

Final Terms dated 24 November 2017



RENAULT

RENAULT

Euro 7,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

SERIES NO: 51
TRANCHE NO: 1

€750,000,000 1.00 per cent. Notes due 28 November 2025

Issued by: RENAULT (the Issuer)

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
BNP PARIBAS
COMMERZBANK AKTIENGESELLSCHAFT
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
as Managers

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression **Prospectus Directive** means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in the Relevant Member State.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 June 2017 which received visa no. 17-260 from the *Autorité des marchés financiers* the (AMF) on 7 June 2017, the first supplement to the Base Prospectus dated 31 July 2017 which received visa no. 17-404 from the AMF on 31 July 2017, the second supplement to the Base Prospectus dated 9 November 2017 which received visa no. 17-581 from the AMF on 9 November 2017 and the third supplement to the Base Prospectus dated 20 November 2017 which received visa no. 17-601 from the AMF on 20 November 2017 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as

amended and includes any relevant implementing measure in the Relevant Member State) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is attached to the Final Terms. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the AMF during a period of twelve (12) months from the date of the Base Prospectus and (b) the Issuer (www.renault.com) and copies may be obtained free of charge from Renault at 13-15, quai le Gallo, 92100 Boulogne Billancourt, France.

- | | | |
|------------|--|---|
| 1. | Issuer: | Renault |
| 2. | (i) Series Number: | 51 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro (€) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €750,000,000 |
| | (ii) Tranche: | €750,000,000 |
| 5. | (i) Issue Price of Tranche: | 99.109 per cent. of the Aggregate Nominal Amount |
| | (ii) Net Proceeds: | €740,880,000 |
| 6. | Specified Denomination: | €1,000 |
| 7. | (i) Issue Date: | 28 November 2017 |
| | (ii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 28 November 2025 |
| 9. | Interest Basis: | 1.00 per cent. Fixed Rate (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Issuer Call Make-whole Redemption by the Issuer Clean-up Call Option by the Issuer (further particulars specified below) |
| 13. | (i) Status of the Notes: | Unsubordinated Notes |

- (ii) Dates of the corporate authorisations for issuance of the Notes: Decision of the Board of Directors of the Issuer dated 12 December 2016 and decision of the Chairman and CEO (*Président Directeur Général*) dated 24 November 2017

14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15. Fixed Rate Note Provisions** Applicable
- (i) Rate of Interest: 1.00 per cent. *per annum* payable annually in arrear
- (ii) Interest Payment Dates: 28 November in each year commencing on 28 November 2018 up to and including the Maturity Date
- (iii) Fixed Coupon Amount: €10.00 per Note of €1,000 Specified Denomination
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Interest Determination Dates: 28 November in each year
- 16. Floating Rate Note Provisions** Not Applicable
- 17. Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 18. Call Option** Applicable
- (i) Optional Redemption Date(s): 28 August 2025 and any date thereafter up to the Maturity Date (excluded)
- (ii) Optional Redemption Amount(s) of each Note: €1,000 per Note of €1,000 Specified Denomination
- (iii) If redeemable in part: Not Applicable
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period: As per Condition 6(b)
- 19. Make-Whole Redemption by the Issuer** Applicable

| | | |
|------------|---|---|
| (i) | Notice period: | As per Condition 6(c) |
| (ii) | Reference Rate: | The German Federal Government Bond due August 2025 (ISIN: DE0001102382) |
| (iii) | Redemption Margin: | 0.20 per cent. |
| (iv) | Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): | Not applicable |
| 20. | Put Option | Not Applicable |
| 21. | Clean-up Call Option by the Issuer | Applicable |
| 22. | Final Redemption Amount of each Note | €1,000 per Note of €1,000 Specified Denomination |
| 23. | Early Redemption Amount | |
| | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)), for Clean-up (Condition 6(g)), for illegality (Condition 6(j)) or on event of default (Condition 9): | As per Conditions |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

| | | |
|------------|-------------------------------|--|
| 24. | Form of Notes: | Dematerialised Notes |
| (i) | Form of Dematerialised Notes: | Bearer dematerialised form (<i>au porteur</i>) |
| (ii) | Registration Agent: | Not Applicable |
| (iii) | Temporary Global Certificate: | Not Applicable |
| (iv) | Applicable TEFRA exemption: | Not Applicable |

25. **Identification of the Noteholders:** Not Applicable
26. **Financial Centre(s) relating to Payment Dates:** TARGET
27. **Redenomination, renominatisation and reconventioning provisions:** Not Applicable
28. **Consolidation provisions:** Not Applicable
29. **Representation of holders of Notes/Masse:** Contractual Masse shall apply

Name and address of the Representative:

Association de représentation des masses de titulaires de valeurs mobilières (ARM)
Centre Jacques Ferronnière
32 rue du Champ de Tir
CS 30812
44308 Nantes Cedex 3
France

The Representative will receive a remuneration of €3,200 to be paid upfront on the Issue Date.

30. **Applicable Tax Regime:** As per "Taxation" section of the Base Prospectus

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on Euronext Paris of the Notes described herein pursuant to the Euro 7,000,000,000 Euro Medium Term Note Programme of Renault S.A.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Renault S.A.

Duly represented by:



PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Listing: Euronext Paris
- (ii) (a) Admission to trading: Application will be made for the Notes to be admitted to trading on Euronext Paris with effect from 28 November 2017.
- (b) Previous admission(s) to trading: Not Applicable
- (iii) Additional publication of Base Prospectus and Final Terms: Not Applicable
- (iv) Estimate of total expenses related to admission to trading: €11,325 (including AMF fees)
- (v) Regulated Market(s) on which notes of the same class are already admitted to trading: Not Applicable

2. RATINGS

- Ratings: The Programme has been rated BBB by Standard & Poor's Rating Services and Baa3 by Moody's Investors Services, Inc.
- The Notes to be issued are expected to be rated:
- S&P: BBB
- Moody's: Baa3
- Each of Standard & Poor's Rating Services and Moody's Investors Services, Inc is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such, each of Standard & Poor's Rating Services and Moody's Investors Services, Inc is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers in connection with the issue of Notes, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its

affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES*

- | | | |
|-------|---------------------------|--|
| (i) | Reasons for the offer | See "Use of Proceeds" wording in Base Prospectus |
| (ii) | Estimated net proceeds: | €740,880,000 |
| (iii) | Estimated total expenses: | €14,525 (including AMF fee, Euronext listing fee and the remuneration of the Representative) |

5. YIELD

Indication of yield: 1.117 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

- | | | |
|------|--------------|--------------|
| (i) | ISIN: | FR0013299435 |
| (ii) | Common Code: | 172607454 |

Depositories:

- | | | |
|------|--|-----|
| (i) | Euroclear France to act as Central Depository | Yes |
| (ii) | Common Depository for Euroclear and Clearstream Luxembourg | No |

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

The aggregate principal amount of notes issued has been translated into Euro at the rate of [●] producing a sum of: Not Applicable

7. DISTRIBUTION

If syndicated, names and addresses of Managers and underwriting commitments: **Banco Bilbao Vizcaya Argentaria, S.A.**
S.A Ciudad BBVA c/ Saucedo 28,
28050 Madrid

Underwriting commitment: €187,500,000

BNP Paribas
10, Harewood Avenue
London NW1 6AA
United Kingdom

Underwriting commitment: €187,500,000

Commerzbank Aktiengesellschaft
Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt Am Main
Federal Republic of Germany

Underwriting commitment: €187,500,000

Société Générale
Tours Société Générale
17 Cours Valmy
92987 Paris La Défense Cedex
France

Underwriting commitment: €187,500,000

Stabilising Manager(s) (if any): Not Applicable

Date of subscription agreement: 24 November 2017

If non-syndicated, name and address of Dealer: Not Applicable

Public Offer: Not Applicable

8. INFORMATION IN RESPECT OF CERTAIN OFFERS OF NOTES

Not Applicable

ANNEXE – ISSUE SPECIFIC SUMMARY

This summary relates to the issue of €750,000,000 1.00 per cent. Notes due 28 November 2025 (the **Notes**) by Renault (the **Issuer**) described in the Final Terms to which this summary is attached. This summary includes information contained in the summary to the Base Prospectus dated 7 June 2017 which received visa no. 17-260 from the *Autorité des marchés financiers* the (**AMF**) on 7 June 2017, the first supplement to the Base Prospectus dated 31 July 2017 which received visa no. 17-404 from the AMF on 31 July 2017, the second supplement to the Base Prospectus dated 9 November 2017 which received visa no. 17-581 from the AMF on 9 November 2017 and the third supplement to the Base Prospectus dated 20 November 2017 which received visa no. 17-601 from the AMF on 20 November 2017 (together, the **Base Prospectus**) which together constitute a base prospectus for the purposes of the Prospectus Directive. Words and expressions which are defined in the Base Prospectus and the Final Terms shall have the same meanings where used in the following summary.

Summaries are made up of disclosure requirements known as "Elements" the communication of which is required by Annex XXII of the Regulation EC No 809/2004 of 29 April 2004 as amended by Commission Delegated Regulation (EU) n°486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) n°862/2012 of 4 June 2012. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Renault S.A. (the **Issuer**). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

| Section A – Introduction and Warnings | | |
|--|---|--|
| A.1 | General disclaimer regarding the summary | <p>This summary should be read as an introduction to the Base Prospectus. Any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference and any supplements to the Base Prospectus which may be published in the future.</p> <p>Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p> |
| A.2 | Information regarding consent by the Issuer to the use of the Prospectus | Not applicable |

Section B – Issuer

| | | |
|-------------|--|--|
| B.1 | The legal and commercial name of the Issuer | RENAULT (Renault or the Issuer) |
| B.2 | The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation | <p>RENAULT is a <i>société anonyme</i> (public limited company) organized and existing under French law. Renault is governed by the provisions of Book II of the French <i>Code de Commerce</i>, and the provisions of the employee profit-sharing Act No 94-640 of July 25, 1994.</p> <p>Renault is registered with the Registrar of Companies in Nanterre under number 441 639 465.</p> <p>Its Registered office is located at 13-15, quai Le Gallo, 92100 Boulogne-Billancourt – France.</p> |
| B.4b | Description of any known trends affecting the Issuer and the activities in which it operates | <p>Outlook for 2017</p> <p>In 2017, the global market should see growth of 2% to 3% (versus +1.5% to +2.5% previously). The European market is expected to grow around 3% (versus +2% previously). The French market is expected to expand by around 4% (versus +2% previously).</p> <p>Outside Europe, the Russian market could grow around 10% (versus more than 5% previously), and the Brazilian market up to 8% (versus by 5% previously). The growth momentum is expected to continue in China (around 5%) and India (more than 8%).</p> <p>Within this context, and including AVTOVAZ, Groupe Renault is confirming its guidance:</p> <ul style="list-style-type: none"> - increase Group revenues, beyond the impact of AVTOVAZ (at constant exchange rates)*, - increase Group operating profit in euros*, - generate a positive automotive operational free cash flow. <p><i>* compared with 2016 Groupe Renault published results</i></p> |
| B.5 | Description of the Issuer's Group and the Issuer's position within the Group | As of 31 December 2016: |

| | | |
|--------------------|---|--|
| | | <p>STRUCTURE OF GROUPE RENAULT (as a % of shares issued)</p> <pre> graph TD RenaultSAR[Renault S.A.] --> NissanMotor[Nissan Motor 43.4%] RenaultSAR --> Renaultsas[Renault s.a.s. 100%] RenaultSAR --> Dacia[Dacia 99.4%] RenaultSAR --> DaimlerAG[Daimler AG 1.55%] Renaultsas --> RCIBanque[RCI Banque S.A. 100%] Renaultsas --> RenaultSamsung[Renault Samsung Motors 80%+] Renaultsas --> AllianceRostec[Alliance Rostec Auto b.v. 73.30%] Renaultsas --> Other[Other industrial and commercial companies] AllianceRostec --> AVTOVAZ[AVTOVAZ 64.60%+] </pre> <p> — Associated companies — Sales financing — Automobile division — Not included in the scope consolidation * Indirect interest by Renault s.a.s </p> |
| <p>B.9</p> | <p>Profit forecast or estimate</p> | <p>Not applicable.</p> |
| <p>B.10</p> | <p>Qualifications in the auditors' report</p> | <p>The 2015 and 2016 statutory auditors reports on the Consolidated Financial Statements ended respectively on 31 December 2015 and 31 December 2016 do not include qualifications.</p> |
| <p>B.12</p> | <p>Selected historical key financial information</p> | <p>The spread sheet below gives the key figures for the 2016 and 2015 financial years.</p> |

KEY FIGURES

| | | 2016 | 2015 restated ⁽¹⁾ | Change |
|---|------------------|--------|------------------------------|---------|
| Worldwide Group registrations ⁽²⁾ | million vehicles | 3.18 | 2.81 | +13.3% |
| Group revenues | € million | 51,243 | 45,327 | +13.1% |
| Group operating profit | € million | 3,282 | 2,375 | +907 |
| | % revenues | 6.4% | 5.2% | +1.2 pt |
| Group operating income | € million | 3,283 | 2,176 | +1,107 |
| Contribution from associated companies | € million | 1,638 | 1,371 | +267 |
| <i>o/w Nissan</i> | | 1,741 | 1,976 | -235 |
| <i>o/w AVTOVAZ</i> | | (89) | (620) | +531 |
| Net income | € million | 3,543 | 2,960 | +583 |
| Net income, Group share | € million | 3,419 | 2,823 | +596 |
| Earnings per share | € | 12.57 | 10.35 | +2.22 |
| Automotive excluding AVTOVAZ Operational free cash flow ⁽³⁾ | € million | 1,107 | 1,051 | +56 |
| Automotive excluding AVTOVAZ net cash position | € million | 3,925 | 2,661 | +1,264 |
| Automotive net cash position | € million | 2,720 | - | - |
| Sales Financing, average performing assets | € billion | 33.3 | 28.6 | +16.3% |

(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.

(2) Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for 2015 have been restated.

(3) Automotive excluding AVTOVAZ operational free cash flow: cash flows (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.

The spread sheet below also gives the main consolidated figures over two years.

MAIN CONSOLIDATED FIGURES 2016 & 2015- PUBLISHED DATAS (1)

| (€ million) | 2016 | 2015 |
|---------------------------------------|----------------------|----------------|
| Revenues | 51,243 | 45,327 |
| Operating profit | 3,282 | 2,320 |
| Share in Nissan Motors net income | 1,741 | 1,976 |
| Renault net income, Group Share | 3,419 | 2,823 |
| Earnings per share (€) | 12.57 | 10.35 |
| Share capital | 1,127 | 1,127 |
| ¹ Shareholders' equity | 30,895 | 28,474 |
| Total assets | 102,103 | 90,605 |
| Dividends (€) | 3.15 ⁽²⁾ | 2.40 |
| Automotive cash flows ⁽³⁾ | 4,362 | 3,451 |
| Net cash position | 2,720 ⁽⁴⁾ | 2,661 |
| TOTAL WORKFORCE AT DECEMBER 31 | 124,849 | 120,136 |

(1) 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 practices.

(2) Proposition to be submitted to the AGM on June 15, 2017.

(3) Excludes dividends received from associates.

(4) Including AVTOVAZ.

The split between the Automotive (excluding Avtovaz) and Sales financing branches for the Operating margin and revenues for 2016 and 2015 is provided below:

| Operating margin (€ million) | 2016 | 2015 | Change |
|-------------------------------|--------------|--------------|-------------|
| AUTOMOTIVE | 2,386 | 1,546 | +840 |
| As a % of Automotive revenues | 4.9% | 3.6% | +1.3 pt |
| SALES FINANCING | 896 | 829 | +67 |
| GROUP OPERATING MARGIN | 3,282 | 2,375 | +907 |
| As a % of Group revenues | 6.4% | 5.2% | +1.2 pt |

* Figures restated

| | 2016 | 2015 | Change |
|---|------------------|------------------|---------------|
| Worldwide registrations* (units) | 3,182,025 | 2,808,926 | +13.3% |
| Group revenues (€ millions) | 51,243 | 45,327 | +13.1% |
| Including: | | | |
| Automotive | 48,995 | 43,108 | +13.7% |
| Sales financing | 2,248 | 2,219 | +1.3% |

* Since January 1, 2016 volumes in China have been reported on the basis of retail sales versus wholesales previously. 2015 volumes have been restated.

The table below gives the Renault Group consolidated revenues on Q1 2017 and Q1 2016.

RENAULT GROUP CONSOLIDATED REVENUES

| (€ million) | 2017 | 2016 | Change |
|--|---------------|---------------|---------------|
| | | | 2017/2016 |
| Q1 | | | |
| Automotive excluding AVTOVAZ | 11,939 | 9,942 | +20.1% |
| Sales Financing | 621 | 547 | +13.5% |
| AVTOVAZ | 750 | - | - |
| AVTOVAZ eliminations | -181 | - | - |
| Total | 13,129 | 10,489 | +25.2% |
| <i>Excluding the impact of AVTOVAZ consolidation</i> | 12,560 | 10,489 | +19.7% |

The spreadsheets below give the main historical figures for the first half-year 2017 and first half-year 2016.

| | | H1 2017 | Reported H1 2016 | Change |
|--|------------------|---------|--|----------|
| Worldwide Group registrations ⁽¹⁾ | Million vehicles | 1.88 | 1.70 | +10.4% |
| Group revenues | € million | 29,537 | 25,185 | +17.3% |
| Group operating profit | € million | 1,820 | 1,541 | +279 |
| | % revenues | 6.2% | 6.1% | +0.1 pts |
| Group Operating income | € million | 1,789 | 1,476 | +313 |
| Contribution from associated companies | € million | 1,317 | 678 | +639 |
| o/w Nissan | € million | 1,288 | 749 | +539 |
| o/w AVTOVAZ | € million | N/A | -75 | +75 |
| Net income | € million | 2,416 | 1,567 | +849 |
| Net income, Group share | € million | 2,379 | 1,501 | +878 |
| Earnings per share | € | 8.77 | 5.51 | +3.26 |
| Automotive operational Free cash flow excl. AVTOVAZ ⁽²⁾ | € million | +325 | +381 | -56 |
| Automotive operational Free cash flow incl. AVTOVAZ | € million | +358 | N/A | N/A |
| Automotive net cash position incl. AVTOVAZ | € million | +2,433 | +2,720 ⁽³⁾ at 31 Dec. 2016 | -287 |
| Sales Financing, average performing assets | € billion | 38.6 | 31.9 | +20.9% |

- (1) H1 2016 Group registrations have been restated to include Lada registrations.
- (2) Automotive operational Free cash flow excluding 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.
- (3) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

As the acquisition of control, as defined by IFRS 10, over ARA b.v. and the AVTOVAZ Group, took place on December 28, 2016, the net income of ARA b.v. and the AVTOVAZ Group for 2016 is still included by the equity method in Groupe Renault's profit & loss. Only the year-end balance

sheet figures at December 31, 2016 for ARA b.v. and the AVTOVAZ Group are included in the Groupe Renault's consolidated financial position at December 31, 2016. In 2017, the completeness of financial data of ARA b.v. and the AVTOVAZ Group is consolidated by full integration into Groupe Renault's accounts.

The split between the Automotive (excluding Avtovaz), Avtovaz and Sales financing branches for Revenues and Operating margin for the H1 2017 and H1 2016 is provided below:

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

| (€ million) | H1 2017 | | | Reported H1 2016 | | | Change (%) | | |
|--------------------------|---------------|---------------|---------------|------------------|---------------|---------------|--------------|--------------|--------------|
| | Q1 | Q2 | H1 | Q1 | Q2 | H1 | Q1 | Q2 | H1 |
| Automotive excl. AVTOVAZ | 11,939 | 15,056 | 26,995 | 9,942 | 14,136 | 24,078 | +20.1 | +6.5 | +12.1 |
| AVTOVAZ | 569 | 722 | 1,291 | N/A | N/A | N/A | N/A | N/A | N/A |
| Sales Financing | 621 | 630 | 1,251 | 547 | 560 | 1,107 | +13.5 | +12.5 | +13.0 |
| Total | 13,129 | 16,408 | 29,537 | 10,489 | 14,696 | 25,185 | +25.2 | +11.6 | +17.3 |

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

| (€ millions) | H1 2017 | Reported H1 2016 | Change |
|--|--------------|------------------|-------------|
| Automotive division excl. AVTOVAZ | 1,292 | 1,121 | +171 |
| % of division revenues | 4.8% | 4.7% | +0.1 pts |
| AVTOVAZ | 3 | N/A | +3 |
| % AVTOVAZ revenues | 0.2% | N/A | N/A |
| Sales Financing | 525 | 420 | +105 |
| Total | 1,820 | 1,541 | +279 |
| % of Group revenues | 6.2% | 6.1% | +0.1 pts |

The table below gives the Groupe Renault consolidated revenues for Q1, Q2, Q3, and 9 first months in 2017 and 2016:

Groupe Renault consolidated revenues

| (€ million) | 2017 | 2016 | Change 2017/2016 |
|--------------------------|---------------|---------------|------------------|
| Q1 | | | |
| Automotive excl. AVTOVAZ | 11,939 | 9,942 | +20.1% |
| Sales Financing | 621 | 547 | +13.5% |
| AVTOVAZ | 569 | - | - |
| Total | 13,129 | 10,489 | +25.2% |
| Q2 | | | |
| Automotive excl. AVTOVAZ | 15,056 | 14,136 | +6.5% |
| Sales Financing | 630 | 560 | +12.5% |
| AVTOVAZ | 722 | - | - |
| Total | 16,408 | 14,696 | +11.6% |
| Q3 | | | |
| Automotive excl. AVTOVAZ | 10,974 | 9,989 | +9.9% |
| Sales Financing | 610 | 557 | +9.5% |
| AVTOVAZ | 634 | - | - |
| Total | 12,218 | 10,546 | +15.9% |
| 9 months | | | |
| Automotive excl. AVTOVAZ | 37,969 | 34,067 | +11.5% |
| Sales Financing | 1,861 | 1,664 | +11.8% |
| AVTOVAZ | 1,925 | - | - |
| Total | 41,755 | 35,731 | +16.9% |

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| | | <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2016 the date of its last published audited financial statements).</p> <p>There has been no significant change in the financial or trading position of Group Renault since 30 June 2017.</p> |
| <p>B.13</p> | <p>Recent material events relating to the Issuer's solvency</p> | <ol style="list-style-type: none"> 1. 13 December 2016: Movements in the board of directors. Date of the 2017 annual general meeting 2. 6 January 2017: Information related to the consolidation of Avtovaz by Renault Group from 31 December 2016. 3. 13 January 2017: Renault Group acknowledges the information according to which judicial investigations would be starting in the “emissions” matter. 4. 9 February 2017: Appointment of Mr. Yasuhiro Yamauchi to the Renault Board of Directors 5. 10 February 2017: Renault Group: 2016 Financial Results 6. 8 March 2017: issuance under Renault’s EMTN Programme on 8 March of € 750 million, 1% coupon fixed rate Notes due 8 March 2023 7. 15 March 2017: Renault Group: press release 8. 27 April 2017: Revenues increase 25.2% in the first quarter (+19.7% excluding the impact of the Avtovaz consolidation) 9. 11 May 2017: Nissan contributes € 811 million for first quarter 2017 to Renault’s earnings 10. 07 July 2017: Renault-Nissan Alliance annual synergies rise 16% to €5 billion 11. 17 July 2017: Groupe Renault sets a half-year sales record with 1.88 million vehicles sold, up 10.4% 12. 28 July 2017: Financial results for the 1st half of 2017: Groupe Renault continues to grow and sets a new half-year operating margin record 13. 07 August, 2017. Groupe Renault signs a new Joint Venture in Iran 14. 29 August, 2017. Renault-Nissan Alliance and Dongfeng Motor Group Co., Ltd. forge partnership to co-develop electric vehicles in China. 15. 15 September, 2017. Alliance 2022: new plan targets annual synergies of €10 billion and forecasts unit sales of 14 million & combined revenues of \$ 240 billion. 16. 19 September, 2017. Acquisition by Groupe Renault of the 9.15% share that its Alliance partner Nissan owns in the J.V Alliance Rostec Auto B.V. (ARA BV). |

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| | | <p>17. 06 October, 2017. Drive the Future 2017-2022: New strategic plan builds on record results, targets sustainable, profitable growth.</p> <p>18. 24 October, 2017. Revenues up 15.9% in third quarter 2017</p> <p>19. 03 November, 2017. With a view to implementing an employee offering, Renault acquires 10% of the 14 million Renault shares sold by the French State.</p> <p>20. 08 November, 2017. Nissan contributes € 469 million for third quarter 2017 to Renault's earnings.</p> <p>21. On 17 November 2017, S&P upgraded Renault's ratings to BBB, stable outlook.</p> |
| <p>B.14</p> | <p>Extent to which the Issuer is dependent upon other entities within the Group</p> | <p>Renault is the mother company of the Group (for more details on the Issuer's Group, please refer to B.5).</p> <p>It holds 43.4% of Nissan's share capital which holds 15% of the share capital of Renault through its wholly owned subsidiary Nissan Finance Co. Ltd.</p> <p>Renault and Nissan are separate groups with separate decision making bodies. The responsibility for managing their activities lies with their respective Executive Committees, which are accountable to their respective Boards of Directors and shareholders.</p> <p>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 between Renault and Nissan (hereinafter the Alliance) is organized so as to preserve individual brand identities and respect each company's corporate culture.</p> <p>Consequently:</p> <ul style="list-style-type: none"> • 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, 2016, Renault occupied two of the nine seats on Nissan's Board of Directors (unchanged since December 31, 2015); • Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance's joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. 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 |

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| | | <p>Renault exercises control over Nissan;</p> <ul style="list-style-type: none"> • Renault can neither use nor influence the use of Nissan's assets in the same way as its own assets; and • Renault provides no guarantees in respect of Nissan's debt. <p>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.</p> |
| B.15 | Principal activities of the Issuer | <p>The Group's activities have been organized into two main types of operating activities, in more than 120 countries:</p> <ul style="list-style-type: none"> – Automotive, with the design, manufacture and distribution of products through its distribution network (including the Renault Retail Group subsidiary): <ul style="list-style-type: none"> • new vehicles, with several ranges (PC, LCV and EV (exclusively Renault)) marketed under three badges: Renault, Dacia and Renault Samsung Motors. Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries; • used vehicles, and spare parts; • The Renault powertrains, sold B2B; – Miscellaneous services: sales financing, leasing, maintenance and service contracts. <p>In addition to these two business-lines, Renault has equity investments in the following two companies:</p> <ul style="list-style-type: none"> – Nissan ; – Avtovaz. <p>The shareholding in Nissan is accounted for under the equity method in the Group's financial statements and that in Avtovaz is fully consolidated by global integration.</p> |
| B.16 | Extent to which the Issuer is directly or indirectly owned or controlled | Not applicable |
| B.17 | Credit ratings assigned to the Issuer or | <p>The Notes to be issued are expected to be rated:</p> <p>BBB by Standard & Poor's Rating Services (S&P) and Baa3 by Moody's</p> |

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| | its debt securities | <p>Investors Services, Inc. (Moody's).</p> <p>Each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No 1060/2009, as amended (the CRA Regulation). As such, each of S&P and Moody's is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> |
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| Section C – Securities | | | | | | | | | | | | | | | | |
|-------------------------------|---|--|---------|----|----------|---|--------------------------|--------------|-------|----------------------|---------------------|------------------|-------|--------------|--------------|-----------|
| C.1 | Type, class and security identification of the Notes | <p>The Notes are €750,000,000 1.00 per cent. Notes due 28 November 2025</p> <table border="1" data-bbox="467 920 1441 1429"> <tr> <td>Series:</td> <td>51</td> </tr> <tr> <td>Tranche:</td> <td>1</td> </tr> <tr> <td>Aggregate Nominal Amount</td> <td>€750,000,000</td> </tr> <tr> <td>Form:</td> <td>Dematerialised Notes</td> </tr> <tr> <td>Central Depository:</td> <td>Euroclear France</td> </tr> <tr> <td>ISIN:</td> <td>FR0013299435</td> </tr> <tr> <td>Common code:</td> <td>172607454</td> </tr> </table> | Series: | 51 | Tranche: | 1 | Aggregate Nominal Amount | €750,000,000 | Form: | Dematerialised Notes | Central Depository: | Euroclear France | ISIN: | FR0013299435 | Common code: | 172607454 |
| Series: | 51 | | | | | | | | | | | | | | | |
| Tranche: | 1 | | | | | | | | | | | | | | | |
| Aggregate Nominal Amount | €750,000,000 | | | | | | | | | | | | | | | |
| Form: | Dematerialised Notes | | | | | | | | | | | | | | | |
| Central Depository: | Euroclear France | | | | | | | | | | | | | | | |
| ISIN: | FR0013299435 | | | | | | | | | | | | | | | |
| Common code: | 172607454 | | | | | | | | | | | | | | | |
| C.2 | Currencies | The currency of the Notes is: euro (€). | | | | | | | | | | | | | | |
| C.5 | A description of any restrictions on the free transferability of the Notes | Save certain restrictions (in particular in respect of France, United States of America, United Kingdom, Japan, Hong Kong, Peoples Republic of china, Singapore, European Economic Area and Switzerland) regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering material or the Final Terms, there is no restriction on the free transferability of the Notes. | | | | | | | | | | | | | | |
| C.8 | Description of rights attached to the Notes | <p><i>Status of the Notes</i></p> <p>The Notes constitute direct, general, unconditional, unsecured (subject to the provisions of "Negative Pledge") and unsubordinated obligations of the Issuer and rank and will rank <i>pari passu</i> and without any preference among themselves and equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.</p> <p><i>Negative pledge</i></p> | | | | | | | | | | | | | | |

So long as any of the Notes remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest upon the whole or any part of its assets, present or future, to secure any present or future Indebtedness incurred or guaranteed by it (whether before or after the issue of the Notes) unless the Issuer's obligations under the Notes are equally and rateably secured therewith.

Indebtedness means any indebtedness for borrowed money, represented by bonds, notes, debentures or other assimilated debt securities which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily traded in on any stock exchange, over-the-counter-market or other securities market.

Event of Default

The terms of the Notes contain, amongst others, the following events of default:

- default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time; or
- non-performance or non-observance by the Issuer of any of its respective other obligations under the conditions of the Notes, continuing for a specified period of time; or
- events relating to the insolvency or winding up of the Issuer.

Withholding tax

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer, will, save in certain circumstances, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

Governing law

French law.

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| Issue Price: | 99.109 per cent. of the Aggregate Nominal Amount |
| Specified Denomination: | €1,000 |
| Status of the Notes: | Unsubordinated Notes |

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| C.9 | Interest, maturity and redemption provisions, yield and representation of the Noteholders | Interest Basis: | 1.00 per cent. Fixed Rate |
| | | Interest Commencement Date: | Issue Date (28 November 2017) |
| | | Maturity Date: | 28 November 2025 |
| | | Call Option: | Applicable The Issuer may at its option redeem all, but not some only, of the Notes from 28 August 2025 and at any date thereafter up to the Maturity Date (excluded) at an Optional Redemption Amount of €1,000 per Note. |
| | | Put Option: | Not Applicable |
| | | Make-Whole Redemption: | Applicable |
| | | Clean-Up Call Option: | Applicable |
| | | Final Redemption Amount: | €1,000 per Note |
| | | Early Redemption Amount: | Applicable |
| | | Yield: | 1.117 per cent. |
| | | Representation of the Noteholders: | <p>Noteholders will be grouped automatically for the defence of their common interests in a <i>masse</i> (the Masse).</p> <p>The <i>Masse</i> will be governed by the provisions of the French <i>Code of Commerce</i> with the exception of Articles L. 228-48, L. 228-59, L. 228-65 II, L. 228-87, R. 228-63, R. 228-67, R. 228-69, R. 228-72 and R. 228-78.</p> <p>The <i>Masse</i> will act in part through a representative (the Representative) and in part through general meetings of the Noteholders. The names and addresses of the initial Representative are:</p> <p>Association de représentation des masses de titulaires de valeurs mobilières (ARM) Centre Jacques Ferronnière 32 rue du Champ de Tir</p> |

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| | | <p style="text-align: center;">CS 30812 44308 Nantes Cedex 3 France</p> <p>The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single Masse of all Tranches in the Series.</p> |
| C.10 | Derivative component in interest payments | Not applicable. |
| C.11 | Admission to trading | Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Paris with effect from 28 November 2017. |
| C.21 | Indication of the market where the securities will be traded and for which the prospectus has been published: | For information on the market on which Notes will be admitted to trading and for which the Base Prospectus has been published see Element C.11. |

| Section D – Risks Factors | | |
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| D.2 | Key information on the key risks that are specific to the Issuer | <p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.</p> <p>I. Automotive risk factors</p> <p>1. Risks linked to the Group's environment</p> <ul style="list-style-type: none"> – Geographical risks <p>The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks: volatility of GDP, economic and political instability, social unrest, regulatory changes, nationalization, debt collection difficulties, fluctuation in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls. For example, the Group is experiencing difficulties in repatriating funds from Egypt and is constrained by import controls in Algeria, slowing its expansion in these countries.</p> <ul style="list-style-type: none"> – Risks arising from economic conditions <p>The balance between Group sales in the Europe and Outside Europe regions, 58/42 in 2015 and 57/43 in 2016, allows the Group to take advantage of the different opportunities while limiting the risks of any</p> |

regional reversal or slowdown. The three largest markets outside the Europe region are Turkey, Brazil, India/Russia, representing 5%, 5% and each 4% of Group sales, respectively. Nevertheless, the Group's activities are still dependent on the European market in terms of sales, revenues and profit.

- Risks linked to the regulatory environment

Risks linked to non-compliance with laws and regulations.

2. Cross-Group risks

- Occupational health risks and safety risks

Risks exist in all areas of the business: production, logistics, engineering and sales. Renault Group is committed to managing, preventing and reducing the exposure of its employees to safety risks and occupational illnesses.

- Environmental risks

The Group's main environmental risks can be broken down into three categories:

- risk of accidental environmental damage as a result of the Group's activity;
- risk of disruptions to industrial and logistics activities and damage to the Group's assets as a result of extreme weather conditions (storms, floods or hail, etc.); and
- financial and commercial risks resulting from the Group's failure to take the appropriate measures in response to tightening of regulatory requirements and those relating to standards, in respect of vehicle environmental performance, end-of-life recycling and recovery, or chemical products used in manufacturing of vehicles or after sales service.

- Legal and contractual risks

The Renault Group is exposed to three main legal risks:

- *Legal and regulatory changes:*

Due to its international activity, the Group is subject to a number of complex and dynamic legislations, particularly in the fields of automotive, the environment, competition, labour 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*

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| | | <p><i>commitments:</i></p> <p>Identified risks arising from non-compliance with contractual commitments are, where applicable, described in the section on disputes, governmental or legal proceedings and arbitrations.</p> <p>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.</p> <p><i>- Disputes, governmental or legal proceedings, arbitration:</i></p> <p>The Group is involved in various governmental, legal and arbitration proceedings as part of its activities in France and internationally;</p> <p>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.</p> <p>It should be noted that, in parallel with the work of the independent technical commission (the “Royal” commission), the French Directorate-General for Competition, Consumer affairs and Fraud Control (DGCCRF) has conducted an investigation into the automotive industry. The investigation examined the nitrogen oxide (Nox) emission procedures of a dozen carmakers 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 opened on 12 January 2017 judicial investigations against Renault on the ground 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”.</p> <p>Renault contests the existence of any infringement and intends to prove its compliance with French and European Regulations in the legal investigation. Moreover, at this stage, Renault is not in a position to assess the outcome of these investigations and their possible impact on the Group if any.</p> <p><i>- Intellectual property:</i></p> <p>The Group uses various patents, trademarks, designs and models. Each year, Renault Group files several hundred patents, some of which are covered by 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, the Group is exposed to various intellectual property risks.</p> <p>– Fiscal risks</p> <p>Uncertainties in the interpretation of texts or the execution of the Group’s fiscal obligations.</p> |
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– IT risks

The Group's business depends in part on the smooth running of its IT systems.

These are under the responsibility of the Renault Information Systems department, which has put in place a security policy, technical architecture and processes to control risks associated with the following:

- the service continuity of the datacenter, which contains some 5,000 servers hosting around 3,000 IT applications used by the entire Renault Group and partly by Nissan and our partners and suppliers.
- cyber-crime; and
- 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 adversely affect the Group's brand image and/or lead to a loss of competitive advantage

– Risk arising from pension liabilities

The risks relating to pensions consist of the additional financing that may be required due to negative variations in its constituent parameters (workforce, discount rate, inflation, life expectancy) or the markets (impact on investments): these vary depending on the type of scheme, whether they are defined-contribution or defined-benefit schemes, with retirement indemnities or pension funds.

3. Operational risks

– Risks linked to product development

The risks linked to product development mainly relate to the balance between the product offering proposed (bodywork type, segment type, price...) and market demand.

– Supplier risks

Controlling supplier risks is a major challenge for automotive manufacturers due to the significant contribution of suppliers to the vehicle's cost price. Any default, even if this concerns just one supplier from the entire panel, can generate considerable impacts on production at the Group's plants and the development of future projects.

– Risks linked to raw materials – securing resources

The risk identified concerns potential restrictions to the supply of raw materials due to a mismatch between supply and demand (market dynamics, sourcing issues or geopolitical reasons).

– Risks linked to manufacturing facilities

The Group's exposure to industrial risk is potentially significant as a result of the production of certain vehicle models and components being concentrated at one or two sites and the interdependence of its production facilities.

- Risks linked to the distribution network

The financial health of the independent dealer networks poses a significant challenge to the Group's commercial strategy. Default by dealers could have a major impact on sales levels, both at country and region level.

4. Financial risks

- Risks linked to raw materials – price guarantees

Renault Group's financial risk relating to raw materials is due to the fact that purchasing prices can vary quite significantly and suddenly, with no guarantee that increases can be recovered from vehicle sale prices.

- Liquidity risks

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 reason, 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.

- Foreign Exchange risks

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.

- Interest rate risks

Interest rate risk can be assessed in respect of debt and financial investments and their payment terms (i.e. fixed or variable rate).

- Counterparty risk

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.

Following the full consolidation of Avtovaz from 31 December 2016, the Group may be affected by risks factors related to Avtovaz, which are of the same types as for Group Renault Automotive. Those risks are risks linked to the business environment, cross-group risks, operational risks and financial risks.

In addition, the Avtovaz group had €601 million of bank loans with breached

covenants. Credit institutions may claim for early repayment of the debts.

As at 31 December 2016, the Avtovaz group received waivers for loan agreements in the amount of €282 million in relation to breached loan covenants including €124 million of long-term debt.

As of the date of approval of these consolidated financial statements, credit institutions have brought no claim to the Avtovaz group to demand early repayment of debts.

At 30 June 2017 the Avtovaz Group had €227 million of bank loans with breached covenants (€601 million at December 31, 2016). Credit institutions are able to claim for early repayment of these debts.

The Avtovaz Group received a waiver for loan agreements with breached covenants in the amount of €200 million, including €57 million of long-term debt (€282 million and €124 million respectively at December 31, 2016). However, since this waiver was received after June 30, 2017, the reclassification of €57 million of long-term debt as short-term liabilities remains in these interim condensed consolidated financial statements.

As of the date of approval of these consolidated financial statements, no banks had made any demand for early repayment of loans due to breached covenants.

II. Risk factors related to sales financing (RCI Banque)

1. Risks linked to the company's environment

– Geographical risk

RCI Banque group has operations in several countries. It is therefore subject to 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.

– Risk arising from economic conditions

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.

– Risk related to the regulatory environment

Regulatory measures could have a negative impact on RCI Banque and the economic environment in which the RCI Banque group operates.

2. 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

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| | | <p>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.</p> <ul style="list-style-type: none"> – Legal and contractual risk <p>Any legislative changes impacting credit lending and insurance at the point of sale as well as regulatory changes linked to banking and insurance activities could impact the activity of the RCI Banque group.</p> <ul style="list-style-type: none"> – Fiscal risk <p>Due to its international exposure, RCI Banque is subject to several national fiscal legislations, which are susceptible to changes that could impact its activity, financial position and results.</p> <ul style="list-style-type: none"> – IT risk <p>The IT RCI Banque group's business depends in part on the smooth running of its IT systems.</p> <p>3. Credit risk</p> <p>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.</p> <p>4. Financial risk</p> <ul style="list-style-type: none"> – Liquidity risk <p>The Sales Financing business depends on access to financial resources: restrictions on access to liquidity could have a negative impact on its financing business.</p> <ul style="list-style-type: none"> – Foreign Exchange risk <p>RCI Banque is exposed to currency risks which could have a negative impact on its financial position.</p> <ul style="list-style-type: none"> – Interest rate risk <p>RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.</p> <ul style="list-style-type: none"> – Counterparty risk <p>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.</p> <p>5. Other risks</p> <ul style="list-style-type: none"> – Risks on Residual values |
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| | | <p>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 it has a commitment to take back the vehicle.</p> <p>– Insurance activity risk</p> <p>RCI Banque assumes any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims made.</p> |
| <p>D.3</p> | <p>Key information on the key risks that are specific to the Notes</p> | <p>There are certain factors which are material for the purpose of assessing the market risks associated with Notes, including the following:</p> <p>(i) General risks relating to the Notes:</p> <p>(e.g. independent review and advice, potential conflicts of interest, legality of purchase, modification, waivers and substitution, regulatory restrictions, taxation, change of law, French insolvency law) such as:</p> <p>(1) Independent review and advice</p> <p>Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes;</p> <p>(2) No active Secondary / Trading Market for Notes</p> <p>The Notes may not have an active trading market when issued. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops;</p> <p>(3) Credit rating may not reflect all risks</p> <p>One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks linked to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes;</p> <p>(4) Market value of Notes</p> <p>The market value of the Notes will be affected by the</p> |

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| | | <p>creditworthiness of the Issuer and a number of additional factors including, but not limited to market interest and yield rates and the time remaining to the maturity date.</p> <p>(ii) Specific risks relating to the structure of a particular issue of Notes such as:</p> <p>(1) Any optional redemption feature where the Issuer is given the right to redeem the Notes early might negatively affect the market value of such Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Make-Whole Redemption by the Issuer or the Redemption at the Option of the Issuer are exercisable in whole or in part and exercise of such options by the Issuer in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised</p> <p>(2) Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.</p> |
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| Section E – Offer | | |
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| E.2b | Reason for the offer and use of proceeds | The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes. |
| E.3 | Terms and conditions of the offer | <p>Not applicable, the Notes are not offered to the public.</p> <p>There are restrictions on the offer and sale of the Notes and the distribution of offering materials in various jurisdictions.</p> |
| E.4 | Interests of natural and legal persons involved in the issue of the Notes | Save for any fees payable to the Managers in connection with the issue of Notes, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to it. |
| E.7 | Estimated expenses charged to investor by the Issuer or the offeror | Not applicable, there are no expenses charged to the investor. |