

■ ■ ■ ■ ■ ■ ■ ■ **Improved operating margin in a contrasted environment**



- **Increase in registrations: +4.7% at 1.36 million units, notably thanks to 1.0 point market share gain in Europe.**
- **Group revenues at €19,820 million, down 3.0% vs H1 2013 (+0.9% at constant exchange rates).**
- **Automotive operating profit: €348 million, compared to €211 million in H1 2013.**
- **Group operating profit of €729 million (3.7% of revenues), compared to €583 million (2.9% of revenues) in H1 2013.**
- **Negative Automotive operational free cash flow: -€360 million (including a negative contribution of €861 million from the working capital requirement).**

Carlos Ghosn, Chairman and Chief Executive Officer of Renault, said: “Thanks to the success of its recently launched models, Renault’s registrations and profit improved in the first half. These results are in line with the full-year target”

With 1,365,988 vehicles sold worldwide at end-June 2014, Renault group PC+LCV registrations increased by 4.7% in a global market up 4.1% in the first-half 2014. In the first-half of the year, the strong performance of the Group in Europe, driven by the success of new models, yielded to market share gains of 1.0 point, and enabled the Group to offset the sharp slowdown in its main emerging markets.

Group revenues in H1 2014 came to €19,820 million, down 3.0% compared to H1 2013. Automotive contributed €18,739 million to revenues, a decrease of 3.3% compared to H1 2013. This decline is primarily the result of an adverse currency impact. Despite an increase in registrations, the volume effect was also negative reflecting an adjustment in inventories of independent dealers.

At the same time, the Group benefited from an increase of sales to partners and posted a positive price effect, resulting from its policy in emerging markets to ease the weakness of foreign currencies.

Group operating profit stood at €729 million, compared to €583 million in H1 2013, representing 3.7% of revenues (2.9% in H1 2013).

Automotive operating profit increased €137 million to €348 million, representing 1.9% of revenues. This improved result was achieved despite a negative foreign currency and mix/price/product enrichment effects, due to higher volumes in Europe and strict cost controls.

Sales Financing contributed €381 million to Group operating profit, compared to €372 million in H1 2013 reflecting an increase in average outstandings and a stronger contribution from services. The cost of risk (including country risk) remained under control at 0.47% of average performing loans, compared to 0.40% in H1 2013.

Other operating income and expense items came to -€265 million, mainly due to a provision for the competitiveness agreement in France and impairment of assets.

As a result, **operating income** came to €464 million, compared to -€249 million in H1 2013.

The **contribution of associated companies**, mainly Nissan, came to €725 million in H1 2014, compared to €749 million in H1 2013.

Net income came to €801 million and Group share to €749 million (€2.75 per share compared with €0.14 per share in H1 2013).

Automotive operational **free cash flow** in the period was negative at €360 million, including a negative €861 million change in the working capital requirement.

At end-June 2014, total inventory (including the independent dealer network) represented 62 days of sales compared to 67 at end-June 2013.

The Automotive division's **net cash position** remains positive at €791 million at end-June 2014, down €970 million compared to December 31, 2013.

2014 OUTLOOK

In the first half, trends in Group's key markets were contrasted. While its main emerging markets were slowing down, the European market recovery was stronger than foreseen. In this still uncertain environment, the Group expects a continuing decline in the market of its emerging countries, but upgrades its 2014 expectations for the European market at +3% to 4% from +2% to 3% previously.

In this context Renault confirms its guidance:

- increase registrations and Group revenues (at constant exchange rates),
- improve Group operating profit and that of the Automotive division,
- achieve positive Automotive operational free cash flow.

Renault half-year consolidated results

€ million	H1 2014	H1 2013	Change
Group revenues	19,82	20,441	-3.0%
Operating profit	729	583	146
% of revenues	3.7%	2.9%	+0,8 pts
Other operating income - 265 expense items		-832	567
Operating income	464	-249	713

Net financial income	-124	-139	15
Contribution from associated companies	725	749	-24
o/w: Nissan	789	766	23
AVTOVAZ	-55	-10	-45
Current and deferred taxes	264	-264	0
Net income	801	97	704
Net income, Group share	749	39	710
Automotive operational cash flow	-360	-31	-329

ADDITIONAL INFORMATION

The consolidated financial statements of the Renault group at June 30, 2014 were approved by the Board of Directors on July 28, 2014.

The Group's statutory auditors have conducted a limited review of these financial statements and their half-year report will be issued shortly.

C.d.P.