RENAULT

PRESS RELEASE

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2012 FINANCIAL RESULTS

Despite a challenging European environment, the Renault group reinforced its balance sheet, pursued its global growth strategy and achieved a positive net income of €1,735 million.

- **Group revenues of €41,270 million, down 3.2% on 2011.**
- **Group operating margin of €729 million, or 1.8% of revenues, compared with €1,091 million and 2.6% in 2011.**
- **Group operating income of €122 million, compared with €1,244 million in 2011.**
- **Contribution of associated companies of €1,504 million, compared with €1,524 million in 2011.**
- **Net income of €1,735 million (including a capital gain of €924 million from the disposal of remaining AB Volvo shares).**
- **Positive Automotive operational free cash flow[1] of €597 million, mainly resulting from efficient management of the working capital requirement.**
- **The Group moved from a net debt position of €299 million at December 31, 2011 to a net cash position of €1,492 million mainly due to the disposal of AB Volvo A shares for €1,476 million.**

Commenting, Carlos Ghosn, Chairman and Chief Executive Officer of Renault, said: "In a contrasted global automotive market, Renault benefited from the growth of markets outside Europe, which account for over half of its sales. In the difficult environment in Europe, and especially in France, the Group led a rigorous sales policy and began the renewal of its range with the launch of Clio IV. Thanks to the commitments of all its employees, the Renault group is pursuing its strategy of global growth while strengthening its financial situation and delivering a positive Automotive free cash flow".

Group revenues came to €41,270 million, down 3.2%. With the strong increase in sales outside Europe (+9.1%) failing to offset the decrease in sales in Europe (-18.0%), The **Automotive** division contributed €39,156 to revenues, down 3.7% on 2011.

Group operating margin fell €362 million in 2012 to €729 million (1.8% of revenues) compared with €1,091 million in 2011 (2.6% of revenues).

The Automotive division posted a slightly negative operating margin (- €25 million or -0.1% of its revenues) compared with a positive €330 million in 2011 (0.8% of its revenues). The positive impact from cost reductions for €528 million and the good control of G&A expenses did not offset the sharply negative volume impact (- €501 million) or the increased competition in Europe (mix/price/enrichment effect of - €242 million).

The contribution of **Sales Financing** to Group operating margin came to €754 million, compared with €761 million in 2011. The cost of risk totaled 0.38% of the outstandings (up 0.15 points), after reaching a low point last year. However, it remains below its historic average, reflecting the continued good quality of the portfolio, despite the worsening economic environment in Europe.

Operating income was €122 million, after recognizing other negative operating income and expense items, which totaled €607 million, mainly du to impairment charges of several vehicles lines, the devaluation of the Iranian currency, and restructuring costs.

The contribution of **associated companies** came to €1,504 million in 2012[2] (of which €1,234 million for Nissan), down from €1,524 million in 2011.

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[1] *Operational free cash flow: cash flow (excluding dividends received from listed companies) minus tangible and intangible investments +/- changes in working capital requirements.*

[2] *After taking into account AB Volvo's contribution for three quarters.*

Net income came to €1,735 million, compared with €2,139 million in 2011. The total includes a capital gain of €924 million from the disposal of A shares in AB Volvo in December. Net income, group share, was €1,772 million (€6.51 per share).

For the fourth consecutive year, Automotive **operational free cash flow** was positive. Despite the negative impact from sales and operating income, full-year free cash flow came to €597 million, mainly resulting from the rigorous management of the working capital requirement. The Group was able to increase its annual investments reaching 8.1% of revenues.

This performance, along with the disposal of AB Volvo A shares in December 2012 for €1,476 million, enabled the Group to eliminate its net debt. For the first time since the beginning of the Alliance with Nissan in 1999, Renault is reporting a **positive** Automotive **net cash position** of €1,492 million at December 31, 2012, compared with net debt of €299 million at end-December 2011. At the same time, the Automotive division reported a strong **liquidity position** of €13.6 billion, compared to €11.4 billion at end-2011.

In line with the dividends policy announced in the "Renault 2016 - Drive the Change" plan, a **dividend** of €1.72 per share, strictly representing the dividends received by the Group in 2012 for its shares in listed companies, will be submitted for approval at the next Shareholders' General Meeting.

2013 OUTLOOK

In 2013, the European market remains uncertain and is expected to contract by at least 3% with a French market down 3 to 5%. The global automotive market (PC+LCV) is expected to grow 3% year on year. This growth will be fueled by positive momentum expected in China, North America, India (+11%) Russia (+5%), and Brazil (+1.5%).

In this context, Renault will pursue its strategy of international development. In Europe, the Group is targeting market share growth with new product launches (Captur, ZOE, Clio Estate, New Logan) and the full impact of the products launched at the end of 2012 (Clio IV and New Sandero) with a sustainable pricing policy.

Renault Group is targeting for 2013 (provided European and French markets are not significantly worse than expected):

- units sales growth,
- positive Automotive operating margin,
- positive Automotive operational free cash flow.

CONSOLIDATED GROUP RESULTS

€ million	***2012***	***2011***
Revenues	**41,270**	**42,628**
Operating margin	**729**	**1,091**
% of revenues	1.8%	2.6%
o/w Automotive	-25	330
% of revenues in sector	-0.1%	0.8%
o/w Sales Financing (RCI Banque)	754	761
Operating income	**122**	**1,244**
Net financial income	**-266**	**-121**
Capital gain from disposal of AB Volvo A shares	**924**	**-**
Contribution from associated companies	**1,504**	**1,524**
o/w Nissan	*1,234*	*1,332*
o/w Volvo	*80*	*136*
o/w AVTOVAZ	*186*	*49*
Current and deferred taxes	**-549**	**-508**
Net income	**1,735**	**2,139**
Net income group share	**1,772**	**2,092**

ADDITIONAL INFORMATION

The consolidated financial statements of the Renault group at December 31, 2012 were approved by the Board of Directors on February 13, 2013. The Group's statutory auditors have conducted a limited review of these financial statements and their report will be issued shortly. The financial report, with a complete analysis of the financial results in 2012, is available for download in the Finance section of www.renault.com.

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