



Earnings report  
First-half 2016



**GROUPE RENAULT**

# Earnings report - First-half 2016

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## KEY FIGURES

		H1 2016	H1 2015 restated <sup>(1)(2)</sup>	Change
Worldwide Group registrations <sup>(3)</sup>	million vehicles	1.57	1.38	+13.4%
Group revenues	€ million	25,185	22,197	+13.5%
Group operating profit	€ million	1,541	1,096	+445
	% revenues	6.1%	4.9%	+1.2 pts
Group Operating income	€ million	1,476	980	+496
Contribution from associated companies	€ million	678	895	-217
o/w Nissan		749	979	-230
o/w AVTOVAZ		-75	-87	+12
Net income	€ million	1,567	1,452	+115
Net income, Group share	€ million	1,501	1,379	+122
Earnings per share	€	5.51	5.06	+0.45
Automotive Operational free cash flow <sup>(4)</sup>	€ million	+381	-52	+433
Automotive net cash position	€ million	+2,532	+2,661 at 31/12/2015	-129
Sales Financing, average performing assets	€ billion	31.9	27.9	+14.4%

(1) and (2) See explanations page 3.

(3) Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for H1 2015 have been restated.

(4) Automotive 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. Detailed calculation in chapter 3.2.6.1-D of the condensed consolidated financial statements.

## OVERVIEW

Groupe Renault set a new worldwide record in the first half of 2016 with 1.57 million registrations, an increase of 13.4% versus last year.

In the first half of 2016, **Group revenues** came to €25,185 million, up 13.5% compared with the first half of 2015.

**Automotive revenues** amounted to €24,078 million, up 14.3% thanks to an increase in the Group's brand volumes (+10.6 points) and sales to partners (+3 points). The price effect was positive (+3.8 points), primarily due to price increases in some emerging markets to offset currency devaluation (-4.9 points). The mix effect is positive at 1.8 points.

The **Group's operating profit** amounted to €1,541 million (+40.6%), compared with €1,096 million<sup>1</sup> in the first half of 2015, and represents 6.1% of revenues (4.9%<sup>1</sup> in the first half of 2015).

The **Automotive operating profit** was up €441 million (+64.9%) to €1,121 million and reached 4.7% of revenues, compared with 3.2%<sup>1</sup> in the first half of 2015.

This performance can be explained mainly by strong business growth (€614 million positive impact), higher prices and an improved mix. The currency impact is unfavorable (-€432 million), mainly due to the depreciation of the Argentinian peso, the Russian rouble and the British pound.

However, raw materials had a positive effect of €164 million. The positive mix/price/enrichment effect of €135 million was a marked improvement compared with the first half of 2015, thanks in particular to the success of our new models.

Cost reductions were affected by the increase in R&D expenses to prepare the future, the decrease in their capitalization rate, and higher than usual start-up costs due to the large number of launches.

**Sales Financing** contributed €420 million to the Group's operating margin, compared with €416 million in the first half of 2015. This stable profit is related to the sharp increase in loans outstanding, but negatively impacted by adverse currency evolution and the decrease in Americas' business. However, the cost of risk stabilized at a very good level of 0.30% of the average performing assets (0.31% in the first half of 2015).

(1) and (2) See explanations page 3.

## IN BRIEF

**Other operating income and expenses** improved notably thanks to the drop in expenses related to the competitiveness plan in France. They remained negative at -€65 million versus -€116 million in the first half of 2015.

**The Group's operating income** came to €1,476 million compared with €980 million<sup>1</sup> in the first half of 2015 (+50.6%). This improvement is due to the increase in the operating profit and the reduction in other operating expenses.

**The contribution of associated companies**, mainly Nissan, came to €678 million, compared with €895 million<sup>2</sup> in the first half of 2015. Nissan's contribution was impacted by a one-off charge booked in Q1.

AVTOVAZ contribution is negative at -€75 million versus -€87 million<sup>2</sup> in the first half 2015, despite a deterioration of the operating result.

Regarding AVTOVAZ, the group confirms its intention to take part in a recapitalization operation before the end of the year, which should result in the consolidation of AVTOVAZ as of December 31, 2016.

**Net income** came to €1,567 million (+7.9%), and Group share totaled €1,501 million (€5.51 per share compared with €5.06<sup>1</sup> per share in the first half of 2015).

**Automotive operational free cash flow** was positive at €381 million after taking into account a negative change of €129 million in the working capital requirement.

## OUTLOOK 2016

In 2016, the global market is expected to record growth around 1.7% compared to 2015. The European market, as well as the French one, are now expected to increase by at least 5%.

Outside Europe, the Brazilian and Russian markets are expected to decline: -15% to -20% for Brazil and -12% for Russia. On the contrary, China (+4% to +5%) and India (+7% to +9%) should pursue their positive momentum.

Within this context, the Renault group (at constant scope of consolidation) confirms its full-year 2016 guidance:

- increase Group revenues (at constant exchange rates),
- improve Group operating margin,
- generate a positive Automotive operational free cash flow.

## RISK MANAGEMENT AND RELATED THIRD PARTIES

Renault designs, manufactures and markets private cars and light commercial vehicles. It is affected by cycles in automotive markets, and in first-half 2016, 62% of their impact was in Europe and 38% outside Europe. All economic fluctuations in these regions are liable to influence the Group's financial performance.

Except Brexit potential consequences on car demand, no other risks or uncertainties than those described in Chapter 1.5 of the 2015 Registration Document filed on March 24, 2016, are anticipated in the remaining six months of the year, notably:

### FINANCIAL RISK

- Liquidity risk
- Currency risk
- Interest rate risk
- Counterparty risk
- Commodity risk

### OPERATIONAL RISK

- Supplier Risk
- Geographical Risk
- Risks arising from Economic Conditions
- RCI Banque customer and network risk
- Distribution risk
- Industrial risk
- Environmental risk
- IT risk
- Insuring against operational risk

### OTHER RISKS

- Legal and Fiscal
- Risk arising from Pension Liabilities

There are no transactions between related parties other than those described in Note 27 of the Appendix to the Annual Consolidated Financial Statements of the same Registration Document and Note 19 of the Appendix to the Half-Year Consolidated Financial Statements summarized in this report.

(1) and (2) See explanations page 3.

## OVERVIEW

- **Groupe Renault** set a new worldwide record in the first half of 2016 with 1.6 million registrations, an increase of 13.4% versus last year.
- **Renault and Dacia brands** set, as well, record sales in the first half of 2016.
- Thanks to the success of the renewed range, **Renault brand's** registrations grew by 16% worldwide and **Renault Samsung Motors** by 25.9% in Asia.
- **In Europe**, Group's registrations grew by 14%, leading to a 0.4 points market share gain. More than one in ten vehicles registered in Europe were sold by the Group.
- **Outside Europe**, the Group's registrations increased by 12.5%, with strong momentum in the Africa Middle-East India region. Sales in all regions grew faster than their market.
- In the first half of 2016, the number of new financing contracts by **RCI Banque** was up 12% compared to the first half of 2015.

### THE RENAULT GROUP'S TOP FIFTEEN MARKETS

REGISTRATIONS	volumes H1 2016* (in units)	PC + LCV market share H1 2016 (%)	Change in market share on H1 2015 (points)
1 France	361,663	27.4	+0.54
2 Italy	110,339	9.7	+0.56
3 Germany	97,667	5.2	+0.26
4 Spain	87,136	12.3	-0.70
5 Turkey	79,269	18.1	+2.38
6 United Kingdom	72,058	4.5	+0.45
7 Brazil	69,874	7.3	+0.30
8 India	61,895	3.8	+2.31
9 Russia	52,041	7.7	+0.44
10 Belgium + Luxembourg	51,556	13.5	-0.04
11 South Korea	46,917	5.1	+0.68
12 Argentina	39,643	12.3	+1.68
13 Iran	34,124	5.8	+4.25
14 Morocco	31,034	37.1	-1.22
15 Algeria	29,132	41.7	+9.96

\* Preliminary figures.

#### Explanations of 2015 restatements:

(1) Taxes, which satisfy the definition of tax based on a notion of net intermediate income within the meaning of IAS 12 «Income Tax» 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 intermediate income. The presentation of the financial statements for the first half of the year and for 2015 were restated accordingly. Restatements done accordingly on the six-months ended June 30, 2015 and full year 2015 financials are detailed in note 2-C & 2-D of the condensed consolidated financial statements.

(2) Since December 31, 2015, the AVTOVAZ accounts are included in the Group's financial statements without any three-month lag, therefore, the previously published figures for the first half of 2015 regarding AVTOVAZ are restated so that the first half of 2015 covers the calendar period from January 1 to June 30. Restatements done accordingly on the six-months ended June 30, 2015 and full year 2015 financials are detailed in note 2-C & 12-A of the condensed consolidated financial statements.

(5) Net interest and current taxes paid are now presented on separate line items in the consolidated cash flows statement and interest on derivatives related to financing operations by the Automotive segment are now presented in cash flows from operating activities and no more included in the cash flows from financing activities. Restatements done accordingly on the six-months ended June 30, 2015 and full year 2015 financials are detailed in note 2-C & 2-D of the condensed consolidated financial statements.

## SALES PERFORMANCE

## 1.1. AUTOMOTIVE

## 1.1. AUTOMOTIVE

## 1.1.1. GROUP REGISTRATIONS WORLDWIDE BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2016*	H1 2015	Change (%)
<b>GROUP</b>	<b>1,567,974</b>	<b>1,382,122</b>	<b>+13.4</b>
<b>EUROPE REGION</b>	<b>968,632</b>	<b>849,436</b>	<b>+14.0</b>
Renault	744,196	643,917	+15.6
Dacia	224,436	205,519	+9.2
<b>AMERICAS REGION</b>	<b>158,390</b>	<b>163,288</b>	<b>-3.0</b>
Renault	158,390	163,288	-3.0
<b>ASIA-PACIFIC REGION **</b>	<b>66,727</b>	<b>59,168</b>	<b>+12.8</b>
Renault	19,204	21,273	-9.7
Dacia	606	629	-3.7
Renault Samsung Motors	46,917	37,266	+25.9
<b>AFRICA MIDDLE-EAST INDIA REGION</b>	<b>208,715</b>	<b>151,041</b>	<b>+38.2</b>
Renault	174,523	107,417	+62.5
Dacia	34,192	43,621	-21.6
Renault Samsung Motors	0	3	-100.0
<b>EURASIA REGION</b>	<b>165,510</b>	<b>159,189</b>	<b>+4.0</b>
Renault	127,135	119,183	+6.7
Dacia	38,375	40,006	-4.1

\* Preliminary figures.

\*\* Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for H1 2015 have been restated.

## → Europe

The Group's registrations continued to grow at a faster pace than the market. They rose by 14% in a market up 9.4%, with 968,632 vehicles registered in the first half. The Group's market share rose to 10.7% in **Europe**.

The Renault brand recorded growth of 15.6% thanks to the renewed range with Kadjar, Espace, Talisman and New Megane.

Clio 4 is the second best-selling vehicle in Europe and Captur is the leading crossover in its class.

In the Electric Vehicle market, Renault's market share reached 27%. ZOE's registrations increased by 41%.

Dacia's registrations rose by 9.2% in Europe. The brand set a new sales record in the first half.

In **France**, the Group's market share reached 27.4%, a gain of 0.5 points. Registrations were up 11.2% in a market up 9%. Over the first six months of the year, the Group sold 361,663 vehicles. Four models were among the top 10 passenger cars with Clio 4 leading the market.

## → Outside of Europe

Internationally, sales grew by 12.5% thanks to the strong Group's momentum in markets such as India, Turkey, Argentina and Iran.

The Group's market share grew in all regions.

## • Africa Middle-East India region

The Group's registrations grew by a 38.2%, with market share of 5.4%.

In **India**, the Kwid enjoyed further success, with 150,000 orders since its launch and 47,896 sales in the first half of 2016, lifting its market share by 2.3 points to 3.8%.

In **Iran**, the Group continued on its end 2015 trajectory, tripling its deliveries on the back of the gradual reopening of the market. Its market share increased by 4.2 points to 5.8%.

In **North Africa**, despite a 3.8 point increase in market share, registrations were down 14.7% due to an Algerian market down 53.7%.

Against the backdrop of new regulations in **Algeria**, aimed at reducing imports, the Group demonstrated its leadership, with record market share of 41.7%, a gain of 10 points. The launch of production of the Dacia Sandero at the Oran plant, announced on June 23rd, is a new strength to expand volumes.

## SALES PERFORMANCE

## 1.1. AUTOMOTIVE

## • Eurasia

The Group increased its registrations by 4% and its market share by 1.6 points to 12.9%.

The good performance in **Turkey**, where the Group outperformed a market up 1.4% with registrations growth of 16.8%, was driven above all by Fluence which registered a growth of 39%. On the contrary, the **Russian market** continued to fall (-14%), but the Group also demonstrated resilience, with market share up 0.4 points at 7.7%.

## • Americas

The Group's market share increased by 0.3 points to 6.2%, in a regional market down 8%.

The Renault brand benefited fully from the reopening of the market in **Argentina**, with its registrations up a strong 22.7% in a market up 5.9%.

In **Brazil**, in an automotive market down sharply (-25.1%), the Group held up well, increasing its market share by 0.3 points to 7.3%.

The half-ton pick-up Oroch and the upcoming launch of the new one-ton pick-up Alaskan, are new assets to position the Group in the region on this sector.

## • Asia-Pacific

Sales were up 12.8% in a market up 3.9%, mainly due to the good performance of Renault Samsung Motors in **South Korea**, which recorded growth of 25.9%. SM6, launched in March 2016, already totalled 27,200 sales.

In **China**, the first half marks the start of production of Kadjar.

## 1.1.2. GROUP REGISTRATIONS BY BRAND AND BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)**	H1 2016*	H1 2015	Change (%)
<b>GROUP</b>	<b>1,567,974</b>	<b>1,382,122</b>	<b>+13.4</b>
<b>BY BRAND</b>			
Renault	1,223,448	1,055,078	+16.0
Dacia	297,609	289,775	+2.7
Renault Samsung Motors	46,917	37,269	+25.9
<b>BY VEHICLE TYPE</b>			
Passenger cars	1,353,660	1,198,275	+13.0
Light commercial vehicles	214,314	183,847	+16.6

\* Preliminary figures.

\*\* Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for S1 2015 have been restated.

Registrations of the **Renault brand** increased by 16% compared to the first half of 2015, thanks to the success of new models and the strong momentum of the European automotive market.

With 1,223,448 units registered, the Renault brand accounted for 78% of Group's registrations.

The **Dacia brand's** registrations went up by 2.7% to 297,609 units, driven by the strong growth in Europe (+9.2%) and notably in France (+12.2%). Internationally, registrations dropped by 11,083 units (-13.2%) mainly due to the sharp fall in the Algerian market.

In the first half of 2016, **Renault Samsung Motors** recorded a strong growth of 25.9%, thanks to the success of SM6 launched in March.

## SALES PERFORMANCE

### 1.2. SALES FINANCING

## 1.2. SALES FINANCING

### 1.2.1. NEW FINANCING AND SERVICES

In the first half of 2016, RCI Banque confirmed its growth momentum by recording record activity in financing and services, benefiting from the strong growth in Alliance brand registrations, in particular in the Europe Region.

With more than 770,000 contracts financed, i.e. 12.0% more than in the first half of 2015, RCI Banque has generated

€8.9 billion in new financing. This performance is sustained by the rising contribution of used car financing, with a 16.2% increase in the number of financing contracts compared with the first half of 2015.

Average performing assets amounted to €31.9 billion, i.e. +14.4% compared with end-June 2015.

#### RCI BANQUE FINANCING PERFORMANCE

	H1 2016	H1 2015	Change (%)
<b>Number of financing contracts (thousands)</b>	<b>770</b>	<b>688</b>	<b>+12.0</b>
- including used car contracts (thousands)	135	117	+16.2
<b>New financing (€ billion)</b>	<b>8.9</b>	<b>7.7</b>	<b>+14.4</b>
<b>Average performing assets (€ billion)</b>	<b>31.9</b>	<b>27.9</b>	<b>+14.4</b>

A cornerstone of RCI Banque strategy, the Services activity contributes to customer satisfaction and loyalty to the Alliance brands by relying on two major areas: the profitable diversification of the product offer and international expansion.

In continuation of the success of 2015, this activity continued its growth in the first half of 2016, with a 21.7% increase in the number of contracts, for a total of nearly 1.7 million.

#### RCI BANQUE SERVICES PERFORMANCE

	H1 2016	H1 2015	Change
Number of services contracts (thousands)	1,657	1,361	+21.7%
<b>PENETRATION RATE ON SERVICES</b>	<b>95.4%</b>	<b>85.0%</b>	<b>+10.4 pts</b>

### 1.2.2. RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

Up by 0.9 points compared with end-June 2015, the RCI Banque financing penetration rate came to 36.5%. This performance

is sustained by the diversification of the financing product offer.

#### PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY BRAND

	H1 2016* (%)	H1 2015* (%)	Change (points)
Renault	35.7	36.1	-0.4
Dacia	40.3	40.1	+0.2
Renault Samsung Motors	52.1	53.0	-0.9
Nissan	34.9	31.3	+3.6
Infiniti	25.0	25.8	-0.9
Datsun	21.4	15.9	+5.5
<b>RCI BANQUE</b>	<b>36.5</b>	<b>35.6</b>	<b>+0.9</b>

(\*) Figures including India.

## SALES PERFORMANCE

## 1.2. SALES FINANCING

## PENETRATION RATE ON NEW VEHICLE REGISTRATIONS FINANCED BY RCI BANQUE, BY REGION

	H1 2016 (in %)	H1 2015 (in %)	Change (points)
Europe	39.5	38.3	+1.2
Americas	37.8	40.0	-2.2
Asia-Pacific	51.1	52.2	-1.1
Africa Middle-East India*	17.0	13.3	+3.7
Eurasia	24.4	22.2	+2.2
<b>RCI BANQUE*</b>	<b>36.5</b>	<b>35.6</b>	<b>+0.9</b>

(\*) Figures including India.

Benefiting from the growth in Alliance brand registrations, the number of new vehicle financing contracts has increased significantly in the **Europe Region**: +13.6% compared with end-June 2015. The vehicle financing penetration rate in the Region amounted to 39.5%, recording growth of 1.2 points compared with the first half of 2015.

The **Americas Region** (Brazil, Argentina) has experienced a decrease in the number of new vehicle financing contracts, with Brazil still being affected by the fall in its automotive market, down 25.1% compared with the first half of 2015. Although it has fallen 2.2 points compared with June 2015, the vehicle financing penetration rate in the Region remains high (37.8%), sustained by the growth in the vehicle financing penetration rate in Argentina.

The **Asia-Pacific Region** (South Korea) has experienced a slight decline in its vehicle financing penetration rate of -1.1 points. However, more than half of new vehicles sold by Renault Samsung Motors are still financed by RCI Banque, which benefits from the manufacturer's strong sales performance.

The **Africa Middle-East India Region**, which saw the deployment of the Financing business in India in 2015, recorded a financing penetration rate of 17%, up 3.7 points compared to June 2015. It should be noted that India, driven by the success of Kwid, saw its vehicle financing penetration rate increase by 9.6 points over the period, amounting to 11.7%.

In the **Eurasia Region** (Russia, Turkey, Romania), compared with June 2015, the number of financing contracts increased by 0.8% and the vehicle financing penetration rate increased by 2.2 points, amounting to 24.4%. This performance was achieved in an environment that is still highly contrasted: in a decreasing automotive market in Russia, the vehicle financing penetration rate improved by 5.1 points, thus restoring a pre-crisis level of 24.7%. In Turkey, however, the vehicle financing penetration rate declined by 4 points, amounting to 24.0% in a growing market environment marked by the outperformance of Alliance brands.

## 1.2.3. INTERNATIONAL DEVELOPMENT AND SAVINGS BANK

Launched in 2012, the savings account activity now spans four markets: France, Germany, Austria and the United Kingdom.

In four years, RCI Banque has attracted more than 306,800 customers with a simple and attractive saving products offer. Accordingly, it has turned savings accounts

into a competitive and diversified source of refinancing within its car loan business for the Renault-Nissan Alliance brands.

At end-June 2016, RCI Banque had net savings deposits of €11.8 billion, i.e. 34.1% of its loan outstandings at end of June 2016.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP  
WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)**	H1 2016*	H1 2015	Change (%)
Kwid	47,896	-	+++
Twingo	47,317	53,942	-12.3
ZOE	11,997	8,539	+40.5
Clio	247,585	238,027	+4.0
Captur / QM3	138,779	126,770	+9.5
Pulse	879	1,152	-23.7
Logan	146,967	143,646	+2.3
Sandero	188,005	171,279	+9.8
Lodgy	21,305	22,847	-6.7
Mégane / Scénic	126,151	146,697	-14.0
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	40,319	41,345	-2.5
Duster	164,856	168,616	-2.2
Kadjar	81,449	7,449	+++
Laguna	128	6,107	-97.9
Latitude / SM5	4,808	14,712	-67.3
Talisman / SM6	41,389	-	+++
Koleos / QM5	5,301	20,662	-74.3
Espace	17,040	6,672	+++
SM7	3,480	2,016	+72.6
Kangoo (incl. Z.E.)	72,706	75,665	-3.9
Dokker	39,604	34,097	+16.2
Trafic	52,277	39,658	+31.8
Master	48,914	45,792	+6.8
Oroch	10,989	-	+++
Others	7,833	6,432	+21.8
<b>TOTAL WORLDWIDE GROUP PC + LCV REGISTRATIONS**</b>	<b>1,567,974</b>	<b>1,382,122</b>	<b>+13.4</b>
Twizy***	905	1,219	-25.8

\* Preliminary figures.

\*\* Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for S1 2015 have been restated.

\*\*\* Twizy is a quadricycle and therefore not included in Group automotive registrations except in Mexico and Colombia.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP  
EUROPEAN REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2016*	H1 2015	Change (%)
Twingo	47,018	53,591	-12.3
ZOE	11,920	8,477	+40.6
Clio	193,351	183,140	+5.6
Captur	118,845	107,700	+10.3
Logan	21,067	22,538	-6.5
Sandero	91,976	80,565	+14.2
Lodgy	12,015	12,416	-3.2
Mégane / Scénic	120,138	138,490	-13.3
Fluence (incl. Z.E.)	2,776	2,692	+3.1
Duster	74,754	67,958	+10.0
Kadjar	70,891	7,082	+++
Laguna	122	6,078	-98.0
Latitude	-	59	-100.0
Talisman	13,191	-	+++
Koleos	111	3,997	-97.2
Espace	17,018	6,671	+++
Kangoo (incl. Z.E.)	53,443	49,396	+8.2
Dokker	24,558	22,015	+11.6
Trafic	48,876	37,620	+29.9
Master	39,485	32,850	+20.2
Others	7,077	6,101	+16.0
<b>TOTAL EUROPEAN GROUP PC + LCV REGISTRATIONS</b>	<b>968,632</b>	<b>849,436</b>	<b>+14.0</b>
Twizy**	880	1,136	-22.5

\* Preliminary figures.

\*\*Twizy is a quadricycle and therefore not included in Group automotive registrations.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP  
INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)**	H1 2016*	H1 2015	Change (%)
Kwid	47,896	-	+++
Twingo	299	351	-14.8
ZOE	77	62	+24.2
Clio	54,234	54,887	-1.2
Captur / QM3	19,934	19,070	+4.5
Pulse	879	1,152	-23.7
Logan	125,900	121,108	+4.0
Sandero	96,029	90,714	+5.9
Lodgy	9,290	10,431	-10.9
Mégane / Scénic	6,013	8,207	-26.7
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	37,543	38,653	-2.9
Duster	90,102	100,658	-10.5
Kadjar	10,558	367	+++
Laguna	6	29	-79.3
Latitude / SM5	4,808	14,653	-67.2
Talisman / SM6	28,198	-	+++
Koleos / QM5	5,190	16,665	-68.9
Espace	22	1	+++
SM7	3,480	2,016	+72.6
Kangoo (incl. Z.E.)	19,263	26,269	-26.7
Dokker	15,046	12,082	+24.5
Trafic	3,401	2,038	+66.9
Master	9,429	12,942	-27.1
Oroch	10,989	-	+++
Others	756	331	+++
<b>TOTAL INTERNATIONAL GROUP PC + LCV REGISTRATIONS**</b>	<b>599,342</b>	<b>532,686</b>	<b>+12.5</b>
Twizy***	25	83	-69.9

\* Preliminary figures.

\*\* Since January 1, 2016, volumes for China are reported based on retail sales versus wholesales previously. Volumes for S1 2015 have been restated.

\*\*\* Twizy is a quadricycle and therefore not included in Group automotive registrations except in Mexico and Colombia.

## SALES PERFORMANCE

## 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

**RENAULT GROUP**  
**WORLDWIDE PRODUCTION BY MODEL\*\*\***

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2016**	H1 2015*	Change (%)
Twizy	1,680	1,324	+26.9
Twingo	44,626	39,452	+13.1
Clio	245,615	234,338	+4.8
ZOE	13,735	8,515	+61.3
Captur / QM3	128,908	134,281	-4.0
Logan	113,287	121,709	-6.9
Sandero	167,378	144,472	+15.9
Lodgy	19,683	17,258	+14.1
Mégane / Scénic	152,032	143,727	+5.8
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	42,442	43,271	-1.9
Duster	163,174	146,188	+11.6
Kadjar	76,464	19,709	+++
Laguna	-	5,921	-
Latitude / SM5	2,852	15,687	-81.8
Talisman / SM6	53,019	225	+++
Koleos / QM5	3,420	17,741	-80.7
Espace	15,751	10,094	+56.0
SM7	3,472	2,495	+39.2
Kangoo (incl. Z.E.)	87,244	84,974	+2.7
Dokker	41,599	58,441	-28.8
Trafic	56,289	48,089	+17.1
Master	81,977	71,967	+13.9
Oroch	14,520	29	+++
Others	122,467	100,231	+22.2
<b>GROUP GLOBAL PRODUCTION</b>	<b>1,651,634</b>	<b>1,470,138</b>	<b>+12.3</b>
<b>o/w produced for partners:</b>			
GM	16,371	15,043	+8.8
Nissan	84,962	68,047	+24.9
Daimler	40,822	35,592	+14.7
Fiat	3,477	-	+++
Renault Trucks	6,390	5,577	+14.6
<b>PRODUCED BY PARTNERS FOR RENAULT</b>	<b>H1 2016**</b>	<b>H1 2015*</b>	<b>Change (%)</b>
Kwid (Chennai - Nissan)	50,010	4	+++
Duster (Chennai - Nissan)	11,195	16,510	-32.2
Kadjar (Wuhan - DRAC)	10,630	-	+++
Logan (Iran, Avtovaz)	43,694	26,063	+67.6
Sandero (Iran, Avtovaz)	25,577	12,723	+++
Others (Nissan, DRAC, Pars/Iran Khodro / AVTOVAZ)	2,138	9,015	-76.3

\* 2015 restated pro forma 2016.

\*\* Preliminary figures.

\*\*\* Production data concern the number of vehicles leaving the production line.

## SALES PERFORMANCE

### 1.3. REGISTRATIONS AND PRODUCTION STATISTICS

#### GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION

At June 30, 2016

EUROPE	AMERICAS	ASIA-PACIFIC	AFRICA MIDDLE-EAST INDIA	EURASIA
Albania	<b>Argentina</b>	Australia	<b>Algeria</b>	Armenia
Austria	Bolivia	Brunei	Egypt	Azerbaijan
Baltic States	<b>Brazil</b>	Cambodia	French Guiana	Belarus
<b>Belgium-Lux.</b>	Chili	China	Guadeloupe	Bulgaria
Bosnia	Colombia	Hong Kong	Gulf States	Georgia
Croatia	Costa Rica	Indonesia	<b>India</b>	Kazakhstan
Cyprus	Dominican Rep.	Japan	<b>Iran</b>	Kyrgyzstan
Czech Rep.	Ecuador	Laos	Iraq	Moldova
Denmark	El Salvador	Malaysia	Israel	Romania
Finland	Honduras	New Caledonia	Jordan	<b>Russia</b>
<b>Metropolitan France</b>	Mexico	New Zealand	Lebanon	Tajikistan
<b>Germany</b>	Nicaragua	Philippines	Libya	<b>Turkey</b>
Greece	Panama	Singapore	Madagascar	Turkmenistan
Hungary	Paraguay	<b>South Korea</b>	Martinique	Ukraine
Iceland	Peru	Tahiti	<b>Morocco</b>	Uzbekistan
Ireland	Uruguay	Thailand	Pakistan	
<b>Italy</b>	Venezuela	Vietnam	Reunion	
Macedonia			Saint Martin	
Malta			Saudi Arabia	
Montenegro			South Africa	
Netherlands			Sub Saharian African countries	
Norway			Tunisia	
Poland				
Portugal				
Serbia				
Slovakia				
Slovenia				
<b>Spain</b>				
Sweden				
Switzerland				
<b>United Kingdom</b>				

Group Top 15 markets in bold.

## SUMMARY

(€ million)	H1 2016	H1 2015 restated <sup>(1)(2)</sup>	Change
<b>Group revenues</b>	<b>25,185</b>	<b>22,197</b>	<b>+13.5%</b>
<b>Operating profit</b>	<b>1,541</b>	<b>1,096</b>	<b>+445</b>
Operating income	1,476	980	+496
Financial income	-67	-161	+94
<b>Contribution from associated companies</b>	<b>678</b>	<b>895</b>	<b>-217</b>
<i>o/w Nissan</i>	<i>749</i>	<i>979</i>	<i>-230</i>
<b>Net income</b>	<b>1,567</b>	<b>1,452</b>	<b>+115</b>
<b>Automotive operational free cash flow</b>	<b>+381</b>	<b>-52</b>	<b>+433</b>
<b>Automotive Net cash position</b>	<b>+2,532</b>	<b>+2,661</b> at Dec. 31, 2015	<b>-129</b>
Shareholders' equity	29,789	27,262	+2,527

(1) and (2) See explanations page 3.

## 2.1. COMMENTS ON THE FINANCIAL RESULTS

### 2.1.1. CONSOLIDATED INCOME STATEMENT

#### OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	H1 2016			H1 2015			Change (%)		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive	9,942	14,136	24,078	8,829	12,236	21,065	+12.6	+15.5	+14.3
Sales Financing	547	560	1,107	559	573	1,132	-2.1	-2.3	-2.2
<b>Total</b>	<b>10,489</b>	<b>14,696</b>	<b>25,185</b>	<b>9,388</b>	<b>12,809</b>	<b>22,197</b>	<b>+11.7</b>	<b>+14.7</b>	<b>+13.5</b>

The **Automotive segment's contribution** to revenues amounted to €24,078 million, up 14.3%. Excluding a 4.9 points negative exchange rate effect, the Automotive segment's revenues grew by 19.2%. This increase is mainly due to:

- a volume effect of 10.6 points linked to the success of new models and the European momentum;
- a positive price effect of 3.8 points, mainly resulting from price increases in some emerging countries (Argentina, Russia, Brazil, Algeria ...) to offset the devaluation of their currency;

- the growth in sales to partners ( good performance of the Rogue produced in Korea, increase in powertrain sales, development of CKD sales in Iran and China), which had a favorable impact of 3.0 points;
- A favorable product and geographic mix effect of 1.8 points, largely due to the success of vehicles in the higher market segments (Espace, Talisman, New Megane and Kadjar).

## FINANCIAL RESULTS

## 2.1. COMMENTS ON THE FINANCIAL RESULTS

## OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	H1 2016	H1 2015 Restated <sup>(1)</sup>	Change
<b>Automotive division</b>	<b>1,121</b>	<b>680</b>	<b>+441</b>
% of division revenues	4.7%	3.2%	+ 1.5 pts
<b>Sales Financing</b>	<b>420</b>	<b>416</b>	<b>+4</b>
<b>Total</b>	<b>1,541</b>	<b>1,096</b>	<b>+445</b>
% of Group revenues	6.1%	4.9%	+ 1.2 pts

(1) See explanations page 3.

The Automotive segment's operating margin rose by €441 million to €1,121 million (4.7% of revenues), owing mainly to:

- business growth of €636 million. This amount stems from the increase in industrial activities for €614 million, RCI Banque and other activities (Group network sales, parts and accessories) for €22 million;
- a decrease in raw materials prices, with a positive impact of €164 million;
- a positive product mix/price/enrichment effect of €135 million, a significant improvement compared to the first half of 2015 mainly thanks to the success of new products.

These positive effects offset:

- a negative exchange rate effect of €432 million;
- an increase in G&A for €64 million.

*Monozukuri* (+€6 million) was negatively impacted by an increase in R&D expenses to prepare the future, a lower R&D capitalization rate and higher than usual launch costs due to numerous launches.

**Sales Financing** contributed €420 million to the Group's operating margin, compared with €416 million in the first half of 2015. This stable profit is related to the sharp increase in loans outstanding, but negatively impacted by adverse currency evolution and the decrease in Americas' business. However, the cost of risk stabilized at a very good level of 0.30% of the average performing assets (0.31% in the first half of 2015).

**Other operating income and expenses** recorded a net expense of €65 million, compared with a net expense of €116 million in the first half of 2015. This net expense consisted mainly of restructuring costs of €68 million, relating to the ongoing implementation of the competitiveness agreement signed in France and restructuring costs in various other countries.

After taking into account other **operating income and expenses**, the Group reported operating income of €1,476 million, compared with €980 million in the first half of 2015.

A **net financial expense** of €67 million was recorded, compared with a net expense of €161 million in the first half of 2015, notably due to the mark-to-market valuation of Renault redeemable shares (€19 million gain in the first half of 2016 compared to €81 million loss in the first half of 2015).

Renault's **share in associated companies** recorded a contribution of €678 million, primarily including:

- €749 million from Nissan (compared with €979 million in the first half of 2015). Nissan's contribution was impacted by a one-off charge booked in Q1;
- -€75 million from AVTOVAZ. AVTOVAZ contribution was negative at -€75 million versus -€87 million<sup>1</sup> in the first half 2015, despite a deterioration of the operating result.

Regarding AVTOVAZ, the Group confirms its intention to take part in a recapitalization operation before the end of the year, which should result in the consolidation of AVTOVAZ as of December 31, 2016.

**Current and deferred taxes** showed a charge of €520 million, up €258 million compared with the first half of 2015, of which €422 million for current taxes and an expense of €98 million in deferred taxes, specifically with respect to tax consolidation in France.

**Net income** totaled €1,567 million, compared with €1,452 million in the first half of 2015. Net income, Group share was €1,501 million (compared with €1,379 million in the first half of 2015).

(1) See explanations page 3.

## FINANCIAL RESULTS

## 2.1. COMMENTS ON THE FINANCIAL RESULTS

## 2.1.2. AUTOMOTIVE OPERATIONAL FREE CASH FLOW

## AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	H1 2016	H1 2015 restated <sup>(5)</sup>	Change
Cash flow (excluding dividends received from publicly listed companies)	+2,179	+1,820	+359
Change in the working capital requirement	-129	-419	+290
Tangible and intangible investments net of disposals	-1,391	-1,330	-61
Leased vehicles and batteries	-278	-123	-155
<b>OPERATIONAL FREE CASH FLOW</b>	<b>+381</b>	<b>-52</b>	<b>+433</b>

(5) See explanations page 3.

In the first half of 2016, the Automotive segment reported positive **operational free cash flow** of €381 million, resulting from:

- cash flow of €2,179 million (+€359 million), arising from an improvement in operational profitability and despite no RCI's 2015 fiscal year dividend payment in the first half of 2016 (€150 million paid in the first half of 2015 for fiscal year 2014);

- a negative change in the working capital requirement of €129 million, mainly due to a rise in inventories;
- property, plant and equipment and intangible investments net of disposals of €1,391 million, an increase of 4.5% compared with the first half of 2015.

Net capital expenditure and R&D expenses remained at 7.9% of Group revenues, same level as in the first half of 2015, in line with the Group Plan's objective of under 9% of revenues.

## RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES

## Analysis of research and development costs:

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Change
R&D expenses	-1,238	-1,050	-188
Capitalized development expenses	+460	+429	+31
% of R&D expenses	37.2%	40.9%	-3.7 pts
Amortization	-391	-374	-17
<b>Gross R&amp;D expenses recorded in the income statement</b>	<b>-1,169</b>	<b>-995</b>	<b>-174</b>

(1) See explanations page 3.

The capitalization rate fell from 40.9% in the first half of 2015 to 37.2% this semester in connection with the progress of projects.

## TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>
Tangible investments (excluding leased vehicles and batteries)	901	894
Intangible investments	512	459
o/w capitalized R&D	460	429
Total acquisitions	1,414	1,353
Disposal gains	-22	-23
<b>Total Automotive division</b>	<b>1,391</b>	<b>1,330</b>
<b>Total Sales Financing</b>	<b>5</b>	<b>3</b>
<b>TOTAL GROUP</b>	<b>1,396</b>	<b>1,333</b>

(1) See explanations page 3.

Total gross capital expenditure rose in the first half of 2016 compared with the first half of 2015; the breakdown was 66% in Europe and 34% outside Europe:

- in Europe, capital expenditure focused on the development and adaptation of industrial facilities in connection with the renewal of vehicles in the C segment (New Megane family and Scenic) and D segment (Talisman) and mechanical components. A significant effort was also made to boost the competitiveness of European plants.
- Outside Europe, capital expenditure was primarily linked to the roll-out of new vehicles in the D segment (New Koleos), the Global Access range (e.g Kaptur in Russia) and the modernization (mechanical components and vehicles).

## FINANCIAL RESULTS

## 2.1. COMMENTS ON THE FINANCIAL RESULTS

## NET CAPEX AND R&amp;D EXPENSES

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	1,396	1,333
Capitalized development expenses	-460	-429
Capex invoice to third parties and others	-94	-112
<b>Net industrial and commercial investments (1)</b>	<b>842</b>	<b>792</b>
% of Group revenues	3.3%	3.6%
<b>R&amp;D expenses</b>	<b>1,238</b>	<b>1,050</b>
<i>o/w billed to third parties</i>	<i>-92</i>	<i>-92</i>
<b>Net R&amp;D expenses (2)</b>	<b>1,146</b>	<b>958</b>
% of Group revenues	4.6%	4.3%
<b>Net CAPEX and R&amp;D expenses (1) + (2)</b>	<b>1,988</b>	<b>1,750</b>
% of Group revenues	7.9%	7.9%

(1) See explanations page 3.

## 2.1.3. AUTOMOTIVE NET CASH POSITION AT JUNE 30, 2016

## CHANGE IN AUTOMOTIVE NET CASH POSITION (€ MILLION)

<b>Net cash position at December 31, 2015</b>	<b>+2,661</b>
Operational free cash flow for H1 2016	+381
Dividends received	+390
Dividends paid to Renault's shareholders	-768
Nissan Share Buy-Back Program	+473
Financial investments and others	-605
<b>Net cash position at June 30, 2016</b>	<b>+2,532</b>

The €129 million decrease in **the net cash position of the Automotive segment** compared with December 31, 2015 is due to:

- the usual mismatch between dividends received from Nissan (paid in two times, one in the first half and the other in the second half) and dividends paid by Renault in May;
- sundry value adjustments mainly linked to currency fluctuations.

## AUTOMOTIVE NET CASH POSITION

(€ million)	June. 30, 2016	Dec. 31, 2015
Non-current financial liabilities	-4,842	-5,693
Current financial liabilities	-4,833	-4,811
Non-current financial assets – other securities, loans and derivatives on financial operations	+244	+119
Current financial assets	+1,397	+1,475
Cash and cash equivalents	+10,566	+11,571
<b>Net cash position</b>	<b>+2,532</b>	<b>+2,661</b>

In the first half of 2016, **Renault** issued a 10 billion yen private bond on its EMTN program for a 3 years tenor.

The Automotive segment's liquidity reserves stood at €13.9 billion at June 30, 2016. These reserves consisted of:

- €10.6 billion in cash and cash equivalents;
- €3.3 billion in undrawn confirmed credit lines.

At June 30, 2016, **RCI Banque** had available liquidity of €8.1 billion, consisting of:

- €4.1 billion in undrawn confirmed credit lines;
- €2.6 billion in central-bank eligible collateral;
- €1.1 billion in high quality liquid assets (HQLA);
- €0.3 billion in available cash.

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

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## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.1. CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	H1 2016	H1 2015 restated <sup>(1)</sup> <sup>(2)</sup>	Year 2015 restated <sup>(1)</sup>
<b>Revenues</b>	<b>4</b>	<b>25,185</b>	<b>22,197</b>	<b>45,327</b>
Cost of goods and services sold		(19,862)	(17,653)	(36,094)
Research and development expenses	5	(1,169)	(995)	(2,044)
Selling, general and administrative expenses		(2,613)	(2,453)	(4,814)
<b>Operating margin</b>		<b>1,541</b>	<b>1,096</b>	<b>2,375</b>
Other operating income and expenses	6	(65)	(116)	(199)
<i>Other operating income</i>		34	33	77
<i>Other operating expenses</i>		(99)	(149)	(276)
<b>Operating income</b>		<b>1,476</b>	<b>980</b>	<b>2,176</b>
Cost of net financial indebtedness		(139)	(109)	(225)
<i>Cost of gross financial indebtedness</i>		(188)	(189)	(387)
<i>Income on cash and financial assets</i>		49	80	162
Other financial income and expenses		72	(52)	4
<b>Financial income (expenses)</b>	<b>7</b>	<b>(67)</b>	<b>(161)</b>	<b>(221)</b>
<b>Share in net income (loss) of associates and joint ventures</b>		<b>678</b>	<b>895</b>	<b>1,371</b>
<i>Nissan</i>	11	749	979	1,976
<i>Other associates and joint ventures</i>	12	(71)	(84)	(605)
<b>Pre-tax income</b>		<b>2,087</b>	<b>1,714</b>	<b>3,326</b>
Current and deferred taxes	8	(520)	(262)	(366)
<b>Net income</b>		<b>1,567</b>	<b>1,452</b>	<b>2,960</b>
Net income – non-controlling interests' share		66	73	137
Net income – parent-company shareholders' share		1,501	1,379	2,823
Basic earnings per share <sup>(3)</sup> in €		5.51	5.06	10.35
Diluted earnings per share <sup>(3)</sup> in €		5.47	5.03	10.29
Number of shares outstanding (in thousands)	9			
<i>for basic earnings per share</i>		272,477	272,769	272,708
<i>for diluted earnings per share</i>		274,559	274,247	274,314

(1) Taxes based on a taxable profit according to IAS 12 "Income taxes" previously included in operating expenses are reclassified as current taxes from 2016, and the opposite applies for taxes that do not correspond to the definition of income taxes based on a taxable profit according to IAS 12 "Income taxes". The presentation of the financial statements for the first half-year of 2015 and the year 2015 has been restated accordingly. Details of the reclassifications are presented in notes 2-C and 2-D.

(2) Following the end of the three-month time-lag for consolidation of AVTOVAZ's financial statements, the first-half 2015 figures for AVTOVAZ are restated so that the first half-year of 2015 covers the period January 1 to June 30. The impacts of this change of method applied from December 31, 2015 are described in notes 2-D and 12-A.

(3) Net income – parent-company shareholders' share divided by number of shares stated.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.2. CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	H1 2016			H1 2015 restated <sup>(1) (2)</sup>			Year 2015 restated <sup>(1)</sup>		
	Gross	Tax effect <sup>(3)</sup>	Net	Gross	Tax effect <sup>(3)</sup>	Net	Gross	Tax effect <sup>(3)</sup>	Net
<b>NET INCOME</b>	<b>2,087</b>	<b>(520)</b>	<b>1,567</b>	<b>1,714</b>	<b>(262)</b>	<b>1,452</b>	<b>3,326</b>	<b>(366)</b>	<b>2,960</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT-COMPANY AND SUBSIDIARIES</b>									
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>	<i>(188)</i>	<i>203</i>	<i>15</i>	<i>38</i>	<i>(33)</i>	<i>5</i>	<i>52</i>	<i>(43)</i>	<i>9</i>
Actuarial gains and losses on defined-benefit pension plans	(188)	203	15	38	(33)	5	52	(43)	9
<i>Items that have been or will be reclassified to profit or loss in subsequent periods</i>	<i>(627)</i>	<i>267</i>	<i>(360)</i>	<i>286</i>	<i>59</i>	<i>345</i>	<i>(193)</i>	<i>78</i>	<i>(115)</i>
Translation adjustments on foreign activities	2	-	2	128	-	128	(299)	-	(299)
Partial hedge of the investment in Nissan	(174)	225	51	(55)	42	(13)	(103)	85	(18)
Fair value adjustments on cash flow hedging instruments	(64)	58	(6)	4	(1)	3	56	(24)	32
Fair value adjustments on available-for-sale financial assets	(391)	(16)	(407)	209	18	227	153	17	170
<b>Total other components of comprehensive income from parent-company and subsidiaries (A)</b>	<b>(815)</b>	<b>470</b>	<b>(345)</b>	<b>324</b>	<b>26</b>	<b>350</b>	<b>(141)</b>	<b>35</b>	<b>(106)</b>
<b>SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>									
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>	<i>(201)</i>	<i>-</i>	<i>(201)</i>	<i>(143)</i>	<i>-</i>	<i>(143)</i>	<i>(89)</i>	<i>-</i>	<i>(89)</i>
Actuarial gains and losses on defined-benefit pension plans	(201)	-	(201)	(143)	-	(143)	(89)	-	(89)
<i>Items that have been or will be reclassified to profit or loss in subsequent periods</i>	<i>1,085</i>	<i>-</i>	<i>1,085</i>	<i>1,313</i>	<i>-</i>	<i>1,313</i>	<i>1,450</i>	<i>-</i>	<i>1,450</i>
Translation adjustments on foreign activities	1,260	-	1,260	1,231	-	1,231	1,462	-	1,462
Other	(175)	-	(175)	82	-	82	(12)	-	(12)
<b>Total share of associates and joint ventures in other components of comprehensive income (B)</b>	<b>884</b>	<b>-</b>	<b>884</b>	<b>1,170</b>	<b>-</b>	<b>1,170</b>	<b>1,361</b>	<b>-</b>	<b>1,361</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)</b>	<b>69</b>	<b>470</b>	<b>539</b>	<b>1,494</b>	<b>26</b>	<b>1,520</b>	<b>1,220</b>	<b>35</b>	<b>1,255</b>
<b>COMPREHENSIVE INCOME</b>	<b>2,156</b>	<b>(50)</b>	<b>2,106</b>	<b>3,208</b>	<b>(236)</b>	<b>2,972</b>	<b>4,546</b>	<b>(331)</b>	<b>4,215</b>
Parent-company shareholders' share			2,048			2,887			4,070
Non-controlling interests' share			58			85			145

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

(2) The impacts on the first-half 2015 financial statements of the end of the three-month time-lag for consolidation of AVTOVAZ's financial statements are described in notes 2-D and 12-A.

(3) In first-half 2016, the tax effect includes income of €313 million (€69 million in first-half 2015 and €239 million for the year 2015) resulting from recognition of net deferred tax assets of the French tax consolidation, comprising a €136 million expense relating to net income and a €449 million income relating to other components of comprehensive income (€52 million and €17 million respectively for first-half 2015 and €188 million and €51 million respectively for the year 2015) (note 8- B).

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.3. CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	June 30, 2016	Dec. 31, 2015
<b>NON-CURRENT ASSETS</b>			
Intangible assets and goodwill	10-A	3,680	3,570
Property, plant and equipment	10-B	11,423	11,171
Investments in associates and joint ventures		20,154	19,356
<i>Nissan</i>	11	19,472	18,571
<i>Other associates and joint ventures</i>	12	682	785
Non-current financial assets	14	1,227	1,478
Deferred tax assets		1,355	881
Other non-current assets		1,221	1,131
<b>TOTAL NON-CURRENT ASSETS</b>		<b>39,060</b>	<b>37,587</b>
<b>CURRENT ASSETS</b>			
Inventories	13	5,598	4,128
Sales financing receivables		31,620	28,605
Automotive receivables		1,587	1,262
Current financial assets	14	1,932	1,760
Current tax assets		47	62
Other current assets		3,036	3,068
Cash and cash equivalents	14	12,217	14,133
<b>TOTAL CURRENT ASSETS</b>		<b>56,037</b>	<b>53,018</b>
<b>TOTAL ASSETS</b>		<b>95,097</b>	<b>90,605</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)</b>	<b>Notes</b>	<b>June 30, 2016</b>	<b>Dec. 31, 2015</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(330)	(227)
Revaluation of financial instruments		312	890
Translation adjustment		(748)	(2,059)
Reserves		23,677	21,653
Net income – parent-company shareholders' share		1,501	2,823
<b>Shareholders' equity – parent-company shareholders' share</b>		<b>29,324</b>	<b>27,992</b>
Shareholders' equity – non-controlling interests' share		465	482
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15</b>	<b>29,789</b>	<b>28,474</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		209	122
Provisions for pension and other long-term employee benefit obligations – long-term	16-A	1,732	1,550
Other provisions – long-term	16-B	1,272	1,178
Non-current financial liabilities	17	4,847	5,707
Other non-current liabilities		1,425	1,285
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,485</b>	<b>9,842</b>
<b>CURRENT LIABILITIES</b>			
Provisions for pension and other long-term employee benefit obligations – short-term	16-A	50	50
Other provisions – short-term	16-B	975	997
Current financial liabilities	17	4,049	4,143
Sales financing debts	17	33,269	30,740
Trade payables		8,852	8,295
Current tax liabilities		326	219
Other current liabilities		8,302	7,845
<b>TOTAL CURRENT LIABILITIES</b>		<b>55,823</b>	<b>52,289</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>95,097</b>	<b>90,605</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.4. CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent- company shareholders' share)	Shareholders' equity (parent- company shareholders' share)	Shareholders' equity (non- controlling interests' share)	Total share- holders' equity
(€ million)											
<b>Balance at Dec. 31, 2015</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(227)</b>	<b>890</b>	<b>(2,059)</b>	<b>21,653</b>	<b>2,823</b>	<b>27,992</b>	<b>482</b>	<b>28,474</b>
<b>1<sup>st</sup> half-year 2016 net income</b>								<b>1,501</b>	<b>1,501</b>	<b>66</b>	<b>1,567</b>
Other components of comprehensive income <sup>(1)</sup>					(578)	1,311	(186)		547	(8)	539
<b>1<sup>st</sup> half-year 2016 comprehensive income</b>					<b>(578)</b>	<b>1,311</b>	<b>(186)</b>	<b>1,501</b>	<b>2,048</b>	<b>58</b>	<b>2,106</b>
Allocation of 2015 net income							2,823	(2,823)			
Dividends							(655)		(655)	(79)	(734)
(Acquisitions) / disposals of treasury shares and impact of capital increases				(103)					(103)		(103)
Changes in ownership interests <sup>(2)</sup>							12		12	4	16
Cost of share-based payments and others							30		30		30
<b>Balance at June 30, 2016</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(330)</b>	<b>312</b>	<b>(748)</b>	<b>23,677</b>	<b>1,501</b>	<b>29,324</b>	<b>465</b>	<b>29,789</b>

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period.

(2) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests.

Details of changes in consolidated shareholders' equity are given in note 15.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent- company share- holders' share)	Shareholders' equity (parent- company shareholders' share)	Shareholders' equity (non- controlling interests' share)	Total share- holders' equity
(€ million)											
<b>Balance at Dec. 31, 2014 as published</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(134)</b>	<b>703</b>	<b>(3,276)</b>	<b>20,381</b>	<b>1,890</b>	<b>24,476</b>	<b>422</b>	<b>24,898</b>
Restatement IFRIC 21 <sup>(1)</sup>							39		39		39
Restatement AVTOVAZ <sup>(2)</sup>						2	(27)	15	(10)		(10)
<b>Balance at Dec. 31, 2014 as restated</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(134)</b>	<b>703</b>	<b>(3,274)</b>	<b>20,393</b>	<b>1,905</b>	<b>24,505</b>	<b>422</b>	<b>24,927</b>
1 <sup>st</sup> half-year 2015 net income <sup>(2)</sup>								1,379	1,379	73	1,452
Other components of comprehensive income <sup>(3)</sup>					312	1,334	(138)		1,508	12	1,520
<b>1<sup>st</sup> half-year 2015 comprehensive income</b>					<b>312</b>	<b>1,334</b>	<b>(138)</b>	<b>1,379</b>	<b>2,887</b>	<b>85</b>	<b>2,972</b>
Allocation of 2014 net income							1,905	(1,905)			
Dividends							(518)		(518)	(52)	(570)
(Acquisitions) / disposals of treasury shares and impact of capital increases				(103)					(103)		(103)
Changes in ownership interests <sup>(4)</sup>							(3)		(3)	(4)	(7)
Cost of share-based payments							15		15		15
<b>Balance at June 30, 2015</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(237)</b>	<b>1,015</b>	<b>(1,940)</b>	<b>21,654</b>	<b>1,379</b>	<b>26,783</b>	<b>451</b>	<b>27,234</b>
2 <sup>nd</sup> half-year 2015 net income								1,444	1,444	64	1,508
Other components of comprehensive income <sup>(3)</sup>					(125)	(196)	60		(261)	(4)	(265)
<b>2<sup>nd</sup> half-year 2015 comprehensive income</b>					<b>(125)</b>	<b>(196)</b>	<b>60</b>	<b>1,444</b>	<b>1,183</b>	<b>60</b>	<b>1,243</b>
Dividends										(13)	(13)
(Acquisitions) / disposals of treasury shares and impact of capital increases				10					10		10
Changes in ownership interests <sup>(4)</sup>						77	(77)			(16)	(16)
Cost of share-based payments							16		16		16
<b>Balance at Dec. 31, 2015</b>	<b>295,722</b>	<b>1,127</b>	<b>3,785</b>	<b>(227)</b>	<b>890</b>	<b>(2,059)</b>	<b>21,653</b>	<b>2,823</b>	<b>27,992</b>	<b>482</b>	<b>28,474</b>

(1) The restatement resulting from retrospective application of IFRIC 21 "Levies" is presented in note 2 to the consolidated financial statements for 2015.

(2) The impacts on the first-half 2015 financial statements of the end of the three-month time-lag for consolidation of AVTOVAZ's financial statements are described in notes 2-D and 12-A.

(3) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period.

(4) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests. In the second half-year of 2015, they include a €79 million reclassification between translation adjustments and reserves concerning the foreign exchange effect of transactions undertaken in previous years.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.5. CONSOLIDATED CASH FLOWS

(€ million)	Notes	H1 2016	H1 2015 restated <sup>(1) (2)</sup>	Year 2015 restated <sup>(1)</sup>
<b>Net income</b>		<b>1,567</b>	<b>1,452</b>	<b>2,960</b>
Cancellation of dividends received from unconsolidated listed companies		(44)	(34)	(34)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment		1,443	1,404	2,728
- Share in net (income) loss of associates and joint ventures		(678)	(895)	(1,371)
- Other income and expenses with no impact on cash before interest and tax	18	632	416	450
<b>Cash flows before interest and tax <sup>(3)</sup></b>		<b>2,920</b>	<b>2,343</b>	<b>4,733</b>
<b>Dividends received from listed companies <sup>(4)</sup></b>		<b>390</b>	<b>267</b>	<b>581</b>
Net change in financing for final customers		(2,385)	(1,807)	(3,136)
Net change in renewable dealer financing		(826)	377	(233)
<b>Decrease (increase) in sales financing receivables</b>		<b>(3,211)</b>	<b>(1,430)</b>	<b>(3,369)</b>
Bond issuance by the Sales Financing segment		2,575	3,055	3,814
Bond redemption by the Sales Financing segment		(2,367)	(1,458)	(2,640)
Net change in other sales financing debts		2,709	474	3,729
Net change in other securities and loans of the Sales Financing segment		(157)	(195)	59
<b>Net change in financial assets and debts of the Sales Financing segment</b>		<b>2,760</b>	<b>1,876</b>	<b>4,962</b>
<b>Change in capitalized leased assets</b>		<b>(369)</b>	<b>(218)</b>	<b>(522)</b>
<b>Decrease (increase) in working capital before tax</b>	<b>18</b>	<b>(685)</b>	<b>(815)</b>	<b>417</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX</b>		<b>1,805</b>	<b>2,023</b>	<b>6,802</b>
Interest received		34	77	141
Interest paid		(142)	(202)	(416)
Current taxes (paid)/received		(261)	(248)	(492)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>1,436</b>	<b>1,650</b>	<b>6,035</b>
Capital expenditure	18	(1,418)	(1,356)	(2,801)
Disposals of property, plant and equipment and intangibles		22	23	66
Acquisitions of investments involving gain of control, net of cash acquired		(8)	(3)	(3)
Acquisitions of other investments, net of cash acquired		(7)	(19)	(25)
Disposals of other investments, net of cash transferred and other <sup>(5)</sup>		474	-	13
Net decrease (increase) in other securities and loans of the Automotive segment		(72)	13	(299)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(1,009)</b>	<b>(1,342)</b>	<b>(3,049)</b>
Dividends paid to parent-company shareholders	15	(701)	(555)	(555)
Dividends paid to non-controlling interests		(79)	(52)	(65)
(Acquisitions) sales of treasury shares		(104)	(109)	(102)
<b>Cash flows with shareholders</b>		<b>(884)</b>	<b>(716)</b>	<b>(722)</b>
Bond issuance by the Automotive segment		175	-	533
Bond redemption by the Automotive segment		(1,438)	(1,042)	(1,403)
Net increase (decrease) in other financial liabilities of the Automotive segment		(236)	90	540
<b>Net change in financial liabilities of the Automotive segment</b>		<b>(1,499)</b>	<b>(952)</b>	<b>(330)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(2,383)</b>	<b>(1,668)</b>	<b>(1,052)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1,956)</b>	<b>(1,360)</b>	<b>1,934</b>

(1) Interest and current taxes received and paid are now reported on separate lines in the statement of consolidated cash flows, and interest on derivatives on financing operations of the Automotive segment is now classified as cash flows from operating activities. The resulting reclassifications for the presentation of the first-half 2015 and the year 2015 financial statements are presented in notes 2-C and 2-D.

(2) The impacts on the first-half 2015 financial statements of the end of the three-month time lag for consolidation of AVTOVAZ's financial statements are described in notes 2-D and 12-A.

(3) Cash flows before interest and tax do not include dividends received from listed companies.

(4) In first-half 2016, dividends from Daimler (€44 million) and Nissan (€346 million). In 2015, dividends from Daimler (€34 million) and Nissan (€233 million) in the first half-year and dividends from Nissan (€314 million) in the second half-year.

(5) Renault SA sold Nissan shares for an amount of €473 million in first-half 2016, in connection with Nissan's repurchase of some of its shares between March and December 2016 (note 11-B).

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	H1 2016	H1 2015	Year 2015
<b>Cash and cash equivalents: opening balance</b>	<b>14,133</b>	<b>12,497</b>	<b>12,497</b>
Increase (decrease) in cash and cash equivalents	(1,956)	(1,360)	1,934
Effect of changes in exchange rate and other changes	40	16	(298)
<b>Cash and cash equivalents: closing balance <sup>(1)</sup></b>	<b>12,217</b>	<b>11,153</b>	<b>14,133</b>

(1) Cash subject to restrictions on use is described in note 14-C.

## 2.2.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## 2.2.6.1. INFORMATION ON OPERATING SEGMENTS

The operating segments used by Renault are:

- the Automotive segment, comprising the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries, and the subsidiaries in charge of the Automotive segment's cash management;
- the Sales Financing segment, which the Group considers as an operating activity, carried out by RCI Banque and its subsidiaries for the distribution network and final customers.

## A. Consolidated income statement by operating segment

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>H1 2016</b>				
Sales of goods	23,142	15	-	23,157
Sales of services	936	1,092	-	2,028
<b>External sales</b>	<b>24,078</b>	<b>1,107</b>	<b>-</b>	<b>25,185</b>
Intersegment sales	(189)	222	(33)	-
<b>Sales by segment</b>	<b>23,889</b>	<b>1,329</b>	<b>(33)</b>	<b>25,185</b>
<b>Operating margin <sup>(1)</sup></b>	<b>1,096</b>	<b>420</b>	<b>25</b>	<b>1,541</b>
<b>Operating income</b>	<b>1,031</b>	<b>420</b>	<b>25</b>	<b>1,476</b>
<b>Financial income (expenses)</b>	<b>(67)</b>	<b>-</b>	<b>-</b>	<b>(67)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>674</b>	<b>4</b>	<b>-</b>	<b>678</b>
<b>Pre-tax income</b>	<b>1,638</b>	<b>424</b>	<b>25</b>	<b>2,087</b>
Current and deferred taxes	(369)	(144)	(7)	(520)
<b>Net income</b>	<b>1,269</b>	<b>280</b>	<b>18</b>	<b>1,567</b>
<b>H1 2015 RESTATED <sup>(3)</sup> (4)</b>				
Sales of goods	20,117	13	-	20,130
Sales of services	948	1,119	-	2,067
<b>External sales</b>	<b>21,065</b>	<b>1,132</b>	<b>-</b>	<b>22,197</b>
Intersegment sales	(173)	201	(28)	-
<b>Sales by segment</b>	<b>20,892</b>	<b>1,333</b>	<b>(28)</b>	<b>22,197</b>
<b>Operating margin <sup>(1)</sup></b>	<b>683</b>	<b>416</b>	<b>(3)</b>	<b>1,096</b>
<b>Operating income</b>	<b>568</b>	<b>415</b>	<b>(3)</b>	<b>980</b>
<b>Financial income (expenses) <sup>(2)</sup></b>	<b>(11)</b>	<b>-</b>	<b>(150)</b>	<b>(161)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>893</b>	<b>2</b>	<b>-</b>	<b>895</b>
<b>Pre-tax income</b>	<b>1,450</b>	<b>417</b>	<b>(153)</b>	<b>1,714</b>
Current and deferred taxes	(101)	(162)	1	(262)
<b>Net income</b>	<b>1,349</b>	<b>255</b>	<b>(152)</b>	<b>1,452</b>

(1) Details of amortization, depreciation and impairment are provided in the consolidated cash flow statements by operating segment.

(2) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

(3) The change in presentation concerning income taxes, and the resulting reclassifications in the financial statements for the first half-year of 2015, are presented in notes 2-C et 2-D.

(4) The impacts on the first-half 2015 financial statements of the end of the three-month time lag for consolidation of AVTOVAZ's financial statements are described in notes 2-D and 12-A.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>YEAR 2015 RESTATED <sup>(1)</sup></b>				
Sales of goods	41,180	31	-	41,211
Sales of services	1,928	2,188	-	4,116
<b>External sales</b>	<b>43,108</b>	<b>2,219</b>	<b>-</b>	<b>45,327</b>
Intersegment sales	(364)	412	(48)	-
<b>Sales by segment</b>	<b>42,744</b>	<b>2,631</b>	<b>(48)</b>	<b>45,327</b>
<b>Operating margin <sup>(2)</sup></b>	<b>1,535</b>	<b>829</b>	<b>11</b>	<b>2,375</b>
<b>Operating income</b>	<b>1,338</b>	<b>827</b>	<b>11</b>	<b>2,176</b>
<b>Financial income (expenses) <sup>(3)</sup></b>	<b>(72)</b>	<b>-</b>	<b>(149)</b>	<b>(221)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>1,367</b>	<b>4</b>	<b>-</b>	<b>1,371</b>
<b>Pre-tax income</b>	<b>2,633</b>	<b>831</b>	<b>(138)</b>	<b>3,326</b>
Current and deferred taxes	(85)	(277)	(4)	(366)
<b>Net income</b>	<b>2,548</b>	<b>554</b>	<b>(142)</b>	<b>2,960</b>

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the financial statements for the year 2015, are presented in notes 2-C and 2-D.

(2) Details of amortization, depreciation and impairment are provided in the consolidated cash flow statements by operating segment.

(3) Sales financing dividends are included in the Automotive segment's financial income and eliminated as an intersegment transaction.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## B. Consolidated financial position by operating segment

## Consolidated financial position by operating segment – June 30, 2016

ASSETS (€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment and intangible assets	14,740	373	(10)	15,103
Investments in associates and joint ventures	20,075	79	-	20,154
Non-current financial assets – investments in non-controlled entities	4,674	1	(3,692)	983
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	244	-	-	244
Deferred tax assets and other non-current assets	2,289	328	(41)	2,576
<b>Total non-current assets</b>	<b>42,022</b>	<b>781</b>	<b>(3,743)</b>	<b>39,060</b>
<b>CURRENT ASSETS</b>				
Inventories	5,556	50	(8)	5,598
Customer receivables	1,852	32,194	(839)	33,207
Current financial assets	1,501	1,114	(683)	1,932
Current tax assets and other current assets	2,048	4,002	(2,967)	3,083
Cash and cash equivalents	10,566	1,800	(149)	12,217
<b>Total current assets</b>	<b>21,523</b>	<b>39,160</b>	<b>(4,646)</b>	<b>56,037</b>
<b>TOTAL ASSETS</b>	<b>63,545</b>	<b>39,941</b>	<b>(8,389)</b>	<b>95,097</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)</b>	<b>Automotive</b>	<b>Sales Financing</b>	<b>Intersegment transactions</b>	<b>Consolidated total</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>29,681</b>	<b>3,698</b>	<b>(3,590)</b>	<b>29,789</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term provisions	2,574	430	-	3,004
Non-current financial liabilities	4,842	12	(7)	4,847
Deferred tax liabilities and other non-current liabilities	1,092	542	-	1,634
<b>Total non-current liabilities</b>	<b>8,508</b>	<b>984</b>	<b>(7)</b>	<b>9,485</b>
<b>CURRENT LIABILITIES</b>				
Short-term provisions	994	31	-	1,025
Current financial liabilities	4,833	-	(784)	4,049
Trade payables and sales financing debts	8,945	34,046	(870)	42,121
Current tax liabilities and other current liabilities	10,584	1,182	(3,138)	8,628
<b>Total current liabilities</b>	<b>25,356</b>	<b>35,259</b>	<b>(4,792)</b>	<b>55,823</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>63,545</b>	<b>39,941</b>	<b>(8,389)</b>	<b>95,097</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

*Consolidated financial position by operating segment – December 31, 2015*

ASSETS (€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment and intangible assets	14,415	336	(10)	14,741
Investments in associates and joint ventures	19,284	72	-	19,356
Non-current financial assets – investments in non-controlled entities	4,830	2	(3,460)	1,372
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	119	-	(13)	106
Deferred tax assets and other non-current assets	1,745	300	(33)	2,012
<b>Total non-current assets</b>	<b>40,393</b>	<b>710</b>	<b>(3,516)</b>	<b>37,587</b>
<b>CURRENT ASSETS</b>				
Inventories	4,087	49	(8)	4,128
Customer receivables	1,455	29,094	(682)	29,867
Current financial assets	1,475	1,007	(722)	1,760
Current tax assets and other current assets	2,132	3,505	(2,507)	3,130
Cash and cash equivalents	11,571	2,672	(110)	14,133
<b>Total current assets</b>	<b>20,720</b>	<b>36,327</b>	<b>(4,029)</b>	<b>53,018</b>
<b>TOTAL ASSETS</b>	<b>61,113</b>	<b>37,037</b>	<b>(7,545)</b>	<b>90,605</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)</b>	<b>Automotive</b>	<b>Sales Financing</b>	<b>Intersegment transactions</b>	<b>Consolidated total</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>28,389</b>	<b>3,461</b>	<b>(3,376)</b>	<b>28,474</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term provisions	2,355	373	-	2,728
Non-current financial liabilities	5,693	14	-	5,707
Deferred tax liabilities and other non-current liabilities	868	539	-	1,407
<b>Total non-current liabilities</b>	<b>8,916</b>	<b>926</b>	<b>-</b>	<b>9,842</b>
<b>CURRENT LIABILITIES</b>				
Short-term provisions	1,023	24	-	1,047
Current financial liabilities	4,811	-	(668)	4,143
Trade payables and sales financing debts	8,389	31,474	(828)	39,035
Current tax liabilities and other current liabilities	9,585	1,152	(2,673)	8,064
<b>Total current liabilities</b>	<b>23,808</b>	<b>32,650</b>	<b>(4,169)</b>	<b>52,289</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>61,113</b>	<b>37,037</b>	<b>(7,545)</b>	<b>90,605</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## C. Consolidated cash flows by operating segment

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>H1 2016</b>				
<b>Net income</b>	<b>1,269</b>	<b>280</b>	<b>18</b>	<b>1,567</b>
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	1,413	30	-	1,443
- Share in net (income) loss of associates and joint ventures	(674)	(4)	-	(678)
- Other income and expenses with no impact on cash before interest and tax	467	159	6	632
<b>Cash flows before interest and tax <sup>(1)</sup></b>	<b>2,431</b>	<b>465</b>	<b>24</b>	<b>2,920</b>
<b>Dividends received from listed companies <sup>(2)</sup></b>	<b>390</b>	<b>-</b>	<b>-</b>	<b>390</b>
Decrease (increase) in sales financing receivables	-	(3,309)	98	(3,211)
Net change in financial assets and sales financing debts	-	2,819	(59)	2,760
Change in capitalized leased assets	(278)	(91)	-	(369)
Decrease (increase) in working capital before tax	(129)	(621)	65	(685)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX</b>	<b>2,414</b>	<b>(737)</b>	<b>128</b>	<b>1,805</b>
Interest received	46	-	(12)	34
Interest paid	(155)	-	13	(142)
Current taxes (paid)/received	(143)	(119)	1	(261)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2,162</b>	<b>(856)</b>	<b>130</b>	<b>1,436</b>
Purchases of intangible assets	(512)	(3)	-	(515)
Purchases of property, plant and equipment	(901)	(2)	-	(903)
Disposals of property, plant and equipment and intangibles	22	-	-	22
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	1	(9)	-	(8)
Acquisitions and disposals of other investments and other assets <sup>(3)</sup>	467	-	-	467
Net decrease (increase) in other securities and loans of the Automotive segment	(46)	-	(26)	(72)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(969)</b>	<b>(14)</b>	<b>(26)</b>	<b>(1,009)</b>
Cash flows with shareholders	(872)	(12)	-	(884)
Net change in financial liabilities of the Automotive segment	(1,368)	-	(131)	(1,499)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(2,240)</b>	<b>(12)</b>	<b>(131)</b>	<b>(2,383)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS <sup>(4)</sup></b>	<b>(1,047)</b>	<b>(882)</b>	<b>(27)</b>	<b>(1,956)</b>

(1) Cash flows before interest and tax do not include dividends received from listed companies.

(2) Dividends received from Daimler (€44 million) and Nissan (€346 million).

(3) Renault SA sold Nissan shares for an amount of €473 million in first-half 2016, in connection with Nissan's repurchase of some of its shares between March and December 2016 (note 11-B).

(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>H1 2016</b>				
<b>Cash and cash equivalents: opening balance</b>	<b>11,571</b>	<b>2,672</b>	<b>(110)</b>	<b>14,133</b>
Increase (decrease) in cash and cash equivalents	(1,047)	(882)	(27)	(1,956)
Effect of changes in exchange rate and other changes	42	10	(12)	40
<b>Cash and cash equivalents: closing balance</b>	<b>10,566</b>	<b>1,800</b>	<b>(149)</b>	<b>12,217</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>H1 2015 RESTATED <sup>(1) (2)</sup></b>				
<b>Net income</b>	<b>1,349</b>	<b>255</b>	<b>(152)</b>	<b>1,452</b>
Cancellation of dividends received from unconsolidated listed investments	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	1,386	18	-	1,404
- Share in net (income) loss of associates and joint ventures	(893)	(2)	-	(895)
- Other income and expenses with no impact on cash before interest and tax	262	150	4	416
<b>Cash flows before interest and tax <sup>(3)</sup></b>	<b>2,070</b>	<b>421</b>	<b>(148)</b>	<b>2,343</b>
<b>Dividends received from listed companies <sup>(4)</sup></b>	<b>267</b>	<b>-</b>	<b>-</b>	<b>267</b>
Decrease (increase) in sales financing receivables	-	(1,498)	68	(1,430)
Net change in financial assets and sales financing debts	-	1,925	(49)	1,876
Change in capitalized leased assets	(123)	(95)	-	(218)
Decrease (increase) in working capital before tax	(419)	(442)	46	(815)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX</b>	<b>1,795</b>	<b>311</b>	<b>(83)</b>	<b>2,023</b>
Interest received	94	-	(17)	77
Interest paid	(214)	-	12	(202)
Current taxes (paid)/received	(130)	(107)	(11)	(248)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,545</b>	<b>204</b>	<b>(99)</b>	<b>1,650</b>
Purchases of intangible assets	(459)	(1)	-	(460)
Purchases of property, plant and equipment	(894)	(2)	-	(896)
Disposals of property, plant and equipment and intangibles	23	-	-	23
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	(3)	-	-	(3)
Acquisitions and disposals of other investments and other assets	(3)	(16)	-	(19)
Net decrease (increase) in other securities and loans of the Automotive segment	12	-	1	13
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,324)</b>	<b>(19)</b>	<b>1</b>	<b>(1,342)</b>
Cash flows with shareholders	(704)	(162)	150	(716)
Net change in financial liabilities of the Automotive segment	(912)	-	(40)	(952)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(1,616)</b>	<b>(162)</b>	<b>110</b>	<b>(1,668)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS <sup>(5)</sup></b>	<b>(1,395)</b>	<b>23</b>	<b>12</b>	<b>(1,360)</b>

(1) The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the financial statements for the first half-year of 2015, are presented in notes 2-C and 2-D.

(2) The impacts on the first-half 2015 financial statements of the end of the three-month time-lag for consolidation of AVTOVAZ's financial statements are described in notes 2-D and 12-A.

(3) Cash flows before interest and tax do not include dividends received from listed companies.

(4) Dividends received from Daimler (€34 million) and Nissan (€233 million).

(5) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>H1 2015</b>				
<b>Cash and cash equivalents: opening balance</b>	<b>11,591</b>	<b>1,102</b>	<b>(196)</b>	<b>12,497</b>
Increase (decrease) in cash and cash equivalents	(1,395)	23	12	(1,360)
Effect of changes in exchange rate and other changes	11	(1)	6	16
<b>Cash and cash equivalents: closing balance</b>	<b>10,207</b>	<b>1,124</b>	<b>(178)</b>	<b>11,153</b>

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## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>YEAR 2015 RESTATED <sup>(1)</sup></b>				
<b>Net income</b>	<b>2,548</b>	<b>554</b>	<b>(142)</b>	<b>2,960</b>
Cancellation of dividends received from unconsolidated listed investments	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
- Depreciation, amortization and impairment	2,689	39	-	2,728
- Share in net (income) loss of associates and joint ventures	(1,367)	(4)	-	(1,371)
- Other income and expenses with no impact on cash before interest and tax	132	304	14	450
Dividends received from unlisted associates and joint ventures	-	-	-	-
<b>Cash flows before interest and tax <sup>(2)</sup></b>	<b>3,968</b>	<b>893</b>	<b>(128)</b>	<b>4,733</b>
<b>Dividends received from listed companies <sup>(3)</sup></b>	<b>581</b>	<b>-</b>	<b>-</b>	<b>581</b>
Decrease (increase) in sales financing receivables	-	(3,357)	(12)	(3,369)
Net change in financial assets and sales financing debts	-	4,941	21	4,962
Change in capitalized leased assets	(352)	(170)	-	(522)
Decrease (increase) in working capital before tax	648	(258)	27	417
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX</b>	<b>4,845</b>	<b>2 049</b>	<b>(92)</b>	<b>6,802</b>
Interest received	174	-	(33)	141
Interest paid	(439)	-	23	(416)
Current taxes (paid)/received	(219)	(273)	-	(492)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,361</b>	<b>1,776</b>	<b>(102)</b>	<b>6,035</b>
Purchases of intangible assets	(955)	(1)	-	(956)
Purchases of property, plant and equipment	(1,840)	(5)	-	(1,845)
Disposals of property, plant and equipment and intangibles	66	-	-	66
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred	-	(3)	-	(3)
Acquisitions and disposals of other investments and other assets	1	(13)	-	(12)
Net decrease (increase) in other securities and loans of the Automotive segment	(289)	-	(10)	(299)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,017)</b>	<b>(22)</b>	<b>(10)</b>	<b>(3,049)</b>
Cash flows with shareholders	(701)	(171)	150	(722)
Net change in financial liabilities of the Automotive segment	(346)	-	16	(330)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(1,047)</b>	<b>(171)</b>	<b>166</b>	<b>(1,052)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS <sup>(4)</sup></b>	<b>297</b>	<b>1,583</b>	<b>54</b>	<b>1,934</b>

(1) The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the financial statements for the year 2015, are presented in notes 2-C and 2-D.

(2) Cash flows before interest and tax do not include dividends received from listed companies.

(3) Dividends received from Daimler (€34 million) and Nissan (€547 million).

(4) Excluding the impact on cash of changes in exchange rate and other changes.

(€ million)	Automotive	Sales Financing	Intersegment transactions	Consolidated total
<b>YEAR 2015</b>				
<b>Cash and cash equivalents: opening balance</b>	<b>11,591</b>	<b>1,102</b>	<b>(196)</b>	<b>12,497</b>
Increase (decrease) in cash and cash equivalents	297	1,583	54	1,934
Effect of changes in exchange rate and other changes	(317)	(13)	32	(298)
<b>Cash and cash equivalents: closing balance</b>	<b>11,571</b>	<b>2,672</b>	<b>(110)</b>	<b>14,133</b>

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**D. Other information for the Automotive segment: net liquidity position (net financial indebtedness) and free cash flow from operations**

(€ million)	June 30, 2016	Dec. 31, 2015
Non-current financial liabilities	(4,842)	(5,693)
Current financial liabilities	(4,833)	(4,811)
Non-current financial assets – other securities, loans and derivatives on financing operations	244	119
Current financial assets	1,501	1,475
Loans granted to AVTOVAZ in 2016	(104)	-
Cash and cash equivalents	10,566	11,571
<b>Net liquidity position of the Automotive segment</b>	<b>2,532</b>	<b>2,661</b>

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
Cash flows before interest and tax (excluding dividends from listed companies)	2,431	2,070	3,968
Change in the working capital requirement before tax	(129)	(419)	648
Interest received	46	94	174
Interest paid	(155)	(214)	(439)
Current taxes (paid)/received	(143)	(130)	(219)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,391)	(1,330)	(2,729)
Capitalized leased vehicles and batteries	(278)	(123)	(352)
<b>Free cash flow from operations – Automotive</b>	<b>381</b>	<b>(52)</b>	<b>1,051</b>

<sup>(1)</sup> The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

**2.2.6.2. ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION****Note 1. Approval of the financial statements**

The Renault group's consolidated financial statements for June 30, 2016 were finalized at the Board of Directors' meeting of July 27, 2016.

**Note 2. Accounting policies**

The interim financial statements at June 30, 2016 are compliant with IAS 34 "Interim financial reporting". They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2015.

The Renault group's financial statements at December 31, 2015 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2015 and adopted by the European Union at the closing date. With the exception of the changes stated below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2015.

**A. Changes in accounting policies**

The Group applies the new accounting standards and amendments that have been published in the Official Journal of the European Union and mandatory from January 1, 2016.

The only one of these standards and amendments to concern the Group is the amendment to IAS 19 "Defined Benefit Plans: Employee Contributions", which concerns the incorporation of contributions received from employees into calculations of current service cost. It is applied retrospectively and has no significant impact.

The Group is currently examining the implementation of new IFRS standards that will soon be applicable.

NEW STANDARDS NOT ADOPTED BY THE EUROPEAN UNION		Effective date set by IASB
IFRS 9	Financial Instruments	January 1, 2018 <sup>(1)</sup>
IFRS 15	Revenue from contracts with Customers	January 1, 2018 <sup>(1)</sup>
IFRS 16	Leases	January 1, 2019 <sup>(1)</sup>

<sup>(1)</sup> Early application possible.

On July 24, 2014 the IASB finalized its plan to replace IAS 39 on financial instruments by publishing the complete version of IFRS 9 "Financial Instruments". This new standard introduces a new classification of financial instruments and an impairment model for financial assets based on expected losses, replacing the current model which is based on incurred losses. The Group is currently examining the

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### 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

practical implementation of this new standard. Its impact on the financial statements will essentially concern the Sales Financing segment.

On May 8, 2014 the IASB released IFRS 15 "Revenue from Contracts with Customers". This standard will replace IAS 11 and IAS 18 and the associated IFRIC and SIC interpretations. Analysis of its application is currently in process. IFRS 15 could have impacts on recognition methods for income from contracts containing several performance obligations with transaction prices that include a variable component, but at this stage the Group does not anticipate any significant impact.

On January 16, 2016 the IASB released 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.

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 present value is computed by using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise. The negative impact of this standard's application on the financial liability (see also note 20-A), and the positive effects on the operating margin and cash flows from operations, are currently being analysed.

However, IFRS 16 is very similar to the existing standard as regards the treatment of leases by the lessor.

The Group does not intend to apply these standards early and has not yet decided on the transition measures.

#### **B. Estimates and judgments**

The main areas of the condensed consolidated financial statements at June 30, 2016 involving estimates and judgements are the same as those described in note 2-B to the consolidated financial statements for 2015.

#### **C. Changes in presentation**

The Group has made two changes of presentation in 2016. They concern:

- classification of taxes that correspond to the definition of income taxes based on a taxable profit according to IAS 12 "Income taxes", as current taxes in the income statement and the statement of financial position,
- presentation of interest and taxes paid and received on separate lines of the statement of cash flows.

These changes have been analysed as changes of method, leading to modifications of the prior period financial statements so that the figures for each period are comparable. The restated financial statements are presented in notes 2.2.1 to 2.2.5. As the tables of restatements to the 2015 financial statements in note 2-D show, the impact of these changes in presentation is not significant at Group level.

#### **C1. Classification of taxes based on a taxable profit according to IAS 12 "Income taxes"**

Taxes based on a taxable profit according to IAS 12 "Income taxes" and which were previously included in operating expenses, are now classified as current and deferred taxes. This reclassification concerns the French business contribution on value added (CVAE). It results in a more homogeneous treatment like similar types of tax in Europe (such as Italy's Regional Tax on Production Activity (IRAP) and the Gewerbesteuer in Germany), and improves comparability with competitors in the Automotive sector.

Conversely, withholding taxes, which are not based on a taxable profit according to IAS 12 "Income taxes" and which were previously included in current taxes to offset the potential tax saving for the company benefiting from the underlying, are now classified as operating expenses. When the amounts withheld from this type of gross operating income are credited by the beneficiaries against their income tax payable, income of an equivalent amount is recognised in current taxes. These treatments harmonize the classification of taxes in the Group's consolidated financial statements, according to whether or not they are based on a taxable profit according to IAS 12.

#### **C2. Presentation of interest and taxes paid and received on separate lines of the statement of cash flows**

Interest received, interest paid and net current taxes paid are now presented on separate lines of the statement of cash flows, clarifying their impact on cash flows from operating activities. Consequently, the cash flow is presented before interest and current taxes and the change in working capital before current taxes.

Interest on derivatives on financing operations of the Automotive segment are now classified as cash flows from operating activities, whereas it was previously classified as cash flows from financing activities. This change harmonizes the classification of interest on financial liabilities of the Automotive segment and the related hedging instruments for determination of the cash flows from operations.

#### **D. 2015 consolidated financial statements, restated**

The two changes of presentation in 2016 presented above are applied retrospectively. Details of the impacts of the corresponding restatements on the key items of the published half-year and annual consolidated financial statements for 2015 are presented in the tables below.

The restated income statement, statement of comprehensive income and statement of cash flows for first-half 2015 include the effect of the end of the 3-month time lag for consolidation of AVTOVAZ's financial statements. The first-half 2015 figures for AVTOVAZ as published previously are now restated so that the first half-year of 2015 covers the period January 1 to June 30, 2015. This change was first applied in the second half-year of 2015. The impacts on the figures for first-half 2015 are presented in note 12-A.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

Restatements of the consolidated income statement for the first half-year of 2015 and the year 2015

(€ million)	H1 2015 as published	Change in classification of taxes	Restatement AVTOVAZ	H1 2015 restated	Year 2015 as published	Change in classification of taxes	Year 2015 restated
<b>Revenues</b>	<b>22,197</b>			<b>22,197</b>	<b>45,327</b>		<b>45,327</b>
Cost of goods and services sold	(17,664)	11		(17,653)	(36,113)	19	(36,094)
Research and development expenses	(1,010)	15		(995)	(2,075)	31	(2,044)
Selling, general and administrative expenses	(2,454)	1		(2,453)	(4,819)	5	(4,814)
<b>Operating margin</b>	<b>1,069</b>	<b>27</b>		<b>1,096</b>	<b>2,320</b>	<b>55</b>	<b>2,375</b>
<i>Automotive</i>	<i>659</i>	<i>24</i>		<i>683</i>	<i>1,485</i>	<i>50</i>	<i>1,535</i>
<i>Sales Financing</i>	<i>413</i>	<i>3</i>		<i>416</i>	<i>824</i>	<i>5</i>	<i>829</i>
<i>Intersegment transactions</i>	<i>(3)</i>			<i>(3)</i>	<i>11</i>		<i>11</i>
Other operating income and expenses	(116)			(116)	(199)		(199)
<b>Operating income (loss)</b>	<b>953</b>	<b>27</b>		<b>980</b>	<b>2,121</b>	<b>55</b>	<b>2,176</b>
<i>Automotive</i>	<i>544</i>	<i>24</i>		<i>568</i>	<i>1,288</i>	<i>50</i>	<i>1,338</i>
<i>Sales Financing</i>	<i>412</i>	<i>3</i>		<i>415</i>	<i>822</i>	<i>5</i>	<i>827</i>
<i>Intersegment transactions</i>	<i>(3)</i>			<i>(3)</i>	<i>11</i>		<i>11</i>
<b>Financial income (expenses)</b>	<b>(161)</b>			<b>(161)</b>	<b>(221)</b>		<b>(221)</b>
<b>Share in net income (loss) of associates and joint ventures</b>	<b>912</b>		<b>(17)</b>	<b>895</b>	<b>1,371</b>		<b>1,371</b>
<i>Nissan</i>	<i>979</i>			<i>979</i>	<i>1,976</i>		<i>1,976</i>
<i>Other associates and joint ventures</i>	<i>(67)</i>		<i>(17)</i>	<i>(84)</i>	<i>(605)</i>		<i>(605)</i>
<b>Pre-tax income</b>	<b>1,704</b>	<b>27</b>	<b>(17)</b>	<b>1,714</b>	<b>3,271</b>	<b>55</b>	<b>3,326</b>
<i>Automotive</i>	<i>1,443</i>	<i>24</i>	<i>(17)</i>	<i>1,450</i>	<i>2,583</i>	<i>50</i>	<i>2,633</i>
<i>Sales Financing</i>	<i>414</i>	<i>3</i>		<i>417</i>	<i>826</i>	<i>5</i>	<i>831</i>
<i>Intersegment transactions</i>	<i>(153)</i>			<i>(153)</i>	<i>(138)</i>		<i>(138)</i>
Current and deferred taxes	(235)	(27)		(262)	(311)	(55)	(366)
<i>Automotive</i>	<i>(77)</i>	<i>(24)</i>		<i>(101)</i>	<i>(35)</i>	<i>(50)</i>	<i>(85)</i>
<i>Sales Financing</i>	<i>(159)</i>	<i>(3)</i>		<i>(162)</i>	<i>(272)</i>	<i>(5)</i>	<i>(277)</i>
<i>Intersegment transactions</i>	<i>1</i>			<i>1</i>	<i>(4)</i>		<i>(4)</i>
<b>Net income</b>	<b>1,469</b>	<b>-</b>	<b>(17)</b>	<b>1,452</b>	<b>2,960</b>	<b>-</b>	<b>2,960</b>
Net income – non-controlling interests' share	73			73	137		137
Net income – parent-company shareholders' share	1,396		(17)	1,379	2,823		2,823
Basic earnings per share (in €)	5.12			5.06	10.35		10.35
Diluted earnings per share (in €)	5.09			5.03	10.29		10.29

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

Restatements of the consolidated comprehensive income for the first half-year of 2015 and the year 2015

	H1 2015 as published			Change in classification of taxes			Restatement AVTOVAZ			H1 2015 restated		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
(€ million)												
<b>NET INCOME</b>	<b>1,704</b>	<b>(235)</b>	<b>1,469</b>	<b>27</b>	<b>(27)</b>	<b>-</b>	<b>(17)</b>	<b>-</b>	<b>(17)</b>	<b>1,714</b>	<b>(262)</b>	<b>1,452</b>
<b>Other components of comprehensive income from parent-company and subsidiaries (A)</b>	<b>324</b>	<b>26</b>	<b>350</b>							<b>324</b>	<b>26</b>	<b>350</b>
<b>Share of associates and joint ventures in other components of comprehensive income (B)</b>	<b>1,171</b>		<b>1,171</b>				<b>(1)</b>		<b>(1)</b>	<b>1,170</b>		<b>1,170</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)</b>	<b>1,495</b>	<b>26</b>	<b>1,521</b>				<b>(1)</b>		<b>(1)</b>	<b>1,494</b>	<b>26</b>	<b>1,520</b>
<b>COMPREHENSIVE INCOME</b>	<b>3,199</b>	<b>(209)</b>	<b>2,990</b>	<b>27</b>	<b>(27)</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>(18)</b>	<b>3,208</b>	<b>(236)</b>	<b>2,972</b>
Parent-company shareholders' share			2,905						(18)			2,887
Non-controlling interests' share			85									85

	Year 2015 as published			Change in classification of taxes			Year 2015 restated		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
(€ million)									
<b>NET INCOME</b>	<b>3,271</b>	<b>(311)</b>	<b>2,960</b>	<b>55</b>	<b>(55)</b>	<b>-</b>	<b>3,326</b>	<b>(366)</b>	<b>2,960</b>
<b>Other components of comprehensive income from parent-company and subsidiaries (A)</b>	<b>(141)</b>	<b>35</b>	<b>(106)</b>				<b>(141)</b>	<b>35</b>	<b>(106)</b>
<b>Share of associates and joint ventures in other components of comprehensive income (B)</b>	<b>1,361</b>		<b>1,361</b>				<b>1,361</b>		<b>1,361</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)</b>	<b>1,220</b>	<b>35</b>	<b>1,255</b>				<b>1,220</b>	<b>35</b>	<b>1,255</b>
<b>COMPREHENSIVE INCOME</b>	<b>4,491</b>	<b>(276)</b>	<b>4,215</b>	<b>55</b>	<b>(55)</b>	<b>-</b>	<b>4,546</b>	<b>(331)</b>	<b>4,215</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

Restatements of the consolidated cash flows for the first half-year of 2015 and the year 2015

(€ million)	H1 2015 as published	Change in classification of taxes	Presentation of taxes (paid)/received	Presentation of interest (paid)/received	Restatement AVTOVAZ	H1 2015 restated
<b>NET INCOME</b>	<b>1,469</b>				<b>(17)</b>	<b>1,452</b>
Cancellation of dividends received from unconsolidated listed investments	(34)					(34)
Cancellation of income and expenses with no impact on cash						
- Depreciation, amortization and impairment	1,404					1,404
- Share in net (income) loss of associates and joint ventures	(912)				17	(895)
- Other income and expenses with no impact on cash	(100)	27	321	168		416
<b>Cash flows (before interest and tax)</b>	<b>1,827</b>	<b>27</b>	<b>321</b>	<b>168</b>		<b>2,343</b>
Automotive	1,727	24	156	163		2,070
Sales Financing	253	3	165			421
Intersegment transactions	(153)			5		(148)
<b>Dividends received from listed companies</b>	<b>267</b>					<b>267</b>
<b>Decrease (increase) in sales financing receivables</b>	<b>(1,430)</b>					<b>(1,430)</b>
<b>Net change in financial assets and debts of the Sales Financing segment</b>	<b>1,876</b>					<b>1,876</b>
<b>Change in capitalized leased assets</b>	<b>(218)</b>					<b>(218)</b>
<b>Decrease (increase) in working capital (before tax)</b>	<b>(715)</b>		<b>(100)</b>			<b>(815)</b>
Automotive	(369)		(50)			(419)
Sales Financing	(381)		(61)			(442)
Intersegment transactions	35		11			46
Interest received				77		77
Interest paid				(202)		(202)
Current taxes (paid)/received		(27)	(221)			(248)
<b>Total interest and taxes (paid)/received</b>		<b>(27)</b>	<b>(221)</b>	<b>(125)</b>		<b>(373)</b>
Automotive		(24)	(106)	(120)		(250)
Sales Financing		(3)	(104)			(107)
Intersegment transactions			(11)	(5)		(16)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,607</b>			<b>43</b>		<b>1,650</b>
Automotive	1,502			43		1,545
Sales Financing	204					204
Intersegment transactions	(99)					(99)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,342)</b>					<b>(1,342)</b>
<b>Cash flows with shareholders</b>	<b>(716)</b>					<b>(716)</b>
Bond issuance by the Automotive segment						
Bond redemption by the Automotive segment	(1,042)					(1,042)
Net increase (decrease) in other financial liabilities of the Automotive segment	133			(43)		90
<b>Net change in financial liabilities of the Automotive segment</b>	<b>(909)</b>			<b>(43)</b>		<b>(952)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(1,625)</b>			<b>(43)</b>		<b>(1,668)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,360)</b>					<b>(1,360)</b>

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	Year 2015 as published	Change in classification of taxes	Presentation of taxes (paid)/received	Presentation of interest (paid)/received	Restatement AVTOVAZ	Year 2015 restated
<b>NET INCOME</b>	<b>2,960</b>					<b>2,960</b>
Cancellation of dividends received from unconsolidated listed investments	(34)					(34)
Cancellation of income and expenses with no impact on cash						
- Depreciation, amortization and impairment	2,728					2,728
- Share in net (income) loss of associates and joint ventures	(1,371)					(1,371)
- Other income and expenses with no impact on cash	(375)	55	485	285		450
<b>Cash flows (before interest and tax)</b>	<b>3,908</b>	<b>55</b>	<b>485</b>	<b>285</b>		<b>4,733</b>
Automotive	3,451	50	192	275		3,968
Sales Financing	595	5	293			893
Intersegment transactions	(138)			10		(128)
<b>Dividends received from listed companies</b>	<b>581</b>					<b>581</b>
<b>Decrease (increase) in sales financing receivables</b>	<b>(3,369)</b>					<b>(3,369)</b>
<b>Net change in financial assets and debts of the Sales Financing segment</b>	<b>4,962</b>					<b>4,962</b>
<b>Change in capitalized leased assets</b>	<b>(522)</b>					<b>(522)</b>
<b>Decrease (increase) in working capital (before tax)</b>	<b>457</b>		<b>(48)</b>	<b>8</b>		<b>417</b>
Automotive	663		(23)	8		648
Sales Financing	(233)		(25)			(258)
Intersegment transactions	27					27
Interest received	-			141		141
Interest paid	-			(416)		(416)
Current taxes (paid)/received	-	(55)	(437)			(492)
<b>Total interest and taxes (paid)/received</b>	<b>-</b>	<b>(55)</b>	<b>(437)</b>	<b>(275)</b>		<b>(767)</b>
Automotive	-	(50)	(169)	(265)		(484)
Sales Financing	-	(5)	(268)			(273)
Intersegment transactions	-			(10)		(10)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6,017</b>			<b>18</b>		<b>6,035</b>
Automotive	4,343			18		4,361
Sales Financing	1,776					1,776
Intersegment transactions	(102)					(102)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,049)</b>					<b>(3,049)</b>
<b>Cash flows with shareholders</b>	<b>(722)</b>					<b>(722)</b>
Bond issuance by the Automotive segment	533					533
Bond redemption by the Automotive segment	(1,403)					(1,403)
Net increase (decrease) in other financial liabilities of the Automotive segment	558			(18)		540
<b>Net change in financial liabilities of the Automotive segment</b>	<b>(312)</b>			<b>(18)</b>		<b>(330)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(1,034)</b>			<b>(18)</b>		<b>(1,052)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,934</b>					<b>1,934</b>

## Restatements of the free cash flow from operations – Automotive for the first half-year of 2015 and the year 2015

(€ million)	H1 2015 as published	Change in classification of taxes	Presentation of taxes (paid)/received	Presentation of interest (paid)/received	H1 2015 restated
Cash flows	1,727	24	156	163	2,070
Change in working capital requirement	(369)		(50)		(419)
Interest paid by the Automotive segment				94	94
Interest received by the Automotive segment				(214)	(214)
Current taxes (paid)/received		(24)	(106)		(130)
Tangible and intangible investments net of disposals	(1,330)				(1,330)
Leased vehicles and batteries	(123)				(123)
<b>Free cash flow from operations – Automotive</b>	<b>(95)</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>(52)</b>

(€ million)	Year 2015 as published	Change in classification of taxes	Presentation of taxes (paid)/received	Presentation of interest (paid)/received	Year 2015 restated
Cash flows	3,451	50	192	275	3,968
Change in working capital requirement	663		(23)	8	648
Interest paid by the Automotive segment				174	174
Interest received by the Automotive segment				(439)	(439)
Current taxes (paid)/received		(50)	(169)		(219)
Tangible and intangible investments net of disposals	(2,729)				(2,729)
Leased vehicles and batteries	(352)				(352)
<b>Free cash flow from operations – Automotive</b>	<b>1,033</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>1,051</b>

## Restatements of the tax charge breakdown for the first half-year of 2015 and the year 2015 (note 8-B)

(€ million)	H1 2015 as published	Change in classification of taxes	H1 2015 restated	Year 2015 as published	Change in classification of taxes	Year 2015 restated
<b>Income before taxes and share in net income of associates and joint ventures</b>	<b>792</b>	<b>27</b>	<b>819</b>	<b>1,900</b>	<b>55</b>	<b>1,955</b>
Statutory income tax rate in France, including the additional contribution	38.00%		38.00%	38.00%		38.00%
<b>Theoretical tax income (charge)</b>	<b>(301)</b>	<b>(10)</b>	<b>(311)</b>	<b>(722)</b>	<b>(21)</b>	<b>(743)</b>
Effect of differences between local rates and the French rate	86		86	233		233
Tax credits	42	13	55	30	26	56
Distribution taxes	(33)		(33)	(55)		(55)
Change in unrecognized deferred tax assets	41		41	217		217
Other impacts	(70)	14	(56)	(14)	30	16
<b>Current and deferred tax income (charge), excluding taxes based on intermediate net results</b>	<b>(235)</b>	<b>17</b>	<b>(218)</b>	<b>(311)</b>	<b>35</b>	<b>(276)</b>
Tax calculated on intermediate net results		(44)	(44)		(90)	(90)
<b>Current and deferred tax income (charge)</b>	<b>(235)</b>	<b>(27)</b>	<b>(262)</b>	<b>(311)</b>	<b>(55)</b>	<b>(366)</b>

## FINANCIAL RESULTS

### 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

#### Note 3. Changes in the scope of consolidation in the first half-year of 2016

Renault Sport Racing Limited and Renault Sport Racing SAS joined the scope of consolidation during first-half 2016 and are fully consolidated.

These two entities are in charge of all Renault's motor racing activities, with Renault Sport Formula One Team, Renault e.dams, Formula Renault 2.0, Renault Sport R.S. 01 Trophy, and other customer racing and rallying programmes. The Group's involvement in Formula 1 is intended to raise Renault's profile, particularly on markets where the brand is taking its first steps. Involvement in racing is also aimed to promote transfers of technologies from the racetrack to the road.

The Renault Group purchased 90% of the capital of Renault Sport Racing Limited, formerly named LOTUS F1 Team Limited, for 1 pound sterling in December 2015. This company manages the Group's Formula 1 stable Renault Sport Formula One Team.

Renault Sport Racing SAS, the entity that develops Formula 1 engines, has also included other racing activities in addition to Formula 1 since 2016. It is fully-owned by the Group and was controlled in 2015 but not consolidated due to its non-significant impact. Renault's return to Formula 1 and its acquisition of Renault Sport Racing Limited now justify its inclusion in the consolidation scope from January 1, 2016.

Determination of the fair values of assets acquired and liabilities assumed from Renault Sport Racing Limited is still in progress at June 30, 2016 and will be completed during the second half-year of 2016. The difference between the purchase price (1 pound sterling) and the share of net assets under IFRS at January 1, 2016 (before full recognition of differences between historical book values and fair values) is £28 million (€34 million), and was recorded as temporary goodwill at June 30, 2016.

Total revenues and net income for the first half-year of 2016 for the group formed by these two entities amount to €86 million and €7 million respectively (including €52 million and €(4) million for Renault Sport Racing Limited).

#### 2.2.6.3. CONSOLIDATED INCOME STATEMENT

##### Note 4. Revenues

###### A. Breakdown of revenues

(€ million)	H1 2016	H1 2015	Year 2015
<b>Sales of goods – Automotive segment</b>	<b>23,142</b>	<b>20,117</b>	<b>41,180</b>
Rental income on leased assets <sup>(1)</sup>	182	187	390
Sales of other services	754	761	1,538
<b>Sales of services – Automotive segment</b>	<b>936</b>	<b>948</b>	<b>1,928</b>
<b>Sales of goods – Sales Financing segment</b>	<b>15</b>	<b>13</b>	<b>31</b>
Rental income on leased assets <sup>(1)</sup>	45	25	64
Interest income on sales financing receivables	671	731	1,416
Sales of other services <sup>(2)</sup>	376	363	708
<b>Sales of services – Sales Financing segment</b>	<b>1,092</b>	<b>1,119</b>	<b>2,188</b>
<b>Total revenues</b>	<b>25,185</b>	<b>22,197</b>	<b>45,327</b>

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.

(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

###### B. Revenues by Region

Consolidated revenues are presented by location of customers

(€ million)	H1 2016	H1 2015	Year 2015
Europe <sup>(1)</sup>	16,899	14,254	28,976
Americas	1,830	2,098	4,173
Asia-Pacific	2,449	2,075	4,351
Africa Middle-East India	1,933	1,814	3,782
Eurasia	2,074	1,956	4,045
<b>Total revenues</b>	<b>25,185</b>	<b>22,197</b>	<b>45,327</b>
(1) Including for France	6,048	5,089	10,154

The regions are defined in chapter 1.3 of the half-year management report.

**Note 5. Research and development expenses**

(€ million)	H1 2016	H1 2015 restated	Year 2015 restated <sup>(1)</sup>
Research and development expenses	(1,238)	(1,050)	(2,212)
Capitalized development expenses	460	429	874
Amortization of capitalized development expenses	(391)	(374)	(706)
<b>Total reported in income statement</b>	<b>(1,169)</b>	<b>(995)</b>	<b>(2,044)</b>

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the half-year and annual 2015 financial statements, are presented in notes 2-C and 2-D.

**Note 6. Other operating income and expenses**

(€ million)	H1 2016	H1 2015	Year 2015
Restructuring and workforce adjustment costs	(68)	(106)	(157)
Gains and losses on disposal of operating businesses or entities	(24)	6	(13)
Gains and losses on disposal of property, plant and equipment and intangible assets (excluding sales of leased assets)	16	-	23
Impairment of fixed assets	(2)	(11)	(53)
Reversal of impairment related to operations in Iran	2	7	14
Other unusual items	11	(12)	(13)
<b>Total</b>	<b>(65)</b>	<b>(116)</b>	<b>(199)</b>

**A. Restructuring and workforce adjustment costs**

Restructuring and workforce adjustment costs for first-half 2016 include €31 million (€79 million in 2015, of which €62 million concerned the first half-year) related to a French career-end work exemption plan introduced in 2013. Employees can sign up to this plan until December 31, 2016. Under IAS 19 (revised), this is considered as an employee benefit and the cost must be covered by a provision established over the residual forecast working life of the employees concerned.

Other restructuring and workforce adjustment costs mainly concern the Eurasia region in first-half 2016. In 2015, they mainly concerned the Americas, Eurasia and Europe regions.

**B. Impairment of fixed assets**

Impairment amounting to €2 million was recorded in first-half 2016 (€53 million in 2015, of which €11 million concerned the first half-year), related to intangible assets only. In 2015 it comprised €21 million for intangible assets (including €6 million related to the first half-year) and €32 million for property, plant and equipment (including €5 million related to the first half-year). Most of this impairment was booked following impairment tests on vehicles and components (note 10).

**C. Impairment related to operations in Iran**

The Group's exposure to risks on business with Iran, materialized by securities, a shareholder loan and sales receivables, was fully written off in 2013. This situation changed little over first-half 2016. The gross exposure in the assets at June 30, 2016 was €805 million, including €698 million of receivables (€809 million including €701 million of receivables at December 31, 2015).

Operations with Iran progressed compared to first-half 2015, with sales of CKD (Completely Knocked Down, i.e. fully disassembled vehicles) amounting to €192 million for first-half 2016 against €222 million for first-half 2015. These sales are only recognized on the basis of cash received and payments of receivables dating from before mid-2013, which are totally covered by impairments, remain very limited, as indicated by the amount of €2 million reversed from impairment at June 30, 2016 compared to €14 million at December 31, 2015.

As the market is gradually reopening and discussions are in progress with the local partners SAIPA and Iran Khodro, Renault is examining the possibility of resuming consolidation of Renault Pars.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## Note 7. Financial income (expenses)

(€ million)	H1 2016	H1 2015	Year 2015
Cost of gross financial indebtedness	(188)	(189)	(387)
Income on cash and financial assets	49	80	162
<b>Cost of net financial indebtedness</b>	<b>(139)</b>	<b>(109)</b>	<b>(225)</b>
Change in fair value of redeemable shares	19	(81)	(80)
Foreign exchange gains and losses on financial operations	38	27	129
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(17)	(18)	(35)
Other	32	20	(10)
<b>Other financial income and expenses</b>	<b>72</b>	<b>(52)</b>	<b>4</b>
<b>Financial income (expenses)</b>	<b>(67)</b>	<b>(161)</b>	<b>(221)</b>

Net liquidity position (net financial indebtedness) of the Automotive segment is presented in the information by operating segment (note 2.2.6.1 – D).

## Note 8. Current and deferred taxes

For interim accounting purposes, the tax charge - or income - is determined at the projected year-end effective tax rate,

adjusted for non-recurring events of the half-year, which are recognized in the period in which they arise.

## A. Current and deferred tax expense

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
Current income taxes	(422)	(336)	(527)
Deferred tax income (expense)	(98)	74	161
<b>Current and deferred taxes</b>	<b>(520)</b>	<b>(262)</b>	<b>(366)</b>

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

The current tax charge for entities included in the French tax consolidation group amounts to €114 million in first-half 2016 (€103 million in first-half 2015 and €116 million in 2015).

In first-half 2016, €308 million of current income taxes comes from foreign entities (compared to €233 million in first-half 2015 and €411 million for the year 2015).

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## B. Breakdown of the tax charge

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
<b>Income before taxes and share in net income of associates and joint ventures</b>	<b>1,409</b>	<b>819</b>	<b>1,955</b>
Statutory income tax rate in France, including the additional contribution <sup>(2)</sup>	34.43%	38.0%	38.0%
<b>Theoretical tax income (charge)</b>	<b>(485)</b>	<b>(311)</b>	<b>(743)</b>
Effect of differences between local tax rates and the French rate <sup>(3)</sup>	106	86	233
Tax credits	31	55	56
Distribution taxes	(56)	(33)	(55)
Change in unrecognized deferred tax assets <sup>(4)</sup>	(135)	41	217
Other impacts <sup>(5)</sup>	72	(56)	16
<b>Current and deferred tax income (charge) excluding taxes calculated on intermediate net results</b>	<b>(467)</b>	<b>(218)</b>	<b>(276)</b>
Taxes calculated on intermediate net results <sup>(6)</sup>	(53)	(44)	(90)
<b>Current and deferred tax income (charge)</b>	<b>(520)</b>	<b>(262)</b>	<b>(366)</b>

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

(2) In France, the Group was liable for an exceptional 10.7% contribution applicable in 2015. The theoretical tax rate including this exceptional contribution stood at 38.0%. In 2016, the theoretical tax rate is 34.43%.

(3) In 2016 and 2015, the main countries contributing to the tax rate differential are Korea and Morocco.

(4) In 2016, the main countries contributing to the unrecognized deferred tax assets cost are Brazil, France and India. In 2015, the main countries contributing to the unrecognized deferred tax assets profit were Argentina and France, whereas Brazil and India generated an unrecognized deferred tax assets cost.

(5) Other impacts are primarily permanent differences, income subject to reduced tax rates, the cost of tax reassessments and prior year adjustments. In 2015 they also included the effect of the differential between the income tax rate including the exceptional contribution applicable in France (38.0%) used for the tax breakdown between theoretical and actual taxes, and the 34.43% tax rate used to calculate deferred taxes for the French tax consolidation group (negative effect of €7 million for first-half of 2015 and €9 million for the year 2015).

(6) The main taxes of the Group calculated on a subtotal of net income are the CVAE in France and the IRAP in Italy.

Until June 30, 2014, as there was no prospect of reporting taxable income in the foreseeable future, the Group decided to stop recognizing any deferred tax assets of the French tax consolidation group that represented tax loss carryforwards.

In 2015 and the first half-year of 2016, the outlook for financial results led the Group to recognize some of these net deferred tax assets. In the first half-year of 2016, the amount recognized totalled €313 million, comprising €(136) million recognized in income (€188 million in 2015, of which €52 million concerned the first half-year) and €449 million included in other components of comprehensive income (€51 million in 2015, of which €17 million concerned the first half-year), due to the origins of the taxes concerned (2.2.2).

The residual unrecognized deferred tax assets in the French tax consolidation group amounted to €2,346 million at June 30, 2016 (€2,607 million at December 31, 2015).

This corresponds to tax losses that can be carried forward indefinitely, which can be used to offset up to 50% of future taxable profits. €384 million of these unrecognized assets arose on items booked in shareholders' equity (effects of the partial hedge of the investment in Nissan), and €1,962 million arose on items affecting the income statement (respectively €684 million and €1,923 million at December 31, 2015).

For other entities not in the French tax consolidation group, the effective tax rate was 32.0% for first-half 2016 (30.6% for first-half 2015 and 27% for the year 2015). Unrecognized deferred tax assets totalled €780 million at June 30, 2016 (€601 million at December 31, 2015), and essentially related to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in India.

## Note 9. Basic and diluted earnings per share

(In thousands of shares)	H1 2016	H1 2015	Year 2015
Shares in circulation	295,722	295,722	295,722
Treasury shares	(3,862)	(3,569)	(3,633)
Shares held by Nissan x Renault's share in Nissan	(19,383)	(19,384)	(19,381)
<b>Number of shares used to calculate basic earnings per share</b>	<b>272,477</b>	<b>272,769</b>	<b>272,708</b>

## FINANCIAL RESULTS

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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)	H1 2016	H1 2015	Year 2015
Number of shares used to calculate basic earnings per share	272,477	272,769	272,708
Dilutive effect of stock options, performance share rights and other share-based payments	2,082	1,478	1,606
<b>Number of shares used to calculate diluted earnings per share</b>	<b>274,559</b>	<b>274,247</b>	<b>274,314</b>

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 as part of the Chairman and CEO's performance-related remuneration, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional.

### 2.2.6.4. CONSOLIDATED FINANCIAL POSITION

#### Note 10. Intangible assets and property, plant and equipment

##### A. Intangible assets and goodwill

(€ million)	Gross value	Amortization and impairment	Net value
<b>Value at December 31, 2015</b>	<b>9,527</b>	<b>(5,957)</b>	<b>3,570</b>
Acquisitions / (amortization and impairment) <sup>(1)</sup>	515	(439)	76
(Disposals) / reversals	(540)	540	-
Translation adjustment	(2)	(4)	(6)
Change in scope of consolidation and other	41	(1)	40
<b>Value at June 30, 2016</b>	<b>9,541</b>	<b>(5,861)</b>	<b>3,680</b>

(1) Including €2 million of impairment on capitalized development expenses and other intangible assets – see note 6-B.

##### B. Property, plant and equipment

(€ million)	Gross value	Depreciation and impairment	Net value
<b>Value at December 31, 2015</b>	<b>36,552</b>	<b>(25,381)</b>	<b>11,171</b>
Acquisitions / (amortization and impairment) <sup>(1) (2)</sup>	1,274	(1,004)	270
(Disposals) / reversals	(582)	385	(197)
Translation adjustment	251	(145)	106
Change in scope of consolidation and other	217	(144)	73
<b>Value at June 30, 2016</b>	<b>37,712</b>	<b>(26,289)</b>	<b>11,423</b>

(1) No impairment on property, plant and equipment during the first half-year 2016 – see note 6-B.

(2) Including €558 million of capitalized leased assets – see note 18-C.

##### C. Impairment test at the level of cash-generating units of the Automotive segment

No impairment tests were conducted on any cash-generating unit representing an economic entity (plant or subsidiary) during first-half 2016, as there was no indication of any loss of value.

In addition, Renault's stock market capitalisation (€19,907 million) was lower than the value of the Group's shareholders' equity. The impairment test of the Automotive segment carried out at December 31, 2015 was updated at June 30, 2016 and did not lead to recognition of any impairment on Automotive assets.

**Note 11. Investment in Nissan****A. 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 held 0.68% of its own shares at June 30, 2016 (0.66% at December 31, 2015), and Renault's percentage interest in Nissan was 43.70% (43.69% at December 31, 2015).

**B. Nissan share repurchases and sales of Nissan shares by Renault on the market**

Nissan has begun a share repurchase operation on the open market between February 29 and December 22, 2016, in order

to cancel the shares. This operation will concern up to 300 million shares (6.7% of the total capital excluding treasury shares) for a maximum amount of ¥400 billion. Renault and Nissan have agreed that Renault will also sell Nissan shares on the market, to keep its investment in Nissan at 43.4%.

Renault SA sold Nissan shares for an amount of €473 million in first-half 2016 in connection with this operation. The corresponding cash generates an increase in cash flows from investing activities in the statement of consolidated cash flows (chapter 2.2.5.) and a decrease in the value of the investment in Nissan as reported in the assets in the Group's consolidated statement of financial position (note 11-C).

As Nissan's share repurchases and Renault's share sales on the market are concomitant, for the purposes of the consolidation this operation is treated as a dividend payment by Nissan, with no impact on the Group's net income or consolidated shareholders' equity.

**C. Changes in the investment in Nissan as shown in Renault's financial position**

	Share in net assets			Goodwill	Total
	Before neutralization	Neutralization of Nissan's investment in Renault <sup>(1)</sup>	Net		
(€ million)					
<b>At December 31, 2015</b>	<b>18,838</b>	<b>(974)</b>	<b>17,864</b>	<b>707</b>	<b>18,571</b>
First-half 2016 net income	749		749		749
Dividend distributed	(346)		(346)		(346)
Translation adjustment	1,191		1,191	104	1,295
Nissan share repurchases and sales of Nissan shares by Renault <sup>(2)</sup>	(473)		(473)		(473)
Other changes <sup>(3)</sup>	(324)		(324)		(324)
<b>At June 30, 2016</b>	<b>19,635</b>	<b>(974)</b>	<b>18,661</b>	<b>811</b>	<b>19,472</b>

(1) Nissan has held 44,358,000 Renault shares since 2002, corresponding to an investment of around 15%.

(2) Nissan's share repurchase operation and Renault's sale of Nissan shares are presented in note 11-B.

(3) 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.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## D. Changes in Nissan equity restated for the purposes of the Renault consolidation

	Dec. 31, 2015	Net income for first- half 2016	Dividends	Translation adjustment	Nissan share repurchases and sales of Nissan shares by Renault <sup>(1)</sup>	Other changes <sup>(2)</sup>	June 30, 2016
(¥ billion)							
<b>Shareholders' equity – Nissan share under Japanese GAAP</b>	<b>4,935</b>	<b>207</b>	<b>(88)</b>	<b>(422)</b>	<b>(134)</b>	<b>(110)</b>	<b>4,388</b>
<b>Restatements for compliance with IFRS:</b>							
- Provision for pension and other long-term employee benefit obligations	(28)	(12)		1		29	(10)
- Capitalization of development expenses	628	33		(4)			657
- Deferred taxes and other restatements	(103)	(6)		(7)		(18)	(134)
<b>Net assets restated for compliance with IFRS</b>	<b>5,432</b>	<b>222</b>	<b>(88)</b>	<b>(432)</b>	<b>(134)</b>	<b>(99)</b>	<b>4,901</b>
Restatements for Renault group requirements <sup>(3)</sup>	219	(10)	(6)	15		5	223
<b>Net assets restated for Renault group requirements</b>	<b>5,651</b>	<b>212</b>	<b>(94)</b>	<b>(417)</b>	<b>(134)</b>	<b>(94)</b>	<b>5,124</b>
(€ million)							
<b>Net assets restated for Renault group requirements</b>	<b>43,117</b>	<b>1,715</b>	<b>(791)</b>	<b>2,727</b>	<b>(1,093)</b>	<b>(744)</b>	<b>44,931</b>
Renault's percentage interest	43.7%						43.7%
Renault's share (before the neutralization effect described below)	18,838	749	(346)	1,191	(473)	(324)	19,635
Neutralization of Nissan's investment in Renault <sup>(4)</sup>	(974)						(974)
<b>Renault's share in the net assets of Nissan</b>	<b>17,864</b>	<b>749</b>	<b>(346)</b>	<b>1,191</b>	<b>(473)</b>	<b>(324)</b>	<b>18,661</b>

(1) Nissan's share repurchase operation and Renault's sale of Nissan shares are presented in note 11-B.

(2) Other changes include the effect of Renault dividends received by Nissan, the change in the actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.

(3) Restatements for Renault group 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 by the equity method.

(4) Nissan has held 44,358,000 Renault shares since 2002, corresponding to an investment of around 15%.

## E. Nissan net income under Japanese GAAP

Since Nissan's financial year ends on March 31, the Nissan net income included in the first-half 2016 Renault consolidation is

the sum of Nissan's net income for the final quarter of its 2015 financial year and the first quarter of its 2016 financial year.

	January to March 2016 Final quarter of Nissan's 2015 financial year		April to June 2016 First quarter of Nissan's 2016 financial year		January to June 2016 Reference period for Renault's first-half 2016 consolidated financial statements	
	¥ billion	€ million <sup>(1)</sup>	¥ billion	€ million <sup>(1)</sup>	¥ billion	€ million <sup>(1)</sup>
Net income – parent-company shareholders' share	71	559	136	1,118	207	1,677

(1) Converted at the average exchange rate for each quarter.

**F. Valuation of Renault's investment in Nissan based on stock market prices**

Based on the market price of Nissan stock at June 30, 2016 (¥917.9 per share), Renault's investment in Nissan is valued at €15,337 million (€19,153 million at December 31, 2015 based on the market price of ¥1,279.5 per share at that date).

**G. Impairment test of the investment in Nissan**

At June 30, 2016, the stock market value of the investment was 21.0% lower than the value of Nissan in Renault's statement of financial position, whereas it was higher at December 31, 2015.

In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2015), an impairment test was carried out at June 30, 2016. An after-tax discount rate of 7.5% and a growth rate to infinity of 3.1% 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 June 30, 2016.

A 200 base point increase in the discount rate associated with a 40 base point decrease in the growth rate to infinity or a 100 base point decrease in the operating margin would have no impact on the book value of the investment in Nissan.

**H. Operations between the Renault group and the Nissan group**

Total sales by Renault to Nissan and purchases by Renault from Nissan during the first half-year of 2016 amounted to an estimated €2.1 billion and €1.0 billion respectively (€3.65 billion and €1.3 billion respectively in 2015, including €1.8 billion and €0.8 billion for the first half-year).

During first-half 2016, the RCI Banque consolidated subgroup recorded €67 million of commission and interest income received from Nissan (€147 million in 2015, including €77 million related to the first half-year).

**Note 12. 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:

**Consolidated income statement**

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015
<b>Share in net income (loss) of other associates and joint ventures</b>	<b>(71)</b>	<b>(84)</b>	<b>(605)</b>
AVTOVAZ	(75)	(87)	(620)
Other associates accounted for under the equity method	13	3	9
Joint ventures accounted for under the equity method	(9)	-	6

(1) Following the end of the three-month time-lag for consolidation of AVTOVAZ's financial statements, the first-half 2015 figures for AVTOVAZ as published previously are now restated so that the first half-year of 2015 covers the period January 1 to June 30. The impacts on the first-half 2015 financial statements of this change of method applied from 31 December 2015 (see note 12-A) are described in note 2-D.

**Consolidated statement of financial position**

(€ million)	June 30, 2016	Dec. 31, 2015
<b>Investments in other associates and joint ventures</b>	<b>682</b>	<b>785</b>
AVTOVAZ	-	91
Other associates accounted for under the equity method	382	373
Joint ventures accounted for under the equity method	300	321

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### 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

#### A. AVTOVAZ consolidated financial statements included under the equity method in the Renault consolidation

The Russian automaker AVTOVAZ's financial year-end is December 31. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ were previously consolidated with a 3-month time-lag. This time-lag ended

at December 31, 2015. In application of paragraph 34 of IAS 28 "Investments in associates and joint ventures", this change is analyzed as a change in accounting policies that entails restatement of prior year results, in order to include the AVTOVAZ net income from January 1 to December 31 in each year. The impacts on the financial statements as published for June 30, 2015 are as follows:

	June 30, 2015 financial statements as published	June 30, 2015 financial statements modified following the end of 3-month time lag	Consequences of the end of the 3-month time lag on the June 30, 2015 financial statements
(€ million)			
<b>Consolidated income statement and comprehensive income</b>			
Share in net income of associates – AVTOVAZ	(70)	(87)	(17)
Share of associates in other components of comprehensive income – AVTOVAZ			
Items that will be reclassified subsequently to profit or loss – translation adjustment	43	42	(1)
Comprehensive income – AVTOVAZ	(27)	(45)	(18)
<b>Consolidated statement of financial position</b>			
Investment in associates – AVTOVAZ	222	194	(28)
Translation adjustment	(252)	(251)	1
Reserves	(486)	(498)	(12)
Net income – parent-company shareholders' share	(70)	(87)	(17)
Equity – parent-company shareholders' share	(808)	(836)	(28)

#### B. Changes in the value of Renault's investment in AVTOVAZ as shown in Renault's statement of financial position

In accordance with the partnership agreement signed in December 2012, a joint venture named Alliance Rostec Auto B.V. was created to group all the interests in AVTOVAZ owned by Renault, Nissan and Russian Technologies. Alliance Rostec Auto B.V. has held 74.51% of the capital and voting rights at the Shareholders' Meetings of AVTOVAZ since March 2013.

Since June 2014, Renault has held 50%, less one share, of the capital and the voting rights at Shareholders' Meetings and Board of Directors' Meetings of Alliance Rostec Auto B.V..

Renault's percentage interest in AVTOVAZ, through the entity Alliance Rostec Auto B.V., is therefore 37.25% as of June 30, 2016, the same as at December 31, 2015.

AVTOVAZ's Board of Directors consists of 8 members nominated for appointment by Renault and Nissan (4 members nominated by Renault, 2 nominated by Nissan and 2 nominated jointly by Renault and Nissan) and 7 members nominated by Russian Technologies. On June 23, 2016, the Deputy CEO of Russian Technologies was elected Chairman of the Board of AVTOVAZ and the Renault Group's Head of Eurasian operations was appointed Vice-Chairman of the Board of AVTOVAZ. At June 30, 2016, Renault occupies 4 seats on the Board (the same as at December 31, 2015).

The Renault group does not control Alliance Rostec Auto B.V. or AVTOVAZ, because it does not hold the majority of voting rights in the governing bodies of Alliance Rostec Auto B.V. or the Board of Directors of AVTOVAZ. Strategic and operating decisions must be approved by a majority shareholders' vote.

In 2015 and the first half-year of 2016, the Russian economy was confronted with a certain number of obstacles. Following the conflict in Ukraine, the economy was affected by international sanctions, declining oil and gas prices, a significant drop in exchange rates in the final quarters of 2014 and 2015, and rising interest rates. This situation had a negative impact on the automotive market, reflected in a marked downturn in demand and shrinkage of the Russian market by more than 35% in 2015 (42% in the final quarter of 2015 alone) and 15% in first half 2016, despite the government support measures introduced in the fourth quarter of 2014, which have continued and were reinforced in early 2016.

The Renault group has confirmed that it intends to participate in a recapitalisation operation expected to take place by the end of the year, which would entail the full consolidation of AVTOVAZ.

The table below reports consolidated figures for Alliance Rostec Auto B.V. and the AVTOVAZ group.

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## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

(€ million)	Share in net assets	Goodwill	Impairment	Total
<b>At December 31, 2015 <sup>(1)</sup></b>	<b>242</b>	<b>40</b>	<b>(191)</b>	<b>91</b>
First-half 2016 net income <sup>(2)</sup>	(75)			(75)
Translation adjustment	(30)	5	(25)	(50)
Loans and receivables included in the long-term net investment <sup>(3)</sup>	34			34
<b>At June 30, 2016 <sup>(4)</sup></b>	<b>171</b>	<b>45</b>	<b>(216)</b>	<b>-</b>

(1) The closing figures in roubles at December 31, 2015 were converted using the exchange rate, i.e. 80.67 roubles for 1 euro.

(2) The share in net income of AVTOVAZ has been calculated by applying a 37.25% interest to the net income of the period. At June 30, this share in net income is recognized to the extent of the book value of shares and the loans and receivables that are considered as an extension of the investment. Without this limit, the share of the net loss recognized would have been €57 million greater, and Renault has no commitment to bear losses in excess of its net investment.

(3) The loans granted by Renault in 2012 and 2013, with book value of €100 million at December 31, 2015, do not benefit from any specific guarantee. Renault also has trade receivables amounting to €315 million at December 31, 2015 (€38 million of receivables in euros, and €277 million in roubles, or 22,370 million roubles). In view of AVTOVAZ's financial position, Renault has decided to leave the corresponding funds at the disposal of AVTOVAZ for an indeterminate period, and intends to use them in a future capital restructuring of the AVTOVAZ group that should take place from the second half-year of 2016. Settlement of these financial assets is therefore neither planned nor likely to occur, and as a result they are considered substantially as an extension of the net investment in the AVTOVAZ group, in compliance with IAS 28 "Investments in associates and joint ventures", and thus reclassified as investments accounted for under the equity method. The gross value of these loans and receivables at June 30, 2016 is €449 million. The change in value compared to December 31, 2015 is explained by changes in the Russian rouble exchange rate affecting the portion of loans in roubles.

(4) The closing figures in roubles at June 30, 2016 were converted using the exchange rate of 71.52 roubles for 1 euro. Negative accumulated translation adjustments amount to (€249) million. They would be transferred to net income notably in the event of a future takeover.

### C. Changes in AVTOVAZ and Alliance Rostec Auto B.V. shareholders' equity restated for the purposes of the Renault consolidation

(€ million)	December 31, 2015	First-half 2016 net income	Translation adjustment and other changes	June 30, 2016 <sup>(1)</sup>
<b>Shareholders' equity of AVTOVAZ – parent-company shareholders' share</b>	<b>(486)</b>	<b>(353)</b>	<b>(90)</b>	<b>(929)</b>
Restatements for Renault group requirements <sup>(2)</sup>	21	(1)	3	23
<b>Net assets of AVTOVAZ restated for Renault group requirements</b>	<b>(465)</b>	<b>(354)</b>	<b>(87)</b>	<b>(906)</b>
Share in AVTOVAZ held by Alliance Auto Rostec B.V. (74.51%)	(347)	(264)	(64)	(675)
Restated net assets of Alliance Auto Rostec B.V.	(347)	(264)	(64)	(675)
Share in Alliance Rostec Auto B.V. held by Renault				
Renault's percentage interest	50% -1 action			50% -1 action
Renault's share <sup>(3)</sup>	(173)	(75)	(30)	(278)
Goodwill on acquisitions of shares in AVTOVAZ and Alliance Rostec Auto B.V.	40	-	5	45
Impairment loss on AVTOVAZ shares	(191)	-	(25)	(216)
Reclassification of loans and receivables as investments accounted for under the equity method <sup>(4)</sup>	415	-	34	449
<b>Renault's share in the net assets of AVTOVAZ and goodwill</b>	<b>91</b>	<b>(75)</b>	<b>(16)</b>	<b>-</b>

(1) The closing figures in roubles at June 30, 2016 were converted using the exchange rate of 71.52 roubles for 1 euro.

(2) Restatements for Renault group requirements mainly correspond to valuation of intangible assets (the Lada brand).

(3) At June 30, this share in net income is recognised to the extent of the book value of shares and the loans and receivables that are considered as an extension of the net investment. Without this limit, the share of the net loss recognised would have been €57 million greater, and Renault has no commitment to bear losses in excess of its net investment.

(4) The loans granted by Renault in 2012 and 2013, with book value of €100 million at December 31, 2015, do not benefit from any specific guarantee. Renault also has trade receivables amounting to €315 million at December 31, 2015 (€38 million of receivables in euros, and €277 million in roubles, or 22,370 million roubles). In view of AVTOVAZ's financial position, Renault has decided to leave the corresponding funds at the disposal of AVTOVAZ for an indeterminate period, and intends to use them in a future capital restructuring of the AVTOVAZ group from the second half-year of 2016. Settlement of these financial assets is therefore neither planned nor likely to occur, and as a result they are considered substantially as an extension of the net investment in the AVTOVAZ group, in compliance with IAS 28 "Investments in associates and joint ventures", and thus reclassified as investments accounted for under the equity method. The gross value of these loans and receivables at June 30, 2016 is €449 million. The change in value compared to December 31, 2015 is explained by changes in the Russian rouble exchange rate affecting the portion of loans in roubles.

## FINANCIAL RESULTS

### 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

#### D. Impairment test of the investment in AVTOVAZ

Following the impairment test carried out on December 31, 2015, it was determined that the recoverable value at that date of the Group's investment in AVTOVAZ, a listed company held through the joint venture Alliance Rostec Auto B.V., corresponded to its fair value indicated by its stock market price. This is a level 1 fair value (unadjusted stock market value). In accordance with IAS 28 "Investments in associates and joint ventures" and IAS 36 "Impairment", the Group took the higher of the fair value net of selling costs, and value in use. The fair value of Renault's share at June 30, 2016 is €80 million.

In compliance with IAS 28, "Investments in Associates and Joint Ventures", the impairment recognized at December 31, 2015 has not been reversed despite allocation of some of the losses of AVTOVAZ which reduced the value of the investment to 0, as impairment can be only be reversed if the recoverable value increases, and this was not the case during first-half 2016.

#### E. Valuation of Renault's investment in AVTOVAZ at stock market prices

Based on AVTOVAZ's stock market share price at June 30, 2016, Renault's 37.25% investment in AVTOVAZ is valued at €80 million or 5,737 million roubles converted at the exchange rate at June 30, 2016 of 71.52 roubles for 1 euro (€91 million for 37.25% of the capital at December 31, 2015).

Should Renault take over control of AVTOVAZ in the future, the shares held prior to achieving control will be considered to have been sold at their market value, generating a gain equivalent to that value since the book value is nil at June 30, 2016. Goodwill on the portion of shares held previously will then be determined by reference to this value, and accumulated translation adjustments will be transferred to profit and loss as indicated in note 12-B above.

#### F. Operations between the Renault group and the AVTOVAZ group

The Renault group continued to provide technical assistance to AVTOVAZ for several vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ,

and for assembly of the B0 platform shared by AVTOVAZ, Renault and Nissan. Consulting services are also provided by Renault in areas such as purchasing, quality and IT. During first-half 2016, the Renault group invoiced €8 million to AVTOVAZ for this technical assistance (€45 million in 2015, of which €14 million concerned the first half-year).

Following the start of vehicle production on the B0 platform, Renault supplied AVTOVAZ with parts required for assembly for a total amount of €222 million in the first half-year of 2016 (€426 million in 2015, of which €266 million concerned the first half-year).

Production of Renault vehicles began on this platform in March 2014 and AVTOVAZ delivered vehicles worth a total €170 million to Renault during the first half of 2016 (€356 million in 2015, of which €153 million concerned the first half-year).

Renault's investment in the B0 platform is recorded in property, plant and equipment at the amount of €164 million at June 30, 2016 (11,719 million roubles), including €66 million for development of a new engine (€150 million or 12,086 million roubles at December 31, 2015, including €58 million for development of a new engine).

The amount of Renault's trade receivables on AVTOVAZ originated in 2016 is €57 million at June 30, 2016. Renault received payments of €194 million in first-half 2016, as reflected in the cash flows from operating activities in the consolidated statement of cash flows. The loans granted before December 31, 2015 are now considered as part of the net investment in AVTOVAZ, and were therefore reclassified as investments accounted for under the equity method at December 31, 2015.

The total amount of new loans granted by the Group to AVTOVAZ during the first half-year is €104 million at June 30, 2016. Loan payments are reflected in the cash flows from investing activities in the consolidated statement of cash flows. The loans granted before December 31, 2015 are now considered as part of the net investment in AVTOVAZ, and were therefore reclassified as investments accounted for under the equity method at December 31, 2015.

#### Note 13. Inventories

(€ million)	June 30, 2016			December 31, 2015		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,474	(249)	1,225	1,254	(227)	1,027
Work-in-progress	259	(1)	258	234	(1)	233
Used vehicles	1,459	(79)	1,380	1,090	(95)	995
Finished products and spare parts	2,917	(182)	2,735	2,026	(153)	1,873
<b>Total</b>	<b>6,109</b>	<b>(511)</b>	<b>5,598</b>	<b>4,604</b>	<b>(476)</b>	<b>4,128</b>

**Note 14. Financial assets – Cash and cash equivalents****A. Current/non-current breakdown**

(€ million)	June 30, 2016			December 31, 2015		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	983	-	983	1,372	-	1,372
Marketable securities and negotiable debt instruments	-	709	709	-	614	614
Loans	33	714	747	31	658	689
Derivatives on financing operations of the Automotive segment	211	509	720	75	488	563
<b>Total financial assets</b>	<b>1,227</b>	<b>1,932</b>	<b>3,159</b>	<b>1,478</b>	<b>1,760</b>	<b>3,238</b>
<i>Gross value</i>	<i>1,228</i>	<i>1,934</i>	<i>3,162</i>	<i>1,479</i>	<i>1,762</i>	<i>3,241</i>
<i>Impairment</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
<b>Cash and cash equivalents</b>	<b>-</b>	<b>12,217</b>	<b>12,217</b>	<b>-</b>	<b>14,133</b>	<b>14,133</b>

**B. Investments in non-controlled entities**

Investments in non-controlled entities include €880 million (€1,276 million at December 31, 2015) for the Daimler shares purchased under the strategic partnership agreement. These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price. At June 30, 2016, the stock market price (€53.52 per share) was higher than the acquisition price (€35.52 per share). The decrease in fair value over the period amounted to €396 million and was recorded in other components of comprehensive income at June 30, 2016 (increase of €142 million at December 31, 2015, of which €208 million concerned the first half-year 2015).

**C. Cash not available to the Group's parent company**

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.

Limited access to the US Dollar restricted the level of international payments by Group subsidiaries located in Argentina until mid-December 2015, when a partial lifting of exchange controls was promulgated. This was extended during the first half-year of 2016. The cash in Argentina is no longer considered unavailable to the Group's parent-company.

Some of the current bank accounts held by the Sales financing Securitization Funds is allocated to increasing credit on securitized receivables, and consequently acts as collateral in the event of a default on receivables (see note 15-B1 to the consolidated financial statements for 2015). These current bank accounts amount to €520 million at June 30, 2016 (€446 million at December 31, 2015).

**Note 15. Shareholder's equity****A. Share capital**

The total number of ordinary shares issued and fully paid-up at June 30, 2016 was 295,722,000 with par value of €3.81 per share (the par value is unchanged from December 31, 2015).

Treasury shares do not bear dividends. They account for 1.64% of Renault's share capital at June 30, 2016 (1.21% at December 31, 2015).

**B. Distributions**

At the General and Extraordinary Shareholders' Meeting of April 30, 2016, it was decided to pay a dividend of €2.40 per share, or a total of €701 million (€1.90 per share in 2015). This dividend was paid out in May.

**C. 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, 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 some of the Chairman and CEO's variable remuneration for a given year would be converted into shares that will vest subject to conditions of performance and continued employment at Renault. The first application is for the variable remuneration based on 2013 results.

A new performance share plan was introduced during first-half 2016, concerning 1,345 thousands of shares with initial total value of €71 million. The vesting period for rights to shares is 3 years, followed by a minimum 1-year holding period for most of the performance shares awarded (1,012 thousands of shares). The remaining shares (333 thousands of shares) have a 4-year vesting period and no minimum holding period.

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

Changes in the number of stock options and share rights held by personnel

	Stock options			Share rights
	Quantity	Weighted average exercise price (€)	Weighted average share price at grant or exercise dates(€)	
<b>Options outstanding and rights not yet vested at January 1, 2016</b>	<b>716,792</b>	<b>37</b>	<b>-</b>	<b>2,831,250</b>
Granted	-	-	-	1,345,211
Options exercised and vested rights	(79,370) <sup>(1)</sup>	-	49 <sup>(2)</sup>	-
Options and rights expired and other adjustments	-	-	-	(11,096)
<b>Options outstanding and rights not yet vested at June 30, 2016</b>	<b>637,422</b>	<b>37</b>	<b>-</b>	<b>4,165,365</b>

(1) Stock purchase options exercised in 2016 were granted under plan 18 and 19 in 2011.

(2) Price at which the shares were acquired by the Group to cover future options exercises.

### Note 16. Provisions

#### A. Provisions for pensions and other long-term employee benefit obligations

Provisions for pensions and other long-term employee benefit obligations increased by €182 million in first-half 2016, mainly due to the lower financial discount rate used for

France. The rate most frequently used to value the Group's obligations in France is 1.15% at June 30, 2016, against 1.91% at December 31, 2015.

#### B. Change in provisions

	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Insurance activities <sup>(1)</sup>	Other provisions	Total
(€ million)						
<b>At December 31, 2015</b>	<b>386</b>	<b>768</b>	<b>355</b>	<b>306</b>	<b>360</b>	<b>2,175</b>
Increases	39	270	67	48	27	451
Reversals for application	(93)	(206)	(10)	(11)	(18)	(338)
Reversals of unused residual amounts	(2)	(3)	(38)	-	(20)	(63)
Changes in scope of consolidation	-	-	3	-	-	3
Translation adjustments and other changes	1	6	11	-	1	19
<b>At June 30, 2016 <sup>(2)</sup></b>	<b>331</b>	<b>835</b>	<b>388</b>	<b>343</b>	<b>350</b>	<b>2,247</b>

(1) Mainly technical reserves established by the insurance companies that are part of Sales financing.

(2) Short-term portion of provisions: €975 million; long-term portion provisions: €1,272 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 established to cover the estimated risks.

During the first half-year of 2016, the Group recorded no significant new litigation in provisions. Information on contingent liabilities is reported in note 20-A.

## Note 17. Financial liabilities and sales financing debts

(€ million)	June 30, 2016			December 31, 2015		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	419	-	419	431	-	431
Bonds	3,153	1,385	4,538	4,038	1,617	5,655
Other debts represented by a certificate	-	749	749	-	567	567
Borrowings from credit institutions (at amortized cost)	684	1,140	1,824	753	1,459	2,212
Other interest-bearing borrowings	399	87	486	411	97	508
Derivatives on financing operations of the Automotive segment	180	688	868	62	403	465
<b>Total financial liabilities of the Automotive segment</b>	<b>4,835</b>	<b>4,049</b>	<b>8,884</b>	<b>5,695</b>	<b>4,143</b>	<b>9,838</b>
DIAC redeemable shares	12	-	12	12	-	12
Bonds	-	13,182	13,182	-	13,025	13,025
Other debts represented by a certificate	-	4,695	4,695	-	4,353	4,353
Borrowings from credit institutions	-	3,267	3,267	-	2,934	2,934
Other interest-bearing borrowings	-	12,030	12,030	-	10,360	10,360
Derivatives on financing operations of the Sales Financing segment	-	95	95	-	68	68
<b>Total financial liabilities and debts of the Sales Financing segment</b>	<b>12</b>	<b>33,269</b>	<b>33,281</b>	<b>12</b>	<b>30,740</b>	<b>30,752</b>
<b>TOTAL FINANCIAL LIABILITIES AND SALES FINANCING DEBTS</b>	<b>4,847</b>	<b>37,318</b>	<b>42,165</b>	<b>5,707</b>	<b>34,883</b>	<b>40,590</b>

**Changes in bonds issued by the Automotive segment**

During first-half 2016, Renault SA redeemed bonds for a total amount of €1,438 million and undertook a 3-year private placement of 10 billion yen under its EMTN programme. The Brazilian subsidiary Renault Do Brasil also issued a 400 million Brazilian real bond with 4-year maturity. The total amount of bonds issued by the Automotive segment during first-half 2016 was €175 million.

**Changes in debts of the Sales Financing segment**

During first-half 2016, RCI Banque group redeemed bonds for a total of €2,367 million, and issued new bonds totalling €2,575 million and maturing between 2017 and 2023.

New savings collected rose by €1,629 million during first-half 2016 to €11,863 million (€8,278 million of sight deposits and €3,585 million of term deposits), and are classified as other interest-bearing borrowings.

**Credit lines**

At June 30, 2016, the Automotive segment's confirmed credit lines opened with banks amounted to the equivalent of €3,305 million (unchanged from December 31, 2015). These credit lines have maturities of over one year and were unused at June 30, 2016 (and at December 31, 2015).

Also, at June 30, 2016, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,524 million (€4,482 at December 31, 2015). The short-term portion amounted to €484 million at June 30, 2016 (€439 million at December 31, 2015). These credit lines were used to the extent of €5 million at June 30, 2016 (they were unused at December 31, 2015).

**Changes in assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve**

In connection with management of its liquidity reserve, at June 30, 2016, Sales Financing segment had provided 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 €4,830 million (€4,655 million at December 31, 2015). These guarantees comprise €4,185 million in the form of shares in securitization vehicles and €645 million in sales financing receivables (€4,028 million of shares in securitization vehicles and €627 million in sales financing receivables at December 31, 2015). The funding provided by the Banque de France against receivables pledged as collateral amounts to €1,500 million at June 30, 2016 (unchanged from December 31, 2015).

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

## 2.2.6.5. CASH FLOWS AND OTHER INFORMATION

## Note 18. Cash flows

## A. Other income and expenses with no impact on cash before interest and tax

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
Net allocation to provisions	45	(22)	(251)
Net effects of sales financing credit losses	(17)	(36)	(20)
Net (gain) loss on asset disposals	(14)	(6)	(10)
Change in fair value of redeemable shares	(19)	81	80
Change in fair value of other financial instruments	(51)	(16)	(18)
Cost of net financial indebtedness	139	109	225
Deferred taxes	98	(74)	(161)
Current taxes	422	336	527
Other	29	44	78
<b>Other income and expenses with no impact on cash before interest and tax</b>	<b>632</b>	<b>416</b>	<b>450</b>

(1) The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

## B. Change in working capital before tax

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
Decrease (increase) in net inventories	(1,430)	(1,291)	(813)
Decrease (increase) in Automotive net receivables	(281)	(333)	(348)
Decrease (increase) in other assets	(223)	(230)	(465)
Increase (decrease) in trade payables	539	678	1,219
Increase (decrease) in other liabilities	710	361	824
<b>Increase (decrease) in working capital before tax</b>	<b>(685)</b>	<b>(815)</b>	<b>417</b>

(1) The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the financial statements for the first half-year of 2015 and the year 2015, are presented in notes 2-C and 2-D.

## C. Capital expenditure

(€ million)	H1 2016	H1 2015 restated <sup>(1)</sup>	Year 2015 restated <sup>(1)</sup>
Purchases of intangible assets	(515)	(460)	(956)
Purchases of property, plant and equipment (other than assets leased to customers)	(716)	(667)	(1,962)
<b>Total purchases for the period</b>	<b>(1,231)</b>	<b>(1,127)</b>	<b>(2,918)</b>
Deferred payments	(187)	(229)	117
<b>Total capital expenditure</b>	<b>(1,418)</b>	<b>(1,356)</b>	<b>(2,801)</b>

## Note 19. Related parties

## A. Remuneration of Directors and Executives and Executive Committee members

There was no significant change during the first half of 2016 in the principles for remuneration and related benefits of Directors and Executives and Executive Committee members.

## B. Renault's investments in associates

Details of Renault's investments in Nissan and AVTOVAZ are provided in notes 11 and 12 respectively.

## C. Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the State and public companies such as UGAP, EDF, La Poste, etc. These transactions, which take place under normal market conditions, represent sales of €143 million for the first half-year 2016 (€250 million in 2015, including €111 million related to the first half-year) and a receivable of €71 million at June 30, 2016 (€70 million at December 30, 2015).

## FINANCIAL RESULTS

## 2.2. CONDENSED HALF-YEAR FINANCIAL STATEMENTS 2016

**Note 20. 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 20-A).

Renault also receives commitments from customers (deposits, mortgages, etc) and may benefit from credit lines with credit institutions (note 20-B).

**A. Off-balance sheet commitments given and contingent liabilities**

The Group is committed for the following amounts:

(€ million)	June 30, 2016	Dec. 31, 2015
Sureties, endorsements and guarantees given	155	214
Financing commitments in favour of customers <sup>(1)</sup>	2,233	1,984
Firm investment orders	1,055	568
Lease commitments <sup>(2)</sup>	348	247
Assets pledged, provided as guarantees or mortgaged and other commitments <sup>(3)</sup>	56	70

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the closing date in the maximum amount of €2,113 million at June 30, 2016 (€1,881 million at December 31, 2015).

(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 negative impact of future application of this standard on the financial liability is currently being analysed (note 2-A).

(3) Assets pledged, provided as guarantees or mortgaged mainly concern guarantees of financial liabilities, provided by Renault Samsung Motors when it was acquired by Renault in 2000.

Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 17.

Under a customs agreement between Brazil and Argentina for the automotive industry, which was introduced in 2008 and amended in June 2016, penalties are payable by the Argentine automotive sector if the average ratio of imports to exports with Brazil exceeds 1.54 over the period July 2015 to June 2020. These penalties can amount to up to 75% of customs duties due on cars and spare parts, and the calculation affects the entire automotive sector. As the ratio was 1.72 for the

period July 2015 to June 2016, this agreement creates a contingent obligation for Renault that will only be confirmed by the occurrence of uncertain future events that are not totally under its control, since the ratio to be respected concerns the entire automotive sector. No provision has been recognized.

The main investigations in progress by the competition and automobile regulation authorities at June 30, 2016 were the following: an investigation by the competition authorities in Korea, and inquiries in Europe into the level of vehicle emissions.

**B. Off-balance sheet commitments received and contingent assets**

(€ million)	June 30, 2016	Dec. 31, 2015
Sureties, endorsements and guarantees received	2,151	2,039
Assets pledged, provided as guarantees or mortgaged <sup>(1)</sup>	2,831	2,672
Buy-back commitments <sup>(2)</sup>	1,954	1,656
Other commitments	4	4

(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 €2,553 million at June 30, 2016 (€2,397 million at December 31, 2015).

(2) Commitments received by the Sales Financing segment for sale of rental vehicles to a third party at the end of the rental contract.

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 17.

**Note 21. Subsequent events**

No significant events have occurred since June 30, 2016.

# STATUTORY AUDITORS' REVIEW REPORT ON THE CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

## KPMG Audit

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## Renault

Société Anonyme  
13-15, Quai Alphonse-Le-Gallo  
92100 Boulogne-Billancourt  
Share capital: €1,126,701,902.04

### Statutory Auditors' Review Report on the condensed half-yearly consolidated financial statements (For the six-month period ended June 30, 2016)

*This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders,

Following our appointment as statutory auditors by your general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Law ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Renault for the six-month period ended June 30, 2016,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your board of directors. Our role is to express a conclusion on these financial statements based on our review.

#### I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

#### II. Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements that were subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 28, 2016

#### KPMG Audit

A department of KPMG S.A.

Jean-Paul Vellutini

Laurent des Places

#### ERNST & YOUNG Audit

Aymeric de la Morandière

Bernard Heller

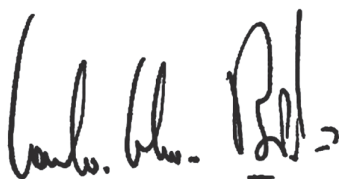
## PERSON RESPONSIBLE FOR THE DOCUMENT

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Mr. Carlos Ghosn, Chairman and Chief Executive Officer,  
accepts full responsibility for this Earnings Report.

I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half-year have been prepared under generally accepted accounting principles and give a true and fair view of the assets and liabilities, financial situation and results of the company and all the companies within the consolidated Renault group. I further declare that the Earnings Report gives a faithful picture of the information herein, e.g. material events occurring during the first six months of the financial year and their impact on the half-yearly accounts, a description of the main risks and contingencies for the remaining six months and the principal related party transactions.

Boulogne-Billancourt, July 28, 2016  
Chairman and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Carlos Ghosn', with a stylized flourish at the end.

Carlos Ghosn



## **Financial information on the Alliance**

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2016.

The characteristics of the Alliance mean, among other things, that Renault and Nissan's assets and liabilities cannot be combined. Consequently, these indicators do not correspond to a consolidation as defined by generally accepted accounting principles and are not certified by the statutory auditors.

Information concerning Renault is based on the consolidated figures released at June 30, 2016, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to June 30, 2016 whereas Nissan's financial year-end is March 31.

## KEY PERFORMANCE INDICATORS

- The preparation of the key performance indicators under Renault accounting policies takes into account the restatement of the figures published by Nissan under Japanese Accounting Standards into IFRS. Additionally, the following adjustments have been performed:
- reclassifications when necessary to harmonize the presentation of the main income statement items;
- adjustments to fair value applied by Renault for acquisitions of 1999 and 2002.

## REVENUES FIRST-HALF 2016

(€ million)	Renault	Nissan <sup>(1)</sup>	Intercompany eliminations	Alliance
Sales of goods and services of the Automotive segment	24,078	43,039	(2,906)	64,211
Sales Financing revenues	1,107	3,776	(67)	4,816
<b>Revenues</b>	<b>25,185</b>	<b>46,815</b>	<b>(2,973)</b>	<b>69,027</b>

(1) Converted at the average exchange rate for first-half 2016:  
EUR 1 = JPY 124.5

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. These items have been eliminated to prepare the revenue indicator. Their value is estimated on the basis of Renault's first-half 2016 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in first-half 2016 are as follows:

(€ million)	Operating margin	Operating income <sup>(3)</sup>	Net income <sup>(2)</sup>
Renault	1,541	1,476	1,567
Nissan <sup>(1)</sup>	2,835	1,858	1,828
<b>Alliance</b>	<b>4,376</b>	<b>3,334</b>	<b>3,395</b>

(1) Converted at the average exchange rate for first-half 2016:  
EUR 1 = JPY 124.5

(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.

(3) Nissan's operating income includes (729) million euros, (90.7) billion yen, of Quality related costs.

Intercompany transactions impacting the indicators are minor and have therefore not been eliminated.

For the Alliance, the operating margin is equivalent to 6.3% of revenues.

In first-half 2016, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,169
Nissan <sup>(1)</sup>	1,448
<b>Alliance</b>	<b>2,617</b>

(1) Converted at the average exchange rate for first-half 2016:  
EUR 1 = JPY 124.5.

## BALANCE SHEET INDICATORS

## CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ million)

## RENAULT AT JUNE 30, 2016

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	3,680	Shareholders' equity	29,789
Property, plant and equipment	11,423	Deferred tax liabilities	209
Investments in associates (excluding Alliance)	682	Provisions for pension and other long-term employee benefit obligations	1,773
Deferred tax assets	1,355	Financial liabilities of the Automotive segment	8,884
Inventories	5,598	Financial liabilities and debts of the Sales Financing segment	33,281
Sales financing receivables	31,620	Other liabilities	21,152
Automotive receivables	1,587		
Other assets	7,463		
Cash and cash equivalents	12,217		
<b>Total assets excluding investment in Nissan</b>	<b>75,625</b>		
Investment in Nissan	19,472		
<b>TOTAL ASSETS</b>	<b>95,097</b>	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>95,097</b>

## NISSAN AT JUNE 30, 2016

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	7,092	Shareholders' equity	48,315
Property, plant and equipment	45,723	Deferred tax liabilities	6,209
Investments in associates (excluding Alliance)	4,630	Provisions for pension and other long-term employee benefit obligations	3,554
Deferred tax assets	1,692	Financial liabilities of the Automotive segment <sup>(2)</sup>	(3,866)
Inventories	11,369	Financial liabilities and debts of the Sales Financing segment	64,456
Sales financing receivables	55,494	Other liabilities	33,002
Automotive receivables	4,916		
Other assets	10,327		
Cash and cash equivalents	8,450		
<b>Total assets excluding investment in Renault</b>	<b>149,693</b>		
Investment in Renault	1,977		
<b>TOTAL ASSETS</b>	<b>151,670</b>	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>151,670</b>

(1) Converted at the closing rate at June 30, 2016: EUR 1 = JPY 114.05

(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€13,706 million at June 30, 2016).

The values displayed for Nissan assets and liabilities reflect the restatements for the harmonization of accounting standards and adjustments to fair value applied by Renault for the acquisitions made in 1999 and 2002, mainly concerning revaluation of land, capitalization of development expenses, and pension-related provisions.

Balance sheet items have been reclassified when necessary to make the data consistent across both Groups.

**Purchases of property, plant and equipment** by both Alliance groups for first-half 2016, excluding leased vehicles and batteries, amount to:

€ million	
Renault	903
Nissan <sup>(1)</sup>	2,133
<b>Alliance</b>	<b>3,036</b>

(1) Converted at the average exchange rate for first-half 2016: EUR 1 = JPY 124.5

- Based on the best available information, Renault estimates that the impact of full consolidation of Nissan on its shareholders' equity calculated under current accounting policies would result in :
  - a maximum 5-10% decrease in shareholders' equity – Group share;
  - a €29 billion increase in shareholders' equity – non-controlling interests' share.

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