BY REGION

	2018 *(%)*	2017 *(%)*	Change *(points)*
Europe	44.9	43.3	+1.6
Americas	35.0	38.8	-3.8
Asia-Pacific	56.8	57.4	-0.6
Africa Middle-East India	27.8	21.8	+6.0
Eurasia	27.0	26.7	+0.3
RCI Banque	**40.7**	**39.6**	**+1.1**

Building on the dynamic trend in the automotive market in new and used vehicle financing, the services business continued to develop with an increase of 11.1% in volume compared to 2017. It stood at 4.8 million insurance and service contracts, of which 66% were customer and vehicle use-related services.

RCI Banque services performance

	2018	2017	Change
Number of services contracts *(thousands)*	4,839	4,355	+11.1%
Penetration rate on services	**136.5%**	**119.1%**	**+17.4 pts**

International development and new activities

After its entry into the consolidation scope in 2017, the Colombian subsidiary, RCI Colombia SA, continued to develop its activity and achieved an intervention rate of 47.5% with nearly 25,000 new financing contracts.

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.

Since May 1, 2018, the new Mobility and Innovation Services business unit has had the task of offering innovative and tailor-made end-to-end mobility solutions to the customers of the Alliance brands. Its creation is in line with RCI Bank and Services ambition to become a B2B mobility operator.

This year was also marked by the acquisition of a majority stake of 75% in Icabbi which is a dispatch management company for the taxi and VTC fleets. This approach is part of RCI's ambition to become a service provider for mobility professionals, by offering them a new technological brick with high added value.

Sales and production statistics

Groupe Renault worldwide registrations

Passenger cars and light commercial vehicles *(units)*				
Model	Brand	2018 [1]	2017 [2]	Change *(%)*
Sandero	Dacia/Renault	466,928	501,213	-6.8
Clio	Renault	451,537	443,254	+1.9
Duster	Dacia/Renault	352,933	323,641	+9.1
Megane/Scenic	Renault	285,463	336,232	-15.1
Logan	Dacia/Renault	274,596	341,939	-19.7
Captur/QM3	Renault/RSM	247,239	246,253	+0.4
Kwid	Renault	170,852	125,146	+36.5
Kangoo (incl. Z.E.)	Renault	144,218	159,961	-9.8
Kadjar	Renault	134,381	155,014	-13.3
Vesta	Lada	119,150	79,102	+50.6
Granta	Lada	114,477	100,021	+14.5
Dokker	Dacia/Renault	107,697	90,285	+19.3
Master (incl. Z.E.)	Renault	104,127	97,237	+7.1
Trafic	Renault	97,657	104,907	-6.9
Twingo	Renault	90,807	82,314	+10.3
Kaptur/Captur Americas	Renault	69,656	62,169	+12.0
Koleos/QM5	Renault/RSM	68,233	76,233	-10.5
Largus	Lada	58,738	45,216	+29.9
Talisman/SM6	Renault/RSM	48,006	83,582	-42.6
Lada 4x4	Lada	42,935	37,572	+14.3
ZOE	Renault	40,508	31,916	+26.9
XRAY	Lada	37,588	33,822	+11.1
Lodgy	Dacia/Renault	37,453	43,439	-13.8
Oroch	Renault	36,732	31,353	+17.2
QM6	RSM	32,999	27,837	+18.5
Espace	Renault	12,786	18,693	-31.6
1117	Lada	12,279	16,674	-26.4

Latitude/SM5	Renault/RSM	9,497	7,470	+27.1
Priora	Lada	8,995	16,853	-46.6
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)/Scala	Renault/RSM	8,260	13,806	-40.2
SM7	RSM	4,811	5,932	-18.9
Alaskan	Renault	3,737	1,753	+++
A110	Alpine	2,091	7	+++
Twizy	Renault	1,685	847	+98.9
Jinbei & Huasong	Jinbei & Huasong	165,603	-	-
Autres	Dacia/Renault/RSM/Lada	19,641	20,384	-3.6
TOTAL WORLDWIDE GROUP PC + LCV SALES		**3,884,295**	**3,762,077**	**+3.2**
Twizy *(excl. PC)* [3]		2,231	1,752	+27.3

RSM: Renault Samsung Motors.

(1) Preliminary figures.

(2) 2017 figures do not include Jinbei & Huasong sales.

(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault European sales

Passenger cars and light commercial vehicles *(units)*				
Model	Brand	**2018 [1]**	2017 [2]	Change *(%)*
Clio	Renault	367,570	363,869	+1.0
Megane/Scenic	Renault	235,275	279,209	-15.7
Captur	Renault	214,746	213,922	+0.4
Sandero	Dacia	208,807	194,913	+7.1
Duster	Dacia	173,672	144,996	+19.8
Kangoo (incl. Z.E.)	Renault	111,977	109,412	+2.3
Kadjar	Renault	101,680	113,673	-10.6
Trafic	Renault	91,577	97,847	-6.4
Twingo	Renault	87,202	78,285	+11.4
Master (incl. Z.E.)	Renault	82,616	75,865	+8.9
Dokker	Dacia	63,545	57,197	+11.1
ZOE	Renault	39,458	31,287	+26.1
Logan	Dacia	36,993	37,899	-2.4
Lodgy	Dacia	28,560	28,771	-0.7
Talisman	Renault	20,050	32,505	-38.3
Koleos	Renault	19,326	13,211	+46.3
Espace	Renault	12,136	18,590	-34.7
Alaskan	Renault	2,581	1,012	+++
A110	Alpine	1,943	7	+++
Autres	Dacia/Renault/Lada	21,028	19,354	+8.6
TOTAL EUROPEAN GROUP PC + LCV SALES		**1,920,742**	**1,911,824**	**+0.5**
Twizy (excl. PC) [3]		2,164	1,683	+28.6

(1) Preliminary figures.

(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault international registrations

Passenger cars and light commercial vehicles *(units)*				Change
Model	Brand	**2018** [(1)]	2017 [(2)]	*(%)*
Sandero	Dacia/Renault	258,121	306,300	-15.7
Logan	Dacia/Renault	237,603	304,040	-21.9
Duster	Dacia/Renault	179,261	178,645	+0.3
Kwid	Renault	170,852	125,146	+36.5
Vesta	Lada	117,887	78,194	+50.8
Granta	Lada	114,303	99,518	+14.9
Clio	Renault	83,967	79,385	+5.8
Kaptur/Captur Americas	Renault	69,656	62,169	+12.0
Largus	Lada	58,738	45,216	+29.9
Megane/Scenic	Renault	50,188	57,023	-12.0
Koleos/QM5	Renault/RSM	48,907	63,022	-22.4
Dokker	Dacia/Renault	44,152	33,088	+33.4
Lada 4x4	Lada	39,884	35,063	+13.7
XRAY	Lada	37,588	33,822	+11.1
Oroch	Renault	36,732	31,353	+17.2
QM6	RSM	32,999	27,837	+18.5
Kadjar	Renault	32,701	41,341	-20.9
Captur/QM3	Renault/RSM	32,493	32,331	+0.5
Kangoo (incl. Z.E.)	Renault	32,241	50,549	-36.2
Talisman/SM6	Renault/RSM	27,956	51,077	-45.3
Master	Renault	21,511	21,372	+0.7
1117	Lada	12,279	16,674	-26.4
Latitude/SM5	Renault/RSM	9,497	7,470	+27.1
Priora	Lada	8,995	16,846	-46.6
Lodgy	Dacia/Renault	8,893	14,668	-39.4
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)/Scala	Renault/RSM	8,260	13,626	-39.4
Trafic	Renault	6,080	7,060	-13.9
SM7	RSM	4,811	5,932	-18.9
Twingo	Renault	3,605	4,029	-10.5
Twizy	Renault	1,685	846	+99.2
Alaskan	Renault	1,156	741	+56.0
ZOE	Renault	1,050	629	+66.9
Jinbei & Huasong	Jinbei & Huasong	165,603	-	-
Autres	Dacia/Renault/RSM/Lada/Alpine	3,899	5,241	-25.6
TOTAL INTERNATIONAL GROUP PC + LCV SALES		**1,963,553**	**1,850,253**	**+6.1**
Twizy (excl. PC) [(3)]		67	69	-2.9

RSM: Renault Samsung Motors.
(1) Preliminary figures.
(2) 2017 figures do not include Jinbei & Huasong sales.
(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, Guatemala, Ireland, Lebanon, Malaisia, Mexico and South Korea.

Groupe Renault worldwide production by model [1]

Passenger cars and light commercial vehicles *(units)*	**2018** [2]	2017	Change *(%)*
Clio	457,138	437,114	+4.6
Sandero	433,815	443,592	-2.2
Duster	346,614	314,310	+10.3
Megane/Scenic	232,372	276,531	-16.0
Captur/QM3	229,788	249,031	-7.7
Logan	219,205	229,213	-4.4
Kangoo (incl. Z.E.)	158,509	166,898	-5.0
Master	153,973	139,126	+10.7
Vesta	131,310	83,455	+57.3
Trafic	126,227	135,367	-6.8
Kadjar	114,632	126,041	-9.1
Dokker	109,324	91,881	+19.0
Granta	108,047	98,014	+10.2
Kwid (Curitiba production)	92,560	35,576	+160.2
Twingo	90,606	82,638	+9.6
Kaptur/Captur Americas	76,378	67,970	+12.4
Koleos/QM6	61,234	72,049	-15.0
Largus	58,624	47,734	+22.8
Fluence (incl. Z.E.)/SM3 (incl. Z.E.)	50,828	63,487	-19.9
ZOE	49,472	29,671	+66.7
Talisman/SM6	45,098	78,075	-42.2
Lada 4x4	41,161	39,465	+4.3
XRAY	40,421	34,087	+18.6
Oroch	39,827	31,947	+24.7
Lodgy	33,483	41,467	-19.3
Kalina	18,393	-	-
Espace	10,771	18,206	-40.8
Priora	7,224	-	-
Twizy	5,304	3,367	+57.5
SM7	4,869	6,323	-23.0
Others	299,396	386,437	-22.5
GROUP GLOBAL PRODUCTION	**3,846,603**	**3,829,072**	**+0.5**
o/w produced for partners:			
Nissan	253,949	282,262	-10.0
Daimler	71,998	76,228	-5.5

GM	24,098	21,834	+10.4
Fiat	25,035	17,930	+39.6
Renault Trucks	15,802	12,971	+21.8

Produced by partners for Renault	**2018**[2]	2017	Change *(%)*
Logan, Sandero (Iran) [3]	91,000	160,281	-43.2
Kwid (India – Nissan)	76,190	105,788	-28.0
Koleos (China – DRAC)	31,299	48,122	-35.0
Kadjar (China – DRAC)	16,459	26,589	-38.1
Duster (India – Nissan)	11,270	15,469	-27.1
Other partners	4,774	11,055	-56.8

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

(2) Preliminary figures.

(3) Number of kits delivered to Renault's Iranian partners in 2018.

Geographical organization of the Groupe Renault by Region – countries in each Region

AT DECEMBER 31, 2018

Europe	Americas	Asia – Pacific	Africa – Middle-East – India		Eurasia
Albania	**Argentina**	Australia	Abu Dhabi	Madagascar	Armenia
Austria	Bermuda	Brunei	Algeria	Malawi	Azerbaijan
Baltic States	Bolivia	Cambodia	Angola	Mali	Belarus
Belgium-Lux.	**Brazil**	**China**	Bahrain	Martinique	Bulgaria
Bosnia	Cayman Islands	Hong Kong	Bangladesh	Mauritania	Georgia
Croatia	Chile	Indonesia	Benin	Mauritius	Kazakhstan
Cyprus	Colombia	Japan	Burkina Faso	Mayotte	Kyrgyzstan
Czech Rep.	Costa Rica	Laos	Cameroon	**Morocco**	Moldova
Denmark	Ecuador	Malaysia	Cape Verde	Mozambique	Mongolia
Finland	Guatemala	New Caledonia	Cuba	Nepal	Romania
France Metropolitan	Haiti	New Zealand	Dem. Rep. of the Congo	Oman	**Russia**
Germany	Honduras	Philippines	Djibouti	Palestine	Tajikistan
Greece	Mexico	Singapore	Dubai	Qatar	**Turkey**
Hungary	Netherlands Antilles	**South Korea**	Egypt	Reunion	Turkmenistan
Iceland	Nicaragua	Tahiti	Ethiopia	Saint-Pierre & Miquelon	Ukraine
Ireland	Panama	Thailand	French Guiana	Saudi Arabia	Uzbekistan
Italy	Paraguay	Vietnam	Gabon	Senegal	
Macedonia	Peru		Ghana	Seychelles	
Malta	Rep. Dominican		Guadeloupe	South Africa + Namibia	
Montenegro	Salvador		Guinea	Sri Lanka	
Netherlands	Trinidad & Tobago		**India**	Sudan	
Norway	Uruguay		**Iran**	Tanzania	
Poland	Venezuela		Iraq	Togo	
Portugal			Israel	Tunisia	
Serbia			Ivory Coast	Uganda	
Slovakia			Jordan	Zambia	
Slovenia			Kenya	Zimbabwe	

Spain			Kuwait		
Sweden			Lebanon		
Switzerland			Liberia		
United Kingdom					
In bold, Group Top 15 markets.					

(ii) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

2018 Alliance sales

Renault-Nissan-Mitsubishi Motors, the world's largest automotive alliance, sold a total of 10,756,875 units in 2018. The Alliance maintained its position as the world leader in volume sales of passenger cars and light commercial vehicles.

In 2018, sales increased by 1.4% compared to the previous year in the context of strong demand for vehicles such as Renault CLIO, CAPTUR and SANDERO; Nissan X-Trail/ ROGUE and SENTRA/ SYLPHY; and Mitsubishi Motors ECLIPSE Cross and XPANDER.

The production and sale of vehicles that use Common Module Family (CMF) architecture – a key pillar of the Alliance 2022 mid-term plan – also accelerated in 2018. This plan includes the international marketing of the Renault KWID and the increased production of the Nissan FRONTIER van, whose architecture is shared with Renault and Mercedes.

2018 was also marked by strong demand for light commercial vehicles, with a sharp increase in sales of Renault KANGOO, MASTER and TRAFIC; Nissan NAVARA and TERRA, and Mitsubishi Motors TRITON. The optimization of synergies, thanks to cross-development and cross-manufacturing, is at the heart of the Alliance's strategy to support the increase in market share and sales volume of light commercial vehicles worldwide.

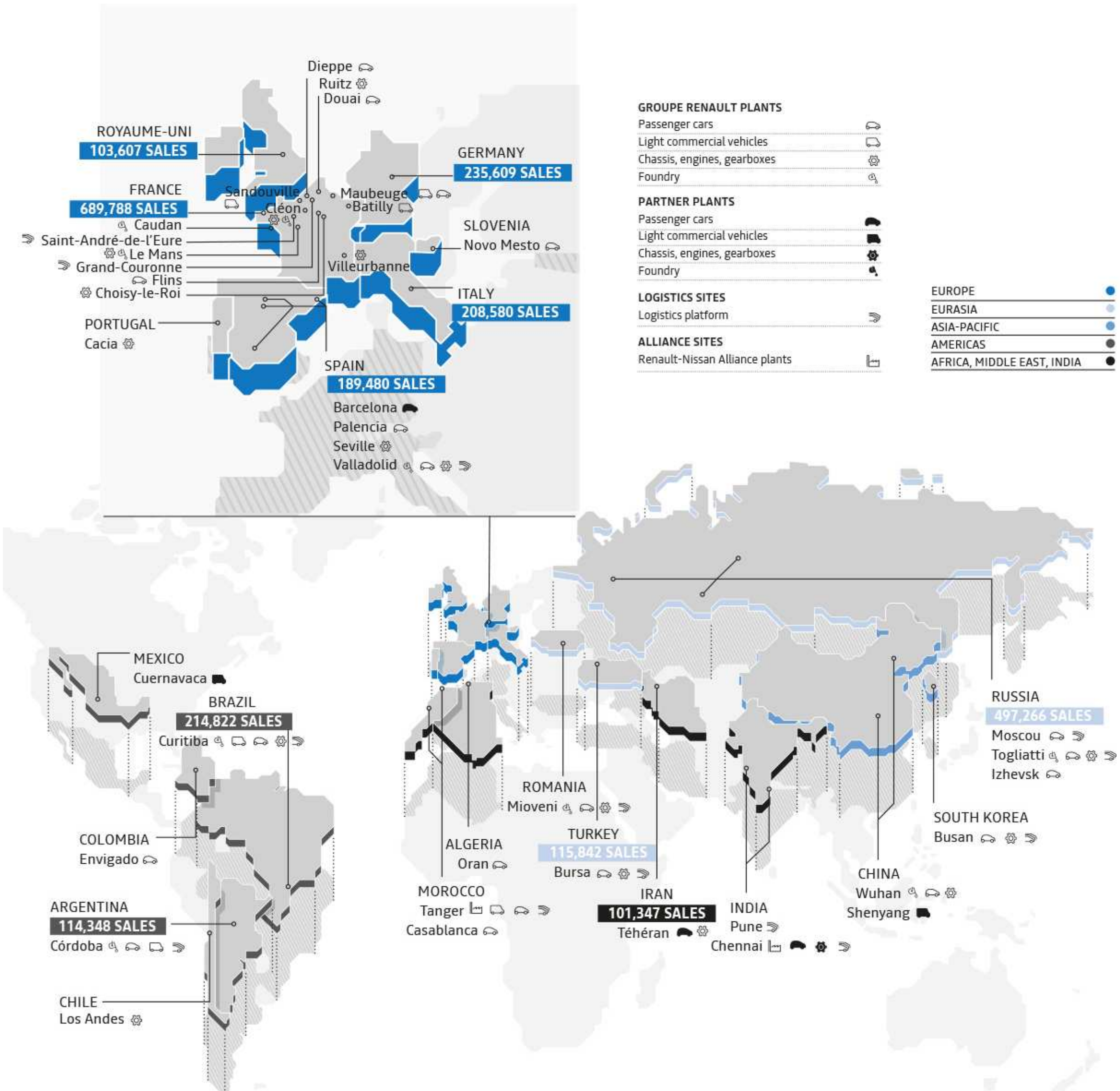
In 2018, the Alliance maintained its leadership in the zero-emission vehicle segment, with cumulative sales of 724,905 electric vehicles since 2010, driven by demand for the Renault ZOE and Nissan LEAF, among others.

Groupe Renault sales increased by 3.2% to 3,884,295 units in 2018. In the same year, Nissan sold 5,653,683 vehicles worldwide, a decrease of 2.8% over the previous year. Mitsubishi Motors sold 1,218,897 units worldwide, an 18% increase over 2017.

TOP 10 ALLIANCE MARKETS

Country	Sales
China	1,920,541
United States	1,611,952
France	763,984
Japan	727,823
Russia	648,795
Mexico	355,968
Germany	343,656
Brazil	334,469
Italy	277,941
Spain	275,884

Global production sites



Value of joint operations

Total purchases and sales by Renault from Nissan in 2018 amounted to an estimated €4,162 million and €2,184 million respectively (note 12 J of the Renault consolidated financial statements).

(2) STATEMENT OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See (1) above.

(3) ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW

Summary

(€ million)	2018 [1]	2017 published	2017 restated	Change *(vs. restated)*
Group revenues	**57,419**	**58,770**	**58,770**	**-2.3%**
Operating profit	**3,612**	**3,854**	**3,854**	**-242**
Operating income	2,987	3,806	3,806	-819
Net financial income & expenses	-353	-504	-391	+38
Contribution from associated companies	**1,540**	**2,799**	**2,799**	**-1,259**
o/w Nissan	*1,509*	*2,791*	*2,791*	*-1,282*
Net income [2]	**3,451**	**5,210**	**5,308**	**-1,857**
Automotive operational free cash flow including AVTOVAZ [3]	**607**	**945**	**945**	**-338**
Automotive including AVTOVAZ net cash position [2]	**3,702**	**2,928**	**3,209**	**+493**
Shareholders' equity [2]	36,145	33,442	33,679	+2,466

(1) Application of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" as of January 1, 2018.

(2) The figures for the year 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.

(3) Automotive operational free cash flow including AVTOVAZ: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.

Comments on the financial results

Consolidated income statement

From January 1, 2018 the Group applies IFRS 15 ("Revenue from Contracts with Customers"). The main impact relates to the treatment of incentives granted in the form of reduced interest on the sale of a vehicle with associated financing. These incentives are now recognized, in all circumstances, in profit and loss at the time of the vehicle sale, instead of being recognized progressively as it was previously the case. In this framework, the Group changed the allocation of interest rate subsidies between operating segments, with no impact on consolidated revenues.

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

	2018					2017				
(€ million)	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive excluding AVTOVAZ	11,646	15,221	10,057	14,247	51,171	11,939	15,056	10,974	15,561	53,530
AVTOVAZ	716	761	627	936	3,040	569	722	634	802	2,727
Sales Financing	793	820	800	795	3,208	621	630	610	652	2,513
TOTAL	**13,155**	**16,802**	**11,484**	**15,978**	**57,419**	**13,129**	**16,408**	**12,218**	**17,015**	**58,770**

	Change				
(%)	Q1	Q2	Q3	Q4	Year

Automotive excluding AVTOVAZ	-2.5	+1.1	-8.4	-8.4	-4.4	
AVTOVAZ	+25.8	+5.4	-1.1	+16.7	+11.5	
Sales Financing	+27.6	+30.2	+31.1	+22.0	+27.7	
TOTAL	**+0.2**	**+2.4**	**-6.0**	**-6.1**	**-2.3**	

Group revenues reached €57,419 million, down -2.3% compared to 2017. At constant exchange rates and perimeter [7], Group revenues would have increased by +2.5%.

The **Automotive excluding AVTOVAZ contribution to revenues** amounted to €51,171 million, down -4.4% compared to 2017. With comparable presentation method, Automotive excluding AVTOVAZ revenues would have been higher by €555 million (+1.0 point), offset by an equal decrease in Sales Financing revenues.

Beyond this negative -1.0 point effect mentioned above, this decrease was mainly explained by a negative currency effect of -4.1 points, due to the strong devaluation of the Group's main currencies (Argentinean peso, Brazilian real, Russian rouble and Turkish lira).

Excluding these two effects, the Automotive excluding AVTOVAZ revenues grew by +0.8%. This increase is notably due to:

- a positive price effect of 1.4 points, resulting from the impact of price increases in some emerging countries but also in Europe;
- the "Others" effect (+1.8 points) was mainly due to the good performance of the used vehicle and spare parts activities, and to lower sales with buy-back commitments.

These positive factors compensated for the decrease of volume (-0.5 points) and sales to partners (-1.8 points). The downturn in sales to partners was mainly the result of the closure of the Iranian market and the decline of European demand for diesel.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	**2018**	2017	Change
Automotive excluding AVTOVAZ	**2,204**	**2,749**	**-545**
% of division revenues	*4.3%*	*5.1%*	*-0.8 pt*
AVTOVAZ	**204**	**55**	**+149**
% of AVTOVAZ revenues	*6.7%*	*2.0%*	*+0.5 pt*
Sales Financing	**1,204**	**1,050**	**+154**
TOTAL	**3,612**	**3,854**	**-242**
% of Group revenues	*6.3%*	*6.6%*	*-0.3 pt*

The **Group's operating margin** amounted to €3,612 million and represented 6.3% of revenues. Excluding IFRS 15 impact mentioned above, the operating margin would have reached €3,724 million (6.5% of revenues).

The **Automotive excluding AVTOVAZ operating margin** decreased by -€545 million to €2,204 million, representing 4.3% of revenues (4.5% excluding the accounting reclassification mentioned here above and the IFRS 15 impact) compared to 5.1% in 2017.

In addition to a negative volume effect of -€329 million, this contraction was largely explained by an unfavorable environment, both in respect of:

7 In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year, and excluding significant changes in perimeter that occurred during the year.

- currency, with an impact of -€526 million mainly due to the depreciation of the Argentinean peso; and
- raw materials, with an impact of -€356 million largely reflecting rising steel prices.

To offset these negative effects, the Group pursued its cost management policy resulting in a positive +€421 million from Monozukuri [8] and price increases in emerging countries but also in Europe leading to a positive mix/price/enrichment effect of +€261 million.

The **AVTOVAZ operating margin contribution** rose to €204 million, compared to €55 million in 2017, representing 6.7% of its revenues and marked a new stage in the company's recovery thanks to the success of its recently launched models in a recovering market and its efforts to streamline costs. In addition, AVTOVAZ benefited, in 2018, from positive non-recurring impacts.

Sales Financing contributed €1,204 million to the Group's operating margin, compared to €1,050 million in 2017. This rise of nearly 15% was notably due to the good commercial performance in recent years.

The total cost of risk, which now includes a provision on healthy outstandings in accordance with IFRS 9 standard, reached a level of 0.33% on average performing assets (0.11% in 2017), confirming its robust underwriting and collection policy.

Other operating income and expenses amounted to -€625 million compared to -€48 million in 2017. This sharp deterioration stemmed mainly from two factors: on the one hand, the consequences of the Argentinean crisis for more than €200 million, and on the other hand, provisions notably relating to the early retirement program in France, of nearly €300 million.

As a result, the **Group's operating income** came to €2,987 million compared to €3,806 million in 2017.

Net financial income and expenses amounted to -€353 million, compared to -€391 million in 2017 (restated at comparable accounting method after changes to the method used to account for redeemable shares). Improvements in the Group's funding cost allowed it to absorb €31 million expense relating to the application of accounting rules linked to Argentina's hyperinflation situation.

The **contribution of associated companies**, primarily Nissan, came to €1,540 million, compared to €2,799 million in 2017. In 2017, Nissan's contribution included 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 €723 million.

Net income amounted to €3,451 million compared to €5,308 million. This decline came mainly from Nissan's contribution, down €1,282 million, which notably benefited from one-off gains for €1,021 million in 2017 as mentioned above. Net income, Group share, stood at €3,302 million (€12.24 per share, compared with €19.23 per share in 2017).

Automotive operational free cash flow

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	2018	2017	Change
Cash flow (excluding dividends received from publicly listed companies)	4,386	4,327	+59
Change in the working capital requirement	781	447	+334
Tangible and intangible investments net of disposals	-4,166	-3,362	-804
Leased vehicles and batteries	-509	-529	+20
Operational free cash flow excluding AVTOVAZ	**492**	**883**	**-391**

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

Operational free cash flow of AVTOVAZ	**115**	**62**	**+53**
Operational free cash flow including AVTOVAZ	**607**	**945**	**-338**

In 2018, the **Automotive including AVTOVAZ segment** reported positive operational free cash flow of €607 million, of which €115 million of AVTOVAZ operational free cash flow. Excluding AVTOVAZ, the change is resulting from:

- cash flow (excluding dividends received from publicly listed companies) of €4,386 million;
- a positive change in the working capital requirement of €781 million;
- property, plant and equipment and intangible investments net of disposals of €4,166 million compared to €3,362 million, an increase of €804 million compared with 2017.

RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ million)	**2018**	2017	Change
R&D expenses	-3,487	-2,958	-529
Capitalized development expenses	1,695	1,193	+502
% of R&D expenses	*48.6%*	*40.3%*	*+8.3 pts*
Amortization	-784	-803	+19
Gross R&D expenses recorded in the income statement excluding AVTOVAZ	**-2,576**	**-2,568**	**-8**
Gross R&D expenses recorded in the income statement for AVTOVAZ	**-22**	**-22**	**0**
Gross R&D expenses recorded in the income statement including AVTOVAZ	**-2,598**	**-2,590**	**-8**

The capitalization rate excluding AVTOVAZ increased from 40.3% in 2017 to 48.6% in 2018 in connection with the progress of projects.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	**2018**	2017
Tangible investments (excluding leased vehicles and batteries)	2,557	2,221
Intangible investments	1,735	1,285
o/w capitalized R&D	*1,695*	*1,193*
Total acquisitions	**4,292**	**3,506**
Disposal gains	-126	-144
Total Automotive excluding AVTOVAZ	**4,166**	**3,362**
Total AVTOVAZ	**83**	**79**
Total Sales Financing	**19**	**7**
TOTAL GROUP	**4,268**	**3,448**

Total gross capital expenditure rose in 2018 compared with 2017; the breakdown was 69% in Europe and 31% for the rest for the world.

- **In Europe**, capital expenditure focused on the renewal of the A and B range (New CAPTUR and CLIO family) and its platforms, the Kangoo renewal, industrial facilities adaptation for changes in engine demand (including electrification) and application of Euro 6 regulations.

- **Internationally**, investments targeted mainly the renewal of the A and B range (New CLIO in Turkey), Global Access range (successor of Logan and Sandero in Romania and Morocco and of Duster in Romania and Brazil) and C range (new vehicle, Arkana, in Russia).

GROUP NET CAPEX AND R&D EXPENSES

(€ million)	**2018**	2017
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	4,185	3,369
Capitalized development expenses	-1,695	-1,193
Capex invoice to third parties and others	-219	-200
Net industrial and commercial investments excl. R&D excluding AVTOVAZ (1)	**2,271**	**1,976**
% of Group revenues excluding AVTOVAZ	*4.2%*	*3.5%*
R&D expenses excluding AVTOVAZ	**3,487**	**2,958**
o/w billed to third parties	-484	-373
Net R&D expenses excluding AVTOVAZ (2)	**3,003**	**2,585**
% of Group revenues excluding AVTOVAZ	*5.5%*	*4.6%*
Net CAPEX and R&D expenses excluding AVTOVAZ (1) + (2)	**5,274**	**4,561**
% of Group revenues excluding AVTOVAZ	*9.7%*	*8.1%*
Net CAPEX and R&D expenses including AVTOVAZ	**5,373**	**4,648**
% of Group revenues including AVTOVAZ	*9.4%*	*7.9%*

Net Capital expenditure and R&D expenses amounted to 9.4% of Group revenues in 2018, compared with 7.9% in 2017.

Automotive net cash position at December 31, 2018

Change in automotive net cash position including AVTOVAZ *(€ million)*

Net cash position including AVTOVAZ at December 31, 2017 (published)	+2,928
Adjustments to the acquisition price allocation of AVTOVAZ	*+281*
NET CASH POSITION INCLUDING AVTOVAZ AT DECEMBER 31, 2017 (RESTATED)	**+3,209**
Operational free cash flow for 2018	+607
Dividends received	+828
Dividends paid to Renault's shareholders and its subsidiaries	-1,108
Financial investments and others including AVTOVAZ	+166
NET CASH POSITION INCLUDING AVTOVAZ AT DECEMBER 31, 2018	**+3,702**

The €493 million increase in the **net cash position** of the Automotive segment compared with December 31, 2017 restated is due to:

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

AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ

(€ million)	**Dec. 31, 2018**	Dec. 31, 2017 restated*
Non-current financial liabilities	-6,196	-5,107
Current financial liabilities	-3,343	-4,761

Non-current financial assets – other securities, loans and derivatives on financial operations	+55	+89
Current financial assets	+1,409	+1,143
Cash and cash equivalents	+11,777	+11,845
NET CASH POSITION	**+3,702**	**+3,209**
** The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018.*		

During 2018, Renault issued two Eurobonds of €700 million and €750 million respectively (maturity six and eight years) via its EMTN program. **Renault** also issued a Samurai for a nominal amount of yen 57.4 billion via its Shelf Registration program, comprising two tranches, one for yen 39.1 billion with a three-year maturity and the other for yen 18.3 billion with a five-year maturity.

The Automotive segment's liquidity reserves stood at €15.3 billion at December 31, 2018. These reserves consisted of:

- €11.8 billion in cash and cash equivalents;
- €3.5 billion in undrawn confirmed credit lines.

At December 31, 2018, **RCI Banque**'s liquidity reserve stood at €11 billion, consisting of:

- €4.4 billion in undrawn confirmed credit lines;
- €3.8 billion in central-bank eligible collateral;
- €2.2 billion in high quality liquid assets (HQLA);
- €0.4 billion in financial assets.

4. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

With regard to management agreement and renewal agreement of the management agreement, please refer to Section II -3.- (2) – "A "new start" for the Alliance", "Powers of RNBV" and "A new Alliance Operating Board starting March 2019" of this Securities Report.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

	2018	2017	2016	2015	2014
Net R&D expenses *(€ million)* (1)	3,043(2)	2,609(2)	2,284	1,990	1,636
Group revenues *(€ million)* as published	57,419	58,770	51,243	45,327	41,055
R&D spend ratio	5.3%	4.60%	4.50%	4.40%	3.90%
R&D headcount, Groupe Renault (2)	23,451(2)	19,721	18,120	16,605	16,308
Groupe Renault patents	816	683	565	479	608
of which co-owned Renault and Nissan	375	235			
of which AVTOVAZ	35	33			
(1) R&D expenses – R&D expenses billed to third parties and others.					
(2) Value including AVTOVAZ.					

The car of the future

The automotive industry is experiencing a revolution, and the car of the future will be electric, connected and autonomous. This implies developing technologies and processes, finding partnerships and operating choices. To meet these challenges, Groupe Renault is adapting by innovating, by collaborating with new players (including start-ups), and by defining new working methods.

Research into connected vehicles

Vehicles are increasingly connected to the world around them. In 2018, several projects combining connectivity and autonomous vehicles were begun.

Renault SYMBIOZ Demo Car

In January 2018, Groupe Renault unveiled the SYMBIOZ Demo Car, a prototype autonomous (SAE level 4) connected vehicle.

The Renault SYMBIOZ Demo Car is connected to the road infrastructure network of the Sanef Group, a subsidiary of the Albertis Group, the world's leading freeway operator. This experiment in communication between vehicles and infrastructure is based on the communication protocols defined in the European public-private partnership project SCOOP. Because of it:

- the driving experience is safer and calmer because the vehicle is warned in advance of any dangers along its route, be they construction, accidents, poor weather conditions, traffic jams, or anything else. This means that the vehicle is able to "see" beyond its own sensors;
- SYMBIOZ Demo Car detects electronic toll lanes that are configured for non-stop payment (TSA, for Télépéage Sans Arrêt), allowing it to pass through a toll barrier on the A13 freeway in fully autonomous mode. This experience is possible thanks to the HD mapping of the area provided by project partner Tom-Tom;
- new types of data are available to the car's occupants. When the car is near a tourist spot, information is displayed on the L-Shape screen on the dashboard.

Rouen Normandy Autonomous Lab

In the Rouen Normandy Autonomous Lab project (RNAL), Groupe Renault is testing an autonomous mobility service on open roads in partnership with Transdev. This service is the first of its kind in Europe. The ecosystem for this experiment includes four electric Renault ZOE cars equipped with sensors and embedded intelligence that transforms them into autonomous vehicles, a customer application to book the route, a remote control station for the fleet, a connected infrastructure and secure telecommunications networks.

The goal is to test and develop an on-demand driverless transportation service that still has human supervision. Since they move in a connected infrastructure, autonomous vehicles can easily carry passengers along verified routes where technological equipment communicates with the fleet at sensitive points such as roundabouts, traffic lights and crosswalks.

Groupe Renault and Transdev have equipped the vehicles with cameras, laser scanners (LiDAR), a differential GPS system and HD mapping that guarantees a 360° view and precise localization. Vehicles create a real-time 3D representation of their environment, which allows them to detect, localize and identify moving and immobile objects around them and thereby take the best decisions. Seventeen stopping points were recorded through sensors strategically positioned on the infrastructure along the route. These additional sensors transmit data to vehicles, enabling them to see even further than their own sensors, anticipate their environment and be aware of the presence of vehicles or pedestrians beyond their scope.

Several additional lines of research focus on this connected vehicle theme, and their aim is to develop intelligent systems that, for example, allow driver preferences and emotions to be taken into account when making suggestions concerning the route or environment, or allow drivers to participate in the extended perception of autonomous vehicle through giving information about the environment.

Research into autonomous vehicles and shared mobility

Field experiments: shared mobility in autonomous vehicles

In 2017, the Renault-Nissan Alliance and Transdev signed a partnership to develop mobility services with autonomous electric vehicle fleets for public and on-demand transport. The two companies are collaborating to design a complete and modular transportation system that will allow customers to book their journeys and operators to operate and manage a fleet of autonomous vehicles.

For Groupe Renault, a pioneer and European sales leader in 100% electric vehicles, this program is an important step in its strategy to develop on-demand mobility services with the launch over time of these initial operational experiments with real users and autonomous electric vehicles. They will aid in the development of solutions and increase understanding of user behavior and of how the services are used and provided. This new program, which will gradually be deployed in the range alongside the "EASY DRIVE" autonomous vehicle program, aims to establish autonomous vehicle mobility service technologies.

The research partnership between the Renault-Nissan Alliance and Transdev was first established in Rouen. Since then, Transdev and Groupe Renault have also been involved in the EVAPS project (Eco-mobility via Autonomous Vehicles in the Paris-Saclay area). This €16 million project, initiated by Renault and conducted with the support, via ADEME, of the French State's Investment for the Future program, draws on the expertise of the VEDECOM Institute for Energy Transition, the SystemX Technological Research Institute and the University of Paris-Saclay. It is developing smart mobility services using autonomous vehicles on suburban routes in the Paris-Saclay urban community.

Simulation tools for autonomous vehicles

ELID^2: exploring new uses for autonomous vehicles

To invent the cockpits of the autonomous vehicles of the future, Renault has been using a new research tool: ELID^2 (Experience Life in Delegation), an innovative, customizable demo model.

Based on the design of an Espace V cockpit, ELID^2 looks like the front part of a vehicle and is coupled with a simulator to represent an autonomous driving situation. Everything has been designed so that while in the demo car, the driver or front-seat passenger feels like he/she is in a self-driving vehicle on the road and can perform normal activities in the car. This means that if the driver wants to relax and watch a movie, the seat can recline and a screen rise from the dashboard. They can also share their film with the passenger or choose other activities such as writing emails or surfing the Internet.

ELID^2 can be fully customized. All of its features (dashboard, screens, steering wheel, seats, *etc.*) can be changed easily. The demo model will thus be able to evolve over the next few years and take into account new areas of research or technological development.

This research tool is used by ergonomists to test cockpit solutions and study the behavior of occupants during the main phases of autonomous driving: activation of autonomous mode, autonomous driving, and resumption of manual driving.

Renault R-NEST: using stimulation to fight hypovigilance at the wheel

The Renault R-NEST project (Renault Research Tool for NEuroscience STudies) was developed by the Groupe Renault Research department as a neurophysiology research tool and demo model for these types of system. The purpose of this research is to help reduce accidents caused by driving fatigue.

The demo model consists of a static driving module. It has two cameras (3D and 2D) **that capture and record driver reactions** and measure a large amount of data (heart rate, head position and movement, *etc.*). Analysis of these parameters makes it possible to determine the driver's overall condition, by recognizing his or her state of alertness, for example.

If hypovigilance is detected, Renault R-NEST acts to protect driver and user safety whether or not the car is in motion by offering reactivation or relaxation scenarios based on "binaural stimulation". This consists of applying slightly different auditory frequencies to each ear; the brain perceives this difference and is stimulated in function. For example, when driving, the system will inform the driver and offer him or her countermeasures such as music containing “infrasounds”, which have the effect of reactivating concentration, giving the driver time to park safely in a parking lot and thus avoid an accident by falling asleep at the wheel.

The studies conducted on these types of stimulation show very positive results: drivers are more awake after a nap with “infrasounds” or infrasound stimulation than after a cup of coffee or a conventional nap. The benefits are physiological (the brain is more “awake”), behavioral (subject reaction rates are higher) and subjective (the driver feels less tired).

Research into electric vehicles (EVs)

With a 10-year lead over most of its competitors, Groupe Renault is both a pioneer in electric mobility and the leader in Europe. This is the result of continuous work by the Group’s teams to maintain this lead at a time when competitors are making inroads in the field, thus affirming the electric vehicle as a strategic choice. Our four priorities in this competition are:

- continually enriching our offer by expanding our current range of five vehicles and introducing new products to reach eight 100% electric vehicles by 2022;
- increasing battery range: technology in this area is advancing at a rapid rate. The marketing of the new ZOE at the end of 2016 with its 400km NEDC range and the Renault Medium-Term Plan, with its projected range of greater than 600km in 2022, are examples of this. Nevertheless, the choice of autonomous cars by customers will increasingly become a rational choice that will have to be covered with several different levels based on budgets and customer driving profiles;
- making EV technology more competitive: this involves both reducing the cost of batteries and reducing the cost of electronic power components, which will be less expensive and less bulky while still performing better. The Renault Medium-Term Plan, with its projected reduction of 30% on the cost of batteries and 20% on the cost of electronic power components, is an example of this;
- developing technologies to make battery charging easier and more efficient: the improvement of battery chargeability and the development/standardization of so-called “fast” chargers will be a key factor for the electric vehicles of the future. Research is also being carried out on inductive charging (static and dynamic) and robotic charging, which could allow users to recharge their EV batteries without having to connect an electric cable to a charger.

Contactless dynamic charge: inductive electric charging on the go

Renault is working on a dynamic inductive charging project, which will allow the batteries in its electric vehicles to be charged while driving.

Coils of conductive materials (copper, aluminum, *etc.*) are inserted into the road. Powered by an alternating current, these loops emit a magnetic field that is captured by a receiving loop located under the car. When the vehicle passes over a coil beneath the road, the electromagnetic field creates an inductive electric current in the receiver coil. This inductive current is used either directly for traction or to recharge the battery. In this way, the road supplies the car with energy while driving.

Driving over the coils would keep electric vehicles charged permanently and automatically. The energy can either be used for driving, in all or part, or to charge the battery. The energy transmitted to the vehicle is proportional to the time spent driving on the equipped part of the road.

A stretch of test road has been developed with loops and an artificial sidewalk that conceals the electronic equipment required. Each coil is managed separately and can transfer the energy needed to the vehicle. In this experiment, the test vehicle is a Twizy, which receives 2 kW on a continuous basis. This is the first stage.

New battery technologies for electric vehicles

At the end of 2018, Alliance Ventures, the Renault-Nissan-Mitsubishi Motors venture capital fund, announced its participation in the last financing round by Enevate Corporation. Based in Irvine (California), this company specializes in the design of lithium-ion batteries. This is the latest investment by Alliance Ventures, which was launched this year to support the most innovative start-ups in next-generation systems for the automotive industry. The silicon-dominated lithium-ion batteries developed by Enevate offer ultra-fast charging capabilities and high energy density, at a reduced cost. It offers the shortest charging time out of all of the lithium-ion battery technologies currently available on the market.

Alliance Ventures has also invested in Ionic Materials, a promising US company that is developing a polymer material whose properties could contribute to the development of so-called “solid state” cells. The acquisition coincides with the implementation of a research and development cooperation agreement between Ionic Materials and the Alliance. Based in Massachusetts, Ionic Materials is developing a polymer material that can be used as a substitute for the liquid electrolyte in “traditional” Li-ion cells and thus help improve the performance and economic efficiency of high-energy density batteries for automotive and many other applications.

Partnerships

Reinventing the automobile for the twenty-first century: a low-energy consumption vehicle, considerably lighter weight, connected and able to substitute in all or part for driver activities; this is a challenge that can only be met collectively. For Renault, collaborative R&D agreements contribute to accelerating the development of the technologies required to meet these challenges, and also to developing skills and cost-sharing. Such contracts are key to speeding up the introduction of innovations into vehicle projects:

Collaborative contracts signed: 66		CIFRE agreements: 82
European contracts:35	French contracts: 31	

Here are a few examples of projects from the 2018 portfolio:

	Business activity	Topic	Name of Project	Description	Sponsor	Financing programs
Europe	New mobility	Connectivity	C-ROADS	Enhancement and expansion of Car2X knowledge (deployment of ITS G5 technology with a strong focus on European interoperability, hybrid solution with GSM, urban environments with multimodal services).	CE	CEF
			SCOOP II	French pilot cooperative system – V2X – autonomous vehicle preparation. Testing on 3,000 “Vehicle to Vehicle” and “Vehicle to Infrastructure” connectivity vehicles.		
			CONCORDA	Concorda is preparing European highways for automated heavy truck driving in the form of "Platooning" with adequate connected services and technologies.		2016-EU-TM-0327-S
		Autonomous vehicle	DANGUN	Develop, test and verify an assistant for traffic jams. Contribute to the standardization of testing protocols in Korea. Develop a teleoperation system for the deployment of robotics. Systems will be integrated in 2 Renault Zoe robots.		EUREKA ITEA 3

			L3PILOT	Development of a level 3 autonomous vehicle with demo model.		H2020-ART-02-2016
	Safety		ENABLE-S3	European initiative to enable verification of extremely safe and secure automated systems; The project focuses on the verification of autonomous systems with a focus on transportation platforms and health-related components.		H2020-ECSEL
France	Powertrain	Electric engine	VELOCE	Develop a 48 V electronic powertrain (electric engine, power electronics and transmission) for very low-priced EVs and self-driving shuttles. Air dryer for better cabin thermal management (improved thermal comfort, improved quality, reduced energy consumption).	ADEME	PIA 2
	New mobility	Autonomous vehicle	TORNADO	Test an autonomous transportation service in an under-served semi-urban environment. Objectives: determine infrastructure needs for the deployment of autonomous vehicles, understand user expectations outside major urban areas	IdF	FUI 23
			EVAPS	Develop and test Autonomous Mobility Services in dedicated spaces (Paris-Saclay) with electric vehicles (ZOE, shuttles).	ADEME	PIA2 Road Vehicles and Mobility of the Future
			FOT Rouen	Develop and test end-to-end autonomous mobility services with TRANSDEV in an urban environment in Rouen (Feeder user scenario).	CDC	FEDER/FSE 2014-2020
	Process	Plant of the future	PIKAFLEX	Development of autonomous robotic systems for part picking/kitting applications (preparation of parts to be sent along the chain)	BPI	FUI 21
			HPP	HPP: High-Pressure Pulsed: project manufacturing: lightening technology that implements development of welding systems, crimping, magnetic molding and electro-hydraulic molding	ADEME	PIA

				between steel and aluminum.		

PSA-Renault Research and Study economic interest grouping (EIG)

The PSA-Renault Research and Study economic interest grouping (a form of cooperative venture) houses the cooperation projects between the two manufacturers in shared fields of interest. Historically, the two main entities that carry out these joint-interest activities are:

- the LAB (established in 1969) Accident Analysis Laboratory, whose activities are focused on accidentology, biomechanics and human behavior.

  In its action plan, the LAB relies on many collaborative projects supported by the French and European authorities. It contributes to studies conducted on autonomous vehicles, where most issues relate to road safety;

- the GSM (established in 1980), which also includes IFPen (IFP new energies), whose work focuses on internal combustion and hybrid engines, fuels, combustion, depollution of internal combustion engines and air quality. It also examines the alternative energy sectors with regard to the general policy for reducing environmental impacts decided at COP 21.

The RAMSE3S project, which is supported under the Investing in the Future program, has structured the bulk of GSM research over the past three years. The project was completed at the end of 2018. The repercussions are many, be they for the understanding of phenomena or the technological guidelines to be used for the engines of the future.

- IRT M2P and IRT Jules Verne, whose work is shared with both car manufacturers and with academics as it relates to metals and composite materials. For example:
- the Transfuge project, which began in 2018 and will end in 2022, aims to reduce the cost of gear production through innovations in materials,
- the Fastform project, which began in 2016 and will end in 2021, aims to validate the industrialized production of hybrid preforms with the throughput constraints of the automotive industry.

Investing in the Future

One of the most ambitious economic programs launched in 2010 included an initial €35 billion investment for the future program launched by the French General Investment Commission (Commissariat Général à l’Investissement). Since then, Renault has regularly submitted key high-tech projects on the following subjects:

- the vehicle of the future: charging infrastructures, combustion drivetrain, electric vehicle drivetrain, lighter vehicles, aerodynamics and structure;
- the circular economy: recycling;
- the digital economy: software engineering;
- new mobilities;
- industrial processes.

Among the most recent projects submitted and launched in 2018, certain strategic areas for Renault are being discussed, including:

- innovative industrial processes: the HPP (High Power Pulse) Project for very high speed molding and robust multi-material assembly options for the introduction of new materials for weight reduction;
- electric engines: the COCTEL project aims to develop an electrical chain via digital simulation;
- weight reduction: ALLEGRIA: allègement economique grâce à l’aluminum (economical weight reduction through aluminum). This development and validation project aims to find economical aluminum-based weight reduction solutions;

- mobilities of the future: the EVAPS project (Ecomobility through Autonomous Vehicles in the Paris Saclay area) is a study of innovative mobility uses and services that uses autonomous and connected vehicles on a trial basis in the Paris Saclay area;
- electric power: Forty-Eight: this project aims to improve the energy efficiency of electrical auxiliaries in road vehicles by switching from a 12V network to a 48V network for mild-hybrids.

As part of the PIA program, Renault participated very actively in the structuring and preparation of SAM (Driving and Mobility Safety and Acceptability), a major program supported by the automotive industry (PFA).

In November 2017, the National Industry Council (CNI) tasked the Automotive Industry Strategic Committee, represented by Luc Chatel (President of the Automotive Industry & Mobilities Platform (PFA)) to propose a program of autonomous vehicle experiments based on priorities shared with the public authorities that would allow for feedback from the experiments to be shared.

In line with the National Strategy for Autonomous Vehicle Development, this mission is based on the *France Véhicules Autonomes* (FVA) program, which brings together industry leaders and French academics to meet the challenges related to the deployment of autonomous mobility, which include demonstration of safety, response to local mobility needs, emission reduction, acceptability and regulatory and legal frameworks.

To support Autonomous Road Vehicle Experiment (EVRA) projects, ADEME has launched the EVRA Call for Projects within the context of the Future Investments Program (PIA), whose objective is to contribute to development of safety validation methodologies, improvement of knowledge about uses, acceptability and societal impacts.

In response to this call for projects and in line with the national FVA program, a consortium of industry actors (manufacturers, transport operators, systems and equipment manufacturers, infrastructure managers), research actors and local partners have joined forces to cooperate in a major Driving and Autonomous Mobility Safety and Acceptability project (SAM).

This project aims to develop a “common good” defined by the body of knowledge pooled and shared with the public authorities for the development of public policies and the construction of a state of the art framework for safety, impact and acceptability.

This common good will be built around a common shared methodological approach and open-road autonomous vehicle experiments in the three targeted application areas: autonomous private vehicles, autonomous collective and shared transport systems and autonomous freight transport systems.

Research agreements with the French Atomic Energy Commission (CEA)

An initial Research and Development Agreement on clean vehicles and sustainable mobility for all was signed with the CEA in 2010. The positive results of the various strategic agreements that followed have led Renault and the CEA to continue and strengthen their R&D cooperation. The latest strategic agreement signed on April 18, 2014, for a duration of five years from January 1, 2015, covers the scope of the previous agreements, *i.e.*:

- new energy sources in transport;
- the electric and electronic architecture of the future;
- intelligent charging and discharging networks;
- new methods of designing and manufacturing vehicles;
- improvements to the competitiveness of internal-combustion engines (in particular, post-treatment);
- communicating vehicles and active safety.

This global strategic agreement, in force since January 1, 2015, is now supported by the common laboratory team, whose activity, dedicated exclusively to the battery agreement until end-2014, has been extended to all CEA activities. The first year (2015) of the global agreement enabled the high potential projects initiated within the two previous agreements to be consolidated (battery and power electronics). 2018 saw the start of activities in new collaborative efforts, such as new technologies/artificial intelligence for all plant processes as well as the supply chain.

Competitiveness clusters

The main competitiveness clusters in which Renault continues to have a major involvement are Mov'eo and System@tic in and around Paris, and ID4Car in western France.

One of the main priorities of the competitiveness clusters is to bring together large groups and small and medium enterprises and universities, to promote collaborative research projects.

Renault supports these initiatives through active involvement in the operations and in the different operational and governance bodies of these clusters: Board of Directors, committee officers, scientific committees, operational committees, members or coordinators of strategic business areas, *etc.*

Renault is also a major player in projects generated and certified in these clusters, as project leader or partner.

Since 2016, these three competitiveness clusters have had the Gold Label of the European Cluster Excellence Initiative (ECEI), following an audit by European bodies, thus recognizing their quality and performance.

To meet growing expectations for supporting innovative small and medium-sized companies, Renault supports cluster initiatives to promote them: participation in innovation reviews proposed by small and medium-sized companies, partnership creation, *etc.*

Renault-CNRS framework agreement

Signed on May 15, 2013, this strategic partnership between Renault and the leading French public research institute helps to smooth the way for the signing of local contracts which support our relationships with nearly a hundred CNRS laboratories across France (Lyon, Lille, Montpellier, Clermont, Rouen, Paris, Orléans, Bordeaux, Poitiers, Grenoble, Rennes, Strasbourg, *etc.*). The agreements that govern this partnership are being renewed.

The framework agreement confirms the continuation of our current projects with CNRS laboratories and also fosters the exploration of new collaborative and innovation research areas in the coming years. Neuroscience, virtual reality, ergonomics, new materials and human behavior under delegated driving conditions are all new fields of research being investigated by Renault and CNRS teams.

These new fields of investigation supplement what are now the more traditional cooperations between engineering and systems sciences, and notably add to issues related to combustion, material fatigue, thermal activity or aero-acoustics.

These partnerships take the form of:

- multi-annual collaborative projects;
- activities associated with CIFRE doctorate student research topics.

In March 2017, Renault and Heudiasyc, a mixed UTC and CNRS research unit, created a joint laboratory (SIVALAB) that specializes in location and perception systems for autonomous vehicles.

This scientific and technological partnership was launched for a renewable four-year period. It was created from a partnership of more than 10 years and uses the Heudiasyc autonomous vehicle platforms, developed on the basis of the Renault ZOE. The main area of study of this collaboration is the reliability, integrity and precision of the perception and location systems used in autonomous vehicle navigation.

As a result of this long-term partnership, this master agreement, which expired in 2017, was renewed for another three years through the signing of an amendment in February 2018.

2018 new products: associated innovations and technologies

The new Renault Kadjar

The New Renault Kadjar was unveiled at the Paris Motor Show and is equipped with new gasoline and diesel engines that are both more powerful and more economical for greater driving pleasure.

The 1.3 TCe FAP is available in two power levels (140 and 160hp). This new-generation engine, developed jointly by the Alliance and its partner Daimler, meets the highest quality standards of both partners and offers a wider power range than the previous TCe engine, increased torque (especially at low speeds), reduced CO_2 emissions and reduced gas consumption.

As for the diesel models, a new generation of "Blue dCi" engines contains the latest emission reduction systems. The New Kadjar is available in either the 1.5 Blue dCi 115hp or the 1.7 Blue dCi 150hp version.

Renault ZOE: new R110 engine

Renault ZOE, Europe's best-selling electric vehicle, acquired a new, more powerful R110 engine in 2018. Its full range of engines is adapted to the varying driver needs.

The engine range now includes the R90 (68 kW -92hp equivalent), the new R110 engine (80 kW -108hp equivalent) and the Q90 (65 kW -88hp equivalent).

Designed by the engineers at the Technocentre (Yvelines) and the Cléon plant (Seine Maritime), where they are manufactured, the R90 and R110 engines maximize the Renault ZOE's autonomy. With the same footprint and mass, they enjoy excellent performance in terms of energy efficiency as well as high momentum even at low speeds, delivering a maximum torque of 225Nm1 in a fraction of a second, and the ZOE's performance is just as lively in the city.

The R110 has greater acceleration capacity on expressways and freeways and can now go from 80 to 120km/h almost 2 seconds faster. These significant improvements make driving at steady speeds even more comfortable. The Renault ZOE has improved versatility for out-of-town driving. Drivers have up to 300km of full autonomy, as confirmed by the WLTP certification protocol.

Alpine A110 Pure and Legend

Unveiled at the 2018 Geneva Motor Show, the A110 Pure and Legend are new additions to the Alpine series. Pure and Legend share the technical features of the A110 Première Edition: an aluminum chassis and structure, 1.8 l rear central position turbo engine with 252hp and a double front and rear wishbone suspension.

The A110 Pure is more driver-oriented, with its direct driver/machine connection and a minimalist approach. It is lightweight and equipped with 13.1kg Sabelt monocoque seats and 17-inch alloy wheel trims. As a result, the weight of the A110 Pure is under 1,100kg.

1.3 TCe engine: a new generation of engines for the Renault range

The Geneva Motor Show saw the world premiere of Renault's new 1.3 direct-injection gasoline turbo engine jointly developed by the Alliance and Daimler for the CAPTUR and Scenic models. It is currently also marketed for the MEGANE and CAPTUR.

This new engine offers significant gains in terms of driving pleasure, with better low-speed torque and higher, more consistent availability at high-speed while reducing fuel consumption and CO_2 emissions, and meeting the highest standards in terms of reliability and durability.

It incorporates innovations developed in recent years within the Alliance. For example, "Bore Spray Coating", a Nissan GT-R engine- based cylinder coating technology, improves efficiency by reducing friction and optimizing thermal conductivity. Other technologies optimize engine enjoyment and reduce fuel consumption and CO_2 emissions: direct injection of gasoline whose pressure has been increased to 250 bars and for which air mixing has been optimized thanks to a specially designed combustion chamber. The "Dual Variable Timing Camshaft" technology controls the intake and exhaust valves according to engine demands. The result is more low-speed torque and, linearly, more available high-speed torque, for significant gains for our customers in terms of driving pleasure with better acceleration.

Performance levers

Modules and Common Module Family (CMF)

CMF-B: the new Alliance platform for segment B

Implemented in 2013 as a source of increased competitiveness and synergies, CMF (Common Module Family) extends the standardization of architecture to an unprecedented number of vehicles developed within the Renault-Nissan Alliance. CMF has already generated an average 30-40% reduction in product/process engineering costs per model and a 20 to 30% reduction in parts costs for the Alliance.

After the CMF-C/D family, which covers high-end vehicles, it is now CMF-B's turn in the spotlight. Under development since 2014 at the Technocentre in Guyancourt (France) and used jointly by the Nissan and Renault groups, and eventually by Mitsubishi Motors, CMF-B will include the New CLIO starting in 2019, followed by the New CAPTUR and other Alliance vehicles. By 2022, this family will consist of 14 models, with a target of 4.6 million vehicles.

The platform that fits CMF-B vehicles has been completely renewed (85% new parts) as compared to the CLIO IV platform. It will be produced at several Alliance plants in all regions.

This platform allows the electrification of vehicles and integrates the specific features of hybrid and rechargeable hybrid engines. It is designed to accommodate advanced driving assistance leading to the first levels of driving autonomy.

Its architecture is designed to facilitate body swapping from one model to another to optimize the efficiency of plant production lines.

In addition, it is inaugurating a dual platform strategy that makes it possible to offer product responses tailored to different markets in terms of services and economics. For example, the same bodywork can be offered on localized platforms with controlled development costs. This is the approach that Groupe Renault initiated with the CAPTUR and KAPTUR, with an even greater degree of interchangeability.

System engineering

Alliance Engineering is continuing to overhaul its Systems and Software, two key drivers enabling new complex vehicle functions to be integrated into short vehicle manufacturing cycles (including driverless vehicle technologies, connectivity, and electrification). Following the roll-out of 43 systems since 2013, and increased team skills on the relevant processes and methodology, 2018 heralded a new phase in the process. New System and Software Engineering Vision projects were launched, allowing us to shape our future System and Software design platforms. These platforms will be at the core of future products and services, enabling regional and multi-disciplinary teams to work in iterative cycles using data guidelines and shared-model based methodology. They will also keep the associated development costs under control, using design architecture and standardized validation solutions shared with vehicles in the range and remote platforms.

Processes for a solid conception

Synchronization of milestones in project planning and development phases (S3/CF)

The roll-out of the V3P approach and the strengthening of quality sequencing during the upstream phases has resulted in a complete rethink of the process of introducing innovations into vehicle projects. In order to incorporate more research and engineering project innovations upstream, better synchronization of these innovations with vehicle and parts project timetables was required, ensuring that they were integrated at the correct stage of the development cycle and that they were sufficiently advanced.

A highly-prescriptive and entirely unified Renault/Nissan innovation management process (Alliance Project Review) was applied, ensuring robust transfer of technology from R&AE (Research & Advanced Engineering) to development. Handover is completed at the CF (Concept Freeze) stage of the vehicle project, *i.e.*, the stage at which the vehicle's concept and technical elements are selected, determining the balance between cost and value to meet customer expectations.

In 2018, the process was further improved by taking into account the impact of innovations on vehicle platforms and on electric and electronic architecture, to ensure that innovations with a high architecture impact are applied to projects as effectively as possible.

Customer satisfaction plan: from reliability to customer satisfaction

In early 2014, Groupe Renault launched a Customer Satisfaction Plan (CSP) which broke with the previous quality initiative.

This robust action plan aims to put Renault in the Top 3 companies for "customer satisfaction" across all its main markets. Seven key breakthroughs have driven the progress of this plan over the last three years:

- the first three involve product design and manufacture:
- **compliance:** guaranteeing compliance with industry standards across all activities,
- **perceived quality:** designing and manufacturing attractive and well-finished vehicles,
- **durability:** designing and manufacturing faultless vehicles that are able to stand the test of time;
- three other priorities target customer satisfaction when in contact with the brand:
- **service quality:** offering a simple, personalized service (Easy & Personal) that fulfills customer expectations during the sales and after-sales experience,
- **fulfilling customer expectations:** ensuring that we offer vehicles and services that match customer expectations,
- **reactivity:** reacting quickly to customers' issues;
- the seventh priority is group-wide: it relates to **communication**. This involves telling employees, customers and opinion leaders about the progress that has been made so that they in turn, can become ambassadors of Renault's desire to become an industry leader in customer satisfaction.

The expertise network

Since 2010, the expertise network structures and harnesses the Company's knowledge and know-how to implement its strategic orientations and contribute to its performance and customer satisfaction. This year it has reached a level of maturity that allows it to connect all Group functions.

The 53 areas of strategic expertise are established in all major business activities, with a strong concentration in engineering. In 2018, further areas related to new technologies were added, and existing areas were in part reviewed to ensure consistency with the latest additions and provide supplementary skills to support the transformation of our business activities.

The network is structured into four levels:

- the "Expert Fellow", a member of the Renault Management Committee. Responsible for defining the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network in order to structure production both at the strategic level using roadmaps and the operational level regarding technical or methodological innovations, support for projects or quality issues. The collaborative work carried out by working groups contributes to a dynamic of shared progress for the affected business activities as regards the Company's main challenges, which are largely technical. The network can thus be described as an agile organization that serves the inter-business sector. Participation in regulatory and standardization bodies and their consistency is also one of the network's deliverables;
- 53 "Expert Leaders", each reporting to a business Vice-President who oversees their road map. Expert leaders have responsibility for one area of strategic expertise. They structure and guide their internal network of experts and use an external network consisting of universities, other manufacturers, associations, incubation structures, *etc.*, to enable the Company to work in an "extended" way and expand it through involvement in collaborative or investment efforts;

- 220 Experts, responsible for secondary fields of expertise, oversee benchmarks, identify relevant partners and invest in the protection of know-how through patents. They are responsible for promoting standards and processes;
- 500 Consultants responsible for specific business activities, who improve the state of the art by being "the benchmark" in their practice, thus building standards, capitalizing on them and imprinting them with their experience.

Thanks to its transversal approach, this continuous development of the expertise network enables goals to be clear through a coherent series of roadmaps, the acquisition of knowledge to be accelerated, along with the application of this knowledge to the Group's various business activities and projects. Accordingly, within the Alliance, the Renault and Nissan expertise networks regularly coordinate to work in synergy on strategic roadmaps and joint development projects.

Reinforcement of the innovation momentum

Open Innovation at Renault

The creation of Open Innovation Labs is part of the Renault-Nissan Alliance's innovation culture and strategy: they enable innovation opportunities to be cultivated based on an open eco-system comprising start-ups, universities and investors and a local economy such as local authorities, associations, customers and markets.

These labs bring together in one place the three pillars of open innovation: the socialization of knowledge (events, conferences, think tanks, and meet-ups), creativity and innovative design methods (design thinking, Fablab) and new economy leveraging (acceleration of start-ups, collaborative and open modes and platforms).

After Silicon Valley (California, USA), which was inaugurated in 2011, and Tel Aviv (Israel), inaugurated in 2016, Renault has continued its innovation strategy through the inauguration of a third Renault Open Innovation Lab called "Le Square" in Paris in 2017. Through collaboration between Renault's internal teams and external start-ups and partners, it strives to define new ways of working and the future of mobility.

In 2018, the Tel Aviv Alliance Innovation Lab identified, defined and produced prototypes with Israeli start-ups mainly in the areas of cybersecurity, sensors for ADAS and autonomous vehicles, and data/smart cities.

Similarly, in 2018, the Paris Open Innovation lab, Le Square, participated in the CityMakers program. This initiative promotes public-private partnerships for major future urban mobility challenges. The CityMakers season 2 partners have identified six challenges. For each challenge, the teams seek to understand the restrictions, obstacles and needs of mobility users in the Île de France area. The results will be presented to the general public on January 31, 2019 at the CityMakers DemoDay.

The reinforcement of the innovation network is based on numerous actions:

- increased technical and scientific synergies within the Alliance to benefit from shared processes;
- sharing of collaborative projects co-financed with European partners;
- further expansion of the internal 'Creative Labs' network to increase the creativity of Renault employees;
- broadening of connections with local eco-systems in order to be closer to new trends in these markets, through emerging start-ups;
- access to the best performing cutting-edge technologies through the strategic partnership with the CEA; creation of an autonomous vehicle project platform in Saclay;
- sharing of research efforts with French partners in industrial and academic Technological Research Institutes (VeDeCom, SystemX);
- identification, activation and support for Research skill clusters in the RTX according to the specific local features and talents associated with new communications and information technologies;

- broadening of the exchange network with actors in future mobility, based on Renault's strategic focuses (electric vehicle, new mobility, connectivity and new associated services).

Investments in R&D resources

In 2018, a €68 million investment plan was dedicated to R&D resources worldwide, of which 70% in France.

Investments in measurement and validation tools to prepare for:

- the conversion to new regulatory standards, particularly for emissions and safety;
- the introduction of new technologies: ADAS, electrification, connected vehicles, HMI, *etc.*;
- the development of local engineering.

R&D: a unified international organization

On March 1, 2018, Renault-Nissan-Mitsubishi Motors announced the launch of projects to accelerate convergence in key areas such as engineering, manufacturing and supply chain, purchasing, quality and total customer satisfaction, after-sales and business development.

In Engineering, this new organization aims to optimize synergies in vehicle and service development.

As a result, the three previous departments (Renault Products, Alliance Technologies and Nissan Products) were united into a single entity, Alliance Engineering, under the authority of a single management.

The vehicle ranges are grouped into a single Alliance team that provides platform-by-platform development under a common management.

Alliance Engineering

The new Alliance Engineering department is currently composed mainly of nine major entities:

- six functional departments:
- the Research and Advanced Engineering department,
- the Customer Service, Testing and Digital Simulations department,
- the Combustion and Electric Powertrain Development department,
- the Vehicle Platforms and Components department,
- the Electric/Electronic and Systems department,
- the Connected Vehicles department;
- two Alliance Project Development departments tasked with overseeing vehicle development according to a distribution of projects by platform. These two departments include:
- two departments for the development of Segment A and B vehicles,
- one department for the development of Segment C and D vehicles,
- one department for the development of electric vehicles,
- one department for the development of light commercial vehicles,

  and the Vehicle Development department, which is tasked with designing items specific to the development of Groupe Renault products such as, for example, cabins and bodywork;
- The Transformation and Performance department. This department promotes the quality and uniformity of our products worldwide and brings together skills management, specification/resource fulfillment, and process and standards management activities.

Competitiveness of Alliance technologies

In areas such as autonomous vehicles, connectivity or electric vehicles, and more generally speaking, in fields of research, the best performing technologies are identified. The objective is to take the best of the two carmakers and focus on the most promising technologies to improve competitiveness and reduce the time needed to introduce innovations into vehicle projects (time to market) as illustrated by the partnership announced with Microsoft.

In the field of mechanics, the example of the gasoline engine, which was co-developed as part of the partnership between the Alliance and Daimler and inaugurated in the SCENIC and Grand SCENIC with three power levels (Energy TCe 115, Energy TCe 140 and Energy TCe 160), and which is deployed in several Renault and Nissan models, is an example of a best practice that is reproduced and standardized as part of the new organizational structure.

Common platforms are a key aspect of performance that makes it possible to produce a wide range of vehicles for the Alliance's 10 brands based on five standardized architecture areas, thus minimizing the development of new parts.

Since 2015, the R&AE Alliance plan has been constructed to be the single Renault/Nissan plan enabling synergies to be maximized. It covers various plans and meets the priority needs of Product, Design and Engineering.

This R&AE plan also serves programs such as Alliance Mobility Services.

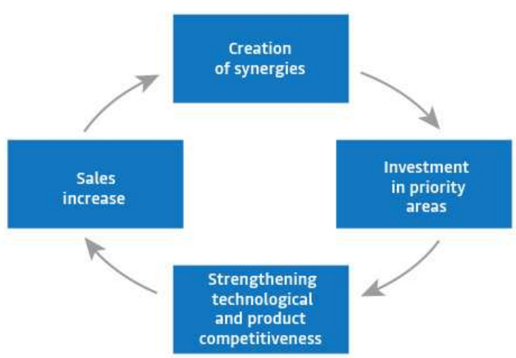
The purpose of the Research & Advanced Engineering plan is to develop innovations for future customers and ensure the competitiveness of our vehicle ranges with:

- affordable solutions to meet basic and regulatory needs;
- innovative solutions that add customer value and for which there is no justification to develop them alone.

R&AE's ambition is to continue to increase synergies. The share of joint projects (projects whose results are jointly owned) rose from €181 million in 2015 (direct costs jointly financed 50/50 by Renault and Nissan) to €494 million in 2018, including €43 million recently in Renault business activity support to match Nissan's R&AE activities.

The arrival of Mitsubishi Motors as the third partner in the pooling of R&AE expenses for subjects of common interest will enable these synergies to be further increased in the longer term.

The pooling of resources to cover all priority needs helps to increase the competitiveness of our products and thus allows the creation of a virtuous circle for the Renault-Nissan Alliance that Mitsubishi Motors will join:



Renault international engineering centers (RTX)

Groupe Renault's engineering centers are located all over the world in countries such as Spain, Romania, Korea, India, Russia and the United States. Thanks to their knowledge of local and regional markets, they are tasked with adapting vehicles to customer needs and expectations, local regulatory constraints and national economic situations.

Through the application of a skills upgrading policy that continues from year to year, Groupe Renault continuously increases the responsibility of engineering centers for cross-functional activities and enables them to take charge of vehicle project design at an increasingly early stage in the process.

IV. STATEMENTS OF FACILITIES

1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-3. Analysis by Management of State of Financial Condition, Operating Results, and Cash Flow, (3) Analysis of financial condition, operating results and state of cash flow, "GROUP NET CAPEX AND R&D EXPENSES" of this Securities Report.

2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS - (1) ACTIVITIES - A. AUTOMOTIVE "(IV) MAIN MANUFACTURING SITES" of this Securities Report.

Manufacturing

Groupe Renault has selected a seamless approach. The environmental network is Company-wide. It establishes links between environmental activities and other processes in the Company as well as between the sites, so as to encourage the dissemination of best practices and the sharing of expertise.

The industrial environment network is composed of more than 230 members spread over 13 countries and 45 sites and subsidiaries. It covers the businesses of manufacturing and all industrial sites belonging to Renault with the current exception of the AVTOVAZ sites (namely Togliatti and Izhevsk), in which Groupe Renault acquired a majority stake at the end of December 2016. The Group has chosen to integrate these sites gradually. The steps of this integration were defined based on diagnostics performed by Deloitte and Ernst & Young. In order to ensure the convergence of the action plan thus defined, a dedicated governance committee has been set up and meets on a monthly basis.

Environmental management at Groupe Renault plants is underpinned by five pillars:

1. Continuous improvement based on ISO 14001

Starting in 1995, Renault began systematically implementing an environmental management approach at its sites, along with a drive for continuous improvement, based on ISO 14001. This was done to reduce environmental impact and ensure regulatory compliance. Since 2008, Groupe Renault's 30 industrial sites and the nine main engineering and logistics facilities have been ISO 14001 certified.

At end-2018, the new ISO 14001: 2015 standard, published on September 15, 2015 and which introduces more stringent requirements than the previous version, ISO 14001: 2004, has been rolled out at all Groupe Renault ISO 14001 certified sites.

2. Group-wide tools and standards

E&HSE (Energy & Health, Safety, Environment) Technical Guidelines define the minimum requirements that apply to the Group's sites (See "Eco-design of industrial processes" below). These guidelines ensure that practices are standardized and reflect and adhere to the Company's policies and objectives in terms of the protection of individuals, property and the environment, no matter in which country the sites are located. This is particularly important in countries without a stringent regulatory framework.

For environmental management and the handling of chemical products, the sites can also rely on the availability of standardized tools managed by expert functions. These tools include:

- a worldwide Ecorisques expert system available in the main languages used within the Group. The system ranks the environmental impact from activities and potential hazards in relation to the plants' chemical risk and prioritizes them in the plants' environmental action plan;
- a reporting system for environmental impacts and energy consumption (R2E);
- a CHEMIS database (Chemical Information System), available in the main languages used within the Group, for the management of hazardous substances and the prevention of chemical risks. CHEMIS is the key tool in Groupe Renault chemical risk management process, which aims, from both environmental and health standpoints, to introduce chemicals safely, to prevent the risks associated with their use, and to anticipate technological and regulatory changes;
- a process to monitor and track compliance with national and EU environmental legislation;
- a documentary database of Energy & Health, Safety, Environment (E&HSE) standards and best practices, accessible from any Group site.

3. Eco-design of industrial processes

Each industrial project is monitored by an Energy & Health, Safety, Environment project manager, who ensures that the applicable regulatory requirements and Group technical policies (or Technical Rules) in respect of environmental protection, energy efficiency, industrial hygiene, and the prevention of fire and explosion risks are taken into account for each project milestone.

These E&HSE Technical Rules are based on the state of the art as well as the most stringent international regulatory or normative frameworks (The European Union's REACH regulation, ATEX directive, French legislation on facilities classified for environmental protection, US NFPA standards for fire protection, *etc.*) and are updated regularly. To complement this shared base of minimum requirements applicable to all Group sites, breakthrough technologies may be introduced at certain sites or projects according to constraints or opportunities related to the local environment, as illustrated by the examples below.

Plants eco-designed to respect their local environment

As a result of the Group's international expansion, new plants have been developed in recent years in emerging countries, particularly in North Africa and Asia, in order to take advantage of dynamic local markets. The design of each of these facilities has benefited from Group best practices and the latest technological advances in the environmental field. It takes into account the specific local environmental constraints and sensitivities, identified by an impact study at the outset of the project.

For example, the plants of Tangiers in Morocco (2012) and Chennai in India (Renault-Nissan, 2010), two countries subject to water stress, use the most advanced technologies to recycle all industrial wastewater, such that no industrial wastewater is discharged into the environment and external water supply requirements are reduced to a strict minimum. The Tangiers site is also equipped with a biomass boiler fueled by local agricultural waste (waste from the production of olive oil and from wood chippings, in particular from the site's packaging waste). As the National Office of Electricity and Drinking Water (ONEE) provides the plant with electricity produced from entirely renewable sources, 91% of the plant's energy needs are as a result met by renewable sources, meaning that the emission of more than 100,000 metric tons of CO_2 each year is avoided.

The plant, which Renault and its partner Dongfeng opened in February 2016 in Wuhan, China, is also equipped with the latest energy-efficiency technology, including LED lighting, recovery of thermal energy from the air discharged to the atmosphere and centralized management of energy-intensive equipment. It also recycles 40% of its industrial effluents for its own internal use (rest rooms, watering, *etc.*) and uses water-soluble paints.

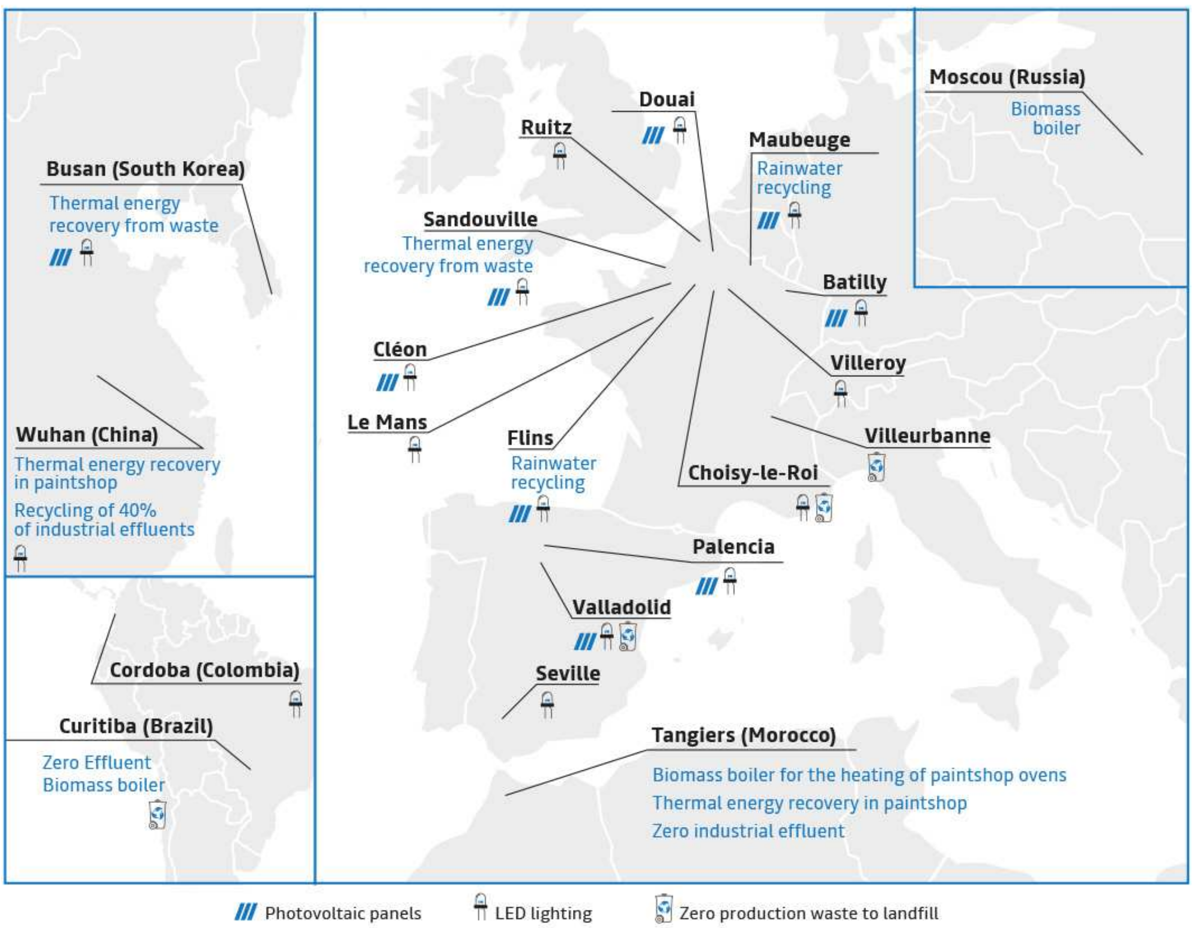
In addition to new plants, applying eco-design to manufacturing processes can also benefit existing facilities. Since 2015, Groupe Renault has therefore been conducting the widespread deployment of LED lighting to replace industrial lighting on a number of its sites (see map below).

The reduction in electricity use through the use of LED lighting can reach 65% compared with the technology it replaces. For the whole of the Europe scope covered at end-2018, this equates to electricity savings of nearly 98,000 MWh for each full year.

4. Anticipating industrial, regulatory and environmental developments

The E&HSE (Energy & Health, Safety, Environment) master plans launched in 2002 describe the situation at each site and how it is likely to evolve over the next 10 years, factoring in external constraints such as the ecological sensitivity of the environment and future regulatory requirements. They contribute to the dialog between industrial strategy, engineering, building project owners and the plants to ensure that each project contributes to reducing the environmental impact of sites.

NOTABLE ACHIEVEMENTS IN THE ENVIRONMENTAL FIELD ON GROUP SITES



5. Site audits

Since the end of the 1990s, the Group has used internal environmental audits at all of its industrial facilities as well as its main engineering and logistics facilities in order to monitor the implementation of ISO 14001 requirements, and compliance with its own internal standards for the protection of the environment, individuals, and facilities. These complement the external audits performed annually by a certified independent body.

Internal audits are therefore conducted by members of the industrial environmental network (environmental managers and business specialists), using joint audits that encourage exchanges of best practice between plants and stimulate improvements in environmental performance. As of end-2018, the network had approximately 57 internal environmental auditors who were specifically trained and qualified in accordance with ISO 14001 and on the internal audit standards based on the Energy, Health, Safety and Environment Technical Rules (see "Eco-design of industrial processes" above).

Sales and after-sales

Renault Retail Group, the distributor of the Renault, Dacia, Alpine and Nissan brands in 13 European countries, set up an environmental management policy in 2007.

An RRG environment manager is responsible for training and coordinating a network of environment correspondents in France and Europe. He provides a set of environmental management best practices, which are available on the RRG intranet. RRG has also provided reporting in France since 2011 and in Europe since 2013, regarding the environmental impact of its establishments.

Renault also provides support in these efforts to its dealer network and franchises. In France, the Sales department (DCF) provides information and coordinates exchange of best practice through annual Environment Club meetings in each regional center. RRG environment managers participate in and contribute to these clubs.

The Sales & Marketing department assists the network by providing a selected panel of national service providers for waste collection and treatment. Renault also finances its sales network's access to Autoeco.com, allowing sites to track the amount of waste they produce. Renault is also a partner of the CNPA (National Council of Motor Industry Professionals), which, as part of the "Environment Challenge," provides the sales network with technical support in the implementation of environmental protection measures and the search for financial assistance.

Given the small size of sales outlets (when compared to the size of the Group's industrial sites), their involvement in the ISO 14001 certification process is voluntary, except in South Korea where the distribution network is integrated into the overall ISO 14001 certification of the Renault Samsung Motors subsidiary.

The composition of products used in the Group's distribution network, and the parts and accessories sold under the various Group brands around the world are subject to the same rigorous control process as the products and parts used in manufacturing vehicles. This process seeks to protect the health of both the consumers and the workers involved in vehicle maintenance and repair, protect the environment, and ensure compliance with regulations in force in countries where the vehicles are distributed, such as the REACH regulation in Europe.

Renault also offers owners of its vehicles a large range of renovated ("Renault standard exchange") powertrains and mechanical parts, sold at a lower cost than that of a new part, but still meeting the same quality standards. In addition, used body parts (including hoods, wings, headlamp units, *etc.*) collected in Indra's network of dismantlers and selected by the Gaïa subsidiary, are available as an after-sales service to customers whose cars cannot be repaired economically using new parts only. These offers are part of the circular economy approach implemented by Groupe Renault to reduce the consumption of raw materials and environmental footprint associated with its products in their life-cycle.

Vehicle use

Life-Cycle Assessments show that more than 80% of the greenhouse gases and the majority of atmospheric pollutants emitted over the life-cycle of an ICE vehicle concern the vehicle usage phase. The first solution for **reducing these emissions** is technological and involves the reduction of emissions from internal combustion vehicles, as well as the development and marketing of a range of electric vehicles that do not emit any pollutants or greenhouse gases during use. Groupe Renault therefore devotes a significant portion of its Research and Advanced Engineering expenses to this field, which places it among the leaders in the automotive industry in these two domains.

Moreover, the behavior of motorists, and how they use their vehicles, may be another avenue in which considerable progress can be achieved. Renault therefore endeavors to promote eco-driving, which can lead to significant reductions in energy spent and in greenhouse gas emissions during vehicle use.

Vehicle end-of-life

From 2015, European Union regulations require that 95% of the mass of end-of-life vehicles be recovered, of which 85% must be recycled. In accordance with the principle of greater manufacturer responsibility, automakers will be responsible for helping to organize and finance this process. Outside Europe, other countries already have such regulations (South Korea, Turkey, Russia, China) or are preparing to do introduce similar ones.

Renault is helping to organize the collection and recycling of end-of-life vehicles everywhere it is required. This initiative takes various forms, such as establishing its own network of authorized collection and recycling centers for end-of-life vehicles, which Renault has done, notably in France, or participation in a joint program (carmakers, dismantlers, public authorities) to set up such recycling networks.

In all cases, the vehicle is picked up at no cost to the last owner. Information concerning the methods for pollution removal, dismantling and recycling is supplied to the recycling operators and energy recovery networks using the web-site of the International Dismantling Information System (www.idis2.com).

Altogether, the markets in which Renault helped to collect and process end-of-life vehicles represented nearly 55% of the Group's global sales in 2018.

Renault has also established partnerships and commercial agreements for the collection, repair, second life and recycling of electric vehicle batteries in accordance with the regulatory requirements arising from manufacturers' increased responsibilities. The rental of the battery (or of the vehicle itself) forms part of the package for the vast majority of electric vehicles marketed by Renault, with Renault remaining the owner and manager. This package ensures complete control of the collection and optimal recycling of end-of-life batteries, guaranteeing compliance with the Group's regulatory obligations in this area.

3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

Please refer to Section II.-3. CONTENTS OF BUSINESS - (1) - ACTIVITIES – B. NISSAN, AVTOVAZ, PARTNERSHIPS AND COLLABORATIVE PROJECTS of this Securities Report.

V. STATEMENTS OF THE COMPANY

1. STATEMENTS OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2018

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	295,722,284 shares	Not applicable

(Note) (1) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(ii) Issued Shares

Bearer or Register, Par-value or Non-par-value	Type	Number of Issued Shares	Name of Listing Stock Exchange or Registered Securities Dealers' Association	Details
Register, par-value EUR 3.81	Ordinary shares	Shares 295,722,284	Euronext Paris	An ordinary share is a share with full voting rights and is a standard share of Renault without any limitation on rights.
Total	–	295,722,284	–	–

(2) Exercise, etc. of Corporate Bond Certificates, etc. with Share Acquisition Rights Having Exercise Price Adjustment Provisions

Not applicable

(3) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL (as of December 31, 2018)

There were no changes in capital ownership over the past five years. The last capital increases date from April 28, 2010. During the reserved capital increases at a price of €37 per share, Nissan Finance Co., Ltd. and Daimler AG respectively subscribed 1,617,775 shares and 9,167,391 shares with a par value of €3.81.

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner. However, shares that are not fully paid-up must be in registered form.

Each shareholder has as many votes as he or she owns shares, subject to the provisions below.

Since April 3, 2016, pursuant to Article L. 225-123 of the French Commercial Code, as amended by Law no. 2014-384 of March 29, 2014 (the so-called Florange Law), unless provided otherwise in the Renault By-laws adopted subsequently to the promulgation of the Florange Law, a voting right double to that conferred to other shares is automatically attributed to all fully paid up shares for which proof of registration is provided for at least two years in the name of the same shareholder.

At December 31, 2018, 108,500,030 Renault shares held double voting rights, representing around 36.7% of the share capital and around 69.9% of the voting rights that may be exercised in Renault's Annual General Meeting at that date.

The double voting right automatically ceases for any share that has been converted to a bearer share or undergone a transfer of ownership, subject to any exceptions provided for by law.

Free shares resulting from the capital increase, earnings or other paid-in capital are entitled to double voting rights from their date of issue if they are attributed on account of shares already enjoying such rights.

Treasury shares do not carry voting rights.

The theoretical number of voting rights is 404,222,314.

In view of the 5,058,961 Treasury shares and the 44,358,343 shares held by Nissan Finance Co., Ltd. (see "(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS (as of December 31st, 2018") below), all of which are deprived of voting rights, the total number of exercisable voting rights as at December 31, 2018 was 310,446,667.

(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS (as of December 31st, 2018):

OWNERSHIP STRUCTURE AND EXERCISABLE VOTING RIGHTS FOR THE LAST THREE FINANCIAL YEARS

	12/31/2018			12/31/2017			12/31/2016		
	Number of shares held	% of capital	% of voting rights	Number of shares held	% of capital	% of voting rights	Number of shares held	% of capital	% of voting rights
French State (1)	44,387,915	15.01%	28.60%	44,387,915	15.01%	28.67%	58,387,915	19.74%	33.95%
Nissan Finance. Co., Ltd.	44,358,343	15.00%	-	44,358,343	15.00%	-	44,358,343	15.00%	-
Daimler Pension Trust e.V.	9,167,391	3.10%	5.91%	9,167,391	3.10%	5.92% (2)	9,167,391	3.10%	3.03%
Employees (3)	7,210,603	2.44%	4.14%	5,994,937	2.03%	3.87%	6,168,600	2.09%	4.07%
Treasury stock	5,058,961	1.71%	-	6,414,355	2.17%	-	4,649,545	1.57%	-
Public	185,539,071	62.74%	61.35%	185,399,343	62.69%	61.54%	172,990,490	58.50%	58.95%
TOTAL	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**	**295,722,284**	**100.00%**	**100.00%**

(1) For information on the change in the voting rights held by the French State, see the explanations in the following paragraphs.

(2) The number of shares held by Daimler Pension Trust e.V. remains unchanged from the 2015 Securities Report. The change in the percentage of voting rights is the result of the acquisition of double voting rights on April 27, 2017 and the change in the total number of exercisable voting rights (see "(3) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL (as of December 31, 2018)" above).

(3) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual fund within the meaning of Article L. 225-102 of the French Commercial Code.

The share capital amounts to €1,126,701,902.04 divided into 295,722,284 shares. As at December 31, 2018, this was distributed as follows:

- the French State held 15.01% of the share capital corresponding to 21.96% of theoretical voting rights and 28.60% of exercisable voting rights in Renault (excluding the application of the restrictions described in " Share the Future employee shareholding offering" below);
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., held 15% of Renault's share capital (unchanged since December 31, 2017). However, Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares pursuant to the provisions of Article L. 233-31 of the French Commercial Code, owing to Renault's ownership interest in Nissan Motor Co., Ltd., parent company of Nissan Finance Co., Ltd.;
- the Daimler Pension Trust e.V. held 3.10% of the share capital (9,167,391 shares);
- current and former Renault employees 2.44% of the share capital. These shares are managed through collective investment schemes;
- treasury stock represented 1.71% of the share capital. Under French law, such shares do not carry voting rights;
- lastly, the free float represented 62.74% of the share capital (compared with 62.69% as at December 31, 2017).

To the best of the Company's knowledge, no other shareholder holds more than 5% of the capital or voting rights, directly or indirectly, alone or in concert, other than the French State or Nissan Finance Co, Ltd.

A survey of the holders of Renault bearer shares was conducted on November 30, 2018.

This gave an estimated breakdown of the public ownership's interest by category of major shareholder. At that date:

- the institutional shareholders owned 46.24% of Renault's share capital, it being stated that:
- French institutional investors held 11.64% of the share capital,
- foreign institutional investors held 34.60% of the share capital, and
- the 10 largest French and foreign institutional investors held approximately 13.55% of the share capital;
- the remaining public ownership in the capital *i.e.*, 16.50% was held primarily by individual shareholders.

Share the Future employee shareholding offering

In November 2017, Renault bought 1,400,000 shares sold by the French State as part of its share buyback program. These shares were acquired to be used for the Share the Future offering reserved for current and former employees of Groupe Renault, to enable them to share in the Company's results.

Renault's Board of Directors approved the modalities of this operation during its meeting held on June 15, 2018.

This operation was reserved for:

- employees with at least three months seniority on the last day of the subscription period in the workforce of the Company, one of its French subsidiaries or certain of its directly or indirectly majority-owned foreign subsidiaries; and
- retired or former employees that had held a contract or paid activity of a duration of at least five years accomplished within the Company or its French subsidiaries that are members of a company savings plan.

“Share the Future” took place in 10 countries [9] and offered two formulas:

- the so-called “classic” formula allowing employees to benefit from a discount of 20% and possible dividends. The initial investment follows the change in the Renault share price, upward or downward, and is, therefore exposed to a risk of capital loss; and
- a so-called “ratchet effect” formula [10] enabling the subscriber to invest in Renault shares via an FCPE employee savings fund, whilst guaranteeing his/her personal contribution. In exchange for this guarantee, he/she does not benefit from a discount or any dividends, nor the total possible increase in the Renault share price.

Whatever the formula chosen, Groupe Renault provided a matching contribution of 100% to subscribers up to a maximum of four shares.

The sale price of shares of €58.32 was set on September 7, 2018 by the Chairman and Chief Executive Officer of Renault with the Board of Directors’ authorization. It included a discount of 20% compared to the benchmark share price set based on the average of the 20 opening prices on Euronext Paris prior to the date of this decision.

Having been acquired as part of a Group savings plan, the proposed shares are subject to a mandatory five-year holding period, except in the cases of early release stipulated by the regulations.

A subscription demand of almost 2.6 millions shares was made for the 1.4 million shares available. This over-subscription led to the implementation of an investment reduction mechanism for subscribers. Taking this operation into account, as at December 31, 2018, Renault’s employees own 2.44 % of its share capital and 4.14 % of its exercisable voting rights as at December 31,2018.

Options

The Company has decided to no longer grant any new stock-option purchase plans.

The latest authorization was adopted by the Combined General Meeting of April 29, 2011 for a period of 38 months. There are no plans to request a new authorization from the Annual General Meeting. For details of current grants and options, see table 8 in “Summary tables” in V.- 4. STATEMENT OF OFFICERS of this Securities Report.

Performance shares

Pursuant to Article L. 225-197-1 of the French Commercial Code, the Combined General Meeting of April 29, 2016, authorized, for a period of 38 months, the Board of Directors to grant performance shares, either existing or to be issued, to employees of the Company or to certain categories of such employees and employees of the companies and groupings related to it, as provided for in Article L. 225-197-2 of the French Commercial Code. For details regarding grants and shares in circulation, refer to table 9 in “Summary tables” in V.- 4. STATEMENT OF OFFICERS of this Securities Report.

Share buyback program [11]

Trading by Renault in its own shares in 2018 and allocation of treasury shares

As at December 31, 2018, Renault held 5,058,961 shares with a par value of €3.81, and a net carrying amount of €394,053,516.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the eighth resolution of the Combined General Meeting of June 15, 2017 authorized the Company to deal in its own shares so as to allow it to benefit from the opportunities granted by applicable law. The authorization was granted until December 15, 2018. A new share buyback program was authorized by

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9 France, Romania, Spain, Morocco, Brazil, Turkey, India, South Korea, Argentina and Slovenia.

10 For regulatory reasons, this formula was not offered to Korean employees.

11 This paragraph includes information that must be given in the description of the program in application of Article 241-2 of the AMF General Regulation and information required in application of the provisions of Article L. 225-211 of the French Commercial Code.

the Annual General Meeting of June 15, 2018, rendering the program authorized on June 15, 2017 ineffective from the date of said meeting.

In March 2018, Renault acquired 1,362,000 of its own shares as part of the share buyback program approved by the Annual General Meeting of June 15, 2017. Then, as part of its share repurchase program approved by the General Meeting of June 15, 2018, in November 2018, Renault sold 1,400,000 of its own shares for the implementation of the employee shareholder offer “Share the Future” (for more details on this employee shareholder offer, see ”Share the Future employee shareholding offering” above).

The 5,058,961 shares held directly or indirectly by Renault as at December 31, 2018, are allocated in their entirety to the fulfilment of free performance share plans or any other form of allocation, allotment or transfer granted to employees or senior executives of the Company. The shares acquired by the beneficiaries of share- based compensation (Long-Term Incentives) shall not have any effect on the share capital structure. Therefore, it is planned that shares acquired under a free performance share award shall come from the share buyback program. The aim is to leave the Company’s share capital unchanged. The number of shares allocated to this end is 5,058,961 shares.

Percentage of treasury shares held directly or indirectly as at December 31, 2018: 1.71%.

Number of shares canceled over the 24 months preceding December 31, 2018: 0.

Number of shares held in the portfolio as at December 31, 2018: 5,058,961.

Net carrying amount of the portfolio as at December 31, 2018: €394,053,516.

Portfolio value as at December 31, 2018 [12] : €275,966,323.

TRADING BY RENAULT IN ITS OWN SHARES IN 2018 AS PART OF THE PROGRAMS AUTHORIZED BY THE COMBINED GENERAL MEETINGS OF JUNE 15, 2017 AND JUNE 15, 2018

	Total gross flows at December 31, 2018		Long and short positions at December 31, 2018	
	Purchase	Sold	Open buy positions	Open sell positions
Number of shares	1,362,000	1,400,000	None	None
Average selling, purchase or exercise price	€88.86	€58.32	None	None
AMOUNT	**€121,022,483**	**€81,648,027**	**NONE**	**NONE**

Description of the share buyback program submitted for authorization to the Annual General Meeting of June 12, 2019

Pursuant to Articles 241-1 to 241-7 of the French Financial Market Authority (AMF) General Regulation and Article L. 451-3 of the French Monetary and Financial Code, this section describes the objectives and arrangements for the new treasury share buyback program organized by Renault, which will be submitted for approval to the Combined General Meeting of Shareholders of June 12, 2019.

The objectives of the program are to:

i. cancel all or some of the shares acquired, notably to compensate for dilution arising from the exercise of share subscription options or the acquisition of shares allocated free of charge, subject to the adoption of eighteenth resolution put to this Annual General Meeting;

ii. use all or some of the shares acquired to implement any share purchase option plan or restricted share plan, or any other form of assignment, allocation, disposal, or transfer for former or current employees and managers of the Company and its Group, and complete any hedging transaction relating to any such transactions, within the terms established by law;

12 *Based on a stock market price of €54.55 at December 31, 2018.*

iii. deliver any or all of the shares acquired upon exercise of rights attached to securities giving right, through conversion, exercise, redemption or exchange or any other manner, to shares of the Company, within the framework of applicable regulations;

iv. act on the secondary market or the liquidity of the Renault share through an independent Investment Services Provider pursuant to a liquidity agreement complying with the code of ethics approved by the AMF;

v. use all or some of the shares acquired to be retained for subsequent transfer as an exchange or as payment as part of external growth transactions, contribution, merger or spin-off, in accordance with recognized market practices and applicable regulations; and

vi. more broadly, perform all other transactions currently admissible, or that would become authorized or admissible, by applicable laws or regulatory provisions or by the AMF.

The acquisition, disposal, transfer, or exchange of these shares may be performed by any means, notably on the market or through over- the-counter transactions, including block trading, using derivative financial instruments or bonds or securities granting access to the Company's share capital, or by implementing option strategies, within the bounds of applicable regulations.

The Annual General Meeting sets:

- the maximum purchase price (or the counter-value of this amount on the same date in any other currency), excluding acquisition costs, at €120 per share, and the maximum amount of funds allocated for the completion of the share purchase program at €3,548.7 million, it being specified that in the event of transactions affecting the share capital (splitting or consolidation of shares or free share allocations to shareholders), the price and the maximum amount of funds allocated for the completion of the share purchase program will be adjusted on the basis of the ratio of the number of securities constituting the share capital prior to the transaction compared to the total number after the transaction;
- the number of shares which may be acquired at 10% of the shares constituting the share capital, it being specified that (a) this limit applies to a given amount of the Company's share capital, to be adjusted if necessary to take into account transactions affecting the share capital subsequent to this Annual General Meeting, (b) if the aim of the share buyback is to enhance share liquidity pursuant to the conditions set out in the AMF General Regulations, the number of shares taken into account to calculate the 10% limit corresponds to the number of shares purchased, minus the number of shares resold during the authorization period, and (c) this number may not exceed 5% in the case of shares acquired by the Company with a view to retaining them and to subsequently transfer them as payment or as an exchange during the course of merger, spin-off, or contribution transactions or external growth operations.

As of December 31, 2018, the 10% limit of the share capital corresponded to 29,572,228 Company shares.

Within the limits allowed by the applicable regulations, transactions performed by the Board of Directors pursuant to this authorization may take place at any time during the validity of the share buyback program, it being specified that if a public bid for the Company's stocks is made by a third party, the Board of Directors may not implement this authorization and the Company may not pursue any share purchase program until after the end of the bid period, except in the case of prior authorization having been granted by the Annual General Meeting.

Pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the Company may not own more than 10% of the total of its own shares, or more than 10% of any given share category, either directly or through any person acting in their own name on behalf of the Company.

All powers are granted to the Board of Directors, including powers of sub-delegation, to implement this authorization, specify, if necessary, its terms, decide on its conditions and, in particular, place all orders on or off the stock market, assign or re-assign the shares acquired to the different purposes pursued in compliance with applicable legal and regulatory conditions, perform all formalities, and, more generally, do all that is required in this respect.

Each year, the Board of Directors shall make a report of the transactions performed pursuant to this resolution to the Annual General Meeting.

The number of shares acquired by the Company for retention or exchange as part of merger, spin-off, or contribution transactions shall not exceed 5% of its capital.

If the event of a capital increase by capitalization of reserves, attribution of bonus shares, increase of the share par value; or if shares are split or merged or if any other transaction affecting the share capital is carried out, the prices indicated above shall be adjusted using a multiplier coefficient equal to the ratio between the number of shares making up the share capital before the operation and the number after the operation.

Once approved by the Annual General Meeting of June 12, 2019, this program shall be valid for a period that expires at the next Annual General Meeting called to approve the 2019 financial statements and shall not exceed 18 months, *i.e.*, until December 12, 2020. This authorization cancels and replaces, up to the amount not yet used, any prior authorization having the same subject.

(5) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

Ownership of shares and voting rights

As of December 31, 2018

Name or Corporate Name	Address	Number of Shares Held	Percentage to the Aggregate Number of Issued Shares (%)	Voting Rights (%)
French State (1)	France	44,387,915	15.01	28.60
Nissan Finance Co., Ltd.	1-1-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa	44,358,343	15.00	-
Daimler Pension Trust e.V	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10	5.91
Employees (2)		7,210,603	2.44	4.14
Treasury stock		5,058,961	1.71	-
Public		185,539,071	62.74	61.35
Total	–	**295,722,284**	**100.00**	**100.00**

(1) For information on the change in the voting rights held by the French State, see “(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS” above.

(2) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual fund.

2. POLICY OF PAYMENT OF DIVIDENDS:

Allocation of net profits

Net profits are allocated in compliance with applicable legislation.

Distributable income consists of the current year’s income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years as specified by law. Upon recommendation by the Board of Directors, the Annual General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares.

Requests for the payment of scrip dividends must be submitted within the time period established by the Annual General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

Dividends
During the presentation of the Drive the Future plan in October 2017, Renault announced a dividend policy that aims, by the end of the Plan, to gradually double the rate of distribution of net income Group share, excluding income from associated companies, to which will be added the dividend received from Nissan and Daimler associated companies.

On February 13, 2019, the Board of Directors proposed the payment of a dividend of €3.55 per share in respect of the 2018 financial year. This proposal will be submitted to the vote at the Annual General Meeting on June 12, 2019. The dividend will be paid on June 20, 2019.

Five-year dividend record

Dividends are paid out at the dates and places specified either by the Annual General Meeting or, failing that, by the Board of Directors.

Financial year	No. of shares comprising the share capital at December 31,	Dividend per share *(€)*	Payable date
2013	295,722,284	1.72	May 15, 2014
2014	295,722,284	1.90	May 15, 2015
2015	295,722,284	2.40	May 17, 2016
2016	295,722,284	3.15	June, 23 2017
2017	295,722,284	3.55	June 25, 2018

3. DEVELOPMENT OF STOCK PRICE:
The following figures are based on the stock price of Renault shares on Euronext Paris.

(1) Average Highest and Lowest Price of Shares for the Recent Five Business Years:

(Euros per share)

Calendar year	2014	2015	2016	2017	2018
Date of Settlement of Accounts	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Highest Price (JPY)	76.1 (9,595)	100.25 (12,641)	91.52 (11,540)	91.30 (11,512)	100.8 (12,710)
Lowest Price (JPY)	49.5 (6,241)	56.85 (7,168)	63.64 (8,024)	73.71 (9,294)	53.01 (6,684)

(2) Highest and Lowest Price of Shares for the Latest Six Months in this Business Year (at the closing):

(Euros per share)

Month	July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
Highest Price (JPY)	76.3 (9,621)	75.75 (9,551)	78.96 (9,956)	75.04 (9,462)	68.93 (8,691)	63.69 (8,031)
Lowest Price (JPY)	71.4 (9,003)	70.26 (8,859)	69.75 (8,795)	62.2 (7,843)	54.8 (6,910)	53.01 (6,684)

4. STATEMENT OF OFFICERS:
This section describes the method for managing and directing Renault SA as a listed company and the

parent company of Groupe Renault. This management method is also applicable to Renault s.a.s., a subsidiary of the Company and the umbrella company for Groupe Renault's automotive and financial businesses.

The operating principles and missions of the Board of Directors are described in the Board Charter, which is available in full on Groupe Renault's website. The main contents of the Board Charter are reproduced below.

(1) BOARD OF DIRECTORS

Governance structure

Evolution of the mode of governance

Following a recommendation by the Appointments and Governance Committee, on May 6, 2009 the Company's Board of Directors decided, pursuant to the provisions of Article L. 225-51-1 of the French Commercial Code, to adopt a governance structure combining the offices of Chairman of the Board of Directors and Chief Executive Officer. Mr Carlos Ghosn was appointed as Chairman and Chief Executive Officer on that date; his term of office was renewed in 2010 and 2014.

During its meeting held on February 15, 2018, the Board of Directors decided to renew Mr Carlos Ghosn's terms of office as Chairman of the Board and Chief Executive Officer of the Company at the time his office as director of the Company was renewed by the Annual General Meeting of June 15, 2018.

Taking into account the combination of the offices of Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors had implemented various measures to ensure the balance of powers, in line with best governance practices:

- the presence of a majority of Independent Directors on the Board of Directors;
- the presence of a Lead Independent Director, Mr Philippe Lagayette, chosen from among the Independent Directors, whose duties are set out in the Board Charter; and
- limitations on the powers of the Chairman and Chief Executive Officer, set out in the Board Charter.

Following Mr Carlos Ghosn's resignation as Chairman of the Board of Directors and Chief Executive Officer of the Company effective January 23, 2019, the Board of Directors of January 24, 2019, on the recommendation of the Appointments and Governance Committee, decided to split the offices of Chairman of the Board of Directors and Chief Executive Officer. The Board of Directors considers that this governance structure is appropriate to Renault's current challenges. It enables the Company to benefit from both the Chairman's stature and expertise in corporate governance and the managerial background and industrial and automotive expertise of the Chief Executive Officer, in charge of managing and implementation of the Company's mid-term plan.

The office of Chairman of the Board of Directors was entrusted to Mr Jean-Dominique Senard following his appointment as a Director pursuant to the provisions of Article L. 225-17 para. 3 of the French Commercial Code. The ratification of his appointment as a Director will be submitted to the Annual General Meeting of June 12, 2019.

The office of Chief Executive Officer was entrusted to Mr Thierry Bolloré, who was previously appointed Deputy Chief Executive Officer on November 20, 2018.

Powers of the Chairman of the Board of Directors

The Company's articles of association specify that the Board of Directors must appoint one of its members as its Chairman; this must be a natural person, who may be elected for more than one term.

Board Charter provisions governing the powers of the Chairman of the Board of Directors

The Chairman shall organize and direct the Board of Directors' work, on which he/she shall report to the General Meeting of Shareholders. The Chairman shall determine the schedule and the agenda of and convene the Board meetings.

The Chairman shall chair the meetings of the Board of Directors. If the Chairman is unable to attend, Board meetings shall be chaired (i) by the Lead Independent Director or (ii) if there is no Lead Independent Director, or if he/she is absent or unable to attend, by the Chair of the Appointments and Governance Committee.

Except in specific circumstances, the Chairman is the sole person empowered to communicate on behalf of the Board of Directors, in accordance with the principle of collegiality of the Board.

The Chairman shall ensure that Renault's corporate bodies correctly operate, particularly the Board of Directors and its committees. The Chairman shall ensure that directors receive the information they need to fulfil their duties and, more generally, that they are able to take part in the work of the Board of Directors and its committees.

In addition, the Chairman shall also ensure that members of the Board of Directors take part in the Board of Directors' work effectively, with diligence, expertise and loyalty, and that they take the time necessary to address the issues, including strategic issues, concerning Renault, the Group and the Alliance with Nissan and Mitsubishi Motors (the "Alliance").

The Chairman shall ensure that the work of the Board of Directors is well organized, in a manner conducive to constructive discussion and decision-making. The Chairman shall lead the work of the Board of Directors and coordinate its work with that of the committees, which he/she may consult, at any time, on any matter within their competence. In that respect, the Chairman may add any matter he/she deems relevant to the agenda of any meeting of a committee of the Board of Directors. The Chairman may attend, if he/she so wishes, committee meetings, except where his/her personal situation is being discussed. The Chairman shall have access to the committees' work.

<u>Other duties of the Chairman</u>:

The Chairman shall also have the following duties, which he/she shall perform in liaison with the Chief Executive Officer:

- be the contact person of Nissan and Mitsubishi Motors in respect of any discussion regarding the organization and development of the Alliance;
- propose to the Board of Directors any new agreement or alliance that he/she deems useful for Renault's future; and
- subject to applicable laws and regulations, as well as the provisions of the agreements entered into among Alliance members, be selected as Renault's candidate for appointment to the management or administrative bodies of the Alliance and of its members.

The Chairman shall keep the Board of Directors informed of the performance of his/her duties relating to the Alliance and shall make recommendations on any decisions to be taken on this matter.

In all circumstances, the Chairman shall, together with the Chief Executive Officer, work to ensure the development of the Alliance and to strengthen and secure the relations between Renault, Nissan and Mitsubishi Motors.

Finally, the Chairman shall work to ensure that high-quality relations are maintained with Renault shareholders and shall contribute to promoting Renault's values and image among its staff and partners.

The Chairman shall have access to the Company's corporate functions that he/she needs in order to perform his/her duties. The Chairman may ask the Chief Executive Officer for any information that may be useful for the performance of his/her duties, as well as for the work of the Board of Directors or its committees, including regarding the operation, the organization and the development of the Alliance, strategy, financial reporting, major investment and divestment projects and major financial transactions.

JEAN-DOMINIQUE SENARD
Chairman of the Board of Directors
Birth date: 3/7/1953 (66 years old)
Nationality: French
Date of first appointment: January 2019
Start date of current term of office: January 2019
Current term expires: 2023 AGM
Number of registered shares held: 1,700
Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Jean-Dominique Senard graduated from France's HEC business school (Hautes Études Commerciales). He also holds a Master's Degree in Law.

He began his career in various financial and operations positions with Total, from 1979 to 1987, and then with Saint-Gobain from 1987 to 1996.

From 1996 to 2001, he was Chief Financial Officer of Pechiney and a member of its Group Executive Council. He was also head of Pechiney's Primary Aluminum sector until 2004. As a member of Alcan's Executive Committee, he was in charge of integrating Pechiney and served as Chairman of Pechiney SA.

Jean-Dominique Senard joined Michelin in March 2005 as Chief Financial Officer and a member of the Michelin Group Executive Council.

In May 2007, he was appointed as Managing Partner of the Michelin Group.

On May 13, 2011, Jean-Dominique Senard was appointed as Managing General Partner of the Michelin Group alongside Michel Rollier.

Jean-Dominique Senard has been CEO of the Michelin Group since May 2012. He supervises the Executive Committee and the Legal and Digital Activities Corporate Directions.

On January 24, 2019, Jean-Dominique Senard was appointed as Chairman of the Board of Directors of Renault.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Chairman of the Board of Directors of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Chief Executive Officer and General Partner of Michelin (France)

Lead Independent Director and Chairman of the Strategy and CSR Committee of Saint-Gobain (France)

Non-listed companies:

None

Other legal entities:

Chairman of Association Française des Entreprises pour l'Environnement (France)

Co-Chairman of the Agence Auvergne-Rhône-Alpes Entreprises (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Managing Partner of Compagnie Financière	2017

		Michelin SCmA (France)	

	Finance		Senior Executive experience		Automotive industry		International experience		Digital and innovation		Environmental, Social and Governance

Powers of the Chief Executive Officer

Board Charter provisions governing the powers of the Chief Executive Officer

The Chief Executive Officer shall direct the Company's activities. In this respect, the Group's operational and functional departments shall report to the Chief Executive Officer.

The Chief Executive Officer shall have the broadest powers to act under all circumstances on behalf of the Company, subject to legal restrictions and limitations imposed by the articles of association and the provisions of this Board Charter.

The Chief Executive Officer shall represent the Company in its relations with third parties.

The Chief Executive Officer shall be appointed by the Board of Directors. If the Chief Executive Officer is not a director, he/she shall be a permanent guest to the meetings of the Board of Directors. In such capacity, he/she may attend all Board meetings without voting rights. However, he/she shall not participate in discussions relating to his/her term of office or compensation.

	BIOGRAPHY – PROFESSIONAL EXPERIENCE	**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
 **THIERRY BOLLORÉ** **Chief Executive Officer** **Birth date:** 05/30/1963 (56 years old) **Nationality:** French **Date of first appointment:** January 2019 **Number of registered shares**	Thierry Bolloré started his career in 1990 at Michelin, as shop manager in a heavy truck tire factory. In 1993, he became Global Chief of Process and Quality for Heavy Truck factories, prior to taking the head of Method Group for Heavy Truck business units in Europe, South America, Africa and Asia. In 1997, he moved to Japan, as Industrial Assistant at the Ohta passenger car tire factory, and to Thailand in 1998, as Heavy Truck Factory Production Manager, before being appointed Managing Director of Heavy Truck and Aircraft Businesses. He was appointed Vice President in charge of Industry for Michelin	CURRENT OFFICES Offices and functions in Groupe Renault companies: **Listed companies:** Chief Executive Officer of Renault SA (France) Director of AVTOVAZ (Russia) **Non-listed companies:** Chairman of Renault s.a.s. (France) Chairman of the Management Board of

<table>
<tr>
<td rowspan="13">held: 53,152 shares and 116.64 FCPE units
Main areas of expertise and experience: see biography hereafter</td>
<td rowspan="13">Aircraft Business worldwide in 2002.

In 2005 Thierry Bolloré joined Faurecia to become Vice President Asia of Exhaust Systems Product Group, based in China, and then Vice President Worldwide in charge of Marketing, R&D, Programs, Strategy, Business Development. In 2010, he moved to Faurecia Emissions Control Technologies, as Vice President in charge of Europe and South Africa and then was appointed as Vice President Worldwide, in charge of Industry, Quality and Purchasing.

Thierry Bolloré joined Groupe Renault in September 2012. He was appointed Executive Vice President for Manufacturing and Supply Chain in October 2012. In September 2013, he was appointed as Chief Competitive Officer. On February 19, 2018 he was appointed Groupe Renault Chief Operating Officer.

Thierry Bolloré was appointed as Deputy Chief Executive Officer of Groupe Renault on November 20, 2018, then as Chief Executive Officer as of January 24, 2019.</td>
<td colspan="2">Renault Nissan b.v. (Netherlands)

Director of Dongfeng Renault Automotive Company (China)

Director of Renault Brilliance Jinbei Automotive Co. (China)</td>
</tr>
<tr><td colspan="2">Other legal entities:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td colspan="2">Offices and functions in companies outside of Groupe Renault:</td></tr>
<tr><td colspan="2">Listed companies:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td colspan="2">Non-listed companies:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td colspan="2">Other legal entities:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td>OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD</td><td>Term expired</td></tr>
<tr><td>Deputy Chief Executive Officer of Renault SA</td><td>2019</td></tr>
</table>

Limitation on the powers of the Chief Executive Officer

The Board Charter specifies that the Board of Directors is to deliberate on the strategic orientations of the Company once a year, including those relating to the Alliance, as proposed by the Chief Executive Officer. It examines any changes to be made to these orientations and gives its opinion before any major decision that may be deemed not to be consistent with the Company's strategy.

The Board Charter also specifies the following limitation on powers:

Board Charter provisions governing the limitations on the powers of the Chief Executive Officer

The Chief Executive Officer must obtain the authorization of the Board of Directors for any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €250 million.

The Chief Executive Officer must inform the Board of Directors of any external growth transaction and any acquisition or disposal of any ownership in any company, whether existing or to be created, where the amount exceeds €60 million.

The Board of Directors shall determine every year the total amount of sureties (*cautions*), endorsements (*avals*) or guarantees (*garanties*), which the Chief Executive Officer may provide without requesting the Board's specific authorization.

Composition of the Board of Directors

The members of the Board of Directors are appointed by the Annual General Meeting, with the exception of the director designated by the French State pursuant to Article 4 of French Order no. 2014-948 of August 20, 2014 on corporate governance and equity transactions in publicly-owned companies and the directors representing the employees.

The term of office for directors is four years. Pursuant to the recommendations of the AFEP-MEDEF Code, these terms of office are staggered, to avoid them all ending and coming up for renewal at the same time.

> **Board Charter provisions governing the composition of the Board of Directors**
>
> The composition of the Board aims to achieve a balance between professional experience, qualifications, independence and ethics, together with a balanced representation of women and men and diversity in terms of recruitment consistent with the Group's international development.

Board diversity policy

Pursuant to Article L. 225-37-4 of the French Commercial Code, the Board, on the recommendation of the Appointments and Governance Committee, has defined a diversity policy based on its past practices.

The composition of the Board seeks a balance between experience, competence, independence and ethics, all while respecting a balanced representation of women and men and a diversity of recruitment in line with the internationalization of Groupe Renault. More precisely:

- regarding the size of the Board, the number of Board members must allow to reconcile the skills, independence and specificities of Groupe Renault's shareholding;
- regarding gender balance, the Company must comply with the law, the recommendations of the AFEP-MEDEF Code and best market practices;
- diversity is not limited to different nationalities and cultures but extends to the knowledge of foreign markets and of international development challenges;
- in terms of skills, the Company seeks above all the complementarity of skills, profiles and experiences but also their relevance to the Company's strategy and to the challenges it faces;
- in terms of seniority, the Company seeks a balance between experience within the Board and progressive renewal of its composition;
- the Board expects a high level of commitment and ethics from each of its members.

To implement this diversity policy, the Board relies on the annual evaluations of its work. The progressive and planned renewal of the terms of offices makes it possible to anticipate the skills to be renewed or to evolve according to the evolution of the industry and of the markets in which the Company operates.

The progress and results of this diversity policy are as follows:

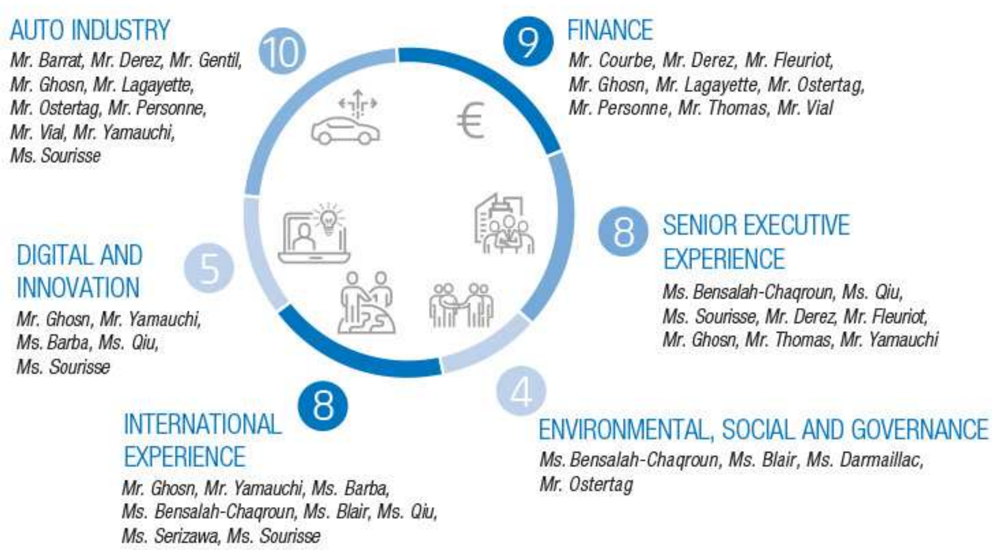
- the number of members of the Board, which exceeds the average number of members in the boards of the CAC 40 companies, is explianed by the significant number of directors elected or designated directly pursuant to the law, the articles of association or agreements entered into with Nissan, and given the will to ensure the presence of a majority of Independent Directors;
- seven women sit on the Board, *i.e.*, 43.7% at the end of the 2018 Annual General Meeting. Two women chair committees of the Board. Two members of the Executive Committee are women. Globally, just under 20% of white-collar employees are women and an action plan is in place to continue to increase the percentage of women in the 250 key positions;
- six different nationalities and a majority of directors who work or have worked abroad or in international groups;
- three directors representing employees and one director representing employee shareholders fully associated in the work of the Board and its committees. Each year, these four directors benefit from a training cycle. They benefit from in-house training provided by Groupe Renault's employees and

training provided by external organizations. This training helps them to exercise their mandate to the fullest, by enabling them to quickly acquire the specific skills of a company director. In addition, their professional background as well as their trade union activity within Groupe Renault gives them a solid knowledge of the Group's organization and activities (see the biographies in"LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS" below). The arrangements for implementing these training courses have long been compliant with the provisions of the French Decree no. 2015-606 of June 3, 2015 on the training of directors representing employees;

- the commitment of its members is reflected in the attendance rate to the Board's and its committees' meetings;
- the renewals and appointments at the Annual General Meeting of June 12, 2019, as well as the changes in the composition of its committees are part of the continuing implementation of this diversity policy of the Board.

With the exception of the directors appointed on the proposal of Nissan and the directors designated by the French State, no contracts or agreements have been concluded with main shareholders, clients, suppliers, or other parties allowing any of these persons or one of their representatives to be selected as a member of the Board or other Senior Management body in the Company, thus mitigating potential or actual conflicts of interest.

MAPPING OF BOARD MEMBERS' SKILLS AT DECEMBER 31, 2018



	Finance: experience in financial sector (banks, accounting, financial market), capital management or risk management; in-depth understanding of financial reporting processes and corporate finance

	Senior Executive experience: experience serving as CEO or senior executive in organization of significant size

	Automotive industry: automotive industry experience; knowledge of Groupe Renault's business and competitive environment

	International experience: extensive relevant experience doing business in multiple geographies and overseeing multinational operations

	Digital and innovation: recent expertise or experience with the development and implementation of technology strategies; experience in companies having a strong technology focus

	Environmental, Social and Governance: experience in managing ESG issues and their relationships to the company's business

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE 2018 FINANCIAL YEAR

Director	Event	Replaced by	Date
Thierry Desmarest	Resignation	Thierry Derez	February 15, 2018
Thierry Derez	Co-opting	-	February 15, 2018 (ratification by the Annual General Meeting of June 15, 2018)
Marc Ladreit de Lacharrière	Term expiry	Pierre Fleuriot	June 15, 2018
Pierre Fleuriot	Appointment	-	June 15, 2018
Catherine Barba	Term renewal	-	June 15, 2018
Carlos Ghosn	Term renewal	-	June 15, 2018
Pascale Sourisse	Term renewal	-	June 15, 2018
Patrick Thomas	Term renewal	-	June 15, 2018
Yasuhiro Yamauchi	Term renewal	-	June 15, 2018
Pascal Faure	Resignation	Thomas Courbe	October 5, 2018
Thomas Courbe	Co-opting	-	October 5, 2018

OVERVIEW OF THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2018

	Personal information				Position on the Board				Participation in Board Committees			
Director	Gender	Age	Nationality	Number of shares	Independence	Initial date of appointment	Term of office expires	Length of service on the Board	CARE	AGC	CC	IISC
Carlos Ghosn	M	64	French-Brazilian	957,394 (as at April 3, 2019)	Chairman and CEO	April 2002	2022 AGM	16 years and 9 months				
Catherine Barba	F	45	French	100	ID	June 2017	2022 AGM	1 year and 7 months		m		m
Frédéric Barrat	M	46	French	194.53 units in an FCPE	DRE	November 2016	November 2020	2 years and 2 months				m
Miriem Bensalah Chaqrou	F	56	Moroccan	250	ID	June 2017	2021 AGM	1 year and 7 months				

n												
Cherie Blair	F	64	British	100	ID	April 2015	2019 AGM	3 years and 9 months	m			
Thomas Courbe	M	46	French	N/A	FSR	October 2018	2021 AGM	3 months				
Marie-Annick Darmaillac	F	64	French	100	ID	June 2017	2021 AGM	1 year and 7 months		m	c	
Thierry Derez	M	61	French	300	ID	February 2018	2020 AGM	11 months				m
Pierre Fleuriot	M	64	French	100	ID	June 2018	2022 AGM	7 months	m			
Richard Gentil	M	50	French	1	DRE	November 2012	November 2020	6 years and 2 months				m
Philippe Lagayette	M	75	French	2,680	ID	May 2007	2019 AGM	11 years and 8 months	c		m	
Benoît Ostertag	M	53	French	152.09 units in an FCPE	DRES	May 2011	2021 AGM	7 years and 8 months	m			m
Éric Personne	M	56	French	100 shares and 151.98 units in an FCPE	DRE	November 2012	November 2020	6 years and 2 months	m		m	
Olivia Qiu	F	52	French-Chinese	800	ID	April 2016	2020 AGM	2 years and 9 months	m			c
Yu Serizawa	F	60	Japanese	100	NR	December 2016	2021 AGM	2 years and 1 month				
Pascale Sourisse	F	56	French	1,000	ID	April 2010	2022 AGM	8 years and 9 months	m			
Patrick Thomas	M	71	French	100	ID	April 2014	2022 AGM	4 years and 9 months		c	m	
Martin Vial	M	64	French	N/A	FSR	September 2015	N/A	3 years and 4 months	m	m		
Yasuhiro Yamauchi	M	62	Japanese	2,785	NR	February 2017	2022 AGM	1 years and 11 months				m

M: Male
F: Female
CARE: Audit, Risks and Ethics Committee
AGC: Appointments and Governance Committee
CC: Compensation Committee
IISC: International and Industrial Strategy Committee
m: Member
c: Chairperson
ID: Independent Director
DRE: Director representing employees
DRES: Director representing employee shareholders
FSR: French State Representative
NR: Nissan representative

AS OF DECEMBER 31, 2018

19
DIRECTORS

58.3	4.4	66.7%[1]	6	7
AVERAGE AGE	YEARS SENIORITY	INDEPENDENT DIRECTORS	NATIONALITIES	WOMEN 2 committee chairs

(1) Excluding the directors representing employees and the director representing employee shareholders.

PARTICIPATION TO THE BOARD AND ITS COMMITTEES [1]

Directors as at December 31, 2018	Board	Audit, Risks and Ethics Committee	Compensation Committee	Appointments and Governance Committee	International and Industrial Strategy Committee
Mr Ghosn	71.43%	-	-	-	-
Mrs Barba	100%	-	-	77.78%	100%
Mr Barrat	100%	-	-	-	100%
Mrs Bensalah Chaqroun	71.43%	-	-	-	66.67%
Mrs Blair	100%	83.33%	-	-	-
Mr Courbe [2]	0%	-	-	-	-
Mrs Darmaillac	100%	-	100%	100%	-
Mr Derez	100%	-	-	-	100%
Mr Fleuriot	100%	100%	-	-	-
Mr Gentil	100%	-	-	-	100%
Mr Lagayette	85.71%	100%	100%	-	-
Mr Ostertag	100%	100%	-	-	100%
Mr Personne	100%	100%	100%	-	-
Mrs Qiu	100%	66.67%	-	-	100%
Mrs Serizawa	85.71%	-	-	-	-
Mrs Sourisse	85.71%	83.33%	-	-	-
Mr Thomas	100%	-	100%	100%	-
Mr Vial	100%	83.33%	-	100%	-
Mr Yamauchi	85.71%	-	-	-	100%

(1) For directors whose term of office on the Board or one of the committees commenced or ended during the 2018 financial year, the attendance rate is calculated based on the time spent in office rather than on the entire financial year.

(2) Director co-opted on October 5, 2018. Due to constraints imposed by his office within the French State Holding Agency, Mr Thomas Courbe was not able to attend the Board meetings held on November 20, 2018 and December 13, 2018.

OVERVIEW OF THE TERMS OF OFFICE OF DIRECTORS

Year of expiry	Director	Method of appointment	Date of first appointment
2019	Mrs Blair * Mr Lagayette *	Director elected by the Annual General Meeting Director elected by the Annual General Meeting	April 2015 May 2007

2020	Mr Barrat Mr Derez * Mr Gentil Mr Personne Mrs Qiu *	Director elected by the employees Director elected by the Annual General Meeting Director elected by the employees Director elected by the employees Director elected by the Annual General Meeting	November 2016 February 2018 November 2012 November 2012 April 2016
2021	Mrs Bensalah Chaqroun * Mr Courbe Mrs Darmaillac * Mr Ostertag Mrs Serizawa	Director elected by the Annual General Meeting Director elected by the Annual General Meeting, proposed by the French State Director elected by the Annual General Meeting Director elected by the Annual General Meeting, proposed by the employee shareholders Director elected by the Annual General Meeting, proposed by Nissan	June 2017 October 2018 June 2017 May 2011 December 2016
2022	Mrs Barba * Mr Fleuriot * Mr Ghosn (1) Mrs Sourisse * Mr Thomas * Mr Yamauchi	Director elected by the Annual General Meeting Director elected by the Annual General Meeting Director elected by the Annual General Meeting Director elected by the Annual General Meeting Director elected by the Annual General Meeting Director elected by the Annual General Meeting, proposed by Nissan	June 2017 June 2018 April 2002 April 2010 April 2014 February 2017
N/A	Mr Vial	Director designated by the French State	September 2015

** Independent Director.*
(1) Renault Board of Directors, during its meeting held on April 3, 2019, acknowledged the decision of Mr Carlos Ghosn to resign from his office as director on the date of the Annual General Meeting ruling on the financial statements for the 2018 financial year, scheduled for June 12, 2019.

List of offices and functions exercised by the directors

Directors as at May 31, 2019

The number of male/female directors and the percentage of female members.
Number of male members: 13
Number of female members: 7 (percentage of female members: 41.2% in accordance with the AFEP-MEDEF Corporate governance code of the listed corporations)

The Directors' titles, names, dates of birth, principal brief personal histories, terms of office and class and number of Renault shares owned are as follows:

The main office or function exercised by a director is underlined.

JEAN-DOMINIQUE SENARD

Chairman of the Board of Directors

Birth date: 3/7/1953 (66 years old)

Nationality: French

Date of first appointment: January 2019

Start date of current term of office: January 2019

Current term expires: 2023 AGM

Number of registered shares held: 1,700

Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Jean-Dominique Senard graduated from France's HEC business school (Hautes Études Commerciales). He also holds a Master's Degree in Law.

He began his career in various financial and operations positions with Total, from 1979 to 1987, and then with Saint-Gobain from 1987 to 1996.

From 1996 to 2001, he was Chief Financial Officer of Pechiney and a member of its Group Executive Council. He was also head of Pechiney's Primary Aluminum sector until 2004. As a member of Alcan's Executive Committee, he was in charge of integrating Pechiney and served as Chairman of Pechiney SA.

Jean-Dominique Senard joined Michelin in March 2005 as Chief Financial Officer and a member of the Michelin Group Executive Council.

In May 2007, he was appointed as Managing Partner of the Michelin Group.

On May 13, 2011, Jean-Dominique Senard was appointed as Managing General Partner of the Michelin Group alongside Michel Rollier.

Jean-Dominique Senard has been CEO of the Michelin Group since May 2012. He supervises the Executive Committee and the Legal and Digital Activities Corporate Directions.

On January 24, 2019, Jean-Dominique Senard was appointed as Chairman of

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Chairman of the Board of Directors of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Chief Executive Officer and General Partner of Michelin (France)

Lead Independent Director and Chairman of the Strategy and CSR Committee of Saint-Gobain (France)

Non-listed companies:

None

Other legal entities:

Chairman of Association Française des Entreprises pour l'Environnement (France)

Co-Chairman of the Agence Auvergne-Rhône-Alpes Entreprises (France)

OFFICES IN OTHER COMPANIES IN THE PAST	**Term**

	the Board of Directors of Renault.	FIVE YEARS NO LONGER HELD	**expired**
		Managing Partner of Compagnie Financière Michelin SCmA (France)	2017

CATHERINE BARBA
Independent Director
Birth date: 02/28/1973 (46 years old)
Nationality: French
Date of first appointment: June 2017
Start date of current term of office: June 2018
Current term expires: 2022 AGM
Number of registered shares held: 100
Main areas of expertise and experience: see biography hereafter
Skills:

Member of the Appointments and Governance Committee

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Entrepreneur, e-commerce pioneer, expert in retail digital transformation, Catherine Barba is one of the most active female business angels in France and committed to the promotion of diversity for years.

A graduate of ESCP Europe, she created and sold several e-commerce companies. She has been living in New York since 2015, where she created PEPS Lab to help retail brands accelerate their transformation. She is also the author of several reference books about the future of retail, including “Stores are not dead”.

Catherine Barba invests in and serves on the board of directors of successful tech start-ups, including Retency (analytics in store), Reech (influencer marketing), Popshop (next generation of e-commerce), Euveka (CES 2018 Innovation Awards Honoree for mannequin technology), Cargo (in-car commerce) and Showfields (next generation of physical stores).

She was awarded with many distinctions among which that of “Femme en Or” in 2011, “Alumni of the Year” of ESCP Europe in 2012, Women of economic influence in France in 2014, the "Inspiring Fifty" prize in 2015 and 2016 which rewards

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES
CURRENT OFFICES
Offices and functions in Groupe Renault companies:
Listed companies:
Director of Renault SA (France)
Non-listed companies:
Director of Renault s.a.s. (France)
Other legal entities:
None
Offices and functions in companies outside of Groupe Renault:
Listed companies:
None
Non-listed companies:
Chairwoman of CB Group (SAS, France) Member of the Supervisory Board of ETAM (France) Director of Euveka (France) Director of Popshop Live (United States) Director of Reech (France) Director of RelevanC (France)
Other legal entities:
None

the 50 most inspiring women of the digital ecosystem in Europe. Catherine Barba is a Director of Etam, Knight of the French National Order of Merit and Knight of the National Order of the Legion of Honor.

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Leetchi (France)	2015
Director of MangoPay (France)	2015
Director of So Shape (France)	2016
Director of Electronic Business Group (France)	2016

FRÉDÉRIC BARRAT

Director elected by employees

Birth date: 09/05/1972 (46 years old)

Nationality: French

Date of first appointment: November 2016

Start date of current term of office: November 2016

Current term expires: November 2020

Number of registered shares held: 194.53 units in an FCPE mutual fund

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Holder of a BTS in automated manufacturing, Frédéric Barrat joined Renault in 1995 as an assessment and reception leader at the prototype manufacturing center in Guyancourt, the leading operating segment of the Guyancourt Technocentre. In December 1999, he joined the Quality department. His initial role was a quality assessment technician for new product launches, and he later went on to become a quality manager for the C and D-segments. During this time, he notably led the quality assessment of the SCENIC II, the first Renault vehicle to be assessed using the new Renault-Nissan Alliance (AVES) rating guidelines.

Since March 2005, he has worked on the Special Requirements operation (vehicle images), where he initially coordinated trial and preparation missions. His current role is leader of processes and planning for Special Requirements.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

MIRIEM BENSALAH CHAQROUN

Independent Director

Birth date: 11/14/1962 (56 years old)

Nationality: Moroccan

Date of first appointment: June 2017

Start date of current term of office: June 2017

Current term expires: 2021 AGM

Number of registered shares held: 250

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of an MBA in International Management and Finance from the University of Dallas, Texas (USA), Miriem Bensalah Chaqroun held various positions within the Société Marocaine de Dépôt et de Crédit from 1986 to 1989 before joining the Holmarcom Group (her family holding company, among the top five industrial and financial groups in Morocco) in 1989. Since then, she has been Group Director and Vice-President and Chief Executive Officer of Les Eaux Minérales d'Oulmès.

As part of her professional activities, Miriem Bensalah Chaqroun is also Chairman of the Board of Orangina Morocco and Chief Executive Officer of Oulmès Drinks Development.

From 2012 to 2018, she was President of the Confédération Générale des Entreprises du Maroc, the Moroccan employers' association.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Vice-President and Chief Executive Officer of Les Eaux Minérales d'Oulmès (Morocco)

Director of Suez (France)

Non-listed companies:

Director of Holmarcom (Morocco)

Miriem Bensalah Chaqroun holds several offices with non-listed subsidiaries and/or participations of Les Eaux Minérales d'Oulmès. For the sake of clarity, not all of these offices are listed here.

Other legal entities:

Member of the Board and Chairman of the Audit Committee of Bank Al Maghrib (Central Bank of Morocco, Morocco)

Director of Al Akhawayn University (Morocco)

Chairman of the Centre Euro-Méditerranéen d'Arbitrage (Morocco)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER	**Term**

		HELD	expired
		Director of Eutelsat (France) Chairman of the Confédération Générale des Entreprises du Maroc (Morocco)	2017 2018

CHERIE BLAIR
Independent Director
Birth date: 09/23/1954 (64 years old)
Nationality: British
Date of first appointment: April 2015
Start date of current term of office: April 2015
Current term expires: 2019 AGM
Number of registered shares held: 100
Main areas of expertise and experience: see biography hereafter
Skills:

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

CBE, QC, Cherie Blair is as a leading barrister, specializing in human rights and international law. She was appointed as Queen's Counsel in 1995.

Founder and Chair of Omnia Strategy LLP, she advises both governments and international corporations on how to sustain and improve strong human rights standards.

As a supporter of the United Nations Global Compact, she also advises businesses on implementing the UN Guiding Principles on Business and Human Rights and works to develop and strengthen corporate social responsibility practices.

With over 35 years of experience as a leading barrister, she has represented over 30 governments as well as numerous multinational corporations in international disputes. She is also an adviser to the B Team, a not-for-profit initiative formed by a group of global leaders, "to create a future where the purpose of business is to be a driving force for social, environmental and economic benefit".

Cherie Blair is Chancellor Emeritus and Honorary Fellow of Liverpool John Moores University; Governor Emeritus and Honorary Fellow of LSE and the Open University (D. Univ. Open 1999); LLD (Hons) University of Liverpool (2003); Hon.D.Lit UMIST (2003); Doctor of Law (University of Westminster). She

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Director of Dangote Cement Plc. (Nigeria)

Non-listed companies:

Founder and Chair, Omnia Strategy LLP, London (United Kingdom)

Other legal entities:

Founder, Cherie Blair Foundation for Women (United Kingdom)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

is also the founder of the Cherie Blair Foundation for Women, which runs programs to support women entrepreneurs across the developing world, including Africa.

THOMAS COURBE
Director representing the French State
Birth date: 10/03/1972 (46 years old)
Nationality: French
Date of first appointment: October 2018
Start date of current term of office: October 2018
Current term expires: 2021 AGM
Number of registered shares held: N/A
Main areas of expertise and experience: see biography hereafter
Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Thomas Courbe is Ingénieur général de l’Armement and a graduate of the École Supérieure de l’Aéronautique et de l’Espace (SUPAERO).

He began his career in 1995 at the Ministry of Defense as head of fighter aircraft programs then Chief of Staff of the Director of aircraft programs.

He joined the Directorate General of the Treasury in 2002 where he was successively deputy head of the Asia office, head of the Africa -Maghreb office, head of the aeronautical, military and naval business office, Secretary General of the Paris Club and then Deputy Director of bilateral economic relations.

In 2010, he was appointed Chief of Staff of the State Secretary in charge of Foreign Trade (Pierre Lellouche) and Deputy Chief of Staff of the French Minister of Economy, Finance and Industry (Christine Lagarde and then François Baroin).

In 2012, he returned to the Treasury department where he served as Secretary General, then Deputy Director General from 2015 to 2018.

In August 2018, Thomas Courbe was appointed Director General for Entreprises.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Censor of Orano SA (France)

Non-listed companies:

Government Representative on the Board of La Poste (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Director of Dexia SA (France)	2018
Director of Dexia Crédit Local (France)	2018

Chairwoman of the Compensation Committee

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

MARIE-ANNICK DARMAILLAC

Independent Director

Birth date: 11/24/1954 (64 years old)

Nationality: French

Date of first appointment: June 2017

Start date of current term of office: June 2017

Current term expires: 2021 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the Appointments and Governance Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A magistrate by training, Marie-Annick Darmaillac successively held the positions of judge at the Versailles Court and bureau head at the DGCCRF (the French Directorate-General for Competition, Consumer Affairs and Prevention of Fraud). She was subsequently Deputy Director of Continuing Education at the École Nationale de la Magistrature and Technical Advisor to the French Ministry of Justice.

Marie-Annick Darmaillac also held the position of Deputy of the Mediator of the French Republic, before being appointed Secretary General of the Public Prosecutor’s Office of the Court of Appeal of Paris and Deputy-prefect of the City of Paris until October 2005. She then joined the Bolloré group, where, as Deputy General Secretary, she was responsible in particular for oversight of the management of the Group’s major talents as well as ethical and sustainable development issues.

In October 2015, Marie-Annick Darmaillac became Director of Internal Talent Promotion and Development for the Canal+ group.

In January 2017, she joined Vivendi as Corporate Social Responsibility (CSR) Director.

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Permanent Representative of Financière V on the Board of Bolloré (France)

Permanent Representative of Financière V on the Board of Financière de l’Odet (France)

Permanent Representative of Socfrance on the Board of Société Industrielle et Financière de l’Artois (France)

Permanent Representative of the Société des Chemins de Fer & Tramways du Var et du Gard on the Board of Financière Moncey (France)

Non-listed companies:

President of the Société Immobilière Mount Vernon (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
None	

Member of the International and

OFFICES AND OTHER FUNCTIONS

THIERRY DEREZ
Independent Director
Birth date: 02/18/1957 (62 years old)
Nationality: French
Date of first appointment: February 2018
Start date of current term of office: February 2018
Current term expires: 2020 AGM
Number of registered shares held: 300
Main areas of expertise and experience: see biography hereafter
Skills:

Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Admitted to the Paris Bar before joining the insurance group AM-GMF in 1995, first as Deputy Chief Executive Officer of GMF and then as Chairman and Chief Executive Officer of Assurances Mutuelles de France and of GMF in 2001, Thierry Derez was appointed Chairman and Chief Executive Officer of the AZUR-GMF group in September 2003.

He is currently Chairman of the Board of Directors of Assurances Mutuelles de France, of GMF Assurances and Chairman and Chief Executive Officer of Garantie Mutuelle des Fonctionnaires (GMF).

He was appointed as Director of MAAF Assurances in November 2004 and became its Chairman and Chief Executive Officer in June 2005.

Since June 2007, he has been the Chairman of the Board of Directors of MMA IARD Assurances Mutuelles, MMA IARD, MMA Vie Assurances Mutuelles and MMA Vie. Since 2008, he has been Chairman and Chief Executive Officer of Covéa.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

Chairman and Chief Executive Officer of Covéa (SGAM) (France)

Thierry Derez holds numerous offices in non-listed subsidiaries and/or participations of Covéa. For the sake of clarity, not all of these offices are listed here.

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Director of Scor SE (France)	2018

Thierry Derez has held numerous offices in subsidiaries of Covéa. For the sake of clarity, not all of these offices are listed here.

Member of the Audit, Risks and Ethics Committee

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

PIERRE FLEURIOT
Independent Director
Birth date: 01/31/1954 (65 years old)
Nationality: French
Date of first appointment: June 2018
Start date of current term of office: June 2018
Current term expires: 2022 AGM
Number of registered shares held: 100
Main areas of expertise and experience: see biography hereafter
Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of the Institut d'Études Politiques de Paris, Masters' degree in Law and alumni of the École Nationale d'Administration, Pierre Fleuriot started his career as financial auditor, then became general manager of the Commission des Opérations de Bourse.

In 1997 he joined ABN AMRO, where he held various positions and lastly served as Senior Executive Vice-President of ABN AMRO and Vice-President of Wholesale Clients.

In 2009 he became Chief Executive Officer of Credit Suisse France, in charge of the Investment Banking, Private Banking and Asset Management for France, Belgium and Luxembourg.

Following his departure from the management of Credit Suisse France in 2016, he founded PCF Conseil & Investissement, a consulting firm of which he is the Chairman.

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

Chairman of PCF Conseil & Investissement (France)

Director and Chairman of the Governance, Appointments and Remuneration Committee of the Casablanca Stock Exchange (Morocco)

Other legal entities:

Chairman of Cercle de l'Orchestre de Paris (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Chief Executive Officer of Credit Suisse France (France)	2016

RICHARD

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Richard Gentil was hired as a maintenance technician at the

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

GENTIL **Director elected by employees** **Birth date:** 04/29/1968 (51 years old) **Nationality:** French **Date of first appointment:** November 2012 **Start date of current term of office:** November 2016 **Current term expires:** November 2020 **Number of registered shares held:** 1 **Main areas of expertise and experience:** see biography hereafter **Skills:**	Fonderie (foundry) in 1988. He specializes in hydraulics, pneumatics and gas for the whole foundry. Holding electro-technical and electro-mechanical vocational certificates (BEP and CAP) and a Baccalauréat in the maintenance of Automated Mechanical Systems, he speaks and writes English fluently. He is a member of the Solidarity Committee of the Works Council of Renault Cléon.	**Listed companies:** Director of Renault SA (France) **Non-listed companies:** Director of Renault s.a.s. (France) **Other legal entities:** None Offices and functions in companies outside of Groupe Renault: **Listed companies:** None **Non-listed companies:** None **Other legal entities:** None OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD — **Term expired** None

 **CARLOS GHOSN** **Chairman of the Board of Directors** (until January 23, 2019) Director (until the 2019 AGM) **Birth date:** 03/09/1954 (65 years old) **Nationality:** French-Lebanese-Brazilian **Date of first appointment:** April 2002	**BIOGRAPHY – PROFESSIONAL EXPERIENCE** Born in March 1954, Carlos Ghosn is a graduate of the École Polytechnique and the École des Mines in Paris. He joined Michelin in 1978 as Manager of the Le Puy plant in France. Then he led Michelin South America's business operations based in Brazil. In 1989 he became Chairman and Chief Executive Officer of Michelin North America. Carlos Ghosn joined Renault in 1996 as Deputy Chief Executive Officer. In addition to overseeing Renault's operations in the Mercosur, he was also responsible	**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES** CURRENT OFFICES Offices and functions in Groupe Renault companies: **Listed companies:** Chairman and Chief Executive Officer of Renault SA (France), until January 23, 2019 Director of Renault SA (France), until June 12, 2019 **Non-listed companies:** Director of Renault s.a.s. (France)

Start date of current term of office: June 2018 **Current term expires:** 2022 AGM **Number of registered shares held:** 957,394 (as of April 3, 2019) **Main areas of expertise and experience:** see biography hereafter **Skills:** 	for research, engineering and Automotive development, manufacturing, powertrain operations and purchasing. In 1999, he became the Chief Executive Officer of Nissan Motor Co., Ltd. He was appointed as Chairman and Chief Executive Officer in 2001. As well as being Chief Executive Officer of the Group since May 2005, he was still the Chairman and CEO of Nissan Motor Co., Ltd. He was appointed as Renault's Chairman and Chief Executive Officer in 2009 (reappointed in 2014 and 2018). He left his position as Chief Executive Officer of Nissan Motor Co., Ltd on April 1, 2017, while keeping his office as Chairman of the Board of Directors until November 2018. He also served as Chairman of the Board of Directors of Mitsubishi Motors from December 2016 to November 2018. On January 23, 2019, he resigned as Chairman and Chief Executive Officer of Groupe Renault. Then by letter dated April 2, 2019, he also resigned from his office as director of Renault SA as of the Annual General Meeting of June 12, 2019. Carlos Ghosn was also Chairman of the Board of Directors of Russian manufacturer AVTOVAZ from 2013 to 2016. Finally, he is a member of the International Advisory Council of Beijing's Tsinghua University, and a member of the Strategic Council for Beirut's Saint-Joseph University.	Chairman of Mobiliz Invest (France) President of the Management Board of Renault-Nissan b.v. (Netherlands), until February 1, 2019, and member of the Management Board until February 28, 2019 Member of the Management Board of Nissan-Mitsubishi b.v. (Netherlands) Chairman of the Management Board of Alliance Rostec Auto b.v. (Netherlands) Chairman of the Board of Directors of Renault do Brasil (Brazil) Member of the Supervisory Board of Alliance Ventures B.V. (Netherlands) **Other legal entities:** None. Offices and functions in companies outside of Groupe Renault: **Listed companies:** Member of the Board of Directors of Nissan Motor Co., Ltd. (Japan), until April 8, 2019 Member of the Board of Directors of Mitsubishi Motors Corporation (Japan) **Non-listed companies:** Member of the Board of Directors of Saradar Bank (Lebanon) Member of the Board of Directors of Wines of Lebanon SAL (Lebanon), Cedrar SAL (Lebanon), SGI Holding SAL (Lebanon), Adonis GB Holding SAL (Lebanon) **Other legal entities:** Director of Association des Constructeurs Européens d'Automobiles (Belgium) Member of the International Advisory Council of Beijing's Tsinghua

		University (China) Member of the Strategic Council for Beirut's Saint Joseph University (Lebanon)	
		OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
		Chairman of the Board of Directors of AVTOVAZ (Russia)	2016
		Chief Executive Officer of Nissan Motor Co., Ltd. (Japan)	2017
		Chairman of the Board of Directors of Nissan Motor Co., Ltd. (Japan)	2018
		Chairman of the Board of Directors of Mitsubishi Motors Corporation (Japan)	2018
		Chairman of the Fondation d'entreprise Groupe Renault (France)	2018

 **PHILIPPE LAGAYETTE** **Independent Director** **Birth date:** 06/16/1943 (75 years old) **Nationality:** French **Date of first appointment:** May 2007 **Start date of current term of office:** April 2015 **Current term expires:** 2019 AGM **Number of**	**Lead Independent Director** **Chairman of the Audit, Risks and Ethics Committee** **Member of the Compensation Committee** **BIOGRAPHY – PROFESSIONAL EXPERIENCE** Philippe Lagayette is a graduate of the École Polytechnique and the École Nationale d'Administration (ENA). He began his career in 1970 in the General Inspectorate of Finance. In 1974, he joined the Treasury department at the French Ministry of Economy and Finance, and was promoted to Deputy Director in 1980. He was appointed Chief of Staff at the Ministry of Economy and Finance in 1981, before moving to the Banque de	**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
		CURRENT OFFICES
		Offices and functions in Groupe Renault companies:
		Listed companies:
		Director of Renault SA (France)
		Non-listed companies:
		Director of Renault s.a.s. (France)
		Other legal entities:
		None
		Offices and functions in companies outside of Groupe Renault:
		Listed companies:

registered shares held: 2,680
Main areas of expertise and experience: see biography hereafter
Skills:

France as Deputy Governor in 1984. In 1992, Philippe Lagayette was appointed Chief Executive Officer of Caisse des Dépôts et Consignations, a post he held until December 1997.

He headed JP Morgan's activities in France from 1998 to August 2008 and then became Vice-Chairman for the EMEA Region until January 2010.

He was a Senior Advisor for Barclays in France from 2011 to 2016.

Mr Lagayette is a Commander of the French Legion of Honor (*Commandeur de la Légion d'Honneur*) and Grand Officer of the French Order of Merit (*Grand Officier de l'Ordre du Mérite*).

None

Non-listed companies:

Chairman of PL Conseils (France)

Director of Fimalac (France)

Other legal entities:

Honorary Chairman of the Fondation de France (France)

Chairman of the Fondation de Coopération

Scientifique for Alzheimer's research (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Kering (formerly PPR) (France)	2016

BENOÎT OSTERTAG
Director elected upon proposal of the employee shareholders
Birth date: 08/02/1965 (53 years old)
Nationality: French
Date of first appointment: May 2011
Start date of current term of office: June 2017
Current term expires: 2021 AGM
Number of registered shares held: 152.09 units in

Member of the Audit, Risks and Ethics Committee

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

A graduate of the école Centrale de Paris, Benoît Ostertag started his engineering career at Renault in 1990.

He then worked as a project manager and team leader in mechanical engineering at the Lardy and Rueil sites. He currently works in the Quality department at the Guyancourt Technocentre supporting various Renault engineering projects worldwide.

Meanwhile, he has served as a CFDT trade union representative on the Works Council since 1996 and on the Renault Central Works Council from 2006 to 2011. Through his professional and trade union career, he

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

an FCPE mutual fund
Main areas of expertise and experience: see biography hereafter
Skills:

has acquired extensive knowledge of Renault, both in France and abroad.

Since 2012, he has been the Chairman of the Supervisory Board of the FCPE Actions Renault, a savings plan for employee shareholders.

Since 2015, he has also been the Chairman of the Supervisory Board of the FCPE Renault Mobiliz solidaire, a solidarity-based savings plan for Renault employees based on socially responsible funds. He has represented employee shareholders on Groupe Renault's Board of Directors since May 2011. Convinced that Renault's performance and sustainability are indissociable from Corporate Social Responsibility (CSR), he has long been developing and sharing his CSR expertise.

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
None	

ÉRIC PERSONNE
Director elected by employees
Birth date: 10/14/1962 (56 years old)
Nationality: French
Date of first appointment: November 2012
Start date of current term of office: November 2016
Current term expires: November 2020
Number of registered shares held: 100 shares and 151.98 units in an FCPE mutual fund
Main areas of expertise and

Member of the Compensation Committee

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

After starting his career as a photographer, Éric Personne became a Renault dealer in 1988 and led a 15-member team selling 250 vehicles per year. In 2002 he joined the Renault Retail Group where he performed a number of roles including head of after-sales and head of ISO certification.

Since 2007, Éric Personne has been responsible for commercial and quality reporting for Renault Retail Group. From 2005 to 2012, he served as a CFE-CGC representative on the Renault Works Council, and has built up more than 30 years of experience in employer and employee industrial action in his various professional circles.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

experience: see biography hereafter
Skills:

Director of *Institut Français des Administrateurs* (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
None	

OLIVIA RONGHONG QI U
Independent Director
Birth date: 08/19/1966 (52 years old)
Nationality: French, Chinese
Date of first appointment: April 2016
Start date of current term of office: April 2016
Current term expires: 2020 AGM
Number of registered shares held: 800
Main areas of expertise and experience: see biography hereafter
Skills:

Chairwoman of the International and Industrial Strategy Committee

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Olivia Qiu graduated from University of Electronic Science and Technology of China (UESTC) with a degree in BS, Electronic Engineering. She obtained her Ph.D. in Management Science from the École Supérieure des Affaires de Grenoble.

In 1987, Olivia Qiu became an engineer responsible for military radar design then for research and development at the China Chengdu Design Institute No. 784.

She joined Alcatel in 1997 as a project manager responsible for negotiating three joint-ventures for Alcatel China Cable Sector. In 1998, she was appointed Sales Director of the Alcatel China East Region then, in 2000, Commercial Operations Director. In 2002, she became Marketing and 3G Operations Vice President for Alcatel Shanghai Bell, and from 2004 to 2005, Asia-Pacific Region Vice President of Business Development for Alcatel Asia Pacific Region.

In 2005, she became Vice

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	Term expired
Director of Saint-Gobain SA (France)	2017

Olivia Qiu has held numerous offices with subsidiaries of Alcatel-Lucent. For the sake of clarity, these offices are not listed here.

President of Sales, Marketing, Technical Solutions and Service Implementation at Alcatel China. In 2008, she was appointed Regional President for Alcatel-Lucent East Asia Region as well as Chief Executive Officer of Alcatel-Lucent Shanghai Bell.

Olivia Qiu was the Global Head of “Strategic Industries Business Group” at Alcatel-Lucent until 2013.

She is currently <u>Chief Innovation Officer at Philips Lighting, renamed Signify.</u>

YU SERIZAWA

Director appointed upon proposal of Nissan

Birth date: 07/25/1958 (60 years old)

Nationality: Japanese

Date of first appointment: December 2016

Start date of current term of office: December 2016

Current term expires: 2021 AGM

Number of registered shares held: 100

Main areas of expertise and experience: see biography hereafter

Skills:

BIOGRAPHY – PROFESSIONAL EXPERIENCE

After a short career as economist and financial analyst at Crédit Lyonnais (Tokyo Branch and Paris head office), Yu Serizawa was involved in the creation of InfoPlus Incorporated in 1985, and then founded Forma Corporation in 1992.

She advises numerous multinational companies in cross-cultural adaptation. She also advises a number of institutional investors.

Yu Serizawa was Senior Advisor for Japan to the World Economic Forum between 1990 and 2005.

Since 2000, she has also been a Senior Advisor to the President of Mori Building Company Limited.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

None

Non-listed companies:

<u>President and Chief Executive Officer of Forma Corporation</u> (Japan)

Advisor to the President of Mori Building Company, Limited (Japan)

Other legal entities:

Director General for International Affairs, Science and Technology in Society (STS) Forum (non-profit organization, Japan)

Director of the Japanese Committee of Honour of the Royal Academy of Arts in London (United Kingdom)

Auditor for Daisen-In Temple, Daitokuji (Japan)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Secretary General for International Affairs, Science and Technology in Society Forum (Japan)	2013

PASCALE SOURISSE
Independent Director
Birth date: 03/07/1962
(57 years old)
Nationality: French
Date of first appointment: April 2010
Start date of current term of office: June 2018
Current term expires: 2022 AGM
Number of registered shares held: 1,000
Main areas of expertise and experience: see biography hereafter
Skills:

Member of the Audit, Risks and Ethics Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Graduate of the École Polytechnique and the École Nationale Supérieure des Télécommunications (ENST), Pascale Sourrisse began her career holding management positions within France Télécom, Jeumont-Schneider and Compagnie Générale des Eaux, as well as with the French Ministry of Industry. In 2001 she became President and Chief Executive Officer of Alcatel Space and then of Alcatel Alenia Space in 2005.

In 2007, she was appointed Assistant Chief Executive Officer of Thales, a member of the Executive Committee, responsible for the Space division and Chairman and Chief Executive Officer of Thales Alenia Space. In 2008, she was appointed Senior Vice-President and Chief Executive Officer of Thales’ Land & Joint Systems division and in February 2010, became Senior Vice-Chairwoman of the Defense & Security C4I Systems division. Since 2012 she has also served as Chairwoman and Chief

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Director, member of the Appointments and Governance Committee and the Compensation Committee of Vinci (France)

Non-listed companies:

Chairwoman of Thales International SAS (France)

Executive Officer of Thales Communications & Security, and President of Thales Services.

Since February 2013, she has been Senior Executive Vice-President of International Development for the Thales Group.

Pascale Sourisse is an Officer of the French Legion of Honor (*Officier de la Légion d'Honneur*) and Commander of the French Order of Merit (*Commandeur de l'Ordre du Mérite*).

Chairwoman of Thales Europe SAS (France)

Permanent Representative of Thales in its capacity of Director of ODAS (France)

Member of the ODAS Compensation Commission (France)

Other legal entities:

Member of the National Academy of Technology (France)

Member of the Board of Directors of the École Polytechnique (France)

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Permanent Representative of Thales in its capacity as Director of SOFRESA (France)	2015
Director of the Agence Nationale de la Recherche (France)	2016
Président of Conseil d'École de Télécom Paris Tech (France)	2017
Director of the Agence Nationale des Fréquences (France)	2017
Director, member of the Audit and Ethics Committee of Areva SA (France)	2017

Pascale Sourisse has held numerous offices with subsidiaries of Thales and Australian Defence Industries. For the sake of clarity, not all of these offices are listed here.

PATRICK THOMAS
Independent

Chairman of the Appointments and Governance Committee

Member of the Compensation Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

After graduating from the École

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

<table>
<tr><td rowspan="14">Director
Birth date:
06/16/1947
(71 years old)
Nationality: French
Date of first appointment:
April 2014
Start date of current term of office:
June 2018
Current term expires: 2022 AGM
Number of registered shares held: 100
Main areas of expertise and experience: see biography hereafter
Skills:

</td><td rowspan="14">Supérieure de Commerce de Paris (ESCP), Patrick Thomas chaired the Lancaster group from 1997 to 2000, and from 2000 to 2003 served as Chairman and Chief Executive Officer of the British company William Grant & Sons.

Patrick Thomas served as Chief Executive Officer of Hermès International from 1989 to 1997. On July 15, 2003 he rejoined the Hermès group as Chief Executive Officer of Hermès International before being appointed manager, a role which he performed from September 15, 2004 until his retirement on January 31, 2014.</td><td colspan="2">Director of Renault SA (France)</td></tr>
<tr><td colspan="2">Non-listed companies:</td></tr>
<tr><td colspan="2">Director of Renault s.a.s. (France)</td></tr>
<tr><td colspan="2">Other legal entities:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td colspan="2">Offices and functions in companies outside of Groupe Renault:</td></tr>
<tr><td colspan="2">Listed companies:</td></tr>
<tr><td colspan="2">Lead Independent Director of Teleperformance SE (France)

Vice-Chairman of the Supervisory Board and Chairman of the Compensation and Corporate Governance Committee of Laurent Perrier (France)</td></tr>
<tr><td colspan="2">Non-listed companies:</td></tr>
<tr><td colspan="2">Member of the Supervisory Board of Leica Camera AG (Germany)

Member of the Supervisory Board of Château Palmer (France)

Chairman of the Supervisory Committee, of the Investments Committee and of the Compensation Committee of Ardian Holding (France)

Vice-Chairman of the Supervisory Board of Massilly Holding (France)

Chairman of the Board and Director of Shang Xia Trading (Shanghai)

Chairman and Director of Full More Group (Hong Kong)</td></tr>
<tr><td colspan="2">Other legal entities:</td></tr>
<tr><td colspan="2">None</td></tr>
<tr><td>OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD</td><td>Term expired</td></tr>
<tr><td colspan="2">Patrick Thomas has held numerous offices within the Hermès group's subsidiaries. For the sake of clarity, not all of these offices are listed here.</td></tr>
</table>

MARTIN VIAL

Director designated by the French State

Birth date: 02/08/1954 (65 years old)

Nationality: French

Date of first appointment: September 2015

Start date of current term of office: September 2015

Current term expires: N/A

Number of registered shares held: N/A

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the Audit, Risks and Ethics Committee

Member of the Appointments and Governance Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

After graduating from the École Supérieure des Sciences Économiques et Commerciales (ESSEC) and the École Nationale Supérieure des Postes et Télécommunications, Martin Vial began his career as Director of PTT (French administration for postal services and telecommunications) within the Finance department of the Direction Générale des Postes.

In 1986 he joined the Treasury department at the French Ministry for the Economy and Finance. He assumed a series of positions between 1988 and 1993, including Technical Advisor, Deputy Chief of Staff and Chief of Staff of the Ministry of Postal Services, Telecommunications and Space, the Ministry of Infrastructure, Housing and Transport, and finally the Ministry of Postal Services and Telecommunications.

In 1993, Martin Vial was appointed Chairman and Chief Executive Officer of Aéropostale and was elected Chairman of the CSTA (French air transport association) and the FNAM (Fédération Nationale de l'Aviation Marchande).

At the end of 1997, he became Chief Executive Officer of La Poste group. In September 2000, he was appointed both Chairman of La Poste group and Vice-President of the Caisse Nationale de Prévoyance (CNP). Martin Vial joined the Cour des Comptes in September 2002 as a *Conseiller Maître*.

From 2003 to 2014, he was Chief Executive Officer of the Europ Assistance group, the world leader in

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Director and member of the Strategy Committee and of the Appointments and Compensation Committee of EDF (France)

Non-listed companies:

Director of Bpifrance SA (France)

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**
Director of Homair vacances (France)	2014
Director of Business Solutions Capital (France)	2014
Director of Europ Assistance South Africa, Germany, China, Spain, Italy, Portugal	2014
Chairman of Europ Assistance Brazil, Belgium, France, UK, USA	2014
	2014
Director and Chief Executive Officer of Europ Assistance	2017

	care services, and Director and Chief Executive Officer of Europ Assistance Holding. He also chairs several boards of directors for the companies of this group. In January 2015 he founded Premium Care, a care company for the elderly. He has been Commissioner for the French State Holdings (*Commissaire aux Participations de l'État*) since August 2015.	Holding Director and member of the Strategy Committee and of the Governance and Appointments of Thales	

YASUHIRO YAMAUCHI

Director appointed upon proposal of Nissan

Birth date: 02/02/1956 (63 years old)

Nationality: Japanese

Date of first appointment: February 2017

Start date of current term of office: June 2018

Current term expires: 2022 AGM

Number of registered shares held: 10,385

Main areas of expertise and experience: see biography hereafter

Skills:

Member of the International and Industrial Strategy Committee

BIOGRAPHY – PROFESSIONAL EXPERIENCE

Yasuhiro Yamauchi holds a degree in Social Sciences from the International Christian University, College of Liberal Arts. He joined Nissan Motor Co., Ltd. in 1981, where he held various management positions in the Purchasing department, as well as in Renault-Nissan Purchasing Organization (RNPO). He joined RNPO in April 2008 as Senior Vice-President in charge of Purchasing.

In April 2014, Yasuhiro Yamauchi was appointed Alliance Global Vice-President, Senior Vice-President, Alliance Purchasing, in charge of the convergence of Management and Human Resources of the Renault and Nissan Purchasing, Engineering, Manufacturing & Supply Chain departments.

In November 2016, he was appointed Chief Competitive Officer of Nissan Motor Co., Ltd. He is responsible for global manufacturing and Research and Development, as well as Purchasing, Manufacturing, Supply Chain Management, R&D, Connected Vehicles and Mobility Services for the Alliance. His role is to ensure that Nissan Motor Co., Ltd. maintains its competitiveness in the global market.

OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES

CURRENT OFFICES

Offices and functions in Groupe Renault companies:

Listed companies:

Director of Renault SA (France)

Non-listed companies:

Director of Renault s.a.s. (France)

Member of the Management Board of Renault Nissan b.v. (Netherlands)

Other legal entities:

None

Offices and functions in companies outside of Groupe Renault:

Listed companies:

Chief Competitive Officer of Nissan Motor Co., Ltd. (Japan)

Non-listed companies:

None

Other legal entities:

None

OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD	**Term expired**

		None	

The business address of all directors in the context of their duties is that of the Company's registered office.

Changes in the Board composition following the Annual General Meeting of June 12, 2019

During its meeting of January 24, 2019, the Board of Directors duly took note of Mr Carlos Ghosn's resignation from his offices as Chairman and Chief Executive Officer effective January 23, 2019. The Board of Directors, on the recommendation of the Appointments and Governance Committee, decided to separate the offices of Chairman of the Board and Chief Executive Officer. The Board appointed Mr Jean-Dominique Senard as a new Director pursuant to the provisions of Article L. 225-17 para. 3 of the French Commercial Code and elected him Chairman of the Board of Directors. The Board also appointed Mr Thierry Bolloré as Chief Executive Officer. The ratification of the appointment of Mr Jean-Dominique Senard as a director will be submitted to the Annual General Meeting of June 12, 2019 for approval.

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Appointments and Governance Committee, decided to propose to the Annual General Meeting of June 12, 2019, the following changes in the composition of the Board:

- the ratification of Mr Thomas Courbe's co-opting as a director representing the French State to replace Mr Pascal Faure who resigned from his office as a director and his position as a member of the International and Industrial Strategy Committee, with effect from the end of the Board of October 5, 2018;
- the non-renewal of the directorships of Mrs Cherie Blair and of Mr Philippe Lagayette who reached the age limit set in the articles of association;
- the appointment of Mrs Annette Winkler as Independent Director.

In addition, during its meeting of April 3, 2019, the Board of Directors took note of Mr Carlos Ghosn's resignation from his term as a director effective June 12, 2019.

Following the Annual General Meeting on June 12, 2019, subject to the favorable votes of the shareholders on the proposed resolutions, the Board of Directors will be composed of 18 members and will be as follows:

	Composition following the 2018 Annual General Meeting	Composition following the 2019 Annual General Meeting
Independence rate	66.7%	71.4%
Feminisation rate	43.7%	46.7%
Rate of non-French directors	40%	35.7%

Therefore :

- the independence rate of the Board will remain above that recommended by the AFEP-MEDEF Code; and
- the feminisation rate will be above that required by law (namely a proportion of women of at least 40%).

It is reminded that, pursuant to the recommendation of the AFEP- MEDEF Code, the directors representing the employees and the directors representing employee shareholders are not taken into account when calculating the independence rate of the Board of Directors.

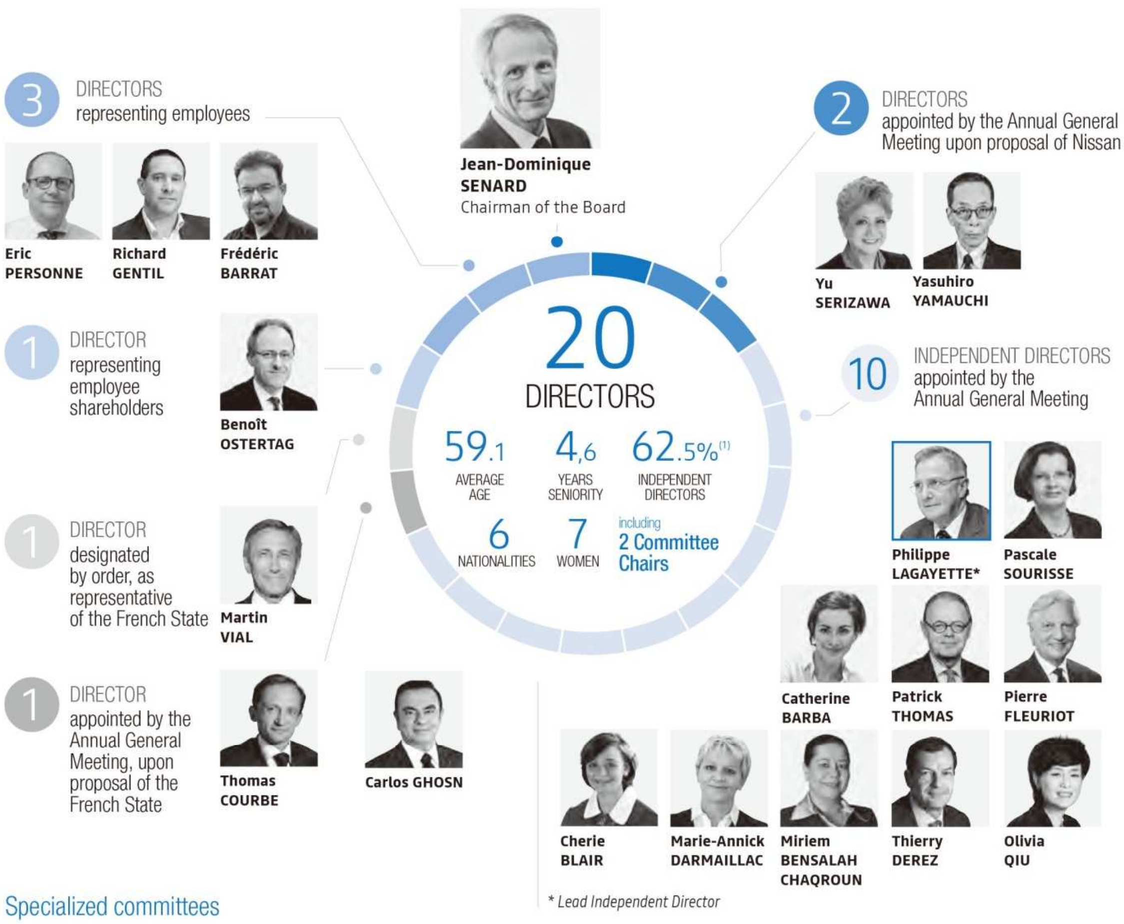
For the sake of coherence, directors representing the employees are not taken into account when calculating the percentage of non-French directors.

Moreover, pursuant to Article L. 225-27 of the French Commercial Code, directors representing the employees are not taken into account when calculating the percentage of women on the Board of Directors. The director elected on the proposal of the employee shareholders, however, is taken into account when calculating this percentage.

GOVERNANCE AND GROUP EXECUTIVE COMMITTEE

As of April 1, 2019

Overview of the Board of Directors



Specialized committees

AUDIT, RISKS AND ETHICS Committee	COMPENSATION Committee	APPOINTMENTS AND GOVERNANCE Committee	INTERNATIONAL, INDUSTRIAL AND DIGITAL STRATEGY Committee
8 MEMBERS	5 MEMBERS	4 MEMBERS	9 MEMBERS
83.3% INDEPENDENT(1)	100% INDEPENDENT(1)	75% INDEPENDENT(1)	80% INDEPENDENT(1)

(1) Excluding the director representing employees and the director representing employee shareholders.

Additional information about the directors

Rights and obligations of the directors

The Board Charter specifies the rights and obligations of the Company directors with respect to:

- the rules governing the operation of the Board of Directors and its Committees;
- the duty of confidentiality;
- the independence and the duty of expression;
- the management of conflicts of interest;
- ethical requirements with respect to financial market transactions; and
- holding shares in the Company. Pursuant to the AFEP-MEDEF Code, the Board Charter recommends that the directors hold a significant number of shares in relation to the attendance fees received, except for directors who do not personally receive attendance fees. In this respect, the directors representing the employees and employee shareholders do not personally receive attendance fees (these being passed on to their respective trade unions); they are therefore not required to hold a significant number of shares in the Company. Furthermore, legislation prohibits directors designated by the French State from personally owning shares. As at December 31, 2018 Renault’s directors hold approximately 0.26% of its share capital, not including the French State’s stake.

No convictions

To the best of the knowledge of Groupe Renault, none of the Board members, and none of the main executives of the Company, except for Mr Carlos Ghosn, has, during the course of the past five years:

- been convicted of fraud;
- taken part as an executive, general partner or founder in bankruptcy, receivership, or liquidation proceedings;
- been the subject of any charge and/or official public sanction pronounced by a statutory or regulatory authority; or
- been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer, or from taking part in managing or conducting the business of an issuer.

Following his arrest in Japan on November 19, 2018, Mr Ghosn was indicted three times by the Tokyo District Public Prosecutors Office:

- on December 10, 2018, for violation of the Japanese Financial Instruments and Exchange Act due to the undervaluation of his compensation in Nissan's annual reports for the financial years 2011 to 2015;
- on January 11, 2019, for violation of the Japanese Financial Instruments and Exchange Actdue to the undervaluation of his compensation in Nissan's annual reports for the financial years 2016 to 2018; and
- again on January 11, 2019, for aggravated breach of trust.

No conflicts of interest

To the best of the knowledge of the Company, there is no conflict of interest between any of the private interests of the Company directors and their duties towards the Company.

There are no family ties between the members of the Board of Directors.

The corporate officers are not bound to the Company or any of its subsidiaries by a service contract providing for any form of benefit to be granted.

(2) Management bodies at April 1, 2019

The Board of Directors of Renault adopted a governance method in which the functions of Chairman of the Board of Directors and Chief Executive Officer have been separate since January 24, 2019. A detailed explanation of the mode of governance is given in ”Board organisation, operation and missions” below. The Chief Executive Officer relies on the Group Executive Committee to steer the Group’s strategic management. The Group Executive Committeehas the support of the Operations Review Committee, which has a larger number of members.

The Group Executive Committee

The Group Executive Committee takes strategic, financial and operational decisions subject to the functions allocated at the Board of Directors’ meeting.

These are reflected in the budget and Renault Plan, product planning, major investments, and plans for new strategic sites.The members of the Group Executive Committee regularly attend Board meetings.It meets once a month.

The Group Executive Committee has 12 members:

- The Chief Executive Officer;
- The EVP, Sales and Regions Groupe Renault
- The EVP, Marketing Groupe Renault
- The EVP, Information Systems, Digital and Transformation Groupe Renault,
- The Deputy Alliance EVP, Engineering,
- The EVP, Human Resources Groupe Renault,
- The EVP, Product Planning and Programs,
- The Deputy Aliance EVP, Manufacturing & Supply Chain Management operations 1 & EVP Manufacturing &Supply Chain Management Groupe Renault,
- The EVP, Quality and Total Customer Satisfaction,
- The Group Chief Financial Officer,
- The Alliance EVP, Purchasing,
- The EVP, Corporate Design Groupe Renault

Renault Operations Review

The Group's Operations Review Committee is chaired by the Chief Executive Officer and is in charge of operational decisions and reviewing performance at the regional, functional and Business Unit level:

- business KPIs;
- profitability, programs and planning;
- various reports: quality, electric vehicles, light commercial vehicles, costs, *etc.*

The Operations Review Committee has 29 permanent members:

- the 12 EC members ;
- The SVPs, Chairman of Europe, Eurasia, Americas, AMI-Pacific and China Regions,
- The SVP, Group Controller,
- The Alliance SVP, Product Development,
- The SVP, TdC office Group,
- The SVP, After-Sales, Groupe Renault,
- The SVP, Product Planning,
- The SVP, Electric Vehicle Groupe Renault,
- The SVP, Audit, Risks and Ethics, Groupe Renault,
- The SVP Legal and Public Affairs,
- The SVP, Mobility and Services, Groupe Renault,

- The SVP, Corporate Strategy and Business Development, Groupe Renault,
- The Special Advisor to the Chief Executive Officer, Groupe Renault,
- The SVP, Communications, Public Relations, Corporate Social Responsibility and the Renault Foundation, Groupe Renault.

The Operations Review Committee meets once a month for a full day.

(3) COMPENSATION OF OFFICERS

COMPENSATION OF OFFICERS

Pursuant to the provisions of Article L. 225-37-4 8th° of the French Commercial Code, the Company has voluntarily chosen to refer to the June 2018 version of the AFEP-MEDEF Code.

General principles relating to the compensation of the corporate officers

Once a year, as recommended by the Compensation Committee, the Board of Directors sets the components of the compensation due or awarded to the corporate officers.

The Company's compensation policy is regularly reviewed in the meetings of the Compensation Committee, which is composed mainly of Independent Directors and chaired by Mrs Marie-Annick Darmaillac (Independent Director). In its recommendations, the Compensation Committee takes into account the balance of the different components of the corporate officers' compensation.

The compensation policy for the non-executive officer consists of a fixed compensation and benefits in kind, to the exclusion of any other variable or exceptional compensation, any allocation of stock-based compensation and attendance fees.

The compensation policy for the executive officer is based on six simple, stable, transparent practices:

▪ 1	**Closely linked to the Company's strategy**	▪ The compensation is closely linked to the implementation and results of the strategy.
▪ 2	**Performance-oriented**	▪ The variable component of the executive officer's compensation represents a fraction of the total compensation that is more significant compared to the one usually applied in the market and ensures the interests of the executive officer are aligned with the Company's performance. ▪ No variable compensation is granted in the event of under-performance.
▪ 3	**Focus on long-term performance**	▪ Most of the executive officer's compensation depends on multi-year targets being achieved.
▪ 4	**Close alignment with shareholders**	▪ The number of performance shares allocated to the executive officer is expressed as an absolute number, rather than a percentage of the salary, so that upward and downward fluctuations in the share price affect the corresponding total value. ▪ The executive officer must retain 25% of the shares vested pursuant to performance share plans until the end of his term of office.
▪ 5	**Competitive compensation**	▪ Competition between corporate officers in the automotive market is intense. It is therefore of prime importance to ensure that the overall compensation of the executive officer is competitive compared to the practices of the Company's peers, both CAC 40 companies and, more generally, comparable companies in the Automotive sector in Europe and worldwide.

▪ 6	**Compensation which does not encourage excessive risk-taking**	▪ The setting of performance targets, a sufficiently long evaluation period, and compensation capping allow excessive short-term risk-taking to be avoided.

These principles are established in compliance with the recommendations of the AFEP-MEDEF Code.

More generally, the Compensation Committee regularly ensures that corporate officers' compensation complies with all applicable laws and requirements in terms of corporate governance.

In addition, the committee takes into account the best market practices regarding the compensation of executive officers:

Market best practices that we follow:	Practices we do not follow:
▪ Use appropriate peer groups (country based and sector based) to inform (but not dictate) compensation policy; ▪ Review performance criteria and only make modifications when there are material changes to our business strategy and in order to maintain the alignment with shareholders; ▪ Clear mention of a cap for all variable elements; ▪ Set demanding performance conditions; ▪ Include CSR criteria; ▪ Have a long-term performance criterion linked to shareholder return; ▪ Subject long-term compensation plans to minimum three-year vesting conditions; ▪ Implement post-mandate vesting policy for long-term incentives; ▪ Engage and meet regularly with our shareholders; ▪ Compensation Committee comprised of a majority of independent Board members.	▪ Pay for failure: pay variable components in the event of poor performance of the Group; ▪ Place a disproportionate weight on short-term variable compensation versus long-term variable compensation; ▪ Overly weight qualitative criteria in the annual variable compensation; ▪ Reward excessive or inappropriate risk-taking; ▪ Have extraordinary severance payments in addition to the two-year non-compete indemnity; ▪ Provide excessive severance or sign-on arrangements to our executives.

To evaluate the corporate officers' compensation in light of market practices with a view to ensure the competitiveness of the compensation, the Compensation Committee, assisted by a firm of specialised consultants, annually examines the components of compensation due or awarded by comparable companies to their corporate officers. This analysis is based, firstly, on a panel of CAC 40 companies, all of which are leading French companies, and secondly, on the practices of comparable multinational organizations in the Automotive sector.

The Compensation Committee also takes into account the expectations voiced by Renault main shareholders by way of regular meetings.

Compensation structure for the executive officer

The compensation policy for the Chief Executive Officer consists of:

- **a fixed portion**, corresponding to a fixed compensation in cash determined in line with the role, level of responsibility, and experience of the executive officer;
- **a portion subject to performance conditions**, comprising two distinct sub-components:
- **annual variable compensation:** this aims to ensure that part of the compensation of the executive officer depends on the Company's main operational, financial, and managerial objectives being achieved,

- **long-term compensation:** this consists of performance shares, designed to strengthen the alignment of the interests of the executive officer with those of shareholders by making their vesting subject to the achievement of performance criteria assessed over a period of three years. In addition to the performance criteria, the vesting of shares is subject to a presence condition of three years following the allocation of the performance shares.

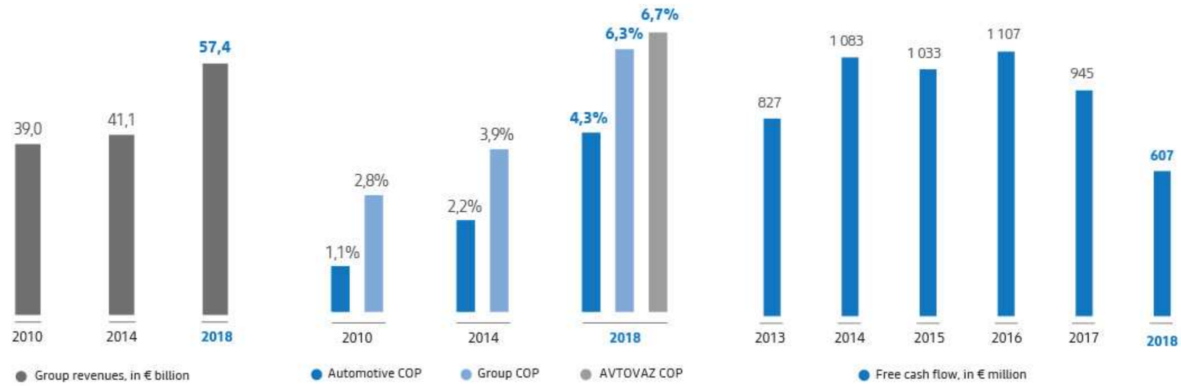
In addition to these compensation components, the Chief Executive Officer benefits from a **top-up pension scheme** and signed a **non-compete agreement** with the Company.

Pursuant to the recommendations of the AFEP-MEDEF Code and the recommendations of the French Financial Market Authority (*Autorité des Marchés Financiers*, **AMF**), the Chief Executive Officer does not hold an employment contract with the Company.

Compensation of the Chairman and Chief Executive Officer for 2018

Groupe Renault's performance in 2018

The compensation components of the Chairman and Chief Executive Officer must be viewed in the light of Groupe Renault's financial results for the year ended December 31, 2018.



Once again this year, the Group achieved or exceeded the targets communicated to the financial markets. This performance was achieved despite an environment which was more difficult than expected, especially in the second half of the year, thus demonstrating the resilience of the Company.

In 2018, the Group registered nearly 3.9 million vehicles (+3.2%). This growth reflects the integration of Chinese brands Jinbei and Huasong since January 1, 2018. On a comparable structure, our registrations were down 1.2%, due to the decline in Turkey and India and the cessation of sales in Iran due to the application of American sanctions.

Group revenues amounted to €57,419 million, *i.e.*, a decrease of 2.3%. This decline is explained by the fall of certain currencies which weighed for 4.1 points. At constant exchange rates, revenues would have increased by 2.5%.

Groupe Renault's operating margin reached €3,612 million compared to €3,854 million in 2017. It represents 6.3% of revenue compared to 6.6% the previous year, but the margin was penalized by the implementation of IFRS 15, which weighed 0.2 points.

AVTOVAZ continued its recovery with an operating margin of 6.7% compared to 2% in 2017.

Groupe Renault's net income dropped to €3,451 million compared to €5,308 million in 2017. This decrease is attributable to non-recurring charges higher than last year but mainly to a lower contribution from Nissan. In addition to weaker operating performance, Nissan's result was penalized by the non-recurrence of positive elements recorded in 2017.

The Group's net liquidity position amounted to €3,702 million, up € 493 million.

Automotive operating free cash flow was positive for the ninth year in a row, amounting to €607 million.

The Board of Directors will propose a dividend of €3.55 per share at the next Annual General Meeting; this amount is stable compared to last year.

2018 compensation components

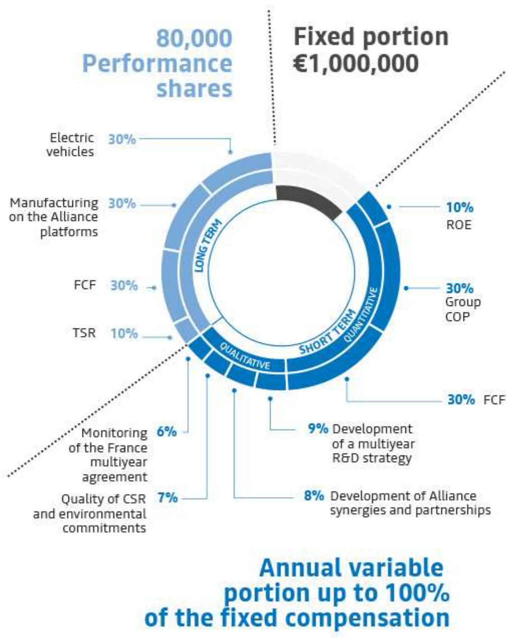
The elements composing the compensation for the Chairman and Chief Executive Officer due or allocated for the 2018 financial year, to be submitted for the vote of the shareholders during the Annual General Meeting on June 12, 2019 pursuant to Article L. 225-100 of the French Commercial Code, are set out below.

These compensation components must take into account not only Groupe Renault's financial results for the 2018 financial year (for more details, see "Groupe Renault's performance in 2018" above), but also Mr Carlos Ghosn's impediment.

It should be noted that:

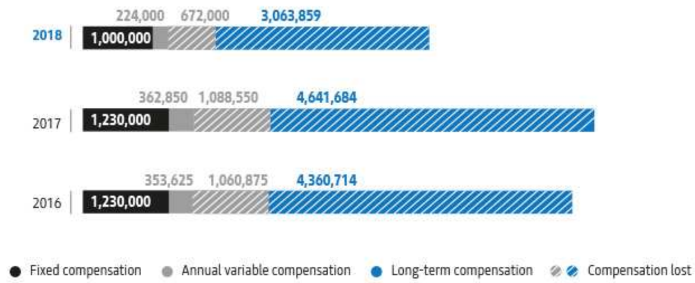
- the compensation policy pursuant to which these compensation elements were paid or allocated to the Chairman and Chief Executive Officer during the 2018 financial year had been approved by the Company's shareholders during the Annual General Meeting of June 15, 2018;
- the payment of the variable and exceptional compensation elements of the Chairman and Chief Executive Officer for the 2018 financial year is subject to the approval by the Annual General Meeting of June 12, 2019 of the components of the overall compensation and of benefits of any kind paid or allocated to the Chairman and Chief Executive Officer for the 2018 financial year.

Structure of the Chairman and Chief Executive Officer's compensation for the 2018 financial year



For more details on the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year, see V- 4-(3) "Compensation policy for the Chief Executive Officer for the 2018 financial year" of 2018 Securites Report.

Evolution of the Chairman and Chief Executive Officer's compensation



Due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019, the presence condition applicable both to the deferred portion of his variable compensation for the financial years from 2014 to 2017 and to the performance shares that had been allocated to him in respect of his long-term compensation for the financial years from 2015 to 2018 cannot be met.

Therefore, during its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of all of the shares allocated in respect of the deferred portion of his variable compensation for the financial years from 2014 to 2017 and performance shares that had been allocated to him in respect of his long-term compensation for the financial years from 2015 to 2018.

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded that Mr Carlos Ghosn could not meet the presence condition attached to the shares corresponding to the deferred variable portion of his compensation for the 2018 financial year.

Chairman and Chief Executive Officer's compensation for 2018

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the following compensation components due or awarded to Mr Carlos Ghosn for the financial year ending December 31, 2017, are submitted to the shareholders' vote.

The compensation components concerned relate to the following: (i) the fixed portion, (ii) the annual variable portion including the variable portion paid in the form of deferred shares (iii) the performance shares, (iv) the pension scheme, (v) benefits of any kind, and (vi) the non-compete indemnity.

The compensation components due or awarded to Mr Carlos Ghosn, Chairman and Chief Executive Officer, for the 2018 financial year are as follows:

Compensation components due or awarded for the 2018 financial year	Amounts or book value put to the vote	Comments
Fixed compensation	€1,000,000 (amount paid)	The amount of the fixed portion was decided by the Board of Directors on February 15, 2018, following the recommendation of the Compensation Committee.
Annual variable compensation	€224,000 (amount to be paid in cash)	During its meeting on February 15, 2018, the Board of Directors, on the recommendation of the Compensation Committee, decided that the variable component for the Chairman and Chief Executive Officer should correspond to a percentage of the fixed component of up to 100% if all the performance targets are achieved. The performance criteria set by the Board of Directors for the 2018 financial year are as follows:

		▪ three quantifiable performance criteria relating to financial performance (70% maximum): ▪ rate of return on equity (10% maximum), ▪ Group operating margin (30% maximum), ▪ free cash flow (30% maximum); ▪ four qualitative criteria relating to managerial quality (30% maximum): ▪ monitoring of France multiyear agreement (6% maximum), ▪ quality of CSR and environmental commitments (7% maximum), ▪ development of Alliance synergies and partnerships (8% maximum), ▪ development of a multiyear R&D strategy (9% maximum). The Board of Directors checked that the criteria chosen for the Chief Executive Officer's variable compensation portion also ensured alignment of his interests with the Company's corporate interests and shareholders' interests. The quantified targets for each of the performance criteria are described in V- 4-(3) "Compensation policy for the Chief Executive Officer for the 2018 financial year" of 2018 Securites Report. On April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, deemed that the rate of achievement of the financial criteria was 65.6% and the degree of achievement of the qualitative criteria was 24%, broken down as follows: ▪ quantifiable criteria: 65.6% out of a maximum of 70%, broken down as follows: ▪ rate of return on equity: 8.6% out of a maximum of 10%. The return on equity was higher than 8% and lower than 10%, ▪ operating margin: 30% out of a maximum of 30%. The operating margin budget was 6.2% and the 2018 Group operating margin amounted to 6.3%, ▪ free cash flow: 27% out of a maximum of 30%. The free cash flow budget was €450 million and the 2018 free cash flow amounted to €607 million; ▪ qualitative criteria: 24% out of a maximum 30%, broken down as follows: ▪ monitoring of the France multiyear agreement: 5% out of a maximum of 6%, ▪ quality of CSR and environmental commitments: 7% out of a maximum of 7%, ▪ development of Alliance synergies and partnerships: 5% out of a maximum of 8%,

		▪ development of a multiyear R&D strategy: 7% out of a maximum of 9%. Consequently, the variable compensation for the 2018 financial year amounts to 89.6% of the fixed portion, *i.e.*, €896,000 (compared to €1,451,400 for 2017, *i.e.*, 118% of the fixed portion). On the recommendation of the Compensation Committee, the Board of Directors of April 3, 2019 also validated the means for payment of this variable portion pursuant to the following terms, as follows: ▪ 25% payable in cash in 2019, *i.e.*, €224,000; ▪ the balance, *i.e.*, €672,000, payable in shares on a deferred basis, pursuant to the terms set out below (the "**Variable compensation paid in shares on a deferred basis**"). With regard to Mr Carlos Ghosn's variable compensation for the 2018 financial year, the Board of Directors, upon recommendation of the Compensation Committee, noted that the portion of the variable compensation payable by deferred delivery of shares cannot be paid to Mr Carlos Ghosn, due to the end of his duties on January 23, 2019 which makes the attendance condition attached to this delivery of shares impossible to satisfy. Consequently, the Board of Directors noted that Mr Carlos Ghosn's variable compensation for the 2018 financial year would be equal to the sole portion payable in cash, which amounts to a gross amount of €224,000 in accordance with the performance objectives that were set by the Board of Directors in 2018 and approved by the General Meeting on June 15, 2018. The Board of Directors also considered that, in assessing Mr Carlos Ghosn's performance, it was appropriate to take into account the questions that emerged, as at the date hereof, in the context of the audit assignment conducted by the Company's Ethics and Compliance Department, about transactions undertaken by the latter in his capacity as Chairman and Chief Executive Officer of the Company, due to questionable and concealed practices. In this context, the Board of Directors has decided to recommend to the Annual General Meeting that the meeting does not approve the resolution to be submitted to it pursuant to Article L. 225-100 of the French Commercial Code, relating to the fixed, variable and exceptional compensation items due or allocated to Mr Carlos Ghosn for the 2018 financial year. If the Annual General Meeting does not approve this resolution, Mr Carlos Ghosn will not receive the portion payable in cash of his variable compensation for 2018.
Variable compensation paid in shares on a	€0	Vesting of shares received as part of the variable

deferred basis		compensation paid in shares on a deferred basis for the 2018 financial year is subject to a three-year presence condition. Mr Carlos Ghosn’s resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019 renders him unable to meet the three-year presence condition attached to the shares, so that the variable compensation can not be paid to Mr Carlos Ghosn.
Multiyear variable compensation	N/A	No multiyear variable compensation.
Exceptional compensation	N/A	No exceptional compensation.
Long-term compensation components: stock options	N/A	No allocation.
Long-term compensation compone nts: performance shares	€0	Pursuant to the authorisation granted by the Annual General Meeting on April 29, 2016 (Resolution 13), following the recommendation of the Compensation Committee, on February 15, 2018 the Board of Directors decided to award 80,000 performance shares to the Chairman and Chief Executive Officer for the 2018 financial year. This allocation represents 1.80% of the overall budget approved by the Annual General Meeting of April 29, 2016, 5.42% of the overall budget allocated to all the beneficiaries on June 15, 2018 and 0.03% of the share capital as at 31 December 2018. Vesting by the Chairman and Chief Executive Officer of the 80,000 shares is subject to the following: ▪ a four (4) year presence condition, starting on the date of allocation, *i.e.*, until February 9, 2022; and ▪ performance criteria, assessed over a cumulative period of three years (2018, 2019 and 2020 financial years). Following the recommendation of the Compensation Committee, the Board of Directors of February 15, 2018 decided on the following performance criteria: ▪ total shareholder return (TSR), compared to the average TSRs of the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index, for 10% of the shares; ▪ free cash flow (FCF), for 30% of the shares; ▪ manufacturing on the Alliance platforms, for 30% of the shares; and ▪ electric vehicles sales volume, for 30% of the shares. The quantified targets corresponding to these criteria are described in V- 4-(3) ”Compensation policy for the

		Chief Executive Officer for the 2018 financial year" of 2018 Securites Report. The authorisation granted by the Annual General Meeting on April 29, 2016 covers all performance share allocations as follows: ▪ the total number of performance shares awarded may not exceed 1.5% of the share capital over three years, *i.e.*, an average of 0.5% of the share capital each year; ▪ the number of performance shares allocated to the Chairman and Chief Executive Officer may not exceed 15% of the total number of shares awarded. The Chairman and Chief Executive Officer is not subject to a lock-up period beyond the vesting period with respect to the plan. He is however subject to an obligation to retain 25% of the vested performance shares in his capacity as Chief Executive Officer, until the end of his term of office. During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2018 financial year due to his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.
Long-term compensation components: other components	N/A	No allocation.
Attendance fees	€48,000 (amount t o be paid)	This gross amount is paid in respect of his directorship within Renault. The calculation methods applicable to the fees paid to members of the Board of Directors are as follows: ▪ a fixed portion of €18,000 per year, in respect of membership of the Board; and ▪ a variable portion of €6,000 per meeting, in respect of the effective presence of members at Board Meetings. The fixed and variable portions are capped at an overall amount of €48,000 per year. Mr Carlos Ghosn does not receive attendance fees in respect of his participation at any Board Committee Meetings.
Valuation of benefits of any kind	€5,610 (book value)	This amount of benefits in kind corresponds to the healthcare insurance contribution payments.
Termination benefit	N/A	There is no severance pay clause to the benefit of the Chairman and Chief Executive Officer.
Non-compete indemnity	N/A	During the meeting on February 11, 2015, the Board of Directors authorised the signature of a non-compete agreement between the Company and Mr Carlos

		Ghosn, whereby the latter undertakes, as of the end of his term of office as Chief Executive Officer, not to conduct business in competition with that of Groupe Renault, whether directly or indirectly, either for his own account, or for another company. "Business in competition with that of Groupe Renault" means any activity relating to the design, manufacturing, or marketing of vehicles (particularly private vehicles and commercial vehicles) conducted in the same geographic and sector-based areas as that of Groupe Renault at the time when his term of office expires. In particular, the Board of Directors took into consideration: (i) the particularly competitive nature of the market in which the Group operates, (ii) the importance of the functions and recognised skills of Mr Carlos Ghosn in this market, (iii) the resources placed at his disposal, (iv) the sensitive information which Mr Carlos Ghosn is aware of or may have access to, and (v) the relationships which he has developed during his office, and concluded that it is necessary to protect the legitimate interests of Groupe Renault by introducing this non-compete agreement. In consideration of his non-compete obligation, Mr Carlos Ghosn would receive gross financial compensation from the Company, throughout the period of application of the agreement (2 years), subject to this agreement not being breached, corresponding to 2 years' total gross compensation (fixed and variable components), paid in 24 monthly installments. The Annual General Meeting on April 30, 2015 approved the implementation of this non-compete agreement. During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided to unilaterally waive the benefit of the non-compete agreement and, consequently, not to pay the corresponding compensation equal to two years fixed and variable compensation.
Top-up Pension scheme	No amount due for the past financial year	Mr Carlos Ghosn benefits from the collective pension scheme arranged for the members of Groupe Renault's Executive Committee. This scheme is open to new beneficiaries. The scheme was approved by the Board of Directors in its meetings on October 28, 2004 and October 31, 2006, and by the Annual General Meeting on April 30, 2010 (Resolution 10). It was further confirmed by the Board of Directors on

		February 12, 2014, and approved by the Annual General Meeting on April 30, 2014 (Resolution 7). The pension scheme includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme. **(a) Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)** Mr Carlos Ghosn benefits from a defined-contribution scheme; these contributions correspond to 8% of that part of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this 8% total, 5% is paid by the Company and 3% by Mr Carlos Ghosn. The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme. **(b) Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)** Mr Carlos Ghosn also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm. Benefiting from this scheme is subject to a seniority condition (five years minimum with the Company and at least two years on the Group Executive Committee) and a presence condition as Chief Executive Officer, applied as of retirement. The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three highest gross annual compensations (fixed and variable components) over the last ten years of activity prior to retirement. The annual amount paid into this pension scheme is equal to 10% of the reference compensation, this percentage rising by 1.4 percentage points per year of seniority in excess of five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority other than on the Group Executive Committee, in the case of more than five years' seniority with the Company. The amount is capped at 30% of the reference compensation. The reference compensation in question is capped at 65 times the annual French Social Security cap. In any event, the total of these annual pension amounts for the Chairman and Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of the top-up defined-benefit pension will be reduced accordingly. The Company's commitments with respect to its

		Chairman and Chief Executive Officer as of December 31, 2017, based on his seniority as of December 31, 2017, correspond to the following: ▪ €15,861 per year for the defined-contribution pension scheme; ▪ €774,774 gross annual retirement pension for the top-up defined-benefit pension scheme. Upon the recommendation of the Compensation Committee, the Board of Directors held on April 3, 2019 noted, with regard to the defined contribution pension scheme, that Mr Carlos Ghosn's eligibility conditions for the annual pension can only be assessed on the day on which he would exercise his pension rights. The Board of Directors also noted, with respect to the top-up defined-benefit pension scheme, that the circumstances of Mr Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.

Adjustment of annual variable compensation for previous financial years

In addition to a four-year presence condition with the Company, vesting of the shares received as part of the deferred variable component by the Chairman and Chief Executive Officer for the 2013, 2014, and 2015 financial years was subject to financial performance criteria, achievement of which was assessed over three consecutive financial years.

At the time of the annual assessment of achievement of performance criteria, the number of shares corresponding to the deferred variable component of the compensation due to the Chairman and Chief Executive Officer for these financial years was adjusted.

This adjustment, which may have resulted in the number of shares allocated to the Chairman and Chief Executive Officer being reduced or increased by up to 15% each year, was determined on the basis of the same three quantifiable criteria used to calculate the amount of the variable component of the compensation due to the Chairman and Chief Executive Officer for the financial year in question, *i.e.*, the rate of return on equity, the operating margin, and free cash flow.

On the recommendation of the Compensation Committee, during the annual assessment, the Board of Directors had decided that the performance criteria had been achieved to the highest possible degree, as a result of which it had been decided that the adjustment of the deferred variable component should be 115%. This adjustment was the result of the very high growth in financial results during the 2014-2018 period.

The table below summarises deferred variable compensation adjustments due for the 2013, 2014, and 2015 financial years, it being specified that the deferred variable component of this compensation would once again be adjusted for the 2015 financial year, depending on the degree of achievement of performance criteria:

Year	Amount of the deferred component of the variable portion	Average share price 20 days prior to the Board meeting	Number of deferred shares allocated	Number of shares after adjustment for 2014 (x1.15)	Number of shares after adjustment for 2015 (x1.15)	Number of shares after adjustment for 2016 (x1.15)	Number of shares after adjustment for 2017 (x1.15)	Number of shares after adjustment for 2018 (x1.0937)

2013	€1,038,735	€65.11	15,954	18,347	21,099	24,264	-	-
2014	€1,360,687	€67.25	20,233	-	23,267	26,757	30,771	-
2015	€1,337,625	€75.79	17,649	-	-	20,296	23,340	25,527

Vesting of the shares due in respect of the Chairman and Chief Executive Officer's deferred variable component was subject to a presence condition with the Company four years after the date of allocation of the shares, *i.e.*:

- February 2018 for the deferred variable component due for the 2013 financial year;
- February 2019 for the deferred variable component due for the 2014 financial year; and
- February 2020 for the deferred variable component due for the 2015 financial year.

The 24,264 shares for the deferred variable portion for 2013 were delivered on February 13, 2018 and represented a value of € 2,064,866 as at that date (Renault share price as at February 13, 2018: €85,10).

In the event of departure from Groupe Renault prior to the date of vesting, it was stipulated that the Chairman and Chief Executive Officer would lose the benefit of the shares allocated to him, except in the case of enforced or voluntary retirement.

In 2016, the Company's compensation policy was altered in order to discontinue any adjustment of the annual variable component paid in shares for compensation due from the 2016 financial year onwards, with a view to simplifying the compensation structure.

During its meetings of February 13, 2019 and April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's shares corresponding to the deferred variable portion of his compensation for the 2014, 2015, 2016, 2017 and 2018 financial years given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

Achievement rates of the performance criteria for previous long-term incentive plans

As part of a transparency process, the Company committed to disclose in its Registration document the achievement rate determined by the Board of Directors for performance criteria applicable to long-term incentive plans of the Chairman and Chief Executive Officer, at the end of the three-year period over which these criteria are assessed. The Board of Directors considers that this approach allows shareholders to better apprehend the stringency level of the performance criteria.

The table below lists the Chairman and Chief Executive Officer's performance criteria achievement rates for long-term incentive plans whose vesting and lock-up periods have ended.

Year plan	LTI Plan	Achievement rate (plans for which the performance evaluation period has ended)
2011	Plan 17	Criteria not achieved
2011-2013	Plan 18	100%
2012	Plan 19	50%
2013	Plan 20	88,48%
2014	Plan 21 bis	95.21%
2015	Plan 22	96.66%

To assess the stringency of the performance criteria for long-term incentive plans, the following should be noted:

- the automotive industry is a cyclical business. Taking into account the capital that needs to be invested, in particular in research, development and production plants, profitability has historically shown a certain degree of volatility;

- the Company's profitability is therefore largely dependent on the situation of automotive markets, in particular the European market, and the quality of execution of strategic plans.

During its meeting held on June 15, 2018, the Board of Directors determined the achievement rate of the performance criteria of the 2015 long-term incentive plan, as follows:

FCF	Automotive OM	TSR	Achievement rate
FCF higher than the budget +10% Achievement rate of 33.33%	3rd place on the overall period Achievement rate of 30%	TSR higher than the index Achievement rate of 33.33%	96.66%

During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, recorded the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2015, 2016, 2017 and 2018 financial years due to the non-fulfillment of the presence condition applicable to these allocations as a result of his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019.

Summary tables drawn up pursuant to the recommendations of the AFEP-MEDEF Code and the French Financial Market Authority

The following tables have been drawn up pursuant to the recommendations of the AFEP-MEDEF Code and the French Financial Market Authority (AMF).

Mr Thierry Bolloré was appointed as Deputy Chief Executive Officer on November 20, 2018 and did not receive any compensation for his office during the 2018 financial year (for more details, see "Compensation for the Deputy Chief Executive Officer for 2018" below). Therefore, the information presented in the summary tables below relates only to the Chairman and Chief Executive Officer.

TABLE 1 – SUMMARY OF THE COMPENSATION, OPTIONS, AND SHARES ALLOCATED TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 1 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	2018	2017	2016
Carlos Ghosn – Chairman and Chief Executive Officer			
Compensation due for the financial year (details provided in table 2 below)	1,949,610	2,734,550	2,698,022
Valuation of options allocated during the financial year (details provided in table 4 below) (1)	Nil	Nil	Nil
Valuation of performance shares allocated during the financial year (details provided in table 6 below)	3,063,859	4,641,684	4,360,714
Valuation of other long-term compensation plans	Nil	Nil	Nil
TOTAL (THEORETICAL)	**5,013,469**	**7,376,234**	**7,058,736**
Valuation of shares corresponding to the deferred variable compensation of the financial year and permanently lost	(672,000)	(1,088,550)	(1,060,875)
Valuation of the performance shares allocated during the financial year and permanently lost	(3,063,859)	(4,641,684)	(4,360,714)
TOTAL (ACTUAL)	**1,277,610**	**1,646,000**	**1,637,147**
(1) No option has been allocated since the 2013 financial year. The allocations for the 2013 financial year were made on December 13, 2012.			

The Chairman and Chief Executive Officer's theoretical total compensation shown in the summary table no. 1 takes into account the theoretical value of his performance shares and shares corresponding to his deferred variable compensation, which had been allocated to him in respect of the financial years mentioned. However, during its meetings of February 13 and April 3, 2019 the Board of Directors recorded the loss of Mr Carlos Ghosn's performance shares allocated for the financial years from 2015 to 2018, as well as the shares corresponding to his deferred variable compensation for the financial years from 2014 to 2018, given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

TABLE 2 – OVERVIEW OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION

(TABLE NO. 2 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

a) The Chairman and Chief Executive Officer's total compensation paid by the Company was as follows *(in euros)*

	2018 amounts		2017 amounts		2016 amounts	
Carlos Ghosn	Due	Paid	Due	Paid	Due	Paid
Fixed compensation	1,000,000	1,000,000	1,230,000	1,230,000	1,230,000	1,230,000
Variable compensation paid as cash salary (1)	224,000	362,850	362,850	353, 625	353,625	445,875
Variable compensation paid in shares, subject to conditions (2)	672,000	0	1,088,550	0	1,060,875	0
Variable compensation for 2013 paid in shares (3)	Nil	2,064,866				
Exceptional compensation	Nil	Nil	Nil	Nil	Nil	Nil
Attendance fees	48,000	47,540	47,540	48,000	48,000	48,000
Benefits in kind	5,610	5,610	5,610	5,610	5,522	5,522
TOTAL	**1,949,610**	**3,480,866**	**2,734,550**	**1,637,235**	**2,698,022**	**1,729,397**

(1) During its meeting of April 3, 2019, the Board of Directors considered that, in assessing Mr Carlos Ghosn's performance, it was appropriate to take into account the questions that emerged, as at the date hereof, in the context of the audit assignment conducted by the Company's Ethics and Compliance Department, about transactions undertaken by the latter in his capacity as Chairman and Chief Executive Officer of the Company, due to questionable and concealed practices. In this context, the Board of Directors has decided to recommend to the Annual General Meeting that the meeting does not approve the resolution to be submitted to it pursuant to Article L. 225-100 of the French Commercial Code, relating to the fixed, variable and exceptional compensation items due or allocated to Mr Carlos Ghosn for the 2018 financial year. If the Annual General Meeting does not approve this resolution, Mr Carlos Ghosn will not receive the portion payable in cash of his variable compensation for 2018.

(2) Starting from the variable portion for 2016, the Board of Directors decided that 75% of the variable portion due for any given financial year would be converted into shares, the vesting of which would be subject to presence conditions (this scheme is described in "Adjustment of annual variable compensation for previous financial years" above). During its meetings of February 13, 2019 and April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's shares corresponding to the deferred variable portion of his compensation for the 2014, 2015, 2016, 2017 and 2018 financial years given that the presence condition attached to the vesting of these shares is not, and can not, be met due to Mr Carlos Ghosn's resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019.

(3) It is recalled that the 24,264 shares were delivered on February 12, 2018 in respect of the 2013 variable portion, which represents a value of € 2,064,866 which has been declared in order to pay the corresponding social and tax contributions. For more details on the adjustments of the variable components,

see "Adjustment of annual variable compensation for previous financial years" above.

b) Compensation for his offices with Nissan Motor Co., Ltd.

Pursuant to the information published by Nissan on June 29, 2017 and June 28, 2018 in its Yukashoken-Hokokusho annual document for the 2016 financial year (from April 1, 2016 to March 31, 2017) and the 2017 financial year (from April 1, 2017 to March 31, 2018) respectively, the total compensation received by Mr Carlos Ghosn was ¥1,098 million for the 2016 financial year in respect of his offices as Chairman and Chief Executive Officer of Nissan and ¥735 million for 2017 in respect of his offices as Chairman of the Board of Directors of Nissan.

It may be noted that based on the European Central Bank's exchange rate as of March 29, 2018 (*i.e.*, €1 = ¥131.15*)*, ¥735 million corresponds to approximately €5,604,270.

In its *Shihanki-Houkokusho* report for the third quarter of fiscal year 2018 (from April 1, 2018 to March 31, 2019), Nissan states that, based on the results of its investigation and the indictments of the Tokyo District Attorney's Office for misstatements in its annual reports regarding Mr Carlos Ghosn's compensation, Nissan recorded ¥9,232 million expenses as of December 31, 2018 for the fiscal years 2009 to 2017.

This information, along with any updates, is directly accessible on the Nissan website at the following URL: https://www.nissan-global. com/EN/IR/.

It should also be noted that on November 22, 2018, Mr Carlos Ghosn was revoked from his office as Chairman of the Board of Directors of Nissan. He was dismissed from his directorship of Nissan by the company's Extraordinary General Shareholders' Meeting of April 8, 2019.

c) Compensation for his offices with Mitsubishi Motors Corporation

As of December 2016, Mr Carlos Ghosn was Chairman of the Board of Directors of Mitsubishi Motors. Japanese Law requires the disclosure of compensations exceeding ¥ 100 million. Mitsubishi Motors has not published any compensation for Mr Carlos Ghosn in its *Yukashoken-Hokokusho* annual document for the 2017 financial year.

It should be noted that on November 26, 2018, Mr Carlos Ghosn was revoked from his office as Chairman of the Board of Directors of Mitsubishi Motors. To date, he retains his directorship of Mitsubishi Motors.

TABLE 3 – OVERVIEW OF THE CHIEF EXECUTIVE OFFICER'S BENEFITS

(TABLE NO. 11 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

Chief Executive Officer	Contract of employment	Pension scheme	Payments and benefits due or liable to be due following cessation/change of office	Payments arising from a non-compete agreement	Other compensation
Carlos Ghosn Chairman and Chief Executive Officer	No	Yes	No	No*	No
** During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided to unilaterally waive the benefit of the non-compete agreement.*					

TABLE 4 – STOCK OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 4 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

No stock options were allocated to the Chief Executive Officer during the 2018 financial year.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 5 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

The Chief Executive Officer did not exercise any stock options during the 2018 financial year. He no longer holds stock options.

TABLE 6 – PERFORMANCE SHARES ALLOCATED DURING THE FINANCIAL YEAR TO THE CHIEF EXECUTIVE OFFICER

(TABLE NO. 6 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	Number and date of the plan	Number of shares	Value of performance shares using the method adopted for consolidated accounts	Vesting date	Availability date	Performance conditions
Carlos Ghosn	No. 25 15/02/2018	80,000	3,063,859	15/02/2022	15/02/2022	Yes

During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's performance shares allocated in respect of the 2018 financial year due to his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer of Renault effective January 23, 2019

TABLE 7 – PERFORMANCE SHARES AWARDED TO THE CHIEF EXECUTIVE OFFICER WHICH BECAME AVAILABLE DURING THE FINANCIAL YEAR

(TABLE NO. 7 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

	Number and date of the plan	Number of shares becoming available during the financial year	Vesting conditions
Carlos Ghosn	Plan No. 21 *bis* Shares February 12, 2014	95,210	1. Free cash-flow (“FCF”) 2. Automotive operating margin variation (“Automotive OM”) 3. Total Shareholder Return (“TSR”)

The performance shares of Plan No. 21 *bis* were definitively acquired on February 12, 2018.

Compensation for the Deputy Chief Executive Officer for 2018

Mr Thierry Bolloré was appointed as Deputy Chief Executive Officer on November 20, 2018. He did not receive any compensation for his office during the 2018 financial year and retained the benefit of his employment contract until his appointment as Chief Executive Officer on January 24, 2019, date on which his employment agreement was terminated.

Pursuant to his employment contract, his compensation elements and benefits in respect of the 2018 financial year were as follows:

- a fixed compensation of €800,000 paid in twelve monthly installments;
- a variable compensation that can represent up to 125% of his fixed compensation if all the qualitative and quantitative performance criteria are achieved;
- a long-term compensation in the form of 50,000 performance shares;
- a profit-sharing scheme;
- benefits in kind (cars);

- a non-compete agreement; and
- the benefit of a collective top-up pension scheme arranged for the members of the Group Executive Committee which includes a defined-contribution scheme and a top-up defined-benefit pension scheme.

The overall achievement rate of the targets for Mr Thierry Bolloré's variable compensation was set at 110.73%. Therefore, his variable compensation for 2018, payable in cash, amounts to €885,840.

Compensation policies for the corporate offers for the 2019 financial year

During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, set the compensation policies for the Chairman and Chief Executive Officer (until his resignation on January 23, 2019) ("Compensation policy for the Chairman and Chief Executive Officer"below), of the Chairman of the Board of Directors ("Compensation policy for the Chairman of the Board of Directors" below) and of the Chief Executive Officer (" Compensation policy for the Chief Executive Officer" below).

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the compensation policy for each corporate officer for the 2019 financial year will be submitted to the Company's Combined General Meeting of June 12, 2019 for approval.

It should be noted that payment of potential variable and exceptional compensation components for the 2019 financial year is subject to the subsequent approval, by a Company Ordinary Annual General Meeting, of the fixed, variable, and exceptional components of the overall compensation and the benefits of all kinds paid or allocated for the 2019 financial year.

Compensation policy for the Chairman and Chief Executive Officer

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

> **Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer for the 2019 financial year**
>
> The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Company's Chairman and Chief Executive Officer for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code and which are reminded in the report of the Company's Board of Directors.

During its meeting of March 15, 2019, the Board of Directors, on the recommendation of the Compensation Committee, decided that no compensation shall be paid or awarded for the 2019 financial year to Mr Carlos Ghosn, Chairman and Chief Executive Officer, who resigned as of January 23, 2019, given his impediment until this date.

Compensation policy for the Chairman of the Board of Directors

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

> **Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chairman of the Board of Directors for the 2019 financial year**

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Chairman of the Company's Board of Directors for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code and which are reminded in the report of the Company's Board of Directors.

Annual fixed compensation

The annual fixed compensation for 2019 has been set to €450,000 payable in twelve monthly installments (pro rated as of January 24, 2019). The fixed portion of the compensation is generally not subject to an annual adjustment, unless a justified decision is taken by the Board of Directors to the contrary.

Annual variable compensation

The Chairman of the Board of Directors will not receive annual variable compensation.

Multiyear variable compensation

The Chairman of the Board of Directors will not receive multiyear variable compensation.

Exceptional compensation

The Chairman of the Board of Directors will not receive any exceptional compensation in 2019.

Long-term compensation

The Chairman of the Board of Directors will not receive long-term compensation.

Attendance fees

The Chairman of the Board of Directors will not receive attendance fees for his term as director.

Benefits in kind

The Chairman of the Board of Directors benefits from the same healthcare insurance as Groupe Renault employees in France, as well as from two company cars, including one with driver.

Service provision agreements

No service provision agreement has been entered into between the Company and the Chairman of the Board of Directors.

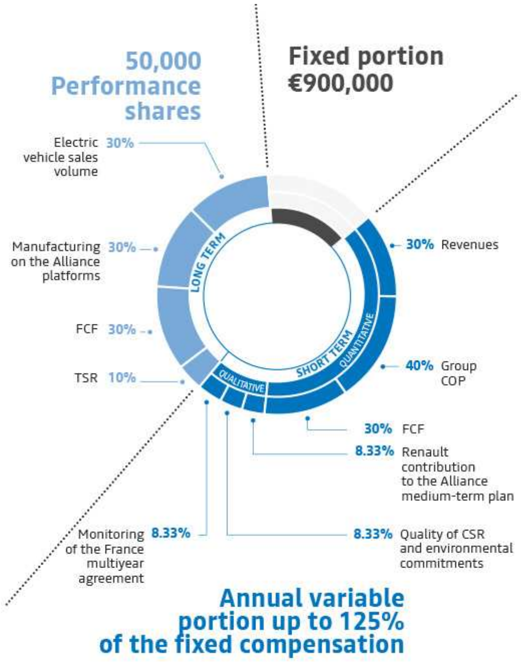
Sign-on bonus

The Chairman of the Board of Directors does not receive any sign-on bonus.

Termination benefits

The Chairman of the Board of Directors does not benefit from any termination benefit, non-compete clause or top-up pension scheme.

Compensation policy for the Chief Executive Officer



During its meeting of April 3, 2019, the Board of Directors, on the recommendation of the Compensation Committee, set the compensation policy for the Chief Executive Officer for the 2019 financial year, pursuant to the principles set out above (see " General principles relating to the compensation of the corporate officers" above).

Draft resolution submitted to the Annual General Meeting of June 12, 2019 pursuant to Article L. 225-37-2 of the French Commercial Code

Approval of the principles and criteria for determining, allocating, and awarding the components of the overall compensation and benefits of any kind attributable to the Chief Executive Officer for the 2019 financial year

The Annual General Meeting, voting pursuant to the quorum and majority rules applicable to Ordinary General Meetings, and having reviewed the Board of Directors' reports, in accordance with the provisions of Article L. 225-37-2 and R. 225-29-1 of the French Commercial Code, approves the principles and criteria for determining, allocating, and awarding the fixed, variable and exceptional components that make up the overall compensation and benefits of any kind attributable to the Company's Chief Executive Officer for the 2019 financial year, which were set by the Company's Board of Directors on the recommendation of the Compensation Committee, which are described in the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code and which are reminded in the report of the Company's Board of Directors.

Component	Payment method	Amounts	Performance and weighting criteria
▪ Fixed compensation	▪ 100% in cash.	▪ €950,000.	▪ Not applicable.
▪ Annual variable compensation	▪ 100% in cash.	▪ **Target variable portion of 100%** of the fixed compensation upon achievement of the quantifiable (financial) criteria	▪ **Quantifiable (financial) criteria:** 100% upon achievement of the budget and maximum of the fixed compensation: ▪ Group operating margin (Group OM), 40% if on budget and maximum, ▪ Group revenues: 30% if on budget and maximum,

		budget and 125% maximum upon achievement of the quantifiable (financial) and qualitative (managerial) criteria.	▪ Free cash flow (FCF): 30% if on budget and maximum. ▪ **Qualitative (managerial) criteria:** 25% maximum of the fixed compensation ▪ Renault's contribution to the Alliance Mid-Term Plan: 8.33% maximum, ▪ quality of CSR and environmental, commitments: 8.33% maximum, ▪ monitoring of the multiyear competitive agreement in France: 8.33% maximum.
▪ Long-term compensatio n	▪ Vesting of performance shares subject to a 3-year presence condition and performance criteria being achieved. ▪ 25% of the vested shares must be retained until the end of his term of office.	▪ **Allocation of 50,000 performance shares**, subject to performance criteria being achieved. ▪ Assessment of the level of achievement of performance criteria over a cumulative 3-year period (2019, 2020 and 2021).	▪ **Performance criteria:** vesting of 50,000 shares maximum (100%) ▪ TSR (total shareholder return) compared to the average TSRs of the Euro Stoxx ex Financials index and the Euro Stoxx Automobile & Parts index: 10%, ▪ Free cash flow (FCF): 30%, ▪ Percentage of models manufactured on the Alliance platforms: 30%, ▪ Electric vehicle sales volume: 30%.

Pursuant to the compensation principles set by the Board of Directors on the recommendation of the Compensation Committee, the compensation policy for the Chief Executive Officer focuses on performance and includes long-and short-term performance criteria that are demanding, stable, verifiable, and quantifiable.

The risk component of the compensation, mainly in the form of shares and, particularly, performance shares, corresponds to a dominant part of the Chief Executive Officer's potential compensation in the event the performance criteria are met.

In addition to these components, the Chief Executive Officer benefits from a top-up pension scheme and entered into a non-compete agreement with the Company.

The compensation policy for Chief Executive Officer for the 2019 financial year is set out below.

Annual fixed compensation

The annual fixed portion of the compensation for 2019 has been set to €900,000 paid in twelve monthly installments (pro rated as of January 24, 2019). The fixed portion of the compensation is generally not subject to an annual adjustment, unless a justified decision is taken by the Board of Directors to the contrary.

Annual variable compensation

The variable portion of the Chief Executive Officer's compensation corresponds to a percentage of the fixed portion, its amount being determined on the basis of performance criteria. On the recommendation of the Compensation Committee, these performance criteria are set by the Board of Directors, which assesses their achievement each year.

The amount of the variable portion may reach 125% of the fixed portion if all performance objectives are achieved to the maximum extent possible.

For the 2019 financial year, the performance criteria set by the Board of Directors, on the recommendation of the Compensation Committee, include three quantifiable criteria and three qualitative criteria. The Board has deemed these to be key indicators of Groupe Renault's performance.

The criteria and their weighting are shown in the tables below.

QUANTIFIABLE CRITERIA FOR THE 2019 FINANCIAL YEAR (0% TO 100% OF FIXED COMPENSATION)

	Group operating margin (Group OM)	Group revenues	Free cash flow (FCF)
Target	▪ The operating margin reflects the Company's profitability. ▪ Achieving this target is a key indicator of the success of the Company's Mid-Term Plan.	▪ Revenue is the indicator that reflects the company's level of activity. ▪ It shows the company's ability to "monetize" its activity. ▪ It is one of the objectives of the Drive The Future strategic plan.	▪ A high level of free cash flow demonstrates that strict financial discipline within the Company. ▪ Positive Automotive operating free cash flow is imposed each year and is a key driver of long-term growth and allows for dividend payments.
Weighting *(as a percentage of fixed compensation)*	▪ 40% if on budget and maximum.	▪ 30% if on budget and maximum.	▪ 30% if on budget and maximum.
Payout rate	▪ 0% if the operating margin is strictly lower than the budget; no payment is made. ▪ 40% if the operating margin is equal to the budget.	▪ 0% if the revenues are strictly lower than the budget; no payment is made. ▪ 30% if the revenues are equal to the budget.	▪ 0% if free cash flow is strictly lower than the budget; no payment is made. ▪ 30% if free cash flow is equal to the budget.
For reasons of commercial confidentiality, the Company does not disclose the target figures for this criterion ex-ante. However, the Company will publish the degree of achievement for this criterion at the end of the performance cycle.			

QUALITATIVE CRITERIA FOR THE 2019 FINANCIAL YEAR (0% TO 25% OF FIXED COMPENSATION)

	Renault's contribution to the Alliance Mid-Term Plan (MTP)	Quality of CSR and environmental commitments	Monitoring of the multiyear agreement in France
Target	▪ These criteria measure the Company's strategic progress from a qualitative point of view, using targets that can be evaluated and measured by the Compensation Committee and the Board of Directors. These targets are designed to reflect the management's progress in the development of robust and effective synergies. ▪ The Company aims to offer innovative products and robust returns for its shareholders, in line with the interests of stakeholders (employees, clients, shareholders, purchasers, and suppliers), and generate sustainable growth and profitability.		
Examples of indicators	▪ Pursuing the standardization policy (CMF – Common	▪ Health and safety. ▪ Extension of the	▪ Manufacturing volume. ▪ France Capex.

	Module Family approach). ▪ Communalization of parts.	Mobiliz program. ▪ Compliance.	▪ Recruitment volume.
Weighting (as a percentage of fixed compensation)	▪ 8.33**%** if on target and maximum.	▪ 8.33**%** if on target and maximum.	▪ 8.33**%** if on target and maximum.

Annual variable compensation payment conditions

The annual variable compensation will be fully paid in cash.

It should be noted that pursuant to Article L. 225-37-2 of the French Commercial Code, payment of the annual variable compensation to the Chief Executive Officer for the 2019 financial year is subject to its approval by the Annual General Meetingto be held in 2020 to approve the financial statements for the financial year ending December 31, 2019.

Multiyear variable compensation

The Chief Executive Officer will not receive multiyear variable compensation.

Exceptional compensation

The Chief Executive Officer will not receive any exceptional compensation in 2019.

Long-term compensation

Pursuant to the Company's compensation principles, the Chief Executive Officer's compensation mainly takes the form of long-term compensation (the vesting of which is subject to performance criteria), to ensure alignment of the Chief Executive Officer's compensation with shareholder interests.

Since 2013, Groupe Renault has decided to cease using stock options and implement only performance share plans as part of its long-term compensation policy.

Long-term compensation is allocated annually. The use of this type of long-term compensation is aligned with market practice in France and the worldwide market. The number of performance shares allocated to the Chief Executive Officer is expressed as an absolute number, rather than as a percentage of the salary, with the result that upward and downward fluctuations in the share price affect the corresponding total value.

The Chief Executive Officer is allocated performance shares, with the same vesting conditions as the other executives in the Group plus one additional performance criterion applied to him in his capacity as Chief Executive Officer.

Allocation for the 2019 financial year

On the recommendation of the Compensation Committee, the Board of Directors of April 3, 2019 decided that 50,000 performance shares would be allocated to the Chief Executive Officer for the 2019 financial year. This number, decided on the basis of the Company's compensation policy (which dictates that compensation must mainly comprise shares), also constitutes the maximum number of performance shares (except in the case of a change in the par value of Renault shares).

This allocation is conditional on the renewal, at the Annual General Meeting of June 12, 2019, of the authorization granted by the Annual General Meeting of April 29, 2016 which expires in 2019.

Of the 50,000 performance shares to be awarded, the number of shares vested by the Chief Executive Officer will depend on the achievement of the following performance criteria:

LONG-TERM PERFORMANCE CRITERIA [(1)]

	Total shareholder return (TSR)	Free cash flow (FCF)	Percentage of models manufactured on the Alliance platforms	Electric vehicles sales volume

Targets and means of application	▪ TSR is the market criterion which reflects variations in share prices, and dividends paid. Relative TSR reflects the value delivered to shareholders, compared to the value created by alternative investments to which they have access. ▪ TSR is calculated by reference to a benchmark, which corresponds to the sum of the average TSR Euro Stoxx Auto & Parts index results and the average Euro Stoxx ex Financials index results (both weighted equally).	▪ Free cash flow (FCF) is a key component of the Company's growth capacity, as it underlies its capacity for financing the investments necessary for long-term growth and allows dividend payments.	▪ This criteria is a strategic pillar for the achievement of the objectives of the "Drive the Future" plan and corresponds to the percentage of models manufactured on the Alliance platforms Common Module Family (CMF) compared to the "Drive the Future" Mid-Term Plan (MTP) indicator. ▪ The capacity to share costs and obtain profits from the Alliance scale effects is key for the sustainability of the Company's profitability.	▪ This criteria is a strategic pillar for the achievement of the objectives of the "Drive the Future" plan and corresponds to the electric vehicles sales volume. ▪ The success of the electric strategy is crucial in order to face the ongoing energetic revolution and to maintain the Company's lead in this technology.
Weighting *(as a percentage of allocation)*	▪ 10%	▪ 30%	▪ 30%	▪ 30%
Payment rate	▪ 0% if the TSR is strictly lower than the benchmark. ▪ 4.5% if the TSR is equal to the benchmark. ▪ 10% if the TSR is equal to or higher than the benchmark +10% ▪ Linear interpolation if TSR is between the benchmark and the benchmark +10%.	▪ 0% if FCF is strictly lower than the budget. ▪ 21% if FCF is equal to the budget ▪ 30% if FCF is higher than or equal to the budget +20%. ▪ Linear interpolation if FCF is between the budget and the budget +20%.	▪ 0% if the percentage of CMF models is strictly lower than the MTP indicator. ▪ 21% if the percentage of CMF models is equal to the MTP indicator. ▪ 30% if the percentage of the CMF models is higher than or equal to the MTP indicator +5%. ▪ Linear interpolation if the percentage of CMF models is between the MTP indicator and the MTP indicator +5%.	▪ 0% if the electric vehicles sales are strictly lower than the budget ▪ 21% if the electric vehicles sales are equal to the budget. ▪ 30% if the electric vehicles sales are higher than or equal to the budget +5%. ▪ Linear interpolation if the electric vehicles sales are between the budget and the budget +5%.
	▪ As this is a relative criterion, the amount of the target is not yet known. The Company will disclose the average figure and the relevant degree of achievement at the end	▪ For reasons of commercial confidentiality, the Company does not disclose the target figures for this criterion *ex-ante*. However, the Company will publish the degree of achievement for this criterion at the end of the performance cycle.		

	of the performance period.	
(1) Except for the TSR criterion, which is only applicable to the Chief Executive Officer, these criteria are the same for all beneficiaries of performance shares.		

These performance criteria are measured over a cumulative three-year period (2019, 2020 and 2021). If no criterion is achieved, no shares are allocated at the end of the vesting period.

Vesting of performance shares is subject to a three-year presence condition starting from the allocation by the Board of Directors.

Obligation of the Chief Executive Officer to hold and retain shares vested as a result of performance share plans

The Chief Executive Officer is subject to an obligation to retain 25% of the vested performance shares in his capacity as Chief Executive Officer, until the end of his term of office. The aim of this requirement is to ensure the interests of the Chief Executive Officer are sufficiently aligned with those of shareholders.

Commitment by the Chief Executive Officer not to engage in risk hedging

Pursuant to the AFEP-MEDEF Code recommendations, Chief Executive Officer will commit, for each performance shares allocation, not to engage in performance share risk hedging.

Consequences of the departure of the Chief Executive Officer on the vesting of performance shares

In the event of departure from Groupe Renault before the end of the vesting period, the loss or retention of the performance shares allocated to the Chief Executive Officer will depend on the reason for the departure.

Departure reason	Status of the performance shares not yet vested
Dismissal (occuring prior to the last day of the vesting period)	Total loss, in case of a dismissal for serious or gross misconduct. Retention, in all other cases of dismissal, prorated to the vesting period.
Resignation (occuring prior to the last day of the vesting period)	Total loss.
Compulsory or voluntary retirement	Retention, without acceleration of the vesting period. The conditions of the plans, including the performance conditions, will continue to apply.
Disability/Long-term illness	Retention of the rights. The performance criteria are deemed to be fully met.
Death	Retention for the benefit of heirs or beneficiaries. The performance criteria are deemed to be fully met.
Exceptional circumstances	The Board of Directors, on the recommendation of the Compensation Committee, could decide to exceptionally maintain the rights. The allocation rate would be pro-rated in order to take into account the actual presence of the Chief Executive Officer within the Group during the vesting period. There will be no acceleration of the vesting period and the conditions of the plans, including the performance criteria, will continue to apply.

Furthermore, there is no acceleration clause in the case of change of control.

Attendance fees

The Chief Executive Officer is not a Director. Therefore, he does not receive attendance fees.

Benefits in kind

The Chief Executive Officer benefits from the same healthcare insurance as Groupe Renault employees in France as well as two company cars and one company car with driver.

Service provision agreements

No service provision agreement has been entered into between the Company and the Chief Executive Officer.

Sign-on bonus

The Chief Executive Officer does not benefit from any sign-on bonus, as his recruitment was carried out internally.

Termination benefit

The Chief Executive Officer does not benefit from any severance pay clause.

Non-compete indemnity

During its meeting of April 3, 2019, on the recommendation of the Compensation Committee, the Board of Directors authorised the conclusion of a non-compete agreement with Mr Thierry Bolloré, pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code.

Pursuant to this authorisation, the agreement was entered into between the Company and Mr Thierry Bolloré on April 3, 2019.

The conclusion of this agreement will be subject to the approval of the Annual General Meeting to be held on June 12, 2019 for approval.

The Board of Directors considered that it was in Renault's interest to enter into this non-compete agreement which will allow to protect Groupe Renault’s legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and to the recognized skills of Mr Thierry Bolloré in this market, the means available to him, and the sensitive information he holds and to which he can have access.

Under this agreement, Mr Thierry Bolloré commits, as of the end of his term of office as Chief Executive Officer, not to engage, directly or indirectly, in an activity that competes with those of the Group, on his own behalf, on behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and commercial vehicles), or on behalf of automotive suppliers.

The application of this clause is limited to:

- a period of twenty-four (24) months following the date on which Mr Thierry Bolloré effectively ceased to exercise his term of office (*mandat social*);
- the territories in which the Group operates at the time of the termination of the term of office, excluding countries located in Africa and Oceania, and, in the case of equipment manufacturers, North America (United States, Canada).

In consideration for his non-compete obligation, Mr Thierry Bolloré will receive from the Company, during the period of application of the agreement (twenty-four months) and subject to there being no breach of this agreement, a gross financial compensation corresponding to two years of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twenty-four monthly installments. The gross annual compensation retained for this calculation will be that paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code, on Mr Thierry Bolloré's departure, the Board of Directors of the Company will decide whether to apply this non-compete agreement, and may unilaterally waive it.

Top-up pension scheme

During its meeting of April 3, 2019, the Board of Directors authorised top-up a pension scheme for Mr Thierry Bolloré, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code.

This pension plan will be subject to the approval of the Annual General Meeting to be held on June 12, 2019.

The Board of Directors considered that the implementation of this scheme to the benefit of Mr Thierry Bolloré allows the Company to retain and to promote the Chief Executive Officer's loyalty.

This scheme was maintained by the Board of Directors of April 3, 2019 and will be submitted to the Annual General Meeting of June 12, 2019 for approval.

The top-up pension scheme for the Chief Executive Officer includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme.

a) Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)

The Chief Executive Officer benefits from a defined-contribution scheme; these contributions correspond to 8% of that part of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); of this 8% total, 5% is paid by the Company and 3% by the Chief Executive Officer.

The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme.

b) Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)

The Chief Executive Officer also benefits from a top-up defined- benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm. This scheme is open to new beneficiaries.

The eligibility for this scheme is subject to a seniority condition (at least five years with the Company and at least two years on the Group Executive Committee) and a presence condition as an officer of the Company. These conditions must be satisfied at the time he claims his pension rights.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three highest gross annual compensations (fixed and variable components) over the last ten years of activity prior to retirement.

The annual amount paid into this pension scheme is equal to 10% of the reference compensation, this percentagebeing increased by 1.4 percentage points per year of seniority beyond five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority outside the Group Executive Committee, beyond five years of seniority in the Company.

The amount is capped at 30% of the reference compensation.

The reference compensation in question is capped at 65 times the annual French Social Security cap.

In any event, the annual total of these pension amounts for the Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

Pensions are paid by an insurance company to which the Company pays premiums based on the financing needs arising as beneficiaries retire.

Pursuant to the provisions of Article 229 II of the Macron Act, the vesting of new rights under the defined-benefit pension scheme must be conditional upon the satisfaction of performance conditions.

In addition, the annual increase in conditional rights is limited to 3% of the annual compensation used as a reference to calculate the pension paid under this scheme.

During its meeting of April 3, 2019, the Board of Directors noted that as at December 31, 2018, Mr Thierry Bolloré had a seniority of 6 years, corresponding to 11.53% of rights.

For information, the estimated amount of the gross annual pension as at 31 December 2018 was €169,138.

Upon the recommendation of the Compensation Committee, the Board of Directors, during its meeting of April 3, 2019, decided to condition the acquisition by Mr Thierry Bolloré of new rights as from January 1, 2019 to the following performance condition: the amount of free cash flow for the 2019 financial year must be positive.

At the end of each year, the Board of Directors will assess the achievement of the performance criterion, during the previous year. Otherwise, the year will not be taken into account in the determination of the pension.

Compensation of directors

Pursuant to the provisions of Article L. 225-45 of the French Commercial Code, the Annual General Meeting may allocate compensation to the directors, in respect of attendance fees, the amount of which is maintained until a new decision.

Amount

The Combined General Meeting on June 15, 2018 set the annual amount for attendance fees to be divided among the directors for the 2018 financial year and subsequent financial years at €1,500,000, until the General Meeting decides otherwise.

Allocation procedure

Recommendation 20.1 of the AFEP-MEDEF Code stipulates that attendance fees paid to directors must include a variable portion relating to effective participation in Board and committee meetings. This variable portion must be predominant compared to the fixed portion. The rules for the allocation and calculation of attendance fees comply with this recommendation and were last amended by the Board of Directors on February 15, 2018.

For each year of office, the directors receive the following:

- a fixed portion;
- a variable portion which depends on the effective presence of members at Board and/or committee meetings.

Committee Chairs benefit from additional attendance fees for these duties due to their additional responsibilities.

The annual amount of attendance fees allocated to the Chairman and Chief Executive Officer is subject to an overall cap (fixed and variable portions) of €48,000.

The following calculation rules are applicable:

	Fixed portion	Variable portion *(per meeting)*	Overall cap applicable to the Chairman and Chief Executive Officer	Chairmanship
Board of Directors	€18,000	€6,000	€48,000	€0
Committees (excluding CARE)	€1,500	€3,000	N/A	€7,500
CARE	€1,500	€3,000	N/A	€15,000

For the 2018 financial year, the total gross amount of attendance fees allocated to the directors was €1,499,750 (€1,211,625 in 2017), given the significant number of additional meetings of the Board and of the committees in 2018 and the number of directors in each committee.

SUMMARY TABLE

TABLE FOR ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS

(TABLE NO. 3 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

The gross amounts are calculated using the calculation methods adopted by the Board of Directors of February 15, 2018 which decided in particular to eliminate the individual cap on the attendance fees, with the exception of that of the Chairman and Chief Executive Officer.

	Gross amount of attendance fees allocated *(in euros)*[(2)]	
	2018	2017*
Mr Ghosn	48,000	47,539
Mrs Barba	88,875	46,920
Mr Barrat	70,500	54,968
Mr Belda [(1)]	-	34,912
Mrs Bensalah Chaqroun	55,500	43,949
Mrs Blair	76,500	51,996
Mr Courbe [(2)(3)]	4,500	
Mrs Darmaillac	108,000	50,758
Mr Desmarest [(4)]	16,500	68,338
Mr Derez [(5)]	58,875	
Mr Faure [(2)(6)]	32,625	54,968
Mr Fleuriot [(7)]	40,875	
Mr Gentil	70,500	54,968
Mr Ladreit de Lacharrière [(8)]	34,500	65,367
Mrs de la Garanderie [(1)]	-	34,169
Mr Lagayette	109,500	83,194
Mr Ostertag	90,000	65,367
Mr Personne	93,000	72,795
Mrs Qiu	83,250	57,939
Mr Riboud [(1)]	-	14,856
Mrs Serizawa	54,000	47,539
Mrs Sourisse	70,500	57,939
Mr Thomas	124,250	75,766
Mr Vial [(2)]	105,000	65,367
Mr Yamauchi	64,500	50,387

** The amount of Directors' fees received for the 2017 financial year was subject to an individual ceiling. In addition, a reduction ratio (of around 0.95%) had been applied to the scale to avoid exceeding the overall budget.*

(1) Director whose term of office ended on June 15, 2017.

(2) Director representing the French State.

(3) Director co-opted on October 5, 2018. Mr Thomas Courbe's co-optation will be submitted to the Annual

General Meeting of June 12, 2019 for ratification.

(4) Director whose term of office ended on February 15, 2018.

(5) Director co-opted on February 15, 2018. This co-optation was ratified by the Annual General Meeting held on June 15, 2018.

(6) Director whose term of office ended on October 5, 2018.

(7) Director whose term of office started on June 15, 2018.

(8) Director whose term of office ended on June 15, 2018.

Compensation of senior executives: performance shares

Legal framework

In Resolution 13, the Combined General Meeting on April 29, 2016 authorised the Board of Directors to proceed, on one or more occasions, with free allocations of Company existing shares and/or shares to be issued (so-called performance shares) for the benefit of salaried members of staff and/or officers of the Company and/or French or non-French companies or groups directly or indirectly related to it, or certain categories thereof, pursuant to the terms of Article L. 225-197-2 of the French Commercial Code.

Performance share plans are decided annually by the Board of Directors on the recommendation of the Compensation Committee.

In accordance with market best practices, the vesting of performance shares is subject to (i) performance conditions set by the Board of Directors assessed over a minimum period of three years and (ii) a minimum vesting period of three years.

Beneficiaries of performance shares must be employees or officers of Groupe Renault upon vesting of the shares. In the event of departure from Groupe Renault prior to the date of vesting, the beneficiary loses the benefit of the shares allocated to them, except in the case of compulsory or voluntary retirement.

In the event of the death, total or partial invalidity, or extended sick leave of the beneficiary, they retain the benefit of the performance shares, and the performance conditions do not apply.

Performance share allocations granted pursuant to the aforementioned authorisation are subject to the following caps being observed:

- the total number of performance shares allocated may not exceed 1.5% of the share capital over three years, *i.e.*, an average of 0.5% of the share capital each year;
- the total number of performance shares allocated may not exceed 10% of the share capital on the date on which the Board of Directors decides on their allocation;
- the number of performance shares allocated to the Chairman and Chief Executive Officer may not exceed 15% of the total number of shares allocated;
- the number of performance shares allocated to members of the Executive Committee may not exceed 30% of the total number of shares allocated, including performance shares allocated to the Chairman and Chief Executive Officer.

Pursuant to Resolution 13 of the Combined General Meeting on April 29, 2016, performance share allocations do not result in any dilution for the shareholders, as performance shares are shares held by the Company itself.

The authorisation granted at the Annual General Meeting of April 29, 2016 to the Board of Directors to allocate free shares expires in 2019. A new resolution will be submitted to the Annual General Meeting of June 12, 2019 to renew this authorisation.

General plan allocation policy

Compensation Committee

The Board of Directors approves the performance share plans based on the work and recommendations of the Compensation Committee. The committee examines the allocation proposals for certain Groupe Renault employees presented by the Chief Executive Officer, pursuant to the general scheme decided on by the Annual General Meeting.

The purpose of share allocations

The aim of performance share allocations is primarily to personally associate the worldwide management of Groupe Renault, in particular the members of management bodies, with the development of the Group's value by allowing them to share ownership of the Company.

It also provides recognition of executives whose outstandingly positive action has contributed to Groupe Renault's results.

Lastly, it helps to promote loyalty in executives who are of particular value to the Company, notably executives with a high potential for career development. The allocation of shares increases their commitment and motivation to implement progress and growth in the Company.

This scheme has proved to be a factor in strengthening the role of responsibility centres throughout Groupe Renault worldwide, more particularly in the Automotive sector, sales subsidiaries, vehicle and mechanical engineering, bodywork and powertrain plant managers, industrial subsidiaries, as well as for all program managers and vehicles or components project managers. It is also applied in sales financing, as well as for the managers of large support functions in Groupe Renault.

Share allocation policy

Allocation is differentiated according to beneficiaries' level of responsibility and contribution, on the basis of the appraisal of their performance and results, and according to the assessment of their development potential.

Beneficiaries are divided into three categories.

Top management

As of April 1, 2019, the senior management team comprises 36 members of Groupe Renault's Senior Management Committee (CDR), including the 12 members of the Group Executive Committee (CEG).

The proportion of performance share allocation plans allocated to the Chairman and Chief Executive Officer and members of the Group Executive Committee (including the Chairman and Chief Executive Officer) does not exceed 15% and 30% respectively of performance shares allocated.

Senior executives

Senior executives are beneficiaries and benefit in principle from variable allocations, according to their level of responsibility, performance, and results. Certain senior executives may not be beneficiaries.

Other beneficiary executives

The other beneficiaries are usually senior managers and managers with high professional or managerial development potential or with a high level of expertise. There are many complementary systems for appraising and selecting these beneficiaries (level of responsibility, annual interviews, career committees, specific follow-up for high- potential managers, *etc.*); these systems constitute a body of observations enabling the most deserving individuals to be distinguished.

All these categories of beneficiary total approximately 1,000 managers each year. The total number of beneficiaries was 861 for the 2013 plan, 898 for the 2014 plan, 1,013 for the 2015 plan, 1,120 for the 2016 plan, 1,060 for the 2017 plan and 1,123 for the 2018 plan.

Summary tables

Past allocations of stock options and performance shares

Plan nos. 18, 19 and 20 are share purchase option plans.

Plan nos. 18 *bis*, 19 *bis*, 20 *bis* are performance share allocation plans, of which the Chief Executive Officer is not a beneficiary.

Plan nos. 21 to nos. 25 are performance share allocation plans in which some of the shares are allocated to the Chairman and Chief Executive Officer and subject to an additional performance criterion compared to the shares in the plan allocated to other beneficiaries.

The size of the Plans in progress as of December 31, 2018 corresponds to 2.37% of the Company's share capital.

STOCK OPTION PLANS

(TABLE NO. 8 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND AMF POSITION-RECOMMENDATION NO. 2009-16)

Allocation date/ Board of Directors' meeting date		Total number of shares available for purchase	– to the Chairman and Chief Executive Officer Carlos Ghosn	Start date of exercise period	Expiry date	Purchase price (1)	Number of exercised options as of 12/31/2018	Total number of cancelled or lapsed options as of 12/31/2018	Options outstanding as of 12/31/2018
Authorisation by the Shareholders' Annual General Meeting on April 29, 2011									
Plan no. 18	04/29/2011	490,000	100,000	04/30/2015	04/28/2019	38.80	386,550	11,388	92,062
Plan no. 19 (2)	12/08/2011	300,000	100,000	12/09/2015	12/07/2019	26.87	114,500	150,000	35,500
Plan no. 20 (3)	12/13/2012	447,800	150,000	12/13/2016	12/12/2020	37.43	275,010	51,578	121,212

(1) The purchase price is equal to the average stock market price over the twenty sessions prior to the date of the Board of Director's meeting.

(2) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved, and that the FCF target had been achieved. Consequently, 50% of the options in Plan no. 19 were cancelled.

(3) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the options in Plan no. 20 were cancelled.

PERFORMANCE SHARE PLANS

(TABLE NO. 9 AS PER AFEP-MEDEF CODE RECOMMENDATIONS AND TABLE NO. 10 AS PER AMF POSITION-RECOMMENDATION NO. 2009-16)

Allocation date/ Board of Directors' meeting date		Total number of shares granted	– to the Chairman and Chief Executive Officer Carlos Ghosn	Vesting date	Availability date	Shares cancelled as of 12/31/2018	Outstanding shares as of 12/31/2018
Authorisation by the Shareholders' Annual General Meeting on April 30, 2013							
Plan no. 21 Shares (1)	02/12/2014	313,807	100,000	02/12/2018	02/12/2018	25,371	288,436
Plan no. 21 *bis* Shares (1)	02/12/2014	980,045	0	06/15/2017	06/15/2019	91,045	889,000
Plan no. 22 Shares (2)	02/11/2015	367,605	100,000 (4)	02/11/2019	02/11/2019	14,557	353,048
Plan no. 22 *bis* Shares (2)	02/11/2015	1,053,650	0	06/15/2018	06/15/2020	96,601	957,049

Authorisation by the Shareholders' Annual General Meeting on April 29, 2016							
Plan no. 23 Shares	04/29/2016	361,605 [(3)]	0	04/29/2020	04/29/2020	13,240	348,365
Plan no. 23 Shares	04/29/2016	977,200 [(3)]	0	04/29/2019	04/29/2020	13,650 [(2)]	963,550
Plan no. 23 *bis* Shares	07/27/2016	100,000	100,000 [(4)]	07/27/2020	07/27/2020	0	100,000
Plan no. 24 Shares	02/09/2017	329,300 [(3)]	0	02/09/2021	02/09/2021	4,750	324,550
Plan no. 24 Shares	02/09/2017	989,910 [(3)]	0	02/09/2020	02/09/2021	10,750	979,160
Plan no. 24 *bis* Shares	02/09/2017	100,000	100,000 [(4)]	02/09/2021	02/09/2021	0	100,000
Plan no. 25 Shares	02/15/2018	311,750	0	02/15/2022	02/15/2022	2,700	309,050
Plan no. 25 Shares	02/15/2018	1,082,200	0	02/15/2021	02/15/2022	3,950	1,078,250
Plan no. 25 *bis* Shares	02/15/2018	80,000	80,000 [(4)]	02/15/2022	02/15/2022	0	80,000

(1) The Board of Directors of June 15, 2017 noted that the performance criteria had been 92.83% achieved (95.21% for the Chairman and CEO). Consequently, 7.17% of the shares in Plans nos. 21 and 21 bis were cancelled.

(2) The Board of Directors of June 15, 2018 noted that the performance criteria had been 95% achieved (96.66% for the Chairman and CEO). Consequently, 5% of the shares in Plans nos. 21 and 21 bis were cancelled.

(3) Modification of the allocation of the number of performance shares initially granted, due to international mobilities during the vesting period.

(4) During its meeting of February 13, 2019, the Board of Directors, on the recommendation of the Compensation Committee, noted the loss of Mr Carlos Ghosn's rights to the vesting of the performance shares allocated in respect of the 2015, 2016, 2017 and 2018 financial years due to the non-fulfillment of the presence condition applicable to these allocations as a result of his resignation from his offices as Chairman of the Board of Directors and Chief Executive Officer effective January 23, 2019.

INFORMATION RELATING TO THE 10 NON-OFFICER EMPLOYEES

(PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE AND TABLE NO. 9 AS PER AMF POSITION-RECOMMENDATION NO. 2009-16)

Overview of stock options allocated and exercised by the 10 non-officer employees who received the largest number of options	Total number of options allocated/Acquired shares	Exercise price	Plan no. 18	Plan no. 19 [(1)]	Plan no. 20 [(2)]
Options granted by the issuer and any company within the scope of allocation of options, to the 10 employees of the issuer and any company within this scope, for whom the number of options thus granted is the highest (overall information)	478,800	Plan no. 18 = €38.80 Plan no. 19 = €26.87 Plan no. 20 = €37.43	240,000	62,000	176,800
Options held for the issuer and companies referred to above, exercised by the 10	297,440		186,738	38,500	72,202

employees of the issuer and these companies, for whom the number of options thus purchased or subscribed is the highest (overall information)					
(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 options were cancelled.					
(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 options were cancelled.					

(PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

Overview of performance shares granted to the top 10 allottee non-officer employees and shares vested by them	Total number of shares allocated	Plan no. 18 *bis*	Plan no. 19 *bis* (1)	Plan no. 20 *bis* (2)	Plan no. 21 (3)	Plan no. 22 (4)	Plan no. 23	Plan no. 24	Plan no. 25
Shares allocated by the issuer and any company within the scope of allocation, to the 10 employees of the issuer and any company within this scope, for whom the number of shares thus allocated is the highest (overall information)	1, 206,000	110,000	68,000	78,000	185,000	185,000	185,000	190,000	205,000
Shares held for the issuer and companies referred to above, vested by the 10 employees of the issuer and these companies, for whom the number of shares thus vested is the highest (overall information)	560,501	110,000	34,000	69,015	171,736	175,750	0	0	0

(1) On February 13, 2013, the Board of Directors determined that the operating margin target for 2012 had not been achieved. Consequently, 50% of the Plan no. 19 bis shares were cancelled.

(2) On February 12, 2014, the Board of Directors determined that the performance criteria had been 88.48% achieved. Consequently, 11.52% of the Plan no. 20 bis shares were cancelled.

(3) On June 15, 2017, the Board of Directors determined that the performance criteria had been 92.83% achieved. Consequently, 7.17% of the Plan no. 21 shares and 21 bis shares were cancelled.

(4) On June 15, 2018, the Board of Directors determined that the performance criteria had been 95% achieved. Consequently, 5% of the Plan no. 22 shares were cancelled.

5. STATE OF CORPORATE GOVERNANCE, ETC.

(1) State of Corporate Governance

Board organisation, operation and missions

1. Organisation of the Board

Composition of the Board of Directors as of December 31, 2018

NUMBER OF MEMBERS	NUMBER OF MEETINGS

19	vs	19	**7**	vs	7
2018		*2017*	*2018*		*2017*
PERCENTAGE OF INDEPENDENT DIRECTORS			**ATTENDANCE RATE**		
66.7%	vs	66.7%	**86.09%**	vs	91.88%
2018		*2017*	*2018*		*2017*

I. Independence of the Board of Directors

The Board of Directors is committed to respecting the principle of independence, which is set forth in its Board Charter.

Board Charter provisions governing the independence of the directors

At least half of the directors, not including any directors elected by the employees (*administrateurs élus par le personnel salarié*) and the director representing the employee shareholders (*administrateur représentant les salariés actionnaires*), shall be considered as independent according to the criteria set forth in the AFEP-MEDEF Code.

However, the Board of Directors, on the recommendation of the Appointments and Governance Committee, may consider that a director who meets the criteria set forth in the AFEP-MEDEF Code may not be considered as independent given his/her particular situation or that of the Company. Conversely, the Board may consider that a director who does not meet the aforementioned criteria should nevertheless be considered as independent.

Each year, the Appointments and Governance Committee shall discuss; for each director, whether such director should be considered as independent, and the independence of each director shall be examined on a case-by-case basis by the Board of Directors in light of the criteria set forth in the AFEP-MEDEF Code. Upon appointment of a new director or renewal of the terms of office a director, the question of whether such director may be considered as independent should also be discussed.

On February 13, 2019, the Board of Directors established the following list of directors with independent status as at December 31, 2018: Mrs Catherine Barba, Mrs Miriem Bensalah Chaqroun, Mrs Cherie Blair, Mrs Marie-Annick Darmaillac, Mrs Olivia Qiu, Mrs Pascale Sourisse, and Messrs Thierry Derez, Pierre Fleuriot, Philippe Lagayette and Patrick Thomas.

Thus, as of December 31, 2018, the Company's Board of Directors was composed of 19 members, 10 of whom were deemed to be independent. Pursuant to the recommendations of the AFEP-MEDEF Code, the directors representing the employees and the director representing employee shareholders have not been taken into account when calculating the independence rate, which is thus 66.7%.

The table below summarises the results of the appraisal of the independence of directors in view of the criteria defined by the AFEP-MEDEF Code.

		Business relations	Family ties	Statutory Auditor	12 years on the Board	Employee or CEO	Cross-directorships	Ties with shareholders	Status assigned
Carlos	GHOSN	No	No	No	Yes	Yes	No	No	Non-independent
Catherine	BARBA	No	No	No	No	No	No	No	Independent
Frédéric	BARRAT	No	No	No	No	Yes	No	No	N/A (1)
Miriem	BENSALAH-CHAQROUN	No	No	No	No	No	No	No	Independent
Thomas	COURBE	No	No	No	No	No	No	Yes	Non-independent
Cherie	BLAIR	No	No	No	No	No	No	No	Independent

Marie-Annick	DARMAILLAC	No	No	No	No	No	No	No	Independent
Thierry	DEREZ	Yes	No	No	No	No	No	No	Independent
Pierre	FLEURIOT	No	No	No	No	No	No	No	Independent
Richard	GENTIL	No	No	No	No	Yes	No	No	N/A (1)
Philippe	LAGAYETTE	No	No	No	No (2)	No	No	No	Independent
Benoît	OSTERTAG	No	No	No	No	Yes	No	No	N/A (1)
Éric	PERSONNE	No	No	No	No	Yes	No	No	N/A (1)
Olivia	QIU	No	No	No	No	No	No	No	Independent
Yu	SERIZAWA	No	No	No	No	No	No	Yes	Non-independent
Pascale	SOURISSE	No	No	No	No	No	No	No	Independent
Patrick	THOMAS	No	No	No	No	No	No	No	Independent
Martin	VIAL	No	No	No	No	No	No	Yes	Non-independent
Yasuhiro	YAMAUCHI	No	No	No	No	No	No	Yes	Non-independent

(1) Pursuant to the provisions of the AFEP-MEDEF Code, the director representing the employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.

(2) Mr Lagayette was appointed as director of the Company for the first time by the Annual General Meeting held on May 2, 2007. His term of office was renewed in 2011 and 2015. The renewal of his term of office will not be proposed to the Annual General Meeting of June 12, 2019, due to the age limit provided by the Company's articles of association.

The Board of Directors assessed the degree of significance of the business relations between the directors and the Company in view of the nature of these relations and the amounts involved. Indeed, the AFEP-MEDEF Code recommends, in order for a director to qualify as independent, "not to be a customer, supplier, commercial banker, investment banker or consultant that is significant to the corporation or its group or for which the corporation or its group represents a significant portion of its activities".

The Board ensured that there were no significant cash flows between the Company and any company of which Company's directors are directors or executive officers, in particular by examining the share these companies account for in the Company's revenue.

During its meeting of February 15, 2018, the Board of Directors examined with particular attention Mr Thierry Derez's situation.

Pursuant to the recommendations of the French Financial Market Authority, the Board of Directors assessed the relationship between Groupe Renault and Covéa from the point of view of each of the two groups, taking into account both quantitative and qualitative criteria (such as duration, continuity, economic dependence, exclusivity, organization of the relationship).

On this occasion, the Board of Directors concluded that the links between the Company and Covéa – whether it is repairs entrusted to Renault garages, insurance marketed by RCI or real estate affairs – are not sufficiently significant or strategic for Groupe Renault.

In any event, it is recalled that, in accordance with the AFEP-MEDEF Code, every director is under an obligation to inform the Board of any potential conflict of interest situation and to refrain from attending the debate and from participating in the vote of the corresponding deliberation.

II. Lead Independent Director

The office of Lead Independent Director is held by Mr Lagayette, whose term of office will expire at the end of the Annual General Meeting of June 12, 2019.

During its meeting held on March 15, 2019 the Board of Directors decided in principle to maintain a Lead Independent Director who will be appointed from among the independent directors at the end of Mr Philippe Lagayette's term of office.

The powers of the Lead Independent Director are set out in the Board Charter.

Board Charter provisions governing the Lead Independent Director

The Board of Directors may, on the proposal of the Appointments and Governance Committee, appoint a Lead Independent Director from among directors considered to be independent.

If the functions of the Chairman of the Board of Directors and the Chief Executive Officer are combined, the Board of Directors is required to appoint a Lead Independent Director.

The Lead Independent Director shall be appointed for a term that shall not exceed his/her term of office as director. He/she shall be eligible for reappointment as Lead Independent Director. The functions of the Lead Independent Director may terminated at any time by the Board of Directors.

The Lead Independent Director shall replace the Chairman in the following cases:

- if the Chairman is temporarily unavailable, for the duration of his/her unavailability;
- in the event of the Chairman's death, until the election of a new Chairman.

More generally, the Lead Independent Director shall chair meetings of the Board of Directors in the absence of the Chairman.

The Lead Independent Director shall:

- be consulted by the Chairman regarding the agenda of each meeting of the Board of Directors and the schedule of meetings; the Lead Independent Director may propose to the Chairman additional agenda items for a Board of Directors' meeting or the convening of a Board of Directors' meeting regarding a particular matter, whose importance or urgency would justify holding an extraordinary meeting;
- convene the Board in exceptional circumstances, after having sought the opinion of all Committees Chairs;
- convene, at least once per year, if the functions of the Chairman and the Chief Executive Officer are combined, a meeting of the Board's members in the absence of the Chairman and Chief Executive Officer and, as the case may be, of the Deputy Chief Executive Officer(s). Those meetings shall be convened, in particular, to assess the performance of the Chairman and Chief Executive Officer and, as the case may be, of the Deputy Chief Executive Officer(s), and to examine their respective compensation; the Lead Independent Director shall preside over the debates during such meetings;
- ensure that the Independent Directors liaise with the other members of the Board of Directors and General Management; the Lead Independent Director shall work to ensure that the directors are able to fulfil their duties under the best possible conditions and, in particular, receive comprehensive information prior to the Board of Directors' meetings;
- prevent conflicts of interest, particularly by carrying out prevention and awareness-raising activities among the directors; the Lead Independent Director shall bring to the Chairman's attention any potential conflicts of interest concerning the Chief Executive Officer and the Deputy Chief Executive Officers, as well as members of the Board of Directors he/she may have identified;
- be appointed by the Board of Directors as Chair or member of one or more Committees of the Board of Directors; in any event, the Lead Independent Director may attend meetings and have access to the work of all committees;
- take note of requests made by directors regarding governance and shall work to ensure that such requests are addressed; the Lead Independent Director shall assist the Chairman or the Chief Executive Officer in responding to shareholders' requests, be available to meet some of them with

the approval of the Chairman or the Chief Executive Officer, and inform the Board of shareholders' concerns regarding governance;

- ensure compliance with this Board Charter; and
- report on the assessment of his/her duties once a year to the Board of Directors; the Lead Independent Director may be invited by the Chairman to report on his/her activities during shareholders' general meetings.

Review of the Lead Independent Director's activity in 2018

During the 2018 financial year, the Lead Independent Director attended the meetings of the Board and all the meetings of the Compensation Committee and of the Audit, Risks and Ethics Committee (CARE) (which he chairs).

The Lead Independent Director plays a major role in the governance of the Company by fulfilling several missions, which focus on the following areas:

Discussions with the senior management and Independent Directors

As is the case each year, the Lead Independent Director had regular discussions with the following:

- the Independent Directors, to ensure that the conditions are in fact met for them to be able to fully exercise their mandate;
- the Chairman and Chief Executive Officer, the members of the Group Executive Committee, and the heads of key functions (VP, Group Accounting, General Counsel, Head of Tax, *etc.*), as well as the Statutory Auditors.

He also kept himself informed of the latest news of the Group and its competitors.

Board meetings

The Lead Independent Director was involved in the preparation of the Board meetings, giving his opinion on the agendas for each of the meetings and overseeing the quality of the information supplied to the members of the Board and its committees.

In 2018, he requested the examination of several particular points by the Board of Directors, on the basis of the Group's current affairs and those of the automotive industry.

He regularly met with all the directors and in particular with the chairpersons of the various committees.

He attended a meeting of the International and Industrial Strategy Committee of which he is not a member.

Pursuant to the Board Charter, in the absence of the Chairman of the Board, impeded, he convened and chaired several meetings of the Board of Directors during November and December 2018. He also held numerous information meetings with the directors on Mr Carlos Ghosn's situation in Japan and the consequences of the lawsuits against him.

Governance and compensation

As a member of the Compensation Committee, the Lead Independent Director contributed, in particular, to establishing the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year and to changes made to the performance criteria for performance share allocation plans.

Examination of the performance of the chairman and Chief Executive Officer in "executive sessions"

He chaired the discussions of the Board of Directors dealing with the evaluation of the performance and the setting of elements composing the compensation of the Chairman and Chief Executive Officer; these deliberations, generally known as "executive sessions", take place without the Chairman and Chief Executive Officer being present.

Relations with shareholders

The Lead Independent Director noted the concerns of the shareholders, especially major shareholders, and took steps to ensure the Company responded to these in a satisfactory manner.

In particular, he co-signed a letter to the shareholders in connection with the renewal of the term of office of the Chairman and Chief Executive Officer at the Annual General Meeting of June 15, 2018.

2. Operation of the Board

The rules governing the operation of the Board of Directors are specified in the Board Charter. The latest version of the Board Charter was adopted by the Board of Directors at its meeting of March 15, 2019, on the basis of the work of the Appointments and Governance Committee. This update aims to take into account both the evolution of the Company's governance and the new version of the AFEP-MEDEF Code of June 2018.

Board Charter provisions governing the operation of the Board of Directors

The Board of Directors shall be convened to discuss a specific agenda.

Each director shall be free and shall have the responsibility to request the Chairman to add certain items to the draft agenda if he/she believes that they fall within the competence of the Board of Directors. The Chairman shall inform the Board of this addition.

The Board of Directors may during any meeting, in case of emergency, discuss matters that are not on the agenda which was previously communicated.

The Chairman shall ensure that the directors receive, including from the Chief Executive Officer, any documents and information necessary to perform their duties.

Minutes shall be drawn up for each meeting of the Board of Directors in accordance with applicable laws and provisions of the articles of association.

Missions of the Board of Directors

Board Charter provisions governing the missions of the Board of Directors

The Board of Directors shall determine, on the proposal of the Chief Executive Officer, the strategic orientations of the Company's activities, taking into account social and environmental issues. It shall ensure their implementation.

Subject to the powers expressly granted to shareholders' meetings and within the limits of the Company's corporate purpose, the Board shall address any matter relating to the proper operation of the Company and settle by its deliberations any matters affecting the Company.

In accordance with applicable laws and regulations, and pursuant to the terms and conditions set forth, as the case may be, in this Board Charter, the Board of Directors shall:

- have authority to convene general meetings of the shareholders of the Company and to determine the agenda of such meetings;
- examine and approve the corporate and consolidated financial statements, report on its activity in the annual report and approve the statutory and regulatory reports;
- examine the Group's annual budget and medium-term plan presented by the Chief Executive Officer and any modification thereto;
- discuss each year the strategic orientations of the Company and the Alliance, taking into account social and environmental issues;
- examine on a regular basis any opportunities and risks associated with the strategy that it has defined;
- give its opinion on any important decision that is not in line with the Company's strategy;

- be alerted by General Management, at the earliest opportunity, of the occurrence of any external event or internal developments that significantly affect the Company's outlook or the forecasts that have been presented to the Board of Directors;
- promote long-term value creation by the Company and the Group, taking into account social and environmental responsibility issues;
- choose the form of exercise of the General Management in accordance with Article 17 of the Company's articles of association;
- appoint or dismiss the Chairman, the Chief Executive Officer and, as the case may be, on the proposal of the Chief Executive Officer, the Deputy Chief Executive Officer(s), and determine their compensation;
- determine the powers of the Chief Executive Officer and, as the case may be, in agreement with the Chief Executive Officer, those of the Deputy Chief Executive Officer(s);
- decide, on the proposal of the Chairman, to create committees in accordance with applicable law and provisions of the articles of association and this Board Charter;
- determine, on the proposal of the Chairman, the duties assigned to the committees created in accordance with applicable law and provisions of the articles of association and this Board Charter;
- appoint, on the proposal of the Appointments and Governance Committee, the members of the committees created in accordance with applicable law and provisions of the articles of association and this Board Charter;
- determine every year, on the proposal of the Appointments and Governance Committee, the list of directors considered to be independent according to the criteria set forth in the AFEP-MEDEF Code;
- allocate, on the proposal of the Appointments and Governance Committee, attendance fees among directors in accordance with this Board Charter;
- decide to grant stock options and/or performance shares to eligible Group employees and corporate officers in accordance with the authorizations granted to the Board by the General Meeting of Shareholders;
- present to the General Meeting of Shareholders a report on corporate governance;
- monitor the implementation of the system for preventing and detecting bribery and influence peddling;
- monitor the implementation of a non-discrimination and diversity policy;
- define the Company's financial communication policy;
- ensure that shareholders and investors are provided with relevant, balanced and educational information about strategy, the development model, the way in which material extra-financial issues affecting the Company are taken into account and the Company's long-term outlook; and
- authorize agreements and undertakings governed by Articles L. 225-38 *et seq.* of the French *Code de commerce*;

It being specified that the above list does not purport to be comprehensive.

The Board shall also carry out any controls and verifications it deems appropriate. Each director shall receive any information necessary for the performance of his/her duties.

The Chairman shall periodically, and at least once a year, add to the agenda of a Board meeting a review of the budget, the industrial strategy of the Group, market developments, the competitive environment and the main issues, including concerning the Group's social and environmental responsibility, the Group's financial strategy and the Company's policy regarding gender balance and equal pay.

The Board shall meet at least once a year without the presence of senior executive officers. These meetings shall be dedicated, in particular, to the assessment of the performance of the Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), and the review of their respective compensation.

3. Activity of the Board of Directors in 2018

In 2018, the Board of Directors met seven times (including two additional meetings). The average length of the meetings of the Board was three hours, it being specified that one meeting, dedicated to the Group's strategy, lasted a full day. In addition, numerous Directors' meetings were held at the initiative of the Lead Independent Director, in particular to keep them informed of the situation following Mr Carlos Ghosn's impediment.

All decisions on the Board meeting agenda were discussed, the agenda being amended to include items affecting the Company, thus demonstrating the Board's high degree of agility. In 2018, the attendance rate was 86.09% (for details of attendance rate for each individual director, see"Composition of the Board of Directors" above).

The Board discussed and passed resolutions on the following items relating to the key aspects of its remit:

The Group's strategy

The Board reviewed the following strategic topics:

- human capital;
- electrification strategy in Group mid-term plan and consequences; and
- the status of digitalization and contribution to higher performance of the Company.

As every year, the Board of Directors organized its annual one-day strategic seminar, held at the heart of the World Motor Show, to discuss important issues for Groupe Renault. During this seminar, the directors were able to discover the vehicles of Groupe Renault's product range and benefit from an in-depth presentation, by operational managers, on the macroeconomic environment of the automotive market, on the strategy of Groupe Renault and its prospects following the "Drive the Future" strategic plan.

Accounts and budget

During the course of 2018, the Board completed the following:

- approved Groupe Renault's consolidated financial statements, the corporate financial statements of the Company, and those of Renault s.a.s., for the 2017 financial year;
- determined the allocation of the 2017 profits and dividend payments proposed to the Annual General Meeting;
- examined the consolidated financial statements for the first half of 2018; and
- approved the budget for 2019.

Corporate governance

During the course of 2018, the Board achieved the following:

- duly noted the resignation of Mr Thierry Desmarest, replaced by Mr Thierry Derez, whose co-opting by the Board of Directors held on February 15, 2018, was ratified by the Annual General Meeting held on June 15, 2018;
- reviewed the governance structure on the occasion of the renewal of Mr Carlos Ghosn's term of office as Chairman and Chief Executive Officer. On this occasion, the Board of Directors asked him, in particular, to strengthen the succession plan at the head of Groupe Renault, specifying that the Appointments and Governance Committee and the Board would be closely involved in the reflections of the Chairman and Chief Executive Officer on this topic;

- duly noted the evolution of the governance and in particular the appointment of Mr Thierry Bolloré as Group Chief Operating Officer;
- proposed the renewal of Mr Carlos Ghosn’s directorship to the Annual General Meeting held on June 15, 2018;
- proposed the renewal of the directorships of Mrs Pascale Sourisse and Mrs Catherine Barba, and of Messrs Patrick Thomas and Yasuhiro Yamauchi and the appointment of Mr Pierre Fleuriot replacing Mr Marc Ladreit de Lacharrière;
- duly noted Mr Pascal Faure’s resignation, replaced by Mr Thomas Courbe whose co-opting by the Board of Directors held on October 5, 2018 will be submitted to the Annual General Meeting to be held on June 12, 2019 for ratification;
- established the list of Independent Directors, on the proposal of the Appointments and Governance Committee;
- called the Annual General Meeting held on June 15, 2018, *inter alia*, by setting its agenda;
- ruled on the composition of its specialised committees;
- adopted the reports from the Chairs of each specialised committee;
- performed a formal evaluation of its operation in 2017;
- set the elements composing the compensation of the Chairman and Chief Executive Officer for the 2017 financial year;
- set the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year;
- reviewed the overall budget and the allocation policy for the Directors’ attendance fees;
- determined the details of the performance share plan for 2018;
- adopted the management report of the Board of Directors and the report on corporate governance for the 2017 financial year, pursuant to Articles L. 225-37 and L. 225-100 of the French Commercial Code;
- analysed and approved the answers to the written questions asked by shareholders of the Company prior to the Annual General Meeting;
- decided to implement an employee shareholding plan in accordance with the commitments made on November 2, 2017 *vis-à-vis* the French State;
- reviewed the non-discrimination and diversity policy in particular with regard to the balanced representation of women and men in management bodies and beyond, as well as the equal pay policy within the Group, pursuant to Article 1.7 of the AFEP-MEDEF Code and the law no. 2018-771 of September 5, 2018 for the freedom to choose one’s professional future;
- appointed, on proposal of the Chairman and Chief Executive Officer, Mr Thierry Bolloré as Deputy Chief Executive Officer on November 20, 2018; and
- examined the implications of Mr Carlos Ghosn's detention in Japan, including his succession as Chairman and Chief Executive Officer.

Related-party agreements

During its meeting held on February 15, 2018, the Board of Directors:

- confirmed that, except for the mutual commitments entered into with the French State on November 2, 2017 following the sale by the French State of 1,400,000 Renault shares to the Company, no related-party agreements were concluded during the course of the 2017 financial year;
- re-examined the related-party agreements entered into and authorised during previous financial years, the performance of which continued during the 2017 financial year; and

- concluded in particular that the commitment made in favor of Mr Carlos Ghosn as regards top-up pensions did not need to be amended as it did not fall within the scope of the law on growth, business, and equal economic opportunities, known as the "Macron Act".

During the meeting of June 15, 2018, the Board of Directors authorized the signing of the second amendment to the "Master Cooperation Agreement" between the Company, Nissan, Daimler, RNBV and Mitsubishi Motors, the purpose of which is the accession of Mitsubishi Motors and the extension of the cooperation between Renault, Nissan, Daimler and RNBV to Mitsubishi Motors.

For futher details on the related-party agreements and undertakings, see "Statutory Auditors' report on related party agreements and commitments".

Activity of the specialised committees of the Board of Directors in 2018

To examine specific issues within the remit of the Board of Directors in more detail, four specialised committees have been set up to assist the Board in its remit and work. The recommendations of the committees are presented to the Board in the form of reports given in Board meetings by their respective Chairs.

The general operation of the committees is mainly defined in the Board Charter.

Board Charter provisions governing committees

The committees shall be solely composed of members of the Board of Directors.

The Board of Directors shall appoint, on the proposal of the Appointments and Governance Committee, the members of the committees, taking into account the skills, experience and availability of the directors, for terms not exceeding their terms of office as members of the Board of Directors.

These members shall be appointed in a personal capacity and may not be represented.

Each committee shall be chaired by an Independent Director appointed by the Board of Directors, on the proposal of the Appointments and Governance Committee, for a maximum term corresponding to his/her term as member of the Board of Directors. The Chair of a committee may be reappointed.

The Chair of each committee shall determine the conditions under which he/she shall report to the Board of Directors on the work of the committee. If he/she is unable to do so, the Chair shall name a committee member to report to the Board of Directors on such committee's work.

Any matter falling within a Committee's area of competence as determined by the Board Charter shall be referred to that Committee.

The Chairman may also refer to a Committee any matter included or to be included on the agenda of the Board of Directors.

Finally, the Board of Directors and the Chairman may also, at any time, refer to a Committee other matters falling within its area of competence.

The Chair of each Committee shall establish the agenda of each meeting and determine its annual program. Where the agenda of a committee meeting includes certain matters that also fall within the area of competence of another committee, the Chair of the first committee shall ensure coordination with the Chair of the second.

Notices of meetings may be issued by any means, including verbally, according to the conditions provided for in respect of each committee.

Committees must be in a position to fully perform their duties. For that purpose, information and documents relating to the agenda of the committee meetings shall be sent, except in case of emergency or where necessary and justified, at least three (3) calendar days prior to the meeting.

Committees shall be held at least two (2) days before the meeting of the Board of Directors during which items examined during committee meetings will be discussed, except in case of emergency or where impossible.

Committees may, in fulfilling their respective remit, hear members of the Executive Committee of the Group and other senior executives of the Group, and request that external technical studies be conducted, at the Company's expense, after having informed the Chairman or the Board of Directors. If committees resort to the services of external advisors, the committees must ensure that the advisors concerned remain objective.

The committees shall report on the information obtained and the opinions received.

The Chairman and the Chief Executive Officer may, if they so wish, take part in committee meetings, except in cases where their personal situation is under discussion. They have access to the work of the Committees.

1. Audit, Risks and Ethics Committee (CARE)

NUMBER OF MEMBERS			NUMBER OF MEETINGS			MEMBERS AS OF DECEMBER 31, 2018	
8	vs	8	**6**	vs	5	▪ Mr Lagayette * (Chairman) ▪ Mrs Blair * ▪ Mr Fleuriot * ▪ Mr Ostertag **	▪ Mr Personne ** ▪ Mrs Qiu * ▪ Mrs Sourisse * ▪ Mr Vial
2018		*2017*	*2018*		*2017*		
PERCENTAGE OF INDEPENDENT DIRECTORS			**ATTENDANCE RATE**			** Independent Director.* *** Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*	
83.3%	vs	83.3%	**90.7%**	vs	88.1%		
2018		*2017*	*2018*		*2017*		

Composition

The Board Charter lists the principles for the composition of CARE.

Board Charter provisions governing the composition of CARE

The CARE shall consist of three (3) to eight (8) members appointed by the Board, and at least two thirds (2/3) of such members shall be selected from among the Independent Directors. It may not include any senior executive officer. Directors members of the CARE shall hold qualifications or have technical or managerial experience in the financial or accounting fields.

The CARE Chair, selected from among the Independent Directors on the proposal of the Appointments and Governance Committee, shall be appointed or reappointed after a specific examination by the Board.

Upon their appointment, CARE members shall receive information on the Company's specific accounting, financial, extra-financial and operational features.

The CARE shall meet at least four (4) times per year and, in particular, before the approval of the annual and half-year financial statements. meetings of the CARE shall be convened by the CARE Chair or at the request of half of its members.

The composition of CARE has been designed to ensure that all its members have finance and/or accounting skills or appropriate professional experience in the areas within CARE's remit (see the biographical information on the directors concerned in "List of offices and functions exercised by the directors").

Mr Philippe Lagayette, committee Chairman, has had a career in economics and finance in both the public and private sectors.

Mrs Cherie Blair, Queen's Counsel, is a leading barrister specialising in human rights and international law. Her career, characterised by a commitment to human rights and corporate social responsibility, makes her membership to this committee especially appropriate.

Mr Pierre Fleuriot, former general manager of the *Commission des Opérations de Bourse* (now French Securities Market Authorithy), has held various positions at the head of international banking institutions. His experience allows him to participate in this committee and enrich its work.

Mrs Pascale Sourisse has had a career in management positions in various large companies in France and abroad. This professional experience means that she is especially suited to making an active contribution to all of the committee's work.

Mr Benoît Ostertag is a director representing employee shareholders. He has received specific training for the role of director, including training covering the accounting and financial aspects of company management. His thorough knowledge of the Company enables him to have a firm grasp of the committee's business and actively take part in it.

Mr Éric Personne is a director representing the employees. He has a thorough knowledge of the Group, having worked for it since 1988, enabling him to have a firm grasp of the committee's business and actively take part in it. In addition, like Mr Benoit Ostertag, he has had specific training for the role of director, including training covering the accounting and financial aspects of company management.

Mrs Olivia Qiu has a background in engineering and has had a career in management positions in various companies internationally. This professional experience means that she is especially suited to making an active contribution to all of the committee's work.

Mr Martin Vial, Head of the French State Holding Agency (Agence des Participations de l'État) since August 24, 2015, has been a director of many companies with a public shareholding.

Missions

Board Charter provisions governing the missions of CARE

The CARE shall monitor issues concerning the preparation and audit of the financial statements and accounting and financial information, as well as the effectiveness of internal audit and risk management systems.

In that respect, the Board assigns the following duties to the CARE:

- regarding the financial statements:
- monitor issues relating to the preparation and audit of the financial statements and financial information,
- carry out a prior examination of the Company's financial statements, particularly the annual and half-year corporate and consolidated financial statements, and monitor the statutory audit thereof by the Statutory Auditors; the examination of the annual financial statements shall be accompanied by a presentation by management describing the exposure to risks, including social and environmental risks and the Company's material off-balance sheet commitments along with accounting options selected,
- ensure the relevance and constancy of accounting methods used to prepare the corporate and consolidated financial statements, particularly in respect of material transactions and in order to prevent any breach of such rules,
- examine the scope of consolidated companies and, as the case may be, the reasons for which companies have not been included therein,
- examine, before their publication, draft annual and half-year financial statements, activity reports, results and all financial statements (including forecasts) prepared for the purposes of specific

material transactions, and important financial press releases relating thereto before they are published,

- examine, in financial terms, certain transactions proposed by the Chief Executive Officer and presented to the Board of Directors, such as capital increases, purchases of participations and acquisitions or disposals,
- be informed annually of the Group's financial strategy and of the terms of the Group's main financial transactions, and
- ensure the quality of procedures implemented to ensure compliance with financial markets regulations;
- regarding external control:
- oversee the selection procedure for Statutory Auditors and submit to the Board a recommendation on the Statutory Auditors proposed for appointment by the general meeting of the shareholders, as well as a recommendation in the event of a renewal of the appointment of one or more Statutory Auditors,
- monitor the Statutory Auditors' performance of their assignments, including by reviewing their audit plan and program of work, the results of their verifications, their recommendations and related next steps,
- examine each year with the Statutory Auditors the breakdown of fees invoiced by the Statutory Auditors between audit services in the strict sense, audit-related services and any other services,
- approve the provision by the Statutory Auditors of non-prohibited services, other than the certification of the financial statements, as authorized by applicable regulations,
- ensure that the Statutory Auditors meet independence requirements and take necessary measures in accordance with applicable law, and
- mediate, as the case may be, on areas of disagreement between the Statutory Auditors and General Management that may arise in such activities;
- regarding internal control:
- monitor the effectiveness of the Group's internal control and internal audit systems and procedures, including regulatory and operational compliance,
- examine with internal audit officers the plans for internal control work and action, the conclusions of such work and action, the resulting recommendations and related outcome,
- be informed by General Management of any complaints by third parties or internal information relating to criticism of the Company's accounting documents or internal control procedures, as well as procedures adopted for that purpose and steps taken to address such complaints or criticism, and
- examine the section relating to internal control and risk management procedures included in the Company's annual management report;
- regarding risks:
- monitor the effectiveness of systems and procedures for identifying and assessing the Group's risks concerning procedures relating to the preparation and treatment of accounting and financial information,
- examine material risks and off-balance sheet commitments, assess the importance of failures or weaknesses reported to it and inform, as the case may be, the Board of Directors, and
- ensure, as the case may be, that a system for preventing and detecting bribery and influence-peddling has been implemented.

As part of its duties, the CARE shall hear the Statutory Auditors, particularly during meetings concerning the examination of the process for preparing financial information and accounting information, in order for the Statutory Auditors to report on the performance of their duties and the conclusions of their work.

The CARE shall also hear finance, accounting, treasury and internal audit officers. These hearings must be held, if the committee so wishes, without the presence of the Company's General Management.

The CARE shall report to the Board regularly on the performance of its duties. It shall also report on the results of the audit of the financial statements, the way in which such audit contributed to the integrity of financial information and the role it played in this process. It shall inform the Board without delay of any difficulty encountered.

Committee activity

CARE met six times in 2018, with an attendance rate of 90.7% (for details of attendance rate for each individual director, see the table in " Composition of the Board of Directors").

Pursuant to the applicable laws and regulations in force and the AFEP- MEDEF Code, CARE dealt in particular with the following topics:

- examining the Group's consolidated financial statements, the financial statements of the Company and Renault s.a.s. for 2017, the Group's consolidated financial statements for the first half of 2018, and the related financial press releases. In particular, CARE studied the valuation of assets in the operational sector, asset depreciation tests, and trends in the automotive market and their consequences on the Company's financial performance;
- reviewing the accounting and financial impacts of certain Group's partnerships;
- monitoring the 2018 performance with respect to the budget;
- the preparation of the 2019 budget;
- monitoring the 2017 internal audit plan and presentation of the 2018 internal audit plan;
- reviewing the draft financial resolutions proposed to the Annual General Meeting of June 15, 2018;
- reviewing the guarantees granted in 2018;
- monitoring the 2018 internal audit plan and presentation of the 2019 internal audit plan;
- the external audit plan presented by the Statutory Auditors as part of their statutory auditing mission;
- the independence of the Statutory Auditors;
- monitoring the non-audit services provided by the Statutory Auditors;
- the Statutory Auditors' renewal process;
- the undertakings and risks in Iran;
- mapping of the corruption risks and update on the action plan for the implementation of the French "Sapin II Act";
- implementation of the duty of vigilance legislation of parent companies and ordering companies;
- risks related to cybercrime;
- RCI's governance and risk control scheme;
- changes to IFRS standards;
- monitoring of financial risks;
- the work of the Ethics department;
- implementation of Regulation (EU) No 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;
- the implementation of the legislation on the declaration of extra-financial performance;
- internal control and risk control (mapping of the Group's major risks);
- monitoring of the main legal and tax disputes;

- activity report of the Ethics Director;
- strengthening the regulatory compliance system;
- activity report of the Head of Corporate Social Responsibility;
- monitoring of the internal verifications mission entrusted to the Ethics and Compliance Department (for more details regarding this mission, as well as the audit mission carried out on RNBV in 2019, see ”INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT - AUDIT OF RNBV”).

The following points may also be noted:

- the Company’s consolidated financial statements and corporate financial statements were examined by CARE during its meetings, held in due time in accordance with the AFEP-MEDEF Code; and
- one of CARE’s missions is to monitor the effectiveness of the internal control and risk management systems. As part of this, the examination of the financial statements by the committee, in the presence of the Chief Financial Officer and of the Head of Audit, Risk and Organisation Management, is accompanied by a presentation given by the Statutory Auditors describing the key aspects of the work performed, their conclusions on the accounting approaches adopted, and developments in regulations in this area, as well as a report from the Chief Financial Officer describing the Company’s risk exposure and off-balance-sheet commitments;
- CARE also auditioned the Company’s Statutory Auditors without senior management being present.

After each CARE meeting a report is presented to the next meeting of the Board of Directors. These reports allow the Board to be fully informed, thus facilitating its deliberations. Furthermore, minutes are drawn up after each CARE meeting and approved by all its members.

2. Compensation Committee

NUMBER OF MEMBERS			NUMBER OF MEETINGS			MEMBERS AS OF DECEMBER 31, 2018
4	vs	6	**4**	vs	2	▪ Mrs Darmaillac * (Chairwoman) ▪ Mr Lagayette * ▪ Mr Personne ** ▪ Mr Thomas *
2018		*2017*	*2018*		*2017*	
PERCENTAGE OF INDEPENDENT DIRECTORS			**ATTENDANCE RATE**			** Independent Director.*
100%	vs	100%	**100%**	vs	85.7%	*** Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*
2018		*2017*	*2018*		*2017*	

Composition

The Board Charter lists the principles governing the composition of the Compensation Committee.

Board Charter provisions governing the composition of the Compensation Committee

The Committee shall consist of three (3) to five (5) members appointed by the Board, the majority of whom shall be selected from among the Independent Directors. The Chair of the Committee shall be appointed by the Board, on the proposal of the Appointments and Governance Committee, from among the Independent Directors. A director elected by the employees shall be appointed as a member of this committee. The committee may not include any senior executive officer.

Missions

Board Charter provisions governing the missions of the Compensation Committee

The Board assigns the following duties to the Compensation Committee:

- regarding the compensation of senior executive officers:
- make recommendations to the Board concerning all compensation items, the pension and benefits system, benefits in kind and the various pecuniary rights of the Chairman and the Chief Executive Officer, including, as the case may be, the granting of stock options or free shares in the Company and, in relation thereto, prepare the annual assessment of senior executive officers,
- ensure that the elements of the Chairman's and the Chief Executive Officer's compensation are closely linked with the implementation and results of the Group's strategy,
- ensure that the compensation policy, its structure and its elements comply with applicable law and with the recommendations of the AFEP-MEDEF Code,
- propose to the Board, as the case may be, the amount of the variable portion of the compensation of senior executive officers, after assessing the fulfilment of the related performance criteria,
- carry out a prior examination of the terms and conditions of any service agreement that a director or senior executive officer of the Company may wish to enter into, and
- submit to the Board, every year, a draft report on the compensation policy and issue an opinion on draft resolutions relating thereto which will be submitted to the General Meeting of Shareholders in accordance with applicable laws and regulations;
- regarding director compensation:
- make recommendations on the overall amount and arrangements for apportioning attendance fees allotted to directors, and
- examine the section relating to director compensation included in the report on corporate governance;
- regarding compensation of the Group's main executives:
- be informed of the compensation policy for members of the Executive Committee of the Group, and
- formulate recommendations on all types of incentive mechanisms for employees of the Company and, more broadly, Group companies, including employee savings plans, supplementary pension plans, reserved issuances of securities giving access to the capital and grants of stock options or free shares.

Committee activity

This committee met four times in 2018. The attendance rate was 100% (for details of attendance rate of each individual director, see the table in " Composition of the Board of Directors").

Its activity included the following:

- setting the elements composing the Chairman and Chief Executive Officer's compensation for the 2017 financial year;
- the achievement rate of the performance criteria for the variable component of the Chairman and Chief Executive Officer's compensation for the 2017 financial year;
- monitoring the extent to which the performance objectives governing the deferred variable component in the form of shares allocated to the Chairman and Chief Executive Officer for the 2014 and 2015 financial years had been achieved (the Board of Directors having put an end to the adjustment clause for the annual variable component paid in shares as of the compensation due or allocated to the Chairman and Chief Executive Officer in respect of years from 2016 onward);
- monitoring the achievement rate of the 2015 performance share allocation plans;
- the summary table showing the components of the Chairman and Chief Executive Officer's compensation for the 2017 financial year, with a view to submitting it to the shareholders for their opinion pursuant to the AFEP-MEDEF Code;
- setting the compensation policy for the Chairman and Chief Executive Officer for the 2018 financial year;

- third-party agreements regarding the Chairman and Chief Executive Officer's compensation as part of the renewal of his term of office;
- performance share allocation plans for the 2018 financial year;
- amendment of the performance criteria for the 2016 and 2017 employee performance share allocation plans; and
- share offering reserved for Groupe Renault's employees.

3. Appointments and Governance Committee

NUMBER OF MEMBERS			NUMBER OF MEETINGS				MEMBERS AS OF DECEMBER 31, 2018	
4	vs	5	**9**	vs	4		▪ Mr Thomas * (Chairman)	▪ Mrs Darmaillac *
2018		*2017*	*2018*		*2017*		▪ Mrs Barba *	▪ Mr Vial
PERCENTAGE OF INDEPENDENT DIRECTORS			**ATTENDANCE RATE**					
75%	vs	80%	**87.5%**	vs	81.2%			
2018		*2017*	*2018*		*2017*		** Independent Director.*	

Composition

The Board Charter lists the principles governing the composition of the Appointments and Governance Committee.

Board Charter provisions governing the composition of the Appointments and Governance Committee

The committee shall consist of three (3) to five (5) members appointed by the Board, the majority of whom shall be selected from among the Independent Directors. The committee may not include any senior executive officer.

Missions

Board Charter provisions governing the missions of the Appointments and Governance Committee

The Board assigns the following duties to the Appointments and Governance Committee:

- regarding the selection of directors and the composition of committees:
- assess potential candidates for vacancies on the Board of Directors, particularly in the event of unexpected vacancies or the appointment of additional directors, taking into account the Company's diversity policy,
- assess the appropriateness of renewing the terms of office of directors that have expired, taking into account the Company's diversity policy,
- examine any proposal relating to the designation of committee members and Chairs, taking into account the Company's diversity policy, and formulate a recommendation to the Board regarding these proposals, and
- recommend the appointment of a Lead Independent Director;
- regarding the succession of senior executive officers:
- prepare, when the expiry of their terms of office is approaching, recommendations for the succession of the Chairman and the Chief Executive Officer,
- establish a succession plan for the Company's senior executive officers; senior executive officers may be involved in the committee's work in performing this mission, and

- be informed of General Management's plans relating to the appointment of members of the Executive Committee of the Group;
- regarding the operation of the Board and the governing bodies:
- ensure that the senior executive officers implement a non-discrimination and diversity policy, particularly regarding balanced representation of women and men within governing bodies,
- assist the Board in performing its periodic assessments,
- prepare the process for assessing the Board's members, organization and operation (including that of its committees) and oversee the Board's self-assessment process, in accordance with the recommendations of the AFEP-MEDEF Code,
- assess the proper operation of governing bodies and subsequently formulate recommendations to the Board,
- monitor changes in the Company's shareholding structure and how the Company takes such changes into account with a view to monitoring the representation of shareholders (including employee shareholders) in its governance,
- assess every year whether each director may individually be considered as independent within the meaning of the AFEP- MEDEF Code,
- be kept informed by the Chairman of the Board each time a director cannot attend or take part in a vote due to a conflict of interest; it shall examine the directors' periodic declarations of conflicts of interest, as the case may be, prepare a list of matters likely to give rise to conflicts of interest and report accordingly to the Board,
- submit a report on the composition and operation of the Board and on the Board's diversity policy, and issue an opinion on draft resolutions relating thereto which will be submitted to the General Meeting of Shareholders in accordance with applicable laws and regulations,
- assess whether governance practices within the Company comply with the AFEP-MEDEF Code and the recommendations of the Autorité des Marchés Financiers and of proxy advisors and ensure their continued compliance therewith, and
- highlight deviations from the recommendations of the AFEP-MEDEF Code and prepare related explanations;
- regarding social and environmental responsibility:
- ensure that the Company and Group are sufficiently committed in terms of ethics, extra-financial compliance and environmental, social and societal responsibility,
- examine the Group's policies, reference texts and charters on these matters, including the Group's code of ethics, and ensure their effectiveness,
- review and assess procedures for reporting and controlling non-financial indicators (environmental, health and safety indicators and workforce-related reporting),
- receive, every year, the presentation of the risk-mapping of the Group relating to social responsibility and sustainable development; it shall review the risks and opportunities identified and shall be kept informed of their evolution and the characteristics of the related management systems,
- review reporting, assessment and control systems to ensure that the Company is able to provide reliable non-financial information and, in particular, issue an opinion on the declaration of extra-financial performance that must be published in accordance with applicable law,
- work to ensure that the Group takes into account extra-financial issues and long-term outlooks,
- promote ethics, ensure that ethical rules are harmonized within Group entities and monitor their application,
- examine Human Resources policies; and

- receive, every year, the presentation of the risk-mapping of the Group relating to ethics and compliance; it shall review the risks and opportunities identified and shall be kept informed of their evolution and the characteristics of related management systems.

Committee activity

This committee met nine times in 2018. The attendance rate was 87.5% (for details of attendance rate for each director, see the table in ”Composition of the Board of Directors”).

Its activity included the following:

- the renewal of the directorships of Mrs Catherine Barba, Mrs Pascale Sourisse and Messrs Patrick Thomas and Yasuhiro Yamauchi;
- the co-opting of Messrs Thierry Derez and Thomas Courbe;
- the appointment of Mr Pierre Fleuriot at the Annual General Meeting of June 15, 2018;
- reviewing the list of Independent Directors pursuant to the criteria specified in the AFEP-MEDEF Code, in particular the criterion relating to significant business ties;
- the composition of the Board of Directors’ committees;
- the formal evaluation of the Board of Directors for the 2017 financial year assigned to an external firm (see ” Evaluation of the Board of Directors”);
- the renewal of Mr Carlos Ghosn’s terms of office as Chairman of the Board and Chief Executive Officer of the Company, subject to renewal of his office as director of the Company;
- the review of the governance structure. The Chairman and Chief Executive Officer associated and consulted the committee on the appointment of Mr Thierry Bolloré as Group Chief Operating Officer. This approach was part of the preparation of a succession plan. The selection process consisted of two parts: first, to evaluate a panel of internal candidates and, second, to map and prepare an external preselection. This process was conducted with the assistance of an expert automotive consultant who established a profile in terms of experience, skills and career. The candidacy of Mr Thierry Bolloré stood out and the committee recommended his appointment to the Chairman and Chief Executive Officer;
- the report on corporate governance published in the 2017 Registration document;
- the implementation of Regulation no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR);
- the agenda of the Annual General Meeting of June 15, 2018; and
- the evolution of the AFEP-MEDEF Code.

4. (International, Industrial and Digital) Strategy Committee

NUMBER OF MEMBERS			NUMBER OF MEETINGS				MEMBERS AS OF DECEMBER 31, 2018	
8	vs	7	**3**	vs	5		▪ Mrs Qiu * (Chairwoman) ▪ Mrs Barba * ▪ Mr Barrat ** ▪ Mrs Bensalah Chaqroun *	▪ Mr Derez * ▪ Mr Gentil ** ▪ Mr Ostertag ** ▪ Mr Yamauchi
2018		*2017*	*2018*		*2017*			
PERCENTAGE OF INDEPENDENT DIRECTORS			**ATTENDANCE RATE**					
80%	vs	50%	**85.2%**	vs	88.8%		** Independent Director.* *** Pursuant to the provisions of the AFEP-MEDEF Code, the director representing employee shareholders and the directors representing the employees are not taken into account when calculating the independence rate.*	
2018		*2017*	*2018*		*2017*			

Composition

The Board Charter lists the principles governing the composition of the (International, Industrial and Digital) Strategy Committee.

Board Charter provisions governing the composition of the (International, Industrial and Digital) Strategy Committee

The committee shall consist of three (3) to nine (9) members appointed by the Board. The Chair of the Committee shall be appointed by the Board, on the proposal of the Appointments and Governance Committee, from among the Independent Directors. Directors who are members of the committee must have (i) in-depth knowledge of the industrial or digital sector or (ii) specific skills in international development.

Missions

Board Charter provisions governing the missions of the (International, Industrial and Digital) Strategy Committee

The (International, Industrial and Digital) Strategy Committee's main duty, as part of the work of the Board of Directors, shall be to regularly review the overall strategy of the Group and the Alliance, including, but not limited to, the following:

- mergers and acquisitions, disposals, strategic and partnership agreements that have a material impact on the strategy of the Group and the Alliance;
- the strategy as regards product and technology development;
- the competitiveness of production sites and of their supplier base;
- growth and financial strategy; and
- the Group's geographical expansion strategy,

and to make recommendations to the Board of Directors in this respect.

Committee activity

During its third year of existence, the committee met three times in 2018, having met five times in 2017. The committee aims to meet three or four times a year in rather long meetings in order to examine Group strategic issues in depth. The attendance rate was 85.2% (for details on the attendance per director, see the table in "Composition of the Board of Directors").

Its activities included the following:

- AVTOVAZ situation and Lada strategy;
- the launch of the CKD (Complete Knock-Down) phase in Algeria;
- the LCV (light commercial vehicle) offensive in China;
- capacity extension project in Morrocco;
- Alliance Manufacturing and Logistics converged function;
- Africa – Middle-East – India region status following the reimposition of US sanctions on Iran;
- the resilience of the supplier network in the context of geopolitical crisis; and
- the impact of new European emissions regulations (WLTP).

5. CSR Meeting

Board Charter provisions governing the CSR Meeting

The Chairs of the Board Committees shall meet at least once a year and be convened by the Chair of the Appointments and Governance Committee, in order to discuss social and environmental responsibility issues.

The meeting shall be chaired by the Chair of the Appointments and Governance Committee, who shall determine its agenda.

This meeting is set forth in the new Board Charter approved on March 15, 2019. Therefore, no CSR Meeting was held in 2018.

Evaluation of the Board of Directors

Each year, the Board of Directors carries out an evaluation of its operation with a view to improving the efficiency of its work and, at least once every three years, a formal evaluation with the help of external consultants.

Formal evaluations took place in 2014 and 2017.

The Board of Directors evaluated the work of the Board and its committees of 2018.

The Board members answered a survey. A presentation on the evaluation was provided during the meeting of the Appointments and Governance Committee held on February 25, 2019, then the results of the evaluation were presented during the meeting of the Board of Directors held on March 15, 2019.

The questionnaire notably addressed the following topics:

- the missions and tasks of the Board of Directors;
- the process of the Board of Directors;
- governance;
- the perception of the Board of Directors on the committees;
- the work of Audit, Risks and Ethics Committee;
- the work of Compensation Committee;
- the work of Appointments and Governance Committee;
- the work of International and Industrial Strategy Committee;
- the holding of the meetings and preparatory documentation;
- the composition of the Board of Directors;
- the relationships between the Board of Directors and senior management; and
- the individual contribution of each director and collective efficiency.

The evaluation was an opportunity to learn from recent events and reexamine the ways the Board of Directors and its Committees operate.

Directors wish to be more involved in defining strategic directions, monitoring the implementation of the long-term strategy, and better understand the impacts of decisions taken at the Alliance level.

Likewise, they want more time to deal with CSR issues in a transversal way.

In the interests of greater organizational efficiency, they want a more structured and complete restitution of the work of the various Committees.

They wish to continue to intensify the privileged moments of exchange with the members of the Group Executive Committee.

The revision of the AFEP-MEDEF Code in June 2018 and the evolution of the governance structure made it necessaary to amend the Board Charter, which also covers the functioning of the committees. The Board of Directors, on the basis of the work of the Appointments and Governance Committee, took this opportunity to change its practices and meet the expectations of the directors.

The Board noted that the areas of improvement identified by the directors in the 2017 evaluation had been partially taken into account, as follows:

- given the renewal of the Board composition, develop ties between directors by organizing theme days, especially as part of site visits, including meeting with teams. As every year, the Board of Directors organized its annual one-day strategic seminar, held at the heart of the World Motor Show in Paris, to discuss topics of importance for Groupe Renault. During this seminar, the directors were able to discover the vehicles of Groupe Renault's product range and benefit from an in-depth presentation, by operational managers, on the macroeconomic environment of the automotive market, on the strategy of Groupe Renault and its prospects following the "Drive the Future" strategic plan;
- widen the Board's competencies by recruiting directors with experience in the automotive industry and directors from companies that have already successfully implemented a digital revolution. The proposal to appoint Mrs Annette Winkler, former Chief Executive Officer of Smart, furthers this end; and
- allow an even closer participation to the discussions on strategy, notably by allowing directors who are not members of the International, Industrial and Digital Strategy Committee to participate in this committee when they so wish. The allocation of powers between the Board and the Committee will evolve to meet this expectation.

Implementation of the "comply or explain" rule

Pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code, the Company refers to the AFEP-MEDEF Code, whose recommendations it follows.

In application of the "comply or explain" rule specified in Article 27.1 of the AFEP-MEDEF Code and Article L. 225-37-4 of the French Commercial Code, no recommendation of this Code has been set excluded.

Procedures for shareholders' participation in the Annual General Meeting

Article 21 of the Company's articles of association specifies the procedures for shareholders' participation in the Annual General Meeting (see"Annual General Meetings » below").

ETHICS POLICY

Objectives and guidelines

The Group ethics policy aims to:

- promote ethical values within the Group, thus contributing to its sustainable performance;
- prevent and identify breaches of ethics and integrity;
- ensure that the tools and measures adopted are suitable for the Group's challenges and activities;
- protect employees, customers and shareholders;
- protect the Group's image and assets;
- promote citizenship in a global environment.

The Ethics Guidelines comprise in particular:

- the Code of Ethics Groupe Renault, which sets out the Group's key principles and fundamental values. It is intended for all employees in all countries in which the Group is present;
- the Guide for preventing corruption and influence-peddling, which describes the Group's active global approach to preventing and combating corruption and influence peddling;
- nine dedicated codes of conduct, which describe the rules of good conduct to be applied by the functions in which a stringent ethical approach is required.

Actors and bodies

The Group Ethics Director, who reports directly to the Chairman and Chief Executive Officer, is responsible for this policy. He reports to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE) and to the Group's Board of Directors on actions undertaken under his responsibility.

His/her duties are as follows:

- to define the Group's overall ethics policy, and acting as an adviser to the Company's management teams;
- to ensure that ethics-related incidents are fed back and dealt with;
- to chair the Group's Ethics and Compliance Committee, and reporting conclusions and proposals to the CARE committee;
- to verify the ethical compliance of the Group's various business activities, including purchasing, protection, country departments, HR, communications, *etc.*;
- to reinforce the Group's ethics policy;
- to implement the Group's ethics policy.

In order to carry out his/her duties, the Ethics Director relies on the following in particular:

- the Ethics and Compliance Committee, comprising around 20 people, which is responsible for proposing and adapting the ethics policy;
- the Alert Processing Committee, which includes six directors who are involved in dealing with professional whistle-blowing within the Group;
- a network of Ethics officers that covers all countries in which the Group operates. The officers are responsible for the ethics function in each of their countries, in particular to ensure better compliance with laws and local regulations and lead the Country and Compliance Committees (*Comité d'éthique et conformité pays*, CECP);
- a network of function representatives and regions supporting the deployment of the ethics system to specific business activities and geographical zones;
- two facilitators, whose mission in France is to resolve conflicts between employees through mediation and contribute to the spreading of ethical values through training.

The Ethics Director or, where applicable, the Ethics officers, also receive alerts issued via a worldwide whistle-blowing tool. This tool is available to Group employees as well as external and occasional employees and suppliers via a dedicated platform.

Highlights of 2018

In 2018, the Ethics Director held regular meetings with the Chairman and Chief Executive Officer to keep him updated on the progress of his missions. Moreover, the Ethics Director presented a business report to the Chairman of CARE on four occasions, including twice with the full committee present.

The Ethics Department became the Ethics and Compliance Department in November 2018, in order to focus the means and resources required for the Group's ethics and compliance issues.

Reinforcement of the network of Ethics Officers

To improve the effectiveness and impact of actions taken by the Ethics Department, the network of Ethics officers was extended to new countries and subsidiaries going from 18 officers in 2017 to 30 in 2018. Their scope covers all countries in which the Group operates.

In addition to regular meetings between the Ethics Department and Ethics officers, an international seminar was held in February 2018, attended by Ethics officers representing the countries and subsidiaries, function representatives and regional representatives, together with the support functions involved in deploying the ethics system. This seminar focused on the deployment of the corruption prevention and influence peddling plan within the various subsidiaries and countries.

New dedicated codes of good conduct

A Customs Code and a code for responsible lobbying were added to the existing dedicated Codes of Ethics.

Deployment of the prevention of corruption and influence-peddling plan

The law of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life, known as “Sapin II”, led Renault to continue to strengthen its overall prevention of corruption and influence-peddling system in 2018, in particular in the following areas:

1. A corruption risk mapping was validated by the Executive Committee. Mapping identifies, assesses and prioritizes compliance risks, and particularly those risks inherent to its international activities or links with third parties. These various risks are then taken into consideration when adjusting the Group’s ethics system.

2. The Group’s Guide for preventing corruption and influence- peddling was deployed in all countries via operating committees, meetings with managers and team meetings. The Guide is also available on the Renault.com website.

3. The Third Party Integrity Management Process was reinforced. By the end of 2018, it had been rolled out in 14 countries: Mexico, Colombia, Brazil, Argentina, Morocco, Algeria, India, Iran, Romania, Ukraine, Turkey, Russia, Korea and France.

4. In 2018, new training was provided for employees and management on the prevention of corruption and influence peddling, as well as the detailed presentation of the Group’s prevention plan. It was followed by over 23,300 employees this year, *i.e.*, 82% of the concerned population regarding their jobs in the company.

5. A new worldwide whistle-blowing tool was deployed in 39 countries, to replace the tool implemented in 2012. It allows Group employees as well as external and occasional employees and suppliers to activate alerts directly with the Group Ethics function. This system extends the scope of application of the three existing systems (general system, prevention of corruption and influence peddling, duty of vigilance) and brings them together in a single system. It is accessible, via an external site, every day, at any time, via a computer, tablet, and professional or personal smartphone.

Internal verifications mission regarding the regularity of executive officers’ compensation

(for more details, see ”INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT - AUDIT OF RNBV”)

Outlook for 2019

- Setting up of the new Ethics and Compliance Department;
- Continued deployment of the prevention of corruption and influence peddling system;
- Regular communication with employees and third parties;
- Continued internal verifications mission, extended to a broader scope (for more details, see ”INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT - AUDIT OF RNBV”).

INTERNAL VERIFICATIONS BY THE ETHICS AND COMPLIANCE DEPARTMENT - AUDIT OF RNBV

Following the arrest of Mr Carlos Ghosn in Japan on November 19, 2018, the Company carried out internal investigations to ascertain whether there were facts within the Renault Group similar to those alleged against him by the Japanese judicial authorities.

Compensation and benefits of any kind of the Chairman and Chief Executive Officer and of the members of the Group Executive Committee

The Ethics and Compliance Department was therefore mandated by Renault's General Management on November 23, 2018, to review the regularity of all the compensation components and benefits of any kind paid or awarded by the Group to the Chairman and Chief Executive Officer and to the members of the Renault Group Executive Committee, as well as to verify the accuracy of the information relating to the compensation of the Chairman and Chief Executive Officer included in Renault's Registration documents for the fiscal years from 2010 to 2018. The Ethics and Compliance Department was assisted by a law firm in this mission.

The mission concluded that all the compensation components and benefits of any kind paid or allocated by the Group to the Chairman and Chief Executive Officer and to other members of Renault’s Group Executive Committee for the fiscal years from 2010 to 2018, complied with French regulations and the recommendations of the AFEP-MEDEF Code, with the exception of an early, and therefore non-compliant, payment of a non-compete indemnity to a former member of the Group Executive Committee. This situation is currently being regularized.

Additional investigations conducted by the Ethics and Compliance Department

On January 14, 2019, Renault's General Management extended the Ethics and Compliance Department’s mission to include the audit of (i) the expenses of the Chairman's office and the General Management, (ii) the operations carried out by Renault with partners based in the Middle-East, whose names have been publicly quoted, and (iii) Renault's operations with other companies whose names have also been publicly quoted, including RNBV and other Nissan or Alliance entities incorporated in the Netherlands.

The Internal Audit Department and the members of the Finance Department took part in carrying out these additional verifications.

As part of these verifications, it appeared that certain counterparties to the sponsorship agreement signed in June 2016 by the Group with the Public Institution of Château de Versailles had been used for the personal benefit of M. Ghosn. These facts were brought to the attention of the judicial authorities on February 7, 2019.

On March 11, 2019, the Audit, Risks and Ethics Committee asked the Ethics and Compliance Department to examine the flows between Renault and an importer based in the Middle-East. These investigations have notably raised concerns regarding certain payments made to this importer. These concerns have been brought to the attention of the French judicial authorities, as part of the response of Renault to a requisition relating more broadly to the commercial relationship between Renault and this importer.

These investigations carried out by the Ethics and Compliance Department finally revealed a number of facts and commitments that could constitute breaches of the rules of ethics in force within the Renault Group. The Board of Directors has recommended that the General Management conducts a review of all actions available, in particular in strengthening internal control, to appropriately address the situation.

Audit of Renault-Nissan BV

Furthermore, in January 2019, Renault and Nissan initiated a joint audit on Renault-Nissan BV (RNBV). The Audit, Risks and Ethics Committee of Renault validated the launch of this audit on January 17, 2019 and a "privileged audit" was launched on February 4. This audit, which is conducted by an audit firm appointed by a Dutch law firm and under the supervision of Renault and Nissan's Internal Audit Departments, covers the governance, control, compliance, and accounts of RNBV. This audit is, at the date of this Registration document, still in progress.

The Audit, Risks and Ethics Committee, the Board of Directors and the Company's Statutory Auditors are regularly informed of the progress of the investigations of the Ethics Department and Compliance and the audit of RNBV. The Company makes every effort to ensure that these investigations are completed as quickly as possible and, depending on the findings, will implement all necessary or desirable measures if any irregularities are found, in agreement with Nissan with respect to RNBV.

Group internal control and risk management system

Organization of the internal control and risk management systems

The overall control system is based on the three lines of defense represented in the diagram below:

The internal control and risk management systems help to control operations and fulfill Group objectives:

- the internal control system aims to control processes so as to provide reasonable assurance on the efficacy, preservation of assets, compliance and reliability of financial, accounting and management information;
- the risk management system identifies and assesses major risks likely to hinder the business' ability to fulfill its objectives in order to maintain these risks at a level judged acceptable by Senior Management;
- as part of its duties, internal audit assesses the functioning of the internal control and risk management systems, and issues recommendations for improvement.

The first two lines of defense report on internal control and risk management issues to dedicated committees: the Risks and Internal Control Committee (*Comité des risques et du contrôle interne*, CRCI) and the Ethics and Compliance Committee (*Comité d'éthique et de conformité*, CEC) presented in "Actors and bodies" above. They occasionally report to the Executive Committee and the Operations Review Committee as part of thematic presentations. The aim of the Risks and Internal Control Committee is to regularly validate and assess the efficiency of the internal control and risk management systems.

The second and third lines of control present the results of their work to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE), whose duties are defined in "Activity of the specialised committees of the Board of Directors in 2018".

In the course of their duties, the Statutory Auditors assess the internal control of the preparation and processing of accounting and financial data and, when necessary, issue recommendations.

Deployment of the internal control and risk management systems

The Group comprises three operating segments: the Automotive division of Groupe Renault, excluding AVTOVAZ, the AVTOVAZ group, and Sales Financing.

The Automotive division of Groupe Renault, excluding AVTOVAZ, is structured around three axes: Regions, Corporate Functions and Programs. They help set the business strategy and implement it on a daily basis:

- the "Regions" axis develops the business in the field. The Regions are responsible for optimizing the business and generating profitable revenues;
- the "Corporate Functions" axis groups together all of the business functions, with global responsibility. Corporate Functions define the policies, and supply the appropriate standards, methods and skills to the Programs and Regions;
- the "Programs" axis is responsible for the life-cycle of the vehicles and services at a global level. Programs develop the vehicle ranges and services and manage their profitability.

This structure does not exist for the AVTOVAZ group.

Sales financing has its own internal control and risk management systems and organization, as outlined in " General framework for internal control and risk management within the RCI Banque group"

Guidelines for the internal control system

Internal delegations and separation of offices

In addition to command-line structures, the Group has set up a staff reporting system so that corporate function managers can provide leadership for their function correspondents throughout the Group.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to personnel via the intranet. Decision requests are tracked in a workflow that implements the rules specifying the persons to be involved, in accordance with internal control procedures or documented in the minutes of the committees responsible for making the decision.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and limits on the hedging of raw materials and currency risks, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision was then made by the Chairman and Chief Executive Office in 2018.

The principle of separation of offices and tasks is required at all hierarchical and functional levels within the Group, and within the computer systems, to facilitate independent control and to separate tasks and functions corresponding to operations, the protection of property and their booking for accounting purposes.

Group ethics and corporate functions criteria

The "Corporate Functions" define and issue the policies and standards to be deployed, which are then rolled out as procedures and operating methods to ensure that processes at operational level function in accordance with the principles outlined in the Code of Ethics, the Guide for preventing corruption and influence peddling and the dedicated Codes of Ethics. The Internal Control department has distributed guidelines (Minimum Control Standards & Control Basic Rules), which list the main themes to be controlled and incorporated into the operational staff's control activities.

Scope

The internal control system applies to the parent company and all fully consolidated companies. The risk management policy is applied at Group level for major risks. It is rolled out at operating entity level (countries, commercial and/or industrial subsidiaries) and for vehicle programs.

The main actors in internal control and risk management

In accordance with the AMF's general internal control principles and respecting the principle of the separation of offices, the Renault internal control system is implemented in accordance with the three lines of defense set out in " Organization of the internal control and risk management systems":

- at line one are:
- operational management, which adapts and applies within its scope of responsibility the internal control and risk management principles and methods defined at Group level,
- employees, who are expected to comply with the internal control system established for their work areas and with the Code of Ethics Groupe Renault and the Guide for preventing corruption and influence peddling as well as their own dedicated Codes of Ethics;
- at line two, this system is permanently monitored to evaluate its proper application and efficiency. This monitoring is performed by:
- the Internal Control department using self-assessment questionnaires and compliance tests. It also sees that action plans are carried out if any shortcoming is observed,
- the Risk Management department: as both project leader for mapping the Group's major risks, and adviser and support for risk mappings by programs, operating entities in Regions (whether industrial or commercial) or for more specific mapping needs,
- the Group Performance and Control department coordinates and leads this process in the field, supported by its representatives in the entities and Regions. It ensures that all personnel comply with management rules and assists operational staff in the coordination of their action plans and monitoring,
- the departments, known as "Corporate Functions", represent the business functions and are responsible on a global scale for establishing policies, standards and methods;
- line three involves:
- the Internal Audit department, which independently and objectively assesses the control of operating performance, provides advice and recommendations on how to improve the control systems and gives Senior Management reasonable assurance on the degree of control over operations in the form of a report setting out the observations, the recommendations listed according to three levels of criticality and the conclusions (strengths/weaknesses, audit rating, *etc.*).

The Internal Audit department is involved in all activities and entities of Groupe Renault and the AVTOVAZ group. It may also be performed on converged organizations with Nissan. For bodies in partnership with Renault, the intervention may take place subject to the partner's agreement, and for externalized activities, if the contract audit clause allows it.

The audit plan is prepared annually. This annual audit plan is reviewed as and when required and is based in particular on the Group's risk mapping.

Audit types:

- **control the implementation** or application of internal and external guidelines;
- **provide operational management with an external** assessment and objective overview of operations controls and the adequacy of methods implemented, compared with performance objectives and best practices. This type of audit may be required to assess the quality and effectiveness of risk management plans;
- **assess any processes** that carry a risk of fraud or perform specific investigations following an alert;
- **verify the implementation of action plans** drawn up by management following a prior audit that produced an "insufficient" rating (follow- up assignment).

Data analysis strengthens the reliability of an audit.

Recommendations arising from internal audits lead to the drafting of action plans, implemented by the auditees and validated by the Internal Audit department.

The Audit department monitors the corrective action and twice a year prepares a progress report on the recommendations, with high or medium criticality, which it provides to the Group's Senior Management and CARE.

The Internal Audit department is certified by the French Institute of Audit and Internal Control (Institut français de l'Audit et du Contrôle interne) (IFACI) , in accordance with the standards for the professional practice of internal auditing (*référentiel professionnel de l'audit interne*, RPAI) comprising 25 general requirements divided into 100 detailed requirements across six categories: positioning, planning, steering, GRC (governance, risks and compliance) programs, professionalism, quality performance and audit processes.

Assessment and outlook

In 2018, the work of the Internal Control department focused on the following points:

- analysis of existing accounting controls, definition and management of the implementation of additional controls to improve the corruption prevention system and support for the operational staff affected;
- performance of awareness-raising actions and training in the risks of external fraud, such as "CEO fraud" and "change in bank details fraud";
- to help operational staff coordinate the separation of offices, the Internal Control department deployed a method for analyzing the separation of duties using standard matrices for the main processes at risk (accounts, inventory management, purchasing, *etc.*). This analysis was carried out across significant Group entities and action plans are being drawn up and monitored by the Internal Control department. A similar process was also launched to ensure the proper separation between the purchasing, accounts and cash management information systems;
- creation and training of a Data Analytics cell to mine for and analyze data for internal audits and second-level controls;
- performance of preventive and detection controls as part of this new structure dedicated to Data Analytics.

The priorities in 2019 will be to continue these underlying actions begun in previous years.

Training to adapt skills

The main corporate functions have set up schools to raise the professional standards of their staff. These schools reflect their strong belief in employee training as a way to enhance performance and to better satisfy Senior Management expectations.

The Internal Control department has launched a program of specific and further training for operational managers within the entities. Over the last three years, the Internal Control department has trained over 400 managers and 35 Management Committees.

In addition, complimentary programs are under deployment by the Risk Management department throughout the Group to raise awareness on risk culture and risk management fundamentals.

Implementation of internal control and risk management objectives

Risk management

The Group applies a risk management method based on one hand on identifying risks of any kind, which are then mapped, and, on the other hand, on carrying out action plans to deal with these risks, and specifically their net impact and/or probability of occurrence, by means of: elimination, prevention, protection or transfer. This method applies to the Group, entities and vehicle programs. The mapping of major Group risks (descending and ascending) is presented to the Risks and Internal Control Committee, the Group Executive Committee and the Audit, Risks and Ethics Committee, which validate it.

To carry out its duties, the Risk Management department relies, in particular, on two networks:

- one comprising managers mainly from the performance and control function, for the operating entities (countries, commercial and/or industrial subsidiaries) and from the quality assurance function, for the programs. These managers are known as Operational Risk managers (RMO). They work with the Risk Management department on the operational implementation of risk management systems within the entities and programs;
- the other made up of experts who manage a specific area of risks. These may be risks common to all companies or specific to one of Groupe Renault's segments of activity. These experts are known as Expert Risk managers (RME) and consult on the standardized risk management plans in their area of expertise.

The risk factors to which the Group is exposed are described in Section III-2-"Risk Factors" above. Analysis is performed based on the categorisation of risks in use within the Group (Risk Universe):

- risks related to strategy and governance;
- risks related to operations:
- cross-group operational risks,
- risks related to the definition of products, services,
- risks related to the engineering of products, services,
- risks related to purchasing,
- risks related to in-bound logistics,
- risks related to manufacturing,
- risks related to out-bound logistics,
- risks related to sales of products and services;
- risks related to cross-group functions:
- financial risks,
- quality risks,
- Human Resources risks,
- data processing risks,
- legal risks,
- fiscal and customs risks.

To draw up the audit plan for the Company's major risks, which is validated by Senior Management and approved by the CARE, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the Risk Management department with insight on the effective level of control of major risks.

Assessment and outlook

In 2018, the Risk Management department focused its activities on:

- updating the mapping of the Group's major risks. This exercise was carried out in light of the Group's medium-term strategic plan, Drive the Future, so that the latter could in particular continuously integrate action plans to address the risks identified;
- the strengthening of treatment plans and processes to improve the control of the major risks identified previously;
- assistance to operating entities in the implementation of country, industrial site and commercial subsidiary risk mappings, carried out with the operational risk managers of the relevant entities;
- assistance to the Program or Project departments in creating risk mapping for projects.

Furthermore, actions by the Risk Management department to raise Group employees' awareness regarding risk culture and risk management fundamentals were continued (communication and training).

In 2019, the Risk Management department's activities will continue to focus on these priority issues.

Compliance with laws, regulations and the Company's by-laws

Compliance with laws and regulations is a major objective of internal control, which must see that the means for assuring regulatory compliance are available. This control is provided by the Ethics and Compliance Committee (CEC). Within the Internal Control department, the Regulatory Compliance Officer is responsible for ensuring that the decision-making departments (Technical Regulations, Legal, Environment, *etc.*) have reliable procedures in place to guarantee regulatory compliance. The Legal department provides support and assistance in this respect.

The Regulatory Compliance department has developed a method to assess existing procedures, approved by the CEC. This method has been applied to a list of regulatory areas selected with the Legal department. In parallel with this assessment of the organization and processes in place, the Regulatory Compliance Officer and the Legal Compliance Officer work with each decision-making department to rank the severity of the risk of regulatory non-compliance. (see Section III-2- "Risks related to strategy and governance "- "Risk factors").

The system as a whole is managed by the internal monitoring procedure of the Regulatory Compliance department.

A Chief Ethics and Compliance Officer (CECO) was appointed in November 2018. The structure of this new Ethics and Compliance department is still being defined. The regulatory compliance monitoring system will be redefined within this new framework.

Management of activities

The internal control system aims to ensure the proper functioning of the internal processes implemented, using a framework of methods and procedures. The operating processes are guided by QCD (Quality/Cost/Delivery) indicators, for which the risks have been analyzed as part of the entity mapping projects, self-assessment questionnaires and performance reviews.

General framework for internal control and risk management within the RCI Banque group

RCI Banque has a global internal control system which aims to identify, analyze and manage the main risks identified in relation to the Company's objectives. The RCI Banque group's Internal Control Committee has validated the general framework for this system, which is described in the Internal Control Charter.

This Charter defines the system applicable to the French and foreign companies over which RCI Banque has effective control and specifies in particular:

- the general arrangements for managing internal control;
- the local arrangements for subsidiaries, branches and joint-ventures;
- the special arrangements for various functional areas.

The risk management system at RCI is overseen on three levels by separate functions:

- the first line of control is exercised by the operational functions in charge of day-to-day risk management as part of the activities in their area of expertise. These functions decide and are responsible for taking risks in the conducting of transactions and the objectives assigned to them. They exercise this responsibility in accordance with the management rules and the risk limits defined by the corporate functional departments.

The corporate functional departments in charge of risk definition, rules, management methods, measurement and monitoring at the corporate level. Each department, in its area of expertise, manages and oversees the risk management system via guidelines and country objectives. Risk is monitored by periodic dedicated committees in both the subsidiaries and centrally. These departments rely on local representatives for risk measurement and exposure monitoring and ensure that limits are respected at the group level;

- the second line of control includes:
- the Internal Control department and the internal controllers for the Group entities, which control the level of compliance of transactions with the management rules defined in the procedures. More specifically, they verify the relevance of the first line of control,
- the Risk and Banking Regulations department, which oversees the deployment of the Group's risk governance policy, verifies the efficiency of risk management by the functional departments and of compliance with the limits and alert thresholds established and ensures that the RCI Risk Committee is notified when those thresholds are exceeded;
- the third line of control is the internal audit function, which aims to provide assurance to RCI Banque's Board of Directors and senior management about the degree of control over transactions and the oversight exercised by the first two lines.

The risk management system covers all the macro processes of the RCI Banque group and includes the following tools:

- the list of major risks for the RCI Banque group for which a coordinator, a level of appetite, alert thresholds and limits (Risk Appetite Framework, or RAF) are defined. This list and the Risk Appetite Framework are updated at least once a year in line with the RCI Banque group's business model and strategy;
- the operational risk mapping deployed in all of the RCI Banque group's consolidated subsidiaries identifies operating risks and the ways in which they are controlled. This operational risk mapping is updated regularly by the functional departments and assessed annually by the process owners;
- the incident collection database helps to identify malfunctions that correspond to predefined criteria and enables the corrective and preventive measures required to control risks to be put in place. This database is used for internal and regulatory reporting purposes. The system sets thresholds for immediately communicating incidents to Groupe Renault's Executive Committee, Board of Directors and Ethics and Compliance Committee (CEC), the French Prudential Supervisory Authority (ACPR) and the European Central Bank.

Bodies and actors involved in internal control and risk management

- The **Board of Directors**, as supervisory body, has the following responsibilities:
- it decides on the Company's business strategy and monitors the implementation, by Executive Directors and the Executive Committee, of supervisory procedures to ensure effective and prudent management,
- it approves and periodically reviews the strategies and policies for taking on, managing, monitoring and reducing risk,
- it examines the governance model, periodically assesses its effectiveness, and ensures that corrective action is taken to remedy any shortcomings,
- it oversees the publication and communication processes and checks the quality and reliability of information due to be published and disclosed by the Company.

As such, the Board devotes at least one meeting a year to a review of the internal control system, in order to sign off on the annual report on internal control submitted to the French Prudential Supervisory Authority (ACPR).

The Board of Directors is assisted in its duties by various committees:

- the Audit and Accounts Committee meets three times a year. It is responsible for preparing, presenting and monitoring the financial statements, overseeing the statutory audit of the separate and consolidated financial statements, monitoring the independence of the Statutory Auditors and the definition of their non-auditing services, recommending the appointment of the Statutory

Auditors and monitoring their rotation, verifying the effectiveness of internal control and risk management systems, reviewing the audit plan, analyzing the audits carried out and reviewing investments in unconsolidated companies,

- the Risk Committee meets four times a year. Its role includes examining the risk map and signing off on the definition of risks, and analyzing and authorizing RCI group risk limits in line with the Board's risk appetite and with a view to assisting the Board in terms of oversight. It is also responsible for analyzing action plans in the event that limits or notification thresholds are exceeded, and for examining pricing systems for products and services. In parallel with the Compensation Committee, it also has the task of examining whether the compensation policy is compatible with the Company's risk exposure. So that it can advise the Board of Directors, this Committee is also responsible for the analysis and approval of the internal control report, the ICAAP and ILAAP systems, the recovery plan, and significant aspects of the rating and estimating processes derived from the Company's internal credit risk models,
- the Compensation Committee meets at least twice a year. It examines the compensation policy for company officers and the Head of Risk Management annually and prepares decisions for the Board of Directors regarding the compensation of individuals who have an impact on risk and risk management,
- the Appointments and GovernanceCommittee meets at least twice a year. It has the task of recommending directors to the Board of Directors. It is also in charge of the annual review of the Board of Directors, including its structure, membership, gender diversity and breadth of directors' knowledge, skills and experience. It submits nominations to the Board for Executive Directors, the Chief Executive Officer, Deputy Chief Executive Officers and the Head of Risk Management,
- the Strategy Committee meets at least four times a year. Its role is to analyze the roll-out of the strategic plan, as well as reviewing and signing off on various strategic projects.
- The **Executive Committee**, the group's Senior Management body, directs the RCI Banque's policy and strategy.

The Senior Management relies on the following committees to oversee the Group's risk management:

- the Financial Committee, which reviews the following topics: economic analysis and forecasts, cost of funds, liquidity risks, interest rate risk and counterparty risk in the different areas and subsidiaries of the group. The balance sheet and income statement of RCI Holding are also analyzed to make the necessary adjustments to intra-Group transfer pricing,
- the Credit Committee, which approves commitments exceeding the authorization limits of subsidiaries and the Group Head of commitments,
- the Performance Committee, for "Customer and Network Risks", which evaluates the quality of customer origination and benchmarks subsidiaries' performance in terms of recovery. Within the dealership network, changes in the outstanding portfolio and inventory turnover are reviewed, together with changes in dealer and portfolio classification,
- the Regulatory Committee, which reviews major regulatory changes, prudential supervision and action plans, and validates internal rating models and the associated management policy,
- the Internal Control, Operational Risk and Compliance Committee, which oversees the group's entire internal control system, monitors quality and related procedures, and adapts resources, systems and procedures. It defines, manages and monitors the principles of the operational risk management policy and compliance control system. It also keeps track of action plans. This committee also exists within each RCI Banque group subsidiary,
- the New Product Committee, which approves new products before they are marketed, by ensuring the compliance of the new products with the group's commercial policy, the group's budget requirements, locally applicable legislation, and group risk governance.

- Process owners have been appointed for each macroprocess and are responsible for risk management in their respective areas of expertise in line with group standards, defining and updating the corresponding procedures and first-level controls.
- Regulatory Monitoring Officers are responsible for monitoring, analyzing and informing operational staff of any regulatory changes impacting RCI Banque as part of the compliance control system put in place to ensure good corporate governance.
- The Director of the Internal Control department (*Département du Contrôle Interne*, DCI), who reports to the Risk Management and Compliance Director, is responsible for the permanent control of organizational compliance and for directing the general internal control system for the entire Group. In terms of internal control supervision in the RCI Banque group subsidiaries, the Director of the Internal Control department is supported by Internal Controllers who report to him/her functionally. The Internal Controllers report hierarchically to the CEO of the subsidiary. Similarly, the Director of the Internal Control department is supported by employees within the central functions to manage the internal control supervision system within the RCI Banque group departments.
- The Director of the Risk and Banking Regulation department (Département Risques et Règlementation Bancaire, DRRB), who reports to the Risk Management and Compliance Director, ensures the deployment of the Risk Governance Policy within the Group and ensures its consistency with the Risk Appetite Framework (RAF) defined by the Board of Directors; ensures the reliability of risk measurement indicators, the completeness of risk management systems for each risk and the effective exercise of such management; controls, more specifically, the effectiveness of the reporting and alert feedback channels from the subsidiaries to the corporate departments and prepares a summary report on the risks for the management bodies and the Risks Committee of the Board of Directors, as appropriate; verifies the adequacy of the corrective measures developed in the event of failures and their effective implementation by the management functions; plays a central role in monitoring the group's compliance with applicable prudential regulations.
- The Audit and Periodic Control Director for the RCI Banque group reports to the Chief Executive Officer. He/she is independent of the Permanent Control department and works with the different subsidiaries based on an annual audit plan validated by the Audit and Accounts Committee. Audits result in written reports including recommendations that are submitted to the Internal Control Committee and the Audit and Accounts Committee. These comments and recommendations are presented in the annual internal control report, which is approved by the Risks Committee and the Board of Directors and submitted to the French Prudential Supervisory Authority (ACPR) in accordance with banking regulations.

MANAGEMENT BODIES

See 4. - (2) "MANAGEMENT BODIES AT APRIL 1, 2019" above.

ADDITIONAL INFORMATION

Annual General Meetings

Annual General Meetings are convened in accordance with applicable legal and regulatory provisions. The right to attend Annual General Meetings is evidenced by the registration of the shares in an account in the name of the shareholder or in the name of the registered intermediary acting on his or her behalf, by midnight (zero hours) Paris time on the second working day before the Annual General Meeting, either in the registered share account held by the Company or in the bearer share accounts held by an authorized intermediary. The registration of bearer shares in the share records held by the authorized intermediary is evidenced by a shareholding certificate issued by the said intermediary.

Identifiable bearer shares

The Company is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own Shareholders' Meetings.

Shareholding disclosures

In addition to the legal requirement for shareholders to inform the Company if they hold certain percentages of its share capital or voting rights, every shareholder or fund management company that comes into possession of a number of shares above 2% of the share capital or voting rights, or a multiple of this percentage representing less than or equal to 5% of the share capital or voting rights, shall inform the Company of the total number of shares held. Such disclosure shall be made by registered letter with return-receipt within a time period set forth in a Conseil d'État decree, starting from the date of registration of the shares that brought the shareholder's interest up to or beyond the threshold. In excess of 5%, the aforementioned disclosure requirement applies to 1% fractions of the share capital or voting rights.

For the purposes of determining the thresholds described above, indirectly held shares or equity equivalents held as defined by the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code will also be taken into account.

The declarer must certify that the said declaration includes all shares held or owned as per the provisions of the preceding paragraph, and must indicate the acquisition date(s). The disclosure requirement applies in the same manner if the holding of shares falls below any of the aforementioned thresholds, 2% or 1% as applicable.

If the conditions described above are not complied with, any shares exceeding the fraction that should have been declared shall be deprived of its voting rights at any Shareholders' Meetings held in a period of two years following the date of due notification, in so far as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

Thresholds crossed in 2018

During the 2018 fiscal year, the Company received several declarations that thresholds had been crossed:

- the company BlackRock, Inc., acting on behalf of customers and funds that it manages, declared that it crossed, both above and below, the legal threshold of 5% of voting rights and finally held 4.96% of the capital and 3.63% of its voting rights (notification of May 24, 2018); and
- on December 28, 2018, the company Amundi declared that it crossed above the statutory threshold of 2% of the capital and finally held 2.02% of the capital (notification of December 28, 2018).

Shareholder agreements on shares and voting rights of the Company

Absence of concerted action between Renault and Daimler

Renault and Daimler have declared that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the French Commercial Code. To the best knowledge of the Company, and as at the date of this Registration Document, there are no shareholder agreement governing relations between the Company's shareholders, and no concerted actions.

Restrictions on the transfer of shares

As part of the long-term strategic Master Cooperation Agreement signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v. and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-37-5 of the French Commercial Code:

- right of first offer: if Daimler wishes to transfer its Renault shares (either at the end of the lock-up commitment or during that period in case of authorized transfer), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or propose them for sale on the market;
- commitment in the event of a hostile public offer: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a public offer on Renault shares that has not received approval

from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

Restrictions on the free exercise of voting rights attached to shares held by the French State

In the context of the discussions conducted, on the one hand between Renault and Nissan and on the other between Renault and the French State, to restore the balance between the investments of these two shareholders in Renault, and on this occasion, to ensure the continuity and development of the Alliance, on February 4, 2016, Renault and the French State entered into a governance agreement aimed at restricting the free exercise of the French State's voting rights in respect of certain decisions submitted to Renault's Annual General Meeting.

This limitation varies depending on the quorum achieved at the Annual General Meeting:

- if the shareholders attending or represented at the Annual General Meeting in question own maximum 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 17.9% of the voting rights exercisable; and
- if the shareholders attending or represented at the Annual General Meeting in question own more than 70% of the shares with voting rights (either single or double voting rights), the French State's freely exercisable voting rights are capped at 20% of the voting rights exercisable.

Beyond this applicable capping threshold, the French State's voting rights are exercised in a neutral way, *i.e.*:

- at 50% in favor, and 50% against the adoption of ordinary resolutions;
- at 66⅔% in favor, and 33⅓% against the adoption of extraordinary resolutions; and
- in full for the adoption of resolutions requiring shareholder unanimity.

The French State's neutralized voting rights do not have an impact on the outcome of the vote for resolutions subject to capping, unlike voting rights that are freely exercisable by the French State and the other shareholders.

The restriction on the free exercise of the French State's voting rights applies to all decisions within the competence of the Ordinary General Meeting, with the exception of the following decisions, for which the French State may freely exercise all of its double voting rights:

- allocation of earnings, fixing of the dividend and its payout date;
- the option of receiving all or part of the dividend payout in cash or in shares;
- appointment of directors representing the French State, renewal of their terms of office or ratification of their appointments by the Board of Directors;
- removal of directors representing the French State;
- approval of the sale of significant assets;
- related-party agreements against which the representatives of the French State voted on the Board of Directors; and
- grant of delegation to the Board of Directors to trade in Renault's shares, in the event of a program to buyback one or more blocks of shares from one or more identified shareholders.

For Extraordinary General Meetings, the French State may freely exercise all of its voting rights, with the exception of the following decisions for which the French State's freely exercisable voting rights are capped, namely:

- grant or renewal of delegations of authority or powers to the management bodies of Renault whose terms are consistent with the existing practices of Renault as demonstrated over the five years preceding the decision;
- decision or delegation granted to the Board of Directors to award stock-options, allocate consideration-free shares or issue shares or securities giving access to the capital to the employees and company officers of the Group;

- modification of the age limit for the exercise of functions or the term of office of directors and senior executive officers; and
- transfer of the head office (except outside of France).

IMPLEMENTATION OF RESTRICTIONS ON THE FREE EXERCISE OF VOTING RIGHTS ATTACHED TO SHARES HELD BY THE FRENCH STATE AT ANNUAL GENERAL MEETINGS

Accounts	Voting conditions	Percentage of voting rights exercisable		Quorum less than or equal to 70%		Quorum greater than 70%	
				Simple majority	Qualified majority	Simple majority	Qualified majority
Account 7			1/3 (2.87%)	No	No	No	No
Account 6	Postal voting	8.6%	1/6 (1.43%)	No	Yes	No	Yes
Account 5			1/2 (4.3%)	Yes	Yes	Yes	Yes
Account 4			1/3 (0.7%)	No	No	Free	Free
Account 3	Voting by proxy	2.1%	1/6 (0.35%)	No	Yes	Free	Free
Account 2			1/2 (1.05%)	Yes	Yes	Free	Free
Account 1	Postal voting	17.9%	1 (17.9%)	Free	Free	Free	Free

Resolutions submitted by a shareholder other than the French State are subject to the restriction mechanism if the French State votes according to the recommendations of the Board of Directors of Renault.

Restrictions on the free exercise of voting rights shall cease to apply if:

- Nissan exercises the voting rights attached to its shares at any Renault Annual General Meeting; and
- the Restated Alliance Master *Agreement entered into* between Renault and Nissan on March 28, 2002 (as amended on April 29, 2005, November 7, 2012 and December 11, 2015) is amended, and the representatives of the French State did not vote in favor thereof on the Board of Directors, or if the said Restated Alliance Master agreement is terminated.

In addition, the restriction is suspended:

- in the event of a public offer on the financial securities of Renault initiated by any person, from the announcement thereof until the expiration of the offer period; and
- whenever a person (with the exception of the French State, but including Nissan), acting alone or in concert, owns, directly or indirectly, immediately or in future, a participation or an economic exposure representing more than 15% of the share capital or voting rights of the Company.

In the event of violation by the French State of its commitments under the corporate governance agreement, Renault may seek conversion into bearer shares of all Renault shares owned by the French State, thus depriving them of the double voting rights for a period of two years.

BNP Paribas Securities Services, the custodian for Renault’s shares, assists Groupe Renault in the implementation of this mechanism through the management of the seven fully registered shareholder accounts in which the Renault shares held by the French State are registered. The terms of its involvement are set out in an agreement for the implementation of the corporate governance agreement, which was signed on February 4, 2016 between Renault, the French State and BNP Paribas Securities Services.

AUDITS

AUDITORS

Regular Statutory Auditors

KPMG S.A.

represented by Jean-Paul Vellutini and Laurent des Places Tour Eqho 2, avenue Gambetta 92066 Paris la Défense

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2018 audit.

EY Audit

represented by Aymeric de La Morandière and Philippe Berteaux Tour First 1-2, place des Saisons 92400 Courbevoie – Paris La Défense 1

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2018 audit.

KPMG was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Ernst & Young Audit was appointed for the first time by order of the Ministry of Economy and Finance on March 27, 1979. Its mandate was then renewed by the Combined General Meetings of June 7, 1996, April 26, 2002, April 29, 2008 and April 30, 2014, for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Alternate Statutory Auditors

KPMG Audit ID S.A.S.

Alternate for KPMG S.A. Tour Eqho 2, avenue Gambetta 92066 Paris La Défense

Auditex

Alternate for EY Audit Tour First 1-2, place des Saisons 92400 Courbevoie – Paris La Défense 1

KPMG Audit ID S.A.S. was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Auditex was appointed for the first time by the Combined General Meeting of June 7, 1996 for a period of six years. Its mandate was renewed by the Combined General Meetings of April 26, 2002, April 29, 2008 and April 30, 2014 for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Statutory Auditors' report on related party agreements and commitments

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

To the Annual General Meeting of Renault,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion, as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with in Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2018, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval to the Annual General Meeting

Agreements and commitments authorized and entered into during the year ended December 31, 2018

In accordance with Article L. 225-40 of the French Commercial Code *(Code de Commerce)*, we have been notified of the following related party agreements and commitments which received prior authorization from your Board of Directors.

Second amendment to the "Master Cooperation Agreement" with Nissan Motor Co. Ltd, Daimler AG, Renault-Nissan B.V. and Mitsubishi Motors Corporation

Your Board of Directors authorized on June 15, 2018 the conclusion of the second amendment of the "Master Cooperation Agreement". Pursuant to this authorization, the second amendment was signed by your Company on October 3, 2018.

Persons concerned

Mr Carlos Ghosn, Chairman and Chief Executive Officer of your Company until his resignation on January 23, 2019, member of Nissan Motor Co. Ltd board., Mitsubishi Motors Corporation and of Renault-Nissan B.V.; Ms. Yu Serizawa, member of your Company's Board and appointed upon Nissan's proposal; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon Nissan's proposal and Chief Competitive Officer of Nissan Motor Co. Ltd.

Nature and purpose

On April 6, 2010, Renault and Nissan, Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" defining the terms and conditions of their cooperation.

On December 13, 2013, the Board of Directors of Renault authorized the conclusion of the first amendment of this agreement, in order to extend the scope of this cooperation. The conclusion of this amendment on December 19, 2013 was approved by the Annual General Meeting of April 30, 2014.

In October 2016, Nissan Motor Co. Ltd acquired 34% of the share capital of Mitsubishi Motors Corporation.

The second amendment concerns the accession of Mitsubishi Motors Corporation to the "Master Cooperation Agreement" and, consequently, the participation of Mitsubishi Motors Corporation in the cooperation.

Conditions

Mitsubishi Motors Corporation has expressed its interest in participating in the cooperation provided for in the "Master Cooperation Agreement". As such, Mitsubishi Motors Corporation has agreed to comply with:

- all the rules of the "Master Cooperation Agreement", and in particular the rules on representation and governance of the strategic cooperation within the framework of the "Cooperation Committee", with the exception of the provisions on cross-shareholdings in which Mitsubishi Motors Corporation is not involved, and
- the general rules governing the strategic cooperation projects.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that it was in Renault's interest to enter into the second amendment insofar as Mitsubishi Motors's participation in the cooperation provided for by the "Master Cooperation Agreement" could contribute to the achievement of additional synergies and, therefore, to the success of Renault's mid-term plan.

Agreements and commitments authorized and entered into after closing

We have been notified of the following related party agreements and commitments, authorized and entered into after closing which received prior authorization of your Board of Directors on April 3 2019.

With Mr Thierry Bolloré, Chief Executive Officer

1) Non-compete agreement entered into with the Company and Mr Thierry Bolloré, Chief Executive Officer

Nature and purpose

During its meeting of April 3, 2019, the Board of Directors authorized the conclusion of a non-compete agreement with Mr Thierry Bolloré.

Conditions

Under this agreement, Mr Thierry Bolloré commits, as of the end of his term of office as Chief Executive Officer, not to engage, directly or indirectly, in an activity that competes with those of the Group Renault, either on his own behalf, or on the behalf of companies in the automotive design, construction and marketing sectors (mainly passenger cars and commercial vehicles), or on the behalf of automotive suppliers.

The application of this clause is limited to:

- a period of twenty-four (24) months following the date on which Mr Thierry Bolloré effectively ceased to exercise his term of office (mandate social);
- the territories in which the Group Renault operates at the time of the termination of the term of office, excluding countries located in Africa and Oceania, and, in the case of equipment manufacturers in North America (United States, Canada).

In consideration for his non-compete obligation, Mr Thierry Bolloré will receive from the Company, during the period of application of the agreement (twenty-four months) and subject to there being no breach of this agreement, a gross financial compensation corresponding to two years of gross annual compensation (fixed compensation and annual variable compensation paid in cash), payable in twenty-four monthly instalments. The gross annual compensation retained for this calculation will be the one paid during the twelve months preceding the date of termination of the corporate office.

In accordance with the recommendation of the AFEP-MEDEF Code, at the termination date of Mr Thierry Bolloré's office, the Board of Directors of the Company will decide whether to apply this non-compete agreement, and may unilaterally waive it.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that it was in Renault's interest to enter into this non-compete agreement which will allow to protect Groupe Renault's legitimate interests, given the particularly competitive nature of the automotive market, the importance of the functions and to the recognized skills of Mr Thierry Bolloré in this market, the resources made available to him, and the sensitive information he holds and to which he can have access.

2) Company's commitment made in terms of Additional pension scheme for Mr Thierry Bolloré

Nature and purpose

The Board of Directors authorized a top-up pension scheme for Mr Thierry Bolloré.

Conditions

The top-up pension scheme of the Chief Executive Officer includes (a) a defined-contribution scheme and (b) a top-up defined-benefit pension scheme.

A) DEFINED-CONTRIBUTION SCHEME (ARTICLE L. 242-1 OF THE FRENCH SOCIAL SECURITY CODE)

The Chief Executive Officer benefits from a defined-contribution scheme; these contributions correspond to 8% of his annual compensation (fixed and variable components) between eight and sixteen times the annual French Social Security cap (Band D); 5% is paid by the Company and 3% by the Chief Executive Officer.

The Company's commitment is limited to the payment of his share of the contributions to the insurance firm managing the scheme.

B) TOP-UP DEFINED-BENEFIT PENSION SCHEME (ARTICLE L. 137-11 OF THE FRENCH SOCIAL SECURITY CODE)

The Chief Executive Officer also benefits from a top-up defined-benefit pension scheme, arranged and financed by the Company, the management of which is outsourced to an insurance firm.

The eligibility for this scheme is subject to a seniority condition (at least five years in the Company and at least two years in the Group Executive Committee) and a presence condition as an officer of the Company. These conditions must be satisfied at the time he claims his pension rights.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.

The annual amount paid in respect of this pension scheme is equal to 10% of the reference compensation, this percentage being increased by 1.4 percentage points per year of seniority beyond five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority outside the Group Executive Committee, beyond five years of seniority in the Company.

The amount is capped at 30% of the reference compensation.

The reference activity compensation is capped at 65 times the annual French Social Security cap.

In any event, the annual total of these pension amounts for the Chief Executive Officer may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

Pensions are paid by an insurance company to which the Company pays premiums based on the financing needs arising as beneficiaries retire.

During its meeting of April 3, 2019, the Board of Directors noted that as at December 31, 2018, Mr Thierry Bolloré had a seniority of 6 years, corresponding to 11.53% of rights.

Upon the recommendation of the Compensation Committee, the Board of Directors, during its meeting of April 3, 2019, decided to condition the acquisition by Mr Thierry Bolloré of new rights as from January 1, 2019 to the following performance condition: the amount of free cash flow for the 2019 financial year must be positive.

At the end of each year, the Board of Directors will assess the achievement of the performance criterion, during the previous year. Otherwise, the year will not be taken into account in the determination of the pension.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: The Board of Directors considered that the implementation of this scheme to the benefit of Mr Thierry Bolloré allows the Company to retain and to promote the Chief Executive Officer's loyalty.

Agreements and commitments previously approved by the Annual General Meeting

Agreements and commitments approved in prior years

a) whose implementation continued during the year ended December 31, 2018

In accordance with article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements and commitments, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2018.

With the French State, shareholder of your Company

Persons concerned

Mr Thomas Courbe and Mr Martin Vial, Board members of your Company representing the French State.

1) Letter of mutual commitments in the context of the sale of Renault shares by the French State

Nature and purpose

In its meeting held on November 2, 2017, your Board of Directors authorized the signature of a letter of mutual commitments between your Company and the French State, following the announcement made by the French State to your Company of its intention to sell 14 million Renault shares purchased in April 2015.

The letter of mutual commitments between Renault and the French State provides for, on the one hand, the sale by the French State of 1,400,000 Renault shares and, on the other hand, the purchase of these shares by your Company and the implementation of an offering reserved for its Group's employees and former employees.

Conditions

Your Board of Directors precised that your Company could acquire these shares only in the event where their price would be at most equal to the latest quotation of the Renault share at the day of the launch of placement and at € 120 (which is the maximum repurchase price set by the Annual General Meeting).

Pursuant to this authorization, the letter of mutual commitments was signed by your Company and the French State on November 2, 2017. The share sale transaction was launched and closed on November 2, 2017, for € 86.60 per share.

On June 15, 2018, your Board of Directors decided the offering terms and conditions reserved for the Group's employees and former employees, who may have subscribed to it between September 18, 2018 and October 2, 2018. Discounts or payment facilitations that may be granted to employees were exclusively supported by your Company. Renault shares subscribed as part of the offering were delivered on November 7, 2018, thus closing the offering implemented pursuant to this agreement.

Therefore, the mutual commitments between Renault and the French State were fully performed during the 2018 financial year.

2) Governance Agreement

Nature and purpose

On December 11, 2015, your Board of Directors authorized the conclusion of a "Governance Agreement" between Renault and the French State which aims at regulating the exercise of the voting rights attached to the Renault shares held by the French State.

Conditions

Pursuant to the authorization granted by your Board of Directors, February 4, 2016, your Company signed with the French State a Governance Agreement under which the voting rights attached to the French State's shares exceeding a certain percentage of Renault's total exercisable rights (set at 17.9% in the event of a "usual" quorum, or at 20% in the event of a particularly high quorum) are, in certain cases, exercised in a neutral manner, so that they do not affect the adoption or rejection of the resolutions concerned by the limitation. The written agreement also describes the conditions for implementing these restrictions with the registrar of your Company's Annual General Meeting.

The restrictions to the free exercise of the voting rights of the French State notably apply to all decisions which fall within the authority of the Ordinary Annual General Meeting, except for decisions concerning (i) dividend distributions, (ii) the appointment, renewal or removal from office of Board members representing the French State, (iii) the disposal of significant company assets, (iv) related-party agreements that are not approved by the representatives of the French State and (v) repurchase of shares from identified shareholders.

However, the French State retains all of its voting rights for decisions which fall within the authority of the Extraordinary Annual General Meeting, except for the most day-to-day decision-making such as (i) the granting or renewal of ongoing delegations to the management bodies of your Company when they comply with your Company's existing practices conditions, (ii) the granting of stock options, performance shares or shares that give access to the share capital to the benefit of employees and executive corporate officer of the Renault Group, (iii) an amendment to the age limit for the exercise of duties or to the term of office of Board members and executive corporate officer and (iv) a transfer of registered office (except abroad).

The restrictions to the free exercise of the voting rights would cease to apply in exceptional situations such as the amendment or termination of the "Restated Alliance Master Agreement", the exercise by Nissan Motor Co. Ltd of voting rights in your Company, the announcement of a public offering of your company shares, or a shareholder exceeding the threshold of 15% in your Company's capital or voting rights, including Nissan Motor Co. Ltd.

The governance agreement was entered into on February 4, 2016, renewable by tacit agreement for successive periods of ten years unless it is terminated at least two years before the term expiry.

With Nissan Motor Co. Ltd

Persons concerned

Mr Carlos Ghosn, Chairman and CEO of your Company until his resignation on January 23, 2019, member of Nissan Motor Co. Ltd. board and of Renault-Nissan B.V.; Ms. Yu Serizawa, member of your Company's Board and appointed upon proposal of Nissan; Mr Yasuhiro Yamauchi, member of your Company's Board appointed upon proposal of Nissan and Chief Competitive Officer of Nissan Motor Co. Ltd.

1) Master Cooperation Agreement

On April 6, 2010, your Company, Nissan Motor Co. Ltd., Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" which specifies the terms and conditions of the cooperation between these companies.

In its meeting of December 13, 2013, your Board of Directors authorized the signature, on December 19, 2013, of the first amendment to the “Master Cooperation Agreement”, in order to extend the scope of this cooperation. This amendment has been approved by the Annual General Meeting of April 30, 2014.

The “Master Cooperation Agreement” continues to produce its effects between the parties. The second amendment was authorized during the previous year which aim is the accession of Mitsubishi Motors Corporation in the “Master Cooperation Agreement”.

2) Restated Alliance Master Agreement

On March 28, 2002, your Company and Nissan Motor Co. Ltd entered into the “Restated Alliance Master Agreement”, which governs the share capital relationship between your Company and Nissan, and regulates the Alliance’s current governance. This agreement specifies the operational terms and conditions of Renault-Nissan B.V. (“RNBV”) as the corporate entity involved in defining the Alliance’s strategy.

The first amendment to the “Restated Alliance Master Agreement” was signed on April 29, 2005 and submitted for the approval of the Annual General Meeting of May 4, 2006.

In its meeting of October 3, 2012, your Board of Directors authorized the signature, on November 7, 2012, of the second amendment to the “Restated Alliance Master Agreement”, which modifies the composition of the RNBV Executive Board and consequently the voting conditions within the Executive Board.

In its meeting of December 11, 2015, your Board of Directors authorized the signature of a governance agreement between your Company and Nissan concerning the governance of Nissan, which constitutes the third amendment to the “Restated Alliance Master Agreement”. The conditions of this amendment concern your Company’s undertaking (i) to vote in favor of the resolutions proposed by the Board of Directors of Nissan to the Annual General Meeting of Nissan for the appointment, dismissal and compensation of the members of the Board of Directors of Nissan (other than the members appointed upon the proposal of your Company, (ii) not to submit a resolution to the Annual General Meeting of Nissan that would not have been approved by the Board of Directors of Nissan, and (iii) not to vote in favor of a resolution that has not been authorized by the Board of Directors of Nissan. For these resolutions, your Company remains free to vote as it sees fit, however, in the event that your Company does not comply with its commitment, Nissan may acquire Renault shares without the prior approval of the Board of Directors of Nissan, notwithstanding the provisions of the “Restated Alliance Agreement” which prevent the parties from increasing, without prior agreement, their respective holdings. The amendment modifies the “Restated Alliance Master Agreement” without altering its term, which remains indefinite. It has been applicable since it was entered into. This agreement has been approved by the Annual General Meeting of April 29, 2016.

With Mr Carlos Ghosn, Chairman and CEO of your Company until his resignation on January, 23, 2019

1) Additional pension scheme

The top-up pension scheme of Mr Carlos Ghosn includes a defined-contribution scheme and a top-up defined-benefit pension scheme.

(i) Defined-contribution scheme (Article L. 242-1 of the French Social Security Code)

This agreement, initially authorized by your Board of Directors during its meetings held on October 28, 2004 and October 31, 2006 was confirmed during its meetings held on February 12, 2014 and February 15, 2018 in the same conditions as previously. This pension benefit scheme complies with the recommendations of the AFEP-MEDEF Code, and was approved by the Annual General Meetings of April 30, 2014 and of June 15, 2018.

Mr Carlos Ghosn benefits from a defined-contribution scheme; these contributions correspond to 8% of the part of his annual compensation (fixed and variable components) comprised between eight and sixteen times the annual French Social Security cap (Band D); 5% is paid by the Company and 3% by Mr Carlos Ghosn.

The Company's commitment is limited to the payment of its share of the contributions to the insurance firm managing the scheme.

WHICH WERE NOT IMPLEMENTED DURING THE YEAR ENDED DECEMBER 31, 2018

In addition, we have been notified that the following agreements and commitments which were already approved by the Annual General Meeting in prior years, were not implemented during the year ended December 31, 2018.

(ii) Top-up defined-benefit pension scheme (Article L. 137-11 of the French Social Security Code)

This agreement, initially authorized by your Board of Directors during its meetings held on October 28, 2004 and October 31, 2006 was confirmed during its meetings held on February 12, 2014 and February 15, 2018 in the same conditions as previously. This pension benefit scheme complies with the recommendations of the AFEP-MEDEF Code, and was approved by the Annual General Meetings of April 30, 2014 and of June 15, 2018.

Mr Carlos Ghosn benefits from a top-up defined-benefit pension scheme, arranged and financed by your Company, the management of which is outsourced to an insurance firm.

Benefiting from this scheme is subject to a seniority condition (five years minimum in the Company and at least two years in the Group Executive Committee) and, pursuant to the AFEP-MEDEF Code, a presence condition as Chief Executive Officer, applied as of retirement.

The reference compensation used to calculate the top-up defined-benefit pension scheme is equal to the average of the three gross annual compensations (fixed and variable components) the highest during the last ten years of activity prior to retirement.

The annual amount paid in respect of this pension scheme is equal to 10% of the reference compensation, this percentage rising by 1.4 percentage points per year of seniority in excess of five years on the Group Executive Committee, and by 0.4 percentage points per year of seniority other than on the Group Executive Committee, in the case of more than five years' seniority in the Company.

This amount is capped at 30% of the reference compensation. The reference compensation is capped at 65 times the annual French Social Security cap.

In any event, the total of these annual pension amounts for Mr Carlos Ghosn may not exceed 45% of his reference compensation. If this cap is exceeded, the amount of top-up pension will be reduced accordingly.

The commitment made in favor of Mr Carlos Ghosn as regards top-up pensions does not fall within the scope of the "Macron Act" on growth, business, and equal economic opportunities with respect to the requirement to make the acquisition of new rights subject to performance conditions. Indeed, Mr Carlos Ghosn joined Renault and the Group Executive Committee on October 14, 1996 and had a total of over 21 years' seniority as at December 31, 2017, corresponding to a theoretical substitution rate of 32.4% of his reference compensation. The substitution rate being capped at 30%, Mr Carlos Ghosn may no longer acquire any new rights under this scheme.

The Board of Directors of April 3, 2019 noted that the circumstances of Mr Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.

2) Non-compete agreement

In its meeting held on February 11, 2015, your Board of Directors authorized the signature of a non-compete agreement between your Company and Mr Carlos Ghosn whereby he undertakes, upon termination or non-renewal of his term of corporate office as CEO, not to engage, directly or indirectly, in an activity competing to the ones of Renault Group, whether for his own benefit or for the benefit of another company. An activity that competes with the Group's activity refers to any activity of automotive design, construction or marketing (mainly for private vehicles and commercial vehicles) carried out in the same geographical areas and sectors as that of the Group at the time of the termination of his term of office. The non-compete agreement was approved by the General Meeting of April 30, 2015.

The Board of Directors considered notably (i) the particular competitive nature of the market on which the Group operates, (ii) the significant functions and recognized competencies of Mr Carlos Ghosn in this market, (iii) the resources at his disposal, (iv) the sensitive information to which Mr Carlos Ghosn has or could have access to, and (v) the relationships developed by Mr Carlos Ghosn in the course of his term of office, and concluded on the necessity to protect the legitimate interests of the Group by introducing this non-compete provision.

In return for his non-compete obligation, Mr Carlos Ghosn will receive from your Company, during the period of application of the agreement (two years) and under the condition that there are no breaches thereof, a gross financial compensation equal to two years of gross total salary (fixed and variable) payable in twenty-four monthly instalments.

Following the resignation of Mr Carlos Ghosn from the offices of Chairman of the Board of Directors and Chief Executive Officer on January 23, 2019, the Board of Directors unanimously decided, at its meeting of February 13, 2019, to waive Mr Ghosn's non-compete commitment and, consequently, not to pay the corresponding compensation equal to two years fixed and variable compensation.

Your Company notified by mail on February 19, 2019, Board of Directors' decision board to Mr Carlos Ghosn to terminate this agreement.

Paris-La Défense, April 11, 2019

The Statutory Auditors *French original signed by*

KPMG Audit A department of KPMG S.A.

Jean-Paul Vellutini Laurent des Places

ERNST & YOUNG Audit

Aymeric de La Morandière Philippe Berteaux

FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

(2) Contents, Etc. of Audit Fee

(i) Contents of Fees for Foreign Certified Public Accountant, Etc. Certifying Audit

E&Y Network

Classification	2017				2018			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in million	Yen in million	Euro in million	Yen in million	Euro in million	Yen in million	Euro in million	Yen in million
Filing Company	2.24	282.442	0.14	17.653	2.16	272.354	0.04	5.044

Consolidated Subsidiary	3.51	442.576	0.09	11.348	3.92	494.273	0.08	10.087
Total	5.75	725.018	0.22	27.740	6.08	766.627	0.13	16.392

KPMG Network

Classification	2017				2018			
	Fees for Services Related to Audit Certification		Fees for Non-Audit Services		Fees for Services Related to Audit Certification		Fees for Non-Audit Services	
	Euro in million	Yen in million	Euro in million	Yen in million	Euro in million	Yen in million	Euro in million	Yen in million
Filing Company	2.18	274.876	0.05	6.305	2.21	278.659	0.08	10.087
Consolidated Subsidiary	3.50	441.315	0.07	476.620	3.78	476.620	0.07	8.826
Total	5.68	716.191	0.115	755.279	5.99	755.279	0.15	18.914

(ii) Contents of Other Fees Which Are Material

Not applicable

(iii) Contents of Non-Audit Services for Filing Company by Foreign Certified Public Accountant, Etc. Certifying Audit

The non-audit services include legal, tax, labor-related services.

(iv) Policies on Determining Audit Fee

Renaut has no specific policies for the determination of the amount for audit fees.

VI. Financial Condition:

a. The accompanying original consolidated financial statements of Renault SA ("Renault" or the "Company") and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called "the Group") have been prepared in conformity with the International Financial Reporting Standards ("IFRS") which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2018 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2018 and adopted by the European Union at the year-end. Renault SA draws up its annual financial statements in accordance with French law and accounting regulations as defined by the French chart of accounts 99-03 of April 29, 1999, amended by CRC (*Comité de la Règlementation Comptable*) and ANC (*Autorité des Normes Comptables*) regulations. The provision of Article 131, paragraph 1 of the Regulations Regarding Terminology, Format and Method of Preparation of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963) is applied to the financial statements of Renault described below. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the "financial statements in Japanese") are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the "original financial statements").

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in "4. Differences between IFRS and Japanese GAAP."

b. The original financial statements have been audited by KPMG S.A. and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations based on the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law**.** in conformity with the provision of Article 1-2 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥126.09. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers byMUFG Bank, Ltd. at March 11, 2019.

d. The Japanese yen amounts and items 3. "Other" and 4. "Differences between IFRS and Japanese GAAP" are not included in the original financial statements and, except for the references to the original financial statements, were not subject to the audit mentioned in b. above.

1. FINANCIAL STATEMENTS

(1) Comptes consolidés (Consolidated Financial Statements)

Comptes de résultats consolidés
Bilans consolidés au 31 décembre
Variation des capitaux propres consolidés
Tableaux de flux de trésorerie consolidés
Informations sectorielles
Annexe aux comptes consolidés

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Consolidated Financial Statements>
CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated income statement

(€ million)	Notes	**2018** [1]	2017 [2]
Revenues	**4**	**57,419**	**58,770**
Cost of goods and services sold		(45,417)	(46,477)
Research and development expenses	10-A	(2,598)	(2,590)
Selling, general and administrative expenses		(5,792)	(5,849)
Operating margin	**5**	**3,612**	**3,854**
Other operating income and expenses	6	(625)	(48)
Other operating income	*6*	*149*	*214*
Other operating expenses	*6*	*(774)*	*(262)*
Operating income (loss)		**2,987**	**3,806**
Cost of net financial indebtedness	7	(308)	(369)
Cost of gross financial indebtedness	*7*	*(373)*	*(441)*
Income on cash and financial assets	*7*	*65*	*72*
Other financial income and expenses	7	(45)	(22)
Financial income (expenses)	**7**	**(353)**	**(391)**
Share in net income (loss) of associates and joint ventures		**1,540**	**2,799**
Nissan	*12*	*1,509*	*2,791*
Other associates and joint ventures	*13*	*31*	*8*
Pre-tax income		**4,174**	**6,214**
Current and deferred taxes	8	(723)	(906)
NET INCOME		**3,451**	**5,308**
Net income – parent-company shareholders' share		3,302	5,212
Net income - non-controlling interests' share		149	96
Basic earnings per share [3] *(in €)*		12.24	19.23
Diluted earnings per share [3] *(in €)*		12.13	19.04
Number of shares outstanding (*in thousands*)			
for basic earnings per share	*9*	*269,850*	*271,080*
for diluted earnings per share	*9*	*272,222*	*273,745*

(1) The figures for 2018 are established in application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". The changes related to the application of these new standards are presented in note 2-A.

(2) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).

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

Consolidated comprehensive income

	2018			2017 [1]		
(€ million)	Gross	Tax effect	Net	Gross	Tax effect	Net

Net income	**4,174**	**(723)**	**3,451**	**6,214**	**(906)**	**5,308**
Other components of comprehensive income from parent-company and subsidiaries						
Items that will not be reclassified subsequently to profit or loss	***(356)***	***(3)***	***(359)***	***13***	***(25)***	***(12)***
Actuarial gains and losses on defined-benefit pension plans	53	(16)	37	13	(25)	(12)
Equity instruments at fair value through equity (2)	(409)	13	(396)			
Items that have been or will be reclassified to profit or loss in subsequent periods	***(483)***	***29***	***(454)***	***(142)***	***(16)***	***(158)***
Translation adjustments on foreign activities (3)	(213)	-	(213)	(272)	-	(272)
Translation adjustments on foreign activities in hyperinflationary economies (3)	(175)	-	(175)			
Partial hedge of the investment in Nissan	(102)	32	(70)	113	(17)	96
Fair value adjustments on cash flow hedging instruments (4)	7	(4)	3	5	-	5
Fair value adjustments on available-for-sale financial assets (2) (5)				12	1	13
Debt instruments at fair value through equity (2) (5)	-	1	1			
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT-COMPANY AND SUBSIDIARIES (A)	**(839)**	**26**	**(813)**	**(129)**	**(41)**	**(170)**
Share of associates and joint ventures in other components of comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods	***(206)***	-	***(206)***	***130***	-	***130***
Actuarial gains and losses on defined-benefit pension plans	(68)	-	(68)	130	-	130
Other (2)	(138)	-	(138)			
Items that have been or will be reclassified to profit or loss in subsequent periods (6)	***956***	-	***956***	***(1,488)***	-	***(1,488)***
Translation adjustments on foreign activities	960	-	960	(1,519)	-	(1,519)
Other	(4)	-	(4)	31	-	31
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**750**	-	**750**	**(1,358)**	-	**(1,358)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(89)**	**26**	**(63)**	**(1,487)**	**(41)**	**(1,528)**
COMPREHENSIVE INCOME	**4,085**	**(697)**	**3,388**	**4,727**	**(947)**	**3,780**
Parent-company shareholders' share			3,221			3,673
Non-controlling interests' share			167			107

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).
(2) In application of IFRS 9 "Financial instruments", the classification of financial assets is modified from January 1, 2018. The changes related to the application of this new standard are presented in note 2-A1.
(3) The impacts of the application of IAS 29 "Financial reporting in hyperinflationary economies" for foreign activities in Argentina are presented in note 2-A4. There were no reclassifications to profit or loss in 2018 and 2017.
(4) Including €6 million reclassified to profit or loss in 2018 (€(12) million in 2017).
(5) Including €2 million reclassified to profit or loss in 2018 (€3 million in 2017).
(6) There were no reclassifications to profit or loss in 2018 and in 2017.

Consolidated financial position

(€ million)	Notes	**December 31, 2018** [1]	December 31, 2017 [2]
ASSETS			
Non-current assets			
Intangible assets and goodwill	10-A	5,913	5,240
Property, plant and equipment	10-B	14,304	13,582
Investments in associates and joint ventures		21,439	19,811
Nissan	*12*	*20,583*	*19,135*
Other associates and joint ventures	*13*	*856*	*676*
Non-current financial assets	22	928	1,395
Deferred tax assets	8	952	927
Other non-current assets	17	1,485	1,435
TOTAL NON-CURRENT ASSETS		**45,021**	**42,390**
Current assets			
Inventories	14	5,879	6,328
Sales Financing receivables	15	42,067	39,334
Automotive receivables	16	1,399	1,753
Current financial assets	22	1,963	1,932
Current tax assets	17	111	91
Other current assets	17	3,779	4,014
Cash and cash equivalents	22	14,777	14,057
TOTAL CURRENT ASSETS		**69,975**	**67,509**
TOTAL ASSETS		**114,996**	**109,899**

(1) The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 are presented in note 2-A.

(2) The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(€ million)	Notes	**December 31, 2018** [1]	December 31, 2017 [2]

SHAREHOLDERS’ EQUITY AND LIABILITIES			
Shareholders’ equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(400)	(494)
Revaluation of financial instruments		236	809
Translation adjustment		(2,826)	(3,376)
Reserves		30,322	26,322
Net income – parent company shareholders’ share		3,302	5,212
Shareholders’ equity – parent company shareholders’ share		**35,546**	**33,385**
Shareholders’ equity – non-controlling interests’ share		599	294
TOTAL SHAREHOLDERS’ EQUITY	**18**	**36,145**	**33,679**
Non-current liabilities			
Deferred tax liabilities	8	135	180
Provisions for pension and other long-term employee benefit obligations – long-term	19	1,531	1,584
Other provisions – long-term	20	1,603	1,514
Non-current financial liabilities	23	6,209	5,120
Other non-current liabilities	21	1,572	1,579
TOTAL NON-CURRENT LIABILITIES		**11,050**	**9,977**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	19	56	51
Other provisions – short-term	20	1,065	915
Current financial liabilities	23	2,463	3,792
Sales Financing debts	23	44,495	41,395
Trade payables		9,505	9,904
Current tax liabilities	21	289	246
Other current liabilities	21	9,928	9,940
TOTAL CURRENT LIABILITIES		**67,801**	**66,243**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**114,996**	**109,899**

(1) The impacts of the application of IFRS 9 “Financial instruments” and IFRS 15 “Revenue from contracts with customers” from January 1, 2018 are presented in note 2-A.

(2) The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

Changes in consolidated shareholders’ equity

(€ million)	Number of shares *(thousands)*	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent – company share-	Share-holders’ equity (parent–company share-	Share-holders’ equity (non-controlling interests’	Total share-holders’ equity

								holders’ share)	holders’ share)	share)	
BALANCE AT DECEMBER 31, 2016 AS PUBLISHED IN THE 2017 FINANCIAL STATEMENTS (1)	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,643**	**3,419**	**30,743**	**181**	**30,924**
Change in the valuation method of the Renault SA redeemable shares (1)							139		139		139
BALANCE AT DECEMBER 31, 2016 (1)	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,782**	**3,419**	**30,882**	**181**	**31,063**
2017 net income (1)								5,212	5,212	96	5,308
Other components of comprehensive income (2)					51	(1,708)	118		(1,539)	11	(1,528)
2017 comprehensive income (1)					***51***	***(1,708)***	***118***	***5,212***	***3,673***	***107***	***3,780***
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 (3)						3	(155)		(152)	139	(13)
Cost of share-based payments and other						(3)	13		10		10
BALANCE AT DECEMBE	**295,722**	**1,127**	**3,785**	**(494)**	**809**	**(3,376)**	**26,322**	**5,212**	**33,385**	**294**	**33,679**

R 31, 2017 [1]											
Transition to IFRS 9 – Opening adjustments [4]					(21)		(73)		(94)	(2)	(96)
Transition to IFRS 15 – Opening adjustments [4]							(229)		(229)	(9)	(238)
Application of IAS 29 - Opening adjustments [5]						14	65		79		79
ADJUSTED BALANCE AT JANUARY 1, 2018	**295,722**	**1,127**	**3,785**	**(494)**	**788**	**(3,362)**	**26,085**	**5,212**	**33,141**	**283**	**33,424**
2018 net income								3,302	3,302	149	3,451
Other components of comprehensive income [2]					(538)	487	(30)		(81)	18	(63)
2018 comprehensive income					***(538)***	***487***	***(30)***	***3,302***	***3,221***	***167***	***3,388***
Allocation of 2017 net income							5,212	(5,212)			
Dividends							(958)		(958)	(94)	(1,052)
(Acquisitions)/disposals of treasury shares and impact of capital increases				94					94		94
Changes in ownership interests [3]						33	39		72	241	313
Index-based restatement in 2018 of equity items in hyperinflationary economies [5]						3	86		89	1	90
Cost of					(14)	13	(112)		(113)	1	(112)

share-based payments and other [6]											
BALANCE AT DECEMBER 31, 2018	**295,722**	**1,127**	**3,785**	**(400)**	**236**	**(2,826)**	**30,322**	**3,302**	**35,546**	**599**	**36,145**

(1) The figures for 2016 and 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period.

(3) 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). In 2018, they include the effects of capital increases by Alliance Rostec Auto b.v. and AVTOVAZ, and acquisitions of shares in AVTOVAZ by Alliance Rostec Auto b.v. as a result of a mandatory tender offer and a mandatory squeeze out (note 3-B).

(4) The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 for fully consolidated companies are presented in note 2-A.

(5) The impacts of the application of IAS 29 "Financial reporting in hyperinflationary economies" for foreign activities in Argentina are presented in note 2-A4.

(6) In addition to the cost of share-based payments, this item mainly includes the effects of application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 on the investment in Nissan (note 12).

Details of changes in consolidated shareholders' equity in 2018 are given in note 18.

Consolidated cash flows

(€ million)	Notes	**2018**	2017 [1]
Net income		**3,451**	**5,308**
Cancellation of dividends received from unconsolidated listed investments		(44)	(51)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		3,245	3,046
Share in net (income) loss of associates and joint ventures		(1,540)	(2,799)
Other income and expenses with no impact on cash before interest and tax	26-A	1,396	1,032
Dividends received from unlisted associates and joint ventures		2	3
Cash flows before interest and tax [2]		**6,510**	**6,539**
Dividends received from listed companies [3]		**828**	**761**
Net change in financing for final customers		(3,596)	(4,617)
Net change in renewable dealer financing		(160)	(888)
Decrease (increase) in Sales Financing receivables		**(3,756)**	**(5,505)**
Bond issuance by the Sales Financing segment	23-C	4,245	7,409
Bond redemption by the Sales Financing segment	23-C	(3,148)	(3,797)

Net change in other debts of the Sales Financing segment		2,435	2,353
Net change in other securities and loans of the Sales Financing segment		61	(227)
Net change in financial assets and debts of the Sales Financing segment		**3,593**	**5,738**
Change in capitalized leased assets		**(519)**	**(622)**
Change in working capital before tax	**26-B**	**551**	**(112)**
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		**7,207**	**6,799**
Interest received		67	70
Interest paid		(332)	(451)
Current taxes (paid)/received		(657)	(716)
CASH FLOWS FROM OPERATING ACTIVITIES		**6,285**	**5,702**
Property, plant and equipment and intangible investments	26-C	(4,407)	(3,601)
Disposals of property, plant and equipment and intangible assets		131	153
Acquisitions of investments involving gain of control, net of cash acquired		(29)	(31)
Acquisitions of other investments, net of cash acquired		(215)	(37)
Disposals of other investments, net of cash transferred and other		8	1
Net decrease (increase) in other securities and loans of the Automotive segments		(150)	(117)
CASH FLOWS FROM INVESTING ACTIVITIES		**(4,662)**	**(3,632)**
Dividends paid to parent-company shareholders	18-D	(1,027)	(916)
Transactions with non-controlling interests (4)		11	(41)
Dividends paid to non-controlling interests	18-I	(94)	(133)
(Acquisitions) sales of treasury shares (5)		(41)	(226)
Cash flows with shareholders		**(1,151)**	**(1,316)**
Bond issuance by the Automotive segments	23-C	1,895	2,259
Bond redemption by the Automotive segments	23-C	(1,455)	(2,134)
Net increase (decrease) in other financial liabilities of the Automotive segments		(242)	(516)
Net change in financial liabilities of the Automotive segments	**23-B**	**198**	**(391)**
CASH FLOWS FROM FINANCING ACTIVITIES		**(953)**	**(1,707)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**670**	**363**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

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

(3) Dividends received from Daimler (€44 million in 2018 and €51 million in 2017) and Nissan (€784 million in 2018 and €710 million in 2017).

(4) 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).

(5) 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. The "Share the Future" employee shareholding plan was

executed in the second half-year of 2018. The shares were sold by Renault for net proceeds of €76 million (note 18-C).

(€ million)	2018	2017
Cash and cash equivalents: opening balance	**14,057**	**13,853**
Increase (decrease) in cash and cash equivalents	670	363
Effect of changes in exchange rate and other changes [1]	50	(159)
Cash and cash equivalents: closing balance [2]	**14,777**	**14,057**
(1) Including an adjustment of €11 million related to the implementation of IAS 29 "Financial reporting in hyperinflationary economies" for Argentinian subsidiaries (note 2-A4).		
(2) Cash subject to restrictions on use is described in note 22-C.		

Notes to the consolidated financial statements

Information on operating segments and Regions

The operating segments defined by Renault are the following:

- the "Automotive excluding AVTOVAZ" segment, consisting of the Group's automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS 10. 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, principally Nissan;
- 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;
- the "AVTOVAZ" segment, consisting of the Russian automotive group AVTOVAZ and its parent company, the joint venture Alliance Rostec Auto b.v., which was formed after Renault acquired control over them, as defined by IFRS 10, in December 2016.

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
2018 [2]							
External sales	**51,171**	**3,040**	**-**	**54,211**	**3,208**		**57,419**
Intersegment sales	96	815	(815)	96	18	(114)	-
Sales by segment	**51,267**	**3,855**	**(815)**	**54,307**	**3,226**	**(114)**	**57,419**
Operating margin [3]	**2,202**	**204**	**-**	**2,406**	**1,204**	**2**	**3,612**
Operating income	**1,583**	**209**	**-**	**1,792**	**1,193**	**2**	**2,987**
Financial income (expenses) [4]	**(97)**	**(95)**	**-**	**(192)**	**(11)**	**(150)**	**(353)**
Share in net income (loss) of associates and joint ventures	**1,527**	**(3)**	**-**	**1,524**	**16**	**-**	**1,540**
Pre-tax income	**3,013**	**111**	**-**	**3,124**	**1,198**	**(148)**	**4,174**

Current and deferred taxes	(369)	(26)	-	(395)	(330)	2	(723)
NET INCOME	**2,644**	**85**	**-**	**2,729**	**868**	**(146)**	**3,451**

(1) In 2018 external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €311 million in 2018, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.

(2) The figures for 2018 are established in application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". The changes related to the application of these new standards are presented in note 2-A.

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

(4) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions.

(€ million)	Automotive (excluding AVTOVAZ) [(1)]	AVTOVAZ [(1)]	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017 [(2)]							
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 [(3)]	**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)	**(279)**	**(112)**	**-**	**(391)**	**-**	**-**	**(391)**
Share in net income (loss) of associates and joint ventures	**2,808**	**(24)**	**-**	**2,784**	**15**	**-**	**2,799**
Pre-tax income	**5,146**	**(113)**	**(2)**	**5,031**	**1,064**	**119**	**6,214**
Current and deferred taxes	(543)	(2)	-	(545)	(325)	(36)	(906)
NET INCOME	**4,603**	**(115)**	**(2)**	**4,486**	**739**	**83**	**5,308**

(1) In 2017 external sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €276 million for the year 2017, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.

(2) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).

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

A2 Consolidated financial position by operating segment

DECEMBER 31, 2018*

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS							
Non-current assets							
Property, plant and	18,448	1,422	-	19,870	347	-	20,217

equipment and intangible assets and goodwill							
Investments in associates and joint ventures	21,314	11	-	21,325	114	-	21,439
Non-current financial assets – equity investments	6,907	-	(855)	6,052	2	(5,201)	853
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	75	-	-	75	-	-	75
Deferred tax assets and other non-current assets	1,738	342	(107)	1,973	464	-	2,437
TOTAL NON-CURRENT ASSETS	**48,482**	**1,775**	**(962)**	**49,295**	**927**	**(5,201)**	**45,021**
Current assets							
Inventories	5,515	321	-	5,836	43	-	5,879
Customer receivables	1,295	205	(80)	1,420	42,854	(808)	43,466
Current financial assets	1,415	-	(6)	1,409	1,369	(815)	1,963
Current tax assets and other current assets	2,764	157	(4)	2,917	5,028	(4,055)	3,890
Cash and cash equivalents	11,691	89	(3)	11,777	3,094	(94)	14,777
TOTAL CURRENT ASSETS	**22,680**	**772**	**(93)**	**23,359**	**52,388**	**(5,772)**	**69,975**
TOTAL ASSETS	**71,162**	**2,547**	**(1,055)**	**72,654**	**53,315**	**(10,973)**	**114,996**
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity	**36,061**	**908**	**(859)**	**36,110**	**5,249**	**(5,214)**	**36,145**
Non-current liabilities							
Long-term provisions	2,529	27	-	2,556	578	-	3,134
Non-current financial liabilities	5,508	688	-	6,196	13	-	6,209
Deferred tax liabilities and other non-current liabilities	1,070	34	(106)	998	709	-	1,707
TOTAL NON-CURRENT LIABILITIES	**9,107**	**749**	**(106)**	**9,750**	**1,300**	**-**	**11,050**
Current liabilities							
Short-term provisions	1,046	44	-	1,090	31	-	1,121
Current financial liabilities	3,258	94	(9)	3,343	-	(880)	2,463
Trade payables and Sales Financing debts	9,279	495	(78)	9,696	45,311	(1,007)	54,000
Current tax liabilities	12,411	257	(3)	12,665	1,424	(3,872)	10,217

and other current liabilities							
TOTAL CURRENT LIABILITIES	**25,994**	**890**	**(90)**	**26,794**	**46,766**	**(5,759)**	**67,801**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**71,162**	**2,547**	**(1,055)**	**72,654**	**53,315**	**(10,973)**	**114,996**
** The impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018 are presented in note 2-A.*							

DECEMBER 31, 2017*

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS							
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 – equity investments	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	1,709	477	(146)	2,040	411	(89)	2,362
TOTAL NON-CURRENT ASSETS	**44,601**	**2,108**	**(499)**	**46,210**	**903**	**(4,723)**	**42,390**
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	**68,530**	**2,935**	**(981)**	**70,484**	**49,645**	**(10,230)**	**109,899**
SHAREHOLDERS'							

EQUITY AND LIABILITIES							
Shareholders' equity	**33,684**	**(99)**	**(138)**	**33,447**	**4,672**	**(4,440)**	**33,679**
Non-current liabilities							
Long-term provisions	2,549	18	-	2,567	531	-	3,098
Non-current financial liabilities	4,111	1,211	(215)	5,107	13	-	5,120
Deferred tax liabilities and other non-current liabilities	1,147	83	(146)	1,084	675	-	1,759
TOTAL NON-CURRENT LIABILITIES	**7,807**	**1,312**	**(361)**	**8,758**	**1,219**	-	**9,977**
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	**68,530**	**2,935**	**(981)**	**70,484**	**49,645**	**(10,230)**	**109,899**

** The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

A3 Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
Net income	**2,644**	**85**	-	**2,729**	**868**	**(146)**	**3,451**
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash							
Depreciation, amortization and impairment	3,066	109	-	3,175	70	-	3,245
Share in net (income) loss of associates and joint ventures	(1,527)	3	-	(1,524)	(16)	-	(1,540)
Other income and	825	90	(1)	914	503	(21)	1,396

expenses with no impact on cash, before interest and tax							
Dividends received from unlisted associates and joint ventures	2	-	-	2	-	-	2
Cash flows before interest and tax [(1)]	**4,966**	**287**	**(1)**	**5,252**	**1,425**	**(167)**	**6,510**
Dividends received from listed companies [(2)]	**828**	**-**	**-**	**828**	**-**	**-**	**828**
Decrease (increase) in Sales Financing receivables	-	-	-	-	(3,586)	(170)	(3,756)
Net change in financial assets and Sales Financing debts	-	-	-	-	3,593	-	3,593
Change in capitalized leased assets	(509)	-	-	(509)	(10)	-	(519)
Change in working capital before tax	781	16	6	803	(331)	79	551
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**6,066**	**303**	**5**	**6,374**	**1,091**	**(258)**	**7,207**
Interest received	71	5	(2)	74	-	(7)	67
Interest paid	(263)	(95)	2	(356)	-	24	(332)
Current taxes (paid)/received	(388)	(14)	-	(402)	(255)	-	(657)
CASH FLOWS FROM OPERATING ACTIVITIES	**5,486**	**199**	**5**	**5,690**	**836**	**(241)**	**6,285**

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

(2) Dividends received from Daimler (€44 million) and Nissan (€784 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
CASH FLOWS FROM OPERATING ACTIVITIES	**5,486**	**199**	**5**	**5,690**	**836**	**(241)**	**6,285**
Purchases of intangible assets	(1,735)	(32)	-	(1,767)	(4)	-	(1,771)
Purchases of property, plant and equipment	(2,557)	(83)	19	(2,621)	(15)	-	(2,636)
Disposals of property, plant and equipment and intangibles	126	31	(24)	133	-	(2)	131
Acquisitions and	(15)	(2)	-	(17)	(12)	-	(29)

disposals of investments involving gain or loss of control, net of cash acquired							
Acquisitions and disposals of other investments and other	(159)	-	-	(159)	(48)	-	(207)
Net decrease (increase) in other securities and loans of the Automotive segments	(156)	-	6	(150)	-	-	(150)
CASH FLOWS FROM INVESTING ACTIVITIES	**(4,496)**	**(86)**	**1**	**(4,581)**	**(79)**	**(2)**	**(4,662)**
Cash flows with shareholders	(1,149)	-	-	(1,149)	(153)	151	(1,151)
Net change in financial liabilities of the Automotive segments	233	(139)	(7)	87	-	111	198
CASH FLOWS FROM FINANCING ACTIVITIES	**(916)**	**(139)**	**(7)**	**(1,062)**	**(153)**	**262**	**(953)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**74**	**(26)**	**(1)**	**47**	**604**	**19**	**670**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**11,718**	**130**	**(3)**	**11,845**	**2,354**	**(142)**	**14,057**
Increase (decrease) in cash and cash equivalents	74	(26)	(1)	47	604	19	670
Effect of changes in exchange rate and other changes	(101)	(15)	1	(115)	136	29	50
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**11,691**	**89**	**(3)**	**11,777**	**3,094**	**(94)**	**14,777**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017 [1]							
Net income	**4,603**	**(115)**	**(2)**	**4,486**	**739**	**83**	**5,308**
Cancellation of	(51)	-	-	(51)	-	-	(51)

dividends received from unconsolidated listed investments							
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	499	139	-	638	372	22	1,032
Dividends received from unlisted associates and joint ventures	3	-	-	3	-	-	3
Cash flows before interest and tax (2)	**5,098**	**157**	**(2)**	**5,253**	**1,181**	**105**	**6,539**
Dividends received from listed companies (3)	**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**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

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

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

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2017							
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 shareholder	(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**

(€ 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	42	(131)	(3)	(92)	488	(33)	363

equivalents							
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**

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.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

NET CASH POSITION (NET FINANCIAL INDEBTEDNESS)

	December 31, 2018			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ*	Intra-Automotive transactions	Total Automotive
Non-current financial liabilities	(5,508)	(688)	-	(6,196)
Current financial liabilities	(3,258)	(94)	9	(3,343)
Non-current financial assets – other securities, loans and derivatives on financing operations	55	-	-	55
Current financial assets	1,415	-	(6)	1,409
Cash and cash equivalents	11,691	89	(3)	11,777
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	**4,395**	**(693)**	**-**	**3,702**

** The decline in the net financial indebtedness of the AVTOVAZ segment mainly results from capitalization of a debt to Russian Technologies amounting to 30.7 billion roubles, loans from Renault to AVTOVAZ amounting to 6 billion roubles, and long-term liabilities of Alliance Rostec Auto b.v. amounting to 11.5 billion roubles (i.e., a total of €694 million at the exchange rate of December 31, 2017), which were converted into shares.*

	December 31, 2017*			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
Non-current financial liabilities	(4,111)	(1,211)	215	(5,107)
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	**4,570**	**(1,613)**	**252**	**3,209**

INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS				
** The figures at December 31, 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*				

OPERATIONAL FREE CASH FLOW

	2018			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
Cash flows (excluding dividends from listed companies) before interest and tax	4,966	287	(1)	5,252
Changes in working capital before tax	781	16	6	803
Interest received by the Automotive segments	71	5	(2)	74
Interest paid by the Automotive segments	(263)	(95)	2	(356)
Current taxes (paid) / received	(388)	(14)	-	(402)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(4,166)	(84)	(5)	(4,255)
Capitalized leased vehicles and batteries	(509)	-	-	(509)
Operational free cash flow of the Automotive segments	**492**	**115**	-	**607**

	2017			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive
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**

B – Information by Region

The Regions presented correspond to the geographic divisions used for Group management. The Regions are defined in III - 3 - (1) “Geographical organization of the Groupe Renault by Region – countries in each Region” above.

Consolidated revenues are presented by location of customers.

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

(€ million)	Europe [1]	Americas [2]	Asia-Pacific [2]	Africa-Middle-East-India	Eurasia	Consolidated total
2018						

Revenues	36,704	4,684	4,566	3,903	7,562	57,419
Including AVTOVAZ	*39*	*2*	-	*18*	*3,292*	*3,351*
Property, plant and equipment and intangibles	14,800	821	519	661	3,416	20,217
Including AVTOVAZ	-	-	-	-	*1,422*	*1,422*
2017						
Revenues	36,249	5,114	5,297	4,512	7,598	58,770
Including AVTOVAZ	*44*	*5*	-	*2*	*2,951*	*3,002*
Property, plant and equipment and intangibles	12,956	1,073	522	706	3,565	18,822
Including AVTOVAZ	-	-	-	-	*1,533*	*1,533*

(1) Including the following for France :		
(€ million)	**2018**	2017
Revenues	**13,533**	**12,670**
Property, plant and equipment and intangibles	**11,735**	**10,325**

(2) The Asia-Pacific region comprises sales to Nissan of vehicles made in Korea for the United States market. These sales were previously classified as belonging to the Americas region. The figures for the year 2017 have been restated in the amount of €1,659 million.

Accounting policies and scope of consolidation

NOTE 1 APPROVAL OF THE FINANCIAL STATEMENTS

Groupe Renault's consolidated financial statements for 2018 were examined at the Board of Directors' meeting of February 13, 2019 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

NOTE 2 ACCOUNTING POLICIES

In application of European regulations, Groupe Renault's consolidated financial statements for 2018 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2018 and adopted by the European Union at the year-end.

A – Changes in accounting policies

Groupe Renault applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2018.

NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2018	
Amendments to IFRS 2	Classification and measurement of share-based payment transactions
IFRS 9	Financial instruments
IFRS 15 and subsequent amendments	Revenue from contracts with customers
IFRIC 22	Foreign currency transactions and advance consideration
Annual improvements to IFRS, 2014-2016 cycle	Various measures concerning IAS 28 "Investments in associates and joint ventures" and IFRS 12 "Disclosure of interests in other entities"

The changes related to application of IFRS 9 and IFRS 15 are presented below.

The other standards and amendments that became mandatory on January 1, 2018 have no significant impact on the Group's financial statements.

The Group has not opted for early application of the new standard and interpretation named below, which have been published in the Official Journal of the European Union and will be mandatory from January 1, 2019 or later.

NEW STANDARD AND INTERPRETATION PUBLISHED IN THE OFFICIAL JOURNAL OF THE EUROPEAN UNION BUT NOT APPLIED EARLY BY THE GROUP	
IFRS 16	Leases
IFRIC 23	Uncertainty over income tax treatments

On November 9, 2017 the European Union published in the Official Journal IFRS 16, "Leases", which will replace IAS 17 and the associated IFRIC and SIC interpretations, and will eliminate the previous distinction between operating leases and finance leases for the lessee. Under IFRS 16, a lessee recognizes an asset related to the right of use and a financial liability that represents the lease obligation. The right-of-use asset is amortized and the lease liability is initially recognized at the present value of lease payments over the expected term of the lease. The discount is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise.

The Group has identified its leases that come under the scope of IFRS 16, and has estimated the impacts of application of the new standard. Real estate leases make up the Group's main lease commitments and will account for most of the restated agreements. The Group does not expect application of this standard to have any significant effect on operating income. An additional financial liability corresponding to the operating leases will be recorded at the transition date, of an amount currently estimated to be higher than the amount of off-balance sheet operating lease commitments presented in note 28-A1 but less than €800 million. The cash flows presented in the cash flow statement will be modified in accordance with the standard: the rental expenses previously recognized in cash flows from operating activities will be cancelled, the financial interest will be presented in cash flows from operating activities, and the lease repayments will be presented in cash flows from financing activities.

The Group will apply the standard from January 1, 2019 and plans to do so using the simplified retrospective method.

The Group does not anticipate any significant impact on the reported amounts related to the implementation of IFRIC 23 "Uncertainty over income tax treatments" from January 1, 2019.

A1 Changes in the financial statements as a result of first application of IFRS 9 "Financial Instruments"

On November 29, 2016 the European Union published in the Official Journal IFRS 9, "Financial instruments", which is applied in Groupe Renault's consolidated financial statements from January 1, 2018. The requirements of this standard introduced several changes from the principles laid down by IAS 39, "Financial instruments – recognition and measurement", mainly in the Sales Financing segment. The major changes in the Group's accounting principles are presented below.

A1.1 CLASSIFICATION OF FINANCIAL ASSETS

IFRS 9 defines three approaches to classification and measurement of financial assets based on their initial recognition: amortized cost, fair value through Other components of comprehensive income, and fair value through profit and loss.

Financial assets are classified according to these three categories by reference to the business model the entity uses to manage them, and the contractual cash flows they generate. Loans, receivables and other debt instruments considered "basic lending arrangements" as defined by the standard (contractual cash flows that are solely payments of principal and interest) are carried at amortized cost when they are managed with the purpose of collecting contractual cash flows, or at fair value through Other components of comprehensive income when they are managed with the purpose of collecting contractual cash flows and selling the asset, while debt instruments that are not "basic lending arrangements" and do not correspond to these business models are carried at fair value through profit and loss. Equity instruments are carried at fair value through profit and loss or, under an irrevocable option, at fair value through Other components of comprehensive income.

The former financial asset categories under IAS 39 (loans and receivables, financial assets at fair value through profit and loss, investments held to maturity and available-for-sale financial assets) no longer exist. The Group has prepared a new accounting classification of financial assets under IFRS 9 categories to replace the IAS 39 categories.

Application of these new measures has led the Group to make an irrevocable option to present the Daimler shares acquired under the strategic partnership with Daimler at fair value through Other components of comprehensive income. These shares were previously classified as available-for-sale financial assets. Shares in investment funds (UCITS) are now carried at fair value through profit and loss.

Investments in companies that are controlled but not consolidated because they are non-significant continue to be presented as other non-current assets. These are non-significant investments in companies exclusively controlled by the Group.

However, investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are now presented in compliance with IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated.

A1.2 ACCOUNTING TREATMENT OF FINANCIAL LIABILITIES

IFRS 9 does not introduce any change to classification and measurement of financial liabilities.

In its preparatory work for application of IFRS 9, the Group reviewed the accounting treatment applied to the redeemable shares held by Renault SA and decided to make a voluntary change of accounting method, which is presented in note 2-A3.

A1.3 IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 replaced the IAS 39 impairment model for financial assets, based on incurred credit losses, with a prospective model based on expected credit losses. The scope of application of the new model includes assets carried at amortized cost or at fair value through Other components of comprehensive income, but excludes equity instruments, particularly investment shares.

For operating receivables of the Automotive segment, since they are short-term receivables with no significant financing component, the Group has developed a simplified approach based on prospective assessment of the credit risk at the inception of the receivable and its deterioration over time. As a result of this new impairment model, additional impairment has been recognized on healthy receivables, although the amounts involved are not significant.

In the Sales Financing segment, in-depth analyses have been conducted to define a new impairment methodology. As a result, impairment is booked for expected credit losses in respect of all financial instruments in the scope of the standard under the following rules:

- upon initial recognition, impairment on the instrument is recorded equivalent to the 12-month expected credit loss;
- if there is a significant deterioration in the credit risk after initial recognition, impairment on the instrument is recorded equivalent to the instrument's lifetime expected losses.

The date of initial recognition is the date at which the irrevocable financing commitment is signed, or in the case of securities, their acquisition date.

IFRS 9's definition of the risk of default does not change the definition given by IAS 39, and the Group continues to use the same definitions of doubtful and compromised receivables when measuring realized losses. It is important to note that the accounting concept of "doubtful" used in the Sales Financing segment is very similar to the Basel accords' concept of "default".

To ensure coherence between its prudential risk management policy and its accounting method for establishing provisions, the Sales Financing segment has implemented an advanced approach based on Basel credit risk models for loans, finance lease receivables, irrevocable financing commitments and financial guarantees given to customers and dealers in its principal countries of business (Germany, Brazil, Spain, France, Italy and the United Kingdom for customer and dealer financing activities, Korea for customer financing only). These assets account for more than 85% of the financial assets covered by IFRS 9. For other assets, a standard approach based on a simplified methodology is applied, since these portfolios are non-significant. The calculation of impairment for expected credit losses in the Sales Financing segment also incorporates forward-looking macroeconomic data to reflect changes in indicators and sector-specific information.

Application of this new impairment methodology has led to an adjustment to the Group's opening consolidated shareholders' equity of -€96 million net of deferred taxes.

A1.4 HEDGE ACCOUNTING

The Group applies IFRS 9 to all of its micro-hedging operations (commodity, currency and interest rate hedges). The changes resulting from the new standard mainly affect documentation of the efficiency of hedges, and have no impact in the financial statements.

Until there is a further change in IFRS, the Group will continue to apply IAS 39 for documentation of macro-hedging operations.

For the hedge of the Group's net investment in Nissan, which is included in the consolidated financial statements under the equity method, IFRS 9 does not introduce any change in the documentation of the hedge's efficiency or recognition of its effects.

A1.5 CHANGES IN THE FINANCIAL STATEMENTS AS A RESULT OF FIRST APPLICATION OF IFRS 9

The changes resulting from adoption of IFRS 9 have been applied under the simplified retrospective method in the 2018 financial statements, using the following simplified measures:

- the 2017 comparative figures have not been adjusted for application of IFRS 9 and are therefore identical to the figures reported in the previous year's financial statements, under the accounting principles of IAS 39, "Financial instruments – recognition and measurement";
- differences in the book value of financial assets at the date of first application of IFRS 9 are recorded at January 1, 2018 in shareholders' equity, in reserves or Other components of comprehensive income.

The table below presents the net-of-tax effects of application of IFRS 9 on Group shareholders' equity at January 1, 2018:

(€ million)	Reserves	Revaluation of financial instruments	Impact of the transition to IFRS 9 – Total
SHAREHOLDERS' EQUITY – PARENT COMPANY SHAREHOLDERS' SHARE			
Impairment related to expected credit losses on Automotive receivables	(5)		(5)
Change in impairment methodology on Sales Financing receivables	(116)		(116)
Impairment related to expected credit losses on debt instruments at fair value through Other components of comprehensive income	(1)	1	-
Reclassifications	26	(26)	-
Taxes	23	4	27
Effect on the opening balance sheet at January 1, 2018	**(73)**	**(21)**	**(94)**
SHAREHOLDERS' EQUITY – NON-CONTROLLING			

INTERESTS' SHARE			
Impairment related to expected credit losses under IFRS 9			(3)
Taxes			1
Effect on the opening balance sheet at January 1, 2018			**(2)**

The table below gives details of the transition at January 1, 2018 from IAS 39 financial asset categories (as presented in note 24-A to the 2017 financial statements) to the new IFRS 9 categories:

	IAS 39 categories						
(€ million)	Loans and receivables (amortized cost)	Fair value through profit and loss	Available-for-sale assets	Held for trading	As defined in the applicable standard (IFRS 10, 11 or IAS 28)	Fair value – hedging instruments	Valuation under IAS 39
Total amounts by IAS 39 category valued under IAS 39	**57,065**	**15**	**2,578**	**4,102**	**141**	**109**	**64,010**
Classification under IFRS 9	**Valuation under IFRS 9**						**Valuation under IAS 39**
Sales Financing receivables	39,212						39,334
Automotive receivables	1,748						1,753
Other receivables	5,292						5,292
Loans	512						512
Cash	7,417						7,417
Cash equivalents	2,757						2,757
Debt instruments at amortized cost	**56,938**						**57,065**
Investments in non-controlled entities – companies neither under significant influence nor joint control			1,165				1,165
Equity instruments at fair value through other components of comprehensive income (no recycling in profit and loss)			**1,165**				**1,165**
Marketable securities and negotiable debt securities			951				951
Cash equivalents			130				130
Debt instruments at fair value through other components of comprehensive income (with recycling in profit and loss)			**1,081**				**1,081**
Investments in non-controlled entities – companies neither under significant influence nor joint control [(1)]			100				100
Equity instruments at fair value through profit and loss			**100**				**100**
Other receivables		15					15
Derivatives on operating						10	10

transactions of the Automotive segments							
Marketable securities and negotiable debt securities			232				232
Derivative assets on financing transactions of the Automotive and Sales Financing segments				349			349
Derivatives on financing transactions by the Automotive and Sales Financing segments						99	99
Cash equivalents				3,753			3,753
Debt instruments at fair value through profit and loss		**15**	**232**	**4,102**		**109**	**4,458**
Investments in non-controlled entities – companies under significant influence or joint control (2)					41		41
Investments in unconsolidated controlled entities (3)					100		100
Equity instruments valued as defined in the applicable standard (IFRS 10, IFRS 11 or IAS 28)					**141**		**141**
TOTAL AMOUNTS BY IAS 39 CATEGORY	**56,938**	**15**	**2,578**	**4,102**	**141**	**109**	**64,010**
TOTAL VALUE UNDER IFRS 9	**63,883**						

(1) As allowed by IFRS 9 point 5.7.5, the Group has opted to carry changes in the fair value of the Daimler shares at fair value through Other components of comprehensive income. As a result of this option, gains and losses on these shares will never be recognized in net income, and only the dividends received will remain in the net financial income (note 2-A1.1).

(2) The shares of companies under significant influence or joint control are measured in accordance with the applicable standard: IFRS 11 or IAS 28 (note 2-A1.1).

(3) Investments in unconsolidated companies are now presented in compliance with the applicable standard IFRS 10 and are classified as other current assets (note 2-A1.1).

A2 Changes in the financial statements as a result of first application of IFRS 15

On October 29, 2016 the European Union published in the Official Journal IFRS 15, "Revenue from contracts with customers", which has replaced IAS 11 and IAS 18 and the associated IFRIC and SIC interpretations. IFRS 15 proposes a new approach to recognition of sales revenues described in five stages.

The Group has reviewed its sales contracts and concluded that there is no need to modify the trigger event for revenue recognition. Sales revenues generated by service contracts in which the Group sells additional services such as maintenance or warranty extensions are spread over the duration of the service provided.

The Group makes a distinction between insurance-type warranties, to be covered by provisions, and service-type warranties, for which revenues are spread over the duration of the warranty extension. These principles are in line with IFRS 15 and no modification was therefore made for the transition.

The cost of sales incentive program based on the volume or price of the products sold is deducted from revenues when the corresponding sales are recorded. Provisions are estimated by reference to the most likely amount. The transition to IFRS 15 did not lead the Group to modify its previous practices.

Treatment of incentives granted in the form of reduced interest on the sale of a vehicle with associated financing has been modified such that the effect of the interest reduction is always included in profit and loss at the time of the vehicle sale, instead of being recognized progressively over the term of the financing. The impact of this change is recognized in opening shareholders' equity and amounts to -€238 million net of deferred taxes.

The Group did not identify any significant financing component at the transition date, but will apply the principle of recognizing these effects in the financial statements as soon as they become significant.

Note 4 discloses the amount of sales to partners (principally automakers). Sales to partners include sales of parts, components and vehicles for sale under the partners' own brands, and services such as engineering development.

The Group has applied IFRS 15 since January 1, 2018 under the simplified retrospective method: the 2018 financial statements are prepared in accordance with IFRS 15, while the comparative figures for 2017 remain unchanged as prepared under the previous standards. The effects of modifications are recorded in shareholders' equity at the opening of the 2018 financial year.

The table below presents the net-of-tax effect of application of IFRS 15 and the related clarifications published by the IASB in April 2016 on the Group's shareholders' equity at January 1, 2018 for fully-consolidated companies:

(€ million)	Shareholders' equity – parent-company shareholders' share – Reserves	Shareholders' equity – Non-controlling interests' share
IMPACT OF THE TRANSITION TO IFRS 15		
Discontinuation of progressive recognition of incentives in the form of reduced interest	(308)	(12)
Taxes	79	3
Effect on the opening balance sheet at January 1, 2018	**(229)**	**(9)**

The Group has also modified the presentation of incentives in the form of reduced interest in its segment reporting. These expenses were previously deducted from Sales Financing sales, but are now deducted from Automotive sales. In accordance with IFRS 15, consolidated sales and operating margin in 2018 are presented below under the previously applicable IAS 11 and IAS 18 rules.

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
2018							
Sales of goods	48,715	3,018	-	51,733	27	-	51,760
Sales of services	3,011	22	-	3,033	2,626	-	5,659
External sales	**51,726**	**3,040**	**-**	**54,766**	**2,653**	**-**	**57,419**
Intersegment sales	(459)	815	(815)	(459)	573	(114)	-
Sales by segment	**51,267**	**3,855**	**(815)**	**54,307**	**3,226**	**(114)**	**57,419**
Operating margin	**2,202**	**204**	**-**	**2,406**	**1,204**	**114**	**3,724**

A3 Accounting treatment of redeemable shares held by Renault SA

After reviewing the accounting methods for redeemable shares held by Renault SA, in preparation for application of the new standard IFRS 9, the Group decided to make a voluntary accounting change. Although IFRS 9 did not change IAS 39 rules for instruments carried at fair value through profit and loss, the new standard requires the portion of the change in fair value that relates to the issuer's own credit risk to be recognized separately in shareholders' equity. Since the redeemable shares are perpetual instruments, the "own credit risk" component of their fair value could not be reliably and consistently identified.

The characteristics of the return on Renault redeemable shares does not preclude recognition at amortized cost, as this return is partly indexed on Renault revenues. This can be analyzed as a derivative or otherwise, depending on whether the change in consolidated revenues is considered as a financial variable or a non-financial variable, as the choice between the two is a choice of accounting method. When IFRSs were first applied in 2005, the Group opted to consider this indexation as financial in nature and the full value of redeemable shares was stated at fair value through profit and loss, with no separation of the embedded derivative.

The decision was made to opt for the second method from January 1, 2018 (*i.e.*, considering the change in consolidated revenues as a non-financial variable), and consequently to state the redeemable shares at amortized cost. This amortized cost is calculated by discounting the forecast coupons on redeemable shares, applying the corresponding effective interest rate. The Group considered that the minimum contractual return on the redeemable shares, *i.e.*, 9%, was retrospectively the best estimate of the effective interest rate at the shares' issue date (1983 and 1984). The variable portion is now fully included in estimation of the effective interest rate, with regular adjustment in compliance with point B 5.4.6 of IFRS 9, to be recorded in financial income and expenses.

This voluntary change of accounting method is justified since the Group cannot determine the portion of the change in fair value of redeemable shares that relates to the issuer's own credit risk, no other issuer of this type of instrument has been identified that reports it at fair value through profit and loss, and also since it does not appear possible to analyze stock market movements in the redeemable share price in correlation with movements in the underlyings. The new approach will make the net financial income (expenses) clearer and improve comparability with other issuers of this type of instrument.

As this is a voluntary change of method, the comparative figures from 2017 have also been modified, and so has the internal indicator of the net financial indebtedness of the Automotive segments (cf. 4.2.6.1.A4). The book value of these debt instruments at December 31, 2017 was recalculated at January 1, 2017 and in the statement of financial position becomes the amortized cost of the debt instrument. The effects of this change on the 2017 figures are presented in note 2-A5 below.

The stock market value of redeemable shares at the closing date is provided in note 23-C.

A4 Hyperinflation

To determine whether a country is in hyperinflation, the Group refers to the list published by the International Practices Task Force (IPTF) of the Center for Audit Quality. Argentina was identified in the IPTF bulletin of November 27, 2018 as a country with a cumulative 3-year inflation rate above 100%. At June 30, 2018 Argentina's cumulative 3-year inflation rate was higher than 100% by every measurement index, and the country is therefore considered as a hyperinflationary country for the purposes of the 2018 financial statements.

The Group's Argentinian subsidiaries' accounts at December 31, 2018 have been restated by applying price indexes to non-monetary assets and liabilities, income statement items, the comprehensive income and the cash flow statement, in order to express items in terms of the measuring unit current at the end of the reporting period. The financial statements of the Argentinian subsidiaries are then translated at the closing exchange rate.

The gain or loss on net monetary position from index-based restatements of non-monetary assets and liabilities at January 1, 2018 are recorded in consolidated reserves (€65 million) and in translation adjustments (€14 million). Those relating to 2018 are classified as other financial income and expenses (financial expense of -€41 million). The restatements of income statement items have no impact on net income as they are offset by a reverse effect on other financial income and expenses (financial income of €10 million). The restatements of cash flow statement items (a net -€11 million decrease in cash flows) are offset by a reverse effect in the "Effect of changes in exchange rate and other changes" line of the statement.

The indexes applied by the Group are the IPIM (*Índice de Precios Internos al por Mayor*) for operations prior to January 1, 2017, and the IPC (*Indice de Precios al Consumidor Nacional*) from that date, in compliance with resolution 539/18 of the FACPCE (*Federacion Argentina de Consejos Profesionales de Ciencas Economicas*).

At December 31, 2018 Argentina was the Group's ninth-largest market in terms of volume (tenth-largest in 2017), with sales of around €1.23 billion at that date, after index-based restatement and translation at the closing rate in application of IAS 29 (€1.31 billion translated at the average exchange rate without prior restatement). A USD 205 million capital increase was undertaken for the Group's principal subsidiary in this country in June 2018, to limit exposure to changes in the exchange rate.

An impairment test of fixed assets was carried out at December 31, 2018 on industrial assets at January 1, 2018 and December 31, 2018. This test did not indicate any impairment that should be recognized at January 1, 2018, but the industrial assets were fully written off at December 31, 2018 (see note 11-B).

A5 Restatements of the 2017 consolidated financial statements

The change in valuation method for Renault SA's redeemable shares in 2018, which is applied retrospectively (details above in note 2-A3), has led to restatements of the figures published in the 2017 consolidated financial statements. Details of the principal impacts on the condensed financial statements and the internal indicator of net financial indebtedness (or net liquidity position) of the Automotive segments are provided in the tables below.

RESTATEMENTS IN THE 2017 ANNUAL CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares	Year 2017 restated
Revenues	**58,770**	-	**58,770**
Cost of goods and services sold	(46,477)	-	(46,477)
Research and development expenses	(2,590)	-	(2,590)
Selling, general and administrative expenses	(5,849)	-	(5,849)
Operating margin	**3,854**	-	**3,854**
Automotive (excluding AVTOVAZ)	*2,630*	-	*2,630*
AVTOVAZ	*57*	-	*57*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,050*	-	*1,050*
Intersegment transactions	*119*	-	*119*
Other operating income and expenses	(48)	-	(48)
Operating income	**3,806**	-	**3,806**
Automotive (excluding AVTOVAZ)	*2,617*	-	*2,617*

AVTOVAZ	*23*	-	*23*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,049*	-	*1,049*
Intersegment transactions	*119*	-	*119*
Financial income (expenses)	**(504)**	**113**	**(391)**
Automotive (excluding AVTOVAZ)	*(392)*	*113*	*(279)*
AVTOVAZ	*(112)*	-	*(112)*
Intra-Automotive transactions	-	-	-
Sales Financing	-	-	-
Intersegment transactions	-	-	-
Share in net income (loss) of associates and joint ventures	**2,799**	-	**2,799**
Nissan	*2,791*	-	*2,791*
Other associates and joint ventures	*8*	-	*8*
Pre-tax income	**6,101**	**113**	**6,214**
Automotive (excluding AVTOVAZ)	*5,033*	*113*	*5,146*
AVTOVAZ	*(113)*	-	*(113)*
Intra-Automotive transactions	*(2)*	-	*(2)*
Sales Financing	*1,064*	-	*1,064*
Intersegment transactions	*119*	-	*119*
Current and deferred taxes	**(891)**	**(15)**	**(906)**
Automotive (excluding AVTOVAZ)	*(528)*	*(15)*	*(543)*
AVTOVAZ	*(2)*	-	*(2)*
Intra-Automotive transactions	-	-	-
Sales Financing	*(325)*	-	*(325)*
Intersegment transactions	*(36)*	-	*(36)*
Net income	**5,210**	**98**	**5,308**
Net income – parent-company shareholders' share	5,114	98	5,212
Net income – non-controlling interests' share	96	-	96
Basic earnings per share in €	18.87	0.36	19.23
Diluted earnings per share in €	18.68	0.36	19.04
Comprehensive income	**3,682**	**98**	**3,780**
Gross	*4,614*	*113*	*4,727*
Tax effect	*(932)*	*(15)*	*(947)*
Comprehensive income – parent-company shareholders' share	3,575	98	3,673
Comprehensive income – non-controlling interests' share	107	-	107

RESTATEMENTS IN THE CONSOLIDATED FINANCIAL POSITION AND NET LIQUIDITY POSITION OF THE AUTOMOTIVE SEGMENTS AT DECEMBER 31, 2017

(€ million)	December 31, 2017 as published	Change in accounting treatment of Renault SA redeemable	December 31, 2017, restated

		shares*	
ASSETS			
Non-current assets	**42,434**	**(44)**	**42,390**
Deferred tax assets	971	(44)	927
Other non-current assets	41,463	-	41,463
Current assets	**67,509**	-	**67,509**
TOTAL ASSETS	**109,943**	**(44)**	**109,899**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**33,442**	**237**	**33,679**
Shareholders' equity – parent-company shareholders' share	33,148	237	33,385
Shareholders' equity – non-controlling interests' share	294	-	294
Non-current liabilities	**10,258**	**(281)**	**9,977**
Non-current financial liabilities	5,401	(281)	5,120
Other non-current liabilities	4,857	-	4,857
Current liabilities	**66,243**	-	**66,243**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**109,943**	**(44)**	**109,899**
Net liquidity position of the automotive segments	**2,928**	**281**	**3,209**
** Automotive (excluding AVTOVAZ) segment.*			

RESTATEMENTS IN THE 2017 ANNUAL CONSOLIDATED CASH FLOW STATEMENTS

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares*	Year 2017 restated
Net income	**5,210**	**98**	**5,308**
Cancellation of dividends received from listed unconsolidated investments	(51)	-	(51)
Cancellation of income and expenses with no impact on cash	1,377	(98)	1,279
Dividends received from unlisted associates and joint ventures	3	-	3
Cash flow before interest and tax	**6,539**	-	**6,539**
** Automotive (excluding AVTOVAZ) segment.*			

RESTATEMENTS IN THE BREAKDOWN OF THE TAX CHARGE FOR 2017 (NOTE 8-B)

(€ million)	Year 2017 as published	Change in accounting treatment of Renault SA redeemable shares*	Year 2017 restated
Income before taxes and share in net income of associates and joint ventures	**3,302**	**113**	**3,415**
Statutory income tax rate in France, including	34.43%	34.43%	34.43%

exceptional contribution			
Theoretical tax income (charge)	**(1,137)**	**(39)**	**(1,176)**
Effect of differences between local tax rates and the French rate	201	-	201
Tax credits	68	-	68
Distribution taxes	(84)	-	(84)
Change in unrecognized deferred tax assets	(72)	15	(57)
Other impacts	232	9	241
Current and deferred tax income (charge) excluding taxes based on intermediate net results	**(792)**	**(15)**	**(807)**
Taxes based on intermediate net results	(99)	-	(99)
Current and deferred tax income (charge)	**(891)**	**(15)**	**(906)**
** Automotive (excluding AVTOVAZ) segment.*			

B – Estimates and judgments

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault's future consolidated financial statements could differ from the estimates established at the time the financial statements were finalized.

On a recurring basis, the main items in the Group's consolidated financial statements that are dependent on estimates and judgments at December 31, 2018 are:

- capitalization of research and development expenses and their amortization period (notes 2-K and 10-A);
- any impairment on fixed assets (notes 2-M and 11) and operating receivables (notes 16 and 17), particularly impairment on assets in Argentina, which has been in a hyperinflationary situation since 2018 (notes 2-A4 and 11-B);
- recoverable value of leased vehicles classified as property, plant and equipment or in inventories (notes 2-G, 10-B and 14);
- investments in associates, notably Nissan (notes 2-M, 12 and 13);
- sales financing receivables (notes 2-G and 15);
- recognition of deferred taxes (notes 2-I and 8);
- provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (notes 2-S and 19) and provisions for workforce adjustment measures (notes 2-T and 6-A) and provisions for legal and tax risks (note 20);
- value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-D) and in general the value of Group assets located in all areas concerned by country risks.

C – Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

Companies in which the Group exercises significant influence (associates) are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Investments in non-significant companies that are controlled exclusively by the Group but not consolidated, even though they fulfil the above criteria, are recorded as other non-current assets.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:

- acquire almost all their purchases from Group companies; or
- carry out almost all their sales transactions with Group companies.

Put options on non-controlling interests are carried in the consolidated financial position at fair value, and classified in other financial liabilities in the Automotive segments and in other non-current liabilities in the Sales Financing segment, with a corresponding adjustment to equity.

D – Presentation of the consolidated financial statements

Valuation basis

The consolidated financial statements are established under the historical cost convention, except for certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are detailed in the following notes.

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which are by nature unusual or significant and could affect comparability of the margin. Other operating income and expenses cover:

- restructuring costs relating to discontinued activities and workforce adjustment costs;
- gains or losses on partial or total disposal of businesses or operating entities, gains or losses on total or partial disposals of investments in associates and joint ventures, other gains and losses relating to changes in the scope of consolidation such as acquisitions of control, as defined by IFRS 10, over entities previously accounted for under the equity method, and direct acquisition costs for entities that are fully consolidated or consolidated on a line-by-line percentage of interest basis;
- gains or losses on disposal of property, plant and equipment or intangible assets (except leased assets sales);
- impairment on property, plant and equipment or intangible assets and goodwill (excluding goodwill of associates or joint ventures);
- unusual items, *i.e.*, income and charges that are unusual in their frequency, nature or amount, relating to significant litigation or impairment of operating receivables.

Share in net income of associates and joint ventures

The share in net income of associates and joint ventures reported in the Group's consolidated income statement comprises the share in these entities' profits or losses, impairment and recoveries of impairment relating to these entities (note 2-M). The impairment booked is limited to the net book value of the investment, unless an additional commitment has been made.

The gain or loss resulting from the sale or loss of significant influence or joint control over associates and joint ventures accounted for by the equity method, and the gain or loss on acquisition of control, as defined by IFRS 10, over companies that were already consolidated but not controlled, is reported in other operating income and expenses in the Group's consolidated income statement. This includes transfers of accumulated translation adjustments during the period the entity was accounted for by the equity method.

The Group recognizes a deferred tax liability on dividend distributions for all differences between the book and tax values of its investments in associates and joint ventures (note 2-I). This tax is included in current and deferred taxes in the Group's income statement.

Goodwill relating to associates and joint ventures is included in the value of the relevant entities as stated in the assets in the consolidated statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates and joint ventures (note 2-J).

Acquisition expenses related to investments in associates and joint ventures are included in the initial acquisition cost for these investments.

Cross-investments between a consolidated entity and an associate are neutralized in measuring the investment in the associate as stated in the assets of the statement of financial position. Nissan's 15% stake in Renault is therefore neutralized in valuing the investment in Nissan shown in the assets of the consolidated statement of financial position (note 12).

Dividends received from unlisted associates and joint ventures are included in the Automotive segments' operational free cash flow, while dividends received from listed associates and joint ventures, *i.e.*, Nissan, are excluded from the operational free cash flow of the Automotive (excluding AVTOVAZ) segment.

Reporting by operating segment

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" and "Intra-Automotive" columns are reserved for transactions between the segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment are included in the Automotive (excluding AVTOVAZ) segment's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive (excluding AVTOVAZ) segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive (excluding AVTOVAZ) segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive (excluding AVTOVAZ) segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognises a receivable on the Automotive (excluding AVTOVAZ) segment.

Current and non-current assets and liabilities

Sales Financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, because they are used in this operating segment's normal business cycle.

For the Automotive segments, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

E – Translation of the financial statements of foreign companies

The Group's presentation currency is the euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing exchange rate;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the components of comprehensive income, and therefore has no impact on net income.

Goodwill generated by a business combination with a foreign company is treated as an asset or liability of the entity acquired, as appropriate. It is therefore expressed in the relevant entity's functional currency, and translated into euros at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to other operating income and expenses in the income statement.

In an exception from the above principles, the financial statements of entities in hyperinflationary economies are translated in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Non-monetary balance sheet items, income statement items, the comprehensive income and cash flow statement items are adjusted for inflation in their original local currency, then all the financial statements are translated at the closing exchange rate for the period. To determine whether a country is in hyperinflation, the Group refers to the list published by the International Practices Task Force (IPTF) of the Center for Audit Quality. The financial statements of the Group's subsidiaries in Argentina are consolidated in accordance with the principles of IAS 29, which are applied from January 1, 2018.

F – Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary assets and liabilities in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (note 2-X).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segments are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-X.

G – Revenues and margin

Revenues comprise all proceeds from sales of the Group's automotive goods, services related to these sales, and the various sales financing products marketed by the Group's companies to their customers.

The policies described below apply to the 2018 financial statements prepared in accordance with the standards in force at January 1, 2018. The financial statements for 2017 were prepared in accordance with previously applicable standards and policies, as described in the 2017 publication.

Sales of goods and services and margin recognition

SALES AND MARGIN RECOGNITION

Sales of automotive goods are recognized at the date control is transferred. The transfer of control over automotive goods takes place when the goods are made available to the distribution network in the case of non-Group dealers (at the time they are added to or removed from stock, depending on the contractual arrangements) or upon delivery to the end-user in the case of direct sales. However, there is no transfer of control in the case of goods sold under an operating lease by a Group finance company, or in the case of goods sold with a buy-back commitment if it is highly likely that they will be returned. In such transactions, the revenues are recognized progressively over the lease period, and a used vehicle sale is recorded when control of the used vehicle is transferred.

The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period the automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The forecast resale value takes account of recent known developments on the second-hand automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item is included in property, plant and equipment) is recognized to cover the loss.

SALES INCENTIVE PROGRAMS

Sales incentive programs based on the volumes or prices of products sold are deducted from sales when the sales operations concerned are recorded. Any provisions are based on estimates of the most probable amount.

The Group undertakes certain promotional campaigns offering reduced-interest customer credit. The cost of these operations is recognized immediately in expenses when the vehicle sale takes place, and is not spread over the duration of the financing.

WARRANTY

The Group makes a distinction between insurance-type warranties and service-type warranties. Provisions are established for insurance-type warranties, while service-type warranties give rise to revenue that is spread over the duration of the warranty extension.

The estimated or incurred costs relating to manufacturer's product or part warranties classified as insurance-type warranties are charged to expenses when the sales are recorded. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, *i.e.*, the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

SERVICES RELATED TO SALES OF AUTOMOTIVE PRODUCTS

Renault offers its customers service contracts such as warranty extensions or maintenance contracts. The revenue from these contracts is recognized progressively over the duration of the contract.

IMPAIRMENT OF CUSTOMER RECEIVABLES

Impairment is booked in respect of the Automotive segment's customer receivables to reflect the prospective assessment of the credit risk at the inception of the receivable and any deterioration of that risk over time. When there is an incurred credit loss, impairment is recorded individually for each receivable.

Sales financing revenues and operating margin recognition

SALES FINANCING REVENUES

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

SALES FINANCING COSTS

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by sales financing companies to refinance their customer loan transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks related to receivables. Refinancing comes from diversified sources: public and private bond issues, public and private securitization backed by Automotive segments loans, negotiable debt instruments, savings collected and financing from credit institutions and assimilates.

COMMISSIONS PAYABLE TO BUSINESS INTERMEDIARIES

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

CLASSIFICATION AND IMPAIRMENT OF RECEIVABLES

The impairment method for financial receivables depends on the category concerned. For healthy receivables, impairment is equivalent to the 12-month expected credit loss; for receivables on which the credit risk has significantly deteriorated since initial recognition, impairment is equivalent to the lifetime expected losses; and for receivables in default, impairment is equivalent to the incurred credit loss.

The Sales Financing segment refers to the current recommendations of the Basel Committee to generate the parameters needed to calculate the probability of default on loans and financing, finance lease receivables, irrevocable financing commitments, and financial guarantees given to customers and dealers in its principal countries of business (Germany, Brazil, Spain, France, Italy and the United Kingdom for customer and dealer financing, Korea for customer financing only). These assets account for more than 85% of financial assets. For other assets, a standard approach based on a simplified methodology is applied. As the assumptions used are essentially based on observable market data, the calculation of impairment for expected credit losses in the Sales Financing segment also incorporates forward-looking macro-economic data to reflect changes in indicators and sector-specific information.

H – Financial income (expenses)

The cost of net financial indebtedness comprises the cost of gross financial indebtedness less income associated with cash, cash equivalents and financial assets of the Automotive segments. The cost of gross financial indebtedness consists of income and expenses generated by the Automotive segments' financial indebtedness during the period, including the impact of the effective portion of the related interest rate hedges.

Other financial income and expenses mainly include foreign exchange gains and losses on financial items and related hedges, the net interest on provisions for pensions, and dividends and impairment of companies that are neither controlled nor under significant influence by the Group.

I – Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated statement of financial position. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Recognition of deferred tax assets depends on the probability of future recovery.

For associates and joint ventures, a deferred tax liability on dividend distributions is booked for all differences between the book value and tax value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the Company makes a taxable profit are set against the relevant nature of expense.

J – Goodwill

Non-controlling interests (formerly called "minority interests") are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill method. The choice of which method to use is made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less any accumulated impairment.

Goodwill relating to associates and joint ventures is included in the value of the entities concerned as reported in the assets in the statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates and joint ventures.

Acquisitions of additional investments concerning non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders' equity.

K – Research and development expenses

Development expenses incurred between the decision to begin development and implement production facilities for a new vehicle or component (*e.g.* engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a "qualifying asset". The capitalization rate for borrowing costs is limited such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the decision to begin product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

L – Property, plant and equipment

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset's production cost.

The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Investment subsidies received are deducted from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets used by the Group under finance leases are treated as assets financed by credit.

Fixed assets leased to customers are vehicles and batteries under a lease of more than one year from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause (note 2-G).

Depreciation

In the **Automotive (excluding AVTOVAZ)** segment and the **Sales Financing segment**, depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings [(1)]	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines	20 to 30 years
Other tangible assets [(2)]	4 to 6 years
(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.	
(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.	

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or component from the market.

Depreciation for the **AVTOVAZ segment** is calculated on a straight-line basis over useful lives that may be longer than those used in other Groupe Renault companies, up to a maximum of 80 years for buildings, 17 years for specific tools, 20 years for machinery and other tools and 13 years for other tangible assets.

M – Impairment

Impairment of fixed assets (other than leased assets)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the Company operates, or changes affecting the circumstances and manner of use of the assets.

For the **Automotive (excluding AVTOVAZ) segment**, impairment tests are carried out at two levels:

- at the level of vehicle-specific assets (including components)

  Vehicle-specific assets (including components) consist of capitalized development expenses and tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle and its components;

- at the level of other cash-generating units

  A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive (excluding AVTOVAZ) segment. Net fixed assets related to cash-generating units notably include goodwill, specific assets and capacity assets, and components of working capital.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive (excluding AVTOVAZ) segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the **Sales Financing segment**, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. The value in use is based on a market approach, determined by using multiples for each group of cash-generating units made up of legal entities or groups of legal entities in the same country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate. The forecast horizon for income and losses is one year.

For **AVTOVAZ**, impairment tests are also carried out at two levels (on specific assets and on the whole Group). The AVTOVAZ Group as a whole is considered as one cash-generating unit, and no tests are conducted for individual factories or economic entities.

Impairment of investments in associates and joint ventures

Impairment tests of the value of investments in associates and joint ventures are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the Company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate or joint venture with the recoverable value, which is the higher of value in use and fair value, less selling costs. The value in use is equal to the share of the present value of future estimated cash flows expected by the associate or joint venture. If the associate or joint venture is listed, the fair value is its stock market value.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate or joint venture, and included in the Group's income statement via the share in net income (loss) of associates and joint ventures.

N – Non-current assets or groups of assets held for sale

Assets held for sale are non-current assets or groups of assets that are available for immediate sale and have a high probability of being sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the consolidated financial position.

O – Inventories

Inventories are stated at the lower of cost or net realizable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, a share of manufacturing overheads based on a normal level of activity and the results of any related hedges. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment are valued under the FIFO (First In First Out) method. Inventories of AVTOVAZ are valued at weighted average cost.

When the net realizable value is lower than the financial position value, impairment equal to the difference is recorded.

P – Assignment of receivables

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive (excluding AVTOVAZ) and Sales Financing segments.

Q – Treasury shares

Treasury shares are shares held for the purposes of stock option plans, performance share plans and other share-based payment arrangements awarded to Group managers and executives. Treasury shares acquired during the sale of Renault shares by the French State in 2017 were used for a share offering reserved for current and former employees enabling them to share in Groupe Renault's results (note 18-C).

They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

R – Stock option plans/performance share attribution plans and other share-based payments agreements

The Group awards stock option plans (purchase and subscription options), performance share attribution plans and other share-based payments, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or performance shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or shares is measured by reference to the fair value of those options or shares at their grant date, using a suitable binomial mathematical model that assumes exercise of the options is spread over the exercise period on a straight-line basis. Entitlements to attribution of performance shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period. The share price volatility factor applied is implicit volatility at the grant date. The expected dividend used is determined by reference to the dividend payout schedule announced at the time each plan is valued.

The total fair value calculated in this way is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

S – Pensions and other long-term employee benefit obligations

The Group's payments for benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

T – Workforce adjustment measures

The estimated cost of workforce adjustment measures, which for accounting purposes is treated as an employee benefit, is covered by a provision over the estimated residual employment period of the employees concerned.

The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress.

U – Financial assets

The policies described below apply to the 2018 financial statements prepared in accordance with the standards in force at January 1, 2018. The financial statements for 2017 were prepared in accordance with previously applicable standards and policies, as described in the 2017 publication.

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, marketable securities, negotiable debt instruments, loans, and derivative assets related to financial transactions (note 2-X).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

Investments in non-controlled companies in which Renault does not have significant influence

Investments in non-controlled companies in which Renault does not have significant influence are classified as instruments at fair value through profit and loss. The fair values of such financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

In an exception to this rule, the Group has made an irrevocable option to present the Daimler shares at fair value through Other comprehensive income.

Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents. These are debt instruments carried at fair value through other components of comprehensive income, except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Impairment equivalent to expected credit losses is booked upon initial recognition of debt instruments carried at fair value through other components of comprehensive income.

Loans

Loans essentially include loans for investment of cash surpluses and loans to associates.

Loans are carried at amortized cost. Impairment equivalent to expected credit losses is recognized upon initial recognition of the financial asset, and when there is objective evidence of loss of value caused by an event arising after the initial recognition.

V – Cash and cash equivalents

Cash includes cash on hand, current accounts and other demand deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be considered as liquid, be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value.

Bank accounts subject to restrictions due to sector-specific regulations (for example, banking regulations) or bank accounts allocated to increasing credit on securitized receivables are included in cash and cash equivalents.

W – Financial liabilities of the Automotive segments and Sales Financing debts

The Group recognizes a financial liability (for the Automotive segments) or a Sales Financing debt when it becomes a party to the contractual provisions of the instrument.

Financial liabilities and Sales Financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-X).

Redeemable shares

Redeemable shares are listed subordinated debt instruments that earn a variable return indexed on consolidated revenues.

Redeemable shares are carried at amortized cost, determined by discounting forecast coupons using the effective interest rate on borrowings. It was considered that the contractual minimum return on these shares, *i.e.*, 9%, provided the best estimate of the effective interest rate at their issue date (1983 and 1984). The variable portion is now included in estimation of the effective interest rate, with regular reassessment of the amortized cost recognized in financial income and expenses.

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings

Apart from specific hedge accounting methods (note 2-X), financial liabilities are generally recorded at amortized cost using the effective interest rate method. The financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

X – Derivatives and hedge accounting

Measurement and presentation

Derivatives are initially stated at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account interest rates forward curves and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automotive segments' derivatives are reported in the financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position as current.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge:

- fair value hedges: the hedged item is adjusted to fair value up to the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument;
- cash flow hedge: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income;
- hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of borrowings in yen used to hedge the investment in Nissan is considered as the ineffective portion, and is therefore recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

NOTE 3 CHANGES IN THE SCOPE OF CONSOLIDATION

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Total
Number of companies consolidated at December 31, 2017	**115**	**65**	**39**	**219**
Newly consolidated companies (acquisitions, formations…)	5	-	1	6
Deconsolidated companies (disposals, mergers, liquidations, *etc.*)	2	11	-	13
Number of companies consolidated at December 31, 2018	**118**	**54**	**40**	**212**

A – Main changes in the scope of consolidation in 2018

The following companies were included in the scope of consolidation for the first time in 2018:

Automotive (excluding) AVTOVAZ segment

- Alliance Ventures b.v. is an investment fund set up and owned by Renault-Nissan-Mitsubishi Motors, with respective stakes of 40%, 40% and 20%, to finance new technology start-ups. The capital initially subscribed during the first half-year of 2018 amounted to $50 million, financed to the extent of $20 million by Renault. Capital increases took place during the second half-year of 2018, subscribed by Renault to the extent of $40 million. Under IFRS 11, Alliance Ventures b.v. is analyzed as a joint venture and is therefore accounted for by the equity method. Its investments will be stated at fair value through profit and loss, since they are minority interests that do not give Alliance Ventures b.v. significant influence.

- On December 15, 2017, the Renault Group announced the acquisition of a joint venture named Renault-Brillance-Jinbei Automotive Company which produces and sells light commercial vehicles in China under the Jinbei, Renault and Huasong brands. Renault owns 49% of this joint venture, which is accounted for by the equity method from January 1, 2018. The shares were acquired for 2 yuan in December 2017. The fair values of the assets and liabilities of Renault Brilliance Jinbei acquired were finalized during the second half-year of 2018. This led to a -€107 million adjustment to the net liabilities acquired, comprising -€34 million and -€64 million respectively for intangible and tangible assets, -€1 million for inventories and -€8 million for operating liabilities. At December 31, 2018, the final goodwill was calculated at €111 million. In 2018, Renault subscribed €94 million of a capital increase by this joint venture.
- eGT New Energy Automotive Co., Ltd. is a joint venture formed in 2017, whose purpose is the development and production of electric vehicles in China in partnership with Nissan and the Dongfeng group. This legal entity is directly owned by Dongfeng, Nissan and Renault, with respective stakes of 50%, 25% and 25%. At December 31, 2018, Renault's investment in eGT New Energy Automotive Co., Ltd. amounted to €4 million and the company is accounted for by the equity method from January 1, 2018.
- During the first half-year of 2018 Renault s.a.s. launched a fully-owned holding company, Alliance Media Ventures s.a.s., with share capital of €12 million. On March 22, 2018 this holding company acquired a 40.26% investment in publishing firm Les Editions Croque Futur for €11 million. This company operates in the written press sector, notably owning the magazine titles *Challenges, Historia, Sciences et Avenir, Histoire* and *La Recherche*. Alliance Media Ventures s.a.s. is fully consolidated. Les Editions Croque Futur, over which Renault has significant influence, is accounted for by the equity method from March 31, 2018. Determination of the fair values of assets acquired and liabilities transferred from Les Editions Croque Futur is in process at December 31, 2018 and will be finalized in the first half-year of 2019 at the latest. At December 31, 2018, the provisional goodwill was calculated at €12 million.

Sales Financing

- RCI Servicios Colombia S.A is a company formed and 100% owned by the Sales Financing segment. Its activity consists of collecting commissions for loans arrangement financed by a trading partner. The Group exercises exclusive control over this entity, which is fully consolidated.

B – AVTOVAZ group

The AVTOVAZ group is Russia's leading automaker. It sells Lada brand cars and also makes cars for Renault and Nissan.

The joint venture Alliance Rostec Auto b.v. and the AVTOVAZ group, consisting of the parent-company PJSC AVTOVAZ and its subsidiaries, which were previously accounted for by the equity method, have been fully consolidated since the date of the Alliance Rostec Auto b.v. capital increase subscribed by Renault s.a.s. in late December 2016, which took place after the capital increase by AVTOVAZ subscribed by Alliance Rostec Auto b.v.. The acquisition of control, as defined by IFRS 10, took place on December 28, 2016. Since the impact of these entities on net income and changes in cash between December 28 and December 31, 2016 were judged non-significant, full consolidation was applied from December 31, 2016.

The cash capital increase for Alliance Rostec Auto b.v. subscribed by Renault s.a.s. on December 28, 2016 amounted to 14.85 billion roubles (€236 million at the exchange rate of the capital increase date). This capital increase came after the 26.14 billion rouble cash capital increase for AVTOVAZ, of which 14.85 billion roubles (€231 million at the 2016 year-end exchange rate) were provided by Alliance Rostec Auto b.v.

Alliance Rostec Auto b.v. also invested in a financial instrument with a value of €180 million, substantially conferring economic interests in AVTOVAZ even though this financial instrument does not make Alliance Rostec Auto b.v. the legal owner of any shares in AVTOVAZ. Alliance Rostec Auto b.v. contracted a loan from Renault to finance this operation. Following these capital increases, at December 31, 2016 Renault held 73.30% of the capital (57.30% of voting rights) of Alliance Rostec

Auto b.v. which held 64.60% of the capital of AVTOVAZ, such that the indirect investment in AVTOVAZ was 47.35%. Including the financial instrument held by Alliance Rostec Auto b.v., 88.69% of the capital of AVTOVAZ was held by Alliance Rostec Auto b.v., and therefore in substance Renault's indirect percentage ownership of AVTOVAZ was 65.01% at December 31, 2016.

Changes in Renault's investment in AVTOVAZ since Renault acquired control

DURING 2017

Renault's investment in AVTOVAZ changed in 2017 due to Renault's acquisition in September 2017 of the shares in Alliance Rostec Auto b.v. that were previously held by Nissan and a put option for AVTOVAZ shares subscribed with a third party. The impact of the change in the investment was directly recognized in shareholders' equity – parent-company shareholders' share and non-controlling interests' share, in the respective amounts of -€139 million and €87 million.

At December 31, 2017 Renault held 82.45% of the capital of Alliance Rostec Auto b.v., which held 64.60% of AVTOVAZ, such that the indirect investment in AVTOVAZ was 53.26%. Including the financial instrument held by Alliance Rostec Auto b.v., and the put option taken on AVTOVAZ shares in 2017, 89.42% of the capital of AVTOVAZ was held by Alliance Rostec Auto b.v., and therefore in substance Renault's indirect percentage ownership of AVTOVAZ at December 31, 2017 was 73.73%.

DURING 2018

Renault's investment in AVTOVAZ changed in 2018 due to the following operations:

- a 61.4 billion rouble closed-subscription capital increase by AVTOVAZ reserved for Alliance Rostec Auto b.v. and a 61.4 billion rouble capital increase by Alliance Rostec Auto b.v. subscribed by Renault and its Russian partner Russian Technologies (30.7 billion roubles each);
- the contributions of 61.4 billion roubles to Alliance Rostec Auto b.v. were paid up by offsetting Renault trade receivables and loans with AVTOVAZ amounting to 30.7 billion roubles and 30.7 billion roubles corresponding to the nominal value of interest-free loans by the Russian partner to AVTOVAZ, which mature in 2032. The contribution value of these receivables and loans held by the two shareholders of Alliance Rostec Auto b.v. correspond to the book values of its net assets as stated in the AVTOVAZ financial statements prepared for consolidation purposes when control was acquired. The 61.4 billion roubles of contributions by Alliance Rostec Auto b.v.to AVTOVAZ were paid up by offsetting receivables and loans with AVTOVAZ previously contributed by Renault s.a.s and Russian Technologies as described above;
- following these capital increases, as Alliance Rostec Auto b.v. held more than 75% of AVTOVAZ, a mandatory tender offer for minority interests was notified to the Central Bank of the Russian Federation at the end of the first half-year of 2018. This offer opened in early July 2018 and closed in September 2018. For the preparation of the consolidated financial statements at June 30, 2018, it was considered that Alliance Rostec Auto b.v. would be able to purchase all the remaining minority interests via a dedicated capital increase subscribed by Renault s.a.s.. Consequently a related financial liability amounting to 7.4 billion roubles (€101 million at the June 30, 2018 exchange rate) was recorded in the financial statements at June 30, 2018, and 100% of the shares in AVTOVAZ were considered to belong to Alliance Rostec Auto b.v. at that date. The financial statements at June 30, 2018 also reflected Alliance Rostec Auto b.v.'s capital increase by incorporation of existing and future capitalizable advances from Renault s.a.s. to finance the mandatory tender offer. This capital increase was to take place after the offer closed;
- the mandatory tender offer initiated at the end of June 2018 closed on September 25, 2018. As Alliance Rostec Auto b.v. held more than 95% of AVTOVAZ after this operation (96.64%), a mandatory squeeze-out was launched on September 28, 2018 at the price of 12.40 roubles per ordinary share and 12.20 roubles per preference share, in compliance with the applicable Russian regulations. This squeeze-out operation ended in December 2018, and Alliance Rostec Auto b.v. now owns 100% of AVTOVAZ. AVTOVAZ will be delisted from the Moscow Stock Exchange in 2019;
- the shareholder loans by Renault s.a.s. to Alliance Rostec Auto b.v. to finance the mandatory tender offer and the squeeze-out will be partly capitalized in 2019 at the amount of 7,425 million roubles.

These operations were initiated in 2018 and are recognized in the financial statements at December 31, 2018.

Following the above operations, Renault held 61.09% of the capital of Alliance Rostec Auto b.v., which held 100% of AVTOVAZ at December 31, 2018. Including the capital increase that should take place in early 2019 in accordance with the shareholders' decisions made on November 28, 2018 and signed by Renault s.a.s., the percentage ownership applied in the consolidated financial statements at December 31, 2018 is the following: Renault held a 67.61% investment in Alliance Rostec Auto b.v.. The impact of these operations and the change in Renault s.a.s.'s investment in Alliance Rostec Auto b.v. and Alliance Rostec Auto b.v.'s investment in AVTOVAZ are recognized directly in shareholders' equity – parent company shareholders' share and non-controlling interests' share, in the respective amounts of €72 million and €245 million.

The value of the non-controlling interest at December 31, 2018 is €52 million (-€236 million at December 31, 2017).

Consolidated income statement

NOTE 4 REVENUES

A – Breakdown of revenues

(€ million)	2018	2018 without separate presentation of sales to partners (1)	2017
Sales of goods - Automotive segment (including AVTOVAZ)	**44,226**	**51,733**	**53,978**
Sales to partners of the Automotive segment (including AVTOVAZ)	**8,046**		
Rental income on leased assets (2)	578	578	504
Sales of other services	1,361	1,900	1,775
Sales of services - Automotive segments (including AVTOVAZ)	**1,939**	**2,478**	**2,279**
Sales of goods - Sales Financing segment	**27**	**27**	**29**
Rental income on leased assets (2)	119	119	116
Interest income on sales financing receivables	2,100	2,100	1,478
Sales of other services (3)	962	962	890
Sales of services - Sales Financing segment	**3,181**	**3,181**	**2,484**
TOTAL REVENUES	**57,419**	**57,419**	**58,770**

(1) The Group presents sales to partners from 2018. The concept of "sales to partners" is defined in note 2-A2. The Automotive segments' main partners are Nissan and Daimler. In compliance with IFRS 15, the Group reports 2018 consolidated sales under the presentation rules of IAS 18, i.e., without separate presentation of sales to partners.

(2) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.

(3) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

B – 2017 revenues applying 2018 scope and methods

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Total
2017 revenues	**53,530**	**2,727**	**2,513**	**58,770**

Changes in scope of consolidation	-	(1)	1	-
Adjustments made following the application of IFRS 15*	(516)	-	516	-
2017 revenues applying 2018 scope and methods	**53,014**	**2,726**	**3,030**	**58,770**
2018 revenues	**51,171**	**3,040**	**3,208**	**57,419**

** In its information by operating segment, the Group has changed the presentation of discounts taking the form of reduced interest. These expenses, which were previously deducted from the Sales Financing segment's revenues, are now deducted from the Automotive segment's revenues (note 2-A2).*

NOTE 5 OPERATING MARGIN: DETAILS OF INCOME AND EXPENSES BY NATURE

A – Personnel expenses

Personnel expenses amount to €6,703 million in 2018 (€6,502 million in 2017).

The average workforce during the year for consolidated entities is presented in section 2-5 " STATEMENT OF EMPLOYEES"of 2018 Securities Report.

Details of pensions and other long-term employee benefit expenses are presented in note 19.

The income recorded in respect of the French "CICE" Tax Credit for Competitiveness and Employment amount to €53 million in 2018 and €61 million in 2017. It is allocated between income statement items by purpose.

Share-based payments concern stock options, performance shares and other share-based payments granted to personnel, and amounted to a personnel expense of €97 million for 2018 (€77 million in 2017). This expense includes the costs related to the "Share the Future" plan, amounting to a total of €8 million.

The plan valuation method is presented in note 18-H.

In 2018, personnel expenses also include an exceptional bonus of €20 million to be given to temporary and permanent employees in France whose annual gross salary is less than three times the value of the annual national minimum wage, in accordance with the provisions of the law of December 24, 2018. This bonus will be paid in the first quarter of 2019.

B – Rental expenses

Rents amount to €228 million in 2018 (€252 million in 2017).

C – Foreign exchange gains/losses

In 2018, the operating margin includes a net foreign exchange loss of €72 million, mainly related to movements in the Argentinian peso, Brazilian real and Turkish lira (compared to a net foreign exchange loss of €113 million in 2017 related to movements in the Argentinian peso, Russian rouble and Turkish lira).

NOTE 6 OTHER OPERATING INCOME AND EXPENSES

(€ million)	**2018**	2017*
Restructuring and workforce adjustment costs	(306)	(56)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	3	-
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	65	96
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(276)	(52)
Impairment related to operations in Iran	(47)	4
Other unusual items	(64)	(40)
TOTAL	**(625)**	**(48)**

** Including the AVTOVAZ group: €(33) million of restructuring and workforce adjustments costs and €2 million of gains and losses on disposal of property, plant and equipment and intangible assets in 2017.*

A – Restructuring and workforce adjustment costs

Restructuring and workforce adjustment costs mainly concern the Americas, Eurasia and Europe Regions in 2017, and the Europe region in 2018.

In 2018 these costs include €239 million related to revision of the assumptions underlying the previous provision based on real data at the 2018 year-end, and a new French career-end work exemption plan dated on April 16, 2018 replacing the plan set out in the initial agreement signed on January 13, 2017 named *"Renault France CAP 2020 – Contrat d'Activité pour une Performance durable"* (activity contract for sustainable performance).

This amendment broadens the scope of beneficiaries. The initial plan was reserved for employees who have completed 15 years of shift work in and outside Groupe Renault, while the new plan is also open to employees who have worked at least five years for the Group and at the time of joining the plan are no more than three years from the age at which they can claim a full pension under the standard or complementary pension systems. The charge recognized in 2018, based on the estimated population of employees who have signed up or could sign up to the plan between January 1, 2017 and February 1, 2020, covers the total cost for employees who have already earned entitlements to a full pension at December 31, 2018, and a share of the cost for employees who will reach full pension entitlement before the plan ends.

The provision recognized is notably based on an assumption regarding the numbers signing up to the plan, with a potentially significant impact if actual numbers in 2019 are substantially different. The assumption used is coherent with the actual number of plan members observed at December 31, 2018.

B – Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

At December 31, 2018, impairment amounting to -€276 million net was recorded (-€52 million in 2017), comprising -€314 million of new impairment and €38 million of impairment reversals. This impairment concerns intangible assets (net increase of -€42 million) and property, plant and equipment (net increase of -€234 million) (notes 10 and 11). New impairment was principally recorded as a result of impairment tests on the industrial assets in Argentina and on petrol and diesel vehicles (including components) (notes 10 and 11). Reversals of impairment relate to electric vehicles.

C – Impairment related to operations in Iran

Taking note of the US President's announcement on May 8, 2018 of the United States' withdrawal from the JCPOA (Joint Comprehensive Plan of Action, signed as part of the Vienna agreements) and the reinstatement from August 6, 2018 of sanctions for the automobile sector in Iran that existed prior to signature of the JCPOA, the Group has suspended its activities in Iran and an amount of €47 million was recognized in other operating expenses as a result of this suspension.

Consequently, the level of operations with Iran was down in 2018 compared to 2017, with sales of CKD amounting to €319 million in 2018 (€743 million at December 31, 2017). Sales are only recognized once the cash is received, and payments related to the totally written-off receivables dating from before mid-2013 remain very limited, as the amount of impairment recovered indicates (none at December 31, 2018 and €4 million at December 31, 2017).

The Group's exposure to risks on business with Iran has been fully written off since 2013 and consists of securities, a shareholder loan and commercial receivables. This situation changed little during 2018. The gross amount in the assets at December 31, 2018 was €782 million, including €677 million of customer receivables (€784 million and €680 million respectively at December 31, 2017).

D – Other unusual items

In 2018, impairment tests on vehicles led to recognition of unusual expenses of -€71 million consisting of advance and future payments to partners and suppliers in connection with those vehicles. In 2017, other unusual items mainly comprised the costs on vacant leased premises in Korea, estimated until the end of the lease contracts.

NOTE 7 FINANCIAL INCOME (EXPENSES)

(€ million)	**2018**	2017 [1]

Cost of gross financial indebtedness	(373)	(441)
Income on cash and financial assets	65	72
COST OF NET FINANCIAL INDEBTEDNESS	**(308)**	**(369)**
Dividends received from companies that are neither controlled nor under significant influence	78	55
Foreign exchange gains and losses on financial operations	14	20
Gain/Loss on exposure to hyperinflation (2)	(31)	-
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(25)	(25)
Other	(81)	(72)
OTHER FINANCIAL INCOME AND EXPENSES	**(45)**	**(22)**
FINANCIAL INCOME (EXPENSE)	**(353)**	**(391)**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) The specific accounting treatments for hyperinflation are presented in note 2-A4.

The net liquidity position (or net financial indebtedness) of the Automotive segments is presented in the information by operating segment (see "Information on operating segments and Regions - A4 Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow").

NOTE 8 CURRENT AND DEFERRED TAXES

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

Groupe Renault also applies other optional tax consolidation systems in Germany, Italy, Spain, Romania and the UK.

A – Current and deferred taxes

(€ million)	**2018**	2017*
Current income taxes	(690)	(634)
Deferred tax income (charge)	(33)	(272)
CURRENT AND DEFERRED TAXES	**(723)**	**(906)**

** The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

The current income taxes for entities included in the French tax consolidation group amount to €90 million in 2018 (€148 million in 2017). The decrease in the current income tax charge between 2018 and 2017 is notably due to the higher level of research and development expenses which are not capitalized for calculation of current income taxes.

In 2018, €600 million of the current income tax charge comes from foreign entities including AVTOVAZ (€486 million in 2017). This charge increased in 2018, largely due to the higher taxable income in certain subsidiaries, and tax reassessments recognized in 2018.

B – Breakdown of the tax charge

(€ million)	**2018**	2017 (1)
Income before taxes and share in net income of associates and joint ventures	**2,634**	**3,415**

Statutory income tax rate in France, excluding the exceptional contribution	34.43%	34.43%
Theoretical tax income (charge)	**(907)**	**(1,176)**
Effect of differences between local tax rates and the French rate (2)	249	201
Tax credits	33	68
Distribution taxes	(86)	(84)
Change in unrecognized deferred tax assets (3)	73	(57)
Other impacts (4)	-	241
Current and deferred tax income (charge) excluding taxes based on interim taxable profits	**(638)**	**(807)**
Taxes based on interim taxable profits (5)	(85)	(99)
Current and deferred tax income (charge)	**(723)**	**(906)**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) The main contributors to the tax rate differential are Korea, Spain, Morocco, Romania, Switzerland, Turkey and AVTOVAZ.

(3) The main contributors to the charge corresponding to unrecognized deferred tax assets are Argentina, France and India.

(4) Other impacts mainly include the effect of permanent differences, reduced-rate taxations, tax reassessments, specific tax regimes, prior year adjustments and changes in future year tax rates adopted before the end of the period. In 2018, the decrease in the positive effect of other impacts principally results from the effects of changes in tax rates on deferred taxes calculation in France and other countries. In 2017, other impacts also included the exceptional contribution levied on 2017 net income in France.

(5) The Group's main taxes based on interim taxable profits are the CVAE in France and the IRAP in Italy.

French tax consolidation group

In 2018, the effective tax rate in the French tax consolidation group is 20.6% (30.0% in 2017).

The Group partially recognizes the deferred tax assets of the French tax consolidation group that correspond to tax loss carryforwards, in view of profitability prospects.

The amount of net deferred tax assets recognized in the consolidated financial position totalled €178 million at December 31, 2018, compared to €158 million at the previous year-end (restated due to the change in the accounting treatment of redeemable shares), comprising -€98 million recognized in income (-€81 million at December 31, 2017, restated) and €276 million included in other components of comprehensive income (€239 million at December 31, 2017), due to the respective origins of the taxes concerned.

In 2018, the amount of deferred tax assets recognized increased by €20 million. The corresponding gain has been recognized in income (€6 million), in other components of comprehensive income (€37 million) and in reserves (-€23 million).

In 2017 (restated), the amount of deferred tax assets recognized decreased by -€270 million, incorporating the effect of the gradual reduction in the French income tax rate from 34.43% to 25.83% between 2019 and 2022, in application of the French finance law for 2018. The corresponding charge was recognized in income (-€251 million) and other components of comprehensive income (-€19 million). The impact of the gradual French income tax rate decrease between 2019 and 2022 was included in other impacts in the breakdown of the tax charge for 2017.

Entities not in the French tax consolidation group

The effective tax rate across all foreign entities including AVTOVAZ is 28.7% in 2018 (24.3% in 2017). The increase between 2017 and 2018 in the effective tax rate is mainly explained by the deficits reported in Argentina and to a lesser extent India, without recognition of deferred tax assets on the taxable losses generated in 2018.

C – Breakdown of net deferred taxes

C1 Change in deferred tax assets and liabilities

(€ million)	**2018**	2017 (1)
Deferred tax assets	927	1,188
Deferred tax liabilities	(180)	(124)
Net deferred tax assets (liabilities) at January 1	**747**	**1,064**
Deferred tax income (charge) for the period	(33)	(272)
Deferred tax income (charge) included in other comprehensive income	26	(41)
Translation adjustments	(44)	(7)
Change in scope of consolidation and other (2)	121	3
Net deferred tax assets (liabilities) at December 31	**817**	**747**
Including: deferred tax assets	*952*	*927*
Including: deferred tax liabilities	*(135)*	*(180)*

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) In 2018, the other changes mainly correspond to the impacts of the new application of IFRS 9 and IFRS 15 (note 2-A1.5 and 2-A2).

C2 Breakdown of net deferred tax assets by nature

(€ million)	**2018**	2017 (1)
Deferred taxes on:		
Investments in associates and joint ventures excluding AVTOVAZ (2)	(181)	(161)
Fixed assets excluding AVTOVAZ	(2,044)	(1,745)
Provisions and other expenses or valuation allowances deductible upon utilization excluding AVTOVAZ	750	814
Loss carryforwards excluding AVTOVAZ (3)	4,434	4,353
Other items excluding AVTOVAZ	764	557
NET DEFERRED TAX ASSETS (LIABILITIES) EXCLUDING AVTOVAZ	**3,723**	**3,818**
Fixed assets of AVTOVAZ	(16)	1
Provisions and other expenses or valuation allowances deductible upon utilization of AVTOVAZ	54	38
Loss carryforwards of AVTOVAZ	294	334
Non-interest bearing financial liabilities in roubles of AVTOVAZ	(42)	(60)
Other items of AVTOVAZ	(12)	21
NET DEFERRED TAX ASSETS (LIABILITIES) OF AVTOVAZ	**278**	**334**
Unrecognized deferred tax assets related to tax losses (note 8-C3)	(2,944)	(3,236)
Other unrecognized deferred tax assets	(240)	(169)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**817**	**747**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) Including tax on future dividend distributions.

(3) Including €3,864 million for the French tax consolidation entities and €570 million for other entities at

December 31, 2018 (€3,739 million and €614 million respectively at December 31, 2017).

The residual unrecognized deferred tax assets of entities included in the French tax consolidation group amounted to €2,344 million (€2,592 million at December 31, 2017 restated). These comprise tax losses that can be carried forward indefinitely to set against future taxable income up to a limit of 50% of that income. €265 million of these unrecognized assets were generated by items booked through shareholders' equity (effects of the partial hedge of the investment in Nissan), and €2,079 million were generated by items affecting the income statement (respectively €309 million and €2,284 million at December 31, 2017 restated).

For entities not in the French tax consolidation group, unrecognized deferred tax assets totalled €840 million at December 31, 2018 (€813 million at December 31, 2017), including €82 million for AVTOVAZ (€89 million at December 31, 2017) and €758 million for the Group excluding AVTOVAZ (€724 million at December 31, 2017) and principally comprise tax loss carryforwards generated by the Group in Brazil and India, and to a lesser extent in Argentina.

C3 Breakdown of tax losses by expiry date

Unrecognized loss carryforwards represent a potential tax saving of €2,944 million at December 31, 2018.

	December 31, 2018			December 31, 2017 [1]		
(€ million)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
Tax losses that can be carried forward indefinitely [2]	1,565	2,760	4,325	1,116	3,035	4,151
Tax losses expiring in more than 5 years	5	53	58	2	90	92
Tax losses expiring in between 1 and 5 years	-	49	49	-	22	22
Tax losses expiring within 1 year	2	-	2	-	-	-
TOTAL TAX LOSSES EXCLUDING AVTOVAZ	**1,572**	**2,862**	**4,434**	**1,118**	**3,147**	**4,265**
Tax losses of AVTOVAZ that can be carried forward indefinitely [3]	212	82	294	245	89	334
TOTAL TAX LOSSES OF AVTOVAZ	**212**	**82**	**294**	**245**	**89**	**334**
TOTAL TAX LOSSES OF THE GROUP	**1,784**	**2,944**	**4,728**	**1,363**	**3,236**	**4,599**

(1) The figures for 2017 include adjustments due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from those previously published (note 2-A5).

(2) Including recognized and unrecognized net deferred tax assets corresponding to tax loss carryforwards of entities included in the French tax consolidation group, which amount to €1,520 million and €2,344 million respectively at December 31, 2018 and €1,058 million and €2,593 million respectively at December 31, 2017 (note 8-C2). This increase in the recognition of deferred taxes on tax loss carryforwards is mainly due to the inclusion of future income previously considered to be taxed at reduced rates in the forecast of tax income taxed at the standard rate. The Group is no longer considering opting for the reduced rate tax regime following the reform of this regime.

(3) Following adoption of Russian federal law 401-FZ of November 30, 2016, tax losses can be carried forward indefinitely.

C4 Subsequent events

In early 2019 Groupe Renault signed a special investment contract with the Russian authorities that entitles the Group to reduced-rate taxation for some of its business activities, subject to changes in the existing regulations and certain conditions concerning investments and defined levels of sales, production and job creation. This contract covers a 10-year term and should have the effect of reducing taxable income over that period, and thus extending the period for utilization of tax losses by AVTOVAZ that can be carried forward indefinitely, as shown in note C3 above.

In France, there is a possibility that the government decides in 2019 to defer the reduction in the standard income tax rate applicable in 2019 for one year. This would have an estimated impact of -€41 million on the deferred taxes charge at December 31, 2018, which would be recognized in the net income.

NOTE 9 BASIC AND DILUTED EARNINGS PER SHARE

(in thousands of shares)	**2018**	2017
Shares in circulation	295,722	295,722
Treasury shares	(6,490)	(5,254)
Shares held by Nissan x Renault's share in Nissan	(19,382)	(19,388)
Number of shares used to calculate basic earnings per share	**269,850**	**271,080**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, *i.e.*, after neutralization of treasury shares and Renault shares held by Nissan.

(in thousands of shares)	**2018**	2017
Number of shares used to calculate basic earnings per share	269,850	271,080
Dilutive effect of stock options, performance share rights and other share-based payments	2,372	2,665
Number of shares used to calculate diluted earnings per share	**272,222**	**273,745**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, *i.e.*, the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to performance shares awarded under the relevant plans, and rights to shares awarded as part of the variable remuneration for the post of Chairman and CEO, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional (note 18-G).

Operating assets and liabilities, shareholders' equity

NOTE 10 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

A – Intangible assets and goodwill

A1 Changes in intangible assets and goodwill

Changes in 2018 in intangible assets were as follows:

(€ million)	December 31, 2017	Acquisitions / (amortization and impairment)	(Disposals)/ reversals	Translation adjustment	Change in scope of consolidation and other	**December 31, 2018**
Capitalized development expenses	8,563	1,717	(596)	(13)	-	9,671
Goodwill	1,114	-	-	(118)	-	996
Other intangible assets	1,044	55	(27)	(28)	-	1,044
Intangible assets, gross	**10,721**	**1,772**	**(623)**	**(159)**	-	**11,711**
Capitalized development	(4,846)	(832)	596	4	-	(5,078)

expenses						
Other intangible assets	(635)	(118)	27	6	-	(720)
Amortization and impairment	**(5,481)**	**(950)**	**623**	**10**	**-**	**(5,798)**
Capitalized development expenses	3,717	885	-	(9)	-	4,593
Goodwill	1,114	-	-	(118)	-	996
Other intangible assets	409	(63)	-	(22)	-	324
INTANGIBLE ASSETS, NET	**5,240**	**822**	**-**	**(149)**	**-**	**5,913**

Most goodwill is located in Europe and Eurasia.

Acquisitions of intangible assets in 2018 comprise €1,717 million of self-produced assets and €55 million of purchased assets (respectively €1,209 million and €101 million in 2017).

In 2018, amortization and impairment of intangible assets include €42 million of impairment concerning vehicles (including components), compared to €31 million of impairment in 2017 (note 6-B).

Changes in 2017 in intangible assets were as follows:

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2016*	**10,798**	**(5,809)**	**4,989**
Acquisitions/(amortization and impairment)	1,310	(961)	349
(Disposals)/reversals	(1,306)	1,302	(4)
Translation adjustment	(106)	7	(99)
Change in scope of consolidation and other	25	(20)	5
Value at December 31, 2017	**10,721**	**(5,481)**	**5,240**

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

A2 – Research and development expenses included in income

(€ million)	**2018**	2017
Research and development expenses	(3,516)	(2,983)
Capitalized development expenses	1,717	1,209
Amortization of capitalized development expenses	(799)	(816)
TOTAL INCLUDED IN INCOME	**(2,598)**	**(2,590)**

Research and development expenses are reported net of research tax credits for the vehicle development activity.

The rise in research and development expenses is explained by efforts to respond to new issues for connected, driverless and electric vehicles, and ensure that engines comply with new regulations applicable, particularly in Europe. In addition to reflecting this rise in development expenses, the increase in capitalized development expenses is also attributable to the start of the capitalization phase for development expenses on significant programs, and resumption of capitalization of development expenses concerning electric vehicles.

B – Property, plant and equipment

Changes in 2018 in property, plant and equipment were as follows:

(€ million)	December 31, 2017	Acquisitions/ (depreciation and impairment)	(Disposals)/ reversals	Translation adjustments	Change in scope of consolidation and other [(1)]	**December 31, 2018**
Land	569	7	-	(3)	(2)	571
Buildings	6,702	160	(83)	(141)	(15)	6,623
Specific tools	16,431	670	(305)	(230)	265	16,831
Machinery and other tools	12,234	784	(224)	(239)	238	12,793
Fixed assets leased to customers	3,315	1,284	(867)	2	-	3,734
Other tangibles	860	76	(24)	(18)	20	914
Construction in progress [(2)]	1,232	1,048	(3)	(27)	(134)	2,116
Gross value	**41,343**	**4,029**	**(1,506)**	**(656)**	**372**	**43,582**
Land						
Buildings	(4,066)	(247)	63	49	(25)	(4,226)
Specific tools	(13,535)	(1,039)	304	137	(107)	(14,240)
Machinery and other tools	(8,756)	(605)	206	115	(29)	(9,069)
Fixed assets leased to customers	(766)	(166)	102	(1)	-	(831)
Other tangibles	(638)	(237)	22	12	(71)	(912)
Construction in progress	-	-	-	-	-	-
Depreciation and impairment [(3)]	**(27,761)**	**(2,294)**	**697**	**312**	**(232)**	**(29,278)**
Land	569	7	-	(3)	(2)	571
Buildings	2,636	(87)	(20)	(92)	(40)	2,397
Specific tools	2,896	(369)	(1)	(93)	158	2,591
Machinery and other tools	3,478	179	(18)	(124)	209	3,724
Fixed assets leased to customers	2,549	1,118	(765)	1	-	2,903
Other tangible	222	(161)	(2)	(6)	(51)	2
Construction in progress [(2)]	1,232	1,048	(3)	(27)	(134)	2,116
Net value	**13,582**	**1,735**	**(809)**	**(344)**	**140**	**14,304**

(1) Includes the effects of index-based restatement of the assets of Argentinian subsidiaries in application of IAS 29 "Financial reporting in hyperinflationary economies" (note 2-A4) amounting to €119 million net (of which €79 million was recognized at January 1, 2018), corresponding to increases in gross values and depreciation of respectively €349 million (of which €295 million was recognized at January 1, 2018) and €(230) million (of which €(216) million was recognized at January 1, 2018).

(2) Items classified as "construction in progress" are transferred to completed asset categories via "acquisitions / (depreciation and impairment)".

(3) Depreciation and impairment in 2018 include impairment of €234 million, mainly concerning vehicles (including components) (see note 6-B).

Changes in property, plant and equipment in 2017 were as follows:

(€ million)	Gross value	Depreciation	Net value

		and impairment	
Value at December 31, 2016	**39,733**	**(26,745)**	**12,988**
Acquisitions / (depreciation and impairment)	3,237	(2,061)	1,176
(Disposals) / reversals	(1,133)	848	(285)
Translation adjustments	(585)	275	(310)
Change in scope of consolidation and other	91	(78)	13
Value at December 31, 2017	**41,343**	**(27,761)**	**13,582**

NOTE 11 IMPAIRMENT TESTS ON FIXED ASSETS (OTHER THAN LEASED ASSETS)

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (note 2-M).

A – Impairment tests on vehicle-specific assets (including components)

Following impairment tests of specific assets dedicated to vehicles (including components), impairment of €126 million was booked during 2018, comprising €63 million for intangible assets and €63 million for property, plant and equipment (impairment in 2017 amounted to €56 million, comprising €31 million for intangible assets and €25 million for property, plant and equipment). This impairment was allocated in priority to capitalized development expenses.

Impairment for intangibles and property, plant and equipment was recognized in 2013 in respect of electric vehicles. As the market for electric vehicles grew substantially in 2017 and that trend was confirmed in 2018, the residual impairment of €38 million was reversed during 2018 (€21 million for intangible assets and €17 million for property, plant and equipment).

B – Impairment tests of other cash-generating units of the Automotive (excluding AVTOVAZ) segment

Argentina and other countries

In 2018, the cash-generating unit corresponding to Argentina was subjected to an impairment test following the application of hyperinflationary accounting, and in view of the recession on the local automobile market in the second half-year. An analysis of specific assets dedicated to the Turkish and Iranian markets was also conducted following the significant decline in automobile sales in Turkey during the first half-year of 2018 and the suspension of Renault’s activities in Iran (see note 6-C).

The recoverable value used for the purpose of impairment tests of industrial assets in Argentina is the value in use, determined for vehicles currently in production under the discounted future cash flow method on the basis of the following assumptions.

	Argentina	
	January 1, 2018	December 31, 2018
Business plan duration	7 years	7 years
After-tax discount rate	18.0%	19.5%

The tests performed for the Argentina cash-generating unit led to recognition of impairment on its assets amounting to €188 million at December 31, 2018 (*i.e.*, the total value of the industrial assets). No impairment was booked at January 1, 2018.

No impairment was recognized on intangibles and property, plant and equipment dedicated to the Iranian and Turkish markets as a result of the impairment tests conducted.

Automotive (excluding AVTOVAZ) segment

The recoverable value used for the purpose of impairment tests for the Automotive (excluding AVTOVAZ) segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	2018	2017
Business plan duration	6 years	6 years
Forecast sales volumes over the projected horizon (units)	4,163,000	4,407,000
Growth rate to infinity	1.9%	1.9%
After-tax discount rate	8.7%	8.6%

In 2018 as in 2017, no impairment was recognized on assets included in the Automotive (excluding AVTOVAZ) segment as a result of the impairment test.

The assumptions used for impairment testing at December 31, 2018 are taken from the six-year strategic plan, Drive the Future 2017-2022, which was announced in October 2017, after adjustment due to the impact of suspension of business in Iran as of 2018. The assumptions used for impairment testing at December 31, 2017 were taken from the six-year strategic plan, Drive the Future 2017-2022, which was announced in October 2017.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the assets tested.

C – Impairment tests on the AVTOVAZ cash-generating unit and the Lada brand

Impairment tests of the AVTOVAZ cash-generating unit

The market capitalization of AVTOVAZ, which amounts to €1,733 million at December 31, 2018 based on the exchange rates used for the mandatory tender offer that was launched in September 2018 and completed in December 2018 (€750 million at December 31, 2017), is higher than the book value of AVTOVAZ net assets (including goodwill) at that date. AVTOVAZ is to be delisted from the Moscow Stock Exchange in early 2019.

An impairment test is carried out on goodwill at June 30 every year. As there were no indications of impairment during the second half-year of 2018, no impairment test was carried out at December 31, 2018.

Impairment tests of the Lada brand

For the purpose of allocation of the purchase price of AVTOVAZ, the Lada brand was recognized at its fair value at the date control was acquired (in late 2016), *i.e.*, 9,248 million Russian roubles (€116 million at the exchange rate of December 31, 2018). Since this brand is an intangible asset with an indefinite useful life, an impairment test was carried out at December 31, 2018 based on a discount rate of 14.4% and a growth rate to infinity of 4%. No impairment was booked in 2018, as the recoverable value was higher than the book value.

A 5% increase in the discount rate would lead to recognition of impairment of 512 million Russian roubles (€7 million before deferred taxes and €6 million after deferred taxes).

Using a 0% growth rate to infinity would not lead to recognition of impairment.

NOTE 12 INVESTMENT IN NISSAN

Renault's investment in Nissan in the income statement and financial position:

(€ million)	2018	2017*
Consolidated income statement		
Share in net income (loss) of associates accounted for by the equity method	1,509	2,791

Consolidated financial position		
Investments in associates accounted for by the equity method	20,583	19,135

** Including a positive €284 million impact of the disposal of Calsonic Kansei in the first quarter of 2017, and a positive €737 million impact of the US tax reform in the fourth quarter of 2017, giving a total impact of €1,021 million in 2017.*

A – Nissan consolidation method

Renault and the Japanese automaker Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting;
- the terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; Renault cannot unilaterally appoint the President of Nissan. At December 31, 2018, Renault occupied two of the nine seats on Nissan's Board of Directors (unchanged since December 31, 2017);
- Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is a joint entity formed by the Alliance, with decision-making power restricted to certain strategic issues concerning either group. As it coordinates common activities at the worldwide level, it can make decisions that respect each partner's independence. This decision-making power was conferred on Renault-Nissan b.v. to generate synergies and bring both automakers worldwide economies of scale. This entity does not enable Renault to direct Nissan's financial and operating strategies, which are governed by Nissan's Board of Directors and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault-Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets;
- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

B – Nissan consolidated financial statements included under the equity method in the Renault consolidation

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January through December are consolidated in Renault's annual financial statements).

Nissan held 0.7% of its own treasury shares at December 31, 2018. Consequently, Renault's percentage interest in Nissan is 43.7% and Renault holds 43.4% of voting rights in Nissan (unchanged since December 31, 2017).

C – Changes in the investment in Nissan as shown in Renault's statement of financial position

	Share in net assets				
(€ million)	Before	Neutralization proportional	Net	Goodwill	Total

	neutralization	to Nissan's investment in Renault [1]			
At December 31, 2017	**19,423**	**(974)**	**18,449**	**686**	**19,135**
2018 net income	1,509		1,509		1,509
Dividend distributed	(784)		(784)		(784)
Translation adjustment	948		948	49	997
Other changes [2]	(274)		(274)		(274)
At December 31, 2018	**20,822**	**(974)**	**19,848**	**735**	**20,583**

(1) Nissan has held 44,358,000 Renault shares since 2002, corresponding to an investment of around 15%.

(2) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares. In 2018, they also include the impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018, amounting to €(126) million.

D – Changes in Nissan equity restated for the purposes of the Renault consolidation

(¥ billion)	December 31, 2017	2018 net income	Dividends	Translation adjustment	Other changes [1]	**December 31, 2018**
Shareholders' equity – Parent-company shareholders' share under Japanese GAAP	**5,312**	**485**	**(215)**	**(142)**	**(102)**	**5,338**
Restatements for compliance with IFRS :						
Provision for pension and other long-term employee benefit obligations	(6)	(25)	-	(1)	(33)	(65)
Capitalization of development expenses	663	50	-	(1)	-	712
Deferred taxes and other restatements	(102)	(17)	-	(10)	30	(99)
Net assets restated for compliance with IFRS	**5,867**	**493**	**(215)**	**(154)**	**(105)**	**5,886**
Restatements for Groupe Renault requirements [2]	133	(42)	(16)	10	26	111
Net assets restated for Groupe Renault requirements	**6,000**	**451**	**(231)**	**(144)**	**(79)**	**5,997**
(€ million)						
Net assets restated for Groupe Renault requirements	**44,442**	**3,453**	**(1,794)**	**2,169**	**(620)**	**47,650**
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	19,423	1,509	(784)	948	(274)	20,822
Neutralization of Nissan's investment in Renault [3]	(974)					(974)
RENAULT'S SHARE IN THE NET ASSETS OF NISSAN	**18,449**	**1,509**	**(784)**	**948**	**(274)**	**19,848**

(1) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the

change in Nissan treasury shares. In 2018, they also include the impacts of the application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" from January 1, 2018, amounting to €(126) million. *(2) Restatements for Groupe Renault requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for under the equity method.* *(3) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%.*

E – Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2018 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2017 financial year and the first three quarters of its 2018 financial year.

	January through March 2018		April through June 2018		July through September 2018		October through December 2018		January through December 2018	
	Fourth quarter of Nissan's 2017 financial year		First quarter of Nissan's 2018 financial year		Second quarter of Nissan's 2018 financial year		Third quarter of Nissan's 2018 financial year		Reference period for Renault's 2018 consolidated financial statements	
	(¥ billion)	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**	*(¥ billion)*	*(€ million)**
Net income – Parent-company shareholders' share	169	1,268	116	890	130	1,006	70	547	485	3,711
** Converted at the average exchange rate for each quarter.*										

F – Nissan financial information under IFRS

The table below presents Nissan financial information, restated under IFRS for the purposes of the Renault consolidation, for the years 2018 and 2017. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for under the equity method.

	2018		2017	
	(¥ billion)	*(€ million)* [(1)]	*(¥ billion)*	*(€ million)* [(2)]
Revenues	11,764	90,201	11,869	93,711
Net income				
Parent-company shareholders' share	451	3,458	813	6,415
Non-controlling interests' share	20	151	22	173
Other components of comprehensive income				
Parent-company shareholders' share	(220)	(1,688)	198	1,567
Non-controlling interests' share	31	237	7	57
Comprehensive income				
Parent-company shareholders' share	231	1,771	1,011	7,982
Non-controlling interests' share	51	388	29	230
Dividends received from Nissan	101	784	93	710

	December 31, 2018		December 31, 2017	
	(¥ billion)	*(€ million)* [(1)]	*(¥ billion)*	*(€ million)* [(2)]
Non-current assets	7,886	62,664	7,978	59,095
Current assets	11,797	93,736	12,314	91,206
TOTAL ASSETS	**19,683**	**156,400**	**20,292**	**150,301**
Shareholders' equity				
Parent-company shareholders' share	5,887	46,775	5,868	43,462
Non-controlling interests' share	297	2,359	288	2,133
Non-current liabilities	5,874	46,675	6,951	51,484
Current liabilities	7,625	60,591	7,185	53,222
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**19,683**	**156,400**	**20,292**	**150,301**

(1) Converted at the average exchange rate for 2018 i.e., 130.4 JPY = 1 EUR for income statement items, and at the December 31, 2018 rate i.e., 125.8 JPY = 1 EUR for financial position items.

(2) Converted at the average exchange rate for 2017 i.e., 126.7 JPY = 1 EUR for income statement items, and at the December 31, 2017 rate i.e., 135.0 JPY = 1 EUR for financial position items.

G – Hedging of the investment in Nissan

The Group has partially hedged the yen/euro exchange risk on its investment in Nissan since 1999.

At December 31, 2018, the corresponding hedging operations totalled ¥204 billion (€1,624 million), comprising ¥24 billion (€191 million) of private placements on the EMTN market and ¥180 billion (€1,433 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2018, these operations generated unfavorable foreign exchange differences of -€102 million (favorable difference of €113 million in 2017). The net unfavorable effect of -€70 million after deferred taxes is recorded in the Group's translation adjustment reserve (note 18-E).

H – Valuation of Renault's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2018 of ¥880 per share, Renault's investment in Nissan is valued at €12,809 million (€15,244 million at December 31, 2017 based on the price of ¥1,123.5 per share).

I – Impairment test of the investment in Nissan

At December 31, 2018, the stock market value of the investment was 37.8% lower than the value of Nissan in Renault's statement of financial position (20.3% lower at December 31, 2017).

In application of the approach presented in the note on accounting policies (note 2-M), an impairment test was carried out at December 31, 2018. An after-tax discount rate of 9.6% and a growth rate to infinity (including the effect of inflation) of 3.3% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects.

The test results did not lead to recognition of any impairment on the investment in Nissan at December 31, 2018.

A reasonably possible change in the main assumptions used should not result in a recoverable value that is lower than the book value of the investment in Nissan.

J – Operations between Groupe Renault and the Nissan group

J1 Automotive (excluding AVTOVAZ) and Sales Financing

Renault and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. Since April 1, 2014 the two companies have also been engaged in a convergence project for four key functions: Engineering, Manufacturing and Supply Chain Management, Purchasing and Human Resources. This cooperation is reflected in synergies that reduce costs, particularly in the support functions and sales to Nissan.

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
- sales by Groupe Renault to the Nissan group in 2018 totalled approximately €4,162 million (€4,961 million in 2017), comprising around €2,871 million for vehicles (€3,362 million in 2017), €1,169 million for components (€1,501 million in 2017), and €123 million for services (€98 million in 2017). The decrease is mainly driven by sales of vehicles made by Renault Samsung Motors for Nissan North America, and the Nissan Micra made in Flins, France,
- purchases by Groupe Renault from the Nissan group in 2018 totalled approximately €2,184 million (€2,400 million in 2017), comprising around €1,068 million of vehicles (€1,240 million in 2017), €884 million of components (€1,028 million in 2017), and €223 million of services (€132 million in 2017),
- the balance of Groupe Renault receivables on the Nissan group is €859 million at December 31, 2018 (€853 million at December 31, 2017) and the balance of Groupe Renault liabilities to the Nissan group is €872 million at December 31, 2018 (€795 million at December 31, 2017);
- finance: in addition to its activity for Renault, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange and interest rate risks. Renault Finance undertook approximately €18 billion of forex transactions on the foreign exchange market for Nissan in 2018 (€20.9 billion in 2017). Operations undertaken with Nissan on foreign exchange and interest rate derivatives are recorded at market price and included in the positions managed by Renault Finance. In the balance sheet, the derivative assets on the Nissan group amount to €30 million at December 31, 2018 (€63 million at December 31, 2017) and derivative liabilities amount to €69 million at December 31, 2018 (€41 million at December 31, 2017).

Renault's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In 2018, RCI Banque recorded €158 million of service revenues in the form of commission and interest received from Nissan (€137 million at December 31, 2017). The balance of sales financing receivables on the Nissan group is €133 million at December 31, 2018 (€107 million at December 31, 2017) and the balance of liabilities is €148 million at December 31, 2018 (€191 million at December 31, 2017).

The Alliance partners hold investments in associates and joint ventures that manage their cooperation. Details of these entities' activity and location, and Groupe Renault's influence over them, are given in note 13.

J2 AVTOVAZ

In 2018, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €260 million and €35 million respectively (€233 million and €30 million in 2017).

In the AVTOVAZ financial position at December 31, 2017, the balances of transactions between AVTOVAZ and the Nissan group consist mainly of:

- a non-current receivable for jointly controlled assets amounting to €27 million (€38 million at December 31, 2017);
- operating receivables and payables amounting respectively to €12 million and €37 million (€25 million and €69 million at December 31, 2017).

NOTE 13 INVESTMENTS IN OTHER ASSOCIATES AND JOINT VENTURES

Details of investments in other associates and joint ventures are as follows in the Group's financial statements:

(€ million)	2018*	2017
Consolidated income statement		
Share in net income (loss) of other associates and joint ventures	**31**	**8**
Associates accounted for under the equity method	27	10
Joint ventures accounted for under the equity method	4	(2)
Consolidated financial position		
Investments in other associates and joint ventures	**856**	**676**
Associates accounted for under the equity method	420	380
Joint ventures accounted for under the equity method	436	296

** From 2018, investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are presented as required by IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated (notes 2-A1 and 22). Uncontrolled investments from now on included in investments in other associates and joint ventures accounted for by the equity method amount to €16 million for associates and €12 million for joint ventures at December 31, 2018. The results of these companies are included in the share in net income (loss) of other associates and joint ventures in 2018, in the amount of €(1) million for associates.*

A – Information on the principal other associates and joint ventures accounted for under the equity method

Name	Country of location	Main activity	Percentage ownership and voting rights held by the Group		Investments in other associates and joint ventures at December 31, 2018	Investments in other associates and joint ventures at December 31, 2017
			December 31, 2018	December 31, 2017		
Associates						
Automotive (excluding AVTOVAZ)						
Motorlu Araclar Imal ve Satis A.S (MAIS)	Turkey	Automotive sales	49%	49%	34	46
Renault Nissan Automotive India Private Limited (RNAIPL)	India	Vehicle manufacturing	30%	30%	206	205
Sales Financing						
RN Bank	Russia	Automotive sales financing	30%	30%	63	48
Joint ventures						
Automotive (excluding AVTOVAZ)						
Renault Algérie Production	Algeria	Vehicle manufacturing	49%	49%	8	16
Dongfeng Renault Automotive Company	China	Automaker	50%	50%	260	243
Renault Brilliance Jinbei Automotive	China	Commercial vehicle	49%	49%	74	-

Company*		manufacturing in China				
Alliance Ventures b.v.*	Netherlands	Finance for new technology start-ups	40%		51	-
Other non-significant associates and joint ventures					160	118
TOTAL					**856**	**676**

* *Newly consolidated companies in 2018.*

The tables below show the total amount of sales and purchases made between Groupe Renault and the principal other associates and joint ventures accounted for by the equity method, as well as Groupe Renault's balance sheet positions with those entities:

(€ million)	**2018**		2017	
In the consolidated income statement	Sales to other associates and joint ventures	Purchases	Sales to other associates and joint ventures	Purchases
Motorlu Araclar Imal ve Satis A.S (MAIS)	1,261	12	1,858	14
Renault Nissan Automotive India Private Limited (RNAIPL)	3	(357)	6	(538)
RN Bank	(3)	-	2	-
Renault Algérie Production	9	(102)	6	(59)
Dongfeng Renault Automotive Company	206	(7)	233	(16)

(€ million)	**December 31, 2018**					
In the consolidated financial position	Financial assets	Automotive receivables	Other assets	Other liabilities	Sales Financing debts	Trade payables
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	-	-	4	-	25
Renault Nissan Automotive India Private Limited (RNAIPL)	18	54	402	3	-	57
RN Bank	80	-	2	3	3	-
Renault Algérie Production	-	86	-	3	-	115
Dongfeng Renault Automotive Company	-	9	-	3	-	9

(€ million)	December 31, 2017					
In the consolidated financial position	Financial assets	Automotive receivables	Other assets	Other liabilities	Sales Financing debts	Trade payables
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	-	2	5	-	32
Renault Nissan Automotive India Private Limited (RNAIPL)	16	57	262	2	-	37
RN Bank	150	-	16	-	-	-
Renault Algérie Production	-	56	-	2	-	82

Dongfeng Renault Automotive Company	-	31	-	2	-	-

B – Cumulative financial information on other associates accounted for under the equity method

(€ million)	**December 31, 2018**	December 31, 2017
Investments in associates	420	380
Share in income (loss) of associates	27	10
Share of associates in other components of comprehensive income	(29)	(28)
Share of associates in comprehensive income	(2)	(18)

C – Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	**December 31, 2018**	December 31, 2017
Investments in joint ventures	436	296
Share in income (loss) of joint ventures	4	(2)
Share of joint ventures in other components of comprehensive income	(7)	(23)
Share of joint ventures in comprehensive income	(3)	(25)

NOTE 14 INVENTORIES

	December 31, 2018			December 31, 2017		
(€ million)	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,748	(299)	1,449	1,845	(328)	1,517
Work in progress	395	(3)	392	390	(1)	389
Used vehicles	1,383	(126)	1,257	1,589	(91)	1,498
Finished products and spare parts	2,931	(150)	2,781	3,076	(152)	2,924
TOTAL	**6,457**	**(578)**	**5,879**	**6,900**	**(572)**	**6,328**

NOTE 15 SALES FINANCING RECEIVABLES

A – Sales financing receivables by nature

(€ million)	**December 31, 2018**	December 31, 2017
Dealership receivables	10,233	10,210
Financing for end-customers	23,606	22,085
Leasing and similar operations	9,008	7,649
Gross value	**42,847**	**39,944**
Impairment	(780)	(610)
Net value	**42,067**	**39,334**

Details of fair value are given in note 24-A.

B – Assignments and assets pledged as guarantees for management of the liquidity reserve

B1 Assignment of sales financing assets

	December 31, 2018		December 31, 2017	
(€ million)	Balance sheet	Fair value	Balance sheet	Fair value

	value		value	
Assigned receivables carried in the balance sheet	11,010	10,980	10,391	10,344
Associated liabilities	2,781	2,645	2,272	2,326

The Sales Financing segment has undertaken several public securitization operations and several conduit financing operations (in Germany, Brazil, France and Italy) involving loans to final customers and receivables on the dealership network. Both types of operation are conducted through special purpose vehicles. Some public operations were subscribed by RCI Banque, which makes it possible to have securities eligible as collateral for the European Central Bank.

The receivables assigned through such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, and are recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

B2 Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France under France's central collateral management system 3G (*Gestion Globale des Garanties)* in the form of assets with book value of €7,454 million at December 31, 2018 (€6,949 million at December 31, 2017). These guarantees comprise €6,184 million in the form of shares in securitization vehicles, €159 million in euro bonds and €1,111 million in sales financing receivables (€5,676 million of shares in securitization vehicles, €168 million in euro bonds and €1,106 million in sales financing receivables at December 31, 2017). The funding provided by the Banque de France against these guarantees amounts to €2,500 million at December 31, 2018, as at December 31, 2017. All assets provided as guarantees to the Banque de France remain in the balance sheet.

C – Sales financing receivables by maturity

(€ million)	**December 31, 2018**	December 31, 2017
-1 year	21,184	20,067
1 to 5 years	20,403	18,819
+5 years	480	448
TOTAL SALES FINANCING RECEIVABLES – NET	**42,067**	**39,334**

D – Breakdown of sales financing receivables by level of risk

(€ million)	Healthy receivables	Receivables showing a deterioration since initial recognition	Receivables in default	Total
Gross value of sales financing receivables at December 31, 2018	38,454	3,770	623	42,847
Impairment of sales financing receivables at December 31, 2018	(239)	(163)	(378)	(780)
Net value of sales financing receivables at December 31, 2018	**38,215**	**3,607**	**245**	**42,067**

E – Exposure of sales financing to credit risk

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of irrevocable financing commitments for customers reported under off-balance sheet commitments given (note 28-A). This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €678 million at December 31, 2018 (€660 million at December 31, 2017).

Customer credit risk is assessed (using a scoring system) and monitored by type of activity (customers and dealers). There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base as defined by the regulations.

NOTE 16 AUTOMOTIVE RECEIVABLES

Net value of Automotive receivables

(€ million)	**December 31, 2018**	December 31, 2017
Gross value	2,178	2,572
Impairment for incurred credit losses [1]	(770)	(819)
Impairment for expected credit losses [2]	(9)	
AUTOMOTIVE RECEIVABLES – NET VALUE	**1,399**	**1,753**

(1) Including €(674) million related to Iran at December 31, 2018 and €(677) million at December 31, 2017.
(2) In application of IFRS 9 "Financial instruments", the Group recognizes impairment for expected credit losses from January 1, 2018 (note 2-A1.3).

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned receivables of the Automotive (excluding AVTOVAZ) segment that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2018.

There is also no significant concentration of risks in the Automotive customer base (excluding AVTOAZ and with AVTOVAZ), and no single non-Group customer accounts for more than 10% of the total sales revenues of the Automotive segments.

The management policy for credit risk is described in note 25.

The maximum exposure to credit risk for Automotive (excluding AVTOVAZ) receivables is represented by the net book value of those receivables.

The impairment model for Automotive receivables is presented in notes 2-A3 and 2-G.

Details of fair value are given in note 24-A.

NOTE 17 OTHER CURRENT AND NON-CURRENT ASSETS

	December 31, 2018			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	245	368	613	249	307	556

Tax receivables (excluding current taxes due)	465	1,712	2,177	527	1,846	2,373
Taxes due [1]	19	111	130	4	91	95
Other receivables	603	1,566	2,169	555	1,728	2,283
Investments in controlled unconsolidated entities [2]	153	-	153	100	-	100
Derivatives on operating transactions of the Automotive segments	-	10	10	-	10	10
Derivatives on financing transactions of the Sales Financing segment	-	123	123	-	123	123
TOTAL	**1,485**	**3,890**	**5,375**	**1,435**	**4,105**	**5,540**
Gross value	*1,613*	*4,082*	*5,695*	*1,470*	*4,307*	*5,777*
Impairment	*(128)*	*(192)*	*(320)*	*(35)*	*(202)*	*(237)*

(1) Current taxes due are reported separately in the consolidated financial position (" Consolidated financial position").

(2) Investments of over €10 million in controlled unconsolidated entities concern Carizy, iCabbi, PI-VI Ricambi S.r.l., Marcel and Renault Venture Capital.

A – Tax receivables

Tax receivables (excluding current taxes due) do not include French tax receivables assigned outside the Group (the "CIR" Research Tax Credit and "CICE" Tax Credit For Competitiveness and Employment), when substantially all the risks and benefits associated with ownership of the receivables are transferred. In the case of tax receivables, assignment only gives rise to recognition if the risk of dilution is deemed to be non-existent, notably when the assigned receivables have already been subject to a tax inspection or preliminary audit.

The total amount of tax receivables assigned and derecognized in 2018 is €278 million, comprising €218 million of CIR receivables and €60 million of CICE receivables (€50 million of CICE receivables in 2017). No assigned tax receivables remained in the balance sheets at December 31, 2018 and 2017.

B – Investments in controlled unconsolidated entities

In the last two years, the Group has acquired control over an entity operating in the used vehicle market (Automotive (excluding AVTOVAZ) segment) and three entities operating in the mobility sector (Sales Financing segment): Carizy (a used vehicle selling platform) Flit Tech (a taxi reservation platform), iCabbi (software development for taxis) and Marcel (a private car hire app), for a total purchase price of €106 million. The financial statements of these entities are not fully consolidated at December 31, 2018 because their consolidation would not have a significant impact given the thresholds applied by the Group. However, their contribution to the Group's results, amounting to -€29 million in 2018, is included in the cost of goods and services sold. The most significant entities will be fully consolidated in the next few years.

NOTE 18 SHAREHOLDERS' EQUITY

A – Share capital

The total number of ordinary shares issued and fully paid at December 31, 2018 is 295,722 thousand, with par value of €3.81 per share (unchanged compared to December 31, 2017).

Treasury shares do not bear dividends. They account for 1.71% of Renault's share capital at December 31, 2018 (2.17% at December 31, 2017).

The Nissan group holds approximately 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd (no voting rights are attached to these shares).

B – Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost. The Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares.

The Group's objectives are monitored in different ways in the different operating segments.

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 solvency ratio is 15.46% at December 31, 2018 (15.01% at December 31, 2017).

The Group also partially hedges its investment in Nissan (note 12-G).

C – Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock option and performance share plans and other share-based payment agreements awarded to Group managers and executives.

	December 31, 2018	December 31, 2017
Total value of treasury plans *(€ million)*	400	321
Total number of treasury shares	5,058,961	4,649,545

In accordance with the applicable regulations, by decision of the Board of Directors, Renault acquired 10% of the shares sold by the French government (1,400,000 shares) at the market price (€121 million) in the second half-year of 2017 in preparation for an offering reserved for current and former Groupe Renault employees that will enable them to share in the Group's results.

In September 2018, Groupe Renault set up "Share the Future", an employee shareholding plan in 10 countries: Argentina, Brazil, France, India, Morocco, Romania, Slovenia, South Korea, Spain, and Turkey.

This plan is part of Groupe Renault's employee shareholding development policy and aims to involve employees more closely in the Group's development and performance. Under the "Share the Future" plan Renault offered employees two options:

- a "classic" formula, including a discount of 20% on the reference price and an employer contribution capped at four shares, in which the subscriber is exposed to changes in the share price;
- a "leveraged" formula (involving an exchange contract with a structuring bank supplementing the employee's investment so that the total amount invested is 10 times the employee's personal contribution), in which the employee receives at maturity a minimum of his/her personal contribution plus either a guaranteed return or a multiple of the increase in the Renault share price over the period if this is higher.

The shares were subscribed by the beneficiaries either directly or through a company investment fund, depending on the country of residence. Subscribers to the offer must hold the shares until May 31, 2023, unless an authorized early release event occurs. In both options, the, subscription price was set at €58.32 on September 7, 2018. The offer closed on October 2, 2018, and attracted subscriptions by 22,615 employees in 10 countries.

The Group recorded an €8 million expense in the income statement for the employer contribution and the fair value of the discount offered to employees. This fair value is equal to the value of the discount less the cost of the shares' mandatory holding period, plus the opportunity gain for employees opting for the leveraged formula.

D – Distributions

At the General and Extraordinary Shareholders' Meeting of June 15, 2018, it was decided to distribute a dividend of €3.55 per share representing a total amount of €1,027 million (€3.15 per share or a total of €916 million in 2017). This dividend was paid in June 2018.

E – Translation adjustment

The change in translation adjustment over the year is analyzed as follows:

(€ million)	**2018**	2017
Change in translation adjustment on the value of the investment in Nissan	997	(1,467)
Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G)	(70)	96
Total change in translation adjustment related to Nissan	**927**	**(1,371)**
Changes related to hyperinflationary economies	(175)	
Other changes in translation adjustment	(250)	(324)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**502**	**(1,695)**

Changes related to hyperinflationary economies consist of the changes in the translation adjustment attributable to the Argentinian subsidiaries since January 1, 2018 (note 2-A4). In 2017 and 2018, other changes in the translation adjustment mostly resulted from movements in the Russian rouble and the Brazilian real. In 2017, they also resulted from the Argentinian peso.

F – Financial instrument revaluation reserve

F1 Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	Cash flow hedges (1)	Available-for-sale financial assets	Equity instruments at fair value	Debt instruments at fair value	Total
At December 31, 2017 (2)	**(7)**	**810**			**803**
Transition to IFRS 9 – Opening adjustments (2)	-	(810)	787	2	(21)
Adjusted balance at January 1, 2018	**(7)**		**787 (3)**	**2**	**782**
Changes in fair value recorded in shareholders' equity	(7)		(534)	(1)	(542)
Transfer from shareholders' equity to profit and loss (1)	6		-	2	8
Other	(13)		-	-	(13)
At December 31, 2018	**(21)**		**253 (3)**	**3**	**235**

(1) For a breakdown of the amounts related to cash flow hedges transferred from shareholders' equity to profit and loss, see note F2 below, and for the schedule of amounts related to cash flow hedges transferred from shareholder's equity to the income statement, see note F3 below.

(2) In application of IFRS 9 "Financial Instruments", the classification of financial assets is modified from January 1, 2018. The changes related to the application of this new standard are presented in note 2-A1.

(3) The revaluation reserve for equity instruments at fair value relates to the Daimler shares (note 22-B).

F2 Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	**2018**	2017
Operating margin	7	(22)
Other operating income and expenses	1	-
Net financial income (expense)	-	-
Share in net income of associates and joint ventures	-	-
Current and deferred taxes	(2)	10
TOTAL TRANSFERRED TO THE INCOME STATEMENT FOR CASH FLOW HEDGES	**6**	**(12)**

F3 Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	**December 31, 2018**	December 31, 2017
Within one year	(6)	9
After one year	(9)	(13)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	**(15)**	**(4)**
Revaluation reserve for cash flow hedges – associates and joint ventures	(6)	(3)
TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES	**(21)**	**(7)**

This schedule is based on the contractual maturities of hedged cash flows.

G – Stock option and performance share plans and other share-based payments

The Board of Directors periodically awards performance shares to Group executives and managers, with prices and exercise periods specific to each plan. Until 2012, it also periodically granted stock options, each with their own vesting and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination (unless, in the case of the Chairman and CEO, the Board of Directors decides otherwise), and a decision is made for each individual case when an employee leaves at the Company's instigation.

The Board of Directors also decided that from 2013 onwards, a portion of each year's variable remuneration for the post of Chairman and CEO would be converted into shares that vest subject to conditions of performance and continued employment at Renault.

G1 Changes in the number of stock options and share rights held by personnel and other share-based payments

	Stock options			
	Quantity	Weighted average exercise price *(€)*	Weighted average share price at grant and exercise dates *(€)*	Share rights [1]
Options outstanding and rights not yet vested at January 1, 2018	**299,339**	**37**	-	**4,585,849**
Granted			-	1,494,129
Options exercised or vested rights	(50,565) [2]	38	49 [3]	(1,266,829) [4]
Options and rights expired and other adjustments			-	(98,978)
Options outstanding and rights not yet	**248,774**	**36**	-	**4,714,171**

vested at December 31, 2018				
(1) The figures include stock options awarded as part of the variable remuneration for the post of Chairman and CEO.				
(2) Stock options exercised in 2018 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.				
(3) Price at which the shares were acquired by the Group to cover future options.				
(4) Performance shares vested were mainly awarded under plan 21 for non-residents in 2014 and plan 22 for residents in 2015.				

The share rights reported in notes G1, G3 and H do not reflect the potential consequences of the resignation of Renault's Chairman and CEO announced by the Board of Directors on January 24, 2019, since it was not possible to determine the potential impact on those rights of this event which occurred after the reporting period (see note 27-A).

G2 Stock options

For plans current in 2018, options attributed vest after a period of four years, and the exercise period then covers the following four years:

Plan	Type of plan	Grant date	Exercise price (€)	Options outstanding at December 31, 2018	Exercise period
Plan 18	Stock purchase options	April 29, 2011	38.80	92,062	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	35,500	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase options	December 13, 2012	37.43	121,212	December 13, 2016 – December 12, 2020
TOTAL				**248,774**	

G3 Performance share plans and other share-based payment agreements

Vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for shares awarded to French tax residents is three years followed by a minimum holding period of two years, reduced to one year for plans introduced from 2016.

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2018	Vesting date	Holding period
Plan 22 (1)	Performance shares and shares awarded as part of the variable remuneration	February 11, 2015	- 383,019	February 11, 2018 (2) February 11, 2019	February 11, 2018 – February 11, 2020 None
Plan 23 (1)	Performance shares and shares awarded as part of the variable remuneration	April 29, 2016	963,550 371,705	April 29, 2019 April 29, 2020	April 29, 2019 – April 29, 2020 None
Plan 23 bis	Performance shares and shares awarded as part of the variable remuneration	July 27, 2016	100,000	July 27, 2020	None

Plan 24 (1)	Performance shares and shares awarded as part of the variable remuneration	February 9, 2017	979,160 437,016	February 9, 2020 February 9, 2021	February 9, 2020 – February 9, 2021 None
Plan 25 (1)	Performance shares and shares awarded as part of the variable remuneration	February 15, 2017	1,078,250 401,471	February 15, 2021 February 15, 2022	February 15, 2021 – February 15, 2022 None
TOTAL			**4,714,171**		
(1) These figures include shares awarded as part of the variable remuneration for the post of Chairman and CEO. The number of shares for 2014 and 2015 was adjusted in 2018 as achievement of performance objectives is assessed over three successive years. *(2) The performance shares concerned by this plan were issued to beneficiaries in 2018.*					

H – Share-based payments

Share-based payments exclusively concern stock options and performance shares awarded to personnel, and shares awarded as part of the variable remuneration for the post of Chairman and CEO.

The plans have been valued by the methods described in the accounting policies (note 2-R). The main details are as follows:

Plan	Initial value *(thousands of €)*	Unit fair value	Expense for 2018 *(€ million)*	Expense for 2017 *(€ million)*	Share price at grant date *(€)*	Volatility	Interest rate	Exercise price *(€)*	Duration of option	Dividend per share *(€)*
Plan 18	3,422	9.31	-	-	36.70	37.28%	2.28%	38.80	4-8 years	0.30 – 1.16
Plan 19	1,608	5.36	-	-	27.50	42.24%	1.99%	26.87	4-8 years	1.19 – 1.72
Plan 20	2,708	6.87	-	-	40.39	35%	0.71%	37.43	4-8 years	1.57 – 2.19
Plan 21*	38,702 13,653	53.09 54.97	- -	(3) (4)	65.76 65.61	N/A N/A	0.20% 0.19%	N/A N/A	3-5 years 4 years	1.72 – 1.97 1.72 – 1.97
Plan 22*	51,509 19,138	66.51 65.19	(10) (7)	(20) (5)	78.75 76.58	N/A N/A	(0.10)% (0.03)%	N/A N/A	3-5 years 4 years	1.90 – 2.22 1.90 – 2.22
Plan 23*	53,728 19,929	66.38 65.72	(18) (5)	(18) (5)	80.25 76.16	N/A N/A	(0.48)% (0.48)%	N/A N/A	3-4 years 4 years	2.40 – 2.88 2.40 – 2.88
Plan 23 bis	5,348	65.34	(1)	(1)	76.99	N/A	(0.48)%	N/A	4 years	2.40 – 2.88
Plan 24*	53,646 22,167	66.18 66.16	(18) (6)	(16) (5)	82.79	N/A N/A	(0.56)% (0.57)%	N/A N/A	3-4 years 4 years	3.15 – 3.34 3.15 – 3.34
Plan 25*	63,533	73.37	(19)	-	90.64	N/A	(0.57)%	N/A	3-4 years	3.55 –

	23,096	69.73	(5)	-	88.93	N/A	(0.57)%	N/A	4 years	4.25 3.55 – 4.25
TOTAL			**(89)**	**(77)**						

** For these plans, performance shares were awarded at different dates within the stated period. The figures also include shares awarded as part of the variable remuneration for the post of Chairman and CEO. The information reported may correspond to weighted averages based on quantities awarded per grant date.*

I – Share of non-controlling interests

Entity	Country of location	Percentage of ownership and voting rights held by non-controlling interests		Net income – non-controlling interests' share *(€ million)*		Shareholders' equity – non-controlling interests' share *(€ million)*		Dividends paid to non-controlling interests (minority shareholders) *(€ million)*	
		December 31, 2018	December 31, 2017	2018	2017	December 31, 2018	December 31, 2017	2018	2017
Automotive (excl. AVTOVAZ)									
Renault Samsung Motors	Korea	20%	20%	36	45	205	210	(33)	(32)
Oyak Renault Otomobil Fabrikalari	Turkey	48%	48%	55	51	270	257	(41)	(38)
Other	N/A	N/A	N/A	6	7	27	29	(7)	(10)
TOTAL - AUTOMOTIVE (EXCLUDING AVTOVAZ)				**97**	**103**	**502**	**496**	**(81)**	**(80)**
Sales Financing									
Banco RCI Brasil (1)	Brazil	40%	40%	19	20	-	-	(8)	(51)
Rombo Compania Financiera (1)	Argentina	40%	40%	(2)	4	-	-	-	-
Other	N/A	N/A	N/A	7	3	45	34	(5)	(2)
TOTAL – SALES FINANCING				**24**	**27**	**45**	**34**	**(13)**	**(53)**
AVTOVAZ									
Alliance Rostec Auto b.v.(2)	Netherlands	32%	18%	-	-	663	211	-	-
AVTOVAZ (2)	Russia	32%	26%	16	(33)	(603)	(430)	-	-
LLC Lada Izhevsk (2)	Russia	32%	26%	7	1	(19)	(24)	-	-
Other	N/A	N/A	N/A	5	(2)	11	7	-	-
TOTAL AVTOVAZ				**28**	**(34)**	**52**	**(236)**	-	-
TOTAL				**149**	**96**	**599**	**294**	**(94)**	**(133)**

(1) The Group has granted to minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €127 million for the Brazilian subsidiary and €13 million for the Argentinian subsidiary at December 31, 2018 (€129 million and €25 million respectively at December 31, 2017). A corresponding charge is made to shareholders' equity, allocated in priority to

the non-controlling interests' share with any residual amount allocated to the parent-company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.
(2) The percentages of voting rights held by non-controlling interests under the legal analysis are 39% in Alliance Rostec Auto b.v. and in the AVTOVAZ group at December 31, 2018 (34% and 35% respectively at December 31, 2017).

New partnership agreements were signed in 2018 with Oyak in Turkey, including perfectly symmetrical put and call options for non-controlling investments, entitling Renault, subject to certain conditions, to purchase Oyak's shares in Oyak Renault (call) and to sell its shares in Mais (put), and entitling Oyak to sell its shares in Oyak Renault (put) and purchase Renault's shares in Mais (call). The exercise price for the put option, if exercised, will be determined by three independent experts who would be appointed at the exercise date.

Analysis of the contracts did not identify any circumstances beyond the control of Renault SA that could lead to Oyak's put option exercised without Renault SA being able to object. Consequently, no liability is recognized at December 31, 2018 in connection with these options.

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other group parties, and comply with other ratios.

J – Joint operations

Entity	Country of location	Main activity	Percentage of ownership held by the Group	
			December 31, 2018	December 31, 2017
Automotive (excluding AVTOVAZ)				
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)*	India	Shared service center	67	67
** The Group holds 50% of voting rights in the Indian company RNTBCI.*				

NOTE 19 PROVISIONS FOR PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

A – Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern active employees. These benefits are covered either by defined-contribution plans or defined-benefit plans.

- Defined-contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans was €588 million in 2018 (€619 million in 2017).

- Defined-benefit plans

The accounting treatment of defined-benefit plans is described in note 2-S, and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France and Turkey, *etc.*,

- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (*e.g.* the United Kingdom, France, Germany, the Netherlands, Switzerland, *etc.*),
- other long-term benefits, chiefly long-service awards and flexible holiday entitlements.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund it may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

- Principal defined-benefit plans of the Group

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the Company's employment at the time of retirement. Retirement benefit obligations for France are entirely covered by provisions, and account for most of the Group's liabilities for retirement indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive subsidiaries (excluding AVTOVAZ), the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns around 1,799 people.

This pension fund (a trust) is a legal entity in its own right. It is administered by a board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, a rise in inflation, *etc.*).

In response to new information in 2018 concerning the implementation of gender equality regulations, an additional €1 million provision for Guaranteed Minimum Pension Equalization has been recognized.

The fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment is underfunded and the Group has made a commitment to cover the shortfall by 2026 through payments amounting to £5 million maximum per year. In application of IAS 19, underfunding at December 31, 2018 is valued at £51 million for the fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment, and £7 million for the fund compartment dedicated to RCI Financial Services Ltd.

B – Main actuarial assumptions used to calculate provisions and other data for the most significant plans

Main actuarial assumptions and actual data for the Group's retirement indemnities in France	**December 31, 2018**		December 31, 2017	
	Renault s.a.s.	Others	Renault s.a.s.	Others
Retirement age	60 to 65	60 to 67	60 to 65	60 to 65
Discount rate*	1.69%	0.8% to 2%	1.43%	0.58% to 2%
Salary increase rate	2.5%	1% to 2.7%	2.5%	1% to 2.7%
Duration of plan	13 years	7 to 20 years	13 years	7 to 20 years
Gross obligation	€1,035 million	€174 million	€1,062 million	€175 million
* *The rates used to value the Group's obligations in France vary between companies depending on the*				

maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters.

Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK	**December 31, 2018**		December 31, 2017	
	Automotive excl. AVTOVAZ	Sales Financing	Automotive excl. AVTOVAZ	Sales Financing
Financial discount rate*	2.85%	2.85%	2.5%	2.5%
Salary increase rate	2%	3.10%	2%	3.1%
Duration of plan	18 years	25 years	20 years	25 years
Actual return on fund assets	-3.95%	-5.37%	7.4%	8.8%
Gross obligation	€325 million	€33 million	€363 million	€37 million
Fair value of assets invested via pension funds	€270 million	€25 million	€284 million	€27 million

** The discount rate was determined by reference to the interest rate curve established by Deloitte based on the iBoxx £ index for AA-rated corporate bonds (DTRB £ AA corporate bond yield curve).*

C – Net expense for the year

(€ million)	**2018**	2017
Current service cost	94	94
Past service cost and (gain)/loss on settlement*	(3)	(92)
Net interest on the net liability (asset)	25	25
Effects of workforce adjustment measures	(1)	-
Net expense (income) for the year recorded in the income statement	**115**	**27**

** In 2017, these costs mainly include entitlements to pre-retirement leave as defined in the 1991 competitiveness agreement for France, amended by the agreement signed in January 2017 named "CAP 2020 – Contrat d'Activité pour une Performance durable" (activity contract for sustainable performance). New rights are recognized from the date of vesting, in accordance with IAS 19, and are no longer treated as retirement indemnities. The positive impact of this change on 2017 net income has been classified as other operating income and expenses (note 6-A) since all the impacts of CAP 2020 are included in that category (some were recorded in advance at December 31, 2016).*

D – Detail of balance sheet provision

D1 Breakdown of the balance sheet provision

(€ million)	**December 31, 2018**		
	Present value of the obligation	Fair value of fund assets	Net defined-benefit liability (asset)
Retirement and termination indemnities			
France	1,209	-	1,209
Europe (excluding France)	15	-	15
Americas	2	-	2
Asia - Pacific	-	-	-
Africa - Middle-East - India	2	-	2
Eurasia (1)	45	-	45
TOTAL RETIREMENT AND TERMINATION INDEMNITIES	**1,273**	-	**1,273**
Supplementary pensions			

France	130	(58)	72
United Kingdom	358	(295)	63
Europe (excluding France and the United Kingdom) (2)	267	(176)	91
Americas	4	-	4
Asia - Pacific	2	-	2
TOTAL SUPPLEMENTARY PENSIONS	**761**	**(529)**	**232**
Other long-term benefits			
France (3)	77	-	77
Europe (excluding France)	3	-	3
Americas	2	-	2
TOTAL OTHER LONG-TERM BENEFITS	**82**	-	**82**
TOTAL (4)	**2,116**	**(529)**	**1,587**

(1) Essentially Romania and Turkey.

(2) Essentially Germany, the Netherlands and Switzerland.

(3) Flexible holiday entitlements and long-service awards.

(4) Total net liability due within one year: €56 million; total net liability due after one year: €1,531 million.

D2 Schedule of amounts related to net defined-benefit liability

	December 31, 2018				
(€ million)	<1 year	1 to 5 years	5 to 10 years	>10 years	Total
Present value of obligation	66	301	402	1,347	2,116
Fair value of plan assets	(10)	(57)	(76)	(386)	(529)
Net defined-benefit liability (asset)	**56**	**244**	**326**	**961**	**1,587**

The weighted average duration of plans is 14 years at December 31, 2018 (15 years at December 31, 2017).

E – Changes in obligations, fund assets and the provision

(€ million)	Present value of the obligation (A)	Fair value of the fund assets (B)	Net defined-benefit liability (A) +(B)
Balance at December 31, 2017	**2,172**	**(537)**	**1,635**
Current service cost	94	-	94
Past service cost and gain/loss on liquidation	(3)	-	(3)
Net interest on the net liability (asset)	36	(11)	25
Effects of workforce adjustment measures	(1)	-	(1)
Net expense (income) for 2018 recorded in the income statement (19-C)	**126**	**(11)**	**115**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(17)	-	(17)
Actuarial gains and losses on the obligation resulting from changes in financial effects	(68)	-	(68)
Actuarial gains and losses on the obligation resulting from experience effects	13	-	13

Net return on fund assets (not included in net interest above)	-	19	19
Net expense (income) for 2018 recorded in other components of comprehensive income	**(72)**	**19**	**(53)**
Employer’s contributions to funds	-	(12)	(12)
Employee’s contributions to funds	-	(1)	(1)
Benefits paid under the plan	(120)	19	(101)
Benefits paid upon liquidation of a plan	-	-	-
Effect of changes in exchange rate	(2)	1	(1)
Effect of changes in scope of consolidation and other	12	(7)	5
Balance at December 31, 2018	**2,116**	**(529)**	**1,587**

Accumulated actuarial gains and losses, net of tax (excluding the associates’ share) recorded in other components of comprehensive income amounted to an expense of €596 million at December 31, 2018 (an expense of €634 million at December 31, 2017).

A 100 base point decrease in discount rates used for each plan would result in a €272 million increase in the amount of obligations at December 31, 2018 (€286 million at December 31, 2017), and a 100 base point increase in discount rates used for each plan would result in a €229 million decrease in the amount of obligations at December 31, 2018 (€230 million at December 31, 2017).

F – Fair value of fund assets

Details of the assets invested via pension funds and insurance companies are as follows:

	December 31, 2018		
(€ million)	Assets listed on active markets	Unlisted assets	Total
Pension funds			
Cash and cash equivalents	1	-	1
Shares	83	-	83
Bonds	177	-	177
Shares in mutual funds and other	37	4	41
TOTAL – PENSION FUNDS	**298**	**4**	**302**
Insurance companies			
Cash and cash equivalents	-	7	7
Shares	8	-	8
Bonds	176	5	181
Real estate property	15	1	16
Shares in mutual funds and other	5	10	15
TOTAL - INSURANCE COMPANIES	**204**	**23**	**227**
TOTAL	**502**	**27**	**529**

Pension fund assets mainly relate to plans located in the United Kingdom (56.1%). Insurance contracts principally concern France (10.9%), Germany (6.1%), the Netherlands (19.7%) and Switzerland (6%). The actual returns on plan assets in the United Kingdom are shown in note 19-B.

The weighted average actual rate of return on the Group’s main funds was -1.28% in 2018 (5.17% in 2017).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2019 is approximately €14 million.

The Group's pension fund assets do not include Groupe Renault's financial instruments. Real estate investments do not include real estate properties occupied by the Group.

NOTE 20 CHANGE IN PROVISIONS

(€ million)	Restructuring provisions	Warranty provisions	Income tax provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities (1)	Provisions for commitments given (2)	Other provisions	Total
At December 31, 2017	**319**	**973**	**145**	**175**	**432**	**-**	**385**	**2,429**
Increases	294	660	66	98	81	7	95	1,301
Reversals of provisions for application	(145)	(542)	(34)	(30)	(32)	(2)	(96)	(881)
Reversals of unused balance of provisions	(28)	(58)	(10)	(42)	-	(6)	(43)	(187)
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Translation adjustments and other changes	(3)	(32)	(5)	(18)	(1)	6	59	6
At December 31, 2018 (3)	**437**	**1,001**	**162**	**183**	**480**	**5**	**400**	**2,668**

(1) Mainly technical reserves established by the Sales Financing segment's insurance companies.

(2) Including provisions for expected losses on financing and warranty commitments given by the Sales Financing segment amounting to €5 million at December 31, 2018 (€6 million at December 31, 2017 due to application of IFRS 9, presented in translation adjustments and other changes, see note 2-A1.5).

(3) Short-term portion of provisions: €1,065 million; long-term portion of provisions: €1,603 million.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During 2018, the Group recorded no significant new litigation in provisions. Information on contingent liabilities is provided in note 28-A2.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in the Europe region (note 6-A).

At December 31, 2018, "Other provisions" include €99 million of provisions established in application of environmental regulations (€70 million at December 31, 2017). These include provisions to cover expenses relating to end-of-life vehicles and used batteries, the costs of a plan to improve nitrogen oxide (NO_x) emissions by diesel vehicles amounting to €23 million (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell in the Europe region and for industrial sites in Americas and Eurasia Regions. They also include €2 million for depollution of commercial land belonging to Renault Retail Group (€3 million at December 31, 2017).

NOTE 21 OTHER CURRENT AND NON-CURRENT LIABILITIES

	December 31, 2018			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Tax liabilities (excluding	45	1,176	1,221	55	1,278	1,333

current taxes due)						
Current taxes due	-	289	289	-	246	246
Social liabilities	21	1,451	1,472	22	1,434	1,456
Other liabilities	169	5,723	5,892	189	5,918	6,107
Deferred income	1,337	1,573	2,910	1,313	1,308	2,621
Derivatives on operating transactions of the Automotive segments	-	5	5	-	2	2
TOTAL	**1,572**	**10,217**	**11,789**	**1,579**	**10,186**	**11,765**

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€408 million at December 31, 2018 and €518 million at December 31, 2017) and amounts payable under sales incentive programs (€2,442 million at December 31, 2018 and €2,706 million at December 31, 2017).

Financial assets and liabilities, fair value and management of financial risks

NOTE 22 FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

A – Current/non-current breakdown

	December 31, 2018*			December 31, 2017		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	853	-	853	1,306	-	1,306
Marketable securities and negotiable debt instruments	-	921	921	-	1,184	1 ,184
Loans	27	664	691	27	485	512
Derivatives on financing operations by the Automotive segments	48	378	426	62	263	325
TOTAL FINANCIAL ASSETS	**928**	**1,963**	**2,891**	**1,395**	**1,932**	**3,327**
Gross value	*928*	*1,974*	*2,902*	*1,400*	*1,936*	*3,336*
Impairment	-	*(11)*	*(11)*	*(5)*	*(4)*	*(9)*
Cash equivalents	-	8,091	8,091	-	6,640	6,640
Cash	-	6,686	6,686	-	7,417	7,417
TOTAL CASH AND CASH EQUIVALENTS	**-**	**14,777**	**14,777**	**-**	**14,057**	**14,057**

** Investments in non-significant companies controlled jointly by the Group or over which it has significant influence, which were previously classified as Available-for-sale financial assets, are now presented as required by IFRS 11 "Joint arrangements" and IAS 28 "Investments in associates and joint ventures" which would apply to them if they were consolidated (note 2-A1 and 13). Investments in non-controlled companies reclassified to investments in other associates and joint ventures accounted for by the equity method as a result of this change amount to €28 million at December 31, 2018 (note 13).*

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in notes 25-B6 and 25-C2.

B – Investments in non-controlled entities

At December 31, 2018, investments in non-controlled entities include €755 million (€1,165 million at December 31, 2017) for the Daimler shares purchased under the strategic partnership agreement. With the application of IFRS 9, these shares are carried at fair value through other components of comprehensive income by option, and their fair value is determined by reference to the stock market price. If the Daimler shares were sold, the gain on sale would not be transferred to profit and loss. At December 31, 2018, the unrealized gain on the Daimler shares held is €171 million. At December 31, 2018, the stock market price (€45.91 per share) was higher than the acquisition price (€35.52 per share). The corresponding decline in fair value over the year, amounting to €409 million (compared to a €2 million decrease in 2017), is recorded in other components of comprehensive income for 2018.

Investments in non-controlled entities also include €57 million at December 31, 2018 (€67 million at December 31, 2017) paid to the Fund for the Future of the Automobile (*Fonds Avenir Automobile* – FAA). Under the support plan for these suppliers introduced by the French authorities and automakers, Renault has made a commitment to pay a total of €200 million as funds are called. The outstanding amount for Renault at December 31, 2018 is €55 million.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FAA's management company, after adjustment for any relevant information that becomes known afterwards.

C – Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables (note 15-B1). These current bank accounts amount to €551 million at December 31, 2018 (€506 million at December 31, 2017).

NOTE 23 FINANCIAL LIABILITIES AND SALES FINANCING DEBTS

A – Current/non-current breakdown

	December 31, 2018			December 31, 2017 (1)		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	277	-	277	273	-	273
Bonds	4,665	581	5,246	3,233	1,471	4,704
Other debts represented by a certificate	-	649	649	-	609	609
Borrowings from credit institutions	314	643	957	329	806	1,135
Other interest-bearing borrowings (2)	210	152	362	212	181	393
FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)	**5,466**	**2,025**	**7,491**	**4,047**	**3,067**	**7,114**
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	42	353	395	64	234	298
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**5,508**	**2,378**	**7,886**	**4,111**	**3,301**	**7,412**
Borrowings from credit institutions	667	85	752	531	490	1,021
Other interest-bearing borrowings	6	-	6	2	1	3
Other non-interest-bearing borrowings	15	-	15	463	-	463
FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES) (3)	**688**	**85**	**773**	**996**	**491**	**1,487**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ	**6,196**	**2,463**	**8,659**	**5,107**	**3,792**	**8,899**
Diac redeemable shares	13	-	13	13	-	13
Bonds	-	18,902	18,902	-	17,885	17,885
Other debts represented by a certificate	-	4,527	4,527	-	3,363	3,363
Borrowings from credit institutions	-	4,931	4,931	-	4,944	4,944
Other interest-bearing borrowings	-	16,053	16,053	-	15,085	15,085
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT (EXCLUDING DERIVATIVES)	**13**	**44,413**	**44,426**	**13**	**41,277**	**41,290**
Derivatives on financing operations of the Sales Financing segment	-	82	82	-	118	118
FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**13**	**44,495**	**44,508**	**13**	**41,395**	**41,408**
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT INCLUDING AVTOVAZ, AND FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**6,209**	**46,958**	**53,167**	**5,120**	**45,187**	**50,307**

(1) The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of

redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5). The stock market value of Renault SA redeemable shares is €479 million at December 31, 2018 and €554 million at December 31, 2017.

(2) The Automotive (excluding AVTOVAZ) segment's financial lease liability amounts to €72 million at December 31, 2018 (€79 million at December 31, 2017).

(3) Figures are represented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in "Information on operating segments and Regions –A2 Consolidated financial position by operating segment ". The AVTOVAZ financial lease liability amounts to €3 million at December 31, 2018 (€5 million at December 31, 2017).

B – Changes in Automotive financial liabilities and derivatives assets on financing operations

(€ million)	December 31, 2017 [1]	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	**December 31, 2018**
Renault SA redeemable shares	273	-	-	-	4	277
Bonds	4,704	440	-	108	(6)	5,246
Other debts represented by a certificate	609	40	-	-	-	649
Borrowings from credit institutions	1,135	(257)	-	85	(6)	957
Other interest-bearing borrowings	393	(40)	(1)	(30)	40	362
FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT (EXCLUDING DERIVATIVES)	**7,114**	**183**	**(1)**	**163**	**32**	**7,491**
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	298	282	-	(185)	-	395
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**7,412**	**465**	**(1)**	**(22)**	**32**	**7,886**
Borrowings from credit institutions	1,021	(149)	(2)	(118)	-	752
Other interest-bearing borrowings	3	3	-	-	-	6
Other non-interest-bearing borrowings	463	-	-	(29)	(419)	15
FINANCIAL LIABILITIES OF AVTOVAZ (EXCLUDING DERIVATIVES) [2]	**1,487**	**(146)**	**(2)**	**(147)**	**(419)**	**773**
TOTAL AUTOMOTIVE FINANCIAL LIABILITIES	**8,899**	**319**	**(3)**	**(169)**	**(387)**	**8,659**

INCLUDING AVTOVAZ (A)						
Derivative assets on Automotive financing operations (excluding AVTOVAZ) (B)	325	121	-	(16)	(4)	426
NET CHANGE IN AUTOMOTIVE FINANCIAL LIABILITIES IN CONSOLIDATED CASH FLOWS (A) – (B)		**198**				

(1) The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).

(2) Figures are presented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in" Information on operating segments and Regions –A2 Consolidated financial position by operating segment".

C – Financial liabilities and sales financing liabilities of the Automotive (excluding AVTOVAZ) and Sales Financing segments

Changes in redeemable shares of the Automotive (excluding AVTOVAZ) segment

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock Exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €21 million for 2018 (€19 million for 2017), is included in interest expenses.

Following a voluntary change of accounting method (note 2-A3), redeemable shares are now stated at amortized cost, having previously been carried at fair value through profit and loss. Fair value was determined by reference to the stock market value at each reporting date. These shares are traded for €601 at December 31, 2018 and €695 at December 31, 2017. Continuing to state them at fair value would have generated pre-tax income of €75 million to be included in financial income (other financial income and expenses) corresponding to the change in fair value during the year 2018. The fair value of the redeemable shares at December 31, 2018 is €479 million (€554 million at December 31, 2017).

Changes in bonds of the Automotive (excluding AVTOVAZ) segment

Renault SA issued two bonds under its EMTN program: two Eurobonds, one with nominal value of €700 million issued on April 18, 2018 with 6-year maturity and a coupon of 1%, and the other with nominal value of €750 million issued on September 28, 2018 with 8-year maturity and a 2% coupon.

Also, as part of its "Shelf Registration" program, Renault SA issued a Samurai bond on the Japanese market on July 3, 2018 for a total of ¥57.4 billion. This new Samurai bond has two tranches, one with nominal value of ¥39.1 billion, 3-year maturity and a coupon of 0.36%, and the other with nominal value of ¥18.3 billion, 5-year maturity and a coupon of 0.49%.

In 2018, the total amount of bonds issued by Renault SA is €1,895 million and total bond redemptions amount to €1,432 million. Renault Do Brasil SA redeemed a bond in the amount of €23 million.

Changes in debts of the Sales Financing segment

In 2018, RCI Banque group issued new bonds totalling €4,245 million and maturing between 2019 and 2026, and redeemed bonds for a total of €3,148 million.

Savings deposits collected rose by €929 million in 2018 (€649 million of sight deposits and €280 million of term deposits) to €15,863 million (€12,120 million of sight deposits and €3,743 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, France and in the United Kingdom.

Credit lines

At December 31, 2018, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €3,480 million (€3,405 million at December 31, 2017). These credit lines have maturities of over one year and were unused at December 31, 2018 (and at December 31, 2017).

Also, at December 31, 2018, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,820 million (€4,934 million at December 31, 2017). These credit lines were drawn to the extent of €22 million at December 31, 2018 (€23 million at December 31, 2017).

The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interest is calculated using interest rates as at December 31, 2018.

No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

Financial liabilities of the Automotive (excluding AVTOVAZ) segment

	December 31, 2018							
(€ million)	Balance sheet value	Total contractual flows	<1 yr	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
Bonds issued by Renault SA (by issue date)								
2014	500	500	-	-	500	-	-	-
2015	56	56	56	-	-	-	-	-
2016	477	477	477	-	-	-	-	-
2017	2,270	2,270	-	559	-	211	750	750
2018	1,906	1,906	-	-	311	-	145	1,450
Bonds issued by Renault Do Brasil (by issue date)								
2016	29	29	23	6	-	-	-	-
Accrued interest, expenses and premiums	8	31	31	-	-	-	-	-
TOTAL BONDS	**5,246**	**5,269**	**587**	**565**	**811**	**211**	**895**	**2,200**
Other debts represented by a certificate	649	649	649	-	-	-	-	-
Borrowings from credit institutions	957	1,002	649	154	75	-	50	74
Other interest-bearing borrowings	362	341	201	26	28	20	19	47
TOTAL OTHER FINANCIAL LIABILITIES	**1,968**	**1,992**	**1,499**	**180**	**103**	**20**	**69**	**121**
Future interest on bonds and other financial liabilities	**-**	**286**	**30**	**57**	**55**	**39**	**38**	**67**
Redeemable shares	**277**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives on financing	**395**	**394**	**353**	**27**	**2**	**9**	**3**	**-**

operations								
TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT	**7,886**	**7,941**	**2,469**	**829**	**971**	**279**	**1,005**	**2,388**

The portion of financial liabilities of the Automotive (excluding AVTOVAZ) segment maturing within one year breaks down as follows:

	December 31, 2018			
(€ million)	Contractual flows maturing within 1 yr	<1 month	1 to 3 months	3 months to 1 year
Bonds	587	2	20	565
Other financial liabilities	1,499	463	277	759
Future interest on bonds and other financial liabilities	30	-	12	18
Derivatives on financing operations	353	132	63	158
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**2,469**	**597**	**372**	**1,500**

Financial liabilities and debts of the Sales Financing segment

	December 31, 2018							
(€ million)	Balance sheet value	Total contractual flows	<1 yr	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
Bonds issued by RCI Banque (by issue date)								
2014	1,392	1,380	880	-	500	-	-	-
2015	1,797	1,781	31	1,000	-	750	-	-
2016	4,432	4,438	2,338	-	750	-	1,350	-
2017	6,967	6,959	223	1,479	777	2,730	-	1,750
2018	4,261	4,242	7	686	1,324	64	861	1,300
Accrued interest, expenses and premiums	53	99	88	5	4	2	-	-
TOTAL BONDS	**18,902**	**18,899**	**3,567**	**3,170**	**3,355**	**3,546**	**2,211**	**3,050**
Other debts represented by a certificate	4,527	4,530	2,397	1,737	280	116	-	-
Borrowings from credit institutions*	4,931	4,931	1,170	2,796	795	165	5	-
Other interest-bearing borrowings	16,053	16,054	14,652	864	334	107	97	-
TOTAL OTHER FINANCIAL LIABILITIES	**25,511**	**25,515**	**18,219**	**5,397**	**1,409**	**388**	**102**	**-**
Future interest on bonds and other financial liabilities	**-**	**1,105**	**259**	**320**	**225**	**154**	**62**	**85**
Redeemable shares	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative liabilities on financing operations	**82**	**44**	**18**	**8**	**8**	**3**	**7**	**-**
TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT	**44,508**	**45,563**	**22,063**	**8,895**	**4,997**	**4,091**	**2,382**	**3,135**

** Including €2.5 billion for "TLTRO" long-term financing operations introduced by the European Central Bank in late 2014 and progressively being used by RCI Banque.*

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

	December 31, 2018			
(€ million)	Contractual flows maturing within 1 year	<1 month	1 to 3 months	3 months to 1 year
Bond	3,567	11	25	3,531
Other financial liabilities	18,219	13,740	1,318	3,161
Future interest on bonds and other financial liabilities	259	19	21	219
Derivative liabilities on financing operations	18	2	1	15
TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR	**22,063**	**13,772**	**1,365**	**6,926**

D – Financial liabilities of the AVTOVAZ segment

The AVTOVAZ segment's current financial liabilities consist of the following:

(€ million)	**December 31, 2018**	December 31, 2017
Rouble-denominated bank loans	88	494
Foreign currency-denominated bank loans	-	1
Other rouble-denominated interest-bearing loans*	-	37
TOTAL CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**88**	**532**
Current financial liabilities of Alliance Rostec Auto b.v.	6	-
TOTAL CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**94**	**532**
Less current loans and borrowings from Renault s.a.s. and intragroup cash	(9)	(41)*
TOTAL CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**85**	**491**
** Essentially liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (see note 3-B).*		

The AVTOVAZ segment's non-current financial liabilities consist of the following:

(€ million)	**December 31, 2018**	December 31, 2017
Rouble-denominated bank loans	673	531
Rouble-denominated interest-free loans*	-	442
Rouble-denominated interest-free promissory notes	15	14
Other foreign currency-denominated interest-bearing loans and borrowings	-	51
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**688**	**1,038**
Total non-current loans and borrowings of Alliance Rostec Auto b.v.	-	173
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**1,211**

Less non-current loans and borrowings from Renault s.a.s.	-	(215)*
NON-CURRENT FINANCIAL LIABILITIES OF THE AVTOVAZ SEGMENT	**688**	**996**
* Liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (see note 3-B).		

Rouble-denominated interest-free loans and promissory notes consist of the following liabilities:

Issue date	Maturity date (after extension)	**December 31, 2018**				December 31, 2017			
		Nominal value		Book value		Nominal value		Book value	
		(roubles million)	*(€ million)*	*(roubles million)*	*(€ million)*	*(roubles million)*	*(€ million)*	*(roubles million)*	*(€ million)*
Rouble-denominated interest-free loans*									
June 5, 2009	June 5, 2032	-	-	-	-	25,000	360	25,000	360
April 29, 2010	April 29, 2032	20,582	258	-	-	26,282	379	5,700	82
TOTAL		**20,582**	**258**	-	-	**51,282**	**739**	**30,700**	**442**
Rouble-denominated interest-free promissory notes									
April 23, 2001	March 7, 2020	1,481	19	1,209	15	1,481	21	987	14
** Liabilities allocated in 2018 to settlement of the capital increases of Alliance Rostec Auto b.v. and AVTOVAZ (30.7 billion roubles, see note 3-B).*									

During 2018, the AVTOVAZ group repaid financial liabilities totalling €347 million and contracted new financial liabilities totalling €206 million.

At December 31, 2018, the AVTOVAZ group's average interest rate was 10.16% for outstanding rouble-denominated bank loans (at December 31 2017, the average rate was 11.15% for loans in roubles and 3.00% for loans in other currencies). At December 31, 2018, the AVTOVAZ group had €414 million of floating-rate bank loans (€193 million at December 31, 2017).

At December 31, 2018, the AVTOVAZ group has confirmed credit lines opened with banks in the amount of €1,299 million (€1,304 million at December 31, 2017). At December 31, 2018, the AVTOVAZ group has €519 million of undrawn available confirmed borrowing facilities (€262 million at December 31, 2017), of which €329 million were available for operating activities and €190 million were available for investment activities (€2 million and €260 million respectively at December 31, 2017).

At December 31, 2018, the AVTOVAZ group was in compliance with all the covenants included in its loan agreements with banks.

Non-current financial liabilities are repayable as follows:

(€ million)	**December 31, 2018**	December 31, 2017
Current portion of loans and borrowings	82	403
1 to 5 years	711	491
> 5 years	267	936
TOTAL LONG-TERM LOANS AND BORROWINGS OF THE AVTOVAZ GROUP	**1,060**	**1,830**

Less current portion of loans and borrowings	(82)	(403)
Less adjustment for discounting interest-free rouble-denominated liabilities	(290)	(389)
Long-term portion of loans and borrowings of the AVTOVAZ group	**688**	**1,038**
Loans and borrowings of Alliance Rostec Auto b.v. with duration of 1 to 5 years	-	173
Long-term loans and borrowings of Alliance Rostec Auto b.v.	**-**	**173**
NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**1,211**
Less long-term portion of loans and borrowings from Renault s.a.s.	-	(215)
TOTAL NON-CURRENT LOANS AND BORROWINGS OF THE AVTOVAZ SEGMENT	**688**	**996**

At December 31, 2018, the AVTOVAZ group's loans and borrowings of €357 million are guaranteed by property, plant and equipment in the amount of €86 million (at December 31, 2017, €725 million of loans and borrowings were guaranteed by €164 million of property, plant and equipment, €19 million of finished goods and 100% of the shares of AO Lada-Servis and AO ZAK).

NOTE 24 FINANCIAL INSTRUMENTS BY CATEGORY, FAIR VALUE AND IMPACT ON NET INCOME

A – Financial instruments by category and fair value by level

IFRS 9, which is applicable from 2018, defines three categories of financial instruments:

- financial assets at fair value through other components of comprehensive income;
- financial assets at fair value through profit or loss;
- loans and receivables carried at amortized cost.

The following breakdown by level of fair value is presented for financial instruments carried in the balance sheet at fair value;

- level 1: instruments whose fair values are derived from quoted prices in an active market; fair value is generally identical to the most recent quoted price;
- level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- level 3: instruments whose fair values are derived from unobservable inputs on the market; the fair value of investments in non-controlled entities is generally based on the share of net assets.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In 2018, no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

FINANCIAL ASSETS AND OTHER ASSETS (*€ million*)	Notes	December 31, 2018									
		Balance sheet value						Fair value of financial assets at amortized cost	Fair value level of financial assets at fair value		
		Fair value through	Fair value of	Equity instruments at fair value	Debt instruments at fair value	Equity instruments valued	Amortized cost [(1)]		Level 1	Level 2	Level 3

		profit and loss [1]	hedging instru-ments [1]	through other components of compre-hensive income [1]	through other components of compre-hensive income [1]	under the applicable standard [1]					
Sales financing receivables	15	-	-	-	-	-	42,067	41,826 [2]			
Automotive customer receivables	16	-	-	-	-	-	1,399	[3]			
Tax receivables (including current taxes due)	17	-	-	-	-	-	2,307	[3]			
Other receivables and prepaid expenses	17	-	-	-	-	-	2,782	[3]			
Loans	22	-	-	-	-	-	691	[3]			
Cash equivalents	22	-	-	-	-	-	4,293	[3]			
Cash	22	-	-	-	-	-	6,686	[3]			
TOTAL FINANCIAL ASSETS RECORDED AT AMORTIZED COST		-	-	-	-		**60,225**				
Derivatives on operating transactions of the Automotive segments	17	-	5	-	-	-	-		-	5	-
Derivatives on financing operations of the Sales Financing segment	17	-	38	-	-	-	-		-	38	-
Investments in non-controlled entities	22	-	-	755	-	-	-		755	-	-
Marketable securities and negotiable debt instruments	22	-	-	-	838	-	-		838	-	-
Derivatives on financing operations by the Automotive segments	22	-	-	-	-	-	-		-	-	-
Cash equivalents	22	-	-	-	86	-	-		86	-	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY		-	**43**	**755**	**924**	-	-		**1,679**	**43**	-
Derivatives on operating transactions of the Automotive segments	17	5	-	-	-	-	-		-	5	-
Derivatives on financing operations of the Sales Financing segment	17	17	68	-	-	-	-		-	85	-
Investments in	22	98	-	-	-	-	-		-	-	98

non-controlled entities											
Marketable securities and negotiable debt instruments	22	-	-	-	83	-	-		83	-	-
Derivatives on financing operations of the Automotive segments	22	425	1	-	-	-	-		-	426	-
Cash equivalents	22	3,712	-	-	-	-	-		3,712	-	-
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		**4,257**	**69**	**-**	**83**	**-**	**-**		**3,795**	**516**	**98**
Investments in unconsolidated controlled entities	17	-	-	-	-	153	-				
TOTAL UNCONSOLIDATED EQUITY INSTRUMENTS VALUED UNDER THE APPLICABLE STANDARD		**-**	**-**	**-**	**-**	**153**	**-**				
TOTAL FINANCIAL ASSETS		**4,257**	**112**	**755**	**1,007**	**153**	**60,225**		**5,474**	**559**	**98**

(1) Financial assets are presented in accordance with IFRS 9 "Financial instruments" applicable from 2018 or under the applicable standard: IFRS 10 "Consolidated financial statements" for investments in unconsolidated companies.

(2) The fair value of sales financing receivables is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.

(3) The Group does not report the fair value of financial assets such as Automotive customer receivables, tax receivables or cash and cash equivalents because their net book value after impairment is a reasonable approximation of their fair value.

		December 31, 2018							
		Balance sheet value					Fair value level of financial liabilities at fair value		
FINANCIAL LIABILITIES AND OTHER LIABILITIES *(€ million)*	Notes	Held for trading	Initially designated as measured at fair value through profit and loss	Hedging derivatives	Other financial liabilities	Fair value of financial assets at amortized cost	Level 1	Level 2	Level 3
Tax liabilities (including current taxes due)	21	-	-	-	1,510	(1)			
Social liabilities	21	-	-	-	1,472	(1)			
Other liabilities and deferred income	21	-	-	-	8,802	(1)			
Trade payables	21	-	-	-	9,505	(1)			

Renault redeemable shares	23	-	-	-	277	(2)			
Bonds*	23	-	-	-	24,148	23,840 (3)			
Other debts represented by a certificate*	23	-	-	-	5,176	5,039 (3)			
Borrowings from credit institutions*	23	-	-	-	6,640	6,523 (3)			
Other interest-bearing and non-interest-bearing borrowings*	23	-	-	-	16,436	16,337 (3)			
TOTAL FINANCIAL LIABILITIES RECORDED AT AMORTIZED COST		-	-	-	**73,966**				
** Financial liabilities and debts of the Automotive (excluding AVTOVAZ) segment*					*7,214*	*7,101*			
Financial liabilities and debts of AVTOVAZ					*773*	*788*			
Financial liabilities and debts of the Sales Financing segment					*44,413*	*43,850*			
Derivatives on operating transactions of the Automotive segments	21	-	-	4	-		-	4	-
Derivatives on financing operations of the Automotive segments	23	-	-	2	-		-	2	-
Derivatives on financing operations of the Sales Financing segment	23	-	-	68	-		-	68	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH EQUITY		-	-	**74**	-		-	**74**	-
Derivatives on operating transactions of the Automotive segments	21	1	-	-	-		-	1	-
Diac redeemable shares	23	-	13	-	-		13	-	-
Derivatives on financing operations of the Automotive segments	23	393	-	-	-		-	393	-
Derivatives on financing operations of the Sales Financing segment	23	8	-	6	-		-	14	-
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		**402**	**13**	**6**	-		**13**	**408**	-
TOTAL FINANCIAL LIABILITIES		**402**	**13**	**80**	-		**13**	**482**	-

(1) The Group does not report the fair value of financial liabilities such as trade payables, tax liabilities and social liabilities, because their book value is a reasonable approximation of their fair value.

(2) The fair value of Renault redeemable shares is identical to the stock market price.

(3) The fair value of the Automotive (excluding AVTOVAZ) segment's financial liabilities and sales financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2018 for loans with similar conditions and maturities. The rates offered to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value. The fair value of AVTOVAZ financial liabilities measured at amortized cost is determined by discounting future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The discount rate used to estimate the fair value of AVTOVAZ long term borrowings was 11% at December 31, 2018.

B – Changes in Level 3 financial instruments

Level 3 financial instruments mainly correspond to investments in non-controlled entities (€98 million at December 31, 2018 and €100 million at December 31, 2017). In an exception to the general approach, these instruments are still carried at historical cost, but if this is inappropriate they are valued on the basis of the share of net equity or using a method based on non-observable data.

C – Impact of financial instruments on net income

2018 (*€ million*)	Financial assets other than derivatives			Financial liabilities other than derivatives			
	Instruments measured at fair value through profit and loss	Instruments measured at fair value through equity	Instruments measured at amortized cost	Instruments designated as measured at fair value through profit and loss	Instruments measured at amortized cost*	Derivatives	Total impact on net income
Operating margin	1	-	56	(2)	(147)	2	(90)
Net financial income (expenses)	(9)	60	192	-	(296)	(134)	(188)
Impact on net income – Automotive (excluding AVTOVAZ) segment	**(8)**	**60**	**248**	**(2)**	**(443)**	**(132)**	**(277)**
Operating margin	-	-	(4)	-	-	-	(4)
Net financial income (expenses)	-	-	8	-	(102)	-	(94)
Impact on net income – AVTOVAZ segment	**-**	**-**	**4**	**-**	**(102)**	**-**	**(98)**
Operating margin	(29)	7	1,435	(1)	(795)	49	665
Impact on net income – Sales Financing segment	**(29)**	**7**	**1,435**	**(1)**	**(795)**	**49**	**665**
TOTAL GAINS (LOSSES) WITH IMPACT ON NET INCOME	**(37)**	**67**	**1,687**	**(3)**	**(1,340)**	**(83)**	**289**

** Including financial liabilities subject to fair value hedges.*

For the Automotive (excluding AVTOVAZ) and AVTOVAZ segments, the impact of financial instruments on the operating margin mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

D – Fair value hedges

(€ million)	2018	2017
Change in fair value of the hedging instrument	26	(113)
Change in fair value of the hedged item	(27)	128
Net impact on net income of fair value hedges	**(1)**	**15***
** Including the Sales Financing segment (€14 million in 2017).*		

Hedge accounting methods are described in note 2-X.

NOTE 25 DERIVATIVES AND MANAGEMENT OF FINANCIAL RISKS

A – Derivatives and netting agreements

A1 Fair value of derivatives

The fair value of derivatives corresponds to their balance sheet value.

December 31, 2018	Financial assets		Other assets	Financial liabilities and Sales Financing debts		Other liabilities
(€ million)	Non-current	Current	Current	Non-current	Current	Current
Cash flow hedges	-	-	-	-	-	-
Fair value hedges	-	-	-	-	-	-
Net investment hedge in Nissan	-	-	-	-	-	-
Derivatives not qualified as hedging instruments	35	382	21	24	351	-
TOTAL FOREIGN EXCHANGE RISK	**35**	**382**	**21**	**24**	**351**	**-**
Cash flow hedges	-	-	38	2	68	-
Fair value hedges	-	1	68	-	6	-
Derivatives not qualified as hedging instruments	13	(5)	1	16	10	-
TOTAL INTEREST RATE RISK	**13**	**(4)**	**107**	**18**	**84**	**-**
Cash flow hedges	-	-	5	-	-	4
Fair value hedges	-	-	-	-	-	-
Derivatives not qualified as hedging instruments	-	-	-	-	-	1
TOTAL COMMODITY RISK	**-**	**-**	**5**	**-**	**-**	**5**
TOTAL	**48**	**378**	**133**	**42**	**435**	**5**

A2 Netting agreements and other similar commitments

FRAMEWORK AGREEMENTS FOR OPERATIONS ON FINANCIAL FUTURES AND SIMILAR AGREEMENTS

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (*Fédération Bancaire Française*).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

NETTING OF FINANCIAL ASSETS AND LIABILITIES: SUMMARY

December 31, 2018 *(€ million)*	Amounts in the statement of financial position eligible for netting	Amounts not netted in the statement of financial position			Net amounts
		Financial instruments assets/liabilities	Guarantees included in liabilities	Off balance sheet guarantees	
Assets					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	427	(240)	-	-	187
Derivatives on financing operations of the Sales Financing segment	123	(31)	-	-	92
Cash and cash equivalents (1)	250	-	-	(250)	-
Sales financing receivables on dealers (2)	425	-	(174)	-	251
TOTAL ASSETS	**1,225**	**(271)**	**(174)**	**(250)**	**530**
Liabilities					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	395	(240)	-	-	155
Derivatives on financing operations of the Sales Financing segment	82	(31)	-	-	51
TOTAL LIABILITIES	**477**	**(271)**	**-**	**-**	**206**

(1) This concerns a loan guaranteed by securities (reverse repo). The securities received as guarantees are included in Assets pledged, provided as guarantees or mortgaged in commitments received (see note 28-B).

(2) Sales financing receivables held by Banco RCI Brasil, whose exposure is covered by pledges of "letras de cambio" (bills of exchange) subscribed by dealers and reported under other debts represented by a certificate.

B – Management of financial risks of the Automotive (excluding AVTOVAZ) and Sales Financing segments

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty and credit risks.

B1 Liquidity risks

The Automotive (excluding AVTOVAZ) and Sales Financing segments are financed via the capital markets, through:

- long-term resources (bond issues, private placements, project financing, term deposits, *etc.*);
- short-term bank loans or commercial paper issues and sight deposits;
- securitization of receivables by Sales Financing.

The **Automotive (excluding AVTOVAZ)** segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its gross debt and guarantee liquidity for the Automotive (excluding AVTOVAZ) segment, and this exposes it to liquidity risks in the event of extended market closures or tensions over credit availability. As part of its centralized cash management policy, Renault SA handles most refinancing for the Automotive (excluding AVTOVAZ) segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury note, or financing via the banking sector or public or semi-public bodies.

Medium-term refinancing for the Automotive (excluding AVTOVAZ) segment in 2018 was mostly provided by bond issues. Renault SA issued two bonds under its EMTN program: two Eurobonds, one with a nominal value of €700 million issued on April 18, 2018 with 6-year maturity and a coupon of 1%, and the other with a nominal value of €750 million issued on September 28, 2018 with 8-year maturity and a 2% coupon.

Also, as part of its "Shelf Registration" program, Renault SA issued a ¥57.4 billion Samurai bond on the Japanese market on July 3, 2018. This new Samurai bond has two tranches, one with a nominal value of ¥39.1 billion, 3-year maturity and a coupon of 0.36%, and the other with a nominal value of ¥18.3 billion, 5-year maturity and a coupon of 0.49%.

The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance. However, certain types of financing, particularly market financing, contain standard clauses (*pari passu*, negative pledge and cross-default clauses).

The Automotive (excluding AVTOVAZ) segment also has confirmed credit lines opened with banks worth €3,480 million, maturing at various times up to 2023. None of these credit lines was drawn at December 31, 2018. These confirmed credit facilities form a liquidity reserve.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.

Given its available cash reserves (€11.8 billion) and confirmed credit lines unused at year-end (€3.5 billion), the Automotive (excluding AVTOVAZ) segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines unused are described in note 23-C.

The **Sales Financing** segment is very attentive to diversification of its sources of liquidity. Any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated.

RCI Banque's liquidity risk monitoring follows the recommendations of the European Banking Authority and the European Central Bank for an Internal Liquidity Adequacy Assessment Process (ILAAP). It uses several indicators and analyses (static liquidity, liquidity reserve, several stress scenarios), which are updated and reported to RCI Banque's Financial Committee on a monthly basis. The stress scenarios include assumptions concerning the deposit leak, loss of access to new financing, partial unavailability of certain elements of the liquidity reserve and forecasts for issuance of new credit. The stressed assumptions for deposit leaks are very conservative and are regularly back tested.

In 2018, the Sales Financing segment issued the equivalent of €2.9 billion in public bonds. The Group successively issued a floating-rate €750 million 5-year bond, a dual-tranche €1.3 billion bond (3-year fixed-rate €750 million, and 7-year variable-rate €550 million), then an 8-year fixed-rate €750 million bond. In parallel, the Company issued a CHF125 million fixed-rate 5-year bond, which both diversified its investor base and financed assets in that currency.

Three private placements with maturities of two and three years were also undertaken for a total of €600 million.

On the secured refinancing segment, RCI Banque undertook a public securitization transaction backed by automotive loans in France, totaling €722.8 million, comprising €700 million of senior instruments and €22.8 million of subordinated instruments.

The alternation of different maturities, coupon types and issue formats is part of the Sales Financing segment's diversification strategy for financing sources. This policy has been followed for several years, and enables the segment to reach the maximum number of investors.

The Sales Financing entities in Brazil, South Korea, Morocco, Argentina and for the first time Colombia also accessed to their domestic capital markets.

Savings deposits collected from private customers increased by €0.9 billion from 2017 and totalled €15.9 billion or 33.8% of net assets at December 31, 2018, in line with the Company's objective of holding customer deposits equivalent to approximately one third of the customer financing issued.

With these resources, as well as resources held in Europe comprising €4.4 billion in undrawn confirmed credit lines with banks, €3.8 billion of collateral eligible for the European Central Bank's monetary policy operations, €2.2 billion of highly liquid assets (HQLA), and short-term financial assets amounting to €0.4 billion, RCI Banque is able to fund its customer financing for more than 12 months with no access to external resources.

Confirmed credit lines open but unused are described in note 23-C.

B2 Foreign exchange risks

MANAGEMENT OF FOREIGN EXCHANGE RISKS

The **Automotive (excluding AVTOVAZ)** segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault Financing and Treasury department.

It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The working capital is also sensitive to movements in exchange rates. Any hedges of such risks require formal authorization from the Finance department or General Management, and the results of these hedges are then reported to the General Management.

In contrast, the Automotive (excluding AVTOVAZ) segment's general policy is to minimize the foreign exchange risks affecting financing and investment flows in foreign currencies, to avoid any exchange-related distortion of the financial result. All the Automotive (excluding AVTOVAZ) segment's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash Management team, with monthly reporting to the Chief Financial Officer. Financing flows in foreign currency originating from Renault entities are hedged in the same currency. If a subsidiary needs external financing in a currency other than the local currency, the parent-company monitors the operations closely. Cash surpluses in countries that are not part of the parent-company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Cash Management department.

Equity investments (in currencies other than the euro) are not generally hedged. However, due to its importance, the investment in Nissan is subject to a partial foreign exchange hedge amounting to ¥204 billion at December 31, 2018 (note 12-G).

The subsidiary Renault Finance can undertake foreign exchange operations on its own behalf, within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed some tens of millions of euros, and cannot therefore have a significant impact on Renault's consolidated results.

The **Sales Financing** segment has low exposure to foreign exchange risks due to the management principles applied. No position can be taken under the central management framework for refinancing; the trading room hedges all flows concerned. Residual, temporal positions in foreign currencies related to the time differences in cash flow inherent to multi-currency cash management may still remain. They are monitored daily and the same hedging policy applies. The sales financing subsidiaries are obliged to obtain refinancing in their own currency and as a result are not exposed. In exceptional circumstances, limits are assigned to subsidiaries where sales financing activities or refinancing take place in several different currencies, and to subsidiaries authorized to invest some of their cash surpluses in a currency other than their local currency.

At December 31, 2018 RCI Banque's consolidated foreign exchange position reached €9 million.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their foreign exchange risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO FOREIGN EXCHANGE RISKS IN THE AUTOMOTIVE (EXCLUDING AVTOVAZ) SEGMENT

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account hedged assets or liabilities and related hedges for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.

The impact on shareholders' equity (before tax) of a 1% rise in the euro against other currencies is assessed by converting financial assets, cash flow hedges and the partial hedge of the investment in Nissan. For the Automotive (excluding AVTOVAZ) segment, this impact would be a favorable €16 million at December 31, 2018, mainly associated with the yen bond issues that make up the partial hedge of the investment in Nissan (see note 12-G).

The impact on net income of a 1% rise in the euro against other currencies would be an unfavorable €11 million at December 31, 2018, mainly attributable to unhedged operating assets and liabilities denominated in a currency that is not the functional currency.

CURRENCY DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Currency swaps – purchases	3,101	1,408	1,693	-	3,852	1,207	2,645	-
Currency swaps – sales	3,092	1,393	1,699	-	3,914	1,234	2,680	-
Forward purchases	30,089	28,420	1,669	-	19,088	18,293	795	-
Forward sales	30,105	28,436	1,669	-	19,086	18,291	795	-

B3 Interest rate risks

MANAGEMENT OF INTEREST RATE RISKS

Groupe Renault's exposure to interest rate risks mainly concerns the **Sales Financing** segment's activity exercised by RCI Banque and its subsidiaries. The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin. The Sales Financing segment's aim is to limit these risks as far as possible in order to protect its margin on sales. To take account of the difficulty of precisely matching the structure of borrowings with the structure of loans, a limited amount of flexibility is allowed in each subsidiary's interest rate hedging. This flexibility is reflected in a sensitivity limit assigned to each subsidiary and validated by the Finance Committee, in an individual adaptation of part of the limit Renault assigns to the Sales Financing segment.

Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries), for overall management of interest rate risks across the consolidated scope of the Sales Financing segment.

Each entity's position with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances require. The results of the checks are reported monthly to the Sales Financing segment's Finance Committee, which checks that the positions comply with the Group's financial strategy and current procedural instructions.

Analysis of the Sales Financing segment's structural interest rate risk shows the following:

- virtually all loans to customers by sales financing subsidiaries bear interest at a fixed rate and have terms from one to 72 months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swaps;
- the main activity of the Sales Financing segment's central refinancing department is refinancing the segment's commercial subsidiaries. The outstanding credit issued by sales financing subsidiaries is backed by fixed-interest resources, some of which are micro-hedged by interest rate swaps, and floating-rate resources. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the defined limit.

The **Automotive (excluding AVTOVAZ)** segment's interest rate risk management policy applies two principles: long-term investments generally use fixed-rate financing, and investments for cash reserves generally use floating-rate financing. Fixed-rate borrowings remain at fixed rates as long as the rate curve is close to zero and the hedging ratio of floating-rate assets by floating-rate liabilities remains stable.

The financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.

The Automotive (excluding AVTOVAZ) segment's available cash is managed centrally by Renault SA as far as possible, and invested in short-term bank deposits by Renault Finance.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. The risk associated with this arbitrage activity is very limited, and has no significant impact on the Group's consolidated net income.

Interest rate hedging instruments for the Automotive (excluding AVTOVAZ) segment are standard interest swaps that are adequately covered by hedged liabilities, such that no ineffectiveness is expected.

The Automotive (excluding AVTOVAZ) and Sales Financing segments made no major changes to their interest rate risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS

The Automotive (excluding AVTOVAZ) and Sales Financing segments are exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

The impact on shareholders' equity corresponds to the change in fair value before reclassification in profit or loss (Consolidated comprehensive income) of fixed rate debt instruments classified as financial assets at fair value through other components of comprehensive income and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive (excluding AVTOVAZ) segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a positive €106 million and €1 million respectively at December 31, 2018.

For the Sales Financing segment, the overall sensitivity to interest rate risks in 2018 remained below the limit set by the RCI Banque group (€50 million at December 31). At December 31, 2018, a

100 point base point rise in interest rates would have the following impacts on net income and shareholders' equity (before taxes):

- +€3.4 million for items denominated in euros;
- -€0.4 million for items denominated in Brazilian real;
- -€0.7 million for items denominated in Swiss francs;
- +€0.8 million for items denominated in pounds sterling;
- +€0.3 million for items denominated in Korean won;
- +€1.4 million for items denominated in Moroccan dirham;
- -€0.4 million for items denominated in Czech korunas.

The sum of the absolute sensitivities in each currency amounts to €7.8 million.

FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS OF THE GROUP (EXCLUDING AVTOVAZ), AFTER THE EFFECT OF DERIVATIVES

(€ million)	**December 31, 2018**	December 31, 2017
Financial liabilities before hedging: fixed rate (a)	27,006	25,887
Financial liabilities before hedging: floating rate (a')	24,621	22,231
Financial liabilities before hedging (without redeemable shares) of the Group (excluding AVTOVAZ)	**51,627**	**48,118**
Hedges: floating rate / fixed (b)	9,844	8,743
Hedges: fixed rate / floating (b')	7,702	7,987
Hedges	**17,546**	**16,730**
Financial liabilities after hedging: fixed rate (a+b-b')	29,148	26,643
Financial liabilities after hedging: floating rate (a'+b'-b)	22,479	21,475
Financial liabilities after hedging (without redeemable shares) of the Group (excluding AVTOVAZ)	**51,627**	**48,118**

INTEREST RATE DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Interest rate swaps	23,867	8,361	13,506	2,000	22,838	7,583	12,905	2,350
Other interest rate hedging instruments	79	79	-	-	1	1	-	-

B4 Equity risks

MANAGEMENT OF EQUITY RISKS

The exposure of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. These two segments do not use equity derivatives to hedge these risks.

The Automotive (excluding AVTOVAZ) segment and the Sales Financing segment made no major changes to their equity risk management policy in 2018.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO EQUITY RISKS

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at the year-end would have an unfavourable impact of €76 million on shareholders' equity. The impact on net income is not significant at December 31, 2018.

B5 Commodity risks

MANAGEMENT OF COMMODITY RISKS

Commodity purchase prices can change suddenly and significantly, and cannot necessarily be passed through on vehicle sale prices. This may lead Renault's Purchases department to hedge part of its commodity risks using financial instruments. These hedges are subject to volume, duration and price limits.

In 2018 Renault undertook hedging operations on base metals and precious metals, within the limits validated by the Chairman and CEO.

The operations in progress at December 31, 2018 are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in Other components of comprehensive income to the extent of the effective portion of the hedges.

ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO COMMODITY RISKS

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to these risks.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €9 million on Other components of Comprehensive income at December 31, 2018.

COMMODITY DERIVATIVES

	December 31, 2018				December 31, 2017			
(€ million)	Nominal	<1 yr	1 to 5 yrs	>5 yrs	Nominal	<1 yr	1 to 5 yrs	>5 yrs
Swaps	70	64	6	-	94	94	-	-
Zero-premium collars (option)	31	29	2	-	65	65	-	-

B6 Counterparty and credit risks

CREDIT RISK ON AUTOMOTIVE RECEIVABLES

The Automotive segment's exposure to credit risk is limited because of the assignment of many receivables leading to their deconsolidation, and systematic hedging of risks on export receivables. Non-assigned sales receivables and receivables covered by guarantee are regularly monitored.

CREDIT RISK ON RECEIVABLES AND COMMITMENTS GIVEN BY THE SALES FINANCING SEGMENT

Credit risk relating to customers is assessed by a scoring system and monitored by type of activity (customers and dealers). Various internal rating systems are currently in use in the Sales Financing segment:

- a Group rating for "Dealers", used in each phase of relations with the borrower (initial acceptance, risk monitoring, provisioning);
- a Group rating for bank counterparties founded on each counterparty's external rating and equity level;
- several different acceptance score systems for "Customers", depending on the subsidiaries and types of financing involved.

RCI Banque is constantly adjusting its acceptance policy to reflect the conditions of the economic environment.

The Group has detailed management procedures, notably covering collection of outstanding payments, with local versions in all the countries where they apply.

COUNTERPARTY RISK ON OTHER FINANCIAL ASSETS

All entities of the Automotive and Sales Financing segments use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties' long-term credit rating and equity level. For each of these entities with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, maturity and type, as well as a list of the main exposures.

Most deposits are contracted with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk and lowers the systemic risk.

In the event of volatile macroeconomic situations that may arise in emergent countries and potentially affect their banking systems, the Group introduces an action plan to step up counterparty risk monitoring, and makes adjustments to the counterparty limits if necessary.

The exposure on each banking group is assessed monthly on a consolidated basis, with the Automotive and Sales Financing entities. The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses due to default by a banking counterparty were recorded in 2018.

IMPAIRMENT AND PROVISIONS ESTABLISHED TO COVER COUNTERPARTY RISKS

				Reversals			
(€ million)	Notes	December 31, 2017	Impairment	For application	Of unused residual amounts	Other	**December 31, 2018**
Impairment of Sales Financing receivables	15	(610)	(500)	360	77	(107)	(780)
Impairment of Automotive receivables	16	(819)	(8)	-	-	48	(779)
Impairment of other receivables	17	(237)	(17)	-	-	(66)	(320)
Impairment of other financial assets	22	(9)	(2)	-	-	-	(11)
Provisions (commitments given)	20	-	7	(2)	(6)	6	5
TOTAL COVERAGE OF COUNTERPARTY RISKS		**(1,675)**	**(520)**	**358**	**71**	**(119)**	**(1,885)**

C – Management of AVTOVAZ group financial risks

The AVTOVAZ group's principal financial liabilities comprise bank loans, finance leases, trade payables and loans received. The main purpose of these financial liabilities is to raise finance for AVTOVAZ group's operations. It has various financial assets such as trade receivables, cash, short-term deposits and loans issued, which arise directly from its operations.

In 2018, no trading in derivatives was undertaken. The main risks arising from the AVTOVAZ group's financial instruments are foreign currency risk, credit risk and liquidity risk. The AVTOVAZ group is not exposed to any equity price risk.

C1 Foreign exchange risks

The AVTOVAZ group carries out sales both inside and outside the Russian Federation. As a result, the AVTOVAZ group has currency exposures. Such exposure arises from sales in currencies other than AVTOVAZ's functional currency, *i.e.*, the Russian rouble. Almost 98% of sales are denominated in Russian roubles, whilst approximately 6% of costs are denominated in currencies other than Russian roubles.

At December 31, 2018 the AVTOVAZ group had €10 million of cash and cash equivalents, €8 million of trade and other receivables and €42 million of trade and other payables denominated in currencies other than the Russian rouble. Risk management is carried out by PJSC AVTOVAZ Finance department, which identifies, evaluates and manages foreign exchange risks by analyzing the net position in each foreign currency. It has not entered into any hedging arrangements in respect of its foreign currency.

The following table demonstrates the sensitivity to a change in the US dollar, euro, Japanese yen, exchange rates of AVTOVAZ group's profit before tax.

(€ million)	% increase/(decrease) in exchange rate	Effect on profit before tax
2018		
EUR/RUB	13.50	(3)
JPY/RUB	14.00	(1)
USD/RUB	13.50	1
EUR/RUB	-13.50	3
JPY/RUB	-14.00	1
USD/RUB	-13.50	(1)

C2 Counterparty and credit risks

At December 31, 2018, AVTOVAZ group has €86 million in cash and cash equivalents and €361 million of trade receivables and other current assets subject to potential credit risk. Credit risk on these financial assets arises from default of the counterparty, with maximum exposure equal to the carrying amount.

AVTOVAZ group trades only with recognized, creditworthy third parties. AVTOVAZ group's policy states that all customers requiring credit facilities must be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and as a result, AVTOVAZ group's exposure to bad debts is not significant. The maximum exposure is the carrying amount. There are no significant concentrations of credit risk within the AVTOVAZ group.

C3 Liquidity risks

AVTOVAZ group monitors its risk to a shortage of funds using a liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (*e.g.* accounts receivable, other financial assets) and projected cash flows from its operations.

AVTOVAZ group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and borrowings.

The table below summarizes the maturity of the AVTOVAZ group's financial liabilities at December 31, 2018 based on contractual undiscounted payments.

(€ million)	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
December 31, 2018					
Borrowings	52	111	861	269	1,293
including Groupe Renault	-	-	-	-	-
Trade and other payables	567	4	1	-	572
including Groupe Renault	22	-	-	-	22

C4 Cash flow and Interest rate risk

The AVTOVAZ group's interest rate risk arises from borrowings. The majority of interest rates on borrowings are fixed. Existing interest rates can be changed subject to agreement by the third parties. Financial assets are either non-interest bearing or bear interest at fixed rates; the AVTOVAZ group's income and operating cash flows are substantially independent of changes in market interest rates. It has not entered into any hedging arrangements in respect of its interest rate exposures.

At December 31, 2018, AVTOVAZ group had €414 million of bank loans with floating interest rate (note 23-D).

Cash flows and other information

NOTE 26 CASH FLOWS

A – Other income and expenses with no impact on cash before interest and tax

(€ million)	2018	2017*
Net allocation to provisions	204	(201)
Net effects of sales financing credit losses	63	(29)
Net (gain) loss on asset disposals	(69)	(93)
Change in fair value of other financial instruments	22	(5)
Net financial indebtedness	308	369
Deferred taxes	33	272
Current taxes	690	634
Other	145	85
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH BEFORE INTEREST AND TAX	**1,396**	**1,032**

** The figures at December 31, 2017 include an adjustment due to the change in the accounting treatment of redeemable shares in 2018 (note 2-A3), and are thus different from the previously published figures (note 2-A5).*

B – Change in working capital

(€ million)	2018	2017
Decrease (increase) in net inventories	240	(691)
Decrease (increase) in Automotive net receivables	283	78
Decrease (increase) in other assets	(39)	(795)
Increase (decrease) in trade payables	(240)	591
Increase (decrease) in other liabilities	307	705
INCREASE (DECREASE) IN WORKING CAPITAL BEFORE TAX	**551**	**(112)**

C – Capital expenditure

(€ million)	2018	2017
Purchases of intangible assets	(1,772)	(1,310)
Purchases of property, plant and equipment (other than assets leased to customers)	(2,745)	(2,420)
TOTAL PURCHASES FOR THE PERIOD	**(4,517)**	**(3,730)**
Deferred payments	110	129
TOTAL CAPITAL EXPENDITURE	**(4,407)**	**(3,601)**

NOTE 27 RELATED PARTIES

A – Remuneration of directors and executives and Executive Committee members

The table below reports the compensation of the Chairman and CEO and Group Executive Committee members accounted for in expenses in 2018 and 2017. Amounts are allocated *pro rata* to the periods in which the functions were occupied.

(€ million)	**2018**	2017
Basic salary	5.5	6.1
Variable remuneration	7.4	7.8
Employer's social security charges	11.0	11.0
Complementary pension and retirement indemnities	9.5	8.7
Other components of remuneration	0.5	0.8
TOTAL REMUNERATION PAID IN CASH	**33.9**	**34.4**
Stock options, performance shares and other share-based payments	16.1	15.3
TOTAL REMUNERATION PAID IN SHARES	**16.1**	**15.3**
TOTAL	**50.0**	**49.7**

Directors' fees amounted to €1.5 million in 2018 (€1.2 million in 2017), including the fees for the Chairman's functions.

The commitments under the collective top-up pension scheme arranged for the members of the Group Executive Committee at December 31, 2018 amount to €52 million (€58 million at December 31, 2017).

This table does not reflect the resignation of Renault's Chairman and CEO announced by the Board of Directors on January 24, 2019, and the potential consequences for the elements of his 2018 remuneration shown above. It is not possible to estimate the impact of this event, which occurred after the reporting period, since the decisions to be taken by the Board of Directors, some of which must be submitted for approval at the General Shareholders' Meeting of June 12, 2019, are not all known at the date of publication of the financial statements (note 30).

B – Renault's investments in associates

Details of Renault's investments in Nissan and in other companies accounted for by the equity method are provided in notes 12 and 13-A.

C – Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market conditions, represent sales of €288 million in 2018, an automotive receivable of €90 million, a sales financing receivable of €371 million and a financing commitment of €31 million at December 31, 2018.

D – Transactions with unconsolidated controlled entities

A certain number of controlled entities are not consolidated, as explained in note 2-C, because their contribution to the consolidated financial statements is considered non-significant. The principal companies concerned, in terms of the balance sheet value of the investment, are listed in footnote (2) of the table in note 17.

The only company with sales of more than €100 million and/or a balance sheet value of more than €100 million are Renault Nissan Global Management, which manages Renault's expatriates.

In 2018, Groupe Renault's expenses with this company amounted to approximately €284 million (€266 million in 2017).

In Groupe Renault's financial position at December 31, 2018, the balances of transactions between this company and Groupe Renault consist mainly of operating receivables amounting to €41 million (€43 million at December 31, 2017) and operating payables amounting to €25 million (€25 million at December 31, 2017).

NOTE 28 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automobile regulation authorities. Any liabilities resulting from these situations (*e.g.* pensions and other employee benefits, litigation costs, *etc.*) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, *etc.*) and may benefit from credit lines with credit institutions (note 28-B).

A – Off-balance sheet commitments given and contingent liabilities

A1 Ordinary operations

The Group is committed for the following amounts:

(€ million)	**December 31, 2018**	December 31, 2017
Financing commitments in favour of customers (1)	2,367	2,315
Firm investment orders	1,327	952
Lease commitments (2)	661	546
Assets pledged, provided as guarantees or mortgaged (3)	86	187
Sureties, endorsements and guarantees given and other commitments (4)	425	187

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end in the maximum amount of €2,331 million at December 31, 2018 (€2,250 million at December 31, 2017).

(2) Largely as a result of specificities in French lease contracts that allow penalty-free early termination, the irrevocable lease commitments reported here are not fully representative of the financial liability to be recognized in application of IFRS 16. The impact of future application of this standard on the financial liability is described in note 2-A.

(3) At December 31, 2018, assets pledged, provided as guarantees or mortgaged include commitments given by AVTOVAZ amounting to €86 million (€183 million at December 31, 2017) corresponding to fixed assets (note 23-D).

(4) Other commitments include in particular guaranties granted to administrations and share subscription commitments.

Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 15-B.

Operating lease commitments correspond to rent from non-cancellable leases. The breakdown is as follows:

(€ million)	**December 31, 2018**	December 31, 2017
Less than 1 year	97	101
Between 1 and 5 years	378	296
More than 5 years	186	149
TOTAL	**661**	**546**

A2 Contingent liabilities

Under a customs agreement between Brazil and Argentina for the automotive industry, which was introduced in 2008 and amended in June 2016, imports of vehicles and spare parts for the Argentinean automotive sector are exempt from customs duties as long as the average ratio of imports to exports with Brazil is below 1.5 over the period July 2015 to June 2020 (this ratio may be raised to 1.7 from June 30, 2019). The amount of customs duties potentially due retroactively may be up to 75% of the customs duties on cars and 70% of the customs duties on spare parts in excess of the ratio, using a calculation covering the entire automotive sector.

The ratio for the sector as a whole was above 1.5 for the period July 1, 2015 to November 30, 2018, and Renault contributes to this situation. Only automakers which do not respect their own individual ratio over the period concerned are liable for penalties. The applicable rules, which changed slightly with the introduction of two new regulations in January 2018, explicitly allow purchases of credits from other automakers concerned to avoid paying the penalties due. This customs agreement creates a contingent obligation for Renault that will only be confirmed by the occurrence of uncertain future events that are partly within its control (compliance with the individual ratio) and partly beyond its control, since the ratio to be respected concerns the entire automotive sector. Reliable estimation of the potential risk at the reporting date is difficult, mainly because of uncertainties as to developments in the Argentinean and Brazilian automotive markets between now and 2020. Consequently, no provision has been recognized by the Group.

Since the introduction of regulation 21-E of January 23, 2018, a guarantee of $86 million has been put in place for the provisional penalties calculated in respect of the first 24 months of application of the amended agreement of June 2016. This cannot be considered as an indication of the final amount that may be due at the end of period concerned by the agreement, which ends on June 30, 2020.

A possible extension of the period concerned by the existing system is currently under discussion by the Argentina-Brazil Automotive Committee.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer’s favor. At December 31, 2018, the Group had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group’s consolidated financial statements.

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful.

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision to be cancelled or fundamentally amended by a court order is high. Also, due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. Consequently, no provision has been recognized in connection with this matter at December 31, 2018.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements via provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at December 31, 2018 concern the level of vehicle emissions in Europe.

In the ongoing "emissions" affair in France, Renault acknowledges that a formal legal investigation has been opened. This new stage in the procedure is seen as an indication that the French prosecution office wishes to pursue this matter. No provision was recognized at December 31, 2018 or December 31, 2017.

Beginning in March 2016 Renault decided to roll out a plan to reduce nitrogen oxide (NO_x) emissions by its Euro 6b vehicles by applying new factory calibrations for vehicle production, and a corresponding €20 million provision was recognized for vehicles manufactured before this decision. A step-up in this plan was decided in October 2017, leading to recognition of an additional €24 million provision. At December 31, 2018 the balance of the provision is €23 million (compared to €44 million at December 31, 2017).

Group companies are subject to the applicable regulations regarding pollution, notably of soil and ground water. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability. Details of significant provisions are given in note 20.

B – Off-balance sheet commitments received and contingent assets

(€ million)	**December 31, 2018**	December 31, 2017
Sureties, endorsements and guarantees received	2,629	2,929
Assets pledged or mortgaged (1)	3,739	3,162
Buy-back commitments (2)	3,961	3,231
Other commitments	**26**	**29**

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €3,374 million at December 31, 2018 (€2,796 million at December 31, 2017). In addition, AVTOVAZ received €12 million in real estate property rights and ownership rights as guarantees of loans, and €78 million in rights to vehicles as guarantees of customer receivables (€12 million and €79 million respectively at December 31, 2017).

(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23.

NOTE 29 FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

The fees paid to the Group's Statutory Auditors and their networks are reported in V-5-(2) "Contents, Etc. of Audit Fee.".

NOTE 30 SUBSEQUENT EVENTS

On January 24, 2019 the Board of Directors of Renault SA formally took note of the resignation of its Chairman and CEO, and decided to give Renault a new governance structure and to separate the posts of Chairman of the Board and Chief Executive Officer. The Board co-opted Jean-Dominique Senard as a new Director and elected him Chairman. Upon the proposal of Jean-Dominique Senard, the Board appointed Thierry Bolloré as Chief Executive Officer.

NOTE 31 CONSOLIDATED COMPANIES

A – Fully consolidated companies (subsidiaries)

Groupe Renault’s interest (%)	Country	December 31, 2018	December 31, 2017
Renault SA	**France**	**Consolidating company**	**Consolidating company**
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
France			
Renault s.a.s	France	100	100
Auto Châssis International (ACI) Le Mans	France	100	100
Auto Châssis International (ACI) Villeurbanne	France	100	100
Alliance Média Ventures [(1)]	France	100	-
Fonderie de Bretagne	France	100	100
IDVU	France	100	100
IDVE	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Environnement	France	100	100
Renault Retail Group and subsidiaries	France	100	100
Renault Samara	France	100	100
RDREAM	France	100	100
Renault Sport Racing s.a.s.	France	100	100
SCI Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des Automobiles Alpine Caterham	France	100	100
Sofrastock International	France	100	100
Société de Transmissions Automatiques	France	100	100
Société de Véhicules Automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l’Automobile et la Mécanique (SICOFRAM)	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilière d’Epone	France	100	100
Société Immobilière pour l’Automobile (SCIA)	France	100	100
SODICAM 2	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
Europe			
Renault Deutschland AG and subsidiaries	Germany	100	100
Renault Österreich GmbH	Austria	100	100
Renault Belgique Luxembourg and subsidiary	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Croatia	Croatia	100	100
Renault España Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault España SA	Spain	100	100
Renault Hungaria	Hungary	100	100

Renault Irlande	Ireland	100	100
Renault Italia and subsidiary	Italy	100	100
Motor Reinsurance Company	Luxembourg	100	100
Renault Group b.v.	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Cacia	Portugal	100	100
Renault Portuguesa and subsidiary	Portugal	100	100
Renault Ceska Republika	Czech Republic	100	100
Grigny Ltd.	United Kingdom	100	100
Renault Retail Group U.K.	United Kingdom	100	100
Renault Sport Racing Limited	United Kingdom	90	90
Renault U.K.	United Kingdom	100	100
Renault Slovakia	Slovakia	100	100
Renault Nissan Slovenija d.o.o.	Slovenia	100	100
Revoz	Slovenia	100	100
Renault Nordic	Sweden	100	100
Renault Développement Industriel et Commercial (RDIC)	Switzerland	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA	Switzerland	100	100
Americas			
Groupe Renault Argentina and subsidiaries	Argentina	100	100
Renault Do Brasil LTDA	Brazil	100	100
Renault Do Brasil SA	Brazil	100	100
Cormecanica	Chile	100	100
Sociedad de Fabricacion de Automotores (SOFASA) and subsidiary	Colombia	100	100
Renault Corporativo SA de C.V.	Mexico	100	100
Renault Mexico	Mexico	100	100
Asia – Pacific			
Vehicle Distributors Australia	Australia	100	100
Renault Beijing Automotive Company	China	100	100
Renault Samsung Motors	South Korea	80	80
Renault Treasury Services PTE LTD	Singapore	100	100
Africa – Middle-East – India			
Renault Algérie	Algeria	100	100
Renault India Private Ltd	India	100	100
Renault Maroc	Morocco	80	80
Renault Maroc Service	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100

Renault Tanger Méditerranée	Morocco	100	100
Société marocaine de construction automobile (SOMACA)	Morocco	77	77
Eurasia			
Renault Nissan Bulgaria	Bulgaria	100	100
Dacia	Romania	99	99
Renault Mécanique Romania SRL	Romania	100	100
Renault Commercial Romania	Romania	100	100
Renault Technologie Romania	Romania	100	100
CJSC Renault Russia	Russia	100	100
Oyak-Renault Otomobil Fabrikalari	Turkey	52	52
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
France			
Diac SA	France	100	100
Diac Location SA	France	100	100
RCI Banque SA and subsidiaries	France	100	100
Europe			
RCI Versicherungs Services GmbH	Germany	100	100
RCI Financial Services SA	Belgium	100	100
Renault AutoFin SA	Belgium	100	100
Overlease	Spain	100	100
RCI ZRT	Hungary	100	100
ES Mobility SRL	Italy	100	100
RCI Insurance Ltd	Malta	100	100
RCI Life Ltd	Malta	100	100
RCI Services Ltd	Malta	100	100
RCI Financial Services b.v.	Netherlands	100	100
Renault Leasing Polska Sp. z.o.o.	Poland	100	100
RCICOM, SA	Portugal	100	100
RCI Gest Seguros – Mediadores de Seguros	Portugal	100	100
RCI Finance CZ s.r.o.	Czech Republic	100	100
RCI Financial Services s.r.o.	Czech Republic	50	50
RCI Financial Services Ltd	United Kingdom	100	100
RCI Finance SA	Switzerland	100	100
Americas			
Courtage SA	Argentina	100	100
Rombo Compania Financiera	Argentina	60	60
RCI Brasil SA	Brazil	60	60
Administradora de Consorcio Renault Do Brasil	Brazil	100	100
Corretora de Seguros RCI Do Brasil	Brazil	100	100

RCI Colombia SA Compania de Financiamiento [(1)]	Colombia	51	51
RCI Servicios Colombia SA [(1)]	Colombia	100	-
Asia – Pacific			
RCI Financial Services Korea	South Korea	100	100
Africa – Middle-East – India			
RCI Finance Maroc	Morocco	100	100
RDFM	Morocco	100	100
Eurasia			
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania	Romania	100	100
RCI Leasing Romania IFN	Romania	100	100
OOO RN FINANCE RUS	Russia	100	100
AVTOVAZ			
Europe			
LADA International Ltd	Cyprus	68	74
Alliance Rostec Auto b.v.	Netherlands	68	82
Eurasia			
SOAO Minsk-Lada	Belarus	38	42
PAO AVTOVAZ	Russia	68	74
LLC Lada Izhevsk	Russia	68	74
OOO PSA VIS-AVTO	Russia	68	74
OOO PPPO	Russia	68	74
AO Lada-Imidzh	Russia	68	74
AO Lada-Servis	Russia	68	74
OAO Izh-Lada	Russia	67	37
AO ZAK	Russia	68	74
AO Piter-Lada	Russia	61	67
AO Samara-Lada	Russia	48	52
AO Yakhroma-Lada	Russia	59	64
AO Lipetsk-Lada	Russia	45	49
AO Oka-Lada	Russia	59	64
AO STO komsomolskaya	Russia	53	58
AO Tyumen-Lada	Russia	68	74
AO Tsentralnaya STO	Russia	68	74
AO JarLadaservis	Russia	64	70
AO Avtosentr-Togliatti-VAZ	Russia	34	38
AO Bryansk Lada	Russia	51	56
OOO LIN	Russia	68	74
AO Kostroma-Lada-Servis	Russia	43	47
AO Kursk-Lada	Russia	49	54
OOO Lada Sport	Russia	68	74
AO Saransk-Lada	Russia	61	67
AO Smolensk-Lada	Russia	41	45

AO Cheboksary-Lada	Russia	63	69
AO ChitaServisLada (2)	Russia	-	57
OOO Sockultbit-AVTOVAZ	Russia	68	74
AO Dal-Lada	Russia	46	50
AO Mariy El-Lada (2)	Russia	-	58
Other AVTOVAZ subsidiaries	Russia	34 to 68	38 to 74

(1) Newly consolidated companies in 2018 (note 3-A).

(2) Companies sold and removed from the scope of consolidation in 2018.

(3) Renault held 61.09% of the capital of Alliance Rostec Auto b.v., which held 100% of AVTOVAZ at December 31, 2018. The percentage ownership applied in the consolidated financial statements at December 31, 2018 is 67.61% as this percentage includes the capital increase that should take place in early 2019 in accordance with the shareholders' decisions made on November 28, 2018 and signed by Renault s.a.s. (note 3-B).

B – Companies consolidated based on the percentage interest in each balance sheet and income statement item (joint operations)

Groupe Renault's interest (%)	Country	**December 31, 2018**	December 31, 2017
Renault Nissan Technology and Business Centre India Private Limited (RNTBCI)	India	67	67

C – Companies accounted for by the equity method (associates and joint ventures)

Groupe Renault's interest (%)	Country	**December 31, 2018**	December 31, 2017
AUTOMOTIVE EXCLUDING AVTOVAZ			
Renault South Africa	South Africa	40	40
Renault Algérie Production	Algeria	49	49
eGT New Energy Automotive Co., Ltd.*	China	25	-
Dongfeng Renault Automotive Company	China	50	50
Renault Brillance Jinbei Automotive Company Ltd.*	China	49	-
Boone Comenor	France	33	33
Indra Investissements	France	50	50
Les Editions Croque Futur et filiales*	France	40	-
Renault Nissan Automotive India Private Limited	India	30	30
Nissan group	Japan	44	44
Alliance Ventures B.V.*	Netherlands	40	-
Motorlu Araclar Imal ve Satis A.S (MAIS)	Turkey	49	49
SALES FINANCING			
Renault Crédit Car	Belgium	50	50
Nissan Renault Financial Services India Private Limited	India	30	30
RN SF B.V.	Netherlands	50	50
BARN b.v.	Netherlands	30	30
RN Bank	Russia	30	30
Orfin Finansman Anonim Sirketi	Turkey	50	50
AVTOVAZ			

Ferro VAZ GmbH	Germany	34	37
ZAO GM-AVTOVAZ	Russia	34	37
CSC ARMENIA-LADA	Armenia	34	37
* *Newly consolidated companies in 2018 (note 3-A).*			

In application of regulation 2016-09 of December 2, 2016 issued by the French Accounting Standards Authority (Autorité des Normes Comptables), the Group is obliged to make the following information available to third parties:

- a full list of consolidated companies;
- a list of companies classified as “unconsolidated investments”, namely:
- investments in companies not controlled exclusively by Renault, included in non-current financial assets (note 22),
- investments in companies that are controlled exclusively by Renault and not consolidated, classified as other current assets (note 17).

This information is available from the Group’s website, on the “Documents & Presentations” section of the “Finance” pages[1].

(1) After publication of the 2018 Registration document.

(2) Comptes annuels (Parent Company Financial Statements)

Comptes de résultat simplifies de Renault S.A.
Bilan simplifié
Tableau de flux de trésorerie
Annexe aux comptes sociaux

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Parent Company Financial Statements>
RENAULT SA ANNUAL FINANCIAL STATEMENTS

Summary financial statement

(2) INCOME STATEMENT

(€ million)	2018	2017
Operating expenses	(20)	(21)
Increases to provisions	(28)	(16)
NET OPERATING EXPENSE	**(48)**	**(37)**
Investment income	1,802	1,054
Increases to provisions related to investments	12	0
INVESTMENT INCOME AND EXPENSES (NOTE”INVESTMENT INCOME AND EXPENSES”)	**1,814**	**1,054**
Foreign exchange gains	1	4
Foreign exchange losses	(3)	(16)
Reversals from provisions for exchange risks	2	(0)
FOREIGN EXCHANGE GAINS AND LOSSES (NOTE ”FOREIGN EXCHANGE GAINS AND LOSSES”)	**0**	**(12)**
Interest and equivalent income	1	2
Interest and equivalent expenses	(123)	(163)
Reversals of provisions and transfers of charges	94	47
Expenses on sales of marketable securities	(88)	(45)
Depreciation and provisions	(4)	(4)
OTHER FINANCIAL INCOME AND EXPENSES (NOTE ” OTHER FINANCIAL INCOME AND EXPENSES”)	**(120)**	**(163)**
NET FINANCIAL INCOME	**1,694**	**878**
PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS	**1,646**	**841**
EXTRAORDINARY ITEMS (NOTE ”EXTRAORDINARY RESULTS”)	**(11)**	**1**
INCOME TAX (NOTE ” INCOME TAX”)	**91**	**95**
NET INCOME	**1,726**	**937**

BALANCE SHEET – ASSETS

	2018			2017
(€ million)	Gross	Depreciation & provisions	Net	Net
Investments stated at equity	11,717		11,717	11,488
Other investments (note ″ Other investments″)	7,095	22	7,073	7,061
Advances to subsidiaries and affiliates (note ” Advances to subsidiaries and affiliates”)	11,877		11,877	11,620
FINANCIAL ASSETS	**30,689**	**22**	**30,667**	**30,169**
TOTAL FIXED ASSETS	**30,689**	**22**	**30,667**	**30,169**
RECEIVABLES (NOTE ” RECEIVABLES AND OTHER ASSETS”)	**727**	**5**	**722**	**746**
MARKETABLE SECURITIES (NOTE ”	**397**	**3**	**394**	**483**

MARKETABLE SECURITIES")				
CASH AND CASH EQUIVALENTS	**31**		**31**	**58**
OTHER ASSETS (NOTE " RECEIVABLES AND OTHER ASSETS")	**151**		**151**	**123**
TOTAL ASSETS	**31,995**	**30**	**31,965**	**31,580**

In 2018 a reclassification was applied to account 478700, Valuation differences on cash instruments, which is now presented in Other assets (translation adjustment), and no longer included in receivables. For reasons of comparability, the 2017 financial statements have been restated accordingly via a reclassification of €95 million.

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(€ million)	**2018**	2017
Share capital	1,127	1,127
Share premium	4,782	4,782
Equity valuation difference	5,901	5,672
Legal and tax basis reserves	113	113
Retained earnings	8,173	8,263
Net income	1,726	937
SHAREHOLDERS' EQUITY (NOTE " SHAREHOLDERS' EQUITY")	**21,822**	**20,894**
REDEEMABLE SHARES (NOTE " REDEEMABLE SHARES")	**130**	**130**
PROVISIONS FOR RISKS AND LIABILITIES (NOTE " PROVISIONS FOR RISKS AND LIABILITIES")	**382**	**354**
Bonds	5,240	4,667
Borrowings from credit institutions	306	474
Other loans and financial debts	3,297	4,257
FINANCIAL LOANS AND BORROWINGS (NOTE" FINANCIAL LOANS AND BORROWINGS")	**8,844**	**9,399**
OTHER LIABILITIES (NOTE" OTHER LIABILITIES")	**747**	**678**
DEFERRED INCOME (NOTE " DEFERRED INCOME")	**40**	**125**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**31,965**	**31,580**

STATEMENT OF CHANGES IN CASH

(€ million)	**2018**	2017
Cash flow (note " Cash flow")	1,752	1,004
Change in working capital requirements	99	(182)
CASH FLOW FROM OPERATING ACTIVITIES	**1,852**	**822**
Net decrease / (increase) in other investments		
Net decrease / (increase) in loans	(268)	(230)
Net decrease / (increase) in marketable securities	91	(180)
CASH FLOW FROM INVESTING ACTIVITIES	**(177)**	**(410)**

Bond issues	1,895	2,259
Bond redemptions	(1,433)	(2,012)
Net increase / (decrease) in other interest-bearing borrowings	(1,126)	295
Dividends paid to shareholders	(1,027)	(915)
Bond issuance expenses and redemption premiums	(10)	(15)
CASH FLOW FROM FINANCING ACTIVITIES	**(1,701)**	**(388)**
CASH AND CASH EQUIVALENTS: OPENING BALANCE	**57**	**33**
Increase/(decrease) in cash and cash equivalents	(26)	24
CASH AND CASH EQUIVALENTS: CLOSING BALANCE	**31**	**57**

Notes to the financial statement

1. Significant events

The following disclosures constitute the notes to the balance sheet at December 31, 2018, before appropriation of net profit for the year, which shows total assets of €31,965 million and to the income statement for the year then ended, which shows net profit of €1,726 million.

The financial statements cover the twelve-month period from 1 January to 31 December 2018.

The financial statements for 2018 were approved for issue by the Board of Directors' meeting of Renault SA on 13 February 2019.

These financial statements are included in the consolidated financial statements of Groupe Renault.

In accordance with the applicable regulations, by decision of the Board of Directors, Renault acquired 10% of the shares sold by the French government (1,400,000 shares) at the market price (€121 million) in the second half-year of 2017 in preparation for an offering reserved for current and former Groupe Renault employees that will enable them to share in the Group's results.

In September 2018, Groupe Renault set up "Share the Future", an employee shareholding plan in 10 countries: Argentina, Brazil, France, India, Morocco, Romania, Slovenia, South Korea, Spain, and Turkey.

This plan is part of Groupe Renault's employee shareholding development policy and aims to involve employees more closely in the Group's development and performance. Under the "Share the Future" plan Renault offered employees two options:

- a "classic" formula, including a discount of 20% on the reference price and an employer contribution capped at four shares, in which the subscriber is exposed to changes in the share price;
- a "leveraged" formula (involving an exchange contract with a structuring bank supplementing the employee's investment so that the total amount invested is 10 times the employee's personal contribution), in which the employee receives at maturity a minimum of his/her personal contribution plus either a guaranteed return or a multiple of the increase in the Renault share price over the period if this is higher.

The shares were subscribed by the beneficiaries either directly or through a company investment fund, depending on the country of residence. Subscribers to the offer must hold the shares until May 31, 2023, unless an authorized early release event occurs. In both options, the subscription price was set at €58.32 on September 7, 2018. The offer closed on October 2, 2018, and attracted subscriptions by 22,615 employees in 10 countries.

Renault SA received €916 million of dividends from Renault s.a.s in respect of 2017, compared to the €175 million received in 2017 in respect of 2016, an increase of €741 million.

2. Accounting policies

Renault SA has drawn up its annual financial statements in accordance with the provisions of regulations 2014-03 of the ANC (Autorité des Normes Comptables), approved by the ministerial decision of September 8, 2014 concerning the French chart of accounts.

The following methods were applied in valuing balance sheet and income statement items:

A – Investments

As allowed by CNC (Conseil National de la Comptabilité) notice N°34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all companies that are fully consolidated in the Group's financial statements;
- the shareholders' equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account;
- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "Equity valuation difference". This amount cannot be distributed or used to offset losses. When it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets and profitability prospects. Provisions are established when the book value of the investments is lower than the gross value.

Loans granted and receivables relating to subsidiaries and affiliates are recorded at historical cost. Impairment is recognized when there is a risk that these advances will not be recovered.

B – Marketable securities

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. These shares are covered by a provision for expenses, corresponding to the difference between the value of the shares (acquisition price or net book value at the date of reallocation) and the exercise price of the options for beneficiaries, when that exercise price is lower than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

The fair value of securities is determined mainly by reference to market prices.

C – Receivables

Receivables are stated at nominal value. Impairment is recognized when their realizable value falls below historical cost, notably based on age and the risk of non-recovery.

D – Translation of foreign currency receivables and liabilities

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31 are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealized exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives);

Unrealized losses affecting Nissan hedge are no longer covered by provisions in the income statement. Under regulation ANC 2015-05, no provisions are recorded in the income statement for unrealized losses on the hedging instrument until the hedged cash flows are realized (date of liquidation or sale of the investment).

E – Redeemable shares

Redeemable shares are recorded in a separate line of shareholders' equity at nominal value with no subsequent revaluation.

F – Loans and financial debts

Loans are stated at their nominal amount. Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other assets, are amortized on a straight-line basis over the corresponding duration.

G – Provisions for risks and liabilities

Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. They are established for probable payment obligations existing at the year-end. A contingent liability, in contrast, is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation that cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

H – Derivatives

Changes in the value of hedging derivatives are not recognized in the balance sheet unless partial or total recognition of such changes is relevant to ensure symmetrical treatment to the hedged item .

This symmetrical treatment would involve revaluation of the hedging instrument in a transition account, with a corresponding entry in a Cash Instrument account, in parallel to the translation adjustments booked on the hedged item.

Foreign exchange gains and losses on loans set up for the Nissan hedge have no longer been included in profit and loss since the application of ANC regulation 2015-05 from January 1, 2017. They are recorded in specific accounts under other receivables or other liabilities and the accumulated amounts will be transferred to the income statement at the date of liquidation or sale of the investment.

The value of derivatives in an "Isolated Open Position" is adjusted to market value in the balance sheet at each year-end, via an entry to the translation adjustment account. If the market value indicates an unrealized loss, an equivalent provision is recognized in the income statement.

The positive or negative difference between the spot price and the forward price of the hedge is spread over the duration of the hedge in the financial result.

Assumptions and methods used

Unrealised foreign exchange gains and losses correspond to the difference between the spot price and the year-end price.

I – Net extraordinary items

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the Company's normal business operations, and are not expected to recur on a frequent or regular basis.

J – Tax Credit for Competitiveness and Employment (CICE)

The CICE receivable shown in the balance sheet corresponds to the amounts of CICE recorded by subsidiaries in the tax consolidation group, which treat it as a reduction to personnel expenses in their accounts.

3. Investment income and expenses

Details are as follows:

(€ million)	2018	2017
Dividends received from Nissan Motor Co. Ltd.	784	710
Dividends received from Daimler	60	53
Dividends received from Renault s.a.s	916	175
Other dividends received	10	58
Interest on loans	32	57
Increases and reversals of provisions related to subsidiaries and affiliates	12	
TOTAL	**1,814**	**1,054**

All interest on loans concerns Group subsidiaries.

4. Foreign exchange gains and losses

Foreign exchange gains and losses in 2018 amount to €1 million (-€12 million in 2017), and comprise the following:

- a foreign exchange loss of €3 million on the receipt of Sofasa 's 2016 dividends for a nominal value of 72 billion of Colombian pesos;
- a foreign exchange gain of €2 million on treasury notes (mainly in US Dollar and Pound);
- a reversal of a provision for foreign exchange loss of €3 million and an allocation of €1 million.

5. Other financial income and expenses

In 2018, the financial income and expenses, amounting to a net loss of €120 million (loss of €163 million in 2017) principally comprise interest paid and similar expenses totaling €123 million and the recovery of €3 million of impairment on treasury shares purchased from the French State in late 2017 for the purpose of the Share the Future plan.

Details of interest paid and other similar expenses are as follows:

(€ million)	2018	2017
Net accrued interest after swaps on bonds *	(73)	(105)
Net accrued interest after swaps on borrowings from credit institutions	(5)	(10)
Accrued interest on termination of borrowings from subsidiaries	(9)	(12)
Accrued interest on redeemable shares	(21)	(19)
Other financial expenses	(1)	(0)
Other (treasury notes and brokers commissions)	(14)	(16)
TOTAL	**(123)**	**(163)**

** The net interest on bonds comprises accrued and paid interest amounting to €74 million (€109 million in 2017), and accrued and received interest on swaps amounting to €1 million (€4 million in 2017).*

In 2018, the €73 million of interest received and paid mainly comprise:

- €23 million on the bond EMTN 42 issued on September 19, 2013;
- €16 million on the bond EMTN 44 issued on March 5, 2014;
- €7.5 million on the bond EMTN 49 issued on March 8, 2017;
- €7.5 million on the bond EMTN 51 issued on November 21, 2017;
- €5 million on the bond EMTN 52 issued on April 18, 2018;
- €4 million on the bond Samurai 17 issued on November 26, 2015;
- €4 million on the bond EMTN 53 issued on September 28, 2018;

- €2 million on the bond Samurai 19 issued on July 6, 2017;
- €1 million on the bond Samurai 20 issued on July 9, 2017.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €1 million: €5 million on the paying leg and €6 million on the receiving leg.

6. Extraordinary items

Exceptional income includes the gain of €82 million on sales of shares in connection with the Share the Future plan, and reinvocing of €28 million to the French subsidiaries for the loss corresponding to the difference between the purchase price and the subscription price.

Exceptional expenses result from the disposal of treasury shares that were allocated to the Share the Future plan (€121 million).

The Share the Future plan generated a loss of €11 million for Renault SA.

No exceptional operations took place in 2017.

7. Income tax

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the Group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to the Company under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for Renault SA, the Company heading the Group of entities concerned. The Renault tax group, applying the principle of neutrality, Renault SA is not obliged to reallocate or reimburse the subsidiaries for the tax savings resulting from utilization of their tax losses.

The maximum allowable amount of losses carried forward against taxable income is €1 million plus 50% of the taxable income above that amount. The balance can be carried forward indefinitely.

These rules are applicable:

- for determining the income/loss of the tax consolidation group;
- by convention, for determining the income/loss of each company included in the tax consolidation serving as a base for their calculation of income tax.

These rules on tax loss carryforwards apply to all losses existing at the year-end, whatever their origin.

In practice, Renault SA has not charged deficits for the determination of its 2018 taxable income which amounts to -€1,213 million at the normal rate.

In 2018, the tax consolation group waived the reduced rate on industrial royalties as permitted by article 39 terdecies of the CGI.

The income generated by income taxes in 2018 was €102 million, corresponding to the income tax paid by the subsidiaries of Renault SA, including any tax adjustments, as if they were taxed separately.

Details of the tax charge related to the year are as follows:

		Taxes					Net income	
(€ million)	Pre-tax income	Theoretical	Netting	Credit generated	Tax credit	Net tax due	Theoretical	As booked
Current income	1,646	(16)	16				1,662	1,646

subject to normal rate								
Extraordinary result	(11)	(4)	4				(7)	(11)
Tax consolidation						(102)		102
Impairment						3		(3)
Other						8		(8)
TOTAL	**1,635**	**(20)**	**20**	**-**	**-**	**(91)**	**1,655**	**1,726**

Details of Renault SA's deferred tax position are as follows:

	2018		2017			Variation	
(€ million)	Assets [(1)]	Liabilities [(2)]	Assets [(1)]	Liabilities [(2)]		Assets [(1)]	Liabilities [(2)]
Temporarily non-deductible expenses							
Provisions for risks and liabilities	1		7			(6)	
Temporarily non-taxable income		**1**		**3**			**(3)**
Expenses deducted (or taxed income) not yet recognized for accounting purposes	**13**	**39**	**41**	**2**		**(28)**	**37**
TOTAL	**14**	**40**	**48**	**6**		**(34)**	**34**
(1) i.e., future tax credit.							
(2) i.e., future tax charge.							

8. Other investments

Changes during the year were as follows:

(€ million)	At start of year	Change over the year	At year-end
Investment in Nissan Motor Co. Ltd.	6,217		6,217
Investment in RNBV	12		12
Investment in Daimler	584		584
Investment in DRAC	282		282
TOTAL BEFORE PROVISIONS	**7,095**	**0**	**7,095**
Impairment	(34)	12	(22)
TOTAL NET	**7,061**	**12**	**7,073**

The impairment recognized relates to Dongfeng Renault Automotive Company (DRAC).

When the Renault-Nissan Alliance and Daimler AG signed a strategic cooperation agreement in 2010, Renault SA acquired 16,448,378 shares in Daimler AG or 1.55% of its capital. These shares are listed on the Frankfurt stock market and have a nominal value of €2.88. At December 31, 2018, their stock market price was €45.91 per share, giving a total of €755 million (€70.80 per share and a total of €1,165 million at December 31, 2017).

In 1999, Renault SA acquired an investment in Nissan Motor Co. Ltd. At December 31, 2018, this investment comprised 1,831,837,027 shares or 43.40% of the capital of Nissan. These shares are listed on the Tokyo Stock Exchange. At December 31, 2018, their stock market price was ¥880 (€6.99) per share, giving a total of €12,804 million (¥1,123.55 (€8.32) per share and a total of €15,244 million at December 31, 2017).

9. Advances to subsidiaries and affiliates

Changes during the year were as follows:

(€ million)	At start of year	Increases	Decreases	At year-end
Dividends receivable [(2)]	20	9	(20)	9
Loans	11,600	2,111	(1,842)	11,868
TOTAL BEFORE PROVISIONS [(1)]	**11,620**	**2,120**	**(1,863)**	**11,877**
Impairment		0	0	0
TOTAL, NET	**11,620**	**2,120**	**(1,863)**	**11,877**
(1) Current portion (less than one year) *Long-term portion (over 1 year)*	*11,603* *17*			*11,857* *20*
(2) Net of foreign exchange revaluations.				

Loans include:

- €7,171 million in short-term investments with Renault Finance (€7,524 million in 2017);
- €5.6 million in short-term loans to Renault s.a.s.;
- €4,681 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€4,070 million in 2017).

All loans relate to Group subsidiaries.

10. Marketable securities

Marketable securities include €394 million for Renault SA's treasury shares.

Changes in treasury shares were as follows:

	At start of year	Options exercised and awards	Shares purchased	Transfers to other financial assets	Increases	Reversals	At year-end
Number of shares	6,414,355	2,717,394	1,362,000				5,058,961
Shares allocated	358	(90)	121	0			389
Shares not allocated	129	(121)	0	0			7
Gross Value *(€ million)*	**487**	**(212)**	**121**	**0**			**396**
Impairment *(€ million)*	**(3)**	**0**	**0**	**0**	**(2)**	**3**	**(2)**
Total ***(€ million)***	483	(212)	121	0	(2)	3	394

On March 2018, Renault SA purchased 1,362,000 shares for €121 million to cover the 2018 performance share plan (Plan 25).

Options exercized and shares vested principally concern:

- vesting of 287,636 shares awarded under plan 21 for non-residents and 954,929 shares under plan 22 for residents;
- in September 2018, Groupe Renault launched the Share the Future plan (an employee shareholding plan reserved for current and former Groupe Renault employees, to enable them to benefit from Groupe Renault performances) following the purchase of Renault shares from the French State in 2017. These shares (1,400,000 in total) were delivered on November 7, 2018.

The impairment booked corresponds to the difference between the purchase price and the average opening price over the last month of the year. It is recognized for shares not allocated to a plan.

The reversal corresponds to the impairment recognized in 2017 on the shares purchased from the French State for the Share the Future plan.

Stock option and performance share plans

The Board of Directors periodically awards performance shares to Group executives and managers, with prices and exercise periods specific to each plan. Until 2012, it also periodically granted stock options, each with their own vesting and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination (unless, in the case of the Chairman and CEO, the Board of Directors decides otherwise), and a decision is made for each individual case when an employee leaves at the Company's instigation.

The Board of Directors also decided that from 2013 onwards, a portion of each year's variable remuneration for the post of Chairman and CEO would be converted into shares that vest subject to conditions of performance and continued employment at Renault.

A – Changes in the number of stock options and performance share right held by personnel

STOCK OPTIONS

	Quantity	Weighted average exercise price *(€)*	Weighted average share price at grant and exercise dates *(€)*	Share rights (1)
Options outstanding and rights not yet vested at January 1, 2018	**299,339**	**37**		**4,585,849**
Granted				1,494,129
Options exercized or vested rights				(1,266,829) (4)
Options and rights expired and other adjustments	(50 565) (2)	38	49 (3)	(98 ,978)
Options outstanding and rights not yet vested at December 31, 2018	**248,774**	**36**		**4,714,171**

(1) The figures include stock options awarded as part of the variable remuneration for the post of Chairman and CEO.

(2) Stock options exercised in 2018 were granted under plans 18 and 19 in 2011 and plan 20 in 2012.

(3) Price at which the shares were acquired by the Group to cover future options.

(4) Performance shares vested were mainly awarded under plan 21 for non-residents in 2014 and plan 22 for residents in 2015.

B – Stock options

For plans current in 2018, options attributed vest after a period of four years, and the exercise period then covers the four following years:

Plan	Type of plan	Grant date	Exercise price *(€)*	Options outstanding at December 31, 2018	Exercise period
Plan 18	Stock purchase options	April 29, 2011	38.80	92,062	April 30, 2015 – April 28, 2019
Plan 19	Stock purchase options	December 8, 2011	26.87	35,500	December 9, 2015 – December 7, 2019
Plan 20	Stock purchase	December 13,	37.43	121,212	December 13, 2016 –

	options	2012			December 12, 2020
TOTAL				**248,774**	

C – Performance share plans

Vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for shares awarded to French tax residents is three years followed by a minimum holding period of two years, reduced to one year for plans introduced from 2016.

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

Plan	Type of plan	Grant date	Share rights awarded at December 31, 2018	Vesting date	Holding period
Plan 22	Performance shares	February 11, 2015	383,019	February 11, 2018 February 11, 2019	February 11, 2018 – February 11, 2020 None
Plan 23	Performance shares	April 29, 2016	963,550 371,705	April 29, 2019 April 29, 2020	April 29, 2019 – April 29, 2020 None
Plan 23 bis	Performance shares	July 27, 2016	100,000	July 27, 2020	None
Plan 24	Performance shares	February 9, 2017	979,160 437,016	February 9, 2020 February 9, 2021	February 9, 2020 – February 9, 2021 None
Plan 25	Performance shares	February 15, 2017	1,078,250 401,471	February 15, 2021 February 15, 2022	February 15, 2021 – February 15, 2022 None
TOTAL			**4,714,171**		

These figures include shares awarded as part of the variable remuneration for the post of Chairman and CEO.

The performance shares concerned by this plan were issued to beneficiaries in 2018.

11. Receivables and other assets

Receivables mainly comprise:

- an unbilled receivable of €299 million for performance shares (€286 million in 2017), under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012 and invoices issued under Share the Future plan for €4 million;
- tax receivables:

(€ million)	At start of year	Increases	Decreases	At year-end
Tax receivables				
Deposit : Income tax	18	20	(18)	20
CIR : Research Tax Credit	365	174	(218)	321
CICE : Tax Credit	61	54	(61)	54

Other tax receivables	17	15	(3)	29
TOTAL BEFORE PROVISIONS*	**462**	**262**	**(300)**	**424**
Impairment				
CIR : Research Tax Credit	(1)	0	(3)	(4)
CICE : Tax Credit	(1)	1	(1)	(1)
TOTAL	**(2)**	**1**	**(4)**	**(5)**
TOTAL NET	**460**	**263**	**(304)**	**419**
** Current portion (less than one year)*	*81*			*28*
Long-term portion (over 1 year)	*381*			*396*

The increases mainly concern the Research Tax Credit (€174 million) and the Tax Credit for Competitiveness and Employment (€54 million).

The decreases principally result from the assignment of €141 million of the 2015 Research Tax Credit receivable, €77 million of the 2016 Research Tax Credit receivable and €60 million of the 2017 CICE Tax credit receivable.

Income corresponding to CICE Tax Credit receivables on the assets side of Renault SA's balance sheet is recognized in subsidiaries and mainly in Renault s.a.s.

The major components of Other assets are:

(€ million)	At start of year	Increases	Decreases	At year-end
Other assets				
Deferred charges	13	5	(5)	13
Redemption premiums	9	5	(2)	12
Unrealized losses	101	32	(6)	126
TOTAL*	**123**	**42**	**(14)**	**151**
** Current portion (less than one year)*	*13*			*38*
Long-term portion (over 1 year)	*110*			*113*

- deferred charges consisting of final payments and issuance expenses on various loans;
- redemption premiums on several long-term bonds (five to seven years);
- translation adjustments resulting from unrealised foreign exchange losses, covered by provisions, on bonds issued in yen.

12. Shareholders' equity

Changes in shareholders' equity were as follows:

(€ million)	Balance at start of year	Allocation of 2017 net income	Dividends	**2018 Net income**	Other	Balance at year-end
Share capital	1,127					1,127
Share premium	4,782					4,782
Equity valuation difference	5,672				229	5,901
Legal and tax basis reserves	113					113
Retained earnings	8,262	937	(1,027)			8,173
Net incomes	937	(937)		1,726		1,726

TOTAL	20,894	0	(1,027)	1,726	229	21,822

Non-distributable reserves amounted to €6,014 million at December 31, 2018.

The change in equity valuation difference mainly consists of the evolution of the value of Renault s.a.s shares under the equity method for €54 million, and of Dacia shares valued under the equity method for €177 million.

Renault SA's ownership structure was as follows at December 31, 2018:

	Ownership structure		Voting rights	
	Number of shares held	% of du capital	Number	%,
French State	44,387,915	15.01%	88,775,830	28.60%
Employees	12,098,228	4.09%	20,224,048	6.51%
Treasury shares	5,058,961	1.71%		
Nissan	44,358,343	15.00%		
Daimler AG	9,167,391	3.10%	18,334,782	5.91%
Others	180,651,446	61.09%	183,112,007	58.98%
TOTAL	**295,722,284**	**100%**	**310,446,667**	**100%**

The par value of the Renault SA share is €3.81.

13. Redeemable shares

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal to at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.

797,659 redeemable shares remained on the market at December 31, 2018, for a total of €130 million including accrued interest. These shares are listed on the Paris Stock Exchange. The market price for redeemable shares with par value of €153 was €601.02 at December 31, 2018 (€695.00 at December 31, 2017).

The 2018 return on redeemable shares, amounting to €21 million (€19 million in 2017) is included in interest and equivalent expenses.

14. Provisions for risks and liabilities

Provisions for risks and liabilities break down as follows:

(€ million)	At start of year	Increases	Reversals for application	Reversals without application	At year-end
Foreign exchange losses	3	1	(3)		1
Provisions for expenses*	348	128	(89)	(7)	380
Other provisions for risks	3			(2)	1
TOTAL	**354**	**129**	**(91)**	**(9)**	**382**
** Current (less than 1 year)*	*100*				*108*
Long-term (over 1 year)	*254*				*274*

The short-term/long-term breakdown of the provision for performance shares is now available, so we have provided it for 2018 and retroactively for 2017.

A provision of €380 million was booked at December 31, 2018 (€348 million at December 31,2017) after it was decided to allocate free shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s, a €299 million share of this provision is considered as unbilled receivable on the subsidiary Renault s.a.s (€286 million in 2017).

Each known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

15. Financial loans and borrowings

A – Bonds

Bonds amounted to €5,240 million at December 31, 2018 (€4,667 million at December 31, 2017).

The principal changes in bonds over 2018 were as follows:

- issuance on April 18, 2018 of a 6-year bond (EMTN 52) with total nominal value of €700 million, and a coupon of 1%;
- issuance on July 3, 2018 of a Samurai bond, with two tranches:
- the first (Samurai 21) for three years with nominal of ¥39.1 billion and a coupon of 0.36%,
- the second (Samurai 22) for five years with total nominal of ¥18.3 billion and a coupon of 0.49%;
- redemption on September 19, 2018 of a 5-year bond (EMTN 42) with total nominal value of €900 million and a fixed coupon of 3.625% whose primary strain has been issued on September 19, 2013 with nominal value of €600 million, increased on November 15, 2013 by €300 million;
- issuance on September 28, 2018 of a 8-year bond (EMTN 53) with total nominal value of €750 million, and a coupon of 2%;
- redemption on November 26, 2018 of a 3-year bond (Samurai 17) issued on November 26, 2015 with nominal value of ¥70 billion and a coupon of 0.75% (which ¥13 billion swapped to euros at the fixed rate of 1.115%).

BREAKDOWN BY MATURITY

	December 31, 2018						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	5,209	532	559	811	211	896	2,200
Accrued interest	31	31					
TOTAL	**5,240**	**563**	**559**	**811**	**211**	**896**	**2,200**

	December 31, 2017						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	4,636	1,421	496	522	500	197	1,500
Accrued interest	31	31					
TOTAL	**4,667**	**1,452**	**496**	**522**	**500**	**197**	**1,500**

BREAKDOWN BY CURRENCY

	December 31, 2018		December 31, 2017	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	3,479	3,479	2,929	3,028
Yen	1,761	1,761	1,738	1,639

Renminbi				
TOTAL	**5,240**	**5,240**	**4,667**	**4,667**

BREAKDOWN BY INTEREST RATE TYPE

	December 31, 2018	December 31, 2017
(€ million)	After hedging	After hedging
Fixer rate	5,240	4,667
Floating rate		
TOTAL	**5,240**	**4,667**

B – Borrowings from credit institutions

Borrowings from credit institutions stood at €306 million at December 31, 2018 (€474 million at December 31, 2017) and are mainly contracted on the market.

The principal changes in bonds over 2018 were as follows:

- redemption on March 28, 2018 of a 5-year bond with total nominal value of €50 million;
- redemption on April 19, 2018 of a 5-year bond with total nominal value of €35 million;
- partial redemption on May 30, 2018 of a 6-year bond with a nominal value of €76 million (initial nominal value of €300 million). The nominal remaining amount at December 31, is €77.5 million;
- partial redemption on December 31, 2018 of a 15-year bond with a nominal value of €6 million. The nominal remaining amount at December 31, is €5.6 million.

BREAKDOWN BY MATURITY

	December 31, 2018						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	303	83	95	75		50	
Accrued interest	3	3					
TOTAL	**306**	**86**	**95**	**75**	**0**	**50**	**0**

	December 31, 2017						
(€ million)	Total	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years
Nominal value	470	217	83	95		75	
Accrued interest	4	4					
TOTAL	**474**	**221**	**83**	**95**	**0**	**75**	**0**

BREAKDOWN BY CURRENCY

	December 31, 2018		December 31, 2017	
(€ million)	Before hedging	After hedging	Before hedging	After hedging
Euro	306	306	474	474
TOTAL	**306**	**306**	**474**	**474**

BREAKDOWN BY INTEREST RATE TYPE

(€ million)	December 31, 2018	December 31, 2017

	After hedging	After hedging
Fixed rate	151	107
Floating rate	155	367
TOTAL	**306**	**474**

C – Other loans and financial debts

Other loans and financial debts amounted to €3,297 million at December 31, 2018 (€4,257 million in 2017), and principally comprise:

- €2,649 million in borrowings from Group subsidiaries with surplus cash;
- €648 million in treasury notes.

No loans or financial debts are secured or have a duration over 1 year.

No loans are secured by security rights.

16. Other liabilities

Changes in other liabilities were as follows:

(€ million)	At start of year	Variation	At year-end
Tax liabilities	672	68	740
Liabilities related to other assets	5		5
Other liabilities	1		2
TOTAL*	**678**	**68**	**747**
** Current portion (less than one year)*	*678*		*747*
Long-term portion (over 1 year)	*0*		*0*

The variation in tax liabilities is mainly due to a €68 million increase in the tax consolidation.

17. Deferred income

Deferred income mainly comprises unrealized foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €39 million.

18. Financial instruments

Management of exchange and interest rate risk

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

	2018		2017	
(€ million)	Notional	Fair value	Notional	Fair value
Interest rates	257	(1)	384	(3)
Currency swaps: Purchases			99	(3)
Currency swaps: Sales			96	
Other forward exchange contracts Purchases	144	4	317	(6)
Other forward exchange contracts Sales	141		322	(6)
All these operations are with Renault Finance.				
Forward purchases and sales and swap transactions are off-balance sheet.				

Foreign exchange risk

Foreign exchange risk management essentially comprises currency swaps and forward exchange operations to cover Renault's own foreign-currency financing. Renault SA also undertakes forward exchange operations to hedge loans and borrowings in foreign currencies with its subsidiaries.

Interest rate risk

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. These operations are undertaken with Renault Finance, a fully-owned Groupe Renault subsidiary.

Liquidity risk

The Group's automotive operating segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing for the automotive operating segment via the capital markets through long-term resources (bond issues, private placements) and short-term financing such as treasury notes, or by bank financing.

Renault SA also has confirmed credit agreements with banking establishments (see 4.4.2.19).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

19. Other commitments and contingencies

Off-balance-sheet commitments are as follows:

	2018		2017	
(€ million)	Total	Concerning related companies	Total	Concerning related companies
Commitments received				
Guarantees and deposits				
unused credit lines	3,480		3,405	
TOTAL	**3,480**		**3,405**	
Commitments given				
Guarantees and deposits	715	700	796	781
unused opened credit lines	491	491	380	380
TOTAL	**1,206**	**1,191**	**1,176**	**1,161**

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €700 million by Renault SA with RCI Banque.

There are no restrictive clauses on credit lines opened but unused.

Contingent liabilities

As part of the ongoing procedure in France on the issue “emissions”, Renault took note of the opening of a judicial inquiry. This new stage in the proceedings indicates the prosecutor’s wish to continue the investigations. No provision has been made in the accounts at December 31, 2018 (or December 31, 2017).

On January 9, 2019 the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato*) fined RCI Banque €125 million, and Renault SA is jointly liable for payment of the fine. The Group is contesting the grounds for this fine and intends to appeal against the decision. Renault considers that the probability of the decision being cancelled is high. Also, due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. Consequently, no provision has been recognized in connection with this matter at December 31, 2018.

Other information

20. Cash flow

Cash flow is determined as follows:

(€ million)	**2018**	2017
Net income	1,726	937
Increases to provisions and deferred charges	7	6
Net increase to provisions for risks and liabilities	28	57
Net increases to impairment	(10)	3
Net profit on assets sold	0	0
TOTAL	**1,752**	**1,004**

21. Workforce

Renault SA has no employees.

22. Directors’ fees

Directors’ fees amounted to €1,500,000 in 2018 (€1,200.000 paid for 2017), of which €48,000 were for the function of Chairman (€47,539 in 2017).

23. Information on supplier and customer invoice payment times

Under article L. 441-6-1 of the French Commercial Code, as Renault SA has no commercial activity this report does not contain details of supplier and customer invoice payment times.

The relevant information can be found in the Renault s.a.s management report.

24. Subsidiaries and affiliates

Direct holdings

Companies *(€ million)*	Share capital	Reserves and retained earnings	% of capital held	Book value of shares owned
INVESTMENTS				
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt	534	5,055	100.00%	10,659
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA (1)	545	545	99.43%	1042
Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA (2)	590	46	50.00%	261
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN (3) *			43.40%	6,217

Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY *	3,070		1.55%	584
RNBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS	6	35	50.00%	12
Sofasa Carrera 49 N°39 Envigado COLOMBIA [4]	1	32	27.66%	15
TOTAL INVESTMENTS				**18,790**

(1) The exchange rate used for Dacia is 4.6635 Romanian lei = 1 euro.

(2) The exchange rate used for DRAC is 7.8751 Renminbi Yuan = 1 euro.

(3) The exchange rate used for Nissan is 125.85 Yen = 1 euro.

(4) The exchange rate used for Sofasa is 3,711.00 Colombian pesos = 1 euro.

Companies *(€ million)*	Oustanding loans and advances from Renault SA	Sales revenues excluding taxes 2018	Net income (loss), prior year	Dividends received by Renault SA in 2018
INVESTMENTS				
Renault s.a.s 13-15 quai Alphonse Le Gallo 92100 Boulogne-Billancourt		48,333	23	916
Dacia 1 rue Uzinei 115400 Mioveni ROMANIA [1]		5,313	159	
Dongfeng Renault Automotive Company Huang Jinkou Industrial Park Wuhan Hubei CHINA [2]		1		
Nissan 2 Takara-Cho, Kanagawa-Ku, Yokohama-Shi, Kanagawa-Ken JAPAN [3] *				784
Daimler AG Mercedesstrasse 137, 70327 Stuttgart GERMANY *				60
RNBV Jachthavenweg 130, 1081KJ Amsterdam NETHERLANDS		86	5	
Sofasa Carrera 49 N°39 Envigado COLOMBIA [4]		716	16	33

(1) The average exchange rate used for Dacia is 4.654059 Romanian lei = 1 euro.

(2) The average exchange rate used for DRAC is 7.807557 Renminbi Yuan = 1 euro.

(3) The average exchange rate used for Nissan is 130.415117 Yen = 1 euro.

(4) The average exchange rate used for Sofasa is 3,487.387634 Colombian pesos = 1 euro.

** For Daimler, this information will be available from February 15, 2019 on the Daimler website at: www.daimler.com/investors/reports-news/annual-reports/2018/*

For Nissan, this information can be found in note 12 to the consolidated financial statements of this Securities Document

Indirect holdings

The full list of subsidiaries held indirectly by Renault SA is contained in the document entitled "additional information on the Groupe Renault composition" available from the financial information section of the Group's website at:

https://group.renault.com/finance/informations-financieres/ documents-et-publications/

Investment under the equity method

The value of Renault s.a.s shares valued under the equity method increased by €54 million in 2018 due to the performance of its subsidiaries.

The value of Dacia shares valued under the equity method increased by €177 million.

Acquisition of investments

See note ”Other investments”.

25. Five-year financial highlights

(€ million)	2014	2015	2016	2017	**2018**
YEAR-END FINANCIAL POSITION					
Share capital	1,127	1,127	1,127	1,127	1,127
Number of shares and investment certificates outstanding	295,722,284	295,722,284	295,722,284	295,722,284	295,722,284
OVERALL INCOME FROM OPERATIONS					
Revenues excluding taxes					
Income before tax, amortisation, depreciation and provisions (1)	498	564	1,404	815	1,560
Income tax	95	160	81	95	91
Income after tax, amortisation, depreciation and provisions	684	663	1,382	937	1,726
Dividends paid	554	701	916	1,027	
EARNINGS PER SHARE *(in €)*					
Earnings before tax, amortisation, depreciation and provisions (1)	1.68	1.91	4.75	2.76	5.27
Earnings after tax, amortisation, depreciation and provisions	2.31	2.24	4.67	3.17	5.84
Basic and diluted earnings per share (2)	2.50	2.42	5.04	3.42	6.31
Dilutive potential effect	0.18	0.17	0.37	0.25	0.47
Net dividend	1.90	2.40	3.15	3.55	
EMPLOYEES (3)					

(1) Provisions are those recorded during the year, less reversals and applications.

(2) Based on the average number of shares at year end.

(3) No employees.

26. Subsequent events

The Board of Directors met on January 24, 2019, it has taken note of the resignation of its Chairman and Chief Executive Officer Carlos GHOSN.

The Board of Directors has decided to provide Renault with a new governance structure and to institute a separation of the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors co-opted M Jean-Dominique SENARD as new Director and elected him Chairman.

On the latter’s proposal, the Board appointed M Thierry BOLLORÉ as Chief Executive Officer.

2. DETAILS OF MAJOR ASSETS AND LIABILITIES

See the accompanying Notes to the Accounts.

3. OTHER

(1) RECENT DEVELOPMENTS

1- **20th December 2018: Groupe Renault and JMCG announce an agreement in Electric Vehicles in China**

   - **Groupe Renault will take a significant stake of JMEV, a Chinese pure EV player, today owned by JMCG.**

Groupe Renault and JMCG announce an agreement in EV on the fast-growing Chinese market, which represents today 50% of the worldwide EV market. Groupe Renault will take a significant part of JMEV, a subsidiary of JMCG and one of the main EV player in China. Groupe Renault will thus complete its offering, increase its presence in the country and further support JMEV development.

Since 2015 JMCG has successfully established the company JMEV in Nanchang (Jiangxi province). JMEV has produced and sold 38,000 electric cars in 2017. Thanks to its dynamic teams and the strong growth of new energy vehicles in the country, JMEV expects to sell 50,000 electric cars in 2018.

François Provost, Chairman of Asia Pacific Region, SVP, China Operations, Groupe Renault, said:

"JMEV, the future joint venture with JMCG is fully in line with Groupe Renault's strategy, aimed at establishing a solid position in the growing and high-potential market of EV in China. JMEV is an important local actor. This project is also very complementary with Groupe Renault other activities in China."

Wan Jianrong, General manager of JMCG, stated:

"Groupe Renault is a globally renowned automaker with leading electric vehicle business in Europe. JMEV's cooperation with Groupe Renault therefore, will promote its future development that fits JMCG's strategy."

This agreement will be reviewed by the relevant authorities in China during first half 2019. JMCG and Groupe Renault expect to close the transaction in 2019. At closing, they intend to explain in more details their cooperation at an event in Nanchang.

Groupe Renault is leader in EV in Europe: 1 out of 4 EV on European roads is a Renault. It has a presence in China through 3 JVs.

About JMCG

JMCG is a well-known automaker in China. In 2017, JMCG sold 438,000 units of vehicles and accomplished an annual operating revenue for 80.6 billion renminbi. In 2018, it is ranked as 88th out of China TOP500 manufacturing enterprises, and 205th among China TOP500 enterprises. JMCG is engaged in the research and development, manufacturing and sales of both commercial and passenger vehicles as well as key auto parts, auto import and export, and auto financing, etc.. Facing the transformation of global auto industry, and seizing the opportunities therein to grow bigger and stronger, JMCG launched its new energy vehicle strategy in 2014, followed by the establishment of JMEV in 2015. Now its sales of new energy vehicles ranks among the largest in Chinese new energy vehicle industry.

2- **26 December 2018: Information related to the Increase of Alliance Rostec Auto B.V. to 100% in the Capital of Avtovaz following the Squeeze Out**

Alliance Rostec Auto BV ("ARA BV"), the Renault and Rostec joint venture which is the majority shareholder of AVTOVAZ, increased to 100% its stake in the share capital of AVTOVAZ following completion of the squeeze-out operation launched in September 2018 in respect of shares in AVTOVAZ held by minority shareholders. This operation was completed on 26 December 2018.

The results of this operation are as follows:

o 375,068,439 tendered shares (259,818,350 ordinary shares and 115,250,089 preferred shares), representing a 3.36% shareholding in AVTOVAZ;

o ARA BV increased its stake in AVTOVAZ's share capital from 96.64% to 100%;

o Distribution of shares in ARA BV: 67.61% Renault, 32.39% Rostec.

This squeeze-out operation completes the recapitalization process that started in December 2016.

3- **10th January 2019: Communication following the meeting of the directors of Renault held on January 10, 2019**

–

Boulogne-Billancourt, January 10th 2019

During Groupe Renault's Board of Directors' information meeting held on January 10, 2019, Claude Baland, Senior Advisor in charge of Ethics and Compliance, and Eric Le Grand, Chief Ethics and Compliance Officer, provided a fresh update regarding the ongoing review process relating to the compensation of the members of the Groupe Renault Executive Committee.

Claude Baland and Eric Le Grand reiterated that this review process is conducted within the strict and precise framework of Groupe Renault's Compliance and Ethics procedures, and that it is carried out by internal experts from the Ethics / Compliance Department, assisted by independent external experts.

The review process has examined the compensation of the current Groupe Renault Executive Committee members for the financial years 2017 and 2018 and has concluded that it is both in compliance with applicable laws and free from any fraud.

In accordance with its initial mandate, the review process will continue with respect to previous financial years.

The foregoing will be reported in the same manner during the next Board of Directors' meeting.

4- **24th January 2019: Board of Directors communication**

Boulogne Billancourt, 24 January 2019

Renault's Board of Directors met on January 24, 2019 at 10 a.m. under the chairmanship of Philippe Lagayette, Lead Independent Director.

The Board has taken note of the resignation of its current Chairman and Chief Executive Officer. The Board praised the Alliance's track record, which has enabled it to become the world's leading automobile manufacturer.

The Board of Directors has decided to provide Renault with a new governance structure and, on this occasion, to institute a separation of the functions of Chairman of the Board and Chief Executive Officer.

In addition to all the functions normally performed by the Chairman of the Board, the new Chairman of the Board of Directors of Renault will have to evaluate and, if necessary, change Renault's governance in order to ensure the transition to the new structure. He will present his proposals on the evolution of governance to the Board of Directors before the next General Shareholders' Meeting.

In addition, Renault's Board of Directors wishes to supervise actively the functioning of the Alliance and decides to give its Chairman full responsibility for managing the Alliance on behalf of Renault, in liaison with the Chief Executive Officer.

In this capacity, the Chairman of Renault's Board of Directors will be the main contact person for the Japanese partner and the other Alliance partners for any discussion on the Alliance's organization and evolution. He will propose to the Board of Directors any new Alliance agreement that he considers useful for Renault's future. He will be Renault's main representative in the Alliance's management bodies and at Nissan when Renault has the right of proposal.

The Chief Executive Officer will coordinate for the company the Alliance's activities in the operational field under the authority of the Chairman.

The Board co-opted Mr. Jean-Dominique Senard as new Director and elected him Chairman.

On the latter's proposal, the Board appointed Thierry Bolloré as Chief Executive Officer.

The Board expresses its confidence in the new leadership and wishes it every success in its mission.

5- **30th January 2019: Alliance members achieve combined sales of 10.76 million units in 2018**

- **Combined sales by Renault, Nissan and Mitsubishi Motors rise 1.4% to 10.76 million units in 2018 – one in nine of all cars and light commercial vehicles sold worldwide**

- **Total sales of Light Commercial Vehicles (LCVs) rise 13.5% to 2 million**

- **Cumulative sales of electric vehicles up 34% year-over-year, to 725,000 electric vehicles sold since 2010**

- **Progress achieved on offering more vehicles utilizing CMF shared architecture**

Renault-Nissan-Mitsubishi, the world's leading automotive alliance, announced on January 30, 2019 that its member companies sold a combined total of 10,756,875 units in the 12 months to December 31, 2018. The Alliance maintained its position as the world leader in volume sales of passenger and light commercial vehicles.

Unit sales for 2018 rose 1.4 percent year-over-year amid continued strong demand for vehicles including the Renault Clio, Captur and Sandero, the Nissan X-Trail/Rogue and Sentra/Sylphy and Mitsubishi's Eclipse Cross and **XPANDER.**

Sales of more vehicles utilizing the Common Module Family (CMF) architecture – a key pillar of the Alliance 2022 mid-term plan – also increased pace in 2018. This included inaugural sales of the Renault Kwid in more international markets along with increased production of the Nissan Frontier pickup truck, which shares architecture with Renault and Mercedes models.

The Alliance members saw particularly strong demand for light commercial vehicles, with solidly improved sales of the Renault Kangoo, Master and Trafic, the Nissan Navara and Terra, and the Mitsubishi Triton. A core part of the Alliance strategy is to maximize synergies through cross-development and cross-manufacturing to increase sales and market presence of member-company LCVs around the world.

In 2018, the Alliance maintained its commitment to zero-emission vehicles. Its leadership in the segment with cumulative sales of 724,905 electric vehicles since 2010 was driven by demand for the Renault ZOE and Nissan LEAF, among other EVs.

Of the Alliance member companies, **Groupe Renault'**s sales were up 3.2 percent to 3,884,295 units in calendar year 2018. **Nissan Motor Co. Ltd.** sold 5,653,683 units worldwide, down 2.8 percent in 2018. **Mitsubishi Motors Corporation** sold 1,218,897 units worldwide, up 18.3 percent year-over-year.

Progress towards Alliance 2022 six-year plan

As part of the Alliance 2022 mid-term plan, Renault-Nissan-Mitsubishi is continuing to forecast that annual synergies will exceed €10 billion by the end of 2022. The member companies will also increase commonality, targeting nine million units based on four common platforms. The plan will also extend the use of common powertrains to 75 percent of total sales. In addition, 12 new zero-emission electric vehicles will be launched during the plan, and 40 vehicles will be introduced with different levels of autonomy.

Top 10 Alliance Markets

Country	**Total Sales**

China	1,920,541
U.S.A.	1,611,952
France	763,984
Japan	727,823
Russia	648,795
Mexico	355,968
Germany	343,656
Brazil	334,469
Italy	277,941
Spain	275,884

Top 10 Groupe Renault Markets

Country	**Total Sales***
France	689,788
Russia	497,266
Germany	235,609
China	216,699
Brazil	214,822
Italy	208,580
Spain	189,480
Turkey	115,842
Argentina	114,348
United Kingdom	103,607

***excludes Twizy**

Top 10 Nissan Markets

Country	**Total Sales**
China*	1,563,986

U.S.A	1,493,877
Japan	615,966
Mexico	314,123
Canada	149,117
U.K.	116,914
Russia	106,138
Brazil	97,512
Spain	72,943
Thailand	72,394

***Including Venucia brand**

Top 10 Mitsubishi Motors Markets

Country	**Total Sales**
Indonesia	146,805
China	139,856
U.S.A.	118,075
Japan	104,611
Australia	84,826
Thailand	84,560
Philippines	65,894
Germany	52,196
Russia	45,391
U.K.	30,952

6- 07th February 2019: Group Renault communication

As part of the compliance audits initiated within Groupe Renault on November 23, 2018, it was identified that a contribution of 50,000 euros, under a charitable donation agreement signed with the Château de Versailles, was allocated to Mr. Ghosn's personal benefit. The elements gathered so far require additional checks to be carried out. Groupe Renault has decided to bring these facts to the attention of the judicial authorities.

7- 12th February 2019: Communication from Group Renault

Boulogne Billancourt, February 12, 2019

In addition to the Board of Directors communication of January 24, 2019, Renault wishes to specify that Mr. Ghosn resigned from his terms of office as Chairman of the Board of Directors and Chief Executive Officer, but remains, as of the date hereof, Director of Renault SA.

Mr. Senard has been appointed as Director and Chairman of the Board of Directors of Renault SA pursuant to Article L. 225-17 of the French commercial code.

Besides:

- Mr. Ghosn was replaced by Mr. Bolloré as Chief Executive Officer of Renault SA and President of Renault SAS • in accordance with the agreements entered into with Nissan, Mr. Ghosn was replaced by Mr. Bolloré as Chairman of the Management Board of Renault-Nissan BV (« RNBV »). Mr. Ghosn remains, as ofthe date hereof, a member of the Management Board of RNBV; and
- Mr. Ghosn retains, as ofthe date hereof, his positions within Alliance Rostec Auto BV and Renault do Brasil.

8- 13th February 2019: Board of Directors Communication

Boulogne Billancourt, February 13, 2019

Following the resignation of Mr. Carlos Ghosn from the offices of Chairman of the Board of Directors and Chief Executive Officer on 24th January 2019, the Board unanimously decided, at its meeting of 13th February 2019, to waive Mr. Ghosn's non-compete commitment and, consequently, not to pay the corresponding compensation equal to two years fixed and variable compensation.

With respect to the shares granted to Mr. Ghosn in 2015, 2016, 2017 and 2018 as Chairman and Chief Executive Office both as part of the deferred portion of his variable compensation for the financial years 2014 to 2017, as well as the performance share plans for the years 2015 to 2018, their definitive acquisition is subject to his presence within Renault. The Board unanimously notes that such condition is not met, thereby triggering the loss of Mr. Ghosn's rights to the definitive acquisition of such shares.

The Board will decide on 15th March 2019 on the remuneration of Mr. Ghosn for the financial year 2018.

9- 11 March 2019: Renault confirms discussions regarding new Alliance body

In response to recent press reports, Renault confirms that it is in discussions with its Alliance partners Nissan Motor Co., Ltd. and Mitsubishi Motor Co., Ltd. regarding the establishment of a new Alliance body in order to enhance and ensure further collaboration. The proposed arrangement will have no impact on the existence of the RAMA and the cross-shareholding structure, which will both remain in place.

These discussions have not yet led to a definitive agreement. Any agreement shall be submitted for prior approval to the Board of Directors of Renault.

10- **12 March 2019: Jean-Dominique Senard, Chairman of Renault, Hiroto Saikawa, CEO of Nissan, Thierry Bolloré, CEO of Renault and Osamu Masuko, CEO of Mitsubishi Motors, announce the intention to create a new Alliance operating board**

Jean-Dominique Senard will act as Chairman of this new operating board of the Alliance, with the CEOs of Nissan, Renault, and Mitsubishi Motors also joining the board.
The new Alliance operating board will drive the operational cooperation between Nissan, Renault and Mitsubishi Motors and look for new ways to generate value for its respective shareholders and employees.

In order to continue to strengthen the Alliance as well as lay the foundations of its future successes, Jean-Dominique Senard, Hiroto Saikawa, Thierry Bolloré and Osamu Masuko are announcing the intention to create an Alliance operating board for Nissan, Renault and Mitsubishi Motors.

The new Alliance Board will be the sole body overseeing the operations and governance in the Alliance among Renault, Nissan and Mitsubishi, in lieu of RNBV and NMBV. As such, it will be the face and primary driver of the Alliance's "New Start".

To lay the foundations of the new development stage of the Alliance, the new board will be composed of the Chairman of Renault, who will also act as Chairman of the new Alliance operating board, and the CEOs of Nissan, Renault and Mitsubishi Motors; the operating decisions taken by the Alliance Board will be consensus-based, furthering the Alliance's "win-win" approach.

The MOU agreed by all three parties is attached.

The definitive agreements will be signed in conjunction with the anniversary of the Alliance.

The new board intends to meet every month in Paris or Tokyo and will regularly update stakeholders on its key value initiatives and achievements. The Alliance operating board will ask for the creation of specific projects to make recommendations for and drive the execution of new ways to create incremental value of the three auto companies.

As the 20th anniversary of the Alliance approaches, the boards of Nissan, Renault and Mitsubishi Motors would like to recognize the strong contribution the Alliance has made to the performance of all three companies, and their partners.

The creation of the new Alliance operating board is designed to help Nissan, Renault and Mitsubishi Motors become what they can be together – the top organization in the rapidly changing and highly competitive global auto market.

Through the commitment and loyalty of the employees of Nissan, Renault and Mitsubishi Motors, and a highly constructive cooperation with Daimler, the Alliance operating board will look to continue delivering total win-win for all those involved.

MEMORANDUM OF UNDERSTANDING

A New Start for the Alliance and Creation of an Alliance Board

1. Each of Renault, Nissan, and Mitsubishi Motors recognize the significant success of the Alliance. Further, we fully endorse the continuation of the Alliance and wish to strengthen it.

2. Hence, on the 20th Anniversary of the Alliance's founding, we are hereby committing to a "New Start" for the Alliance.

3. Therefore, we will create a new Alliance Operating Board ("Alliance Board") composed of Renault, Nissan and Mitsubishi Motors representatives to enhance and ensure further collaboration among Renault, Nissan and Mitsubishi Motors.

4. The new Alliance Board will be the sole body overseeing the operations and governance in the Alliance, in lieu of RNBV and NMBV. As such, it will be the face and primary driver of the Alliance's "New Start".*

5. The Alliance Board will be composed of 4 principal members; the Chairman of Renault (who will be the Chairman of the Alliance Board), the CEO of Renault, the CEO of Nissan and the CEO of Mitsubishi Motors. The operating decisions taken by the Alliance Board will be consensus-based, furthering the Alliance's "win-win" approach.

6. The Chairman of Renault will be the Chairman of the Alliance Board.

7. The Alliance Board will de facto replace RNBV in its governance functions. RNBV will continue to exist, and will function as backup to the Alliance Board. The RAMA will continue to be in effect, and so will the related management agreements and delegations of authority. In practice, we expect that the collaboration at the Alliance Board will result in consensus that will be implemented by the parties.

8. The Chairman of Renault will be nominated by Nissan to become a Director with EGM approval. We anticipate that the Chairman of Renault is a natural candidate for the position of Vice Chairman and a Representative Director of Nissan. Both Renault and Nissan look forward to the recommendations of the Nissan Special Committee on Improving Governance ("SCIG"), with regard to the Chairman of Nissan, among other matters.

9. The strong history of the Alliance will be further enhanced by the Alliance Board and we expect a continuation and acceleration of our "win-win" approach. Operational activities will be enhanced and accelerated through key focus on deliveries of strategic common projects on an increased agile mode, reporting as such directly to the Alliance Board for quick decision making, served by existing Alliance and companies' organization.

Thierry Bolloré CEO, RENAULT	Jean-Dominique Senard Chairman, RENAULT	Hiroto Saikawa President and CEO, NISSAN MOTOR	Osamu Masuko Chairman and CEO, MITSUBISHI MOTORS

11- **13 March 2019: Groupe Renault announces the new composition of the executive committee**

In order to respond to the sweeping changes taking place in the automobile industry, accelerate the company's transformation to better meet customer expectations and improve the efficiency and profitability of operations, Thierry Bolloré, CEO of Groupe Renault, has changed the composition of the Executive Committee.

As of April 1, 2019:

Clotilde Delbos, Groupe Renault Chief Financial Officer and Chairman of the Board of RCI Banque, becomes head of Internal Control.

Philippe Guérin-Boutaud becomes a member of the Groupe Renault Executive Committee. He will continue as head of Groupe Renault Quality and Total Customer Satisfaction.

Ali Kassai is appointed Executive Vice President, Product Planning and Programs, in replacement of Bruno Ancelin, who is retiring. He becomes a member of the Groupe Renault Executive Committee.

François Renard becomes a member of Groupe Renault Executive Committee. He will continue as head of Groupe Renault Global Marketing.

François Roger becomes a member of Groupe Renault Executive Committee. He will continue as head of Groupe Human Resources. He is also in charge of the Group Prevention and Protection department and Real Estate & Facility Management department.

Véronique Sarlat-Depotte becomes a member of Groupe Renault Executive Committee. She will continue in her roles as Alliance Global Executive Vice President for Purchasing and Chairman and Managing Director of the Alliance Purchasing organization.

Laurens van den Acker, becomes a member of the Groupe Renault Executive Committee. He will continue as Head of Corporate Design.

Frédéric Vincent becomes a member of the Groupe Renault Executive Committee. He will continue in his roles as Chairman of Renault Digital and head of Groupe Renault Information Systems and Transformation.

"With the support of this new team, on which I will rely, and all Groupe Renault employees, we will meet the challenges of the electric, connected and autonomous mobility of tomorrow", said **Thierry Bolloré, CEO,** Groupe Renault.

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The **new composition of the Groupe Renault Executive Committee** as of April 1, 2019 will be as follows:

Thierry Bolloré, Chief Executive Officer

Clotilde Delbos, Chief Financial Officer and Chairman of the Board of RCI Banque

José Vicente de los Mozos, Deputy Alliance Executive Vice President, Manufacturing and Supply Chain

Gaspar Gascon-Abellan, Deputy Alliance Executive Vice President, Engineering

Philippe Guérin-Boutaud, Executive Vice President, Quality and Total Customer Satisfaction

Ali Kassai, Executive Vice President, Product Planning and Programs

Olivier Murguet, Executive Vice President, Sales and Regions

François Renard, Executive Vice President, Global Marketing

François Roger, Executive Vice President, Human Resources

Véronique Sarlat-Depotte, Alliance Global Executive Vice President for Purchasing and Chairman and Managing Director of the Alliance Purchasing organization

Laurens van den Acker, Executive Vice President, Corporate Design Groupe Renault

Frédéric Vincent, Executive Vice President, Information Systems and Transformation and Chairman of Renault Digital.

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Born in 1965, **Philippe Guerin-Boutaud** earned engineering degrees from Ecole Centrale de Paris in 1987 and additionally obtained a Master of Science in Mechanical Dynamic Systems Modeling. He joined Renault SA in 1989 and served in various domains such as vehicle performance evaluation, vehicle design, vehicle packaging and manufacturing engineering. In 2002, he has been appointed Manufacturing Engineering General Manager in Valladolid Plant. In 2006, he was assigned Architecture and Trim & Chassis Engineering Vice President at Renault Technocentre. In 2010, he moved to Korea where he served as Renault Samsung Motors Engineering EVP. In 2012, Philippe Guerin-Boutaud became Global Program Director for Nissan B-Platform (B-Upper segment, C-Hatch, C-Sedan) and for Japanese Kei-car programs and moved to Japan. In 2014, he was appointed Nissan Corporate Vice President in charge of the Global Light Commercial Vehicle (LCV) Business Unit. Responsible for all activities from product & engineering to sales & marketing, he developed strong sales momentum launching new award-winning Pick-Ups Navara and Titan, deepening cooperation with Renault, developing new partnerships and triplicating the contribution to Nissan profit. On 1 April 2017, he became SVP, Deputy to Quality and Total Customer Satisfaction Groupe Renault EVP. He managed directly Manufacturing and Supply Chain Quality. He is a member of the Renault Management Committee. On 1 April 2018, he is appointed head of Quality and Total Customer Satisfaction Groupe Renault. From 1 April 2019, he becomes a member of Groupe Renault Executive Committee.

Born in 1962, **Ali Kassai** studied at INSA-Lyon and holds a doctorate in turbomechanical vibrations.
He began his career at Renault in 1990 as an acoustics research engineer. In 1992 he joined the Transmissions Department as head of the research unit in charge of clutches and gearbox housing. In 2002, he left engineering to move to the Product Planning Department as head of

the engines and transmissions range. In October 2008, after a cross-functional assignment in reducing powertrain diversity, Ali Kassai was appointed head of the B program in charge of Clio, Captur and Twingo, and managed the partnership with Daimler over the Edison Project.
On 1 February 2015, Ali Kassai is appointed Senior Vice President, Product Planning of Groupe Renault and becomes a member of the Groupe Renault Management Committee.
As of 1 April 2019, Ali Kassai is appointed EVP, Product Planning and Programs and becomes member of Groupe Renault Executive Comittee.

Born in 1967 in Paris, **François Renard** graduated from the Institut d'Etudes Politiques de Paris in 1990 and the HEC business school in 1992. He then obtained a Masters in International Business at the Barcelona ESADE business school and the Bergen NHH school of economics.
His professional career began in 1992 as a consultant at Andersen Consulting/Accenture.
He then moved to Unilever France as head of Europe product quality in 1994. He took on various country and regional marketing positions in Vietnam, China and Thailand where he managed a number of Unilever brands before being appointed Global Marketing Vice President for hair products. He made significant contributions to the development of the corporation and its teams, primarily in Asia with the launch of a new business in China and then in the rest of the world.
In 2015, François Renard was appointed CEO of Kate Somerville (Los Angeles, USA).
On November 19, 2018, François Renard joins Groupe Renault as Global Marketing Director. He is a member of the Renault Management Committee.
As of April 1, 2019, he becomes a member of Groupe Renault Executive Committee.

François ROGER graduated from Ecole de Management de Lyon (ESC Lyon 1995) in Finance and Human Resources. He spent his first years as a consultant in Total Rewards and Human Resources Management in Hay Management, now Korn Ferry Hay. François ROGER joined SC Johnson in 2000, as an international Compensation and Benefits Director and then held various International HR positions there. François ROGER joined Novartis in 2005 as France and South Europe Head of HR for the animal health division. He has spent 9 years in General Electric Healthcare as a VP HR between 2008 and 2016. He supported various businesses and geographies. Lately, he was VP global Talent for BIC in Shelton, CT, USA where he supported all talent initiatives, talent acquisition, learning and development across the globe. On June 1st, 2018, François Roger joined Groupe Renault and is appointed Senior Vice President, Human Resources.
As for April 1, 2019, he becomes member of Groupe Renault Executive Committee.

Véronique Sarlat-Depotte joined Renault in 1989 in Purchasing Division. In 1998, she became Purchasing Project Manager for Espace. In 2003, she was appointed Executive Assistant to the CEO and in 2005 Deputy GM, Purchasing Strategy at Nissan Motors Limited. In 2009, she was appointed GM, RNPO Vehicle Body Parts within Renault Nissan Purchasing Organization (RNPO). In 2010, she was promoted Vice President, RNPO Body & Electrical. At the start date of convergence in 2014, she became Alliance Global Director, RNPO Body & Electrical.
In January 2015, Veronique Sarlat-Depotte became Deputy Managing Director of RNPO & Renault-Nissan Senior Vice President, Purchasing.
In November 2016, Veronique Sarlat-Depotte has been Alliance Global Executive Vice President, Purchasing, and President of RNPO (Renault Nissan Purchasing Organization). She is a member of the Renault Management Committee. In April 2018, RNPO's scope has been extended to include Mitsubishi's purchasing activity. This structure is renamed the

Alliance Purchasing Organization and Veronique Sarlat-Depotte takes the lead as Purchasing Director of the Alliance, and CEO of Alliance Purchasing Organization.
As for April 1, 2019, she becomes a member of Groupe Renault Executive Committee.

Laurens van den Acker was born in 1965 and studied at Delft University of Technology in the Netherlands. He started his career in 1990 as a designer for Design System SRL in Turin (Italy), before focusing on automotive design starting in 1993. During the course of his career, he worked with Audi, Ford and Mazda. These professional experiences brought him to Germany, the United States and later Japan, making him renowned in his field.
He returned to Europe in 2009, where he took over the management of Groupe Renault's Design department in France. His first ambition was to create a range of attractive, powerful and coherent vehicles to strengthen the Renault brand and its sales performance.
He expressed his vision through the design of six concept-cars that symbolise the diversity of the Renault offer. Restyled between 2010 and 2013, these vehicles met with considerable success both in the motor industry and with the general public. At the same time, they provided a basis for future production vehicles. The Design department teams renewed their entire range around these vehicles between 2012 and 2016 and integrated the style into new models, namely around 30 vehicles intended to meet the needs of the increasingly international clientele.
Thanks to these efforts, design became, in 2016, the number one selling point of Renault products. That same year, Talisman, the D-segment premium saloon, was voted the "most beautiful car of the year" by the general public at the International Automotive Festival (FAI). Since then, TreZor, a concept-car released at the Paris Motor Show, was awarded three European prizes. In a personal capacity, Laurens van den Acker received the FAI, GQ France and Auto Car awards for "designer of the year 2016".
Under his leadership, the Design department of Groupe Renault now comprises 545 people of 29 different nationalities. It has six production centres across the world and uses state-of-the-art design and digital visualisation techniques.
In addition to the Renault brand, Laurens van den Acker steered the styling development of the group's three other brands: Dacia, Renault Samsung Motors and Alpine.
In October 2009, Laurens van den Acker has been Senior Vice President, corporate design of Groupe Renault and member of the Renault Management Committee.
As for April 1, 2019, he becomes a member of Groupe Renault Executive Committee.

A graduated from Ecole Centrale Paris (ECP 92), **Frédéric Vincent** began his career as IT Manager for the Bouygues Group in Spain. He very quickly turned to multimedia and accompanied the arrival of digital in the audiovisual industry.
From TF1, he moved to TPS where he worked in various IT, technical, audiovisual, new services and marketing fields and where he launched the TPS-paid package. In 2006, when TPS was acquired by CANAL+, he was entrusted with the Development Department of CANAL+, and 3 years later the creation of the Canal Experience Department with the mission of transforming the customer experience. As Technical & Information System Director, he led the digital transformation of the Canal+ Group by developing, through digital technologies, everything related to customers' experience in terms of access and consumption.
Frédéric Vincent joined Groupe Renault in 2016 as Chief Information Officer, drawing on his expertise in the media industry, which was touched by digital early on. He is also Chairman of the Renault Digital subsidiary created on January 1, 2017 and in charge of the Groupe's Digital Transformation. On May 1, 2018, Frédéric Vincent becomes member of the Renault Management Committee. In February 1, 2019, he is appointed SVP, Information Systems and Transformation.

As of April 1, 2019, he becomes member of Groupe Renault Executive Committee.

12- **1st April 2019: Sales Results France First-Quarter 2019**

Renault maintains its leadership in a strong French market

- **In the first quarter, Groupe Renault Passenger Cars + Light Commercial Vehicles (PC+LCV) sales rose 0.2% to 178,058 vehicles, the best volume since 2011.**
- **The Renault brand is the leader in PC, LCV, electric markets and the leader in passenger car sales to private customers.**
- **Dacia beat its all-time record of VP sales in a 1st quarter.**
- **Clio is strengthening its leadership by achieving its best first quarter in terms of volumes since its launch in 2012.**

Boulogne Billancourt, 01/04/2019

In the first quarter of 2019, Groupe Renault continued to grow in volume in a stable market. Its market share of PC + LCVs is 26.4%. The Renault brand is a leader in the markets for passenger cars, commercial vehicles, electric vehicles and passenger cars sold to private customers. For its part, the Dacia brand posted the best first quarter in its history in terms of volumes.

Renault

At the end of March, Renault, the leading brand in the French automotive market, registered 102,065 passenger cars (-4.3%). Clio, launched in 2012 and soon to be renewed, had its best first quarter. With 36,438 registrations (+12.2%), it further strengthened its leadership and ranked number one in passenger cars sold to private customers. Captur, the 4th best-selling vehicle in France, is the leader in B-segment SUVs. Twingo, also soon to be renewed, remains the leader in the A segment, with sales twice as high as the next vehicle.

In a still dynamic commercial vehicle market (+4.2%), Renault's sales rose by more than 6.3% and placed Kangoo, Master, Trafic and Clio in the top 4 places. Nearly one in three commercial vehicles sold in France is a Renault vehicle.

In the electric vehicle market, Renault remains the number one brand in both passenger cars and LCVs, with the most complete 100% electric offer on the market and increasing sales. ZOE and Kangoo Z.E are market leaders in their respective markets.

Dacia

With 35,616 registrations (+5.1%), Dacia posted the best first quarter in terms of volumes in its history. Fifth in the passenger car market, the brand ranks 4th in the market for passenger cars sold to private customers, Sandero is 6th in the passenger car market and n°2 in passenger cars sold to private customers. Duster saw its sales increase by 31.2%.

Philippe Buros, Sales Director France* of the Groupe Renault **said:**

"Groupe Renault maintains its position as leader in the French automotive market. This is a first-class performance on the eve of the renewal of major products such as Twingo and Clio. We owe it to the commitment of everyone, both in the French sales department and within our sales network."

*** As of April 1, 2019, Philippe Buros has been appointed Director of Operations for the Europe region. He is a member of the Renault Group's Executive Committee.**

	March 2019 alone			
	Volume	**vs. Y-1 (%)**	**Market share**	**vs. Y-1 (pt)**
TIV PC + LCV	273,695	- 2.0		
TIV PC	225,818	- 2.3		
TIV LCV	47,877	- 0.7		
Groupe Renault PC+LCV	77,567	- 2.1	28.3	0.0
Groupe Renault PC	62,052	- 1.7	27.5	+ 0.2
Groupe Renault LCV	15,515	- 3.5	32.4	- 0.9
Renault brand PC+LCV	61,272	- 5.9	22.4	- 0.9
Renault brand PC	45,911	- 6.6	20.3	- 0.9
Renault brand LCV	15,361	- 3.7	32.1	- 1.0
Dacia brand PC+LCV	15,992	+ 13.8	5.8	+ 0.8
Dacia brand PC	15,838	+ 13.8	7.0	+ 1.0
Dacia brand LCV	154	+ 15.8	0.3	0.0
Alpine brand PC	303	++	0.1	+ 0.1

	Overall January-March 2019			
	Volume	**vs. Y-1 (%)**	**Market share**	**vs. Y-1 (pt)**
TIV PC + LCV	674,976	+ 0.2		
TIV PC	553,335	- 0.6		
TIV LCV	121,641	+ 4.2		
Groupe Renault PC+LCV	178,058	+ 0.2	26.4	0.0
Groupe Renault PC	138,528	- 1.5	25.0	- 0.2
Groupe Renault LCV	39,530	+ 6.5	32.5	+ 0.7
Renault brand PC+LCV	141,155	- 1.6	20.9	- 0.4
Renault brand PC	102,065	- 4.3	18.4	- 0.7
Renault brand LCV	39,090	+ 6.3	32.1	+ 0.6
Dacia brand PC+LCV	36,056	+ 5.3	5.3	+ 0.3
Dacia brand PC	35,616	+ 5,1	6.4	+ 0.4
Dacia brand LCV	440	+ 29.4	0.4	+ 0.1
Alpine brand PC	847	++	0.2	+ 0.1

13- 3rd April 2019: Communication of the Board of Directors

Renault's Board of Directors has acknowledged the final conclusions of the audit assignment conducted by Renault's Ethics and Compliance Department since November 23, 2018.

These investigations have led to the conclusion that the compensation and benefits paid by the Group to its former Chairman and Chief Executive Officer and other members of the Executive Committee for the financial years 2010 to 2018 were in compliance with applicable regulations, with the exception of some errors which are being corrected.

However, certain expenses incurred by the former Chairman and Chief Executive Officer are a source of concern, as they involve questionable and concealed practices and violations of the Group's ethical principles, particularly concerning relationships with third parties, management of conflicts of interest, and protection of corporate assets.

In addition to the issues already communicated to the judicial authorities with respect to the 50,000 euros in kind consideration assigned to Mr. Ghosn's personal benefit under a corporate sponsorship agreement signed with the Château de Versailles and payments made to an outside lawyer, Renault has also informed the French judicial authorities of potential issues concerning payments made to one of Renault's distributors in the Middle East.

In addition, the Board of Directors has recommended that Management implements all necessary measures, including organizational, to address the circumstances identified during these audits.

The Board of Directors has further acknowledged the interim conclusions of the joint audit conducted with Nissan concerning the business of RNBV, their joint Dutch subsidiary. Two sets of observations can be made at this stage.

First, RNBV's internal organization suggests serious deficiencies in terms of financial transparency and expenditure control procedures. The Board of Directors has asked Management to work with Nissan to jointly remedy these deficiencies as soon as possible.

Second, certain expenses which have yet to be precisely quantified, but may amount to several million euros since 2010, raise serious questions as to their conformity with RNBV's corporate interest ("**intérêt social**").

The Board of Directors has asked the parties involved in the RNBV audit process to complete their work and deliver their final conclusions as soon as possible. The Board of Directors also asked Renault's Management to work with Nissan to initiate all necessary shareholder steps to protect RNBV's interests in the Netherlands.

Renault also reserves the right to bring action before French courts, as and when more specific information involving breaches of Renault's interests becomes available.

14- 3rd April 2019: Compensation of Mr. Ghosn for the 2018 Financial Year

Boulogne Billancourt, April 3rd 2019
Following the resignation of Mr. Carlos Ghosn from his positions as Chairman of the Board of Directors and Chief Executive Officer on January 23, 2019, a meeting of the Board of Directors was held on April 3, 2019 to decide on the financial conditions of his departure.

It is recalled that, on February 13, the Board of Directors had already waived Mr. Carlos Ghosn's non-compete undertaking and acknowledged the loss of Mr. Carlos Ghosn's rights to the definitive acquisition of the shares corresponding to the deferred portion of his variable compensation for the financial years 2014 to 2017 and the performance shares which were allocated to him for the financial years 2015 to 2018.

The Board of Directors noted that Mr. Carlos Ghosn's gross fixed remuneration for the 2018 financial year amounted to €1,000,000.

With regard to Mr. Ghosn's variable compensation for the 2018 financial year, the Board of Directors, upon recommendation of the Compensation Committee, noted that the portion of the variable compensation payable by deferred delivery of shares cannot be paid to Mr. Carlos Ghosn, due to the end of his duties on January 23, 2019 which makes the attendance condition attached to this delivery of shares impossible to satisfy. Consequently, the Board of Directors noted that Mr. Carlos Ghosn's variable compensation for the 2018 financial year would be equal to the sole portion payable in cash, which amounts to a gross amount of €224,000 in accordance with the performance objectives that were set by the Board of Directors in 2018 and approved by the General Meeting on June 15, 2018.

The Board of Directors also considered that, in assessing Mr. Carlos Ghosn's performance, it was appropriate to take into account the questions that emerged, as at the date hereof, in the context of the audit assignment conducted by the Company's Ethics and Compliance Department, about transactions undertaken by the latter in his capacity as Chairman and Chief Executive Officer of the Company, due to questionable and concealed practices. In this context, the Board of Directors has decided to recommend to the General Meeting that the meeting does not approve the resolution to be submitted to it pursuant to Article L.225-100 of the French Commercial Code, relating to the fixed, variable and exceptional compensation items due or allocated to Mr. Carlos Ghosn for the 2018 financial year. If the General Meeting does not approve this resolution, Mr. Carlos Ghosn will not receive the portion payable in cash of his variable compensation for 2018.

Mr. Carlos Ghosn is also a beneficiary, in his capacity as a former member of the Group Executive Committee and subject to the conditions set out in its regulations, of a collective supplementary pension plan set up for the benefit of the members of the Group Executive Committee comprising a defined contribution pension plan (*régime de retraite à cotisations définies*) and a top-up defined benefit pension plan (*régime de retraite à prestations définies*).

In this respect, the Board of Directors noted, with regard to the defined contribution pension plan (*régime de retraite à cotisations définies*), that Mr. Carlos Ghosn's eligibility conditions for the annual pension can only be assessed on the day on which he would exercise his pension rights.

The Board of Directors also noted, with respect to the top-up defined benefit pension plan (*régime de retraite à prestations définies*), that the circumstances of Mr. Carlos Ghosn's resignation do not fall within either of the two cases in which the plan may be open and that he is not entitled to any pension in this respect.

15- 3rd April 2019: Evolution of the Composition of Renault Board of Directors

Boulogne Billancourt, April 3rd, 2019

Renault Board of Directors, during today's meeting, acknowledged the decision of Mr. Carlos Ghosn to resign from his office as director on the date of the Shareholders' General Meeting ruling on the financial statements for the 2018 financial year, scheduled on June 12th, 2019. Mr. Carlos Ghosn also resigned from his office as member of the Management Board of Renault-Nissan BV on February 28th, 2019.

Besides, the Board of Directors has decided, upon recommendation of the Appointments and Governance Committee, to propose to the Shareholders' General Meeting of June 12th, 2019, the appointment of Mrs. Annette Winkler, as independent director, in replacement of Mrs. Cherie Blair, whose term expires.

In addition, the Board of Directors noted that the term of Mr. Philippe Lagayette, lead independent director, expires at the end of the Shareholders' General Meeting of June 12th, 2019 and cannot be renewed due to him reaching the age limit provided for in the articles of association of the Company. The Board of Directors has nevertheless decided to keep a lead independent director to be appointed by the Board on June 12th, 2019.

It is also reminded that the Shareholders' General Meeting of June 12th, 2019 will rule on the ratification of the appointments of Mr. Thomas Courbe and Mr. Jean-Dominique Senard, made on a provisional basis respectively on October 5th, 2018 and January 24th, 2019.

As a result, at the end of the Shareholders' General Meeting of June 12th, 2019, the Board of Directors will be composed of 18 members, subject to the adoption of the resolutions submitted to the Shareholders' General Meeting.

Mr. Jean-Dominique Senard, Chairman of the Board of Directors, declared:

"**On behalf of myself and the Board of Directors, I would like to thank Mr. Philippe Lagayette for his commitment and contribution to the work of the Board of Directors, as a Lead Independent Director and Chairman of the Audit, Risks and Ethics Committee, and more specifically for his involvement in the governance of the Company in recent months. I also thank Mrs. Cherie Blair for her contribution to the Board of Directors during her tenure. The appointment of Mrs. Annette Winkler will allow the Board of Directors to benefit from the expertise and international experience of a recognized leader in the automotive sector.**"

Biography

Dr. Annette Winkler holds a degree in economics from the University of Frankfurt (Germany) and has been managing partner of a medium-sized construction company. In 1995, she joined the Mercedes-Benz Group, where she held various positions, including Director of Public Relations and Communications. After spending two years as Head of the Mercedes-Benz sales and service outlet in Braunschweig, she became as Chief Executive Officer of DaimlerChrysler Belgium and Luxembourg (1999-2005), then as Vice President Global Business Management & Wholesale Europe she became responsible for the development of the global Mercedes- Benz Dealer Network (2006-2010). From 2010 to 2018 she was Chief Executive Officer of Smart (with overall responsibility for the brand and also in charge of the Smart factory in Lorraine). Mrs. Annette Winkler is member of the Board of Directors of the French listed company L'Air Liquide since 2014."

16- **26th April 2019: Revenues of €12.5 Billion in the first quarter of 2019**

- **Group sales decreased by 5.6% to 908,348 vehicles in a global market down 7.2%.**
- **Group revenues amounted to €12,527 million in the quarter (-4.8%). At constant exchange rates and perimeter[1], the decrease would have been 2.7%.**
- **The Group confirms its guidance for the year.**

COMMERCIAL RESULTS: FIRST QUARTER HIGHLIGHTS

Groupe Renault worldwide sales (passenger cars PC + light commercial vehicles LCV) dropped by 5.6% in the first quarter, in a market down 7.2%. The market share shows resilience at 4.1% (+0.1 points compared to Q1 2018).

In Europe, Group sales increased by 2.0% in a market down 2.4%, thanks to the strong performance of Clio, New Duster, Zoe and LCVs.

In Brazil, Groupe Renault sales were up 29.4% with a record market share at 8.9%. Kwid confirmed its success in the region.

In Russia, the market and Group's sales were almost flat versus 2018 with a market share at 28.5%. Lada Granta is the best-seller in this market.

In Argentina and Turkey, Groupe Renault continues to gain market share with sales down 47% and 42% respectively, in markets down 49% and 44%.

In Iran, the application of US sanctions led to the cessation of sales for the Group since August 2018.

New product launches are in preparation, with the upcoming to be launched New Clio in Europe, Arkana in Russia, Triber in India and City K-ZE in China.

FIRST QUARTER REVENUES BY OPERATING SECTOR

In the first quarter of 2019, Group revenues came to €12,527 million (-4.8%). At constant exchange rates and perimeter[1], the decrease would have been 2.7%.

Automotive excluding AVTOVAZ revenues amounted to €10,916 million, down 6.3%. This decrease was mainly explained by the negative volume impact (-4.7 points) and decreasing sales to partners (-3.1 points). The currency effect impacted negatively for 1.5 points, due to the devaluation of the Argentine peso, the Brazilian real, the Russian ruble and the Turkish lira. The price effect was positive by 0.3 points and mix effects by 1 point.

Sales Financing (RCI Banque) generated revenues of €844 million in the first quarter, up 6.4% compared to 2018. The number of new financing contracts decreased by 2.7% reflecting lower activity in Turkey and Argentina. Average performing assets rose 8.2% to €46.5 billion.

AVTOVAZ contribution to the Group's revenues totalled €767 million in the quarter, up 7.1%, thanks to Lada sales growth, and despite a negative exchange rate effect of €67 million.

OUTLOOK 2019

In 2019, the global market is expected to decrease about 1.6%.

The European market is expected flat providing that there is no hard Brexit.

Outside Europe, the Russian market is expected to grow about 3% (versus above 3% previously) and the Brazilian market should be up 10%.

Within this context, Groupe Renault confirms its guidance:

- Increase Group revenues (at constant exchange rates and perimeter[1])
- Achieve Group operating margin around 6.0%
- Generate a positive Automotive operational free cash flow

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[1] In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year, and excluding significant changes in perimeter that occurred during the year.

Groupe Renault consolidated revenues

(€ million)	2019	2018	Change 2019/2018
Q1			
Automotive excluding AVTOVAZ	10,916	11,646	-6.3%
AVTOVAZ	767	716	+7.1%
Sales Financing	844	793	+6.4%
Total	**12,527**	**13,155**	**-4.8%**

Total Group sales PC+ LCV by region

	Year-to-date March		
	2019	**2018**	**% Change**

France	178,057	177,722	+0.2%
Europe (1) (excluding France)	324,920	315,230	+3.1%
Total France + Europe	**502,977**	**492,952**	**+2.0%**
Africa Middle-East India	83,811	120,536	-30.5%
Eurasia	158,487	165,720	-4.4%
Americas	97,917	103,402	-5.3%
Asia-Pacific	65,156	79,515	-18.1%
Total excluding France + Europe	**405,371**	**469,173**	**-13.6%**
TOTAL	**908,348**	**962,125**	**-5.6%**

(1) Europe = European Union, Iceland, Norway & Switzerland

Total Group sales PC+ LCV by brand

	Year-to-date March		
	2019	**2018**	**% change**
RENAULT			
PC	471,378	544,033	-13.4%
LCV	105,504	104,764	+0.7%
PC+LCV	**576,882**	**648,797**	**-11.1%**
RENAULT SAMSUNG MOTORS			
PC	**15,690**	**19,105**	**-17.9%**
DACIA			
PC	171,458	160,869	+6.6%
LCV	12,584	10,776	+16.8%

PC+LCV	**184,042**	**171,645**	**+7.2%**
LADA			
PC	91,005	82,415	+10.4%
LCV	2,581	3,687	-30.0%
PC+LCV	**93,586**	**86,102**	**+8.7%**
ALPINE			
PC	**1,406**	**39**	**+++**
JINBEI&HUASONG			
PC	1,908	4,196	-54.5%
LCV	34,834	32,241	+8.0%
PC+LCV	**36,742**	**36,437**	**+0.8%**
GROUPE RENAULT			
PC	752,845	810,657	-7.1%
LCV	155,503	151,468	+2.7%
PC+LCV	**908,348**	**962,125**	**-5.6%**

Groupe Renault's Top 15 markets year to date March 2019

	Year-to-date 03 2019	**Volumes [1] (units)**	**PC+LCV Market Share (in %)**
1	France	178,057	26.38
2	Russia	111,712	28.52
3	Germany	59,714	6.26
4	Italy	58,688	10.10
5	Brazil	51,266	8.86

6	Spain + Canary Islands	47,219	12.71
7	China	42,687	0.72
8	United Kingdom	36,007	4.47
9	Belgium + Luxembourg	23,980	12.31
10	Argentina	20,637	15.33
11	India	19,193	1.90
12	Algeria	18,528	48.25
13	Poland	17,866	11.41
14	Morocco	17,647	43.42
15	Turkey	16,891	19.09

(1) Sales excluding Twizy

17) 14th May 2019. Nissan contributes € -56 million for first quarter 2019 to Renault's earnings.

Boulogne Billancourt, 05/14/2019
Nissan released today its results for the fourth quarter of fiscal year 2018/2019 (April 1, 2018 to March 31, 2019).

Nissan's results, published in JGAAP, for the fourth quarter of fiscal year 2018/2019 (January 1st to March 31th, 2019), after IFRS restatements, will have a negative contribution to Renault's first quarter 2019 net income estimated at -€56 million(1).

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(1) Based on an average exchange rate of 125.1 yen/euro for the period under review.

18) 27th May 2019: Groupe Renault confirms receipt of a proposal from FCA regarding a potential 50/50 merger transaction

Boulogne-Billancourt, Mai 27th, 2019 – Groupe Renault confirms that it received a proposal from FCA (Fiat Chrysler Automobiles) regarding a potential 50/50 merger transaction between Groupe Renault and FCA.
Renault's Board of Directors will meet this morning to discuss this proposal.
A press release will be issued following this meeting.

19) 27th May 2019:Renault's Board of Directors has decided to study with FCA the potential 50/50 merger

Boulogne-Billancourt, Mai 27th, 2019 – Renault's Board of Directors met today to examine the proposal received from FCA (Fiat Chrysler Automobiles) regarding a potential 50/50 merger between Renault S.A. and FCA.
After careful review of the terms of FCA's friendly proposal, the Board of Directors decided to study with interest the opportunity of such a business combination, comforting Groupe Renault's manufacturing footprint and creating additional value for the Alliance.
A further communication will be issued in due course to inform the market of the results of these discussions, in accordance with applicable laws and regulations.

(2) LITIGATION CASES

Refer to Part I- III – 2. RISKS IN BUSINESS, ETC. - “LEGAL AND CONTRACTUAL RISKS”.

4. DIFFERENCES BETWEEN IFRS AND JAPANESE GAAP

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

1- Goodwill should be amortized over a period of less than 20 years. Effective from April 1, 2015, the following condition has been added in the PITF18 : “in case the subsidiary is not amortizing the goodwill.” This is because USGAAP have been revised so that to allow the option for non-listed companies to amortize goodwill.
2- Regarding actuarial gains and losses of defined benefit plans recognized in other comprehensive income, the differences between IFRS and Japanese GAAP should disappear upon application ASBJ N°26 except for actuarial differences and past service cost that should be recognized in P&L over a certain period under JGAAP whereas under IFRS, actuarial differences can never be recycled to P&L (cf .8b).
3- Capitalization and amortization of intangible assets arising from development phases.
4- Reevaluations of investment properties, property, plant and equipment, and intangible assets

- 5- If foreign subsidiaries, etc. have elected to present subsequent changes in fair value of an equity instrument in other comprehensive income in accordance with IFRS 9, the cumulative amount of gain or loss on sales and impairment losses will be presented in other comprehensive income and will not be adjusted to reclassify to profit or loss. This revised Practical Issue Task Force, etc. adds treatment on the amounts of these reclassification adjustments under IFRS 9 as adjustment items. This is effective from the beginning of consolidated accounting years beginning on or after 1 April 2019 while Early application permitted from the end of the first consolidated accounting years or quarterly accounting periods ended on or after 14 September 2018 (the Release date of the revised Practical Issue Task Force)

Effective April 1, 2008, Practical Guideline application (PITF18) was limited to foreign entities consolidated under full-consolidation method leaving equity method foreign subsidiaries reporting in their local GAAP. Effective April 1, 2010, Practical Guideline application (PITF24) has been extended to equity method companies.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

Under IFRS, until 2012, equity method and proportionate method were authorized by IAS31 to consolidate jointly controlled entities. From January 1 2013, IAS31 has been replaced by IFRS11 which requires distinction for joint controlled arrangement between Joint-Venture and Joint-Operation arrangements. In a Joint-Venture arrangement, partners limit their rights to Net asset of the jointly controlled entity whereas in a Joint-Operation arrangement specific rights for partners exist on Assets and Liabilities of the controlled entity. The consequence in terms of consolidation method is that Joint-Venture arrangements for a jointly controlled entity should be consolidated under Equity method and Joint-Operation arrangements should be consolidated on the basis of the percentage share specific to each balance sheet and income statement item. Despite EU has postponed to January 1 2014 mandatory first application, Renault has performed an early adoption from January 1, 2013.

Under Japanese GAAP, Joint Ventures are accounted for by equity method and there is no clear guidance for Joint Operation. So :

- until 2012, consolidation of Joint Ventures on a proportional basis was not permitted in Japanese consolidated accounts, unless it was allowed by local GAAP accepted for Japanese GAAP consolidation purposes, in this case IFRS (see §a),
- from 2013, consolidation of Joint Operations on the basis of the percentage share specific to each balance sheet and income statement item, newly permitted in IFRS accounts, is not allowed in Japanese consolidated accounts, unless it is authorized by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for business combination

Under IFRS, accounting for business combination allows the purchase method only. Effective April 1, 2010, pooling of interest is disallowed under JGAAP, hence convergence to IFRS on this matter is now almost perfect.

2) Presentation of statement of financial position and statement of comprehensive income

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IAS 1.60, “an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant”.

Under Japanese GAAP, classifying into current and non-current assets and current and non-current liabilities based on liquidity is generally adopted.

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders' equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized based on risk-and-reward approach.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

3) Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset's fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is tested if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is required from the test, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP whereas it is under IFRS (except for goodwill).

4) Financial instruments

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the "CESR"). The key differences are the following:

a. Redeemable shares

Under IFRS, redeemable shares with a return partly indexed on revenues are considered as debts with an embedded derivative accounted for at fair value, when the index is considered as a financial variable which cannot be evaluated separately. Redeemable shares with a return partly indexed on revenues are booked at amortized cost, if the index can be considered as a non-financial variable. The decision was taken by Renault to opt to the second method since January 1, 2018.

Under Japanese GAAP, redeemable shares are initially recorded as equity at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

IFRS 9 replaced the IAS 39 impairment model for financial assets, based on incurred credit losses, with a prospective model based on expected credit losses.

Under IFRS, impairment on sales financing receivables is booked for expected credit losses with the following rules:

• Upon initial recognition, impairment on the instrument is recorded equivalent to the 12-month with a prospective model based on expected credit losses.
• If there is a significant deterioration in the credit risk after initial recognition, impairment on the instrument is recorded equivalent to the instrument's lifetime expected losses.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

5) Valuation of inventories

Under IFRS, costs in inventory are assigned by using individual cost method, first-in, first-out method weighted average cost method or the retail method..

Under Japanese GAAP, individual cost method, first-in, first-out, average cost (overall or moving) and retail method are applicable. The lower of cost or market value method is required to be applied.

6) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill had been translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company is translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill had been recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill is recognized immediately in income.

7) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years. Nissan finished this amortization at March 31, 2015 after 15 years passed from the application in FY2000.

b. Actuarial differences on pension accrual

Until 2012, IFRS has allowed entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholders' equity (other comprehensive income).
- Amortizing them through a "corridor approach".

Renault has chosen to recognize the actuarial gains and losses in the period in which they occur and directly in other comprehensive income. From January 1, 2013, IAS19R does not allowed "corridor approach" anymore.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.
Japanese GAAP converged to IFRS at the end of Fiscal Year beginning on or after April 1, 2014 as stipulated by ASBJ Statement No26 published on May 17, 2012 with a possibility of early adoption on April 1, 2013. Under this Accounting Standard, actuarial gains and losses that are yet to be recognized in profit or loss would be recognized within the net asset section (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus would be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits) without any adjustments. The two differences with IFRS will remain on P&L:

- JGAAP stipulates that actuarial differences and past service cost should be recognized in P&L account over a certain period no longer than the expected average remaining working lives of employees. Under IFRS, actuarial differences can never be recycled to P&L and IAS19R stipulates that amortization on expected average remaining working lives of unvested Past Service cost is not accepted anymore and that unvested Past Service cost should be recognized immediately like vested ones.
- IFRS applies the discount rate to the net benefit obligation (i.e. projected benefit obligation less plan asset) to calculate a single net interest cost or income, whereas under JGAAP calculation of interest cost (based on the application of a discount rate to the projected benefit obligation) and expected return on assets (based on the application of an long-term expected rate of return on assets to the calculated asset value) are performed independently. Long-term expected rate of return is defined by considering the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

8) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the New Company Law (May 1, 2006). Stock option category addressed is limited to equity settled share-based payment transactions and no clear guideline is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income. This is currently the only one difference remaining with IFRS.

9) Research and development expenses

In compliance with IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

10) Assets Retirement Cost Obligation

Until March 31, 2010, Japanese GAAP did not stipulate the obligation to recognize Assets Retirement Cost obligation as a liability. From April 1, 2010, Asset Retirement Obligation or similar removal costs of tangible assets are considered incurred when fixed assets are acquired, constructed, developed or used in ordinary way. First time application impact should be charged to extraordinary loss. Obligation is valorized as discounted amount of cash-flow requested to remove fixed asset. This Japanese GAAP accounting change (ASBJ Statement 18 and Guidance 21 dated March 31 2008) is consistent with IAS16.

11) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses and retrospective application of IAS 38
d. Sales with buy-back commitments
e. Pension liabilities

12) Borrowing costs capitalizations:

Under IAS 23 effective from January 1, 2009, borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying assets shall be capitalized as part of the cost of that asset. Under Japanese GAAP, borrowing costs are generally recognized as incurred.

13) Revenue recognition

IFRS 15 Revenue from Contracts with Customers has been applied from January 2018. Revenue is recognized in the amount of consideration an entity expects to receive in exchange for transferring goods or services to the customer according to the following five-step approach.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Japanese GAAP, revenue is recognized based on the realization principle, and there are currently no comprehensive accounting standards related to revenue recognition. A revenue recognition standard incorporating the fundamental principles of IFRS 15 will be applied from fiscal years beginning on or after April 1, 2021. Early adoption is permitted from fiscal years beginning in or after April 1, 2018.

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

IX. REFERENCE INFORMATION RELATING TO THE COMPANY

1. INFORMATION OF PARENT COMPANY, ETC. OF FILING COMPANY

Not applicable

2. OTHER REFERENCE INFORMATION

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

NAME OF DOCUMENTS	FILING DATE
(1) SECURITIES REPORT AND ATTACHMENTS THERETO	**MAY 18, 2018**
(2) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO	**JUNE 26, 2018**
(3) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO	**SEPTEMBER 14, 2018**
(4) EXTRAORDINARY REPORT (PURSUANT TO ARTICLE 24-5, PARAGRAPH 4 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT AND ARTICLE 19, PARAGRAPH 1 AND PARAGRAPH 2, ITEM 9 OF THE CABINET OFFICE ORDINANCE CONCERNING DISCLOSURE OF AFFAIRS, ETC. OF CORPORATIONS)	**FEBRUARY 12, 2019**

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.

AUDITORS' REPORT

Auditors' Report (relating to 2018 Consolidated financial statements) *

Auditors' Report (relating to 2018 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

KPMG Audit
Département de KPMG S.A.
2, avenue Gambetta – CS 60055
92066 Paris La Défense Cedex
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Renault, société anonyme ("Renault")

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2018
Renault, société anonyme ("Renault")
13-15, quai Le Gallo - 92100 Boulogne-Billancourt

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Renault, société anonyme ("Renault")

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2018

To the annual general meeting of Renault,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Renault for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Observation

Without qualifying our opinion expressed above, we draw your attention to the notes 2-A1, 2-A2 and 2-A3 to the notes to the consolidated financial statements which describe the changes resulting from the first application of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from contracts with customers”, as well as the change in accounting policy regarding the redeemable shares held by Renault SA.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

<table>
<tr><th colspan="2">Valuation of the manufacturing specific intangible and tangible assets (vehicles) of the Automotive sector (excl. AVTOVAZ)</th></tr>
<tr><td>Risk identified</td><td>Intangible and tangible assets of the operating segment “Automotive (excluding AVTOVAZ)” amount to 18 448 million euros.

The Group carries out impairment tests at the operating segment level as well as at the level of the intangible and tangible assets specific to vehicles or mechanical organs under the approach described in note 2-M of the consolidated financial statements.

For the latter, the test consists in comparing the net book value of the intangible and tangible assets specific to the vehicles or mechanicals organs with their recoverable value, defined as the higher amount between the value in use and the fair value net of exit costs. The value in use is calculated based on discounted future cash flows.

We have considered that the valuation of the manufacturing specific assets related to vehicles or mechanical organs is a key audit matter because of their contribution to the financial statements and because of the estimates and judgments required from management to prepare these tests.</td></tr>
<tr><td>Our audit response</td><td>During our audit of the consolidated financial statements, our procedures mainly consisted in:

- Understanding the analysis performed by management in order to identify vehicles presenting indicators of impairment;

- Reconciling to the consolidated financial statements the net book value of specific assets subject to the impairment test;

- Assessing the consistency of the volumes and margins assumptions used in the tests with the latest projections of management;

- Assessing the reasonableness of the main assumptions used through interviews with the economic controllers in charge of the vehicles being tested and by comparing the assumptions with the data used in the previous impairment tests as well as, if applicable, with the historical performance of</td></tr>
</table>

Valuation of the manufacturing specific intangible and tangible assets (vehicles) of the Automotive sector (excl. AVTOVAZ)

	the vehicles or mechanical organs subject to the test; - Testing the arithmetical accuracy of the discounted cash flows projections prepared by management for vehicles subject to an impairment test; - Comparing the discount rate after tax used with external data available; - Performing sensitivity analysis on the main assumptions used.

Consolidation method and recoverable value of the equity investment of Renault in Nissan

Risk identified	As at December 31, 2018, the Renault equity investment in Nissan amounts to 20 583 million euros, and Nissan contributes for 1 509 million euros to Renault's net profit for the period. As indicated in note 12 to the consolidated financial statements, Renault has a significant influence over Nissan and accounts for its investment using the equity method. The Nissan accounts used to prepare Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards, adjusted for the purpose of the Renault consolidation under IFRS. Renault carries out an impairment test in the event of any indication of impairment of its interest, if applicable We have considered that the consolidation method and recoverable value of the equity investment in Nissan are a key audit matter given its magnitude to Renault's consolidated financial statements, and given the following areas of attention: (1) the judgement of management to assess the Alliance governance structure as well as facts and circumstances underlying Renault's significant influence over Nissan, (2) the adjustments to Nissan's financial statements required to account for Renault's share in the result and equity of this company and their accuracy, (3) the estimates used by management in determining the recoverable value of Renault's investment in Nissan.
Our audit response	Our audit response to the risks identified mainly consisted in: - Reading the minutes of the Board of Directors meetings and the related party agreements and commitments register, and obtaining confirmation from management that there were no changes in the governance of Nissan and/or no new contracts structuring the relations between Renault and Nissan which could modify the analysis of the significant influence exercised by Renault over Nissan; - Understanding the conclusions and the audit work performed by the independent auditor of Nissan in accordance with our instructions which detail the procedures to be performed and the conclusion format required for our audit purposes; - Understanding the audit work performed by the independent auditor of Nissan over the homogenization adjustments required to Nissan's financial statements to match Renault accounting policies; - Assessing whether there are any identified impairment indicators, the main indicators being significant adverse changes on markets where Nissan operates or a significant and long lasting drop in Nissan stock market value; - Assessing the relevance of the main assumptions used by Renault in the impairment test performed to confirm the recoverable value of its investment in Nissan, by reference to Nissan mid-term plan, historical performance achieved by Nissan as well as the overall perspectives of the Automotive

Consolidation method and recoverable value of the equity investment of Renault in Nissan

	sector; - Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Recoverability of the deferred tax assets of the French tax group

Risk identified	As indicated in Note 8-B to the consolidated financial statements, a net deferred tax asset of 178 million euros is recognized in the Renault consolidated balance sheet with respect to the French integrated tax group. The value of this deferred tax asset depends on the ability of the legal entities of the French tax group to achieve the financial performance expected by management. The recoverability of this asset is a key audit matter given the level of judgment required from management, with regards specifically to the ability of the underlying legal entities to use their tax losses carried forward.
Our audit response	Our audit response to the risks identified mainly consisted in: - Assessing the consistency of the expected financial results of the French tax group with the main assumptions underlying the group mid term plan approved by the Board of Directors; - Comparing budgeted and actual results in prior periods to assess the reliability of the budgeting processes.

Calculation of expected losses on sales financing receivables in accordance with the new IFRS 9 accounting standard

Risk identified	The sales financing activity is managed by RCI Banque with dedicated offers for individuals and companies as well as the financing of dealer networks. RCI Banque sets aside provisions to cover the risk of losses resulting from the inability of its clients to meet their financial commitments. Since 1 January 2018, RCI Banque has applied IFRS 9 "Financial Instruments", which defines in particular a new methodology for estimating provisions based on a prospective model, moving from a provisioning of proven credit losses to a provisioning model for expected losses. The effects of the first-time application of IFRS 9 are detailed in Note 2-A1 to the consolidated financial statements. Its impact on shareholders' equity (Group share) at 1 January 2018 amounts to -94 million euros (including -128 million euros from RCI Banque), of which -116 million euros (including a -121 millions euros contribution of RCI Banque) for the depreciation of credits (excluding deferred tax). We consider that the first application of this standard at 1 January 2018 and its implementation for the financial year ended 31 December 2018 are a key point of the audit, due to the size of the amount of customer and network loans on the assets side of the Group's balance sheet, the use of numerous parameters and assumptions in the calculation models and the use of judgment by management in estimating expected credit losses.
Our audit response	Our procedures mainly consisted in: - Assessing the methodological principles followed for the construction of the models, in order to check their compliance, in their significant aspects, with the principles of IFRS 9; - Assessing the governance established in terms of validation of the key

Calculation of expected losses on sales financing receivables in accordance with the new IFRS 9 accounting standard

parameters and assumptions applied in these models or included in the ex post review of actual losses over the past financial year (*back-testing*);

- Evaluating key controls over processes, IT applications, management accounting data spills and interfaces between applications involved in calculating expected credit losses;
- *On the retail customer credit perimeter:*
  - Testing, and assessing on the basis of a representative sample of customer credit agreements, the appropriateness of the "Probability of Default" and "Loss in the event of Default" parameters with the corresponding agreements;
  - On the basis of this same sample, recalculating the "Expected Credit Losses" (*ECL*) on the accounting situation at the beginning and end of the financial year;
- *On the dealer network credit perimeter:*
  - Testing data processing, corroborating and assessing the appropriateness of the "Probability of Default" and "Loss in the event of Default" parameters with the corresponding contracts;
  - Recalculating the "Expected Losses" on the French perimeter on the opening accounting position for the year and on the exhaustiveness of dealer network credit data at 31 December 2018;
- Assessing the methodology applied to determine the prospective component of ECL (forward looking) estimation, in particular on the assumptions used in the establishment of the scenarios macro-economic factors, the weighting of these scenarios and their impact on risk parameters;
- Carrying out analytical procedures on the evolution of outstanding retail customer and dealer network loans and credit risk impairment;
- Assessing the appropriateness of the information presented in Note 2-A1 to the consolidated financial statements.

Specific verifications

As required by French laws and regulations, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the information relating to the group provided in the management report, being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2018, KPMG SA was in the fifth year of total uninterrupted engagement and Ernst & Young Audit was in the fortieth year of total uninterrupted engagement, of which twenty-five years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Risks and Ethics Committee

We submit a report to the Audit, Risks and Ethics Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Ethics Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this audit report.

We also provide the Audit, Risks and Ethics Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, April 4, 2019

The statutory auditors

French original signed by

KPMG Audit
A department of KPMG S.A.

ERNST & YOUNG Audit

Jean-Paul Vellutini   Laurent des Places   Aymeric de La Morandière   Philippe Berteaux

KPMG Audit
Département de KPMG S.A.
2, avenue Gambetta – CS 60055
92066 Paris La Défense Cedex
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Renault, société anonyme (« Renault »)

Statutory auditors' report on the financial statements

For the year ended December 31, 2018
Renault, société anonyme ("Renault")
13-15, quai Le Gallo - 92100 Boulogne-Billancourt

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Renault, société anonyme ("Renault")

Statutory auditors' report on the financial statements

For the year ended December 31, 2018

To the Annual General Meeting of Renault,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Renault for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments

Risks identified

At December 31, 2018, investments are accounted for in Renault SA balance sheet for 18 790 million Euros, representing one of the most significant caption of the total assets. Investments are valued at acquisition cost at the date of entry, and their recoverable value is then assessed by management as described in
Note 2.1 to the notes to the individual financial statements of Renault.

Renault S.A. has opted to account for investments in controlled companies under the equity method. The value of these investments is determined based on their contribution to the consolidated equity of Renault, and the change during the year in the overall share of shareholders' equity corresponding to these interests is included in shareholders' equity under "Equity valuation difference".

The other investments mainly relate to Renault's equity investment in Nissan. This investment is valued at the lower amount between the book value and the value in use, which takes into account the share of net assets and profitability prospects of Nissan. The assessment of the recoverable value of Renault's investment in Nissan is based on expected profitability and the stock market value, and requires judgement from management.

In this context, we have considered that the valuation of the investments was a key audit matter.

Our audit response

In order to assess the reasonableness of the value in use of investments, we mainly relied on the work performed for the purpose of the consolidated financial statement audit.

Our work mainly consisted in:

Regarding Renault's investments in controlled companies:

- Check that the shareholders' equity in each of these investments corresponds to their contribution to the consolidated equity of Renault.
- Check that Renault has performed the necessary adjustments, if any, to take into account potential impairment losses accounted for in the group's consolidated financial statements.

Regarding Renault investment in Nissan:

- Assess the reasonableness of the main assumptions used by Renault in the impairment test performed to confirm the recoverable value of its investment in Nissan, by referring to Nissan’s stock market value, mid-term plan and historical performance and the growth prospects of the Automotive sector.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-4 of the French Commercial Code (Code de commerce).

Report on Corporate Governance

We confirm the existence in the Report on Corporate Governance of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Regarding the information on factors that your company considered could have a potential incidence in case of public takeover or swap bid, given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have confirmed they are in accordance with the underlying documentation provided to us. Based on this work, we have no matter to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for
Ernst & Young Audit.

As at December 31, 2018, KPMG SA was in the fifth year of total uninterrupted engagement and Ernst & Young Audit was in the fortieth year of total uninterrupted engagement, of which twenty-five years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.
As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit, Risks and Ethics Committee

We submit a report to the Audit, Risks and Ethics Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Ethics Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit, Risks and Ethics Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, April 4, 2019

The statutory auditors

French original signed by

KPMG Audit *A department of KPMG S.A.*	ERNST & YOUNG Audit

Jean-Paul Vellutini Laurent des Places Aymeric de La Morandière Philippe Berteaux

AUDITORS' REPORT

Auditors' Report (relating to 2017 Consolidated financial statements) *

Auditors' Report (relating to 2017 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

KPMG Audit
Département de KPMG S.A.
2, avenue Gambetta – CS 60055
92066 Paris La Défense Cedex
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris La Défense
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Renault, société anonyme ("Renault")

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2017 Renault, société anonyme ("Renault")
13-15, quai Le Gallo - 92100 Boulogne-Billancourt

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Renault, société anonyme ("Renault")

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2017

To the annual general meeting of Renault,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Renault for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of the manufacturing specific intangible and tangible assets (vehicles) of the Automotive sector (excl. AVTOVAZ)

Risk identified	Intangible and tangible assets of the operating segment "Automotive (excluding AVTOVAZ)" amount to 16 818 million euros. The Group carries out impairment tests at the operating segment level as well as at the level of the intangible and tangible assets specific to vehicles or mechanical organs under the approach described in note 2-M of the consolidated financial statements. For the latter, the test consists in comparing the net book value of the intangible and tangible assets specific to the vehicles or mechanicals organs with their recoverable value, defined as the higher amount between the value in use and the fair value net of exit costs. The value in use is calculated based on discounted future cash flows. We have considered that the valuation of the manufacturing specific assets related to vehicles or mechanical organs is a key audit matter because of their contribution to the financial statements and because of the estimates and judgments required from management to prepare these tests. Information regarding these impairment tests is included in the note 11 of the notes to the consolidated financial statements.
Our audit response	During our audit of the consolidated financial statements, our procedures mainly consisted in: - Understanding the analysis performed by management in order to identify vehicles presenting indicators of impairment; - Reconciling to the consolidated financial statements the net book value of specific assets subject to the impairment test; - Assessing the consistency of the volumes and margins assumptions used in the tests with the latest projections of management; - Assessing the reasonableness of the main assumptions used through interviews with the economic controllers in charge of the vehicles being tested and by comparing the assumptions with the data used in the previous impairment tests as well as, if applicable, with the historical performance of the vehicles or mechanical organs subject to the test;

Valuation of the manufacturing specific intangible and tangible assets (vehicles) of the Automotive sector (excl. AVTOVAZ)

- Testing the arithmetical accuracy of the discounted cash flows projections prepared by management for vehicles subject to an impairment test;
- Comparing the discount rate after tax used with external data available;
- Performing sensitivity analysis on the main assumptions used;
- Assessing the appropriateness of the disclosures in the notes to the consolidated financial statements.

Consolidation method and recoverable value of the equity investment of Renault in Nissan

Risk identified

As at December 31, 2017, the Renault equity investment in Nissan amounts to 19 135 million euros, and Nissan contributes for 2 791 million euros to Renault's net profit for the period.

As indicated in note 12 to the consolidated financial statements, Renault has a significant influence over Nissan and accounts for its investment using the equity method. The Nissan accounts used to prepare Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards, adjusted for the purpose of the Renault consolidation under IFRS.

We have considered that the consolidation method and recoverable value of the equity investment in Nissan are a key audit matter given its magnitude to Renault's consolidated financial statements, and given the following areas of attention: (1) the judgement of management to assess the Alliance governance structure as well as facts and circumstances underlying Renault's significant influence over Nissan, (2) the adjustments to Nissan's financial statements required to account for Renault's share in the result and equity of this company and their accuracy, (3) the estimates used by management in determining the recoverable value of Renault's investment in Nissan.

Our audit response

Our audit response to the risks identified mainly consisted in:

- Reading the minutes of the Board of Directors meetings and the related party agreements and commitments register, and obtaining confirmation from management that there were no changes in the governance of Nissan and/or no new contracts structuring the relations between Renault and Nissan which could modify the analysis of the significant influence exercised by Renault over Nissan;
- Understanding the conclusions and the audit work performed by the independent auditor of Nissan in accordance with our instructions which detail the procedures to be performed and the conclusion format required for our audit purposes;
- Understanding the audit work performed by the independent auditor of Nissan over the homogenization adjustments required to Nissan's financial statements to match Renault accounting policies;

Consolidation method and recoverable value of the equity investment of Renault in Nissan

	- Assessing whether there are any identified impairment indicators, the main indicators being significant adverse changes on markets where Nissan operates or a significant and long lasting drop in Nissan stock market value; - Assessing the relevance of the main assumptions used by Renault in the impairment test performed to confirm the recoverable value of its investment in Nissan, by reference to Nissan mid-term plan, historical performance achieved by Nissan as well as the overall perspectives of the Automotive sector; - Assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Consolidation of AVTOVAZ : Purchase Price Allocation

Risk identified	Renault took control of the AVTOVAZ Group on December 28, 2016. Following the finalization of the price allocation to the fair value of assets and liabilities acquired, the goodwill related to this acquisition amounts to 968 million euros as of December 31, 2017. The purchase price allocation relies on estimates used to determine the fair value of assets and liabilities acquired. Consequently, we considered that the purchase price allocation performed on AVTOVAZ represents a key audit matter for the year-ended December 31, 2017. These elements are detailed in the note 3-B of the notes to the consolidated financial statements.
Our audit response	We analyzed the work performed by the Company with its external experts to identify and evaluate the fair value of assets and liabilities acquired. In particular, we were assisted by our specialists to analyze the valuation methodology applied for the main assets and liabilities acquired and assessed the reasonableness of the main estimates used. We also assessed the appropriateness of the disclosures provided in the notes to the consolidated financial statements regarding the purchase price allocation.

Recoverability of the deferred tax assets of the French tax group

Risk identified	As indicated in Note 8-B to the consolidated financial statements, a net deferred tax asset of 202 million euros is recognized in the Renault consolidated balance sheet with respect to the French integrated tax group. The value of this deferred tax asset depends on the ability of the legal entities of the French tax group to achieve the financial performance expected by management. The recoverability of this asset is a key audit matter given the level of judgment required from management, with regards specifically to the ability of the underlying legal entities to use their tax losses carried forward.

Recoverability of the deferred tax assets of the French tax group

Our audit response	Our audit response to the risks identified mainly consisted in: - Assessing the consistency of the expected financial results of the French tax group with the main assumptions underlying the group mid term plan approved by the Board of Directors; - Comparing budgeted and actual results in prior periods to assess the reliability of the budgeting processes.

Recoverable value of sales financing receivables

Risk identified	Sales financing receivables are related to the financing activities of automotive sales to the dealer network or to retail customers and amount to 39 334 million euros in the consolidated balance sheet as at December 31, 2017. As indicated in note 2G to the consolidated financial statements, an impairment loss for incurred credit risk is recognized to cover the risk of non-recovery of receivables. The impairment loss is determined on an individual basis for receivables from retail customers (using a statistical or case-by-case approach). The impairment loss for credit losses on dealer network financing is determined on a case-by-case and individual basis for doubtful receivables and on a collective basis for non-doubtful accounts (using a statistical method or internal expertise). For the calculation of individual impairment losses for the dealer network and the statistical impairment loss for retail financing, the main assumptions are determined by management. This can lead to different estimates. Given the complexity of the assumptions used to estimate these credit risks and the related impairment loss, as well as the judgment required from management, we consider that the determination of the recoverable value of sales financing receivables is a key audit matter.
Our audit response	Our procedures mainly consisted in: *Individual impairment losses on receivables from the dealer network* - Understanding the evaluation process for these impairment losses and the internal control procedures related to the identification of risk indicators of non-recovery of receivables and the governance and monitoring of the allowances for impairment loss - Reconciling the amount of receivables subject to an individual impairment allowances with the amount of receivables included in the impairment loss calculation - Assessing the relevance of loss assumptions - Performing analytical procedures on receivables and impairment allowances. *Statistical depreciation of receivables from retail customers:* - Understanding the evaluation process for these impairment losses and the internal control procedures related to the identification of indicators of impairment loss and the calibration of statistical impairment models;

Recoverable value of sales financing receivables

- Performing an analysis of the historical payment behaviors as compared to the parameters used in the models;
- Testing the statistical matrices for loss migration;
- Checking the correct recording in the group accounts of the impairment loss coming from the models for statistical impairment;
- Performing analytical procedures on receivables and impairment allowances.

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2017, KPMG SA was in the fourth year of total uninterrupted engagement and Ernst & Young Audit was in the thirty-ninth year of total uninterrupted engagement, of which twenty-four years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Risks and Ethics Committee

We submit a report to the Audit, Risks and Ethics Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Ethics Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this audit report.

We also provide the Audit, Risks and Ethics Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Ethics Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 21, 2018

The statutory auditors
French original signed by

KPMG Audit *Département de KPMG S.A.*		ERNST & YOUNG Audit	
Jean-Paul Vellutini	Laurent des Places	Aymeric de La Morandière	Bernard Heller

KPMG Audit
Département de KPMG S.A.
2, avenue Gambetta – CS 60055
92066 Paris La Défense Cedex
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Renault, société anonyme (« Renault »)

Statutory auditors' report on the financial statements

For the year ended December 31, 2017
Renault, société anonyme ("Renault")
13-15, quai Le Gallo - 92100 Boulogne-Billancourt

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Renault, société anonyme ("Renault")

Statutory auditors' report on the financial statements

For the year ended December 31, 2017

To the Annual General Meeting of Renault,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Renault for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Ethics Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Notes 1 and 3.2 to the financial statements relating to the change of accounting method at January 1st, 2017 by your company following the application of the new ANC regulation 2015-05 regarding derivative financial instruments and hedging transactions. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments

Risks identified

At December 31, 2017, investments are accounted for in Renault SA balance sheet for 18 549 million Euros, representing one of the most significant caption of the total assets. Investments are valued at acquisition cost at the date of entry, and their recoverable value is then assessed by management as described in
Note 2.1 to the notes to the individual financial statements of Renault.

Renault S.A. has opted to account for investments in controlled companies under the equity method. The value of these investments is determined based on their contribution to the consolidated equity of Renault, and the change during the year in the overall share of shareholders' equity corresponding to these interests is included in shareholders' equity under "Equity valuation difference".

The other investments mainly relate to Renault's equity investment in Nissan. This investment is valued at the lower amount between the book value and the value in use, which takes account the share of net assets and profitability prospects of Nissan. The assessment of the recoverable value of Renault's investment in Nissan is based on expected profitability and the stock market value, and requires judgement from management.

In this context, we have considered that the valuation of the investments was a key audit matter.

Our audit response

In order to assess the reasonableness of the value in use of investments, we mainly relied on the work performed for the purpose of the consolidated financial statement audit.

Our work mainly consisted in:

Regarding Renault's investments in controlled companies:

- Check that the shareholders' equity in each of these investments corresponds to their contribution to the consolidated equity of Renault.
- Check that Renault has performed the necessary adjustments, if any, to take into account potential impairment losses accounted for in the group's consolidated financial statements.

Regarding Renault investment in Nissan:

- Assess the reasonableness of the main assumptions used by Renault in the impairment test performed to confirm the recoverable value of its investment in Nissan, by referring to Nissan's stock market value, mid-term plan and historical performance and the growth prospects of the Automotive sector.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the Management Report and in the Other Documents Provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

Report on Corporate Governance

We confirm the existence in the Report on Corporate Governance of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Regarding the information on factors that your company considered could have a potential incidence in case of public takeover or swap bid, given in accordance with the requirements of Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have confirmed they are in accordance with the underlying documentation provided to us. Based on this work, we have no matter to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights and the cross-shareholdings has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Renault by the Annual General Meeting held on April 30, 2014 for KPMG SA and by Order from the Ministry of the Economy of March 27, 1979 for Ernst & Young Audit.

As at December 31, 2017, KPMG SA was in the fourth year of total uninterrupted engagement and Ernst & Young Audit was in the thirty-ninth year of total uninterrupted engagement, of which twenty-four years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Risks and Ethics Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Paris La Défense, February 21, 2018

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