



EARNINGS REPORT

FIRST-HALF 2017

EARNINGS REPORT - First-half 2017

OVERVIEW	3
1.1 AUTOMOTIVE	4
1.1.1 Worldwide Group registrations by Region	4
1.1.2 Group registrations by brand and by type	5
1.2 SALES FINANCING	6
1.2.1 New financing and services	6
1.2.2 RCI Banque penetration rate on new vehicle registrations	7
1.3 REGISTRATIONS AND PRODUCTION STATISTICS	8
2. FINANCIAL RESULTS	13
SUMMARY	13
2.1 COMMENTS ON THE FINANCIAL RESULTS	13
2.1.1 Consolidated income statement	13
2.1.2 Automotive operational free cash flow	14
2.1.3 Automotive net cash position at June 30, 2017	16
2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	17
2.2.1 Consolidated income statement	18
2.2.2 Consolidated comprehensive income	19
2.2.3 Consolidated financial position	20
2.2.4 Changes in consolidated shareholder's equity	21
2.2.5 Consolidated cash flows	23
2.2.6 Notes to the consolidated financial statements	24
3. STATUTORY AUDITORS' REVIEW REPORT ON THE CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS	51
4. PERSON RESPONSIBLE FOR THE DOCUMENT	52
4. FINANCIAL INFORMATION ON THE ALLIANCE	53

KEY FIGURES

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

(1) H1 2016 Group registrations have been restated to include Lada registrations.

(2) Automotive operational Free cash flow excluding AVTOVAZ: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement. Detailed calculation in chapter 2.2.6.1-D of the condensed consolidated financial statements.

(3) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B of the condensed consolidated financial statements) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

As the acquisition of control, as defined by IFRS 10, over ARA b.v. and the AVTOVAZ Group, took place on December 28, 2016, the net income of ARA b.v. and the AVTOVAZ Group for 2016 is still included by the equity method in Groupe Renault's profit & loss. Only the year-end balance sheet figures at December 31, 2016 for ARA b.v. and the AVTOVAZ Group are included in the Groupe Renault's consolidated financial position at December 31, 2016. In 2017, the completeness of financial data of ARA b.v. and the AVTOVAZ Group is consolidated by full integration into Groupe Renault's accounts.

OVERVIEW

Groupe Renault continues to grow and sets a new half-year operating margin record.

Groupe Renault sets a half-year sales record in the first half of 2017 with 1.88 million registrations, up 10.4% versus last year.

Group revenues reached €29,537 million (+17.3%). Excluding the impact of the AVTOVAZ consolidation, Group revenues increased 12.2% to €28,246 million (+11.3% at constant exchange rates).

Automotive excluding AVTOVAZ revenues came to €26,995 million (+12.1%) thanks primarily to an increase in volume (+4.4 points). The increase in sales to partners contributed 2.5 points to this growth. The performance reflects the strong momentum in our CKD activity in Iran and China and in the sales of vehicles assembled in Europe (notably with the start of Nissan Micra production). The price effect (+2.3 points) is mainly due to the price increases related to the renewal of the range. The currency impact is positive at 0.8 points.

The **Group's operating margin** amounted to €1,820 million and represents 6.2% of revenues.

Automotive excluding AVTOVAZ operating margin was up €171 million (+15.3%) to €1,292 million or 4.8% of revenues compared with 4.7% during the first half of 2016. This performance is due primarily to the strong growth in activity (positive impact of €346 million) and the decrease in industrial costs (positive impact of €204 million). Unlike 2016, the mix/price/enrichment effect no longer benefits from price increases in emerging countries to compensate for currency devaluations and it turned negative in the amount of €180 million. Raw materials had a negative impact of €132 million. The currency impact (-€99 million) was slightly negative, largely due to the depreciation of the British pound.

The **operating margin of AVTOVAZ** amounted to €3 million, or 0.2% of revenues. As a reminder, this latter was not consolidated in Groupe Renault's 2016 accounts.

Sales Financing contributed €525 million to the Group operating margin, compared with €420 million in the first half of 2016. This increase is due to the strong growth in gross financial margin, in connection with loans outstanding performance. The cost of risk has stabilized at a record level of 0.29% of the average performing assets (0.30% in the first half of 2016).

IN BRIEF

Other operating income and expenses improved this half-year (-€31 million compared with -€65 million in the first half of 2016), notably due to the gains from real estate disposals.

The Group's **operating income** came to €1,789 million compared with €1,476 million in the first half of 2016 (+21.2%). This improvement is due to the increase in the operating margin and the reduction in other operating expenses.

Net financial income and expenses amounted to -€211 million, compared with -€67 million in the first half of 2016. This deterioration is due to the first consolidation of the net financial income and expenses of AVTOVAZ amounting to -€64 million, as well as the negative impact of other financial items (value adjustment on the redeemable shares and foreign exchange gains).

OUTLOOK 2017

In 2017, the global market should see growth of around 1.5% to 2.5%. The European market is still expected to grow 2% over the period. The French market is expected to expand by 2%.

Outside Europe, the Russian market could grow by more than 5% (versus up to 5% previously) and the Brazilian market by 5% (versus stable previously). The growth momentum is expected to continue in China (+5%) and India (+8%).

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 2017, 54.5% of their impact was in Europe and 45.5% outside Europe. All economic fluctuations in these regions are liable to influence the Group's financial performance.

No other risks than those described in Chapter 1.5 of the 2016 Registration Document filed on April 5, 2017, are anticipated in the remaining six months of the year.

The **contribution of associated companies**, mainly Nissan, came to €1,317 million, compared with €678 million in the first half of 2016. Nissan's contribution in the first quarter included a one-off gain related to the sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes represent an expense of €479 million, a decrease of €41 million compared with 2016.

Net income came to €2,416 million (+54.2%), and net income, Group share totaled €2,379 million (€8.77 per share compared with €5.51 per share in the first half of 2016).

Automotive operational free cash flow (including AVTOVAZ) was positive at €358 million, after taking into account the positive impact of the change in the working capital requirement for €191 million.

Within this context, and including AVTOVAZ, Groupe Renault is confirming its full-year 2017 guidance:

- increase group revenues, beyond the impact of AVTOVAZ (at constant exchange rates)*,
- increase group operating profit in euros*,
- generate a positive automotive operational free cash flow.

** Compared with 2016 Groupe Renault published results.*

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.

OVERVIEW

- **Groupe Renault** sets a sales record in the first half of 2017 with 1.88 million vehicles sold, up 10.4% versus last year in a market up 2.6%.
- **All group brands** posted increases in sales volumes and market share. The **Renault** and **Dacia** brands set half-year sales records. **Renault** ranks as the second most sold brand in Europe.
- **All Regions** increased their sales volumes and market share. In particular, the **Group** recorded a 19.3% rise in sales in the **Africa Middle-East India Region** and a 50.5% increase in the **Asia-Pacific Region**.
- **Groupe Renault** confirms its growth ambitions in 2017, driven by its renewed range, new product launches and the development of its international business activities.
- In the first half of 2017, the number of new financing contracts by **RCI Banque** was up 14.6% compared to the first half of 2016.

THE GROUPE RENAULT'S TOP FIFTEEN MARKETS

REGISTRATIONS		Volumes H1 2017* (in units)	PC / LCV market share H1 2017 (%)	Change in market share on H1 2016 (points)
1	France	368,002	27.0	-0.5
2	Russia	201,065	28.0	+1.7
3	Italy	122,339	10.0	+0.3
4	Germany	115,977	6.0	+0.7
5	Spain	89,473	11.6	-0.6
6	Turkey	75,130	18.7	+0.7
7	Brazil	73,416	7.4	+0.1
8	Iran	68,365	9.8	+4.0
9	United kingdom	66,974	4.2	-0.2
10	Argentina	57,711	13.3	+1.1
11	India	57,201	3.3	-0.5
12	South Korea	52,882	6.0	+0.9
13	Belgium+Luxembourg	50,313	12.6	-0.9
14	China	35,647	0.3	+0.2
15	Morocco	35,365	41.9	+4.7

* Preliminary figures.

1.1 AUTOMOTIVE

1.1.1 WORLDWIDE GROUP REGISTRATIONS BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
GROUP	1,879,288	1,702,577	+ 10.4
EUROPE REGION	1,025,146	971,128	+ 5.6
Renault	777,001	744,682	+4.3
Dacia	245,453	224,469	+9.3
Lada	2,692	1,977	+36.2
AMERICAS REGION	181,566	158,460	+ 14.6
Renault	181,438	158,460	+14.5
Lada	128	-	+++
ASIA-PACIFIC REGION	100,452	66,729	+ 50.5
Renault	46,313	19,206	+++
Dacia	667	606	+10.1
Renault Samsung Motors	52,776	46,917	+12.5
Lada	696	-	+++
AFRICA MIDDLE-EAST INDIA REGION	249,081	208,708	+ 19.3
Renault	204,263	174,548	+17.0
Dacia	44,299	34,160	+29.7
Lada	519	-	+++
EURASIA REGION	323,043	297,552	+ 8.6
Renault	134,305	127,135	+5.6
Dacia	42,426	38,375	+10.6
Lada	146,312	132,042	+10.8

* Preliminary figures.

** H1 2016 Group registrations have been restated to include Lada registrations.

Groupe Renault registrations worldwide (including Lada) increased 10.4% in the first half of the year, in a market up 2.6%. Group market share now stands at 4.1% (up 0.3 points versus 2016).

The Group and the Renault and Dacia brands set half-year sales records. The group sold 1,879,288 vehicles, the Renault brand 1,343,320 vehicles and the Dacia brand 332,845 vehicles. Renault Samsung Motors sales rose 12.5% and those of Lada rose 12.2%.

→ Europe

In **Europe**, group registrations continued to grow faster than the market. They increased 5.6% in a market up 4.4% to a total 1,025,146 in the first half of the year. The Group took a 10.8% share of the European market, up 0.1 points.

The Renault brand alone posted growth of 4.3%, for a market share of 8.2%. Renault benefited in particular from the complete renewal of the Megane family in 2016. Clio 4 is the second best-selling vehicle in Europe, while Captur ranks as the number one crossover in its category.

Renault maintained its lead in the electric vehicle segment with a market share of 26.8%. Sales volumes increased 34%. Registrations of ZOE, Europe's top-selling electric vehicle, rose 44%.

The Dacia brand posted a first-half-year sales record in Europe with 245,453 vehicle registrations (up 9.3%) and a 2.6% share of the market. These results were driven by the performance of Sandero phase 2, launched in late 2016, and Duster.

In **France**, the Renault brand achieved its best half-year performance in passenger cars in six years. Twingo, Clio, Talisman and Espace all led their respective segments. Dacia topped its sales record with Sandero, the leader in the market of passenger car sales to retail customers. ZOE remains the clear leader in the electric vehicle market, accounting for almost 70% of electric passenger car sales in France with over 9,200 registrations – a year-on-year increase of over 42%.

→ Outside Europe

Outside Europe, all the Regions increased their sales volumes and market share. Group registrations rose 16.8% in a market that grew 3.4%.

Groupe Renault strengthened its positions with the success of its range: QM6 and SM6 in South Korea, Kaptur, Vesta and Xray in Russia, Koleos in China, Megane Sedan in Turkey and Oroch in the Americas.

• **Africa Middle-East India**

Group registrations rose 19.3% for a market share of 6.4%, up 1.1 points.

In **Iran**, sales rose 100.3% for a market share of 9.8% (up 4 points) thanks to the success of Tondar and Sandero.

In **India**, Renault continues to rank as the number-one European car brand, with a market share of 3.3%.

In **North Africa**, group sales grew 10.1% in a market down 8.3%. The Group took a 43% share of the market, up 7.2 points.

• **Eurasia**

Registrations rose 8.6% in a market that grew 2.5%. The market share of the Group, now including the Lada brand, increased 1.4 points to 24.5%, notably through strong momentum in Russia.

Returning to growth for the first time in four years, the **Russian** market grew 6.9% in the first half of the year. The Group increased its sales by 14% (including Lada).

Lada sales grew almost twice as fast as the market, increasing 12.8% for a market share of 19.5% (up 1 point), driven by the success of the new Vesta and Xray models.

The **Renault** brand claimed an 8.5% share of the market, up 0.7 points. Kaptur registrations totaled more than 14,140 units for the half-year period.

With the consolidation of Lada sales volumes, Russia now stands as the group's number-two market.

• **Asia-Pacific**

Registrations increased 50.5% in a market up 3.6%.

In **China**, Renault sold nearly 36,000 vehicles (compared with 9,771 in first-half 2016), of which 21,000 New Koleos, launched in late 2016 and produced locally.

Renault Samsung Motors posted a 12.5% increase in South Korea in a market that contracted 4.2%. The brand's market share came out at 6.9% (up 1 point) thanks to the success of the latest product launches (SM6 and QM6).

• **Americas**

Sales grew 14.6% in a market up 8.3% for a market share of 6.5%, up 0.4 points. Sandero, Logan and Duster Oroch confirmed their success.

Groupe Renault continued to take full advantage of the market recovery in **Argentina**, increasing its registrations 45.6% in a market that grew 34%. Market share increased 1.1 points to 13.3%. Renault has benefited from the local production of Sandero and Logan since the end of 2016. The market in **Brazil** grew 4.2% in the first half of the year. The group took advantage of the trend, reporting a 5.1% increase in sales and a 7.4% share of the market.

1.1.2 GROUP REGISTRATIONS BY BRAND AND BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
GROUP	1,879,288	1,702,577	+ 10.4
BY BRAND			
Renault	1,343,320	1,224,031	+9.7
Dacia	332,845	297,610	+11.8
Renault Samsung Motors	52,776	46,917	+12.5
Lada	150,347	134,019	+12.2
BY VEHICLE TYPE			
Passenger cars	1,649,456	1,484,133	+11.1
Light commercial vehicles	229,832	218,444	+5.2

* Preliminary figures.

** H1 2016 Group registrations have been restated to include Lada registrations.

Registrations of the **Renault** brand increased by 9.7% compared to the first half of 2016, thanks to the success of new models.

With 1,343,320 units registred, the Renault brand accounted for 71.5% of Group's registrations.

The **Dacia** brand's registrations went up by 11.8% to 332,845 units, driven by the performance of Sandero phase 2, launched in late 2016, and Duster.

In the first half of 2017, **Renault Samsung Motors** recorded a strong growth of 12.5%, in a slightly declining market (-3.5%), thanks to the success of SM6 and QM6.

Lada sales grew 12.2% driven by the success of the new Vesta and Xray models.

1.2 SALES FINANCING

1.2.1 NEW FINANCING AND SERVICES

Taking advantage of strong growth in the global automotive market, RCI Banque continued to see its sales performance increase in the first half of 2017, with financing and services at record levels. RCI Banque has thus established itself as an effective strategic partner of the Alliance brands.

With nearly 883,000 contracts financed at the end of June 2017 – an increase of 14.6% compared with the first half of 2016 – RCI Banque generated €10.4 billion in new financing. This performance is mainly driven by the growth of the European automotive market, but also by the economic recovery in emerging markets (Brazil, Argentina, Russia). The consolidation of the Colombian subsidiary RCI Colombia SA since February 2017 has also had a positive impact.

The Group's vehicle financing penetration rate stood at 38.2%, up 1.7 points on the first half of 2016. Excluding Turkey, Russia and India (companies consolidated by the equity method), this rate is 40.7%, versus 39.3% at the end of June 2016.

The solid performance is accompanied by an upswing in the used vehicle financing business, with more than 158,000 contracts financed in the first half of 2017, up 16.7% on the previous year.

In this context, average productive assets now total €38.6 billion, 20.9% higher than in 2016. Of this, €28.8 billion is directly linked to the Customers business, up 19.8%.

RCI BANQUE FINANCING PERFORMANCE

	H1 2017	H1 2016	Change (%)
Number of financing contracts (thousands)	883	770	+14.6
- including UV contracts (thousands)	158	135	+16.7
New financing (€ billion)	10.4	8.9	+16.7
Average productive assets (€ billion)	38.6	31.9	+20.9

Capitalizing on the momentum in the automotive market and strong growth in new and used vehicle financing, the Services business is continuing to grow, with volumes up 26.5% from

the first half of 2016. The volume of services sold at the end of June 2017 thus stood at 2.1 million insurance and service contracts, 65% of which are services associated with vehicle use.

RCI BANQUE SERVICES PERFORMANCE

	H1 2017	H1 2016	Change
Number of services contracts (thousands)	2,096	1,657	+26.5%
PENETRATION RATE ON SERVICES	110.8%	95.4%	+15.4 pts

1.2.2 RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

PENETRATION RATE BY BRAND

	H1 2017 (%)	H1 2016 (%)	Change (points)
Renault	38.5	35.7	+2.8
Dacia	41.2	40.3	+0.9
Renault Samsung Motors	59.0	52.1	+6.9
Nissan	34.1	34.9	-0.8
Infiniti	27.0	25.0	+2.0
Datsun	24.0	21.4	+2.6
RCI BANQUE	38.2	36.5	+1.7

PENETRATION RATE BY REGION

	H1 2017 (%)	H1 2016 (%)	Change (points)
Europe	40.8	39.5	+1.3
Americas	38.5	37.8	+0.7
Asia-Pacific	58.6	51.1	+7.5
Africa Middle-East India	20.1	17.0	+3.1
Eurasia	27.2	24.4	+2.8
RCI BANQUE	38.2	36.5	+1.7

RCI Banque recorded increases in its penetration rates in all markets in the first half of 2017.

The **Europe Region** saw a 9.5% increase in the number of new vehicle financing contracts compared with the end of June 2016, with a penetration rate of 40.8%, up 1.3 points from the previous year.

With an upturn in the automotive market in Brazil, the **Americas Region** recorded strong sales in the first half of 2017: the penetration rate stood at 38.5% for the Region, up 0.7 points from 2016. This growth is due to RCI Banque's solid performance both in Argentina and Colombia, whose subsidiary RCI Colombia SA entered the Group's scope of consolidation in February 2017.

The **Asia-Pacific Region** posted the highest increase in penetration rate: 58.6%, or 7.5 points higher than in the first half of 2016. As such, more than one in two new vehicles sold by Renault Samsung Motors is financed by RCI Banque, which is benefiting from the manufacturer's solid sales performance despite a flagging market.

Boosted by RCI Banque's strong performance on the Datsun brand in India, the penetration rate in the **Africa Middle-East India Region** broke through the 20% mark at the end of June 2017 to reach 20.1%, a year-on-year increase of 3.1 points.

At the end of June 2017, the penetration rate for the **Eurasia Region** was up 2.8 points to 27.2%. Amid a recovery in vehicle sales, the penetration rate in Russia climbed 3.4 points to 28.0%. In Turkey, the penetration rate rose 2.7 points to 26.7%, in a context of a declining automotive market.

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
Kwid	51,537	48,421	+6.4
Twingo	44,316	47,303	-6.3
ZOE	17,277	12,011	+43.8
Clio	240,185	247,362	-2.9
Captur / QM3	130,181	138,861	-6.3
Pulse	277	905	-69.4
Logan	158,628	146,916	+8.0
Sandero	253,798	188,206	+34.9
Lada Granta	44,337	45,269	-2.1
Lada Vesta	35,622	23,313	+52.8
Lada Xray	15,837	8,079	+96.0
Lada Largus	19,095	17,836	+7.1
Lada 4x4	17,669	17,474	+1.1
Mégane / Scénic	173,001	126,351	+36.9
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	7,868	40,022	-80.3
Kadjar	83,042	81,576	+1.8
Duster	154,982	164,900	-6.0
Kaptur / Captur Americas	25,926	554	+++
Lodgy	22,661	20,934	+8.2
Latitude / SM5	2,286	4,810	-52.5
Talisman / SM6	51,730	41,426	+24.9
Koleos / QM5 / QM6	45,528	5,300	+++
Espace	11,767	17,078	-31.1
SM7	3,250	3,480	-6.6
Kangoo (incl. Z.E.)	79,880	72,760	+9.8
Dokker	44,804	39,527	+13.4
Trafic	55,578	52,067	+6.7
Master	48,106	49,082	-2.0
Oroch	14,985	11,006	+36.2
Alaskan	296	-	-
Others (excl. Lada)	7,052	7,700	-8.4
Others Lada	17,787	22,048	-19.3
TOTAL WORLDWIDE GROUP PC + LCV REGISTRATIONS***	1,879,288	1,702,577	+10.4
Twizy***	731	1,029	-29.0

* Preliminary figures.

** H1 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Mexico, Colombia, Bermuda, South Korea and Ireland.

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
EUROPEAN REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
Twingo	42,296	47,004	-10.0
ZOE	17,135	11,940	+43.5
Clio	202,796	193,186	+5.0
Captur	113,180	118,939	-4.8
Logan	22,383	21,093	+6.1
Sandero	105,309	91,958	+14.5
Mégane / Scénic	149,068	120,327	+23.9
Fluence (incl. Z.E.)	180	2,760	-93.5
Kadjar	63,736	70,905	-10.1
Duster	74,061	75,054	-1.3
Lodgy	14,901	11,845	+25.8
Talisman	19,642	13,228	+48.5
Koleos	3,126	111	+++
Espace	11,759	17,055	-31.1
Kangoo (incl. Z.E.)	56,430	53,446	+5.6
Dokker	28,797	24,460	+17.7
Trafic	52,518	48,708	+7.8
Master	38,396	39,639	-3.1
Others (incl. Lada)	9,433	9,470	-0.4
TOTAL EUROPEAN GROUP PC + LCV REGISTRATIONS***	1,025,146	971,128	+ 5.6
Twizy***	694	993	-30.1

* Preliminary figures.

** H1 2016 Group registrations have been restated to include Lada registrations.

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

1

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
Kwid	51,537	48,421	+6.4
Twingo	2,020	299	+++
ZOE	142	71	+100.0
Clio	37,389	54,176	-31.0
Captur / QM3	17,001	19,922	-14.7
Pulse	277	905	-69.4
Logan	136,245	125,823	+8.3
Sandero	148,489	96,248	+54.3
Lada Granta	43,979	44,954	-2.2
Lada Vesta	35,227	23,313	+51.1
Lada Xray	15,837	8,079	+96.0
Lada Largus	19,095	17,836	+7.1
Lada 4x4	16,545	16,473	+0.4
Mégane / Scénic	23,933	6,024	+++
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	7,688	37,262	-79.4
Kadjar	19,306	10,671	+80.9
Duster	80,921	89,846	-9.9
Kaptur / Captur Americas	25,926	554	+++
Lodgy	7,760	9,089	-14.6
Latitude / SM5	2,286	4,810	-52.5
Talisman / SM6	32,088	28,198	+13.8
Koleos / QM5 / QM6	42,402	5,189	+++
SM7	3,250	4,810	-6.6
Kangoo (incl. Z.E.)	23,450	19,314	+21.4
Dokker	16,007	15,067	+6.2
Trafic	3,060	3,359	-8.9
Master	9,710	9,443	+2.8
Oroch	14,985	11,006	+36.2
Alaskan	296	-	-
Others (excl. Lada)	319	230	+38.7
Others Lada	16,972	21,387	-20.6
TOTAL INTERNATIONAL GROUP PC + LCV REGISTRATIONS***	854,142	731,449	+ 16.8
Twizy***	37	36	+2.8

* Preliminary figures.

** H1 2016 Group registrations have been restated to include Lada registrations.

*** Twizy is a quadricycle and therefore not included in Group automotive registrations except in Mexico, Colombia, Bermuda, South Korea.

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
WORLDWIDE PRODUCTION BY MODEL*

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017**	Reported H1 2016***	Change (%)
Twizy	1,238	1,680	-26.3
Kwid	221	-	-
Twingo	43,930	44,626	-1.6
Clio	221,993	245,615	-9.6
ZOE	17,738	13,735	+29.1
Captur / QM3	137,442	128,908	+6.6
Logan	116,838	113,287	+3.1
Sandero	234,907	167,378	+40.3
Lodgy	22,105	19,683	+12.3
Mégane / Scénic	146,223	152,032	-3.8
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	29,246	42,442	-31.1
Duster	158,770	163,174	-2.7
Kaptur / Captur Americas	31,898	-	-
Kadjar	67,914	76,464	-11.2
Lada Granta	45,859	N/A	N/A
Lada Vesta	37,261	N/A	N/A
Lada Xray	14,805	N/A	N/A
Lada Largus	21,036	N/A	N/A
Lada 4x4	19,492	N/A	N/A
Latitude / SM5	2,639	2,852	-7.5
Talisman / SM6	47,716	53,019	-10.0
Koleos / QM5 / QM6	35,981	3,420	+++
Espace	10,028	15,751	-36.3
SM7	3,574	3,472	+2.9
Kangoo (incl. Z.E.)	98,425	87,244	+12.8
Dokker	45,972	41,599	+10.5
Trafic	75,861	56,289	+34.8
Master	74,236	81,977	-9.4
Oroch	16,870	14,520	+16.2
Others	168,663	122,467	+37.7
GROUP GLOBAL PRODUCTION	1,948,881	1,651,634	+ 18.0
o/w produced for partners:			
GM	11,209	16,371	-31.5
Nissan	132,775	84,962	+56.3
Daimler	41,246	40,822	+1.0
Fiat	9,275	3,477	+++
Renault Trucks	6,500	6,390	+1.7
PRODUCED BY PARTNERS FOR RENAULT	H1 2017**	Reported H1 2016***	Change (%)
Kwid (Chennai - Nissan)	59,424	50,010	+18.8
Duster (Chennai - Nissan)	8,533	11,195	-23.8
Kadjar (Wuhan - DRAC)	13,387	10,630	+25.9
Koléos (Wuhan - DRAC)	25,909	-	-
Logan (Iran, AVTOVAZ in 2016)	43,182	43,694	-1.2
Sandero (Iran, AVTOVAZ in 2016)	24,025	25,577	-6.1
Others (Nissan, DRAC, Pars Khodro, Iran Khodro, AVTOVAZ in 2016)	1,971	2,138	-7.8

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

** Preliminary figures.

*** In H1 2016: Group production does not include Lada models and the production of Renault's vehicles by AVTOVAZ is mentioned in the production by partners for Renault.
In 2017, AVTOVAZ production is included in the Groupe Renault's production.

1

SALES PERFORMANCE

1.3 REGISTRATIONS AND PRODUCTION STATISTICS

GEOGRAPHICAL ORGANIZATION OF THE GROUPE RENAULT BY REGION – COUNTRIES IN EACH REGION

At June 30, 2017

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

Group Top 15 markets in bold.

SUMMARY

(€ million)	H1 2017 ⁽¹⁾	Reported H1 2016	Change
Group revenues	29,537	25,185	+ 17.3%
Operating profit	1,820	1,541	+ 279
Operating income	1,789	1,476	+ 313
Net financial income & expenses	- 211	- 67	- 144
Contribution from associated companies	1,317	678	+ 639
o/w Nissan	1,288	749	+ 539
Net income	2,416	1,567	+ 849
Automotive operational free cash flow excl. AVTOVAZ	+ 325	+ 381	- 56
Automotive operational free cash flow incl. AVTOVAZ	+ 358	N/A	N/A
Automotive incl. AVTOVAZ Net cash position	+ 2,433	+ 2,720	- 287
		At Dec. 31, 2016	
Shareholders' equity	31,726	31,027 ⁽²⁾	+ 699
		At Dec. 31, 2016	

(1) AVTOVAZ is consolidated by full integration since January 1st, 2017.

(2) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B of the condensed consolidated financial statements) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

2.1 COMMENTS ON THE FINANCIAL RESULTS

2.1.1 CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

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

The **Automotive excluding AVTOVAZ contribution** to revenues amounted to €26,995 million, up 12.1% compared to the first-half of 2016. Excluding a 0.8 points positive exchange rate effect, the Automotive excluding AVTOVAZ revenues grew by 11.3%. This increase is mainly due to:

- a volume effect of 4.4 points linked to the success of new models, the ongoing European momentum and the dynamism of international sales;

- the growth in sales to partners had a favorable impact of 2.5 points thanks to the strong momentum in our CKD activity in Iran and China and in the sales of vehicles assembled in Europe notably with the start of Nissan Micra production;
- a positive price effect of 2.3 points, mainly due to the price increases related to the renewal of the range.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

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

The **Automotive operating margin excluding AVTOVAZ** rose by €171 million to €1,292 million (4.8% of revenues), owing mainly to:

- business growth of €346 million ;
- a good performance of Monozukuri (+€204 million) driven by purchasing savings ;

These positive effects offset:

- a negative product mix/price/enrichment effect of €180 million, that, unlike 2016, no longer benefits from price increases in emerging countries to compensate for currency devaluations.
- an increase in raw materials prices, with a negative impact of €132 million ;
- a negative foreign exchange effect of €99 million mainly due to the depreciation of the British pound ;
- an increase in G&A for €44 million.

The **operating margin of AVTOVAZ** amounted to €3 million, or 0.2% of revenues. As a reminder, this latter was not consolidated in Groupe Renault's 2016 accounts.

At the end of June 2017, **Sales Financing** contributed €525 million to the Group's operating margin, compared with €420 million in the first half of 2016.

This growth of 25% is mainly due to the increase in RCI Banque's gross financial margin, which stems from its excellent sales performance in respect of finance outstanding. Note also the growing contribution of the margin on services, now at almost €244 million, or nearly 30% of net banking income.

Representing 0.29% of average productive assets compared with 0.30% at the end of 2016, the cost of risk (including country risk) remains firmly under control, a testament to RCI Banque's ability to keep up the momentum for profitable growth via a robust underwriting and debt collection policy.

Other operating income and expenses recorded a net expense of €31 million, compared with a net expense of €65 million in the first half of 2016. This amount includes notably €65 million of restructuring costs in France and abroad and €64 million of capital gain on disposals of fixed assets.

After taking into account other operating income and expenses, the Group reported **operating income** of €1,789 million, compared with €1,476 million in the first half of 2016.

A **net financial expense** of €211 million was recorded, compared with a net expense of €67 million in the first half of 2016. This deterioration is due to the first consolidation of the net financial income and expenses of AVTOVAZ amounting to -€64 million, as well as the negative impact of other financial items (value adjustment on the redeemable shares and foreign exchange gains).

Renault's share in **associated companies** recorded a contribution of €1,317 million, primarily including €1,288 million from Nissan (compared with €749 million for Nissan in the first half of 2016).

Nissan's contribution in the first quarter included a one-off gain related to the sale of its interest in the equipment manufacturer Calsonic Kansei.

Current and deferred taxes showed a charge of €479 million, down €41 million compared with the first half of 2016, of which €461 million for current taxes and an expense of €18 million in deferred taxes, specifically with respect to tax consolidation in France.

Net income totaled €2,416 million, compared with €1,567 million in the first half of 2016. Net income, Group share was €2,379 million (compared with €1,501 million in the first half of 2016).

2.1.2 AUTOMOTIVE OPERATIONAL FREE CASH FLOW

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ millions)	H1 2017	Reported H1 2016	Change
Cash flow after interest and tax (excluding dividends received from publicly listed companies)	+2,089	+2,179	-90
Change in the working capital requirement	+100	-129	+229
Tangible and intangible investments net of disposals	-1,537	-1,391	-146
Leased vehicles and batteries	-327	-278	-49
OPERATIONAL FREE CASH FLOW excl. AVTOVAZ	+325	+381	-56
OPERATIONAL FREE CASH FLOW AVTOVAZ	+33	N/A	N/A
OPERATIONAL FREE CASH FLOW incl. AVTOVAZ	+358	N/A	N/A

In the first half of 2017, the **Automotive including AVTOVAZ segment** reported positive **operational free cash flow** of €358 million, resulting from the following elements of Automotive excluding AVTOVAZ segment:

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of €2,089 million (-€90 million mostly due to the increase in paid taxes in this half compared to last year),
- a positive change in the working capital requirement of €100 million,

- property, plant and equipment and intangible investments net of disposals of €1,537 million, an increase of 10.5% compared with the first half of 2016,

and AVTOVAZ operational free cash flow for €33 million at June 30, 2017.

Net capital expenditure and R&D expenses excluding AVTOVAZ remained at 7.5% of Group revenues excluding AVTOVAZ, a decrease of 0.4 points compared to the first half of 2016. This percentage is in line with the Group Plan's objective to maintain these net capital expenditure and R&D expenses excluding AVTOVAZ under 9% of revenues.

RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ millions)	H1 2017	Reported H1 2016	Change
R&D expenses	-1,456	-1,238	-218
Capitalized development expenses	+584	+460	+124
% of R&D expenses	40.1%	37.2%	+2.9 pts
Amortization	-444	-391	-53
Gross R&D expenses recorded in the income statement excl. AVTOVAZ	-1,316	-1,169	-147
Gross R&D expenses recorded in the income statement AVTOVAZ	-11	N/A	-11
Gross R&D expenses recorded in the income statement incl. AVTOVAZ	-1,327	-1,169	-158

The capitalization rate excluding AVTOVAZ increased from 37.2% in the first half of 2016 to 40.1% this semester in connection with the progress of projects.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ millions)	H1 2017	Reported H1 2016
Tangible investments (excluding leased vehicles and batteries)	1,013	901
Intangible investments o/w capitalized R&D	633 584	512 460
Total acquisitions	1,646	1,413
Disposal gains	-109	-22
Total Automotive division excl. AVTOVAZ	1,537	1,391
Total AVTOVAZ	43	N/A
Total Sales Financing	3	5
Total Group	1,583	1,396

Total gross investment for the first half of 2017 increased compared to 2016, and is split between Europe (61%) and the rest of the world (39%).

- In Europe, the investments primarily concern the renewal of the AB range (new Captur and Clio family). A significant effort is also being pursued to improve the competitiveness and flexibility of European plants.

- Outside Europe, capital expenditure was primarily linked to the Global Access range (replacement of Duster in Romania, Kwid in the Americas, etc.) and the renewal of the powertrain range in Brazil. Major investments were also made to modernize the Cordoba plant, following the decision to establish a production line there that is dedicated to pick ups for Renault, Daimler and Nissan.

NET CAPEX AND R&D EXPENSES

(€ millions)	H1 2017	Reported H1 2016
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	1,540	1,396
Capitalized development expenses	-584	-460
Capex invoice to third parties and others	-118	-94
Net industrial and commercial investments excl. AVTOVAZ (1)	838	842
% of Group revenues excl. AVTOVAZ	3.0%	3.3%
R&D expenses excl. AVTOVAZ	1,456	1,238
o/w billed to third parties	-175	-92
Net R&D expenses excl. AVTOVAZ (2)	1,281	1,146
% of Group revenues excl. AVTOVAZ	4.3%	4.6%
Net CAPEX and R&D expenses excl. AVTOVAZ (1) + (2)	2,119	1,988
% of Group revenues excl. AVTOVAZ	7.5%	7.9%
Net CAPEX and R&D expenses incl. AVTOVAZ	2,165	N/A
% of Group revenues incl. AVTOVAZ	7.3%	N/A

2.1.3 AUTOMOTIVE NET CASH POSITION AT JUNE 30, 2017

CHANGE IN AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ (€ million)

Net cash position incl. AVTOVAZ at December 31, 2016	+2,720
Operational free cash flow incl. AVTOVAZ for H1 2017	+358
Dividends received	+391
Dividends paid to Renault's shareholders	-990
Financial investments and others incl. AVTOVAZ	-46
Net cash position incl. AVTOVAZ at June 30, 2017	+2,433

The €287 million decrease in the **net cash position of the Automotive segment** compared with December 31, 2016 is mainly 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 June.

AUTOMOTIVE NET CASH POSITION INCLUDING AVTOVAZ

(€ million)	June. 30, 2017	Dec. 31, 2016
Non-current financial liabilities	-5,338	-4,625
Current financial liabilities	-4,563	-6,049
Non-current financial assets - other securities, loans and derivatives on financial operations	98	109
Current financial assets	1,136	1,188
Cash and cash equivalents	11,100	12,097
Net cash position incl. AVTOVAZ	+ 2,433	+2,720

In the first half of 2017, **Renault** issued on its EMTN program a €750 million Eurobond for a 6 years tenor and a 7 billion yen private bond for a 3 years tenor.

The Automotive segment's liquidity reserves stood at €14.5 billion at June 30, 2017. These reserves consisted of:

- €11.1 billion in cash and cash equivalents;
- €3.4 billion in undrawn confirmed credit lines.

At June 30, 2017, **RCI Banque** had available liquidity of €9.1 billion, consisting of:

- €4.1 billion in undrawn confirmed credit lines;
- €2.8 billion in central-bank eligible collateral;
- €1.8 billion in high quality liquid assets (HQLA);
- €0.4 billion in available cash.

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2.1 Consolidated income statement	18
2.2.2 Consolidated comprehensive income	19
2.2.3 Consolidated financial position	20
2.2.4 Changes in consolidated shareholder's equity	21
2.2.5 Consolidated cash flows	23
2.2.6 Notes to the consolidated financial statements	24
2.2.6.1 Information on operating segments	24
<i>A. Consolidated income statement by operating segment</i>	25
<i>B. Consolidated financial position by operating segment</i>	26
<i>C. Consolidated cash flows by operating segment</i>	28
<i>D. Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow</i>	31
2.2.6.2 Accounting policies and scope of consolidation	32
<i>Note 1 – Approval of the financial statements</i>	32
<i>Note 2 – Accounting policies</i>	32
<i>Note 3 – Changes in the scope of consolidation</i>	33
2.2.6.3 Consolidated income statement	35
<i>Note 4 – Revenues</i>	35
<i>Note 5 – Research and Development expenses</i>	36
<i>Note 6 – Other operating income and expenses</i>	36
<i>Note 7 – Financial income (expenses)</i>	37
<i>Note 8 – Current and deferred taxes</i>	37
<i>Note 9 – Basic and diluted earnings per share</i>	39
2.2.6.4 Consolidated financial position	39
<i>Note 10 – Intangible assets and property, plant and equipment</i>	39
<i>Note 11 – Investment in Nissan</i>	40
<i>Note 12 – Investments in other associates and joint ventures</i>	42
<i>Note 13 – Inventories</i>	42
<i>Note 14 – Financial assets – cash and cash equivalents</i>	43
<i>Note 15 – Shareholder's equity</i>	43
<i>Note 16 – Provisions</i>	44
<i>Note 17 – Financial liabilities and sales financing debts</i>	45
2.2.6.5 Cash flows and other information	48
<i>Note 18 – Cash flows</i>	48
<i>Note 19 – Related parties</i>	49
<i>Note 20 – Off-balance sheet commitments and contingent assets and liabilities</i>	49
<i>Note 21 – Subsequent events</i>	50

2.2.1 CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Revenues	4	29,537	25,185	51,243
Cost of goods and services sold		(23,460)	(19,862)	(40,256)
Research and development expenses	5	(1,327)	(1,169)	(2,370)
Selling, general and administrative expenses		(2,930)	(2,613)	(5,335)
Operating margin		1,820	1,541	3,282
Other operating income and expenses	6	(31)	(65)	1
<i>Other operating income</i>		97	34	727
<i>Other operating expenses</i>		(128)	(99)	(726)
Operating income		1,789	1,476	3,283
Cost of net financial indebtedness		(208)	(139)	(284)
<i>Cost of gross financial indebtedness</i>		(251)	(188)	(385)
<i>Income on cash and financial assets</i>		43	49	101
Other financial income and expenses		(3)	72	(39)
Financial income (expenses)	7	(211)	(67)	(323)
Share in net income (loss) of associates and joint ventures		1,317	678	1,638
<i>Nissan</i>	11	1,288	749	1,741
<i>Other associates and joint ventures</i>	12	29	(71)	(103)
Pre-tax income		2,895	2,087	4,598
Current and deferred taxes	8	(479)	(520)	(1,055)
Net income		2,416	1,567	3,543
Net income - non-controlling interests' share		37	66	124
Net income – parent company shareholders' share		2,379	1,501	3,419
Basic earnings per share ⁽²⁾ (in €)		8.77	5.51	12.57
Diluted earnings per share ⁽²⁾ (in €)		8.70	5.47	12.46
Number of shares outstanding (in thousands)	9			
<i>for basic earnings per share</i>		271,217	272,477	271,968
<i>for diluted earnings per share</i>		273,314	274,559	274,331

(1) The results of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A).

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

2.2.2 CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	H1 2017 ⁽¹⁾			H1 2016			Year 2016		
	Gross	Tax effect ⁽²⁾	Net	Gross	Tax effect ⁽²⁾	Net	Gross	Tax effect ⁽²⁾	Net
NET INCOME	2,895	(479)	2,416	2,087	(520)	1,567	4,598	(1,055)	3,543
OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES									
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>	40	(16)	24	(188)	203	15	(176)	159	(17)
Actuarial gains and losses on defined-benefit pension plans	40	(16)	24	(188)	203	15	(176)	159	(17)
<i>Items that have been or will be reclassified to profit or loss in subsequent periods</i>	(270)	12	(258)	(627)	267	(360)	(213)	240	27
Translation adjustments on foreign activities	(184)	-	(184)	2	-	2	38	-	38
Partial hedge of the investment in Nissan	39	5	44	(174)	225	51	(70)	204	134
Fair value adjustments on cash flow hedging instruments	(8)	3	(5)	(64)	58	(6)	(68)	59	(9)
Fair value adjustments on available-for-sale financial assets	(117)	4	(113)	(391)	(16)	(407)	(113)	(23)	(136)
Total other components of comprehensive income from parent company and subsidiaries (A)	(230)	(4)	(234)	(815)	470	(345)	(389)	399	10
SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME									
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>	71	-	71	(201)	-	(201)	(225)	-	(225)
Actuarial gains and losses on defined-benefit pension plans	71	-	71	(201)	-	(201)	(225)	-	(225)
<i>Items that have been or will be reclassified to profit or loss in subsequent periods</i>	(560)	-	(560)	1,085	-	1,085	230	-	230
Translation adjustments on foreign activities	(523)	-	(523)	1,260	-	1,260	229	-	229
Other	(37)	-	(37)	(175)	-	(175)	1	-	1
Total share of associates and joint ventures in other components of comprehensive income (B)	(489)	-	(489)	884	-	884	5	-	5
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	(719)	(4)	(723)	69	470	539	(384)	399	15
Comprehensive income	2,176	(483)	1,693	2,156	(50)	2,106	4,214	(656)	3,558
Parent company shareholders' share	-	-	1,655	-	-	2,048	-	-	3,435
Non-controlling interests' share	-	-	38	-	-	58	-	-	123

(1) The results of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.A).

(2) In first-half 2017, the tax effect includes a €(36) million expense (income of €313 million in first-half 2016 and €44 million for the year 2016) resulting from recognition of net deferred tax assets of the French tax consolidation, comprising a €(24) million expense relating to net income and a €(12) million expense relating to other components of comprehensive income (a €(136) million expense and €449 million income respectively for first-half 2016 and a €(301) million expense and €345 million income respectively for the year 2016) (note 8-B).

2.2.3 CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	June 30, 2017	Dec. 31, 2016 ⁽¹⁾
NON-CURRENT ASSETS			
Intangible assets and goodwill	10-A	4,873	4,798
Property, plant and equipment	10-B	12,814	12,988
Investments in associates and joint ventures		19,557	19,026
<i>Nissan</i>	11	18,841	18,304
<i>Other associates and joint ventures</i>	12	716	722
Non-current financial assets	14	1,262	1,379
Deferred tax assets		1,131	1,204
Other non-current assets		1,314	1,366
Total non-current assets		40,951	40,761
CURRENT ASSETS			
Inventories	13	6,892	5,821
Sales financing receivables		36,980	34,358
Automotive receivables		2,017	1,914
Current financial assets	14	2,019	1,908
Current tax assets		65	44
Other current assets		3,951	3,612
Cash and cash equivalents	14	13,556	13,853
Total current assets		65,480	61,510
Total Assets		106,431	102,271
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Notes	June 30, 2017	Dec. 31, 2016 ⁽¹⁾
SHAREHOLDERS' EQUITY			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(375)	(321)
Revaluation of financial instruments		602	758
Translation adjustment		(2,334)	(1,668)
Reserves		26,280	23,643
Net income – parent company shareholders' share		2,379	3,419
Shareholders' equity – parent company shareholders' share		31,464	30,743
Shareholders' equity – non-controlling interests' share		262	284
Total shareholders' equity	15	31,726	31,027
NON-CURRENT LIABILITIES			
Deferred tax liabilities		112	153
Provisions for pension and other long-term employee benefit obligations – long-term	16-A	1,649	1,717
Other provisions – long-term	16-B	1,511	1,457
Non-current financial liabilities	17	5,350	4,639
Other non-current liabilities		1,503	1,518
Total non-current liabilities		10,125	9,484
CURRENT LIABILITIES			
Provisions for pension and other long-term employee benefit obligations – short-term	16-A	52	54
Other provisions – short-term	16-B	1,036	1,112
Current financial liabilities	17	3,642	5,248
Sales financing debts	17	40,002	36,041
Trade payables		9,949	9,533
Current tax liabilities		296	321
Other current liabilities		9,603	9,451
Total current liabilities		64,580	61,760
Total shareholders' equity and liabilities		106,431	102,271

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

2.2.4 CHANGES IN CONSOLIDATED SHAREHOLDER'S EQUITY

(€ million)	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 shareholders' equity
Balance at Dec. 31, 2016 ⁽¹⁾	295,722	1,127	3,785	(321)	758	(1,668)	23,643	3,419	30,743	284	31,027
1 st half-year 2017 net income								2,379	2,379	37	2,416
Other components of comprehensive income ⁽²⁾					(156)	(663)	95		(724)	1	(723)
1st half-year 2017 comprehensive income					(156)	(663)	95	2,379	1,655	38	1,693
Allocation of 2016 net income							3,419	(3,419)			
Dividends							(854)		(854)	(112)	(966)
(Acquisitions) / disposals of treasury shares and impact of capital increases				(54)					(54)		(54)
Changes in ownership interests ⁽³⁾							(2)		(2)	52	50
Cost of share-based payments and other						(3)	(21)		(24)		(24)
Balance at June 30, 2017	295,722	1,127	3,785	(375)	602	(2,334)	26,280	2,379	31,464	262	31,726

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

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

(3) 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 CONSOLIDATED FINANCIAL STATEMENTS

	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)											
Balance at Dec. 31, 2015	295,722	1,127	3,785	(227)	890	(2,059)	21,653	2,823	27,992	482	28,474
1 st half-year 2016 net income								1,501	1,501	66	1,567
Other components of comprehensive income ⁽¹⁾					(578)	1,311	(186)		547	(8)	539
1st half-year 2016 comprehensive income					(578)	1,311	(186)	1,501	2,048	58	2,106
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 ⁽²⁾							12		12	4	16
Cost of share-based payments							30		30		30
Balance at June 30, 2016	295,722	1,127	3,785	(330)	312	(748)	23,677	1,501	29,324	465	29,789
2 nd half-year 2016 net income								1,918	1,918	58	1,976
Other components of comprehensive income ⁽¹⁾					446	(920)	(57)		(531)	7	(524)
2nd half-year 2016 comprehensive income					446	(920)	(57)	1,918	1,387	65	1,452
Dividends										(30)	(30)
(Acquisitions) / disposals of treasury shares and impact of capital increases				9					9		9
Changes in ownership interests ^{(2) (3)}							(3)		(3)	(216)	(219)
Cost of share-based payments							26		26		26
Balance at Dec. 31, 2016 ⁽³⁾	295,722	1,127	3,785	(321)	758	(1,668)	23,643	3,419	30,743	284	31,027

(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.

(3) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

2.2.5 CONSOLIDATED CASH FLOWS

(€ million)	Notes	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Net income		2,416	1,567	3,543
Cancellation of dividends received from unconsolidated listed companies		(45)	(44)	(44)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment		1,598	1,443	2,840
Share in net (income) loss of associates and joint ventures		(1,317)	(678)	(1,638)
Other income and expenses with no impact on cash before interest and tax	18	664	632	1,405
Dividends received from unlisted associates and joint ventures		-	-	1
Cash flows before interest and tax ⁽²⁾		3,316	2,920	6,107
Dividends received from listed companies ⁽³⁾		391	390	772
Net change in financing for final customers		(2,812)	(2,385)	(3,934)
Net change in renewable dealer financing		(110)	(826)	(1,981)
Decrease (increase) in sales financing receivables		(2,922)	(3,211)	(5,915)
Bond issuance by the Sales Financing segment		5,345	2,575	5,353
Bond redemption by the Sales Financing segment		(2,472)	(2,367)	(3,673)
Net change in other sales financing debts		1,465	2,709	4,030
Net change in other securities and loans of the Sales Financing segment		(313)	(157)	(412)
Net change in financial assets and debts of the Sales Financing segment		4,025	2,760	5,298
Change in capitalized leased assets		(395)	(369)	(705)
Change in working capital before tax	18	(689)	(685)	(239)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		3,726	1,805	5,318
Interest received		40	34	90
Interest paid		(224)	(142)	(416)
Current taxes (paid) / received		(477)	(261)	(603)
CASH FLOWS FROM OPERATING ACTIVITIES		3,065	1,436	4,389
Capital expenditure	18	(1,695)	(1,418)	(3,097)
Disposals of property, plant and equipment and intangible assets		112	22	44
Acquisitions of investments involving gain of control, net of cash acquired ⁽⁴⁾		(14)	(8)	(133)
Acquisitions of other investments, net of cash acquired		(15)	(7)	(48)
Disposals of other investments, net of cash transferred and other ⁽⁵⁾		-	474	1,120
Net decrease (increase) in other securities and loans of the Automotive segments		(11)	(72)	207
CASH FLOWS FROM INVESTING ACTIVITIES		(1,623)	(1,009)	(1,907)
Dividends paid to parent company shareholders	15	(916)	(701)	(701)
Transactions with non-controlling interests		4	-	-
Dividends paid to non-controlling interests		(112)	(79)	(108)
(Acquisitions) sales of treasury shares		(107)	(104)	(102)
Cash flows with shareholders		(1,131)	(884)	(911)
Bond issuance by the Automotive segments		809	175	616
Bond redemption by the Automotive segments		(1,207)	(1,438)	(1,510)
Net increase (decrease) in other financial liabilities of the Automotive segments		(107)	(236)	(1,040)
Net change in financial liabilities of the Automotive segments		(505)	(1,499)	(1,934)
CASH FLOWS FROM FINANCING ACTIVITIES		(1,636)	(2,383)	(2,845)
Increase (decrease) in cash and cash equivalents		(194)	(1,956)	(363)

(1) The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section 2.2.6.1.C).

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

(3) In first-half 2017, dividends from Daimler (€45 million) and Nissan (€346 million). In 2016, dividends from Daimler (€44 million) and Nissan (€346 million) in the first half-year and dividends from Nissan (€382 million) in the second half-year.

(4) The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.

(5) Renault SA sold Nissan shares for an amount of €473 million in first-half 2016 and €646 million in second-half 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the 2016 consolidated financial statements).

(€ million)	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Cash and cash equivalents: opening balance	13,853	14,133	14,133
Increase (decrease) in cash and cash equivalents	(194)	(1,956)	(363)
Effect of changes in exchange rate and other changes	(103)	40	83
Cash and cash equivalents: closing balance ⁽²⁾	13,556	12,217	13,853

(1) The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are reported in the information by operating segment (section 2.2.6.1.C).

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

2.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.2.6.1 INFORMATION ON OPERATING SEGMENTS

The number of Renault operating segments increased from two to three in late 2016 following the acquisition of control, as defined by IFRS 10, over the joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, which took place in late December 2016 and is described in notes 3-B and 13-A to the consolidated financial statements for 2016.

- The segment comprising the Group's automotive activities, as they existed until Renault acquired control of the AVTOVAZ Group under IFRS 10, is now called Automotive (excluding AVTOVAZ). This segment comprises the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in automotive-sector associates and joint ventures, mainly Nissan, and AVTOVAZ (until December 28, 2016).
- The Sales Financing segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures, is unchanged.
- The AVTOVAZ segment, consisting of the Russian automotive group AVTOVAZ and its parent company Alliance Rostec Auto B.V. which was formed at the end of 2016 after Renault acquired control over them, as defined by IFRS 10, in December 2016.

As the acquisition of control, as defined by IFRS 10, took place on December 28, 2016, these entities have been fully consolidated since December 31, 2016. The figures for the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment for 2017 and 2016 are therefore established as follows:

- The net income and changes in cash of Alliance Rostec Auto B.V. and the AVTOVAZ Group are fully consolidated in the AVTOVAZ segment for the first time from January 1, 2017, while the consolidated financial position of the AVTOVAZ segment has included the assets and liabilities of the AVTOVAZ Group and its parent company since December 31, 2016.
- The AVTOVAZ segment includes adjustment of certain assets and liabilities to fair value in application of IFRS 3, and its consequences for determination of net income, as explained in note 3-B. The AVTOVAZ segment figures at December 31, 2016 reported in 2017 half-year financial statements include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.
- The net income of Alliance Rostec Auto B.V. and the AVTOVAZ Group for first-half and full year 2016 are still included by the equity method in the Automotive (excluding AVTOVAZ) segment.
- The income generated by the acquisition of control as defined by IFRS 10 is included in the 2016 net income of the Automotive (excluding AVTOVAZ) segment (note 6-B).

Details of AVTOVAZ's financial items for the year ended December 31, 2016, as prepared under IFRS and published by AVTOVAZ, are provided in note 13-A3 to the 2016 consolidated financial statements.

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2

A. Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ ⁽¹⁾	Intra Automotive Transactions	Total Automotive	Sales Financing	Inter- segment transactions	Consolidated total
H1 2017							
Sales of goods	25,907	1,272	-	27,179	16	-	27,195
Sales of services	1,088	19	-	1,107	1,235	-	2,342
External sales	26,995	1,291	-	28,286	1,251	-	29,537
Intersegment sales	(236)	363	(363)	(236)	261	(25)	-
Sales by segment	26,759	1,654	(363)	28,050	1,512	(25)	29,537
Operating margin ⁽²⁾	1,222	7	(4)	1,225	525	70	1,820
Operating income	1,193	4	(4)	1,193	526	70	1,789
Financial income (expenses)	(147)	(64)	-	(211)	-	-	(211)
Share in net income (loss) of associates and joint ventures	1,306	3	-	1,309	8	-	1,317
Pre-tax income	2,352	(57)	(4)	2,291	534	70	2,895
Current and deferred taxes	(273)	(4)	-	(277)	(181)	(21)	(479)
Net income	2,079	(61)	(4)	2,014	353	49	2,416

(1) For reasons of comparability with previous periods, 2017 external sales by the Automotive (excluding AVTOVAZ) segment still include sales to the AVTOVAZ Group, which amount to €134 million for the first half of 2017 and are included in intersegment transactions of the AVTOVAZ segment.

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

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Inter- segment transactions	Consolidated total
H1 2016				
Sales of goods	23,142	15	-	23,157
Sales of services	936	1,092	-	2,028
External sales	24,078	1,107	-	25,185
Intersegment sales	(189)	222	(33)	-
Sales by segment	23,889	1,329	(33)	25,185
Operating margin ⁽²⁾	1,096	420	25	1,541
Operating income	1,031	420	25	1,476
Financial income (expenses)	(67)	-	-	(67)
Share in net income (loss) of associates and joint ventures	674	4	-	678
Pre-tax income	1,638	424	25	2,087
Current and deferred taxes	(369)	(144)	(7)	(520)
Net income	1,269	280	18	1,567
YEAR 2016				
Sales of goods	46,993	28	-	47,021
Sales of services	2,002	2,220	-	4,222
External sales	48,995	2,248	-	51,243
Intersegment sales	(430)	464	(34)	-
Sales by segment	48,565	2,712	(34)	51,243
Operating margin ⁽²⁾	2,327	896	59	3,282
Operating income	2,326	898	59	3,283
Financial income (expenses)	(323)	-	-	(323)
Share in net income (loss) of associates and joint ventures	1,631	7	-	1,638
Pre-tax income	3,634	905	59	4,598
Current and deferred taxes	(754)	(285)	(16)	(1,055)
Net income	2,880	620	43	3,543

(1) In first-half and full year 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

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

B. Consolidated financial position by operating segment

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
JUNE 30, 2017							
ASSETS (€ million)							
NON-CURRENT ASSETS							
Property, plant and equipment and intangible assets	15,804	1,477	-	17,281	415	(9)	17,687
Investments in associates and joint ventures	19,416	41	-	19,457	100	-	19,557
Non-current financial assets – investments in companies	5,976	-	(500)	5,476	1	(4,313)	1,164
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	151	-	(53)	98	-	-	98
Deferred tax assets and other non-current assets	1,875	414	(161)	2,128	393	(76)	2,445
Total non-current assets	43,222	1,932	(714)	44,440	909	(4,398)	40,951
CURRENT ASSETS							
Inventories	6,537	310	-	6,847	53	(8)	6,892
Customer receivables	2,304	266	(470)	2,100	37,613	(716)	38,997
Current financial assets	1,177	-	(41)	1,136	1,683	(800)	2,019
Current tax assets and other current assets	2,779	107	-	2,886	4,689	(3,559)	4,016
Cash and cash equivalents	10,905	197	(2)	11,100	2,559	(103)	13,556
Total current assets	23,702	880	(513)	24,069	46,597	(5,186)	65,480
Total assets	66,924	2,812	(1,227)	68,509	47,506	(9,584)	106,431
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)							
SHAREHOLDERS' EQUITY	31,819	59	(334)	31,544	4,331	(4,149)	31,726
NON-CURRENT LIABILITIES							
Long-term provisions	2,653	10	-	2,663	497	-	3,160
Non-current financial liabilities	4,471	1,092	(225)	5,338	12	-	5,350
Deferred tax liabilities and other non-current liabilities	1,151	24	(161)	1,014	601	-	1,615
Total non-current liabilities	8,275	1,126	(386)	9,015	1,110	-	10,125
CURRENT LIABILITIES							
Short-term provisions	1,005	70	-	1,075	13	-	1,088
Current financial liabilities	4,108	495	(40)	4,563	-	(921)	3,642
Trade payables and sales financing debts	9,683	773	(435)	10,021	40,825	(895)	49,951
Current tax liabilities and other current liabilities	12,034	289	(32)	12,291	1,227	(3,619)	9,899
Total current liabilities	26,830	1,627	(507)	27,950	42,065	(5,435)	64,580
Total shareholders' equity and liabilities	66,924	2,812	(1,227)	68,509	47,506	(9,584)	106,431

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2

DECEMBER 31, 2016 ⁽¹⁾	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
ASSETS (€ million)							
NON-CURRENT ASSETS							
Property, plant and equipment and intangible assets	15,843	1,564	-	17,407	388	(9)	17,786
Investments in associates and joint ventures	18,888	41	-	18,929	97	-	19,026
Non-current financial assets – investments in companies	5,790	-	(509)	5,281	1	(4,012)	1,270
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	166	-	(57)	109	-	-	109
Deferred tax assets and other non-current assets	1,897	353	-	2,250	376	(56)	2,570
Total non-current assets	42,584	1,958	(566)	43,976	862	(4,077)	40,761
CURRENT ASSETS							
Inventories	5,456	320	-	5,776	54	(9)	5,821
Customer receivables	2,377	265	(451)	2,191	34,923	(842)	36,272
Current financial assets	1,228	-	(40)	1,188	1,383	(663)	1,908
Current tax assets and other current assets	2,417	305	(178)	2,544	4,171	(3,059)	3,656
Cash and cash equivalents	11,820	277	-	12,097	1,894	(138)	13,853
Total current assets	23,298	1,167	(669)	23,796	42,425	(4,711)	61,510
Total assets	65,882	3,125	(1,235)	67,772	43,287	(8,788)	102,271
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)							
SHAREHOLDERS' EQUITY	31,098	121	(330)	30,889	4,028	(3,890)	31,027
NON-CURRENT LIABILITIES							
Long-term provisions	2,700	10	-	2,710	464	-	3,174
Non-current financial liabilities	3,851	1,011	(235)	4,627	12	-	4,639
Deferred tax liabilities and other non-current liabilities	945	112	-	1,057	614	-	1,671
Total non-current liabilities	7,496	1,133	(235)	8,394	1,090	-	9,484
CURRENT LIABILITIES							
Short-term provisions	1,055	85	-	1,140	26	-	1,166
Current financial liabilities	5,343	746	(40)	6,049	-	(801)	5,248
Trade payables and sales financing debts	9,260	754	(416)	9,598	36,760	(784)	45,574
Current tax liabilities and other current liabilities	11,630	286	(214)	11,702	1,383	(3,313)	9,772
Total current liabilities	27,288	1,871	(670)	28,489	38,169	(4,898)	61,760
Total shareholders' equity and liabilities	65,882	3,125	(1,235)	67,772	43,287	(8,788)	102,271

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

C. Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
H1 2017							
Net income	2,079	(61)	(4)	2,014	353	49	2,416
Cancellation of dividends received from unconsolidated listed investments	(45)	-	-	(45)	-	-	(45)
Cancellation of income and expenses with no impact on cash							
Depreciation, amortization and impairment	1,508	53	-	1,561	37	-	1,598
Share in net (income) loss of associates and joint ventures	(1,306)	(3)	-	(1,309)	(8)	-	(1,317)
Other income and expenses with no impact on cash, before interest and tax	370	60	-	430	221	13	664
Cash flows before interest and tax ⁽¹⁾	2,606	49	(4)	2,651	603	62	3,316
Dividends received from listed companies ⁽²⁾	391	-	-	391	-	-	391
Decrease (increase) in sales financing receivables	-	-	-	-	(2,986)	64	(2,922)
Net change in financial assets and sales financing debts	-	-	-	-	4,133	(108)	4,025
Change in capitalized leased assets	(327)	-	-	(327)	(68)	-	(395)
Changes in working capital before tax	100	84	7	191	(869)	(11)	(689)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	2,770	133	3	2,906	813	7	3,726
Interest received	33	11	-	44	1	(5)	40
Interest paid	(169)	(68)	-	(237)	-	13	(224)
Current taxes (paid)/received	(381)	(3)	-	(384)	(89)	(4)	(477)
CASH FLOWS FROM OPERATING ACTIVITIES	2,253	73	3	2,329	725	11	3,065
Purchases of intangible assets	(633)	(10)	-	(643)	(1)	-	(644)
Purchases of property, plant and equipment	(1,013)	(43)	7	(1,049)	(2)	-	(1,051)
Disposals of property, plant and equipment and intangibles	109	13	(10)	112	-	-	112
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(16)	-	-	(16)	2	-	(14)
Acquisitions and disposals of other investments and other	(15)	-	-	(15)	-	-	(15)
Net decrease (increase) in other securities and loans of the Automotive segments	(132)	-	(1)	(133)	-	122	(11)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,700)	(40)	(4)	(1,744)	(1)	122	(1,623)
Cash flows with shareholders	(1,097)	-	-	(1,097)	(34)	-	(1,131)
Net change in financial liabilities of the Automotive segments	(292)	(105)	(1)	(398)	-	(107)	(505)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,389)	(105)	(1)	(1,495)	(34)	(107)	(1,636)
Increase (decrease) in cash and cash equivalents	(836)	(72)	(2)	(910)	690	26	(194)

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

(2) In the first half of 2017, dividends received from Daimler (€45 million) and Nissan (€346 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
H1 2017							
Cash and cash equivalents: opening balance	11,820	277	-	12,097	1,894	(138)	13,853
Increase (decrease) in cash and cash equivalents	(836)	(72)	(2)	(910)	690	26	(194)
Effect of changes in exchange rate and other changes	(79)	(8)	-	(87)	(25)	9	(103)
Cash and cash equivalents: closing balance	10,905	197	(2)	11,100	2,559	(103)	13,556

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
H1 2016				
Net income	1,269	280	18	1,567
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
Cash flows before interest and tax ⁽²⁾	2,431	465	24	2,920
Dividends received from listed companies ⁽³⁾	390	-	-	390
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)
Changes in working capital before tax	(129)	(621)	65	(685)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	2,414	(737)	128	1,805
Interest received	46	-	(12)	34
Interest paid	(155)	-	13	(142)
Current taxes (paid)/received	(143)	(119)	1	(261)
CASH FLOWS FROM OPERATING ACTIVITIES	2,162	(856)	130	1,436
Purchases of intangible assets	(512)	(3)	-	(515)
Purchases of property, plant and equipment	(901)	(2)	-	(903)
Disposals of property, plant and equipment and intangible assets	22	-	-	22
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	1	(9)	-	(8)
Acquisitions and disposals of other investments and other ⁽⁴⁾	467	-	-	467
Net decrease (increase) in other securities and loans of the Automotive segments	(46)	-	(26)	(72)
CASH FLOWS FROM INVESTING ACTIVITIES	(969)	(14)	(26)	(1,009)
Cash flows with shareholders	(872)	(12)	-	(884)
Net change in financial liabilities of the Automotive segments	(1,368)	-	(131)	(1,499)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,240)	(12)	(131)	(2,383)
Increase (decrease) in cash and cash equivalents	(1,047)	(882)	(27)	(1,956)

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
H1 2016				
Cash and cash equivalents: opening balance	11,571	2,672	(110)	14,133
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
Cash and cash equivalents: closing balance	10,566	1,800	(149)	12,217

(1) In the first half of 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

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

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

(4) Renault SA sold Nissan shares for an amount of €473 million in the first half of 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the consolidated financial statements for 2016).

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
YEAR 2016				
Net income	2,880	620	43	3,543
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,779	61	-	2,840
Share in net (income) loss of associates and joint ventures	(1,631)	(7)	-	(1,638)
Other income and expenses with no impact on cash, before interest and tax	1,059	330	16	1,405
Dividends received from unlisted associates and joint ventures	-	1	-	1
Cash flows before interest and tax ⁽²⁾	5,043	1,005	59	6,107
Dividends received from listed companies ⁽³⁾	772	-	-	772
Decrease (increase) in sales financing receivables	-	(6,007)	92	(5,915)
Net change in financial assets and sales financing debts	-	5,276	22	5,298
Change in capitalized leased assets	(564)	(141)	-	(705)
Changes in working capital before tax	356	(615)	20	(239)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	5,607	(482)	193	5,318
Interest received	114	-	(24)	90
Interest paid	(441)	-	25	(416)
Current taxes (paid)/received	(354)	(254)	5	(603)
CASH FLOWS FROM OPERATING ACTIVITIES	4,926	(736)	199	4,389
Purchases of intangible assets	(1,054)	(4)	-	(1,058)
Purchases of property, plant and equipment	(2,037)	(2)	-	(2,039)
Disposals of property, plant and equipment and intangible assets	44	-	-	44
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired ⁽⁴⁾	(397)	(18)	282	(133)
Acquisitions and disposals of other investments and other ⁽⁵⁾	1,087	(15)	-	1,072
Net decrease (increase) in other securities and loans of the Automotive segments	268	-	(61)	207
CASH FLOWS FROM INVESTING ACTIVITIES	(2,089)	(39)	221	(1,907)
Cash flows with shareholders	(896)	(15)	-	(911)
Net change in financial liabilities of the Automotive segments	(1,788)	-	(146)	(1,934)
CASH FLOWS FROM FINANCING ACTIVITIES	(2,684)	(15)	(146)	(2,845)
Increase (decrease) in cash and cash equivalents	153	(790)	274	(363)

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
YEAR 2016				
Cash and cash equivalents: opening balance	11,571	2,672	(110)	14,133
Increase (decrease) in cash and cash equivalents	153	(790)	274	(363)
Effect of changes in exchange rate and other changes	96	12	(25)	83
Cash and cash equivalents: closing balance	11,820	1,894	139	13,853

(1) In 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

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

(3) Dividends received from Daimler (€44 million) and Nissan (€728 million).

(4) The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.

(5) Renault SA sold Nissan shares for an amount of €1,119 million in 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the consolidated financial statements for 2016).

D. Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow

The net cash position or net financial indebtedness and operational free cash flow are only presented for the Automotive segments, since these indicators are not relevant for monitoring Sales Financing activity.

Net cash position (net financial indebtedness)

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive transactions	Total Automotive
JUNE 30, 2017 (€ million)				
Non-current financial liabilities	(4,471)	(1,092)	225	(5,338)
Current financial liabilities	(4,108)	(495)	40	(4,563)
Non-current financial assets – other securities, loans and derivatives on financing operations	151	-	(53)	98
Current financial assets	1,177	-	(41)	1,136
Cash and cash equivalents	10,905	197	(2)	11,100
Capitalizable loans from Renault s.a.s. to AVTOVAZ	(88)	-	88	-
Net cash position (net financial indebtedness) of the Automotive segments	3,566	(1,390)	257	2,433

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive transactions	Total Automotive
DECEMBER 31, 2016 (€ million)				
Non-current financial liabilities	(3,849)	(1,011)	235	(4,625)
Current financial liabilities	(5,343)	(746)	40	(6,049)
Non-current financial assets – other securities, loans and derivatives on financing operations	166	-	(57)	109
Current financial assets	1,228	-	(40)	1,188
Cash and cash equivalents	11,820	277	-	12,097
Capitalizable loans from Renault s.a.s. to AVTOVAZ	(97)	-	97	-
Net cash position (net financial indebtedness) of the Automotive segments	3,925	(1,480)	275	2,720

Operational free cash flow

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive transactions	Total Automotive
H1 2017 (€ million)				
Cash flows (excluding dividends from listed companies) before interest and tax	2,606	49	(4)	2,651
Changes in working capital before tax	100	84	7	191
Interest received by the Automotive segments	33	11	-	44
Interest paid by the Automotive segments	(169)	(68)	-	(237)
Current taxes (paid)/received	(381)	(3)	-	(384)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,537)	(40)	(3)	(1,580)
Capitalized leased vehicles and batteries	(327)	-	-	(327)
Operational free cash flow of the Automotive segments	325	33	-	358

(€ million)	H1 2016	Year 2016
Automotive (excluding AVTOVAZ) ⁽¹⁾		
Cash flows (excluding dividends from listed companies) before interest and tax	2,431	5,043
Changes in working capital before tax	(129)	356
Interest received by the Automotive (excluding AVTOVAZ) segment	46	114
Interest paid by the Automotive (excluding AVTOVAZ) segment	(155)	(441)
Current taxes (paid)/received	(143)	(354)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,391)	(3,047)
Capitalized leased vehicles and batteries	(278)	(564)
Operational free cash flow of the Automotive (excluding AVTOVAZ) segment	381	1,107

(1) In first-half and full year 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see 2.2.6.1).

2.2.6.2 ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

Note 1 – Approval of the financial statements

The Renault Group's condensed consolidated financial statements at June 30, 2017 were examined at the Board of Directors' meeting of July 27, 2017.

Note 2 – Accounting policies

The interim financial statements at June 30, 2017 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, 2016.

The Renault Group's financial statements at June 30, 2017 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2016 and adopted by the European Union at the closing date. The accounting policies are identical to those applied in the consolidated financial statements at December 31, 2016.

A. Changes in accounting policies

The Renault Group applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2017.

The Group has not opted for early application of the new standards listed below, which have been published in the Official Journal of the European Union and will be mandatory from January 1, 2018.

New standards published in the Official Journal of the European Union not applied early by the Group

IFRS 9	Financial Instruments
IFRS 15	Revenue from contracts with Customers

On October 29, 2016 the European Union published IFRS 15, "Revenue from Contracts with Customers" in the Official Journal. IFRS 15 will replace IAS 11 and IAS 18 and the associated IFRIC and SIC interpretations, and proposes a new approach to recognition of sales revenues described in five stages. It notably has potential impacts on recognition methods for income from contracts containing several performance obligations, but the analyses currently being conducted by Renault have not so far identified any major changes in revenue recognition. In particular, the accounting treatment of warranties under IFRS 15, which distinguishes insurance-type warranties from service-type warranties, will not be affected. The same applies to sales of vehicles with a buy-back commitment, which are reclassified as rentals when the likelihood of return is high. This new standard will be applied from January 1, 2018.

On November 29, 2016 the European Union published IFRS 9, "Financial instruments", in the Official Journal. This standard introduces a new classification of financial assets based on the Group's managerial intention, a dynamic impairment model for financial assets based on expected losses to complement the current model based on incurred losses, and broader principles

for hedge accounting. The accounting treatment of macro hedges is unchanged by IFRS 9. The Group is currently examining the implementation of this new standard and its impact on the financial statements.

The Group has reviewed all of its financial asset portfolios, to define an accounting classification in compliance with IFRS 9 categories. In particular, to meet the new requirements of IFRS 9 and adjust the accounting classification of the Daimler shares purchased under the strategic partnership, the Group is considering carrying them at fair value with changes in fair value included in other components of Comprehensive Income. The Group has also begun developing a new methodology for provisions on Automotive receivables, based on prospective assessment of the credit risk at the inception of the receivable and its deterioration over time.

The principal impacts of application of IFRS 9 concern the Sales Financing segment. Analyses essentially concerned:

- a review of the financial asset portfolio to determine future classifications and measurement approaches under IFRS 9,
- establishment of the methodology for the new prospective provisioning model.

Figures for the consequences of application of IFRS 9 are currently being finalized.

The standard will be applied from January 1, 2018.

The Group is also examining the new standard IFRS 16 "Leases", which should be adopted by the European Union during 2017.

New standard not adopted by the European Union		Effective date set by IASB
IFRS 16	Leases	January 1, 2019

In January 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 for the lessee. 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 using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise.

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

Work concerning application of these new measures is ongoing. The Group does not intend to apply IFRS 16 early.

B. Estimates and judgments

The main areas of the condensed consolidated financial statements at June 30, 2017 involving estimates and judgements are the same as those described in note 2-B to the consolidated financial statements for 2016.

Note 3 – Changes in the scope of consolidation

A. Main change in the scope of consolidation in the first half-year of 2017

RCI Colombia SA, a customer and dealer sales financing company in Colombia formed by the Group in partnership with BBVA, joined the scope of consolidation in 2017. The Group has exclusive control over this entity, which is fully consolidated.

B. AVTOVAZ

The AVTOVAZ Group is Russia's leading automaker. It sells Lada brand cars and also makes cars for Renault and Nissan.

The joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, consisting of the parent company PJSC AVTOVAZ and its subsidiaries, which were accounted for by the equity method until late December 2016, are fully consolidated from the date of the Alliance Rostec Auto B.V. capital increase subscribed by Renault s.a.s. in December 2016, which took place after the capital increase by AVTOVAZ subscribed by Alliance Rostec Auto B.V.

The acquisition of control, as defined by IFRS 10, took place on December 28, 2016. Since the impact of these entities on net income and changes in cash between December 28 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016.

The cash capital increase for Alliance Rostec Auto B.V. subscribed by Renault s.a.s. on December 28, 2016, which amounted to 14.85 billion roubles, followed a 26.14 billion rouble cash capital increase for AVTOVAZ, of which 14.85 billion roubles (€231 million at the 2016 year-end exchange rate) were provided by Alliance Rostec Auto B.V.

Alliance Rostec Auto B.V. also invested in a financial instrument with a value of €180 million, substantially conferring economic interests in AVTOVAZ even though this financial instrument does not make Alliance Rostec Auto B.V. the legal owner of any shares

in AVTOVAZ. Alliance Rostec Auto B.V. contracted a loan from Renault, amounting to €179 million at the 2016 year-end exchange rate, to finance this operation.

Following these capital increases Renault now owns 73.30% of the capital (57.30% of voting rights) of Alliance Rostec Auto B.V. which holds 64.60% of the capital of AVTOVAZ, such that the indirect investment in AVTOVAZ is 47.35%. Including the financial instrument held by Alliance Rostec Auto B.V., 88.69% of the capital of AVTOVAZ is held by Alliance Rostec Auto B.V., and therefore in substance the indirect percentage ownership of AVTOVAZ is 65.01%.

The fair value at acquisition date of the total consideration transferred was 30,300 million roubles (€462 million at December 28, 2016 exchange rate). Details of this fair value are shown in note 3-B to the consolidated financial statements for 2016.

The costs associated with the acquisition of control amount to €4 million at June 30, 2017 (of which €3 million were already recognized at December 31, 2016), and were recorded in other operating expenses.

The non-controlling interest amounted to €(202) million at December 31, 2016, valued at the corresponding share of identifiable net liabilities recognized by the entities acquired. The Group did not opt to state these non-controlling interests at fair value.

As the control over AVTOVAZ was acquired at the very end of 2016, it was not possible to determine the fair values of the assets and liabilities transferred by the year-end. They were therefore recorded at the value stated in the consolidated financial statements under IFRS published by AVTOVAZ at December 31, 2016, except for certain debts to Renault presented in note 3-B to the consolidated financial statements for 2016.

Preliminary allocation of the purchase price at June 30, 2017

	Notes	Fair value at December 31, 2016 of the net liabilities acquired (using the exchange rate of December 28, 2016)		Book value at December 31, 2016 in the financial statements of AVTOVAZ and Alliance Rostec Auto B.V. (using the exchange rate of December 31, 2016)		Adjustments for allocation of the purchase price
		(€ million)	(In millions of roubles)	(€ million)	(In millions of roubles)	(In millions of roubles)
AVTOVAZ GROUP NET LIABILITIES						
Property, plant and equipment and intangible assets	(1)	821	51,723	661	42,475	9,248
Investments in associates and joint ventures		41	2,606	41	2,606	-
Financial assets and other non-current assets		233	14,696	241	15,525	(829)
Deferred tax assets	(2)	309	19,455	21	1,339	18,116
Inventories		327	20,600	320	20,600	-
Trade receivables	(3)	272	17,050	248	15,884	1,166
Current financial assets and other current assets		130	8,181	127	8,181	-
Cash and cash equivalents		280	17,610	274	17,610	-
Long-term provisions		(10)	(628)	(10)	(628)	-
Non-current financial liabilities	(3)	(850)	(53,515)	(874)	(56,194)	2,679
Deferred tax liabilities	(4)	(86)	(5,394)	(51)	(3,311)	(2,083)
Other non-current liabilities		(28)	(1,788)	(28)	(1,788)	-
Short-term provisions		(86)	(5,412)	(78)	(4,989)	(423)
Current financial liabilities		(762)	(47,986)	(746)	(47,986)	-
Trade payables		(744)	(46,882)	(729)	(46,882)	-
Current tax liabilities and other current liabilities		(318)	(20,021)	(311)	(20,021)	-
Non-controlling interests		(11)	(662)	(10)	(662)	-
Net liabilities acquired from the AVTOVAZ Group		(482)	(30,367)	(904)	(58,241)	27,874
Net assets of Alliance Rostec Auto B.V.						
Cash and cash equivalents		3	176	3	176	-
Other operating assets and liabilities		-	(15)	-	(15)	-
Net assets acquired from Alliance Rostec Auto B.V.		3	161	3	161	

(1) The Lada brand, which is valued at 9,248 million roubles, has an indefinite useful life and is thus unamortized.

(2) Mainly corresponds to recognition of deferred tax assets on tax loss carryforwards amounting to 17,866 million roubles.

(3) Already recorded in the consolidated financial statements at December 31, 2016.

(4) Including €(233) million roubles already recognized at December 31, 2016.

Provisional determination of goodwill

	Amounts at June 30, 2017		Amounts at December 31, 2016	
	(€ million)	(In millions of roubles)	(€ million)	(In millions of roubles)
Fair value of the consideration transferred (A)	462	30,300	462	30,300
Net liabilities of AVTOVAZ Group transferred - 100% (B)	(482)	(30,367)	(868)	(54,630)
Net assets acquired from Alliance Rostec Auto B.V. (C)	3	161	3	161
Share acquired (D) = (B) x 65.01% + (C) x 73.3%	(312)	(19,624)	(563)	(35,397)
Goodwill (A) - (D)	774	49,924	1,025	65,697

Adjustments related to the purchase price allocation are still in process at June 30, 2017, and additional adjustments could be recorded during the second half-year of 2017, particularly in relation to property, plant and equipment and intangible assets, financial liabilities and provisions.

At the date of first full consolidation, in accordance with IFRS 3, some loans and receivables, which were previously classified as investments accounted for under the equity method because they were considered part of the net investment in the AVTOVAZ Group in application of IAS 28 "Investments in associates and joint ventures", were reclassified as financial assets and stated at fair value. These loans and receivables were to be capitalized at the

same amount in a later phase. This capitalization is still intended at June 30, 2017 and should take place in the next few months.

No revenues or net income of the entities acquired were recognized in 2016 as they were non-significant between the date of acquisition of control and first full consolidation at December 31, 2016. The amount of revenues and net income from these entities (before elimination of intragroup operations in the Renault Group) that would have been included in Renault's net income if AVTOVAZ had been fully consolidated from January 1, 2016 is detailed in note 13-A to the 2016 consolidated financial statements, "Investment in AVTOVAZ". The corresponding amounts at June 30, 2016 are shown below.

FINANCIAL RESULTS

2.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2

FIRST-HALF 2016	(In millions of roubles)	(€ million ⁽¹⁾)
Revenues	87,130	1,111
Operating margin	(8,870)	(113)
Other operating income and expenses	(18,692)	(238)
Operating income (loss)	(27,562)	(351)
Net income	(27,037)	(345)
Parent company shareholders' share	(27,149)	(346)
Non-controlling interests' share	112	1
Other components of comprehensive income	(143)	(2)
Parent company shareholders' share	(107)	(2)
Non-controlling interests' share	(36)	-
Comprehensive income	(27,180)	(347)
Parent company shareholders' share	(27,256)	(348)
Non-controlling interests' share	76	1
Dividends received from AVTOVAZ	-	-

(1) Converted at the average exchange rate for January to June 2016, i.e. 78.41222 roubles for 1 Euro.

2.2.6.3 CONSOLIDATED INCOME STATEMENT

Note 4 – Revenues

A. Breakdown of revenues

(€ million)	H1 2017	H1 2016	Year 2016
Sales of goods - Automotive segments (including AVTOVAZ)	27,179	23,142	46,993
Rental income on leased assets ⁽¹⁾	232	182	401
Sales of other services	875	754	1,601
Sales of services - Automotive segments (including AVTOVAZ)	1,107	936	2,002
Sales of goods - Sales Financing segment	16	15	28
Rental income on leased assets ⁽¹⁾	56	45	97
Interest income on sales financing receivables	740	671	1,371
Sales of other services ⁽²⁾	439	376	752
Sales of services - Sales Financing segment	1,235	1,092	2,220
Total revenues	29,537	25,185	51,243

(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 2017	H1 2016	Year 2016
Europe ⁽¹⁾	18,426	16,899	33,195
Americas ⁽²⁾	2,553	1,830	4,194
Asia-Pacific	2,735	2,449	5,434
Africa-Middle East-India ⁽³⁾	2,281	1,933	4,212
Eurasia ⁽⁴⁾	3,542	2,074	4,208
Total revenues	29,537	25,185	51,243
(1) Including for France	6,370	6,048	11,968
Including for AVTOVAZ	24	-	-
(2) Including for AVTOVAZ	1	-	-
(3) Including for AVTOVAZ	2	-	-
(4) Including for AVTOVAZ	1,398	-	-

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

Note 5 – Research and Development expenses

(€ million)	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Research and development expenses	(1,468)	(1,238)	(2,530)
Capitalized development expenses	592	460	903
Amortization of capitalized development expenses	(451)	(391)	(743)
Total reported in income statement	(1,327)	(1,169)	(2,370)

(1) Including for the AVTOVAZ Group: €8 million of capitalized development expenses and €(11) million of research and development expenses reported in income statement in the first half-year of 2017.

Note 6 – Other operating income and expenses

(€ million)	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Restructuring and workforce adjustment costs	(65)	(68)	(283)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	-	(24)	(23)
Income generated by acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V. and the AVTOVAZ Group	-	-	325
Gains and losses on disposal of property, plant and equipment and intangible assets (excluding sales of leased assets)	64	16	19
Impairment of fixed assets and goodwill	(13)	(2)	(38)
Reversal of impairment related to operations in Iran	4	2	2
Other unusual items	(21)	11	(1)
Total	(31)	(65)	1

(1) Including for the AVTOVAZ Group €(5) million of restructuring and workforce adjustment costs and €1 million of gains and losses on disposal of property, plant and equipment and intangible assets in the first half-year of 2017.

A. Restructuring and workforce adjustment costs

In France, restructuring and workforce adjustment costs in 2017 include €14 million (€106 million in the second-half of 2016) for the specific career-end work exemption arrangements agreed on January 13, 2017. To qualify, employees must meet a double requirement concerning length of service (15 years of shift work in and outside the Renault Group) and age (close to retirement age), and the charge is spread over the period during which they earn full eligibility. Consequently, the charge recognized in 2016 covered the total cost for employees who were fully eligible for this system at December 31, 2016 and a share of the cost for employees who could sign up for the system between January 1, 2017 and December 31, 2019. The charge recognized in first-half 2017 comprises an estimate of the rights vested over the first half-year of 2017 for the population that is still earning eligibility, and an adjustment to the estimated cost of the system.

The costs in 2017 also include €17 million (€98 million in 2016, including €31 million for the first half-year) to complement the provision related to the French career-end work exemption plan introduced in 2013. Employees could sign up to this plan until December 31, 2016 and the cost was 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 and Europe regions in first-half 2017. In 2016, they mainly concerned the Americas, Eurasia and Europe regions.

B. Income generated by acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V. and the AVTOVAZ Group

The impact of acquisition of control of the AVTOVAZ Group recognized in other operating income and expenses in the second half of 2016 is a net gain of €325 million. The acquisition of control and its

effects are described in note 3-B above and in notes 3-B and 6-B to the consolidated financial statements for 2016.

C. Impairment of fixed assets and goodwill

Impairment amounting to €13 million was recorded in first-half 2017 (€37 million in 2016, of which €2 million concerned the first half-year). It relates to intangible assets (€5 million) and property, plant and equipment (€8 million) (note 10), and was booked following impairment tests on vehicles and components.

D. Impairment related to operations in Iran

The Group's exposure to risks on business with Iran has been fully written off since 2013 and consists of securities, a shareholder loan and commercial receivables. This situation changed little over the first-half of 2017. The gross amount in the assets at June 30, 2017 was €810 million, including €706 million of customer receivables (€803 million and €699 million respectively at December 31, 2016).

The level of operations with Iran rose in 2017 compared to 2016, with sales of CKD amounting to €338 million for the first half-year (€513 million at December 31, 2016 including €192 million in the first half-year). Sales are only recognized once the cash is received, and payments related to the totally written-off receivables dating from before mid-2013 remain very limited, as the €4 million of impairment recovered in the first half of 2017 indicates (€2 million at December 31, 2016, all recorded in the first half-year).

In September 2016 Renault and IDRO, an investment and industry renewal fund in Iran, signed a further agreement for future formation of a joint venture in which Renault will be the majority shareholder. This entity was not yet in existence at June 30, 2017.

As the market is gradually reopening, in view of the forthcoming agreement between Renault and the Iranian government and future discussions with local partners, the possibility of reconsolidating Renault Pars is still being examined.

E. Other unusual items

Other unusual items mainly comprise the costs on borrowed premises in Korea that Renault no longer occupies, calculated over the remainder of the lease.

Note 7 – Financial income (expenses)

(€ million)	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Cost of gross financial indebtedness	(251)	(188)	(385)
Income on cash and financial assets	43	49	101
Cost of net financial indebtedness	(208)	(139)	(284)
Change in fair value of redeemable shares	(21)	19	(3)
Foreign exchange gains and losses on financial operations	11	38	38
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(14)	(17)	(32)
Other	21	32	(42)
Other financial income and expenses	(3)	72	(39)
Financial income (expenses)	(211)	(67)	(323)

(1) Including for the AVTOVAZ Group: €(67) million in the cost of net financial indebtedness and €3 million in other financial income and expenses for the first half-year of 2017.

The net liquidity position (net financial indebtedness) of the Automotive segments 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 2017 ⁽¹⁾	H1 2016	Year 2016
Current income taxes	(461)	(422)	(728)
Deferred tax income (expense)	(18)	(98)	(327)
Current and deferred taxes	(479)	(520)	(1,055)

(1) Including for the AVTOVAZ Group: €(3) million in current income taxes and no deferred tax income (expense) for the first half-year of 2017.

The current tax charge for entities included in the French tax consolidation group amounts to €152 million in first-half 2017 (€114 million in first-half 2016 and €182 million in 2016).

In first-half 2017, €309 million of current income taxes comes from foreign entities including AVTOVAZ (compared to €308 million in first-half 2016 and €546 million for the year 2016).

B. Breakdown of the tax charge

(€ million)	H1 2017 ⁽¹⁾	H1 2016	Year 2016
Income before taxes and share in net income of associates and joint ventures	1,578	1,409	2,960
Statutory income tax rate in France	34.43%	34.43%	34.43%
Theoretical tax income (charge)	(543)	(485)	(1,019)
Effect of differences between local tax rates and the French rate ⁽²⁾	75	106	161
Tax credits	49	31	73
Distribution taxes	(90)	(56)	(78)
Change in unrecognized deferred tax assets ⁽³⁾	(40)	(135)	(310)
Other impacts ⁽⁴⁾	126	72	225
Current and deferred tax income (charge) excluding taxes based on intermediate net results	(423)	(467)	(948)
Taxes based on intermediate net results ⁽⁵⁾	(56)	(53)	(107)
Current and deferred tax income (charge)	(479)	(520)	(1,055)

(1) Including for the AVTOVAZ Group: €(60) million in income before taxes and the share in net income of associates and joint ventures, and €(3) million in current and deferred tax income (charge) for the first half-year of 2017.

(2) The main contributors to the tax rate differential are Korea, Morocco, Romania, Switzerland, Turkey and since the first half of 2017, AVTOVAZ.

(3) The main contributors to the cost of unrecognized deferred tax assets are Brazil, France, India and since the first half of 2017, AVTOVAZ.

(4) Other impacts primarily concern permanent differences, reduced-rate taxations, tax reassessments and prior year adjustments. In the second half of 2016, other impacts also included the effect of permanent differences relating to impacts recorded in other operating income and expenses following the full consolidation of AVTOVAZ (note 6-B).

(5) The main taxes of the Group based on an intermediate net results are the CVAE in France and the IRAP in Italy.

French tax consolidation group

In the first-half of 2017, the effective tax rate in the French tax consolidation group is 28.3% (44.1% in first-half 2016 and 41.5% in 2016).

The Group partially recognizes the deferred tax assets of the French tax consolidation group that correspond to tax loss carryforwards, in view of profitability prospects.

The amount of net deferred tax assets recognized in the consolidated financial position totalled €421 million at June 30, 2017, compared to €457 million at the start of the year, comprising €176 million recognized in income (€200 million at December 31, 2016) and €245 million included in other components of comprehensive income (€257 million at December 31, 2016), due to the respective origins of the taxes concerned.

In first-half 2017, the amount of deferred tax assets recognized decreased by €(36) million. The corresponding charge was recognized in income (€(24) million) and other components of comprehensive income (€(12) million).

The amount of deferred tax assets recognized in 2016 was calculated at the tax rate of 34.43% applicable at December 31, 2016 and totalled €44 million (of which €313 million was booked in the first half-year), comprising €(301) million recognized in income (€(136) million in the first half-year) and €345 million included in other components of comprehensive income (€449 million in the first half-year). The impact of the French income tax rate reduction from 34.43% to 28.92% introduced by France's finance law for 2017, was included in "Other impacts" in the breakdown of the tax charge for 2016.

The residual unrecognized deferred tax assets in the French tax consolidation group, calculated at the 34.43% tax rate applicable at December 31, 2017, amount to €2,568 million at June 30, 2017 (€2,585 million at December 31, 2016). This corresponds to tax losses that can be carried forward indefinitely, which can be used to offset up to 50% of future taxable profits. €313 million of these unrecognized assets arose on items booked in shareholders' equity (effects of the partial hedge of the investment in Nissan), and €2,255 million arose on items affecting the income statement (respectively €331 million and €2,254 million at December 31, 2016).

Entities not in the French tax consolidation group

The effective tax rate across all foreign entities (excluding AVTOVAZ) is 29.4% for first-half 2017 (32% for first-half 2016 and 30% for the year 2016). The effective tax rate for AVTOVAZ is (5.2)% as no deferred taxes were recognized during the first half-year of 2017 (note 8-A).

For other entities not in the French tax consolidation group, unrecognized deferred tax assets totalled €839 million at June 30, 2017, comprising €71 million for AVTOVAZ and €768 million for other entities, mainly corresponding to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in India. At December 31, 2016, they amounted to €1,141 million, comprising €342 million for AVTOVAZ and €799 million for other entities. After adjustments for the preliminary allocation of the purchase price for the AVTOVAZ Group recognized in the first half of 2017 (note 3-B) and recognition of €278 million of deferred tax assets due to tax loss carryforwards, they amount to €863 million, including €64 million for AVTOVAZ.

Note 9 – Basic and diluted earnings per share

(In thousands of shares)	H1 2017	H1 2016	Year 2016
Shares in circulation	295,722	295,722	295,722
Treasury shares	(5,116)	(3,862)	(4,368)
Shares held by Nissan x Renault's share in Nissan	(19,389)	(19,383)	(19,386)
Number of shares used to calculate basic earnings per share	271,217	272,477	271,968

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 2017	H1 2016	Year 2016
Number of shares used to calculate basic earnings per share	271,217	272,477	271,968
Dilutive effect of stock options, performance share rights and other share-based payments	2,097	2,082	2,363
Number of shares used to calculate diluted earnings per share	273,314	274,559	274,331

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
Value at December 31, 2016 ⁽¹⁾	10,607	(5,809)	4,798
Acquisitions / (amortization and impairment) ⁽²⁾	644	(515)	129
(Disposals) / reversals	(663)	661	(2)
Translation adjustment	(62)	8	(54)
Change in scope of consolidation and other	3	(1)	2
Value at June 30, 2017	10,529	(5,656)	4,873

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

(2) Including €5 million of impairment on capitalized development expenses and other intangible assets – see note 6-C.

B. Property, plant and equipment

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2016	39,733	(26,745)	12,988
Acquisitions / (amortization and impairment) ^{(1) (2)}	1,243	(1,084)	159
(Disposals) / reversals	(458)	302	(156)
Translation adjustment	(356)	179	(177)
Change in scope of consolidation and other	5	(5)	-
Value at June 30, 2017	40,167	(27,353)	12,814

(1) Including €8 million of impairment on property, plant and equipment – see note 6-C.

(2) Including €507 million of capitalized leased assets.

C. Impairment tests on vehicle-specific and component-specific assets

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €13 million was booked during the first-half of 2017 (€37 million in 2016, including €2 million for the first half-year), primarily against capitalized development expenses.

Apart from the components for which impairment has been recorded, other vehicles and components tested in previous half-years no longer display any indication of loss of value.

D. Impairment test at the level of cash-generating units of the Automotive (excluding AVTOVAZ) segment

No impairment tests were conducted on any cash-generating unit representing an economic entity (plant or subsidiary) during first-half 2017, as there was no indication of any loss of value.

Renault's stock market capitalization (€23,436 million at June 30, 2017) was lower than the value of the Group's shareholders' equity. The impairment test of the Automotive (excluding AVTOVAZ) segment carried out at December 31, 2016 was updated at June 30, 2017 and did not lead to recognition of any impairment on assets of the Automotive (excluding AVTOVAZ) segment.

E. Impairment tests on the AVTOVAZ cash-generating unit

The market capitalization of AVTOVAZ, which amounts to €704 million at June 30, 2017 (€739 million at December 31, 2016), is higher than the book value of AVTOVAZ net assets (including goodwill) at that date.

The value in use of AVTOVAZ was not determined, since the fair value is higher than the book value of the assets tested.

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 0.7% of its own shares at June 30, 2017 (0.7% at December 31, 2016), and Renault's percentage interest in Nissan was 43.7% (43.7% at December 31, 2016).

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

(€ million)	Share in net assets			Goodwill	Total
	Before neutralization	Neutralization of Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2016	18,528	(974)	17,554	750	18,304
First-half 2017 net income	1,288	-	1,288	-	1,288
Dividend distributed	(346)	-	(346)	-	(346)
Translation adjustment	(466)	-	(466)	(25)	(491)
Other changes ⁽²⁾	86	-	86	-	86
At June 30, 2017	19,090	(974)	18,116	725	18,841

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

⁽²⁾ 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.

C. Changes in Nissan shareholders' equity restated for the purposes of the Renault consolidation

(¥ billion)	Dec. 31, 2016	Net income for first-half 2017	Dividends	Translation adjustment	Other changes ⁽¹⁾	June 30, 2017
Shareholders' equity – parent company shareholders' share under Japanese GAAP	4,479	384	(94)	78	40	4,887
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	26	(10)	-	-	(43)	(27)
Capitalization of development expenses	668	(21)	-	(1)	-	646
Deferred taxes and other restatements	(146)	17	-	9	10	(110)
Net assets restated for compliance with IFRS	5,027	370	(94)	86	7	5,396
Restatements for Renault Group requirements ⁽²⁾	204	(12)	(7)	(19)	17	183
Net assets restated for Renault Group requirements	5,231	358	(101)	67	24	5,579

(€ million)

Net assets restated for Renault Group requirements	42,388	2,947	(792)	(1,067)	200	43,676
Renault's percentage interest	43.7%					43.7%
Renault's share (before the neutralization effect described below)	18,528	1,288	(346)	(466)	86	19,090
Neutralization of Nissan's investment in Renault ⁽³⁾	(974)	-	-	-	-	(974)
Renault's share in the net assets of Nissan	17,554	1,288	(346)	(466)	86	18,116

(1) 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.

(2) 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.

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

D. Nissan net income under Japanese GAAP

Since Nissan's financial year ends on March 31, the Nissan net income included in the first-half 2017 Renault consolidation is the sum of

Nissan's net income for the final quarter of its 2016 financial year and the first quarter of its 2017 financial year.

	January to March 2017 Final quarter of Nissan's 2016 financial year		April to June 2017 First quarter of Nissan's 2017 financial year		January to June 2017 Reference period for Renault's first-half 2017 consolidated financial statements	
	(¥ billion)	(€ million ⁽¹⁾)	(¥ billion)	(€ million ⁽¹⁾)	(¥ billion)	(€ million ⁽¹⁾)
Net income –parent company shareholders' share	249	2,060	135	1,103	384	3,163

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

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

Based on the market price of Nissan stock at June 30, 2017 (¥1,118.0 per share), Renault's investment in Nissan is valued at €16,031 million (€17,450 million at December 31, 2016 based on the market price of ¥1,175.5 per share at that date).

F. Impairment test of the investment in Nissan

At June 30, 2017, the stock market value of the investment was 14.9% lower than the value of Nissan in Renault's statement of financial position (4.7% at December 31, 2016).

In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2016), an impairment test was carried out at December 31, 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. In view of the December 2016 test results, the Group has not considered it necessary to conduct an impairment test at 30 June 2017.

The test conducted did not lead to recognition of any impairment on the investment in Nissan at June 30, 2017.

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.

*G. Operations between the Renault Group and the Nissan Group***G1. Operations between the Renault Group (excluding AVTOVAZ) and the Nissan Group**

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
 - Total sales by the Automotive (excluding AVTOVAZ) segment to Nissan and purchases by the Automotive (excluding AVTOVAZ) segment from Nissan, in the first half of 2017 amounted to an estimated €2.4 billion and €1.2 billion respectively (€4.1 billion and €2.1 billion respectively in 2016, including €2.1 billion and €1.0 billion for the first half-year).

- The balance of Automotive (excluding AVTOVAZ) segment receivables on the Nissan Group is €738 million at June 30, 2017 and the balance of Automotive (excluding AVTOVAZ) segment liabilities to the Nissan Group is €783 million at June 30, 2017 (€644 million and €765 million respectively at December 31, 2016).
- Finance: in addition to its activity for Renault, Renault Finance acts as the Nissan Group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks. In the balance sheet at June 30, 2017, the derivative assets on the Nissan Group amount to €75 million and derivative liabilities amount to €74 million (€70 million and €74 million respectively at December 31, 2016).

Renault's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In the first half of 2017, RCI Banque recorded €67 million of service revenues in the form of commission and interest received from Nissan

(€134 million at December 31, 2016, of which €67 million concerned the first half-year). The balance of Sales financing receivables on the Nissan Group is €93 million at June 30, 2017 (€78 million at December 31, 2016) and the balance of liabilities is €180 million at June 30, 2017 (€185 million at December 31, 2016).

G2. Operations between AVTOVAZ and the Nissan Group

Total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan, in the first half of 2017 amounted to an estimated €111 million and €16 million respectively.

In the AVTOVAZ financial position at June 30, 2017, the balances of transactions between AVTOVAZ and the Nissan Group consist mainly of:

- a non-current receivable for jointly controlled assets amounting to €44 million (€50 million at December 31, 2016),
- operating receivables and payables amounting respectively to €33 million and €108 million (€68 million and €118 million at December 31, 2016).

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 2017	H1 2016	Year 2016
Share in net income (loss) of other associates and joint ventures	29	(71)	(103)
AVTOVAZ ⁽¹⁾	-	(75)	(89)
Other associates accounted for under the equity method	19	13	17
Joint ventures accounted for under the equity method	10	(9)	(31)

(1) AVTOVAZ has been fully consolidated since December 31, 2016 following acquisition of control on December 28, 2016 (see 2.2.6.1 and note 3-B).

Consolidated statement of financial position

(€ million)	June 30, 2017	Dec. 31, 2016
Investments in other associates and joint ventures	716	722
Associates accounted for under the equity method	399	398
Joint ventures accounted for under the equity method	317	324

Note 13 – Inventories

(€ million)	June 30, 2017			December 31, 2016		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,927	(331)	1,596	1,789	(304)	1,485
Work-in-progress	349	-	349	308	(4)	304
Used vehicles	1,912	(82)	1,830	1,456	(77)	1,379
Finished products and spare parts	3,262	(145)	3,117	2,804	(151)	2,653
Total	7,450	(558)	6,892	6,357	(536)	5,821

Note 14 – Financial assets – cash and cash equivalents

A. Current/non-current breakdown

(€ million)	June 30, 2017			December 31, 2016 ⁽¹⁾		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	1,164	-	1,164	1,269	-	1,269
Marketable securities and negotiable debt instruments	-	1,187	1,187	-	952	952
Loans	29	476	505	28	417	445
Derivatives on financing operations of the Automotive segments	69	356	425	82	539	621
Total financial assets	1,262	2,019	3,281	1,379	1,908	3,287
Gross value	1,271	2,038	3,309	1,380	1,910	3,290
Impairment	(9)	(19)	(28)	(1)	(2)	(3)
Total cash and cash equivalents	-	13,556	13,556	-	13,853	13,853

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

B. Investments in non-controlled entities

Investments in non-controlled entities include €1,042 million (€1,163 million at December 31, 2016) 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, 2017, the stock market price (€63.37 per share) was higher than the purchase price (€35.52 per share). The decrease in fair value over the period amounted to €121 million and was recorded in other components of comprehensive income at June 30, 2017 (decrease of €113 million over the year 2016 and €396 million in the first half-year of 2016).

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.

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 (note 15-B1 to the consolidated financial statements for 2016). These current bank accounts amount to €542 million at June 30, 2017 (€477 million at December 31, 2016).

Note 15 – Shareholder's equity

A. Share capital

The total number of ordinary shares issued and fully paid-up at June 30, 2017 was 295,722 thousands with par value of €3.81 per share (unchanged from December 31, 2016).

Treasury shares do not bear dividends. They account for 1.72% of Renault's share capital at June 30, 2017 (1.57% at December 31, 2016).

B. Distributions

At the General and Extraordinary Shareholders' Meeting of June 15, 2017, it was decided to pay a dividend of €3.15 per share, or a total of €916 million (€2.40 per share or a total of €701 million in 2016). This dividend was paid in June 2017.

C. Stock option and performance share plans and other share-based payments

New performance share plans were introduced during first-half 2017, concerning 1,428 thousands of shares with initial total value of €92 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 (1,013 thousands of shares). The remaining shares (415 thousands of shares) have a 4-year vesting period and no minimum holding period.

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

	Stock options			Share rights ⁽¹⁾
	Quantity	Weighted average exercise price (€)	Weighted average share price at grant or exercise dates (€)	
Options outstanding and rights not yet vested at January 1, 2017	430,049	37	-	4,165,297
Granted	-	-	-	1,437,862
Options exercised and vested rights	(62,481) ⁽²⁾	-	50 ⁽³⁾	(889,480) ⁽⁴⁾
Options and rights expired and other adjustments	-	-	-	(107,883)
Options outstanding and rights not yet vested at June 30, 2017	367,568	37	-	4,605,796

(1) The figures shown include shares for the Chairman and CEO's performance-related remuneration.

(2) Stock purchase options exercised in 2017 were granted under plan 18 and 19 in 2011 and plan 20 in 2012.

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

(4) Performance shares vested were mainly awarded under plan 21 in 2014.

Note 16 – Provisions

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

Provisions for pensions and other long-term employee benefit obligations amount to €1,701 million at June 30, 2017 (€1,771 million at December 31, 2016). These provisions decreased by €70 million in first-half 2017, mainly due to the higher financial discount rate

used for France. The rate most frequently used to value the Group's obligations in France is 1.61% at June 30, 2017, against 1.44% at December 31, 2016.

B. Change in provisions

(€ million)	Restructuring provisions	Warranty provisions	Tax risks and litigation provisions	Insurance activities ⁽¹⁾	Other provisions	Total
At December 31, 2016 ⁽²⁾	431	966	442	369	361	2,569
Increases	36	315	39	63	59	512
Reversals for application	(107)	(280)	(36)	(13)	(17)	(453)
Reversals of unused residual amounts	(3)	(5)	(15)	-	(13)	(36)
Changes in scope of consolidation	-	-	-	-	-	-
Translation adjustments and other changes	(1)	(11)	(18)	-	(15)	(45)
At June 30, 2017 ⁽³⁾	356	985	412	419	375	2,547

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

(2) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.

(3) Short-term portion of provisions: €1,036 million; long-term portion of provisions: €1,511 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 2017, 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

A. Current/non-current breakdown

(€ million)	June 30, 2017			December 31, 2016		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	463	-	463	434	-	434
Bonds	3,318	1,003	4,321	2,572	2,176	4,748
Other debts represented by a certificate	-	588	588	-	554	554
Borrowings from credit institutions (at amortized cost)	382	1,107	1,489	533	1,122	1,655
Other interest-bearing borrowings ⁽¹⁾	232	187	419	230	146	376
Financial liabilities of the Automotive (excluding AVTOVAZ) segment (excluding derivatives)	4,395	2,885	7,280	3,769	3,998	7,767
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	76	302	378	82	544	626
Total financial liabilities of the Automotive (excluding AVTOVAZ) segment	4,471	3,187	7,658	3,851	4,542	8,393
Borrowings from credit institutions (at amortized cost)	719	455	1,174	630	705	1,335
Other interest-bearing borrowings	5	-	5	5	1	6
Other non-interest-bearing borrowings	143	-	143	141	-	141
Financial liabilities of AVTOVAZ ⁽²⁾	867	455	1,322	776	706	1,482
TOTAL AUTOMOTIVE FINANCIAL LIABILITIES INCLUDING AVTOVAZ	5,338	3,642	8,980	4,627	5,248	9,875
DIAC redeemable shares	12	-	12	12	-	12
Bonds	-	17,198	17,198	-	14,638	14,638
Other debts represented by a certificate	-	4,467	4,467	-	4,771	4,771
Borrowings from credit institutions	-	4,551	4,551	-	3,845	3,845
Other interest-bearing borrowings	-	13,663	13,663	-	12,690	12,690
Derivatives on financing operations of the Sales Financing segment	-	123	123	-	97	97
Total financial liabilities and debts of the Sales Financing segment	12	40,002	40,014	12	36,041	36,053
Total automotive financial liabilities including AVTOVAZ, and sales financing liabilities	5,350	43,644	48,994	4,639	41,289	45,928

(1) The Automotive (excluding AVTOVAZ) segment's financial lease liability amounts to €82 million at June 30, 2017 (€83 million at December 31, 2016).

(2) Figures are presented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 2.2.6.1-B. The AVTOVAZ segment's financial lease liability amounts to €6 million at June 30, 2017 and at December 31, 2016.

B. Changes in Automotive financial liabilities and derivative assets on financing operations

	Dec. 31, 2016	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	June 30, 2017
(€ million)						
Renault SA redeemable shares	434	-	-	-	29	463
Bonds	4,748	(398)	-	(34)	5	4,321
Other debts represented by a certificate	554	34	-	-	-	588
Borrowings from credit institutions (at amortized cost)	1,655	(49)	-	(116)	(1)	1,489
Other interest-bearing borrowings	376	92	-	(49)	-	419
Financial liabilities of the Automotive (excluding AVTOVAZ) segment (excluding derivatives)	7,767	(321)	-	(199)	33	7,280
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	626	(260)	-	23	(11)	378
Total financial liabilities of the Automotive (excluding AVTOVAZ) segment	8,393	(581)	-	(176)	22	7,658
Borrowings from credit institutions (at amortized cost)	1,335	(105)	-	(57)	1	1,174
Other interest-bearing borrowings	6	(1)	-	-	-	5
Other non-interest-bearing borrowings	141	9	-	(7)	-	143
Financial liabilities of AVTOVAZ ⁽¹⁾	1,482	(97)	-	(64)	1	1,322
TOTAL AUTOMOTIVE FINANCIAL LIABILITIES INCLUDING AVTOVAZ (A)	9,875	(678)	-	(240)	23	8,980
Derivative assets on Automotive financing operations (excluding AVTOVAZ) (B)	621	(173)	-	(4)	(19)	425
Net change in Automotive financial liabilities in consolidated cashflows (section 2.2.5) (A) – (B)		(505)				

(1) Figures are presented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section 2.2.6.1-B.

*C. Financial liabilities and sales financing liabilities of the Automotive (excluding AVTOVAZ) and Sales Financing segments***Changes in bonds of the Automotive (excluding AVTOVAZ) segment**

Renault SA issued two bonds under its EMTN programme during the first half of 2017: a Eurobond with nominal value of €750 million and 6-year maturity, and a private placement of €7 billion with 3-year maturity. The total amount of bonds issued by the Automotive (excluding AVTOVAZ) segment during first-half 2017 is €809 million.

During first-half 2017, Renault SA redeemed bonds for a total amount of €1,193 million, and Renault do Brasil redeemed €14 million of the bond issued in March 2016.

Also, as part of its "Shelf Registration" programme, Renault SA launched a ¥90 billion Samurai bond on the Japanese market on June 29, 2017. This new Samurai bond has two tranches, one with 3-year maturity and the other with 5-year maturity. The transaction was settled in early July 2017.

Changes in liabilities of the Sales Financing segment

During first-half 2017, RCI Banque group issued new bonds totalling €5,345 million and maturing between 2017 and 2025, and redeemed bonds for a total of €2,487 million, of which €15 million redeemed to the Automotive (excluding AVTOVAZ) segment.

New savings collected rose by €944 million during first-half 2017 (€993 million of sight deposits and €(49) million of term deposits) to €13,519 million (€10,519 million of sight deposits and €3,500 million of term deposits), and are classified as other

interest-bearing borrowings. These savings are collected in Germany, Austria, France and the United Kingdom.

Credit lines

At June 30, 2017, Renault SA's confirmed credit lines opened with banks amounted to the equivalent of €3,405 million (€3,305 million at December 31, 2016). These credit lines have maturities of over one year and were unused at June 30, 2017 (and at December 31, 2016).

Also, at June 30, 2017, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,625 million (€4,637 at December 31, 2016). These credit lines were unused at June 30, 2017 (and at December 31, 2016).

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

For management of its liquidity reserve, at June 30, 2017 the Sales Financing segment had provided guarantees 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 €6,120 million (€5,453 million at December 31, 2016). These assets comprise €4,733 million of shares in securitization vehicles, €331 million of euro bonds and €1,056 million of sales financing receivables (€4,504 million of shares in securitization vehicles, €168 million of euro bonds and €781 million of sales financing receivables at December 31, 2016). The funding provided by the Banque de France against these guarantees amounts to €2,500 million at June 30, 2017 (€2,000 million at December 31, 2016).

D. Financial liabilities of the AVTOVAZ segment

The AVTOVAZ segment's current financial liabilities consist of the following:

(€ million)	June 30, 2017	Dec. 31, 2016
Rouble-denominated bank loans	453	696
Foreign currency denominated bank loans	4	9
Other Rouble-denominated interest-bearing loans	38	41
Total current financial liabilities of the AVTOVAZ Group	495	746
Less current financial liabilities due to Renault s.a.s.	(40)	(40)
Total current financial liabilities of the AVTOVAZ segment	455	706

The AVTOVAZ segment's non-current financial liabilities consisted of the following:

(€ million)	June 30, 2017	Dec. 31, 2016
Rouble-denominated bank loans	724	630
Rouble-denominated interest-free loans	130	128
Rouble-denominated interest-free promissory notes	13	13
Other interest-bearing rouble-denominated loans	-	5
Other foreign currency denominated interest-bearing loans and borrowings ⁽¹⁾	55	57
Total non-current financial liabilities of the AVTOVAZ Group	922	833
Total non-current financial liabilities due to Alliance Rostec Auto B.V.	170	178
Total non-current financial liabilities of the AVTOVAZ segment (including intragroup transactions)	1,092	1,011
Less non-current financial liabilities due to Renault s.a.s.	(225)	(235)
Non-current financial liabilities of the AVTOVAZ segment	867	776

(1) These figures include a €(46) million adjustment relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B), which was recorded at December 31, 2016 at the value of €(40) million.

Rouble-denominated interest-free loans and promissory notes consist of the following liabilities:

Issue date	Maturity date (after extension)	June 30, 2017			
		Nominal value		Book value	
		(Millions of roubles)	(€ million)	(Millions of roubles)	(€ million)
Rouble-denominated interest-free loans					
June 5, 2009	June 5, 2032	25,000	370	4,245	63
April 29, 2010	April 29, 2032	26,282	389	4,516	67
Total		51,282	759	8,761	130
Rouble-denominated interest-free promissory notes					
April 23, 2001	March 7, 2020	1,481	22	892	13

During the first half-year of 2017, the AVTOVAZ Group repaid financial liabilities totalling €218 million and contracted new financial liabilities totalling €115 million.

At June 30, 2017, the AVTOVAZ Group's average interest rate was 11.87% for outstanding rouble-denominated bank loans and 4.96% for foreign currency-denominated bank loans (12.25% and 4.97% respectively at December 31, 2016). Foreign currency-denominated bank loans are in Euro and Yen. The AVTOVAZ Group has €47 million of floating-rate bank loans at June 30, 2017 (€51 million at December 31, 2016).

At June 30, 2017 the AVTOVAZ Group was not in compliance with covenants set by loan agreements with banks: cross-default; breach of payment obligation of any other liability; as well as maximum amount of all claims, for which the Company is a defendant. At 30 June 2017 the Group had €227 million of bank loans with breached covenants (€601 million at December 31, 2016). Credit institutions are able to claim for early repayment of

the debts, which comprise €57 million of long-term debts with breached covenants that have been reclassified as short-term liabilities, and €170 million of short-term debts at 30 June 2017 (€246 million and €355 million respectively at December 31, 2016).

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

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

At June 30, 2017 the AVTOVAZ Group had an overdue borrowing due to Renault s.a.s. in the amount of €38 million (€40 million at December 31, 2016).

At June 30, 2017, the AVTOVAZ Group has confirmed credit lines opened with banks in the amount of € 1,463 million (€1,601 million at December 31, 2016). As at June 30, 2017, the AVTOVAZ Group has €290 million of undrawn available confirmed borrowing facilities (€312 million at December 31, 2016), of which €2 million were available for operating activities and €288 million were available for investment activities (€2 million and €310 million respectively at December 31, 2016).

At June 30, 2017, the AVTOVAZ Group's loans and borrowings of €902 million (including the short-term portion) were guaranteed by property, plant and equipment in the amount of €181 million, by finished goods in the amount of €35 million and by other sureties in the amount of €8 million (€952 million guaranteed by €238 million of property, plant and equipment and by €39 million of finished goods).

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 2017	H1 2016	Year 2016
Net allocation to provisions	(23)	45	605
Net effects of sales financing credit losses	2	(17)	(8)
Net (gain) loss on asset disposals	(65)	(14)	(655)
Change in fair value of redeemable shares	21	(19)	3
Change in fair value of other financial instruments	(3)	(51)	3
Cost of net financial indebtedness	208	139	284
Deferred taxes	18	98	327
Current taxes	461	422	728
Other	45	29	118
Other income and expenses with no impact on cash before interest and tax	664	632	1,405

B. Change in working capital before tax

(€ million)	H1 2017	H1 2016	Year 2016
Decrease (increase) in net inventories	(1,184)	(1,430)	(1,233)
Decrease (increase) in Automotive net receivables	(149)	(281)	(513)
Decrease (increase) in other assets	(530)	(223)	(696)
Increase (decrease) in trade payables	570	539	894
Increase (decrease) in other liabilities	604	710	1,309
Change in working capital before tax	(689)	(685)	(239)

C. Capital expenditure

(€ million)	H1 2017	H1 2016	Year 2016
Purchases of intangible assets	(644)	(515)	(1,058)
Purchases of property, plant and equipment (other than assets leased to customers)	(736)	(716)	(2,216)
Total purchases for the period	(1,380)	(1,231)	(3,274)
Deferred payments	(315)	(187)	177
Total capital expenditure	(1,695)	(1,418)	(3,097)

Note 19 – Related parties

A. Remuneration of Directors and Executives and Executive Committee members

There was no significant change during the first half of 2017 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 are provided in note 11.

C. Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, La Poste, etc. These transactions, which take place under normal market conditions, represent sales of €146 million for the first half-year of 2017, an automotive receivable of €103 million, a sales

financing receivable of €393 million and a financing commitment of €59 million at June 30, 2017.

Note 20 – Off-balance sheet commitments and contingent assets and liabilities

In the course of its business, the Group enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automotive 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).

The Group 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

A1 – Ordinary operations

The Group is committed for the following amounts:

(€ million)	June 30, 2017	Dec. 31, 2016
Financing commitments in favour of customers ⁽¹⁾	2,514	2,082
Firm investment orders ⁽²⁾	1,216	655
Lease commitments ⁽³⁾	479	434
Assets pledged, provided as guarantees or mortgaged ⁽⁴⁾	215	277
Sureties, endorsements, guarantees given and other commitments	183	154

(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 €2,439 million at June 30, 2017 (€1,998 million at December 31, 2016).

(2) Firm investment orders at AVTOVAZ amount to €39 million at June 30, 2017 (€63 million at December 31, 2016).

(3) 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). The lease commitments made by AVTOVAZ amount to €42 million at June 30, 2017 (€43 million at December 31, 2016).

(4) At June 30, 2017, assets pledged, provided as guarantees or mortgaged include commitments given by AVTOVAZ amounting to €215 million (€277 million at December 31, 2016), essentially corresponding to property, plant and equipment and finished goods pledged as guarantees for financial liabilities (note 17-D).

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

A2 – Contingent liabilities

Under a customs agreement between Brazil and Argentina for the automotive industry, which was introduced in 2008 and amended in June 2016, imports of vehicles and spare parts for the Argentinean automotive sector are exempt from customs duties as long as the average ratio of imports to exports with Brazil is below 1.5 over the period July 2015 to June 2020 (this ratio may be raised to 1.7 from June 30, 2019). The amount of customs duties that would apply retroactively on car and spare part imports in excess of this ratio can be up to 75% of the customs duties normally due, and the calculation concerns the entire automotive sector.

The ratio for the sector as a whole was above 1.5 for the period July 1, 2015 to June 30, 2016 and is expected to exceed 1.5 for the period July 1, 2016 to June 30, 2017, with Renault contributing to this situation. Only automakers which do not respect their own individual ratio over the period concerned are liable for penalties. Under the applicable rules, penalties can be avoided by purchasing credits from other automakers concerned. This agreement creates a contingent obligation for Renault that will only be confirmed by the occurrence of uncertain future events that are partly

within its control (compliance with the individual ratio) and partly beyond its control, since the ratio to be respected concerns the entire automotive sector. Reliable estimation of the potential risk at the reporting date is difficult, mainly because of uncertainties as to developments in the Argentinean and Brazilian automotive markets between now and 2020. Consequently, no provision has been recognized by the Group.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At June 30, 2017, the Group had not identified any significant risk in connection with these operations.

Following partial sales of subsidiaries in previous years, Renault holds put options covering some or all of the residual investment retained. The exercise of these options would not have a significant impact on the Group's consolidated financial statements.

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements via provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at June 30, 2017 concern the level of vehicle emissions in Europe. No provision has been recognized in connection with these investigations, but the cost of adapting vehicles already on the road is covered by a provision amounting to €20 million at June 30, 2017 (€20 million at December 31, 2016).

In the ongoing "emissions" affair in France, Renault notes that a formal legal investigation has been opened. This new

stage in the procedure is seen as an indication that the French prosecution office wishes to pursue this matter. No provision was recognized in connection with this investigation at 30 June 2017 or December 31, 2016.

Group companies are subject to the applicable regulations regarding pollution, which vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability. Details of significant provisions are given in note 20 to the consolidated financial statements for 2016.

B. Off-balance sheet commitments received and contingent assets

(€ million)	June 30, 2017	Dec. 31, 2016
Sureties, endorsements and guarantees received	2,764	2,295
Assets pledged, provided as guarantees or mortgaged ⁽¹⁾	3,073	3,138
Buy-back commitments ⁽²⁾	2,843	2,274
Other commitments	28	33

⁽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 €2,676 million at June 30, 2017 (€2,757 million at December 31, 2016). In addition, AVTOVAZ received €13 million in real estate property rights and ownership rights as guarantees of loans, and €110 million in rights to vehicles as guarantees of trade receivables (€13 million and €93 million respectively at December 31, 2016).

⁽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, 2017.

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

KPMG Audit

Département de KPMG S.A.

2, avenue Gambetta – CS 60055
92066 Paris-La Défense Cedex
France

Statutory Audit Firm
Member of the Versailles Institute
of Statutory Auditors

ERNST & YOUNG Audit

1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
France

Statutory Audit Firm
Member of the Versailles Institute
of Statutory Auditors

Renault

Société Anonyme
13-15, quai Alphonse-Le-Gallo
92100 Boulogne-Billancourt

Statutory auditors' Review Report on the condensed half-yearly consolidated financial statements (For the six-month period ended June 30, 2017)

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. 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,

In compliance with the assignment entrusted to us by your general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("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, 2017,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the 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 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements 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, 2017

The statutory auditors

KPMG Audit

A department of KPMG S.A.

Jean-Paul Vellutini

Laurent des Places

ERNST & YOUNG Audit

Aymeric de La Morandière

Bernard Heller

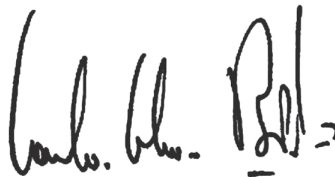
4

PERSON RESPONSIBLE FOR THE DOCUMENT

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, 2017
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

5

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 2017.

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, 2017, 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, 2017 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 2017

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services of the Automotive segment	28,286	46,246	(3,322)	71,210
Sales Financing revenues	1,251	4,394	(67)	5,578
Revenues	29,537	50,640	(3,389)	76,788

(1) Converted at the average exchange rate for first-half 2017: EUR 1 = JPY 121.7.

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 2017 results.

The **operating margin**, the **operating income** and the **net income** of the Alliance in first-half 2017 are as follows:

(€ million)	Operating margin	Operating income ⁽³⁾	Net income ⁽²⁾
Renault	1,820	1,789	1,128
Nissan ⁽¹⁾	3,046	3,734	3,094
Alliance	4,866	5,523	4,222

(1) Converted at the average exchange rate for first-half 2017: EUR 1 = JPY 121.7.

(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 €912 million (¥111 billion), of gain on sales of shares of subsidiaries.

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 2017, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

(€ million)	
Renault	1,327
Nissan ⁽¹⁾	1,701
Alliance	3,028

(1) Converted at the average exchange rate for first-half 2017: EUR 1 = JPY 121.7.

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ MILLION)

RENAULT AT JUNE 30, 2017

ASSETS

Intangible assets	4,873
Property, plant and equipment	12,814
Investments in associates (excluding Alliance)	716
Deferred tax assets	1,131
Inventories	6,892
Sales financing receivables	36,980
Automotive receivables	2,017
Other assets	8,611
Cash and cash equivalents	13,556
Total assets excluding investment in Nissan	87,590
Investment in Nissan	18,841
Total assets	106,431

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	31,726
Deferred tax liabilities	112
Provisions for pension and other long-term employee benefit obligations	1,701
Financial liabilities of the Automotive segment	8,980
Financial liabilities and debts of the Sales Financing segment	40,014
Other liabilities	23,898
Total shareholders' equity and liabilities	106,431

NISSAN AT JUNE 30, 2017 ⁽¹⁾

ASSETS

Intangible assets	6,269
Property, plant and equipment	44,011
Investments in associates (excluding Alliance)	6,175
Deferred tax assets	1,582
Inventories	11,536
Sales financing receivables	58,955
Automotive receivables	4,484
Other assets	8,891
Cash and cash equivalents	8,802
Total assets excluding investment in Renault	150,705
Investment in Renault	2,104
Total assets	152,809

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	46,211
Deferred tax liabilities	5,927
Provisions for pension and other long-term employee benefit obligations	3,102
Financial liabilities of the Automotive segment ⁽²⁾	(4,498)
Financial liabilities and debts of the Sales Financing segment	67,673
Other liabilities	34,394
Total shareholders' equity and liabilities	152,809

(1) Converted at the closing rate at June 30, 2017: EUR 1 = JPY 127.75

(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€11,899 million at June 30, 2017).

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 2017, excluding leased vehicles and batteries, amount to:

(€ million)

Renault	1,051
Nissan ⁽¹⁾	1,962
Alliance	3,013

(1) Converted at the average exchange rate for first-half 2017: EUR 1 = JPY 121.7.

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 €27.1 billion increase in shareholders' equity – non-controlling interests' share.

DIRECTION DES RELATIONS FINANCIÈRES

investor.relations@renault.com
13-15, quai Le Gallo
92513 Boulogne-Billancourt Cedex
Tel. : + 33 (0)1 76 84 53 09

group.renault.com