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France

**ERNST & YOUNG Audit**  
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S.A.S. à capital variable  
344 366 315 R.C.S. Nanterre

Commissaire aux comptes  
Membre de la compagnie régionale de Versailles

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

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*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.*

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**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 1<sup>st</sup>, 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