# SECURITIES REPORT

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Securities Report under Article 24, Paragraph 1 of the Financial Instruments and Exchange Law filed on May 16**,** 2016 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

2. The documents attached to the Securities Report filed as stated above are not included herein. However, a copy of the audit report is attached at the end hereof.

RENAULT

(E05907)

*(TRANSLATION)*

## Cover Page

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Note (1) Unless otherwise specified herein, the "Company", "Renault", "Renault SA" or "Renault S.A." refers to Renault, and the "Group", the "Renault Group" refers to Renault and all of its fully consolidated subsidiaries.

Note (2) Unless otherwise specified herein, the reference to "Euro", "€" and "EUR" are to the lawful currency of European Union and French Republic. The telegraphic transfer for selling Euro against yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of April 14, 2016 was EUR 1 = JPY124.76**.** Any conversions made herein from the Euro amounts into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.

Note (3) Where figures in tables in this document have been rounded, the totals may not necessarily be the aggregate of the sum of the relevant figures.

## PART I CORPORATE INFORMATION

## I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS

### 1. SUMMARY OF CORPORATE SYSTEM, ETC.

#### (1) CORPORATE SYSTEM IN THE COUNTRY OR STATE TO WHICH RENAULT BELONGS:

One of the most often used forms of limited liability companies are *Société Anonyme* form for larger scale companies and *Société à Responsabilité Limitée* form for smaller scale companies. The legal framework applicable to such companies is the French Commercial Code.

The following is a summary of the major provisions applicable to *Sociétés Anonymes* (hereinafter referred to as an "SA") under the French Commercial Code modified pursuant, amongst others, to a law dated May 15, 2001 titled N.R.E ("*Nouvelles Régulations Economiques*"), a law dated August 1st, 2003 titled "Loi de Sécurité Financière", an ordinance dated June 24, 2004, a law dated July 26, 2005, titled "*Loi pour la confiance et la modernisation de l'économie*, and the law dated August, 4th, 2008 titled LME (*Loi de modernisation de l'économie)*, an Ordinance dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies, a law dated March 22, 2012 titled *"Loi de simplification du droit et d'allègement des démarches administratives" ("Loi Warsman II")*, a law dated 29 March 2014 aimed at recapturing the real economy, an Ordonnance n° 2014-863 dated 31 July 2014 relating to company law and an Ordonnance n°2015-1127 dated 10 September 2015 reducing the number of shareholders in an SA.

Upon the incorporation of an SA, the By-laws shall be prepared by the promoter(s) and signed by the initial shareholders. Such By-laws shall be filed with the Secretary of the Commercial Court, at which the SA is registered. The status of a legal entity can be obtained only when a registration certificate is issued by the Secretary of the Commercial Court.

The By-laws is a document which provides for the basic rules governing the SA.

Shareholders

A *société anonyme* is a corporation composed of at least two shareholders (seven in a SA with listed securities) created for a commercial purpose. The shareholders of an SA are subject to liability for the debts of the corporation only to the extent of their capital contributions thereto.

The shareholders are vested the ultimate power over the SA. It is the shareholders who appoint the directors and the Independent Auditor (*commissaire aux comptes*) of the corporation, who declare dividends, who approve the financial statements, who may decide to dissolve the corporation and who authorize any modification of the registered capital, as well as any other amendments of the By-laws.

Capital Stock

Subject to certain exceptions, the registered capital of the SA may not be less than EUR 37,000 (*In accordance with Article L. 224-2 of the French Code de commerce)*.
Under the French Law, the capital stock of the S.A. is divided into shares and may comprise, preferred shares, investment certificates (*certificats d'investissement*; hereinafter referred to as the "CI".) and voting rights certificates (certificats de droit de vote; hereinafter referred to as the "Voting Right Certificate"), although it is no longer possible to issue new investments certificates and voting rights certificates, as well as classes of shares.

There are no legal restrictions on the par value of a share and the par value of a share is not required to be provided in the By-laws. Shares may be issued by the SA either in nominative or in bearer form. However, in general only securities which are traded on a regulated market may be in bearer form. Whether the shares are in nominative form or bearer form, the ownership of such shares is represented by an entry in the account opened with the company (in case of a nominative share) or with a financial institution (in case of a bearer share), instead of a share certificate.

CI are transferable securities deriving from the fractioning of shares, and representing the economic interests granted to the shares (i.e. right to dividend, surplus and residual property after liquidation) and granting a right to the CI holder to request for the same information held by a shareholder. The voting right of CI is represented by the Voting Right Certificate. Therefore, in case CI are issued, the same number of the Voting Right Certificates will also be issued. The issued CI cannot exceed 25% of the issued capital. In the event the CI and the Voting Right Certificate is transferred to the same person, such CI and Voting Right Certificate will be consolidated into one share. The Voting Right Certificate (if there is issued CI) may only be in nominative form. No CI are issued by the Company.

In order to transfer the shares, the shareholders are required to give directions on the transfer to the company or, as the case may be, to the financial institution. The shares may be freely transferred to a third party if no provision requiring approval (generally, approval of the Board of Directors) is provided in the By-laws. Such restricting provisions are not allowed in the By-laws of listed companies.

Form of Capital Investment

The shares are issued upon payment in cash or contribution in kind. The amount paid must be deposited with the bank, notary public or the *Caisse des Dépôts et Consignations*.

In case the shares are issued in consideration of contribution in cash, at least 25% of the nominal amount of the shares must be paid at the point of issuance. In case the shares are issued with a premium, such premium must be paid in whole at the point of issuance.

When shares are issued in consideration of contribution in cash, the existing shareholders have a preferential right to subscribe for the shares to be issued. The shareholders can waive such preferential right during a shareholders meeting or individually.

In case the shares are issued in consideration of contribution in kind (tangible or intangible assets), a report on the amount of such contribution by an independent appraiser (*commissaire aux apports*) appointed by the Commercial Court will be required. Such report shall be filed with the Secretary of the Commercial Court.

Increase or Decrease of Capital

The capital of an SA may be increased either by an issuance of new shares or an increase in par value of outstanding shares. The authorization to increase the capital is within the sole competence of the shareholders assembled at an Extraordinary General Meeting that can delegate this power or its competence to the Board of Director. Issuance of Shares can be made in consideration of (a) contributions made in cash, (b) contributions made in kind or (c) by capitalization of reserves.

An SA may reduce its capital by the reduction of the par value of its shares or by the reduction in number of its outstanding shares upon approval of the shareholders assembled at an Extraordinary General Meeting. Strict equality among the rights of the shareholders must be respected. Similarly, the corporation may not, by reducing its capital, place its creditors in a less advantageous situation.

Increase or decrease in capital requires filing of notification with the Secretary of the Commercial Court.

Issuance of Bonds or Hybrid Securities

The Board of Directors may decide to issue, by its own, ordinary bonds, except if this right is reserved to General Meeting of the Shareholders in the By-laws or if the General Meeting has specifically used this right.

The Board of Directors, upon delegation of the shareholders at the Extraordinary General Meeting of the shareholders, may issue securities that grant, within a certain period or on a particular date, the holder of such securities the right to subscribe to shares representing a portion of the share capital of the company by way of conversion, exchange, redemption, presentation of warrants or any other method.

Management

The management of an SA is entrusted (a) either to a Board of Directors and its Chairman and Chief Executive Officer or (b) to a Management Board (*directoire*) acting under the supervision of a Supervisory Board (*conseil de surveillance*).

The management of Renault is entrusted to a Board of Directors and its Chairman and Chief Executive Officer – see Section I-1- (2) "Management" below.

At an Extraordinary Shareholders Meeting, the shareholders may decide, upon proposal of the management to change the form of management.

(a) Board of Directors and the Chairman and Chief Executive Officer

The form of management is entrusted (i) either to its Chairman and Chief Executive Officer or (ii) to its Chief Executive Officer. The law makes a distinction between the function of Chairman and Chief Executive Officer, even though both functions can be vested in a single person:

(i) either a management entrusted to its Chairman and Chief Executive Officer (CEO).

The management is vested in a single person who acts both as Chairman and Chief Executive Officer. Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, the Chairman and Chief Executive Officer (président-directeur-général) has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties.

(ii) or a management entrusted to its Chief Executive Officer (CEO).

Subject to the powers expressly assigned by law to Shareholders' Meetings and subject to the powers specially assigned by law to the Board of Directors, he has the broadest powers to act for the company in all circumstances. He provides the general management of the company, which he represents in its dealings with third parties. The Board of Directors may elect or resign such CEO.

In such case, the Chairman directs the work of the Board of Directors and executes its decisions whereas the CEO represents the company.

In both cases, on the CEO's motion, the Board of Directors may elect or resign one or more general managers (directeurs généraux délégués) limited to 5. The general manager(s) shall have the same powers as the CEO in its dealing with third parties.

The Board of Directors (*conseil d'administration*) consists of 3 or more and 18 or less Directors. In the event of a merger or consolidation of companies, the number of Directors may be increased up to 24 for 3 years. A Director may be a French national or a foreigner, or a corporate body, in which case it must designate an individual as its permanent representative. The number of Boards of Directors that an individual can be a member of is limited to five. The number of members of the Board of Directors exceeding the age of 70 cannot exceed one-third of the Board.

The By-laws may require that a director own a certain number of shares. Directors are appointed at the General Meeting of the shareholders with a maximum term of office of 6 years. A Director may be dismissed from its office by the shareholders without prior notice, reason or compensation.

French law makes a clear distinction between the management power of the company conferred upon either the Chairman and CEO or CEO and the power of control of the company which is conferred upon the Board of Directors.

Powers are only restricted by the purposes of the company and powers granted to the General Meeting of the shareholders under law. Resolutions at the Board of Directors are made by a majority vote of the Directors in attendance or represented by proxy. In the event of a tie vote, unless otherwise provided in the By-laws, the Chairman has the deciding vote. The quorum is half of the total number of Directors.

The Executive Directors may be appointed among the members of the Board of Directors. They must all be individuals.

(b) Management Board and Supervisory Board

Under the French Commercial Code, a SA may be managed by a Management Board (*directoire*) which is under the supervision of the Supervisory Board (*conseil de surveillance*).

The Supervisory Board consists of 3 or more and 18 or less Supervisors (in the case of merger or consolidation of a company, 24 or less for 3 years). A Supervisor may be a French national, a foreigner or corporate body and is appointed by the shareholders for maximum a term of office of 6 years. A Supervisor may be dismissed from its office without being notified of the reason therefor at the Ordinary General Meeting of the shareholders. If a corporate body is a member of the Supervisory Board, such corporate body must designate an individual as its permanent representative. The number of Supervisory Boards that an individual can be a member of is limited to five. The number of members of the Supervisory Board exceeding the age of 70 cannot exceed one-third of the Board. Most of the provisions relating to the Supervisory Board are the same as those applicable to the Board of Directors; however, the Board of Directors has a management function whereas the Supervisory Board supervises the Management Board.

The Management Board consists of 1 or more and 5 or less members (in the case of a listed company, 7 or less). Its members (executive officers) are required to be individuals and are appointed by the Supervisory Board. The Executive Officer does not need to be a shareholder. An SA of a share capital of less than EUR 150,000 is only required to have one Executive Officer. The Executive Officer in such case is called the Sole Executive Officer. The term of office of the member of the Management Board is 4 years if there are no relevant provisions in the By-laws and between 2 years and 6 years if there is such provision. The Management Board has extensive powers which are restricted by the purposes of the company and the powers granted to the Supervisory Board and to the General Meeting of Shareholders. Restrictions imposed on the powers of the Management Board are binding internally within the company, but cannot be asserted against third parties. Rules regarding management decisions to be made by the Management Board are set forth in the By-laws. The Management Board is a managing body adopting a council system. Any action made individually is considered made collegially by the Management Board. The members of the Management Board can, with the approval of the Supervisory Board, distribute among themselves the tasks to be undertaken. Generally, one member of the Management Board is appointed as the representative of the company by the Supervisory Board. The person thus appointed shall be given the title of Chief Executive Officer. The Chief Executive Officer can be assisted by one or two Executive Officers.

The Management Board submits a quarterly report to the Supervisory Board. Within three months after the end of the financial year, the Management Board must approve the annual corporate accounts and consolidated accounts, if any, and submit them to the control of the Supervisory Board, together with its management report, which will be presented at the annual shareholders meeting approving the accounts. The member of the Management Board cannot at the same time be a member of the Supervisory Board of the same corporation. In order to dismiss a member of the Management Board, it must be approved by the Ordinary General Meeting of the shareholders or the Supervisory Board if provided in the By-laws. If a member of the Management Board is dismissed for no reason, it may claim compensation for damages.

Shareholders' Rights

(a) General Meetings of Shareholders

A General Meeting of the Shareholders (*assemblée générale des actionnaires*) must be held at least once a year in order, *inter alia*, to elect the Directors or members of the Supervisory Board, to ratify agreements entered into between Renault and its senior executives or directors or major shareholders, to receive the written report of the board of directors (or Management Board) and the Statutory Auditor on the operations of the corporation for the past fiscal year and to approve the financial statements therefore. Other meetings of the shareholders may be convened from time to time: a meeting of the shareholders is called an Extraordinary General Meeting of the Shareholders (*assemblée générale extraordinaire des actionnaires*) when, due to certain fundamental changes in the structure of the SA, amendment(s) of the By-laws must be approved by the shareholders or modifications of the authorized capital must be authorized. Any other meeting is called an Ordinary General Meeting of the Shareholders (*assemblée générale ordinaire des actionnaires*).

Decisions at Ordinary General Meetings of the Shareholders are adopted by a simple majority of the voting shares present, or represented thereat; at Extraordinary General Meetings of the Shareholders, decisions are adopted by a two-thirds majority of the voting shares present, or represented thereat.

In the event the By-laws provide for various classes of shares, the rights granted to the various classes of shares cannot be changed without approval of the Extraordinary General Meeting of the shareholders duly notified to all shareholders. Such resolution must be approved beforehand by a special meeting of shareholders of the relevant class of shares.

(b) Voting Right

As a general rule, each share is entitled to one vote. Certain shares do not have the right to vote, while others may be granted double voting rights. Shareholder's agreements, voting trusts, voting pools, irrevocable proxies or any other mechanism tending to restrict a shareholder's ability to freely vote his shares are generally prohibited but subject to certain exceptions. Nonetheless, shareholders may grant a proxy, valid for only one shareholders' meeting, empowering either another shareholder or his spouse, or in the case of a listed company any other person, to vote his shares. Shareholders may hold more than one proxy. Finally, where a shareholder grants a proxy without specifying who is to vote his shares and how they are to be voted, the chairman of the meeting of the shareholders is entitled to vote such shares on behalf of the shareholders provided that he votes same in favor of the resolutions proposed or supported by the Board of Directors or the Management Board and against all other resolutions.

For companies whose shares are admitted on a regulated market, if the shares owned by a shareholder or jointly by shareholders become over or under the threshold of 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% of the share capital or number of voting rights (in the event there is a difference between the number of shares and the number of voting rights), such shareholders must give a notice thereof to the company and the *Autorité des Marchés Financiers*.

Article L. 225-123 paragraph 3 of the French Commercial Code provides that, regarding the companies whose shares are admitted on a regulated market, a double voting right is attributed to all fully paid-up shares and for which proof is provided of registration for two years in the name of the same shareholder unless this is expressly disapplied in the By-laws. This registration must be unbroken and is to be considered as from 2 April 2014. As a consequence, eligible holders of registered shares will benefit from double voting rights as from 3 April 2016.

(c) Dividends

Dividends must be approved by the shareholders. Dividends may only be declared out of distributable profits of the parent company (*bénéfice distribuable*) which are equal to the net after tax profit *minus* any loss carry-forwards (*reports à nouveau déficitaires*) or allocations to reserves (including as the case may be statutory reserves under French law) *plus* any profit carry-forwards (*reports à nouveau bénéficiaires*) and special reserves created by the By-laws or shareholder resolutions from which dividends may be declared.

Dividends may be declared only after the shareholders have approved the financial statements of the corporation for the past fiscal year and have determined the amount of distributable profits. The only exception to this mandatory chronological sequence of events is the declaration by the corporation of interim dividends (*acomptes sur dividendes*) which may be declared from time to time under certain circumstances during the fiscal year by the Board of Directors or Management Board. All persons who are shareholders as of the date of the declaration of the dividend normally have the right to receive a same amount.

(d) Liquidation

An SA may be dissolved for any of a number of reasons, including the will of the shareholders, the end of its stated period of duration, the accomplishment of its corporate purpose, the satisfaction of a condition precedent contained in the By-laws requiring dissolution, dissolution in conjunction with bankruptcy proceedings or dissolution due to the court-ordered cancellation of the corporate charter.

As soon as the decision to dissolve the SA has been taken, the corporation is in liquidation.

The liquidation is carried out by one or more liquidators appointed either by shareholders or the Commercial Court as applicable. The liquidator must carry out the formalities of publication, marshal the assets of the corporation and pay all of its outstanding debts.

Once all corporate debts and all shareholders benefiting from social distribution rights have been paid, the liquidator has the authority to distribute corporate assets to the shareholders.

Upon the termination of the liquidation, the liquidator must call a meeting of the shareholders to approve the liquidation and to declare the corporation definitively liquidated. After such meeting, the corporation ceases to exist as a legal entity.

## (2) CORPORATE SYSTEM AND ORGANIZATION PROVIDED FOR IN BY-LAWS, ETC. OF RENAULT:

General Matters

Organized as a société anonyme (public limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings, and the provisions of the Employee Profit Sharing Act No. 94-640 of July 25, 1994. Renault was incorporated on June 28, 1955 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 13-15, Quai Le Gallo, Boulogne-Billancourt 92100 -France. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 6420 Z; Siret code: 441.639.465.00018). Legal documents such as the By-laws, minutes of Annual General Meetings, auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the By-laws). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

The shareholders, whose shares are fully paid up, have, in proportion to their shares, a preferential right to subscribe new shares created for a capital increase. Such preferential right shall be exercised in accordance with the terms, conditions and lead time prescribed by applicable law.

The shareholders may individually waive their preferential right.

A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the auditors made in accordance with legal and regulatory provisions.

Besides the right to vote, each share entitles to a part, equal to the portion of the share capital that it represents, of the ownership of the social assets and the liquidation surplus.

Each time a minimum of shares is required to exercise a right, the shares which are below the amount required shall not grant their owners any right against the company, and the shareholders shall be in charge, in such case, of gathering the necessary amount of shares.

Ownership of a share automatically entails acceptance of the By-laws of Renault and the Shareholders Meeting's resolutions.

The shares are non dividable vis-à-vis the company.

The joint owners of one or several shares shall be represented at the Shareholders' Meetings by one of them or by a single proxy of their choice.

In case of division of ownership of a registered share the entry in the company's book shall mention the name of the usufructuary (*usufruitier*) and of the bare owner(s) (*nu-propriétaire*). The voting right attached to a share shall belong to the usufructuary at all Shareholders' Meetings.

Every shareholder may vote by correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via the Internet, under those conditions laid down in applicable regulations at the time such means are used.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the By-laws.

(b) Right to Appoint Directors

Fifteen are chosen by the Annual General Meeting of Shareholders (i) and one represents employee shareholders (ii).

(i) the shareholders have the right to appoint at least 3 and at the most 15 Directors (art. 11 of the By-laws).

(ii) the shareholders have the right to appoint one director representing employee shareholders who shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

In addition, other three directors are elected by the employees of the Company and of its direct or indirect subsidiaries, having registered office of French territory and two directors are appointed by the French State.

(c) Right to Claim Dividends

Net income is appropriated in compliance with existing legislation.

Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.

In accordance with legal provisions, the Annual General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares. Requests for the payment of a dividend in shares must be submitted within the time period established by the Annual General Meeting without exceeding three months from the date of the Meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

Dividends are paid at the places and times set by the Shareholders' Meeting, or failing which, by the Board of Directors.

Dividends not claimed within five years of the date of payability lapse in the conditions prescribed by law.

Holding of Stock and Transfer Thereof

Shares are freely transferable in accordance with legislative and regulatory provisions. Such transfers are made in book entry form.

**Statutory thresholds**

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the By-laws. However, shares that are not fully paid-up must be in registered form. Renault is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings. In addition to the statutory requirement to inform the company of shareholdings exceeding a certain fraction of the share capital, any shareholder or management company for an undertaking for collective investment in transferable securities in a fund management organization holding a number of shares or voting rights greater than 2% of the share capital or a multiple of this percentage which is less than or equal to 5% of the share capital or the voting rights, is obliged to disclose to the company the total number of shares he possesses, by registered letter with acknowledgement of receipt, within a time period provided for in a decree of the Conseil d'Etat. Beyond 5%, the foregoing mandatory disclosure shall apply to any 1% fraction of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or shares assimilated to equity held as defined by the provisions of Article L.233-7 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The declaration requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 1% or 2 % as applicable.

If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are stripped of voting rights for all shareholders' meetings for a period of two years after the required declarations are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

Management

As a preliminary it is specified that since shareholders meeting dated April 26, 2002, Renault has implemented the provision of the law dated May 15, 2001 titled N.R.E. as referred and further detailed in the above sub-section (1) "Corporate System in the Country or State to which Renault Belongs".

*Members of the Board of Directors*

According to the current By-laws, Renault is administered by a Board of Directors comprising:

*A/Directors appointed by the Shareholders' General Meeting*

These directors shall number at least 3 and at most 15 directors and may be either natural or legal persons. Upon appointment, the latter shall designate a permanent representative which shall be subject to the same obligations and liabilities as if he were a director in its own name, without prejudice to the joint liability of the legal person he represents.

Subject to the requirements to be fulfilled on renewal of directors, the term of office of directors shall be four (4) years, since Shareholders' General Meeting dated April 26, 2002. However, where a director is appointed in the place of another director during his term of office, he shall exercise his functions only during the remainder of the term of office of his predecessor. The directors chosen by the Shareholders' Meeting may be re-eligible subject to statutory provisions more particularly concerning age limits**.**

Any director's function shall cease at the end of the Ordinary General Meeting called to approve the accounts of the previous fiscal year, and held during the year during which the said director's term of office expires.

In the event of one or several vacancies in the Board of Directors, due to death or resignation, and notwithstanding that the number of directors remains at least equal to the minimum required by the By-laws, the Board of Directors may, during the period elapsed between two General Meetings, provisionally appoint one or more new directors to replace those who have died or resigned.

*B/Directors elected by the employees*

There are three such directors, one of them representing the engineers, executives and similar.

They shall be elected by the employees of Renault and its direct or indirect subsidiaries, having registered office on French territory.

Since the Shareholders general meeting of April 29, 2008, their term of office shall be four years (6 years previously). However this shall cease ipso jure where these representatives no longer fulfill the eligibility requirements provided for in article L.225-28 of the French Commercial Code, or again in the event of breach of their employment agreement in accordance with article L.225-32 of the French Commercial Code.

The status and the methods of election of these directors are laid down by the provisions of articles L.225-27 to L.225-34 of the French Commercial Code on commercial companies and by the By-laws.

The three directors representing employees shall be elected by separate electorates:

- Engineers, executives and similar (one seat) comprising electors usually voting in the third electorate (for companies having 3 electorates) for the election to the Workers Council (*Comité d'entreprise*). In companies or establishments not having three electorates or not having a Workers Council, the classification of « Executive », as defined by the Collective Agreements applicable to the companies and establishments under consideration, shall be used.

  This seat shall be filled by a two-round majority vote. Each candidacy shall comprise the name of the candidate plus of his possible replacement.

- Other employees, comprising all the other employees (two seats). Seats shall be filled by a ballot for lists by proportional representation, the list with the greatest number of votes winning, but with no possibility of including a name on one list in another. Each list shall contain twice as many candidates as the number of seats to be filled.

  In the event of a tie, candidates who have worked in Renault longest shall be elected.

Candidates or lists of candidates may be presented either by one or several representatives organizations, in the meaning of article L.2314-8 and L.2122-1 of the French Labor code, or by 100 electors.

To be eligible, candidates must be party to an employment agreement with Renault or one of its direct or indirect subsidiaries, with registered offices on French territory, this for a minimum of two years prior to the date of effect of the term of office for which they have been elected, and corresponding to an effective work.

The number, place and composition of polling stations shall be fixed by Renault's establishments and subsidiaries concerned thereby, in conformity with accepted common practice in force for the elections of employee representatives.

Voting arrangements which are not specified by French Commercial Code or by the By-laws, and the conditions governing the term of office for directors elected by the employees, shall be laid down by senior management after consultation of the unions which are representative at Renault's level.

*C/One director representing the employee shareholders:*

Appointment procedure for the director representing employee shareholders are laid down by decree n° 95-237 of March 2, 1995, pursuant to the French Commercial Code and by the By-laws.

His term of office shall be 4 years (6 years previously).

However, his term of office shall cease ipso jure and the director representing employee shareholders shall automatically be deemed to have resigned:

- in the event of loss of his employment with Renault or with one of its direct or indirect subsidiaries,
- in the event of loss of his quality as shareholder of Renault, subject to a ratification within three months,
- or in the event that the subsidiary of which he is an employee is no longer controlled by Renault.

In the event of death or resignation, the seat vacated by the director representing the employee shareholders shall be filled with all dispatch, in the same conditions as those governing the appointment of the director vacating the seat. The term of office of the director thus appointed to replace another shall end at the date the term of office of the replaced director would have ended.

*Designation of candidate*

The calendar for the designation of candidates shall be fixed by the Chairman of the Board of directors. It shall be posted in the companies concerned at least one month prior to the General Meeting called to appoint the director representing the employee shareholders.

The Chairman of the Board of directors shall consult the employee shareholders holding securities with a view to designating their candidates before holding the General Meeting called to appoint the director representing the employee shareholders. Minutes shall be drawn up indicating the number of voting rights polled by each candidate.

The two candidates having polled the greatest number of votes among those with a number of votes at least equal to 5% of the employee shareholders shall be candidates for election by the Ordinary General Meeting.

In the event that no candidate attains the threshold of 5%, the two candidates with the largest number of votes shall be presented for election by the Ordinary General Meeting of Renault shareholders.

Each candidate shall present himself with a substitute who will take the place of the principal candidate in the event that he definitively leaves office as director during the term of office to which he is elected. In that case, the substitute shall replace the principal for the remaining duration of the latter's term of office.

In addition to the voting conditions described above, regulations drawn up on the designation of the director representing the employee shareholders shall describe the practical terms for this vote.

*Appointment procedures :*

The director representing employee shareholders shall be appointed by the Ordinary Shareholders' Meeting, after a majority vote by the shareholders present or represented by proxy.

*Organization of the Board of Directors*

The Board of Directors shall designate a Chairman among its members, who shall be a natural person. The Chairman is re-eligible.

The term of office of the Chairman shall not exceed the term of his office as a director. The Chairman must be aged less than 72 provided that if this age limit is reached during his term of office the Chairman shall continue in office until the end of the term of his mandate without being eligible for re-election.

Board meetings are chaired by the Chairman. In his absence or in case of impediment, the Board meeting shall be chaired by a director designated by the Chairman for this purpose, or, failing such designation, the Board shall designate a meeting chairman.

The Board appoints a Secretary and may appoint an assistant Secretary, neither of whom needs be a director.

On the Chairman's motion, the Board of Directors may decide the setting up of committees which are assigned specific tasks.

*Meetings of the Board of Directors*

The Board of Directors shall meet as often as Renault's interest so requires. It meets on call by its Chairman, or one third of the directors if a Board meeting has not been held in over two months, either at the registered office, or at any other place specified in the notice of meeting.

Notices of meeting may be made by all means, even verbally. The Board of Directors may validly take resolutions, even without notice of meeting, if all members are present or represented.

Resolutions are adopted under quorum and voting rules provided by law; in the event of a tie, the chairman of the meeting has a casting vote, unless the vote is on the appointment or revocation of the Chairman of the Board of Directors.

Any director may, for any meeting, give his proxy in any way to another director to vote in his stead; no director may represent more than one other director. In the event of one or several vacancies for any reason whatsoever in the seats of directors elected by the employees, whom could not be replaced as laid down by the provisions of article L.225-34 of the French Commercial Code, the Board of Directors shall be deemed validly composed with the remaining directors and may validly meet and take resolutions before the election of the new directors representing employees.

Persons invited by the Chairman to attend Board of Directors' meetings shall be bound by the same duty of confidentiality as the directors.

The internal regulations appended to these By-laws shall, pursuant to laws and regulations, determine the conditions for the organisation of meetings of the Board of Directors which may take place through videoconferencing or means of telecommunication which guarantee the effective participation of the Directors.

Board resolutions are evidenced by minutes signed by the chairman of the meeting and at least one director. If the chairman of the meeting cannot sign, the minutes are signed by at least two directors who took part in the resolution. The minutes are entered on loose-leaf sheets numbered and initialed continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board of Directors, a general manager, the acting chairman or the Secretary of the Board of Directors expressly authorized to do so.

The number of incumbent directors and their presence at a Board meeting, in person or by proxy are sufficiently evidenced by a copy of or an excerpt from the minutes.

*Functions of Chairman*

The functions of Chairman shall be exercised according to legal and regulatory provisions.

On April 26, 2002, the Board of Directors of Renault has decided that the management will be vested in a single person who will act both as chairman and chief executive officer. Further details are provided in Part I-1-(1) under the heading « management ».

Since a decision of the Board of Directors dated April 29, 2005, the functions of Chairman and CEO were split. The Board of Directors decided in May 6, 2009 that the management will be vested in a single person again, who will act both as Chairman of the Board and Chief Executive Officer.

The Chairman organizes and directs the work of the Board of Directors, accounts for the same to the Shareholders' Meetings and executes its decisions. He ensures the proper working of the corporate decision-making bodies and ensures that the directors are able to fulfill their tasks.

The Chairman of the Board of Directors may delegate to anyone such temporary or standing authority as he sees fit, with or without power of re-delegation in whole or in part.

In case the Chairman cannot exercise his functions for any reason whatsoever, the Board may assign them in all or in part to a director, provided such assignment which may be renewed, is made for a limited time.

*Remuneration of directors – Expenses*

The Shareholders' Meeting may grant to the directors, as attendance fees, a remuneration which amount, fixed by the Shareholders' Meeting shall be maintained until a new decision.

The Board of Directors allocates such amount among the directors in a manner that it deems fit and in compliance with the law.

Directors may, upon presentation of relevant documents, obtain the reimbursement by Renault of expenses incurred in the exercise of their functions.

*Liability*

Directors shall be liable, individually or jointly as the case may be, vis-à-vis Renault or third parties, for any infringement of the statutory provisions applicable to limited liability companies, and for any infringement of the By-laws.

General Meeting of Shareholders

The General Meeting is comprised of all shareholders whose shares were registered in the name, at the latest three business days before the date of the meeting under the following conditions.

Proof of entitlement to attend General Meetings shall take the form of an accounting record of the shares in the shareholder's name or in the name of the intermediary registered on the shareholder's behalf in accordance with Article L.228-1 of the Commercial Code, on the third business day preceding the General Meeting at midnight, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.

For bearer shares, the registration or the accounting records of shares held in accounts kept by the authorized intermediary shall be recorded in a shareholding certificate issued by said intermediary.

Any shareholder may give his proxy to any other designated person (physical or legal), shareholder or not, to represent him at Shareholders' Meeting. In case of legal proxy, he shall attend the Shareholders' Meeting through its legal representatives or any person designated for that purpose by the latter.

Shareholders' Meetings are convened and vote in accordance with the legal and regulatory provisions.

The agenda of every Shareholders' Meeting is set by the author of the notice.

However, one or more shareholders may, in the conditions prescribed by law, request the entry in the agenda of (i) draft resolutions which will be submitted to vote, and (ii) items, which will be discussed during the Meeting without any vote.

Shareholders' meeting may not vote on a matter which is not entered on the agenda except for the resignation and the replacement of the directors designated by shareholders as provided by the law.

Every Shareholders' Meetings is held at Renault's registered office or any other place specified in the notice.

Resolutions are adopted by Shareholders' Meetings under the legal quorum and voting rules.

The calculation of the quorum and voting majority shall include the shareholders who attend the Meetings through videoconferencing or via means of telecommunications allowing them to be identified, the nature and conditions of which shall be fixed by a Decree enacted in the *Conseil d'État* (French supreme body responsible for administrative law).

Every Shareholders' Meeting is chaired by the Chairman of the Board or, in his absence or in case of unavailability, by the Director delegated by the Board of Directors for this purpose.

The shareholders of the Shareholders' Meeting having the largest number of votes and willing to do so serve(s) as teller(s) *(scrutateur)*.

Said officers appoint the Secretary of the meeting, who do not need to be a shareholder.

An attendance list is kept at every Shareholders' Meeting in accordance with the law.

The officers of the Shareholders' Meeting attach to the attendance list the proxies of the shareholders present by proxy and the ballot received by mail.

The attendance list, duly initiated by the shareholders and proxy agents, is certified by the officers of the meeting.

Every shareholder may vote by correspondence or give proxy powers according to the terms laid down by law and in regulatory provisions.

On February 12th, 2014, the Board of Directors has decided that the shareholders may, in accordance with the By-laws, take part in the General Meeting via the Internet, under those conditions laid down in applicable regulations at the time such means are used. Those shareholders, who use the electronic voting form proposed on the site for this purpose, within the given deadlines, shall be assimilated to shareholders who are present or represented.

The proxy power or the vote which is thereby expressed prior to the General Meeting via such electronic means, as well as the confirmation of receipt which is given, are deemed to be non-revocable writs which may be relied upon against all parties, it being specified that in the event of sales of shares prior to 0:00 hours (Paris time) on the third business day preceding the General Meeting, Renault will consequently invalidate or amend, as applicable, the proxy powers or votes expressed prior to that time and that date.

At every Shareholders' Meeting each shareholder in attendance has many votes as he holds or represents shares, subject to no limitation other than any resulting from legal provisions and subject to the provisions under the By-laws.

Shareholders' decisions are evidenced by minutes entered on loose-leaf sheets numbered and initialled continuously and bound in a special book, all in accordance with legal and regulatory provisions.

Copies or excerpts from the minutes are validly certified by the Chairman of the Board, a General Manager, or the Secretary of the Shareholders' Meeting.

An Ordinary Shareholders' Meeting is the one called to make all decisions which are not to be taken by the Extraordinary Shareholders' Meeting.

The Board's report on the company's businesses at the Ordinary Shareholders' Meeting. The auditors' report is also reported to the Ordinary Shareholders' Meeting.

The Ordinary Shareholders' Meeting approves or disapproves the balance sheets and accounts or requires correction thereof.

The Ordinary Shareholders' Meeting allocates the profits and declares dividends in accordance with article 34 of the By-laws.

The Ordinary Shareholders' Meeting appoints the auditors.

The Ordinary Shareholders' Meeting fixes the attendance fees granted to the Board of Directors.

The Ordinary Shareholders' Meeting decides on the special auditor's report on conventions authorized by the Board of Directors in accordance with the law.

The Ordinary Shareholders' Meeting may authorize all issues of bonds or other similar securities.

The Extraordinary Shareholders' Meeting may amend the By-laws in all respect authorized by law.

Independent Auditors (Commissaires aux Comptes)

The Shareholders' Meeting shall elect at least two Independent Auditors having the audit duties prescribed by law.

The Independent Auditors were appointed by the ordinary session of the joint general meeting of June 7, 1996, reappointed by the general meeting of April 26, 2002, and reappointed by the general meeting of April 29, 2008, for a six year (renewable) term. The term of the Independent Auditors shall end after the shareholders' meeting called to approve the financial statements for 2013.

At the shareholders' general meeting held on April 30, 2014, one of the Independent Auditor was reappointed and the other one was substituted by a new Independent Auditor for a six year (renewable) term. The term of the Independent Auditors shall end after the shareholders' meeting called to approve the financial statements for 2019.

Said Independent Auditors must have the qualifications prescribed by law. They are elected for six fiscal years and are re-eligible.

One or more alternate Independent Auditors are elected to replace the regular auditors in the event of death, disability, refusal to act or resignation.

Accounting

The fiscal year is the calendar year. It starts on January 1 and ends on December 31 of each calendar year.

**2. FOREIGN EXCHANGE CONTROL SYSTEM:**
**FOREIGN INVESTMENTS IN FRANCE**

According to French law (Monetary and Financial Code (the "CMF") (*decret* of 30 December 2005, decret of 7 may 2012, décret of 14 May 2014 and *arrêté* of 7 March 2003 (the "***Arrêté***")) foreign investments in France may be subject to an administrative declaration (A), statistical declaration (B), and/ or prior authorization (C).

Definitions

Residents: individuals having their main interest in France as well as French or foreign entities for their establissements in France.

Non-residents: individuals having their main interest abroad as well as French or foreign entities for their establissements abroad.

A-Administrative declaration

1) Content of the administrative declaration

The administrative declaration shall be made at the earliest of (i) the entry into the agreement (ii) the publication of the tender offer and (iii) the acquisition of an asset constituting a direct investment in France.

The administrative declaration must contain: information on the individuals or the public entity that, at the end of the process, control the foreign investor (if it is an entity). If the investor is a public listed company, the administrative declaration must indicate the identity of the main shareholders holding a stake higher than 5% together with a list of the board members and their places of residence. If the transaction is made by an investment fund, disclosure of the identity of its managers is mandatory. The administrative declaration must also indicate the allocation of shareholding interests in the target company prior to and after the transaction, the aggregate amount of the transaction, and precisely if the transaction is being made by way of a transfer of funds from a foreign country to France or by another way.

Failure to make such administrative declaration may involve criminal penalties.

2) Transactions subject to administrative declaration:

Pursuant to articles R.151-1, R.152-5 al.1 of the CMF and Article 7 of the *Arrêté*, the following investments are submitted to an administrative declaration (to be made to the Ministry of Economy, Direction of the *Trésor*).

a) Direct foreign investments (Articles R.151-1, R.152-5 al.1 of the CMF)

- The creation of a new company by a foreign company or by non-resident individuals;
- The acquisition of all or part of a line of business of a French company by a foreign company or by non-resident individuals;
- All transactions made in the capital of a French company by a foreign company or by non-resident individuals provided that, after such transaction, the aggregate amount of share capital or voting rights hold by a foreign company or by non-resident individuals exceed 33.33% of the share capital or the voting rights of such French company;
- All transactions made by a French company in which a foreign company or non-resident individuals hold more than 33.33% of the share capital or the voting rights of such French company.

b) Foreign investments

- Transactions such as the granting of loans, significant guarantees, purchase of patent licenses, business contracts or know how that result in a *de facto* control of a French company by a foreign company or by non-resident individuals.

c) Indirect foreign investments

- Transactions consummated abroad entailing the modification of control of a non-resident company which is itself the holder of a stake or voting rights in a French company in which a foreign company or non-resident individuals hold more than 33.33% of the share capital or the voting rights of such French company.

3) Exemptions for specific transactions (Article R.152-5 al.2 of the CMF)

Certain direct investments in France are by virtue of the nature of the investment exempt from the administrative declaration requirements, regardless of the investor's place of residence. The exempted investments consist of the following:

- The creation or expansion of activities of an existing French company held directly or indirectly by a foreign company or by non-resident individuals;
- Increases in the stake of a non-resident (e.g. by share purchase) in a French company held directly or indirectly by a foreign law company or by non-resident individuals by a foreign investor who already hold more than 50% of the share capital or the voting rights of such company;
- Subscriptions to increase the capital of French companies already held directly or indirectly by a foreign company or by non-resident individuals, provided the foreign investor does not actually increase its participation at this time;

- Direct investment transactions made between companies belonging to the same group, which means that they are directly or indirectly held, by more than 50%, by the same shareholders;

- Loans, advances, guarantees, consolidation or cancellation of debts, subsidies or allowances/grants to the subsidiaries made available to a French company already held directly or indirectly by a foreign law company or by non-resident individuals;

- Direct investment transactions in real estate companies, other than those engaged in the construction of buildings for sale or lease;

- Direct investment transactions in French companies relating to handicrafts, retail, hotels, restaurants, or service industries relating to or having the exclusive objective of exploitation of stone quarries and gravel pits, provided the investment does not exceed Euro 1,500,000; and

- The purchase of agricultural land.

B-Transactions subject to a statistical declaration

1) Declaration to the *Banque de France*

The credit institutions, investments companies and other finance related companies have to make monthly statistic declarations related to settlements between residents and non-residents which are made in France and which exceed Euro 12,500 based on elements disclosed to them by such residents.

Companies or groups of companies for which the amount of transactions with foreign countries, exceed, for some services Euro 30,000,000 in a fiscal year have to declare on a monthly basis all transactions made with foreign countries or in France with non-residents.

Residents directly making transactions abroad, from, *inter alia*, accounts opened abroad, or by way of debt set off/compensation, have to declare on a monthly basis to the *Banque de France* if such transactions exceed Euro 1,000,000.

Certain other transactions have to be declared to the *Banque de France* if their amount exceeds Euro 15,000,000 within 20 days following their completion (Article R.152-3 of the CMF):

- Direct foreign investments in France or French investments abroad involving transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non-resident company. Transactions between related companies are also involved here (i.e. loans, deposits...) as well as real estate investments;

- Acquisition or sale of non-resident companies by residents;

- Acquisition or sale of real estate abroad by residents, and in France by non-residents.

2) Declaration to the *Direction du Trésor*

For statistical reasons, the following transactions have to be declared to the *Direction du Trésor*[1]

[1] Such declaration should be made following to the information required for the administrative declaration, provided that the names of the main shareholders do not have to be disclosed.

(Article R.152-4 of the CMF and Article 5 of the *Arrêté*):

- The creation of a company and real estate acquisitions which exceeds Euro 1,500,000 made by foreign investors in France and liquidation of direct foreign investments in France;

- The creation or expansion of activities of an existing French company held directly or indirectly by a Foreign company or by non-resident individuals when the amount of those transactions exceed Euro 1,500,000;

- The purchase of agricultural lands for wine making purposes;

- The liquidation of foreign directs investments in France;

- Transactions that have been subject to an authorization from the Minister of Economy (taking into account that the French administration must be informed if an authorized direct investment transaction has not been made or has not been entirely made).

The *Direction du Trésor* must also be informed by French companies (or their liquidator) held directly or indirectly by foreigners for:

- Decrease of the foreign stake in their capital, even if it does not constitute a desinvestment (i.e. by way of a capital increase subscribed by French residents);

- All significant amendments related to their existence or business: closure of business, change of corporate name or address, liquidation;

- All transitions carried out abroad and modifying indirectly the holding of the share capital of a French company (the identity and the control of the new shareholder have to be disclosed).

For those statistical declaration purposes, a direct foreign investment in France or French abroad involve transactions by which non-residents or residents purchase at least 10% of the share capital or the voting rights, or cross the 10% threshold, of respectively a resident or a non resident company. Transactions between related companies are also involved here (i.e. loans, deposit) as well as real estate investments.

Failure to make such statistical declarations may involve criminal penalties.

C-Investments subject to prior authorization

Notwithstanding the foregoing, some specific foreign investments are subject to the prior authorization of the Ministry of Economy, *Direction du Trésor* (articles R.153-2 and R.153-4 of the CMF and Article 7 of the *Arrêté*):

Definition of 'foreign investment' submitted to prior authorization depends on whether the investor is a non-EU/EEA or a EU/EEA investor (Article R.153-2 and R.153-4 of the CMF). With regard to both non-EU/EEA and EU/EEA investors, the CMF defines a 'foreign investment' as:

(1) the acquisition of control, within the meaning of Article L.233-3 of the Commercial Code, of a company having its registered office in France;

(2) the acquisition of all or part of a branch activity of business having its registered office in France,
(Articles R.153-1 and R153-3 of the CMF)

However, if the investor is a non-EU/EEA investor, the CMF also defines 'foreign investment' as:

(3) the crossing of 33.33% of holding of the share capital or voting rights in a company having its registered office in France (Article R 153-1 of the CMF).

If the foreign investment falls within one of the three categories above, it will be subject to prior approval by the Minister of Economy if it is also made in one of the strategic business sectors listed below (which will vary depending on whether it is a non EU/ EEA investor or a EU/EEA investor):

- Foreign investments related to public order or public safety as well as those related to regulated private security activities;
- Foreign investments related to national defense, weapons and explosives;
- Foreign investments related to cryptology, interception of communication and information system security;
- Foreign investments related to production of antidotes, dual-purpose goods and technologies;

The French Government issued a decree (n°2014-479) on 14 May 2014 (the "Decree") that extends the list of investments for which foreign investors must obtain prior authorisation from the French Minister of Economy before making an investment in a French company. Six new sectors have now been added by the Decree, i.e.:

- the integrity, the safety and the continuity of the supply of water;
- the integrity, the safety and the continuity of electricity, gas, hydrocarbons and any other source of energy;
- the integrity, the safety and the continuity of operation of transport networks and services;
- the integrity, the safety and the continuity of electronic communications networks and services;
- the integrity, the safety and the continuity of operation of facility, installation or structure which are of vital importance within the meaning of Articles L. 1332-1 and L. 1332-2 of the French Defence Code;
- the protection of public health;

The Ministry of Economy, when considering requests for authorization from foreign investors, is required to make a decision within two months from the date the application is deemed to have been filed. If no response is received from the Ministry within this period, the direct investment is deemed to be authorized. The Ministry of Economy can also make a favorable decision subject to conditions related to national interest and within the respect of principle of proportionality.

The Ministry of Economy may give its approval subject to commitments being made by the foreign investor (Article R.153-9 CMF). In this respect, the Decree extended the power of the Minister to require foreign investors to divest an activity to a third party. Previously, the Minister of Economy could only impose the divestment of an ancillary activity falling within a strategic sector. Now, the Minister may order the divestment of any activity falling within the scope of the strategic sectors (i.e. even if the activity represents a very significant part of the targeted business or company).

Any undertaking, agreement or covenant which, directly or indirectly results in the completion of an investment in a protected sector without prior authorisation having been obtained is null and void.

Failure to request such authorization can also give rise to an injunction from the Ministry and, potential criminal sanctions.

In any cases, if a foreign investor wishes to practice in France within an economically regulated sector, he is also subject to the particular regulations required by a practice in such regulated sector.

**3. TAXATION:**

**(1) TAXATION IN FRANCE**

The following is a general summary of the material French tax consequences of acquiring, owning and disposing of bonds for a person (i) who is a resident of Japan for the purposes of Japanese tax and the "Convention Between France and Japan for the Avoidance of Double Taxation with Respect to Taxes on Income" dated March 3, 1995 (the "Treaty") and the rider dated January 11, 2007, (ii) who is entitled to the benefits of the Treaty and (iii) whose payments under the bonds are made on an account opened in its name of or for its benefit in Japan.

This discussion is intended only as a descriptive summary. It does not cover all aspects of French tax laws and of the Treaty which may be relevant to a bondholder of bonds with respect to his particular situation.

1) Taxation on Interest on the Bonds

Payments of interest and other revenues made on bonds issued on or after 1 March 2010 are not subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory ("*Etat ou territoire non cooperatif"*) within the meaning of Article 238-0 A of the French *Code Général des Impôts*. If such payments under the bonds are made in a non-cooperative State (i.e. an account opened in a non-cooperative State in the name of or for the benefit of a bondholder), a 75% withholding tax will apply, subject to certain exceptions and the more favourable provisions of an applicable tax treaty. As Japan is not listed as a non-cooperative State, the payments of interest and other revenues made in Japan on bonds issued on or after March 1, 2010, will be made without deduction or withholding in France.

2) Taxation of capital gains

Pursuant to the Treaty, a bondholder will not be subject to French tax on any gain from the sale or disposal of his bonds.

3) French Estate and Gift Taxes

Since France and Japan have not entered into an estate and gift tax treaty, the transfer of bonds by gift or by reason of death of the Bondholder will, under French domestic law, be subject to French gift or inheritance taxes. Bondholders should consult their own tax advisor concerning the application of estate and gift tax to their holding of the Bond.

4) Stamp Duty on Transfer of Bonds

The transfer of bonds issued by a company established in France shall be subject to a fixed tax of EUR 125 but only if such transfer is concluded in an agreement filed voluntarily with the French registry office.

## (2) TAXATION IN JAPAN

Any interest on the Company's bonds received by resident individuals of Japan or Japanese corporations (hereinafter referred to as the "Bonds"), any amount which a Bondholder may receive upon redemption of his Bond in excess of the issue price of such Bond (such amount being hereinafter referred to as "Issue Differential"), and any gains derived from the sale of the Bonds will be generally subject to Japanese taxation in accordance with existing Japanese tax laws and regulations (hereinafter referred to as "Japanese Tax Laws").

Interest on the Bonds received by non-resident individuals of Japan or non Japanese corporations will, in general, not be subject to Japanese taxation. Under Japanese Tax Laws, Issue Differentials received by non-resident individuals of Japan or non-Japanese corporations will, in general, not be subject to Japanese taxation; provided, however, that (i) Issue Differentials which are received on and after January 1, 2017 by a non-resident individual of Japan having a permanent establishment within Japan and are attributable to such permanent establishment or (ii) Issue Differentials which are received on and after the first date of its first business year commencing after April 1, 2016 by a non-Japanese corporation having a permanent establishment within Japan and are attributable to such permanent establishment will, in general, be subject to Japanese taxation. Under Japanese Tax Laws, any gains derived from the sale of the Bonds within Japan will, in general, not be subject to Japanese taxation unless (a) such gains fall under certain requirements of Japanese Tax Laws and (i) are received before January 1, 2017 by a non-resident individual of Japan having a permanent establishment within Japan or (ii) are received before the first date of its first business year commencing after April 1, 2016 by a non-Japanese corporation having a permanent establishment within Japan, or (b) such gains (i) are received on and after January 1, 2017 by a non-resident individual of Japan having a permanent establishment within Japan and are attributable to such permanent establishment or (ii) are received on and after the first date of its first business year commencing after April 1, 2016 by a non-Japanese corporation having a permanent establishment within Japan and are attributable to such permanent establishment.

## 4. LEGAL OPINIONS

A legal opinion has been provided by Anne-Sophie Le Lay, General Counsel of Renault, to the effect that:

(i) Renault has been duly incorporated and validly exists as a corporation in good standing under the laws of the Republic of France;
(ii) to the best of its knowledge, the statements with respect to the matters concerning the laws of the Republic of France in this Securities Report are accurate in all material respects.

## II. OUTLINE OF THE COMPANY

### 1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.:

Please read following charts together with the information provided in VI. Financial Condition of this PART I.

1.1 Consolidated Figures

The figures for the years 2011, 2012, 2013, 2014 and 2015 are presented under IFRS.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

| | Under IFRS | | | | |
|---|---|---|---|---|---|
| (Consolidated figures[(1)]) | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | 42,628 | 41,270 | 40,932 | 41,055 | 45,327 |
| Operating margin[(2)] | 1,091 | 729 | 1,242 | 1,609 | 2,320 |
| Operating income | 1,244 | 122 | (34) | 1,105 | 2,121 |
| Group pre-tax income[(4)] | 2,647 | 2,284 | 1,128 | 2,134 | 3,271 |
| Net income | 2,139 | 1,735 | 695 | 1,998 | 2,960 |
| Net income - parent company shareholders' share (f) | 2,092 | 1,772 | 586 | 1,890 | 2,823 |
| Comprehensive income | 2,041 | 414 | (945) | 2,210 | 4,215 |
| Average number of shares outstanding [(3)] (in thousand) (b) | 272,381 | 272,256 | 272,290 | 273,049 | 272,708 |
| Number of shares at December 31 (g) | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 |
| Share capital | 1,127 | 1,127 | 1,127 | 1,127 | 1,127 |
| Shareholders' equity [(5)] (a) | 24,567 | 24,547 | 23,214 | 24,898 | 28,474 |
| Total assets (e) | 72,934 | 75,414 | 74,992 | 81,551 | 90,605 |
| Capital adequacy ratio (%) (a)/(e) | 33.68 | 32.55 | 30.96 | 30.53 | 31.43 |
| Shareholders' equity per share [(5)] (EUR) (a)/(g) | 83.07 | 83.01 | 78.50 | 84.19 | 96.29 |
| Net dividend per share (EUR)(c) | 1.16[(6)] | 1.72[(7)] | 1.72[(8)] | 1.90[(9)] | 2.40[(10)] |
| Earnings per share (EUR) (d)=(f)/(b) | 7.68 | 6.51 | 2.15 | 6.92 | 10.35 |
| Cash flows from operating activities | 3,353 | 3,876 | 3,572 | 3,972 | 6,017 |
| Cash flows from investing activities | (2,334) | (1,569) | (2,724) | (2,785) | (3,049) |
| Cash flows from financing activities | (2,350) | 509 | (12) | (470) | (1,034) |
| Dividend payout ratio (%) (c)/(d) | 15.10 | 26.42 | 80 | 27.46 | 23.19 |
| Number of employees at December 31(persons) ([*]Excluding employees | 128,322 | 127,086 | 121,807 | 117,395 | 120,136 |

| | | | | | |
|---|---|---|---|---|---|
| under the early retirement scheme.) | | | | | |

(1) This information is for reference only and is not always directly comparable year-on-year, since it may include changes in scope and/or accounting standards or methods.
(2) Corresponds to operating income before "other operating income and expenses"
(3) Weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.
(4) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.
(5) Under IFRS, non-controlling interests are included in shareholders' equity.
(6) Dividend proposal by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.
(7) Dividend proposal by the Combined General Meeting of April 30, 2013. Such dividend has been paid on May 15, 2013.
(8) Dividend proposal by the Combined General Meeting of April 30, 2014. Such dividend has been paid on May 15, 2014.
(9) Dividend proposal by the Combined General Meeting of April 30, 2015. Such dividend has been paid on May 15, 2015.
(10) Dividend proposal by the Combined General Meeting of April 29, 2016. Such dividend will be paid on May 17, 2016.

1.2 Non-consolidated Figures

Non consolidated figures have been prepared in accordance with accounting principles generally accepted in France ("French GAAP").

Moves to strengthen the Alliance between Renault and Nissan Motor Co., Ltd. and delegate strategic management to Renault-Nissan b.v. made it necessary to reorganize Renault. This resulted in the formation of a simplified joint-stock company, Renault s.a.s., wholly owned by Renault S.A.

Renault S.A. transferred its operating assets to Renault s.a.s., in accordance with the contribution agreement of February 22, 2002. This transfer was approved by Renault shareholders at the Extraordinary General Meeting of Renault Shareholders of March 28, 2002 and by Renault s.a.s.'s sole shareholder. It took effect on April 1, 2002, with a retroactive effect as at January 1, 2002 for accounting and tax purposes.

After the transfer, in addition to Renault s.a.s. and its subsidiaries, Renault S.A.'s assets primarily consist of the equity interest in Nissan, while its liabilities mainly comprise redeemable shares, financial liabilities and bank borrowings.

Since April 29, 2005, Renault s.a.s. is managed by the President and CEO (Chairman and CEO since May 6, 2009) of Renault S.A and by a Board of Directors composed of the same members as Renault S.A.'s Board of Directors. This reorganization has no effect on Renault's staff or shareholders, or consolidated financial statements.

(Years ended December 31)
(Unit: EUR million, except otherwise indicated)

| Non-consolidated | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Revenues | 0 | 0 | 0 | 0 | 0 |
| Operating income/(expense) | (29) | (38) | (38) | (36) | (44) |
| Income before tax and exceptional items | 113 | 439 | 1,466 | 589 | 503 |
| Pre-tax income | 113 | 439 | 1,475 | 589 | 503 |
| Net income (f) | 277 | 574 | 1,664 | 684 | 663 |
| Number of shares at | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 |

| | | | | | |
|---|---|---|---|---|---|
| December 31(g) | | | | | |
| Share capital | 1,127 | 1,127 | 1,127 | 1,127 | 1,127 |
| Shareholders' equity (a) | 17,496 | 16,309 | 15,189 | 15,204 | 15,947 |
| Total assets (e) | 27,642 | 27,049 | 25,981 | 26,326 | 27,257 |
| Capital adequacy ratio (%) (a)/(e) | 63.29 | 60.29 | 58.46 | 57.75 | 58.51 |
| Shareholders' equity per share(EUR) (a)/(g) | 59.16 | 55.15 | 51.36 | 51.41 | 53.93 |
| Net dividend per share (EUR)(c) | 1.16(1) | 1.72(2) | 1.72(3) | 1.90(4) | 2.40(5) |
| Number of employees (persons) | 0 | 0 | 0 | 0 | 0 |

(1) Dividend proposal by the Combined General Meeting of April 27, 2012. Such dividend has been paid on May 15, 2012.
(2) Dividend proposal by the Combined General Meeting of April 30, 2013. Such dividend has been paid on May 15, 2013.
(3) Dividend proposal by the Combined General Meeting of April 30, 2014. Such dividend has been paid on May 15, 2014.
(4) Dividend proposal by the Combined General Meeting of April 30, 2015. Such dividend has been paid on May 15, 2015.
(5) Dividend proposal by the Combined General Meeting of April 29, 2016. Such dividend will be paid on May 17, 2016.

## 2. HISTORY:

**1898**

- **The Renault Frères is founded:** manufacture of vehicles and working of automotive patents: the first direct-drive transmission. It achieved international renown with its racing victories and became specialized in manufacturing passenger cars and taxis.
- During the First World War: **production of trucks, light tanks and aircraft engines.**

**1945**

The Company was nationalized and became the **Régie Nationale des Usines Renault** and concentrated on producing the 4CV.

**1972**

The RENAULT 5: **one of the Group's best-selling models ever.**

**The 1980's**

A diversification strategy at industrial, financial and service levels, with its industrial and commercial establishments expanding internationally. A restructuring and a refocus on its basic businesses were the consequence of the difficulties experienced by the Company in 1984.

**In 1987: the Company became profitable once again.**

**The 1990's**

**1990**: A public limited company and a close cooperation agreement is signed with the Volvo group.
**1991**: cross-shareholding in the cars and heavy trucks businesses. This arrangement was unwound after plans to merge the two groups were shelved in late 1993.
**November 1994**: the French government opened Renault to outside capital, a first step towards privatization, which took place in July 1996.
**1998**: inauguration of the Technocentre in Guyancourt (Engineering and design), and the Curitiba plant in Brazil.
**1999**: a historic Alliance with Nissan was signed on March 27 in Tokyo and took a 51% ownership interest in the Romanian manufacturer Dacia.

**2000**

80.1% stake in Dacia and and Samsung in South Korea taken over.

**2002**

Renault and Nissan implemented the second stage of their Alliance, aimed at strengthening their equity ties and creating a joint strategic structure. Renault raised its stake in Nissan from 36.8% to 44.4%. At the same time, Nissan took a 15% ownership interest in Renault.

**2003**

The year of the MEGANE I, with five different bodies (SCENIC II, GRAND SCENIC, MEGANE Hardtop Convertible, MEGANE Four door sedan and MEGANE Estate) were added to the two models launched in 2002, **seven models were launched in 17 months and became the best-selling car in Europe.**

**2008**

An additional action plan was set up following the financial and economic crisis, with particular emphasis on controlling stocks and reducing costs and investments. New business locations planned by the Renault-Nissan Alliance in Tangiers (Morocco) and in Chennai (India) were deferred or put on hold. Renault is relying on its subsidiary Avtoframos, which produces LOGAN and sells a range of imported Renault vehicles, and also on its strategic partnership with AVTOVAZ.

**2009**

Management of the crisis included the Renault Volontariat plan **set up as well as a social contract implemented** (part-time working and wages maintained), to reach a positive free cash flow.

**2010**

- More than 2,625,000 units (passenger cars+LCVs) solds.
- **The DeZir concept-car is introduced in Paris,** giving concrete expression to the Group's new strategy on design, based on the life cycle. The Alliance and Daimler AG sign a long-term

strategic cooperation agreement. Daimler holds 3.1% of Renault and Nissan shares, and Renault and Nissan each hold 1.55% of the Daimler shares.

**2011**

- 2.72 million units sold and the commitment to an Operational free cash flow of €500 million was met and the net debt position is at the 1998 level.
- Supplies were severely disrupted by the earthquake and tsunami in Japan.
- The sovereign debt crisis in the Euro zone and attempted fraud.
- The Renault 2016 strategic plan - Drive the Change is launched.
- The New TWINGO and the new range of Energy engines are launched. KANGOO Z.E. and FLUENCE Z.E. were put on the market at the end of the year.
- The consequence of the attempted fraud was an overhaul of the Renault corporate governance.

**2012**

- 2.5 million vehicles (- 6.3% compared to 2011).
- For the first time in its history, the Group sold as many vehicles outside Europe as within Europe. Brazil and Russia are now the Group's second and third biggest markets.
- Renault returned to India, selling a range of vehicles including DUSTER, which is a real success.
- Production of LODGY and DOKKER starts in the Tangiers plant (Morocco).
- In Europe, the range is starting to be renewed with the CLIO 4, and the New SANDERO.
- 11th title of World Champion of Formula-1 manufacturers.
- Launch of the CITAN (Daimler), the small light commercial vehicle, and signature of an agreement to take control of AVTOVAZ in Russia strengthened partnerships.
- An MOU was signed with the Algerian government to build an assembly plant.
- Debt reduction process was completed in particular with the sale of its remaining shares in AB Volvo.

**2013**

- The Group sold **2,628,208 vehicles** in 2013 against 2,548,622 in 2012.
- **In 2013, CLIO IV was the third biggest selling vehicle in Europe, and the top seller in France.** CAPTUR, Renault's urban crossover, was released and was number-one in its category in France and Europe.
- The ZOE, an all-electric car, was launched. Renault led sales of electric vehicles in Europe.
- DUSTER, voted car of the year in India, is the Group's best-selling vehicle since it was launched in 2010.
- A contract for a new dynamic of growth and social development at Renault in France was signed in March.
- The ALPINE returned to the Le Mans 24 Hours race and, for the 12th time, Renault was world champion of the Formule-1 engine manufacturers, the unveiling of the new Renault Energy F1-2014 electrified Power Unit.
- Introduction of the INITIALE PARIS concept car which is an example of the successor to the ESPACE.
- A partnership was signed with Indomobil to develop its business in Indonesia, with Dong Feng for the Renault manufacturing plant.

**2014**

- 2.7 million units for Group Renault in 2014, increasing 3.2% from 2013.
- **China** – On December 16, 2013, Carlos Ghosn, Chairman and CEO of Renault, and Xu Ping, Chairman of Dongfeng Motor, signed an agreement to set up Dongfeng Renault Automotive Company (DRAC).
- **Malaysia – Development of manufacturing facilities:** Renault and Tan Chong Motors signed a local assembly agreement.
- **The New TRAFIC and the New MASTER** – in 2014, Renault refreshed its two van models: the New TRAFIC and the New MASTER.
- **Car-sharing** – Renault and Bolloré signed an agreement to promote the development of electric vehicles.
- **FIA Formula-E Championship** – Motor sports are entering a new era with the very first FIA Formula-E race held in the streets of Beijing in China.

- **EOLAB** – with consumption of 1 l/100km in mixed NEDC (22g of $CO_2$ km), EOLAB is a reflection of Renault's constant desire to further reduce the environmental footprint of its vehicles.
- The New **ESPACE** – world preview at the Paris Motor Show. Renault has reinvented the ESPACE.
- **ALPINE** – ELMS/ALPINE A450B. The Signatech-ALPINE team won its second consecutive title at the European Le Mans Series, ALPINE is continuing to prepare the Berlinette of the XXIst century, which will be marketed in 2016.
- **Inauguration of the Oran plant** – This plant manufactures the New Renault SYMBOL.

## STRATEGIC OBJECTIVES

### Drive the change

Following the global financial crisis in 2008, in 2011 Renault launched a new six-year strategic plan entitled "Renault Drive the Change." In this plan, Groupe Renault sets itself two priorities: revive sales growth, and generate positive and sustainable free cash flow.

### Drive the change, first stage (2011-2013): three years of major transformation

For the first three years of the plan (2011-2013), two quantified objectives were set:
- achieve sales of 3 million vehicles in 2013;
- generate €2 billion of cumulative free cash flow between 2011 and 2013.

Thanks to the efforts of the whole Company, Renault has maintained strict financial discipline, and has exceeded its target of generating €2 billion in cumulative free cash flow after three years of the plan.

The sales target could not be reached. Following an 8% fall between 2008 and 2010, in 2011 the Group forecast a 6% rise in the European automotive market during the period 2011-2013. In reality, the market continued to fall by a further 10%, reaching a new 20-year low. This gap of 16 points compared with forecasts, combined with the almost total disappearance of Groupe Renault's Iranian market, meant that it was unable to attain its sales target of 3 million vehicles in 2013, despite the steady progress made in emerging markets.

However, during the first three years of the plan, Groupe Renault changed considerably.

In Europe, Groupe Renault withstood the economic crisis by offering new, attractive products.

The overhaul of the models was a major factor in Renault's improved performance in Europe.
- The CLIO IV epitomizes Renault's design overhaul, while offering the latest innovations whether in terms of the environment or new connected technologies.
- The success of the CAPTUR is a testament to the Group's ability to find new growth opportunities, including in traditional segments such as the B-segment. The CAPTUR was the best-selling crossover in France in 2013, and number one in its segment in Europe. The Group returned to the number one spot in the B-segment in 2013.
- Lastly, the ZOE was launched, spearheading the zero emissions range. While sales are below expectations, by the end of 2013 the ZOE had become the best-selling electric vehicle in Europe, with a record customer satisfaction rate.

In 2010, Groupe Renault was still essentially a European car manufacturer; however, by 2013 its sales outside Europe had grown from 37% to 50%.

Groupe Renault has continued to expand its global access range with the LODGY and DOKKER, and to update it with the New LOGAN and SANDERO. In 2013, more than a million vehicles from this platform, assembled at eight production sites, were sold in 111 countries. With DUSTER, the Group has developed a global product, able to meet the very different needs of European, Brazilian, Indian and Russian customers.

The overhaul of the global access range made Groupe Renault an increasingly global competitor in 2013:
- five out of the Group's ten biggest markets are emerging countries, including Brazil in second place and Russia, in third;
- with the exception of Algeria, where Renault already made one in every four cars sold, Renault increased its market share in all emerging countries where it was present;

- in India, major progress has been made; market share is 2.2%, two years after the brand's relaunch.

**Drive the change, second stage (2014-2017): a new phase of acceleration**
In 2014, buoyed by these achievements, Groupe Renault moved up a gear for the second stage of the plan.
To ensure profitable and sustainable growth, two objectives, to be measured in 2017, were set: a growth objective and a profitability objective.

- Growth will be measured by revenue. This will make it possible to better take into account all Group activities: the sale of vehicles, parts and accessories, associated services and sales to partners. This indicator also reflects a desire to increase unit revenues: by adding value to products and brands. Once the plan has been fully rolled out, Renault expects Group revenues to be €50 billion (at exchange rates forecast by bank consensus in early 2014).
- Profitability will be measured by operating margin. From 2011 to 2013, the Company focused its efforts on free cash flow. This proved to be a wise choice in the context of the European economic crisis. Now the balance sheet has been improved, the second stage of the plan is focusing on operational profitability. Once the plan has taken full effect, Renault aims a Group operating margin of at least 5% of revenues. At the same time, and to maintain the greatest possible financial discipline within the Company, positive automotive operational free cash flow is imposed each year.

Groupe Renault has various levers it can use to achieve its objectives:

- To enhance economies of scale and competitiveness, the Group is accelerating the rollout of CMF platforms within the Alliance, which will provide savings that would never have been possible alone, and keep investment and R&D spending at under 9% of TO. Two shared Alliance platforms, CMF C-D and CMF B will each have 3 million vehicles, placing them in the top five worldwide. For Renault, 80% of future vehicles will be produced on a platform shared with a partner. Further, the development of standard modules makes it possible to cover two-thirds of the value of future vehicles, compared with one-third in 2013.
- In line with its international growth, in areas where vehicles are manufactured, Renault expects a local supply rate of 80%. This local sourcing is critical to ensure product competitiveness, particularly to reduce the exposure to changes in exchange rates.
- In Europe, thanks to its partners and the implementation of competitiveness plans, manufacturing capacity will be better used. In France, for example, Renault made a commitment in 2013 to a production volume of 710,000 vehicles by 2017, including 132,000 MICRA cars for its partner Nissan.

For the second stage of the plan, the product remains the key to growth and profitability, with attractive, competitive products. The product offensive is accelerating, both by renewing key models, and by extending the range and its geographical coverage.

- Buoyed by the success of its global access range, a new entry-level vehicle, the KWID, was launched in 2015 to extend the coverage of emerging markets. The aim is to offer a modern car for less than €5,000 in India, followed by South America. The KWID is based on the Alliance CMF-A joint platform.
- In the A-segment in Europe, the New TWINGO was launched in 2014. It is produced on the innovative platform developed with its partner Daimler.
- Since 2015, C- and D-segment vehicles have gradually been completely updated based on an Alliance CMF platform. In Europe, they will be produced at the Douai and Palencia plants. This approach makes it possible, for example, for the new generation MEGANE to be developed on a platform of 3 million units, compared with 700,000 on the old platform. The TALISMAN, a new D-segment saloon, has also been developed on this 3 million-unit platform, compared with 160,000 units for the LAGUNA in the past. Replacements for the ESPACE, MEGANE, SCENIC and a new D-segment vehicle will thus be launched successively.

- Following the success of the CAPTUR, a complete range of crossover vehicles will be introduced by extending the offering to the C (KADJAR) and D-segments.
- Finally, the range of light commercial vehicles is joined by two new pick-ups. This will improve coverage of this segment, which is the core market in many emerging countries. In Europe, the New TRAFIC was launched in 2014. It is produced in the Sandouville plant, and developed in partnership with GM.

Strengthening the Renault brand remains a priority:

- the product plan, innovations and improvements in quality and customer satisfaction are contributing to this;
- the attractiveness and competitiveness of the cars is being improved by introducing useful, appealing innovations accessible to as many people as possible. In this regard, connected and driverless vehicles are a major area of development opportunities between now and 2020. These vehicles will be launched on the market in successive stages;
- Renault's commitments to environmental responsibility will be honored by continuing to work on developing EVs and reducing the CO2 emissions of its internal combustion vehicles.

Commercially the Group aims to:

- secure Renault's position as the world's leading French automotive brand;
- position Renault permanently as the second-largest brand in Europe;
- build on Dacia's position as the leading brand in its category.

Establishing a presence in China is another major priority for Renault. In December 2013, the joint venture with Dong Feng was made official, and the initial 150,000 vehicle capacity plant built in Wuhan is now operational. The first models, C and D-segment crossovers, will be launched from 2016.

At the start of 2014 a project to increase synergies between Renault and Nissan was announced. It led to joint management being set up in four spheres: purchasing, engineering, manufacturing and logistics, and human resources. For 2016, the Alliance set itself an objective of at least 4.3 billion of synergies. These synergies will contribute to the success of the Renault plan.

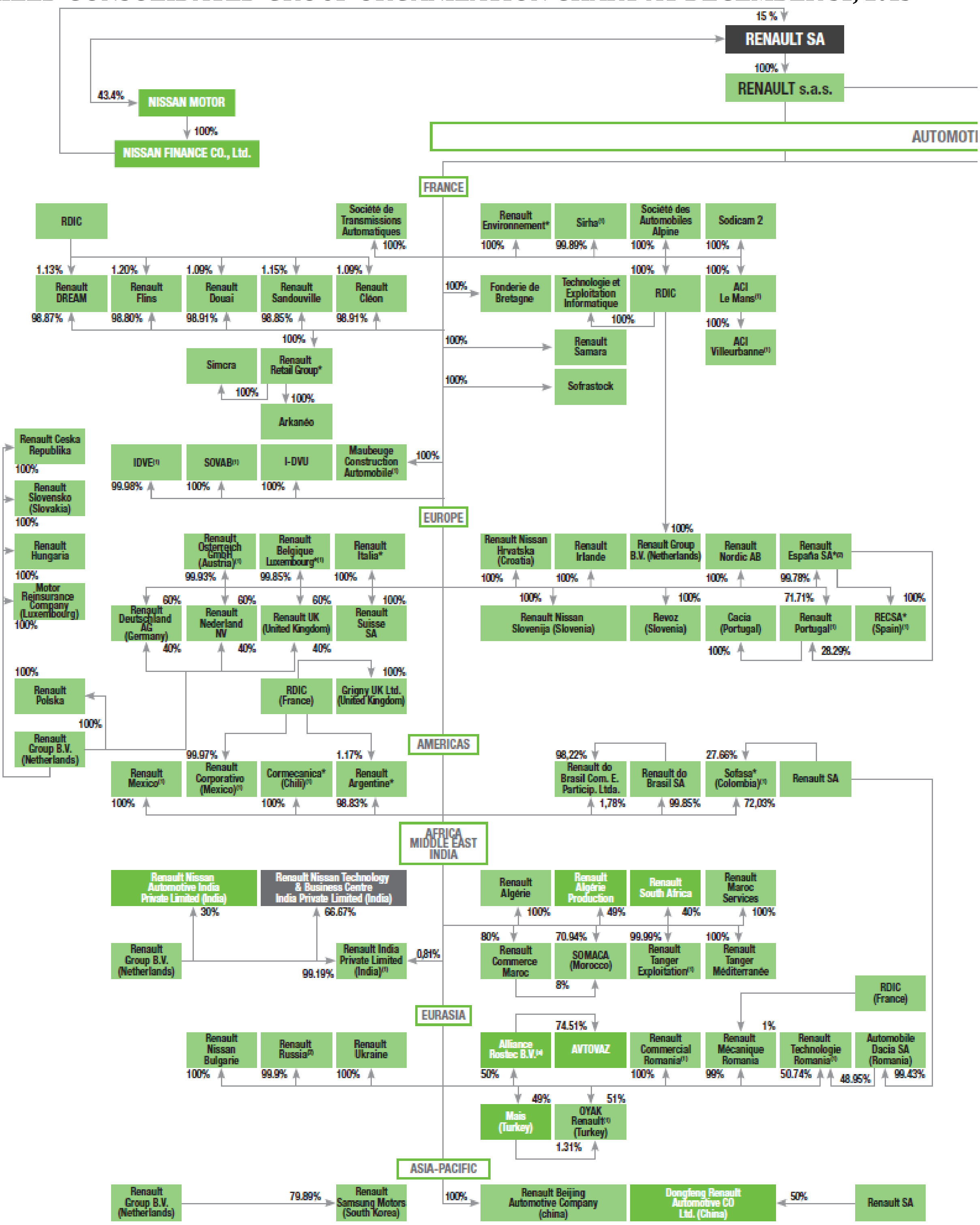
## 3. CONTENTS OF BUSINESS:

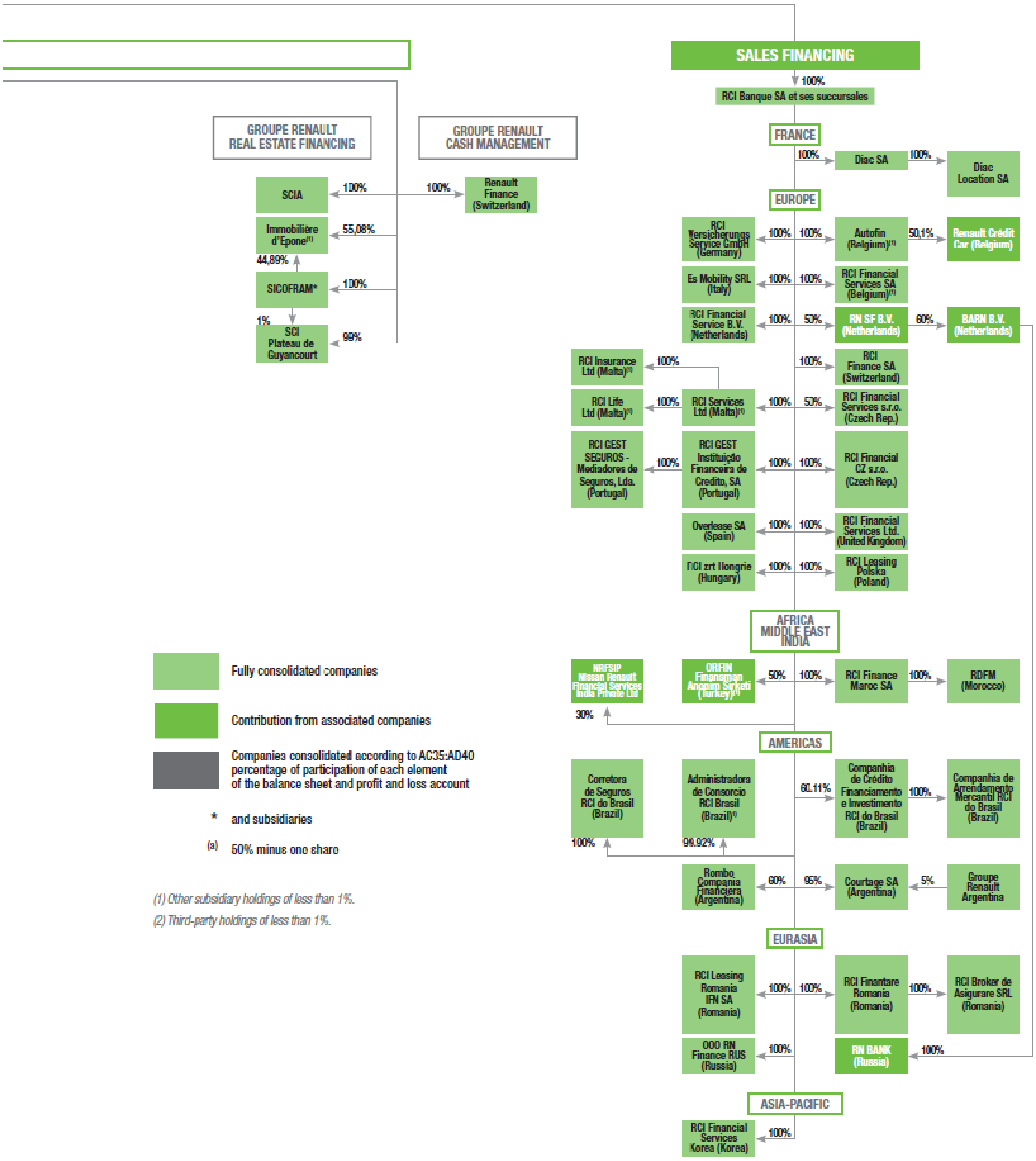
The Group's activities have been organized into two main business sectors, in more than 120 countries:

- automotive, design, manufacturing and distribution of products through the sales network (including the Renault Retail Group subsidiary):
  - new vehicles, with three ranges – passenger cars, light commercial vehicles and electric vehicles – marketed under three badges: Renault, Dacia and Renault Samsung Motors (except electric vehicles, which are exclusive to Renault). Vehicles manufactured by Dacia and RSM may be sold under the Renault badge in some countries,
  - used vehicles and spare parts,
  - Renault powertrains, sold B2B;
- miscellaneous services: sales financing, leasing, maintenance and service contracts.

The information contained below regarding the "DETAILED GROUP CONSOLIDATED ORGANIZATION CHART AT DECEMBER 31, 2015" strictly contains information presented in the Renault Registration Document for the period ending December 31, 2015. For further information on the progression of the organization of the Renault group please refer to "4. Statement of Related Companies."

## DETAILED CONSOLIDATED GROUP ORGANIZATION CHART AT DECEMBER 31, 2015



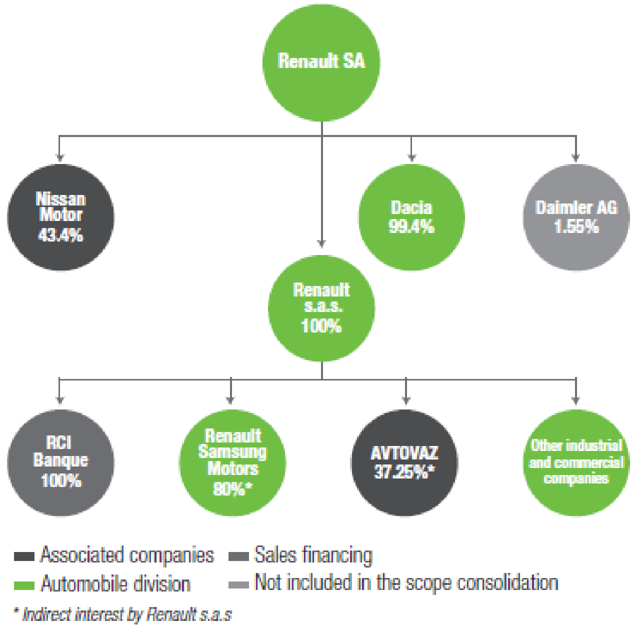


GROUPE RENAULT REAL ESTATE FINANCING
GROUPE RENAULT CASH MANAGEMENT
SCIA
100%
Renault Finance (Switzerland)
100%
Immobilière d'Epone(1)
55,08%
44,89%
SICOFRAM*
100%
1%
SCI Plateau de Guyancourt
99%
SALES FINANCING
100%
RCI Banque SA et ses succursales
FRANCE
100%
Diac SA
100%
Diac Location SA
EUROPE
RCI Versicherungs Service GmbH (Germany)
100%
100%
Autofin (Belgium)(1)
50,1%
Renault Crédit Car (Belgium)
Es Mobility SRL (Italy)
100%
100%
RCI Financial Services SA (Belgium)(1)
RCI Financial Service B.V. (Netherlands)
100%
50%
RN SF B.V. (Netherlands)
60%
BARN B.V. (Netherlands)
RCI Insurance Ltd (Malta)(1)
100%
100%
RCI Finance SA (Switzerland)
RCI Life Ltd (Malta)(1)
100%
RCI Services Ltd (Malta)(1)
100%
50%
RCI Financial Services s.r.o. (Czech Rep.)
RCI GEST SEGUROS - Mediadores de Seguros, Lda. (Portugal)
100%
RCI GEST Instituição Financeira de Credito, SA (Portugal)
100%
100%
RCI Financial CZ s.r.o. (Czech Rep.)
Overlease SA (Spain)
100%
100%
RCI Financial Services Ltd. (United Kingdom)
RCI zrt Hongrie (Hungary)
100%
100%
RCI Leasing Polska (Poland)
AFRICA MIDDLE EAST INDIA
NRFSIP Nissan Renault Financial Services India Private Ltd
30%
ORFIN Finansman Anonim Sirketi (Turkey)(1)
50%
100%
RCI Finance Maroc SA
100%
RDFM (Morocco)
AMERICAS
Corretora de Seguros RCI do Brasil (Brazil)
100%
Administradora de Consorcio RCI Brasil (Brazil)(1)
99.92%
60.11%
Companhia de Crédito Financiamento e Investimento RCI do Brasil (Brazil)
100%
Companhia de Arrendamento Mercantil RCI do Brasil (Brazil)
Rombo Compania Financiera (Argentina)
60%
95%
Courtage SA (Argentina)
5%
Groupe Renault Argentina
EURASIA
RCI Leasing Romania IFN SA (Romania)
100%
100%
RCI Finantare Romania (Romania)
100%
RCI Broker de Asigurare SRL (Romania)
OOO RN Finance RUS (Russia)
100%
RN BANK (Russia)
100%
ASIA-PACIFIC
RCI Financial Services Korea (Korea)
100%
Fully consolidated companies
Contribution from associated companies
Companies consolidated according to AC35:AD40 percentage of participation of each element of the balance sheet and profit and loss account
* and subsidiaries
(a) 50% minus one share
(1) Other subsidiary holdings of less than 1%.
(2) Third-party holdings of less than 1%.

In addition to these two business lines, Renault has equity investments in the following two companies:
- Nissan;
- AVTOVAZ.

These holdings are accounted for in the Group's financial statements using the equity method.

**STRUCTURE OF THE RENAULT GROUP**
(as a % of shares issued – as of December 31st, 2015)




## (1) ACTIVITIES

## A. AUTOMOTIVE

### (I) BRANDS AND BADGES

Groupe Renault designs, develops and sells passenger cars and light commercial vehicles under three brands, Renault, Dacia and Renault Samsung Motors.

**THE RENAULT BRAND: PASSION FOR LIFE**

Renault designs cars so that its customers can live their lives to the full. They appeal to every sense, with quality in every last detail. The New ESPACE is the brand's flagship model, with its robust and stylish crossover design and customizable MULTI-SENSE system. Renault cars boast ingenious and innovative on-board systems allowing each occupant to make the most of every minute. The New TWINGO takes the hard work out of urban driving with the best turning circle of its class, while the New ESPACE offers one-touch modularity via the central screen with seats that fold away into the floor at the press of a button... In short, our cars and the services we offer, particularly with the built-in R-LINK multimedia tablet, take the stress out of everyday life.
The Renault brand can be found in 125 countries, and is distributed at 12,000 dealerships. Its range comprises over 30 models across all countries.
Renault – one of the few automotive brands to have been created in the eighteenth century – is helping to shape the history of the car.
In keeping with its wide reputation for innovation, Renault continues to renew its automotive product lines. In 2015, five new models embodied this spirit of creating a better life for the customer in each and every moment, through innovation: the KADJAR, KWID, DUSTER Oroch, TALISMAN and the New MEGANE. Proud of its French roots, Renault is also accelerating its international expansion. Renault's vehicle range is designed to meet local needs as effectively as possible in all locations. Renault designs cars for every stage of life, to meet everyone's needs, suit everyone's budget and fulfill everyone's passion. On November 20, 2015, Renault unveiled the KADJAR at the Canton Motor Show in China. The KADJAR will be the first vehicle produced at the new Wuhan plant and will go on sale in 2016.

**PASSENGER CARS (PCS)**

In the small car segment (A and B segments and passenger-carrying vans), Renault offers a wide range of complementary models: the KWID, LOGAN, SANDERO, SANDERO Stepway, TWINGO, CLIO, CAPTUR, SYMBOL, SCALA and KANGOO.

The KWID was launched in India in October. In less than three months, it already has more than 80,000 satisfied customers. Its success is a testament to the unique, credible product offering designed to be affordable for as many people as possible – not to mention the effective sales strategy that accompanied the launch. The dealer network is motivated and fully supported by modern and efficient digital tools, including a virtual showroom with live chat sessions and an app that allows customers to configure their vehicle. Buoyed by this early success, the KWID is firmly on track for global expansion.

The SANDERO and LOGAN continued their geographical expansion with a launch in Colombia in mid-2015. Theirs is a global success story, capitalizing on the strengths that underpinned their success, particularly in Russia and Brazil.

In 2015, the Renault brand was the market leader in the small car segments (A+B) in Europe.

In the city car A-segment, the New TWINGO, with its rear-engine design, is a good illustration of the brand's ingenious and innovative positioning. What sets it apart are its exceptional agility, its connectivity and its in-car experience. In 2015, the TWINGO continued to be the benchmark for its segment in France (29.3% share of segment A) and to maintain its positions in Europe (7.6% share of segment A).

In the B segment, the CLIO IV has been highly successful and looks set to keep its place as the second biggest seller in Europe (7.2% share of segment B). Building on the fundamentals inherited from the previous generations, CLIO IV makes a fresh start with its sensual design and wide range of customized features, the R-LINK tactile multimedia system with connected navigation, a rich array of equipment, and engines combining dynamic performance with best-in-class fuel efficiency.

The Estate version, with its attractive shooting-brake styling, remains in second place in this sub-segment in Europe (33% of the B station wagon sub-segment). The RS version completes the range. The CLIO Trophy version, fitted with a 220hp turbocharged petrol engine mated to EDC dual-clutch automatic transmission, offers unprecedented versatility in the sports car segment.

Older generations of the CLIO still live on, however, since the CLIO II, which features Renault's new design identity, is found in Northwest Africa, Brazil and Argentina.

Renault continued its B segment expansion with the CAPTUR, the first urban crossover in the range, on the market since April 2013. A distinctive vehicle, the CAPTUR offers the best of three vehicle styles: the expressive styling and driving position of an SUV, the interior space and modular design of a minivan, and the handling and drivability of a compact hatch. Sold in 45 countries, the CAPTUR is a global car which has cemented its leadership in the crossover B-segment in Europe amid increasing competition (23.7% market share). In June 2015, the CAPTUR's international rollout continued with its launch in China, spearheading Renault's product offensive in the high-growth crossover segment in the world's largest market.

Sales of the KANGOO continued to do well not only in Europe, but also worldwide. The KANGOO passenger car is sold in 35 countries. It is manufactured in Maubeuge (France) and is one of the leaders in its segment in terms of CO2 emissions and low fuel consumption.

The DUSTER is also hugely successful on the international markets, with its robust, attractive design, space, reliability and equipment tailored to the needs of different markets. In 2015, the DUSTER accounted for around 46% of Renault PC sales in India and 37% in Russia.

The share of the C-MPV (compact MPV) category within the C-segment in Europe stabilized at 14% in 2015. In a segment invented by Renault, the SCENIC – one of the brand's flagship models – stood up to renewed competition in 2015, a year dominated by the novelty effect. The SCENIC was ranked third in the compact MPV category of the C-segment in Europe at the end of 2015, with a 12.8% market share.

The FLUENCE, combining dynamic, modern styling with a range of powertrains tailored to customers' expectations, proved resilient in the C-segment in Turkey, with 11% market share.

Worldwide, the C-SUV (compact crossover) segment has seen steady growth for the past ten years. In 2015, sales approached 10 million units for the first time; since 2009 the volume has more than tripled in Europe to reach 1.6 million units.

Based on the Alliance's CMF-C/D joint platform and Renault's first crossover in the C-segment, the KADJAR offers a new vision of the crossover by offering a complete range based on three main advantages:

1. a new style in the world of crossovers: The KADJAR has fluid and athletic external lines, as well as a refined and sporty interior;

2. versatility & connectivity: the KADJAR has all the advantages of an estate (527 liters of boot space, one of the largest in the segment, with a maximum loading length of over 2.5 m), together with the driving pleasure of a sedan with a complete range of driving aids borrowed from the New ESPACE and its R-LINK 2 multimedia system with 7-inch customizable touchscreen;
3. its restrained spirit of adventure: The KADJAR offers three transmission modes (4WD, 2WD, and 2WD with Extended Grip), a 100% Energy engine range (Stop & Start and braking energy recovery), and some of the best fuel consumption and emissions figures in the segment, particularly with the Energy dCi 110 at 99g $CO_2$/km and 3.8 l/100km NEDC.

The launch of the KADJAR, unveiled to the public at the Geneva Motor Show in March 2015 followed by international press trials in May 2015, was in the main very positively received by the press, which praised its design, engine efficiency and comfort.

The KADJAR went on sale in the first countries in June 2015 and had already sold more than 54,000 units at the end of December. This bolsters Renault's performance in the European C-segment during the same period (with a one-point rise in market share between the last four months of 2014 and 2015).

The KADJAR is most definitely a global vehicle. In 2016 it will become Renault's first vehicle to be made in China, a new market that will join the 70+ countries where the KADJAR will be marketed.

In the highly competitive C-hatch segment which is driven by innovation, the MEGANE held up well in 2015 after adopting a new brand identity, Euro6 engines and the latest technology in the form of the Renault R-LINK 2 multimedia system. In Europe, the MEGANE has maintained its position in the C-hatch segment with market share of 3.8%.

Unveiled at the Frankfurt Motor Show in September 2015, the New MEGANE boasts a dynamic design and a wealth of high-end technology:

1. a dynamic exterior design with a distinctive front and rear 3D-effect LED light signature, paired with a meticulously crafted cockpit-style interior;
2. technology from the next segment up, introduced on the New ESPACE and TALISMAN, such as MULTI-SENSE, which allows the driving experience to be customized, a color head-up display, 8.7 inch R-LINK 2 portrait touchscreen and various driver assist systems;
3. an exclusive GT version, released to coincide with the launch, harnessing all the expertise of Renault Sport: 4CONTROL 4-wheel steering system, a world first in this segment, coupled with a grip developed by Renault Sport engineers and a special interior/exterior design inspired by Renault Sport heritage.

The New MEGANE is available with a wide range of engines, from 90 to 205hp, mated to manual and dual clutch EDC automatic gearboxes. On launch, emissions start at 86g $CO_2$/km NEDC. In future, new diesel hybrid technology known as "Hybrid Assist" will reduce emissions to 76g $CO_2$/km (NEDC, subject to certification).

The first orders were received at the end of 2015 and the vehicle goes on sale in early 2016.

In 2015, Renault embarked on the effective rejuvenation of its top-of-the-range fleet. The fifth generation of the Renault ESPACE was unveiled at the Paris Motor Show on October 2, 2014, before going on sale across Europe in the spring of 2015. One of the brand's iconic vehicles and creator of the MPV segment, the four previous generations have sold 1.25 million units in 30 years (1984-2014). In 2015, the new generation continued this success: with over 22,600 units, sales of the ESPACE V have significantly exceeded targets.

The new Renault ESPACE has addressed the changing needs of its customers through major innovation:

- aesthetics: the vehicle's silhouette is now a crossover with clear references to the world of the SUV but with streamlined, aerodynamic and elegant styling;
- technology and safety: the vehicle incorporates all of the driver assist systems available on the market, building them into an innovative interior with Renault's signature capacitive screen at its center. The vehicle will also have the 4CONTROL chassis, 4-wheel steering technology which offers improved agility and extremely dynamic road holding;
- quality: the choice of interior materials, powertrain reliability and new industrial processes are designed to meet customers' highest expectations.

With the "INITIALE PARIS" version accounting for over 40% of ESPACE sales, Renault is making its upmarket ambitions clear. This version, which comes with the highest trim level on offer, represents not only the best of Renault in terms of on-board comfort, but also features an exclusive portfolio of services.

In addition to the ESPACE, Renault has continued to upgrade its premium range with the TALISMAN, in the highly competitive large prestige sedan segment (D-segment). To appeal to potential clients – whether private individuals or company executives – the TALISMAN boasts four key strengths:

- sleek, assertive styling with a hint of Latin sensuality while adhering to the strict rules of the three-box sedan (or the segment's station wagons);

- a spacious and comfortable cabin with front seats inspired by airline business class: High quality workmanship and best-in-class functionality with heating, ventilation and integrated massage function;
- immersive driving pleasure: MULTI-SENSE technology to match the driver's mood. The TALISMAN is the only D-segment sedan to combine 4CONTROL four-wheel steering with active damping, allowing it to deliver unique road manners, plus safe, dynamic, agile handling, and outstanding ride comfort;
- modern petrol and diesel engines that balance performance and efficiency with fuel economy and CO2 emissions, starting at 3.6 l/100km and 95g CO2/km.

The Renault TALISMAN went on sale in France and Belgium in December 2015, with the rest of Europe following in the spring of 2016. An ESTATE version will also follow.

The launch of the TALISMAN marks the end of sales for the Renault LAGUNA and the Renault LATITUDE. After three generations and almost 3 million vehicles sold, the LAGUNA went out of production in May 2015. The LATITUDE was withdrawn from Europe, Eurasia and Latin America in 2015. It will remain on sale in the first half of 2016, mainly in Asia and the Middle East.

The KOLEOS, launched in 2008 and sold in 60 countries, remains the most widely sold top-of-the-range model in the Renault stable, selling over 320,000 units worldwide. In 2015, in this highly competitive SUV segment, close to 22,000 customers bought a KOLEOS, approximately 80% of them outside Europe.

## LIGHT COMMERCIAL VEHICLES (LCVS)

Groupe Renault is continuing to develop light commercial vehicles, not only under the Renault brand but also through manufacturing partnerships with General Motors, Nissan, Renault Trucks and, since late 2012, with Daimler on the CITAN small van.

Renault made its entry in the pick-up segment with the Renault DUSTER Oroch, launched in Brazil in early November 2015. This is the first step in the brand's global offensive in the pick-up market, before the launch of a 1-metric ton pick-up in mid-2016, with sights set firmly on the international market.

At the end of 2015, Renault launched the specialist brand Renault Pro+. Renault Pro+ identifies and supports business customers all over the world, offering dedicated products and services for the LCV market. The Renault Pro+ specialist network remains the spearhead for the brand, with its dealerships covering the most advanced commitments that the Renault network can offer business customers.

With market share of 14.95% in Europe at the end of 2015, Renault remains Europe's leading LCV brand, a title it has held since 1998. Outside Europe, the Group's LCV market share of 1.1% grew by 0.1 percentage point in a global market (excluding the United States) that contracted by 6.5%.

Renault's LCV range comprises vehicles from 1.6 to 6.5 metric tons and from 2m3 to 22m3, in gasoline, diesel and electric versions (KANGOO Z.E.).

In the light van segment (less than 2 metric tons), the KANGOO Express remains the market leader. In Europe it outperformed the market, boasting three different lengths and introducing three new electric versions for greener driving (the KANGOO Z.E., KANGOO Maxi Z.E. 2-seater, and KANGOO Maxi Z.E. 5-seater).

The first generation of the KANGOO, made in Cordoba (Argentina), has a redesigned front end, becoming the market leader in South America with market share of more than 36% (+7% in volume).

In the van segment (between 2 and 6.5 metric tons), Renault is continuing its offensive with a range that was updated in late 2014: the New TRAFIC and the New MASTER range.

Intended as a mobile office, with a robust, dynamic design that captures the Renault brand identity, the New TRAFIC is larger and more comfortable with increased working length and capacity. The New TRAFIC is fitted with a 1.6 dCi engine and comes in single turbo (90 and 115hp) or Twin Turbo (120 and 140hp) versions. Combining fuel efficiency and performance, the New TRAFIC offers respectable fuel economy of 5.7 l/100km for its dCi 120 engine (fuel consumption reduced by an average of 1 l/100km compared with the previous generation). Developed in partnership with General Motors, the New TRAFIC has seen production return from the Nissan plant in Barcelona to the Renault site at Sandouville, in France.

The Renault TRAFIC took a 16.5% share of the small van segment in Europe, up 2.2% on 2014.

In the large van segment, the biggest change featured in the New MASTER is under the hood. It is now equipped with a 2.3 dCi engine which ranges from 110hp to 165hp, with consumption savings of up to 1.5 l/100km.

"Made-to-measure" is still the focus of the new range. With over 350 versions, four lengths, three heights, vans, combis, platform and chassis cab, front and rear-wheel drive, etc., offering a working volume of between 8 and 22m3.

The MASTER is manufactured at the Batilly plant (France). It is sold in 30 different countries. In Europe, performance has improved with a Large Van LCV segment share of 13.6% (including Renault Trucks sales).

Internationally, MASTER sales are impacted by the fall of some markets (Brazil -33%, Algeria -29%). However, the model is still the market leader in these markets: Algeria (41% segment share), Brazil (34%) and Morocco (34%).

## ELECTRIC VEHICLES (EVS)

At the end of December 2015, the Alliance reached a milestone with 300,000 electric vehicles sold. It remains the market leader, selling around half of all electric vehicles sold worldwide. Renault has sold 83,300 electric vehicles worldwide since its first model, the KANGOO Z.E., was put on the market in October 2011 [39,200 ZOE, 21,100 KANGOO Z.E., 6,000 FLUENCE Z.E. and 17,000 TWIZY].
100% EV markets continued to enjoy strong growth everywhere, despite slower-than-planned infrastructure development. The global market reached over 280,000 units in 2015. Electric vehicles are growing 8-10 times faster than hybrid cars in their day. The arrival of major rivals like VW and BMW vindicates our strategy and boosts awareness of electric vehicles.
The two largest markets in the world are Europe and China (accounting for two-thirds of the global market between them). China has seen a threefold increase on 2014. In Europe, Norway remains the leading market due to its very strong incentive-based development policy. In 2015, more than one vehicle in seven sold in Norway was electric. For Renault, the most important markets are France, Norway, the United Kingdom and Germany. The growth of electric markets is also linked to infrastructure. The UK is the most developed market in terms of electric vehicle infrastructure. The rapid charging station network already covers 87% of British motorways.
In 2015, Renault continued to roll out its Z.E. range worldwide with, for example, the launch of the ZOE in Jordan and the TWIZY in Canada.
In 2015, the ZOE range has been extended to include a new R240 engine, delivering an NEDC range of 240km. The market leader in Europe with over 18,700 sales in 2015, the ZOE holds a 19.2% share of the 100% EV market. ZOE customers rate their cars highly and put the ZOE range at the top of the Renault customer satisfaction tables.
Three years after its launch, TWIZY sales are steady at around 2,000 sales a year. This is an important advertising medium for the brand and the TWIZY is right at the heart of all electric vehicle promotional initiatives. It is now a brand ambassador in 27 countries.
The KANGOO Z.E. remains the world's best-selling light commercial electric vehicle, with more than 21,000 sold since its launch.
The record level of satisfaction among our ZOE and KANGOO Z.E. customers is another positive sign, which enables us to rely on our customers to boost awareness and the image of our Z.E. range.

## DACIA: A NEW RECORD YEAR

- The leading brand in Romania, Morocco and Bulgaria.
- +24.5%: the strongest sales growth by volume of any brand in Europe.

Dacia offers a range of robust, reliable vehicles with a 3-year or 100,000km warranty. Dacia has a clear commercial offering (equipment, price policy), making the purchase as simple as possible. Vehicle equipment and features, kept to a strict minimum, are easy to use and maintain. And of course, Dacia customers enjoy unbeatable value for money. With the Dacia range, customers who previously would have purchased a used vehicle can now afford to buy new. The Dacia range is sold in 44 countries in Europe, Northwest Africa, Turkey and Israel.
Since 2004, it has attracted 3.8 million customers, with sales growing by a factor of 22 between 2005 and 2014.
With over 3.8 million vehicles sold in Europe and the Mediterranean Region since 2004, Dacia remains a remarkable success story. Furthermore, it has just reported a record year for sales, which were up 7.7% on 2014 at 551,000 vehicles as of the end of 2015.This encompasses its entire range, i.e. the DUSTER, SANDERO, SANDERO Stepway, LOGAN, LOGAN MCV, LODGY and DOKKER.
In Europe, Dacia recorded 374,537 new vehicle registrations at the end of 2015, up 3.6% on 2014.
In France, Dacia is ranked sixth in the passenger car (PC) market (fourth if we take retail customers only).
Dacia is market leader in the PC and LCV market in Romania, Morocco and Bulgaria. The brand is also the PC market leader in Algeria.
Dacia achieved strong sales growth in 2015 in Croatia (+71%), Ireland (+40%), Turkey (+30%), Portugal (+26%) and Romania (+25%) compared with 2014.
In addition to its commercial success, Dacia has found a way of uniting its customers around a "smart purchase".

In many countries, customers come together to discuss and share on common values such as freedom of spirit, simplicity and generosity. These community events get bigger every year. They are truly convivial moments which create a strong bond between customers and the brand.
On social networks, Dacia customers are just as keen to express their commitment to the brand on Facebook, with an international page and 26 country-specific pages. The community continues to grow on this social network, and Dacia now has almost 2.5 million followers.
For the first time, Dacia vehicles will feature the "Easy-R" automated manual gearbox. Mated to the TCe 90 engine with Stop & Start, this five-speed gearbox will make life easier for drivers by offering all the benefits of a manual gearbox, without a clutch pedal. Easy-R is available on the LOGAN, LOGAN MCV, SANDERO and SANDERO Stepway.
Dacia DUSTER is a real success with its attractive design, space, reliability and off-road capabilities, all at an affordable price. The model has sold over 800,000 units in six years on the market.
The Dacia LODGY MPV is a vehicle with the interior space of a large C-segment minivan sold for the price of a B-segment minivan. This vehicle is a response to the needs of families who traditionally buy used vehicles. With its new Stepway version, the LODGY boasts a muscular look and a strong personality inspired by the world of crossover vehicles.
In 2015, sales of the DOKKER, the practical and versatile 5-seater crew van, and the DOKKER Van, its LCV version, continued to grow in the European and international markets, accounting for 27% of production. The success of the Stepway version has given the DOKKER an additional 2-point share of the crew van segment in Europe.

**RENAULT SAMSUNG MOTORS: THE GROUP'S REVIVAL IN SOUTH KOREA**

- Brand volumes were stable in South Korea at 80,100 units (+0.1%) in 2015, a transitional year before the relaunch of the brand's historical model, the SM5 (which will become the SM6), as well as the QM5 SUV at the very end of the year.
- Market leader in the quality of sales and after-sales service.

Marketed in South Korea, the Renault Samsung Motors (RSM) brand is reporting steady growth, largely due to the success of the QM3. The range includes four sedans and two SUVs.
In terms of sedans, the SM3 covers the C-segment and is also available as an electric version, the SM3 Z.E. The SM5 is aimed at the premium segment. In the large luxury sedan segment, the brand has the SM7, featuring a V6 engine and the latest technology of the Renault-Nissan Alliance.
The SUV range includes the QM3, derived from the Renault CAPTUR, and the QM5, derived from the Renault KOLEOS.
Whereas the QM3 is imported from Europe, the other models are manufactured at the Busan plant in South Korea. As an illustration of the synergies within the Alliance, it also makes the Nissan ROGUE, which it exports to North America. A total of 117,000 units were shipped in 2015.

## (II) PERFORMANCES PER REGION

### SALES WORLDWIDE

**ALL BRANDS WORLD MARKET PER REGION – 2015**

In volume and as a % of the TAM PC + LCV

| | IN VOLUME | AS A % OF WORLDWIDE TAM PC + LCV |
|---|---|---|
| **TOTAL EUROPE** | **15,932,970** | **18.3%** |
| France | 2,296,650 | 2.6% |
| G9 | 13,636,320 | 15.7% |
| **INTERNATIONAL TOTAL** | **71,077,959** | **81.7%** |
| Africa - Middle-East - India | 8,041,307 | 9.24% |
| Americas | 5,664,419 | 6.5% |
| Asia-Pacific | 35,012,749 | 40.2% |
| Eurasia | 2,988,806 | 3.4% |
| North America | 19,370,678 | 22.3% |
| **TOTAL WORLDWIDE** | **87,010,929** | **100.0%** |

**GROUPE RENAULT SALES WORLDWIDE PER REGION**

In volume of PC + LCV, including Dacia and Renault Samsung Motors

| | 2015 | 2014 |
|---|---|---|
| **TOTAL EUROPE** | **1,613,499** | **1,464,785** |
| France | 607,173 | 577,606 |
| G9 | 1,006,326 | 887,179 |
| **INTERNATIONAL TOTAL** | **1,188,093** | **1,247,742** |
| Africa - Middle-East - India | 359,858 | 307,927 |
| Americas | 355,151 | 416,914 |
| Asia-Pacific | 116,868 | 133,197 |
| Eurasia | 356,216 | 389,704 |
| **TOTAL GROUP** | **2,801,592** | **2,712,527** |

**Europe Region sales (cont.)**

**RENAULT BRAND REGISTRATIONS[(1)]**

In volume of PC + LCV

| RENAULT MARKETS | 2015 | 2014 |
|---|---|---|
| Austria | 19,916 | 18,936 |
| Baltic States | 4,040 | 3,465 |
| Belgium+Luxembourg | 64,565 | 59,019 |
| Croatia | 3,680 | 2,820 |
| Czech Republic | 9,912 | 7,669 |
| Denmark | 16,362 | 14,110 |
| Finland | 3,401 | 2,176 |
| France | 507,138 | 471,713 |
| Germany | 130,334 | 122,825 |
| Greece | 2,844 | 2,523 |
| Greek Cyprus | 413 | 358 |
| Hungary | 4,930 | 3,857 |
| Iceland | 790 | 573 |
| Ireland | 9,050 | 6,506 |
| Italy | 107,938 | 91,109 |
| Malta | 480 | 425 |
| Netherlands | 42,137 | 35,866 |
| Norway | 3,476 | 2,133 |
| Other Balkans | 2,413 | 2,637 |
| Poland | 26,476 | 23,064 |
| Portugal | 26,778 | 21,717 |
| Slovakia | 3,632 | 3,398 |
| Slovenia | 10,281 | 9,232 |
| Spain+Canary Islands | 100,940 | 81,683 |
| Sweden | 16,234 | 14,499 |
| Switzerland | 18,549 | 15,209 |
| United Kingdom | 102,002 | 85,152 |
| **RENAULT TOTAL** | **1,238,711** | **1,102,674** |

(1) Excluding sales to governments

**RENAULT MARKET SHARE AND RANKING**
As a percentage of TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RENAULT MARKETS** | **MARKET SHARE** | **RANKING** | **MARKET SHARE** | **RANKING** |
| Austria | 5.8% | 6 | 5.7% | 6 |
| Baltic States | 6.7% | 5 | 6.2% | 4 |
| Belgium+Luxembourg | 10.5% | 1 | 9.9% | 2 |
| Croatia | 8.6% | 3 | 7.2% | 6 |
| Czech Republic | 4.0% | 6 | 3.7% | 7 |
| Denmark | 6.8% | 5 | 6.5% | 5 |
| Finland | 2.8% | 12 | 1.9% | 15 |
| France | 22.1% | 1 | 21.8% | 1 |
| Germany | 3.8% | 8 | 3.8% | 8 |
| Greece | 3.5% | 13 | 3.3% | 13 |
| Hungary | 5.2% | 6 | 4.6% | 9 |
| Iceland | 5.1% | 8 | 5.5% | 9 |
| Ireland | 6.1% | 6 | 5.8% | 7 |
| Italy | 6.3% | 4 | 6.2% | 4 |
| Netherlands | 8.3% | 3 | 8.2% | 3 |
| Norway | 1.9% | 17 | 1.2% | 21 |
| Poland | 6.5% | 6 | 6.2% | 6 |
| Portugal | 12.8% | 1 | 12.8% | 1 |
| Slovakia | 4.3% | 8 | 4.4% | 8 |
| Slovenia | 15.4% | 2 | 15.3% | 2 |
| Spain+Canary Islands | 8.5% | 1 | 8.4% | 2 |
| Sweden | 4.2% | 9 | 4.2% | 9 |
| Switzerland | 5.2% | 6 | 4.6% | 8 |
| United Kingdom | 3.4% | 10 | 3.0% | 11 |
| **RENAULT TOTAL** | **7.8%** | **3** | **7.6%** | **3** |

**Europe Region sales (cont.)**

**DACIA BRAND REGISTRATIONS** (2)

In volume of PC + LCV

| DACIA MARKETS | 2015 | 2014 |
|---|---|---|
| Austria | 7,726 | 8,484 |
| Baltic States | 1,620 | 1,722 |
| Belgium+Luxembourg | 17,724 | 18,210 |
| Croatia | 2,176 | 1,273 |
| Czech Republic | 11,074 | 9,778 |
| Denmark | 3,495 | 3,007 |
| Finland | 1,421 | 1,505 |
| France | 100,035 | 105,893 |
| Germany | 47,453 | 50,703 |
| Greece | 319 | 484 |
| Greek Cyprus | 66 | 74 |
| Hungary | 4,347 | 4,549 |
| Iceland | 380 | 164 |
| Ireland | 3,812 | 2,715 |
| Italy | 46,792 | 39,972 |
| Malta | 137 | 131 |
| Netherlands | 4,633 | 5,186 |
| Norway | 145 | 155 |
| Other Balkans | 2,865 | 2,313 |
| Poland | 14,906 | 14,634 |
| Portugal | 4,901 | 3,893 |
| Slovakia | 3,444 | 3,171 |
| Spain+Canary Islands | 55,168 | 45,986 |
| Slovenia | 3,008 | 3,173 |
| Sweden | 4,947 | 5,335 |
| Switzerland | 5,597 | 5,091 |
| United Kingdom | 26,267 | 23,862 |
| **DACIA TOTAL** | **374,458** | **361,463** |

(2) Excluding sales to governments

| **DACIA MARKET SHARES**<br>As a percentage of TAM PC + LCV | | |
|---|---|---|
| **DACIA MARKETS** | **2015** | **2014** |
| Austria | 2.3 % | 2.5 % |
| Baltic States | 2.7 % | 3.1 % |
| Belgium+Luxembourg | 2.9 % | 3.1 % |
| Croatia | 5.1 % | 3.2 % |
| Czech Republic | 4.5 % | 4.8 % |
| Denmark | 1.5 % | 1.4 % |
| Finland | 1.2 % | 1.3 % |
| France | 4.4 % | 4.9 % |
| Germany | 1.4 % | 1.6 % |
| Greece | 0.4 % | 0.6 % |
| Greek Cyprus | 0.6 % | 0.8 % |
| Hungary | 4.6 % | 5.4 % |
| Iceland | 2.5 % | 1.6 % |
| Ireland | 2.6 % | 2.4 % |
| Italy | 2.7 % | 2.7 % |
| Malta | 1.7 % | 1.9 % |
| Netherlands | 0.9 % | 1.2 % |
| Norway | 0.1 % | 0.1 % |
| Other Balkans | 7.5 % | 6.2 % |
| Poland | 3.7 % | 3.9 % |
| Portugal | 2.3 % | 2.3 % |
| Slovakia | 4.0 % | 4.1 % |
| Slovenia | 4.5 % | 5.3 % |
| Spain+Canary Islands | 4.6 % | 4.7 % |
| Sweden | 1.3 % | 1.5 % |
| Switzerland | 1.6 % | 1.5 % |
| United Kingdom | 0.9 % | 0.9 % |
| **DACIA TOTAL** | **2.4 %** | **2.5 %** |

**SALES AFRICA-MIDDLE EAST-INDIA REGION**

| **RENAULT BRAND SALES[3] AND MARKET SHARES**<br>In volume and as a % of the TAM PC + LCV | | | | |
|---|---|---|---|---|
| | **2015** | | **2014** | |
| **RENAULT MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Algeria | 49,494 | 19.5% | 52,059 | 15.2% |
| Egypt | 20,001 | 7.5% | 11,507 | 4.1% |
| Marocco | 12,977 | 9.8% | 11,440 | 9.4% |
| India | 53,848 | 1.7% | 44,849 | 1.5% |
| Iran | 51,500 | 4.8% | 33,000 | 2.8% |
| Israel | 11,692 | 4.6% | 10,105 | 4.2% |
| Overseas Departments | 11,568 | 18.1% | 10,148 | 17.1% |
| Saudi Arabia | 15,329 | 1.9% | 13,391 | 1.6% |

| | | | | |
|---|---|---|---|---|
| South Africa+Namibia | 20,021 | 3.4% | 18,788 | 3.0% |
| **RENAULT TOTAL** | **270,674** | **3.4%** | **226,781** | **2.8%** |

*(3) In volume of Sales+Export Companies.*

**DACIA BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **DACIA MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Algeria | 40,688 | 16.0% | 39,741 | 11.6% |
| Marocco | 37,392 | 28.3% | 33,734 | 27.6% |
| Israel | 2,510 | 1.0% | 0 | |
| Overseas Departments | 4,865 | 7.6% | 4,428 | 7.5% |
| Tunisia | 2,522 | 5.3% | 1,701 | 3.2% |
| **DACIA TOTAL** | **89,181** | **1.1%** | **80,546** | **1.0%** |

**RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC[(4)]

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RSM MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Libya | 3 | 0.0% | 600 | 0.0% |
| **RSM TOTAL** | **3** | **0.0%** | **600** | **0.0%** |

*(4) RSM is not present on the LCV market*

**SALES EURASIA REGION**

**RENAULT BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RENAULT MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Belarus | 8,071 | 25.7% | 4,501 | 14.1% |
| Bulgaria | 3,172 | 10.9% | 2,039 | 8.0% |
| Kazakhstan | 8,235 | 8.3% | 8,174 | 5.0% |
| Romania | 7,263 | 6.5% | 6,741 | 7.1% |
| Russia | 120,411 | 7.5% | 194,531 | 7.8% |
| Turkey | 117,363 | 12.1% | 98,743 | 12.9% |
| Ukraine | 5,176 | 10.2% | 5,798 | 5.8% |
| **RENAULT TOTAL** | **270,251** | **9.0%** | **321,331** | **8.5%** |

**DACIA BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **DACIA MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Bulgaria | 3,679 | 12.6% | 3,085 | 12.1% |
| Moldova | 528 | 15.1% | 1,092 | 19.7% |
| Romania | 36,946 | 32.8% | 29,625 | 31.2% |
| Turkey | 44,812 | 4.6% | 34,469 | 4.5% |
| **DACIA TOTAL** | **85,965** | **2.9%** | **68,271** | **1.8%** |

**RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC[(5)]

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RSM MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Kazakhstan | 0 | 0.0% | 102 | 0.1% |
| **RSM TOTAL** | **0** | **0.0%** | **102** | **0.0%** |

*(5) RSM is not present on the LCV market*

**SALES ASIA-PACIFIC REGION**

**RENAULT BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RENAULT MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Australia | 11,525 | 1.0% | 10,014 | 0.9% |
| China | 15,849 | 0.1% | 34,067 | 0.2% |
| Japan | 5,080 | 0.1% | 4,662 | 0.1% |
| Singapore | 956 | 1.3% | 1,191 | 3.4% |
| **RENAULT TOTAL** | **35,552** | **0.1%** | **51,938** | **0.2%** |

**DACIA BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **DACIA MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| New Caledonia | 877 | 9.6% | 679 | 6.8% |
| Tahiti | 414 | 10.2% | 392 | 8.6% |
| **DACIA TOTAL** | **1,291** | **0.0%** | **1,071** | **0.0%** |

**RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC[6]

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **RSM MAIN MARKET** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| South Korea | 80,017 | 5.1% | 80,003 | 5.7% |
| **RSM TOTAL** | **80,025** | **0.3%** | **80,188** | **0.3%** |

*(6) RSM is not present on the LCV market*

**SALES AMERICAS REGION**

**RENAULT BRAND SALES AND MARKET SHARES**
In volume and as a % of the TAM PC + LCV

| | | 2015 | | 2014 |
|---|---|---|---|---|
| **RENAULT MAIN MARKETS** | **SALES** | **MARKET SHARE** | **SALES** | **MARKET SHARE** |
| Argentina | 79,383 | 12.7% | 84,944 | 12.9% |
| Brazil | 181,504 | 7.3% | 237,187 | 7.1% |
| Colombia | 49,331 | 18.6% | 50,362 | 16.6% |
| Importers | 20,613 | 2.5% | 18,299 | 2.0% |
| Mexico | 24,320 | 1.8% | 24,889 | 2.2% |
| **RENAULT TOTAL** | **355,151** | **6.3%** | **415,681** | **6.4%** |

| RENAULT SAMSUNG MOTORS BRAND SALES AND MARKET SHARES<br>In volume and as a % of the TAM PC[7] | | | | |
|---|---|---|---|---|
| | | 2015 | | 2014 |
| RSM MARKETS | SALES | MARKET SHARE | SALES | MARKET SHARE |
| Chili | 0 | 0.0% | 1,233 | 0.5% |
| **RSM TOTAL** | **0** | **0.0%** | **1,233** | **0.0%** |

*(7) RSM is not present on the LCV market*

### (III) BUSINESS-TO-BUSINESS POWERTRAIN ACTIVITY

The powertrain business is one of the main sectors implementing industrial synergies in R&D with Renault's partners (with Nissan as part of the Alliance or outside the Alliance). A dedicated department oversees this B2B business, both for exchanges of powertrain sub-systems with partners, and for related engineering. The aim of these synergies is to pool development costs, to absorb fixed production costs, to generate economies of scale in the industrial activities of Renault and its suppliers, and ultimately, to improve free cash flow at Renault.

In addition to the Alliance with Nissan that enables the companies to share a common range, an industrial system and a supplier network, this business-to-business activity seeks to promote and offer Renault's powertrain parts in the context of automotive cooperation (e.g. with Daimler, AVTOVAZ, General Motors-Opel) or third-party sales. They enable our partners to benefit from Renault technology and give Renault access, where useful, to its partners' developments and manufacturing capacity. This activity also serves as a basis on which to identify and set up one-off cooperation projects.

**Advantages**

A modern, CO2-efficient range: With its internal-combustion and electric range, Renault has once again demonstrated its commitment to taking the lead in reducing the environmental impact of vehicles. The qualities of the Renault powertrain range have convinced our partners of the advantages of using our engines for their vehicles. Partnerships have been developed for petrol and diesel engines, as well as for gearboxes.

For the past four years, Groupe Renault has featured in the top three highest performing manufacturers in Europe for certified CO2 emissions and fuel consumption, with average emissions of 111.3g of CO2/km at the end of 2015, and diesel or petrol engines emitting less than 100g of CO2/km during NEDC tests on eight models in its passenger car range.

Nissan, Renault's partner in the Alliance, has risen from eighth place in the manufacturers' rankings in 2013 to fourth place in 2014 for average certified CO2 emissions in its European range of passenger cars. This is mainly due to the deployment of the latest generation of Renault engines. After the partnership agreement signed in 2010 between the Renault-Nissan Alliance and the Daimler group, Renault's range of diesel engines also allow Mercedes to offer versions of its A, B and C Class vehicles emitting less than 100g of CO2/km in New European Driving Cycle (NEDC) tests.

**The organization**

Experienced management ensures, within Renault's Strategy and Business Development department, that opportunities are identified, bids are prepared and contracts negotiated. Dedicated to customers, it liaises with all Renault engineering departments to ensure a fast response.

### (IV) MAIN MANUFACTURING SITES

Renault has about 30 manufacturing sites for its automotive business. Based on a standard figure of 3,760 hours (one year's production based on two eight-hour shifts a day, five days a week, for 47 weeks a year), production capacity utilization rates in 2015 were 93% globally and 87% in the Europe Region.

The Alliance and Renault's strategic partnerships enable these manufacturers to share manufacturing facilities and therefore costs. For example:

- Renault-Nissan vehicles are produced by AVTOVAZ in Russia;
- the Renault LCV plants in Batilly, Moscow, Busan and Curitiba produce vehicles for Nissan;
- the Renault plants in Maubeuge and Novo Mesto produce vehicles for Daimler;
- finally, in India, Renault-Nissan share a plant common to both.

As engines and transmissions are concerned, the cross use of the Alliance plants makes it possible to supply each market with the powertrains required while keeping investment to the minimum. The following are some non-exhaustive examples:

- the Renault plants in Cléon and Valladolid produce diesel engines for Nissan and Daimler;
- with regard to the cross-production of gasoline engines in Europe, the Renault plants in Valladolid and Pitesti as well as the Nissan plants in Sunderland produce engines for Renault, Nissan and Daimler;
- the Nissan plant in Yokohama produces a gasoline engine for Renault, while the Renault plant in Pitesti manufactures SMART gasoline engines for Daimler.

| GROUPE RENAULT MAIN MANUFACTURING SITES – 2015 PRODUCTION (units) | | | |
|---|---|---|---|
| **2015** | **SITES** | **PRODUCTION** (Units) | **VEHICLES OR COMPONENTS** |
| **GROUPE RENAULT (PRODUCTION BY GROUPE RENAULT PLANTS INCLUDING FOR PARTNERS)** | | | |
| **Europe Region** | | | |
| | Batilly | 126,454 | MASTER III[(1)] |
| | Caudan (Fonderie de Bretagne) | 27,400 | Aluminum foundry (metric tons) |
| | Choisy-le-Roi | 25,370 | Standard Exchange engines |
| | | 15,932 | Standard Exchange gearboxes |
| | Cléon | 15,609 | Aluminum foundry (in tons) |
| | | 695,223 | Engines |
| | | 487,963 | Transmissions |
| | | 21,597 | Electric engines |
| | Dieppe | 5,111 | CLIO IV Renault Sport |
| | Douai | 133,559 | New ESPACE, TALISMAN, MEGANE III (coupé-cabriolet), SCENIC III (5- and 7-seater) |
| | Flins | 146,864 | CLIO IV, ZOE |
| | Le Mans / Villeurbanne | 7,370,832 | Front/rear suspensions, subframes, lower arms |
| | Le Mans | 110,911 | Aluminum foundry (metric tons) |
| | Maubeuge | 151,064 | KANGOO Z.E., KANGOO II[(2)] |
| | Ruitz | 103,458 | Automatic transmissions France |
| France | Sandouville | 99,237 | LAGUNA III (sedan, station wagon, coupé),TRAFIC II[(3)] |
| | Palencia | 210,293 | KADJAR, New MEGANE III (sedan, station wagon, coupé) |
| | Valladolid | 257,510 | TWIZY, CAPTUR |
| | Valladolid | 1,535,440 | Engines |
| Spain | Seville | 1,009,352 | Transmissions |
| Portugal | Cacia | 556,568 | Transmissions |
| Slovenia | Novo Mesto | 129,428 | CLIO II, TWINGO III[(4)] |
| **Africa - Middle East - India (AMI)** | | | |
| Algeria | Oran | 19,419 | LOGAN II |
| | Casablanca | 59,024 | LOGAN II, SANDERO II |
| Marocco | Tanger | 229,026 | LODGY, DOKKER, SANDERO II |
| **Iran** | **Teheran** | 70,712 | **Front/rear suspensions** |
| **Americas** | | | |
| | | 76,055 | CLIO II, KANGOO, KANGOO Express, FLUENCE |
| Argentina | Cordoba | 4,025 | Aluminum foundry (in tons) |
| | | 187,087 | DUSTER, LOGAN II, MASTER III |
| Brazil | Curitiba | 257,943 | Engines[(5)] |
| Colombia | Envigado | 76,279 | DUSTER, SANDERO, CLIO II, LOGAN,LOGAN II |
| Chili | Los Andes | 296,779 | Transmissions |
| **Eurasia** | | | |

| 2015 | SITES | PRODUCTION (Units) | VEHICLES OR COMPONENTS |
|---|---|---|---|
| | | 339,240 | FLUENCE, MEGANE Generation, CLIO IV, CLIO IV Estate |
| | | 346,257 | Engines |
| | | 257,183 | Transmissions |
| Turkey | Bursa | 1,096,930 | Front/rear suspensions, subframes |
| Russia | Moscow | 73,618 | DUSTER, MEGANE Génération, FLUENCE, LOGAN |
| | | 339,204 | DUSTER, LOGAN II, LOGAN II MCV, SANDERO II |
| | | 435,885 | Engines |
| | | 514,256 | Transmissions |
| | | 2,005,584 | Front/rear suspensions, axles, subframes, idler modules |
| Romania (Dacia) | Pitesti | 21,100 | Aluminum foundry (in tons) |
| **Asia-Pacific** | | | |
| South Korea (Renault Samsung Motors) | Busan | 205,391 | SM3/FLUENCE, SM3 Z.E./FLUENCE Z.E., SM5/LATITUDE, SM7/TALISMAN, QM5/KOLEOS(6) |
| | | 83,171 | Engines |
| **PARTNERS (PRODUCTION BY PARTNERS FOR RENAULT)** | | | |
| Nissan plants | | 54,564 | PULSE, SCALA, DUSTER, KWID, LODGY |
| Other partner sites (Iran, Russia, China) | | 106,481 | LOGAN, SANDERO, MEGANE II |

*(1) Batilly also manufactures MASTER for General Motors Europe and Nissan. These vehicles are sold under the name MOVANO (Opel and Vauxhall brands) and NV 400 (Nissan brand).*

*(2) KANGOO vehicles are also produced in Maubeuge for Daimler. They are sold under the name CITAN (Daimler brand).*

*(3) TRAFIC models are also produced in Sandouville for General Motors Europe and Nissan. They are sold under the name VIVARO (Opel brand) and PRIMASTAR (Nissan brand).*

*(4) Vehicles using the TWINGO base are also produced in Novo Mesto for Daimler. They are sold under the name ForFour (SMART brand).*

*(5) The Curitiba plant also produces light commercial vehicles for Nissan.*

*(6) The Busan plant also manufactures vehicles for Nissan, which are marketed under the name ROGUE.*

## (V) GROUPE RENAULT DISTRIBUTION NETWORK

### Organization of the distribution networks

Groupe Renault distributes vehicles under its brands through both primary and secondary distribution networks.

The primary network is contractually bound to Renault via a concession agreement (or agency or authorized repair center agreement, depending on the country) and comprises:

- dealers independent of Groupe Renault;
- establishments belonging to Renault through its subsidiary Renault Retail Group (RRG) or branches.

The secondary network includes mainly small dealers, independent of Groupe Renault, and bound contractually to the primary network, most often via an agency contract, or authorized distribution or repair center contract.

The main changes to the Groupe Renault distribution network are as follows:

- developing and raising professional standards in networks on growth markets, primarily outside Europe;
- strengthening of the various brand identities, including in particular increased differentiation between the Dacia and Renault brands;
- adjustments to cater for the sale of new vehicles, including in particular the electric vehicle range.

| | **2015** | | **2014** | |
|---|---|---|---|---|
| **NUMBER OF RENAULT SITES** | **WORLDWIDE** | **O/W EUROPE** | **WORLDWIDE** | **O/W EUROPE** |
| Primary network | 5,231 | 2,652 | 5,178 | 2,680 |
| *o/w RRG dealers and branches* | *181* | *163* | *182* | *161* |
| *of which Renault Pro+ specialized dealerships* | *650* | *492* | *600* | *451* |
| Secondary network | 6,733 | 6,321 | 6,938 | 6,526 |
| **TOTAL SITES** | **11,964** | **8,973** | **12,116** | **9,206** |

| | **2015** | | **2014** | |
|---|---|---|---|---|
| **NUMBER OF DACIA SITES** | **WORLDWIDE** | **O/W EUROPE** | **WORLDWIDE** | **O/W EUROPE** |
| Primary network | 2,338 | 2,035 | 2,026 | 1,683 |

## (VI) RENAULT RETAIL GROUP (RRG)

This wholly owned subsidiary of Renault is the Group's biggest subsidiary by revenues (€7.8 billion in 2015) and workforce (10,936 employees at December 31, 2015).

Renault Retail Group has close to 200 sales and service outlets in 13 European countries: Austria, Belgium, Czech Republic, France, Germany, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Switzerland and the United Kingdom.

Its role is to directly distribute, on a profitable basis, Alliance products and services (Renault, Dacia and Nissan). The product range covers new vehicles, used vehicles and spare parts. It also offers the following services: servicing, powertrains, bodywork, express repairs (Renault Minute and Renault Minute body shops), short-term rental (Renault Rent), financing and brokerage.

In 2015, RRG sold more than 35.7% of the new vehicles sold by Renault in France; RRG sold more than 17.4% of the new vehicles sold by Renault for the other 12 European countries in which RRG operates (excluding France).

RRG provides a commercial presence for Groupe Renault in major cities and has put in place a strategy to meet the volume and profitability targets set out in Renault 2016 – Drive the Change.

In 2015, Renault Retail Group simplified and enriched the digital experience of its customers on its website www.renault-retail-group.fr and its mobile site. The new after-sales features and services are part of the Renault Plan "Excellence in the Customer Relationship". The aim is to be increasingly customer-focused and in touch with customers' expectations, offering them simple, fully customized services tailored to their changing needs.

| **RENAULT RETAIL GROUP**<br>Figures at end-December 2015 | **TOTAL FOR 12 EUROPEAN COUNTRIES** | **O/W FRANCE** |
|---|---|---|

| | | |
|---|---|---|
| New vehicles (units) | 284,041 | 153,644 |
| Used vehicles (units) | 179,566 | 119,914 |
| Total, new and used vehicles (units) | 463,607 | 273,558 |
| Revenues* (€ million) | 7,826 | 4,601 |

* *From RRG management statements (Ireland non-consolidated).*

**Renault Pro+ specialized dealerships**

To meet the specific needs of its business customers, since 2009 Renault has developed the Renault Pro+ specialized network within its Dealer Network.

Renault Pro+ specialized dealerships are bound by a triple customer pledge based on:

- the specialization of sales teams and after-sales staff, with a dedicated area for business customers;
- a large range of options, including for chassis cabs, facilitated by the wide range of vehicles on display and available for test drive;
- guaranteed mobility for business customers with a dedicated after-sales team.

In 2015, 50 new Pro+ specialized sites were opened, taking the total number of dealerships worldwide to 650, across 40 different countries.

The Renault Pro+ network continues to grow in Europe, and its international presence is rapidly increasing to support the growth in sales of light commercial vehicles. A quarter of Pro+ outlets are now located outside Europe, mainly in Argentina, Brazil and Turkey.

## (VII) AUTOMOTIVE CASH FLOW MANAGEMENT

For Automotive, Groupe Renault has established a financial organization whose aims are to:

- automate the processing of routine cash inflows and outflows;
- meet the subsidiaries' refinancing requirements and pool surplus cash;
- centralize the handling of euro-denominated and foreign exchange transactions so as to optimize the management of currency, liquidity, interest rate, counterparty and country risk while reducing financial and administrative costs;
- centralize virtually all financing operations, including securities issuance, bank loans and credit agreements, at parent company level.

Within this framework, Renault's Financing and Treasury department, which is responsible for cash management and financing for the Group's industrial and commercial activities in Europe, has a specialized entity, Renault Finance, which manages the following:

- capital market trading, after intra-Group netting: forex, fixed income securities, commodities and short-term investments;
- foreign currency payments by French and European subsidiaries;
- cash-pooling in certain subsidiaries' foreign currencies.

For the euro zone, cash is centralized through a Renault SA IT platform that manages all subsidiaries' euro-denominated transactions and interfaces with the automotive sector's banks. Renault Finance is also involved in cash management arrangements covering foreign currency payments made by French and European subsidiaries.

Outside the euro zone, the cash flows of certain subsidiaries are accounted for centrally in Renault Finance's accounts.

**Renault Finance**

Renault Finance, a Swiss corporation based in Lausanne, is an active player on the forex and fixed income markets and the market for hedging commodities transactions. It operates within a strict risk management framework. Through its arbitrage activities, it can obtain competitive quotes for all financial products.

Moreover, it is Renault's natural counterparty for most automotive market transactions. By extending this service to the Nissan group, Renault Finance has become the Alliance's trading room. It manages financial transactions for both Renault and Nissan, hedging itself in the markets accordingly; Renault Finance does not take any risks on behalf of any Nissan or Groupe Renault entity.

Aside from financial market transactions, Renault Finance offers a number of services, including commercial and financial foreign currency payments for Renault and Nissan and a foreign currency cash-pooling service for a number of Renault entities (Czech Republic, Hungary, Poland, Romania, Sweden and the UK).

At end of December 2015, its net income was €50.9 million (€48.4 million at the end of December 2014) and its total parent company assets amounted to €10,092 million (€9,970 million at the end of December 2014).

## B. ASSOCIATED COMPANIES, PARTNERSHIPS AND COLLABORATIVE PROJECTS

### Nissan

Renault's shareholding in Nissan is described in detail in "(2) THE RENAULT-NISSAN ALLIANCE" below.
Nissan's market capitalization at December 31, 2015 was ¥5,784 billion (€44,131 million, based on a conversion rate of ¥131.1 for €1), based on a closing price of ¥1,279.5 per Nissan share.
Renault holds 43.4% of Nissan's share capital. At December 31, 2015, the market value of the shares held by Renault totaled €19,153 million, based on a conversion rate of ¥131.1 for €1.
Renault accounts for its shareholding in Nissan using the equity method, as described note 12 of the notes to the consolidated financial statements.

### AVTOVAZ

Since June 2014, Renault has owned 50% (less one share) of Alliance Rostec Auto B.V., which was created in 2012 by the Renault-Nissan Alliance and the Russian public holding company Russian Technologies (Rostec), owner of 74.5% of leading Russian carmaker AVTOVAZ.
The exceptionally difficult economic environment in Russia and the peripheral markets (Russian car market down more than 35%, average rouble exchange rate down 33%, rising interest rates) resulted in a deterioration of AVTOVAZ operating conditions even though the company is fully committed to the renewal of its product line.
To restore the financial structure and to continue the work of restructuring and modernizing the product line, Groupe Renault is in discussions with the other shareholders of the holding company Alliance Rostec Auto B.V. in view of an upcoming recapitalization that could lead to the consolidation of AVTOVAZ by Renault.
In a difficult environment that is also affecting the export markets in which the LADA brand is well established, including Ukraine and Kazakhstan, whose markets declined 48% and 39% respectively, AVTOVAZ was able to rely on sales of vehicles and components to its partners, with the production of 8 models for the Renault-Nissan Alliance, including the New LOGAN, SANDERO and STEPWAY, manufactured on the B0 production line common to the three brands and destined for the Russian market.
In total, nearly a third of the vehicles produced by AVTOVAZ in 2015 were made for the Renault-Nissan Alliance (129,000 vehicles), which helped to optimize the use of production capacities and reduce fixed costs.
AVTOVAZ also has an assembly workshop shared by the three brands to produce engines and gearboxes with a capacity of 300,000 engines in the first stage and 300,000 gearboxes per year. After the production start-up of the K4 engine and the J gearbox in three of the vehicle brands, the H4 engine was added to the range and installed in the Duster Phase 2 produced by Renault in the Moscow plant.
Renault also managed to benefit from the skills and stamping and plastics workshop capacities to localize at AVTOVAZ the components and parts for its new vehicles produced in Togliatti.
These advances are part of an in-depth reorganization of the company, along with the reduction of the number of production lines from eight to four and the renewal of the product range in preparation for the future.
Over the past few years, the AVTOVAZ offering has been redesigned on the basis of efficient vehicles, with the LADA Granta, the best-selling vehicle in Russia, the LADA Largus based on the Logan MCV and the Kalina. In line with the timetable, the range was extended at the end of 2015 with the launch of the Lada Vesta and Lada X-Ray, which use AVTOVAZ or Renault-Nissan Alliance platforms.
Renault accounts for its shareholding in AVTOVAZ using the equity method, as described in note 13 of the notes to the consolidated financial statements.

### Partnerships and collaborative projects

### Strategic cooperation between Renault-Nissan Alliance and Daimler AG

### Strategic cooperations

The Renault-Nissan Alliance has developed a core competence in managing partnerships to increase economies of scale, to help accelerate growth in new regions and to fund research and development of next-generation powertrains and vehicles. In fact, partners and potential partners specifically seek out Renault-Nissan for its demonstrated ability to keep collaborations expanding through multiple business cycles.

Today the Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng Motor and Japan's Mitsubishi Motors.
The Alliance's biggest strategic collaboration by far is with premium carmaker Daimler AG. The partnership began in April 2010. This strategic cooperation is strengthened by cross-shareholdings, with Daimler holding a 3.1% share in both Renault and Nissan and Renault and Nissan each holding a 1.55% share in Daimler.
The partnership is managed by a Cooperation Committee co-chaired by Carlos Ghosn and Daimler CEO Dieter Zetsche and made up of senior executives from Renault, Nissan and Daimler. The Governance Board, which meets nearly every month, ensures the implementation of the agreed projects and makes proposals for new ones. The cooperation is managed for the Alliance by RNBV.
Cooperation between the two companies has expanded significantly since they joined forces in 2010 and has also become more global in scope. In 2010, the companies began collaborating on three projects, mostly within Europe. Today, the Alliance and Daimler count 13 major projects on three continents. The key projects involving Renault in the portfolio so far include:

- the Daimler CITAN city van, released in September 2012. The van is based on the Renault KANGOO and produced in Renault's plant in Maubeuge, France, where Renault also produces its KANGOO light commercial vehicle. The CITAN, which accounts for about 25% of total production output in Maubeuge, also features a jointly developed Renault-Daimler four-cylinder, 1.5-liter diesel engine. A variant of this engine also powers the new Mercedes-Benz A-and B-Class models released in 2012;
- Renault TWINGO and Mercedes-Benz SMARTS based on a common Renault-Daimler platform. Although the New TWINGO and fortwo and forfour SMARTS, which were released in the second half of 2014, are built on a common platform they remain independent products with an unmistakable brand identity. The New TWINGO and the forfour SMART are produced in Novo Mesto, Slovenia. Meanwhile, the fortwo SMART is produced at Daimlers Hambach plant in France;
- the debut in 2016 of a new, state-of-the-art direct-injection turbocharged small gasoline engine family developed by Renault and Daimler for Daimler, Renault and Nissan cars. The engines will feature improved fuel economy and reduced emissions in a compact package.

- EV versions of the new SMART fortwo and forfour. Both vehicles will be fitted with an electric motor produced by Renault's Cléon plant in France, the same one used in the Renault ZOE. The battery of the new SMART electric drive will be produced by the Daimler subsidiary, "Deutsche ACCUmotive," in Kamenz, Germany.

- The Mercedes-Benz 1-ton pickup truck which shares its architecture with the Nissan NP300 NAVARA, will be built by Nissan in the Renault plant in Cordoba, Argentina, along with the Nissan NP300 and the Renault 1-ton truck, for Latin America, before the end of the decade.

The collaboration between Renault-Nissan and Daimler has grown organically, whenever teams suggest projects that are a "win-win" for all partners. The project portfolio has more than tripled and includes projects on three continents. No specific area of potential collaboration that is "off limits." When teams suggest projects that could benefit all partners, they then launch feasibility studies to determine whether to move forward. If senior executives and Board members of all companies agree to move forward, then the project is greenlighted and announced externally with a clear timetable and division of labor. When appropriate, projects are terminated at the feasibility study stage and the teams move onto new opportunities.

**Supplier relations and support**
In view of the current economic conditions, it is crucial for manufacturers and suppliers to collaborate closely in order to create value together. Renault's objective is to build performance as part of an equitable, educational, long-term partnership with suppliers.
To this end, Renault has put in place a policy to support suppliers worldwide, which involves:
- working closely with suppliers from the outset of projects, with the aim of meeting price and quality targets and cutting development times;
- sharing best industrial practices (regular meetings, expert assignments);
- optimizing processes in order to help suppliers cut costs without reducing their margins;
- assisting suppliers to improve quality. Since October 1, 2015, all supplier quality resources within Groupe Renault were organized within a single entity. This change in organization made it possible to set up a

key Renault expert for each supplier to reinforce the required level of quality in the field for our suppliers, to ensure optimum monitoring and be more responsive;
- offering suppliers an opportunity to grow with the Group. Renault's manufacturing facilities in other countries and partnerships (Nissan, AVTOVAZ, Daimler) create opportunities for suppliers to expand into new markets or increase their volumes;
- cooperation on innovation. Beyond the research and advanced studies conducted internally and with Nissan, Renault works with suppliers on new joint innovations, sharing its strategic aims right from project design;
- raising suppliers' awareness of CSR. Renault has incorporated CSR criteria into its supplier referencing and selection processes, and regularly evaluates its suppliers' CSR performance. Renault also applies charters on best practices in customer-supplier relations.

To show the Group's appreciation of its suppliers, every year Renault presents Supplier Awards. The awards are given to suppliers that achieve highly in any of three priority categories for Renault – quality, innovation and CSR, irrespective of the supplier's size, country of origin or business sector. In 2015, twelve suppliers won awards for their outstanding achievements in one of those areas:
- Quality: AK-Pres, Bosch Automotive Services, Delta Invest, Hung-A Forming, Mann+Hummel, SNOP, Trelleborg Vibracoustic;
- CSR: 3M, Ambroise Bouvier Transports;
- Innovation: Getrag, MGI Coutier, SK Telecom.

Finally, as part of efforts to strengthen supplier relations, in 2011 Renault and Nissan initiated a joint process for selecting preferred partners, known as Alliance Growth Partners (AGP). In 2015, twenty-eight AGP suppliers were recognized for their competitiveness, their ability to support Renault and Nissan in terms of innovation or new product development, and for their willingness to support the international growth of both Alliance partners.

**EVs: Bolloré group partnership**

The French Renault and Bolloré groups have become partners in order to advance the progress of electric vehicles together. This partnership, formalized on September 9, 2014, focuses on three main aspects. Firstly, industrial cooperation: the Dieppe plant (Seine Maritime, France) has assembled Bluecar EVs (Bolloré group) since July 2015. It also includes a joint venture, Bluealliance, set up in October 2014 to sell complete electric car-sharing solutions in France and Europe. These include the Bluely services in Lyon and Bluecub in Bordeaux, where the TWIZY joined the fleet in spring 2015. Lastly, it involves the completion of a feasibility study, entrusted to Groupe Renault by the Bolloré group, on the design, development and manufacturing by Renault of an electric city car.

The development of the electric vehicle is essential to tackle environmental issues, especially air quality and mobility in towns and cities. The two groups decided to combine their complementary skills. Renault possesses know-how in relation to the design, development and manufacturing of electric vehicles (ZOE, KANGOO, TWIZY). The Bolloré group is positioned as a major player in 100% electric car-sharing.

**Light commercial vehicles**

In the field of light commercial vehicles, Renault has several agreements with General Motors Europe, Nissan, Renault trucks, Daimler and, more recently, Fiat.

Renault and General Motors Europe signed a framework agreement in 1996 that included a commitment to work together. The aim was for the two manufacturers to increase their market presence in Europe and share development costs.

In compact vans, Renault TRAFIC and Opel/Vauxhall Vivaro have been produced at the GM Europe plant in Luton (UK) since 2001 and at the Nissan plant in Barcelona (Spain) between 2002 and summer 2014. In March 2011, Renault and Opel/Vauxhall announced the locations of production sites for the next generation of Vivaro and TRAFIC. Opel/Vauxhall confirmed that the next generation Vivaro will be built in Luton and Renault confirmed that the next generation TRAFIC, as well as the new high roof (H2) version of the Opel Vivaro d'Opel, will be manufactured at its Sandouville site. Production started at the Sandouville plant in April 2014 and marketing in September.

In July 2014, Renault signed a cooperation agreement with Fiat to manufacture a compact van, based on the TRAFIC, at its Sandouville plant. This vehicle will be sold by Fiat across its network and under its brand name. Production is expected to begin in the first half of 2016.

The offering in the large vans segment was renewed in 2010, with the launch of the new range of Renault MASTER and Opel/Vauxhall (GM) Movano, manufactured by Renault at its Batilly plant in France.

Movano is sold to GM as part of a supply agreement signed at the end of 2007.
New MASTER is also distributed by the Renault Trucks network under the terms of sales agreements entered into in 2009. These agreements are the continuation of agreements covering the distribution by Renault Trucks (AB Volvo group) of Mascott and the previous generation of MASTER.
As part of the Renault-Nissan Alliance, an agreement was signed to develop a van based on the new Renault MASTER called NV400. This vehicle has been sold by Nissan since end-2011. This project reflected the continuation of agreements implemented by the two companies in 2003 for the distribution by Nissan of Interstar (based on the previous generation of MASTER and replaced by NV400) and PRIMASTAR (a compact van based on TRAFIC).
As part of the strategic cooperation between the Renault-Nissan Alliance and Daimler announced on April 7, 2010, Renault and Daimler studied the development of a light commercial vehicle to expand the Mercedes range. CITAN, the new urban LCV by Mercedes Benz, was developed by Renault on the basis of the KANGOO platform and is built exclusively alongside KANGOO and KANGOO Z.E. at the Renault plant in Maubeuge (France). CITAN nevertheless maintains the visible features expressing the identity of the Mercedes brand, in both interior and exterior design. CITAN has been sold by Mercedes since fall 2012.

**Accelerating international expansion**
Various agreements have been signed with local partners (manufacturers and local authorities).

**<u>In China</u>**
In June, Renault began selling the CAPTUR, an imported model heralding the imminent arrival of an SUV range. In November, Renault unveiled the KADJAR at the Guangzhou Motor Show, the first vehicle to be made locally.
The Dongfeng Renault Automotive Company (DRAC), 50/50 owned by Dongfeng and Renault, obtained its business license on March 3, 2014. The production plant is in Wuhan, capital of the Hubei province, and has a capacity of 150,000 units.
At the end of September 2015, DRAC announced plans to make an electric vehicle. This will be manufactured at the Wuhan plant in 2017. It will be marketed under a local Dongfeng brand and is destined exclusively for the Chinese market.
DRAC is continuing to expand its network, with more than 125 dealerships at the end of 2015. The number of dealerships is expected to rise to 150, to support the distribution of the new vehicle range.
On October 14, 2015, the Ministry of Industry and Information Technology (MIIT) officially published the “Factory Audit” agreement, confirming the capacity of the Wuhan site to produce the vehicles as planned.

**<u>In Russia</u>**
Renault Russia, fully-owned by Renault since the buyback at the end of 2012 of the Moscow city council shares, recorded a market share of 7.5%, a slight decline (-0.3 point), as part of a policy to preserve margins in an exceptionally difficult environment, thanks to the success of vehicles produced mainly in Russia, especially the Duster Phase 2, which was well received by the market and is once again the best-selling SUV on the market.
Renault Russia also continued its network development strategy outside Russia, with net sales growth in Belarus.
The partnership with AVTOVAZ has given Renault Russia additional production capacities with the New LOGAN, SANDERO and STEPWAY, manufactured in Togliatti on the B0 production line. Renault Russia has also increased its purchases of components, engines and gearboxes produced by AVTOVAZ and thus improved its rate of local integration.

**<u>In Asean</u>**
In 2015, Renault confirmed that it intended to be permanently based in the Asean Region.
In Indonesia, 2015 was spent expanding the distribution network and enriching the proposed line-up, with the launch of the DUSTER 4x4. Following an initial phase of local light industrialization, the DUSTER 4x2 and 4x4 went into production at the plant owned by our partner Indomobil.
In Malaysia, Renault broadened the range of vehicles on offer, with the launch of the CAPTUR ahead of local production of this model, following in the footsteps of the FLUENCE.
Finally, in Vietnam, Renault unveiled three new models at the Hanoi Motor Show: the DUSTER, the SANDERO Stepway and the LOGAN.

**In India**

In Chennai, the Alliance built its first joint production site as part of a joint venture (JV RNAIPL). Production was launched at the site in 2010 with the Nissan MICRA; then in 2011, Renault started to manufacture the FLUENCE and the KOLEOS, and in 2012, the PULSE, SCALA and DUSTER. In late 2013, Nissan launched the new premium SUV Terrano, derived from Renault DUSTER. In 2015, Renault began production of the LODGY, followed by the KWID.

In the same region, RNTBCI, the joint venture between Renault and Nissan, has been providing engineering, purchasing and accounting services since 2008.

In 2010, Renault changed the structure of its industrial and commercial partnership with Mahindra & Mahindra, selling its share in the MRPL joint venture to its partner. Renault also granted a license to produce and sell the LOGAN in India under its own brand. The vehicle was restyled in 2011 and is now sold under the "Verito" name.

**In Iran**

Renault is maintaining its presence, while enforcing the legal constraints linked to the international sanctions applicable to this country. Production was sharply reduced after the toughening of sanctions in mid-2013 and the blocking of financial transfers.

Renault primarily works with the X90 platform and the L90 (the LOGAN, badged as the Tondar in Iran). Since production began in 2007, a total of 411,396 vehicles have been built. MEGANE is also assembled in Iran by the manufacturer Pars Khodro. 39,600 MEGANE cars have been assembled since the start of this cooperation in 2008.

The Iranian business, which has contracted sharply after the sanctions, was taken out of the Group's consolidated scope. That position will be adjusted in line with political and economic developments in relation to Iran.

**In South Africa**

Following a cooperation agreement entered into in May 2007, the Alliance invested ZAR1 billion (€88 million) in the local assembly of vehicles from the LOGAN range (Pick-up and SANDERO) at the Nissan plant in Rosslyn, starting in 2009. The pick-up is assembled by Nissan, which sells the vehicle under its own brand name.

In 2013, Renault s.a.s. signed an agreement with its historic South African commercial partner, Imperial Group, to transfer the majority of the shares in their joint subsidiary, Renault South Africa. Since December 2013, Renault s.a.s has had a 40% stake in the subsidiary (compared with 51% previously) and Imperial 60% (compared with 49% before). This accelerated Groupe Renault's expansion in this country, with 3.0% market share in 2014. South Africa is the biggest market on the African continent, with 591,000 vehicles in 2015. Renault sales in this market have reached 20,022 vehicles (3.4% market share).

**In Morocco**

Following the launch of production line 1 at the Tangiers plant in 2012 and production line 2 in 2013 (the SANDERO II), production at the plant has reached 228,932 vehicles, a new record, after 173,450 vehicles were assembled there in 2014. The Somaca plant in Casablanca, which began production of the LOGAN II and SANDERO II in 2013, built 59,024 units in 2015, an increase on 2014 (53,331 vehicles). The two Moroccan plants introduced a third shift in September 2015.

**In Algeria**

Two years after the agreement was signed, and one year after construction started, on November 10, 2014, in accordance with the schedule of works, Renault inaugurated the Oued Tlélat assembly plant, in the Oran region. This plant was set up by Renault Algérie Production, in partnership with Société Nationale des Véhicules Industriels (SNVI) and the National Investment Fund (FNI).

During its first year of production, the plant ramped up the local assembly of the New SYMBOL as planned, with the introduction of the second shift in June. In 2015, production was at 19,416 vehicles. In view of the changes made by the Algerian government to the specifications for imported vehicles and the preference for locally made vehicles, the decision was taken to increase the capacity of the plant to 35,000 vehicles per year in two shifts and to launch a second vehicle, the Dacia SANDERO, from the second quarter of 2016. This increase in plant capacity will help meet demand in the domestic market and facilitate local integration, without jeopardizing the timetable for implementation of phase 2 of the plan to produce 75,000 vehicles a year by integrating the sheet metal workshop and paint shop.

**The environment**
Renault Environnement, a wholly-owned subsidiary of Renault s.a.s., was founded in mid-2008. Its role is to develop new businesses around the themes of sustainable development and the environment, in line with Groupe Renault's environmental policy.
Renault Environnement has a joint venture with SITA Recyclage, a subsidiary of Suez Environnement, to develop the recycling of ELVs (end-of-life vehicles) and returning to the market of recycled materials and re-used parts.
Through its subsidiary Gaïa and its equity investment in Boone Comenor Metalimpex, Renault Environnement also recovers automotive parts (production scrap and end-of-life parts) and metallic waste from Group sites.

## C. SALES FINANCING
As the captive finance company of the Alliance, RCI Banque finances sales of Groupe Renault brands (Renault, Renault Samsung Motors, Dacia) worldwide and Nissan group brands (Nissan, Infiniti, Datsun) mainly in Europe, Russia and South America.

### INTERNATIONAL OPERATIONS
In 2015, the RCI Banque group provided financial services in 36 countries.
Furthermore, the Group adapted to the regional reorganization operated within Groupe Renault. RCI Banque is now located in the following countries:
- Europe: France, Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom;
- Americas: Argentina, Brazil, Colombia;
- Africa-Middle East-India: Algeria, India, Morocco;
- Eurasia: Bulgaria, Romania, Russia, Turkey, Ukraine;
- Asia-Pacific: South Korea.

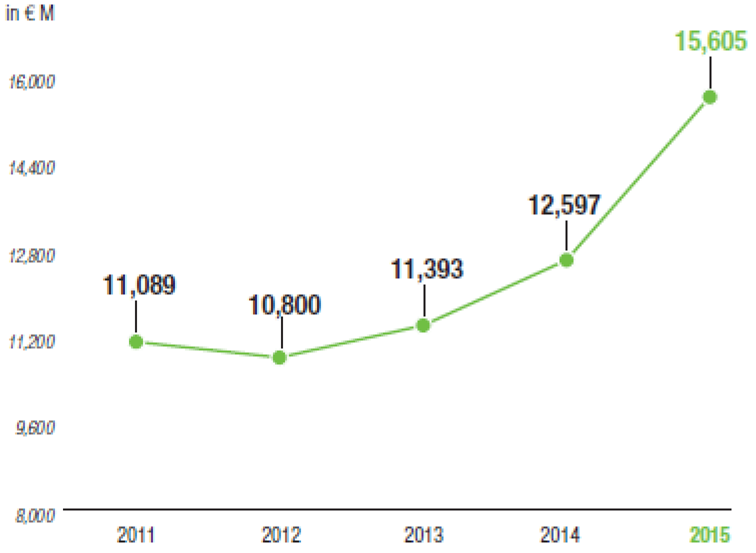
### AN ORGANIZATION CATERING FOR THREE CUSTOMER BASES
RCI Banque's primary goal is to satisfy the specific needs of its three core customer bases: Retail customers, Corporate and Brand Dealer Networks. In order to facilitate access to Alliance brand vehicles, it offers appropriate solutions on the best possible terms to:
- Retail customers: RCI Banque offers a wide range of loans, rental solutions and services for both new and used vehicles, to support retail customers and help them meet their varying mobility needs;
- Corporate customers (SMEs, multinationals): RCI Banque offers competitive solutions tailored to meet the needs of all corporate customer segments, enabling them to focus on their core business and delegate management of their vehicle fleet to a sound and reliable partner;
- Alliance brand dealership networks: RCI Banque finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements. RCI Banque strives to be the networks' leading financial partner. It also has an advisory role, seeking to secure their future by applying financial standards and through regular monitoring.

**Savings business**
As the first automotive captive finance company to introduce a savings account activity in the United Kingdom in 2015, RCI Banque is pursuing a refinancing diversification policy, now implemented in four European countries (France, Germany, Austria and the UK). This activity is a major driver of RCI Banque's refinancing.
At the end of December 2015, total savings deposits were up 56% on December 2014 at €10.2 billion, or 32% of the Group's total outstandings. In line with its strategy and a year earlier than forecast, RCI Banque has thus exceeded the 30% target it set itself for 2016.

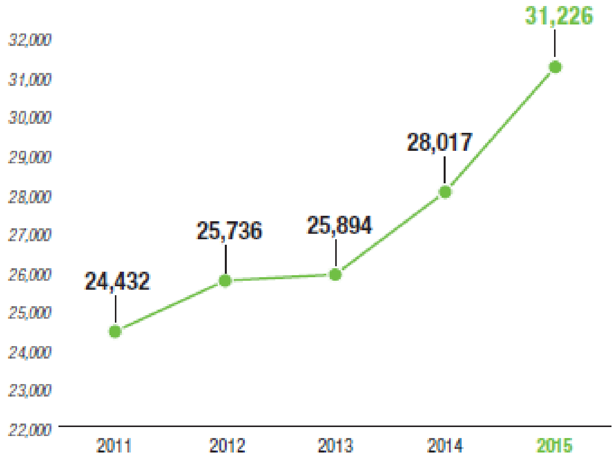
**Business activity**
With 1,389,836 financing contracts processed, an 11.6% rise on 2014, RCI Banque maintained its profitable growth momentum again this year, supporting the commercial strategy of the Alliance brands.
Benefiting from growth in Europe's automotive market and the increased market share of the Alliance brands, RCI Banque financed a record number of sales. This performance was reflected in a vehicle

financing penetration rate of 37.1% (up from 35.2% in 2014), despite the significant contraction of vehicle sales in Brazil and Russia.
New finance contracts (excluding cards and personal loans) were up across all Alliance brands and amounted to €15.6 billion (up 23.9% compared with 2014).
Average performing outstandings jumped 11.1% from its level in 2014, to €28.2 billion, including €21.4 billion for the Customers activity (an increase of 14.1%).
A pillar of the RCI Banque group strategy, the Services activity continues to grow through diversification of the product offering and its international expansion: the number of new service contracts was up 31.5% on 2014.
This activity helps to boost customer satisfaction and Alliance brand loyalty.

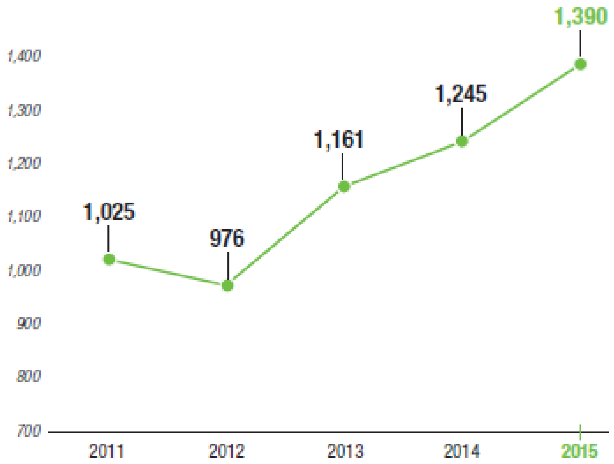
**NEW FINANCING CONTRACTS (EXCLUDING PERSONAL LOANS AND CREDITS CARDS)**
in € M




**NET OUTSTANDINGS AT YEAR END**
in € M




**TOTAL NUMBER OF VEHICLE FINANCING CONTRACTS**
in thousands




Geographically, RCI Banque benefited from a buoyant automotive market in the Europe and Asia-Pacific regions. RCI Banque consolidated its positions with an improved vehicle financing penetration rate.
Boosted by the increase in vehicle registrations and the success of new models from Alliance manufacturers, the number of new vehicle financing contracts rose by 23.0% in 2015 in the Europe Region. With a vehicle financing penetration rate at 40.2%, Europe recorded growth of 3.8 points compared to the previous year.
Despite a context of strong banking competition, the Asia-Pacific Region (South Korea) posted a vehicle financing penetration rate up 5.2 points at 53.3% at the end of 2015.
The Americas Region was marked by a decline in the number of new vehicle financing contracts, with Brazil being affected by the fall in the automotive market. Thanks to growth in the financing penetration rate in Argentina, RCI Banque was able to post a continuing high and stable penetration rate of 39.0% for the Region.
The Africa–Middle East–India Region, which, in 2015, saw the deployment of the Financing business in India, recorded a financing penetration rate of 16.4%, down 13.2 points compared to 2014. Excluding India, the penetration rate was 32.8%, an increase of 3.1 points.
In the Eurasia Region, the number of new contracts declined despite the increase in the vehicle financing penetration rate in Turkey (+2.6 points) with the automotive market showing very strong growth (+26.1%). In Russia, the decline in the automotive market (-35.1%) led to a reduction in the number of new contracts financed. In Romania, the vehicle financing penetration rate was stable.

**Results**

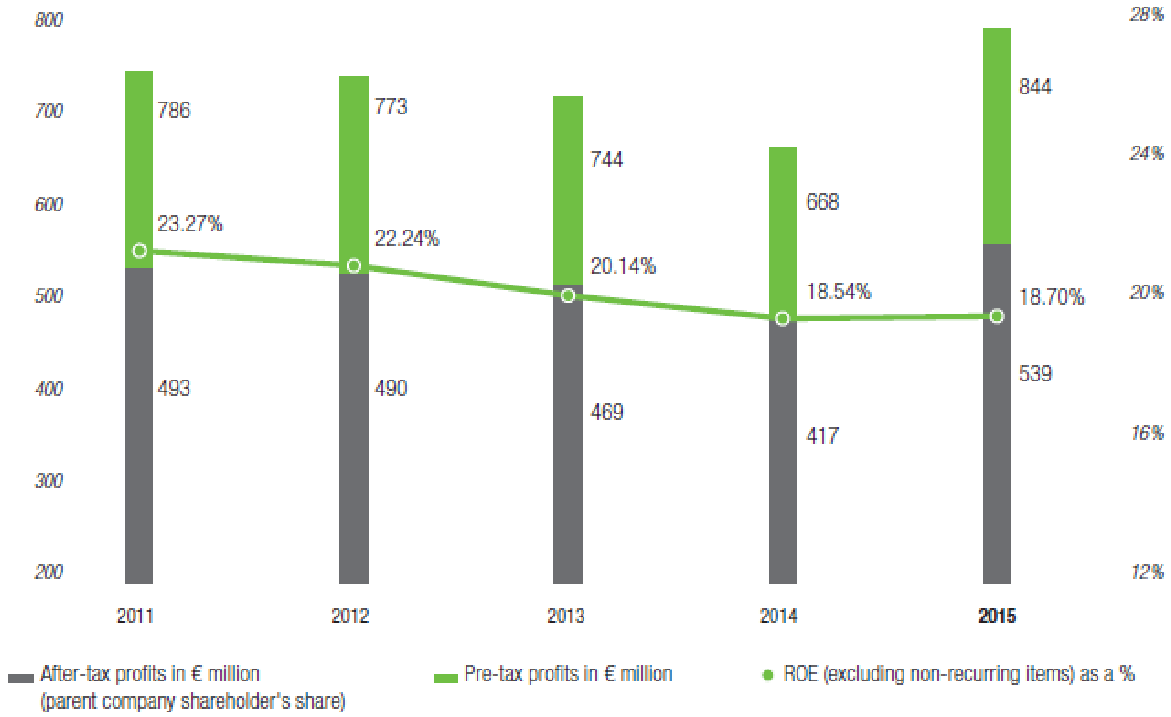
By a return to growth in Europe and a slowdown in emerging markets, RCI Banque recorded pre-tax profit of €844 million, up 25.3%.

**Earnings**

Net banking income rose from €1,259 million in 2014 (net of non-recurring items) to €1,362 million in 2015, or an increase of +8.2%. This change is explained by an increase in average performing outstandings (APO) to €28.2 billion (+11.1% compared to 2014), as well as the increasing contribution of the margin on services, which represents 28.7% of the net banking income over 2015.
Operating expenses were €429 million, or 1.52% of APO (1.51% of APO net of non-recurring items), decreasing 14 basis points compared to 2014. The operating ratio improved 31.5% over 2015. This performance shows RCI Banque's ability to control its operating expenses while implementing its strategy, supporting growth in the Group's business activity and development projects.
The total cost of risk (including country risk) improved to 0.33% of APO (against 0.43% in 2014). The Customer cost of risk declined to 0.40% of APO against 0.50% in 2014. The Dealer cost of risk was 0.13% of APO against 0.20% in 2014.
Excluding non-recurring items (-€1.4 million in 2015 versus -€76.6 million in 2014), pre-tax income increased 13.6%. The consolidated net income – parent company shareholders' share – reached €539 million in 2015 versus €417 million in 2014[*], for 29.3% growth.
On the strength of its commercial growth and continued development of services, the RCI Banque Group maintains a high level of profitability while maintain a robust risk control plan.

[*] *Following a correction relating to the spreading of insurance commissions at RCI BANQUE SA Sucursal en España, the 2014 consolidated financial statements were restated.*

**RESULTS**
€ millions




**Balance sheet**
Good commercial performances, notably in Europe, drove a record increase in net loans outstanding to €31.2 billion compared to €28.0 billion at the end of December 2014.
The consolidated shareholders' equity amounted to €3,495 million at December 31, 2015 versus €3,151 million at the end of December 2014.
Deposits coming from individual clients in France, Germany, Austria and now also the United Kingdom (savings and term deposit accounts) reached €10.2 billion at the end of December 2015 versus €6.5 billion at the end of December 2014 and represent 32% of outstanding loans.
ROE was up 18.7% compared with 16.4% in 2014, a year affected by non-recurring charges. Excluding the impact of these items, ROE remained unchanged.

**Solvency**
We have clarified the methodology used to calculate the regulatory capital requirements with the regulator. This led to the exclusion of the additional capital requirement linked to the Basel I floor. As a result, CET1 solvency ratio reaches 15.6% at December end-2015, compared to 14.9% at year end- 2014 with similar methodology.

**Financial policy**
RCI Banque issued three public bonds during the first half in a highly favorable market. The first, for €500 million over a five-year term, bears a coupon of 0.625%, the lowest ever paid by the Group in euros. The second, for €750 million over a term of three years and three months, bears a floating-rate coupon. The Group subsequently issued a €750 million bond over seven years, a maturity that was launched in 2014. In the second half, RCI Banque issued a €500 million bond over five years. In parallel, various private placements have been made for a total of €925 million, with an average term of 1.6 year.
The UK subsidiary also completed a £600 million private securitization backed by auto loans. This transaction replaces an earlier one dating from 2009, which has been in amortization since 2014.
This mix of maturities, coupons and types of issuance is part of the funding diversification strategy pursued for several years by the Group, enabling it to reach the highest number of investors.
Outside Europe, the Group's entities in Brazil, South Korea, Morocco and Argentina also raised finance via their domestic bond markets. In addition, the Brazilian subsidiary launched its first securitization backed by auto loans for the amount of BRL466 million.

The savings business, launched in France in 2012 and subsequently extended to Germany and Austria, was rolled out to the United Kingdom in June.
Retail deposits grew by €3.7 billion to €10.2 billion at December 31, representing 32% of loans outstanding. These funds, to which are added, based on the European scope, €4.1 billion of undrawn committed credit lines, €2.4 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA) and €0.2 billion of available cash, secure the continuity of RCI Banque's commercial business activity for 11 months without accessing external sources of liquidity.

## (2) THE RENAULT-NISSAN ALLIANCE

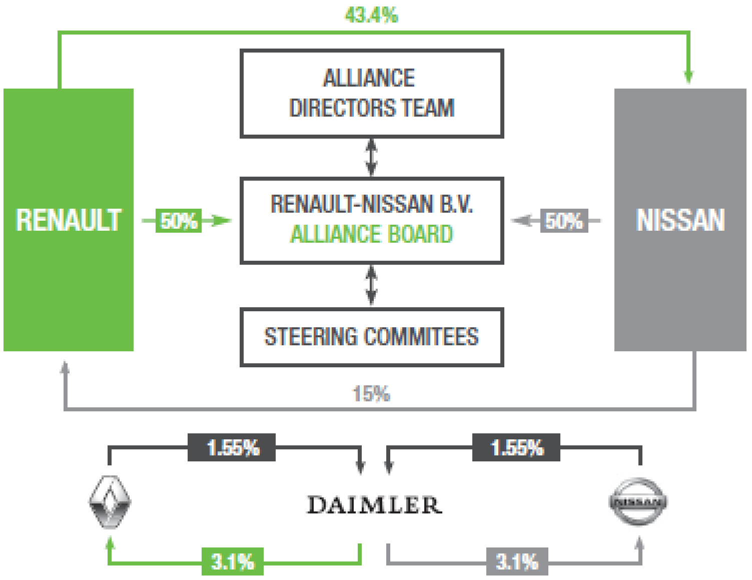
## OVERVIEW

### Sixteen years of cooperation

The Renault-Nissan Alliance is the auto industry's most productive and longest-lasting cross-cultural collaboration. This unique partnership, which celebrated its 16th anniversary in March 2015, is a pragmatic, flexible business tool that can expand to accommodate new projects and partners worldwide.
In 2015, the Alliance sold a record 8.53 million vehicles worldwide, nearly 1% from the previous year. The Alliance captured about 10% of the global market in 2015, ranking it among the top four car groups worldwide.

### Origins of the Alliance

The Renault-Nissan Alliance was founded on March 27, 1999 when Renault bought a 36.8% stake in Nissan Motor Co., Ltd.
On March 1, 2002, Renault increased its equity stake in Nissan from 36.8% to 44.3%. At the same time, Nissan took a stake in Renault through its wholly owned subsidiary, Nissan Finance Co., Ltd., which acquired 15% of Renault through two reserved capital increases, on March 29 and May 28, 2002. By acquiring a stake in Renault, Nissan gained a direct interest in its partner's results, as was already the case for Renault with regards to Nissan. Nissan also obtained a second seat on Renault's Board of Directors.
During this phase, the two companies also established Renault-Nissan b.v. (RNBV) and the Alliance Board which was tasked with defining the Alliance's strategy and developing a joint long-term vision.
Since the signing of the Strategic Cooperation between the Alliance and Daimler AG in April 2010, Renault's stake in Nissan stands at 43.4%, while Nissan's stake in Renault remains unchanged at 15%.
Percentage of ownership between Renault and Nissan




## ALLIANCE PRINCIPLES & OBJECTIVES

### Principles

The Alliance is based on trust, respect and transparency among all partners. It strives for "win-win" solutions that benefit the Alliance partners and their customers. It seeks to maximize economies of scale, while preserving each company's distinct brand identity and corporate culture.

**Objectives**

The Alliance pursues a strategy of profitable growth with three objectives that are meant to be sustainable over the long term:

- to rank in the top three automotive groups for quality and value in each region and market segment;
- to rank in the top three automotive groups in key technologies, each partner being a leader in specific fields of excellence;
- to rank in the top three automotive groups for total operating profit.

## STRUCTURE OF THE ALLIANCE

**Alliance governance**

Renault-Nissan b.v., based in Amsterdam, the Netherlands, is responsible for the strategic management of the Alliance. The Company, which was founded on March 28, 2002, is equally-owned by Renault SA and Nissan Motor Co., Ltd.

**The Alliance Board**

**Role of the Alliance Board**

The Alliance Board is the decision-making body for all issues affecting the Alliance's future and meets approximately once a month. The first Alliance Board Meeting (ABM) took place on May 29, 2002. The Alliance Board also hosts larger forums for all top executives at both companies.

**Alliance Board members**

Since November 2011, the Alliance Board has been led by Carlos Ghosn, its Chairman and CEO. Carlos Ghosn is also President and CEO of Renault and President and CEO of Nissan.He is also Chairman of Russia's largest automaker, AVTOVAZ. The Alliance Board includes four senior executives from Renault and four executives from Nissan. The Renault executives are: Thierry Bolloré, Executive Vice-President, Chief Competitive Officer; Jerome Stoll, Executive Vice-President, Chief Performance Officer; Bruno Ancelin, Executive Vice-President, Product Planning & Programmes; and Mouna Sepehri, Executive Vice-President, Office of the CEO. The Nissan executives are: Hiroto Saikawa, Chief Competitive Officer; Philippe Klein, Chief Planning Officer; Trevor Mann, Chief Performance Officer; and Hari Nada, Senior Vice-President, Office of the CEO.

Other members of Renault and Nissan's Executive Committees attend the Alliance Board.

**Role of Renault-Nissan b.v.**

RNBV decides on the Alliance's medium- and long-term strategy. It coordinates joint activities at a global level, allowing for decisions to be made, while respecting the autonomy of each partner and guaranteeing a consensual operating procedure.

RNBV possesses limited powers over both Renault SA and Nissan Motor Co., Ltd. as described in paragraph below "Powers of Renault-Nissan b.v.".Renault SA, headquartered in Boulogne-Billancourt, France, and Nissan Motor Co., Ltd., based in Yokohama, Japan, have separate decision-making bodies. The responsibility for managing their activities lies with their respective Executive Committees, which are accountable to their respective Board of Directors and shareholders.

In addition, RNBV holds the shares of Renault-Nissan Purchasing Organization (RNPO), created in April 2001, and Renault-Nissan Information Services (RNIS), a common information systems company created in July 2002. RNPO was originally equally-owned by Renault and Nissan until its shares were transferred to RNBV in June 2003.

**Powers of Renault-Nissan b.v.**

RNBV has limited ***decision-making power*** with respect to the strategic management of Renault SA and Nissan Motor Co., Ltd. RNBV has some power over decisions that would be difficult for the two companies to make separately, while ensuring that they would be able to pursue global implementation and thus take advantage of economies of scale.

This decision-making power is limited to the following areas:

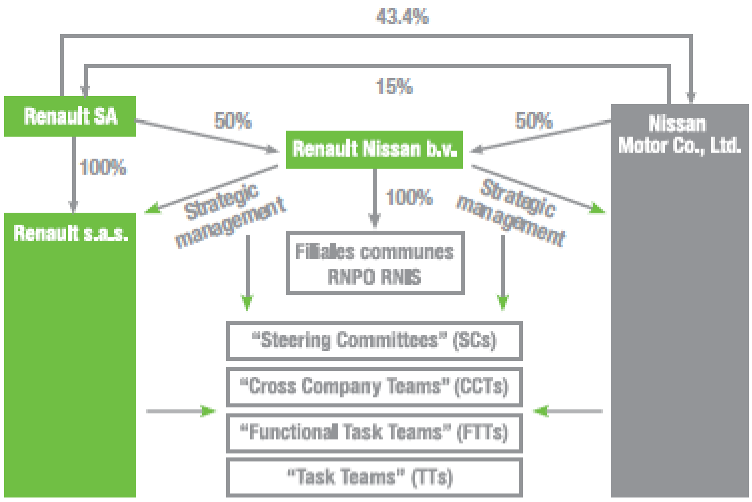
- adoption of 3-, 5- and 10-year plans (strategic Company projects, with quantified data);

- approval of product plans (parts of strategic projects corresponding to the design, development, manufacturing and sale of current or future products, vehicles and components);
- decisions concerning the commonization of products and powertrains (such as platforms, vehicles, gearboxes, engines and other components);
- financial policy, including:
  - rates of discount used for ROIC studies and hurdle rates, applicable to future models and investments,
  - risk-management rules and the policy governing them,
  - rules on financing and cash management,
  - debt leverage;
- management of common subsidiaries, and the creation, modification, steering and disbandment of Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These groups operate in all the main sectors and areas of activity and are tasked with exploring new synergies between the two companies. Team managers report regularly to the Alliance Board on the progress made in their specific area of activity and;
- any other subject or project assigned to RNBV on a joint basis by Renault SA and Nissan Motor Co., Ltd.

RNBV also has the exclusive ***power to make proposals*** on a range of decisions to be made by the two operating companies, Renault SA and Nissan Motor Co., Ltd.. The two entities are free to accept or reject these proposals. However, they can implement these decisions only if a proposal has been made by RNBV. The power of initiative of RNBV thus ensures that the two partners harmonize their policies.
The areas covered include:

- creation and scope of joint subsidiaries;
- supplementary financial incentive schemes;
- significant changes in scope, whether geographic or in terms of products, for total amounts of \$100 million or more;
- strategic investments, *i.e.* investments other than product-related investments, amounting to \$500 million or more and;
- strategic cooperations between Renault SA or Nissan Motor Co., Ltd., and other companies.

**ALLIANCE STRUCTURE**




All other aspects relating to Renault SA and Nissan Motor Co., Ltd., whether operational, commercial, financial or labor-related, are managed independently by each company and the corresponding decisions will be taken independently by the companies' respective governing bodies. The two companies retain autonomy over their own decisions, the identity of their respective brands, their employee-representative bodies and their employees. They are also responsible for their own results.

**<u>2015 Activities</u>**

With the support of the dedicated Alliance teams, the Alliance Board ***has formulated strategic recommendations*** focusing on several key directions:

- common Alliance projects and organizations: supporting the Alliance's international growth, RNBV drives the creation of common entities. For example, it expanded its purchasing activities, creating a fifth purchasing region in Russia with AVTOVAZ which began operations in Jan. 2015;

- OEM partnerships: RNBV is a driving force for forging new partnership between the Alliance and other OEMs. The Alliance operates strategic collaborations with numerous automakers, including Germany's Daimler, China's Dongfeng and Japan's Mitsubishi Motors;
- communications: RNBV supports the Alliance activities and businesses through targeted initiatives on high-profile events. In 2015, these included the annual World Economic Forum in Davos, Switzerland, the sponsorship of the COP21 environmental conference in Paris at the end of the year. The Alliance communication team promotes messages internally and externally about how Renault, Nissan and other partners work together.

## OPERATIONAL MANAGEMENT OF THE ALLIANCE

The Alliance is a unique partnership of two global companies aimed at generating synergies, while preserving each company's distinct culture, brand identity and management. The goal is to increase synergies and ensure both partners jointly reach critical size.

On April 1, 2014, Renault and Nissan took a new step in the evolution of the Alliance when they decided to converge four key functions: Engineering, Manufacturing Engineering and Supply Chain Management, Purchasing and Human Resources. Convergence is aimed at further accelerating synergies, as well as fostering closer ties between management at both companies, which will help deepen efficiency and synergies.

The Alliance continues to look for synergies in other functions, mainly through the Cross-Company Teams (CCTs) and Functional Task Teams (FTTs) set up in 2002 and the dedicated team of Alliance Global managers established in 2009.

### The convergence project

### The latest step in the evolution of the Alliance

The convergence of Engineering, Manufacturing Engineering and Supply Chain Management, Purchasing and Human Resources is accelerating efficiency and synergies in these four functions by allowing these functions to make quicker decisions, avoid duplication and pool resources. By 2016, the Alliance expects to generate a minimum of €4.3 billion in annualized synergies by 2016, up from €3.8 billion in 2014.

Each converged function is headed by one dedicated Alliance Executive Vice-President. They are:
- Tsuyoshi Yamaguchi, Alliance EVP, Alliance Technology Development;
- Jerôme Olive, EVP, Manufacturing Engineering and Supply Chain Management;
- Yasuhiro Yamauchi, Alliance EVP, Purchasing and Chairman & Managing Director of Renault-Nissan Purchasing Organization (RNPO);
- Marie-Francoise Damesin, Alliance EVP, Alliance Human Resources.

The Alliance EVPs of Engineering, Manufacturing Engineering & Supply Chain, and Purchasing all report directly to the Chief Competitive Officers of both Renault and Nissan, who in turn report directly to the Renault-Nissan Alliance Chairman & CEO Carlos Ghosn. The Alliance EVP of Human Resources reports directly to the CEO.

In April 2014, a new Alliance Management Committee was also established, comprised of the Chief Competitive Officers of each company and the Alliance Executive Vice-Presidents of the four converged functions. The committee is headed by the Renault-Nissan Alliance Chairman and CEO. The Alliance Management Committee meets on a monthly basis to review the progress of the Alliance's four converged operations and to ensure the achievement of key objectives.

### Key missions of the converged functions

The converged Engineering function (also called Alliance Technology Development) is accelerating the commonization of parts, powertrains, platforms, and advanced engineering, and optimizing the use of the Alliance's engineering resources. The converged function is also enabling the Alliance to get maximum leverage out of its size. Commonly developed technologies will be available for each company to use on their specific products. Thanks to the convergence, a Research & Advanced Engineering (R&AE) team has been establish for strategic Alliance engineering, including electric, autonomous and connected vehicles, as well as low-emission cars.

The newly converged Purchasing function is further strengthening the long history of commonization between Renault and Nissan in this area. Convergence is helping to reinforce global processes for purchasing, methodologies and supplier knowledge, as well as help localize parts procurement.

In Manufacturing, a common Industrial Strategy has been established. The Alliance has also established an Alliance Production Way and Industrial Performance teams. These are helping the Alliance optimize the

cross-production of cars at Renault and Nissan plants and therefore optimizing the use of manufacturing capacities. For example: the Nissan ROGUE at the Renault Busan plant in Korea, the Renault DUSTER and KWID at the Alliance Chennai plant in India, and the next-generation Nissan MICRA in Renault's Flins plant in France, which will go into production in 2016.
The creation of a Supply Chain Management function has enabled Renault and Nissan to bring together their Supply Chain and Logistics functions, which will help boost cross-production between the companies.
Convergence in Human Resources aims to provide the best HR practices and to generate synergies from the development of talent and promotion of diversity; management of workforce allocation and development of competencies and by enhancing employees' engagement and empowerment, as well as an Alliance mindset. Key milestones include the convergence of HR support functions, common talent management and staff exchange plans, a common development program for top executive and regional Alliance HR heads in India and China.

**Operational Alliance teams and committees**
In addition to the converged functions, the Alliance continues to look for synergies in functions that are not converged through Cross-Company Teams (CCTs) and Functional Task Teams (FTTs).
Dedicated Alliance Global managers within RNBV are also responsible for accelerating synergies and best-practice sharing in other areas. This team has been in place since 2009. Today the Alliance Global managers are focused on the following areas:
1. Alliance A-Segment Development;
2. Alliance IS/IT;
3. Alliance Control;
4. Alliance Communications & Marketing;
5. Alliance Finance & Economic Advisor;
6. Alliance Cooperation with Daimler group;
7. Alliance Customs and Trade;
8. Alliance Product Planning;
9. Alliance Aftersales New Business Development (new in 2015).

The Alliance Global managers report to the head of the Alliance CEO Office & RNBV, who reports directly to the Renault-Nissan Alliance Chairman and CEO.

**Steering committees**
The steering committees are tasked with defining the Alliance's cross-functional strategic operational priorities, submitting topics to the Alliance Board Meeting that may be given priority status in the agenda and coordinating the activities of the Cross-Company Teams (CCTs) and Functional Task Teams (FTTs) that fall within the scope of the steering committees. They take operational decisions that are not within the scope of the CCTs, report on progress to the Alliance Board Meeting and, wherever necessary, seek arbitration on and/or confirmation for decisions.
Today, there are 11 steering committees, each focusing on a different field that supports the CCTs and FTTs in the implementation of Alliance projects.

| | | |
|---|---|---|
| 1. | Chief Competitive Officer | 7. Asia & Pacific (excl. China) |
| 2. | Planning | 8. AMI (Africa, Middle East & India) |
| 3. | Sales & Marketing | 9. Americas |
| 4. | Services | 10. Europe |
| 5. | Communications | 11. Russia |
| 6. | China | |

The number of SCs, CCTs and FTTs and their area of focus are constantly adapted in line with the needs of the Alliance.

**Cross-Company teams**
Cross-Company Teams are working groups of staff and experts from both companies who explore possible areas of further cooperation. They define projects and then monitor implementation of projects approved by the Board. The CCTs are headed by two co-leaders, one from Renault and one from Nissan.

Today, there are 12CCTs working on the following areas:

| | | | |
|---|---|---|---|
| 1. | Product Planning | 7. | Korea |
| 2. | Light commercial vehicle | 8. | Africa |
| 3. | Vehicle Information Technology | 9. | Joint Market Research |
| 4. | Vehicle Engineering | 10. | India |
| 5. | Parts & Accessories | 11. | ASEAN (Association of Southeast Asian Nations) |
| 6. | Corporate *Sales* | 12. | Middle East |

**Functional Task Teams**
The Functional Task Teams are made up of experts from both Renault and Nissan and provide the CCTs with essential support in terms of benchmarking, the promotion of best practices and the harmonization of tools used in the support functions.
There are 15 FTTs that cover the following key areas:

| | | | |
|---|---|---|---|
| 1. | Corporate Planning<br>Strategy & Business Development | 9. | Marketing Organization |
| 2. | Product Engineering Performance | 10. | Sales Expansion |
| 3. | Quality | 11. | Customer Experience |
| 4. | Cost Management & Control | 12. | Service Engineering |
| 5. | Global tax | 13. | Legal & Intellectual Property |
| 6. | Joint Media Buying | 14. | Alliance Motorsport |
| 7. | Joint Events & Motor Shows | 15. | Communications |
| 8. | Joint Agencies | | |

**SYNERGIES – A WAY TO MEASURE THE BENEFITS OF THE COOPERATION**
One key way to measure the benefit of the cooperation between Renault and Nissan is through synergies. Synergies are cost reductions, cost avoidance and revenue increases. Only new synergies – not cumulative synergies – are taken into account each year. The related synergies are an additional opportunity for each company. Thanks to the April 2014 convergence of four key functions – Engineering, Manufacturing Engineering & Supply Chain Management, Purchasing and Human Resources – the Renault-Nissan Alliance expects synergies to accelerate further. By 2018, the Alliance aims to generate €5.5 billion in annualized synergies, up from €1.5 billion in 2009 when it first began recording synergies.
The Alliance synergies are reported by the pilots of the Cross Company Teams and reviewed by the Cost Controllers. The impact on Renault and Nissan's profit and loss statements (P&L) is reported in the Alliance Board Meetings.

**Status of synergies**
In 2015, the Alliance expects to have generated more than €4.1 billion in synergies. The 2015 results will be announced in July 2016.
In 2014, the Renault-Nissan Alliance posted record synergies of €3.8 billion, up from €2.9 billion in the previous year. Purchasing, Engineering and Manufacturing remained the biggest contributors to synergies as the Alliance continued to launch new vehicles on the Common Module Family (CMF) architecture. CMF is the Alliance's unique system of modular architecture and an increasing source of synergies.

**Purchasing**
**RNPO**
The Alliance has been able to make substantial cost savings by pursuing a joint purchasing strategy and building a network of common suppliers. The Renault-Nissan Purchasing Organization (RNPO), established in April 2001, was the first joint-venture company set up between Renault and Nissan and has historically been the biggest contributor to Alliance synergies.
RNPO initially managed about 30% of Renault's and Nissan's global annual purchasing turnover. In 2009, this expanded to 100% of all purchases across the Alliance. The geographical scope of RNPO was also extended to all regions where Renault and Nissan have production activities in an effort to respond to

worldwide needs. Since April 2014, the scale and power of RNPO has increased due to the convergence of the key functions and as more and more vehicles are jointly developed on the CMF architecture. All purchasing activities now fall under the scope of RNPO, including all projects in the Regions and at a global level, to ensure consistency across programmes. Today, there are five purchasing Regions: Europe, South America, North America, Asia and Russia. Purchasing in Russia is led by AVTOVAZ-Renault-Nissan Purchasing Organization (ARNPO), which was created in January 2015, and is in charge of all purchasing by the three partners in that market.

**Vehicle technology development**

The sharing of platforms and, more significantly, the sharing of major components generates tremendous synergies.

The main objective of the newly converged Engineering function, called Alliance Technology Development, is to position the Alliance as a global leader in auto-related technology innovation, particularly in the field of connected cars and autonomous driving. Another key priority is to increase the platform and parts commonality ratio between Renault and Nissan in order to strengthen the Alliance’s cost leadership and generate increased economies of scales.

**Common Module Family (CMF)**

Alliance Technology Development is expanding the Alliance’s Common Module Family (CMF) approach across all vehicle segments. This unique modular system of architecture allows Renault and Nissan to build a wide range of vehicles from a smaller pool of parts, resulting in more savings and greater value for customers.

CMF divides the car into five fundamental modules: engine compartment, cockpit, front underbody, rear underbody plus the electronics package. The five big modules can be “mixed and matched” to create an unusually large variety of vehicles.

By sharing the technical architecture among a wide variety of models, the Alliance is dramatically reducing costs, while increasing customer choice and quality. The approach cuts entry ticket costs by up to 40% and purchasing costs by up to 30%.

CMF will cover three key vehicle segments:

- CMF-A: small, fuel-efficient vehicles for high-growth markets;
- CMF-B: mid-sized vehicles and;
- CMF-C/D: larger vehicles, including many Renault and Nissan SUVs and crossovers.

In November 2013, Nissan began selling its first vehicle on CMF in the United States; the new ROGUE sports utility vehicle is built on CMF-C/D. The following month, Nissan began selling the X-Trail crossover SUV in Japan, also based on CMF-C/D. In February 2014, Nissan began selling the new QASHQAI crossover in Europe.

In April 2015, Renault released its first CMF model, the New ESPACE crossover, also built on CMF-C/D architecture. In 2015, it unveiled the KADJAR and TALISMAN, also based on CMF-C/D.

In autumn 2015, the Alliance released its first CMF-A vehicle, the Renault KWID, built at the Renault-Nissan Alliance plant in Chennai, India. Nissan will release its Datsun CMF-A vehicle for India in 2016.

The development of CMF vehicles is helping to drive synergies in all the Alliance’s major business areas – from purchasing to vehicle engineering and powertrains. By 2020, CMF is expected to cover 70% of Renault and Nissan volume.

**Research and advanced engineering**

In April 2014, the Alliance created the Research & Advanced Engineering business unit so Renault and Nissan could cooperate in strategic fields of research and advanced engineering. The goal is to reduce the development cost of expensive, next-generation technologies and position the Alliance among the top three automotive groups in key technologies.

Alliance technology leadership is built on three key strategic focuses: zero-emission vehicles, connected cars and services, and autonomous drive vehicles.

The Alliance is the leader in zero-emission mobility, having sold nearly 300,000 electric vehicles globally in 2015 – about one in two EVs on roads today. To maintain this leadership, the Alliance has built a common zero-emission vehicles strategy and roadmap.

Renault-Nissan conducts research and advanced engineering in multiple facilities worldwide, including Nissan’s technical centers in Atsugi, Japan, and Farmington Hills, Michigan; Renault’s technical center in

Guyancourt, France; and the Renault-Nissan Alliance’s research office in Silicon Valley, California, which was established in 2011.

**Manufacturing**
Renault and Nissan have actively exchanged know-how in the area of production performance management since 1999. Both companies’ manufacturing systems – Renault Production System (SPR) and Nissan Production Way (NPW) – are now fully aligned under the Alliance Production Way (APW), allowing shop managers to benchmark directly against each other in all areas, including machining, engine assembly, stamping, welding, painting, trim and chassis in order to identify and deploy best practices in all Renault and Nissan plants. Each year, all Alliance plants are ranked according to QCTP (quality, cost, time and productivity) to evaluate their performance against each other. New challenges related to environmental targets (*e.g.*. electric vehicle battery recycling and energy efficiency) represent a new field for the exchange of best practices. In 2015, the Alliance began rolling out APW at all plants around the world where cross-manufacturing takes place. By 2016, all Renault and Nissan plants will have adopted the APW.

**Regional highlights**
**China**
In December 2013, Renault and China’s Dongfeng Motor signed an agreement for the creation of a joint venture for the production of Renault vehicles in China. Construction of the joint venture plant in Wuhan is currently underway with the plant expected to officially open in early 2016. The joint venture has benefitted from the Nissan’s ten-year’s experience in China in several areas, including construction, supplier selection and employee training. The KADJAR crossover, the first Renault vehicle to be built in China, will be built on the Alliance CMF C/D architecture.

**India**
India is another key pillar of the Alliance’s strategic focus on new growth markets. The Chennai plant, inaugurated in 2010, was the first dedicated Alliance plant in the world and is home to the largest platform-sharing project in the Alliance.
In 2015, the plant began producing the Renault KWID for the Indian market. The compact hatchback is the first vehicle built on the Alliance’s CMF-A architecture, which covers the smallest and most affordable category of cars in the Alliance Common Module Family. In addition to the KWID, the plant produces the following Renault vehicles: the new compact PULSE, the DUSTER Compact SUV, the LODGY MPV, the SCALA premium sedan. The plant also produces the following Nissan vehicles: the New MICRA premium hatchback, the New Sunny premium sedan, the Evalia multi-purpose van as well as the Nissan Terrano premium compact SUV, as well as the Datsun Go and GO+.
Renault exports the DUSTER to other right-hand drive markets in Europe, Asia and Africa. Nissan exports MICRA and Sunny to over 106 countries and is the second-largest exporter of passenger cars from India.

**South Korea**
In September 2014, Renault Samsung Motor’s plant (RSM) in Busan, Korea, began shipments of Nissan ROGUE vehicles to North America to meet stronger-than-expected customer demand for the successful crossover in that market. The Busan plant’s annual production target was 80,000 ROGUEs over a period of five years. In 2015, that figure rose to 110,000 units, helping to accelerate RSM’s goals.

**Argentina**
In 2015, the Alliance announced that Nissan and Renault have begun developing a 1-ton pickup truck for Renault which will share some common architecture with the Nissan NP300 1-ton pickup truck. The truck, which will have a distinctive Renault design, is Renault’s first 1-ton pickup truck Production will begin in 2016 at Nissan’s plant in Cuernavaca, Mexico. The 1-ton pickup will mark Renault’s second entry into the pickup segment after the launch of a half-ton pickup later this year. Nissan will also build a Mercedes-Benz 1-ton pickup truck , based on NP300, in the Renault plant in Cordoba, Argentina, along with the Nissan NP300 and the Renault 1-ton truck, for Latin America. The three trucks will also be built in the Nissan plant in Barcelona, Spain, for other markets, excluding North America.
Production of the trucks at the two plants will start by the end of the decade.

**Supply chain management & logistics**

Following the convergence of Manufacturing Engineering & Supply Chain Management in April 2014, the newly created Alliance Supply Chain Management division began overseeing all Supply Chain and Logistics teams worldwide under one Alliance Global Vice-President.
Combining logistics and supply chain operations under the Alliance umbrella has enabled each company to benefit from each other's best practices, delivering huge economies of scale and addressing new projects with common logistics solutions.
Here are some specific examples of common logistics activities:

- shared outbound operations to reduce complexity: For example, UK deliveries for all Renault, Dacia, Nissan and Infiniti vehicles are managed by the Alliance Logistics Team based in UK. Italy deliveries for all Renault, Dacia, Nissan and Infiniti vehicles are managed by the Alliance Logistics team based in France;
- Renault-Nissan has standardized packaging for each region, creating a common approach to containers and other packaging from design to vehicle shipping. On inbound parts supply in Europe, standardized packaging increased the truck filling ratio to more than 70%;
- Renault and Nissan have been working together for four years to coordinate all shipping processes on a global scale. This has shortened maritime routes and increased the filling ratio on cargo ships, leading to significant cost reduction and faster time to market;
- a new logistics facility has been established in Moscow to export parts and support future production outside Europe.

In addition, the convergence of Renault and Nissan's supply chain processes is accelerating as the companies increasingly cross produce at each other's plants.

**IS/IT**

Renault-Nissan Information Services (RNIS) was established in July 2002 to control common IS/IT activities. The common scope includes planning, architecture and control functions, as well as joint purchasing and best-practice sharing.
Since June 2009, under the management of the RNBV IS Managing Director and common Chief Information Officer, Renault and Nissan collaborate on architecture (standardization of operating systems and software packages, common solutions), IT planning and synergies (delivery of an Alliance standard workstation, common sourcing for infrastructure operations in Europe), project management and IS synergies (portfolio optimization, common applications, offshore application, development and maintenance, and development tools standardization).

**Quality**

The Alliance Quality Charter defines the joint quality directives and procedures; it is applied to all Alliance projects.
The Charter covers all the key quality processes: customer quality surveys, Group quality targets, quality control in the development of new models, production quality assurance, quality assurance of outsourced components, service quality assurance (sales and after-sales), quality of technical progress, and warranty policy and procedures.
The Charter brings Renault and Nissan closer together through the use of common quality tools, such as:

- Alliance Vehicle Evaluation System (AVES), the only common and unique method for both Renault and Nissan to evaluate the quality of their final products, as well as those of their competitors, from the customer's point of view;
- Alliance New Product Quality Procedure (ANPQP), a quality measurement system developed for suppliers, which has been extended to all new projects. ANPQP was developed to define the Renault and Nissan requirements for suppliers from the initial project planning phase, through the start of production to the end of product life;
- Alliance Supplier Evaluation Standard (ASES), a standard to evaluate the level of the quality management system of suppliers in terms of results and processes and to define the parts per million (PPM) targets for parts manufactured outside the Group.

The Quality Functional Task Team studies best practices at Renault and Nissan in order to improve quality at both companies and to help them achieve their mid-term quality targets. The best practices are sourced from Japan, the United States and Europe and are implemented by both companies, if necessary.

**Non-traditional areas of synergies**

The Alliance is also increasingly benefitting from synergies in non-traditional areas, such as sales and marketing.

**Global joint media buying**
Since 2009, Renault and Nissan have been using the same media purchasing agency in Europe, Russia, Algeria, Morocco, India and Mexico. Omnicom-OMD handles media purchasing for Renault in 24 countries in greater Europe and in 20 countries for Nissan. The combined budget for 2015 was more than €700 million.

**Joint fleet contract**
Thanks to the Alliance's wide product line-up and global sales footprint, Renault and Nissan are able to sign exclusive fleet contracts with major corporate clients.
The Alliance has signed numerous fleet contracts with corporate clients around the world including nutritional food company Danone, IT group Atos and pharmaceutical group Merck.

**Motorshows**
Since 2012, a dedicated Alliance team has been responsible for motor shows around the world for six of the Alliance's brands – Renault, Nissan, Infiniti, Dacia, Datsun and Renault Samsung Motors. The creation of the Alliance Motor Show team allows the Alliance to have a common strategic approach to motor shows and common strategic tools, while at the same time reducing costs.

## 4. STATEMENT OF RELATED COMPANIES (on December 31, 2015):

### (1) PARENT COMPANY

Not applicable.

### (2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at December 31, 2015 was 151.
The significant subsidiaries are set out below*:
(* Individual revenue figures are assessed and presented according to the standards used for the preparation of the consolidated financial statements.)

**RENAULT S.A.S.**

13-15, quai Le Gallo, 92512 Boulogne-Billancourt Cedex (France)

- The share capital of Renault s.a.s. is EUR 533,941,113 divided into 35,012,532 voting shares of each EUR 15.250.

- Renault holds directly 100% of the capital of Renault s.a.s. and 100% of its voting rights.

- Business: design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles. Also, all types of services relative to such activities and, more generally, all industrial, commercial, financial, investment and realestate transactions relating directly or indirectly, in whole or in part, to any of the above purposes.

- Revenues at December 31, 2015: €37,594 million.

- Workforce at December 31, 2015: 30,895.

**RCI BANQUE SA**

14, avenue du Pavé-Neuf, 93168 Noisy-le-Grand Cedex (France)

- The authorised share capital of RCI Banque is EUR 100,000,000 divided into 1,000,000 voting shares of each EUR 100.
- Renault s.a.s. holds directly 100% shares of RCI Banque and 100% of its voting rights.
- Business: holding company for the sales financing and customer services entities of Renault and Nissan. Inventory financing (vehicles and spare parts) for Renault and Nissan Europe.
- Net amount financied in 2015: €15.66 billion.
- Balance sheet total (consolidated) at December 31, 2015: €37,073 million.
- Workforce at December 31, 2015: 2,977.

**RENAULT RETAIL GROUP (FRANCE)**

2, avenue Denis Papin, 92142 Clamart Cedex (France)

- The share capital of Renault Retail Group is EUR 99,832,670 divided into 19,966,534 voting shares of each EUR 5.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Retail Group S.A. and 100 % of its voting rights.
- Business: trade, repair, maintenance and leasing of passenger cars and light commercial vehicles.
- 48 branches in France.
- Revenues at December 31, 2015: €4,155 million.
- Workforce at December 31, 2015: 6,772.

**RENAULT ESPAÑA**

Avda. de Madrid, 72, 47001 Valladolid (Spain)

- The authorised share capital of Renault España is EUR 126,501,414 divided into 21,083,569 voting shares of each EUR 6.
- Renault s.a.s. holds directly 99.78% of the authorised capital of Renault España and 99.78% of its voting rights.
- Business: manufacturing and marketing, via its sales subsidiary Recsa, of Renault passenger cars and light commercial vehicles in Spain.
- Plants in Valladolid, Palencia and Seville.
- Revenues at December 31, 2015: €7,084 million.
- Workforce at December 31, 2015: 11,900.

### RENAULT DEUTSCHLAND

Renault-Nissan strasse 6-10, 50321 Bruhl (Germany)

- The authorised share capital of Renault Deutschland is EUR 10,655,322.80 divided into 20,840 voting shares of each EUR 511.29.
- Renault s.a.s. holds directly 60% of the authorised capital of Renault Deutschland and 60% of its voting rights, and Renault Groupe b.v. holds directly 40% of the authorised capital of Renault Deutschland and 40% of its voting rights.
- Business: Renault and Nissan joint commercial organization.
- Revenues at December 31, 2015: €2,397 million.
- Workforce at December 31, 2015: 398.

### RENAULT ITALIA

Via Tiburtina 1159, 00156 Rome (Italy)

- The authorised share capital of Renault Italia is EUR 2,582,500 divided into 250,000 voting shares of each EUR 10.33.
- Renault s.a.s. holds directly 100% of the capital of Renault Italia and 100% of its voting rights.
- Business: marketing of Renault passenger cars and light commercial vehicles.
- Revenues at December 31, 2015: €2,051 million.
- Workforce at December 31, 2015: 233.

### REVOZ

Belokranska Cesta 4, 8000 Novo Mesto (Slovenia)

- The authorised share capital of Revoz is EUR 55,081,000 divided into 550,810 voting shares of each EUR 100.
- Renault s.a.s holds directly 100% of Revoz share capital and 100% of its voting rights.
- Business: manufacturing of vehicles.
- Plant in Novo Mesto.
- Revenues at December 31, 2015: €1,028 million.
- Workforce at December 31, 2015: 2,100.

### RENAULT FINANCE

48, avenue de Rhodanie, Case postale, 1007 Lausanne (Switzerland)

- The authorised share capital of Renault Finance is CHF 230,600,000 divided into 461,200 voting shares of each CHF 500.

- Renault s.a.s. holds 100% of Renault Finance shares and 100% of its voting rights.
- Business: capital market transactions (foreign exchange, interest rates, hedging of industrial metals transactions) for Renault and Nissan; interbank dealing for own account.
- Total assets (consolidated) at December 31, 2015: €9,550 million.
- Workforce at December 31, 2015: 31.

**RENAULT UK**

The Rivers Office Park, Denham Way, Maple Cross, WD3 9YS Rickmansworth, Hertfordshire (United Kingdom)

- The authorised share capital of Renault UK Ltd is GBP 2,750,000 divided into 2,750,000 voting shares of each GBP 1.
- Renault group UK holds directly 100% of the capital of Renault UK Ltd and 100% of its voting rights.
- Business: marketing of Renault passenger cars and light commercial vehicles.
- Revenues at December 31, 2015: €1,889 million.
- Workforce at December 31, 2015: 180.

**RENAULT BELGIQUE LUXEMBOURG**

21, Boulevard de la Plaine, 1050 – Brussels (Belgium)

- The authorised share capital of EUR 18,610,000 divided into 67,500 voting shares of each EUR 275.7.
- Renault group holds indirectly 100% of the authorised capital of Renault Belgium Luxembourg and 100% of its voting rights.
- Business: importing vehicles and replacement parts for the Renault and Dacia brands to Belgium and the Grand Duchy of Luxembourg.
- Revenues at December 31, 2015: €1,193 million.
- Workforce at December 31, 2015: 196.

**RENAULT DO BRASIL**

1300 av. Renault, Borda do Campo, Estado do Parana, São José dos Pinhais (Brazil)

- The authorised share capital of Renault do Brasil is BRL 1,255,210,580.47 divided into 422,669,009,499 shares being 285,438,214,584 voting shares and 137,230,794,915 non-voting shares, all without nominal value.
- Renault group holds directly 99.85% of the capital of Renault do Brasil and 100% of its voting rights.
- Business: vehicle production and assembly, production of equipment, parts and accessories for vehicles.

- Revenues at December 31, 2015: €2,002 million.
- Workforce at December 31, 2015: 4,999.

**RENAULT ARGENTINA**

Fray Justo Santa Maria de Oro 1744, 1414 Buenos Aires (Argentina)

- The authorised share capital of Renault Argentina is ARS 600,872,556 divided into 600,872,556 voting shares of each ARS 1.
- Renault group holds indirectly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.
- Business: manufacturing and marketing of Renault vehicles.
- Revenues at December 31, 2015: €1,266 million.
- Workforce at December 31, 2015: 2,242.

**RENAULT SAMSUNG MOTORS**

61, Renaultsamsung-daero, 618-722, Gangseo-gu, Busan (South Korea)

- The authorised share capital of Renault Samsung Motors is WON 440,000,000,000 divided into 88,000,000 voting shares of each WON 5,000.
- Renault group holds directly 79.90% of Renault Samsung Motors share capital and, 79.90% of its voting rights.
- Business: manufacturing and marketing of motor vehicles.
- Plant in Busan.
- Revenues at December 31, 2015: €3,965 million.
- Workforce at December 31, 2015: 4,256.

**RENAULT ALGÉRIE SPA**

13, route Dar-El-Beida, Zone industrielle Oued Smar 16270 – Algiers (Algeria)

- The authorised share capital of DZD 1,037,001,545 divided into 1,037,001 voting shares.
- Renault s.a.s. holds directly 100 % of the authorised capital of Renault Algerie Spa and 100 % of its voting rights.
- Business: marketing Renault and Dacia brand passenger cars and light commercial vehicles.
- Revenues at December 31, 2015: €981 million.
- Workforce at December 31, 2015: 761.

**RENAULT COMMERCE MAROC**

Place Bandoeng Casablanca 20000 – Casablanca (Morocco)

- The authorised share capital of MAD 50,000,000 divided into 312,500 voting shares of each MAD 160.
- Renault s.a.s. holds directly 80% of the authorised capital of Renault Maroc and 80% of its voting rights.
- Business: importing and marketing Renault and Dacia brand vehicles.
- Revenues at December 31, 2015: €742 million.
- Workforce at December 31, 2015: 604.

**RENAULT TANGER EXPLOITATION**

Zone Franche Melloussa I, Commune de Melloussa, Province Fahs Anjra, 90000 – Tangiers (Morocco)

- The authorised share capital of Renault Tangiers Operations is EUR 42,000,000 divided into 420,000 voting shares of each EUR 100.
- Renault group holds directly 100% of the authorised capital of Renault Tanger Exploitation and 100% of its voting rights.
- Business: study, manufacturing and sale of Renault vehicles.
- Revenues at December 31, 2015: €2,003 million.
- Workforce at December 31, 2015: 5,984.

**OYAK-RENAULT OTOMOBIL FABRIKALARI**

F.S.M Mah. Balkan Cd. No. 47 Umraniye BP 34770, 81190 Istanbul (Turkey)

- The authorised share capital of OYAK Renault Otomobil Fabrikalari is TRL 323,300,000 divided into 32,330,000,000 voting shares of each TRL 0.010.
- Renault group holds directly 51% of the authorised capital of OYAK Renault Otomobil Fabrikalari and 51% of its voting rights.
- Business: assembly and manufacturing of Renault vehicles.
- Plant in Bursa.
- Revenues at December 31, 2015: €3,132 million.
- Workforce at December 31, 2015: 6,248.

**DACIA**

Str. Uzinei nr 1, 115400 Mioveni (Romania)

- The authorised share capital of Dacia is ROL 2,541,738,210.57 divided into 25,417,382,105.39 voting shares of each ROL 0.100.

- Renault holds directly 99.43% of the authorised capital of Dacia and 99.43% of its voting rights.
- Business: manufacturing and marketing of motor vehicles.
- Plant in Pitesti.
- Revenues at December 31, 2015: €4,277 million.
- Workforce at December 31, 2015: 14,178.

**CJSC RENAULT RUSSIA**

Volgogradskiy Prospect, 42, housing 36, 109316 Moscow (Russia)

- The authorised share capital of CJSC Renault Russia is RUB 6,841,426,980 divided into 3,513,000 voting shares of each RUB 1947. 46.
- Renault group holds directly 100 % of the authorised capital of CJSC Renault Russia and 100 % of its voting rights.
- Business: assembly, import, marketing and sale of Renault vehicles.
- Revenues at December 31, 2015: €1,186 million.
- Workforce at December 31, 2015: 3,256.

## (3) AFFILIATED COMPANIES[8]

The total number of affiliated companies at December 31, 2015 was 17.
The significant affiliated companies are set out below:

**<u>Automobile Division</u>**

**NISSAN Motor Co., Ltd.**

2, Takara-Cho, Kanagawa-ku, Yokohama-Shi, Kanagawa-ken (Japan).

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is capital is 605,813,000,204.581JPY divided into 4,520,715,112 voting shares of each JPY 134.
- Renault S.A. holds directly 43.4% shares and 43.7% of the voting rights.
- Business: The group NISSAN Motor is a world-wide car manufacturer involved in the design, manufacturing and distribution of car vehicles. As regards the relationship with Renault, please refer to 3.-(2)-“Renault-Nissan Alliance” of this Section.

**AVTOVAZ**

Yuzhnoye Shosse 36, Togliatti 445024, Russian Federation

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[8] Affiliated companies are i) companies in which the Group exercises material influence and which are included in the financial statements on an equity basis and, ii) joint ventures consolidated on a proportionate basis.

- The share capital of AVTOVAZ is RUB 11,421,137,155 divided into 2,284,227,431 voting shares of each RUB 5.

- Renault SAS holds directly 50% of the shares minus one share of Alliance Rostec Auto b.v., which holds 74.51 % of AVTOVAZ.

- Business: AvtoVAZ is a Russian automobile manufacturer. As regards the relationship with Renault, please refer to 3.-(1)-B.-“AvtoVAZ” of this Section.

**Financial Companies (Affiliates)**

**Renault Credit Car**

60 / 15, Ravensteinstreet, 1000, Brussels, Belgium

- RCI Banque S.A. holds indirectly 50.1% of the shares of Renault Credit Car and 50.1% of its voting rights.

- Business: credit retail

### 5. STATEMENT OF EMPLOYEES:

**THE WORKFORCE: BREAKDOWN AND TRENDS**

**BREAKDOWN OF WORKFORCE BY REGION OVER THREE YEARS**

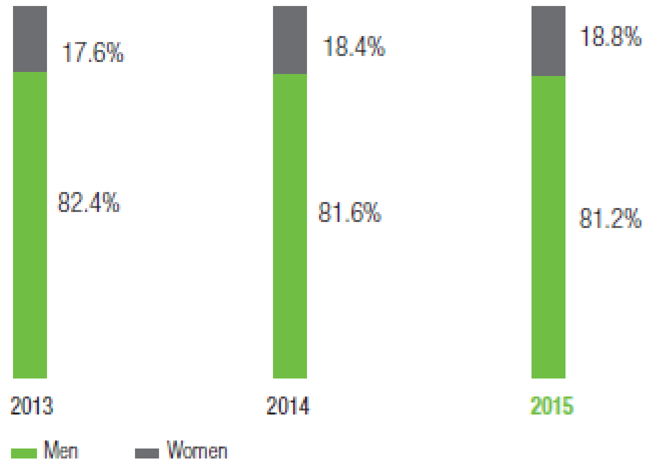
| SCOPE OF LABOR REPORTING | 2013 | 2014 | 2015 | PERCENTAGE IN 2015 |
|---|---|---|---|---|
| **GROUP* (PERMANENT + FIXED-TERM)** | **121,807** | **117,395** | **120,136** | |
| Europe Region | 66,467 | 65,902 | 67,973 | 56.6% |
| *o/w France* | *48,550* | *46,365* | *45,579* | *37.9%* |
| Africa Middle-East India | 10,902 | 10,750 | 11,978 | 10.0% |
| Americas | 12,043 | 10,091 | 9,488 | 7.9% |
| Asia-Pacific | 4,581 | 4,360 | 4,356 | 3.6% |
| Eurasia | 27,814 | 26,292 | 26,341 | 21.9% |

* *Expatriates are counted in their home country.*

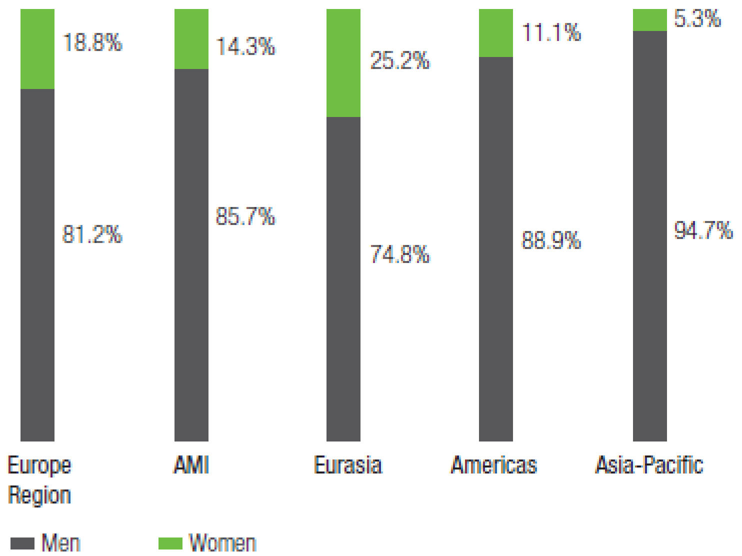
The Group’s employees work in 36 countries, organized into five Regions. The “10 major countries” (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) account for 90,1% of the total workforce.
As of December 31, 2015, the Group’s workforce (permanent + fixed-term contracts) totaled 120,136 employees, with 117,159 in the Automotive branch and 2,977 in the finance arm. This represents an increase of 2.3% on 2014 (117,395 employees as of the end of 2014). The increase is mainly due to the increase in activity in Europe, which has a positive impact on European production plants.
Accordingly, the change in headcount in Europe in 2015, combined with the positive impact of competitiveness agreements and the success encountered by models made in Europe to reflect one of the commitments made under the competitiveness agreement.
In the AMI region, the increase in workforce is mainly due to plant expansion in Morocco.
Countering this trend, Brazil and Russia have had to take swift action to shrink their workforce in response to the market downturn.

**BREAKDOWN OF MEN/WOMEN IN THE WORKFORCE OVER THREE YEARS**

As of December 31, 2015, the proportion of women in the total Group workforce continued to rise steadily to represent 18.8% of the Group's workforce, versus 18.4% at end-2014 and 17.6% in 2013. The proactive policy in terms of diversity recruitment will allow this progression to continue.



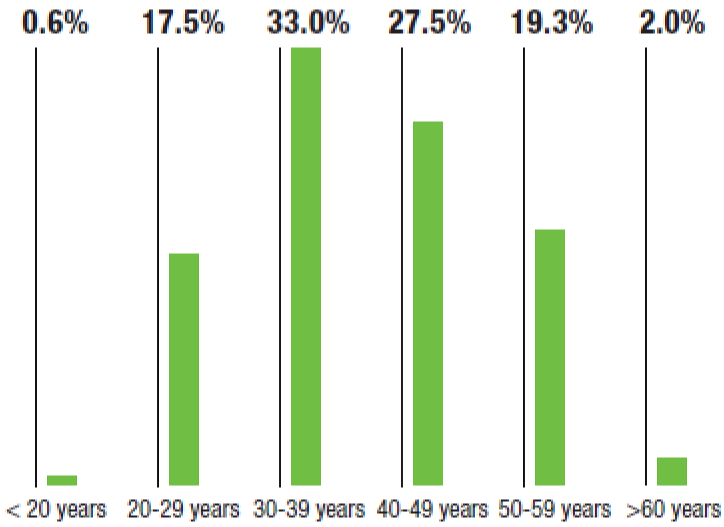

**BREAKDOWN OF MEN/WOMEN BY REGION**




*The breakdown of men/women is calculated on the basis of fully consolidated companies (117,185) as of December 31, 2015.*

**BREAKDOWN OF WORKFORCE BY AGE**

The breakdown by age remains well balanced: 18% of employees are under 30, 33% are between 30 and 39, 28% are between 40 and 49, and 21% are over 50. This breakdown is similar to 2014.

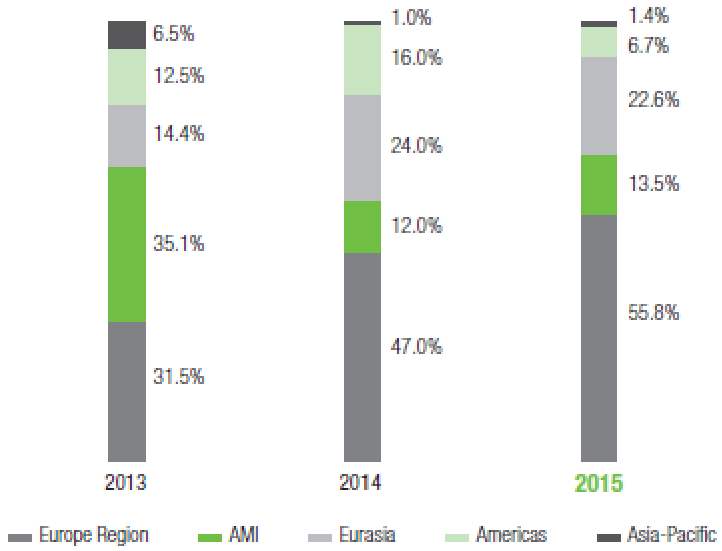



*The breakdown by age is calculated on the basis of fully consolidated companies (117,185) as of December 31, 2015.*

**Recruitment breakdown**

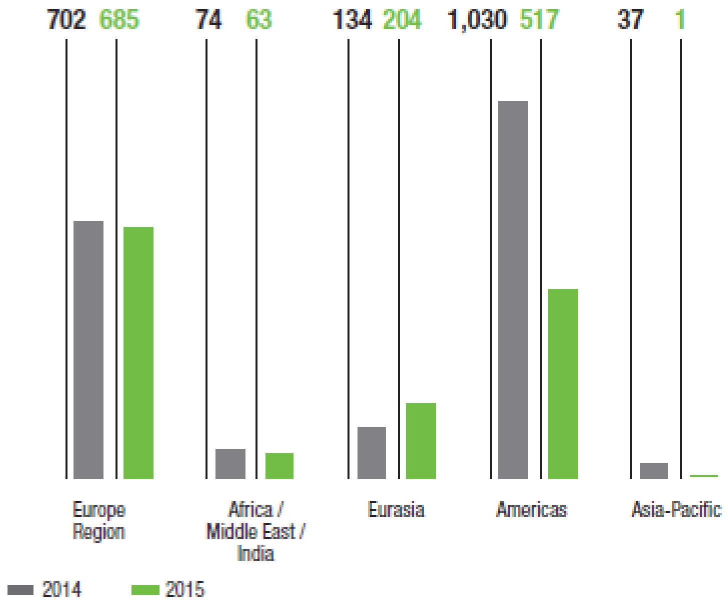
As of December 31, 2015, Renault hired more than 17,000 people (permanent and fixed-term contracts), an increase of 77% on 2014. This increase enables it to keep pace with the growth in its business in Morocco, Spain and India and in response to the high turnover rate in certain countries such as Romania. In France, Renault went beyond the pledges made in the competitiveness agreement, announcing a hiring of 1,000 workers on permanent contracts and 1,000 apprentices would be hired in 2015 to keep pace with plant expansion and develop the vehicles of the future. As of December 31, 2015, Renault had hired in France 1,666 apprentices.

**BREAKDOWN OF RECRUITMENT BY REGION OVER THREE YEARS**




**BREAKDOWN OF REDUNDANCIES BY REGION**

At the same time, the number of redundancies stands at 1,470, which is 25.6% down versus 2014 (1,977).




**CONTROLLED LABOR COSTS**

Against this backdrop of renewed growth, Group labor costs totaled €5,408 million in 2015, of which €5,177 million were in the Automotive branch. They were higher than in 2014 in absolute value (up by €160 million), but remained on a downward trend in proportion to Group revenues, going from 12.8% to 11.9%. The 10 major countries (Argentina, Brazil, France, India, Morocco, Romania, Russia, South Korea, Spain and Turkey) accounted for 88% of the Group's labor costs.

The evolution in labor costs in 2015 reflects the mixed performance of the business, with a strong recovery in the European market and a much weaker environment in our main emerging markets. Furthermore in this uncertain climate, wage policies preserving the Company's competitiveness continued to be implemented as part of an ongoing dialogue with the social partners. This dialogue has previously led to the implementation of multi-year agreements on employment and wages in Spain (November 2012), France (March 2013), Brazil (July 2014) and Slovenia (September 2014), which were still in effect in 2015.

| **LABOR COSTS BY REGION** | **2015** (in EUR million) | **2014** (in EUR million) | **2013** (in EUR million) | **2015 AVERAGE COST** (in EUR thousands) |
|---|---|---|---|---|
| **GROUP** | **5,408** | **5,248** | **5,494** | **45.5** |
| Europe Region* | 4,061 | 3,889 | 4,084 | 60.7 |
| *o/w France* | *3,066* | *3,004* | *3,240* | *66.7* |
| Eurasia | 501 | 555 | 590 | 19.1 |
| Americas | 368 | 389 | 448 | 37.5 |
| Asia-Pacific | 298 | 255 | 221 | 68.4 |
| Africa Middle-East India | 180 | 160 | 151 | 15.9 |

* *Europe including Renault-Nissan Global Management.*

**FLEXIBLE WORK ORGANIZATION**

The Renault group complies with the legal obligations and collective agreements in terms of working hours of the countries where it has operations.

To preserve jobs and adapt to fluctuations in automotive markets, Renault has instituted a system of flexible work time. It aims to find the best possible balance between the Company's interests and quality of life in the workplace for the employees in question, through consultations with employee representatives and labor unions. The measures focus in particular on the conditions for reorganizing work time, such as by adding mandatory shifts to meet heavy demand and reducing work time when demand falls, notably by using individual or collective rest days.

At sites in **France**, for example, open hours run from 6:30am to 9pm for workers on a "normal" 35-hour average working week during a one-year period. In factories, the principle is two alternating eight-hour shifts and, in the event of spiking demand, a fixed night shift team. These teams work in the same way, on a 35-hour average working week.

In **Spain**, the 2014-2016 labor agreement signed with the three largest labor unions (UGT, CC.OO and CCP) includes provision for the strong demand for CAPTUR by putting in place a voluntary, "anti-stress" team. This gives the Company the possibility of working seven days a week, while ensuring, with the help of the medical services, that there is no interference with employees' biological rhythms.

In **Slovenia**, the agreement concluded on October 30, 2014 with the labor partners covering the years 2014, 2015 and 2016 combines fluctuating activity, adjustment of working time, employment and remuneration.

The Renault group is also introducing an **alternative, flexible work time organization,** allowing a better personal work/life balance for its employees with, for example, telecommuting being used in countries where this is possible.

- in **France,** the telecommuting agreement signed on January 22, 2007 enables employees to work from home on between one and four days a week, if they wish and if their activity permits. Almost 2,000 employees had participated in this programme as of end-2015. In the satisfaction surveys conducted, teleworkers all say that the scheme improves their personal work/life balance, particularly by reducing their commuting time, and makes them more efficient at work;
- in **Romania**, the telecommuting scheme has been in place since September 15, 2015. To date, 60 employees who are registered for the scheme are eligible to work from home one day a week, subject to certain conditions. The scheme offers flexibility and improves the quality of working life;
- **Argentina** has also been trialing a telecommuting scheme since November 2015. Over 50 requests had been received from staff by end-2015.

## DYNAMIC SKILLS MANAGEMENT

In a continually changing industry, dynamic skills management is a key driver of competitiveness. This means adapting the Company to major changes in the business – while preserving its human capital – and at the same time developing its ability to innovate for increasingly demanding markets and customers. This dynamic skills management policy gives employees the means to upgrade the skills used in their jobs and improve their employability. Finally, it is also a way to support the Company's transformation, mainly digital, which affects Renault's four major business-lines: design, manufacture, sales and support.

Each business-line – supported by HR and an expertise network created to develop and use in-house experts in each field – conducts an annual global **assessment** of its skills requirements to establish an overview of mid-term strategic skills requirements, in line with the real-world needs and priorities of different Renault entities worldwide.

The action plans resulting from these assessments are used to allocate resources efficiently, define strategic recruitment needs, focus training programmes on the relevant skills development and retraining, and map out career paths within the broader scope of the Renault-Nissan Alliance.

### Training

Renault is committed to train all its employees (permanent and fixed-term contracts) as part of its dynamic skills management and talent management approach. Across the Renault group, the level of access to training represents 83% in 2015.

The Group's training courses therefore cover all aspects of vocational training, from courses related specifically to each of the Company's business-lines to more individual courses designed for personal development, learning foreign languages, or acquiring cross-functional skills.

The Group's training policy prioritizes the development of critical skills and retraining for sensitive skills. A total of 13 business schools are developing their global training policies based on the dynamic skills management concept. Training priorities are rolled out worldwide, country by country.

In 2015 for example, the Quality and Customer Satisfaction School launched a new global training programme to accompany the rollout of the Customer Satisfaction Plan. The aim is to make this concept an integral part of the day-to-day actions of the 110,000 employees concerned, across all businesses, thereby resulting in its daily improvement.

A milestone was reached in 2015 with the operational deployment of Skilling Up, a tool designed to develop engineering expertise. Designed by the engineering school, this individual and collective skills management tool is based on a repository of knowledge and training courses common to all engineering disciplines. To date, more than 450 managers have been trained in France. Internationally, local engineering schools and

Skilling Up – currently being rolled out in Romania and Latin America – are providing the impetus for a new dynamic.

Of the various initiatives of the Manufacturing School, the most significant in 2015 was the deployment of Nissan's Karakuri training, which embodies Alliance learning. Karakuri is the highest level of kaizen expertise outside IFA expertise. The aim of this training is to eliminate non-value-added manual operations through workstation optimization and the direct line feed of parts.

In 2015, a new Institute of Public Affairs was set up in partnership with Sciences-Po. As well as offering a selection of training courses on public affairs practices, the new institute will offer three courses and 11 short modules on practical aspects.

The HR School is meanwhile continuing to support change management within the HR function by deploying its first MOOC (Massive Open Online Courses) on the subject of Strategic Workforce Planning. It is stepping up initiatives to facilitate access to information, *eg* interactive online teaching, distance learning, digital recruitment, exploration of digital tools such as Facebook, Twitter, Pinterest, Instagram, Flipboard, ScoopIt, etc. *Via* its internal social network, the entire HR community is encouraged to get behind digital events to foster exchanges of views and practices between HR in different countries.

Renault is also expediting the rollout of a common Digital Culture within the Group, *via* its Digital Passport. This is a three-part online programme covering the Digital Passport, Digital Signatures and Expert Case Studies.

In 2015, the number of training hours for registered Group employees (permanent and fixed-term contracts) amounted to 3,196,351. The breakdown for the Group's 10 major countries (Automotive branch), representing 90.1% of the Renault group's workforce, was as follows:

**2015: NUMBER OF TRAINING HOURS IN THE 10 MAJOR COUNTRIES**

| TRAINING/COUNTRY | ARGENTINA | BRAZIL | KOREA | SPAIN | FRANCE | INDIA | MOROCCO | ROMANIA | RUSSIA | TURKEY |
|---|---|---|---|---|---|---|---|---|---|---|
| Total hours 2013 | 50,828 | 75,938 | 25,667 | 393,096 | 902,925 | 183,522 | 414,795 | 470,416 | 152,800 | 272,090 |
| Total hours 2014 | 35,229 | 105,298 | 32,954 | 437,307 | 759,745 | 222,885 | 157,535 | 467,034 | 81,596 | 230,087 |
| Total hours 2015 | 35,057 | 83,642 | 91,805 | 643,652 | 827,928 | 161,654 | 280,875 | 417,151 | 63,286 | 274,121 |

**BREAKDOWN OF TRAINING HOURS BY REGION**

Training hours by Region break down as follows:

| REGIONS/TRAINING HOURS | 2014 | 2015 |
|---|---|---|
| Americas | 140,527 | 181,443 |
| AMI | 380,420 | 468,226 |
| Asia-Pacific | 32,954 | 91,805 |
| Eurasia | 778,717 | 756,871 |
| Europe (excluding France) | 737,307 | 870,079 |
| France | 749,745 | 827,928 |

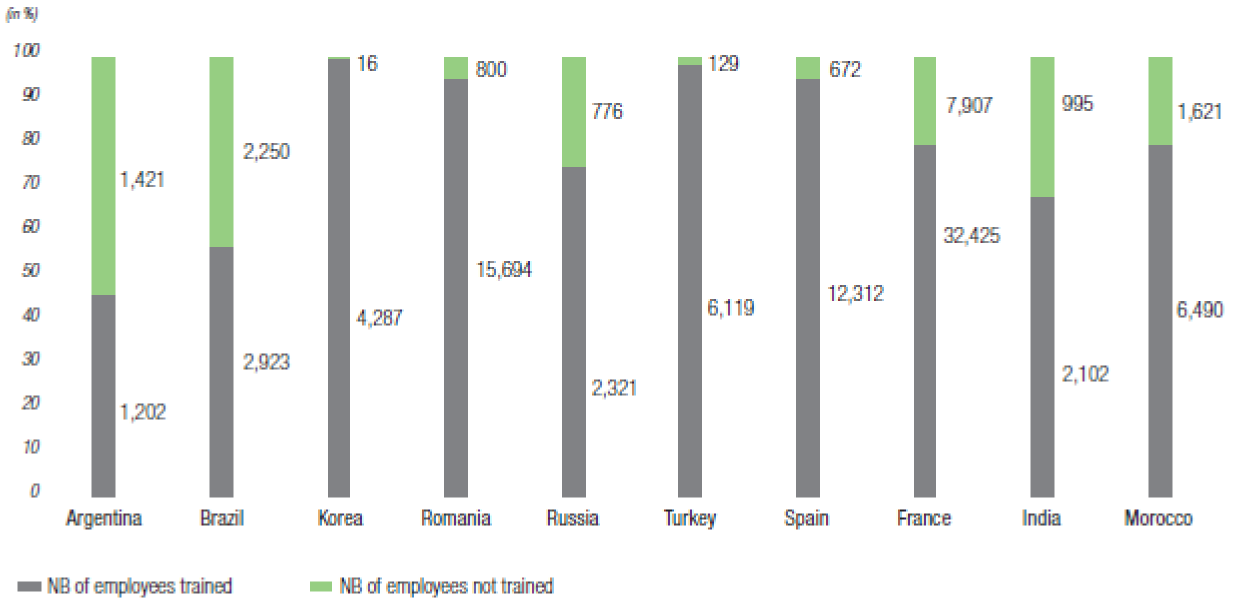
A 13% increase is observed in the number of training hours provided in 2015 compared with 2014.

- the system of dynamic skills management enables better targeting of training each year in relation to the Group's skills requirement and the employability of employees. Therefore, training programmes are focused on critical skills development and on retraining tools for sensitive skills;
- the increase in the number of training hours in **Spain** is mainly linked to operator training and support for new hires (Renault *Expérience* programme for operators);
- in **Morocco**, highly committed to the GDC process, the training plan increased by 78% in 2015, mainly to support the establishment of a third team in RTE (Tangier).

**RATE OF ACCESS TO TRAINING AND AVERAGE TRAINING HOURS BY EMPLOYEE**

In 2015, the rate of access to training by the Group's active workforce stood at 83%. Average training length was 27 hours per active employee of the Group. These are two indicators that we introduced this year.

Access to training in the 10 major countries:




**The GPEC in France**

In France, the Skills and Employment Planning (*Gestion Prévisionnelle des Emplois et des Compétences*, GPEC) agreement signed on February 4, 2011, was extended by the Social contract for a new growth dynamic and social development of Renault in France of March 13, 2013. The Group's strategic challenges and the resulting changes in skills in each business-line have been discussed with the labor unions, notably at the two Employment and Skills Observatories held every year. A summary of these observatories is communicated to all employees of Renault s.a.s.

Drawing on a comprehensive range of tools, the GPEC is a lever for managing the supply of so-called "critical" skills and the retraining of employees with so-called "sensitive" skills. Since its launch in 2011, over 8,000 employees have signed up for the various initiatives offered by the GPEC: support for the start-up or takeover of a business, a period of external mobility, or dispensation from work activities for employees aged 57 and over who may draw on their retirement pension in the three years following adhesion to the system. Training/retraining programmes have been developed to enable employees to change business-lines by teaching them skills both more strategic for the Company and more useful in terms of employability. For example, training courses were organized in 2014 for manufacturing leading to an approved metallurgy qualification. These include "Industrial tool and die maker", "Process maintenance electrician" and "Industrial maintenance engineer".

HR offices are located on each site to help and advise employees interested in the scheme. A dedicated intranet site also provides information about GPEC measures, training courses and feedback from employees regarding their careers.

Furthermore, French manufacturing sites are also involved in a Territorial Employment and Skills Management measure (*Gestion Territoriale de l'Emploi et des Compétences*, GTEC). Extremely active in their respective job markets, the Cléon and Douai mobility platforms (P2M) set up by Renault several years ago are now mature enough to be coordinated and potential applicants are managed by local partners (EPI Normandie and the Douai Chamber of Commerce and Industry).

**Consolidation of the expertise network**

The expertise network was set up in early 2010 to harness the Company's knowledge and know-how to improve customer satisfaction, strategic priorities and business performance.

The network is divided into 50 strategic areas of expertise, covering all of Renault's core businesses: product design and development, manufacture, sale, customer and market insights, financial performance and support.

It comprises four levels:

- an expert fellow, appointed by Renault's Chairman and a member of the Renault Management Committee. He/she is tasked with putting together highly technical files for Senior Management decisions. Responsible for defining the strategic areas of expertise, the Expert Fellow coordinates the

Expert Leader network to organize production, deploy best practices, foster collaboration, and ensure that technical representation exists within standardization and regulatory bodies;

- 42 expert leaders, each reporting to a Vice-President. Expert leaders have responsibility for one area of strategic expertise. They are tasked with developing and capitalizing on the expertise, coordinating the internal network of experts, and building an external network to make this knowledge and know-how available to the Company's operational personnel;
- 152 experts, responsible for secondary fields of expertise. They are responsible for promoting standards, filing patents, setting benchmarks and identifying relevant partners;
- 434 consultants, responsible for a specific activity. They improve the state of the art by establishing standards and passing on their expertise to the business-lines.

Over the past four years, the expertise network has developed in such a way that – partly as a result of its cross-functional approach – it has been able to increase the pace at which knowledge is acquired, applying it to operations and aligning production with the strategic priorities of the business.

Two years ago, the network was extended to include the Alliance.

## III. STATEMENTS OF BUSINESS

## 1. OUTLINE OF RESULTS OF OPERATION, ETC.:

### SALES PERFORMANCE

**Overview**

- In 2015, sales of passenger cars and light commercial vehicles (PC+LCV) by the Renault group increased by 3.3%, with 2.8 million vehicles registered in a global automotive market that rose by 1.6%.
- This third consecutive year of growth in registrations allowed the Group to set a new sales record. The Group's worldwide market share now stands at 3.2%. The Renault brand remains the number one French brand in the world and Dacia has set a new sales record.
- In Europe, the Group continues to benefit from the momentum of the European automotive market (+9.4%) and realized a 10.2% increase in registrations to 1.6 million vehicles, corresponding to a market share of 10.1%. Renault leads the electric vehicle European market and, for the 18th consecutive year, was the leader in the LCV market.
- Outside Europe, despite the economic crisis in Russia and Latin America, the Group resisted and recorded market share gains in its regions, the Africa Middle-East India and Eurasia.
- In 2015, the number of new financing contracts by **RCI Banque** was up 11.6% compared to 2014.

**Automotive**

| **GROUP REGISTRATIONS WORLDWIDE BY REGION** | | | |
|---|---|---|---|
| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (units) | **2015*** | **2014** | **CHANGE** (%) |
| **GROUP** | **2,801,592** | **2,712,432** | **+3.3** |
| **EUROPE REGION** | **1,613,499** | **1,464,611** | **+10.2** |
| Renault | 1,239,016 | 1,103,067 | +12.3 |
| Dacia | 374,483 | 361,544 | +3.6 |
| **AMERICAS REGION** | **355,151** | **416,934** | **-14.8** |
| Renault | 355,151 | 415,701 | -14.6 |
| Renault Samsung Motors | 0 | 1,233 | -100.0 |
| **ASIA-PACIFIC REGION** | **116,868** | **133,172** | **-12.2** |
| Renault | 35,552 | 51,914 | -31.5 |
| Dacia | 1,291 | 1,070 | +20.7 |
| Renault Samsung Motors | 80,025 | 80,188 | -0.2 |
| **AFRICA MIDDLE-EAST INDIA REGION** | **359,858** | **308,012** | **+16,8** |
| Renault | 270,674 | 226,832 | +19.3 |
| Dacia | 89,181 | 80,580 | +10.7 |
| Renault Samsung Motors | 3 | 600 | -99.5 |
| **EURASIA REGION** | **356,216** | **389,703** | **-8.6** |
| Renault | 270,251 | 321,330 | -15.9 |
| Dacia | 85,965 | 68,271 | +25.9 |
| Renault Samsung Motors | 0 | 102 | -100.0 |

* *Preliminary figures.*

**Europe**
In **Europe**, Groupe Renault's share of the PC+LCV **market** reached 10.1%, with an increase in registrations of 10.2% for 1,613,499 vehicles.
The Group increased sales in all countries in the Region, with particularly strong performances in **Spain** (+22.3%), **United Kingdom** (+17.7%) and **Italy** (+18%).
In **France**, Renault strengthened its position as the leading automotive brand and the CLIO remained the most sold vehicle in the market. CLIO, CAPTUR, TWINGO and ESPACE are leaders in their respective market segments. The TRAFIC, MASTER and KANGOO utility vehicles are also each at the top of their segments. ZOE held 60% of the electric PC market.
In **Europe**, 2015 marks another year of growth for the Renault brand. With 1,239,016 registrations (+12.3%), the Group's market share reached 7.8% as compared with 7.6% in 2014 and 7.4% in 2013.
In the **PC market** (+11.1% to 969,737 vehicles), Renault retained its leadership position in the urban vehicle market (segments A+B) thanks to the continuing success of CLIO and CAPTUR, the leader in its segment with 194,720 registrations (23.7% of the segment).
Launches of 2015 drove strong customer demand: 49,016 KADJAR have already been sold and there were 20,935 registrations for the New ESPACE, representing three times more than its previous version during 2014.
In the **LCV segment**, the Renault brand retained its leadership position for the 18$^{th}$ consecutive year, with 269,276 registrations (+16.9%), and recorded a 0.7 points increase in market share.
Ten years after its debut in Europe, the **Dacia brand** recorded further growth in its registrations in 2015 (+3.6%), and marked record sales of 374,483.
Renault is the leader in the European **electric vehicle market**. The Group's sales have been growing fast in 2015 (+49%) to 23,086 vehicles, excluding TWIZY. ZOE was the leader in the PC market with 18,453 registrations over the year (+68%).

**Outside Europe**
At the international level, despite an economic situation that varied by countries and regions, the Renault group was able to stabilise and even strengthen its positions.
**Americas**
In the Americas (355,151 registrations, a decrease of 14.8%), the Group withstood economic difficulties with a market share of 6.3% (-0.1 point).
In **Brazil**, the Group's second-largest market, market share increased by 0.2 point to an unprecedented level of 7.3%, in a market that contracted by 25.5%.
In **Argentina**, the Group contained the decline in its registrations to -6.5%, thanks to the performance in the last quarter with a market share of 14.7% (12.7% over the full year).
In **Colombia**, Renault set a new market share high of 18.6%, a rise of 2 points.
The DUSTER Oroch pick-up, launched at the tail-end of the year, already ranks second in its segment in Brazil. Renault's ramp-up in this segment should bolster growth in the Region during the coming months.
**Asia-Pacific**
Group's registrations dropped 12.3% at 116,868 units.
The level of sales in **South Korea**, the Group's largest market in the Region, stabilised following significant growth in 2014.
In **China**, sales of imported cars (15,849 units) are down 53%. Priority has been given in 2015 to the preparation of the launch of the Chinese version of the KADJAR, the first vehicle locally produced by the Dongfeng Renault joint venture.
**Africa Middle-East India**
Group's registrations increased nearly 17%, for a market share of 4.5% (+0.7 point).
In **Algeria**, the Group posted a record market share (35.6%) with a significant 8.7 points gain, benefiting from the local manufacturing of SYMBOL in Oran.
In **Morocco**, where Dacia and Renault are, respectively, the leading and second brands registrations increased by 11.5%. The Group's market share exceeded 38.2% (+1.2 point).
In **India**, Renault remained the leading European automotive brand with sales up by 20.1%. KWID had a very promising start with more than 80,000 orders in 2015 since its launch in September.
**Eurasia**
The Group's market share increased by 1.6 point to 11.9%, in particular due to the Group's momentum in **Turkey** (+21.7%), where a new sales record was set. This growth offset the consequences of the economic

crisis in **Russia**, where the market slumped by more than 35% and Renault group's registrations fell by 38.1%. Market share slightly decreased at 7.5% (-0.3 point) as a policy of preserving margins is conducted.

| **GROUP REGISTRATIONS BY BRAND AND BY TYPE** | | | |
|---|---|---|---|
| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (UNITS) | **2015*** | **2014** | **CHANGE** (%) |
| **GROUP** | **2,801,592** | **2,712,432** | **+3.3** |
| **BY BRAND** | | | |
| Renault | 2,170,644 | 2,118,844 | +2.4 |
| Dacia | 550,920 | 511,465 | +7.7 |
| Renault Samsung Motors | 80,028 | 82,123 | -2.6 |
| **BY VEHICLE TYPE** | | | |
| Passenger cars | 2,414,503 | 2,368,090 | +2.0 |
| Light commercial vehicles | 387,089 | 344,342 | +12.4 |

* *Preliminary figures.*

Registrations of the **Renault brand** increased by 2.4% compared to 2014, thanks to the success of new models and the strong momentum of the European automotive market.
With 2,170,644 units sold, the Renault brand accounted for 77.5% of Group's registrations.
The **Dacia brand's** registrations went up by 7.7% to 550,920 units, driven by the growth outside of Europe (notably in Turkey +30% and Romania +24.7%).
In 2015, **Renault Samsung Motors'** volumes slightly decreased by 2.6%.

**Sales Financing**

**New Financing and Services**

With 1.39 million financing contracts, *i.e.* 11.6% more than in 2014, RCI Banque further strengthened its profitable growth momentum this year by supporting the commercial strategy of the Alliance brands. Benefiting from growth in the European automotive sector and the strong performance of the Alliance brands, RCI Banque was able to finance a record number of contracts. This performance was reflected in a financing penetration rate of 37.1% (up from 35.2% in 2014), despite the significant decline in automotive markets in Brazil and Russia.
Average loans outstanding reached €28.2 billion, an increase of more than 11% compared to 2014, including €21.4 billion linked to the Customers business (*i.e.* an increase of 14.1%).

| **RCI BANQUE FINANCING PERFORMANCE** | | | |
|---|---|---|---|
| | **2015** | **2014** | **CHANGE** (%) |
| **Number of financing contracts (thousands)** | **1,390** | **1,245** | **+11.6** |
| • including UV contracts (thousands) | 233 | 197 | +18.3 |
| **New financing (€billion)** | **15.6** | **12.6** | **+23.8** |
| **Average loans outstanding (€billion)** | **28.2** | **25.4** | **+11.0** |

The Services business (the linchpin of RCI Banque group strategy) continued to grow through the diversification of the product offer and its international expansion: the number of new "services" contracts increased by 31.5% compared to 2014.
This business contributes to customer satisfaction and loyalty to the Alliance brands.

| **RCI BANQUE SERVICES PERFORMANCE** | | | |
|---|---|---|---|
| | **2015** | **2014** | **CHANGE** |
| Number of services contracts (thousands) | 2,851 | 2,168 | +31.5% |
| **PENETRATION RATE ON SERVICES** | **91.5%** | **73.0%** | **+18.5 PTS** |

**RCI Banque penetration rate on new vehicle registrations**

The penetration rate, which experienced overall growth of 1.9 points for the RCI Banque group compared to 2014, saw varying trends from region to region.

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

| | **2015** (%) | **2014** (%) | **CHANGE** (points) |
|---|---|---|---|
| Renault | 37.4 | 35.7 | +1.7 |
| Dacia | 41.1 | 36.0 | +5.1 |
| Renault Samsung Motors | 54.3 | 49.0 | +5.3 |
| Nissan | 33.1 | 32.2 | +0.9 |
| Infiniti | 28.5 | 34.3 | -5.8 |
| Datsun | 19.4 | - | +19.4 |
| **RCI BANQUE** | **37.1** | **35.2** | **+1.9** |

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

| | **2015** (%) | **2014** (%) | **CHANGE** (points) |
|---|---|---|---|
| Europe | 40.2 | 36.4 | +3.8 |
| Americas | 39.0 | 38.9 | +0.1 |
| Asia-Pacific | 53.3 | 48.1 | +5.2 |
| Africa Middle-East India | 16.4 | 29.6 | -13.2 |
| Eurasia | 24.2 | 26.9 | -2.7 |
| **RCI BANQUE** | **37.1** | **35.2** | **+1.9** |

In the **Europe Region**, RCI Banque was able to strengthen its performance in a growing automotive market. Boosted by the success of new models and increased registrations for Alliance manufacturers, the number of new vehicle financing contracts rose by 23.0% in 2015. With the financing penetration rate at 40.2%, Europe was up 3.8 points compared to 2014.

The **Americas Region** (Brazil, Argentina) reflected mixed performance. Growth of 11.2 points in the financing penetration rate in Argentina offset the decline in the financing penetration rate (-2.3 points) and the significant deterioration of the automotive market (-25.5% compared to 2014) in Brazil. Accordingly, the Region recorded a stable and consistently high (+0.1 points at 39.0%) financing penetration rate.

In the **Asia-Pacific Region** (South Korea), despite a highly competitive banking environment, the financing penetration rate improved by 5.2 points to 53.3% at December 31, 2015.

The **Africa Middle-East India** Region, marked by the entry of India into the consolidation scope for 2015, saw its financing penetration rate settle at 16.4%, down 13.2 points compared to 2014. On a comparable basis with 2014 (Morocco only), the Region's financing penetration rate increased by 3.1 points to 32.8%.

The **Eurasia Region** (mainly Romania, Turkey and Russia) experienced varying results depending on the countries: whereas Turkey recorded growth of 2.6 points (to 25.8%) in its financing penetration rate over the year, Russia saw its financing penetration rate decline by 4.9 points compared to 2014 in an automotive market that has dropped significantly (-35%). Romania recorded stable commercial performance, with its financing penetration rate varying by -0.2 point.

**International development and new activities**

In 2015, RCI Banque continued to capture new markets, supporting the commercial development of the Alliance brands.

Despite the fall in its emerging markets, the share of RCI Banque business performed outside of Europe accounted for more than a quarter of the number of new vehicle financing contracts (26% in 2015, compared to 34% in 2014).

In India, the year was marked by the roll-out of business activity for the joint venture between RCI Banque and Nissan, created in 2014. In an automotive market up 6.4%, marked by the successful launch of the

Renault KWID at the end of 2015, the financing penetration rate amounted to 6.7% for this first year of business.
The financing of the Datsun brand continued to grow with a financing penetration rate of 19.4%.
Following on from Austria in 2014, RCI Banque continued its policy of diversifying funding sources by successfully expanding its savings account activity in the United Kingdom. Now rolled out in four European countries (France, Germany, Austria and the United Kingdom), savings accounts constitute a major refinancing tool for RCI Banque. At December 31, 2015, total savings deposits recorded an increase of nearly 56% compared with December 2014 and reached €10.2 billion, *i.e.* 32.8% of the Group's net loans outstanding at year-end. Conducting this strategy, RCI Banque thus exceeded the target it had set itself for 2016, one year in advance.
Positioned as the services operator for electric-vehicle battery rental in 23 countries for the Alliance, RCI Banque had 80,530 batteries in its inventory at the end of 2015. Accordingly, RCI Banque finances all electric-vehicle batteries for the Alliance manufacturers, which included six models at December 31, 2015: KANGOO Z.E., FLUENCE Z.E., TWIZY, ZOE for Renault, LEAF and e-NV200 for Nissan.

**Registrations and production statistics**

**RENAULT GROUP – WORLDWIDE REGISTRATIONS**

| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (UNITS) | **2015**[(1)] | **2014** | **CHANGE** (%) |
|---|---|---|---|
| KWID | 17,933 | - | - |
| TWINGO | 97,477 | 84,305 | +15.6 |
| ZOE | 18,931 | 11,323 | +67.2 |
| CLIO | 457,045 | 457,822 | -0.2 |
| THALIA | - | 266 | - |
| CAPTUR / QM3 | 246,442 | 196,592 | +25.4 |
| PULSE | 1,883 | 2,797 | -32.7 |
| LOGAN | 325,384 | 309,549 | +5.1 |
| SANDERO | 348,691 | 351,126 | -0.7 |
| LODGY | 41,637 | 27,999 | +48.7 |
| MEGANE / SCENIC | 254,415 | 274,843 | -7.4 |
| FLUENCE (incl. Z.E.) / SM3 / SCALA | 90,101 | 111,299 | -19.0 |
| DUSTER | 334,175 | 395,350 | -15.5 |
| KADJAR | 54,353 | - | - |
| LAGUNA | 7,957 | 16,191 | -50.9 |
| LATITUDE / SM5 / SAFRANE | 25,960 | 32,709 | -20.6 |
| TALISMAN | 1,874 | - | - |
| SM7 | 8,486 | 4,977 | +70.5 |
| KOLEOS / QM5 | 29,388 | 57,282 | -48.7 |
| ESPACE | 21,311 | 7,004 | +++ |
| KANGOO (incl. Z.E.) | 154,312 | 145,421 | +6.1 |
| DOKKER | 69,131 | 57,654 | +19.9 |
| TRAFIC | 86,027 | 67,778 | +26.9 |
| MASTER | 92,898 | 91,213 | +1.8 |
| OROCH | 3,484 | - | - |
| Others | 12,297 | 8,932 | +37.7 |
| **TOTAL WORLDWIDE GROUP PC / LCV REGISTRATIONS** | **2,801,592** | **2,712,432** | **+3.3** |
| *TWIZY*[(2)] | *2,144* | *2,450* | *-12.5* |
| *(1) Preliminary figures.* | | | |

*(2) TWIZY is a quadricycle and therefore not included in Group automotive registrations except in Mexico and Colombia.*

| RENAULT GROUP – EUROPEAN REGISTRATIONS | | | |
|---|---|---|---|
| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (UNITS) | **2015**[(1)] | **2014** | **CHANGE** (%) |
| TWINGO | 96,552 | 83,021 | +16.3 |
| ZOE | 18,728 | 11,231 | +66.8 |
| CLIO | 339,777 | 331,854 | +2.4 |
| CAPTUR / QM3 | 195,972 | 166,184 | +17.9 |
| LOGAN | 40,911 | 41,692 | -1.9 |
| SANDERO | 147,634 | 138,117 | +6.9 |
| LODGY | 22,166 | 20,600 | +7.6 |
| MEGANE / SCENIC | 238,108 | 252,789 | -5.8 |
| FLUENCE (incl. Z.E.) / SM3 / SCALA | 4,663 | 5,022 | -7.1 |
| DUSTER | 123,700 | 126,307 | -2.1 |
| KADJAR | 49,252 | - | - |
| LAGUNA | 7,903 | 16,065 | -50.8 |
| LATITUDE / SM5 / SAFRANE | 70 | 485 | -85.6 |
| TALISMAN | 1,869 | - | - |
| KOLEOS / QM5 | 4,697 | 7,427 | -36.8 |
| ESPACE | 21,283 | 7,003 | +++ |
| KANGOO (incl. Z.E.) | 100,764 | 93,955 | +7.2 |
| DOKKER | 40,023 | 34,756 | +15.2 |
| TRAFIC | 80,583 | 59,751 | +34.9 |
| MASTER | 67,055 | 59,721 | +12.3 |
| Others | 11,789 | 8,631 | +36.6 |
| **TOTAL EUROPEAN GROUP PC / LCV REGISTRATIONS** | **1,613,499** | **1,464,611** | **+10.2** |
| *TWIZY*[(2)] | *2,016* | *2,316* | *-13.0* |

*(1) Preliminary figures.*
*(2) TWIZY is a quadricycle and therefore not included in Group automotive registrations.*

| **RENAULT GROUP – INTERNATIONAL REGISTRATIONS** | | | |
|---|---|---|---|
| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (Units) | **2015**[(1)] | **2014** | **CHANGE** (%) |
| KWID | 17,933 | - | - |
| TWINGO | 925 | 1,284 | -28.0 |
| ZOE | 203 | 92 | +++ |
| CLIO | 117,268 | 125,968 | -6.9 |
| THALIA | - | 264 | - |
| CAPTUR / QM3 | 50,470 | 30,408 | +66.0 |
| PULSE | 1,883 | 2,797 | -32.7 |
| LOGAN | 284,473 | 267,857 | +6.2 |
| SANDERO | 201,057 | 213,009 | -5.6 |
| LODGY | 19,471 | 7,399 | +++ |
| MEGANE / SCENIC | 16,307 | 22,054 | -26.1 |
| FLUENCE (incl. Z.E.) / SM3 / SCALA | 85,438 | 106,277 | -19.6 |
| DUSTER | 210,475 | 269,043 | -21.8 |
| KADJAR | 5,101 | - | - |
| LAGUNA | 54 | 126 | -57.1 |
| LATITUDE / SM5 / SAFRANE | 25,890 | 32,224 | -19.7 |
| SM7 | 8,491 | 4,977 | +70.6 |
| KOLEOS / QM5 | 24,691 | 49,855 | -50.5 |
| ESPACE | 28 | 1 | +++ |
| KANGOO (incl. Z.E.) | 53,548 | 51,466 | +4.0 |
| DOKKER | 29,108 | 22,898 | +27.1 |
| TRAFIC | 5,444 | 8,027 | -32.2 |
| MASTER | 25,843 | 31,492 | -17.9 |
| OROCH | 3,484 | - | - |
| Others | 508 | 303 | +67.7 |
| **TOTAL INTERNATIONAL GROUP PC / LCV REGISTRATIONS** | **1,188,093** | **1,247,821** | **-4.8** |
| *TWIZY*[(2)] | *128* | *134* | *-4.5* |

*(1) Preliminary figures.*

*(2) TWIZY is a quadricycle and therefore not included in Group automotive registrations except in Mexico and Colombia.*

| RENAULT GROUP – WORLDWIDE PRODUCTION BY MODEL[1] | | | |
|---|---|---|---|
| **PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES** (units) | **2015**[2] | **2014** | **CHANGE** (%) |
| TWIZY | 2,120 | 2,248 | -5.7 |
| TWINGO | 83,377 | 98,787 | -15.6 |
| CLIO | 464,453 | 436,658 | +6.4 |
| ZOE | 19,115 | 12,739 | +50.1 |
| CAPTUR / QM3 | 255,459 | 209,865 | +21.7 |
| LOGAN | 191,052 | 190,973 | 0.0 |
| SANDERO | 315,745 | 312,123 | +1.2 |
| Other LOGAN | 40,615 | 42,631 | -4.7 |
| LODGY | 32,663 | 25,679 | +27.2 |
| MEGANE / SCENIC | 238,498 | 255,888 | -6.8 |
| FLUENCE (incl. Z.E.) / SM3 / SCALA | 85,719 | 96,871 | -11.5 |
| DUSTER | 297,050 | 336,827 | -11.8 |
| KADJAR | 82,321 | - | - |
| LAGUNA | 5,921 | 14,322 | -58.7 |
| LATITUDE / SM5 | 25,852 | 31,941 | -19.1 |
| TALISMAN | 5,685 | - | - |
| SM7 | 8,911 | 4,994 | +78.4 |
| KOLEOS | 28,511 | 56,160 | -49.2 |
| ESPACE | 27,066 | 6,660 | +++ |
| KANGOO (incl. Z.E.) | 152,963 | 140,478 | +8.9 |
| DOKKER | 71,515 | 56,030 | +27.6 |
| TRAFFIC | 93,316 | 31,498 | +++ |
| MASTER | 135,806 | 124,129 | +9.4 |
| Others | 200,186 | 86,647 | +++ |
| **GROUP GLOBAL PRODUCTION** | **2,863,919** | **2,574,158** | **+11.3** |
| **o/w produced for partners:** | | | |
| GM (MASTER) | 26,821 | 18,587 | +44.3 |
| Nissan (Mercosur / Korea) | 143,227 | 52,364 | +++ |
| Daimler (CITAN + SMART) | 63,525 | 34,103 | +86.3 |

| **PRODUCED BY PARTNERS FOR RENAULT** | **2015**[2] | **2014** | **CHANGE** (%) |
|---|---|---|---|
| Nissan (incl. India) | 54,564 | 101,511 | -46.2 |
| Others (GM, Iran, AVTOVAZ) | 106,481 | 87,054 | +22.3 |

*(1) Production data concern the number of vehicles leaving the production line.*
*(2) Preliminary figures.*

**GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION**
At December 31, 2015

| 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* | | | | |

## (2) ALLIANCE COMBINED SALES PERFORMANCE AND FINANCIAL INDICATORS

### ALLIANCE 2015 SALES

The Renault-Nissan Alliance sold 8,528,887 vehicles in 2015, up almost 1% from the previous year, thanks to record sales in the United States, China and Europe. Combined sales for the world's fourth largest car group, which includes Renault group, Nissan Motor Co., Ltd., and Russia's AVTOVAZ, held steady from

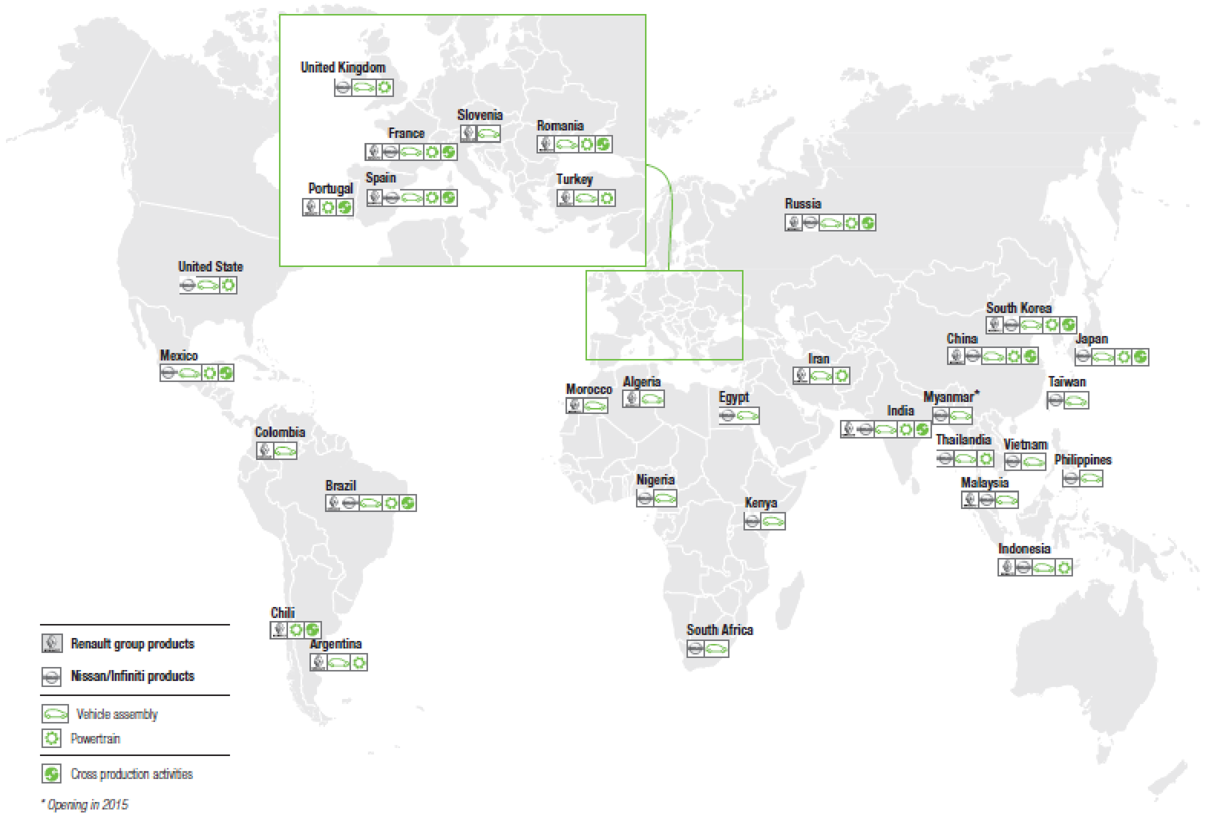
calendar-year 2014 – despite sharp declines in the overall Russian and Brazilian markets. Renault, Nissan and AVTOVAZ, which is Russia's largest automaker, account for about one in ten cars sold worldwide.
**Renault group**, Europe's third-largest automaker,sold a record 2,801,592 vehicles worldwide in 2015, up 3.3% from 2014, in a market that grew by 1.6%. This marked the third consecutive year of sales growth for Renault. Dacia sales accounted for a record 550,920 vehicles, up 7.7%. Renault, the fastest-growing major brand in Europe, reached a market share of 10.1% in a market that rose 9.4%. Renault retained its light commercial vehicle leadership in Europe for the 18th consecutive year.
**Nissan Motor Co., Ltd.,** sold a record 5,421,804 cars and trucks worldwide, up 2.1%. In each of its two biggest markets, the United States and China, Nissan sold at least 1.25 million vehicles. Infiniti accounted for a record 215,250 vehicles, up 16% from the previous year, thanks to all-time high sales in all key regions, including the Americas and China.
**AVTOVAZ**, which sells cars under the LADA brand, sold 305,491 vehicles, down 31.5% due to the slump in the Russian market. The Renault-Nissan Alliance has a majority stake in AVTOVAZ through a joint venture with state corporation Rostec. Together, the Renault-Nissan Alliance and AVTOVAZ sell about one in three cars in Russia. The overall Russian car market plunged by more than 35%. The Alliance increased its market share from 30.7% in 2014 to 32.3% in 2015.
The Alliance's top 10 markets in 2015 were the US, China, France, Japan, Russia, Mexico, UK, Germany, Brazil and Spain.

**Zero-emission highlights**
The Alliance sells about one in two pure electric vehicles worldwide. Through the end of December, the Alliance has sold a cumulative 302,000 EVs worldwide. In calendar-year 2015, the Renault-Nissan Alliance sold 85,000 electric vehicles, up more than 2.5% compared with previous year.

**TOP 10 ALLIANCE MARKETS**

| COUNTRY | TOTAL SALES | MARKET SHARE |
|---|---|---|
| US | 1,484,918 | 8.5% |
| China | 1,265,922 | 5.3% |
| France | 684,373 | 30% |
| Japan | 594,126 | 11.7% |
| Russia* | 517,799 | 32.3% |
| Mexico | 373,261 | 27.6% |
| UK | 297,516 | 9.9% |
| Germany | 252,383 | 7.4% |
| Brazil | 242,744 | 9.8% |
| Spain | 218,846 | 18.3% |
| * *Including AVTOVAZ.* | | |

## GLOBAL PRODUCTION SITES




## VALUE OF JOINT OPERATIONS

Total sales by Renault to Nissan and purchases by Renault from Nissan in 2015 amounted to an estimated €3,650 million and €1,300 million respectively (Note 12 I of the Renault consolidated financial statements).

## 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 2015.
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 December 31, 2015, 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 December 31, 2015 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 AT DECEMBER 31, 2015**

| € million | RENAULT | NISSAN* | INTERCOMPANY | ALLIANCE |
|---|---|---|---|---|

| | | | ELIMINATIONS | |
|---|---|---|---|---|
| Sales of goods and services of the Automotive segment | 43,108 | 82,870 | (4,526) | 122,255 |
| Sales Financing revenues | 2,219 | 6,938 | (147) | 8,207 |
| **REVENUES** | **45,327** | **89,808** | **(4,673)** | **130,462** |
| * *Converted at the average exchange rate for 2015: EUR 1 = JPY 134.4.* | | | | |

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 2015 results.

The **operating margin, the operating income and the net income** of the Alliance in 2015 are as follows:

| € million | OPERATING MARGIN | OPERATING INCOME | NET INCOME(2) |
|---|---|---|---|
| Renault | 2,320 | 2,121 | 984 |
| Nissan(1) | 5,552 | 5,196 | 4,719 |
| **ALLIANCE** | **7,872** | **7,317** | **5,703** |

*(1) Converted at the average exchange rate for 2015: EUR 1 = JPY 134.4.*
*(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.*

Intercompany transactions impacting the indicators are minor and have therefore not been eliminated.
For the Alliance, the operating margin is equivalent to 6.0% of revenues.
In 2015, the Alliance's **research and development expenses**, after capitalization and amortization, are as follows:

| (€ million) | |
|---|---|
| Renault | 2,075 |
| Nissan* | 2,744 |
| **ALLIANCE** | **4,819** |

* *Converted at the average exchange rate for 2015: EUR 1 = JPY 134.4*

**Balance sheet indicators**
**Condensed Renault and Nissan balance sheets**

**RENAULT AT DECEMBER 31, 2015**

| **ASSETS** (€ million) | | **SHAREHOLDERS' EQUITY AND LIABILITIES** (€ million) | |
|---|---|---|---|
| Intangible assets | 3,570 | Shareholders' equity | 28,474 |
| Property, plant and equipment | 11,171 | Deferred tax liabilities | 122 |
| Investments in associates (excluding Alliance) | 785 | Provisions for pension and other long-term employee benefit obligations | 1,600 |
| Deferred tax assets | 881 | Financial liabilities of the Automotive segment | 9,838 |
| Inventories | 4,128 | Financial liabilities and debts of the Sales Financing segment | 30,752 |
| Sales Financing receivables | 28,605 | Other liabilities | 19,819 |
| Automotive receivables | 1,262 | | |
| Other assets | 7,499 | | |
| Cash and cash equivalents | 14,133 | | |
| **TOTAL ASSETS EXCLUDING INVESTMENT IN NISSAN** | | | |

| | | | |
|---|---|---|---|
| Investment in Nissan | 18,571 | | |
| **TOTAL ASSETS** | **90,605** | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **90,605** |

| **NISSAN AT DECEMBER 31, 2015** | | | |
|---|---|---|---|
| **ASSETS** (€ million[1]) | | **SHAREHOLDERS' EQUITY AND LIABILITIES** (€ million[1]) | |
| Intangible assets | 5,938 | Shareholders' equity | 46,097 |
| Property, plant and equipment | 43,142 | Deferred tax liabilities | 6,176 |
| Investments in associates (excluding Alliance) | 3,908 | Provisions for pension and other long-term employee benefit obligations | 2,530 |
| Deferred tax assets | 1,332 | Financial liabilities of the Automotive segment[2] | (4,502) |
| Inventories | 11,292 | Financial liabilities and debts of the Sales Financing segment | 62,767 |
| Sales Financing receivables | 53,519 | Other liabilities | 29,848 |
| Automotive receivables | 4,995 | | |
| Other assets | 10,518 | | |
| Cash and cash equivalents | 6,552 | | |
| **TOTAL ASSETS EXCLUDING INVESTMENT IN RENAULT** | **141,196** | | |
| Investment in Renault | 1,720 | | |
| **TOTAL ASSETS** | **142,916** | **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **142,916** |

*(1) Converted at the closing rate at December 31, 2015: EUR 1 = JPY 131.1.*
*(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€13,002 million at December 31, 2015).*

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 2015, excluding leased vehicles and batteries, amount to:

| € million | |
|---|---|
| Renault | 1,845 |
| Nissan* | 3,836 |
| **ALLIANCE** | **5,681** |

* *Converted at the average exchange rate for 2015: EUR 1 = JPY 134.4.*

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 €28 billion increase in shareholders' equity – non-controlling interests' share.

## 2. STATEMENT OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See 1. above.

**3. PROBLEM(S) TO BE COPED WITH:**

**KEY COMPONENTS OF THE PROCESS FOR CONTROLLING FINANCIAL AND ACCOUNTING DISCLOSURES**

The Renault group manages the decentralized operations of the subsidiaries in its two business divisions in France and abroad by relying on two key strategies that deliver high-quality accounting and financial information while reducing the time needed to prepare the financial statements:

- operating systems upstream from accounting are standardized as far as possible;
- ERP financial and accounting modules chosen by the Group are introduced in the industrial and/or commercial, engineering and Sales Financing entities worldwide.

This software package ensures that processed data are reliable and consistent. In particular, the definition and monitoring of user profiles helps to ensure that the rules of task separation are respected.

Control of basic transactions handled by operational systems, where the initial control takes place, is key to ensuring that accounting and financial data are reliable. The operational systems feed data to the auxiliary accounting systems through a number of interfaces. These interfaces, which are continually monitored to ensure they capture all economic events for each upstream process, then rapidly and regularly send these data to the centralized accounting system.

The accounting teams have worked with IT staff to develop a security process to protect the ERP in the event of a major malfunction. A business continuity plan has been prepared at corporate level. It is deployed in those subsidiaries that use the ERP.

**4. RISKS IN BUSINESS, ETC.**

This section contains forward-looking statements, which are based on the judgment as of December 31, 2015.

In the course of its business, the Renault Group is exposed to a number of risks that can affect its assets, liabilities and financial performance. The outline of the main risks and the details on how they are managed can be found in “RISK MANAGEMENT” below.

**RISK MANAGEMENT**

The Group comprises two operating divisions, Automotive and Sales Financing (RCI Banque group). Each operating segment has its own risk management system.
Automotive and Sales Financing work hard to control the risks relating to their respective activities. In this Section, the same logic is used to present these risks for both operating segments:

- risks linked to the business environment;
- cross-group risks;
- operational risks;
- financial risks.

For the Sales Financing segment (RCI Banque group activities), the global risk management system is organized in accordance with banking regulations (see section “SALES FINANCING: RCI BANQUE” below). A detailed description of this system is available in the RCI Banque group’s annual report. This document provides an overview of the risk factors and management procedures and principles.
For the Automotive segment, the global risk management system is based on collaboration between the Risk Management department at Head Office, the operational risk managers at country level and the expert risk managers within certain business functions and corporate activities. This network of different levels strengthens the risk management system and provides it the means to be proactive in controlling risks. However, it does not exclude the potential crises and damage that could occur as a result of the combination

of the complexity of activities and the accelerated development of the business environments, which could aggravate existing risks and lead to the emergence of new risks.
This section therefore describes the main risks and the main procedures implemented by the two operating divisions to limit those risk's likelihood and impact.

## AUTOMOTIVE RISK FACTORS

### Risks linked to the Company's environment

#### Geographical risks

**Risk factors**
The Group has industrial and/or commercial operations in a large number of countries, some of which could present specific risks: volatility of GDP, economic and political instability, social unrest, regulatory changes, nationalization, debt collection difficulties, fluctuation in interest rates and foreign exchange rates, lack of foreign currency liquidity, and foreign exchange controls. For example, Renault is facing difficulties in repatriating funds from Iran and has continued to note until mid-December the constraining effects of the exchange controls in Argentina".

**Management procedures and principles**
All decisions regarding the geographical location of manufacturing operations are taken in a context of an overall Group growth strategy that mitigates the risk of instability through a global industrial approach.
The Group also seeks to continually increase local integration at its production facilities so as to make them more competitive in the local market. The geographical distribution of Renault's industrial investments outside Europe helps to diversify the Group's risk, since GDP and solvency trends vary from region to region.
With regard to industrial investment, the Group does not hedge its exposure as a rule, however the risk of not fulfilling its targets is taken into account when calculating the expected return on investment.
With regard to trading flows, the Group hedges against the risk of non-payment for most payments originating from high-risk countries. The main exceptions relate to intra-Group sales, automotive partners and sales in certain countries for which there is no cover. Residual country risk is regularly monitored.
The two main hedging instruments used are: bank guarantees (documentary credits, standby letters of credit and first-demand guarantees) issued by top-tier banks, and guarantees from credit insurers.
In order to centrally manage the risk of non-payment and put in place hedges on competitive terms, the Group has designed a "hub and spoke" invoicing system. The aim is that manufacturing subsidiaries sell their export production to Renault s.a.s., which sells it on to commercial subsidiaries and independent importers, granting them supplier credit. The associated risk is managed by the parent company. Some sales between countries covered by customs agreements do not use this system. In such cases, the exporting subsidiary is responsible for managing its risks, with business support provided by the parent company.

#### Risks arising from economic conditions

**Risk factors**
The balance between Group sales in the Europe and Outside Europe Regions, 54/46 in 2014, and 58/42 in 2015 allows the Group to take advantage of the different opportunities while limiting the risks of any regional reversal or slowdown. The three largest markets outside the Europe Region are Brazil, Turkey and Russia, representing 6%, 6% and 4% of Group sales, respectively.
Nevertheless, the Group's activities are still dependent on the European market in terms of sales, revenues and profit.

**Management procedures and principles**
The Company has put in place a number of measures to safeguard against any additional market risk. To ensure greater flexibility in terms of anticipation and action, the five Regions are led by a Management Committee comprising representatives from all the Company's business functions. Such committees are chaired by an Operations Director, who is a member of the Group Management Committee, who manages his/her own business plan in order to contribute to the Group's performance. The Director of the Europe

Region is also a member of the Executive Committee, because of the importance of the region to the Company.
Specific actions are also put in place in addition to these cross-group measures.

**Europe**
Based on a recovery in the European market, Groupe Renault has:
- defined ambitious strategic objectives to regain market share in the European market, with a focus on customers and profit; Group will benefit from the renewal of C/D segment line-up in 2015 - 2016. The Group aims to achieve the second place in Europe;
- continue to develop production agreements with its partners (for example: Nissan MICRA producing in Flins).

**Brazil and Argentina**
The Company has introduced measures to safeguard against market risk:
- all vehicles sold in Brazil and more than 95% of those sold in Argentina are produced in Mercosur countries with high integration rates so as to reduce the impact of exchange rates on the cost of sales;
- with the same aim in mind, efforts are being made to balance trade across production and sales between Brazil and Argentina.

The worsening of the Argentinean crisis in 2014 and 2015 resulted in the adoption of additional measures, particularly limits to the number of imported vehicles, so as to benefit local production. New investments aimed at balancing the financial situation of Renault in Argentina have been announced in 2015.
The Group will continue to monitor carefully the situation in Brazil after the worsening economic, social and political crisis in 2015.

**Russia**
The Group manages the economic environment and market fluctuations very closely, with:
- an active pricing policy to compensate foreign exchanges impacts;
- an adjusted product line-up focusing on locally produced cars. 98% of Russian volumes are made based on products manufactured in Russia;
- a reinforced task force to push local integration rate.

**China**
On top of the current imported car activity (16 k units in 2015), the joint venture company established with Dong Feng in China started manufacturing activities in 2015 and will start sales of locally produced C and D crossovers respectively beginning and end of 2016. The joint venture plant located in Wuhan has a production capacity of 150,000 units per year.

### Risks linked to the business's environment

#### Risk factors
Risks linked to non-compliance with laws and regulations.

#### Management procedures and principles
The Company follows a structured procedure to analyze the robustness of regulatory compliance for a number of well-defined regulated areas, established by Internal Control department in collaboration with the Legal department. These include competition, fraud and corruption, environment, health-safety-working environment, technical regulations, etc.
This approach is led by the Regulatory Compliance department, part of the Internal Control department, and is monitored by the Ethics and Compliance Committee.
The aim is to reduce the exposure of the Company and its executives to the risks of criminal, administrative and financial sanctions and to protect its image.

**The system is based on three types of actors:**
- **the operational entities** ensure regulatory compliance *via* their processes, based on directives and with the support of the decision-making departments, in accordance with local regulations;

- **the decision-making departments** (Technical Regulations, Legal, Human Resources, Environment, etc.) monitor regulatory compliance within their respective areas, set out the regulatory obligations in internal guidelines and deploy these within their networks;
- **the Regulatory Compliance department** defines the methods and evaluates the regulatory compliance systems, with the support of the Legal department.

This system provides the Ethics and Compliance Committee with reasonable assurance that the Company is familiar with its regulatory compliance obligations and takes these into account during its activities.

**Cross-group risks**

**Occupational health and working conditions risks**

**Risk factors**

Working conditions may generate accidents or occupational illnesses regardless of the field of activity (industrial, engineering, services, sales or after-sales).

The Group is thus faced with the risk of accidents, whether these accidents occur at the employee's workstation or while traveling to work. Certain working conditions can also generate risks of illnesses, such as musculo-skeletal disorders from repetitive operations or pathologies linked to the use of chemical products, or stress as a result of activities involving a high work rate or intense cognitive activity.

**Management procedures and principles and prevention**

The Group has a number of health and safety and risk prevention procedures which are firmly established within the Company, thanks in particular to the health and safety management system which has been deployed in all countries, sites and business functions.

The Group benefits from an international network of specialists in health, safety, ergonomics and working conditions, who meet regularly and receive frequent training to strengthen their areas of competence. Other factors include the commitment of management at all levels, awareness-raising, and continuous training of managers in risk prevention. The majority of industrial sites also have a continuous improvement policy that encourages employees and their representatives to become involved in improving their working conditions.

To measure deployment and implementation of the occupational health, safety and working environment policy, internal experts conduct assessments and audits within the Group's various entities. These assessments are based on standards set by Renault and approved by a recognized international organization. A total of 98% of industrial, engineering and office sites are now certified.

In mid-2014, Renault introduced an innovative new plan focusing on occupational accidents and working conditions, in order that the Group will rank among the leading industrial companies in this area. The plan targets a threefold reduction in the number of accidents by 2017. Workshop-related risks are systematically analyzed, whether they involve areas, activities or industrial equipment, so that following assessment, measures can be taken to eliminate or reduce the level of risk. This method is also used to improve workstation ergonomics when designing facilities as part of vehicle projects. Today, in halving the number of accidents in the Group, Renault has already become one of the top 10 international companies in this area and is on course to achieve the plan's final objectives.

With regard to the prevention of psychosocial risks and occupational stress, occupational doctors monitor individual employees, and managers have received training on how to recognize staff members in difficulties, and on improving the quality of life in the workplace since 2012.

Finally, the Group deploys general measures to protect the health of its employees and the quality of their working life, notably through awareness-raising and training campaigns. These campaigns deal with issues such as food hygiene, addiction, accidents in daily life, road safety and sport. Several plants also have individual sports training centers and offer physical exercise at the start of each shift. Any staff issues are addressed within the units and escalated if they cannot be resolved locally.

All of these measures help reduce the level of risk inherent to working environments.

**Environmental risks**

**Risk factors**

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

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

**Management procedures and principles**

The identification and control of environmental risks form part of the Group’s global risk management system described in the introduction to this section.

Environmental risks that could be caused by the Company are prevented using the environmental management system deployed across all Group sites and at all stages of the product life cycle. None of the Group’s facilities is classified in a high environmental risk category.

Environmental risks associated with the industrial activities of the Group’s suppliers are identified and prioritized through a specific CSR risk classification process. They are managed firstly by distributing the Renault-Nissan CSR Purchasing Guidelines and Renault Green Purchasing Guidelines to the entire supply chain. These guidelines define what the Renault-Nissan Alliance expects from its suppliers in terms of CSR and Renault’s specific environmental expectations. Secondly, suppliers that are most at risk undergo a CSR evaluation process based on the EcoVadis tool and on-site audits, which could lead to corrective action plans.

Climatic, natural and industrial risks are taken into account in the Group’s prevention policy (see section “Operational risks” “Risks linked to manufacturing facilities” below).

Measures to ensure compliance with regulatory requirements relating to vehicle emissions and vehicle recycling potential are fully integrated into the process to ensure vehicle approval is obtained from the relevant bodies. The Group also has a voluntary and proactive approach to vehicle end-of-life recycling through its subsidiary Renault Environnement and the LIFE+/ICarRe95 research project.

The risks and opportunities associated with the tightening of regulations on greenhouse gas emissions, and in particular vehicle $CO_2$ emissions, are identified as a major competitive challenge for the Company. For this reason, they are monitored through a Worldwide Carbon Footprint key performance indicator and specific product competitiveness targets are set in terms of fuel consumption and $CO_2$ emissions (CAFE positioning, etc.). These indicators are followed yearly at GEC (Group Executive Committee) level in order to examine the Group’s position and outlook in the short, medium and long term (10 years), and to define or adjust the strategy accordingly.

Finally, “Substance” risk prevention and compliance with the European REACH regulation, or its equivalents in other parts of the world, are ensured at all stages of the product life cycle. This organization is deployed throughout the network, and is supported by central expertise hubs and a “substance” standard, which is applied across the entire Company and supply chain.

**Legal and contractual risks**

**Risk factors**

Groupe Renault is exposed to three main legal risks:

- **legal and regulatory changes**
  Due to its international activity, Renault is subject to a number of complex and dynamic legislations, particularly in the fields of automotive, banking, the environment, competition, labor law, etc. Although Renault monitors this situation, a change in legislation or regulations having a significant impact on the Group’s financial position, business or results cannot be ruled out. Moreover, the authorities or courts may also change the application or interpretation of existing laws and regulations at any time;
- **disputes, governmental or legal proceedings, arbitration**
  Renault is involved in various governmental, legal and arbitration proceedings as part of its activities in France and internationally.

Nevertheless, to the best of Renault's knowledge, over the last 12 months there has been no dispute, governmental or legal proceeding or arbitration process underway or likely to occur and that could have a significant impact on its financial position, activities or results;

- **intellectual property**
  Renault uses various patents, trademarks, designs and models. Each year, Renault files several hundred patents, some of which are covered by fee-paying licenses granted to third parties. The Group may also use patents held by third parties under licensing agreements negotiated with those parties. As such, Renault is exposed to various intellectual property risks.
  The performance of Groupe Renault depends in particular on the robustness of the legal framework protecting its patents and other intellectual property rights. For example, Renault cannot guarantee that its intellectual property rights will not be misused or contested by third parties. Such misuse or claims could have a negative impact on the Group's activity, results and image.

**Management procedures and principles**
With regard to legal and regulatory changes, Renault requires its subsidiaries to respect the regulations in the countries in which the Company operates. Renault is in constant dialog with the national and regional authorities responsible for regulations specific to the automotive segment, in order to anticipate changes and ensure the Group's compliance with laws and regulations.
All disputes, governmental or legal proceedings and arbitrations are subject to regular review, particularly at year-end. After seeking the opinion of the appropriate advisers, the Group sets aside any provisions deemed necessary to cover the estimated risks (see note 20 "Change in provisions" to the consolidated financial statements).
Finally, in general, the internal control of legal risks is organized around three guiding principles:

- management of the Group's legal function, which is organized around a central function and employees within the different countries. These employees report to a hierarchical line and a functional line;
- employees of the legal function are proactive in anticipating legal risks upstream and adapting the corresponding procedures (advisory consultations, information from the central legal function, etc.);
- regulatory monitoring by Groupe Renault in collaboration with the different countries concerned.

**Fiscal risks**

**Risk factors**
Uncertainties in the interpretation of texts or the execution of the Company's fiscal obligations.

**Management procedures and principles**
Groupe Renault has always adopted a reasonable fiscal policy to safeguard its shareholders' interests while preserving the relationship of trust with the States in which it operates.
Depending on their remit, Renault's central and local tax teams work with governments and implement the Group's fiscal policy, with the main objective of ensuring compliance with its national and international tax obligations.
Technical discrepancies may however be detected during audits and could lead to tax disputes, particularly due to uncertainties in the interpretation of laws or the performance of Renault's tax obligations. Where necessary, after analyzing the materiality of the risk, provisions are booked in the financial statements to reflect the financial consequences of these discrepancies.

**IT risks**

**Risk factors**
The Group's business depends in part on the smooth running of its IT systems. These are under the responsibility of the Renault Information Systems department, which has put in place a security policy, technical architecture and processes to control risks associated with the following:

- the service continuity of the datacenter, which contains some 5,000 servers hosting around 3,000 IT applications. Redundancy is built into the IT architecture of the 11 applications that support strategic business processes and related applications, so that these can resume service in less than a week after a physical incident;
- cyber crime: global computerized attacks or attacks targeting the Group in particular, for example in response to events widely reported in the media or simply to make money (through the resale of

information, blackmail, etc.). Such attacks aim to steal or alter sensitive data (*i.e.* confidential or personal information), crash applications or the Group's entire intranet network, and corrupt applications or disrupt service (deface websites, etc.). These attacks are increasingly frequent and target all companies. They exploit new vulnerabilities such as the Internet of things, the connected car, etc. Cybercrime can take place over the Internet or *via* the internal network. It may be facilitated by negligent or careless behavior;
- non-compliance with IT standards or practices required by legislation, external authorities or contracts with suppliers. The risk of exposure to this non-compliance does not cover IT activities outside the purview of the Renault Information Systems department (*e.g.* certain shadow cloud applications, etc.).

These risks can have a significant financial impact in the form of penalties or business interruption. They can adversely affect the Group's brand image and/or lead to a loss of competitive advantage.

**Management procedures and principles**

Risks are controlled, in particular, through the following:

- **at operational level:**
  - a process for defining security requirements implemented as part of IT projects, depending on the criticality of the applications and data used; these requirements take into account technology trends, such as cloud-based services,
  - management of IT security (infrastructure, data, processing, etc.) *via* a network of IT security specialists in each business function,
  - a high level of protection for the Group's IT network, such that resources can be used safely not only by suppliers, partners and the dealership network, but also by entities based in high-risk countries,
  - compliance checks carried out jointly by Renault's Information Systems department, the Protection and Prevention department (D2P) and the Audit department (DAMRO),
  - awareness-raising activities for employees and partners;
- **at organizational and governance level:**
  - an IT Risks Committee chaired by the member of the Group Executive Committee (GEC) responsible for IT risk, and coordinated by the Group IT Security department, which reports to the Renault Information Systems department. This committee brings together the Audit, Risk Control and Organization Director, the D2P Director, the Director of the Renault Information Systems department and the Director of Alliance IT Services,
  - governance committees coordinated by the Group IT Security department, which carries out inspections at operational level to check the effective application of IT security procedures, in line with the Information Systems Security Policy and best practices.

**Key IT security projects carried out in 2015 covered the following areas:**

- **inventories of applications and systems:**
  - maintaining the inventory of applications supporting strategic Group processes, to ensure that these applications can be restarted as a priority in the event of an incident,
  - maintaining the inventory of systems hosting confidential data and personal information;
- **verification of the robustness of systems, machines and IT crisis management processes:**
  - work to detect advanced attacks on sensitive areas of the Company,
  - intrusion testing on systems installed on the intranet and in connected vehicles,
  - periodic vulnerability testing on about 800 machines hosting Renault applications accessible *via* the Internet,
  - actions to improve intranet and mobile handset security,
  - preparation for a potential IT crisis by reconstructing and performing crisis management exercises;
- **security support for projects:**
  - security support for strategic international partnership projects (AVTOVAZ, DRAC, Daimler, etc.),
  - project support in drawing up contracts with suppliers for the purchase of "cloud" services;
- **the introduction of systems to protect access to the intranet and anticipate attacks:**
  - the implementation of a pilot based on the intranet access protection standard (802.1.x),
  - the deployment of a Security Operation Center (SOC) for the infrastructure, analyzing weak signals and improving our response in the event of an attack;
- **coordination of the network of security officers within the various business lines and in the different countries in which the Group operates;**
- **awareness-raising and training of users on IT risks.**

**Risk arising from pension liabilities**

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

**Approach and pension systems**
Over the past 10 years, Renault has developed defined-benefit plans which do not incur any other financial commitment for Renault besides the regular payment of the Company contributions.
Note 19 C to the consolidated financial statements provides detailed information on the definitions of the different pension schemes, the associated risk management and actuarial assumptions used, as well as the impact of these schemes on the financial statements.

**Operational risks**

**Risks linked to product development**

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

**Management procedures and principles**
New models and powertrains are developed based on an analysis of customer demand and expected profitability. This is calculated based on:
- **income:** based on customer studies, sales volumes, market shares, forecast prices, and the projected life cycle;
- **expenditure:** based on the total initial outlay for the project, the expected unit costs and projected life cycle.

When the reference assumptions used are called into question (markets, segments, bodywork type, or a fall in volumes, increased outlay/unit costs), the expected profitability may drop.
When this profitability is downgraded, the Group may have to recognize a loss in value on the fixed assets used (investment and capitalized development costs, which are amortized over the life cycle of the vehicle) or book a provision aimed at covering the contractual indemnities to be paid, where necessary, in the event that the minimum purchase volume is not met.
The coordination of vehicle and subsystem projects requires management of the sensitivity of profitability to variations in the income and expenditure assumptions. More specifically, the Tornado Chart tool lists the risks and can simulate projected impacts, both negative and positive, in order to:
- highlight the robustness of projects in response to environmental changes;
- determine the countermeasures required to reduce exposure to these risks as far as possible or hedge against them.

Each vehicle and subsystem Programme Director is responsible for permanently managing this risk. The risk management system is presented at each development milestone, within the Group Product and Programs department, and to the members of Group Senior Management.
From a more general perspective, to ensure the robustness of the product range plan and minimize risks, the Group:
- maximizes the distribution of the same model in different markets, which reduces its exposure to possible fluctuations in one of these markets;
- offers a varied, balanced product portfolio that meets customer expectations in different segments and markets, so as to reduce the risk of dependency on a single market or customer type.

**Supplier risks**

**Risk factors**
Controlling supplier risks is a major challenge for automotive manufacturers due to the significant contribution of suppliers to the vehicle’s cost price. Any default, even if this concerns just one supplier from

the entire panel, can generate considerable impacts on production at the Group's plants and the development of future projects.
Renault must also apply a very accurate system to control supplier risks relating to all aspects of the supplier relationship: design and development – manufacturing, logistics and quality – solvency and financial sustainability.

**Management procedures and principles**
The Renault Nissan Purchasing Organization (RNPO) is responsible for managing its supplier risks and uses five main systems to this avail:

- **a prevention policy** aimed at making suppliers responsible upstream for their own risks, particularly with regard to the supply chain;
- **the use of Renault-Nissan standards** for design, validation and specification compliance for products under development;
- **processes to detect non-compliance** in the quality of delivered parts and their traceability;
- **permanent monitoring of supplier risks** in relation to operations, finance and corporate social responsibility;
- **a system to implement action plans** in the event that supplier non-compliance or risk is detected.

This control also involves several dedicated departments: a Risk Management and Control department, a network of financial analysts, and a dedicated Corporate Social Responsibility department. These departments work very closely with the RNPO operational purchasing managers at global level.

**<u>Prevention and detection</u>**
The upstream prevention policy relates to natural disaster risks in particular. Renault and Nissan have a Business Continuity Plan, which was created following the disasters in Japan and Thailand in 2011. All suppliers complete a questionnaire annually to evaluate replacement solutions in the event of a natural disaster.
Risks linked to the compliance of products designed and developed by suppliers are managed *via* the Alliance New Product Quality Procedure (ANPQP), to which all suppliers must comply. It contains strict steps and procedures for validation and compliance using a score chart to rate the severity of faults in parts during the design stage.
With regard to risks linked to mass production, Renault pays particular attention to capacity and quality risks:
In order to manage risks linked to capacity shortfalls on the part of suppliers, Renault uses a capacity benchmarking process based on an annual questionnaire to anticipate capacity requirements and solutions two years in advance.
With regard to the quality of mass-produced products, Renault has a management system that is applied by more than 300 experts worldwide. This system is based on an audit matrix common to Renault and Nissan, which has been created according to the model in ISO TS 16949.
To manage supplier risk at group, entity and plant level, the Group incorporates its own standards into operating and financial plans and uses internal and external experts as far as CSR standards are concerned.
Operational risks are anticipated and monitored *via* annual ratings conducted by the buyers and experts in supplier risk, using a multi-criteria matrix to evaluate the quality of the shareholders and management, site competitiveness, their investment capacity and technological risk, as well as strategy, and commercial dependence on their main customers. RNPO rules require supplier sites to be inspected at least once a year by a member of the Purchasing department so that supplier ratings can be visually corroborated.
Financial risks are monitored by a network of Renault-Nissan analysts deployed in all countries in which the Renault and Nissan groups operate. These analysts evaluate the risk of supplier default based on a matrix of criteria common to Renault and Nissan. They compare their conclusions with scores from rating agencies, scores from Banque de France and recommendations from credit insurers, etc.

**<u>Risk management</u>**
Suppliers at risk are presented to and managed by Purchasing Risk Committees. These committees exist at Group level and for each local Purchasing department. They are multidisciplinary bodies chaired by the Purchasing department and are attended by all functions concerned by supplier risk: finance, legal, control, logistics, communication, public affairs and human resources.

The Purchasing Risk Committee determines the action plans to be implemented in collaboration with suppliers in order to reduce their risk, improve their competitiveness and ensure the long-term security of the supply chain.
Suppliers are formally notified of the need to implement action plans. The implementation of these plans is monitored by the purchasing teams responsible for controlling supplier risks, the network of financial analysts and the operational purchasing managers, notably *via* quarterly performance reviews. These reviews also facilitate the examination of all elements of the supplier relationship: design, capacity response in terms of volumes, quality, costs and logistic compliance.

**Risks relating to raw materials – securing resources**

**Risk factors**
The risk identified concerns potential restrictions to the supply of raw materials.

**Management procedures and principles**
Certain raw materials used in the automotive industry are considered strategic since any restriction in the supply chain could impact production. The Environment, Energy and Strategic Raw Materials area of expertise was created in 2010. This expertise feeds the internal control bodies (Raw Materials & Currency Committees and Raw Material Engineering Technology Steering Committee).
Renault’s expertise in this area has in particular enabled the development of a methodology to objectify the criticality of raw materials based on:
- supply risks and cost variations (see Risks relating to raw materials – price guarantees);
- importance and impact for Renault (depending on the volumes consumed and purchase prices).

The evaluation uses objective criteria to rank these risks by type and scale, for example, supply and demand scenarios for the materials concerned, the number and exposure of players producing these materials, Renault’s capacity for recycling or not, and replacement if necessary. This criticality matrix has enabled the identification of the materials to which the Renault is exposed and the preparation of strategies to secure the resources used directly or through supplier parts and components, and includes levers such as reduced usage and the implementation of internal recycling and/or replacement processes.
The Group has been recognized for its commitment to the development of processes to recycle materials from the destruction of end-of-life vehicles, particularly through its subsidiary INDRA (a joint venture with Suez Environnement), the collection and processing of parts and materials through its subsidiaries Gaia (automotive sector) and BCM (metal waste), and with innovative partners such as the European Life+ ICARRE95 project, which ended in 2015. Together these operations help to secure the supply of materials for the Group (recycled polypropylene, aluminum, copper, platinum, palladium, rhodium, etc.). They are managed by Renault Environnement.
The expertise developed by Renault on criticality analysis methodology has become a benchmark. France’s Interministerial Committee for Strategic Metals (Comité interministériel pour les métaux stratégiques, COMES) notably asked Renault to oversee an industry-wide working group to identify and assess the needs of French industries for strategic raw materials from 2011 to 2014. All industry sectors now have access to a tool for self-diagnosing exposure to raw materials risk. This tool can form the basis of an overall approach to risk management, with public authorities providing support in respect of any priority areas for action that might be identified.

**Risks linked to manufacturing facilities**

**Risk factors**
The Group’s exposure to industrial risk is potentially significant as a result of the production of certain vehicle models and components being concentrated at one or two sites (see the table of manufacturing sites in section “(IV) MAIN MANUFACTURING SITES”) and the interdependence of its production facilities.

**Management procedures and principles**
For the past 25 years, in consultation with its insurers, the Company has therefore adopted an ambitious and rigorous prevention policy, which is now applied at all production sites. This policy covers personal safety as well as property security and business continuity.
For many years, the Group has endeavored to reduce the risk of fire, explosion and machine breakdown, giving priority in this effort to production sites, as well as engineering and testing centers and the most

strategically important logistics platforms. Most existing plants have achieved a high level of prevention and protection, recognized *via* the “Highly Protected Risk” (HPR) rating, an international standard awarded by insurance companies that verify the application of prevention and protection rules every year across nearly 50 sites. More than 93% of the insured assets within the industrial, engineering and logistical scope covered by Groupe Renault’s accident insurance programme have received the “Highly Protected Risk” rating from the Group’s insurers, in recognition of efforts made and in line with the HPR programme rollout plan. This high degree of control over risks, which is recognized by insurers, has a direct positive impact on the terms at which the Group is able to buy insurance cover.

Risks linked to natural disasters such as storms, flooding, typhoons (mainly in South Korea) and earthquakes (particularly in Romania, Chile and Turkey) are incorporated into the Group’s prevention policy. Since 2008, structural building reinforcement and efforts to secure facilities and industrial plant have been undertaken at sites where there is a risk of earthquakes, as well as organizational measures such as training and emergency drills.

The implementation of this prevention policy is supported, in particular, by a specialized central team that works with the Group’s insurers to define and update standards for worldwide application, as well as taking part in all projects to modernize or extend existing plants or open new ones. This France-based central team is supported by regional hubs in Spain, Romania and South America, as well as a network of field teams at each production site.

Alongside the systems and policies put in place to reduce the environmental impact of vehicles in the design, manufacture, operation and recycling phases, environmental risk at Renault also covers environmental impacts arising from malfunctioning facilities and pollution caused by past activities at sites. Although Renault has no high environmental risk facilities, it has put in place a management system to guard against environmental risk. This system is ISO 14001 certified and has, since 2005, been integrated into the Alliance Management Way (AMW) in the form of instructions on the management of chemical products and waste at workstations.

A team of business specialists coordinates the tasks performed by the system. These specialists are supported at each production site by a network of local teams. Techniques and structures for identifying risks, quantifying their impact, organizing prevention and protection, and defining controls are implemented at all the Group’s manufacturing sites.

Methods and tools have been defined for all management stages: risk identification, choice of prevention and/or protection solutions, management and training procedures.

A scorecard of environmental and energy impact data is also audited by the statutory auditors.

**Risks linked to the distribution network**

**Risk factors**

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

**Management procedures and principles**

The financial health of dealerships is monitored by Renault, as well as by RCI Banque in countries in which the latter operates. A dealer rating system is used to prevent and limit the risk of default.

In other countries, Renault puts in place a credit monitoring system. The subsidiaries also actively direct the network’s productivity to proactively manage this risk.

Monthly meetings of the Risks Committees are organized at country level, with RCI, and a Risk Monitoring Committee meets at head office if the risk level justifies increased monitoring, based on periodic reporting of the financial health of the network and receivables.

Default risk is transferred to RCI Banque in those geographical regions in which RCI has special purpose vehicles to carry risk arising on the network and personal customers. If RCI Banque cannot handle this risk, the Group either carries it directly or transfers all or part of the risk to local banks.

A reporting system was introduced as part of the credit management system, including indicators for monitoring Automotive’s trade receivables.

These tools improve the monitoring and management of payment terms and help manage customer risk and portfolio quality more effectively.

**Insuring against operational risks**

Within Groupe Renault, protection against operational risk has two facets:
- high-impact, low-probability risks are transferred to the insurance and reinsurance markets;
- common risks that are statistically known and whose financial impact can be predicted are provisioned by the Group, unless there is a legal requirement to insure them.

The Insurance department conducts negotiations and directly entrusts financially solvent insurers with worldwide programmes. The Insurance department is actively involved in defining the Group's prevention and protection policy. As such, the nature and scope of cover is determined *via* a preliminary risk analysis of operating entities. This approach is used for the following types of risk:
- transportation and storage of vehicles in depots: the Alliance buys a capacity of €295 million per claim with a deductible of €100,000 per claim for damage caused to vehicles in depots and €45,000 per claim for land transportation;
- property damage and operating losses: the Alliance buys a capacity of €1.75 billion per claim with sub-limits on certain types of guarantees, particularly natural disasters and machinery breakdown (consequential operating losses are assessed at Group level). Deductibles for the Group's manufacturing activities may amount to €5 million per claim.
- civil liability: the Group buys a capacity of €200 million to cover general civil liability and civil liability related to products and repairs performed by Renault Retail Group commercial subsidiaries. Specific civil liability cover relating to the environment has been subscribed for the amount of €30 million.

Renault's insurers partially reinsure these global programmes with Motor Reinsurance Company (MRC), a captive reinsurance company wholly owned by the Group. Renault's policy is to reinsure high-frequency risks (whose occurrence is statistically predictable) through its captive reinsurance company, and only call upon outside insurers for low-frequency risks whose economic impact justifies spreading the risk on the insurance market. This policy has enabled the Group to keep the cost of insurance services from outside insurers almost constant, despite the Group's continuous expansion in international markets.

**MRC mainly operates as follows:**
- transportation and storage of vehicles in depots: MRC covers up to €10 million per incident with a maximum annual commitment of €25 million. It provides protection for depots exposed to natural hazards such as storms and hail, in particular in France, Slovenia, Brazil, Spain and Algeria, using appropriate means, such as nets or the installation of photovoltaic panels;
- property damage and consequential operating losses: up to €15 million per incident, with a maximum annual commitment of €15 million;
- civil liability: up to a maximum annual commitment of €2.3 million.

MRC also covers loss on Group employee benefit schemes for up to €7.5 million per year.
Finally, some risks, such as defects covered by manufacturer's warranties and vehicle recall campaigns, are not insured.
The reasons for keeping deductibles high include the Group's consistent policy of prevention, and a desire to make each risk-bearing entity more accountable.

## Financial risks

### Risks relating to raw materials – price guarantees

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

#### Management procedures and principles
Renault uses several means to guarantee price stability over the fiscal year. The first consists of contracting purchasing prices at fixed prices over periods covering several months. This type of contract is used for raw materials that are not indexed in the financial markets. The second is to hedge risks linked to indexed materials. The Group relies on its Renault Finance subsidiary to execute these hedging transactions in the financial markets. Over-the-counter cash-settled swaps are used for these hedging operations. In 2015, Renault hedged a maximum of 70% of the monthly purchase volumes of aluminum, lead, copper, palladium and platinum, as soon as French market prices dropped below the limits validated by the Chairman and CEO. In order to monitor changes in the price of raw materials more closely and examine future trends, an *ad-hoc* committee, the – Raw Material and Currencies Committee (RMCC), is responsible for setting guidelines that

all corporate functions must follow, particularly the Purchasing department. The RMCC is a joint committee of the Alliance: its Chairman is the Managing Director of the Renault-Nissan Purchasing Organization (RNPO) and it is supported by functions such as the Strategy and Planning department and Renault Finance. A Raw Material Operational Committee was also created in late 2010. This committee is also chaired by the Managing Director of RNPO and meets on a monthly basis. It deals more specifically with operational problems relating to the purchasing of raw materials for Renault. All opportunities to reduce the impact of raw materials on Renault's results are studied. The Raw Material Operational Committee also ensures that any fall in prices on the raw materials market in 2015 gives rise to a fall in the purchasing price of parts.

## Liquidity risks

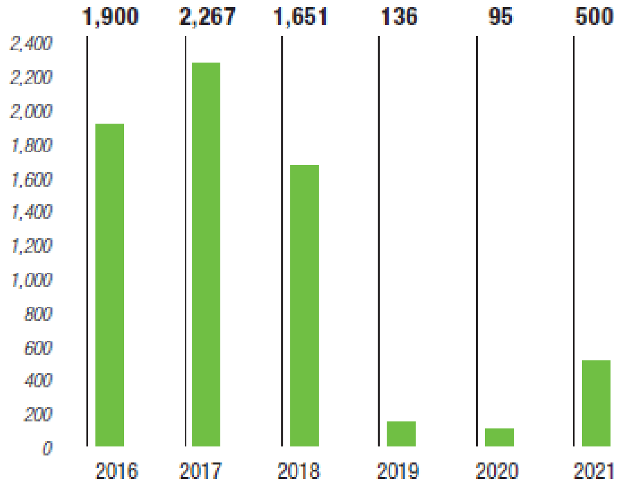
### Risk factors

Automotive must have sufficient financial resources to finance the day-to-day running of the business and the investment needed for its expansion. For this, Automotive borrows regularly from banks and on capital markets to refinance its gross debt and ensure its liquidity. This creates a liquidity risk if markets are frozen during a long period or credit is hard to access.

### Management procedures and principles

Under its centralization policy, Renault raises most of the refinancing for Automotive in the capital markets, mainly through long-term financial instruments (bonds and private placements), short-term financing such as commercial paper, or in the form of financing obtained from public or parastatal institutions.
To this end, Renault has an EMTN bond programme for a maximum of €7 billion, an issue programme under the Shelf Registration scheme on the Japanese market for the sum of ¥200 billion and a commercial paper programme for a maximum of €1.5 billion. The contractual documentation covering these financing arrangements, including bank finance, does not contain any clauses that could affect the continued supply of credit as a result of changes in either Renault's credit rating or its financial ratios. Some types of financing, particularly market financing, are covered by standard market clauses (*pari passu*, negative pledge, cross default).
A maturity schedule of Automotive's financial liabilities is presented in note 23-B1 to the consolidated financial statements.

**RENAULT SA – MATURITY SCHEDULE FOR REDEMPTION OF BONDS AND EQUIVALENT DEBT AT DECEMBER 31, 2015(1)**




(1) *Nominal amounts valued at December 31, 2015 in million euros.*

Renault also has credit lines confirmed with banks, none of which had been drawn in 2015. They constitute a liquidity reserve for Automotive (see note 23-A to the consolidated financial statements).
Their contractual documentation does not contain any clauses that might adversely affect credit availability or continuation as a result of a change in Renault's credit rating or financial ratio compliance.
In view of its available cash and committed credit lines not drawn at the reporting date, Automotive has sufficient financial resources to honor its commitments for the next 12 months (see note 25-B1).

**RENAULT'S RATING**

| AGENCY | RATING | OUTLOOK | REVISION | PREVIOUS RATING |
|---|---|---|---|---|
| Moody's | Baa3/P3 | Stable | 02/18/2016 | Ba1/NP positive |
| S&P | BBB-/A3 | Positive (since 19 April 2016) | 04/22/2015 | BB+/B positive |
| Fitch | BBB-/NR | Stable | 11/10/2014 | BB+/ NR positive |
| R&I | BBB+ | Stable | 03/31/2009 | A/NR negative |
| JCR | A- | Stable | 12/09/2011 | BBB+/- |

*On 22th April 2015, S&P upgraded Renault SA's rating from BB+ to BBB- and the outlook from positive to stable.*
*On 18th February 2016, Moody's upgraded Renault SA's rating from Ba1 to Baa3 and the outlook from positive to stable.*
*On 19th April 2016, S&P confirmed Renault SA's rating of BBB- and revised the outlook from stable to positive.*

Any downgrade in these ratings could limit and/or increase the cost of access to capital markets.

**Currency risks**

**Risk factors**
Automotive is exposed to currency fluctuations through its industrial and commercial activities. This risk is monitored or centralized within the Automotive Cash Management and Financing department.

**Management procedures and principles**
Foreign currency transactions are carried out by Renault Finance on currencies tradable on international markets.
Exchange rate fluctuations may have an impact in six Group financial aggregates (see note 25-B2 to the consolidated financial statements):

- operating margin;
- working capital requirement (WCR);
- net financial income;
- share in the net income of associated companies;
- shareholders' equity;
- net financial debt.

**Operating margin:** Automotive's main exposure to currency risk relates to the operating margin, which may be affected by exchange-rate fluctuations in operating flows. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management. The Group estimates that, based on the structure of its results and its operating cash flows for 2015, a 1% appreciation in the euro against all other currencies would have an impact of -€55 million on its annual operating margin.

**RENAULT – ANNUAL NET AUTOMOTIVE OPERATING CASH FLOWS IN FOREIGN CURRENCIES AT DECEMBER 31, 2015 AND IMPACT ON THE OPERATING MARGIN**
The main exposure in 2015 concerned the pound sterling, amounting to a sensitivity of around -€18 million for a 1% rise in the euro. The 10 main exposures in absolute value and their sensitivities are presented below, in millions of euros:

| CURRENCY | | ANNUAL OPERATING FLOWS | IMPACT OF 1% APPRECIATION IN THE EURO |
|---|---|---|---|
| Pound sterling | GBP | 1,751 | (18) |
| US dollar | USD | 662 | (7) |

| | | | |
|---|---|---|---|
| Russian rouble | RUB | 656 | (7) |
| Algerian dinar | DZD | 641 | (6) |
| Polish złoty | PLN | 557 | (6) |
| Argentinean peso | ARS | 516 | (5) |
| Swiss franc | CHF | 349 | (3) |
| Colombian peso | COP | 313 | (3) |
| Romanian lei | RON | (589) | 6 |
| Turkish lira | TRY | (819) | 8 |

**Working capital requirement:** just like the operating margin, WCR is sensitive to exchange rate fluctuations. Currency hedges must be formally authorized by the Finance department or Senior Management. Once such hedges have been put in place, their results are reported to Senior Management.
**Net financial income:** the key principle of the Group's management policy is to minimize the impact of currency risk on net financial income. All Group currency risk exposures affecting net financial income are aggregated and monitored by the Central Cash Management department and reported on a monthly basis to the Chief Financial Officer.
Investments by Automotive subsidiaries are partly financed through equity injections. Other financing requirements are usually met by Renault SA in local currency. Foreign currency funding provided by Renault is hedged in the relevant currencies, thereby ensuring that exchange rate fluctuations do not distort net financial income.
When local circumstances prevent Renault from refinancing a subsidiary under reasonable conditions, that subsidiary may call on external sources of funding, under the control of the Renault's Central Cash Management. Where external financing in non-local currencies is necessary, it is closely monitored by the parent company. Cash surpluses recognized in countries not pooled at parent company level are usually invested in local currency under the supervision of Central Cash Management.
Renault Finance may also engage in foreign exchange transactions for its own account within strictly defined risk limits. Its foreign exchange positions are monitored and marked to market in real time. Such proprietary transactions, intended chiefly to maintain the Group's expertise on financial markets, involve only very short-term exposures and do not exceed some tens of millions of euros, and are managed in such a way as to avoid material impacts on Renault's consolidated financial statements.
**Share in the net income of associated companies:** on the basis of their contributions to 2015 net income, a 1% rise in the euro against the Japanese yen or the Russian rouble would have decreased Nissan's contribution by €20 million and led to a reduction of €6 million in the loss contributed by AVTOVAZ. These impacts correspond only to the impact of euro fluctuation on the contribution these entities make to Renault relative to their operating currency; it excludes the inherent impact of euro fluctuations on the entities' own financial statements, given that those two groups both do a more or less significant level of eurozone business that Renault has no control over.
**Shareholders' equity:** equity investments in currencies other than the euro are not usually hedged. This may lead to translation adjustments, which the Group recognizes in shareholders' equity. However, given the size of the investment in Nissan, Renault's share in Nissan's net worth has been partially covered by a specific foreign exchange hedge (see note 12-G to the consolidated financial statements).
**Net financial debt:** as stated above, a portion of Renault's financial debt is denominated in yen in order to cover part of the Company's investment in Nissan. A 1% increase in the value of the euro against the yen would reduce Automotive's net debt by €11 million. Moreover, Automotive net financial debt may be affected by currency fluctuations on subsidiaries' financial assets and liabilities denominated in their home currency.
*(An analysis carried out to measure the sensitivity of financial instruments to currency risk can be found in note 25-B-2 to the consolidated financial statements).*

**Interest rate risks**

**Risk factors**
Interest rate risk can be assessed in respect of debt and financial investments and their payment terms (*i.e.* fixed or variable rate). *(Detailed information on these debts is set out in note 23 to the consolidated financial statements).*

**Management procedures and principles**

The interest rate risk management system for Automotive is based on two principles: long-term investments are generally financed at fixed rates, while liquidity reserves are generally established at floating rates. Fixed rates are swapped to floating rates to maintain a balance between floating rate liabilities and floating rate assets, when the yield curve is not sufficiently close to zero. Furthermore, yen-denominated financing to hedge Nissan's net worth is taken out at fixed rates.

A maturity schedule of Automotive's financial liabilities can be found in note 23-B1 to the consolidated financial statements. As far as possible, Automotive's available cash is pooled centrally by Renault SA. It is then invested in short-term bank deposits through Renault Finance.

Renault Finance also trades for its own account in interest rate instruments within strictly defined risk limits. The resulting positions are monitored and marked to market in real time. This activity carries very little risk and has no material impact on the Group's results.

*(An analysis carried out to measure the sensitivity to interest rate risk can be found in note 25-B-3 to the consolidated financial statements).*

**AUTOMOTIVE FINANCIAL ASSETS AND LIABILITIES BY MATURITY AND TYPE OF RATE AT DECEMBER 31, 2015 (WITHOUT RENAULT REDEEMABLE SHARES)**

| (€ million) | | LESS THAN 1 YEAR | MORE THAN 1 YEAR | TOTAL |
|---|---|---|---|---|
| | Fixed rate | 245 | 31 | 276 |
| | Floating rate | 12,307 | 13 | 12,320 |
| **Financial assets** | | **12,552** | **44** | **12,596** |
| | Fixed rate | 3,134 | 4,577 | 7,712 |
| | Floating rate | 1,260 | 637 | 1,896 |
| **Financial liabilities before hedging** | | **4,394** | **5,214** | **9,608** |
| | Fixed rate/Floating | 1,787 | 475 | 2,262 |
| | Floating rate/Fixed | 13 | 135 | 148 |
| **Hedgings** | | **1,799** | **610** | **2,410** |
| | Fixed rate | 1,360 | 4,238 | 5,598 |
| | Floating rate | 3,034 | 976 | 4,010 |
| **Financial liabilities after hedging** | | **4,394** | **5,214** | **9,608** |

**Counterparty risk**

**Risk factors**

In managing currency risk, interest rate risk and payment flows, the Group enters into transactions on the financial and banking markets for the placement of its surplus cash which may give rise to counterparty risk.

**Management procedures and principles**

Management of counterparty risk incurred by Group entities is fully coordinated and uses an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Groupe Renault companies exposed to counterparty risk. Some Group companies have significant exposure to counterparty risk owing to the nature of their business. These companies are monitored daily to ensure that they comply with authorized limits by counterparties, in accordance with specific internal control procedures.

The Group produces a consolidated monthly report that encompasses all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Deposits are made essentially with major network banks in order to spread risks and mitigate systemic risk. Furthermore, they are principally made on an overnight basis or for durations not exceeding 90 days.

In 2015, the Group suffered no financial loss as a result of the failure of a banking counterparty. The Group does not trade in the credit derivatives market.

## RISK FACTORS LINKED TO SALES FINANCING (RCI BANQUE)

As indicated in the introduction to “RISK MANAGEMENT” above, the operational sector “Sales Financing” (RCI Banque) has its own risk management system that complies with banking and insurance regulations. Under the banking regulations, RCI Banque is subject to monitoring by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Furthermore, on November 10, 2015, RCI Banque received notification that it would be moving under the supervision of the European Central Bank with effect from January 1, 2016.

### Risks linked to the Company’s environment

#### Geographical risks

**Risk factors**
RCI Banque has operations in several countries. It is therefore subject to risks linked to activities pursued internationally. These risks include, in particular, economic and financial instability, and changes in government, social and central bank policies. RCI Banque’s future results may be negatively impacted by one of these factors.

**Management procedures and principles**
RCI Banque’s geographical locations are chosen, in the framework of its growth strategy, to support manufacturers, and take into account the risks of instability which are inherent to a global approach.
The scope of the financial policy extends to all of RCI Banque’s consolidated subsidiaries, including those whose refinancing is not centralized.
Subsidiaries located in a country outside the eurozone for which RCI Banque deems the currency transfer and convertibility risk to be significant (in particular Brazil and Argentina) are generally refinanced locally to limit any cross-border risk or is subject to specific insurance (e.g. Russia).

#### Risks arising from economic conditions

**Risk factors**
RCI Banque’s credit risk is dependent on economic factors, particularly the rate of growth, the unemployment rate and household disposable income in the countries in which the RCI group has operations.

**Management procedures and principles**
In a complex economic environment, RCI Banque has put in place systems and procedures that respond to the legal and regulatory obligations that correspond to its banking status and allow it to globally apprehend all of the risks associated with its activities, by consolidating management and control systems.

#### Risks linked to the regulatory environment

**Risk factors**
Legislative and regulatory measures could have a negative impact on RCI Banque and the economic environment in which the RCI Banque group operates.

**Management procedures and principles**
The RCI Banque group has procedures that enable it to treat legislative developments relating to all of its activities globally and to ensure that the Group complies with the texts setting out regulatory requirements.

### Cross-Group risks linked to sales financing

#### Legal and contractual risks

**Risk factors**
Any legislative changes impacting credit lending and insurance at the point of sale as well as regulatory changes linked to banking and insurance activities could impact the activity of the RCI Banque group.

**Management procedures and principles**
RCI Banque conducts legal analyses on newly distributed products and regularly monitors the regulations to which it is subject in order to ensure compliance.

**Fiscal risks**

**Risk factors**
Due to its international exposure, RCI Banque is subject to several national fiscal legislations, which are susceptible to changes that could impact its activity, financial position and results.

**Management procedures and principles**
RCI Banque uses a tax monitoring system and review chart to identify all tax issues concerning the Group. RCI Banque closely monitors the fiscal claims to which it may be subject and, where necessary, it makes provisions to cover the estimated risk.

**IT Risks**

**Risk factors**
The IT department at RCI Banque addresses IT-related risks (infrastructure risks, cybercrime, non-compliance risks, etc.) through its security policy, technical architecture and processes.

**Management procedures and principles**
Risks are controlled, in particular, through the following:
- **at operational level:**
  - overseeing the monitoring and prevention of operational information system risks for the various subsidiaries,
  - coordinating, monitoring and consolidating disaster recovery plan (DRP) testing for RCI subsidiaries,
  - Business Function IT Safety and Security Officers, coordinated by internal control and who report to the RCI Company Secretary and Chief Risk Officer,
  - actions, support and checks performed by the RCI Information System Security Officer, who relies on a network of IT Security Officers in each subsidiary's Information Systems department,
  - a high level of protection for the Group's IT network;
- **at organizational and governance level:**
  - Internal Control, Operational Risks and RCI Group Compliance Committees, led by RCI Permanent Control, in collaboration with the RCI Audit and Periodic Control department and the members of the RCI Management Committee (Group level), or members of the Information System Department Committee (Information System department level),
  - Information System Security Committees led by RCI Information Security, bringing together the RCI Information System Department Committee, to monitor information security measures, in accordance with the Information Systems Security Policy and best practices,
  - security awareness-raising activities and training (e-learning, communications, etc.).

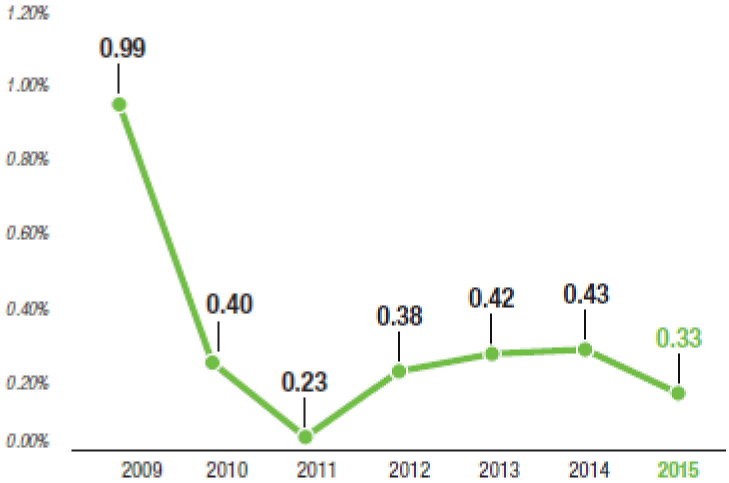
**Credit risks**

**Risk factors**
Credit risk relates to the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the Company. Credit risk is closely linked to macro-economic factors.

**Management procedures and principles**
RCI Banque uses advanced scoring systems and external databases, when this information is available, to evaluate the capacity of retail and business customers to fulfill their commitments. It also uses an internal rating system to evaluate lending to dealers. RCI Banque constantly updates its acceptance criteria to take into account the existing economic conditions (see section "Cross-Group risks linked to sales financing" above).
The Group has detailed management procedures that it applies in all countries in which it operates and which notably include debt recovery processes.

**Management of customer risks**
The customer credit risk prevention policy aims to ensure that the cost of risk objectives fixed as part of the budgetary process for each country and each of its main markets (new and second-hand vehicle customers for retail customers, and business customers) are met. The acceptance criteria are adjusted and the tools (scores and other rules) are regularly optimized for this purpose. The methods or strategies used for the recovery of outstanding or default loans are also adjusted based on customer type and the difficulties encountered. The contract may therefore be terminated prematurely when there is a risk that the loan may not be recovered in the very short term.

**TOTAL COST OF RISK**




*N.-B. Ratio of losses recognized or provisioned during the fiscal year following default by borrowers to average outstandings across the whole portfolio.*

**Policy for granting loans**

Customers who request financing are systematically graded. This facilitates an initial assessment of the file as part of the decision-making process. In addition to the operational process, the acceptance criteria are regularly updated based on the default rate and profitability analysis, which is based on the probability of default and loss in the event of default.

**Recovery**

The statistical models used to calculate the weighted risks and expected loss facilitate monthly updates of the probability of default used to grant loans, by integrating information on the customer's payment behavior. These updates, which provide good visibility of the losses expected on the portfolio as part of the budget process, are also increasingly used as a tool for anticipating the activity of amicable and litigious recovery platforms. Using customer information, recovery scores have been deployed in Spain and South Korea to make the process more efficient.

**Dealer network risk management**

The policy to prevent credit risks within the network aims to ensure that objectives relating to the cost of risks, fixed as part of each country's budget, process are met.

For each subsidiary, Network customers are monitored on a daily basis using short-term indicators, which, together with long-term indicators, allow any issues that might present a risk of partial or total non-recovery of the debt to be identified upstream.

The Network Financing department establishes the risk control procedures centrally. Customers who are identified as at risk are classed as delinquent, pre-alert or alert and are reviewed by the subsidiaries' Risk Committees.

In terms of the Network, all counterparties are systematically scored. All of the sections that constitute the rating, or the rating itself, are integrated into the key operational processes for acceptance, management and monitoring of activity and risks. The provisioning of the network financing business is based on the categorization of the counterparties both individually and by examining target impairment indicators.

The probability of default and the expected losses resulting from Basel are factored into the system resulting in provisioning.

**Financial risks**

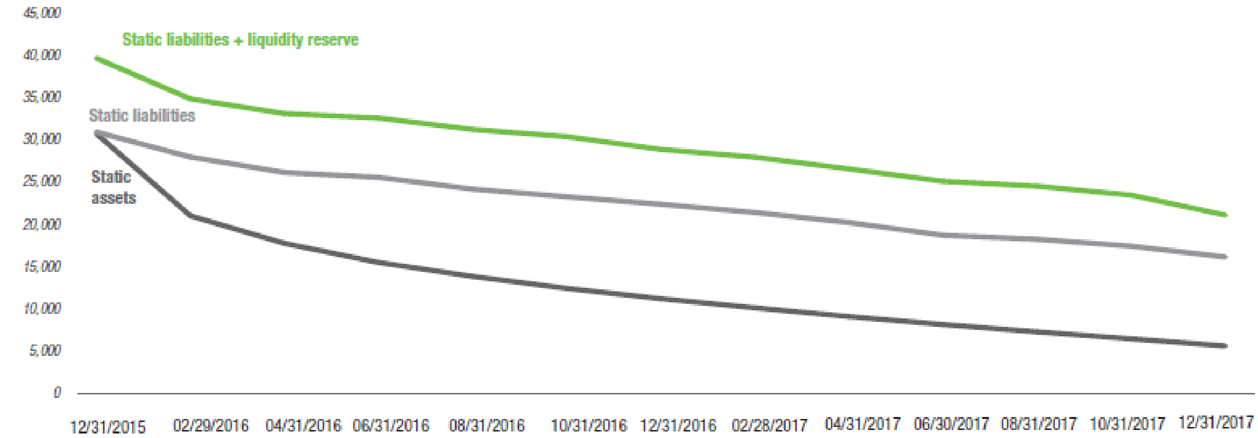
**Liquidity risks**

**Risk factors**

The Sales Financing business depends on access to financial resources: restrictions on access to liquidity could have a negative impact on its financing business.

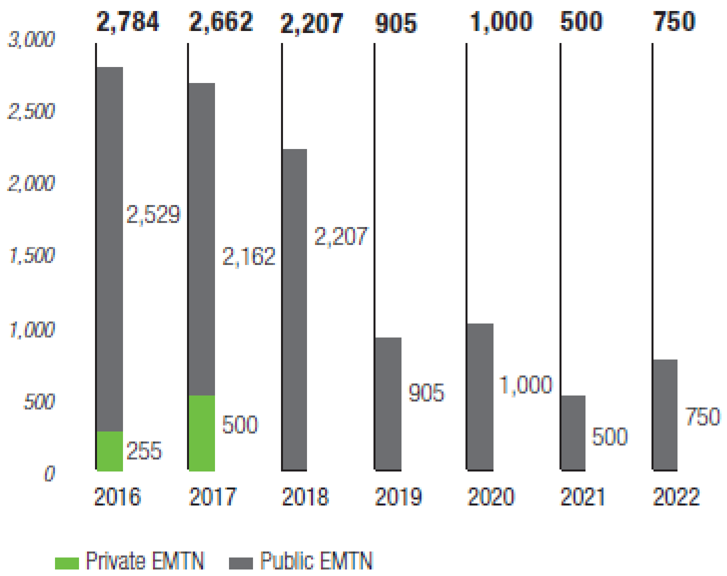
**Management procedures and principles**
RCI Banque must always have sufficient financial resources to ensure the long-term future of its business and development.
The coordination of RCI Banque's liquidity risk is based on several indicators or analyses, which are updated monthly based on the latest estimates of outstanding loans and the refinancing operations performed. Laws relating to the outflow of deposits are subject to conservative assumptions.
The Group has a framework of indicators and limits for its liquidity risk.

**RCI BANQUE GROUP LIQUIDITY POSITION***
in million euros

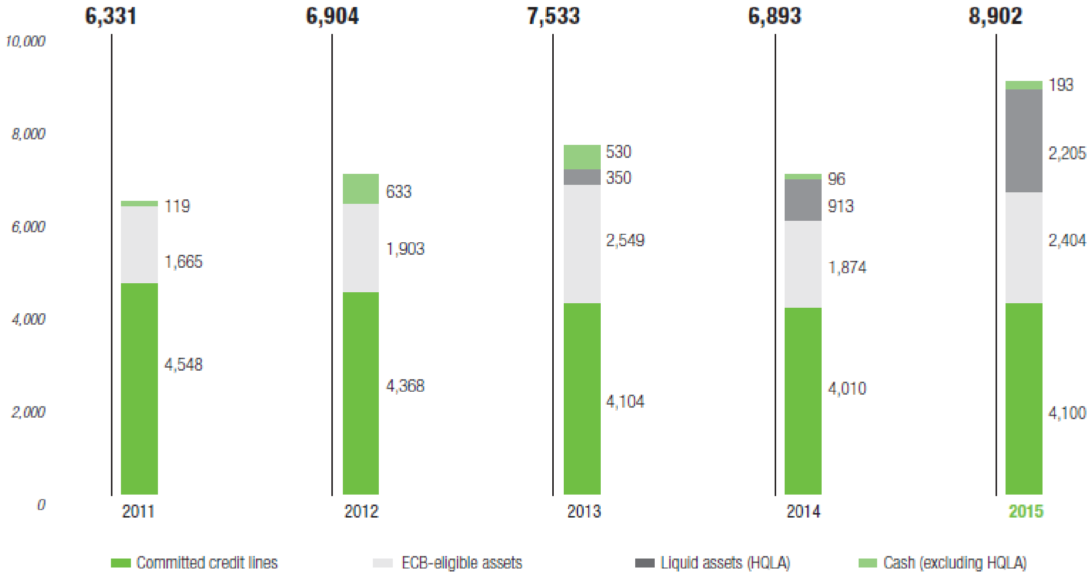



** Europe scope.*

**SCHEDULE FOR BOND ISSUES AT DECEMBER 31, 2015**
in million euros



**RCI BANQUE GROUP LIQUIDITY RESERVE***
in million euros




** Europe scope.*

**RCI BANQUE RATINGS AT DECEMBER 31, 2015**

**RCI Banque Group's programmes and issuances**

The Group's issuances are concentrated on six issuers: RCI Banque, DIAC, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co. Ltd. (South Korea), Companhia de Crédito, Financiamento e Investimento RCI Brasil (Brazil), and RCI Finance Maroc (Morocco).

| ISSUER | INSTRUMENT | MARKET | AMOUNT | S & P | MOODY'S | OTHER |
|---|---|---|---|---|---|---|
| RCI Banque SA | Euro CP Program | Euro | €2,000 m | A-2 (negative outlook) | P2 (stable outlook) | R&I: a-2 (stable outlook) |
| RCI Banque SA | Euro MTN Program | Euro | €14,000 m | BBB (negative outlook) | Baa1 (stable outlook) | R&I: BBB+ (stable outlook) |
| RCI Banque SA | CD Program | French | €4,500 m | A-2 (negative outlook) | P2 (stable outlook) | |
| RCI Banque SA | BMTN Program | French | €2,000 m | BBB (negative outlook) | Baa1 (stable outlook) | |
| Diac SA | CD Program | French | €1,000 m | A-2 (negative outlook) | | |
| Diac SA | BMTN Program | French | €1,500 m | BBB (negative outlook) | | |
| Rombo Compania Financiera SA | Bond Program* | Argentinean | ARS1,000 m | | Aa2.ar | Fix Scr: AA (negative outlook) |
| RCI Financial Services Korea Co. Ltd. | Bond issues* | South Korean | KRW1,100 bn | | | KR, KIS, NICE: A+ |
| CFI RCI do Brasil | Bond issues* | Brazilian | BRL3,149 m | | Aa1.br | |
| RCI Finance Maroc | BSF Program | Moroccan | MAD1,000 m | | | |

** Locally rated.*

RCI Banque (Europe scope) also has €4.1 billion of undrawn committed credit lines, €2.4 billion of assets that constitute eligible collateral for ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA) and €0.2 billion of available cash, allowing RCI Banque to secure the continuity of its commercial business activity for 11 months without access to external sources of liquidity (centralized refinancing scope).

**Foreign exchange risks**

**Risk factors**
RCI Banque is exposed to currency risks which could have a negative impact on its financial position.

**Management procedures and principles**
Sales Financing subsidiaries are required to refinance in their local currencies and therefore have no foreign exchange exposure. No foreign currency exposure is allowed in respect of RCI Banque refinancing, the trading room being used to ensure that all flows are hedged.
RCI Banque's residual exposure for other assets and liabilities (*e.g.* accrued interest not yet due on foreign currency borrowings) is kept at a marginal level for both RCI Banque and Groupe Renault.
However, RCI Banque remains exposed to currency fluctuations due to the conversion into euro of the results of subsidiaries subject to exchange rate fluctuations.

Breakdown by currency:

**GROUP CONSOLIDATED CURRENCY POSITION**

| (€ thousand) | | **AT 31/12/2015** |
|---|---|---|
| **CURRENCY** | | |
| Argentinean peso | ARS | 1,374 |
| Brazilian real | BRL | 2,767 |
| Swiss franc | CHF | 5 |
| Pound sterling | GBP | 98 |
| Hungarian forint | HUF | 194 |
| Polish złoty | PLN | 4 |
| Moroccan dirham | MAD | 1,808 |
| Turkish lira | TRY | 17 |
| Romanian leu | RON | 1,184 |
| Rouble | RUB | 157 |
| Danish krone | DKK | 9,326 |
| Norwegian krone | NOK | 492 |
| Other | | 38 |
| **RCI, TOTAL (SUM OF ABSOLUTE VALUES)** | | **17,465** |

At December 31, 2015, RCI Banque group's consolidated foreign currency position had very slightly exceeded €17.5 million (limit: €17 million).

**Interest rate risks**

**Risk factors**
RCI Banque's operating profit may be affected by changes in market interest rates or rates on customer deposits.

**Management procedures and principles**
Interest rate risk is monitored daily: sensitivity is calculated by currency, by management entity and by asset portfolio, thus verifying that each entity respects its individual imposed limits. Sensitivity to interest rate risk is measured using the same methodology throughout the entire RCI Banque group.
The sensitivity consists of measuring the impact of a 100 bps rise in interest rates on the value of balance sheet flows. The system limits the Group's global exposure and the exposure of each entity.

In 2015, RCI Banque's global sensitivity to interest rate risk remained below the limit set by the Group (€35 million), increased to €40 million from June 8, 2015 to take changes in the size of the RCI Banque balance sheet into consideration.

**Counterparty risk**

**Risk factors**
RCI Banque group is exposed to counterparty risk from its investments of surplus cash, and in its management of currency risk, interest rate risk and payment flows.

**Management procedures and principles**
Counterparty risk is managed *via* a system of limits fixed by RCI Banque, then validated by its shareholder as part of the consolidation of Groupe Renault's counterparty risks. This risk is managed through daily monitoring and summary reports to management.

**Other risks**

**Risks on residual values**

**Risk factors**
The residual value is the vehicle's estimated value at the end of its lease. The performance of the used vehicles market can pose a risk for the owner of these residual values, who is committed to taking back the vehicle at the end of its lease at the originally agreed price. This risk is principally borne by the manufacturers or the dealer network and to a marginal extent by RCI Banque. In the specific case of the United Kingdom, RCI Banque is exposed to the residual value risk on finance where it has a commitment to take back the vehicle.

**Management procedures and principles**
To minimize this risk, the performance of the used vehicles market is closely monitored, taking into account the manufacturer's product and price policy. This applies particularly in cases where vehicles are reacquired by RCI Banque.

**Risks relating to the insurance activity**

**Risk factors**
RCI Banque assumes any risks arising from the customer insurance business and could therefore suffer losses if reserves are insufficient to cover claims made.

**Management procedures and principles**
Reserves are calculated statistically to cover expected losses. The change in technical provisions for our life and non-life insurance companies during 2015 represented €58 million for €241 million in gross premiums written.
Risk exposure is however limited by the diversification of the portfolio of insurance and reinsurance contracts and the geographical zones in which the contracts are taken out.
The Group applies a strict selection process for contracts and adheres to subscription guidelines and uses reinsurance agreements.

## 5. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.:

Not applicable.

## 6. RESEARCH AND DEVELOPMENT ACTIVITIES

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| Net R&D expenses (€ million)* | 1,990 | 1,636 | 1,516 | 1,570 | 1,637 |

| | | | | | |
|---|---|---|---|---|---|
| Group revenues (€ million) as published | 45,327 | 41,055 | 40,932 | 41,270 | 42,628 |
| R&D spend ratio | 4.4% | 3.9% | 3.7% | 3.8% | 3.8% |
| R&D headcount, Group Renault | 16,605 | 16,308 | 16,426 | 17,037 | 17,278 |
| Groupe Renault patents | 479 | 608 | 620 | 607 | 499 |

* *= R&D expenses – R&D expenses billed to third parties and others.*

**THE CAR OF THE FUTURE**
**Four development priorities**
Over the next few years, cars are likely to make an even greater contribution to improving quality of life. Four main trends will shape tomorrow's vehicles:

- safety;
- in-car well-being;
- environmental impact reduction;
- mobility accessible to all.

**Safety**
Considerable progress has been made. ABS and ESP systems have reduced the risk of loss of control, and occupant protection has been improved with the use of airbags and cruise control. Renault has played a major role in making all these systems more accessible. In Europe, the number of road fatalities has been halved over the last ten years. The next milestone in the safety plan will be driverless cars. The challenge is to apply existing aeronautical technology, particularly ADAS – Advanced Driver Assist Systems used in drone technology, to the automotive industry. Sensors, cameras and radars analyze the vehicle's surrounding area. Combined with a data processing system, these tools make it possible to correct the vehicle's trajectory and detect and register not only traffic signs but also obstacles or pedestrians, thereby avoiding collisions. All this replaces the driver. Roads are likely to be safer and less congested within no more than a generation. The elderly and the disabled will be able to get around more easily. This progress will only be possible with a change of legislation. For this to happen, government authorities in all countries will have to take a more proactive approach.

**In-Car well-being**
As a result of increased connectivity, these same technologies will improve in-car quality of life due to the development of driverless operation which will free up more work or leisure time. On average, today's motorists spend two hours a day in their vehicles. This time could be better spent. The autonomy of the vehicle is dependent on its connectivity.
Renault's NEXT TWO prototype, unveiled in 2014, offers driverless operation under certain circumstances and in certain driving conditions, such as traffic jams, for example. In-car videoconferencing systems mean that driverless operation can now be used to best advantage. Videos can also be watched while on the move. At this trial stage, driverless operation is only possible under supervision on a test track, legislation not permitting the use of such prototypes on the open road. This is not, however, the stuff of fiction as these modules already exist and are already operational.
Although the technical feasibility of the system has already been ascertained, legal and liability issues will take time to resolve. In terms of behavior, breakthrough innovations require consumers to have a change of mindset before they are ready to embrace new technology.
In the case in point, the benefit for motorists is so great that change is inescapable. Saving two hours' travel time each day is part of the DNA of the car of the future! Change will come about as a result of the gradual introduction of the modules that comprise this technology.
2018: first vehicles in pioneering countries.
2020: sales and marketing to commence in Europe.

**Environmental impact reduction**
Renault is a carmaker with a strong commitment to reducing its overall environmental impact.
The automotive industry has a full-fledged role to play against global warming, as the transport sector as a whole is responsible for 23% of $CO_2$ emissions related to the production and consumption of energy.
This a major challenge for which Renault has developed several courses of action:

- firstly, lowering $CO_2$ and particulate emissions from existing internal combustion engines. Standards set the pace of this reduction trend. Since the transition to Euro 5 and then Euro 6 in September 2014, the

widespread adoption of the particulate filter has reduced the particulate emissions of new diesel vehicles in Europe to a level below that of vehicles running on gasoline. As part of the "New Industrial France" stimulus package, Renault is working on two main projects: low-consumption vehicles (PFA project[1]) and driverless cars;
- secondly, the development of zero-emissions mobility. In light of environmental issues, the development of electric vehicles is not simply an option but an inescapable necessity. The Renault-Nissan Alliance has sold over 300,000 electric vehicles worldwide, positioning it as a de facto global leader far ahead of its competitors. Despite inadequate infrastructure, long-term trends are pointing to an irreversible dynamic: wherever infrastructure development is accelerating, electric vehicles are experiencing significant growth;
- thirdly, circular economy, which consists of closing the life cycle of materials by maximizing the use of recycled materials and refurbished parts during the manufacturing and lifespan of products. Renault has made this an essential component of its environmental strategy. Among other outcomes, an average of over 30% of each new vehicle manufactured in Europe comes from recycled materials.

**Mobility accessible to all**
For many years now, the automobile has been proven to be a formidable agent of change. Emerging countries will quickly reach at least half of European motorization levels. Cars are still an expensive purchase when taken as a percentage of the average wage. Vehicles termed as low cost in western countries are only accessible to middle income, or relatively well-off, customers in emerging countries. This is why we need to think about products that can make vehicles accessible to all in emerging countries. In 2015, Renault launched KWID, an entry-level vehicle for India, with the aim of offering a modern, robust and reliable car for under €5,000.

**Partnerships**
Reinventing the automobile for the twenty first century: a low energy consumption vehicle, considerably lighter weight, connected and able to substitute in all or part for driver activities; this is a challenge that can only be met collectively. For Renault, collaborative R&D agreements contribute to accelerating the development of the technologies required to meet these challenges, and also to developing skills and cost-sharing. Such contracts are key to speeding up the introduction of innovations into vehicle projects:
Figures at end-December 2015

| Collaborative contracts signed: 81 | | CIFRE agreements: 97 |
|---|---|---|
| European contracts: 39 | French contracts: 42 | |

In parallel, 36 other projects (22 European projects & 14 French projects) are currently underway or being examined by sponsors.
Here are a few examples from the portfolio of projects:
- Odin (Optimized electric Drivetrain by INtegration – European Project);
- GMP DLC[2] (Powertrain, Diamond like carbon Designed for low $CO_2$ – FUI 15 Project);
- HYDIVU (Hybrid diesel powertrain for urban light commercial vehicle – Project from the French programme Investing in the Future);
- ELSA (Energy Local Storage Advance systems – European Project);
- DEISUR (Modeling the effects of DEFects and Integrity of SURface on Fatigue strength in forged components – ANR project).

**Research Agreements with the Atomic Energy Commission (CEA)**
A Research and Development Agreement on clean vehicles and sustainable mobility for everyone was signed with the CEA in 2010. This agreement includes various joint projects covering a wide variety of topics:
- new energy sources in transport;
- the electric and electronic architecture of the future;
- intelligent charging and discharging networks;
- new methods of designing and manufacturing vehicles.

[1] The purpose of the French Automotive Industry Platform (PFA) is to define and undertake actions that contribute to the strengthening of the French automotive industry.

September 2010: signing of a second agreement on new generations of Lithium-Ion batteries for electric vehicles.
September 2011: the Renault/CEA partnership expands with the opening of a joint laboratory at the CEA in Grenoble, staffed by mixed Renault/CEA teams.
July 2012: the initial Renault/CEA agreement on batteries is partially extended to LG Chem, the world leader in Li-Ion batteries and supplier for the ZOE, TWIZY and SM3 EV (Renault Samsung), to reach the next milestone on the road to developing the next generation of batteries.
The positive results of the two previous strategic agreements led Renault and the CEA to continue and extend their R&D cooperation. A new strategic agreement, covering the scope of the two previous agreements, was signed on April 18, 2014 for a five-year period commencing on January 1, 2015.
The global strategic agreement, in force since January 1, 2015, is now supported by the common laboratory team, whose activity, dedicated exclusively to the battery agreement until end-2014, has been extended to all CEA activities. The first year of the global agreement has enabled support for the high potential projects initiated within the two previous agreements and opened new work focuses.

**PSA-Renault Research and Study economic interest grouping**
The PSA-Renault Research and Study economic interest grouping (a form of cooperative venture) houses the cooperation projects between the two manufacturers in shared fields of interest. Historically, the two main areas of study were linked to the LAB, set up in 1969 and focused on accidentology, biomechanics and human behavior, and the GSM, set up in 1980, and working in:
- biofuels;
- diluted gasoline combustion;
- modeling and reducing diesel pollutants for Euro 7;
- engine/motor optimization for hybrid vehicles; and
- low-power internal-combustion engines.

The PSA-Renault EIG also contributed to the creation of two academic chairs, one covering mobility and quality of life in urban environments, and the other, embedded lighting systems.
The Agreement for the RAMSE3S project was signed in 2015. This provides support for GSM research work, within the framework of the Investing in the Future programme.

**Investing in the future**
One of the most ambitious economic programmes launched in 2010 included a €35 billion investment for the future programme launched by the French General Investment Commission (Commissariat Général à l'Investissement). Since then, Renault has submitted several key high-tech projects on the following subjects:
- vehicles of the future: mobility systems, charging infrastructures, combustion drivetrain, electric vehicle drivetrain, lighter vehicles, aerodynamics and structure;
- the circular economy: recycling;
- the digital economy: software engineering.

Renault has submitted projects concerning key strategic areas for the Company and has entered into contracts with the French Environment Agency (ADEME). Among the patents filed or contracted in 2015 are:
- projects to reduce the weight of materials, for example: ALLEGRIA (Economic weight reduction through the use of aluminum), VA3 (Reduction in the weight of windows – Aerodynamics – Acoustics), and SOPRANE (Reduction in the weight of windows – Aerodynamics – Acoustics);
- a structural project to reduce $CO_2$ emissions: ZEUS (Affordable Rechargeable Hybrid), was selected within the framework of the 2l/100 Programme.

Renault is a founder member of the VeDeCom Institute (Zero-Carbon Communicating Vehicles and their Mobility), selected in 2012 by the French General Commission for Investment for the Future. The Institute is operational and Renault employees hold key positions. During its first year of existence, this Institute distinguished itself during the ITS Bordeaux 2015, with a demonstration of Autonomous vehicles driving in urban conditions.

**Competitiveness clusters**
The main competitiveness clusters in which Renault continues to have a major involvement are Mov'eo and System@tic in and around Paris, and ID4Car in western France.
One of the main priorities of the competitiveness clusters is to bring together large groups and small and medium enterprises and universities, to promote collaborative research projects.

Renault's continued role as project leader or partner in projects generated or certified in these clusters, and its involvement in their operation, is due to its active participation in the various governing bodies, including the Board of Directors and offices, scientific and operational committees, and as members or coordinators of strategic activity areas[2], etc.
Since 2013, to meet growing expectations on support for innovative small and medium enterprises, Renault, with the Mov'eo cluster, has implemented regular reviews of the innovations devised by the businesses in the cluster. Following the reviews, partnerships may be formed between a business and Renault to develop innovation. To date, the approach has been mainstreamed to other industrial members of the cluster.

**Renault-CNRS Framework Agreement**
Signed on May 15, 2013, for a four-year period, this strategic partnership between Renault and the leading French public research institute helps to smooth the way for the signing of local contracts which support our relationships with nearly a hundred CNRS laboratories across France (Lyon, Lille, Montpellier, Clermont, Rouen, Paris, Orléans, Bordeaux, Poitiers, Grenoble, Rennes, Strasbourg, etc.).
The framework agreement confirms the continuation of our current projects with CNRS laboratories and also fosters the exploration of new collaborative and innovation research areas in the coming years. For Renault and CNRS teams, these new fields of investigation will include neuroscience, virtual reality, ergonomics, new materials, and catalysis.
The majority of the projects concern the sciences of engineering and systems and notably focus on combustion, material fatigue, and thermal or aero-acoustic fields.
These partnerships take the form:
- of multi-annual collaborative projects;
- activities associated with CIFRE doctorate student research topics.

**2015 RESEARCH PROJECTS**
**1 liter/100km: the EOLAB prototype is a showcase for Renault's environmentally-friendly innovation, and rises to the challenge of ultra-low consumption**
The "EOLAB Concept" is a concept-car developed from the EOLAB research prototype which explores means of ultra-low consumption. With consumption of 1 liter/100km or 22g of $CO_2$ emissions/km on NEDC[3] combined cycle, the EOLAB[4] prototype rises to a two-fold challenge: the challenge thrown down by the French government to develop a vehicle consuming less than 2 liters/100km by 2020 and the challenge issued by Renault itself to make ultra-low consumption available to the greatest number in the future. A real showcase for Renault's environmentally-friendly innovations, EOLAB illustrates the "zero emission[5]" mobility pioneer's desire to further reduce the environmental footprint of its vehicles, but at a cost that is affordable to its customers.

**One hundred technological advances for future Renaults**
EOLAB is much more than an exercise in style or a shop window. Conceived around a B-segment platform, the prototype incorporates around one hundred new, realistic technological developments that are designed to be introduced gradually on vehicles in the range from 2015.
The EOLAB prototype's exceptional fuel economy of 100km to the liter is the result of work on three main fronts: aerodynamics, weight saving and Z.E. Hybrid technology (gasoline/electricity):
- aerodynamics: the car's shape was designed to slice through air efficiently with moving parts such as an active spoiler and lateral vanes that act the same way as ailerons;
- weight saving: a weight saving programme brought the car's mass down to 400kg less than a segment B vehicle, thanks in particular to a multimaterial body shell combining steel, aluminum and composites, as well as a remarkable magnesium roof that tips the scales at barely 4kg. This weight saving is a virtuous circle since it has enabled the size and therefore the cost of the prototype's chief assemblies (engine, battery, wheels, brakes, etc.) to be kept down, thereby financing the decision to employ certain more costly materials;

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[2] Strategic business areas.

[3] New European Driving Cycle

[4] Consumption and emissions certified in accordance with the applicable regulations.

[5] Neither CO2 nor other regulated pollutant emissions during driving phases.

- Z.E. Hybrid technology: this new, compact and affordable hybrid power unit combines ultra-low fuel consumption with zero-emission mobility for journeys of less than 60km and at speeds of up to 120kph. Z.E. Hybrid technology will complement Renault's zero-emissions electric vehicle range.

Costs are kept down by making the right choice of technologies and materials. In particular, EOLAB features materials such as magnesium and aluminum, which are extremely light and also much cheaper than carbon or titanium. Meanwhile, the notion of such a car being produced in large numbers within the next ten years was dialed into the plan from the very start.

**A contribution to the French government's "New Industrial Plan"**

EOLAB forms part of the "fuel consumption of 2l/100km for all" plan introduced within the framework of France's so-called New Industrial Plan for 2020. However, EOLAB goes further than the fuel consumption target set by the French government since it sets its sights on the much longer term. In the course of the prototype's design, Renault developed the technologies necessary for the introduction of a car with fuel consumption of less than 2 l/100km by 2020. To achieve this, Renault worked in a spirit of collaborative innovation with a large number of French automotive industry partners. The main partners are listed below.

**EOLAB PARTNERS**

- Saint-Gobain for glazing;
- Faurecia for seats;
- Michelin for tires;
- Continental for the braking system;
- Posco for magnesium components.

**Automatic valet parking**

At the 2015 ITS Congress, Renault demonstrated driverless valet parking with a FLUENCE Z.E.

This service is designed for vehicle fleets such as taxi pools. Users can reserve a vehicle from the taxi pool *via* an Internet/intranet application on a smartphone or PC. They enter a pick-up location and time in the application. At the chosen time, the user will receive a text message informing him or her that the vehicle is waiting at the specified pick-up point.

The vehicle will be charged so that it has enough power for the user's journey. To access the vehicle, the user "checks in" by placing an RFID card on the windscreen sensor. Once the user has been authenticated, the vehicle switches from driverless to manual mode. After the vehicle has reached the destination and the journey has been completed, the vehicle will return driverless to the taxi pool.

**Research into Electric Vehicles (EVs)**

Electric vehicle sales have demonstrated the viability of the economic model. However, electric vehicles use technologies which are still very recent and have room for significant improvement. Three areas of research are currently being explored:

- increasing battery range: technology in this area is advancing at a rapid rate and battery range is likely to be doubled by the end of the decade. Research will not, however, stop there and the real objective is to further increase battery capacity, both to increase range and to reduce size and, as a result, cost;
- making EV technology more competitive: In addition to research into reducing the cost of batteries, the main focus of improvement involves electronic power components which will not only be less expensive, with 50% gains targeted, but also less bulky, while still performing better;
- developing technologies to make EVs even easier to use: research is currently being conducted into static inductive recharging, for example, which would allow users to recharge their EV batteries without having to connect an electric cable to a charger.

**2015 NEW PRODUCTS & ASSOCIATED INNOVATIONS AND TECHNOLOGIES**

**RENAULT KADJAR**

**An Alliance Platform**

With the KADJAR, Renault is broadening its crossover offering by positioning itself in the C segment, between the CAPTUR and the KOLEOS. A fast-growing segment, the KADJAR will further Renault's international ambitions.

In 2016, it will also become the first Renault vehicle to be made in China. The world's largest automotive market with over 22 million units sold in 2014, crossovers account for 26% of sales there. Designed around a joint Renault/Nissan CMF-C/D platform, the KADJAR benefits from the Alliance's expertise in the crossover segment.

**Safety**

- **Advanced emergency braking system (AEBS):** this system warns the driver in the event of risk of collision with the vehicle in front. If the driver fails to react, or does not react sufficiently, the brakes are automatically applied to avoid or mitigate a collision.
- **Lane departure warning:** this feature, activated above 70km/h, warns the driver if he or she involuntarily crosses a solid or broken line. This improves safety by warning the driver if the vehicle is drifting off course.
- **Blind spot warning:** for safe overtaking maneuvers, this system alerts the driver with a visual signal if a vehicle is in his or her blind spot.

**Driver Assist Systems**

- **Easy Park Assist:** after helping the driver to find a parking space, using sensors to measure the size of the space, **the system then takes control of the steering to park the ca**r. The Easy Park Assist system offers **three modes of parking: parallel parking, angled parking and reverse parking**. In all cases, the driver retains control of braking and acceleration during the maneuver.
- **Front, rear and side park assist:** this assists the driver in performing manual parking maneuvers. 360° vehicle protection sensors warn the driver when there is a risk of collision.
- **Reversing camera:** when reverse gear is selected, the camera transmits an image of the rear surroundings of the vehicle, which is displayed on a touch screen. The image is accompanied by moving and fixed guidelines to assist the driver.

**TALISMAN**
**Revival of the D segment**
At the 2015 Frankfurt Motor Show, Renault revealed the "TALISMAN" and "TALISMAN Estate" to the public for the first time. The D segment represents an annual volume of more than one million vehicles in Europe, where estate cars account for 54% of the total mix. With TALISMAN Estate, Renault offers all the benefits of the saloon unveiled last July with the style and practical advantages of an estate.

**At the core of MULTI-SENSE technology: 4WD and adjustable suspension**
Unprecedented in this segment, the Renault TALISMAN combines the **4CONTROL system with adjustable suspension**. Around town, the 4CONTROL chassis makes the TALISMAN remarkably nimble. With its cornering stability and agility in case evasive action is required, the new Renault is in a class apart for ride comfort and stress-free driving.
**Renault's MULTI-SENSE technology allows the driving experience to be customized** according to four preset modes: "Comfort", "Sport", "Neutral" and "Eco", plus a "Personal" mode which is fully customizable.
Each mode, accessible from the R-LINK 2 multimedia system or central console, adjusts the engine response, EDC gear changes, adaptive steering, adjustable suspension settings and 4CONTROL chassis parameters.

**A full range of Advanced Driver Assistance Systems (adas)**

- **Improved safety**: adaptive cruise control (ACC), advanced emergency braking system (AEBS).
- **Better warning systems**: lane departure warning (LDW), safe distance warning (SDW), traffic sign recognition with over-speed protection system (TSR/OSP), and blind spot warning (BSW).
- **Easier driving:** reversing camera, adaptive headlights (AHL), electronic parking brake, front, rear and side parking sensors, and hands-free parking.
- **The retractable color head-up display** provides useful information for stress-free driving: current speed, navigation system and advanced driver assistance systems (ADAS).

**New MEGANE**
**Built using the CMF-C/D platform**

The New MEGANE benefits **from the modular architecture of the CMF-C/D** (Common Module Family). It therefore has many higher spec features inherited from the New ESPACE and the TALISMAN: color head-up display, instrument display with 7-inch color TFT (Thin Film Transistor) screen, dual format R-LINK 2 multimedia tablet (7 inch landscape and 8.7 inch portrait), MULTI-SENSE and 4CONTROL. The complete technology package is unique in this segment.

**A higher spec color head-up display**

The retractable color head-up display improves **safety** and **driver comfort**, making the information **much easier to read and facilitating the use of driver assist systems**. For a less stressful driving experience, the screen displays useful information without drivers having to take their eyes off the road, *e.g.* current speed, navigation info and advanced driver assistance systems (ADAS).

**D-Segment technology**

The New MEGANE boasts the **latest driver-assist technology** found in the New ESPACE and TALISMAN. The ADAS, which can be accessed and activated from the R-LINK 2 tablet, offer:

- **improved safety:** adaptive cruise control (ACC), advanced emergency braking system (AEBS);
- **better warning systems**: lane departure warning (LDW), safe distance warning (DW), over-speed warning with traffic sign recognition (TSR), and blind spot warning (BSW);
- **easier driving:** reversing camera, adaptive headlight beams (AHLB), front, rear and side parking sensors, and Easy Park Assist (hands-free parking).

**KWID**

With the “KWID”, Renault is continuing its strategy of accessible mobility for all to increase its international growth. Based on a new Renault-Nissan Alliance platform and following in the footsteps of the “DUSTER”, the KWID will allow Renault to pursue its global expansion by addressing the needs of customers looking for style, robustness and ease of use.

**A NEW RENAULT-NISSAN ALLIANCE PLATFORM**

The Renault KWID is the first Renault-Nissan Alliance vehicle to use the CMF-A platform. It was developed by the Alliance’s Engineering Center in India.
The platform approach takes internationalization to the next level and enhances the flexibility of the product offering, thanks to the performance of the architecture and the use of common components. Like all of the Alliance’s platforms, CMF-A offers considerable flexibility. The exterior aesthetics and powertrain lend themselves to a vast array of options, depending on the specific needs and preferences of customers, both in India and in other international markets.

**A MODERN AND INTUITIVE INTERIOR**

The center dash console in piano black with chrome trim houses the Media-Nav multimedia and navigation system, which comes with a 7-inch (18cm) touchscreen, unprecedented for the segment. The KWID’s connected interior includes technologies that not only meet drivers’ needs, but also make driving simpler. The user-friendly and intuitive Media-Nav system includes navigation, radio and Bluetooth technology for hands-free telephony, another safety feature. These specifications match the expectations of Indian customers for whom status and connectivity are important.

**R240 electric engine**

The ZOE’s new engine, the R240, together with its battery pack with optimized electronic management, boasts improved efficiency and enhanced charging performance.

**IMPROVED RANGE**

The R240 engine delivers unbeatable range for its segment, achieving 240km NEDC, or 30km more than the Q210 engine. Renault’s engineers have improved engine performance by optimizing its electronic management. The improved performance reduces the ZOE’s power consumption on the road, without compromising on power. Less energy consumption means increased driving range!

**REDUCED CHARGING TIME**

With the R240 engine, the ZOE’s charging time is reduced in most cases by an average of 10% compared with the Q210 engine. To increase the ZOE’s range, Renault’s engineers have also worked on shortening its charging time at low power levels by upgrading the Chameleon charger. The user gets more mileage for every minute of charge!

**ONE ENGINE, 95 PATENTS**

Renault filed 95 patents when designing this engine.
The R240 is a synchronous electric motor with rotor coil, with a power output of 65 kW and 220Nm of torque with integrated Chameleon charger. Its improved efficiency and enhanced charging performance are due to the optimized electronic management of each component, as well as its smaller size. With its innovative design and architecture, 95 patents have been filed for the R240.

**PERFORMANCE LEVERS**

**Modules and Common Module Family (CMF)**

**Modules**

In 2015 Renault pursued its standardization policy based on a strategy of sharing platforms and components with Nissan and on the introduction of modular design.
The project is now well underway with 157 modules introduced in eight waves. At the end of December, 113 module contracts had been announced. These module contracts account for 55% of the value of the vehicles, on course to meet the target of 65% by the end of 2016.
The standardization level of each new project is controlled by the COCA[6] objective, which is set right from the outset and checked at every stage of the project.
The standardization policy has now been synchronized with Nissan in a joint entity reporting to the new Alliance Technology Development Department. Based on the ACM (Alliance Commodity Meeting) process shared by Purchasing and Engineering, it aims to accelerate technical convergence and so enhance the Alliance's economic performance.

**CMF (Common Module Family)**

A source of increased competitiveness and synergies, CMF extends the standardization of architecture to an unprecedented number of vehicles developed within the Renault-Nissan Alliance. CMF will generate an average 30-40% reduction in product/process engineering costs per model and a 20 to 30% reduction in parts costs.
A CMF is an engineering architecture that covers Renault/Nissan Alliance vehicles, from one or more segments, based on the assembly of compatible "Big Modules": engine bay, cockpit, front underbody, rear underbody and electrical/electronic architecture.
CMF is an additional tool that goes further than carryovers on a single platform, to expand the product range. The trend will be to increase the modules common to several platforms with a view to standardizing components and increasing the number of vehicles per platform. CMF will gradually be extended to Renault and Nissan ranges between 2013 and 2020. CMF will be first applied to the compact and large car segments, then to be followed by models in other segments. CMF for the compact and large car segments will include 1.6 million vehicles per year and 14 models (11 Groupe Renault + 3 Nissan).
Renault's first vehicles from the CMF family are the new "ESPACE" and the "KADJAR", which are also built on CMF-C/D architecture. In 2015, the KWID in India was the first Alliance vehicle to be manufactured based on CMF-A architecture.

**Systems engineering**

Systems engineering has been rolled out since 2013 in a methodical and structured way. Inspired, among other things, by the aeronautical industry, this design and development method has now been adopted by all carmakers in order to deal with the complexity of today's vehicles. Renault increased the number of functionalities or services from 300 on the second generation ESPACE, to over 900 on the fourth generation ESPACE. These functionalities are not only more numerous, but also more complex, and interdependent. The growing demand for connectivity, automation and new energy sources will only serve to accelerate this trend.
Starting from a path that is clearly marked right the way from the initial (service) "requirement" to the final parts, this approach makes it possible to structure, plan and manage the design and development of interconnected, and increasingly tentacle-like, systems.
Today there are 43 systems common to both Renault and Nissan that cover the vehicles of the two brands.

[6] COCA: Carry Over/Carry Across – rate of reuse of parts already developed.

**Processes for a solid conception**

**V3P**

The rollout of the new V3P development approach to various projects made it possible to make significant advances in terms of reducing development times. As a result, Renault is now one of the most advanced carmakers in this field.

In 2015, feedback from projects started in 2013 was used to further reinforce the application of this new approach to future developments.

Development approach synergies were identified within the Renault-Nissan Alliance, allowing for potential gains for both carmakers.

**Synchronization of milestones in project planning and development phases (S3/CF)**

The rollout of the V3P approach resulted in a complete rethink of the process of introducing innovations into vehicle projects. In order to introduce more research project innovations, it was necessary to ensure first that such innovations were sufficiently advanced, and second, that the decision to introduce such innovations was taken at the right point in the project's sequencing.

A well-defined process was implemented, guaranteeing technology transfers in line with initial expectations and requirements. Just like a relay runner who hands over the baton to another member of the team in a flying start, the innovation is transferred by R&AE (Research & Advanced Development) teams to the project teams at specific milestones such as the "concept freeze", or the stage where the vehicle's design and technical components are selected along with the cost/value equations that best meet customer requirements.

In 2015, in addition to improving collaboration between the teams, this synchronization contributed to smoother transfers, guaranteeing continuity and greater convergence in terms of vehicle project development and the introduction of innovations into these projects.

**Customer Satisfaction Plan: from reliability to customer satisfaction**

In early 2014, Groupe Renault launched a Customer Satisfaction Plan (PSC) which broke with the previous quality initiative.

This robust action plan aims to put Renault in the Top 3 companies for "customer satisfaction" across all its main markets by 2016. Seven key breakthroughs will drive the progress of this three-year plan:

- the first three involve product design and manufacture;
  - **compliance:** guaranteeing compliance with industry standards across all activities,
  - **perceived quality:** designing and manufacturing attractive and well-finished vehicles,
  - **durability:** designing and manufacturing faultless vehicles that are able to stand the test of time;
- three other priorities target customer satisfaction when in contact with the brand;
  - **service quality:** offering a simple, personalized service (Easy & Personal) which fulfills customer expectations during the sales and after-sales experience,
  - **fulfilling customers' expectations:** ensuring that we offer vehicles and services that match customers' expectations,
  - **reactivity:** reacting quickly to customers' issues .
- the seventh priority is group-wide: it relates to **communication**. This involves telling employees, customers and opinion leaders about the progress that has been made so that they in turn, can become ambassadors of Renault's desire to become an industry leader in customer satisfaction.

**The expertise network**

The expertise network was set up in early 2010 to harness the Company's knowledge and know-how to improve customer satisfaction, strategic priorities and business performance.

The network is divided into 50 strategic areas of expertise, covering all of Renault's core businesses: product design and development, manufacture, sale, customer and market insights, financial performance and support.

It consists of four levels:

- an Expert Fellow, appointed by Renault's Chairman, and a member of the Renault Management Committee. He or she is tasked with putting together highly technical files for Senior Management decisions. Responsible for defining the strategic areas of expertise, the Expert Fellow coordinates the Expert Leader network to organize production, deploy best practices to foster collaboration, and ensure that technical representation exists on standardization and regulatory bodies;

- 42 Expert Leaders, each reporting to a Business Vice-President. Expert leaders have responsibility for one area of strategic expertise. They are tasked with developing and capitalizing on the expertise, coordinating the internal network of experts, and building an external network to make this knowledge and know-how available to the Company's operational personnel;
- 152 Experts, responsible for secondary fields of expertise. They promote standards, file patent applications, carry out benchmarking, and identify relevant partners;
- 434 Consultants, responsible for a specific business activity. They advance the state of the art by establishing standards and passing on their expertise to the business lines.

Over the past four years, the expertise network has developed in such a way that – as a result of its cross-cutting approach – it has been able to increase the pace at which knowledge is acquired, applying it to operations and aligning production with the strategic priorities of the business. Two years ago, the network was extended to include the Alliance.

**R&D: AN INTERNATIONAL ORGANIZATION**

On January 30, 2014, the Renault-Nissan Alliance announced its intention to launch convergence projects in four of the organization's key functions (engineering, manufacturing and logistics, purchasing and human resources).

In engineering, the two companies decided to accelerate the synergies by means of a joint "upstream" strategy of advanced technologies, joint modules, powertrains. Simulations and trials are also conducted jointly. The objective is to improve productivity by sharing best practices and core skills and by standardizing parts and processes (see "(2) THE RENAULT-NISSAN ALLIANCE" above).

The organizing principle of the Alliance's new engineering is based on:

- an activities scope specific to each manufacturer (product engineering), thereby enabling it to retain the identity of its products;
- a scope that is common to both manufacturers (Alliance Technology Development) and involves activities that can be shared. This joint scope is managed by a single leader.

In 2015, the engineering convergence project continued, entering a new phase in which Renault and Nissan teams work together across the full scope under joint management.

**Product engineering: the identity of each of the alliance's carmakers is preserved**

It aims to develop Renault Product plan models, in line with the brand's identity, by meeting market and customer demands in terms of competitiveness, quality, design and innovation.

**The Alliance Technology Development department: convergence of research, technologies and test resources**

With the creation of this new department, the Alliance is introducing a joint strategy which aims to accelerate synergies without disrupting project developments that are already under way at Renault and Nissan. This joint strategy relates to the choice of technologies, the roll out of platforms, the process of standardization and the development of a powertrain range which fulfills the expectations of both carmakers. The systems approach initially rolled out at Renault has now been extended to Nissan. Simulation tools, as well as sites specially designed for dynamic tests and trials, are made available to both the Alliance brands. This new engineering convergence strategy focuses on several key areas:

**Competitiveness of Alliance Technologies**

In areas such as autonomous vehicles, connectivity or electric vehicles, and more generally speaking, in fields of research, the best performing technologies are identified. The objective is to take the best of the two carmakers and focus on the most promising technologies to improve competitiveness and reduce the time needed to introduce innovations into vehicle projects (Time to market).

In terms of the powertrain, the example of the K9K engine from Renault technology, and used in several Nissan models, is an example of best practice which will be reproduced and used systematically at the instigation of the new organization.

Shared platforms that have already been partially rolled out are a key performance component, making it possible to base a wide range of vehicles from both brands on five big modules by minimizing the development of new parts (see paragraphs "PERFORMANCE LEVERS"-"Modules and Common Module Family (CMF)" - modules/CMF).

**Joint processes**

The new organization aims to speed up the definition of joint standards, methods and processes so that project development can be more effective. For example, technical specifications sent to a supplier will systematically fulfill the expectations of both Alliance carmakers.

**Renault International Engineering Centers (RTX)**
Renault international engineering centers (Korea, India, Russia, Romania, Americas) receive back-up when it comes to finding out about local markets so that products can be localized in order to fulfill customers' needs and expectations as well as the countries' regulatory and economic constraints.
Likewise, the skills available at each of these sites are gradually improving with the aim of achieving the independence that already allows some sites to take on vehicle projects from the outset, such as the development of the Renault KWID by the Indian center.

## 7. ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW

Any forward-looking statements contained in this section are based on the judgment as of December 31, 2015.

**SUMMARY**

| (€ million) | **2015** | **2014** | **CHANGE** |
|---|---|---|---|
| **Group revenues** | **45,327** | **41,055** | **+10.4%** |
| **Operating profit** | **2,320** | **1,609** | **+711** |
| Operating income | 2,121 | 1,105 | +1,016 |
| Financial income | (221) | (333) | +112 |
| **Contribution from associated companies** | **1,371** | **1,362** | **+9** |
| *o/w Nissan* | *1,976* | *1,559* | *+417* |
| **Net income** | **2,960** | **1,998** | **+962** |
| **Automotive operational free cash flow** | **1,033** | **1,083** | **-50** |
| **Automotive Net cash position** | **2,661** | **2,104** | **+557** |
| Shareholders' equity | 28,474 | 24,898 | +3,576 |

**COMMENTS ON THE FINANCIAL RESULTS**
**Consolidated Income Statement**

**OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES**

| | **2015** | | | | | **2014** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (€ million) | **Q1** | **Q2** | **Q3** | **Q4** | **YEAR** | **Q1** | **Q2** | **Q3** | **Q4** | **YEAR** |
| Automotive | 8,829 | 12,236 | 8,802 | 13,241 | 43,108 | 7,727 | 11,012 | 7,984 | 12,151 | 38,874 |
| Sales Financing | 559 | 573 | 534 | 553 | 2,219 | 530 | 551 | 546 | 554 | 2,181 |
| **TOTAL** | **9,388** | **12,809** | **9,336** | **13,794** | **45,327** | **8,257** | **11,563** | **8,530** | **12,705** | **41,055** |

| | **CHANGE** | | | | |
|---|---|---|---|---|---|
| % | **Q1** | **Q2** | **Q3** | **Q4** | **YEAR** |
| Automotive | +14.3% | +11.1% | +10.2% | +9.0% | +10.9% |
| Sales Financing | +5.5% | +4.0% | -2.2% | -0.2% | +1.7% |
| **TOTAL** | **+13.7%** | **+10.8%** | **+9.4%** | **+8.6%** | **+10.4%** |

The **Automotive segment's contribution** to revenues amounted to €43,108 million, an increase on 2014 (+10.9%). Excluding a 0.1 points negative exchange rate effect, the Automotive segment's revenues grew by 11.0%. This increase is mainly due to:

- the growth in sales to partners, with the full-year impact of projects launched in 2014 (*e.g.* production of the ROGUE in Korea and the SMART in Europe), which had a favorable impact of 4.8 points;
- a volume effect of 3.2 points linked to the success of new models and the European momentum;
- a positive price effect of 2.1 points, mainly resulting from price increases in some emerging countries (Brazil, Russia, Argentina…) to offset the devaluation of certain currencies;
- a favorable product mix effect of 1.3 points, largely due to the launch of vehicles in the higher market segments (ESPACE, KADJAR).

**OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT**

| (€ million) | **2015** | **2014** | **CHANGE** |
|---|---|---|---|
| **Automotive division** | **1,496** | **858** | **+638** |
| % of division revenues | 3.5% | 2.2% | +1.3 pts |
| **Sales Financing** | **824** | **751** | **+73** |
| **TOTAL** | **2,320** | **1,609** | **+711** |
| *% of Group revenues* | *5.1%* | *3.9%* | *+1.2 pts* |

**The Automotive segment's operating margin** rose by €638 million to €1,496 million (3.5% of revenues), owing mainly to:

- cost reduction for €527 million, resulting from the *Monozukuri* for €596 million and an increase in G&A for €69 million;
- business growth of €480 million. This amount stems from the increase in industrial activities for €441 million, RCI Banque and other activities (Group network sales, parts and accessories) for €39 million;
- a decrease in raw materials prices, with a positive impact of €61 million;
- a positive exchange rate effect of €22 million.

These positive effects offset:

- a negative product mix/price/enrichment effect of €379 million. Price increases could not fully offset the enrichment aimed at strengthening the commercial competitiveness of certain products and the increase in marketing expenses due to launches.

**Sales Financing** contributed €824 million to the Group operating margin, compared with €751 million in 2014. This 9.7% increase is due to a rise in net banking income, resulting from the significant increase in average loans outstanding (+11.0%) and the profitability of services which reported strong growth. Despite the economic difficulties faced by some emerging countries (Brazil, Russia), the cost of risk (including country risk) improved by 10 basis points, representing 0.33% of average loans outstanding. This ratio reflects the Group's ability to implement a strict underwriting policy and efficient debt collection process while pursuing business growth.

**Other operating income and expenses** recorded a net expense of €199 million, compared with a net expense of €504 million in 2014. This net expense consisted mainly of:

- restructuring costs of €157 million, relating to the ongoing implementation of the competitiveness agreement signed in France and restructuring costs in various other countries;
- impairment losses on assets for certain programmes totaling €53 million.

After taking into account other operating income and expenses, the Group reported **operating income** of €2,121 million, compared with €1,105 million in 2014.

A **net financial expense** of €221 million was recorded, compared with a net expense of €333 million in 2014, reflecting both the fall in average cost of debt and positive foreign exchange differences.

Renault's **share in associated companies** recorded a contribution of €1,371 million, primarily including:

- €1,976 million from Nissan (compared with €1,559 million in 2014);
- -€620 million from AVTOVAZ (compared with -€182 million in 2014).

Regarding AVTOVAZ's contribution, the exceptionally weak economic situation in Russia (over 35% contraction in the auto market, 33% decrease of the annual average Ruble exchange rate, and rising interest rates), worse than our initial expectations, led Renault to book a €620 million loss explained by:

- Renault's share in the net loss booked by AVTOVAZ for €395 million (of which €136 million from negative operating margin);
- an impairment loss on the value of the equity investment for €225 million, to adjust it to the stock- market value of AVTOVAZ shares. As of December 31, 2015, Renault's share in AVTOVAZ was valued at €91 million.

The Renault group has entered into discussions with the other shareholders of the AVTOVAZ's controlling holding company, ARA BV, with an intention to recapitalize the company. This could lead to consolidation in Renault's accounts. As a result, the loan and receivables on AVTOVAZ would be capitalized and constitute part of the net equity investment on December 31, 2015.

**Current and deferred taxes** showed a charge of €311 million, up €175 million compared with 2014, of which €472 million for current taxes and an income of €161 million in deferred taxes, specifically with respect to tax consolidation in France.

**Net income** totaled €2,960 million, compared with €1,998 million in 2014; Net income, Group share was €2,823 million (compared with €1,890 million in 2014).

**Automotive operational free cash flow**

| **AUTOMOTIVE OPERATIONAL FREE CASH FLOW** | | | |
|---|---|---|---|
| (€ million) | **2015** | **2014** | **CHANGE** |
| Cash flow (excluding dividends received from publicly listed companies) | 3,451 | 3,138 | +313 |
| Change in the working capital requirement | 663 | 596 | +67 |
| Tangible and intangible investments net of disposals | (2,729) | (2,416) | (313) |
| Leased vehicles and batteries | (352) | (235) | (117) |
| **OPERATIONAL FREE CASH FLOW** | **1,033** | **1,083** | **(50)** |

In 2015, the Automotive segment reported positive operational free cash flow of €1,033 million, resulting from:

- cash flow of €3,451 million (+€313 million), arising from an improvement in operational profitability;
- a positive change in the working capital requirement of €663 million, mainly due to a rise in account payables;
- property, plant and equipment and intangible investments net of disposals of €2,729 million, an increase of 13.0% compared with 2014 due to the various launches scheduled.

Net capital expenditure and R&D expenses remained at 7.9% of Group revenues versus 7.4% in 2014, in line with the Group Plan's objective of under 9% of revenues.

| **RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES**<br>Analysis of research and development costs: | | | |
|---|---|---|---|
| (€ millions) | **2015** | **2014** | **CHANGE** |
| R&D expenses | (2,243) | (1,890) | (353) |
| Capitalized development expenses | 874 | 842 | +32 |
| *% of R&D expenses* | *39.0%* | *44.6%* | *(5.6%)* |
| Amortization | (706) | (673) | (33) |
| **GROSS R&D EXPENSES RECORDED IN THE INCOME STATEMENT** | **(2,075)** | **(1,721)** | **(354)** |

The capitalization rate fell from 44.6% in 2014 to 39.0% in 2015 in connection with the progress of projects.

| TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT | | |
|---|---|---|
| (€ millions) | **2015** | **2014** |
| Tangible investments<br>(excluding leased vehicles and batteries) | 1,840 | 1,541 |
| Intangible investments | 955 | 964 |
| *o/w capitalized R&D* | *874* | *842* |
| Total acquisitions | 2,795 | 2,505 |
| Disposal gains | (66) | (89) |
| **TOTAL AUTOMOTIVE DIVISION** | **2,729** | **2,416** |
| **TOTAL SALES FINANCING** | **6** | **6** |
| **TOTAL GROUP** | **2,735** | **2,422** |

Total gross capital expenditure rose in 2015 compared with 2014; the breakdown was 63% in Europe and 37% worldwide:

- in Europe, capital expenditure focused on the development and adaptation of industrial facilities in connection with the renewal of vehicles in the C and D segments and mechanical components. A significant effort was also made to boost the competitiveness of European plants and increase the production capacity of mechanical components to meet demand in the European market;
- outside Europe, capital expenditure was primarily linked to the roll-out of new vehicles in the Global Access range, particularly in the Americas, Eurasia and AMI Regions.

| NET CAPEX AND R&D EXPENSES | | |
|---|---|---|
| (€ million) | **2015** | **2014** |
| Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries) | 2,735 | 2,422 |
| Capitalized development expenses | (874) | (842) |
| Capex invoice to third parties and others | (252) | (190) |
| **NET INDUSTRIAL AND COMMERCIAL INVESTMENTS(1)** | **1,609** | **1,390** |
| *% of Group revenues* | *3.5%* | *3.4%* |
| **R&D EXPENSES** | **2,243** | **1,890** |
| o/w billed to third parties | (253) | (254) |
| **NET R&D EXPENSES(2)** | **1,990** | **1,636** |
| *% of Group revenues* | *4.4%* | *4.0%* |
| **NET CAPEX AND R&D EXPENSES(1) + (2)** | **3,599** | **3,026** |
| *% of Group revenues* | *7.9%* | *7.4%* |

**Automotive net cash position at December 31, 2015**

| **CHANGE IN AUTOMOTIVE NET CASH POSITION** (€ million) | |
|---|---|
| **NET CASH POSITION AT DECEMBER 31, 2014** | **+2,104** |
| Operational Free cash flow for 2015 | +1,033 |
| Dividends received | +581 |
| Dividends paid to Renault’s shareholders | (599) |
| Financial investments and others | (458) |
| **NET CASH POSITION AT DECEMBER 31, 2015** | **+2,661** |

The €557 million increase in the **net cash position of the Automotive segment** compared with December 31, 2014 is due to:

- operational free cash flow;

- net dividends;
- sundry value adjustments linked to currency fluctuations and to various financial operations.

| **AUTOMOTIVE NET CASH POSITION** | | |
|---|---|---|
| (€ million) | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
| Non-current financial liabilities | (5,693) | (7,272) |
| Current financial liabilities | (4,811) | (3,872) |
| Non-current financial assets – other securities, loans and derivatives on financial operations | 119 | 514 |
| Current financial assets | 1,475 | 1,143 |
| Cash and cash equivalents | 11,571 | 11,591 |
| **NET CASH POSITION** | **2,661** | **2,104** |

In 2015, **Renault's** medium/long-term borrowings totaled approximately €580 million. It strengthened its historical presence in the Japanese domestic market by issuing a ¥70 billion bond (Samurai bond). The Automotive segment's liquidity reserves stood at €14.9 billion at December 31, 2015. These reserves consisted of:
- €11.6 billion in cash and cash equivalents;
- €3.3 billion in undrawn confirmed credit lines.

At December 31, 2015, **RCI Banque** had available liquidity of €8.9 billion, consisting of:
- €4.1 billion in undrawn confirmed credit lines;
- €2.4 billion in central-bank eligible collateral;
- €2.2 billion in high quality liquid assets (HQLA);
- €200 million in available cash.

## IV. STATEMENTS OF FACILITIES

### 1. OUTLINE OF CAPITAL INVESTMENT, ETC.

Please refer to Section III-7. ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW, "NET CAPEX AND R&D EXPENSES" of this Securities Report.

### 2. STATEMENT OF PRINCIPAL FACILITIES

Please refer to Section II-3. CONTENTS OF BUSINESS - (1) ACTIVITIES - A. AUTOMOTIVE "(IV) MAIN MANUFACTURING SITES" of this Securities Report.

Starting in 1995, Renault began systematically implementing an environmental management approach at its sites, along with a drive for continuous improvement, based on ISO 14001. This was done to reduce environmental impact and ensure regulatory compliance. Since 2008, all of the Renault group's 31 industrial sites and the 10 main engineering and logistics facilities have been ISO 14001 certified.

The Group has used internal environmental audits at all of its industrial facilities as well as its main engineering and logistics facilities worldwide in order to monitor the implementation of ISO 14001 requirements, and compliance with its own internal standards for the protection of the environment, individuals, and facilities. These complement the external audits performed annually by a certified independent body

The new ISO 14001:2015 standard, published on September 15, 2015 after more than three years of work by the International Standardization Organization (ISO), and which introduces more stringent requirements than the previous version ISO 14001:2004, will be rolled-out over three years at all the Renault Group ISO 14001 certified sites.

## 3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

Please refer to Section II.-3. CONTENTS OF BUSINESS - (1) - ACTIVITIES – B. ASSOCIATED COMPANIES, PARTNERSHIPS AND COLLABORATIVE PROJECTS of this Securities Report.

# V. STATEMENTS OF THE COMPANY

## 1. STATEMENTS OF SHARES, ETC.

### (1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of December 31, 2015

| Number of Shares Authorized to be Issued | Aggregate Number of Issued Shares | Number of Unissued Shares |
|---|---|---|
| Not applicable | 295,722,284 shares | Not applicable |

(Note) (1) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(ii) Issued Shares

| Bearer or Register, Par-value or Non-par-value | Type | Number of Issued Shares | Name of Listing Stock Exchange or Registered Securities Dealers' Association | Details |
|---|---|---|---|---|
| Register, par-value EUR 3.81 | Ordinary shares | Shares 295,722,284 | Euronext Paris | An ordinary share is a share with full voting rights and is a standard share of Renault without any limitation on rights. |
| Total | – | 295,722,284 | – | – |

### (2) Exercise, etc. of Corporate Bond Certificates, etc. with Share Acquisition Rights Having Exercise Price Adjustment Provisions

Not applicable

### (3) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL (as of December 31, 2015)

| Date | Aggregate Number of Issued Shares(*) | | Capital | |
|---|---|---|---|---|
| | Number of Increase/ Decrease | Outstanding | Amount of Increase/ Decrease | Outstanding |
| January 1, 2001 (1) | | 239,798,567 | | EUR 913,632,540.27 (JPY113,984,795,724) |
| December 18, 2001 (2) | 2,397,983 | 242,196,550 | EUR 9,136,315.23 (JPY1,139,846,688) | EUR 922,768,855.50 (JPY115,124,642,412) |

| | | | | |
|---|---|---|---|---|
| March 29, 2002 (3) | 37,799,462 | 279,996,012 | EUR 144,015,950.22 (JPY17,967,429,949) | EUR 1,066,784,805.72 (JPY133,092,072,362) |
| May 28, 2002 (4) | 4,941,106 | 284,937,118 | EUR 18,825,613.86 (JPY2,348,683,585) | EUR 1,085,610,419.58 (JPY135,440,755,947) |
| April 28, 2010 (5) | 1,617,775 | 286,554,893 | EUR 6,163,722.75 (JPY768,986,050) | EUR 1,091,774,142.33 (JPY136,209,741,997) |
| April 28, 2010 (6) | 9,167,391 | 295,722,284 | EUR 34,927,759.71 (JPY4,357,587,301) | EUR 1,126,701,902.04 (JPY140,567,329,299) |

Note: No changes in the share capital in FY 2000, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2011, 2012, 2013, 2014 and 2015.

(*) Shares at EUR 3.81

(1) Conversion of share capital to euro.

(2) Capital increase reserved for employees: issue of 2,397,983 shares at a par value EUR 3.81.

(3) Capital increase reserved for Nissan Finance Co., Ltd.: 37,799,462 shares issued at EUR 50.39 (par: EUR 3.81).

(4) Capital increase reserved for Nissan Finance Co., Ltd.: 4,941,106 shares issued at EUR 52.91 (par: EUR 3.81).

(5) Capital increase reserved for Nissan Finance Co., Ltd.: 1,617,775 shares issued at EUR 37 (par: EUR 3.81)

(6) Capital increase reserved for Daimler AG: 9,167,391 shares issued at EUR 37 (par: EUR 3.81)

**(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS (as of December 31st, 2015):**

- the French government increased its stake from 15.01% to 19.74% following the acquisition of 14 million shares in April 2015;
- the Nissan group, through its wholly-owned subsidiary Nissan Finance Co., Ltd., holds 15% of Renault's capital (unchanged since December 31, 2014). However, Nissan Finance Co., Ltd. is not entitled to exercise the voting rights attached to these shares owing to Renault's ownership interest in Nissan Motor Co., Ltd., parent company of Nissan Finance Co., Ltd.;
- the Daimler group holds 3.10% (9,167,391 shares);
- current and former Renault employees hold 2.08% of the capital in the form of shares managed through collective investment schemes;
- treasury shares represent 1.21% of the capital. Under French law, these shares do not carry voting rights;
- the free float is now 58.87% of the capital (compared with 63.53% at December 31, 2014).

A survey of the holders of Renault bearer shares was conducted on December 31, 2015. This gave an estimated breakdown of the public ownership's interest by category of major shareholder.

At that date, institutional shareholders owned 50.19% of the capital, with French institutions holding 8.51% and foreign institutions 41.68%. The 10 largest French and foreign institutional investors held approximately 16.40% of the capital. The remaining capital – 8.68% – is held primarily by individual shareholders.

**SHARE BUYBACKS[1]**

At December 31, 2015, Renault SA held 3,573,737 shares with a par value of €3.81, and a net carrying amount of €207,938,437.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the 10th resolution of the Combined General Meeting of April 30, 2015, authorized the Company to deal in its own stock in order to make use of the possibilities allowed by law for trading in its own shares. The authorization was valid until October 30, 2016, before the General Meeting of April 29, 2016 authorized a new programme as described in the second paragraph below.

[1] This paragraph contains the information required in the programme description, pursuant to Article 241-2 of the AMF General Regulations, and the information required pursuant to the measures stipulated in Article L. 225-211 of the French Commercial Code.

In February 2015, Renault acquired 1,441,595 of its own shares as part of the share buyback programme approved by the General Meeting of April 30, 2014. At December 31, 2015, the Company had not acquired any more of its own shares as part of the buyback programme approved by the General Meeting on April 30, 2015. The 3,573,737 shares held directly or indirectly by Renault at December 31, 2015, are allocated as follows:

- implementation of free performance share allocations or any other form of allocation, allotment or transfer granted to employees or senior executives of the Company, to avoid any dilutive effect as a result of the allocation of such shares. The shares acquired by the beneficiaries of Long-Term Incentives must not result in the share capital being changed. Therefore, it is planned that (i) shares acquired under a free performance share award are from the share buyback program; (ii) shares created following the exercise of share options are immediately offset by the cancellation of the same amount of treasury stock, previously acquired under the share buyback program. The aim is to leave the Company's share capital unchanged. The number of shares allocated to this end is 3,573,737 shares;
- zero shares remitted for the exercise of rights attached to financial securities giving the right to an allotment of Company stock by conversion, exercise, redemption, exchange, or any other method, in accordance with securities regulations;
- zero shares to enable an investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- zero shares retained and subsequently remitted in exchange or as consideration for possible acquisitions;
- zero shares canceled.

**Percentage of treasury stock held directly or indirectly at December 31, 2015: 1.21%.**
**Number of shares canceled over the 24 months preceding December 31, 2015: zero shares.**
**Number of shares held in the portfolio at December 31, 2015: 3,573,737 shares.**
**Net carrying amount of the portfolio at December 31, 2015: €207,938,437.**
**Portfolio value at December 31, 2015[2]: €331,035, 258.**

**Trading by Renault in its own shares in 2015 as part of the programmes authorized by the Combined General Meetings of April 30, 2014 and April 30, 2015**

| | TOTAL GROSS FLOWS AT DECEMBER 31, 2015 | | OPEN INTEREST AT DECEMBER 31, 2015 | |
|---|---|---|---|---|
| | BOUGHT | SOLD | LONG POSITIONS | SHORT POSITIONS |
| Number of shares | 1,441,595 | None | None | None |
| Average sell, buy or strike price | €79.27 | None | None | None |
| Total | €114,281,708.75 | None | None | None |

**DESCRIPTION OF THE SHARE BUYBACK PROGRAMME AUTHORIZED BY THE GENERAL MEETING OF APRIL 29, 2016:**

Pursuant to Articles 241-1 to 242-7 of the AMF General Regulations and Article L. 451-3 of the French Monetary and Financial Code, this section describes the purpose and arrangements for the new treasury stock buyback programme organized by Renault SA ("the Company"), which has been approved by to the Combined General Meeting of Shareholders on April 29, 2016.

The objectives of the programme are to:
- use some or all of the acquired shares to cover a stock-option purchase plan or bonus share plan, or any other form of grant, allotment or disposal intended for employees or senior managers of the Company and its Group and to carry out any related hedging transactions in accordance with the conditions set by the law;
- cancel such shares, in particular to offset any dilution linked to the exercise of share options or the acquisition of bonus shares;

[2] Based on a share price of €92.63 at December 31, 2015.

remit some or all of the shares acquired by exercising the rights attached to securities giving the right to an allotment of Company stock by conversion, exercise, redemption, exchange or any other method, in connection with securities regulations;
- enable an independent investment services provider to maintain a secondary market in or ensure the liquidity of Renault shares under a liquidity contract compliant with an AMF-approved code of conduct;
- retain and subsequently remit some or all of the acquired shares in exchange or as consideration for possible acquisitions, in accordance with recognized market practices and applicable regulations; and
- in general, carry out any transactions that are authorized, now or in future, by law, prevailing regulations or the AMF.

These shares may be acquired, sold, transferred or exchanged by any means permitted by regulations, including over the counter and by blocks of shares, by the use of financial derivatives and options strategies by respecting applicable regulations, at a time chosen by the Board of Directors.

The maximum purchase price shall be €120 per share without transaction costs, and the number of shares eligible for acquisition shall be no more than 10% of the share capital, *i.e.* theoretically 29,572,228 shares. It should be noted that (A) this limit applies to a capital amount that, where necessary, will be adjusted to reflect any transactions carried out subsequent to the General Meeting; and that (B) when the shares are purchased to promote liquidity, in accordance with the AMF General Regulations, the number taken into account to calculate the aforementioned 10% limit shall be the number of shares purchased less the number resold during the authorized period.
This limit of 10% of the share capital corresponded to 29,572,228 shares at December 31, 2015. The total amount the Company could spend on the buyback of its own shares could not exceed €3,548.7 million.

These operations may be carried out at any time, except during a public tender offer concerning the Company, during the share buyback program.

The number of shares acquired by the Company for retention or exchange as part of a merger, partial merger or demerger shall not exceed 5% of its capital.

If the share capital is increased by capitalization of reserves, the granting of bonus shares, an increase of the par value of the share; or if shares are split or merged or if any other transaction affecting the share capital is carried out, the prices indicated above shall be adjusted using a multiplier coefficient equal to the ratio between the number of shares making up the share capital before the operation and the number after the operation.

This programme is valid for a period that expires at the next Annual General Meeting called to approve the 2016 financial statements and shall be no longer than 18 months, *i.e.* until October 29, 2017.

## (5) DESCRIPTION OF PRINCIPAL SHAREHOLDERS:

**Ownership of shares and voting rights**

**As of December 31, 2015**

| Name or Corporate Name | Address | Number of Shares Held | Percentage to the Aggregate Number of Issued Shares (%) | Voting Rights (%) |
|---|---|---|---|---|
| French State [1] | France | 58,387,915 | 19.74 | 23.56 |
| Nissan Finance Co., Ltd. | 1-1-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa | 44,358,343 | 15.00 | - |
| Daimler AG | Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany | 9,167,391 | 3.10 | 3.70 [2] |
| Employees [3] | | 6,157,300 | 2.08 | 2.48 |

| | | | | |
|---|---|---|---|---|
| Treasury stock | | 3,573,737 | 1.21 | - |
| Public | | 174,077,598 | 58.87 | 70.26 |
| Total | – | **295,722,284** | **100.00** | **100.00** |

(1) For information on the change in the number of shares and voting rights held by the French State, see "(4) DISTRIBUTION OF SHARES BY TYPE OF SHAREHOLDERS" above.

(2) The number of shares held by Daimler AG remains unchanged from the 2014 Annual Securities Report. The change in the percentage of voting rights is solely the result of the change in the total number of exercisable voting rights.

(3) The proportion of shares held by employees and former employees counted in this category corresponds to shares held in Company savings schemes.

**Double voting rights**

Starting April 3, 2016, pursuant to Article L. 225-123 of the French Commercial Code, as amended by Law No. 2014-384 of March 29, 2014 (the so-called Florange Law), in the absence of a provision to the contrary in the Renault by-laws adopted subsequent to the promulgation of the Florange Law, voting rights double those conferred on other shares are automatically attributed to all fully paid-up shares for which proof is provided of registration for at least two years in the name of the same shareholder.

## 2. POLICY OF PAYMENT OF DIVIDENDS:

**Appropriation of net income**

Net income is appropriated in compliance with existing legislation.
Distributable income consists of the current year's income, less previous losses and amounts transferred to the legal reserves, plus retained earnings brought forward from previous years as specified by law. Upon recommendation by the Board of Directors, the General Meeting may then determine portions of this income to be allocated to optional ordinary and special reserves or to be carried over. The balance, if any, is divided among the shares in proportion to their paid-up and unamortized value.
In accordance with legal provisions, the General Meeting has the authority to offer shareholders the option of receiving all or part of the dividend payout in cash or in shares.
Requests for the payment of scrip dividends must be submitted within the time period established by the General Meeting, without exceeding three months from the date of the meeting. The Board of Directors may choose to suspend this period for up to three months if the share capital is increased.

**Dividends**

In the first phase of the Renault 2016 Drive the Change plan, the Company committed to pay out to shareholders the dividends received from shareholdings in listed companies, with a one-year time lag.
The purpose of that policy was to raise the profile of the dividend while achieving the debt reduction target. That target has now been reached so, for the second phase of the plan, Renault has put forward a pay-out policy independent of the dividends received on holdings in listed companies.
The aim of this new policy is to offer returns at least equivalent to the average of European automakers.
Meeting on February 11, 2016 the Board of Directors proposed the payment of a dividend of €2.40 per share for FY2015. This proposal was approved at the General Meeting on April 29, 2016. The dividend will be paid on May 17, 2016.

## 3. DEVELOPMENT OF STOCK PRICE:

The following figures are based on the stock price of Renault shares on Euronext Paris.

**(1) Average Highest and Lowest Price of Shares for the Recent Five Business Years:**

(Euros per share)

| Calendar year | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Date of Settlement of Accounts | December 31, 2011 | December 31, 2012 | December 31, 2013 | December 31, 2014 | December 31, 2015 |

| Calendar year | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Date of Settlement of Accounts | December 31, 2011 | December 31, 2012 | December 31, 2013 | December 31, 2014 | December 31, 2015 |
| Highest Price (JPY) | 50.53 (6,304) | 43.83 (5,468) | 69 (8,608) | 76.1 (9,494) | 100.25 (12,507) |
| Lowest Price (JPY) | 22.07 (2,753) | 26.76 (3,339) | 39.11 (4,879) | 49.5 (6,176) | 56.85 (7,093) |

**(2) Highest and Lowest Price of Shares for the Latest Six Months in this Business Year (at the closing):**

(Euros per share)

| Month | July 2015 | August 2015 | September 2015 | October 2015 | November 2015 | December 2015 |
|---|---|---|---|---|---|---|
| Highest Price (JPY) | 98.33 (12,268) | 89 (11,104) | 78.35 (9,775) | 87.58 (10,926) | 95.87 (11,961) | 98.14 (12,244) |
| Lowest Price (JPY) | 82.18 (10,253) | 66.02 (8,237) | 59.59 (7,434) | 62.77 (7,831) | 85.23 (10,633) | 85.29 (10,641) |

## 4. STATEMENT OF OFFICERS:

This section describes the management and administration methods used by Renault SA, a publicly listed company and parent of the Renault group. The methods also apply to Renault s.a.s., the lead holding company for Renault's automotive and financial businesses.

The operating principles and missions of the Board are described in the internal regulations of the Board of Directors, which is available in its entirety on the Renault group web-site. The main extracts from the internal regulations are presented below.

### (1) BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS

**Internal regulations of the Board of Directors on the Board's composition**
**Through its composition, the Renault Board of Directors seeks balanced representation, competence and ethical behavior in its members. For this purpose, it considers the following points when examining candidates for membership:**

- **the composition of and changes in the share ownership pattern;**
- **independence;**
- **balanced representation of men and women;**
- **diversity of backgrounds and skills, their complementarity and relevance with regard to the strategy and development of Renault;**
- **diversity of nationalities;**
- **knowledge of the markets in which Renault is or seeks to be established.**

**Each candidate profile is assessed with respect to the above criteria.**

**Internal regulations of the Board of Directors on the process for the selection of directors:**
**The candidates are then interviewed by the Appointments and Governance Committee. Following these interviews, the Appointments and Governance Committee makes recommendations to the Board of Directors.**
**The Board of Directors discusses the candidatures proposed by the committee and votes to determine which of them will be submitted to the Shareholders' General Meeting.**
**After this, the composition of the Board of Directors is:**

- **reviewed as part of the annual assessment of the Board's organization and operation. Whenever it considers it necessary and at least every three years, the Board of Directors conducts a formal assessment;**
- **described in the Chief Executive Officer's report on the composition of the Board of Directors and on the application of the principle of balanced representation of men and women, the manner in which the Board's proceedings are prepared and organized, and the internal control and risk management procedures implemented by the Company.**

The Company is administered by a Board of Directors with **19 members**, including:

**14 DIRECTORS** appointed by the Shareholders' Annual General Meeting, of whom

2 directors are appointed on the proposal of Nissan and 1 director appointed on the proposal of the employee shareholders;

**2 DIRECTORS** appointed by administrative order, representing the French State;

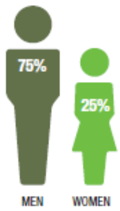
**3 DIRECTORS** elected by employees.

## INDEPENDENT DIRECTOR RATIO(1)

**66.7%**
INDEPENDENT DIRECTORS

**33.3%**
NON-INDEPENDENT DIRECTORS

## GENDER BALANCE ON THE BOARD OF DIRECTORS (1)




## DIVERSITY

**6**

OUT OF 19 DIRECTORS ARE **FOREIGN NATIONALS**

PASCALE SOURISSE
Independent Director

PATRICK THOMAS
Independent Director

MARC LADREIT DE LACHARRIÈRE
Independent Director

DOMINIQUE DE LA GARANDERIE
Independent Director

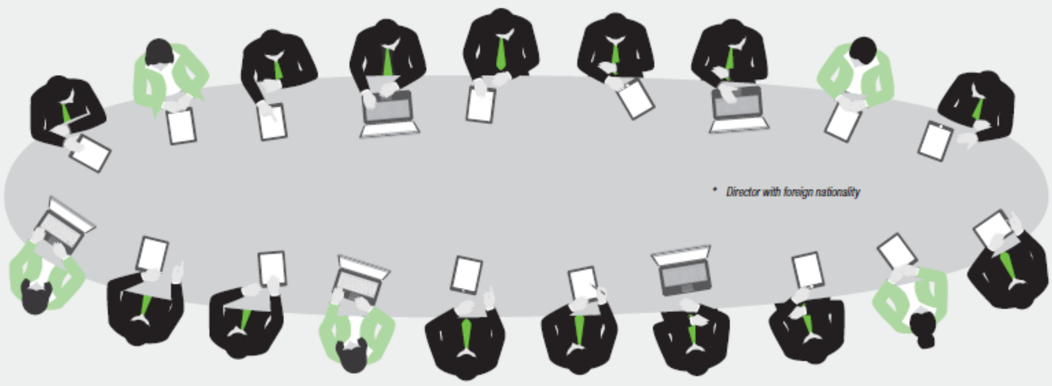
HIROTO SAIKAWA*
Director elected on proposal of Nissan

FRANCK RIBOUD
Independent Director

CARLOS GHOSN*
Chairman of the Board of Directors

ALAIN BELDA*
Independent Director

MARTIN VIAL
Director appointed by the State



* Director with foreign nationality

MARIETTE RIH
Director elected by employees

RICHARD GENTIL
Director elected by employees

PHILIPPE LAGAYETTE
Independent Director and Lead Independent Director

THIERRY DESMAREST
Independent Director

YURIKO KOIKE*
Director elected on proposal of Nissan

PASCAL FAURE
Director appointed by the State

CHERIE BLAIR*
Independent Director

ÉRIC PERSONNE
Director elected by employees

JEAN-PIERRE GARNIER*
Independent Director

BENOÎT OSTERTAG
Director elected on proposal of the employee shareholders

## BOARD COMMITTEES AT DECEMBER 31, 2015

| | ALAIN J-P BELDA | THIERRY DESMAREST | PASCAL FAURE | DOMINIQUE DE LA GARANDERIE | JEAN-PIERRE GARNIER | RICHARD GENTIL | MARC LADREIT DE LACHARRIÈRE | PHILIPPE LAGAYETTE | BENOÎT OSTERTAG | ÉRIC PERSONNE | MARIETTE RIH | HIROTO SAIKAWA | PASCALE SOURISSE | PATRICK THOMAS | MARTIN VIAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| APPOINTMENTS AND GOVERNANCE COMMITTEE | ✱ | | | ✱ | | | ✪ | ✱ | | | | | | | ✱ |
| REMUNERATION COMMITTEE | ✱ | ✱ | | | ✱ | | ✱ | | | ✱ | | | | ✪ | |
| MEMBER OF THE AUDIT, RISK AND ETHICS COMMITTEE | | | | ✱ | | | | ✪ | ✱ | | | | ✱ | | ✱ |
| INTERNATIONAL STRATEGY COMMITTEE | ✱ | ✪ | ✱ | | ✱ | ✱ | | | | ✱ | ✱ | ✱ | | ✱ | |
| INDUSTRIAL STRATEGY COMMITTEE | | ✱ | ✱ | | ✪ | ✱ | | | ✱ | | ✱ | | | | |

✱ *Member* ✪ *Chair*

*(1) In accordance with the Afep-Medef Code.*

The number of Board members is linked on the one hand to a desire to have a majority of independent directors, and on the other to the significant number of directors elected or appointed directly pursuant to laws, by-laws or agreements with Nissan.
The composition of the Board aims to find a balance of experience, skills, independence and ethical approach, while respecting the principle of balanced female/male representation and with a level of diversity that reflects the Group's international presence. Thus, as of December 31, 2015, the Board is composed of:

- five women: Ms. Blair (appointed at the Annual General Meeting of April 30, 2015), Ms. Koike, Ms. de La Garanderie, Ms. Rih (elected by employees) and Ms. Sourisse. Women directors have sat on Renault's Board continually since 2003. The Company applies Law No. 2011-103 of January 27, 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards, and on professional equality. The Board will continue to apply its policy to promote female directorships, aiming to have at least 40% female members by 2017, in accordance with the law and the Afep-Medef Code. The appointment of a new female director was therefore proposed and accepted at the Annual General Meeting on April 29, 2016 (see biography provided in section "LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS" below);
- a number of directors of non-French nationality (American, British, Brazilian and Japanese), who represent 31.6% of the members of the Board;
- four directors representing employees and employee shareholders.

Directors are selected based on the criteria mentioned above and, in particular, on the basis of their experience and skills (managing large international groups, knowledge of specific aspects of the Group's business, knowledge of the markets in which Renault is established, financial knowledge).
The directors elected internally by employees in November 2012, Ms. Mariette Rih and Messrs. Richard Gentil and Eric Personne, as well as the director representing employee shareholders, Mr. Benoît Ostertag, continued their training cycle in 2015. In particular, they undertook internal training provided by Group employees and training by external organizations. These training courses contribute to enabling them to rapidly acquire the specific skills they will need to fully perform their roles and missions as corporate directors. In addition, their professional careers and their labor union activities in the Group give them a good understanding of the Group's organization and operations (their biographies are found in section "LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS" below). It should be noted that the arrangements for these training courses have been in line with the provisions of the decree of June 3, 2015 on the training of directors representing employees for several years.
Finally, apart from the directors elected on a proposal from Nissan and directors representing the State, there are no agreements with major shareholders, customers, suppliers or others according to which one of these persons or one of their representatives was selected as a member of a Board of Directors or Senior Management.
During 2015, the composition of the Board changed as follows:

- Ms. Chérie Blair was appointed as a director at the Annual General Meeting on April 30, 2015 for a period of four years, as the replacement for Mr. Charles de Croisset;
- the term of Mr. Philippe Lagayette was renewed at the Annual General Meeting on April 30, 2015;
- by order dated September 9, 2015, Martin Vial, the new Commissioner of the Agency for State Participation, was appointed to the Board of Directors as a representative of the State, replacing Régis Turrini.

The term of the directors is four years. In accordance with the recommendations of the Afep-Medef Code, the expiration of these terms will be staggered in order to avoid a large number of renewals at once.
Finally, the average age of the directors in office at December 31, 2015 was 62 years.

| EXPIRATION OF THE TERMS OF BOARD MEMBERS AS OF MAY 16, 2016 | | | |
|---|---|---|---|
| YEAR OF EXPIRY | EXPIRY OF THE TERM OF | METHOD OF APPOINTMENT | DATE OF FIRST APPOINTMENT |
| | Ms. Rih | Director elected by employees | |
| | Mr. Desmarest* | Director elected by the Annual General | |
| | (renewed) | Meeting | November 2012 |
| | Mr. Garnier* (replaced | Director elected by the Annual General | April 2008 |
| | by Olivia Qiu) | Meeting | April 2008 |
| | Mr. Gentil | Director elected by employees | November 2012 |
| 2016 | Mr. Personne | Director elected by employees | November 2012 |
| | | Director elected by the Annual General | |
| | | Meeting | |
| | | Director elected by the Annual General | |
| | | Meeting | |
| | Ms. de La Garanderie* | Director elected by the Annual General | February 2003 |
| | Mr. Belda* | Meeting on the proposal of Nissan | May 2009 |
| | Ms. Koike | Director elected by the Annual General | April 2013 |
| | | Meeting on the proposal of employee | |
| 2017 | Mr. Ostertag | shareholders | May 2011 |
| | | Director elected by the Annual General | |
| | | Meeting | |
| | | Director elected by the Annual General | |
| | | Meeting | |
| | Ms. Sourisse* | Director elected by the Annual General | |
| | Mr. Thomas* | Meeting | |
| | Mr. Ghosn (Chairman | | April 2010 |
| | and Chief Executive | Director elected by the Annual General | April 2014 |
| | Officer) | Meeting | April 2002 |
| | Mr. Ladreit de | Director elected by the Annual General | |
| | Lacharrière* | Meeting | October 2002 |
| | Mr. Riboud* | Director elected by the Annual General | December 2000 |
| 2018 | Mr. Saikawa | Meeting on the proposal of Nissan | December 2006 |
| | Ms. Blair* | Director elected by the Annual General Meeting | April 2015 |
| | Mr. Lagayette* | Director elected by the Annual General Meeting | May 2007 |
| | Mrs. Qiu | Director elected by the Annual General | May 2016 |
| 2019 | | Meeting | |

* *Independent director.*

Directors representing the French State are appointed by order for an unlimited period.
The terms of directors elected by employees will end in November 2016. Internal elections will be organized in order to elect the three new directors representing employees.

**LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS**

**DIRECTORS AT MAY 16, 2016**

Number of male members: 13
Number of female members: 6 (percentage of female members: 31%)

The Directors' titles, names, dates of birth, principal brief personal histories, terms of office and class and number of Renault shares owned are as follows:

**CARLOS GHOSN**
**Chairman of the Board of Directors**
**Birth date:** 03/09/1954 (62 years old)
**Nationality:** French-Brazilian
**Date of first appointment:** April 2002
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 305,200

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Born in March 1954, Carlos Ghosn is a graduate of the École Polytechnique and the École des Mines in Paris.
He joined Michelin in 1978 as Manager of the Le Puy plant in France. Following this he lead Michelin South America's business operations and was based in Brazil. In 1989 he became Chairman and Chief Executive Officer of Michelin North America. Carlos Ghosn joined Renault in 1996 as Deputy Chief Executive Officer. In addition to overseeing Renault's operations in the Mercosur, he was also responsible for research, engineering and automotive development, manufacturing, powertrain operations and purchasing.
In 1999, he became the Chief Executive Officer of Nissan Motor. He was appointed as Chairman and Chief Executive Officer in 2001.
As well as being Chief Executive Officer of the Group since May 2005, he is still the Chairman and CEO of Nissan Motor. He was appointed as Renault's Chairman and Chief Executive Officer in 2009, and reappointed in 2014.
In 2013, Carlos Ghosn was also voted in as Chairman of the Board of Directors for Russian manufacturer AVTOVAZ.
Finally, he is a member of the International Advisory Council for Beijing's Tsinghua University, and a member of the Strategic Council for Beirut's Saint Joseph University.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

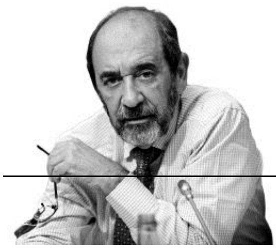
**CURRENT OFFICES**

**Listed companies:**
Chairman and Chief Executive Officer of Renault SA (France)
Chairman and Chief Executive Officer of Nissan Motor Co., Ltd. (Japan)
Chairman of the Board of Directors of AVTOVAZ (Russia)

**Non listed companies:**
Chairman of Renault s.a.s. (France)
Chairman of Mobiliz Invest (France)
Chairman of the Management Board of Renault-Nissan b.v. (Netherlands)
Chairman of the Management Board of Alliance Rostec Auto b.v. (Netherlands)
Chairman of the Board of Directors of Renault do Brasil (Brazil)

**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| Director of Alcoa | 2011 |



**Chairman of the Remunerations Committee**
**Member of the Appointments and Governance Committee**
**Member of the International Strategy**

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**

| | | |
|---|---|---|
| **ALAIN J.P. BELDA**<br>**Independent Director**<br>**Birth date: 06/23/1943**<br>**(72 years old)**<br>Nationality: American<br>Date of first appointment:<br>may 2009<br>Start date of current office:<br>April, 2013<br>Current term expires:<br>2017 AG<br>Number of registered shares held: 1,000 | **Committee**<br>**BIOGRAPHY – PROFESSIONAL EXPERIENCE**<br>Based in São Paulo, Alain J.P. Belda joined Warburg Pincus in 2009. He leads the Group's investment decisions in Latin America and provides strategic counsel for the Group's entire portfolio. Mr. Belda is also a member of executive management of Warburg Pincus. He retired from Alcoa in 2008, after having served as President and Chief Executive Officer from 1999 and as Chairman of the Board of Directors from 2001. Alain J.P. Belda spent 40 years of his career at Alcoa, having first joined the organization's Brazilian affiliate, Alcoa Aluminio in 1969. | Director of IBM (USA)<br>Director of Restoque (Brazil)<br>**Non listed companies:**<br>Executive Director of Warburg Pincus (USA)<br>Director of Oméga Energia Renovavel SA (Brazil)<br>Director of Banco Indusval & Partners (Brazil)<br>Director of GPS Serviços (Brazil)<br>Director of Pet Center Marginal (Brazil)<br>**Other legal entities:**<br>N/A |

| **OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD:** | **Current terms expires:** |
|---|---|
| Director of Citibank<br>2012 | |
| Member of the Business Council<br>2015 | |

**CHERIE BLAIR**
**Independent Director**
**Birth date:** 09/23/1954 (61 years old)
**Nationality:** English
**Date of first appointment:** April 2015
**Current term expires:** 2019 Annual General Meeting
**Number of registered shares held:** 100

**BIOGRAPHIE – EXPÉRIENCE PROFESSIONNELLE**

Cherie Blair CBE, QC is as a leading barrister, specialising in human rights and international law. She was appointed a Queen's Counsel in 1995, and is the wife of former British Prime Minister Tony Blair. Through her role as Founder and Chair of Omnia Strategy LLP, Mrs Blair currently advises both governments and international corporations on how to improve and sustain strong human rights standards. As a supporter of the United Nations Global Compact, she also advises on implementing the UN Guiding Principles on Business and Human Rights and works with business to develop and strengthen corporate social responsibility practices. With over 35 years' experience as a leading barrister, she has represented over 30 governments as well as numerous multinational corporations in international disputes. She is also an adviser to the B Team, a not-for-profit initiative formed by a global group of leaders, "to create a future where the purpose of business is to be a driving force for social, environmental and economic benefit".

Mrs Blair is the Chancellor Emeritus and Honorary Fellow of Liverpool John Moores University; Governor Emeritus and Honorary Fellow of the LSE and the Open University (D.Univ.Open 1999); LLD (Hons), University of Liverpool (2003); Hon.D.Lit UMIST (2003); Doctor of Laws (Westminster University). She is also the founder of the Cherie Blair Foundation for Women, which runs programmes to support women entrepreneurs across the developing world, including Africa. She is Vice Chair of the International Council on Women's Business Leadership founded by Secretary Hillary Clinton. Mrs Blair sits as an Honorary Chair of the World Justice Project and is patron and President of the Africa Justice Foundation. In 2007, she received the Eleanor Roosevelt Val-Kill medal in recognition of her high ideals and courageous actions. In 2013, she was awarded the CBE in the New Year Honours for her services to women's issues and to charity in the UK and overseas.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
**CURRENT OFFICES**
**Listed companies:**
N/A
**Non listed companies:**
Founder and Chair, Omnia Strategy LLP, London
**Other legal entities:**
Founder and Patron, Cherie Blair Foundation for Women, London

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| N/A | |

**THIERRY DESMAREST**

**Chairman of the International Strategy Committee**
**Member of the Remuneration Committee**
**Member of the Industrial Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Thierry Desmarest is a graduate of the École Polytechnique and an engineer at the Corps des Mines (Mines

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
**CURRENT OFFICES**
**Listed companies:**
Director of Total SA (France)
Independent Director and Lead Independent Director of Air Liquide (France)
**Non listed companies:**

| | | |
|---|---|---|
| **Independent Director**<br>**Birth date:** 12/18/1945 (70 years old)<br>**Nationality:** French<br>**Date of first appointment:** April 2008<br>**Start date of current office:** April 2016<br>**Current term expires:** 2020 AGM<br>**Number of registered shares held:** 1,500 | Inspectorate). Thierry Desmarest spent four years at the New Caledonia Mines Directorate, before becoming a Technical Advisor to the Office of the Minister for Industry in 1975, then to the Office of the Minister for the Economy in 1978.<br>In 1981 he joined Total and took over the management of Total Algeria, followed by various management roles for Total Exploration Production, for which he became the Chief Executive Officer in 1989 as well as a member of the Executive Committee.<br>He was appointed as Chairman and Chief Executive Officer of Total in 1995, TotalFina in 1999, and then Elf Aquitaine and TotalFinaElf in 2000. He served as the Chairman and Chief Executive Officer of Total S.A from 2003 to February 2007, when he became Chairman of the Board of Directors. Mr. Desmarest was appointed as Honorary Chairman of Total SA in May 2010 and remains a Director. He returned to the role of Chairman of the Board of Directors of Total S.A from October 2014 to December 2015. He also chairs Total SA's Governance and Ethics Committee and Strategic Committee. | N/A<br>**Other legal entities:**<br>Chairman of the Total Foundation<br>**OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: Current terms expires:**<br>Director of the Musée du Louvre 2014<br>Director of the École Polytechnique 2014<br>Chairman of École Polytechnique Fondation 2014<br>Honorary Chairman of Total SA 2014<br>Director of Sanofi 2014<br>Director of Bombardier Inc. 2014<br>Chairman of the Board of Directors of Total SA 2015 |

**PASCAL FAURE**
**Director appointed by the State**
**Birth date:** 02/01/1963 (53 years old)
**Nationality:** French
**Date of first appointment:** February 2013
**Start date of current office:** February 2013
**Current term expires:** N/A
**Number of registered shares held:** N/A

**Member of the Industrial Strategy Committee**
**Member of the International Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Born on February 1, 1963 in Nice (Alpes-Maritimes), Pascal Faure is an engineering graduate of the École des Mines, and a graduate of the École Polytechnique (1983) and the École Nationale Supérieure des Télécommunications (ENST) in Paris (1988).

Pascal Faure began his career at Bell Laboratories (PA, United States), followed by Apple Computer (CA, United States), and then the Centre National d'Études des Télécommunications (France Télécom/CNET) as a Project Manager in secure communications and cryptology.

Between 1992 and 1995, he worked for the French Budget Ministry on the credibility of the administrative policy on IT, and was then appointed as technical advisor responsible for budgetary, fiscal employment and land planning affairs for the French Minister for Tourism, and later for the Minister for Land Planning, Cities and Integration.

From 1997 to 2001, Pascal Faure performed the role of Director of Development, Financial Affairs and Deputy to the Director-General of the Institut Télécom. He was then appointed Deputy Technical Director at the French Ministry of Defense.

At the same time, he was President of the Association of Telecoms Engineers from 2001 to 2006.

Between 2007 and 2012, Pascal Faure was successively appointed Vice-Chairman of the Conseil Général des Technologies de l'Information (CGTI), then Vice-Chairman of the Conseil Général de l'Industrie, de l'Énergie et des Technologies (CGIET), and finally Vice-Chairman of the Conseil Général de l'Économie, de l'Industrie, de l'Énergie et des Technologies (CGEIET).

From December 2012 to September 2014, Pascal Faure held the position of Director General of competitiveness, industry and services.

On September 18, 2014 he was appointed Director-General of Enterprise.

Co-founder of the collection of works Territoires de l'information; co-direction of works: Nouvelles Technologies, Nouvel État (1999), Éthique et société de l'information (2000), Media@media (2001).

He is a Knight of the French Legion of Honour (Chevalier de la Légion d'Honneur), a Officer of the French National Order of Merit (Officier de l'Ordre National du Mérite) and an Officer of the Academic Palms (Officier des Palmes Académiques).

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**

Government Representative on the Board of La Poste (France)

Member of the Board of Directors (non-voting director) of AREVA SA (France)

**Non listed companies:**

Director representing the French State at Bpifrance Participations

Director representing the French State at Bpifrance Investissement

**Other legal entities:**

Member of the Atomic Energy Commission

Director representing the French State at Mines Paris Tech

Director representing the French State at the French Research Agency

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| Director representing the French State at Française des Jeux | 2013 |
| Director representing the French State at France Télécom | 2013 |

**DOMINIQUE DE LA GARANDERIE**
**Independent Director**
**Birth date:** 07/11/1943 (72 years old)
**Nationality:** French
**Date of first appointment: February** 2003
**Start date of current office:** April 2013
**Current term expires:** 2017 AGM
**Number of registered shares held:** 1,150

**Member of the Appointments and Governance Committee**
**Member of the Audit, Risk and Ethics Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Founder and partner of the law firm La Garanderie & Associés which specifically deals with corporate law, business governance and corporate social responsibility.
She was the first woman to become Chair of the French Bar Association (Bâtonnier de l'Ordre des Avocats) (1998-2000).
She served as the Vice-Chair of the OECD group on the development of corporate governance principles (2005-2006).
She has also served as a member of the Commission Nationale Consultative des Droits de l'Homme (National Advisory Commission on Human Rights).
She is a Commander of the French Legion of Honor (Commandeur de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite).
Ms. de La Garanderie is currently a member of the Haut Comité pour le Gouvernement d'Entreprise (Afep-Medef).

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
**CURRENT OFFICES**
**Listed companies:**
N/A
**Non listed companies:**
N/A
**Other legal entities:**
Member of the Senior Council of Transparency International – France
Dean of the Economics division of the École Nationale de la Magistrature.
Honorary Chair and founder of the Association Française des Femmes Juristes (AFFJ – French Women Lawyers' Association).

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| Director of Holcim France Bénélux | 2012 |

**RICHARD GENTIL**
**Director elected by employees**
**Birth date:** 04/29/1968 (48 years old)
**Nationality:** French
**Date of first appointment: November** 2012
**Start date of current office:** April 2012
**Current term expires:** November 2016
**Number of registered shares held:** 1

**Member of the Industrial Strategy Committee**
**Member of the International Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Started work as a Maintenance Technician at the Fonderie (foundry) in 1988. He specialized in hydraulics, pneumatics and gas for the whole foundry. Holder of the BEP and CAP electro-technical and electro-mechanical vocational certificates and of a Baccalauréat in the Maintenance of Automated Mechanical Systems. Speaks and writes English fluently. Member of the Renault Cléon Establishment-level Works Council Solidarity Committee.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
N/A

**Non listed companies:**
N/A

**Other legal entities:**
N/A

| **OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD:** | **Current terms expires:** |
|---|---|
| N/A | |

**YURIKO KOIKE**
**Director proposed for election by Nissan**
**Birth date:** 15/07/1952 (63 years old)
**Nationality:** Japanese
**Date of first appointment:** April 2013
**Start date of current office:** April 2013
**Current term expires:** 2017 AGM
**Number of registered shares held:** 100

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Yuriko Koike is currently a member of the Japanese House of Representatives, having served as Japanese Minister of the Environment from 2003 to 2006. She successfully promoted a new business model, known as “Cool Biz”, as well as a number of other policies aimed at changing the mindset of the general public and countering global warming. Ms. Koike subsequently occupied two other ministerial posts. She was appointed Special Advisor to the Prime Minister on national security in 2006, before becoming the first female Minister of Defense in July 2007. She was also the first woman to put forward her candidacy to lead the ruling party in Japan, positions that automatically open up the possibility of a run for Prime Minister. Ms. Koike began her career as a television personality and an expert on affairs in the Arab world. She has authored books and articles on Japanese policies, international affairs and women’s professional networks.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
**CURRENT OFFICES**
**Listed companies:**
N/A
**Non listed companies**
N/A
**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| N/A | |

**MARC LADREIT DE LACHARRIÈRE**
**Independent Director**
**Birth date:** 11/06/1940 (75 years old)
**Nationality:** French
**Date of first appointment:** **October** 2002
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 1,020

**Chairman of the Appointments and Governance Committee**
**Member of the Remuneration Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Marc Ladreit de Lacharrière studied economics in Paris, after which he obtained a place at the École Nationale d’Administration (ENA), «Robespierre» class (January 1968-May 1970).
Mr. Ladreit performed various management roles at Banque Indosuez until 1976, before joining the L’Oréal group and becoming Vice-Chairman and Chief Executive Officer (1984-1991). At the same time he served as a Director of Synthélabo (1986-1991), Crédit Lyonnais, Air France, France Télécom, Musée du Louvre and L’Oréal.
In 1991, Marc Ladreit de Lacharrière founded his own group named Financière Marc de Lacharrière (Fimalac). Fimalac acquires holdings

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**
**CURRENT OFFICES**
**Listed companies:**
Chairman and Chief Executive Officer of Fimalac (France)
Director of the Casino group (France)
Director of Fermière du Casino Municipal de Cannes (France)
Permanent representative of Fimalac on the Board of Directors of NextRadio TV (France)
**Non listed companies:**
Chairman of the Management Board of the Marc de Lacharrière group (France)
Chairman of the Board of Directors of Agence France Museums (France)
Chairman of the Board of Directors of Fitch Group Inc. (USA)
Chairman of the Supervisory Board of Webedia (France)
Director of the Lucien Barrière SAS group (France)
Manager of Fimalac Participations Sarl

| | | |
|---|---|---|
| | in a range of companies, particularly in the financial and media sectors.<br>Notably Fitch Ratings, Groupe Lucien Barrière, Webedia.<br>Marc Ladreit de Lacharrière has been a Director of the Casino group since 2000, and a Director of Renault since 2002.<br>He is the Chairman of French intellectual journal La Revue des Deux Mondes.<br>He is a patron of the Musée du Louvre, and was elected to the Académie des Beaux-Arts in 2006 to take the place vacated by Gérald Van der Kemp (free members category). In the same year he founded and financed the Fondation Culture & Diversité to help young people «from priority education schools».<br>In 2007 he took on the role of Chairman of the Board of Directors for the Agence internationale des musées de France (France Museums) a body which, amongst other things, is responsible for completing the Louvre museum in Abu Dabi.<br>He was awarded the Grand Cross of the French Legion of Honour (grand-croix de la Légion d'honneur) on December 31, 2010. | (Luxembourg)<br>Permanent Representative of Financière de l'Océan Indien (SAS) on the Board of Directors of Ciel Ltd (Mauritius)<br>Director of Gilbert Coullier Productions (SAS) (France)<br>**Other legal entities:**<br>Member of the Institut (Académie des Beaux-Arts)<br>Honorary Chairman of the French National Committee of Foreign Trade Advisors (Comité National des Conseillers du Commerce Extérieur de la France)<br>Chairman of the Fondation Culture et Diversité<br>Member of general interest associations: Conseil Artistique des Musées Nationaux – Political Science Foundation (Fondation des Sciences Politiques)<br>**OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: Current terms expires:**<br>Chairman of the Board of Directors of Fitch Ratings (USA) 2012<br>Director of the Musée des Arts Décoratifs<br>2013<br>Chairman of the Abbaye de Lubilhac endowment fund<br>2013<br>Director of L'Oréal<br>2014 |

| | | |
|---|---|---|
| <br>**PHILIPPE LAGAYETTE**<br>**Independent Director**<br>Lead Independent Director<br>**Birth date:**<br>06/16/1943<br>(72 years old)<br>**Nationality:** French<br>**Date of first appointment:** | **Lead Independent Director**<br>**Chairman of the Audit, Risk and Ethics Committee**<br>**Member of the Appointments and Governance Committee**<br>**BIOGRAPHY – PROFESSIONAL EXPERIENCE**<br>Philippe Lagayette is a graduate of the École Polytechnique and the École Nationale d'Administration (ENA). He began his career in 1970 in the General Inspectorate of Finance.<br>In 1974, he joined the Treasury department at the French Ministry of Economy and Finance, and was promoted to Deputy Director in 1980. He was appointed Chief of Staff at the Ministry of Economy and Finance in 1981, before moving to the Banque de | **OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**<br>**CURRENT OFFICES**<br>**Listed companies:**<br>Director of Kering (formerly PPR) (France)<br>Director of Fimalac (France)<br>**Non listed companies:**<br>Chairman of PL Conseils (France)<br>**Other legal entities:**<br>Chairman of the Fondation de France<br>Chairman of the Fondation de Coopération Scientifique for Alzheimer's research<br>**OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: Current terms expires:** |

| | | |
|---|---|---|
| May 2007<br>**Start date of current office:** April 2015<br>**Current term expires:** 2019 AGM<br>**Number of registered shares held:** 1,000 | France as Deputy Governor in 1984. In 1992, Philippe Lagayette was appointed Chief Executive Officer of Caisse des Dépôts et Consignations, a post he held until December 1997.<br>He headed up JP Morgan's activities in France from 1998 to August 2008 and then held the position of *Vice-Chairman* for the EMEA Region until January 2010.<br>He is currently Barclays' Senior Advisor in France.<br>Mr Lagayette is a Commander of the French Legion of Honor (Commandeur de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite). | N/A |

| | | |
|---|---|---|
| <br>**BENOÎT OSTERTAG**<br>**Director elected on proposal of the employee shareholders**<br>**Birth date:** 08/02/1965 (50 years old)<br>**Nationality:** French<br>**Date of f*irst appointment:*** May 2011<br>**Start date of current office:** April 2013<br>**Current term expires:** 2017 AGM<br>**Number of registered shares held:** 97 shares in an FCPE mutual fund | **Member of the Audit, Risk and Ethics Committee**<br>**Member of the Industrial Strategy Committee**<br>**BIOGRAPHY – PROFESSIONAL EXPERIENCE**<br>Graduate in engineering from the École Centrale de Paris (ECP) and a Renault employee for 25 years, Benoît Ostertag has worked in mechanical engineering on the Lardy and Rueil sites (France) where he was involved in designing test benches, engine cooling systems and heat measurement tools. He supervised a team until 2011. He is currently the quality process leader at the Guyancourt Technocentre (France).<br>Mr. Ostertag was a CFDT representative on the Establishment-level Works Council and then on the Renault s.a.s Central Works Council from 2006 to 2011.<br>He has represented employee shareholders on the Renault group Board of Directors since May 2011. | **OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**<br>**CURRENT OFFICES**<br>**Listed companies:**<br>N/A<br>**Non listed companies:**<br>N/A<br>**Other legal entities:**<br>N/A<br>**OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD:** **Current terms expires:**<br>N/A |

**ÉRIC PERSONNE**
**Director elected by employees**
**Birth date:** 10/14/1962 (53 years old)
**Nationality:** French
**Date of first appointment:** November 2012
**Start date of current office:** April 2013
**Current term expires:** November 2016
**Number of registered shares held:** 100

**Member of the Remuneration Committee**
**Member of the International Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

After starting his career as a Photographer, in 1988 Éric Personne became a Renault employee and lead a 15-strong team selling 250 vehicles per year. In 2002 he joined the Renault Retail group where he performed a number of roles: including head of after-sales development, and head of ISO certification. Since 2007, Éric Personne has been responsible for commercial and quality reporting for Renault Retail group. Between 2005 and 2012, Éric served as a CFE-CGC representative on the Renault Works Council, and has built up more than 30 years of experience in employer and employee industrial action in his various professional circles.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
N/A
**Non listed companies:**
N/A
**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| N/A | |

**FRANCK RIBOUD`**
**Independent Director**
**Birth date:** 11/07/1955 (60 years old)
**Nationality:** French
**Date of first appointment: December** 2000
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 331

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Franck Riboud is a graduate of the École Polytechnique Fédérale de Lausanne (EPFL).

He joined the BSN Gervais Danone Group in 1981, and until 1989 held a series of responsibilities in Management Audit, Marketing and Sales roles. After serving as Sales Director for Heudebert, in September 1989 he was appointed as Head of department for the integration and development of new companies from the Biscuits division. He was involved in the largest takeover to date by a French company in the United States: the takeover of Nabisco's European business by BSN. In July 1990 he was appointed Chief Executive Officer for Évian.

Franck Riboud took on the role of Director of Business Development for the Group in 1992. The Group then launched its internationalization project with increased development in Asia and Latin America and created an Export department.

In 1994, BSN changed its name to Danone and developed a worldwide

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
Chairman of the Board of Directors and Chairman of the Strategic Committee for Danone SA (France)
**Non listed companies:**
Director of Bagley Latinoamerica SA (Spain)
Chairman of the Board of Directors of Danone.Communities (mutual fund – SICAV) (France)
Director of Rolex SA (Switzerland)
Director of Rolex Holding SA (Switzerland)
Member of the Steering Committee of the Livelihoods Fund (mutual fund – SICAV) (France)
**Other legal entities:**
Chairman of the Steering Committee of Fonds Danone pour l'Écosystème
Director of the International Advisory Board
Member of the Supervisory Board of the Fondation ELA
Member of the Board of the Fondation EPFL Plus
Honorary Member of the Association ELA
Director of RAISE (endowment fund)

| | | OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|---|---|
| | brand.<br>Mr. Riboud was Chairman and Chief Executive Officer of Danone from May 2, 1996 to September 30, 2014. Following a separation of roles, he became Chairman of Danone's Board of Directors on October 1, 2014.<br>Since 2008 he has served as the Chairman of the Board of Directors for SICAV (mutual fund) danone.communities, a funding body which aims to promote the development of profitable businesses with the primary goal of focusing on social objectives rather than profit.<br>Since 2009 he has also been the Chairman of the Steering Committee of the Fonds Danone pour l'Écosystème, and since December 2011 a member of the Steering Committee of the Livelihoods fund. | Director and member of the Remuneration Committee for Accor SA 2012<br>Director of Lacoste SA<br>2012<br>Director of Omnium Nord Africain (ONA)<br><br>2012<br>Director of the French national agri-foods industry association<br>(Association Nationale des Industries Agroalimentaires) 2013<br>Chief Executive Officer and Chairman of the Executive Committee<br>of Danone SA<br>2013 | |

**MARIETTE RIH**
**Director elected by employees**
**Birth date:** 03/26/1967 (49 years old)
**Nationality:** French
**Date of first appointment:** November 2012
**Start date of current office:** November 2012
**Current term expires:** November 2016
**Number of registered shares held:** 8 shares in an FCPE mutual fund

**Member of the Industrial Strategy Committee**
**Member of the International Strategy Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

After gaining a BTS qualification as a trilingual secretary, Mariette Rih joined Renault Automation in 1990 as an Assistant to the Export department. In December 1999 she became part of the coordination office for the Renault-Nissan Alliance, and then joined CEO communications for Nissan Europe until 2005. Between 2005 and 2007 she returned to Renault’s L’Atelier, then took over the coordination of exhibitions at Renault Square Com. In 2009, Mariette Rih took over demonstrations and communication technology tools with the Brands Showcase. She has been a B2E Project Manager with the Digital Communications department since June 2014.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
N/A
**Non listed companies:**
N/A
**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| N/A | |

**HIROTO SAIKAWA**
**Director elected on proposal of Nissan**
**Birth date:** 11/14/1953 (62 years old)
**Nationality:** Japanese
**Date of first appointment: December** 2006
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 100

**MEMBER OF THE INTERNATIONAL STRATEGY COMMITTEE**

Biography – professional experience

Hiroto Saikawa was born on November 14, 1953. After graduating from the University of Tokyo with a degree in economics, he joined Nissan Motor Co., Ltd. in 1977. In 1999, he assumed the position of General Manager of Purchasing Strategy department of Nissan Europe N.V. He became Executive General Manager of the Renault-Nissan Purchasing Organization in 2001, and took up the post of Senior Vice-President of Nissan Motor Co., Ltd. in 2003. He was promoted to Executive Vice-President in April 2005, and joined the Board of Directors in June the same year. In June 2011, he was appointed Representative Director. In addition to the responsibilities, he was named Chief Competitive Officer in April 2013 and assumed the position of Vice-Chairman in June 2015.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
Representative Director, Chief Competitive Officer and Vice-Chairman of Nissan Motor Co., Ltd.
**Non listed companies:**
Director of Dongfeng Motor Co., Ltd
**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| N/A | |

**PASCALE SOURISSE**
**Independent Director**
**Birth date:** 03/07/1962 (54 years old)
**Nationality:** French
**Date of first appointment:** April 2010
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 1,000

**Member of the Audit, Risk and Ethics Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Pascale Sourrisse is a graduate of the École Polytechnique and the École Nationale Supérieure des Télécommunications (ENST).

She began her career holding management positions within France Telecom, Jeumont-Schneider and Compagnie Générale des Eaux, as well as with the French Ministry of Industry, followed by Alcatel. In 2001 she became Chairwoman and Chief Executive Officer of Alcatel Space and then of Alcatel Alenia Space in 2005. In 2007, Pascale Sourisse was appointed Assistant Chief Executive Officer of Thales and a member of the Executive Committee, responsible for the Space division. She was also appointed as CEO of Thales Alenia Space. In 2008, she was appointed Senior Vice Chairwoman and CEO of Thales' Land & Joint Systems division and in February 2010, became Senior Vice Chairwoman and CEO of the Defense & Security C4I Systems division. Since 2012 she has also served as Chairwoman and Chief Executive Officer of Thales Communications & Security, and Chairwoman of Thales Services.

In February 2013, Pascale Sourisse was appointed as the Chief Executive Officer of International Development for the Thales group. She is also the Chairwoman of Thales International.

Pascale Sourisse is an Officer of the French Legion of Honor (Officier de la Légion d'Honneur) and Commander of the French Order of Merit (Commandeur de l'Ordre du Mérite).

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**

Director, Member of the Appointments and Governance Committee and the Remuneration Committee of Vinci (France)

Director, Member of the Audit and Ethics Committee and Chair of the End-of-Lifecycle Obligations Monitoring Committee for Areva SA (France)

**Non listed companies:**

Chairwoman of Thales International SAS (France)

Chairwoman of Thales Europe SAS (France)

Permanent representative of Thales in her capacity of Director of ODAS (France)

**Other legal entities:**

Chairwoman of the Board of École de Télécom Paris Tech (France)

Director of the Agence Nationale des Fréquences (France)

Director of the Agence Nationale de la Recherche (France)

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARSNO LONGER HELD: | Current terms expires: |
| --- | --- |
| Member of the collegiate body of Thales Security Solutions & Services SAS (France) | 2011 |
| Chairwoman of SITAC SAS (formerly 181 Centelec SAS) (France) | 2011 |
| Member of the Board of Directors of the Institut Télécom (France) | 2011 |
| Chairwoman and Chief Executive Officer of Thales Communications & Security SAS (France) | 2012 |
| Chairwoman of Thales Services SAS (France) | 2012 |
| Member of the Supervisory Board of Thales Alenia Space SAS (France) | 2012 |
| Member of the Board of GIFAS (France) | 2012 |
| Member of the Board of Directors of DCNS (France) | 2012 |
| Chairwoman of Thales Canada Inc. | |

| | |
|---|---|
| | (Canada)<br>2013<br>Director of Thales UK Ltd (United Kingdom)<br>2013<br>Director of Thales Electronics Ltd (United Kingdom)<br>2013<br>Member of the Supervisory Board of Thales Netherland BV (Netherlands) 2013<br>Director of Thales USA Inc. (USA)<br>2013<br>Director of Australian Defence Industries Pty Ltd (Australia) 2013<br>Director of Thales Australia Holdings Pty Ltd (Australia)<br>2013<br>Director of Thales Underwater Systems Pty Ltd (Australia)<br>2013<br>Director of Thales Training & Simulation Pty Ltd (Australia) 2013<br>Director of ATM Pty Ltd (Australia)<br>Director of Australia Corporate Finance Pty Ltd (Australia)<br>2013<br>Director of Australia Finance Pty Ltd (Australia)<br>2013<br>Permanent representative of Thales in her capacity of Director<br>of SOFRESA (France)<br>2015<br>***Ms. Sourisse has held numerous corporate offices with subsidiaries of Australian Defence Industries. In the interests of clarity and legibility, not all of these offices are listed here.*** |

**PATRICK THOMAS**
**Independent Director**
**Birth date:** 06/16/1947 (68 years old)
**Nationality:** French
**Date of first appointment:** 2014 AGM
**Start date of current office:** April 2014
**Current term expires:** 2018 AGM
**Number of registered shares held:** 100

Chairman of the Remuneration Committee
Member of the International Strategy Committee

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Patrick Thomas is a graduate of the École Supérieure de Commerce Paris (ESCP).

From 1997 to 2000 he chaired the Lancaster group, and from 2000 to 2003 served as Chairman and Chief Executive Officer of British company William Grant & Sons.

Patrick Thomas served as Chief Executive Officer of Hermès International from 1989 to 1997. On July 15, 2003 he rejoined the Hermès group as Chief Executive Officer of Hermès International before being appointed as manager, a role which he performed from September 15, 2004 until his retirement on January 31, 2014.

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
Member of the Supervisory Board of Laurent Perrier (France)

**Non listed companies:**
Member of the Supervisory Board of Leica Camera AG (Germany)
Member of the Supervisory Board of Château Palmer (France)
Chairman of the Supervisory Committee of Ardian Holding (France)
Member of the Supervisory Board of Massilly Holding (France)
Manager of SCI Les Choseaux (France)

**Offices within the Hermès group:**
Chairman of the Board and Director of Shang Xia Trading (Shanghai)
Director of Faubourg Italia (Italy)
Chairman and Director of Full More group (Hong Kong)

**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| Director of Lacoste (France) | 2012 |
| Vice-Chairman and member of the Supervisory Board of Gaulme (France) | 2012 |
| Manager of Hermès International | 2014 |

***Mr. Thomas has held numerous corporate offices with the Hermès group's subsidiaries. In the interests of clarity and legibility, all of these offices are not listed here.***

**MARTIN VIAL**
**Director appointed by the State**
**Birth date:** 02/08/1954 (62 years old)
**Nationality:** French
**Date of first appointment:** September 2015
**Current term expires:** N/A
**Number of registered shares held:** N/A

**Member of the Audit, Risk and Ethics Committee**
**Member of the Appointments and Governance Committee**

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Martin Vial is a graduate of the ESSEC Business School and the École nationale supérieure des postes et télécommunications. He is 62 years old.

In 1982 he was appointed as a Director of the PTT (French administration for postal services and telecommunications) with the Direction Générale des Postes, and in 1986 joined the Treasury department at the French Ministry of Economy and Finance. He performed a series of roles between 1988 and 1993, including technical advisor, assistant director and the chief of staff of the Ministry of Postal Services, Telecommunications and Space, the Ministry of Infrastructure, Housing and Transport, and finally the Ministry of Postal Services and Telecommunications.

In 1993, Martin Vial was appointed Chairman and Chief Executive Officer of the airline Aéropostale, a joint subsidiary of Air France, La Poste and TAT. In 1996 he was elected Chairman of the CSTA (French air transport association) and of the FNAM (National Federation of Commercial Aviation).

At end-1997, he became Chief Executive Officer of the La Poste group and created three Business divisions: post, parcels and express service and banking and financial services.

In December 2000 he was appointed both as Chairman of the La Poste group and Vice-Chairman of the Caisse Nationale de Prévoyance (CNP).

In September 2002, Martin Vial joined the Cour des Comptes as a Conseiller-Maître.

From 2003 to 2014, he served as Chief Executive Officer of Groupe Europ Assistance, the world leader in care services with 44 subsidiaries in 33 countries, and as Director and CEO of Europ Assistance Holding. He also chairs several Boards of Directors for the Group's companies.

In January 2015 he founded Premium Care, a care company for the elderly.

He is a Knight in the National Order of the French Legion of Honour (Chevalier dans l'Ordre National de la Légion d'Honneur) and in the French National Order of Merit (Ordre National du Mérite).

He wrote La lettre et *la Toile on the development* of the Internet in France (Albin Michel – 2000), and La *Care Revolution, l'homme au cœur de la révolution mondiale des services* (*Nouveaux Débats Public* – 2008). He has also contributed to two collective works Empreintes sociales, en finir avec le court terme (Odile Jacob – 2011) which he wrote with nine other French business leaders, and *La société des marques* (Parole et Silence – 2015).

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
Director of Thales (France)
Director of EDF (France)

**Non listed companies:**
Director of BPI France SA (France)

**Other legal entities:**
N/A

| OFFICES IN OTHER COMPANIES IN THE PREVIOUS FINANCIAL YEAR AND OVER THE PAST FIVE YEARS NO LONGER HELD: | Current terms expires: |
|---|---|
| Director of Homair Vacances | 2014 |
| Director of Business Solutions Capital | 2014 |
| Director and Chief Executive Officer of Europ Assistance Holding | 2014 |
| Director of Europ Assistance South Africa, Germany, China, Spain, Italy, Portugal | 2014 |
| Chairman of Europ Assistance Brazil, Belgium, France, UK, USA | 2014 |
| Chairman of CSA | 2014 |

Martin Vial was appointed Commissioner for State Holdings (Commissaire aux Participations de l'État) on August 24, 2015.
Mr. Vial, (62) is a graduate of ESSEC and of the École Nationale Supérieure des Postes et Télécommunications (ENSPT).

**OLIVIA QIU**
**Independent Director**
**Birth date:** 08/19/1966 (49 years old)
**Nationality:** French and Chinese
**Date of first appointment:** 04/29/2016
**Start date of current term:** April 2016
**Current term expires:** 2020 AGM
**Number of registered shares held:** N/A

**BIOGRAPHY – PROFESSIONAL EXPERIENCE**

Ms. Olivia Qiu studied engineering at Nankai University, holds a degree in electronics from *the China Electronic Science and Technology University* (UESTC) and a Ph.D in management science from the École Supérieure des Affaires de Grenoble.
From 1987, Ms. Olivia Qiu was an Engineer responsible for military radars, then for Research and Development at the *China Chengdu Design Institute No. 784*.
She joined Alcatel in 1997 as a project manager responsible for negotiating three joint-ventures for Alcatel China Cable Sector. In *1998, she was appointed Sales Director of the Alcatel East China Region then, in 2000, Commercial Operations Director*. In 2002, she became Marketing and 3G Operations Director for Alcatel Shanghai Bell, and from 2004 to 2005, Asia-Pacific Region Business Development Director for Alcatel.
From 2005, she directed commercial activities, marketing, technical solutions and service implementation at Alcatel China. In 2008, she was appointed Regional Director for East Asia, Chief Executive Officer of Alcatel-Lucent Shanghai Bell.
Ms. Olivia Qiu was Chief Executive Officer in charge of «Strategic Industries» at Alcatel-Lucent until 2013. Her other offices and functions during the past five years are described below.
Ms. Olivia Qiu has been a Board Director of Saint-Gobain since June 2011. Principal position held: Chief Innovation Officer, Philips Lighting

**OFFICES AND OTHER FUNCTIONS IN FRENCH AND INTERNATIONAL COMPANIES**

**CURRENT OFFICES**

**Listed companies:**
Director of Saint-Gobain group (France)
**Non listed companies:**
N/A
**Other legal entities:**
N/A

| **OFFICES IN OTHER COMPANIES IN THE PAST FIVE YEARS NO LONGER HELD** | **Expiry of term** |
|---|---|
| Director and Chief Executive Officer of Alcatel-Lucent Shanghai Bell (China) | 2013 |
| Vice-Chairwoman of the Board of Directors of Alcatel-Lucent Qingdao Telecommunications (China) | 2013 |
| Chairwoman of the Board of Directors of the following companies (China): Alcatel-Lucent Shanghai Bell Enterprise Communications Co. Ltd, Alcatel- Lucent Sichuan Bell Communication System Co. Ltd, Lucent Technologies Qingdao Telecommunications Enterprise Co. Ltd, Lucent Technologies Information and Communications of Shanghai Ltd | 2013 |

## ADDITIONAL INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS

### RIGHTS AND OBLIGATIONS OF DIRECTORS

The internal regulations of the Board describe the rights and obligations of directors with respect to:

- an awareness of the legal regulations relating to *sociétés anonymes* (public limited companies) and the Company's by-laws;

- the right to disclosure and duty to keep informed;
- the duty of diligence;
- the duty of loyalty;
- professional confidentiality and privileged information;
- the holding of shares in the Company. The Board's internal regulations, amended with reference to the revised Afep-Medef Code, recommend that directors own a significant number of shares in view of the director's fees paid to them[3], except for those directors who do not receive fees personally. In this respect, the directors representing the staff or the shareholder employees do not personally receive director's fees (which are paid directly to their trade unions); they are therefore not required to hold a significant number of the Company's shares. In addition, administrative regulations forbid directors appointed by the French State from owning shares;
- refund of expenses.

**NO CONVICTIONS OR CONFLICTS OF INTEREST**

To Groupe Renault's knowledge, none of its directors or senior executives has been convicted of fraud in the past five years. None of the directors has been involved as an executive in bankruptcy, receivership or liquidation proceedings in the past five years and none has been charged or punished by a statutory or regulatory authority. None of the directors has been barred by a court from serving as a member of the Board of Directors, Management Board or Supervisory Board of a securities issuer or from serving as a manager or officer of an issuer in the past five years.
To Groupe Renault's knowledge, there are no conflicts of interest between the directors' private interests and their duties to the Company.
The directors are not related by family ties.
Company officers are not bound to Renault or any of its subsidiaries by service agreements that provide for benefits.

**(2) MANAGEMENT BODIES AT APRIL 1, 2016**
The Renault Board of Directors has chosen as its mode of governance, to combine the roles of Chairman of the Board of Directors and CEO.
A detailed explanation of the mode of governance is given in section "Organization, operation and missions of the Board" below.
The Chairman and CEO relies on the Group Executive Committee (GEC) to steer the Group's operational management. The GEC benefits from the support of the Renault Management Committee (RMC) and the Operations Review Committee, which have a larger number of members.

**GROUP EXECUTIVE COMMITTEE**
The Group Executive Committee takes strategic, financial and operational decisions subject to the functions allocated at the Board of Directors' meeting.
These are reflected in the budget and Renault Plan, product planning, major investments, and plans for new strategic sites.
The members of the Group Executive Committee regularly attend Board meetings.
The Group Executive Committee has twelve members:
- the Chairman and CEO;
- the Chief Competitive Officer, whose main roles are to ensure the development of an attractive product range, make the product offering more competitive, optimize costs, boost quality and improve the profitability of programs;
- the Chief Performance Officer, whose main responsibility is to ensure the profitable growth of the Group. To do so, he is fully responsible for the Regions and the After Sales Business on a worldwide basis. The scope of responsibility of the Region includes the full business scope, including all upstream and downstream activities. He ensures the regional needs are taken into account by the respective Functions of the Company. He ensures the profitability through cost & profit optimization by models & by markets,

[3] Approximate percentage of Renault share capital owned by directors, excluding the State's ownership: 0.02 %.

and fosters cross-regional synergies. He supports the process and methods defined by the Functions to support regional needs and profitable growth;
- the Group Sales Director, whose main responsibility is to ensure the market share growth and profitability of the sales while enhancing brand image and customer satisfaction. He defines the process and methods of the Sales Function in Sales, Marketing and Digital areas. He supports and challenges the Regions;
- the Executive Vice President, Office of the CEO, who supervises the following: the Legal Affairs department, the Public Affairs department, the Communications department, the Public Relations department, the Corporate Social Responsibility department, the Property & General Services department, the Prevention and Group Protection department, the Transversal Teams department, the Operational Costs Economic Efficiency Program;
- the Executive Vice President, Engineering;
- the Executive Vice President for Human Resources Group and Alliance;
- the Executive Vice President for Group Product and Planning Programs;
- the Executive Vice President for Group Manufacturing and Logistics;
- the Executive Vice President for Quality and Customer Satisfaction;
- the Group Chief Financial Officer;
- the Executive Vice President, Europe Region.

The Renault Executive Committee meets once a month and at seminars held twice a year.

**RENAULT OPERATIONS REVIEW COMMITTEE**

The Operations Reviewing Committee is in charge of operational decisions and eviewing performance at the regional level:
- business KPIs;
- free cash flow management;
- profitability, programs and planning;
- various reports: quality, electric vehicles, fixed costs, etc.

The Operations Review Committee has 18 permanent members:
- the 12 members of the Group Executive Committee;
- the Executive Vice Presidents of the Eurasia, Americas, Africa-Middle East‑ India and Asia-Pacific Regions (the Executive Vice President for Europe is on the Group Executive Committee and takes part in the Operations Review Committee in this capacity);
- the SVP, Group Control;
- the SVP, Purchasing.

The Operations Review Committee meets once a month for a whole day.

**RENAULT MANAGEMENT COMMITTEE**

At RMC meetings, decisions and discussions of the Group Executive Committee are presented for implementation within the Group.
The Management Committee includes the 12 members of the Group Executive Committee and the representatives of the Group’s main departments. It is chaired by Mr. Carlos Ghosn.
The RMC meets once a month.

**(3) COMPENSATION OF DIRECTORS AND OFFICERS**

**COMPENSATION AND BENEFITS OF THE SENIOR EXECUTIVE OFFICER**

This section relates to the Senior Executive Officer, the Chairman and CEO, Mr. Carlos Ghosn.
In accordance with the Afep-Medef recommendations and with the position of the French securities regulator, *Autorité des Marchés Financiers* (AMF), the Chief Executive Officer does not also hold an employment contract with Renault.

**Components of compensation**

The components of the compensation due or attributed to the Chairman and CEO in respect of 2015, which was submitted for a consultative opinion to the shareholders at the Annual General Meeting held on April 29, 2016, are set forth in this Section.
The compensation of the Chairman and CEO is composed of the following:
- a fixed portion;

- a variable portion, 25% of which is payable in cash and the balance in the form of deferred and conditional shares;
- performance shares.

These components are determined by the Board of Directors on the basis of studies carried out by the Remuneration Committee with the help of a specialized consultancy, by analyzing compensation at comparable French CAC 40 companies and in foreign corporations operating in the same sector. This compensation structure is designed to align the interests of the Chairman and Chief Executive Officer with those of the Group.

In addition to these components, a non-compete agreement, approved by the Annual General Meeting on April 30, 2015, was signed between the Company and the Chairman and Chief Executive Officer, who also benefits from a supplementary pension plan.

A breakdown of compensation for 2015 is given below.

**Fixed and variable compensation**

It should be noted that the Chairman and CEO is not compensated for his function as Chairman of the Board of Directors.

Acting on a proposal from the Remuneration Committee, the Board of Directors chose the following principles to guide the remuneration of Mr. Ghosn in his capacity as Chief Executive Officer.

This compensation comprises:

- a fixed portion;
- a variable portion, representing a percentage of the fixed portion, whose amount is set depending on performance criteria. The Board of Directors sets performance targets and assesses their implementation.

The variable portion can total up to 150% of the fixed portion if all the performance targets are reached. Where all the targets are exceeded, the variable portion could represent up to 180% of the fixed portion.

The performance criteria set by the Board of Directors are as follows:

- return on equity (10% maximum);
- operating margin (40% maximum);
- free cash flow (40% maximum);
- managerial performance, assessed qualitatively (up to 60%). The qualitative element is based on the following:
    - monitoring of the competitiveness agreement in France: assignments of vehicle and mechanical projects (Renault and partners), assessment of production volumes assigned for 2016,
    - the quality of the environmental commitment: position in Europe in electric vehicles, $CO_2$ emissions of vehicles in Europe,
    - development of a multi-year R&D strategy: level of investment in R&D and monitoring of Capex, further standardization policy (CMF approach – Common Modules Families) and ongoing policy of module deployment, product coverage by Region,
    - Corporte Social Responsibility: auditing of non-financial data, visibility, social impact in terms of diversity, and health & safety,
    - partnerships: growth in the number of projects with partners, development of synergies and cost savings enabled by partnerships,
    - Alliance synergies: increase in the amount of synergies, changes in major synergies.

Each of these six items accounts for 10% of the qualitative criteria (maximum of 60%).

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the individual percentage achievement of these criteria.

The variable portion is paid as described below. Note that these payment terms only concern the Chairman and Chief Executive Officer:

- 25% of the variable portion is paid in cash;
- the remainder is paid in shares, on a deferred and conditional basis, as follows.

The shares granted as part of the 2015 deferred variable portion will not be acquired until 2020, and are subject to:

- a four-year employment criterion within Renault;
- performance conditions based on the financial criteria for the Chairman and CEO’s variable compensation, assessed over three consecutive financial years.

The number of shares acquired by the Chairman and CEO will be determined on the basis of the amount of the deferred variable portion, of the risk of non-payment of this deferred variable portion and of the Group’s performance over three years.

The shares acquired by the Chairman and Chief Executive Officer are existing shares and do not lead to any dilution for shareholders. For the 2015 fiscal year, the Board of Directors decided, as proposed by the Remuneration Committee, that the amount of the fixed portion would be €1,230,000. The amount of the fixed component is unchanged since 2011.
Concerning the variable part, the Board of Directors decided, as proposed by the Remuneration Committee, that the level of achievement of the financial criteria was 90% of the fixed portion and the level of achievement of the qualitative criterion was 55%, based on the following breakdown:

| PERFORMANCE CRITERIA | WEIGHTING | LEVEL OF ACHIEVEMENT |
|---|---|---|
| Return on equity (ROE) | 10% | 10% |
| Operating margin | 40% | 40% |
| Free cash flow | 40% | 40% |
| Monitoring of the competitiveness agreement | 10% | 10% |
| The quality of the environmental commitment | 10% | 7.5% |
| Development of a multi-year R&D strategy | 10% | 7.5% |
| Corporte Social Responsibility | 10% | 10% |
| Joint arrangements | 10% | 10% |
| Synergies within the Alliance | 10% | 10% |
| **TOTAL** | 150% | 145% |

Therefore, in respect of 2015, the Board of Directors approved the variable portion of the compensation of the Chairman and CEO at 145% of the fixed portion, which amounted to €1,783,500 (compared with 147.5% of the fixed portion, or €1,814,250 for 2014).
The Board of Directors' meeting of February 11, 2016, acting on a proposal from the Remuneration Committee, decided the payment of the variable portion as follows:

- variable portion paid in cash (25% of the variable portion): €445,875;
- variable portion paid in shares on a deferred basis (75% of the variable portion): €1,337,625.

**Multi-annual variable compensation**
The Chairman and CEO does not receive multi-year variable compensation.

**Exceptional variable compensation**
The Chairman and CEO was not paid any exceptional compensation in 2015.

**Long-term element of compensation**
Since 2013, the Renault group has decided to no longer to implement "stock-option" plans, but to implement only performance share plans.
The Chairman and CEO thus receives performance shares, as authorized by the Annual General Meeting of April 30, 2013.
Performance share plans are decided annually. According to industry best practice, all awards, regardless of the beneficiary, are subject to a minimum of three years' employment from the date of award of the performance shares, and to performance criteria assessed over a minimum of three consecutive financial years.
The terms of these plans are described in section "COMPENSATION OF SENIOR EXECUTIVES: PERFORMANCE SHARES" below.

**Performance shares (authorization granted by the Annual General Meeting of April 30, 2013)**
The Chairman and CEO receives performance shares, according to the same conditions as other Group executives, subject to additional performance criteria due to his position as Executive Director.
As authorized by the Extraordinary General Meeting of April 30, 2013, on February 11, 2015, the Board of Directors, acting on a proposal from the Remuneration Committee, granted the CEO 100,000 performance shares for 2015.

It is noted that allocations of performance share are subject to the following ceilings:

- the total number of performance shares allocated may not exceed 1.5% of the share capital over three years, averaging 0.5% of the share capital per year;
- the number of performance shares allocated to the Chairman and Chief Executive Officer may not exceed 15% of the total shares allocated.

Of the 100,000 performance shares, the number of vested shares will depend on the following performance criteria:

- free cash flow, for one-third of the shares;
- the variation in the automotive operating margin in percentage points compared with a panel of car manufacturers with the same geographical and sectoral drivers (PSA auto, Fiat auto EMEA, VW Brand and Skoda Brand), for one-third of the shares;
- an external criterion based on total shareholder return (TSR), in line with CAC 40 practices, for one-third of the shares.

With the exception of the last criterion (TSR), which applies only to the CEO, the same criteria will apply to all beneficiaries of performance shares.

For reasons of confidentiality, Renault is not disclosing the target figures for each of the criteria listed above. However, Renault will publish the percentage achievement of these criteria.

These criteria are assessed over a period of three years (2015, 2016, and 2017).

The criteria put in place are exacting, stable, verifiable and quantifiable.

The achievement rates for the plans whose performance assessment period has expired are:

- Plan 17, relating to the year 2011: no criteria met,
- Multi-year Plan 18, relating to the 2011-2013 period: 100% of criteria met,
- Plan 19, relating to the year 2012: 50% of criteria met,
- Plan 20, relating to the year 2013: 88.48% of criteria met.

When the criteria are not met, no shares are granted at the end of the vesting period.

In addition, the vesting of performance shares is subject to a condition of presence of four years from the date of allocation (*i.e.* until 2019).

The CEO is subject to a conservation commitment of 25% of the performance shares definitively acquired after the acquisition period, until his term of office.

The CEO has taken the formal undertaking no to use risk hedging transactions on performance shares, until the end of the retention period.

**Attendance fees**

The method of allotment of directors' fees is reiterated in section "Method of allotment" below. As a member of the Renault Board of Directors, Mr. Ghosn received €48,000 gross in respect of 2015.

**Compensation for termination of office and non-compete indemnity**

The Chairman and CEO does not benefit from any severance clause in respect of 2015. As of 2015, the Board of Directors authorized a non-compete agreement, the terms of which are described in the statutory auditors' report in section "STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS".

If the Board of Directors decides to implement this agreement, the Chairman and Chief Executive Officer will receive, during the two-year period of application of the agreement and provided there are no breaches of the agreement, gross financial compensation equal to two years' gross salary (fixed and variable), payable in 24 monthly payments. Such financial compensation will be calculated upon the paid salary and not the theoretical salary. The Board of Directors will decide, upon Mr. Ghosn's departure, whether to enforce said non-compete agreement. It may unilaterally decide to waive this clause.

**Supplementary pension plan**

The Chairman and Chief Executive Officer benefits from the collective supplementary pension scheme set up for members of the Group Executive Committee. This pension scheme is opened to new beneficiaries. This plan was approved by the Board meetings held on October 28, 2004 and October 31, 2006 and by the Annual General Meeting of April 30, 2010 (10th resolution). The plan was confirmed by the Board of Directors on February 12, 2014 and approved by the Annual General Meeting of April 30, 2014 (seventh resolution).

The supplementary pension plan for the benefit of the Chairman and CEO covers:

- a defined contribution scheme equivalent to 8% (5% paid by the Company, 3% by the beneficiary) of the annual compensation comprised between eight and sixteen times the upper limit for social security contributions;
- a supplementary scheme with defined benefits. Eligibility for this scheme is subject to a minimum length of service of five years and at least two years as a GEC member. The annual amount is equal to 10% of the reference compensation, plus 1.40% per year of service beyond five years as a member of the GEC and 0.40% per year outside GEC if the length of service at Renault exceeds five years.

This amount is capped at 30% of the reference compensation.

The reference compensation used for calculating the amount of the pension benefits under the defined benefit plans is equal to the average of the three highest compensations in the past ten years before retirement. The reference compensation is capped at 65 times the annual social security ceiling.

In all cases, the total amount of retirement benefit of the Chairman and CEO is less than or equal to 45% of his basic compensation.

Finally, the application of the supplementary pension plan is subject to the presence of the Chairman and CEO within the Group when he claims his pension.

**Summary tables**

The tables below are based on the recommendations of the Afep-Medef and the French securities regulator ("AMF").

**SUMMARY TABLE OF COMPENSATION, STOCK-OPTIONS AND SHARES ALLOCATED TO MR. CARLOS GHOSN**
**(TABLE 1 IN ACCORDANCE WITH AFEP-MEDEF RECOMMENDATIONS)**

| | **2015** | **2014** | **2013** |
|---|---|---|---|
| **Carlos Ghosn – Chairman and CEO** | | | |
| Compensation owing in respect of the year (details in table 2)(1) | 3,066,940 | 3,098,509 | 2,669,142 |
| Value of options granted during the year (details in table 4) | 0 | 0 | 0(2) |
| Value of performance shares granted during the year (details in table 6) | 4,184,850 | 4,117,321 | 0 |
| **TOTAL** | **7,251,790** | **7,215,830** | **2,669,142** |

*(1) As a reminder, following the signing of the Competitiveness Agreement, payment of 30% of the variable portion for fiscal year 2012 is postponed and made conditional on Renault's fulfillment of all the fixed-term commitments made under this Agreement.*

*(2) No options were granted from 2013. Those granted for FY 2013 have been executed on 12/13/2012. See table 4 hereafter.*

**The total compensation for the Chairman and CEO indicated in the summary table above includes the valuation of shares subject to performance conditions which condition the acquisition. In 2016, the compensation paid in cash for fiscal year 2015 represents €1,737,003 including the following elements: the fixed portion, 25% of the variable portion paid immediately in cash, attendance fees in respect of the term of office as director and the value of in-kind benefits (for details, see table no. 2 below). Payment of the balance is subject to certain conditions relating to the achievement of performance criteria.**

**SUMMARY TABLE OF THE COMPENSATION OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER**
**(TABLE 2 IN ACCORDANCE WITH AFEP-MEDEF RECOMMENDATIONS)**

a) **The total compensation of the Chairman and CEO paid by Renault SA and the companies it controls was as follows** (in €):

| | **AMOUNTS 2015** | | **AMOUNTS 2014** | | **AMOUNTS 2013** | |
|---|---|---|---|---|---|---|
| **CARLOS GHOSN** | **OWING** | **PAID** | **OWING** | **PAID** | **OWING** | **PAID** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Fixed compensation | 1,230,000 | 1,230,000 | 1,230,000 | 1,230,000 | 1,230,000 | 1,230,000 |
| Variable compensation paid in cash | 445,875 | 453,563 | 453,563 | 346,245 | 346,245 | 1,007,370 |
| Variable compensation paid in shares, subject to conditions(1) | 1,337,625 | 0 | 1,360,687 | 0 | 1,038,735 | |
| Attendance fees | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 |
| In-kind benefits | 5,440 | 5,440 | 6,259 | 6,259 | 6,162 | 6,162 |
| **TOTAL** | **3,066,940** | **1,737,003** | **3,098,509** | **1,630,504** | **2,669,142** | **2,291,532** |

*(1) With effect from the variable portion for 2013, the Board of Directors decided that 75% of the variable portion due in respect of any year would be converted into the form of shares whose granting would be subject to performance and presence conditions (see section "Components of compensation" above for a description of this mechanism).*

b) **Compensation of Mr. Ghosn in his capacity as President and CEO of Nissan Motors Co., Ltd.**
In compliance with the information published by Nissan on June 30, 2014 and June 30, 2015 in its annual financial report Yukashoken-Hokokusho for fiscal years 2013 (from April 1, 2013 to March 31, 2014) and 2014 (April 1, 2014 to March 31, 2015), the total compensation received by Mr. Ghosn as Chairman and CEO of Nissan Motors Co., Ltd. was ¥995 million for FY 2013 and ¥1,035 million for 2014.

| **FISCAL YEAR (FROM APRIL 1, 2014 TO MARCH 31, 2015)** (in millions of yen) | **COMPENSATION** | **STOCK-OPTIONS** | **TOTAL** |
|---|---|---|---|
| 2014 | 1,035* | 0 | 1,035* |

* *Figures published by Nissan in compliance with JGAAP accounting standards.*

For information, using the European Central Bank exchange rate at March 31, 2015 (i.e. 1 euro =128.95 yen), the value of 1,035 million yen represents approximately 8,026,367 euros.
This information is directly accessible, with all updates, on the Renault web-site at the address:
https://group.renault.com/finance/gouvernance/activite-du-conseil-dadministration/

c) **Compensation of Mr. Ghosn in his capacity as a Director of AVTOVAZ.**
Mr. Ghosn did not receive any compensation in his position as Chairman and member of the AVTOVAZ Board of Directors in respect of 2015.

**SUMMARY TABLE OF BENEFITS PAID TO THE SENIOR EXECUTIVE OFFICER (TABLE 10 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| **SENIOR EXECUTIVE OFFICER** | **EMPLOYMENT CONTRACT** | **SUPPLEMENTARY PENSION PLAN** | **INDEMNITIES OR BENEFITS OWED OR LIKELY TO BE OWED FOR THE TERMINATION OR CHANGE OF OFFICE** | **NON-COMPETE INDEMNITY** | **OTHER COMPENSATION** |
|---|---|---|---|---|---|
| **Carlos Ghosn** Chairman and Chief Executive Officer | No | Yes | No | Yes | No |

**STOCK-OPTIONS GRANTED TO THE CHIEF EXECUTIVE OFFICER (TABLE 4 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| | **PLAN NO. AND DATE** | **TYPE OF OPTIONS** | **VALUE OF OPTIONS BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED FINANCIAL STATEMENTS(1)** | **NO. OF OPTIONS GRANTED** | **EXERCISE PRICE** | **EXERCISE PERIOD** |
|---|---|---|---|---|---|---|
| Carlos Ghosn | No. 18 4/29/2011 | BOUGHT | 931,000 | 100,000(2) | €38.80 | From 04/30/2015 to 04/28/2019 |
| | No. 19 12/08/2011 | BOUGHT | 558,000 | 100,000(3) | €26.87 | From 12/09/2015 to 12/07/2019 |
| | No. 20 | BOUGHT | 750,258 | 150,000(4) | €37.43 | From |

| | |
|---|---|
| 12/13/2012 | 12/13/2016 to 12/12/2020 |

*(1) The valuation method adopted in the consolidated accounts follows a suitable binomial mathematical model, with exercise of the options anticipated and spread over the exercise period on a straight-line basis. The value of the options in this column corresponds to the total expenses that will be accounted for over the four-year period of exercise (see note 18-H of the notes to the consolidated financial statements).*
*(2) In view of the achievement of performance criteria, the Board of Directors in its meeting of February 12, 2014 decided to definitively allocate all options initially attributed.*
*(3) In view of the achievement of the plan's performance criteria, the Board of Directors in its meeting of February 13, 2013 decided to definitively allocate 50% of the 100,000 options, i.e. 50,000 options.*
*(4) In view of the achievement of the plan's performance criteria, the Board of Directors in its meeting of February 12, 2014 decided to definitively allocate 88.48% of the 150,000 options initially attributed, i.e. 132,720 options.*

**STOCK-OPTIONS EXERCISED DURING THE YEAR BY MR. CARLOS GHOSN (TABLE 5 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| | PLAN NO. AND DATE | NO. OF OPTIONS EXERCISED DURING THE YEAR | EXERCISE PRICE | GRANT YEAR |
|---|---|---|---|---|
| **Carlos Ghosn** | No. 18 04/29/2011 | 100,000 | €38.80 | 2011 |

**PERFORMANCE SHARES ALLOCATED DURING THE YEAR TO MR. CARLOS GHOSN (TABLE 6 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| | PLAN NO. AND DATE | NUMBER OF SHARES | VALUE OF SHARES BASED ON THE METHOD ADOPTED FOR THE CONSOLIDATED FINANCIAL STATEMENTS | DATE OF ACQUISITION | DATE OF AVAILABILITY | PERFORMANCE CONDITIONS |
|---|---|---|---|---|---|---|
| **Carlos Ghosn** | No. 22 02/11/2015 | 100,000 | 4,184,850 | 02/11/2019 | 02/11/2019 | Yes |

**PERFORMANCE SHARES AVAILABLE TO MR. CARLOS GHOSN DURING THE YEAR (TABLE 7 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| | PLAN NO. AND DATE | NO. OF SHARES AVAILABLE DURING THE YEAR | TERMS OF ACQUISITION |
|---|---|---|---|
| **Carlos Ghosn** | - | n/a | - |

## DIRECTORS' COMPENSATION

In accordance with Article L. 225-45 of the French Commercial Code, the Annual General Meeting may allocate directors' fees, the amount of which remains fixed until otherwise decided.

### Amount

The Combined General Meeting on April 29, 2011 set an annual amount of €1,200,000 to be apportioned among the directors for the current year and subsequent years, until further notice. The Board is responsible for allotting these fees.

### Method of allotment

Article 21.1 of the Afep-Medef Code recommends that directors' fees should include a variable portion, paid for actual attendance of Board and committee meetings. The variable portion should be larger than the fixed portion.

To comply with this recommendation, the Renault Board of Directors decided, on October 8, 2014, to amend the rules on the allocation and calculation of directors' fees. Since 2014, the following new calculation rules are applicable:

- fees paid to Board members:
  - a fixed portion of €18,000 per year, for being a member of the Board,
  - a variable portion of €6,000 per meeting, related to the actual attendance at Board meeting,
    Fixed and variable parts are capped at a total of €48,000 per director per year;
- fees paid to committee members:
  - a fixed portion of €1,500 per year, for being a member of a committee,
  - a variable portion of €3,000 per meeting, for members' actual attendance at committee meetings, capped at:
  - €6,000 per member, per year, for committees other than the Audit, Risks and Ethics Committee (CARE),
  - €9,000 per member, per year, for the CARE.
    The fixed and variable portions are capped at a total of:
  - €7,500 per member, per year, for committees other than the CARE,
  - €10,500 per year for members of the CARE;
- for chairing a committee:
  - a fee of €7,500 per year for chairing a committee,
  - a fee of €15,000 per year for chairing the CARE.

Total fees allocated to directors in respect of 2015 amounted to €1,155,300 (compared with €1,182,000 in 2014).

SUMMARY TABLE

**FEES ALLOTTED TO DIRECTORS FOR THE YEAR BASED ON ATTENDANCE AT BOARD AND COMMITTEE MEETINGS (TABLE 3 IN ACCORDANCE WITH AFEP-MEDEF CODE RECOMMENDATIONS)**

| ATTENDANCE RATE, BOARD AND COMMITTEE MEETINGS IN 2015[1] | | | | | | | TOTAL GROSS FEES RECEIVED (in €)[2] | |
|---|---|---|---|---|---|---|---|---|
| DIRECTORS | BOARD | AUDIT, RISKS AND ETHICS COMMITTEE | REMUNERATION COMMITTEE | APPOINTMENTS AND GOVERNANCE COMMITTEE | INTERNATIONAL STRATEGY COMMITTEE | INDUSTRIAL STRATEGY COMMITTEE | 2015 | 2014 |
| Mr. Ghosn | 100% | - | - | | - | - | 48,000 | 48,000 |
| Mr. Belda | 87.5% | - | 100% | 100% | 50% | - | 67,500 | 78,000 |
| Ms. Blair[4] | 100% | | - | - | - | - | 30,000 | - |
| Mr. de Croisset[4] | 100% | 100% | - | - | - | 100% | 23,850 | 66,000 |
| Mr. Desmarest | 75% | - | 100% | - | 100% | 100% | 70,500 | 78,000 |
| Mr. Faure[3] | 100% | | - | - | 0% | 100% | 57,000 | 57,000 |
| Mr. Garnier | 100% | - | 50% | - | 50% | 100% | 72,000 | 72,000 |
| Mr. Gentil | 100% | - | - | - | 100% | 100% | 63,000 | 63,000 |
| Ms. Koike[5] | 87.5% | - | - | - | - | - | 44,250 | 42,000 |
| Mr. Ladreit de Lacharrière | 87.5% | - | 100% | 100% | - | - | 66,750 | 70,500 |
| Ms. de La Garanderie | 100% | 100% | - | 100% | - | - | 66,000 | 66,000 |
| Mr. Lagayette | 100% | 100% | - | 100% | - | - | 81,000 | 81,000 |
| Mr. Ostertag | 100% | 100% | - | - | - | 100% | 66,000 | 66,000 |
| Mr. Personne | 100% | - | 100% | - | 100% | - | 63,000 | 59,250 |
| Mr. Riboud | 87.5% | - | - | - | - | - | 44,250 | 48,000 |
| Ms. Rih | 100% | - | - | - | 100% | 100% | 63,000 | 59,250 |
| Mr. Saikawa | 100% | - | - | - | 100% | - | 55,500 | 55,500 |
| Ms. Sourisse | 100% | 100% | - | - | - | - | 58,500 | 58,500 |
| Mr. Thomas | 100% | | 100% | | 100% | | 63,000 | 25,714 |
| Mr. Turrini[3][4] | 75% | 100% | | 100% | | | 28,200 | 17,143 |
| Mr. Vial[3][4] | 100% | | - | - | - | - | 24,000 | - |

*(1) For directors whose appointment to the Board or one of the committees began or ended during 2015, the attendance rate is calculated on the duration of their term of office, not the fiscal year.*

*(2) Gross amounts are calculated on the basis of methods adopted in 2014 and listed in paragraph "Method of allotment" above.*

*(3) Directors representing the French State.*

*(4) Directors whose appointment to the Board or one of the committees began or ended during 2015.*

*(5) Ms. Koike expressed her wish to waive the fees due to her for 2013, the year in which she was appointed as a director. The Board of Directors meeting of February 12, 2014 took note of this waiver. Ms. Koike donated the fees due to her in respect of 2014 to a non governmental organization.*

## COMPENSATION OF SENIOR EXECUTIVES: PERFORMANCE SHARES

**Legal framework**

In its fourteenth resolution, the Combined General Meeting of April 30, 2013, authorized the Board of Directors to make one or more bonus grants of "performance shares" (existing shares or shares to be issued in the future) to the Executive Director and some employees of the Company and its related companies, under the terms set forth in Article L. 225-197-1 of the French Commercial Code.

It is to be noted that performance shares granted under the abovementioned authorization are capped as follows:

- the total number of performance shares granted shall not exceed 1.5% of the share capital over three years, *i.e.* 0.5% of the share capital *per annum*;
- the number of performance shares allocated to the Chairman and CEO shall not exceed 15% of the total shares allocated;
- the members of the Executive Committee cannot receive more than 30% of the total number of performance shares allocated, including those allocated to the Chairman and CEO.

The meeting made the allocation of performance shares conditional on achieving the performance criteria set during the budgeting process.

The allocation of performance shares pursuant to the fourteenth resolution of the Mixed General Meeting of April 30, 2013 does not dilute the shares owned by shareholders, since the performance shares are allocated from treasury stock.

## General policy on performance share plans

### Remuneration Committee

The Board of Directors approves plans to allocate performance shares on the basis of the report and recommendations of the Remuneration Committee. The committee examines proposals from the Chairman to allocate shares to certain Group employees, in compliance with the general arrangements set by the Annual General Meeting.

### Aims of performance share plans

The main aim of allocations of performance shares is to involve Renault executives worldwide, particularly the members of management bodies, in building the value of the Group by allowing them to have an ownership interest in the Company.

The plan is also a way to reward those executives who, by their actions, make an especially positive contribution to the Group's results.

In addition, the plan helps to secure the loyalty of those executives for whom the Group has long-term ambitions, in particular "high-flyers", i.e. executives with strong potential. Granting performance shares helps to increase the commitment of these staff members and motivate them to work for the Company's advancement and growth.

The plan reinforces the role of the Group's responsibility centers in the world. In Automotive, it applies in particular to sales subsidiaries, vehicle and powertrain engineering teams, managers of body assembly and powertrain plants, industrial subsidiaries and all the heads of vehicle and sub-system programmes and projects. The plan also applies to Sales Financing, and to the heads of the Group's major support functions.

### Share allocation policy

Allocations of shares vary according to the beneficiaries' level of responsibility and contribution to the Company, an appraisal of their performance and results, and an assessment of their development potential. Beneficiaries are divided into three categories.

### Senior executives

The senior executives comprise the 28 members of the Renault Management Committee, including the 12 members of the Group Executive Committee at March 1, 2016.

The Chairman and CEO cannot receive more than 15% and the members of the Executive Committee ( including the CEO) cannot receive more than 30% of the total number of performance shares allocated.

### Senior executives

Senior executives are granted a variable number of performance shares each year, based on the levels of responsibility, performance and results. Some senior executives may not be eligible for the allocation.

### Other executives benefiting from the plan

The plan's other beneficiaries are generally senior managers and high-flyers with strong professional or managerial potential or expertise. An array of complementary systems is used to assess and select beneficiaries (level of responsibility, annual performance and development review, Career Committees, specific monitoring for high-flyers, etc.); these systems form a comprehensive observation platform used to single out the most deserving executives.

Altogether the three categories represent roughly 900 executives annually. For information, the total number of beneficiaries was 892 under the 2012 plan, 861 under the 2013 plan, 898 under the 2014 plan and 1,013 under the 2015 plan.

**<u>Summary tables of plans</u>**

**Past awards of subscription or purchase options and performance shares**

Plans 18, 19 and 20 are share option subscription plans.

Plans 18b, 19b, and 20b are performance share allocation plans from which the Senior Executive Officer is excluded.

Plan 21 is a performance share allocation plan. The shares allocated to the Chairman and CEO under this plan are subject to an additional performance criterion not applied to other beneficiaries of the plan.

Plan 22 is a performance share allocation plan. The shares allocated to the Chairman and CEO under this plan are subject to an additional performance criterion not applied to other beneficiaries of the plan.

The volume of plans in progress at 12/31/2015 accounted for 1.85% of capital.

**Past awards of subscription or purchase options**

**STOCK-OPTION PLANS***

**(TABLE 8 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| | GRANT DATE/ DATE OF BOARD OF DIRECTORS' MEETING | TOTAL NUMBER OF SHARES THAT MAY BE GRANTED OR ACQUIRED | O/W FOR CHIEF EXECUTIVE OFFICER CARLOS GHOSN | OPTION START DATE | EXPIRY DATE | SUBSCRIPTION/PURCHASE PRICE(1) | NO. OF SHARES SUBSCRIBED AT 12/31/2015 | TOTAL NO. OF CANCELED OR LAPSED OPTIONS AT 12/31/2015 | OPTIONS OUTSTANDING AT 12/31/2015 |
|---|---|---|---|---|---|---|---|---|---|
| **AGM authorization granted on April 29, 2011** | | | | | | | | | |
| PLAN 18 | 04/29/2011 | 490,000 | 100,000 | 04/30/2015 | 04/28/2019 | 38.80 | 295,038 | 11,388 | 183,574 |
| Plan 19(2) | 12/08/2011 | 300,000 | 100,000 | 12/09/2015 | 12/07/2019 | 26.87 | 13,000 | 150,000 | 137,000 |
| Plan 20(3) | 12/13/2012 | 447,800 | 150,000 | 12/13/2016 | 12/12/2020 | 37.43 | 0 | 51,578 | 396,222 |

* *Renault pays particular attention to the demands of long-term compensation plans. For example, the Board of Directors noted that the objectives of plans 15, 16 and 17 had not been reached. As a result, all the stock-options corresponding to these plans have been cancelled.*

(1) *The subscription/purchase price is equal to the average share price quoted during the twenty trading days prior to the Board of Directors meeting.*

(2) *The Board of Directors' meeting of February 13, 2013 noted that the 2012 operating margin target was not reached but that the FCF target was reached. As a result, 50% of the stock-options corresponding to plan 19 have been cancelled.*

(3) *The Board of Directors meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the stock-options corresponding to plan 20 have been cancelled.*

**Past awards of Performance shares**

**PERFORMANCE SHARE PLANS***

**(TABLE 9 IN ACCORDANCE WITH AFEP-MEDEF RECOMMENDATIONS)**

| | DATE OF GRANT/DATE OF BOARD OF DIRECTORS' MEETING | TOTAL NO. OF SHARES GRANTED | OF WHICH CHIEF EXECUTIVE OFFICER CARLOS GHOSN | FINAL ACQUISITION DATE | LOCK-UP PERIOD ENDS | SHARES CANCELED AT 12/31/2015 | SHARES OUTSTANDING AT 12/31/2015 |
|---|---|---|---|---|---|---|---|
| Plan 18b shares | 04/29/2011 | 1,233,400 | 0 | 04/30/2014 | 04/30/2016 | 58,603 | 1,174,797 |
| Plan 19b shares(1) | 12/08/2011 | 609,900 | 0 | 12/09/2013 | 12/09/2015 | 311,850 | 298,050 |
| Plan 20b | 12/13/2012 | 679,900 | 0 | 12/13/2014 | 12/12/2016 | 93,315 | 586,585 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| shares[(2)] | | | | | | | |
| Plan 21 shares | 02/12/2014 | 313,807 | 100,000 | 02/12/2018 | 02/12/2018 | 2,520 | 311,287 |
| Plan 21b shares | 02/12/2014 | 980,045 | 0 | 02/12/2017 | 02/12/2019 | 3,560 | 976,485 |
| Plan 22 shares | 02/11/2015 | 367,605 | 100,000 | 02/11/2019 | 02/11/2019 | 0 | 367,605 |
| Plan 22b shares | 02/11/2015 | 1,053,650 | 0 | 02/11/2018 | 02/11/2020 | 3,385 | 1,050,265 |

* *Renault pays particular attention to the demands of long-term compensation plans. For example, the Board of Directors noted that the objectives of plans 15, 16 and 17 had not been reached. As a result, all the allocations corresponding to these plans have been cancelled.*

(1) *The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target was not reached but that the FCF target was reached. As a result, 50% of the shares corresponding to Plan 19b have been cancelled.*

(2) *The Board of Directors' meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the shares corresponding to Plan 20b have been cancelled.*

**INFORMATION ON THE TEN EMPLOYEES OTHER THAN COMPANY OFFICERS (TABLE 10 IN ACCORDANCE WITH AFEP/MEDEF RECOMMENDATIONS)**

| **SUMMARY OF STOCK-OPTIONS GRANTED TO AND EXERCISED BY THE 10 EMPLOYEES OTHER THAN COMPANY OFFICERS, RECEIVING THE HIGHEST NUMBER OF OPTIONS** | **TOTAL NO. OF OPTIONS GRANTED/** SHARES SUBSCRIBED OR ACQUIRED | **EXERCISE PRICE** | **PLAN 18** | **PLAN 19(1)** | **PLAN 20(2)** |
|---|---|---|---|---|---|
| Options granted by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of options (aggregate information) | 478,800 | Plan 18 = €38.80<br>Plan 19 = €26.87<br>Plan 20 = €37.43 | 240,000 | 62,000 | 176,800 |
| Options on the shares of the issuer or the aforementioned companies exercised by the ten employees of this issuer and these companies, acquiring or subscribing the largest number of options (aggregate information) | 198,000 | | 185,000 | 13,000 | 0 |

*(1) The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target had not been reached. As a result, 50% of the stock-options corresponding to Plan 19 have been cancelled.*
*(2) The Board of Directors' meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the stock-options corresponding to Plan 20 have been cancelled.*

| **SUMMARY OF PERFORMANCE SHARES GRANTED TO THE 10 EMPLOYEES OTHER THAN COMPANY OFFICERS AND SHARES DEFINITIVELY ACQUIRED BY THESE EMPLOYEES** | **TOTAL NO. OF SHARES GRANTED** | **PLAN 18B** | **PLAN 19B(1)** | **PLAN 20B(2)** | **PLAN 21** | **PLAN 22** |
|---|---|---|---|---|---|---|
| Shares granted by the issuer, or any option-granting company to the ten employees of this issuer or any company within this scope, receiving the highest number of shares (aggregate information) | 626,000 | 110,000 | 68,000 | 78,000 | 185,000 | 185,000 |
| Shares held on the issuer or the aforementioned companies, and acquired by the ten employees of this issuer and these companies, acquiring the largest number of shares (aggregate information) | 213,015 | 110,000 | 34,000 | 69,015 | 0 | 0 |

*(1) The Board of Directors meeting of February 13, 2013 noted that the 2012 operating margin target had not been reached. As a result, 50% of the shares corresponding to plan 19b have been cancelled.*
*(2) The Board of Directors' meeting of February 12, 2014, noted that 88.48% of performance criteria had been achieved. As a result, 11.52% of the shares corresponding to plan 20b have been cancelled.*

**Additional information**

Loss of entitlement is governed by regulatory provisions, *i.e.* total loss in the event of resignation, and individual decision in the event of dismissal.
Pursuant to the Afep-Medef Code, the Chief Executive Officer made a formal commitment not to hedge performance share risk until the holding period set by the Board of Directors has expired.

## 5. STATE OF CORPORATE GOVERNANCE, ETC.

### (1) State of Corporate Governance

**Organization, operation and missions of the Board**

**BALANCED AND EFFECTIVE GOVERNANCE**

**In 2009, the Board of Directors chose to combine the functions of Chairman of the Board of Directors and Chief Executive Officer, with Mr. Ghosn performing these roles from then onwards. The Board of Directors has observed that this is an effective governance structure which, in particular, offers a more responsive and efficient decision-making process to ensure and strengthen the cohesion of the entire organization.**

**Taking account of the combining of the functions of Chairman of the Board with those of Chief Executive Officer, the Board of Directors has focused on implementing various measures in order to guarantee a balance of powers in line with best practice in governance:**

- the presence of a majority of independent directors on the Board of Directors;
- the presence of a Lead Independent Director, Mr. Lagayette, chosen from among the independent directors, whose role is described hereafter;
- limitations on the powers of the Chief Executive Officer, specified in the internal regulations of the Board of Directors.

**These measures, together with the active role played by the Lead Independent Director and other independent directors, help to establish balanced governance arrangements within the Board of Directors and its committees and have proved their effectiveness during recent years.**

**This effectiveness was particularly illustrated in 2015 during discussions relating to the Alliance and Renault share ownership.**

**1. Operation of the Board**

The Board of Directors appoints one of its members as Chairman (re- electable), who must be a natural person.
The other operating rules of the Board of Directors are specified in the Board's internal regulations.

**Internal regulations concerning the operation of the Board of Directors:**

**The proceedings of the Board of Directors and the meetings of the Board committees may be conducted using any technical means, provided they guarantee effective participation by directors. Accordingly, the directors participating in the Board's proceedings by the aforementioned means are deemed attending, for calculation of the quorum and majority, except for the meetings finalizing the separate or consolidated financial statements, appointing or dismissing the Chairman of the Board of Directors, the Chief Executive Officer and the deputy Chief Executive Officers, for which proceedings the directors are required to attend in person.**
**Meetings are convened by any means and may be sent by the Secretary of the Board.**
**The proceedings of the Board of Directors are conducted on the basis of documents sent to each director not less than five (5) days before the meeting of the Board of Directors.**
**However, where the aforementioned documents are submitted beforehand to a committee of the Board within a shorter time limit, those documents shall be forwarded to the directors at the close of the relevant meeting of that committee.**
**In the event of urgency or where the time limit cannot be met, the agenda and the documents relating to the matters for discussion by the Board of Directors shall be transmitted not less than 24 hours before the Board of Directors meets.**
**Minutes of each meeting of the Board of Directors are kept in accordance with legal provisions.**

## 2. Missions of the Board of Directors

**Internal regulations concerning the missions of the Board of Directors**

**The Board of Directors is a collegiate body.**
**It has the obligation to act in the corporate interests of the Company under all circumstances. It receives its powers from the shareholders as a body, and also takes account of the expectations of other stakeholders. It meets as often as the interests of the Company and the laws and regulations require.**
**On a proposal by the Chief Executive Officer, the Board of Directors determines the Company's strategy. The Board discusses the Company's strategic guidelines on a yearly basis, including those relating to the Alliance, proposed by the Chief Executive Officer. It examines any amendments to those guidelines. The Board gives its opinion beforehand on any major decision that is not in line with the business strategy.**
**It is alerted promptly by the Chief Executive Officer in the event of any external event or internal change radically affecting the Company's prospects or the forecasts submitted to the Board of Directors.**
**Every year, the Board examines the medium-term plan and the budget.**
**It is regularly informed of the Company's results as reflected in the income statement, balance sheet and cash flow; it is also informed of off-balance-sheet commitments.**
**It ensures the quality of financial information published, including the financial statements or in the case of significant transactions. It publicizes its opinion on the conduct of transactions in the Company's securities whenever warranted by the nature of those transactions.**
**The Board meets once a year, in the absence of the Chief Executive Officer, to assess the latter's performance and set his/her compensation.**
**Each year it also approves the list of directors considered to be independent. The Board debates at least once a year issues surrounding its operation and that of its committees, in addition to the annual assessment that is made in this respect.**
**The Board prepares and convenes the General Meeting of Shareholders and sets its agenda.**

One of the basic tasks of the Board is to define the mode of general management and the limitations of power of the Chairman and Chief Executive Officer.

### 2.1 Functions of Chairman of the Board combined with those of Chief Executive Officer

On May 6, 2009, acting on a proposal from the Appointments and Governance Committee, the Renault Board of Directors combined the functions of Chairman of the Board and Chief Executive Officer.
Mr. Ghosn was appointed Chairman and CEO at that time, and reappointed in 2010 and 2014.
This mode of governance, unifying the functions of Chairman of the Board and Chief Executive Officer, occurs in a majority of French listed companies with Boards of Directors. It is suited to the Company's organization and operation, providing in particular a responsive and effective decision-making process.

### 2.2 Balance of powers

All of the following provisions allow for balanced governance while ensuring effective decision-making.

**<u>I. Independence of the Board of Directors</u>**

The Board of Directors is committed to the principle of independence set down in its internal regulations.

**Internal regulations concerning the independence of directors:**

**A director is independent when he/she entertains no relationship whatsoever with the Company, its group or general management, such as might compromise the exercise of his/her freedom of judgment. Thus, an independent director shall be understood to mean not only a non-executive director, *i.e.* one not performing management duties in the Company or its group, but also one devoid of any particular bonds of interest (significant shareholder, employee or other) with these entities.**
**The Board of Directors shall determine each year, on a proposal of the Appointments and Governance Committee, the list of its members considered independent, based on the criteria set by the Afep-Medef Code:**

- **not to be a customer, supplier, investment banker or commercial banker that is material to the corporation or its group, or for which the corporation or its group accounts for a significant part of its business;**

- **not to have close family ties with a company officer;**
- **not to have been a Statutory Auditor of the corporation within the previous five years;**
- **not to have been a Director of the corporation for more than 12 years. The loss of independent-director status by reference to this criterion should occur only at the expiry of the term of office during which such director exceeds the term of twelve (12) years;**
- **not to be an employee or executive officer of the Company, an employee or Director of the parent-company or of a company within its scope of consolidation, or have been any of these within the preceding five years;**
- **not to be an executive officer of a company in which the Company sits directly or indirectly on the Board of Directors, or of which an employee designated as such or a company officer (serving currently or within the past five years) is a director;**
- **the independence of directors representing major shareholders of the Company (10% or more of the capital or voting rights) must be assessed on a case-by-case basis.**

**The Board of Directors of Renault must be composed of at least 50% independent directors, the percentage being calculated according to the recommendations of the Afep-Medef Code on the matter.**

The process of evaluating the independence of Renault's directors is performed by the Appointments and Governance Committee. As a result, once a year, the Board of Directors reviews the independence of each director according to the independence criteria specified in the Afep-Medef Code and transposed in the internal regulations.

On February 11, 2016, the Board approved the following list of independent directors: Ms. Blair, Ms. de La Garanderie and Ms. Sourisse, and Messrs. Belda, Desmarest, Garnier, Ladreit de Lacharrière, Lagayette, Riboud and Thomas.

The Board of Directors has closely examined the situations of Messrs. Ladreit de Lacharrière and Riboud, in relation to the Afep-Medef Code's recommendation that a person "*should not serve as a director for more than twelve years*". Pursuant to the Code's "comply or explain" principle, the Board has decided, on the proposal of the Appointments and Governance Committee, not to adopt this criterion for these two directors for reasons set out in the table in section "The "comply or explain" principle" below.

Moreover, the Board noted the insignificant nature of business relationships between the directors and Renault, having regard to the nature and amounts involved in the context of these relationships. The Board thus ensured that no significant cash flow existed between Renault and any one of the companies in which one of its directors is a director or executive officer, including by examining the proportion that these companies represent in Renault's revenue. In this review, the Board paid particular attention to the situation of Mr. Lagayette, Senior Advisor at Barclays. It emerged that Renault had only limited financial flows with this bank, which is not one of the banking institutions with which Renault works principally. Moreover, Mr. Lagayette has indicated that he would undertake not to be involved in the event of transaction involving Barclays and Renault and that he would not participate in any possible decision of the Board of Directors of Renault involving Barclays.

## II. Lead Independent Director

Mr. Lagayette, whose term was renewed at the Annual General Meeting on April 30, 2015, performs the role of Lead Independent Director.

According to the internal regulations, the role of Lead Independent Director cannot be held for more than four consecutive years. As a result, Mr. Lagayette may not be Lead Independent Director beyond 2019.

The role of the Lead Independent Director is defined in the internal regulations.

**Internal regulations of the Board of Directors concerning the Lead Independent Director**

**The Board of Directors must, in line with the decision to concentrate in the same hands the functions of Chairman of the Board of Directors and of Managing Director, appoint from among the members of the Board a "Lead Independent Director".**

**The role of Lead Director shall consist of coordinating the activities of the independent directors. The Lead Director also liaises between the Chief Executive Officer and the independent directors.**

**The Lead Director is appointed by the Board of Directors on a proposal by the Appointments and Governance Committee, from among the directors qualifying as independent. The Lead Independent Director is appointed for the term of his/her Directorship, however the Board may at any time discontinue the position.**

**The duties of Lead Director may not be carried out for more than four consecutive years.**

**The Lead Director has the following missions:**

- **advising the Chairman of the Board and the Chairmen of the specialized committees;**
- **ensuring the directors are able to perform their roles under the best possible conditions and, in particular, that they are well informed before Board meetings. The Lead Independent Director is also the preferred point of contact for the independent directors;**
- **managing and preventing conflicts of interest;**
- **ensuring compliance with the internal regulations;**
- **making decisions concerning the proposed agenda of Board meetings;**
- **chairing the meetings of the Board of Directors in the absence of the Chairman and Chief Executive Officer; in particular, the Lead Director chairs discussions assessing the performance of the Chief Executive Officer and the setting of the latter's compensation;**
- **convening the Board of Directors in exceptional circumstances after obtaining the opinions of all committee Chairmen;**
- **meeting the Group managers regularly;**
- **reporting on his/her activities in the Registration document.**

**The Lead Independent Director may also be a member of one or more specialized committees. He/she may also attend meetings of the specialized committees of which he/she is not a member.**

**2015 Annual review of the Lead Independent Director**

During the 2015 financial year, the Lead Independent Director attended all Board meetings and all meetings of the Appointments and Governance Committee (of which he is a member) and those of the CARE (which he chairs).

The Lead Independent Director plays a major role in the Company's governance arrangements, by performing several activities based on six themes:

Dialog with the senior executives and independent directors

As every year, the Lead Independent Director has held regular discussions with:

- the independent directors to ensure that the conditions were met for them to effectively fulfill their roles;
- the Chairman and Chief Executive Officer, members of the Group Executive Committee and the directors of the key departments (Director of Group Accounting, Legal Director, Tax Director, etc.) and the statutory auditors.
- He also ensured that he kept abreast of the activities of the Group and its competitors.

Board meetings

The Lead Independent Director was involved in preparing Board meetings, giving his opinion on the agenda for each meeting and ensuring the quality of the information provided to members of the Board and to its committees.

In 2015, he particularly requested that the Board of Directors review several specific issues related to the Group's current activities and the automotive industry.

Governance

In his capacity as a member of the Appointments and Governance Committee, the Lead Independent Director participated in:

- the recruitment process for a new female director;
- discussions related to the governance and operation of the Board;
- review of the changes to the internal regulations of the Board of Directors in accordance with the Afep-Medef Code.

Performance of the Chairman and Chief Executive Officer

He chaired the discussions of the Board of Directors regarding the performance and compensation of the Chairman and Chief Executive Officer, which were not attended by the Chairman and Chief Executive Officer.

Investor relations

The Lead Independent Director noted the concerns of major shareholders and ensured that the Company responded to them in a satisfactory way.

Contribution to the Alliance Stabilization Agreement

Authorized by the Board of Directors of Renault, the Lead Independent Director participated actively in discussions that occurred in 2015 between Renault and its two main long-term shareholders, the French Government and Nissan, for a stabilization of the Alliance following the increase in the French Government's stake in Renault and the failure by the Renault Annual General Meeting to adopt the principle "one share = one vote".

The Lead Independent Director chaired the ad hoc Committee formed by the Board of Directors, the purpose of whose creation was not only to monitor more closely the progress of discussions with the French Government and Nissan, but also to encourage the emergence of an agreement capable of upholding the essential interests of Renault in compliance with the stability objective of the Renault-Nissan Alliance established by the Board of Directors of Renault (for the ad hoc Committee, see the Board's activity relating to the defense of corporate interests, below).

**III. Specific authorizations of the Board of Directors**

The Board's internal regulations provide that the Board of Directors will examine annually the Group's strategic policies put forward by the Chairman and CEO, including those related to the Alliance. The Board reviews any changes to those policies and gives its opinion before any major decision inconsistent with the Company's strategy is made.

In addition, the internal regulations provide for the following limitations of power:

**Internal regulations of the Board of Directors concerning the limitation of the powers of the Chairman and CEO**

**The Chief Executive Officer must obtain authorization from the Board of Directors for any external-growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds two hundred and fifty million euros (€250 million).**

**The Chief Executive Officer must inform the Board of Directors of any external growth operation, acquisition or sale of any long-term equity investment in any companies created or to be created where the amount exceeds 60 million euros (€60 million).**

### 3. Activity of the Board of Directors in 2015

The Board of Directors met eight times in 2015 (including three exceptional meetings). On average, Board meetings lasted for three hours, while two meetings lasted for an entire day.

The particular relevance of news items in 2015 meant that agenda discussions and resolutions were adjusted to include the topics of relevance to Renault, demonstrating the Board's highly responsive character. In particular, among other subjects, several meetings dealt with the temporary increase of the French State in Renault's share capital and with monitoring the discussions between the State and Nissan that led to the Alliance Stabilization Agreement.

In 2015, the level of attendance was 95% (for details of the level of attendance of each director, see section "Method of allotment" above).

On the main matters, the Board took the action described below:

**Group strategy**

The Board debated the following principal topics:

- update on the second part of the Renault 2016 plan Drive the Change (2014-2016), presented by Senior Management and approved in 2011 by the Board of Directors;
- challenges in the area of optimizing revenues;
- digital strategy, connected services and the driverless vehicles;
- Renault's strategy on emissions and the development of regulations in the area of engine certification.

As every year, the Board of Directors organized its annual strategic seminar (two days in 2015) in order to debate important topics for the Group and, in particular, the Renault-Nissan Alliance. During the seminar, the directors benefited from an in-depth presentation from operational managers on the macro-economic environment for the automotive market and on Group strategy and the outlook following the conclusion of the Drive the Change plan.

**Defense of corporate interests**

The Board of Directors reviewed the consequences of the increase in the French Government's stake in Renault and the related non-adoption by the Renault Annual General Meeting of the principle «one share = one vote» with respect to the Renault-Nissan Alliance.

The Board of Directors authorized the Lead Independent Director, Philippe Lagayette, to take part in discussions with the French Government and Nissan and to report to it to assess the compatibility of the requests and proposals made to defend the corporate interests of Renault and the main objective of preserving the Renault-Nissan Alliance.
An ad hoc Committee chaired by the Lead Independent Director and composed of three other independent directors and a director representing employees was appointed to assist the Lead Independent Director in his tasks. The ad hoc Committee played an active role in the search for a solution while constantly looking to preserve Renault's corporate interests.
The ad hoc Committee met, in person or by telephone, on many occasions during the last quarter of 2015 to evaluate the alternatives and make recommendations to the Board of Directors, until the signing of an agreement between Renault and each of its two main shareholders, whose terms are described in the Statutory Auditors' special report on related party agreements and commitments (section"STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS") and, regarding the component relating to the limiting of the French Government's voting rights in Renault, in section "SHAREHOLDER AGREEMENTS ON SHARES AND VOTING RIGHTS OF THE COMPANY".
The Board of Directors was regularly informed of the progress of the work of the ad hoc Committee, and the Committee prepared a comprehensive review of its actions for the meeting of the Renault Board of Directors on December 11, 2015, at which the signing of the agreements between Renault and, respectively, the French Government and Nissan was approved.

**Accounts and budget**
In particular, the Board:
- approved the Group's consolidated financial statements and the parent-company financial statements of Renault SA and Renault s.a.s. for 2014;
- set the appropriation of 2014 income to be proposed to the Shareholders' Annual General Meeting, which included a dividend payout;
- examined the consolidated financial statements for first half 2015;
- approved the budget for 2016.

**Corporate governance**
In particular, the Board:
- proposed the renewal of the term of Mr. Lagayette, the Lead Independent Director, and the appointment of Ms. Blair as the replacement for Mr. de Croisset;
- noted the appointment of Mr. Vial, a new director representing the State, appointed by order, to replace Mr. Turrini;
- drew up the list of independent directors on the proposal of the Appointments and Governance Committee (see related section above);
- made the preparations for the Annual General Meeting on April 30, 2015 and, in particular, setting the agenda;
- authorized the signing of a non-compete agreement between the Company and Mr. Ghosn, Chairman and Chief Executive Officer. The details of this agreement appear in section "Components of compensation" above and in the statutory auditors' special report on regulated agreements and commitments (section "STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS").
- debated the composition of its specialized committees;
- reviewed the reports prepared by the Chairman of each specialized committee;
- conducted an assessment of its operation in 2015 (see the conclusions of this assessment in section "Assessment of the Board of Directors" below);
- set the compensation of the Chairman and Chief Executive Officer;
- determined the terms and conditions of the performance shares plan for 2015;
- conducted a review of the by-law provisions regarding the age limits that apply to the Chairman of the Board of Directors, to directors and to the Chief Executive Officer;
- conducted a review of its internal regulations with regard to the Afep-Medef Code and, in particular, as a consequence of the decisions taken by the Annual General Meeting on age limits for directors;
- approved the implementation of the decree of June 3, 2015 on the training of directors representing employees in order for them to discharge their duties and the arrangements for their in-house training. It should be noted that the decisions taken in this context only serve to ratify existing practices in the

Company. With regards in particular to preparing for Board meetings, Renault directors already enjoyed the maximum time provided in law;
- approved the report of the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code;
- examined and approved answers to shareholders' questions ahead of the Annual General Meeting.

**Regulated agreements**

At its meeting on December 11, 2015, the Board of Directors approved the signing of an Alliance Stabilization Agreement comprising two agreements, one between Renault and the French State whose purpose is to set a ceiling on the State's voting rights at the Annual General Meeting, and the other between Renault and Nissan regarding Nissan's governance arrangements. The details of this agreement appear in the statutory auditors' special report on regulated agreements and commitments (section "STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS") and in section concerning Renault's shareholders.

In addition, at its meeting on February 11, 2016, the Board of Directors reviewed the "regulated" agreements entered into in previous years and which were ongoing in 2015.

**Specialized committees of the Board in 2015**

Five specialized committees have been set up to conduct in-depth examinations of specific topics relating to the Board of Directors' role in order to assist the Board in its missions and work. The Board is informed of the committees' opinions in reports made by their respective Chairmen at Board meetings.

The general operation of the committees is primarily set out in the internal regulations of the Board of Directors.

**Internal regulations of the Board of Directors concerning the committees:**

**The Board of Directors decides on the composition of the committees and the choice of their respective Chairmen based on a proposal of the Appointments and Governance Committee.**

**The existence in the committees of cross-directorships – as understood by the Afep-Medef Code – should be avoided.**

**The Chairmen of the committees may, if they wish, attend the meetings of the other committees of which they are not members.**

**The Chairmen of the committees shall report on the activities and recommendations of their respective committees at the meetings of the Board of Directors. Where prevented from attending, the Chairman shall appoint a member of the committee to deliver his/her report to the Board of Directors.**

**The Chief Executive Officer may consult the committees on any matter relating to their missions.**

**The committees shall meet whenever they deem it necessary and at least twice a year.**

**In any case, the committees shall meet ahead of the meetings of the Board of Directors having on their agenda matters within those committees' remit.**

**The committees shall meet no later than two (2) days before the meetings of the Board of Directors scheduled to discuss matters examined in the committees, except in cases of urgency or where prevented from meeting.**

**The documents intended for the following committees shall be sent to their members not less than five (5) days before the committee meeting, except in cases of urgency or where prevented:**
- **Industrial Strategy Committee;**
- **International Strategy Committee.**

**The documents intended for the following committees shall be sent to their members not less than two (2) days before the committee meeting, except in cases of urgency or where prevented:**
- **Audit, Risks and Ethics Committee;**
- **Appointments and Governance Committee;**
- **Remuneration Committee**

**In order to fulfill their missions, the committees may, at their option:**
- **meet staff in the divisions relevant to their duties;**
- **interview functional managers or those of operating entities;**
- **request company representatives to communicate any document or information they consider necessary to the discharge of their mission;**
- **call upon organizations and service providers outside the Company to perform, at the Company's expense, any studies they consider conducive to the fulfillment of their missions.**

The Board of Directors decided to merge the International Strategy Committee and the Industrial Strategy Committee, as of April 29th, 2016. The Board amended the Internal regulations of the Board to take into account this decision. The missions of the new Strategy Committee (International & Industrial) are:

- ✓ studying the strategic development lines proposed by the Chief Executive Officer regarding the industrial & international development of the Group and the Alliance, including the social and environmental impact of such development;
- ✓ reviewing industrial capacity projects;
- ✓ reviewing the main plants and the various projects for Group expansion and/or reduction, the competitiveness of the installed manufacturing sites and their supplier base, regardless of the location;
- ✓ examining the main strategic industrial policy lines by preparing the decisions for discussion by the Board of Directors;
- ✓ examining strategic agreement plans, partnerships and external acquisition or disposal transactions having a significant impact on the Group's industrial strategy;
- ✓ monitoring the Group's strategic projects in order to inform the Board of Directors.

The Chairman of the Strategy Committee is Mr. Desmarest, and the Committee's composition is:

- ✓ Mr. Desmarest,
- ✓ Mr. Belda,
- ✓ Mr. Faure,
- ✓ Mr. Gentil,
- ✓ Mr. Ostertag,
- ✓ Mr. Personne,
- ✓ Mrs. Rih,
- ✓ Mr. Saikawa.

### 1. Audit, Risks and Ethics Committee (CARE)

| NUMBER OF MEMBERS | | | NUMBER OF MEETINGS | | |
|---|---|---|---|---|---|
| 5 | vs | 6 | 5 | vs | 4 |
| 2015 | | 2014 | 2015 | | 2014 |

| PERCENTAGE OF INDEPENDENT DIRECTORS* | | | ATTENDANCE RATE | | |
|---|---|---|---|---|---|
| 75% | vs | 80% | 100% | vs | 100% |
| 2015 | | 2014 | 2015 | | 2014 |

* *In accordance with the provisions of the Afep-Medef Code, directors representing employee shareholders and directors representing employees are not counted in the level of independence.*

**MEMBERS AT DECEMBER 31, 2015[1]**

- Mr. Lagayette* (Chairman)
- Ms. de La Garanderie*
- Ms. Sourisse*
- Mr. Ostertag
- Mr. Vial[2]

* *Independent director.*

(1) *The Board of Directors of February 11, 2016 appointed Mr. Thomas member of the CARE.*

(2) *Mr. Vial was appointed member of the CARE on December 11, 2015.*

**Composition**

The internal regulations detail the guidelines for the composition of the CARE.

**Internal regulations of the Board of Directors concerning the composition of the CARE**

**The composition of the CARE is as follows:**

- **at least two-thirds independent directors, excluding employee directors or those representing employee shareholders;**
- **directors having accounting and/or financial skills;**
- **a committee Chairman is chosen with particular care from among the independent directors;**
- **the Chief Executive Officer may not be a member of this committee.**

**The members of the CARE shall, upon their appointment, be informed of the Company's specific accounting, financial and operating features. Furthermore, each director may, where he/she considers it necessary, receive additional training in the Company's specific features, its business-lines and the automotive industry. Directors representing employees or employee shareholders shall receive appropriate training to enable them to discharge their duties.**

The composition of the CARE was reviewed to ensure that all its members have the financial and/or accounting knowledge or professional background appropriate to the fields covered by the committee's missions (see the directors' biographies in section"LIST OF TERMS OR FUNCTIONS OF THE DIRECTORS" above).

Mr. Lagayette, the committee's Chairman, has spent his career in the economics and finance sector, working both in government and the private sector.

Ms. de La Garanderie, former President of the Paris Bar, is a lawyer whose experience enables her to take an active part in the discussions of accounting and financial matters in this committee. Her involvement with ethical issues during her career makes her membership of this committee particularly appropriate.

Ms. Sourisse has held executive positions in several major companies in France and abroad. Her experience enables her to participate actively in all the committee's discussions.

Mr. Ostertag is a Director representing the employee shareholders. Like the employee directors, he receives special training to serve as a director, including in the accounting and financial aspects of corporate management. Owing to his excellent knowledge of the Company, he is able to easily grasp and actively participate in this committee's work.

Mr. Vial was appointed Commissioner of the Agency for State Participation on August 24, 2015. He has held several corporate offices in state-owned companies.

**Missions**

**Internal regulations of the Board of Directors concerning the missions of the CARE**

**The following are the missions of the CARE:**

- **monitoring the processes for generating financial information, supervising the methods adopted for drawing up financial statements, drawn up in compliance with prevailing standards and in accordance with the IFRS accounting system;**
- **examining and analyzing the financial statements as prepared by the Company's directors, and reporting on its findings in this respect to the members of the Board of Directors;**
- **monitoring the effectiveness of schemes for risk control, internal control and regulatory and operational compliance;**
- **ensuring compliance with ethical rules, particularly business ethics;**
- **ensuring the Company has a good level of commitment to corporate social responsibility (CSR).**

**As such, the CARE:**

- **examines – as part of its analysis of the financial statements – the memorandum of the statutory auditors highlighting the salient points in the results, the accounting options adopted, and a memorandum from the Financial Director describing the risk exposure, and the off-balance-sheet commitments of the business;**
- **proposes to the Board the procedure for selecting the statutory auditors, manages the selection procedure, issues an opinion on the quality of those auditors' work and ensures compliance with the rules safeguarding their independence; within this framework, it issues a recommendation regarding the statutory auditors proposed for appointment by the Annual General Meeting;**
- **regularly interviews the statutory auditors, who must submit their general programme of work and the tests and samplings they have undertaken;**
- **is informed of the existence of a system for identifying and assessing the Group's risks and ensures that the system's effectiveness is duly monitored;**
- **ensures that an internal control system exists, and monitors its effectiveness;**
- **supervises the audit plan, monitors its execution and checks that the recommendations are implemented;**
- **supervises the proper implementation and assesses the effectiveness of the ethical scheme, and monitors the enforcement of the Group code of conduct together with its related procedures;**
- **receives, from the Ethics Director, the Company's annual activity report on ethics and compliance, together with the actions undertaken; this committee examines and issues its opinion on the action programme for the following year, and monitors the developments in it;**
- **interviews the Ethics Director and, if it considers it necessary, the Chairmen of the Ethics and Compliance Committee and the Risks and Internal Control Committee;**
- **examines relations with stakeholders regarding any issue relating to ethics and to social and environmental responsibility;**
- **interviews the Company's Social Responsibility Director once a year on the actions conducted in this area;**
- **examines the part of the report of the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code, which relates to internal control and risk management procedures;**
- **formulates any recommendation to the Board of Directors or the Company's management bodies in the areas within its remit.**

**Within the scope of its authority, the CARE regularly interviews representatives of the following entities:**

- **the Audit, Risk Control and Organization department;**
- **the Group Protection and Risk Prevention department;**
- **the Ethics department;**
- **the Group Finance department;**
- **the statutory auditors.**

**Overview of activity**

The CARE met five times in 2015, with a level of attendance of 100% (for details, see the table in section "Method of allotment" above).

In compliance with French legal and regulatory requirements and the Afep-Medef Code, the Audit, Risk and Ethics Committee dealt with the following matters in particular:

- review of the consolidated financial statements and the parent-company financial statements of Renault SA and Renault s.a.s. for 2014, the Group's consolidated financial statements for the first half of 2015, and related financial press releases. The CARE studied in particular issues related to the valuation of assets in the Automotive division, asset impairment tests, the developments in the automotive market and their impact on Renault's financial performance;
- the review of the accounting and financial impacts of certain Group partnerships;
- monitoring of 2015 performance with respect to the budget;
- the preparation of the 2016 budget;
- the monitoring of the 2015 internal audit plan and presentation of the internal audit plan for 2016;
- the external audit plan conducted by the statutory auditors as part of their legal auditing task;
- the independence of the appointment of the statutory auditors;
- the monitoring of financial risks and notably the Group's exposure in Brazil, Argentina and Russia;
- Renault's position on emissions and engine testing certification;
- the work of the Ethics department, particularly in the area of personal data protection;
- the status of the main legal matters being dealt with by the Legal department, and fiscal risks being monitored by the Tax department;
- internal control and risk management (mapping of the Group's major risks);
- the CSR Director's Activity report.

One of the responsibilities of CARE is to review the efficiency of internal control and risk management systems, as set out in section "ETHICS POLICY" below. On this point, the Committee's examination of the financial statements, in the presence of the Chief Financial Officer, was accompanied by a presentation from the auditors describing the key points of their work and their conclusions regarding the accounting policies used and the main regulatory developments in this area. In addition, the CFO submitted a memo describing the Company's risk exposures and off-balance sheet commitments.

CARE also heard a report from the Company's statutory auditors without the Company's senior executives being present.

### 2. Remuneration Committee

| | 2015 | 2014 |
|---|---|---|
| NUMBER OF MEMBERS | 6 | 5 |
| NUMBER OF MEETINGS | 2 | 2 |
| PERCENTAGE OF INDEPENDENT DIRECTORS | 83.3% | 80% |
| ATTENDANCE RATE | 91.6% | 90% |

**MEMBERS AT DECEMBER 31, 2015**

- Mr. Thomas*(1) (Chairman)
- Mr. Belda*
- Mr. Desmarest*
- Mr. Garnier*
- Mr. Ladreit de Lacharrière*
- Mr. Personne

* *Independent director.*

*(1) The Board of Directors of April 30, 2015 appointed Mr. Thomas as the Chairman of the Committee, replacing Mr. Belda.*

**Composition**

The internal regulations detail the guidelines for the composition of the Remuneration Committee.

**Internal regulations of the Board of Directors concerning the composition of the Remuneration Committee**

**The composition of the Remuneration Committee is as follows:**

- **a majority of independent directors;**
- **one director representing the employees or employee shareholders;**
- **a Chairman appointed from among the independent directors;**
- **the Chief Executive Officer may not be a member of this committee.**

**Missions**

**Internal regulations of the Board of Directors concerning the missions of the Remuneration Committee**

**The Remuneration Committee's mission is to enable the Board of Directors to determine all the compensation and benefits of the senior managers holding corporate office.**

**As such, the Remuneration Committee:**

- **proposes to the Board of Directors the amount of the fixed portion of the compensation for the Chairman and Chief Executive Officer;**
- **proposes to the Board of Directors the rules for setting the variable portion of the compensation for the Chairman and Chief Executive Officer and the amount of that variable portion;**
- **ensures the consistency of those rules with the annual or multi-year assessment of the Chairman and Chief Executive Officer's performance, and with the Company's medium-term strategy;**
- **supervises the annual application of those rules;**
- **makes all recommendations to the Board of Directors concerning the compensation, non-cash benefits and retirement benefits of the Chairman and Chief Executive Officer;**
- **examines all compensation and benefits received, including, where appropriate, from other Group companies, by the main senior managers not holding corporate office, particularly members of the Executive Committee; the committee may, on this occasion, invite the Chairman and CEO;**
- **examines the general policy for long-term incentive plans and formulates proposals to the Board of Directors both on that policy and on long-term incentive awards;**
- **reviews the information sent to shareholders for the purposes of consulting them on the compensation of a senior manager holding corporate office.**

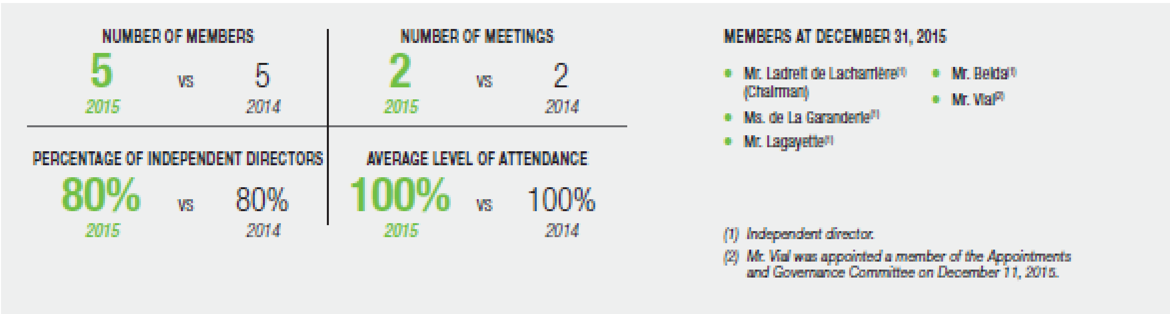
**Overview of activity**

The committee met twice in 2015. The level of attendance was 91.6% (for details, see section "Method of allotment" above).

The main items on its agenda were:

- the compensation of the Chairman and Chief Executive Officer;
- performance with respect to the variable portion of the compensation of the Chairman and Chief Executive Officer, in connection with the Renault 2016 – Drive the Change plan;
- monitoring of performance with respect to the deferred variable portion in shares of the 2013 compensation of the Chairman and CEO;
- the summary table of the compensation package of the Chairman and Chief Executive Officer in view of the shareholder advisory vote (Say on Pay).

### 3. Appointments and Governance Committee




**Composition**

The internal regulations detail the principles of composition of the Appointments and Governance Committee.

**Internal regulations of the Board of Directors concerning the composition of the Appointments and Governance Committee**

**The composition of the Appointments and Governance Committee is as follows:**

- **a majority of independent directors;**
- **a Chairman appointed from among the independent directors;**
- **the Chief Executive Officer may not be a member of this committee.**

As Chairman and CEO, Mr. Ghosn may intervene during committee meetings at the request of the directors, to add to the discussion.

**Missions**

**Internal regulations of the Board of Directors concerning the missions of the Appointments and Governance Committee**

**The missions of the Appointments and Governance Committee are as follows:**

- **drawing up a procedure for selecting directors, the Chairman of the Board of Directors, the Chief Executive Officer (whether a separate person or not) and the company officers;**
- **making all proposals to the Board of Directors regarding appointment of the Chairman of the Board of Directors, the Chief Executive Officer (whether a separate person or not) and the company officers in compliance with that procedure;**
- **deciding whether to renew company officers whose terms of office are expiring, taking into account in particular the pattern of shareholdings in the Company, the balance between men and women on the Board of Directors and the need to maintain an appropriate proportion of independent directors;**
- **proposing solutions to the Board for the succession of the Chief Executive Officer in the event of unforeseen vacancy, in line with a succession plan developed beforehand by the committee;**
- **making all proposals concerning the chairmanship, composition and duties of the different committees;**
- **monitoring corporate governance issues and ensuring compliance with the Afep-Medef Code;**
- **pointing out, where applicable, the Afep-Medef Code recommendations that have not been applied and explaining the reasons therefor in a clearly stated, relevant and detailed manner;**
- **proposing referral to the High Committee in charge of monitoring implementation of the Afep-Medef Code of any matter relating to a provision or the interpretation of said code;**
- **examines the part of the report of the Chairman of the Board of Directors referred to in Article L. 225-37 of the French Commercial Code relating to the composition of the Board and to the application of the principle of balanced representation of men and women on the Board, and the manner of preparing and organizing the proceedings of the Board;**
- **drawing up, each year, with the assistance (where necessary) of an organization outside the Company, an assessment of the composition of the Board, the manner of preparing and organizing the Board's proceedings, and, where applicable, proposing amendments.**

**Overview of activity**

The Committee met twice in 2015. The level of attendance was 100% (for details, see section "Method of allotment" above).

The main items on its agenda were:

- the renewal at the Annual General Meeting of April 30, 2015 of the term of Mr. Lagayette, in particular as the Lead Independent Director;
- the appointment of a new female director, Ms. Blair;
- the continued effort being applied to increase the proportion of female directors on the Board of Directors in light of the forthcoming renewal of directorships;
- the annual review of the Board of Directors, as part of a self-appraisal process (see section "Assessment of the Board of Directors" below);
- review of the list of independent directors pursuant to the criteria set out in the Afep-Medef Code and, in particular, the criterion relating to conflicts of interest;
- the composition of committees of the Board of Directors;
- questions concerning the age limit of Directors, which led to the Annual General Meeting amending the by-laws;
- the review of the Board's internal regulations with regard to the Afep-Medef Code and amendments to by-laws decided by the Annual General Meeting;
- the implementation of the reform on the establishment of a statutory double voting rights attached to shares in registered form for more than two years;
- the implementation of the decree of June 3, 2015 on the training of directors representing employees in order for them to discharge their duties and the arrangements for their in-house training;
- the non-compete agreement between the Company and Mr. Ghosn, Chairman and Chief Executive Officer, the details of which appear in section"Components of compensation" above and in the statutory auditors' special report on regulated agreements and commitments (section "STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS");
- the succession plan for the Chairman and Chief Executive Officer.

### 4. International Strategy Committee

| NUMBER OF MEMBERS | | | NUMBER OF MEETINGS | | |
|---|---|---|---|---|---|
| 9 | VS | 9 | 2 | VS | 2 |
| 2015 | | 2014 | 2015 | | 2014 |
| **PERCENTAGE OF INDEPENDENT DIRECTORS** | | | **AVERAGE LEVEL OF ATTENDANCE** | | |
| 44.4% | VS | 44.4% | 77.7% | VS | 92.8% |
| 2015 | | 2014 | 2015 | | 2014 |

**MEMBERS AT DECEMBER 31, 2015**

- Mr. Desmarest[1] (Chairman)
- Ms. Rih
- Mr. Belda[1]
- Mr. Faure
- Mr. Garnier[1]
- Mr. Gentil
- Mr. Personne
- Mr. Saikawa
- Mr. Thomas[2]

*(1) Independent director.*
*(2) From February 11, 2016, Mr. Thomas was no longer a member of the International Strategy Committee.*

**Composition**

The internal regulations detail the guidelines for the composition of the International Strategy Committee.

**Internal regulations of the Board of Directors concerning the composition of the International Strategy Committee**

**The composition of the International Strategy Committee is as follows:**

- **directors chosen for their awareness of issues relating to the Company's international development;**
- **a Chairman appointed from among the independent directors.**

**Missions**

**Internal regulations of the Board of Directors concerning the missions of the International Strategy Committee**

**The missions of the International Strategy Committee relate to the Company's activity outside France and are as follows:**

- **studying the strategic development lines proposed by the Chief Executive Officer regarding the international development of the Company and the Alliance;**
- **analyzing and examining on behalf of the Board the Company's international projects, and giving opinions on those projects;**
- **monitoring the Company's international projects and drawing up reports as requested by the Board of Directors.**

**Overview of activity**

It met twice in 2015. The level of attendance was 77.7% (for details, see section "Method of allotment" above).

The main items on its agenda were:

- Renault's operations in Argentina and Iran in the light of political and economic developments in these countries;
- Renault's activity in Japan and Algeria in order to assess the consistency of the Group's international strategy and its positioning in different countries.

### 5. Industrial Strategy Committee

| NUMBER OF MEMBERS | | | NUMBER OF MEETINGS | | |
|---|---|---|---|---|---|
| 6 | VS | 7 | 2 | VS | 2 |
| 2015 | | 2014 | 2015 | | 2014 |
| **PERCENTAGE OF INDEPENDENT DIRECTORS** | | | **AVERAGE LEVEL OF ATTENDANCE** | | |
| 33.3% | VS | 42.8% | 100% | VS | 100% |
| 2015 | | 2014 | 2015 | | 2014 |

**MEMBERS AT DECEMBER 31, 2015**

- Mr. Garnier* (Chairman)
- Ms. Rih
- Mr. Desmarest*
- Mr. Faure
- Mr. Gentil
- Mr. Ostertag

* *Independent director.*

**Composition**

The internal regulations detail the guidelines for the composition of the Industrial Strategy Committee.

**Internal regulations of the Board of Directors concerning the composition of the Industrial Strategy Committee**

**The composition of the Industrial Strategy Committee is as follows:**
- **directors chosen for their expertise in the industrial sector;**
- **a Chairman appointed from among the independent directors.**

**Missions**

**Internal regulations of the Board of Directors concerning the missions of the Industrial Strategy Committee**
**The following are the missions of the Industrial Strategy Committee:**
- **reviewing the major policy lines of the Group's industrial strategy, including the social and environmental impacts of these projects;**
- **reviewing industrial capacity projects;**
- **reviewing the main plants and the various projects for Group expansion and/or reduction;**
- **examining the competitiveness of the installed manufacturing sites and their supplier base;**
- **examining strategic agreement plans, partnerships and external acquisition or disposal transactions having a significant impact on the Company's industrial strategy;**
- **examining the main strategic policy lines by preparing the decisions for discussion by the Board of Directors;**
- **examining major vehicle and engine projects once a year, at the time when those projects are undertaken.**

**Overview of activity**
It met twice in 2015. The attendance rate was 100% (for details, see section "Method of allotment" above).
It examined in particular:
- strategies for standardization of platforms (*i.e.* the lower structure of the vehicle not visible to consumers) in conjunction with Renault's partners, and future production development;
- the Alliance's powertrain strategy, particularly with regard to regulatory developments.

**Assessment of the Board of Directors**
The Board of Directors conducts an annual assessment of its operation to improve the efficiency of its work, with a formal assessment at least once every three years with the help of external consultants. This formal assessment was carried out during 2014.
For 2015, the Board conducted a self-assessment of its organization and operation, as well as that of its committees, and devoted an agenda item at its meeting on December 11, 2015 to a debate on the subject, led by the Chairman of the Appointments and Governance Committee, Mr. Ladreit de Lacharrière. This self-assessment focused on the following points in particular: the role and composition of the Board, the independence of directors, the organization of Board meetings, relations with the Senior Management, etc.
The assessment revealed that the structure and operation of the Board and its committees were well regarded, with high-quality debate emerging as one of its key strengths. Directors also underlined:
- the quality of the Board's work, through the active participation of members and efficient leadership of debates by the Chairman;
- the importance of the Lead Independent Director, who helps to ensure that the Board's discussions are productive, particularly on sensitive issues;
- the reactivity of the Board and committees, which are quick to address current issues; and
- the popular informal lunches organized after Board meetings.

Two areas for improvement have been identified for future years:
- opportunities for appointing more women to the Board, as well as broadening its international membership, and opening up the Board (and its committees) to younger candidates, potentially with a more industrial background (automotive or new technologies); the nomination of Ms. Qiu to the Board specifically addresses this point;
- opportunities for an in-depth review of certain subjects (HR, CSR, ethics), particularly when examining strategic issues.

Furthermore, the Board of Directors has taken on Board comments made by directors during the 2014 assessment, with the reduction in attendance of GEC members at Board meetings and special Board or committee meetings, depending on current events. The Board of Directors also agreed to continue the practice whereby independent directors hold informal meetings without senior executives present.
The Board's assessment for 2015 also noted that the Appointments and Governance Committee valued the individual contributions from each director.

**The "comply or explain" principle**

In exercising the "Comply or Explain" principle provided for by Article L. 225‑37 of the French Commercial Code and Article 25.1 of the Afep-Medef Code, Renault is following the recommendations of the Afep‑Medef Code for corporate governance of publicly listed companies. The recommendations of this Code that have been disregarded and the reasons for doing so are summarized in the following table:

| RECOMMENDATION OF THE AFEP-MEDEF CODE | COMMENT |
|---|---|
| **Independence of directors: Article 9.4: Independence criteria for directors:**<br>The independence criteria contained in the Code include *"not having been a director for more than twelve years"*. | The Board of Directors has decided not to retain the criterion for independence in the Afep-Medef Code in relation to the term of office of Messrs. Ladreit de Lacharrière and Riboud.<br>The Board noted, however, at its meeting of February 11, 2016, that the independence rate on the Board remained, in any event, higher than 50%, even having removed these two directors from the list of independents. The Board is therefore compliant with recommendation 9.2 of the Afep-Medef Code (independence rate: 66.6% including Mr. Ladreit de Lacharrière and Mr. Riboud; 53.3% excluding Messrs. Ladreit de Lacharrière and Riboud).<br>• **Independence of Mr. Ladreit de Lacharrière**<br>At its meeting on February 11, 2016, the Board of Directors reviewed the situation of Mr. Ladreit de Lacharrière with regard to the director independence criteria of the Afep-Medef Code.<br>The Board noted that Mr. Ladreit de Lacharrière met all of the Code's criteria except that relating to the duration of his term. Specifically, Mr. Ladreit de Lacharrière exercises no functions in the Group and has no particular interests or special relationships linking him to Renault.<br>To ensure the independence of directors, the Afep-Medef Code recommends limiting the period a director may sit on the Board to twelve years. The Board concluded, however, with respect to Mr. Ladreit de Lacharrière, that the length of his term as director was not of such nature as to call into question his independence.<br>Mr. Ladreit de Lacharrière is a prominent figure and has held office in major international groups (e.g. L'Oréal, Casino, France Telecom, Air France, etc.). Owing to the various directorships he has held, he has an overall perspective that enables him to make an extremely valuable contribution to the discussions of Renault's Board of Directors.<br>His detailed knowledge of the functioning of Boards of Directors and professional experience mean that Mr. Ladreit de Lacharrière brings an independent viewpoint and mind. In this regard, the Board considered his outstanding work in implementing governance best practices at Renault, when assessing his independence.<br>Accordingly, the Board considered that the length of term criterion was not relevant to the personality and experience of Mr. Ladreit de Lacharrière and decided not to apply this criterion.<br>• **Independence of Mr. Riboud**<br>At its meeting on February 11, 2016, the Board of Directors reviewed the situation of Mr. Riboud with regard to the director independence criteria of the Afep-Medef Code.<br>The Board noted that Mr. Riboud meets all of the Code's criteria except that relating to the duration of his term. Specifically, Mr. Riboud exercises no functions in the Group and has no particular interests or special relationships linking him to Renault.<br>To ensure the independence of directors, the Afep-Medef Code recommends limiting the period a director may sit on the Board to twelve years. The Board nevertheless concluded that Mr. Riboud's term was not such as to call into question his independence. |

| | |
|---|---|
| | The experience of Mr. Riboud as Chief Executive Officer of Danone is an indicator of his skill and significant contribution to the discussions of the Board.<br>His experience in international development, particularly in Asia, is a major asset for Renault's expansion.<br>His experience and natural authority also allow Mr. Riboud to speak and express his opinions freely. This authority and freedom have not been diminished by the years he has served as a director, but are, on the contrary, a guarantee of independence.<br>Accordingly, the Board concluded that the length of term criterion was not relevant to Mr. Riboud and decided not to apply this criterion. |

**Procedures for shareholders to take part in Annual General Meetings**

Article 21 of the Company's Articles of Association sets forth the procedures for shareholders to take part in Annual General Meetings. These procedures are summarized in "General Meetings" below.

Factors that may be material in the event of a public offering, as stipulated in Article L. 225-100-3 are described in section "SHAREHOLDER AGREEMENTS ON SHARES AND VOTING RIGHTS OF THE COMPANY".

**PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS FOR THE COMPENSATION OF THE CHIEF EXECUTIVES OFFICER**

The Company refers to the Afep-Medef Corporate Governance Code as revised on November 12, 2015.

Acting on a proposal of the Remunerations Committee, the Board of Directors has laid down the rules for the remuneration of Mr. Carlos Ghosn.

The Remuneration Committee worked with a specialized consultancy on the basis of an analysis of compensation practice at comparable French blue chip companies and in foreign corporations operating in the same sector.

This compensation comprises:

- a fixed portion;
- a variable portion equivalent to a percentage of the fixed portion, whose amount will be calculated in relation to performance criteria. The Board of Directors sets performance targets and assesses their implementation.

The variable portion can total up to 150% of the fixed portion if all the performance targets are reached. In exceptional cases, if all the targets were to be exceeded, the variable portion could represent up to 180% of the fixed portion.

The performance criteria set by the Board of Directors are as follows:

- return on equity;
- operating margin;
- free cash flow;
- managerial performance, assessed qualitatively.

Twenty-five percent of the variable portion is paid in cash. The balance (the "deferred variable portion") is paid in shares according to the terms and conditions described below.

The shares received as the deferred variable portion may not be definitively acquired until four years after they are granted and are subject to:

- an attendance criterion within Renault;
- performance criteria, assessed over a period of three years from the time the shares are granted.

The number of shares acquired by Mr. Ghosn is determined by the amount of the deferred variable portion, the risk of the non-payment of this deferred variable portion, and the degree to which the performance criteria have been achieved.

The shares acquired by the Chairman and Chief Executive Officer are existing shares, which do not lead to any dilution for shareholders.

As of 2015, Mr. Ghosn's variable compensation is subject to additional performance criteria strengthening the links between the variable portion and the achievement of the Group's strategic objectives. In order to increase the variable portion from 150% to 180% of the fixed portion, in addition to meeting the four criteria above-mentioned, the additional 30% compensation will also be subject to additional performance conditions concerning:

- operating margin (15%);
- free cash flow (15%).

In addition to the fixed and variable compensation, the Chairman and Chief Executive Officer's compensation is composed of the elements described below.
The Chairman and Chief Executive Officer receives performance shares, as authorized by the Annual General Meeting of April 30, 2013.
In his capacity as a Director of Renault, Mr. Ghosn receives directors' fees.
As of 2015, the Board of Directors authorized a non-compete agreement between Renault and the Chairman and Chief Executive Officer, the terms of which are described in the Statutory Auditors' Report in section"STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS".
Lastly, the Chairman and Chief Executive Officer benefits from the collective supplementary pension scheme set up for members of the Group Executive Committee.
All detailed information concerning the compensation of the Chairman and Chief Executive Officer is found in section "COMPENSATION AND BENEFITS OF THE SENIOR EXECUTIVE OFFICER" above.

## ROLE OF THE EXECUTIVE BODIES AND COMMITTEES

### Executive bodies at APRIL 1, 2016

(See section "MANAGEMENT BODIES AT APRIL 1, 2016" above)

### Role of the executive bodies

Management Committees operating at two levels oversee the Group's operations:

- level 1 committees, whose scope covers the entire Group, include notably:
  - the Group Executive Committee (GEC), which is in charge of strategic orientations and decisions, oversees operations and controls the execution of directives by monitoring budget commitments and strategic objectives as well as policies and operations in the Regions, programmes and corporate functions,
  - the monthly "Operational Review" Committee, headed by the Chairman and CEO,
  - specialized committees (*e.g.* product/project committees) headed by the Chairman and CEO, who may delegate this to the Chief Competitive Officer. They make decisions at Group level as well as in the Group's cooperative undertakings within the Renault-Nissan Alliance (including with AVTOVAZ and Daimler);
- level 2 committees, which are specialized by general management area or by function (for example, engineering and quality, planning, products, programmes, manufacturing and logistics, sales and marketing, purchasing, design, legal, risks, ethics and compliance, Office of the CEO, etc.) or by Region.

The operating rules and characteristics of these committees – name of the committee Chairman and membership, frequency, length and agenda of meetings, reporting methods, communication of decisions, and the archiving of minutes – are formally recorded in a standardized catalogue.
There is a Regional Management Committee (RMC) for each Region (Europe, Africa-Middle East-India, Americas, Asia-Pacific and Eurasia). Each RMC is made up of representatives of the corporate functions and vehicle programmes as well as managers from the main countries in each Region.
The Programme departments correspond to segments of the automotive range. The Programme departments are assigned long-term profitability objectives for the life-cycles of the products they develop, manufacturing and market. They receive support from the Regions and corporate functions.

## ETHICS POLICY

### Objectives and guidelines

The ethics policy aims to:

- promote ethical values within the Group;
- implement a comprehensive and active anti-corruption policy within Renault;
- protect employees, customers and shareholders;
- protect the Group's image and assets;
- promote global citizenship by helping establish loyal and fair relationships with its economic partners (suppliers, etc.);
- encourage these, and in turn their own partners, to comply with shared ethical criteria (fundamental social rights, etc.).

The Ethics Charter sets out the Group's key principles and fundamental values. It is intended for all employees in all countries in which the Group is present.

The "Ethics in Practice" Guide sets out the Charter in detail. This document helps to answer any questions that may arise regarding ethical issues encountered at work.

The ethical guidelines also include seven codes of good conduct which have been specifically drawn up for business functions with specific ethical requirements. Their aim is to explicitly set out both what employees must and must not do.

Lastly, a leaflet on the «seven best ways to approach an ethical issue» is systematically issued to employees at the end of any training session they attend on ethics and anti-corruption.

### Actors and bodies

The Ethics Director of the Group, who is responsible for this policy, reports directly to the Chairman and Chief Executive Officer (CEO). He regularly reports to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE) and to the Group's Board of Directors on actions undertaken under his responsibility.

His duties are as follows:

- to reinforce the Group's ethical governance reference material;
- to examine ethical cases;
- to implement the Renault ethics policy internally and increase awareness of it externally in order to actively boost the Group's reputation and image.

The Ethics Director relies on the following people in particular to implement his/her duties:

- the Ethics Officers already in place in Algeria, Argentina, Brazil, Chile, China, Columbia, India, Iran, Mexico, Morocco, Portugal, Romania, Russia, Slovenia, South Korea, Spain and Turkey. They are responsible for the ethics function in each of their countries, in particular to ensure better compliance with laws and local regulations and lead the local Ethics and Compliance Committees (*Comité d'éthique et conformité pays*, CECP);
- the Data Protection Officer (*correspondant informatique et liberté*, CIL), who reports to the Ethics department, is responsible for ensuring that Renault meets its commitment to respect the privacy and personal data of its employees and customers and that it meets its associated legal and regulatory obligations;
- two facilitators whose mission in France is to create the conditions required to resolve any conflicts between employees and to offer a confidential, neutral and friendly listening environment.

The Ethics Director directs the Group's ethics policy with the support of the following bodies:

- the Ethics and Compliance Committee (*Comité d'éthique et de conformité*, CEC), over which he presides, includes representatives of the following functions and departments: audit, risk management and organization, legal, human resources, corporate social responsibility, the environment, Group prevention and protection, finance, technical regulations and certification. This committee contributes to creating internal jurisprudence for the processing of ethics-related cases and responds to all requests for assistance and advice within this field. The committee met four times in 2015;
- the Fraud and Anti-Corruption Committee (*Comité antifraude et corruption*, CAFC), presided by the Ethics Director, includes the following members from the Ethics and Compliance Committee: legal, human resources, safety, and internal control. It meets when required for the most complex cases. The committee met five times in 2015;

- the local Ethics and Compliance Committees (CECP), led by the corresponding country Ethics Officer, implement the tasks and decisions of the Group Ethics and Compliance Committee, with the approval and support of the Ethics Director as the leading authority. These are already in place in 17 countries.

The Ethics Director also receives alerts issued via a global whistle-blowing procedure that complies with regulatory requirements. A description of this procedure is available to all employees in the Ethics section of the intranet.

**Assessment and outlook**

In 2015, the Ethics Director had regular meetings with the Chairman and CEO and submitted an activity report to the President of the Audit, Risks and Ethics Committee on seven occasions, including three times with the full committee present. He also provided an update on the progress of the deployment of the Group's ethics policy at several meetings of the Group's employee representative bodies: Works Council, Central Works Council.

In the year just ended, the Ethics department handled a total of 84 ethical cases, including some as a preventative measure.

Training on the Renault ethics and anti-corruption policy has already been rolled out to over 9,700 managers across 18 countries. Romania, France and Spain had the highest number of managers trained.

The e-learning programme "Doing business without corruption", created in collaboration with the NGO Transparency International, is available to employees on the Renault group intranet.

The Data Protection Officer has held 45 training sessions for employees on the importance of protecting privacy and personal data. She has advised internal teams and subsidiaries on all matters relating to data protection and on the regulatory changes that occurred during the year (*e.g.* Russia's invalidation of the Safe Harbor agreement) and has provided support on projects with a data protection impact (*i.e.* connected vehicles & services and autonomous vehicles).

Renault, like other carmakers, must rise to the challenge of the digital age, make mobility more intelligent and connected and offer personalized services to its customers, all of which involves the collection and processing of personal data. Recognizing that major concerns exist on this topic, September 16, 2015 saw European manufacturers, through the ACEA (European Automobile Manufacturers Association), make public the data protection principles that relate to connected vehicles and services (transparency, customer choice, data security, etc.).

The following issues will be developed in 2016:

- continued employee training on appropriate ethical behavior;
- consolidation of the anti-fraud and anti-corruption policy: the preparation of a document detailing the Renault group's anti-corruption policy is currently underway. A due diligence process will be operational and systematic, so as to enable the Group to protect itself, in relation to our current and future partners, against the risks of fraud and corruption;
- continued standardization of sanctions within the Group, with regard to ethics breaches;
- enhanced relations with the Ethics Officers on how to improve alert reporting worldwide.

A two day seminar, organized by the Ethics department, will bring together the Ethics Officers from the various countries to ask them to share their best practices.

With regard to the protection of personal data, the priority will be to continue discussions with data protection authorities with a view to creating a compliance package and to implement the principles of the new European regulation, in collaboration with Group and Nissan entities.

## GROUP INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

**Objectives of the internal control and risk management systems**

The Renault group has adopted organizational structures and procedures to contain the risks inherent in its activities and to limit their negative impact. The internal control and risk management systems are implemented in all the Company's businesses, activities and Regions. The main objectives are to:

- identify and manage risks to which the Company is exposed;
- ensure compliance with laws, regulations and the Company's by-laws;
- control quality, cost and delivery times in its activities;
- ensure that financial, accounting and management disclosures are reliable, relevant and of a high standard.

These structures and procedures cannot, however, offer an absolute guarantee that the business' objectives will be achieved. In order to mediate between the opportunities and risks, Renault group's global risks management system aims to reduce the impact and/probability of events having a significant influence on the control of operations or the fulfillment of objectives. The internal control and risk management system identifies and assesses risks by measuring the level of risk factor management and the efficacy of management plans.

**Regulatory framework of the internal control and risk management systems**

Since 2007, Renault group has applied the reference framework and implementation guidelines of the French securities regulator, AMF, which were updated in July 2010, and the recommendations of the Audit Committee working group published in July 2010.

With regard to sales financing, RCI Banque has defined its own internal control framework in accordance with banking and financial regulations. This system is outlined in "SALES FINANCING: RCI BANQUE" below. RCI Banque is subject to controls by the French Prudential Supervisory Authority (*Autorité de contrôle prudentiel et de résolution*, ACPR).

**Organization of the internal control and risk management systems**

The overall internal control system is based on the three lines of control principle represented in the diagram below:


The internal control and risk management systems help to control operations and fulfill Group objectives:

- the internal control system aims to control processes so as to provide reasonable assurance on the efficacy, compliance and reliability of financial, accounting and management information;
- the risk management system identifies and assesses major risks likely to hinder the business' ability to fulfill its objectives in order to maintain these risks at a level judged acceptable by Senior Management;
- as part of its duties, internal audit assesses the functioning of the internal control and risk management systems, and issues recommendations for improvement.

The first two lines of control report on internal control and risk management issues to dedicated committees: the Risks and Internal Control Committee (*Comité des risques et du contrôle interne*, CRCI) and the Ethics and Compliance Committee (*Comité d'éthique et de conformité*, CEC) outlined in "Actors and bodies" above. They occasionally report to the Executive Committee and the Operational Review Committee as part of thematic presentations. The aim of the Risks and Internal Control Committee is to regularly validate and assess the efficacy of the internal control and risk management system.

The second and third lines of control present the results of their work to the Audit, Risks and Ethics Committee (*Comité de l'audit, des risques et de l'éthique*, CARE), whose duties are defined in "Specialized committees of the Board in 2015".

In the course of their duties, the statutory auditors assess the internal control of the preparation and processing of accounting and financial data and, when necessary, issue recommendations.

**Deployment of the internal control and risk management systems**

The Group comprises two operating segments, Automotive and sales financing. Sales financing has its own internal control and risk management system and organization, which is outlined in “SALES FINANCING: RCI BANQUE” below. Automotive is organized around three axes: Regions, Corporate Functions and Programmes. These help set the business’ strategy and implement this on a daily basis through the QCD performance indicators (Quality/Cost/Delivery). However, each area has its own specific characteristic:

- the “Regions” axis develops the business in the field. The Regions are responsible for optimizing the business and profitable revenues;
- the “Corporate Functions” axis groups together all of the business’ functions, with global responsibility. The Corporate Functions define the policies, and supply the appropriate standards, methods and skills to the Programmes and Regions;
- the “Programmes” axis is responsible for the life cycle of the vehicles and related services at a global level. The Programmes develop the vehicle ranges and control their profitability (cost/value balance).

## Guidelines for the internal control system

### Internal delegations and separation of powers

In addition to command-line structures, the Group has set up a staff reporting system so that support function managers can provide leadership for their function correspondents throughout the Group.

The decision-making process is based on a system of internal delegation that determines in which areas and at which levels operational managers may make decisions. All the rules for delegating decision-making authority are communicated to the personnel over the intranet. When a decision is required, a workflow chart specifies the persons involved, in accordance with internal control procedures.

Decisions concerning certain transactions, and notably those related to the capital of the subsidiaries, disposals/acquisitions, partnerships, cooperation, and limits on the hedging of raw materials and currency risks, along with general policies, are made following a special review by a committee of experts, which gives an opinion. The final decision is then made by the Chairman and Chief Executive Officer.

The principle of separation of functions and tasks is required at all hierarchical and functional levels within the Group, and within the computer systems, to facilitate independent control and to separate tasks and functions corresponding to operations, the protection of property and their booking for accounting purposes.

### Ethical guidelines and business functions of the Group

The Corporate Functions define and issue the policies and standards to be deployed, which are then rolled out as procedures and operating methods to ensure that processes at operational level function in accordance with the principles outlined in the Ethics Charter and the corresponding codes of conduct. The Internal Control department has distributed guidelines entitled “Minimum Control Standards”, which lists the main controls to be performed and incorporated into the operational staff’s control activities.

## Scope

The internal control system applies to the parent company and all fully consolidated companies. The risk management policy is applied at Group level for major risks. It is rolled out at operating entity level (countries, commercial subsidiaries and/or plants) and to vehicle programmes.

## The main actors in internal control and risk management

In accordance with the AMF’s general internal control principles and respecting the principle of the separation of functions, the Renault internal control system is implemented in accordance with the three control levels set out in “Organization of the internal control and risk management systems”:

- at level one are:
  - operational management, which adapts and applies within its scope of responsibility the internal control and risk management principles and methods defined at Group level,
  - employees, who are expected to comply with the internal control system established for their work areas and with the Group’s code of ethics, as well as their own dedicated codes of ethics;
- at level two, this system is permanently monitored to evaluate its proper application and efficacy. This monitoring is performed by:
  - the Internal Control department using self-assessment questionnaires and compliance tests. It also sees that action plans are carried out if any shortcomings are observed,

  - the Risk Management department: as both project manager for mapping the Group’s major risks, and as an adviser and to support risk mapping by the Programmes and operating entities in the Regions (whether industrial or commercial),
  - the Group Performance and Internal Control department coordinates and leads this process in the field, supported by its representatives in the entities and regions. It ensures that all personnel comply with management rules and assists operational staff in the coordination of their action plans and monitoring,
  - the departments, known as “Corporate functions”, represent the business’ functions and are responsible on a global scale for establishing policies, standards and methods;
- level three involves:
  - the Internal Audit department which independently and objectively assesses the control of operating performance, provides advice and recommendations on how to improve the control systems and gives Senior Management reasonable assurance on the degree of control over operations in the form of a report setting out the observations, the recommendations listed according to three levels of criticality and the conclusions (strengths/weaknesses, audit rating, etc.).

Internal audits are performed on all activities and entities of the Automotive branch of the Renault group. They may also be performed on converged companies of Renault/Nissan subsidiaries.

Internal Audits are certified by the French Institute of Audit and Internal Control (*Institut Français de l’Audit et du Contrôle Internes*, IFACI), in accordance with the standards for the professional practice of internal auditing (*Référentiel Professionnel de l’Audit Interne*, RPAI) comprised of 30 requirements across three categories: methods, services and management.

The audit plan is prepared annually. This annual audit plan is reviewed as and when required and is based on the Group’s risk mapping.

Audit types:
- Compliance audit to control the implementation or application of internal and external guidelines;
- Efficiency audit to provide operational management with an external assessment and objective overview of operations controls and the adequacy of methods implemented, compared with performance objectives and best practices; this type of audit may be required to assess the quality and efficiency of risk management plans;
- Fraud audit to assess any process that carries a risk of fraud or to perform specific investigations following an alert;
- Follow-up audit to verify the implementation of action plans drawn up by management following a prior audit which produced an «insufficient» rating.

Recommendations arising from internal audits lead to the drafting of action plans, implemented by the auditees and validated by the auditor.

The Audit department monitors the corrective action and twice a year prepares a progress report on the recommendations, with high or medium criticality, which it provides to the Group’s Senior Management and CARE.

**Assessment and outlook**

In 2015, the work of the Internal Control department focused on the following points:
- the reinforcement of the anti-fraud system following the initiatives launched in 2013 including raising awareness of and providing training on internal and external fraud. The focus this year was on raising entity awareness of the risk of external “CEO fraud”;
- the preparation and deployment of a corruption risk map allowing for the supervision of at-risk operations;
- in order to help operational staff coordinate the separation of powers, the Internal Control department has established a method for analyzing the separation of duties using standard matrices on the main processes at risk (accounts, stock management, purchasing, etc.), and this is currently being implemented across the entities;
- in order to measure the level of deployment of the internal control system, 10 criteria (training, diagnostics, coordination, application of tools, etc.) are monitored to ensure the proper implementation of the fundamentals of internal control;
- the creation of a reporting and management tool to make use of the results of the self-assessment questionnaire at Group level for all consolidated entities;

- the annual updating of self-assessment questionnaires relating to activities in purchasing and vehicle distribution;
- the launch of a project to simplify and expand the Group's delegation handbooks which shall be operational at the beginning of 2016;
- the continuation of a multi-year, Group-wide project aimed at bringing together everyone involved in the Company's risk control processes. This approach focusing on operating risks is crucial to securing processes and performance;
- the annual updating of tools for operational staff, such as basic internal control principles ("Minimum Control Standards"), which provide a reference for control activities;
- the introduction of numerous coordinators as part of a data-mining project which has led to confirmation of the target for 2016.

The priorities for 2016 will be to continue certain initiatives and projects begun in previous years, such as the data-mining project, and the development of control and risk monitoring systems.

**Training to adapt skills**

The main corporate business lines and functions have set up schools to raise the professional standards of their staff. These schools reflect their strong belief in employee training as a way to enhance performance and to better satisfy management expectations.

The Internal Control department has launched a programme of specific and further training for operational managers within the entities. The Internal Control department trained 110 people in 2015. All Internal Control employees have undergone training during the last two years. In addition, communication initiatives have been rolled out to 350 managers and 20 Management Committees.

## IMPLEMENTATION OF INTERNAL CONTROL AND RISK MANAGEMENT OBJECTIVES

**Risk management**

The global risk management system has been formally set out by the Risk Management department (*Direction du management des risques*, DMR) in a document that outlines all of the organizational principles and methods used by the Company.

The Group applies a risk management method based partly on identifying a wide range of risks, which are then mapped, and partly on carrying out action plans to deal with these risks by means of: elimination, prevention, protection or transfer. This method applies to the Group, entities and vehicle programmes. The mapping of major risks (descending and ascending) is presented to and validated by the Risks and Internal Control Committee, the Group Executive Committee and the Audit, Risks and Ethics Committee.

To carry out its duties, the Risk Management department relies on two networks:

- one comprising employees mainly from the performance and control function, for the operating entities (countries, commercial subsidiaries and/or plants) and from the quality function, for the Programmes. These employees are known as Operational Risk Managers (*Risk Managers Opérationnels*, RMO). They work with the Risk Management department on the operational implementation of risk management systems within the entities and programmes;
- the other made up of experts who manage a specific area of risks. These may be risks common to all companies or specific to one of Renault's sectors of activity. These experts are known as Expert Risk Managers (*Risk Managers Experts*, RME) and consult on the standardized risk management plans in their area of expertise.

The risk factors to which the Group is exposed are described in "RISK MANAGEMENT" above. Analysis is performed based on the type of risks within the Group (the Risk Universe). The risk management policy and insurance policy are also detailed there:

- risks linked to strategy;
- risks linked to governance;
- cross-group operational risks;
- risks linked to the definition of the product, service;
- risks linked to the design of the product, service;
- risks linked to purchasing;
- risks linked to upstream logistics;
- risks linked to manufacturing;
- risks linked to downstream logistics;
- risks linked to the sale of products and services;

- financial risks;
- quality risks;
- human resources risks;
- IT risks;
- legal risks.

To draw up the audit plan for the Company's major risks, which is validated by Senior Management and approved by the CARE, the Internal Audit department uses risk maps to identify the most pertinent audit themes and assess risk coverage. Through its auditing task, the Internal Audit department provides the DMR with insight on the effective level of management of major risks.

**Assessment and outlook**

In 2015, the Risk Management department focused its activities on:

- the continuation of an "ascending" (bottom-up) approach to risk analysis, focused on assessment – by around 60 operating entities – of cross-group risks in terms of both industrial and commercial activities;
- the strengthening of processes to improve the management of major risks identified in the mapping updated in 2014;
- methodological assistance in the implementation of "country", "plant" and "commercial subsidiary" risk mapping, carried out with the operational risk managers of the relevant entities;
- assistance to the Programme departments in creating risk mapping for priority vehicle projects and to operating entities in mapping major risks linked to their operations.

Furthermore, measures to raise employee awareness of the risk culture continued.

In 2016, the Risk Management department, in addition to its current activities, will concentrate its efforts on:

- the implementation of the mapping of major risks to the Group, and the preparation of the Group's next strategic plan;
- the coordination of new processes arising from the risk mapping carried out in the operating entities ("countries", "plants", "commercial subsidiaries");
- continued assistance in implementing the risk mapping of operating entities and vehicle projects;
- measures to raise awareness of the risk culture (communications and training).

**Compliance with laws, regulations and the Company's by-laws**

Compliance with laws and regulations is a major objective of internal control, which must see that the means for assuring regulatory compliance are available. This control is provided by the Ethics and Compliance Committee (CEC). Within the Internal Control department, the Regulatory Compliance Officer is responsible for ensuring that the decision-making departments (technical regulations, legal, human resources, environment, etc.) have reliable procedures in place to guarantee regulatory compliance. The Legal department provides support and assistance in this respect.

The Regulatory Compliance department has developed a method to assess existing procedures, approved by the CEC. This method has been applied to all areas subject to regulation. In parallel with this assessment of the organization and processes in place, the Regulatory Compliance Officer and the Legal Compliance Officer have worked with each decision-making department to rank the severity of the risk of regulatory non-compliance (see risk factors in "Risks linked to the Company's environment").

This method has been applied to all areas subject to regulation and is regularly updated to assess the level of risk control and its severity. The frequency of the assessments, between six months and three years, depends on the severity of the risk and level of control in the previous assessment.

The system as a whole is managed by the internal monitoring procedure of the Regulatory Compliance department.

**Management of activities**

The internal control system aims to ensure the proper functioning of the internal processes implemented, using a framework of methods and procedures. The operating processes are guided by QCD (Quality/Cost/Delivery) indicators, for which the risks have been analyzed as part of the entity mapping, the vehicle programme risk mapping, self-assessment questionnaires and performance reviews.

**Quality and reliability of financial, accounting and management information**

Senior Management communicates Renault's overall objectives, in line with the multi-year plan and annual budgets, as well as the allocation of resources to the Regions, businesses and programmes. Group Management Control draws up an instruction memorandum for each of the two operating sectors, the

Regions, functions and programmes. These memorandums include macroeconomic assumptions to be taken into account (exchange rates, interest rates, inflation rates, raw materials prices, etc.), financial and non-financial indicators that will be measured over the course of the following financial year, the calendar, and the segmentation of the activity scope. Each Region sends these instructions to the subsidiaries within its scope of responsibility after adding elements specific to business functions.
The performance and control function stimulates and measures economic performance at the various levels of the organization (Group, operating sectors, Regions, functions, programmes).
Management control is decentralized so as to take account of the specifics of each business. Its mission is laid out in instructions prepared periodically by the Corporate Control and Reporting department.
In the Group's management model, its role consists in:

- developing the Group's economic and budget objectives;
- implementing the internal control system and Renault's risk management process;
- coordinating the Group by measuring the performance of its entities, Regions, functions and vehicle programmes and, in particular, monitoring free cash flow indicators;
- making an economic analysis of proposed management decisions at every level, checking compliance with standards, plans and budgets, assessing economic relevance, and formulating an opinion and recommendation in each recommendation.

The Group uses management guidelines to prepare its accounting and financial information. These guidelines aim to provide operational staff with standard management procedures.
All the documentation is available to staff in all the Group's entities through the intranet portal for the management, internal control and risk management functions. Documentation includes:

- all standards, rules and instructions, whether they are business specific or apply to the entire Group;
- an economics dictionary to help employees better understand the main concepts and aggregates used to guide the Group's business performance.

The internal control system for accounting and financial data is based on the AMF reference framework. It covers not only the processes for preparing financial data for the accounts, forecasting and financial reporting, but also the operational processes upstream that go into the production of this information.
The Group's information systems enable it to simultaneously produce accounts according to local accounting rules and those of the Group. This mechanism ensures that data remain consistent even though they are centralized and consolidated in short timeframes. The Administrative and Financial Directors of the subsidiaries, under the operational authority of the subsidiaries' Chairmen and CEOs and the functional authority of the Director of Group Accounting (DCGr), are responsible for preparing the financial statements.
The Group has a manual setting out presentation and evaluation standards. This manual is updated annually and provided to all entities so that financial information is reported in a uniform manner.

**Principles applied in preparing the financial statements**

The Renault group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and endorsed for application by a regulation published in the Official Journal of the European Union at year-end close.
The Group Accounting department, which is under the direct authority of the Group's Chief Financial Officer, has an "Accounting Standards" unit. The department has the authority to enforce prevailing accounting rules. Company employees are regularly informed of changes and updates to IFRS.
The Renault group, whose activities are divided into two separate operational sectors – Automotive and Sales Financing (RCI Banque) – prepares its consolidated financial statements using a single consolidation system based on an accounting Charter common to all consolidated entities.
The Group publishes half-yearly and annual statements. These statements are prepared in advance on the basis of two pre-closing dates: May 31 for the June closing and October 31 for the December close. Summary meetings are organized with the statutory auditors and attended by senior management as part of an ongoing process of dialogue with the latter. The CARE is involved at every key stage of the approval process for financial and accounting disclosures.

**Financial reporting**

Given the growing importance of financial communication, its multiple forms, and the vital need to provide a high standard of financial disclosure, the Renault group has turned over all of the Group's financial communication to the Financial Relations department in the Financial department and given it the resources to supply the reliable, high-quality information required.

The Financial Relations department is in charge of:
- communication with financial markets;
- relations with investors and individual shareholders;
- relations with financial rating agencies;
- relations with analysts and investors specialized in socially responsible investments;
- relations with the regulatory authority (AMF);
- the preparation of the half-yearly and annual financial reports and quarterly data as well as the filing of the RD with the AMF.

**SALES FINANCING: RCI BANQUE**

RCI Banque has an internal and risk management system that complies with banking and financial regulations. This system aims to reduce the probability of risk exposure in the Company by implementing appropriate action plans. This section deals with the following topics:
- organization of the RCI Banque group;
- the general framework for internal control and risk management within the RCI Banque group;
- the bodies and actors involved in internal control and risk management.

**Organization of the RCI Banque group**

The organization of the RCI Banque group aims to develop the commercial activities linked to sales financing, to manage transactions with customers and give the support functions a more global mission to support international development. The leadership of this organization, which is based on a mapping of the business' processes, comprises three components:
- the hierarchical line:
  - the Executive Committee of the RCI Banque group, the Group's Senior Management body, deploys the policy and strategy of RCI Banque, under the supervision of the Board of Directors,
  - the Management Committees liaise with the Executive Committee in implementing the operations required to achieve their objectives;
- the functional line, which comprises the functional and activity departments, has the following duties:
  - to define specific policies and operating rules (IT system, human resources, financial policy, credit risk management, etc.),
  - to support the operating departments and ensure the proper implementation of the defined policies by said departments.
- monitoring:
  - in 2014, in accordance with the application of CRD IV, Group monitoring was reinforced by separating the functions of Chairman and CEO. A Risk Management department was also created to replace the risk function,
  - as of 2015, to reinforce monitoring even further, the Board of Directors relies on five of its committees: a Risk Committee, a Remuneration Committee, an Appointments Committee, a Strategic Committee and an Audit and Accounts Committee.

**General framework for internal control and risk management within the RCI Banque group**

RCI Banque has a global internal control system which aims to identify, analyze and manage the main risks identified in relation to the Company's objectives. The RCI Banque group's Internal Control Committee has validated the general framework for this system, which is described in the Internal Control Charter.
This Charter defines the system applicable to the entire Group and specifies in particular:
- the general arrangements for managing internal control;
- the local arrangements for subsidiaries, branches and joint-ventures;
- the special arrangements for various functional areas.

The global internal control system for the RCI Banque group includes three intervention levels:
- level 1 consists of self-inspection mechanisms for each department and geographical location. These entities are responsible for, among other things, applying existing procedures and performing all related controls in their own area of operations. Being primarily operational, first-level control is carried out by process owners in each subsidiary, who have been specially trained for this purpose. It covers all main risks;
- level 2 is led by the Permanent Control department and coordinated by the local Internal Controllers. These Internal Controllers are independent of operating units and carry out inspections to ensure that operations are lawful and compliant;

- level 3 is conducted by independent oversight bodies (supervisory authorities, specially commissioned independent firms, etc.) and by the RCI Banque group's Audit and Periodic Control department which implements the annual audit plan approved by the Audit and Accounts Committee. This control ensures that operations are compliant and procedures are respected, assesses the risk level actually incurred and ensures the efficacy and suitability of the permanent control system.

In the course of their duties, the statutory auditors assess the internal control of the preparation and processing of accounting and financial information and, where necessary, issue recommendations.

The operating risk management system covers all the macro processes of the RCI Banque group and includes the following tools:

- the operational risk mapping deployed in all of the RCI Banque group's consolidated subsidiaries which identifies major operating risks. These risks are then managed and monitored on a regular basis. This operational risk mapping is updated annually by the functional departments and is assessed by the process owners;
- systems connected to the operating risks which have been put in place for the following risks: risk of non-compliance, internal fraud, outsourcing of essential or important services, money laundering, financing terrorism and corruption;
- the incident database identifies data relating to operational risk incidents so that preventive and corrective measures can be put in place and to create regulatory, leadership and management reports. The system sets thresholds for immediately communicating certain incidents to Renault group's Executive Committee, Board of Directors and Ethics and Compliance Committee (CEC), and to the French Prudential Supervisory Authority (ACPR);
- the key risk indicators monitor the development of certain critical operating risks in order to implement, depending on the alert threshold fixed, preventive actions before incidents occur. These indicators are defined in the business and public customers, credit network, refinancing, accounting and IT processes.

**Bodies and actors involved in internal control and risk management**

- The Board of Directors, as supervisory body, has the following responsibilities:
  - it decides on the Company's business strategy and monitors the implementation, by Executive Directors and the Executive Committee, of supervisory procedures to ensure effective and prudent management;
  - it approves and periodically reviews the strategies and policies for taking on, managing, monitoring and reducing risk;
  - it examines the governance model, periodically assesses its effectiveness, and ensures that corrective action is taken to remedy any shortcomings;
  - it oversees the publication and communication processes and checks the quality and reliability of information due to be published and disclosed by the Company.

As such, the Board devotes at least one meeting a year to a review of the internal control system, in order to sign off on the annual report on internal control submitted to the French Prudential Supervisory Authority (ACPR).

The Board of Directors is assisted in its duties by various committees:

  - the Audit and Accounts Committee meets twice a year. It is responsible for preparing, presenting and monitoring the financial statements, overseeing the statutory audit of the separate and consolidated financial statements, monitoring the independence of the statutory auditors, verifying the effectiveness of internal control and risk management systems, reviewing the audit plan, and analyzing the audits carried out;
  - the Risk Committee meets four times a year. Its role includes examining the risk map and signing off on the definition of risks, and analyzing and authorizing RCI Group risk limits in line with the Board's risk appetite and with a view to assisting the Board in terms of oversight. It is also responsible for analyzing action plans in the event that limits or notification thresholds are exceeded, and for examining pricing systems for products and services. In parallel with the Remuneration Committee, it also has the task of examining whether the remuneration policy is compatible with the Company's risk exposure;
  - the Remuneration Committee meets three times a year. It examines the compensation of Company officers and the head of risk management, and prepares decisions for the Board of Directors concerning individuals who have an impact on risk and risk management. It is also responsible for ensuring compliance with the collective bargaining agreement, defining the principles and rules that govern executive compensation, and conducting an annual remuneration policy review;

- the Appointments Committee meets three times a year. It has the task of recommending directors to the Board. It is also in charge of the annual review of the Board of Directors, including its structure, membership, gender diversity and breadth of directors' knowledge, skills and experience. It submits nominations to the Board for Executive Directors, the Chief Executive Officer, Executive Vice-Presidents and the head of risk management;
- the Strategy Committee meets four times a year. Its role is to analyze the deployment of the strategic plan, as well as reviewing and signing off on various strategic projects.

- **The Executive Committee**, in charge of the Group's executive management, directs the RCI Banque's policy and strategy.
  The Executive Committee oversees the Group's risk management aided by the following committees:
  - the Financial Committee, which reviews the following topics: economic analysis and forecasts, cost of funds, liquidity risk, interest rate risk and counterparty risk in the different areas and subsidiaries of the Group. The balance sheet and income statement of RCI Holding are also analyzed to make the necessary adjustments to intra-Group transfer pricing;
  - the Credit Committee, which approves commitments exceeding the authorization limits of subsidiaries and the Group head of commitments;
  - the Customer Finance and Risks Committee, which evaluates the quality of customer origination and benchmarks subsidiaries' performance in terms of recovery. Within the dealership network, changes in the outstanding portfolio and inventory turnover are reviewed, together with changes in dealer and portfolio classification;
  - the Regulatory and Basel III Committee, which reviews major regulatory changes in prudential supervision and action plans, and validates internal rating models and the associated management policy;
  - the Internal Control, Operational Risk and Compliance Committee, which oversees the Group's entire internal control system, monitors quality and related procedures, and adapts resources, systems and procedures. It defines, manages and monitors the principles of the operational risk management policy and compliance control system. It also keeps track of action plans. This committee also exists within each subsidiary.
  - The Director of the Permanent Control department (Département du contrôle permanent, DCP), who reports to the Risk Management Director, is responsible for the permanent control of organizational compliance and for directing the general internal control system for the entire Group. In terms of internal control in the RCI Banque group subsidiaries, the Director of the Permanent Control department is supported by Internal Controllers who report to him/her functionally. The Internal Controllers report hierarchically to the CEO of the subsidiary. The Director of the Permanent Control department is supported by employees within the coordination functions to manage the internal control system within the RCI Banque group departments.
  - Process owners have been assigned to each macro process and are responsible for preparing and updating first level procedures and controls.
  - Regulatory Monitoring Officers are responsible for monitoring, analyzing and informing operational staff of any regulatory changes impacting RCI Banque as part of the compliance control system put in place to ensure good corporate governance.
  - The Audit and Periodic Control Director for the RCI Banque group reports to the CEO and is independent of the Permanent Control department. He/she works with the different subsidiaries based on an annual audit plan validated by the Audit and Accounts Committee. Audits result in written reports including recommendations that are submitted to the Internal Control Committee and the Audit and Accounts Committee. The controls performed are also communicated to the Board of Directors. These controls are presented in the annual internal control report, which is submitted to the French Prudential Supervisory Authority (ACPR).

## MANAGEMENT BODIES

See 4. - (2) "MANAGEMENT BODIES AT APRIL 1, 2016" above.

## ADDITIONAL INFORMATION

### General Meetings

General Meetings are convened in accordance with legal and regulatory provisions. Starting from January 1, 2015, the right to attend General Meetings is evidenced by an entry in the share records in the name of the shareholder or the registered intermediary acting on his or her behalf, pursuant to Article L. 228-1 of the French Commercial Code. The entry must be made by midnight (zero hours) Paris time on the second working day before the General Meeting, either in the registered share account held by the Company or the bearer share accounts held by an authorized intermediary in accordance with Article L. 211-3 of the French Commercial Code. The entry of bearer shares in the share records held by the authorized intermediary is evidenced by an attendance certificate issued by said intermediary.

**Shares and voting rights**
Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner. However, shares that are not fully paid-up must be in registered form.
Shares entitle the holder to vote, within the limits of French regulations.

**Identifiable bearer shares**
The Company is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own Shareholders' Meetings.

**Shareholding disclosures**
In addition to the legal requirement that shareholders inform the Company if they hold certain percentages of its share capital or voting rights, every shareholder or fund management company that comes into possession of a number of shares greater than 2% of the share capital or voting rights, or a multiple of this percentage less than or equal to 5% of the share capital or voting rights, shall inform the Company of the total number of shares held. That disclosure shall be made by registered letter with return-receipt within a time period set forth in a *Conseil d'État* decree, starting from the date of registration of the shares that took the shareholder's interest up to or beyond the threshold. In excess of 5%, the aforementioned disclosure requirement applies to 1% fractions of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or equity equivalents held as defined by the provisions of Articles L. 233-7 and L. 233‑ 9 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph, and must indicate the acquisition date(s). The disclosure requirement applies in the same manner if the holding falls below any of the aforementioned thresholds, 2% or 1% as applicable.
If the conditions described above are not respected, any shares exceeding the fraction that should have been declared are stripped of voting rights for all Shareholders' Meetings for a period of two years after the required disclosures are made, insofar as this is requested at the meeting by one or more shareholders who together hold at least 1% of share capital.

**SHAREHOLDER AGREEMENTS ON SHARES AND VOTING RIGHTS OF THE COMPANY RESTRICTIONS ON THE TRANSFER OF SHARES**
As part of the long-term strategic Master Cooperation Agreement signed on April 7, 2010 by Renault SA, Nissan Motor Co., Ltd., Renault-Nissan b.v. and Daimler AG, the Parties made the following commitments in accordance with Article L. 225-100 -3 of the French Commercial Code:

- lock-up commitment: for a five-year period beginning on the date of the Master Cooperation Agreement signature, Daimler commits to not transfer its holding in Renault without the prior agreement of the other parties. However, providing the transfer concerns all Renault shares and the beneficiary is not a competitor of Renault, this lock-up commitment does not apply in the following cases: (i) transfer to a subsidiary, (ii) a public offer for Renault shares recommended by Renault's Board of Directors, and (iii) a change in control of Renault. The commitment will end prematurely if the Master Cooperation Agreement is terminated before the end of the five-year period;
- right of first offer: if Daimler wishes to transfer its Renault shares (either at the end of the lock-up commitment or during that period. providing it has transfer authorization), Renault benefits from the right of first offer, allowing it to acquire those shares. If Renault chooses not to exercise its right, Daimler may sell its shares to third parties that are not competitors of Renault or sell them in the market;
- commitment in the event of a hostile takeover bid: after the end of the lock-up commitment, Daimler agrees to not tender its shares to a takeover bid for Renault that has not received approval from Renault's Board of Directors. This commitment will end on termination of the Master Cooperation Agreement.

**RESTRICTIONS ON THE FREE EXERCISE OF VOTING RIGHTS ATTACHED TO SHARES HELD BY THE FRENCH GOVERNMENT**

In the context of the discussions conducted between Renault and Nissan and between Renault and the French government to restore the balance between the investments of the two shareholders in Renault and, on this occasion, to ensure the continuity and development of the Renault-Nissan Alliance, on February 4, 2016, Renault SA and the French government entered into a governance agreement aimed at capping the French government's voting rights in respect of certain decisions to be approved by the Renault Shareholders' Annual General Meeting.

This limitation varies depending on the quorum achieved at the Shareholders' Annual General Meeting:

- if the shareholders present or represented at the General Meeting in question own 70% or fewer of the shares with voting rights (either single or double voting rights), the French government's voting rights are capped at 17.9% of the voting rights exercisable by Renault; and
- if the shareholders present or represented at the General Meeting in question own more than 70% of the shares with voting rights (either single or double voting rights), the French government's voting rights are capped at 20% of the voting rights exercisable by Renault.

The capping of the French government's voting rights affects all decisions within the jurisdiction of the Ordinary General Meeting, with the exception of the following decisions, for which the State may exercise all of its double voting rights:

- allocation of earnings, the fixing of the dividend and its payout date;
- the option of receiving all or part of the dividend payout in cash or in shares;
- appointment of directors representing the French government, renewal of their terms of office or ratification of their appointments by the Board of Directors;
- removal of directors representing the French government;
- approval of the sale of significant assets;
- regulated agreements against which the representatives of the French government voted on the Board of Directors; and
- authorization of the Board of Directors to trade in Renault's shares, in the event of a program to the buy back one or more blocks of shares from one or more identified shareholders.

For Extraordinary General Meetings, the French government may exercise all of its voting rights, with the exception of the following decisions for which the French government's voting rights are capped, namely:

- the granting or renewal of delegations of authority or powers to the executive bodies of Renault whose terms are consistent with the existing practices of Renault as demonstrated over the five years preceding the decision;
- decision or delegation granted to the Board of Directors to grant stock options, allocate bonus shares or issue shares or securities giving access to capital to the employees and corporate officers of the Group;
- modification of the age limit for the exercise of functions or the term of office of directors and senior executive officers; and
- transfer of the head office (except outside of France).

Resolutions submitted by a shareholder other than the French government are not capped if the French government votes according to the recommendations of the Board of Directors of Renault.

The capping of voting rights shall cease to apply if:

- Nissan exercises the voting rights attached to its shares at any Renault General Meeting; and
- the Restated Alliance Master Agreement entered into between Renault and Nissan on March 28, 2002 (as amended on April 29, 2005, November 7, 2012 and December 11, 2015) is amended and the representatives of the French government did not vote in favor thereof on the Board of Directors, or if the said Restated Alliance Master Agreement is terminated.

In addition, capping is suspended:

- in the event of a public offer on the financial securities of Renault initiated by any person, from the announcement thereof until the expiration of the offer period; and
- whenever a person (with the exception of the French government, but including Nissan), acting alone or in concert, owns, directly or indirectly, immediately or over time, an investment or an economic exposure representing more than 15% of the capital or voting rights of the Company.

In the event of violation by the French government of its commitments under the corporate governance agreement, Renault may seek conversion into bearer shares of all Renault shares owned by the French government, thus depriving them of the double voting rights attached to them for a period of two years.

BNP Paribas Securities Services is the registrar for Renault and assists in the implementation of the capping mechanism through the management of the registered shareholder accounts in which the Renault shares owned by the French government are kept. The terms of its involvement are set out in an agreement for the implementation of the corporate governance agreement, which was signed on February 4, 2016 between Renault, the French government and BNP Paribas Securities Services.

**ABSENCE OF CONCERTED ACTION BETWEEN RENAULT AND DAIMLER**

Renault and Daimler have declared that they are not acting in concert, directly or indirectly, as defined in Article L. 233-10 of the French Commercial Code. To the best knowledge of the Company, and as at the date of the Registration document, there are no shareholder pacts governing relations between the Company's shareholders, and no actions in concert.

**AUDITS**

**Statutory Auditors' Charter**

In connection with legal audit, Renault took the initiative in 2004 of drafting a Charter concerning the engagements and independence of the statutory auditors and signing it with them. This Charter governs the relationship between the Renault group (the parent company and the French and foreign subsidiaries) and its statutory auditors. The Charter was updated at end-2014 as part of the renewal of the Board of auditors in 2014 and to take into account regulatory changes relating to legal audits.

**AUDITORS**

**REGULAR STATUTORY AUDITORS**

**KPMG S.A.**

Represented by Jean-Paul Vellutini and Laurent des Places
Tour Eqho
2, avenue Gambetta
CS60055
92066 Paris La Défense
Names of certified public accountants in charge: Jean-Paul Vellutini and Laurent des Places.

KPMG was appointed by the Combined General Meeting of April 30, 2014, for a period of six years. Its mandate will expire after the General Meeting called to approve the 2019 financial statements.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2015 audit.

**EY Audit**

Represented by Aymeric de La Morandière and Bernard Heller
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris La Défense 1

Names of certified public accountants in charge: Aymeric de La Morandière and Bernard Heller.

Ernst & Young Audit was appointed for the first time by order of the Ministry of Economy and Finance on March 27, 1979. Its mandate was then renewed by the Combined General Meeting of June 7, 1996, April 26, 2002, April 29, 2008 and April 30, 2014, for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

Composition of assistants involved in auditing services: two CPAs and several other professionals participated in the Company's 2015 audit.

## ALTERNATE STATUTORY AUDITORS

### KPMG Audit ID S.A.S.

Alternate for KPMG S.A
Immeuble Le Palatin
3, cours du Triangle
92939 Paris La Défense

KPMG Audit ID S.A.S. was appointed by the Combined General Meeting of Alternate for KPMG S.A. April 30, 2014, for a period of six years. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

### Auditex

Alternate for EY Audit
Tour First
1-2, place des Saisons
92400 Courbevoie – Paris La Défense 1

Auditex was appointed for the first time by the Combined General Meeting Alternate for EY Audit of June 7, 1996 for a period of six years. Its mandate was renewed by the Combined General Meeting of April 26, 2002, April 29, 2008 and April 30, 2014 for a six-year period. Its mandate will expire after the Annual General Meeting called to approve the 2019 financial statements.

## STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General meeting of shareholders to approve the financial statements for the year ended December 31, 2015
To the Shareholders,
In our capacity as statutory auditors of your company, we hereby report on related party agreements and commitments.
We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.
In addition, we are required, where applicable, to inform you in accordance with in article R. 225-31 of the French commercial code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.
We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

### Agreements and commitments submitted for approval by the general meeting of shareholders

### Agreements and commitments authorized during the year

In accordance with article L. 225-40 of the French commercial code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your board of directors.

### 1 With the French State

**<u>Persons concerned</u>**

Mr Pascal Faure and Mr Martin Vial, Board members of your company representing the French State.

**Nature and purpose**

In its meeting on December 11, 2015, your board of directors authorized the entry into a governance agreement between your company and the French State concerning the capping of the voting rights of the French State in the general meeting of shareholders.

**Conditions**

Pursuant to the authorization granted on February 4, 2016, your company signed an agreement with the French State whose purpose was to cap the voting rights of the French State at 17.9% in certain circumstances, with this figure authorized to rise to up to 20% in the event of an unusually large quorum. The written agreement also describes the conditions for implementing the cap with the registrar of your company's general meeting of shareholders.

The capping of the voting rights of the French State notably applies to all decisions which fall within the authority of the ordinary general meeting of shareholders, except for decisions concerning (i) dividend distributions, (ii) the appointment, renewal or removal from office of board members representing the French State, (iii) the disposal of significant company assets, (iv) related party agreements that are not approved by the representatives of the French State and (v) buybacks of shares from identified shareholders.

However, the State retains all of its voting rights for decisions which fall within the authority of the extraordinary general meeting of shareholders, except for the most day-to-day decision-making such as (i) the granting or renewal of ongoing delegations to the management bodies of Renault when their conditions comply with existing Renault practices, (ii) the granting of stock options, performance shares or shares that give access to capital to the advantage of salaried employees and corporate officer executives of Renault group, (iii) an amendment to the age limit for the exercise of duties or to the term of office of board members and corporate officer executives and (iv) a transfer of registered office (unless abroad).

The capping of voting rights would cease to apply in exceptional situations such as the amendment or termination of the "Restated Alliance Master Agreement" (RAMA), the exercise by Nissan Motor Co. Ltd of voting rights in your company, the announcement of a public offering of shares in your company, or a shareholder exceeding the threshold of 15% of capital or voting rights, including Nissan Motor Co. Ltd.

The governance agreement was entered into for a twenty-year term, renewed by tacit agreement by successive periods of ten years unless it is terminated at least two years before the end of the period.

This agreement is applicable as from its date of signature.

**Grounds justifying the advantage of the agreement for the company**

Your board gave the following grounds for this agreement:

This governance agreement is the result of discussions which took place between the two long-term shareholders of Renault, the shareholder French State and Nissan, in 2015. Its effect will be to ensure the durability of the Alliance and foster its development, in the pursuit of Renault's corporate interest.

### 2 With Nissan Motor Co. Ltd

**Persons concerned**

Mr Carlos Ghosn, chairman and CEO of your company, of Nissan Motor Co. Ltd and chairman of Renault-Nissan B.V.; Mr Hiroto Saikawa, member of your company's board and executive vice-president of Nissan Motor Co. Ltd; Ms Yuriko Koike, member of your company's board and representative of Nissan Motor Co. Ltd.

**Nature and purpose**

In its meeting on December 11, 2015, your board of directors authorized the signature of a governance agreement between your company and Nissan Motor Co. Ltd concerning the governance of Nissan Motor Co. Ltd, which constitutes a third amendment to the "Restated Alliance Master Agreement" signed on March 28, 2002, which was modified by an initial amendment signed on April 29, 2005 and by a second amendment signed on November 7, 2012.

**Conditions**

Pursuant to the authorization granted, an amendment to the "Restated Alliance Master Agreement" was signed on December 11, 2015. Its conditions concern Renault's undertaking to vote in favour of the

resolutions proposed by the board of directors of Nissan to the general meeting of shareholders of Nissan to appoint, remove from office and remunerate the members of the board of directors of Nissan, and not to submit to the general meeting of shareholders of Nissan or vote in favour of a resolution that has not been approved by the members of the board of directors of Nissan. For these resolutions, your company will vote in accordance with the recommendations of the board of directors of Nissan, failing which Nissan would have the ability to acquire Renault shares without prior agreement.
The amendment modifies the "Restated Alliance Master Agreement" without altering its term, which remains indefinite. It has been applicable since it was entered into.
The other provisions of the "Restated Alliance Master Agreement" continued in the year ended and were not amended. As these provisions were subject to approval by the general meeting of shareholders in previous financial years, they are set out in detail in the second part of this report, which presents the related party agreements and commitments already approved by the general meeting of shareholders.

**<u>Grounds justifying the advantage of the agreement for the company</u>**
Your board gave the following grounds for this agreement:
This governance agreement is the result of discussions which took place between the two long-term shareholders of Renault, the shareholder French State and Nissan, in 2015. Its effect will be to ensure the durability of the Alliance and foster its development, in the pursuit of Renault's corporate interest.

## Agreements and commitments already approved by the general meeting of shareholders

### Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with article R. 225-30 of the French commercial code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments, which were approved by the general meeting of shareholders in prior years, continued during the year.

### 1. With Mr Carlos Ghosn, chairman and CEO of your company

**<u>Nature and purpose</u>**
During its meetings held on October 28, 2004 and October 31, 2006, your board of directors authorized the agreement to set up an additional collective pension scheme in favour of the senior executives, including Mr Carlos Ghosn.

**<u>Conditions</u>**
On February 12, 2014, your board of directors confirmed the benefit of this pension scheme to the advantage of Mr Carlos Ghosn, under the same conditions as previously.

### 2. With Nissan Motor Co. Ltd

**<u>Persons concerned</u>**
Mr Carlos Ghosn, chairman and CEO of your company, of Nissan Motor Co. Ltd and chairman of Renault-Nissan B.V.; Mr Hiroto Saikawa, member of your company's board and executive vice-president of Nissan Motor Co. Ltd; Ms Yuriko Koike, member of your company's board and representative of Nissan Motor Co. Ltd.

**<u>a Nature and purpose</u>**
*"Master Cooperation Agreement."*
On April 6, 2010, Renault S.A., Nissan Motor Co. Ltd, Daimler AG and Renault-Nissan B.V. entered into the "Master Cooperation Agreement" which specifies the terms and conditions of cooperation between these companies.
In its meeting on December 13, 2013, your board of directors authorized the signature, on December 19, 2013, of an amendment to the "Master Cooperation Agreement", in order to extend the scope of this cooperation.

**<u>b Nature and purpose</u>**
*"Restated Alliance Master Agreement".*

On March 28, 2002, your company and Nissan Motor Co. Ltd ("Nissan") entered into the "Restated Alliance Master Agreement", which governs the capital relationship between Renault and Nissan and structures the Alliance's current method of governance. The agreement notably specifies the operational terms and conditions of Renault-Nissan B.V. ("RNBV") as the Alliance's strategic management entity. An initial amendment to the "Restated Alliance Master Agreement" was signed on April 29, 2005 and submitted for the approval of the general meeting of shareholders of May 4, 2006.
In its meeting on October 3, 2012, your board of directors authorized the signature on November 7, 2012, of a second amendment to the "Restated Alliance Master Agreement", which modified the composition of the RNBV management board and as a result, the voting arrangements within the management board.
As stated here above, in its meeting on December 11, 2015, your board of directors authorized the signature of an agreement of non-interference between your company and Nissan Motor Co. Ltd concerning the governance of Nissan Motor Co. Ltd, constituting a third amendment to the "Restated Alliance Master Agreement".

**3. With RCI Banque, 100% indirectly-held subsidiary**
In its meeting on September 28, 2010, your board of directors authorized the signature of a credit facility agreement, within the framework of the regulation relating to the control of the "Major Risks" ratio as defined in article 1.1 of regulation n° 93-05 of the French Banking and Financial Regulation Committee (Comité de la réglementation bancaire et financière), with which the wholly-owned subsidiary RCI Banque must comply as a credit institution, with RCI Banque for an amount of € 550,000,000, in order to reduce its credit exposure on Renault Retail Group, the group's business distribution network. This agreement replaces the € 450,000,000 credit facility agreement with Cogera. In respect of financial year 2015, the amount of interest income relating to this credit facility agreement stood at € 1,710,010.

**4. With Renault s.a.s.,
100% directly-held subsidiary**

**<u>Persons concerned</u>**
Mr Carlos Ghosn, chairman and CEO of your company and chairman of Renault s.a.s., as well as all of the members of the board of directors of your company who also sit on the Board of Renault s.a.s.

**<u>a) Delegation agreements</u>**
Delegation agreements were entered into between your company and the wholly-owned subsidiary Renault s.a.s. within the scope of an operation to refinance loans granted by your company to Renault s.a.s. under the "1% construction" scheme (French social construction tax), particularly for the purpose of reinforcing the liquidity of these non-interest bearing loans and to freeze the cost of refinancing at current, exceptionally low interest rates up to the maturity date in 2020. The amount of finance interest income arising from lending totalled € 195,777.

**<u>b) Agreement for the provision of services</u>**
At October 23, 2002, with retroactive effect to April 1, 2002, your company entered into a service provision agreement with Renault s.a.s. whereby the latter is to provide a certain number of legal, accounting, tax, customs and financial services to enable your company to meet its legal obligations in these matters. The amount reinvoiced by Renault s.a.s. to your company in respect of financial year 2015 stood at € 3,268,000 excluding taxes.

**<u>Agreements and commitments approved during the year</u>**
In addition, we have been advised of the implementation during the year of the following agreements and commitments which were already approved by the general meeting of shareholders on April 30, 2015, based on the statutory auditor's report dated February 16, 2015.

**With Mr Carlos Ghosn, chairman and CEO of your company**

**<u>Nature and purpose</u>**
In its meeting held on February 11, 2015, your board of directors authorized the signature of a non-compete agreement between your company and Mr Carlos Ghosn whereby he undertakes, at the end of his term of corporate office as CEO, not to engage, directly or indirectly, in an activity that competes with that of the

group, whether on his own behalf or on behalf of another company. An activity that competes with the group refers to any activity of automotive design, construction or marketing (mainly for private vehicles and commercial vehicles) carried out in the same geographical areas and sectors as the group at the time of the termination of his term of office.
The board of directors considered notably (i) the particularly competitive nature of the market on which the group operates, (ii) the significance of the duties and recognized competencies of Mr Carlos Ghosn, (iii) the resources at his disposal, (iv) the sensitive information to which Mr Carlos Ghosn has or could have access, and (v) the relationships developed by him in the course of his term, and concluded on the necessity to protect the legitimate interests of the group by introducing this non-compete agreement.

**Conditions**
In return for his non- compete obligation, Mr Carlos Ghosn will receive from your company, during the period of application of the agreement and on condition that there are no breaches thereof, a gross financial compensation equal to two years of gross total salary (including both fixed and variable salary) payable in twenty-four monthly instalments.
The board of directors will decide, upon the departure of Mr Carlos Ghosn, whether to apply this non-compete agreement, and may unilaterally waive the application of this clause.

Paris-La Défense, March 9, 2016

The statutory auditors
French original signed by

KPMG Audit
*A division of KPMG S.A.*

ERNST & YOUNG Audit

**FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK**
The fees charged by the statutory auditors and their network are shown in note 29 to the consolidated financial statements.

**(2) Contents, Etc. of Audit Fee**

(i) Contents of Fees for Foreign Certified Public Accountant, Etc. Certifying Audit

E&Y Network

| Classification | 2014 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fees for Services Related to Audit Certification | | Fees for Non-Audit Services | | Fees for Services Related to Audit Certification | | Fees for Non-Audit Services | |
| | Euro in million | Yen in million | Euro in million | Yen in million | Euro in million | Yen in million | Euro in million | Yen in million |
| Filing Company | 3.06 | 381.766 | 0 | 0 | 3.35 | 417.946 | 0 | 0 |
| Consolidated Subsidiary | 3.07 | 383.013 | 0.34 | 42.418 | 2.84 | 354.318 | 0.22 | 27.447 |
| Total | 6.13 | 764.779 | 0.34 | 42.418 | 6.19 | 772.264 | 0.22 | 27.447 |

KPMG Network

| Classification | 2014 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fees for Services Related to Audit Certification | | Fees for Non-Audit Services | | Fees for Services Related to Audit Certification | | Fees for Non-Audit Services | |
| | Euro in million | Yen in million | Euro in million | Yen in million | Euro in million | Yen in million | Euro in million | Yen in million |
| Filing Company | 2.15 | 268.234 | 0 | 0 | 2.23 | 278.215 | 0 | 0 |
| Consolidated Subsidiary | 3.85 | 480.326 | 1.06 | 132.246 | 3.01 | 375.528 | 0.96 | 119.770 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total | 6.00 | 748.560 | 1.06 | 132.246 | 5.24 | 653.742 | 0.96 | 119.770 |

(ii) Contents of Other Fees Which Are Material

Not applicable

(iii) Contents of Non-Audit Services for Filing Company by Foreign Certified Public Accountant, Etc. Certifying Audit

The non-audit services include legal, tax, labo r-related services.

(iv) Policies on Determining Audit Fee

Renaut has no specific policies for the determination of the amount for audit fees.

## VI. Financial Condition:

a. The accompanying original consolidated financial statements of Renault SA ("Renault" or the "Company") and its consolidated subsidiaries (hereinafter Renault and its consolidated subsidiaries shall be collectively called "the Group") have been prepared in conformity with the International Financial Reporting Standards ("IFRS") which was adopted by the European Union. In addition, the accompanying original non-consolidated financial statements of Renault have been prepared in conformity with French accounting regulations and generally accepted accounting principles. In application of regulation 1606/2002 passed on July 19, 2002 by the European Parliament and the Council of Europe, Renault's consolidated financial statements for 2015 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2015 and adopted by the European Union at the year-end. Renault SA draws up its annual financial statements in accordance with French law and accounting regulations as defined by the French chart of accounts 99-03 of April 29, 1999, amended by CRC (*Comité de la Règlementation Comptable*) and ANC (*Autorité des Normes Comptables*) regulations. The provision of Article 131, paragraph 1 of the Regulations Regarding Terminology, Format and Method of Preparation of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963) is applied to the financial statements of Renault described below. The consolidated financial statements and non-consolidated financial statements in Japanese (hereinafter collectively called the "financial statements in Japanese") are the translations of the original consolidated financial statements and the non-consolidated financial statements (hereinafter collectively called the "original financial statements").

   The major differences in generally accepted accounting and reporting principles between IFRS and Japanese GAAP are described in "4. Differences between IFRS and Japanese GAAP."

b. The original financial statements have been audited by KPMG S.A. and Ernst & Young Audit, the independent auditors in France.

   The financial statements of Renault and of the Group are not subject to audits by Japanese CPAs or audit corporations based on the provision of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law**.** in conformity with the provision of Article 1-2 of the Cabinet Office Ordinance Concerning Audit Certification of Financial Statements (MOF Ordinance No.12, 1957).

c. Japanese yen amounts included in the financial statements in Japanese are the translations for the major Euro amounts stated in the original financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥124.76. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rates vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Ltd. at April 14, 2016.

d. The Japanese yen amounts and items 3. "Other" and 4. "Differences between IFRS and Japanese GAAP" are not included in the original financial statements and, except for the references to the original financial statements, were not subject to the audit mentioned in b. above.

## 1. FINANCIAL STATEMENTS

(1) Comptes consolidés (Consolidated Financial Statements)

Comptes de résultats consolidés
Bilans consolidés au 31 décembre
Variation des capitaux propres consolidés
Tableaux de flux de trésorerie consolidés
Informations sectorielles
Annexe aux comptes consolidés

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Consolidated Financial Statements>

## (1) CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated income statement

| (€ million) | NOTES | 2015 | 2014 |
|---|---|---|---|
| **Revenues** | **4** | **45,327** | **41,055** |
| Cost of goods and services sold | | (36,113) | (33,310) |
| Research and development expenses | 10-A | (2,075) | (1,721) |
| Selling, general and administrative expenses | | (4,819) | (4,415) |
| **Operating margin[(1)]** | **5** | **2,320** | **1,609** |
| Other operating income and expenses | 6 | (199) | (504) |
| *Other operating income* | *6* | *77* | *102* |
| *Other operating expenses* | *6* | *(276)* | *(606)* |
| **Operating income (loss)** | | **2,121** | **1,105** |
| Cost of net financial indebtedness[(2)] | 7 | (225) | (245) |
| *Cost of gross financial indebtedness* | *7* | *(387)* | *(386)* |
| *Income on cash and financial assets* | *7* | *162* | *141* |
| Other financial income and expenses[(2)] | 7 | 4 | (88) |
| **Financial income (expenses)[(2)]** | **7** | **(221)** | **(333)** |
| **Share in net income (loss) of associates and joint ventures** | | **1,371** | **1,362** |
| *Nissan* | *12* | *1,976* | *1,559* |
| *Other associates and joint ventures* | *13* | *(605)* | *(197)* |
| **Pre-tax income** | | **3,271** | **2,134** |
| Current and deferred taxes | 8 | (311) | (136) |
| **NET INCOME[(1)]** | | **2,960** | **1,998** |
| Net income – non-controlling interests' share | | 137 | 108 |
| Net income – parent-company shareholders' share | | 2,823 | 1,890 |
| Basic earnings per share[(3)] (in €) | | 10.35 | 6.92 |
| Diluted earnings per share[(3)] (in €) | | 10.29 | 6.90 |
| Number of shares outstanding (in thousands) | | | |
| *For basic earnings per share* | *9* | *272,708* | *273,049* |
| *For diluted earnings per share* | *9* | *274,314* | *273,946* |

*(1) The restatements resulting from retrospective application of IFRIC 21 "Levies" are presented in note 2.*
*(2) The new breakdown of financial income and expenses is presented in note 7.*
*(3) Net income – parent-company shareholders' share divided by number of shares stated.*

## Consolidated comprehensive income

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| (€ million) | **GROSS** | **TAX EFFECT(1)** | **NET** | **GROSS** | **TAX EFFECT(1)** | **NET** |
| **NET INCOME** | **3,271** | **(311)** | **2,960** | **2,134** | **(136)** | **1,998** |
| **Other components of comprehensive income from parent company and subsidiaries** | | | | | | |
| ***Items that will not be reclassified subsequently to profit or loss*** | ***52*** | ***(43)*** | ***9*** | ***(276)*** | ***18*** | ***(258)*** |
| Actuarial gains and losses on defined-benefit pension plans | 52 | (43) | 9 | (161) | 18 | (143) |
| Fair value adjustments on financial liabilities(2) | - | - | - | (115) | - | (115) |
| ***Items that have been or will be reclassified subsequently to profit or loss*** | ***(193)*** | ***78*** | ***(115)*** | ***(2)*** | ***38*** | ***36*** |
| Translation adjustments on foreign activities(3) | (299) | - | (299) | (100) | - | (100) |
| Partial hedge of the investment in Nissan(3) | (103) | 85 | (18) | 8 | 55 | 63 |
| Fair value adjustments on cash flow hedging instruments(4) | 56 | (24) | 32 | (4) | 2 | (2) |
| Fair value adjustments on available-for-sale financial assets(5) | 153 | 17 | 170 | 94 | (19) | 75 |
| **TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)** | **(141)** | **35** | **(106)** | **(278)** | **56** | **(222)** |
| **Share of associates and joint ventures in other components of comprehensive income** | | | | | | |
| ***Items that will not be reclassified subsequently to profit or loss*** | ***(89)*** | ***-*** | ***(89)*** | ***(73)*** | ***-*** | ***(73)*** |
| Actuarial gains and losses on defined-benefit pension plans | (89) | - | (89) | (73) | - | (73) |
| ***Items that have been or will be reclassified subsequently to profit or loss(6)*** | ***1,450*** | ***-*** | ***1,450*** | ***507*** | ***-*** | ***507*** |
| Translation adjustments on foreign activities | 1,462 | - | 1,462 | 448 | - | 448 |
| Fair value adjustments on cash flow hedging instruments | (6) | - | (6) | 22 | - | 22 |
| Fair value adjustments on available-for-sale financial assets | (6) | - | (6) | 37 | - | 37 |
| **TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)** | **1,361** | **-** | **1,361** | **434** | **-** | **434** |
| **OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)** | **1,220** | **35** | **1,255** | **156** | **56** | **212** |
| **COMPREHENSIVE INCOME** | **4,491** | **(276)** | **4,215** | **2,290** | **(80)** | **2,210** |
| Parent-company shareholders' share | - | - | 4,070 | - | - | 2,090 |
| Non-controlling interests' share | - | - | 145 | - | - | 120 |

*(1) The tax effect includes income of €239 million in 2015 (€262 million in 2014) resulting from recognition of net deferred tax assets of the French tax consolidation group, comprising €188 million related to net income and €51 million relating to other components of comprehensive income (respectively €210 million and €52 million in 2014) (note 8-B).*

*(2) Correction to the fair value of financial liabilities at January 1, 2014.*

*(3) There were no reclassification to profit or loss for this item in 2015 (or 2014).*

*(4) Including €8 million reclassified to profit or loss in 2015 (€11 million in 2014).*

*(5) Including €7 million reclassified to profit or loss in 2015 (no such reclassifications in 2014).*

*(6) Including (€19) million reclassified to profit or loss in 2015 (no such reclassifications in 2014).*

## Consolidated financial position

| (€ million) | NOTES | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets and goodwill | 10-A | 3,570 | 3,443 |
| Property, plant and equipment | 10-B | 11,171 | 10,801 |
| Investments in associates and joint ventures | | 19,356 | 16,720 |
| *Nissan* | 12 | 18,571 | 15,833 |
| *Other associates and joint ventures* | 13 | 785 | 887 |
| Non-current financial assets | 22 | 1,478 | 1,681 |
| Deferred tax assets | 8 | 881 | 716 |
| Other non-current assets | 17 | 1,131 | 1,152 |
| **TOTAL NON-CURRENT ASSETS** | | **37,587** | **34,513** |
| **Current assets** | | | |
| Inventories | 14 | 4,128 | 3,391 |
| Sales financing receivables | 15 | 28,605 | 25,733 |
| Automotive receivables | 16 | 1,262 | 1,242 |
| Current financial assets | 22 | 1,760 | 1,530 |
| Current tax assets | 17 | 62 | 38 |
| Other current assets | 17 | 3,068 | 2,607 |
| Cash and cash equivalents | 22 | 14,133 | 12,497 |
| **TOTAL CURRENT ASSETS** | | **53,018** | **47,038** |
| **TOTAL ASSETS** | | **90,605** | **81,551** |

| (€ million) | NOTES | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | | | |
| Share capital | | 1,127 | 1,127 |
| Share premium | | 3,785 | 3,785 |
| Treasury shares | | (227) | (134) |
| Revaluation of financial instruments | | 890 | 703 |
| Translation adjustment | | (2,059) | (3,276) |
| Reserves | | 21,653 | 20,381 |
| Net income – parent-company shareholders' share | | 2,823 | 1,890 |
| **Shareholders' equity – parent-company shareholders' share** | | **27,992** | **24,476** |
| Shareholders' equity – non-controlling interests' share | | 482 | 422 |
| **TOTAL SHAREHOLDERS' EQUITY** | **18** | **28,474** | **24,898** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 8 | 122 | 141 |
| Provisions for pension and other long-term employee benefit obligations – long-term | 19 | 1,550 | 1,683 |
| Other provisions – long-term | 20 | 1,178 | 1,240 |
| Non-current financial liabilities | 23 | 5,707 | 7,537 |
| Other non-current liabilities | 21 | 1,285 | 1,204 |
| **TOTAL NON-CURRENT LIABILITIES** | | **9,842** | **11,805** |
| **Current liabilities** | | | |
| Provisions for pension and other long-term employee benefit obligations – short-term | 19 | 50 | 67 |
| Other provisions – short-term | 20 | 997 | 1,088 |
| Current financial liabilities | 23 | 4,143 | 3,216 |
| Sales financing debts | 23 | 30,740 | 25,828 |
| Trade payables | | 8,295 | 7,094 |
| Current tax liabilities | 21 | 219 | 162 |
| Other current liabilities | 21 | 7,845 | 7,393 |
| **TOTAL CURRENT LIABILITIES** | | **52,289** | **44,848** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **90,605** | **81,551** |

### Changes in shareholders' equity

| (€ million) | NUMBER OF SHARES (THOUSAND) | 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 ENTITIES' SHARE) | TOTAL SHARE-HOLDERS' EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **RESTATED BALANCE AT DECEMBER 31, 2013** | **295,722** | **1,127** | **3,785** | **(187)** | **571** | **(3,674)** | **20,629** | **586** | **22,837** | **377** | **23,214** |
| 2014 net income | | | | | | | | 1,890 | 1,890 | 108 | 1,998 |
| Other components of comprehensive income(1) | | | | | 132 | 398 | (330) | | 200 | 12 | 212 |
| ***2014 comprehensive income*** | | | | | ***132*** | ***398*** | ***(330)*** | ***1,890*** | ***2,090*** | ***120*** | ***2,210*** |
| Allocation of 2013 net income | | | | | | | 586 | (586) | | | |
| Dividends | | | | | | | (469) | | (469) | (52) | (521) |
| (Acquisitions)/ disposals of treasury shares and impact of capital increases | | | | 53 | | | | | 53 | | 53 |
| Changes in ownership interests(2) | | | | | | | 10 | | 10 | (23) | (13) |
| Cost of share-based payments | | | | | | | (45) | | (45) | | (45) |
| **BALANCE AT DECEMBER 31, 2014 AS PUBLISHED** | **295,722** | **1,127** | **3,785** | **(134)** | **703** | **(3,276)** | **20,381** | **1,890** | **24,476** | **422** | **24,898** |
| Restatement for application of IFRIC 21(3) | | | | | | | 39 | | 39 | | 39 |
| AVTOVAZ | | | | | | 2 | (27) | 15 | (10) | | (10) |

| (€ million) | NUMBER OF SHARES (THOUSAND) | 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 ENTITIES' SHARE) | TOTAL SHARE-HOLDERS' EQUITY |
|---|---|---|---|---|---|---|---|---|---|---|---|
| restatement[4] | | | | | | | | | | | |
| **RESTATED BALANCE AT DECEMBER 31, 2014** | **295,722** | **1,127** | **3,785** | **(134)** | **703** | **(3,274)** | **20,393** | **1,905** | **24,505** | **422** | **24,927** |
| 2015 net income | | | | | | | | 2,823 | 2,823 | 137 | 2,960 |
| Other components of comprehensive income[1] | | | | | 187 | 1,138 | (78) | | 1,247 | 8 | 1,255 |
| ***2015 comprehensive income*** | | | | | ***187*** | ***1,138*** | ***(78)*** | ***2,823*** | ***4,070*** | ***145*** | ***4,215*** |
| Allocation of 2014 net income | | | | | | | 1,905 | (1,905) | | | |
| Dividends | | | | | | | (518) | | (518) | (65) | (583) |
| (Acquisitions)/ disposals of treasury shares and impact of capital increases | | | | (93) | | | | | (93) | | (93) |
| Changes in ownership interests[2] | | | | | | 77 | (80) | | (3) | (20) | (23) |
| Cost of share-based payments | | | | | | | 31 | | 31 | | 31 |
| **BALANCE AT DECEMBER 31, 2015** | **295,722** | **1,127** | **3,785** | **(227)** | **890** | **(2,059)** | **21,653** | **2,823** | **27,992** | **482** | **28,474** |

*(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period. In 2014, they also include an amount of (€115) million corresponding to a correction to the fair value of financial liabilities at January 1, 2014.*

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

*(3) The restatement resulting from retrospective application of IFRIC 21 "Levies" is presented in note 2.*

*(4) For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the AVTOVAZ accounts were previously consolidated with a 3-month time-lag. This no longer applies as of December 31, 2015 (note 13-A).*

Details of changes in consolidated shareholders' equity in 2015 are given in note 18.

## Consolidated cash flows

| (€ million) | NOTES | 2015 | 2014 |
|---|---|---|---|
| **Net income** | | **2,960** | **1,998** |
| Cancellation of dividends received from unconsolidated listed investments(1) | | (34) | (31) |
| Cancellation of income and expenses with no impact on cash | | | |
| Depreciation, amortization and impairment | | 2,728 | 2,711 |
| Share in net (income) loss of associates and joint ventures | | (1,371) | (1,362) |
| Other income and expenses with no impact on cash | 26-A | (375) | 92 |
| Dividends received from unlisted associates and joint ventures | | - | - |
| **Cash flow(2)** | | **3,908** | **3,408** |
| **Dividends received from listed companies(3)** | | **581** | **463** |
| Net change in financing for final customers | | (3,136) | (1,618) |
| Net change in renewable dealer financing | | (233) | (202) |
| **Decrease (increase) in sales financing receivables** | | **(3,369)** | **(1,820)** |
| Bond issuance by the Sales Financing segment | 23-A | 3,814 | 3,469 |
| Bond redemption by the Sales Financing segment | 23-A | (2,640) | (3,396) |
| Net change in other sales financing debts | | 3,729 | 1,682 |
| Net change in other securities and loans of the Sales Financing segment | | 59 | (314) |
| **Net change in financial assets and debts of the Sales Financing segment** | | **4,962** | **1,441** |
| **Change in capitalized leased assets** | | **(522)** | **(291)** |
| **Decrease (increase) in working capital** | **26-B** | **457** | **771** |
| **CASH FLOWS FROM OPERATING ACTIVITIES(4) (5)** | | **6,017** | **3,972** |
| Capital expenditure | 26-C | (2,801) | (2,511) |
| Disposals of property, plant and equipment and intangibles | | 66 | 90 |
| Acquisitions of investments involving gain of control, net of cash acquired | | (3) | (11) |
| Acquisitions of other investments, net of cash acquired | | (25) | (415) |
| Disposals of other investments, net of cash transferred and other | | 13 | - |
| Net decrease (increase) in other securities and loans of the Automotive segment | | (299) | 62 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | **(3,049)** | **(2,785)** |
| Dividends paid to parent-company shareholders | 18-D | (555) | (503) |
| Dividends paid to non-controlling interests | | (65) | (56) |
| (Acquisitions) sales of treasury shares | | (102) | (26) |
| **Cash flows with shareholders** | | **(722)** | **(585)** |
| Bond issuance by the Automotive segment | 23-A | 533 | 1,680 |
| Bond redemption by the Automotive segment | 23-A | (1,403) | (1,513) |
| Net increase (decrease) in other financial liabilities of the Automotive segment | | 558 | (52) |
| **Net change in financial liabilities of the Automotive segment** | | **(312)** | **115** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | **(1,034)** | **(470)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS(6)** | | **1,934** | **717** |

*(1) Dividends received from Daimler.*
*(2) Cash flow does not include dividends received from listed companies.*
*(3) Dividends from Daimler (€34 million) and Nissan (€547 million) in 2015.*
*Dividends from Daimler (€31 million) and Nissan (€432 million) in 2014.*
*(4) Current taxes paid in 2015 amount to €384 million (€268 million in 2014).*
*(5) Net interest paid in 2015 amounts to €253 million (€259 million in 2014). Details are given in note 26.*
*(6) Excluding the impact on cash of changes in exchange rate and other changes.*

| (€ million) | 2015 | 2014 |
|---|---|---|
| **Cash and cash equivalents: opening balance** | **12,497** | **11,661** |
| Increase (decrease) in cash and cash equivalents | 1,934 | 717 |
| Effect of changes in exchange rate and other changes | (298) | 119 |
| **Cash and cash equivalents: closing balance*** | **14,133** | **12,497** |

* *Cash subject to restrictions on use is described in note 22-C.*

## Notes to the consolidated financial statement

Information on operating segments and regions

The operating segments used by Renault are:

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

### A – INFORMATION BY OPERATING SEGMENT

### A1 CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **2015** | | | | |
| Sales of goods | 41,180 | 31 | - | 41,211 |
| Sales of services | 1,928 | 2,188 | - | 4,116 |
| **External sales** | **43,108** | **2,219** | **-** | **45,327** |
| Intersegment sales | (364) | 412 | (48) | - |
| **Sales by segment** | **42,744** | **2,631** | **(48)** | **45,327** |
| **Operating margin(1)** | **1,485** | **824** | **11** | **2,320** |
| **Operating income (loss)** | **1,288** | **822** | **11** | **2,121** |
| **Financial income (expenses)(2)** | **(72)** | **-** | **(149)** | **(221)** |
| **Share in net income (loss) of associates and joint ventures** | **1,367** | **4** | **-** | **1,371** |
| **Pre-tax income** | **2,583** | **826** | **(138)** | **3,271** |
| Current and deferred taxes | (35) | (272) | (4) | (311) |
| **Net income** | **2,548** | **554** | **(142)** | **2,960** |
| **2014** | | | | |
| Sales of goods | 37,176 | 31 | - | 37,207 |
| Sales of services | 1,698 | 2,150 | - | 3,848 |
| **External sales** | **38,874** | **2,181** | **-** | **41,055** |
| Intersegment sales | (356) | 413 | (57) | - |
| **Sales by segment** | **38,518** | **2,594** | **(57)** | **41,055** |
| **Operating margin(1)** | **861** | **751** | **(3)** | **1,609** |
| **Operating income (loss)** | **409** | **699** | **(3)** | **1,105** |
| **Financial income (expenses)(2)** | **(108)** | **(15)** | **(210)** | **(333)** |
| **Share in net income (loss) of associates and joint ventures** | **1,366** | **(4)** | **-** | **1,362** |
| **Pre-tax income** | **1,667** | **680** | **(213)** | **2,134** |
| Current and deferred taxes | 88 | (225) | 1 | (136) |
| **Net income** | **1,755** | **455** | **(212)** | **1,998** |

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

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

## A2 CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT

## CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT – DECEMBER 31, 2015

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment and intangible assets | 14,415 | 336 | (10) | 14,741 |
| Investments in associates and joint ventures | 19,284 | 72 | - | 19,356 |
| Non-current financial assets – investments in non-controlled entities | 4,830 | 2 | (3,460) | 1,372 |
| Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment | 119 | - | (13) | 106 |
| Deferred tax assets and other non-current assets | 1,745 | 300 | (33) | 2,012 |
| **TOTAL NON-CURRENT ASSETS** | **40,393** | **710** | **(3,516)** | **37,587** |
| **Current assets** | | | | |
| Inventories | 4,087 | 49 | (8) | 4,128 |
| Customer receivables | 1,455 | 29,094 | (682) | 29,867 |
| Current financial assets | 1,475 | 1,007 | (722) | 1,760 |
| Current tax assets and other current assets | 2,132 | 3,505 | (2,507) | 3,130 |
| Cash and cash equivalents | 11,571 | 2,672 | (110) | 14,133 |
| **TOTAL CURRENT ASSETS** | **20,720** | **36,327** | **(4,029)** | **53,018** |
| **TOTAL ASSETS** | **61,113** | **37,037** | **(7,545)** | **90,605** |

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | **28,389** | **3,461** | **(3,376)** | **28,474** |
| **Non-current liabilities** | | | | |
| Long-term provisions | 2,355 | 373 | - | 2,728 |
| Non-current financial liabilities | 5,693 | 14 | - | 5,707 |
| Deferred tax liabilities and other non-current liabilities | 868 | 539 | - | 1,407 |
| **TOTAL NON-CURRENT LIABILITIES** | **8,916** | **926** | **-** | **9,842** |
| **Current liabilities** | | | | |
| Short-term provisions | 1,023 | 24 | - | 1,047 |
| Current financial liabilities | 4,811 | - | (668) | 4,143 |
| Trade payables and sales financing debts | 8,389 | 31,474 | (828) | 39,035 |
| Current tax liabilities and other current liabilities | 9,585 | 1,152 | (2,673) | 8,064 |
| **TOTAL CURRENT LIABILITIES** | **23,808** | **32,650** | **(4,169)** | **52,289** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **61,113** | **37,037** | **(7,545)** | **90,605** |

## CONSOLIDATED FINANCIAL POSITION BY OPERATING SEGMENT – DECEMBER 31, 2014

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment and intangible assets | 14,076 | 178 | (10) | 14,244 |
| Investments in associates and joint ventures | 16,670 | 50 | - | 16,720 |
| Non-current financial assets – investments in non-controlled entities | 4,353 | 11 | (3,131) | 1,233 |
| Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment | 514 | - | (66) | 448 |
| Deferred tax assets and other non-current assets | 1,663 | 238 | (33) | 1,868 |
| **TOTAL NON-CURRENT ASSETS** | **37,276** | **477** | **(3,240)** | **34,513** |
| **Current assets** | | | | |
| Inventories | 3,361 | 39 | (9) | 3,391 |
| Customer receivables | 1,409 | 26,198 | (632) | 26,975 |
| Current financial assets | 1,143 | 1,136 | (749) | 1,530 |
| Current tax assets and other current assets | 1,805 | 3,033 | (2,193) | 2,645 |
| Cash and cash equivalents | 11,591 | 1,102 | (196) | 12,497 |
| **TOTAL CURRENTS ASSETS** | **19,309** | **31,508** | **(3,779)** | **47,038** |
| **TOTAL ASSETS** | **56,585** | **31,985** | **(7,019)** | **81,551** |

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | **24,811** | **3,136** | **(3,049)** | **24,898** |
| **Non-current liabilities** | | | | |
| Long-term provisions | 2,598 | 325 | - | 2,923 |
| Non-current financial liabilities | 7,272 | 265 | - | 7,537 |
| Deferred tax liabilities and other non-current liabilities | 779 | 566 | - | 1,345 |
| **TOTAL NON-CURRENT LIABILITIES** | **10,649** | **1,156** | **-** | **11,805** |
| **Current liabilities** | | | | |
| Short-term provisions | 1,114 | 41 | - | 1,155 |
| Current financial liabilities | 3,872 | - | (656) | 3,216 |
| Trade payables and sales financing debts | 7,235 | 26,681 | (994) | 32,922 |
| Current tax liabilities and other current liabilities | 8,904 | 971 | (2,320) | 7,555 |
| **TOTAL CURRENT LIABILITIES** | **21,125** | **27,693** | **(3,970)** | **44,848** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **56,585** | **31,985** | **(7,019)** | **81,551** |

## A3 CONSOLIDATED CASH FLOW BY OPERATING SEGMENT

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **2015** | | | | |
| **Net income** | **2,548** | **554** | **(142)** | **2,960** |
| Cancellation of dividends received from unconsolidated listed investments[1] | (34) | - | - | (34) |
| Cancellation of income and expenses with no impact on cash | | | | |
| Depreciation, amortization and impairment | 2,689 | 39 | - | 2,728 |
| Share in net (income) loss of associates and joint ventures | (1,367) | (4) | - | (1,371) |
| Other income and expenses with no impact on cash | (385) | 6 | 4 | (375) |
| Dividends received from unlisted associates and joint ventures | - | - | - | - |
| **Cash flow[2]** | **3,451** | **595** | **(138)** | **3,908** |
| **Dividends received from listed companies[3]** | **581** | **-** | **-** | **581** |
| Decrease (increase) in sales financing receivables | -- | (3,357) | (12) | (3,369) |
| Net change in financial assets and sales financing debts | - | 4,941 | 21 | 4,962 |
| Change in capitalized leased assets | (352) | (170) | - | (522) |
| Decrease (increase) in working capital | 663 | (233) | 27 | 457 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **4,343** | **1,776** | **(102)** | **6,017** |
| Purchases of intangible assets | (955) | (1) | - | (956) |
| Purchases of property, plant and equipment | (1,840) | (5) | - | (1,845) |
| Disposals of property, plant and equipment and intangibles | 66 | - | - | 66 |
| Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/ transferred | - | (3) | - | (3) |
| Acquisitions and disposals of other investments and other assets | 1 | (13) | - | (12) |
| Net decrease (increase) in other securities and loans of the Automotive segment | (289) | - | (10) | (299) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | **(3,017)** | **(22)** | **(10)** | **(3,049)** |
| Cash flows with shareholders | (701) | (171) | 150 | (722) |
| Net change in financial liabilities of the Automotive segment | (328) | - | 16 | (312) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **(1,029)** | **(171)** | **166** | **(1,034)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS[4]** | **297** | **1,583** | **54** | **1,934** |

*(1) Dividends received from Daimler.*
*(2) Cash flow does not include dividends received from listed companies.*
*(3) Dividends received from Daimler (€34 million) and Nissan (€547 million).*
*(4) Excluding the impact on cash of changes in exchange rate and other changes.*

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **2015** | | | | |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **11,591** | **1,102** | **(196)** | **12,497** |

| | | | | |
|---|---|---|---|---|
| Increase (decrease) in cash and cash equivalents | 297 | 1,583 | 54 | 1,934 |
| Effect of changes in exchange rate and other changes | (317) | (13) | 32 | (298) |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE** | **11,571** | **2,672** | **(110)** | **14,133** |

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **2014** | | | | |
| **Net income** | **1,755** | **455** | **(212)** | **1,998** |
| Cancellation of dividends received from unconsolidated listed investments[1] | (31) | - | - | (31) |
| Cancellation of income and expenses with no impact on cash | | | | |
| Depreciation, amortization and impairment | 2,702 | 9 | - | 2,711 |
| Share in net (income) loss of associates and joint ventures | (1,366) | 4 | - | (1,362) |
| Other income and expenses with no impact on cash | 78 | 16 | (2) | 92 |
| Dividends received from unlisted associates and joint ventures | - | - | - | - |
| **Cash flow[2]** | **3,138** | **484** | **(214)** | **3,408** |
| **Dividends received from listed companies[3]** | **463** | **-** | **-** | **463** |
| Decrease (increase) in sales financing receivables | - | (1,936) | 116 | (1,820) |
| Net change in financial assets and sales financing debts | - | 1,429 | 12 | 1,441 |
| Change in capitalized leased assets | (235) | (56) | - | (291) |
| Decrease (increase) in working capital | 596 | 138 | 37 | 771 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **3,962** | **59** | **(49)** | **3,972** |
| Purchases of intangible assets | (964) | (3) | - | (967) |
| Purchases of property, plant and equipment | (1,541) | (3) | - | (1,544) |
| Disposals of property, plant and equipment and intangibles | 89 | 1 | - | 90 |
| Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired/transferred | (11) | - | - | (11) |
| Acquisitions and disposals of other investments and other assets | (400) | (15) | - | (415) |
| Net decrease (increase) in other securities and loans of the Automotive segment | 69 | - | (7) | 62 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | **(2,758)** | **(20)** | **(7)** | **(2,785)** |
| Cash flows with shareholders | (568) | (227) | 210 | (585) |
| Net change in financial liabilities of the Automotive segment | 242 | - | (127) | 115 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | **(326)** | **(227)** | **83** | **(470)** |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS[4]** | **878** | **(188)** | **27** | **717** |

*(1) Dividends received from Daimler.*
*(2) Cash flow does not include dividends received from listed companies.*
*(3) Dividends received from Daimler (€31 million) and Nissan (€432 million).*
*(4) Excluding the impact on cash of changes in exchange rate and other changes.*

| (€ million) | AUTOMOTIVE | SALES FINANCING | INTERSEGMENT TRANSACTIONS | CONSOLIDATED TOTAL |
|---|---|---|---|---|
| **2014** | | | | |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **10,704** | **1,201** | **(244)** | **11,661** |

| | | | | |
|---|---|---|---|---|
| Increase (decrease) in cash and cash equivalents | 878 | (188) | 27 | 717 |
| Effect of changes in exchange rate and other changes | 9 | 89 | 21 | 119 |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE** | **11,591** | **1,102** | **(196)** | **12,497** |

## A4 OTHER INFORMATION: NET LIQUIDITY POSITION (NET FINANCIAL INDEBTNESS) OF THE AUTOMOTIVE SEGMENT

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Non-current financial liabilities | (5,693) | (7,272) |
| Current financial liabilities | (4,811) | (3,872) |
| Non-current financial assets – other securities, loans and derivatives on financing operations | 119 | 514 |
| Current financial assets | 1,475 | 1,143 |
| Cash and cash equivalents | 11,571 | 11,591 |
| **NET LIQUIDITY POSITION OF THE AUTOMOTIVE SEGMENT** | **2,661** | **2,104** |

## B – INFORMATION BY REGION

The regions presented correspond to the geographic divisions used for Group management.
Consolidated revenues are presented by location of customers.
Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

| (€ million) | EUROPE* | AMERICAS | ASIA-PACIFIC | AFRICA MIDDLE EAST INDIA | EURASIA | CONSOLIDATED TOTAL |
|---|---|---|---|---|---|---|
| **2015** | | | | | | |
| Revenues | 28,976 | 4,173 | 4,351 | 3,782 | 4,045 | 45,327 |
| Property, plant and equipment and intangibles | 11,116 | 711 | 554 | 721 | 1,639 | 14,741 |
| **2014** | | | | | | |
| Revenues | 25,711 | 4,827 | 2,685 | 3,391 | 4,441 | 41,055 |
| Property, plant and equipment and intangibles | 10,524 | 707 | 477 | 791 | 1,745 | 14,244 |

* *Including the following for France:*

| (€ million) | 2015 | 2014 |
|---|---|---|
| Revenues | 10,154 | 9,836 |
| Property, plant and equipment and intangibles | 9,108 | 8,799 |

Accounting policies and scope of consolidation

Note 1

**Approval of the financial statements**

The Renault group's consolidated financial statements for 2015 were finalized at the Board of Directors' meeting of February 11, 2016 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

Note 2

**Accounting policies**

In application of European regulations, Renault's consolidated financial statements for 2015 are prepared under IFRS (International Financial Reporting Standards) as issued by the lASB (International Accounting Standards Board) at December 31, 2015 and adopted by the European Union at the year-end.

**A - CHANGES IN ACCOUNTING POLICIES**

At December 31, 2015 the Group applies the new amendments to accounting standards shown below, which were published in the Official Journal of the European Union and mandatory.

| **NEW AMENDMENTS THAT BECAME MANDATORY ON JANUARY 1, 2015** | |
|---|---|
| IFRIC 21 | Levies |
| Annual improvements – 2011–2013 cycle | Improvements to several standards |

The only standard with an impact on the financial statements at December 31, 2015 is interpretation IFRIC 21 "Levies", which concerns the date of recognition of a liability related to payment of taxes other than income taxes. Such tax liabilities are now recognized immediately in full when the triggering event defined by tax legislation occurs. As a result of this change it is no longer possible to spread annual taxes for which the fiscal triggering event is a specified date (this mainly concerns property tax, the "C3S" social solidarity contribution due by companies, and taxes specific to the Sales financing activity in France), and the liability must now be recorded in the period when the fiscal triggering event arises rather than in the year the income that forms the basis for the tax is generated (as was the case for the C3S in France).

This interpretation is applied retrospectively. Its impact is not significant at Group level, as the following restated information for 2014 shows:

- Restated shareholders' equity at December 31, 2014 is increased by €39 million,
- Implementation of IFRIC 21 has no significant impact on the full-year net income.

The Group has not undertaken early application of the following interpretation, standards and amendments, which have been published in the Official Journal of the European Union and are mandatory as of January 1, 2016 or subsequently. The Group does not expect application to have any significant impact on the consolidated accounts.

| **NEW STANDARDS AND AMENDMENTS NOT APPLIED EARLY BY THE GROUP** | |
|---|---|
| Amendments to IAS 1 | Disclosure initiative |
| Amendments to IAS 19 | Defined-benefit plans – Employee contributions |
| Amendments to IAS 27 | Equity method in separate financial statements |
| Amendments to IAS 16 and 38 | Clarification of acceptable methods of depreciation and amortization |
| Amendments to IAS 16 and 41 | Agriculture: bearer plants |
| Amendments to IFRS 11 | Accounting for acquisitions of interests in joint operations |
| Annual improvements – 2010-2012 cycle | Improvements to several standards |
| Annual improvements – 2012-2014 cycle | Improvements to several standards |

The IASB has also published major new standards that have not been adopted to date by the European Union. The Group is in the process of studying the impacts of these new standards on the financial statements.

| NEW STANDARDS NOT ADOPTED BY THE EUROPEAN UNION | | EFFECTIVE DATE SET BY IASB |
|---|---|---|
| IFRS 9 | Financial Instruments | January 1, 2018 |
| IFRS 15 | Revenue from contracts with Customers | January 1, 2018 |

IFRS 9, Financial Instruments, will replace IAS 39. The new standard introduces a new classification of financial instruments and an impairment model for financial assets based on expected loss, replacing the current model which is based on incurred losses. The Group is currently examining the practical implementation of this new standard and its impact on the financial statements, which will essentially concern the Sales Financing segment.
IFRS 15, Revenue from contracts with customers, will replace IAS 11 and IAS 18. Analysis is currently in process, but at this stage the Group does not anticipate any significant changes.
The Group does not intend to apply these standards early.

**B – ESTIMATES AND JUDGMENTS**

In preparing its financial statements, Renault has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain notes. Renault regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault’s future consolidated financial statements could differ from the estimates established at the time the financial statements were finalized.
The main items in the consolidated financial statements that are sensitive to estimates and judgments at December 31, 2015 are the following:

- Capitalization of research and development expenses and their amortization period (notes 2-K and 10-A);
- Any impairment on fixed assets (notes 2-M and 11), and operating receivables (notes 16 and 17);
- The recoverable value of leased vehicles classified as property, plant and equipment or in inventories (notes 2-G, 10-B and 14);
- Investments in associates, notably Nissan and AVTOVAZ (notes 2-M, 12 and 13);
- Sales financing receivables (notes 2-G and 15);
- Recognition of deferred taxes (notes 2-I and 8);
- Provisions, particularly vehicle and battery warranty provisions (note 2-G), provisions for pensions and other long-term employee benefit obligations (notes 2-S and 19) and provisions for workforce adjustment measures (notes 2-T and 6-A);
- The value of assets in Iran, mainly comprising shares, a shareholder loan and commercial receivables (note 6-C) and in general the value of Group assets located in all areas concerned by country risks.

**C – CONSOLIDATION PRINCIPLES**

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.
Companies in which the Group exercises significant influence (associates) are included in the financial statements on an equity basis.
Significant intercompany transactions and unrealized internal profits are eliminated.
Non-consolidated companies are recorded as other non-current assets even when they fulfil the above criteria.

None of these companies' individual contributions to consolidated figures exceeds the following:
- revenues: €20 million;
- inventories: €20 million.

Their consolidation would have a negligible impact on the consolidated financial statements, since they are Group-financed entities whose losses, if any, are recognized via impairment losses, and which:
- acquire almost all their purchases from Group companies, most of these companies being dealership-type establishments; or
- carry out almost all their sales transactions with Group companies.

Put options on non-controlling interests are carried at fair value and classified in liabilities in the consolidated financial position, with a corresponding adjustment to equity.

## D – PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### VALUATION BASIS

The consolidated financial statements are established under the historical cost convention, except for certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are detailed in the following notes.

### OPERATING INCOME AND OPERATING MARGIN

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin corresponds to the operating income before other operating income and expenses, which cover:
- restructuring costs and costs relating to workforce adjustment;
- gains or losses on partial or total disposal of businesses or operating entities, other gains and losses relating to changes in the scope of consolidation, and direct acquisition costs;
- gains or losses on disposal of property, plant and equipment or intangible assets (except vehicle sales);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, particularly impairment of fixed assets.

### REPORTING BY OPERATING SEGMENT

The information by operating segment is based on internal reporting to the Group Executive Committee, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRS applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" column is reserved for transactions between the two segments, which are carried out on near-market terms. Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive division's financial income.

The indicator used to evaluate segment performance is the operating margin.

Apart from taxes and the associates' share in net income, income and expenses relating to sales financing are recorded as operating items. The tax effect inherent to the French consolidated taxation system is included in the tax expense of the Automotive segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segment to the sales financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognises a receivable on the Automotive segment.

### CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

Sales financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, because they are used in this operating segment's normal business cycle.

For the Automotive segment, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

## E – TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The Group's presentation currency is the Euro.
For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.
To determine whether a country is in hyperinflation, the Group refers to the list published by the AICPA (American Institute of Certified Public Accountants) Task Force. None of the countries where Renault has significant business activity was on this list in 2015.
Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing exchange rate;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill generated by a business combination with a foreign company is treated as an asset or liability of the entity acquired, as appropriate. It is therefore expressed in the relevant entity's functional currency, and translated into Euros at the closing rate.
When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to net income.

**F – TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS**

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.
For financial reporting purposes, monetary assets and liabilities in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (note 2-X).
The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segment are included in the net financial income;
- other translation adjustments are included in the operating margin.

Derivatives are measured and recorded as described in note 2-X.

**G – REVENUES AND MARGIN**

Revenues comprise all proceeds from sales of the Group's automotive goods, services related to these sales, and the various sales financing products marketed by the Group's companies to their customers.

**SALES OF GOODS AND SERVICES AND MARGIN RECOGNITION**

**SALES AND MARGIN RECOGNITION**

Sales of automotive goods are recognized when the goods are made available to the distribution network in the case of non-Group dealers, or upon delivery to the end-user in the case of direct sales. The margin on sales is recognized immediately for normal sales by the Automotive segment, including sales with associated financing contracts (credit or finance lease). However, no sale is recognized when an automotive item (vehicle or electric car battery) is covered by an operating lease from a Group finance company or the Group has made a buy-back commitment with a high probability of application, if the term of the contract covers an insufficient portion of the item's useful life.
In such cases, the transactions are recorded as operating leases and included in sales of services. The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period the automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The sale of the automotive item as second-hand at the end of the lease gives rise to recognition of sales revenue and the related margin. The forecast resale value takes account of recent known developments on the second-hand automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both

external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item is included in property, plant and equipment) is recognized to cover the loss. When the overall position of the lease contract (rental income and income on resale) shows a loss, an additional provision is also recorded immediately to cover the future loss.

**SALES INCENTIVE PROGRAMMES**

When based on the volume or price of the products sold, the cost of these programmes is deducted from revenues when the corresponding sales are recorded. Otherwise, the cost is included in selling, general and administrative expenses. If programmes are approved after the sales, a provision is established when the decision is made.

The Group sometimes organizes promotional campaigns offering reduced-interest loans to end-users. The cost of these operations is recognized immediately when the rates offered cannot cover refinancing and administration costs, and charged to sales financing revenues over the duration of the loan otherwise.

**WARRANTY**

The estimated or incurred costs relating to manufacturer's product or part warranties not covered by insurance are charged to expenses when the sales are recorded. Provisions for costs to be borne by Renault are valued on the basis of observed data by model and engine, i.e. the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

**SERVICES RELATED TO SALES OF AUTOMOTIVE PRODUCTS**

Renault offers its customers extended warranty and maintenance contracts, the income and margin on which are recognized over the period covered by the contract.

**SALES FINANCING REVENUES AND MARGIN RECOGNITION**

**SALES FINANCING REVENUES**

Sales financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

**SALES FINANCING COSTS**

The costs of sales financing are considered as operating expenses and included in the operating margin. They mainly comprise interest incurred by Sales financing companies to refinance their customer transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks other than those relating to refinancing of receivables.

**COMMISSIONS PAYABLE TO BUSINESS INTERMEDIARIES**

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

**RECEIVABLES SHOWING EVIDENCE OF IMPAIRMENT**

Impairment for credit risk is recognized to cover the risk of non-recovery of receivables. When there is objective evidence of a loss of value (payments overdue, deterioration in the financial position, litigation procedures, etc) for an individual receivable, impairment is determined on an individual basis (using a statistical or case-by-case approach as appropriate). Otherwise, a collectively based provision may be recorded (for example in the event of unfavourable developments in a macro-economic and/or segment indicator associated with otherwise sound receivables).

Impairment for country risk is determined based on assessment of the systemic credit risk to which debtors are exposed in the event of long-term continuous decline in the economic and general environment of the countries included in the base.

**H – FINANCIAL INCOME (EXPENSES)**

The cost of net financial indebtedness comprises the cost of gross financial indebtedness less income associated with cash, cash equivalents and financial assets of the Automotive segment. The cost of gross financial indebtedness consists of income and expenses generated by the Automotive segment's financial indebtedness during the period, including the impact of the effective portion of the related interest rate hedges.
Other financial income and expenses mainly include changes in the fair value of Renault SA redeemable shares, the net interest on provisions for pensions, and dividends and impairment of companies that are neither controlled nor under significant influence by the Group.

**I – INCOME TAX**

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated statement of financial position. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Recognition of deferred tax assets depends on the probability of future recovery.
For associates and joint ventures, a deferred tax liability on dividend distributions is booked for all differences between the book value and tax value of shares held.
Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

**J – GOODWILL**

Non-controlling interests (formerly called "minority interests") are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill method. The choice of which method to use is made for each individual case.
Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less any accumulated impairment.
Goodwill relating to associates is included in the "investments in associates" asset in the statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates.
Acquisitions of additional investments concerning non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders' equity.

**K – RESEARCH AND DEVELOPMENT EXPENSES**

Development expenses incurred between the decision to begin development and implement production facilities for a new vehicle or part (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.
Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a "qualifying asset". The capitalization rate for borrowing costs is limited such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the decision to begin product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

## L – PROPERTY, PLANT AND EQUIPMENT

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.
Design and preparation expenses are included in the asset's production cost.
The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.
Investment subsidies received are deducted from the gross value of the assets concerned.
Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.
Assets used by the Group under finance leases are treated as assets financed by credit.
Fixed assets leased to customers are vehicles and batteries under a lease of more than one year from a Group finance company, for which the Group has a repurchase commitment, or vehicles sold under an agreement including a buy-back clause (note 2-G).

### DEPRECIATION

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings(1) | 15 to 30 years |
| Specific tools | 2 to 7 years |
| Machinery and other tools (other than press lines) | 5 to 15 years |
| Press lines | 20 to 30 years |
| Other tangible assets(2) | 4 to 6 years |

*(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.*
*(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.*

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or part from the market.

## M – IMPAIRMENT

### IMPAIRMENT OF FIXED ASSETS (OTHER THAN LEASED ASSETS)

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the company operates, or changes affecting the circumstances and manner of use of the assets.
For the **Automotive segment**, impairment tests are carried out at two levels:

- At the level of vehicle-specific and component-specific assets
  Vehicle-specific and component-specific assets consist of capitalized development expenses and tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle or component.
- At the level of other cash-generating units
  A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Other cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive segment. Net fixed assets related to cash-generating units notably include goodwill, specific assets and capacity assets, and components of working capital.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include the dividends paid by the Sales Financing segment to the Automotive segment; these dividends represent, in cash form, the Sales Financing segment's contribution as taken into consideration in internal assessments of project profitability. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the **Sales Financing segment**, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. Value in use is the present value of future cash flows as determined in the most recent 5-year forecasts for each cash-generating unit group, consisting of legal entities or groups of legal entities in a given country. The same discount rate is used for all cash-generating units tested: a risk-free 10-year rate increased by the average risk premium for the sector in which the cash-generating units operate.

**IMPAIRMENT OF INVESTMENTS IN ASSOCIATES**

Impairment tests of the value of investments in associates are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate with the recoverable value, which is the higher of value in use and fair value, less selling costs. The value in use is equal to the share of the present value of future estimated cash flows expected by the associate. If the associate is listed, the fair value is its stock market value.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate.

## N – NON-CURRENT ASSETS OR GROUPS OF ASSETS HELD FOR SALE

Assets held for sale are non-current assets or groups of assets that are available for immediate sale and have a high probability of being sold.

Non-current assets or groups of assets considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further impairment or amortization is recorded once an asset is classified as held for sale (or included in a group of assets held for sale). These assets are reported on a specific line of the consolidated financial position.

## O – INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses, and a share of manufacturing overheads based on a normal level of activity. The normal level of activity is assessed site by site, in order to determine the share of fixed costs to be excluded in the event of below-normal activity.

Inventories are valued under the FIFO (First In First Out) method.

When the net realisable value is lower than the financial position value, impairment equal to the difference is recorded.

## P – ASSIGNMENT OF RECEIVABLES

Receivables assigned to third parties (through securitization or discounting) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question.

The same treatment applies to assignments between the Automotive and Sales Financing segments.

## Q – TREASURY SHARES

Treasury shares are shares held for the purposes of stock option plans and free share plans awarded to Group managers and executives. They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.
When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

## R – STOCK OPTION PLANS/ PERFORMANCE SHARE ATTRIBUTION PLANS

The Group awards stock option plans (purchase and subscription options) and performance share attribution plans, all for Renault shares. The grant date is the date at which beneficiaries are informed of the decision to grant these options or performance shares, and the terms of the relevant plans. For plans subject to performance conditions, an estimate of achievement of those conditions is taken into account in determining the number of options or shares attributed. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for attribution of options or shares is measured by reference to the fair value of those options or shares at their grant date, using a suitable binomial mathematical model that assumes exercise of the options is spread over the exercise period on a straight-line basis.
Entitlements to attribution of performance shares are valued based on the share value at grant date less dividends expected during the vesting period. Where relevant, a discount is applied to reflect the fact that the shares must be held for a certain period. The share price volatility factor applied is implicit volatility at the grant date. The expected dividend used is determined by reference to the dividend payout schedule announced at the time each plan is valued.
The total fair value calculated in this way is spread on a straight-line basis over the vesting period for the relevant plan. The cost is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

## S – PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

The Group's payments for defined-contribution benefit plans are recorded as expenses for the relevant period.
For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service.
The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.
The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.
The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating margin. The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses.

## T – WORKFORCE ADJUSTMENT MEASURES

The estimated cost of workforce adjustment measures, which for accounting purposes is treated as an employee benefit, is covered by a provision over the estimated residual employment period of the employees concerned.
The estimated cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress.

## U – FINANCIAL ASSETS

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, marketable securities, negotiable debt instruments, loans, and derivative assets related to financial transactions (note 2-X).
These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

**INVESTMENTS IN NON-CONTROLLED COMPANIES IN WHICH RENAULT DOES NOT HAVE SIGNIFICANT INFLUENCE**

Investments in non-controlled companies in which Renault does not have significant influence are classified as "available-for-sale" assets. The fair values of such financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.
Changes in the fair value of "available-for-sale" assets are included in other components of comprehensive income. If there is a significant or prolonged decrease in the fair value such that it falls below the acquisition price, impairment is recorded in the income statement. A decrease is considered significant if it exceeds 40% of the amount and prolonged if it is observed in more than four successive published financial reports.

**MARKETABLE SECURITIES AND NEGOTIABLE DEBT INSTRUMENTS**

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents.
These instruments are classified as "available-for-sale" assets and carried at fair value.

**LOANS**

Loans essentially include loans for investment of cash surpluses and loans to associates.
They are initially recognized at fair value, plus directly attributable transaction costs.
Loans are valued at amortized cost. Impairment is recognized in the income statement when there is objective evidence of depreciation in value caused by an event arising after the initial recognition of the asset.

## V – CASH AND CASH EQUIVALENTS

Cash includes cash on hand, current accounts and other demand deposits, with the exception of bank overdrafts, which are included in financial liabilities. These instruments are stated at amortized cost.
Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value. Fixed or variable-income instruments that are not listed on an active market are stated at amortized cost. Other instruments are carried at fair value.
Bank accounts subject to restrictions due to sector-specific regulations (for example, banking regulations) or bank accounts allocated to increasing credit on securitized receivables are included in Cash and Cash equivalents.

## W – FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT AND SALES FINANCING DEBTS

The Group recognizes a financial liability (for the Automotive segment) or a sales financing debt when it becomes a party to the contractual provisions of the instrument.
Financial liabilities and sales financing debts comprise redeemable shares, bonds, other debts represented by a certificate, borrowings from credit institutions, other interest-bearing borrowings and derivative liabilities related to financial transactions (note 2-X).

**REDEEMABLE SHARES**

In accordance with IAS 39, the Group considers that the variable interest on redeemable shares is an embedded derivative which cannot be valued separately. Consequently, the Group states all its redeemable shares at fair value, which is equal to market value.
Changes in the fair value of Automotive segment redeemable shares are recorded in financial income and expenses, while changes in the fair value of Sales Financing segment redeemable shares are recorded in the operating margin.

**BONDS, OTHER DEBTS REPRESENTED BY A CERTIFICATE, BORROWINGS FROM CREDIT INSTITUTIONS AND OTHER INTEREST-BEARING BORROWINGS**

Bonds, other debts represented by a certificate, borrowings from credit institutions and other interest-bearing borrowings are initially stated at fair value, less any directly attributable transaction costs.

At each reporting date, apart from specific hedge accounting methods (note 2-X), these financial liabilities are generally restated at amortized cost using the effective interest rate method. The financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

## X – DERIVATIVES AND HEDGE ACCOUNTING

**MEASUREMENT AND PRESENTATION**

Derivatives are initially stated at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account any unrealized gains or losses based on interest rates and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automotive segment's derivatives are reported in the financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position as current.

**HEDGE ACCOUNTING**

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge.

- Fair value hedges: the hedged item is adjusted to fair value in view of the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of financial instruments used to hedge the investment in Nissan

(forward sales and fixed/fixed cross-currency swaps) is treated as an ineffective portion and consequently recorded directly in financial income and expenses.

**DERIVATIVES NOT DESIGNATED AS HEDGES**

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating margin.

Note 3

## Changes in the scope of consolidation

| | AUTOMOTIVE | SALES FINANCING | TOTAL |
|---|---|---|---|
| **Number of companies consolidated at December 31, 2014** | **118** | **36** | **154** |
| Newly consolidated companies (acquisitions, formations, etc) | 0 | 1 | 1 |
| Deconsolidated companies (disposals, mergers, liquidations, etc) | 4 | 0 | 4 |
| **Number of companies consolidated at December 31, 2015** | **114** | **37** | **151** |

Nissan Renault Financial Services India Private Limited, a company set up by the Alliance to provide sales financing for customers and dealers in India, was included in the scope of consolidation for the first time in 2015. The Group exercises significant influence over this entity, which is accounted for under the equity method.

Income statement and comprehensive income

Note 4

## Revenues

| (€ million) | 2015 | 2014 |
|---|---|---|
| **Sales of goods - Automotive segment** | **41,180** | **37,176** |
| Rental income on leased assets(1) | 390 | 361 |
| Sales of other services | 1,538 | 1,337 |
| **Sales of services - Automotive segment** | **1,928** | **1,698** |
| **Sales of goods - Sales Financing segment** | **31** | **31** |
| Rental income on leased assets(1) | 64 | 25 |
| Interest income on sales financing receivables | 1,416 | 1,480 |
| Sales of other services(2) | 708 | 645 |
| **Sales of services - Sales Financing segment** | **2,188** | **2,150** |
| **TOTAL REVENUES** | **45,327** | **41,055** |

*(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.*

Note 5

## Operating margin: details of income and expenses by nature

### A – PERSONNEL EXPENSES

| | 2015 | 2014 |
|---|---|---|
| Personnel expenses (€ million) | 5,408 | 5,248 |
| Workforce at December 31st | 120,136 | 117,395 |

Details of pensions and other long-term employee benefit expenses are presented in note 19.
The income recorded in respect of the French "CICE" Tax Credit for Competitivity and Employment amounted to €51 million in 2015 and 2014.
Share-based payments concern stock options and performance shares granted to personnel, and amounted to a personnel expense of €42 million for 2015 (€32 million in 2014).
The plan valuation method is presented in note 18-H.

**B – RENTAL EXPENSES**

Rents amount to €225 million in 2015 (€232 million in 2014).

**C – FOREIGN EXCHANGE GAINS/LOSSES**

In 2015, the operating margin includes a net foreign exchange loss of €96 million, partly related to movements in the Argentinian peso and Russian rouble against the Euro (compared to a net foreign exchange loss of €144 million in 2014, essentially related to the same currencies).

Note 6

**Other operating income and expenses**

| (€ million) | **2015** | **2014** |
|---|---|---|
| Restructuring and workforce adjustment costs | (157) | (305) |
| 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 | (13) | - |
| Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales) | 23 | 7 |
| Impairment of fixed assets | (53) | (153) |
| Reversal of impairment related to operations in Iran | 14 | 14 |
| Other unusual items | (13) | (67) |
| **TOTAL** | **(199)** | **(504)** |

**A – RESTRUCTURING AND WORKFORCE ADJUSTMENT COSTS**

Restructuring and workforce adjustment costs for 2015 include €79 million (€223 million in 2014) related to a French career-end work exemption plan introduced in 2013. Employees can sign up to this plan until December 31, 2016. Under IAS 19 (revised), this is considered as an employee benefit and the cost must be covered by a provision established over the residual forecast working life of the employees concerned.
Other restructuring and workforce adjustment costs in 2015 and 2014 mainly concern the Americas, Eurasia and Europe regions.

**B – IMPAIRMENT OF FIXED ASSETS**

Impairment amounting to €53 million was recorded in 2015 (€153 million in 2014), comprising €21 million for intangible assets and €32 million for property, plant and equipment (€44 million and €92 million respectively in 2014). Most of this impairment was booked following impairment tests on vehicles and components (notes 10 and 11).
In 2014 impairment also included an amount of €15 million reflecting the effect of unwinding the discount on future cash flows concerning a provision for indemnities payable for failure to meet stipulated minimum purchase volumes.

**C – IMPAIRMENT RELATED TO OPERATIONS IN IRAN**

Operations with Iran remained limited during 2015 due to the economic sanctions governing business with Iran. The reduction in impairment in 2015 essentially relates to payments received during the period.
The Group's exposure to risks on business with Iran, materialized by securities, a shareholder loan and sales receivables, was fully written off in 2013. This situation changed little over 2015. The gross

exposure in the assets at December 31, 2015 was €809 million, including €701 million of receivables (€828 million including €724 million of receivables at December 31, 2014).

## D – OTHER UNUSUAL ITEMS

In 2014, other unusual items included an amount of €45 million to cover risks in Germany, essentially relating to reimbursement of administrative fees for the financing activity that a German Supreme court decision ruled were excessive.

Note 7

## Financial income (expenses)

| (€ million) | 2015 | 2014 RESTATED* |
|---|---|---|
| Cost of gross financial indebtedness | (387) | (386) |
| Income on cash and financial assets | 162 | 141 |
| **COST OF NET FINANCIAL INDEBTEDNESS** | **(225)** | **(245)** |
| Change in fair value of redeemable shares | (80) | (37) |
| Foreign exchange gains and losses on financial operations | 129 | 28 |
| Net interest expenses on the net defined-benefit liability (asset) corresponding to pension and other long-term employee benefit obligations | (35) | (45) |
| Other | (10) | (34) |
| **OTHER FINANCIAL INCOME AND EXPENSES** | **4** | **(88)** |
| **FINANCIAL INCOME (EXPENSES)** | **(221)** | **(333)** |

* *The Group now uses the subtotal "cost of net financial indebtedness" in the income statement instead of "net interest income (expenses)". The cost of net financial indebtedness comprises all financial income and expenses associated with cash and cash equivalents, financial assets, and liabilities of the Automotive segment (excluding the fair value of redeemable shares). This change has led to non-material reclassifications in the periods presented, for better coherence between financial income statement items and financial position items. Also, interest on financial derivatives has been grouped together and are now included at net value in the cost of gross financial indebtedness.*

Item "Other" of other financial income and expenses includes dividends received from Daimler at the gross value of €40 million in 2015 (€37 million in 2014).
Net liquidity position (net financial indebtedness) of the Automotive segment is presented in the information by operating segment (note 4.2.6.1 – A).

Note 8

## Current and deferred taxes

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.
The Renault group also applies other optional tax consolidation systems in Germany, Italy, Spain, and the UK.

## A – CURRENT AND DEFERRED TAX CHARGE

| (€ million) | 2015 | 2014 |
|---|---|---|
| Current tax charge | (472) | (396) |
| Deferred tax income (charge) | 161 | 260 |
| **CURRENT AND DEFERRED TAXES** | **(311)** | **(136)** |

The current tax charge for entities included in the French tax consolidation group amounts to €61 million in 2015 (€53 million in 2014).
€411 million of the current tax charge comes from foreign entities in 2015 (€343 million in 2014).
Current income taxes paid by the Group during 2015 amount to €384 million (€268 million in 2014).

## B – BREAKDOWN OF THE TAX CHARGE

| (€ million) | **2015** | **2014** |
|---|---|---|
| **Income before taxes and share in net income of associates and joint ventures** | **1,900** | **772** |
| Statutory income tax rate in France, including the additional contribution(1) | 38.0% | 38.0% |
| **Theoretical tax income (charge)** | **(722)** | **(293)** |
| Effect of differences between local rates and the French rate(2) | 233 | 180 |
| Tax credits | 30 | 28 |
| Distribution taxes | (55) | (84) |
| Change in unrecognized deferred tax assets | 217 | (51) |
| Other impacts(3) | (14) | 84 |
| **Current and deferred tax income (charge)** | **(311)** | **(136)** |

*(1) In France, the Group is liable for an exceptional 10.7% contribution applicable until the end of the 2015 financial year. The theoretical tax rate including this exceptional contribution stands at 38.0%.*

*(2) The main countries contributing to the tax rate differential in 2015 and 2014 are Korea, Morocco, Romania, Switzerland and Turkey.*

*(3) Other impacts are primarily permanent differences, income subject to reduced tax rates, the cost of tax reassessments, and prior year adjustments. They also include the effect of the differential between the 38% French income tax rate including the exceptional contribution, and the 34.43% tax rate used to calculate deferred taxes for the French tax consolidation group (unfavourable effect of €9 million for 2015 and €25 million for 2014).*

Until the end of 2013, as there was no prospect of reporting taxable income in the foreseeable future, the Group wrote off all net deferred tax assets of the French tax consolidation group.

At the end of 2014 and in 2015, in view of forecast results, the Group recognized some of these net deferred tax assets, partly via profit and loss (€188 million in 2015 and €210 million in 2014) and partly via other components of comprehensive income (€51 million in 2015 and €52 million in 2014), due to the origins of the taxes concerned (4.2.2. and note 8 C(1)).

The effective tax rate across all foreign entities is 27% at December 31, 2015 (26% at December 31, 2014).

## C – BREAKDOWN OF NET DEFERRED TAXES

### C1 CHANGE IN DEFERRED TAX ASSETS AND LIABILITIES

| (€ million) | **2015** | **2014** |
|---|---|---|
| Deferred tax assets | 716 | 396 |
| Deferred tax liabilities | (141) | (121) |
| **Net deferred tax assets (liabilities) at January 1st** | **575** | **275** |
| Deferred tax income (charge) for the period | 161 | 260 |
| Deferred tax income (charge) included in shareholders' equity | 30 | 56 |
| Translation adjustments | (7) | (16) |
| Change in scope of consolidation and other | - | - |
| **Net deferred tax assets (liabilities) at December 31st** | **759** | **575** |
| *- deferred tax assets* | *881* | *716* |
| *- deferred tax liabilities* | *(122)* | *(141)* |

### C2 BREAKDOWN OF NET DEFERRED TAX ASSETS BY NATURE

| (€ million) | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|
| **Deferred taxes on:** | | |
| Investments in associates and joint ventures(1) | (195) | (157) |
| Fixed assets | (1,615) | (1,623) |
| Provisions and other expenses or valuation allowances deductible upon utilization | 1,003 | 937 |
| Loss carryforwards(2) | 4,402 | 4,457 |
| Other | 372 | 413 |
| **NET DEFERRED TAX ASSETS (LIABILITIES)** | **3,967** | **4,027** |
| Unrecognized deferred tax assets related to tax losses (note 8-C3) | (3,208) | (3,452) |
| **NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED** | **759** | **575** |

*(1) Including tax on future dividend distributions.*

*(2) Including €3,837 million for the French tax consolidation entities and €565 million for other entities at December 31, 2015 (respectively €3,836 million and €621 million December 31, 2014).*

The residual unrecognized net deferred tax assets of entities included in the French tax consolidation group amounted to €2,607 million at December 31, 2015 (€2,816 million at December 31, 2014). €684 million of these unrecognized assets were generated by items booked through shareholders' equity (mainly the effects of the partial hedge of the investment in Nissan, actuarial gains and losses, and revaluation of financial instruments), and €1,923 million were generated by items affecting the income statement (respectively €547 million and €2,269 million at December 31, 2014).

Excluding the French tax consolidation group, unrecognized deferred tax assets totalled €601 million (€636 million in 2014), and essentially related to tax loss carryforwards generated by the Group in Brazil, and to a lesser extent in India.

### C3 BREAKDOWN OF UNRECOGNIZED NET DEFERRED TAX ASSETS, BY EXPIRY DATE

| (€ million) | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|
| Net deferred tax assets that can be carried forward indefinitely* | 2,912 | 3,262 |
| Other net deferred tax assets expiring in more than 5 years | 161 | 58 |
| Other net deferred tax assets expiring between 1 and | 129 | 103 |

| | | |
|---|---|---|
| 5 years | | |
| Other net deferred tax assets expiring within 1 year | 6 | 29 |
| **TOTAL UNRECOGNIZED NET DEFERRED TAX ASSETS** | **3,208** | **3,452** |

* *Including €2,607 million at December 31, 2015 (€2,816 million at December 31, 2014) corresponding to unrecognized net deferred tax assets of entities included in the French tax consolidation group (note 8-C2), mainly corresponding to tax loss carryforwards.*

Note 9

**Basic and diluted earnings per share**

| (In thousands of shares) | **2015** | **2014** |
|---|---|---|
| Shares in circulation | 295,722 | 295,722 |
| Treasury shares | (3,633) | (3,289) |
| Shares held by Nissan x Renault's share in Nissan | (19,381) | (19,384) |
| **Number of shares used to calculate basic earnings per share** | **272,708** | **273,049** |

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 of the portion of Renault shares held by Nissan.

| (In thousands of shares) | **2015** | **2014** |
|---|---|---|
| Number of shares used to calculate basic earnings per share | 272,708 | 273,049 |
| Dilutive effect of stock options, performance share rights and other share-based payments | 1,606 | 897 |
| **Number of shares used to calculate diluted earnings per share** | **274,314** | **273,946** |

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 year-end when issuance is conditional (note 18-G).

Operating assets and liabilities, shareholders'equity

Note 10

**Intangible assets and property, plant and equipment**

## A – INTANGIBLE ASSETS AND GOODWILL

### A1 CHANGES IN INTANGIBLE ASSETS

Changes during 2015 in intangible assets were as follows:

| (€ million) | **DECEMBER 31, 2014** | **ACQUISITIONS/ (AMORTIZATION AND IMPAIRMENT)** | **(DISPOSALS)/ REVERSALS** | **TRANSLATION ADJUSTMENT** | **CHANGE IN SCOPE OF TRANSLATION AND OTHER** | **DECEMBER 31, 2015** |
|---|---|---|---|---|---|---|
| Capitalized development expenses | 9,096 | 876 | (1,389) | 5 | - | 8,588 |
| Goodwill | 216 | (4) | - | (2) | - | 210 |
| Other intangible assets | 690 | 84 | (38) | (9) | 2 | 729 |
| **Intangible assets, gross** | **10,002** | **956** | **(1,427)** | **(6)** | **2** | **9,527** |
| Capitalized development expenses | (6,080) | (726) | 1,389 | (5) | - | (5,422) |
| Other intangible assets | (479) | (86) | 26 | 6 | (2) | (535) |
| **Amortization** | **(6,559)** | **(812)** | **1,415** | **1** | **(2)** | **(5,957)** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **and impairment** | | | | | | |
| Capitalized development expenses | 3,016 | 150 | - | - | - | 3,166 |
| Goodwill | 216 | (4) | - | (2) | - | 210 |
| Other intangible assets | 211 | (2) | (12) | (3) | - | 194 |
| **INTANGIBLE ASSETS, NET** | **3,443** | **144** | **(12)** | **(5)** | **-** | **3,570** |

Most of the goodwill is located in Europe.
Acquisitions of intangible assets in 2015 comprise €876 million of self-produced assets and €84 million of purchased assets (respectively €845 million and €122 million in 2014).
In 2015, amortization and impairment of intangible assets include €21 million of impairment relating to vehicles and components (note 6-B), compared to €44 million of impairment in 2014.
Changes during 2014 in intangible assets were as follows:

| (€ million) | GROSS VALUE | AMORTIZATION AND IMPAIRMENT | NET VALUE |
|---|---|---|---|
| **Value at December 31, 2013** | **9,475** | **(6,193)** | **3,282** |
| Acquisitions (note 26-C)/(amortization) | 967 | (797) | 170 |
| (Disposals)/reversals | (448) | 444 | (4) |
| Translation adjustment | 5 | (13) | (8) |
| Change in scope of consolidation and other | 3 | - | 3 |
| **Value at December 31, 2014** | **10,002** | **(6,559)** | **3,443** |

## A2 RESEARCH AND DEVELOPMENT EXPENSES INCLUDED IN INCOME

| (€ million) | 2015 | 2014 |
|---|---|---|
| Research and development expenses | (2,243) | (1,890) |
| Capitalized development expenses | 874 | 842 |
| Amortization of capitalized development expenses | (706) | (673) |
| **TOTAL REPORTED INCLUDED IN INCOME** | **(2,075)** | **(1,721)** |

## B – PROPERTY, PLANT AND EQUIPMENT

Changes during 2015 in property, plant and equipment were as follows:

| (€ million) | DECEMBER 31, 2014 | ACQUISITIONS/ (DEPRECIATION AND IMPAIRMENT) | (DISPOSALS)/ REVERSALS | TRANSLATION ADJUSTMENTS | CHANGE IN SCOPE OF CONSOLIDATION AND OTHER | DECEMBER 31, 2015 |
|---|---|---|---|---|---|---|
| Land | 568 | 4 | (7) | (2) | - | 563 |
| Buildings | 6,064 | 116 | (35) | (84) | 16 | 6,077 |
| Specific tools | 14,146 | 1,196 | (360) | (180) | 137 | 14,939 |
| Machinery and other tools | 10,394 | 583 | (263) | (184) | 96 | 10,626 |
| Fixed assets leased to customers | 2,032 | 915 | (671) | 10 | 18 | 2,304 |
| Other tangibles | 777 | 60 | (37) | (9) | (2) | 789 |
| Construction | 1,514 | 2 | 20 | (31) | (251) | 1,254 |

| | | | | | | |
|---|---|---|---|---|---|---|
| in progress(1) | | | | | | |
| **Gross values** | **35,495** | **2,876** | **(1,353)** | **(480)** | **14** | **36,552** |
| Land | - | - | - | - | - | - |
| Buildings | (3,509) | (233) | 31 | 33 | (1) | (3,679) |
| Specific tools | (11,920) | (870) | 326 | 117 | 2 | (12,345) |
| Machinery and other tools | (7,914) | (537) | 262 | 109 | (9) | (8,089) |
| Fixed assets leased to customers(2) | (664) | (255) | 279 | (4) | 37 | (607) |
| Other tangibles | (687) | (21) | 35 | 6 | 6 | (661) |
| Construction in progress | - | - | - | - | - | - |
| **Depreciation and impairment(3)** | **(24,694)** | **(1,916)** | **933** | **261** | **35** | **(25,381)** |
| Land | 568 | 4 | (7) | (2) | - | 563 |
| Buildings | 2,555 | (117) | (4) | (51) | 15 | 2,398 |
| Specific tools | 2,226 | 326 | (34) | (63) | 139 | 2,594 |
| Machinery and other tools | 2,480 | 46 | (1) | (75) | 87 | 2,537 |
| Fixed assets leased to customers | 1,368 | 660 | (392) | 6 | 55 | 1,697 |
| Other tangibles | 90 | 39 | (2) | (3) | 4 | 128 |
| Construction in progress(1) | 1,514 | 2 | 20 | (31) | (251) | 1,254 |
| **Net values** | **10,801** | **960** | **(420)** | **(219)** | **49** | **11,171** |

*(1) Items classified as "construction in progress" are transferred to completed asset categories via the "acquisitions/ depreciation and impairment" column.*

*(2) Depreciation and impairment of assets leased to customers (vehicles and batteries) amounts to €245 million at December 31, 2015 (€232 million at December 31, 2014).*

*(3) Depreciation and impairment in 2015 include impairment of €32 million mainly on vehicles and components (note 6-B), compared to €92 million of impairment in 2014.*

Changes during 2014 in property, plant and equipment were as follows:

| (€ million) | GROSS VALUE | DEPRECIATION AND IMPAIRMENT | NET VALUE |
|---|---|---|---|
| **Value at December 31, 2013** | **34,630** | **(23,657)** | **10,973** |
| Acquisitions/(depreciation and impairment) | 2,396 | (1,918) | 478 |
| (Disposals)/reversals | (1,323) | 914 | (409) |
| Translation adjustments | (199) | 1 | (198) |
| Change in scope of consolidation and other | (9) | (34) | (43) |
| **Value at December 31, 2014** | **35,495** | **(24,694)** | **10,801** |

Note 11

**Impairment tests on fixed assets (other than leased assets)**

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (note 2-L).

**A – IMPAIRMENT TESTS ON VEHICLE-SPECIFIC AND COMPONENT-SPECIFIC ASSETS**

Following impairment tests of assets dedicated to specific vehicles or components, impairment of €51 million was booked during 2015 (€138 million at December 31, 2014), primarily against capitalized development expenses.
Apart from the vehicles for which impairment has been recorded, other vehicles tested in previous half-years no longer display any evidence of impairment.

### B – IMPAIRMENT TESTS ON OTHER CASH-GENERATING UNITS OF THE AUTOMOTIVE SEGMENT

In 2015, no cash-generating unit representing an economic entity (plant or subsidiary) was subjected to an impairment test, as there were no indications of impairment in the various combined economic units that make up the Group.
An impairment test was carried out on the Automotive segment, as is the case every year.
The recoverable value used for the purpose of impairment tests for the Automotive segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

| | **2015** | **2014** |
|---|---|---|
| Business plan duration | 3 years | 3 years |
| Forecast sales volumes over the projected horizon (units) | 3,703,000 | 3,520,000 |
| Growth rate to infinity | 1.8% | 1.8% |
| After-tax discount rate | 8.3% | 8.8% |

In 2015 as in 2014, no impairment was recognized on assets included in the Automotive segment as a result of the impairment test.
Changes in the assumptions underlying the calculations show that to cover the assets, for each factor considered individually:
- the volume reduction over the projected horizon must not exceed 400,000 units (325,000 units in 2014);
- the after-tax discount rate must not exceed 18% (16.4% in 2014).

With a growth rate to infinity close to zero, the conclusions of the test are unaffected.

Note 12

## Investment in nissan

### A – NISSAN CONSOLIDATION METHOD

Renault and the Japanese automaker Nissan have chosen to develop a unique type of alliance between two distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company’s corporate culture.
Consequently:
- Renault is not assured of holding the majority of voting rights in Nissan’s Shareholders’ Meeting;
- The terms of the Renault-Nissan agreements do not entitle Renault to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan’s Board of Directors; Renault cannot unilaterally appoint the President of Nissan; at December 31, 2015, Renault occupied two of the nine seats on Nissan’s Board of Directors (unchanged since December 31, 2014);
- Renault-Nissan b.v., owned 50% by Renault and 50% by Nissan, is the Alliance’s joint decision-making body for strategic issues concerning either group individually. Its decisions are applicable to both Renault and Nissan. This decision-making power was conferred on Renault-Nissan b.v. to generate synergies and bring both automakers worldwide economies of scale. This entity does not enable Renault to direct Nissan’s financial and operating strategies, which are governed by Nissan’s Board of Directors and cannot therefore be considered to represent contractual control by Renault over Nissan. The matters examined by Renault-Nissan b.v. since it was formed have remained strictly within this contractual framework, and are not an indication that Renault exercises control over Nissan;
- Renault can neither use nor influence the use of Nissan’s assets in the same way as its own assets;

- Renault provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault is considered to exercise significant influence over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

## B – 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 publishes consolidated financial statements quarterly, and annually at March 31st. For the purposes of the Renault consolidation, Nissan results are included in line with the Renault calendar (the results for the period January to December are consolidated in Renault's annual financial statements).

Nissan held 0.7% of its own treasury shares at December 31, 2015. Consequently, Renault's percentage interest in Nissan is 43.7% and Renault holds 43.4% of voting rights in Nissan (unchanged since December 31, 2014).

## C – CHANGES IN THE INVESTMENT IN NISSAN AS SHOWN IN RENAULT'S STATEMENT OF FINANCIAL POSITION

| | SHARE IN NET ASSETS | | | GOODWILL | TOTAL |
|---|---|---|---|---|---|
| (€ million) | **BEFORE NEUTRALIZATION** | **NEUTRALIZATION PROPORTIONAL TO NISSAN'S INVESTMENT IN RENAULT(1)** | Net | | |
| **At December 31, 2014** | **16,170** | **(974)** | **15,196** | **637** | **15,833** |
| 2015 net income | 1,976 | - | 1,976 | - | 1,976 |
| Dividend distributed | (547) | - | (547) | - | (547) |
| Translation adjustment | 1,313 | - | 1,313 | 70 | 1,383 |
| Other changes(2) | (74) | - | (74) | - | (74) |
| **At December 31, 2015** | **18,838** | **(974)** | **17,864** | **707** | **18,571** |

*(1) Nissan has held 15% of Renault since the acquisition in 2002, excluding the subsequent impacts of Renault's treasury share repurchases.*

*(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.*

## D – CHANGES IN NISSAN EQUITY RESTATED FOR THE PURPOSES OF THE RENAULT CONSOLIDATION

| (¥ billion) | DECEMBER 31, 2014 | 2014 NET INCOME | DIVIDENDS | TRANSLATION ADJUSTMENT | OTHER CHANGES(1) | DECEMBER 31, 2015 |
|---|---|---|---|---|---|---|
| **Shareholders' equity – Parent company shareholders' share under Japanese GAAP** | **4,710** | **572** | **(157)** | **(160)** | **(30)** | **4,935** |
| **Restatements for compliance with IFRS:** | | | | | | |
| Provision for pension and other long-term employee benefit obligations | 2 | (26) | - | - | (4) | (28) |
| Capitalization of development expenses | 603 | 24 | - | - | 1 | 628 |
| Deferred taxes and other restatements | (139) | 33 | - | 12 | (9) | (103) |
| **Net assets restated for compliance with IFRS** | **5,176** | **603** | **(157)** | **(148)** | **(42)** | **5,432** |
| Restatements for Renault group requirements(2) | 198 | 3 | (11) | 16 | 13 | 219 |
| **Net assets restated for Renault group requirements** | **5,374** | **606** | **(168)** | **(132)** | **(29)** | **5,651** |
| (€ million) | | | | | | |
| **Net assets restated for Renault group requirements** | **37,002** | **4,522** | **(1,251)** | **3,008** | **(164)** | **43,117** |
| Renault's percentage interest | 43.7% | - | - | - | - | 43.7% |
| Renault's share (before neutralization effect described below) | 16,170 | 1,976 | (547) | 1,313 | (74) | 18,838 |
| Neutralization of Nissan's investment in Renault(3) | (974) | - | - | - | - | (974) |
| **RENAULT'S SHARE IN THE NET ASSETS OF NISSAN** | **15,196** | **1,976** | **(547)** | **1,313** | **(74)** | **17,864** |

*(1) 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.*

*(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 under the equity method.*

*(3) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%.*

## E – NISSAN NET INCOME UNDER JAPANESE GAAP

Since Nissan's financial year ends at March 31st, the Nissan net income included in the 2015 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2014 financial year and the first three quarters of its 2015 financial year.

| | JANUARY TO MARCH 2015 | APRIL TO JUNE 2015 | JULY TO SEPTEMBER 2015 | OCTOBER TO DECEMBER 2015 | JANUARY TO DECEMBER 2015 |
|---|---|---|---|---|---|
| | FOURTH QUARTER OF NISSAN'S 2014 FINANCIAL YEAR | FIRST QUARTER OF NISSAN'S 2015 FINANCIAL YEAR | SECOND QUARTER OF NISSAN'S 2015 FINANCIAL YEAR | THIRD QUARTER OF NISSAN'S 2015 FINANCIAL YEAR | REFERENCE PERIOD FOR RENAULT'S 2015 CONSOLIDATED FINANCIAL STATEMENTS |

| | (¥ billion) | (€ million)* | (¥ billion) | (€ million)* | (¥ billion) | (€ million)* | (¥ billion) | (€ million)* | (¥ billion) | (€ million) |
|---|---|---|---|---|---|---|---|---|---|---|
| Net income – Parent company shareholders' share | 119 | 887 | 153 | 1,141 | 173 | 1,272 | 127 | 957 | 572 | 4,256 |

* *Converted at the average exchange rate for each quarter.*

## F – NISSAN FINANCIAL INFORMATION UNDER IFRS

The table below presents Nissan financial information, restated under IFRS for the purposes of the Renault consolidation, for the period January 1st – December 31st of 2015 and 2014. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault accounted for under the equity method.

| | **2015** | | **2014** | |
|---|---|---|---|---|
| | (¥ billion) | (€ million)(1) | (¥ billion) | (€ million)(2) |
| Revenues | 12,066 | 89,808 | 11,189 | 79,705 |
| **Net income** | | | | |
| Parent company shareholders' share | 603 | 4,488 | 502 | 3,569 |
| Non-controlling interests' share | 28 | 212 | 22 | 164 |
| **Other components of comprehensive income** | | | | |
| Parent company shareholders' share | (188) | (1,396) | 238 | 1,703 |
| Non-controlling interests' share | (7) | (54) | 22 | 149 |
| **Comprehensive income** | | | | |
| Parent company shareholders' share | 415 | 3,092 | 740 | 5,272 |
| Non-controlling interests' share | 21 | 158 | 44 | 313 |
| Dividends received from Nissan | 73 | 547 | 62 | 432 |

| | **DECEMBER 31, 2015** | | **DECEMBER 31, 2014** | |
|---|---|---|---|---|
| | (¥ billion) | (€ million)(1) | (¥ billion) | (€ million)(2) |
| Non-current assets | 7,494 | 57,175 | 7,481 | 51,511 |
| Current assets | 10,928 | 83,375 | 9,863 | 67,913 |
| **TOTAL ASSETS** | **18,422** | **140,550** | **17,344** | **119,424** |
| Shareholders' equity | | | | |
| Parent company shareholders' share | 5,432 | 41,455 | 5,176 | 35,626 |
| Non-controlling interests' share | 407 | 3,094 | 395 | 2,734 |
| Non-current liabilities | 5,303 | 40,462 | 5,783 | 39,819 |
| Current liabilities | 7,280 | 55,539 | 5,990 | 41,245 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **18,422** | **141,550** | **17,344** | **119,424** |

*(1) Converted at the average exchange rate for 2015 i.e. 134.4 JPY = 1 EUR for income statement items, and at the December 31, 2015 rate i.e. 131.1 JPY = 1 EUR for financial position items.*

*(2) Converted at the average exchange rate for 2014, i.e. 140.4 JPY = 1 EUR for income statement items, and at the December 31, 2014 rate i.e. 145.2 JPY = 1 EUR for financial position items.*

## G – HEDGING OF THE INVESTMENT IN NISSAN

The Group has partially hedged the Yen/Euro exchange risk on its investment in Nissan since 1999. At December 31, 2015, the corresponding hedging operations totalled ¥146 billion (€1,114 million), comprising ¥21 billion (€160 million) of private placements on the EMTN market and ¥125 billion (€954 million) in bonds issued directly in yen on the Japanese Samurai bond market.

During 2015, these operations generated unfavourable foreign exchange differences of €103 million (favourable difference of €8 million in 2014). The net unfavourable effect of €18 million after deferred taxes is recorded in the Group's translation adjustment reserve (note 18-E).

**H – VALUATION OF RENAULT'S INVESTMENT IN NISSAN AT STOCK MARKET PRICES**

Based on the quoted price at December 31, 2015 of ¥1,279.5 per share, Renault's investment in Nissan is valued at €19,153 million (€14,280 million at December 31, 2014 based on the price of ¥1,057 per share).

**I – OPERATIONS BETWEEN THE RENAULT GROUP AND THE NISSAN GROUP**

Renault and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. On April 1, 2014 the two companies also launched a project to converge four key functions: Engineering, Manufacturing and Supply Chain Management, Purchasing and Human Resources. This cooperation is reflected in synergies that reduce costs, particularly in the support functions and sales to Nissan.

The Automotive 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:
  - sales by the Renault group to the Nissan group in 2015 totalled approximately €3,650 million (€2,500 million in 2014), comprising around €2,100 million for vehicles (€800 million in 2014), €1,500 million for components (€1,500 million in 2014), and €50 million for services (€200 million in 2014). The increase is mainly driven by sales of vehicles made by Renault Samsung Motors for Nissan North America,
  - purchases by the Renault group from the Nissan group in 2015 totalled approximately €1,300 million (€1,900 million in 2014), comprising around €750 million of vehicles (€1,500 million in 2014), €450 million of components (€350 million in 2014), and €100 million of services (€50 million in 2014),
  - the balance of Renault group receivables on the Nissan group is €344 million at December 31, 2015 (€263 million at December 31, 2014) and the balance of Renault group liabilities to the Nissan group is €512 million at December 31, 2015 (€342 million at December 31, 2014);
- 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. Renault Finance undertook approximately €19.7 billion of forex transactions on the foreign exchange market for Nissan in 2015 (€20.4 billion in 2014). Operations undertaken with Nissan on foreign exchange, interest rate and commodity derivatives are recorded at market price and included in the positions managed by Renault Finance. In the balance sheet, the derivative assets on the Nissan group amount to €225 million at December 31, 2015 (€364 million at December 31, 2014) and derivative liabilities amount to €76 million at December 31, 2015 (€16 million at December 31, 2014).

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 2015, RCI Banque recorded €147 million of service revenues in the form of commission and interest received from Nissan (€156 million at December 31, 2014). The balance of Sales financing receivables on the Nissan group is €69 million at December 31, 2015 (€37 million at December 31, 2014) and the balance of liabilities is €193 million at December 31, 2015 (€207 million at December 31, 2014).

The Alliance partners hold investments in associates and joint ventures that manage their cooperation. Details of these entities' activity and location, and the Renault group's influence over them, are given in note 13.

Note 13

**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) | **2015** | **2014** |
|---|---|---|
| **Share in net income (loss) of other associates and joint ventures** | **(605)** | **(197)** |
| AVTOVAZ | (620) | (182) |
| Other associates accounted for under the equity method | 9 | (25) |
| Joint ventures accounted for under the equity method | 6 | 10 |

- consolidated statement of financial position

| (€ million) | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|
| **Investments in other associates and joint ventures** | **785** | **887** |
| AVTOVAZ | 91 | 249 |
| Other associates accounted for under the equity method | 373 | 340 |
| Joint ventures accounted for under the equity method | 321 | 298 |

## A – AVTOVAZ CONSOLIDATED FINANCIAL STATEMENTS INCLUDED UNDER THE EQUITY METHOD IN THE RENAULT CONSOLIDATION

The Russian automaker AVTOVAZ's financial year-end is December 31st. For the purposes of the Renault consolidation, given the existing time constraints for production of financial information, the accounts of AVTOVAZ were previously consolidated with a 3-month time-lag. This no longer applies as of December 31, 2015. In application of paragraph 34 of IAS 28, Investments in associates and joint ventures, this change is analyzed as a change in accounting policies that entails restatement of prior year results, in order to include the AVTOVAZ net income from January 1st to December 31st in each year. The impacts on the financial statements as published for 2014 are as follows:

| (€ million) | FINANCIAL STATEMENTS AS PUBLISHED IN 2014 | 2014 FINANCIAL STATEMENTS MODIFIED FOLLOWING THE END OF 3-MONTH TIME LAG | CONSEQUENCES OF THE END OF THE 3-MONTH TIME LAG ON THE 2014 FINANCIAL STATEMENTS |
|---|---|---|---|
| **Renault group consolidated income statement and comprehensive income** | | | |
| Share in net income of associates - AVTOVAZ | (182) | (167) | 15 |
| Share of associates in other components of comprehensive income - AVTOVAZ | | | |
| Items that will be reclassified subsequently to profit or loss – translation adjustment | (187) | (185) | 2 |
| Comprehensive income - AVTOVAZ | (369) | (352) | 17 |
| **Renault group consolidated statement of financial position** | | | |
| Investment in associates – AVTOVAZ | 249 | 239 | (10) |
| Translation adjustments | (295) | (293) | 2 |
| Reserves | (307) | (334) | (27) |
| Net income – parent company shareholders' share | (182) | (167) | 15 |
| Equity – parent company shareholders' share | (784) | (794) | (10) |

### A1 CHANGES IN THE VALUE OF RENAULT'S INVESTMENT IN AVTOVAZ AS REPORTED IN THE ASSETS IN RENAULT'S STATEMENT OF FINANCIAL POSITION

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

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

Renault's percentage interest in AVTOVAZ, through the entity Alliance Rostec Auto B.V., is therefore 37.25% as of December 31, 2015, the same as at December 31, 2014.

AVTOVAZ's Board of Directors consists of 8 members nominated for appointment by Renault and Nissan (4 members nominated by Renault, 2 nominated by Nissan and 2 nominated jointly by Renault and Nissan) and 7 members nominated by Russian Technologies. On June 27, 2013, the Chairman and CEO of Renault and President of Nissan was elected Chairman of the Board of AVTOVAZ. As of December 31, 2015, Renault occupies 4 seats on the Board (unchanged since December 31, 2014).

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

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

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

| (€ million) | SHARE IN NET ASSETS & OTHER LONG-TERM INTERESTS | GOODWILL | IMPAIRMENT | TOTAL |
|---|---|---|---|---|
| **At December 31, 2014 restated(1)** | **194** | **45** | **-** | **239** |
| Net loss 2015(2) | (395) | - | (225) | (620) |
| Translation adjustment | 28 | (5) | 34 | 57 |
| Loans and receivables included in the long-term net investment(3) | 415 | - | - | 415 |
| **At December 31, 2015(4)** | **242** | **40** | **(191)** | **91** |

*(1) The closing figures in roubles at December 31, 2014 were converted into euros using the exchange rate of December 31, 2014, i.e. 72.337 RUB = 1 EUR. As the AVTOVAZ accounts are now included in the Group's financial statements without any three-month time lag, the December 31, 2014 figures previously published for AVTOVAZ have been restated so that the 2015 financial year covers the dates January 1st – December 31st. The impacts of this change of accounting policies are presented in the introduction to this note.*

*(2) The share in net income of AVTOVAZ has been calculated by applying a 37.25% interest to the net income of 2015.*

*(3) The loans by Renault in 2012 and 2013, with book value of €100 million at December 31, 2015, do not benefit from any specific guarantee. Renault also has trade receivables amounting to €315 million at December 31, 2015 (€38 million of receivables in Euros, and €277 million in roubles, or 22,370 million roubles). In view of AVTOVAZ's financial position, Renault has decided to leave the corresponding funds at the disposal of AVTOVAZ for an indeterminate period, and intends to use them in a future capital restructuring of the AVTOVAZ Group. Settlement of these financial assets is therefore neither planned nor likely to occur, and as a result they are considered substantially as an extension of the net investment in the AVTOVAZ group, in compliance with IAS 28, Investments in associates and joint ventures, and thus reclassified as investments accounted for under the equity method.*

*(4) The closing figures in roubles at December 31, 2015 were converted using the exchange rate of December 31, 2015, i.e. 80.6736 RUB = 1 EUR. Negative accumulated translation adjustments amount to (€235) million. They would be transferred to net income notably in the event of a future takeover.*

## A2 CHANGES IN AVOTVAZ AND ALLIANCE ROSTEC AUTO B.V. SHAREHOLDERS' EQUITY RESTATED FOR THE PURPOSES OF THE RENAULT CONSOLIDATION

| (€ million) | JANUARY 1, 2015 RESTATED(1) | NET LOSS FOR 2015 | TRANSLATION ADJUSTMENT AND OTHER CHANGES | DECEMBER 31, 2015(2) |
|---|---|---|---|---|
| Shareholders' equity of AVTOVAZ – parent company shareholders' share | 477 | (1,037) | 74 | (486) |
| Restatements for Renault group requirements(3) | 44 | (24) | 1 | 21 |
| **Net assets of AVTOVAZ restated for Renault group requirements** | **521** | **(1,061)** | **75** | **(465)** |
| Share in AVTOVAZ held by Alliance Auto Rostec B.V. (74.51%) | 388 | (791) | 56 | (347) |
| Restated net assets of Alliance Auto Rostec | 388 | (791) | 56 | (347) |

| | | | | |
|---|---|---|---|---|
| B.V. | | | | |
| **Share in Alliance Rostec Auto B.V. held by Renault** | | | | |
| Renault's percentage interest | 50% -1 share | | | 50% -1 share |
| Renault's share | 194 | (395) | 28 | (173) |
| **Goodwill on acquisitions of shares in AVTOVAZ and Alliance Rostec Auto B.V.** | **45** | **-** | **(5)** | **40** |
| Impairment loss on AVTOVAZ shares | - | (225) | 34 | (191) |
| Reclassification of loans and receivables as investments accounted for under the equity method(4) | - | - | 415 | 415 |
| **RENAULT'S SHARE IN THE NET ASSETS OF AVTOVAZ AND GOODWILL** | **239** | **(620)** | **472** | **91** |

*(1) As the AVTOVAZ accounts are now included in the Group's financial statements without any three-month time lag, the January 1, 2015 figures previously published for AVTOVAZ have been restated so that the 2015 financial year covers the dates January 1st – December 31st. The impacts of this change of accounting policies are presented in the introduction to this note.*

*(2) The closing figures in roubles at December 31, 2015 were converted using the exchange rate of December 31, 2015, i.e. 80.6736 RUB = 1 EUR.*

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

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

## A3 AVTOVAZ FINANCIAL INFORMATION UNDER IFRS

AVTOVAZ's published financial information under IFRS for 2015 and 2014 (year ended December 31st), is summarized below:

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | (in millions of roubles) | (€ million)(1) | (in millions of roubles) | (€ million)(2) |
| Revenues | 176,482 | 2,595 | 191,728 | 3,759 |
| **Operating margin** | **(24,828)** | **(365)** | **(10,040)** | **(197)** |
| Other operating income and expenses | (41,990) | (618) | (4,686) | (92) |
| **Operating income (loss)** | **(66,818)** | **(983)** | **(14,726)** | **(289)** |
| **Net income** | (73,851) | (1,086) | (25,050) | (491) |
| Parent company shareholders' share | (73,940) | (1,087) | (25,111) | (492) |
| Non-controlling interests' share | 89 | 1 | 61 | 1 |
| **Other components of comprehensive income** | 203 | 3 | 211 | 4 |
| Parent company shareholders' share | 203 | 3 | 211 | 4 |
| Non-controlling interests' share | - | - | - | - |
| **Comprehensive income** | (73,648) | (1,083) | (24,839) | (487) |
| Parent company shareholders' share | (73,754) | (1,085) | (24,900) | (488) |
| Non-controlling interests' share | 106 | 2 | 61 | 1 |
| Dividends received from AVTOVAZ | - | - | - | - |

| | DECEMBER 31, 2015 | | DECEMBER 31, 2014 | |
|---|---|---|---|---|
| | (in millions of roubles) | (€ million)(1) | (in millions of roubles) | (€ million)(2) |
| Non-current assets | 87,744 | 1,088 | 109,667 | 1,516 |
| Cash & cash equivalents | 4,987 | 62 | 8,798 | 122 |
| Other current assets (including assets held for sale) | 42,542 | 527 | 46,231 | 639 |
| **TOTAL ASSETS** | **135,273** | **1,677** | **164,696** | **2,277** |
| Shareholders' equity | | | | |
| Parent company shareholders' share | (39,202) | (486) | 34,552 | 477 |
| Non-controlling interests' share | 475 | 6 | 369 | 5 |
| Non-current financial liabilities | 48,893 | 606 | 29,116 | 402 |
| Other non-current liabilities | 9,798 | 121 | 9,033 | 125 |
| Current financial liabilities(3) | 44,864 | 556 | 39,482 | 546 |
| Other current liabilities (including liabilities related to assets held for sale) | 70,445 | 874 | 52,144 | 722 |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **135,273** | **1,677** | **164,696** | **2,277** |

| | DECEMBER 31, 2015 | | DECEMBER 31, 2014 | |
|---|---|---|---|---|
| | (in millions of roubles) | (€ million)(1) | (in millions of roubles) | (€ million)(2) |
| Cash flows from operating activities | (1,846) | (27) | 10,716 | 210 |
| Cash flows from investing activities | (26,084) | (384) | (19,410) | (380) |
| *Including: acquisitions/ disposals of property, plant and equipment, and intangibles* | (25,426) | (374) | (18,528) | (363) |

| | | | | |
|---|---|---|---|---|
| Cash flows from financing activities and translation adjustment | 24,119 | 355 | 14,108 | 276 |
| **Increase (decrease) in cash and cash equivalents** | **(3,811)** | **(56)** | **5,414** | **106** |

*(1) Converted at the average exchange rate for January to December 2015, i.e. 68.005 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2015, i.e. 80.6736 RUB = 1 EUR for balance sheet items. The AVTOVAZ income statement used for equity method accounting of the AVTOVAZ group in the Renault group's financial statements is converted at the average exchange rate for each quarter, applied to the income statements for the corresponding quarters.*

*(2) Converted at the average exchange rate for 2014 i.e 51.0112 RUB = 1 EUR for income statement items and the exchange rate at December 31, 2014 i.e. 72.337 RUB = 1 EUR for balance sheet items.*

*(3) Including 24,394 million roubles at December 31, 2015 of long-term financial debts reclassified as short-term debts due to non-compliance with the associated covenants (22,347 million roubles at December 31, 2014).*

## A4 IMPAIRMENT TEST OF THE INVESTMENT IN AVTOVAZ

Following the impairment test carried out on December 31, 2015, it was determined that the recoverable value at that date of the Group's investment in AVTOVAZ, a listed company held through the joint venture Alliance Rostec Auto B.V., corresponded to its fair value indicated by its stock market price. This is a level 1 fair value (unadjusted stock market value). In accordance with IAS 28, Investments in associates and joint ventures, and IAS 36, Impairment, the Group took the higher of the fair value net of selling costs, and value in use, which was substantially affected in the second half of 2015 by the lower forecasts of net income (loss) and cash flows in future years.

## A5 VALUATION OF RENAULT'S INVESTMENT IN AVTOVAZ AT STOCK MARKET PRICES

Based on AVTOVAZ's stock market share price at December 31, 2015, Renault's 37.25% investment in AVTOVAZ is valued at €91 million or 7,315 million roubles converted at the year-end rate of 80.6736 RUB = 1 EUR (€90 million for 37.25% of the capital at December 31, 2014).
At December 31, 2015, the stock market value is equal to AVTOVAZ's value in the assets of Renault's financial position (it was 64% lower at December 31, 2014).

## A6 OPERATIONS BETWEEN THE RENAULT GROUP AND THE AVTOVAZ GROUP

The Renault group continued to provide technical assistance to AVTOVAZ for several vehicle, engine and gearbox projects implemented by the Renault-Nissan Alliance and AVTOVAZ, and for assembly of the B0 platform shared by AVTOVAZ, Renault and Nissan. Consulting services are also provided by Renault in areas such as purchasing, quality and IT. In 2015, the Renault group invoiced €45 million to AVTOVAZ for this technical assistance (€56 million in 2014).
Following the start of vehicle production on the B0 platform, Renault supplied AVTOVAZ with parts required for assembly for a total amount of €426 million in 2015 (€529 million in 2014).
Production of Renault vehicles began on this platform in March 2014. AVTOVAZ delivered vehicles worth a total of €356 million to Renault in 2015 (€360 million in 2014).
Renault's investment in the B0 platform is recorded in property, plant and equipment for an amount of €150 million in 2015 (12,086 million roubles), including €58 million for production of a new engine (€161 million or 11,616 million roubles at December 31, 2014).
The amount of Renault's trade receivables on AVTOVAZ at December 31, 2015 is €315 million. As stated in notes 13-A1 and 13-A2, these receivables are now considered as an extension of the net investment in AVTOVAZ, and this amount has therefore been reclassified as investments accounted for under the equity method at December 31, 2015.
The total amount of loans by the Group to AVTOVAZ is €100 million at December 31, 2015 (€111 million at December 31, 2014). These loans are now considered as an extension of the net investment in AVTOVAZ, and have therefore been reclassified as investments accounted for under the equity method at December 31, 2015.

## B – ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD, OTHER THAN NISSAN AND AVTOVAZ

### B1 INFORMATION ON OTHER ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

| NAME | COUNTRY OF LOCATION | MAIN ACTIVITY | PERCENTAGE OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP | |
|---|---|---|---|---|
| | | | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
| **Entities under significant influence** | | | | |
| **Automotive** | | | | |
| Boone Comenor | France | Metal trading | 33 | 33 |
| Motorlu Araclar Imal ve Satis A.S (MAIS) | Turkey | Automotive sales | 49 | 49 |
| Renault-Nissan Automotive India Private Limited (RNAIPL) | India | Vehicle manufacturing | 30 | 30 |
| Renault South Africa | South Africa | Automotive import | 40 | 40 |
| **Sales financing** | | | | |
| RN Bank | Russia | Automotive sales financing | 30 | 30 |
| BARN B.V. | Netherlands | Holding company | 30 | 30 |
| Nissan Renault Financial Services India Private Limited | India | Automotive sales financing | 30* | - |
| **Joint ventures** | | | | |
| ***Automotive*** | | | | |
| Renault Algérie Production | Algeria | Vehicle manufacturing | 49 | 49 |
| Dongfeng Renault Automotive Company | China | Automaker | 50 | 50 |
| Indra Investissements | France | Dismantling of end-of-life vehicles | 50 | 50 |
| ***Sales financing*** | | | | |
| Renault Credit Car | Belgium | Automotive sales financing | 50 | 50 |
| RN SF B.V. | Netherlands | Holding company | 50 | 50 |
| Orfin Finansman Anonim Sirketi | Turkey | Automotive sales financing | 50 | 50 |

* *First consolidated in 2015.*

### B2 CUMULATIVE FINANCIAL INFORMATION ON ASSOCIATES ACCOUNTED FOR UNDER THE EQUITY METHOD

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Investments in associates | 373 | 339 |
| Share in income (loss) of associates | 9 | (25) |
| Share of associates in other components of comprehensive income | 3 | (14) |
| Share of associates in comprehensive income | 12 | (39) |

### B3 CUMULATIVE FINANCIAL INFORMATION ON JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|

| | | |
|---|---|---|
| Investments in joint ventures | 321 | 298 |
| Share in income (loss) of joint ventures | 6 | 10 |
| Share of joint ventures in other components of comprehensive income | 17 | 23 |
| Share of joint ventures in comprehensive income | 23 | 33 |

Note 14

**Inventories**

| | DECEMBER 31, 2015 | | | DECEMBER 31, 2014 | | |
|---|---|---|---|---|---|---|
| (€ million) | GROSS VALUE | IMPAIRMENT | NET VALUE | GROSS VALUE | IMPAIRMENT | NET VALUE |
| Raw materials and supplies | 1,254 | (227) | 1,027 | 1,028 | (207) | 821 |
| Work in progress | 234 | (1) | 233 | 171 | (1) | 170 |
| Used vehicles | 1,090 | (95) | 995 | 912 | (79) | 833 |
| Finished products and spare parts | 2,026 | (153) | 1,873 | 1,696 | (129) | 1,567 |
| **TOTAL** | **4,604** | **(476)** | **4,128** | **3,807** | **(416)** | **3,391** |

Note 15

**Sales financing receivables**

**A – SALES FINANCING RECEIVABLES BY NATURE**

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Dealership receivables | 7,627 | 7,489 |
| Financing for end-customers | 16,723 | 14,478 |
| Leasing and similar operations | 4,915 | 4,458 |
| **Gross value** | **29,265** | **26,425** |
| Impairment | (660) | (692) |
| **Net value** | **28,605** | **25,733** |

Details of fair value are given in note 24-A.

**B – ASSIGNMENTS AND ASSETS PLEDGED AS GUARANTEES FOR MANAGEMENT OF THE LIQUIDITY RESERVE**

**B1 ASSIGNMENTS OF SALES FINANCING ASSETS**

| | DECEMBER 31, 2015 | | DECEMBER 31, 2014 | |
|---|---|---|---|---|
| (€ million) | BALANCE SHEET VALUE | FAIR VALUE | BALANCE SHEET VALUE | FAIR VALUE |
| Assigned receivables carried in the balance sheet | 8,835 | 8,793 | 7,724 | 7,901 |
| Associated liabilities | 2,776 | 2,793 | 3,635 | 3,670 |

The Sales Financing segment has undertaken several public securitization operations and several conduit financing operations (in Germany, Brazil, France, Italy and the United Kingdom) involving loans to final customers and receivables on the dealership network. Both types of operation are conducted through special purpose vehicles. Some public operations were subscribed by RCI Banque, which makes it possible to have securities eligible as collateral for the European Central Bank.
The receivables assigned though such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, recognized in other debts represented by a certificate.
The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

### B2 ASSETS PLEDGED AS GUARANTEES FOR MANAGEMENT OF THE LIQUIDITY RESERVE

For management of its liquidity reserve, Sales financing 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 €4,655 million at December 31, 2015 (€2,850 million at December 31, 2014). These guarantees comprise €4,028 million in the form of shares in securitization vehicles and €627 million in sales financing receivables (€2,452 million of shares in securitization vehicles and €398 million in sales financing receivables at December 31, 2014). The funding provided by the Banque de France against these guarantees amounts to €1,500 million at 31st December 2015 (€550 million at December 31, 2014). All the assets provided as guarantees to the Banque de France remain in the balance sheet.

### C – SALES FINANCING RECEIVABLES BY MATURITY

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| -1 year | 15,710 | 15,058 |
| 1 to 5 years | 12,678 | 10,546 |
| +5 years | 217 | 129 |
| **TOTAL SALES FINANCING RECEIVABLES, NET** | **28,605** | **25,733** |

### D – BREAKDOWN OF OVERDUE SALES FINANCING RECEIVABLES (GROSS VALUES)

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| **Receivables for which impairment has been recognized*: overdue by** | **386** | **424** |
| *0 to 90 days* | *32* | *39* |
| *90 to 180 days* | *44* | *44* |
| *More than 180 days* | *310* | *341* |
| **Receivables for which no impairment has been recognized: overdue by** | **202** | **169** |
| *0 to 90 days* | *202* | *169* |
| *More than 90 days* | - | - |

* *This only includes sales financing receivables partly or totally written off through impairment on an individual basis.*

The maximum exposure to credit risk for the sales financing activity is represented by the net book value of sales financing receivables plus the amount of financing commitments for customers reported under irrevocable off-balance sheet commitments given (note 28-A).
This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €523 million at December 31, 2015 (€469 million at December 31, 2014).
There is no indication at the year-end that the quality of Sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base.

### E – CHANGES IN IMPAIRMENT OF SALES FINANCING RECEIVABLES

| (€ million) | |
|---|---|
| **Impairment at December 31, 2014** | **(692)** |
| Impairment recorded during the year | (341) |
| Reversals for use of impairment | 235 |

| | |
|---|---|
| Reversals of unused residual amounts | 126 |
| Translation adjustment and other | 12 |
| **Impairment at December 31, 2015** | **(660)** |

Net credit losses amounted to €90 million in 2015 (€99 million in 2014).

Note 16

**Automotive receivables**

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Gross value | 2,009 | 2,007 |
| Impairment | (747)* | (765)* |
| **AUTOMOTIVE RECEIVABLES, NET** | **1,262** | **1,242** |

* *Including (€701) million related to Iran at December 31, 2015 and (€724) million at December 31, 2014 (note 6-C).*

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

When substantially all the risks and benefits are not transferred, although from a legal standpoint receivables have been assigned to Group sales financing companies or other non-Group entities, they remain in Automotive receivables and a corresponding financial liability is recorded (in other interest-bearing borrowings). The amount of assigned Automotive receivables that remain in the balance sheet because the Group retains the credit risk or risk of late settlement is not significant at December 31, 2015.

There is no significant concentration of risks within the Automotive customer base, and no single non-Group customer accounts for more than 10% of the Group's total Automotive sales revenues.

Details of fair value are given in note 24-A.

Note 17

**Other current and non-current assets**

| | DECEMBER 31, 2015 | | | DECEMBER 31, 2014 | | |
|---|---|---|---|---|---|---|
| (€ million) | NON-CURRENT | CURRENT | TOTAL | NON-CURRENT | CURRENT | TOTAL |
| Prepaid expenses | 143 | 263 | 406 | 134 | 266 | 400 |
| Tax receivables (excluding current taxes due) | 400 | 1,284 | 1,684 | 410 | 1,008 | 1,418 |
| Current taxes due* | - | 62 | 62 | - | 38 | 38 |
| Other receivables | 543 | 1,107 | 1,650 | 538 | 1,031 | 1,569 |
| Investments in controlled unconsolidated entities | 45 | - | 45 | 70 | - | 70 |
| Derivatives on operating transactions of the Automotive segment | - | 39 | 39 | - | 4 | 4 |
| Derivatives on financing transactions of the Sales Financing segment | - | 375 | 375 | - | 298 | 298 |
| **TOTAL** | **1,131** | **3,130** | **4,261** | **1,152** | **2,645** | **3,797** |
| *Gross value* | 1,221 | 3,242 | 4,463 | 1,247 | 2,761 | 4,008 |
| *Impairment* | (90) | (112) | (202) | (95) | (116) | (211) |

* *Current taxes due are reported separately in the consolidated financial position (4.2.3).*

Tax receivables (excluding current taxes due) do not include French tax receivables assigned outside the Group (the “CIR” Research Tax Credit and “CICE” Competitive employment tax credit), when substantially all the risks and benefits associated with ownership of the receivables are transferred. In the case of tax receivables, assignment only gives rise derecognition if the risk of dilution is deemed to be non-existent, notably when the assigned receivables have already been subject to a tax inspection or preliminary audit.
The total amount of tax receivables assigned and derecognized at December 31, 2015 is €148 million, comprising €99 million in CIR receivables and €49 million in CICE receivables (€239 million at December 31, 2014, comprising €203 million in CIR receivables and €36 million in CICE receivables). The total amount of tax receivables assigned that remain in the balance sheet at December 31, 2015 is €32 million (€75 million at December 31, 2014).
On December 18, 2015 the Renault group announced that it had acquired a majority investment in the British company Lotus F1 Team Limited from Gravity Motorsports S.a.r.l., a subsidiary of Genii Capital.
This investment, representing 90% of the capital and 100% of the voting rights, was purchased for 1 pound sterling, and the net worth at the acquisition date under UK GAAP was estimated at around £(13) million. The company is included in investments in controlled unconsolidated entities at December 31, 2015. Consolidation of Lotus F1 Team Limited would have had a non-material impact on the Renault group’s consolidated income statement and financial position at December 31, 2015.

Note 18

## Shareholders’ equity

### A – SHARE CAPITAL

The total number of ordinary shares issued and fully paid-up at December 31, 2015 is 295,722 thousand, with par value of €3.81 per share (unchanged compared to December 31, 2014).
Treasury shares do not bear dividends. They account for 1.21% of Renault’s share capital at December 31, 2015 (0.86% at December 31, 2014).
The Nissan group holds 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd (no voting rights are attached to these shares).

### B – CAPITAL MANAGEMENT

In managing its capital, the Group’s objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost.
The Group actively manages its capital structure, making adjustments in view of developments in economic conditions. The Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares.
The Group’s objectives are monitored in different ways in the different operating segments.
The Group manages the Automotive segment’s capital by reference to a ratio equal to the segment’s net indebtedness divided by the amount of shareholders’ equity. Net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment’s loans. Shareholders’ equity is as reported in the Group’s financial position. The Automotive segment presents a net liquidity position at December 31, 2015 and December 31, 2014 (note 4.2.6.1-A4).
The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders’ equity including subordinated loans to total weighted risks) is 8%. RCI Banque’s Core Tier 1 solvency ratio (excluding the Basel I floor effect) is 15.64% at December 31, 2015 (14.90% at December 31, 2014).
The Group also partially hedges its investment in Nissan (note 12-G).

### C – RENAULT TREASURY SHARES

In accordance with decisions approved at General Shareholders’ Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock option and performance share plans awarded to Group managers and executives.

| | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Total value of treasury shares (€ million) | 227 | 134 |
| Total number of treasury shares | 3,573,737 | 2,555,993 |

## D – DISTRIBUTIONS

At the General and Extraordinary Shareholders' Meeting of April 30, 2015, it was decided to distribute a dividend of €1.90 per share representing a total amount of €555 million (€1.72 per share or a total of €503 million in 2014). This dividend was paid during May.

## E – TRANSLATION ADJUSTMENT

The change in translation adjustment over the year is analysed as follows:

| (€ million) | **2015** | **2014** |
|---|---|---|
| Change in translation adjustment on the value of the investment in Nissan | 1,383 | 619 |
| Impact, net of tax, of partial hedging of the investment in Nissan (note 12-G) | (18) | 63 |
| **Total change in translation adjustment related to Nissan** | **1,365** | **682** |
| Other changes in translation adjustment | (220) | (271) |
| **TOTAL CHANGE IN TRANSLATION ADJUSTMENT** | **1,145** | **411** |

In 2015 and 2014, other changes in the translation adjustment mostly resulted from movements in the Russian rouble and the Korean won.

## F – FINANCIAL INSTRUMENT REVALUATION RESERVE

### F1 CHANGE IN THE FINANCIAL INSTRUMENT REVALUATION RESERVE

The figures below are reported net of tax effects:

| (€ million) | **CASH FLOW HEDGES** | **AVAILABLE-FOR-SALE FINANCIAL ASSETS** | **TOTAL** |
|---|---|---|---|
| **At December 31, 2014(1)** | **(59)** | **762(2)** | **703** |
| Changes in fair value recorded in shareholders' equity | 14 | 177 | 191 |
| Transfer from shareholders' equity to profit and loss(3) | 8 | (12) | (4) |
| **At December 31, 2015(1)** | **(37)** | **927(2)** | **890** |

*(1) For the schedule of amounts related to cash flow hedges transferred from shareholders' equity to profit and loss, see note F(3) below.*

*(2) The revaluation reserve partly relates to Daimler shares (note 22-A).*

*(3) For a breakdown of the amounts related to cash flow hedges transferred from shareholders' equity to profit and loss, see note F(2) below.*

### F2 BREAKDOWN OF THE AMOUNTS RELATED TO CASH FLOW HEDGES TRANSFERRED FROM THE FINANCIAL INSTRUMENT REVALUATION RESERVE TO THE INCOME STATEMENT

| (€ million) | **2015** | **2014** |
|---|---|---|
| Operating margin | 16 | 3 |
| Other operating income and expenses | - | - |
| Net financial income (expense) | - | - |
| Share in net income of associates and joint ventures | - | 8 |
| Current and deferred taxes | (8) | - |
| **TOTAL TRANSFERRED TO THE INCOME STATEMENT** | **8** | **11** |

**FOR CASH FLOW HEDGES**

## F3 SCHEDULE OF AMOUNTS RELATED TO CASH FLOW HEDGES TRANSFERRED FROM THE FINANCIAL INSTRUMENTS REVALUATION RESERVE TO THE INCOME STATEMENT

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Within one year | (9) | (1) |
| After one year | 7 | (32) |
| ***Revaluation reserve for cash flow hedges excluding associates and joint ventures*** | ***(2)*** | ***(33)*** |
| Revaluation reserve for cash flow hedges – associates and joint ventures | (35) | (26) |
| **TOTAL REVALUATION RESERVE FOR CASH FLOW HEDGES** | **(37)** | **(59)** |

This schedule is based on the contractual maturities of hedged cash flows.

## G – STOCK OPTION AND PERFORMANCE SHARE PLANS AND OTHER SHARE-BASED PAYMENTS

The Board of Directors periodically awards performance shares to Group executives and managers, with prices and exercise periods specific to each plan. Until 2012, it also periodically granted stock options, each with their own vesting and required holding periods. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries. Loss of the benefit of stock options or performance shares follows the applicable regulations: all options and rights are forfeited in the event of resignation or termination, and a decision is made for each individual case when an employee leaves at the company’s instigation.
The Board of Directors also decided that some of the Chairman and CEO’s variable remuneration for a given year would be converted into shares that will vest subject to conditions of performance and continued employment at Renault. The first application is for the variable remuneration based on 2013 results.

## G1 CHANGES IN THE NUMBER OF STOCK OPTIONS AND SHARE RIGHTS HELD BY PERSONNEL

| | STOCK OPTIONS | | | |
|---|---|---|---|---|
| | QUANTITY | WEIGHTED AVERAGE EXERCISE PRICE (€) | WEIGHTED AVERAGE SHARE PRICE AT GRANT AND EXERCISE DATES (€) | SHARE RIGHTS |
| **Options outstanding and rights not yet vested at January 1, 2015** | **1,024,830** | **37** | **-** | **1,504,362** |
| Granted | - | - | - | 1,450,625 |
| Options exercised or vested rights | (308,038)(1) | - | 49(2) | (115,095)(3) |
| Options and rights expired and other adjustments | - | - | N/A | (8,642) |
| **Options outstanding and rights not yet vested at December 31, 2015** | **716,792** | **37** | **-** | **2,831,250** |

*(1) Stock options exercised in 2015 were granted under plans 18 and 19 in 2011.*
*(2) Price at which the shares were acquired by the Group to cover future options.*
*(3) Performance shares vested were awarded under plans 18 bis and 19 bis in 2011.*

## G2 STOCK OPTIONS

For plans current in 2015, options attributed vest after a period of 4 years, and the exercise period then covers the 4 following years:

| PLAN | TYPE OF PLAN | GRANT DATE | EXERCISE PRICE (€) | OUTSTANDING AT DECEMBER 31, 2015 | EXERCISE PERIOD |
|---|---|---|---|---|---|
| Plan 18 | Stock purchase options | April 29, 2011 | 38.80 | 183,574 | April 30, 2015 – April 28, 2019 |
| Plan 19 | Stock purchase options | December 8, 2011 | 26.87 | 137,000 | December 9, 2015 – December 7, 2019 |
| Plan 20 | Stock purchase options | December 13, 2012 | 37.43 | 396,218 | December 13, 2016 – December 12, 2020 |
| **TOTAL** | | | | **716,792** | |

## G3 PERFORMANCE SHARE PLANS AND OTHER SHARE-BASED PAYMENTS AGREEMENTS

Vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for performance shares awarded to French tax residents is 3 years followed by a minimum holding period of 2 years.

For non-French tax residents, the vesting period is 4 years and there is no minimum holding period.

| PLAN | TYPE OF PLAN | GRANT DATE | SHARE RIGHTS AWARDED AT DECEMBER 31, 2015 | VESTING DATE | HOLDING PERIOD |
|---|---|---|---|---|---|
| Plan 18 bis | Performance shares | April 29, 2011 | - | April 30, 2015(1) | None |
| Plan 19 bis | Performance shares | December 8, 2011 | - | December 8, 2015(1) | None |
| Plan 20 bis | Performance shares | December 13, 2012 | 74,966 | December 13, 2016 | None |
| Plan 21(2) | Performance shares | February 12, 2014 | 976,485<br>332,559 | February 12, 2017<br>February 12, 2018 | February 12, 2017 – February 12, 2019<br>None |
| Plan 22(2) | Performance shares | February 11, 2015 | 1,050,265<br>396,975 | February 11, 2018<br>February 11, 2019 | February 11, 2018 – February 11, 2020<br>None |
| **TOTAL** | | | **2,831,250** | | |

*(1) The performance shares concerned by these plans were issued to beneficiaries in 2015.*

*(2) These figures include shares awarded as part of the Chairman and CEO's performance-related remuneration.*

## H – SHARE-BASED PAYMENTS

Share-based payments exclusively concern stock options and performance shares awarded to personnel and shares awarded as part of the Chairman and CEO's performance-related remuneration.

The plans have been valued by the methods described in the accounting policies (note 2-R). The main details are as follows:

| PLAN | INITIAL | UNIT EXPENSE | EXPENSE | SHARE | VOLATILITY | INTEREST | EXERCISE | DURATION | DIVIDEND |
|---|---|---|---|---|---|---|---|---|---|

| | VALUE (thousands of €) | FAIR VALUE | FOR 2015 (€ million) | FOR 2014 (€ million) | PRICE AT GRANT DATE (€) | | RATE | PRICE (€) | OF OPTION | PER SHARE (€) |
|---|---|---|---|---|---|---|---|---|---|---|
| Plan 18 | 3,422 | 9.31 | (1) | (1) | 36.70 | 37.28% | 2.28% | 38.80 | 4-8 years | 0.30 – 1.16 |
| Plan 18 bis | 28,711 | 31.04 | - | (6) | 36.70 | N/A | 2.28% | N/A | 3-5 years | 0.30 – 1.16 |
| Plan 19 | 1,608 | 5.36 | - | - | 27.50 | 42.24% | 1.99% | 26.87 | 4-8 years | 1.19 – 1.72 |
| Plan 19 bis | 15,966 | 26.18 | - | (1) | 34.18 | N/A | 1.68% | N/A | 2-4 years | 1.17 – 1.73 |
| Plan 20 | 2,708 | 6.87 | (1) | (1) | 40.39 | 35% | 0.71% | 37.43 | 4-8 years | 1.57 – 2.19 |
| Plan 20 bis | 21,767 | 36.38 | (1) | (10) | 43.15 | N/A | 0.87% | N/A | 2-4 years | 1.57 – 1.97 |
| | 38,702 | 53.63 | (16) | (10) | 65.76 | N/A | 0.20% | N/A | 3-5 years | 1.72 – 1.97 |
| Plan 21* | 13,653 | 55.03 | (4) | (3) | 65.61 | N/A | 0.19% | N/A | 4 years | 1.72 – 1.97 |
| | 51,509 | 66.51 | (15) | - | 78.75 | N/A | -0.10% | N/A | 3-5 years | 1.90 – 2.22 |
| Plan 22* | 19,138 | 65.19 | (4) | - | 76.58 | N/A | -0.03% | N/A | 4 years | 1.90 – 2.22 |
| **TOTAL** | | | **(42)** | **(32)** | | | | | | |

* *For these plans, free shares were awarded at different dates within the stated period. The figures also include shares awarded as part of the Chairman and CEO's performance-related remuneration. The information reported may correspond to weighted averages based on quantities awarded per grant date.*

## I – SHARE OF NON-CONTROLLING INTERESTS

| ENTITY | COUNTRY OF LOCATION | PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS DECEMBER 31, 2015 | DECEMBER 31, 2014 | NET INCOME – NON-CONTROLLING INTERESTS' SHARE (€ million) 2015 | 2014 | SHAREHOLDERS' EQUITY – NON-CONTROLLING INTERESTS' SHARE (€ million) DECEMBER 31, 2015 | DECEMBER 31, 2014 | DIVIDENDS PAID TO NON-CONTROLLING INTERESTS (MINORITY SHAREHOLDERS) (€ million) 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| **Automotive** | | | | | | | | | |
| Renault Samsung Motors | Korea | 20% | 20% | 41 | 35 | 179 | 149 | (13) | - |
| Oyak Renault Otomobil Fabrikalari | Turkey | 49% | 49% | 55 | 32 | 253 | 229 | (32) | (32) |
| Other | N/A | N/A | N/A | 6 | 5 | 37 | 30 | (1) | (3) |
| **TOTAL AUTOMOTIVE** | | **-** | **-** | **102** | **72** | **469** | **408** | **(46)** | **(35)** |
| **Sales financing** | | | | | | | | | |
| Companhia de Arrendamento Mercantil RCI do Brasil* | Brazil | 40% | 40% | 10 | 11 | - | - | - | - |
| Companhia de Credito, Financiamento e Investimento RCI do Brasil* | Brazil | 40% | 40% | 12 | 15 | - | - | (16) | (13) |
| Rombo Compania Financiera* | Argentina | 40% | 40% | 10 | 8 | - | - | - | - |
| Other | N/A | N/A | N/A | 3 | 2 | 13 | 14 | (3) | (4) |
| **TOTAL – SALES FINANCING** | | **-** | **-** | **35** | **36** | **13** | **14** | **(19)** | **(17)** |
| **TOTAL** | | **-** | **-** | **137** | **108** | **482** | **422** | **(65)** | **(52)** |

* *The Group has granted minority shareholders in these companies put options to sell their investments. A liability corresponding to these put options is*

*included in other liabilities, amounting to €143 million for the two Brazilian subsidiaries and €29 million for the Argentinian subsidiary at December 31, 2015 (€175 million and €28 million respectively at December 31, 2014). A corresponding charge is made to shareholders'equity, allocated in priority to the non-controlling interests' share with any residual amount allocated to the parent-company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.*

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other group parties, and comply with other ratios.

## J – JOINT OPERATIONS

| ENTITY | COUNTRY OF LOCATION | MAIN ACTIVITY | PERCENTAGE OF OWNERSHIP HELD BY THE GROUP DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|---|---|
| **Automotive** | | | | |
| Renault-Nissan Technology and Business Centre India Private Limited (RNTBCI)* | India | Shared service centre | 67 | 67 |

* *The Group holds 50% of voting rights in the Indian company RNTBCI.*

Note 19

**Provisions for pensions and other long-term employee benefit obligations**

**A – PENSION AND BENEFIT PLANS**

Pensions and other long-term employee benefit obligations essentially concern active employees. These benefits are covered either by defined-contribution plans or defined-benefit plans.

**DEFINED-CONTRIBUTION PLANS**

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans was €588 million in 2015 (€566 million in 2014).

**DEFINED-BENEFIT PLANS**

The accounting treatment of defined-benefit plans is described in note 2-S, and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France, Turkey…;
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (e.g. United Kingdom, Germany, France, Netherlands, Switzerland…);
- other long-term benefits, chiefly long-service awards, flexible holiday entitlements, and additional career-end leave in France.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund it may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

In Korea, due to a coming change in pension regulations, the defined-benefit retirement indemnity plan has been converted to a defined-contribution plan and outsourced for external management. This change and payment of the corresponding amounts took place in late 2015, and concerns approximately 4,070 people.

**PRINCIPAL DEFINED-BENEFIT PLANS OF THE GROUP**

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the company's employment at the time of retirement. Retirement benefit obligations for France are entirely covered by provisions, and account for most of the Group's liabilities for retirement indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive subsidiaries, the other RCI Financial Services Ltd. This plan has been closed to new beneficiaries since 2004, and concerns approximately 1,850 people.

This pension fund (a trust) is a legal entity in its own right. It is administered by a board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, a rise in inflation, etc).

The fund compartment dedicated to the Automotive segment is underfunded and the Group has made a commitment to cover the shortfall by 2022 through payments amounting to £3 million maximum per year. The deficit is valued at £32 million at April 5, 2015 (£18 million at September 30, 2014).

## B – MAIN ACTUARIAL ASSUMPTIONS USED TO CALCULATE PROVISIONS AND OTHER DATA FOR THE MOST SIGNIFICANT PLANS

| | DECEMBER 31, 2015 | |
|---|---|---|
| **MAIN ACTUARIAL ASSUMPTIONS AND ACTUAL DATA FOR THE GROUP'S RETIREMENT INDEMNITIES IN FRANCE** | **RENAULT S.A.S.** | **OTHERS** |
| Retirement age | 60 to 65 years | 52 to 67 years |
| Discount rate* | 1.91% | 1.15% to 2.24% |
| Salary increase rate | 2.70% | 1.00% to 3.00% |
| Duration of plan | 13 years | 9 to 20 years |
| Gross obligation | €1,044 million | €156 million |

* *The rates used to value the Group's obligations in France vary between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters.*

| | DECEMBER 31, 2015 | |
|---|---|---|
| **MAIN ACTUARIAL ASSUMPTIONS AND ACTUAL DATA FOR THE GROUP'S SUPPLEMENTARY PENSIONS IN THE UK** | **AUTOMOTIVE** | **SALES FINANCING** |
| Financial discount rate* | 3.90% | 3.95% |
| Salary increase rate | 2.00% | 3.05% |
| Duration of plan | 20 years | 24 years |
| Actual return on fund assets | 1.00% | 0.40% |
| Gross obligation | €298 million | €27 million |
| Fair value of assets invested via pension funds | €280 million | €25 million |

* *The discount rate was determined on the basis of the Mercer Yield Curve.*

## C – NET EXPENSE FOR THE YEAR

| (€ million) | **2015** | **2014** |
|---|---|---|
| Current service cost | 105 | 100 |
| Past service cost and (gain)/loss on settlement | (12) | 8 |
| Net interest on the net liability (asset) | 34 | 45 |
| Effects of workforce adjustment measures | (1) | - |
| **Net expense (income) for the year recorded in the income statement** | **126** | **153** |

## D – DETAIL OF BALANCE SHEET PROVISION

### D1 BREAKDOWN OF THE BALANCE SHEET PROVISION

| (€ million) | DECEMBER 31, 2015<br>PRESENT VALUE OF THE OBLIGATION | FAIR VALUE OF FUND ASSETS | NET DEFINED-BENEFIT LIABILITY (ASSET) |
|---|---|---|---|
| **Retirement and termination indemnities** | | | |
| France | 1,200 | - | 1,200 |
| Europe (excluding France) | 15 | - | 15 |
| Americas | 2 | - | 2 |
| Eurasia(1) | 51 | - | 51 |
| Asia - Pacific | 2 | - | 2 |
| Africa - Middle East - India | 1 | - | 1 |
| **TOTAL RETIREMENT AND TERMINATION INDEMNITIES** | **1,271** | **-** | **1,271** |
| **Supplementary pensions** | | | |
| France | 93 | (45) | 48 |
| United Kingdom | 326 | (305) | 21 |
| Europe (excluding France and the UK)(2) | 240 | (160) | 80 |
| Asia - Pacific | 2 | - | 2 |
| Americas | 5 | - | 5 |
| **TOTAL SUPPLEMENTARY PENSIONS** | **666** | **(510)** | **156** |
| **Other long-term benefits** | | | |
| France(3) | 167 | - | 167 |
| Americas | 4 | - | 4 |
| Europe (excluding France) | 2 | - | 2 |
| **TOTAL OTHER LONG-TERM BENEFITS** | **173** | **-** | **173** |
| **TOTAL(4)** | **2,110** | **(510)** | **1,600** |

*(1) Essentially Romania and Turkey.*
*(2) Essentially Germany, the Netherlands and Switzerland.*
*(3) Flexible holiday entitlements, additional career-end leave and long-service awards.*
*(4) Total net liability due within one year: €50 million; total net liability due after one year: €1,550 million.*

### D2 SCHEDULE OF AMOUNTS RELATED TO NET DEFINED BENEFIT LIABILITY

| (€ million) | DECEMBER 31, 2015<br>-1 YEAR | 1 TO 5 YEARS | 5 TO 10 YEARS | +10 YEARS | TOTAL |
|---|---|---|---|---|---|
| Present value of obligation | 60 | 344 | 463 | 1,243 | 2,110 |
| Fair value of plan assets | (10) | (57) | (69) | (374) | (510) |
| Net defined benefit liability (asset) | 50 | 287 | 394 | 869 | 1,600 |

The weighted average duration of plans is 14 years at December 31, 2015 (13 years at December 31, 2014).

## E – CHANGES IN OBLIGATIONS, FUND ASSETS AND THE PROVISION

| (€ million) | PRESENT VALUE OF THE OBLIGATION (A) | FAIR VALUE OF FUND ASSETS (B) | NET DEFINED-BENEFIT LIABILITY (ASSET) (A)+(B) |
|---|---|---|---|
| **Balance at December 31, 2014** | **2,268** | **(518)** | **1,750** |
| Current service cost | 105 | - | 105 |
| Past service cost and gain/ loss on liquidation | (12) | - | (12) |
| Net interest on the net liability (asset) | 51 | (17) | 34 |
| Effects of workforce adjustment measures | (1) | - | (1) |
| **Net expense (income) for 2015 recorded in the income statement (note 19-C)** | **143** | **(17)** | **126** |
| Actuarial gains and losses on the obligation resulting from changes in demographic assumptions | (17) | - | (17) |
| Actuarial gains and losses on the obligation resulting from changes in financial assumptions | (48) | - | (48) |
| Actuarial gains and losses on the obligation resulting from experience effects | 8 | - | 8 |
| Net return on fund assets (not included in net interest above) | - | 7 | 7 |
| **Net expense (income) for 2015 recorded in other components of comprehensive income** | **(57)** | **7** | **(50)** |
| Employers' contributions to funds | - | (11) | (11) |
| Employees' contributions to funds | - | (3) | (3) |
| Benefits paid under the plan | (152) | 26 | (126) |
| Benefits paid upon liquidation of a plan* | (112) | 17 | (95) |
| Effect of changes in exchange rates | 31 | (25) | 6 |
| Effect of changes in scope of consolidation | (11) | 14 | 3 |
| **Balance at December 31, 2015** | **2,110** | **(510)** | **1,600** |

* *Due to a coming change in regulations, Korea has ended its defined-benefit retirement indemnity plan, which was essentially self-funded (note 19-A).*

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €615 million at December 31, 2015 (an expense of €624 million at December 31, 2014).
A 50 base point decrease in discount rates used for each plan would result in a €155 million increase in the amount of obligations at December 31, 2015 (€155 million increase at December 31, 2014).

## F – FAIR VALUE OF FUND ASSETS

Details of the assets invested via pension funds and insurance companies are as follows:

| | DECEMBER 31, 2015 | | |
|---|---|---|---|
| (€ million) | ASSETS LISTED ON ACTIVE MARKETS | UNLISTED ASSETS | TOTAL |
| **Pension funds** | | | |
| Cash and cash equivalents | 1 | - | 1 |
| Shares | 80 | - | 80 |
| Bonds | 194 | - | 194 |
| Shares in mutual funds and other | 32 | 3 | 35 |

| | | | |
|---|---|---|---|
| **TOTAL - PENSION FUNDS** | **307** | **3** | **310** |
| **Insurance companies** | | | |
| Cash and cash equivalents | 16 | 1 | 17 |
| Shares | 5 | - | 5 |
| Bonds | 143 | 19 | 162 |
| Real estate property | 12 | 2 | 14 |
| Shares in mutual funds and other | - | 2 | 2 |
| **TOTAL – INSURANCE COMPANIES** | **176** | **24** | **200** |
| **TOTAL** | **483** | **27** | **510** |

Pension fund assets mainly relate to plans located in the United Kingdom (59.8%). Insurance contracts principally concern Germany (5.0%), France (8.9%), the Netherlands (18.6%) and Switzerland (6.6%). The actual returns on plan assets in the United Kingdom are shown in note 19-B.

The weighted average actual rate of return on the Group's main funds was 1.57% in 2015 (7.82% in 2014).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2016 is approximately €13 million.

The Group's pension fund assets do not include Renault group financial instruments. Real estate investments do not include real estate properties occupied by the Group.

Note 20

**Change in provisions**

| (€ million) | RESTRUCTURING PROVISIONS | WARRANTY PROVISIONS | TAX RISKS AND LITIGATION PROVISIONS | INSURANCE ACTIVITIES(1) | OTHER PROVISIONS | TOTAL |
|---|---|---|---|---|---|---|
| **At December 31, 2014** | **491** | **807** | **425** | **233** | **372** | **2,328** |
| Increases | 117 | 446 | 86 | 95 | 78 | 822 |
| Reversals of provisions for application | (205) | (446) | (76) | (22) | (65) | (814) |
| Reversals of unused balance of provisions | (17) | (31) | (43) | - | (32) | (123) |
| Changes in scope of consolidation | - | - | - | - | - | - |
| Translation adjustments and other changes | - | (8) | (37) | - | 7 | (38) |
| **At December 31, 2015(2)** | **386** | **768** | **355** | **306** | **360** | **2,175** |

*(1) Mainly technical reserves established by the sales financing activity's insurance companies.*
*(2) Short-term portion of provisions: €997 million; long-term portion provisions: €1,178 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 set aside to cover the estimated risk. The Group was not involved in any significant new litigation in 2015.
Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in Europe (note 6-A).
At December 31, 2015, the "other provisions" item includes €16 million of provisions established in application of environmental regulations (€15 million at December 31, 2014). They include provisions to cover recycling obligations for end-of-life vehicles and used batteries (note 28-A2), and environmental compliance costs for industrial land that the Group intends to sell (particularly on the Boulogne-Billancourt site). They also include €5 million for depollution of a commercial land belonging to Renault Retail Group (€4 million at December 31, 2014).

Note 21

**Other current and non-current liabilities**

| | **DECEMBER 31, 2015** | | | **DECEMBER 31, 2014** | | |
|---|---|---|---|---|---|---|
| (€ million) | **NON-CURRENT** | **CURRENT** | **TOTAL** | **NON-CURRENT** | **CURRENT** | **TOTAL** |
| Tax liabilities (excluding current taxes due) | 56 | 954 | 1,010 | 109 | 1,015 | 1,124 |
| Current taxes due | - | 219 | 219 | - | 162 | 162 |
| Social liabilities | 21 | 1,313 | 1,334 | 19 | 1,358 | 1,377 |
| Other liabilities | 219 | 4,693 | 4,912 | 257 | 4,264 | 4,521 |
| Deferred income | 989 | 879 | 1,868 | 819 | 754 | 1,573 |
| Derivatives on operating transactions of the Automotive segment | - | 6 | 6 | - | 2 | 2 |
| **TOTAL** | **1,285** | **8,064** | **9,349** | **1,204** | **7,555** | **8,759** |

Other liabilities mainly correspond to deferred income recorded in connection with sales contracts including a buy-back commitment (€418 million at December 31, 2015 and €512 million at December 31, 2014).
The Group is subject to a greenhouse gas emission quota system in the European Union and Korea. In 2015, greenhouse gas emissions were higher than the quotas allocated in Europe and Korea, and the Group recorded a corresponding expense of €0.7 million in 2015.

Financial assets and liabilities, fair value and management of financial risks

Note 22

**Financial assets – cash and cash equivalents**

**A – CURRENT/NON-CURRENT BREAKDOWN**

| | **DECEMBER 31, 2015** | | | **DECEMBER 31, 2014** | | |
|---|---|---|---|---|---|---|
| (€ million) | **NON-CURRENT** | **CURRENT** | **TOTAL** | **NON-CURRENT** | **CURRENT** | **TOTAL** |
| Investments in non-controlled entities | 1,372 | - | 1,372 | 1,233 | - | 1,233 |
| Marketable securities and negotiable debt instruments | - | 614 | 614 | - | 785 | 785 |
| Loans | 31 | 658 | 689 | 139 | 280 | 419 |
| Derivatives on financing operations by the Automotive segment | 75 | 488 | 563 | 309 | 465 | 774 |
| **TOTAL FINANCIAL ASSETS** | **1,478** | **1,760** | **3,238** | **1,681** | **1,530** | **3,211** |
| *Gross value* | *1,479* | *1,762* | *3,241* | *1,682* | *1,535* | *3,217* |
| *Impairment* | *(1)* | *(2)* | *(3)* | *(1)* | *(5)* | *(6)* |
| Cash equivalents | - | 5,153 | 5,153 | - | 4,385 | 4,385 |
| Cash on hand and bank deposits | - | 8,980 | 8,980 | - | 8,112 | 8,112 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **-** | **14,133** | **14,133** | **-** | **12,497** | **12,497** |

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in note 25-B6.

**B – INVESTMENTS IN NON-CONTROLLED ENTITIES**

Investments in non-controlled entities include €1,276 million (€1,134 million at December 31, 2014) 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 December 31, 2015, the stock market price (€77.58 per share) was higher than the acquisition price (€35.52 per share). The corresponding increase in fair value over the year, amounting to €142 million, is recorded in other components of comprehensive income for 2015 (€99 million in 2014).

Investments in non-controlled entities also include €62 million at December 31, 2015 (€57 million at December 31, 2014) paid to the Fund for the Future of the Automobile (*Fonds Avenir Automobile* – FAA), previously named the Modernization Fund for Automotive Equipment Manufacturers (*Fonds de Modernisation des Equipementiers Automobiles* - FMEA). Under the support plan for these suppliers introduced by the French authorities and automakers, Renault has made a commitment to pay a total of €200 million as funds are called. The outstanding amount for Renault at December 31, 2015 is €71 million.

The fair value of these securities is determined by reference to the most recent net asset value reported by the FAA's management company, after adjustment for any relevant information that becomes known afterwards.

**C – CASH NOT AVAILABLE TO THE GROUP'S PARENT COMPANY**

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Limited access to the US Dollar restricted the level of international payments by Group subsidiaries located in Argentina until mid-December 2015, when a partial lifting of exchange controls was

promulgated. The cash held by these entities amounts to €167 million at December 31, 2015 (€292 million at December 31, 2014).
Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables (note 15-B1). These current bank accounts amount to €446 million at December 31, 2015 (€479 million at December 31, 2014).

Note 23

**Financial liabilities and sales financing debts**

**A – CURRENT/NON-CURRENT BREAKDOWN**

| | **DECEMBER 31, 2015** | | | **DECEMBER 31, 2014** | | |
|---|---|---|---|---|---|---|
| (€ million) | **NON-CURRENT** | **CURRENT** | **TOTAL** | **NON-CURRENT** | **CURRENT** | **TOTAL** |
| Renault SA redeemable shares | 431 | - | 431 | 350 | - | 350 |
| Bonds | 4,038 | 1,617 | 5,655 | 4,870 | 1,417 | 6,287 |
| Other debts represented by a certificate | - | 567 | 567 | - | 223 | 223 |
| Borrowings from credit institutions (at amortized cost) | 753 | 1,459 | 2,212 | 1,344 | 1,052 | 2,396 |
| Other interest-bearing borrowings | 411 | 97 | 508 | 426 | 70 | 496 |
| **Financial liabilities of the Automotive segment (excluding derivatives)** | **5,633** | **3,740** | **9,373** | **6,990** | **2,762** | **9,752** |
| Derivatives on financing operations of the Automotive segment | 62 | 403 | 465 | 282 | 454 | 736 |
| **Total financial liabilities of the Automotive segment** | **5,695** | **4,143** | **9,838** | **7,272** | **3,216** | **10,488** |
| Diac redeemable shares | 12 | - | 12 | 11 | - | 11 |
| Bonds | - | 13,025 | 13,025 | - | 11,935 | 11,935 |
| Other debts represented by a certificate | - | 4,353 | 4,353 | 254 | 4,490 | 4,744 |
| Borrowings from credit institutions | - | 2,934 | 2,934 | - | 2,660 | 2,660 |
| Other interest-bearing borrowings | - | 10,360 | 10,360 | - | 6,654 | 6,654 |
| **Total financial liabilities and debts of the Sales Financing segment (excluding derivatives)** | **12** | **30,672** | **30,684** | **265** | **25,739** | **26,004** |
| Derivatives on financing operations of the Sales Financing segment | - | 68 | 68 | - | 89 | 89 |
| **Total financial liabilities of the Sales Financing segment including derivatives** | **12** | **30,740** | **30,752** | **265** | **25,828** | **26,093** |
| **TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT** | **5,707** | **34,883** | **40,590** | **7,537** | **29,044** | **36,581** |

**REDEEMABLE SHARES**
The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The return on redeemable shares, amounting to €17 million for 2015 (€17 million for 2014), is included in interest expenses. These shares are listed on the Paris Stock Exchange. They traded for €540 at December 31, 2015 and €439 at December 31, 2014 for par value of €153, leading to a corresponding €80 million adjustment (€37 million in 2014) to the fair value of redeemable shares recorded in other financial expenses (note 7).
The return on Diac redeemable shares issued in 1985 comprises a fixed portion equal to the Annual Monetary Rate, and a variable portion calculated by multiplying an amount equal to 40% of the Annual Monetary Rate by the rate of increase in net consolidated profit of the Diac sub-group compared to the prior year.

**CHANGES IN BONDS OF THE AUTOMOTIVE SEGMENT**
In 2015, Renault SA redeemed bonds for a total amount of €1,403 million, and undertook a private placement under its EMTN programme (7 billion yen and 4-year maturity), and a public bond issue as part of the "Shelf Registration" programme (70 billion yen and 3-year maturity).

**CHANGES IN DEBTS OF THE SALES FINANCING SEGMENT**
In 2015, RCI Banque group redeemed bonds for a total of €2,640 million, and issued new bonds totalling €3,814 million and maturing between 2016 and 2022.
New savings collected rose by €3,700 million in 2015 (including €1,470 million of term deposits) to reach €10,234 million classified as other interest-bearing borrowings. After France, Germany and Austria, in May 2015 RCI Banque launched savings products in the United Kingdom.

**CREDIT LINES**
At December 31, 2015, Renault SA had confirmed credit lines opened with banks worth €3,305 million (€3,210 million at December 31, 2014). These credit lines were unused at December 31, 2015 (and at December 31, 2014).
Also, at December 31, 2015, the Sales Financing segment's confirmed credit lines opened in several currencies with banks amounted to €4,482 million (€4,803 at December 31, 2014). The short-term portion amounted to €439 million at December 31, 2015 (€1,005 million at December 31, 2014). These credit lines were unused at December 31, 2015 and 2014.
The contractual documentation for financial liabilities and confirmed credit lines contains no clause that could affect the continued supply of credit in the event of any change in Renault's credit rating or financial ratio compliance.

**B – BREAKDOWN BY MATURITY**
For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.
For floating-rate financial instruments, interest is calculated using interest rates as at December 31, 2015.
No contractual flows are reported for Renault and Diac redeemable shares as they have no fixed redemption date.

**B1 FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT**

| | DECEMBER 31, 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | BALANCE SHEET VALUE | TOTAL CONTRACTUAL FLOWS | -1 YR | 1-2 YRS | 2-3 YRS | 3-4 YRS | 4-5 YRS | +5 YRS |
| **Bonds issued by Renault SA (by issue date)** | | | | | | | | |
| 2007 | 10 | 10 | - | 10 | - | - | - | - |
| 2010 | 500 | 500 | - | 500 | - | - | - | - |
| 2011 | 506 | 500 | 500 | - | - | - | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2012 | 1,101 | 1,098 | 249 | 849 | - | - | - | - |
| 2013 | 1,046 | 1,005 | 106 | - | 899 | - | - | - |
| 2014 | 1,739 | 1,732 | 541 | 691 | - | - | - | 500 |
| 2015 | 684 | 682 | 96 | - | 533 | 53 | - | - |
| Accrued interest, expenses and premiums | 69 | 60 | 60 | - | - | - | - | - |
| **TOTAL BONDS** | **5,655** | **5,587** | **1,552** | **2,050** | **1,432** | **53** | **-** | **500** |
| Other debts represented by a certificate | 567 | 567 | 567 | - | - | - | - | - |
| Borrowings from credit institutions | 2,212 | 2,195 | 1,441 | 255 | 257 | 130 | 112 | - |
| Other interest-bearing borrowings | 508 | 600 | 94 | 28 | 36 | 35 | 34 | 373 |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **3,287** | **3,362** | **2,102** | **283** | **293** | **165** | **146** | **373** |
| **Future interest on bonds and other financial liabilities** | **-** | **493** | **123** | **160** | **64** | **24** | **21** | **101** |
| **Redeemable shares** | **431** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Derivatives on financing operations** | **465** | **465** | **403** | **22** | **19** | **14** | **7** | **-** |
| **TOTAL FINANCIAL LIABILITIES OF THE AUTOMOTIVE SEGMENT** | **9,838** | **9,907** | **4,180** | **2,515** | **1,808** | **256** | **174** | **974** |

The portion of financial liabilities of the Automotive segment maturing within one year breaks down as follows:

| | **DECEMBER 31, 2015** | | | |
|---|---|---|---|---|
| (€ million) | **CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR** | **-1 MONTH** | **1-3 MONTHS** | **3 MONTHS -1 YEAR** |
| Bonds | 1,552 | 1 | 3 | 1,548 |
| Other financial liabilities | 2,102 | 553 | 384 | 1,165 |
| Future interest on bonds and other financial liabilities | 123 | 3 | 52 | 68 |
| Derivatives on financing operations | 403 | 72 | 53 | 278 |
| **TOTAL FINANCIAL LIABILITIES MATURING WITHIN 1 YEAR** | **4,180** | **629** | **492** | **3,059** |

## B2 FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT

| | DECEMBER 31, 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | BALANCE SHEET VALUE | TOTAL CONTRACTUAL FLOWS | -1 YR | 1-2 YRS | 2-3 YRS | 3-4 YRS | 4-5 YRS | +5 YRS |
| **Bonds issued by RCI Banque (year of issue)** | | | | | | | | |
| 2010 | 701 | 700 | 700 | - | - | - | - | - |
| 2011 | 1,226 | 1,109 | 1,109 | - | - | - | - | - |
| 2012 | 939 | 947 | 219 | 728 | - | - | - | - |
| 2013 | 2,788 | 2,701 | 994 | 116 | 1,591 | - | - | - |
| 2014 | 3,431 | 3,405 | 160 | 1,763 | 16 | 948 | - | 518 |
| 2015 | 3,772 | 3,766 | 235 | 752 | 994 | 31 | 1,000 | 754 |
| Accrued interest, expenses and premiums | 168 | 198 | 198 | - | - | - | - | - |
| **TOTAL BONDS** | **13,025** | **12,826** | **3,615** | **3,359** | **2,601** | **979** | **1,000** | **1,272** |
| Other debts represented by a certificate | 4,353 | 4,359 | 2,012 | 780 | 1,504 | 60 | 3 | - |
| Borrowings from credit institutions | 2,934 | 2,933 | 956 | 221 | 1,641 | 50 | 65 | - |
| Other interest-bearing borrowings | 10,360 | 10,360 | 8,596 | 979 | 475 | 223 | 87 | - |
| **TOTAL OTHER FINANCIAL LIABILITIES** | **17,647** | **17,652** | **11,564** | **1,980** | **3,620** | **333** | **155** | **-** |
| **Future interest on bonds and other financial liabilities** | **-** | **944** | **235** | **316** | **175** | **66** | **38** | **114** |
| **Redeemable shares** | **12** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Derivative liabilities on financing operations** | **68** | **33** | **25** | **7** | **(3)** | **1** | **3** | **-** |
| **TOTAL FINANCIAL LIABILITIES AND DEBTS OF THE SALES FINANCING SEGMENT** | **30,752** | **31,455** | **15,439** | **5,662** | **6,393** | **1,379** | **1,196** | **1,386** |

The portion of financial liabilities and debts of the Sales Financing segment maturing within one year breaks down as follows:

| | DECEMBER 31, 2015 | | | |
|---|---|---|---|---|
| (€ million) | CONTRACTUAL FLOWS MATURING WITHIN 1 YEAR | -1 MONTH | 1-3 MONTHS | 3 MONTHS -1 YEAR |
| Bonds | 3,615 | 785 | 902 | 1,928 |
| Other financial liabilities | 11,564 | 8,158 | 1,065 | 2,341 |
| Future interest on bonds and other financial liabilities | 235 | 18 | 24 | 193 |
| Derivative liabilities on financing operations | 25 | - | - | 25 |
| **TOTAL FINANCIAL** | **15,439** | **8,961** | **1,991** | **4,487** |

Note 24

**Financial instruments by level, fair value and impact on net income**

**A – FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE BY LEVEL**

IAS 39 standard defines 4 categories of financial instrument:

- Financial assets at fair value through profit or loss, comprising assets held for trading and assets designated from the outset as carried at fair value through profit or loss;
- Held-to-maturity investments;
- Loans and receivables carried at amortized cost;
- Available-for-sale financial assets, comprising all financial instruments not included in any of the above categories.

The following breakdown by level of fair value is presented for financial instruments carried in the balance sheet at fair value:

- Level 1: instruments whose fair values are derived from quoted prices in an active market;
- Level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- Level 3: instruments whose fair values are derived from unobservable inputs on the market.

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In general, the valuation methods for each level are as follows:

- Level 1: fair value is identical to the most recent quoted price;
- Level 2: fair value is generally determined by recognized valuation models that use observable market data, such as zero-coupon interest rate curves and secondary market listed prices for securities issued by the Group;
- Level 3: the fair value of investments in non-controlled companies is based on the share of net assets.

In 2015, no financial instruments were transferred between Level 1 and Level 2, or into or out of Level 3.

The Group's financial statements carry no assets or liabilities measured at fair value on a non-recurring basis in the balance sheet.

| | | DECEMBER 31, 2015 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | | FAIR VALUE LEVEL OF FINANCIAL ASSETS AT FAIR VALUE | | |
| **FINANCIAL ASSETS AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **AVAILABLE FOR SALE** | **LOANS AND RECEIVABLES** | **FAIR VALUE OF FINANCIAL ASSETS AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| Loans | 22 | - | - | - | - | 689 | (1) | | | |
| Sales financing receivables | 15 | - | - | - | - | 28,605 | 28,633(2) | | | |
| Automotive customer receivables | 16 | - | - | - | - | 1,262 | (1) | | | |
| Tax receivables (including current taxes due) | 17 | - | - | - | - | 1,746 | (1) | | | |
| Other | 17 | - | - | - | - | 2,056 | (1) | | | |

| FINANCIAL ASSETS AS DEFINED BY IAS 39 (€ million) | NOTES | DECEMBER 31, 2015<br>BALANCE SHEET VALUE<br>HELD FOR TRADING | INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS | HEDGING DERIVATIVES | AVAILABLE FOR SALE | LOANS AND RECEIVABLES | FAIR VALUE OF FINANCIAL ASSETS AT AMORTIZED COST | FAIR VALUE LEVEL OF FINANCIAL ASSETS AT FAIR VALUE<br>LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---|---|---|---|---|---|---|---|---|---|---|
| receivables and prepaid expenses | | | | | | | | | | |
| Cash equivalents | 22 | - | - | - | - | 4,965 | (1) | | | |
| Cash | 22 | - | - | - | - | 8,980 | (1) | | | |
| **TOTAL FINANCIAL ASSETS RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **-** | **48,303** | | | | |
| Marketable securities and negotiable debt instruments | 22 | - | - | - | 614 | - | | 614 | - | - |
| Investments in non-controlled entities | 22 | - | - | - | 1,372 | - | | 1,276 | - | 96 |
| Investments in unconsolidated controlled entities | 17 | - | - | - | 45 | - | | - | - | 45 |
| Derivatives on financing operations of the Automotive segment | 22 | - | - | - | - | - | | - | - | - |
| Derivatives on operating transactions of the Automotive segment | 17 | - | - | 38 | - | - | | - | 38 | - |
| Derivatives on financing operations of the Sales Financing segment | 17 | - | - | 88 | - | - | | - | 88 | - |
| **Financial assets at fair value through equity** | | **-** | **-** | **126** | **2,031** | **-** | | **1,890** | **126** | **141** |
| Derivatives on financing operations of the Automotive segment | 22 | 524 | - | 39 | - | - | | - | 563 | - |
| Derivatives on operating transactions of the Automotive segment | 17 | 1 | - | - | - | - | | - | 1 | - |

| | | DECEMBER 31, 2015 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | | FAIR VALUE LEVEL OF FINANCIAL ASSETS AT FAIR VALUE | | |
| **FINANCIAL ASSETS AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **AVAILABLE FOR SALE** | **LOANS AND RECEIVABLES** | **FAIR VALUE OF FINANCIAL ASSETS AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| Derivatives on financing operations of the Sales Financing segment | 17 | 45 | - | 242 | - | - | | - | 287 | - |
| Cash equivalents | 22 | 18 | - | - | 170 | - | | 188 | - | - |
| **Financial assets at fair value through profit and loss** | | **588** | **-** | **281** | **170** | **-** | | **188** | **851** | **-** |
| **TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE** | | **588** | **-** | **407** | **2,201** | **-** | | **2,078** | **977** | **141** |

*(1) The Group does not report the fair value of financial assets such as trade receivables of the Automotive segment, because their book value is a reasonable approximation of their fair value.*

*(2) The fair value of sales financing receivables is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.*

| | | DECEMBER 31, 2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | | FAIR VALUE LEVEL OF FINANCIAL ASSETS AT FAIR VALUE | | |
| **FINANCIAL ASSETS AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **AVAILABLE FOR SALE** | **LOANS AND RECEIVABLES** | **FAIR VALUE OF FINANCIAL ASSETS AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| Loans | 22 | - | - | - | - | 419 | (1) | | | |
| Sales financing receivables | 15 | - | - | - | - | 25,733 | 25,864(2) | | | |
| Automotive customer receivables | 16 | - | - | - | - | 1,242 | (1) | | | |
| Tax receivables (including current taxes due) | 17 | - | - | - | - | 1,456 | (1) | | | |
| Other receivables and prepaid expenses | 17 | - | - | - | - | 1,969 | (1) | | | |
| Cash equivalents | 22 | - | - | - | - | 4,256 | (1) | | | |
| Cash | 22 | - | - | - | - | 8,112 | (1) | | | |
| **TOTAL FINANCIAL ASSETS RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **-** | **43,187** | | | | |
| Marketable securities and negotiable debt instruments | 22 | - | - | - | 785 | - | | 785 | - | - |
| Investments in non-controlled entities | 22 | - | - | - | 1,233 | - | | 1,134 | - | 99 |
| Investments in unconsolidated controlled entities | 17 | - | - | - | 70 | - | | - | - | 70 |
| Derivatives on financing operations of the Automotive segment | 22 | - | - | 1 | - | - | | - | 1 | - |
| Derivatives on operating transactions of the Automotive segment | 17 | - | - | 3 | - | - | | - | 3 | - |
| Derivatives on financing operations of the Sales Financing segment | 17 | - | - | 74 | - | - | | - | 74 | - |
| **Financial assets at fair value through** | | **-** | **-** | **78** | **2,088** | **-** | | **1,919** | **78** | **169** |

| | | DECEMBER 31, 2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | | FAIR VALUE LEVEL OF FINANCIAL ASSETS AT FAIR VALUE | | |
| **FINANCIAL ASSETS AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **AVAILABLE FOR SALE** | **LOANS AND RECEIVABLES** | **FAIR VALUE OF FINANCIAL ASSETS AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| **equity** | | | | | | | | | | |
| Derivatives on financing operations of the Automotive segment | 22 | 701 | - | 72 | - | - | | - | 773 | - |
| Derivatives on operating transactions of the Automotive segment | 17 | - | - | 1 | - | - | | - | 1 | - |
| Derivatives on financing operations of the Sales Financing segment | 17 | 36 | - | 188 | - | - | | - | 224 | - |
| Cash equivalents | 22 | - | - | - | 129 | - | | 129 | - | - |
| **Financial assets at fair value through profit and loss** | | **737** | **-** | **261** | **129** | **-** | | **129** | **998** | **-** |
| **TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE** | | **737** | **-** | **339** | **2,217** | **-** | | **2,048** | **1,076** | **169** |

*(1) The Group does not report the fair value of financial assets such as trade receivables of the Automotive segment, because their book value is a reasonable approximation of their fair value.*

*(2) The fair value of sales financing receivables is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.*

| | | DECEMBER 31, 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | FAIR VALUE LEVEL OF FINANCIAL LIABILITIES AT FAIR VALUE | | |
| **FINANCIAL LIABILITIES AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **OTHER FINANCIAL LIABILITIES** | **FAIR VALUE OF FINANCIAL LIABILITIES AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| Tax liabilities (including current taxes due) | 21 | - | - | - | 1,229 | [1] | | | |
| Social liabilities | 21 | - | - | - | 1,334 | [1] | | | |
| Other liabilities and deferred income | 21 | - | - | - | 6,780 | [1] | | | |
| Trade payables | 21 | - | - | - | 8,296 | [1] | | | |
| Bonds* | 23 | - | - | - | 18,680 | 18,734[2] | | | |
| Other debts represented by a certificate* | 23 | - | - | - | 4,920 | 4,936[2] | | | |
| Borrowings from credit institutions* | 23 | - | - | - | 5,146 | 5,139[2] | | | |
| Other interest-bearing borrowings* | 23 | - | - | - | 10,868 | 10,863[2] | | | |
| **TOTAL FINANCIAL LIABILITIES RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **57,253** | **39,672** | | | |
| * *Financial liabilities and debts of the Automotive segment* | | | | | 8,942 | 8,938 | | | |
| *Financial liabilities and debts of the Sales Financing segment* | | | | | 30,672 | 30,734 | | | |
| Derivatives on financing operations of the Automotive segment | 23 | - | - | 4 | - | | - | 4 | - |
| Derivatives on financing operations of the Sales Financing segment | 23 | - | - | 20 | - | | - | 20 | - |
| Derivatives on operating transactions of the Automotive segment | 21 | - | - | 6 | - | | - | 6 | - |
| **FINANCIAL** | | **-** | **-** | **30** | **-** | | **-** | **30** | **-** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **LIABILITIES AT FAIR VALUE THROUGH EQUITY** | | | | | | | | |
| Redeemable shares (Renault & Diac) | 23 | - | 443 | - | - | 443 | - | - |
| Derivatives on financing operations of the Automotive segment | 23 | 461 | - | - | - | - | 461 | - |
| Derivatives on financing operations of the Sales Financing segment | 23 | 28 | - | 20 | - | - | 48 | - |
| **FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS** | | **489** | **443** | **20** | **-** | **443** | **509** | **-** |
| **TOTAL FINANCIAL LIABILITIES RECORDED AT FAIR VALUE** | | **489** | **443** | **50** | **-** | **443** | **539** | **-** |

*(1) The Group does not report the fair value of financial liabilities such as trade payables, tax liabilities and social liabilities, because their book value is a reasonable approximation of their fair value*

*(2) The fair value of financial liabilities and sales financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2015 and 2014 for loans with similar conditions and maturities. The rates offered to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value.*

| | | DECEMBER 31, 2014 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | BALANCE SHEET VALUE | | | | | FAIR VALUE LEVEL OF FINANCIAL LIABILITIES AT FAIR VALUE | | |
| **FINANCIAL LIABILITIES AS DEFINED BY IAS 39** (€ million) | **NOTES** | **HELD FOR TRADING** | **INITIALLY DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **HEDGING DERIVATIVES** | **OTHER FINANCIAL LIABILITIES** | **FAIR VALUE OF FINANCIAL LIABILITIES AT AMORTIZED COST** | **LEVEL 1** | **LEVEL 2** | **LEVEL 3** |
| Tax liabilities (including current taxes due) | 21 | - | - | - | 1,286 | (1) | | | |
| Social liabilities | 21 | - | - | - | 1,377 | (1) | | | |
| Other liabilities and deferred income | 21 | - | - | - | 6,094 | (1) | | | |
| Trade payables | 21 | - | - | - | 7,094 | (1) | | | |
| Bonds* | 23 | - | - | - | 18,222 | 18,877(2) | | | |
| Other debts represented by a certificate* | 23 | - | - | - | 4,967 | 5,001(2) | | | |
| Borrowings from credit institutions* | 23 | - | - | - | 5,056 | 5,108(2) | | | |
| Other interest-bearing borrowings* | 23 | - | - | - | 7,150 | 7,169(2) | | | |
| **TOTAL FINANCIAL LIABILITIES RECORDED AT AMORTIZED COST** | | **-** | **-** | **-** | **51,246** | **36,155** | | | |
| ** Financial liabilities and debts of the Automotive segment* | | | | | *9,402* | *9,838* | | | |
| *Financial liabilities and debts of the Sales Financing segment* | | | | | *25,993* | *26,317* | | | |
| Derivatives on financing operations of the Automotive segment | 23 | - | - | 4 | - | | - | 4 | - |
| Derivatives on financing operations of the Sales Financing segment | 23 | - | - | 15 | - | | - | 15 | - |
| Derivatives on operating transactions of the Automotive segment | 21 | - | - | 2 | - | | - | 2 | - |
| **FINANCIAL LIABILITIES AT FAIR** | | **-** | **-** | **21** | **-** | | **-** | **21** | **-** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **VALUE THROUGH EQUITY** | | | | | | | | |
| Redeemable shares (Renault & Diac) | 23 | - | 361 | - | - | 361 | - | - |
| Derivatives on financing operations of the Automotive segment | 23 | 732 | - | - | - | - | 732 | - |
| Derivatives on financing operations of the Sales Financing segment | 23 | 39 | - | 35 | - | - | 74 | - |
| **FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS** | | **771** | **361** | **35** | **-** | **361** | **806** | **-** |
| **TOTAL FINANCIAL LIABILITIES RECORDED AT FAIR VALUE** | | **771** | **361** | **56** | **-** | **361** | **827** | **-** |

*(1) The Group does not report the fair value of financial liabilities such as trade payables, tax liabilities and social liabilities, because their book value is a reasonable approximation of their fair value*

*(2) The fair value of financial liabilities and sales financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault at December 31, 2015 and 2014 for loans with similar conditions and maturities. The rates offered to Renault result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value.*

## B – CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

Level 3 financial instruments amounted to €141 million at December 31, 2015 (€169 million at December 31, 2014). They decreased by €28 million over the year, principally due to the first consolidation under the equity method of Nissan Renault Financial Services India Ltd, the bank's holding company that carries the Alliance's sales financing business in India, and the sale of a minority shareholding.

## C – IMPACT OF FINANCIAL INSTRUMENTS ON NET INCOME

| | FINANCIAL ASSETS OTHER THAN DERIVATIVES | | | FINANCIAL LIABILITIES OTHER THAN DERIVATIVES | | | |
|---|---|---|---|---|---|---|---|
| **2015** (€ million) | **INSTRUMENTS HELD FOR TRADING** | **AVAILABLE-FOR-SALE INSTRUMENTS** | **LOANS AND RECEIVABLES** | **INSTRUMENTS DESIGNATED AS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS** | **INSTRUMENTS MEASURED AT AMORTIZED COST*** | **DERIVATIVES** | **TOTAL IMPACT ON NET INCOME** |
| Operating margin | 2 | 1 | 88 | (1) | (168) | (3) | (81) |
| Net financial income (expenses) | 43 | 52 | 208 | (99) | (472) | 47 | (221) |
| **IMPACT ON NET INCOME - AUTOMOTIVE SEGMENT** | **45** | **53** | **296** | **(100)** | **(640)** | **44** | **(302)** |
| Operating margin | - | 8 | 1,300 | (2) | (955) | 182 | 533 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **IMPACT ON NET INCOME - SALES FINANCING SEGMENT** | **-** | **8** | **1,300** | **(2)** | **(955)** | **182** | **533** |
| **TOTAL GAINS (LOSSES) WITH IMPACT ON NET INCOME** | **45** | **61** | **1,596** | **(102)** | **(1,595)** | **226** | **231** |

* *Including financial liabilities subject to fair value hedges.*

For the Automotive segment, the impact of financial instruments on the operating margin mainly corresponds to foreign exchange gains and losses on operating transactions, and impairment of operating receivables.

## D – FAIR VALUE HEDGES

| (€ million) | **2015** | **2014** |
|---|---|---|
| Change in fair value of the hedging instrument | 46 | (109) |
| Change in fair value of the hedged item | (42) | 100 |
| **Net impact on net income of fair value hedges** | **4** | **(9)** |

This net impact of fair value hedges on net income corresponds to the ineffective portion of hedges. Hedge accounting methods are described in note 2-X.

Note 25

**Derivatives and management of financial risks**

## A – DERIVATIVES AND NETTING AGREEMENTS

### A1 FAIR VALUE OF DERIVATIVES

The fair value of derivatives corresponds to their balance sheet value.

| **DECEMBER 31, 2015** | **FINANCIAL ASSETS** | | **OTHER ASSETS** | **FINANCIAL LIABILITIES AND SALES FINANCING DEBTS** | | **OTHER LIABILITIES** |
|---|---|---|---|---|---|---|
| (€ million) | **NON-CURRENT** | **CURRENT** | **CURRENT** | **NON-CURRENT** | **CURRENT** | **CURRENT** |
| Cash flow hedges | - | - | 38 | - | - | - |
| Fair value hedges | - | - | 191 | - | 19 | - |
| Net investment hedge in Nissan | - | - | - | - | - | - |
| Derivatives not classified as hedges and derivatives held for trading | 36 | 444 | 46 | 34 | 403 | - |
| **TOTAL FOREIGN EXCHANGE RISK** | **36** | **444** | **275** | **34** | **422** | **-** |
| Cash flow hedges | - | - | 88 | 4 | 20 | - |
| Fair value hedges | 7 | 32 | 51 | - | 1 | - |
| Derivatives not classified as hedges and derivatives held for trading | 32 | 12 | - | 24 | 28 | - |
| **TOTAL INTEREST RATE RISK** | **39** | **44** | **139** | **28** | **49** | **-** |
| Cash flow hedges | - | - | - | - | - | 6 |
| Fair value hedges | - | - | - | - | - | - |
| Derivatives not classified as hedges and derivatives held for trading | - | - | - | - | - | - |
| **TOTAL COMMODITY RISK** | **-** | **-** | **-** | **-** | **-** | **6** |
| **TOTAL** | **75** | **488** | **414** | **62** | **471** | **6** |

| **DECEMBER 31, 2014** | **FINANCIAL ASSETS** | | **OTHER ASSETS** | **FINANCIAL LIABILITIES AND SALES FINANCING DEBTS** | | **OTHER LIABILITIES** |
|---|---|---|---|---|---|---|
| (€ million) | **NON-CURRENT** | **CURRENT** | **CURRENT** | **NON-CURRENT** | **CURRENT** | **CURRENT** |
| Cash flow hedges | - | - | - | - | - | - |
| Fair value hedges | - | - | 93 | - | 34 | - |
| Net investment hedge in Nissan | - | - | - | - | - | - |
| Derivatives not classified as hedges and derivatives held for trading | 6 | 367 | 36 | - | 483 | - |
| **TOTAL FOREIGN EXCHANGE RISK** | **6** | **367** | **129** | **-** | **517** | **-** |
| Cash flow hedges | 1 | - | 74 | 4 | 15 | - |
| Fair value hedges | 57 | 15 | 96 | - | 1 | - |
| Derivatives not classified as hedges and derivatives held for trading | 245 | 83 | - | 278 | 10 | - |
| **TOTAL INTEREST RATE RISK** | **303** | **98** | **170** | **282** | **26** | **-** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Cash flow hedges | - | - | 3 | - | - | 2 |
| Fair value hedges | - | - | - | - | - | - |
| Derivatives not classified as hedges and derivatives held for trading | - | - | - | - | - | - |
| **TOTAL COMMODITY RISK** | **-** | **-** | **3** | **-** | **-** | **2** |
| **TOTAL** | **309** | **465** | **302** | **282** | **543** | **2** |

## A2 NETTING AGREEMENTS AND OTHER SIMILAR COMMITMENTS FRAMEWORK AGREEMENTS FOR OPERATIONS ON FINANCIAL FUTURES AND SIMILAR AGREEMENTS

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (*Fédération Bancaire Française*).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

**NETTING OF FINANCIAL ASSETS AND LIABILITIES: SUMMARY**

| **DECEMBER 31, 2015** (€ million) | **AMOUNTS IN THE STATEMENT OF FINANCIAL POSITION ELIGIBLE FOR NETTING** | **AMOUNTS NOT NETTED IN THE STATEMENT OF FINANCIAL POSITION** | | **NET AMOUNTS** |
|---|---|---|---|---|
| | | **FINANCIAL INSTRUMENTS ASSETS/LIABILITIES** | **GUARANTEES INCLUDED IN LIABILITIES** | |
| **Assets** | | | | |
| Derivatives on financing operations of the Automotive segment | 563 | (175) | - | 388 |
| Derivatives on financing operations of the Sales Financing segment | 375 | (49) | - | 326 |
| Sales financing receivables on dealers* | 904 | - | (681) | 223 |
| **TOTAL ASSETS** | **1,842** | **(224)** | **(681)** | **937** |
| **Liabilities** | | | | |
| Derivatives on financing operations of the Automotive segment | 465 | (175) | - | 290 |
| Derivatives on financing operations of the Sales Financing segment | 68 | (49) | - | 19 |
| **TOTAL LIABILITIES** | **533** | **(224)** | **-** | **309** |

* *Sales financing receivables held by Companhia de Credito, Financiamento e Investimento RCI Brasil, whose exposure is covered by pledges of "letras de cambio" (bills of exchange) subscribed by dealers and reported under other debts represented by a certificate.*

## B – MANAGEMENT OF FINANCIAL RISKS

The Group is exposed to the following financial risks:

- liquidity risks;
- market risks (foreign exchange, interest rate, equity and commodity risks);
- counterparty risk.

## B1 LIQUIDITY RISKS

The Group is financed via the capital markets, through:
- long-term resources (bond issues, private placements, project financing, etc.);
- short-term bank loans or commercial paper issues;
- securitization of receivables by Sales Financing.

The **Automotive** segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its gross debt and guarantee liquidity for the Automotive segment, and this exposes it to liquidity risks in the event of extended market closures or tensions over credit availability. As part of its centralized cash management policy, Renault SA handles most refinancing for the Automotive segment through long-term resources via the capital markets (bond issues and private placements), short-term financing such as treasury notes, or project financing via the banking sector or public or semi-public bodies.

Medium-term refinancing for the Automotive segment in 2015 was mostly provided by bond issues totalling 7 billion yen in a private placement with 4-year maturity as part of Renault SA’s EMTN programme, and an issue on the Japanese market as part of Renault SA’s “Shelf registration” programme, amounting to 70 billion yen with 3-year maturity.

The contractual documentation for this financing contains no clause that could affect the continued supply of credit in the event of any change in Renault’s credit rating or financial ratio compliance. However, certain types of financing, particularly market financing, contain standard clauses (pari passu, negative pledge and cross-default clauses).

The Automotive segment also has confirmed credit lines opened with banks worth €3,305 million, maturing at various times up to 2020. None of these credit lines was used in 2015. These confirmed credit facilities form a liquidity reserve for the Automotive segment.

The contractual documentation for these confirmed bank credit facilities contains no clause that might adversely affect credit availability or continuation as a result of a change in Renault’s credit rating or financial ratio compliance.

Given its available cash reserves (€11.6 billion) and confirmed credit lines unused at year-end (€3.3 billion), the Automotive segment has sufficient financial resources to cover its commitments over a 12-month horizon.

Confirmed credit lines open but unused are described in note 23-A.

The **Sales Financing** segment must have sufficient financial resources at all times to ensure long-term continuity for its business and development. Any restriction on access to banking and financial markets would lead to downscaling of its financing activity and/or raise the cost of the financing negotiated. RCI Banque’s liquidity risks monitoring uses several indicators or analyses which are updated monthly based on the latest forecasts of credit outstanding (concerning both customers and the dealership network) and refinancing operations undertaken. Prudent assumptions have been applied regarding the laws on deposit outflows.

In 2015 the Sales financing segment issued four public bonds: two for €500 million with 5-year maturity, one for €750 million with 7-year maturity, and one of €750 million with maturity of 3 years and 3 months. Many other private placements were undertaken, totalling €925 million with an average duration of 1.6 year.

On the structured financing segment, Sales financing undertook a £600 million private securitization operation backed by customer credit in the United Kingdom. This replaces an operation currently being terminated. Meanwhile, the Brazilian subsidiary launched its first securitization backed by automotive segment customer loans, for a total of 466 million Brazilian reals.

Outside Europe, the Sales financing entities in Argentina, Brazil, South Korea and Morocco made borrowings through their domestic bond markets.

After France, Germany and Austria, in 2015 RCI Banque launched a savings business in the United Kingdom. Savings collected increased by more than 50% over 12 months to reach €10.2 billion at December 31, 2015.

In addition to these resources, the Sales Financing segment has €4.5 billion in undrawn confirmed credit lines (€4.1 billion for RCI Banque), €2.4 billion of available liquid receivables that can be redeemed at the European Central Bank (this amount is after application of discounts and excludes receivables already redeemed at the year-end), and €2.2 billion of highly liquid assets. RCI Banque,

which also has available cash of €0.2 billion, is thus able to fund ongoing commercial business for nearly 11 months assuming a total lack of external resources.
Confirmed credit lines open but unused are described in note 23-A.

## B2 FOREIGN EXCHANGE RISKS

### MANAGEMENT OF FOREIGN EXCHANGE RISKS

The Automotive segment is exposed to foreign exchange risks in the course of its industrial and commercial business. These risks are monitored and centralized by Renault Financing and Treasury department.
It is Renault's general policy not to hedge operating future cash flows in foreign currencies. As a result, the Group's operating margin is exposed to foreign exchange risks. The working capital is also sensitive to movements in exchange rates. Any hedges of such risks require formal authorization from the Finance department or General Management, and the result of these hedges are then reported to the General Management.
In contrast, the Automotive segment's general policy is to minimize the foreign exchange risks affecting financing and investment flows in foreign currencies, to avoid any exchange–related distortion of the financial result. All the Group's exposures to foreign exchange risks on financial result items are aggregated and monitored by the central Cash Management team, with monthly reporting to the Chief Financial Officer. Financing flows in foreign currency originating from Renault entities are hedged in the same currency. If a subsidiary needs external financing in a currency other than the local currency, the parent company monitors the operations closely. Cash surpluses in countries that are not part of the parent company's centralized cash management are generally invested in local currency, under the supervision of the Group's central Cash management department.
Equity investments (in currencies other than the euro) are not generally hedged. However, due to its importance, the investment in Nissan is subject to a partial foreign exchange hedge amounting to 146 billion yen at December 31, 2015 (note 12-G).
The subsidiary Renault Finance can undertake foreign exchange operations on its own behalf, within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed some tens of millions of euros, and cannot therefore have a significant impact on Renault's consolidated results.
The **Sales Financing** segment has low exposure to foreign exchange risks due to the management principles applied. No position can be taken under the central management framework for refinancing; the trading room hedges all flows concerned. Residual, temporal positions in foreign currencies related to the time differences in cash flow inherent to multi-currency cash management may still remain. They are monitored daily and the same hedging policy applies. The sales financing subsidiaries are obliged to obtain refinancing in their own currency and as a result are not exposed. In exceptional circumstances, limits are assigned to subsidiaries where sales financing activities or refinancing take place in several different currencies, and to subsidiaries authorized to invest some of their cash surpluses in a currency other than their local currency.
At 31 December 2015, RCI Banque's consolidated foreign exchange position reached €17.5 million.
The Group made no major changes to its foreign exchange risks management policy in 2015.

### ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO FOREIGN EXCHANGE RISKS

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intercompany balances) and derivatives in a currency other than the currency of the entity that holds them. However, it does not take into account items covered by fair value hedges (hedged assets or liabilities and derivatives), for which changes in fair value of the hedged item and the hedging instrument almost totally offset each other in the income statement.
The Group has financial instruments denominated in Japanese yen, held for the purposes of the policy to partially hedge its investment in Nissan (note 12‐G).
Impacts are estimated solely on the basis of instant conversion of the financial assets and liabilities concerned at year-end after application of the 1% variation in the Euro exchange rate.

The impact on equity concerns the 1% variation in the Euro against other currencies applied to available-for-sale financial assets, cash flow hedges and the partial hedge of the investment in Nissan. All other impacts affect net income.
For the Automotive segment, the impact on shareholders' equity (before taxes) of a 1% rise in the Euro against the principal currencies, applied to financial instruments exposed to foreign exchange risks, would have a favourable effect of €9 million at December 31, 2015, chiefly resulting from yen bond issues associated with the partial hedge of the investment in Nissan. The estimated impact on net income at December 31, 2015 is expected to be unfavourable and amounts to €5 million.

**CURRENCY DERIVATIVES**

| | DECEMBER 31, 2015 | | | | DECEMBER 31, 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | NOMINAL | -1 YR | 1-5 YRS | +5 YRS | NOMINAL | -1 YR | 1-5 YRS | +5 YRS |
| Currency swaps – purchases | 7,923 | 5,317 | 2,606 | - | 6,427 | 1,475 | 4,952 | - |
| Currency swaps - sales | 8,033 | 5,334 | 2,699 | - | 6,385 | 1,334 | 5,051 | - |
| Forward purchases | 23,509 | 23,063 | 446 | - | 234,138 | 234,135 | 3 | - |
| Forward sales | 23,520 | 23,074 | 446 | - | 233,265 | 233,262 | 3 | - |

## B3 INTEREST RATE RISKS

### INTEREST RATE RISKS MANAGEMENT

The Renault group's exposure to interest rate risks mainly concerns the sales financing business of **Sales financing** and its subsidiaries. The overall interest rate risks represent the impact of fluctuating rates on the future gross financial margin. The Sales financing segment's aim is to limit these risks as far as possible in order to protect its margin on sales. To take account of the difficulty of precisely matching the structure of borrowings with the structure of loans, a limited amount of flexibility is allowed in each subsidiary's interest rate hedging. This flexibility is reflected in a sensitivity limit assigned to each subsidiary and validated by the finance committee, in an individual adaptation of part of the limit Renault assigns to the Sales Financing segment.
Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries), for overall management of interest rate risks across the consolidated scope of the Sales Financing segment.
Each entity's position with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances require. The result of the checks are reported monthly to the Sales Financing segment's finance committee, which checks that the positions comply with the Group's financial strategy and current procedural instructions.
Analysis of the Sales Financing segment's structural interest rate risk shows the following

- Virtually all loans to customers by sales financing subsidiaries bear interest at a fixed rate and have terms of one to seventy-two months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swaps.
- The main activity of the Sales Financing segment's central refinancing department is refinancing the Group's commercial subsidiaries. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the defined limit.

The **Automotive** segment's interest rate risk management policy applies two principles: long-term investments generally use fixed-rate financing, and investments for cash reserves generally use floating-rate financing. Fixed-rate borrowings are swapped to variable rates to maintain a balance between floating-rate liabilities and floating-rate assets when the yield curve is not close enough to zero. The financing in yen undertaken as part of the partial hedge of Nissan equity is fixed-rate.
The Automotive segment's available cash is managed centrally by Renault SA as far as possible, and invested in short-term bank deposits by Renault Finance.
Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. The risk associated with this arbitrage activity is very limited, and has no significant impact on the Group's consolidated net income.
The Group made no major changes to its interest rate risk management policy in 2015.

**ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO INTEREST RATE RISKS**

The Group is exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of the fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

The impact on shareholders' equity corresponds to the change in fair value of available-for-sale fixed-rate financial assets and cash flow hedges after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a positive €87 million and €5 million respectively at December 31, 2015.

For the Sales Financing segment, the impact on net income and shareholders' equity (before taxes) of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a negative €40 million and a positive €65 million respectively at December 31, 2015. The impact on equity results mainly from the change in the fair value of swaps undertaken to hedge future cash flows.

**FIXED RATE/FLOATING RATE BREAKDOWN OF FINANCIAL LIABILITIES AND SALES FINANCING DEBTS, AFTER THE EFFECT OF DERIVATIVES**

| (€ million) | **DECEMBER 31, 2015** |
|---|---|
| Financial liabilities before hedging: fixed rate (a) | 23,242 |
| Financial liabilities before hedging: floating rate (a') | 16,372 |
| **Financial liabilities before hedging (without redeemable shares)** | **39,614** |
| Hedges: floating rate/ fixed (b) | 5,931 |
| Hedges: fixed rate/ floating (b') | 7,755 |
| **Hedgings** | **13,686** |
| Financial liabilities after hedging: fixed rate (a+b-b') | 21,418 |
| Financial liabilities after hedging: floating rate (a'+b'-b) | 18,196 |
| **Financial liabilities after hedging (without redeemable shares)** | **39,614** |

**INTEREST RATE DERIVATIVES**

| | **DECEMBER 31, 2015** | | | | **DECEMBER 31, 2014** | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | **NOMINAL** | **-1 YR** | **1-5 YRS** | **+5 YRS** | **NOMINAL** | **-1 YR** | **1-5 YRS** | **+5 YRS** |
| Interest rate swaps | 15,447 | 5,100 | 9,447 | 900 | 16,880 | 6,624 | 9,775 | 481 |
| Other interest rate hedging instruments | - | - | - | - | - | - | - | - |

**B4 EQUITY RISKS**

**MANAGEMENT OF EQUITY RISKS**

The Group's exposure to equity risks essentially concerns the Daimler shares acquired in connection with the cooperation agreements, and marketable securities indexed to share prices. The Group does not use equity derivatives to hedge these risks.

The Group made no major changes to its equity risks management policy in 2015.

**ANALYSIS OF FINANCIAL INSTRUMENTS' SENSITIVITY TO EQUITY RISKS**

The sensitivity to equity risks resulting from application of a 10% decrease in share prices to the financial assets concerned at the year-end would have an unfavourable impact of €129 million on shareholders' equity. The impact on net income is not significant at December 31, 2015.

## B5 COMMODITY RISKS

### MANAGEMENT OF COMMODITY RISKS

Renault’s Purchases department may hedge part of its commodity risks using financial instruments. These hedges are subject to volume, duration and price limits.

Commodity hedging transactions in progress at December 31, 2015 include forward purchases of aluminium, copper, palladium, platinum and lead. These transactions are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in shareholders’ equity.

### ANALYSIS OF FINANCIAL INSTRUMENTS’ SENSITIVITY TO COMMODITY RISKS

Financial instruments’ accounting sensitivity to commodity risks results from derivatives used to hedge the Group’s economic exposure to these risks.

A 10% increase in commodity prices for derivatives classified as hedging derivatives would have a positive impact of €11 million on shareholders’ equity at December 31, 2015.

### COMMODITY DERIVATIVES

| | DECEMBER 31, 2015 | | | | DECEMBER 31, 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | NOMINAL | -1 YR | 1 TO 5 YRS | +5 YRS | NOMINAL | -1 YR | 1 TO 5 YRS | +5 YRS |
| Purchases of swaps | 111 | 111 | - | - | 99 | 99 | - | - |

## B6 COUNTERPARTY RISK

All Group entities use a fully-coordinated counterparty risk management procedure involving a scoring system, based principally on the counterparties’ long-term credit rating and equity level. For Group companies with significant exposure, compliance with authorized limits is monitored on a daily basis under strict internal control procedures.

The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, term and type, as well as a list of the main exposures.

Most deposits are with large network banks, as this allows a good spread of the risk and lowers the systemic risk. None of these deposits are for terms longer than 90 days.

The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses due to default by a banking counterparty were recorded in 2015.

Cash flows and other information

Note 26

**Cash flows**

## A – OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH

| (€ million) | **2015** | **2014** |
|---|---|---|
| Net allocation to provisions | (301) | 355 |
| Net effects of sales financing credit losses | (20) | (43) |
| Net (gain) loss on asset disposals | (10) | (22) |
| Change in fair value of redeemable shares | 82 | 38 |
| Change in fair value of other financial instruments | (18) | (5) |
| Deferred taxes | (161) | (260) |
| Other | 53 | 29 |
| **OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH** | **(375)** | **92** |

## B – CHANGE IN WORKING CAPITAL

| (€ million) | **2015** | **2014** |
|---|---|---|
| Decrease (increase) in net inventories | (813) | (272) |
| Decrease (increase) in Automotive net receivables | (348) | (275) |
| Decrease (increase) in other assets | (499) | (318) |
| Increase (decrease) in trade payables | 1,219 | 886 |
| Increase (decrease) in other liabilities | 898 | 750 |
| **INCREASE (DECREASE) IN WORKING CAPITAL** | **457** | **771** |

## C – CAPITAL EXPENDITURE

| (€ million) | **2015** | **2014** |
|---|---|---|
| Purchases of intangible assets | (956) | (967) |
| Purchases of property, plant and equipment (other than assets leased to customers) | (1,962) | (1,736) |
| **TOTAL PURCHASES FOR THE PERIOD** | **(2,918)** | **(2,703)** |
| Deferred payments | 117 | 192 |
| **TOTAL CAPITAL EXPENDITURE** | **(2,801)** | **(2,511)** |

## D – INTEREST RECEIVED AND PAID BY THE AUTOMOTIVE SEGMENT

| (€ million) | **2015** | **2014** |
|---|---|---|
| Interest received | 233 | 283 |
| Interest paid | (486) | (542) |
| **INTEREST RECEIVED AND PAID** | **(253)** | **(259)** |

Note 27

**Related parties**

**A – REMUNERATION OF DIRECTORS AND EXECUTIVES AND EXECUTIVE COMMITTEE MEMBERS**

The tables below report the remuneration included in expenses in 2015, paid pro rata to the periods in which the functions were occupied.

**A1 REMUNERATION OF DIRECTORS AND EXECUTIVES**

The Board of Directors has combined the functions of Chairman of the Board of Directors and Chief Executive Officer. The Chairman and CEO receives no remuneration for his duties as Chairman of the Board.

| (€ million) | **2015** | **2014** |
|---|---|---|
| Basic salary | 1.2 | 1.2 |
| Performance-related salary* | 2.7 | 2.2 |
| Employer's social security charges | 1.7 | 2.1 |
| Complementary pension | 1.5 | 1.0 |
| Other components of remuneration | 0.3 | 0.2 |
| **TOTAL REMUNERATION EXCLUDING STOCK OPTIONS AND PERFORMANCE SHARES*** | **7.4** | **6.7** |
| Stock options and performance shares | 3.3 | 1.6 |
| **TOTAL STOCK OPTIONS AND PERFORMANCE SHARES** | **3.3** | **1.6** |
| **CHAIRMAN AND CHIEF EXECUTIVE OFFICER** | **10.7** | **8.3** |

* *The remuneration awarded comprises the portion paid in cash and the accounting value of the deferred salary to be paid in shares.*

Directors' fees amounted to €1,155,300 in 2015 (€1,074,699 in 2014), of which €48,000 were paid for the Chairman's functions (€48,000 in 2014).

**A2 REMUNERATION OF EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER)**

| (€ million) | **2015** | **2014** |
|---|---|---|
| Basic salary | 4.3 | 3.8 |
| Retirement indemnities | - | - |
| Performance-related salary | 4.7 | 4.3 |
| Employer's social security charges | 5.1 | 3.9 |
| Complementary pension | 3.9 | 2.3 |
| Other | 1.1 | 0.7 |
| **TOTAL REMUNERATION EXCLUDING STOCK OPTIONS AND PERFORMANCE SHARES** | **19.1** | **15.0** |
| Stock options and performance shares | 5.4 | 3.2 |
| **TOTAL STOCK OPTIONS AND PERFORMANCE SHARES** | 5.4 | 3.2 |
| **EXECUTIVE COMMITTEE MEMBERS (OTHER THAN THE CHAIRMAN AND CEO)** | **24.5** | **18.2** |

**B – RENAULT'S INVESTMENTS IN ASSOCIATES**

Details of Renault's investments in Nissan and AVTOVAZ are provided in notes 12 and 13-A respectively.

**C – TRANSACTIONS WITH THE FRENCH STATE AND PUBLIC COMPANIES**

In the course of its business the Group undertakes transactions with the State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market conditions, represent sales of €250 million in 2015 (€212 million in 2014) and a receivable of €70 million at December 31, 2015 (€44 million in 2014).

Note 28

**Off-balance sheet commitments and contingent assets and liabilities**

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automobile regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 28-A).

Renault also receives commitments from customers (deposits, mortgages, etc) and may benefit from credit lines with credit institutions (note 28-B).

## A – OFF-BALANCE SHEET COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

### A1 ORDINARY OPERATIONS

The Group is committed for the following amounts:

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Sureties, endorsements and guarantees given | 214 | 214 |
| Financing commitments in favour of customers[(1)] | 1,984 | 1,675 |
| Firm investment orders | 568 | 518 |
| Lease commitments | 247 | 310 |
| Assets pledged, provided as guarantees or mortgaged, and other commitments[(2)] | 70 | 127 |

*(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end in the maximum amount of €1,881 million at December 31, 2015.*

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

Lease commitments correspond to rent from non-cancellable leases. The breakdown is as follows:

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Less than 1 year | 42 | 33 |
| Between 1 and 5 years | 149 | 172 |
| More than 5 years | 56 | 105 |
| **TOTAL** | **247** | **310** |

### A2 SPECIFIC OPERATIONS

**END-OF-LIFE VEHICLES**

The Group establishes provisions for its recycling obligations on a country-by-country basis, in accordance with regulatory requirements, as and when the procedures for recycling operations are defined. These provisions are regularly reviewed to ensure they take account of changes in each country’s situation.

For countries where the legislation is not yet complete, until the laws are in existence, it is impossible to accurately determine whether the Group will have to bear a residual cost.

**OTHER COMMITMENTS**

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer’s favour. At December 31, 2015, 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 in progress at December 31, 2015 were the following: an investigation by the competition authorities in Korea, and inquiries in France and Germany concerning the level of vehicle emissions.

### B – OFF-BALANCE SHEET COMMITMENTS RECEIVED AND CONTINGENT ASSETS

| (€ million) | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| Sureties, endorsements and guarantees received | 2,039 | 2,102 |
| Assets pledged or mortgaged(1) | 2,672 | 2,631 |
| Buy-back commitments(2) | 1,656 | 1,371 |
| Other commitments | 4 | 5 |

*(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 €2,397 million at December 31, 2015 (€2,505 million at December 31, 2014).*
*(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.*

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in note 23-A.

Note 29

### Fees paid to statutory auditors and their network

The fees paid to the Group's Statutory Auditors and their networks were as follows:

| | EY NETWORK | | | | KPMG NETWORK | | | |
|---|---|---|---|---|---|---|---|---|
| | AMOUNT | | | % | AMOUNT | | | % |
| (€ million) | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| **Audit** | | | | | | | | |
| **Statutory audit, certification, review of individual and consolidated accounts** | **5.93** | **5.93** | **92.5%** | **91.7%** | **5.21** | **5.99** | **84.0%** | **84.9%** |
| • Renault SA and Renault s.a.s. | 3.13 | 3.01 | 48.8% | 46.5% | 2.22 | 2.15 | 35.8% | 30.4% |
| • Fully consolidated subsidiaries | 2.80 | 2.92 | 43.7% | 45.2% | 2.99 | 3.84 | 48.2% | 54.5% |
| **Other work and services directly linked to the statutory auditor's mission** | **0.26** | **0.20** | **4.1%** | **3.0%** | **0.03** | **0.01** | **0.5%** | **0.2%** |
| • Renault SA and Renault s.a.s. | 0.22 | 0.05 | 3.5% | 0.7% | 0.01 | 0.00 | 0.2% | 0.0% |
| • Fully consolidated subsidiaries | 0.04 | 0.15 | 0.6% | 2.3% | 0.02 | 0.01 | 0.3% | 0.2% |
| **AUDIT SUBTOTAL** | **6.19** | **6.13** | **96.6%** | **94.7%** | **5.24** | **6.00** | **84.5%** | **85.1%** |
| **Other services** | | | | | | | | |
| • Legal, tax, labour-related | 0.17 | 0.29 | 2.6% | 4.5% | 0.88 | 0.89 | 14.2% | 12.6% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| • Other | 0.05 | 0.05 | 0.8% | 0.8% | 0.08 | 0.17 | 1.3% | 2.3% |
| **OTHER SERVICES SUBTOTAL** | **0.22** | **0.34** | **3.4%** | **5.3%** | **0.96** | **1.06** | **15.5%** | **14.9%** |
| **TOTAL** | **6.41** | **6.47** | **100%** | **100%** | **6.20** | **7.06** | **100%** | **100%** |

Note 30

**Subsequent events**

No significant events have occurred since the year-end.

Note 31

## Consolidated companies

### A – FULLY CONSOLIDATED COMPANIES (SUBSIDIARIES)

| **RENAULT GROUP'S INTEREST** (%) | **COUNTRY** | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|---|
| Renault SA | France | Consolidating company | Consolidating company |
| **AUTOMOTIVE** | | | |
| **France** | | | |
| Renault s.a.s | France | 100 | 100 |
| Arkanéo | France | 100 | 100 |
| Auto Châssis International (ACI) Le Mans | France | 100 | 100 |
| Auto Châssis International (ACI) Villeurbanne | France | 100 | 100 |
| Fonderie de Bretagne | France | 100 | 100 |
| IDVU | France | 100 | 100 |
| IDVE | France | 100 | 100 |
| Maubeuge Construction Automobile (MCA) | France | 100 | 100 |
| Renault Environnement | France | 100 | 100 |
| Renault Développement Industriel et Commercial (RDIC) | France | 100 | 100 |
| Renault Retail Group SA and subsidiaries | France | 100 | 100 |
| Renault Samara | France | 100 | 100 |
| RDREAM | France | 100 | 100 |
| SCI Plateau de Guyancourt | France | 100 | 100 |
| SNC Renault Cléon | France | 100 | 100 |
| SNC Renault Douai | France | 100 | 100 |
| SNC Renault Flins | France | 100 | 100 |
| SNC Renault Sandouville | France | 100 | 100 |
| Société des Automobiles ALPINE | France | 100 | 100 |
| Sofrastock International | France | 100 | 100 |
| Société de Transmissions Automatiques | France | 100 | 100 |
| Société de Véhicules Automobiles de Batilly (SOVAB) | France | 100 | 100 |
| Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) and subsidiaries | France | 100 | 100 |
| Société Immobilière Renault Habitation (SIRHA) | France | 100 | 100 |
| Société Immobilière d'Epone | France | 100 | 100 |
| Société Immobilière pour l'Automobile (SCIA) | France | 100 | 100 |
| SODICAM 2 | France | 100 | 100 |
| Technologie et Exploitation Informatique (TEI) | France | 100 | 100 |
| **Europe** | | | |
| Renault Deutschland AG and subsidiaries | Germany | 100 | 100 |
| Renault Österreich and subsidiaries | Austria | 100 | 100 |
| Renault Belgique Luxembourg and subsidiaries | Belgium | 100 | 100 |
| Renault Industrie Belgique (RIB) | Belgium | 100 | 100 |
| Renault Croatia | Croatia | 100 | 100 |
| Renault Espana Comercial SA (RECSA) and subsidiaries | Spain | 100 | 100 |
| Renault Espana SA and subsidiaries | Spain | 100 | 100 |
| Renault Hungaria and subsidiaries | Hungary | 100 | 100 |
| Renault Irlande | Ireland | 100 | 100 |
| Renault Italia and subsidiaries | Italy | 100 | 100 |
| Motor Reinsurance Company | Luxembourg | 100 | 100 |
| Renault Group b.v. | Netherlands | 100 | 100 |
| Renault Nederland | Netherlands | 100 | 100 |

| **RENAULT GROUP'S INTEREST** (%) | **COUNTRY** | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|---|
| Renault Polska | Poland | 100 | 100 |
| Cacia | Portugal | 100 | 100 |
| Renault Portuguesa and subsidiaries | Portugal | 100 | 100 |
| Renault Ceska Republika | Czech Republic | 100 | 100 |
| Grigny Ltd. | United Kingdom | 100 | 100 |
| Renault Retail Group U.K. Ltd. | United Kingdom | 100 | 100 |
| Renault U.K. | United Kingdom | 100 | 100 |
| Renault Slovakia | Slovakia | 100 | 100 |
| Renault-Nissan Slovenija d.o.o. | Slovenia | 100 | 100 |
| Revoz | Slovenia | 100 | 100 |
| Renault Nordic | Sweden | 100 | 100 |
| Renault Finance | Switzerland | 100 | 100 |
| Renault Suisse SA and subsidiaries | Switzerland | 100 | 100 |
| **Africa – Middle East – India** | | | |
| Renault Algérie | Algeria | 100 | 100 |
| Renault India Private Ltd | India | 100 | 100 |
| Renault Maroc | Morocco | 80 | 80 |
| Renault Maroc Service | Morocco | 100 | 100 |
| Renault Tanger Exploitation | Morocco | 100 | 100 |
| Renault Tanger Méditerranée | Morocco | 100 | 100 |
| Société marocaine de construction automobile (Somaca) | Morocco | 77 | 77 |
| **Americas** | | | |
| Groupe Renault Argentina | Argentina | 100 | 100 |
| Renault do Brasil LTDA | Brazil | 100 | 100 |
| Renault do Brasil SA | Brazil | 100 | 100 |
| Sociedad de Fabricacion de Automotores (Sofasa) and subsidiaries | Colombia | 100 | 100 |
| Renault Corporativo SA de C.V. | Mexico | 100 | 100 |
| Renault Mexico | Mexico | 100 | 100 |
| **Asia – Pacific** | | | |
| Renault Beijing Automotive Company | China | 100 | 100 |
| Renault Samsung Motors | South Korea | 80 | 80 |
| **Eurasia** | | | |
| Renault-Nissan Bulgaria | Bulgaria | 100 | 100 |
| Dacia and subsidiaries | Romania | 99 | 99 |
| Renault Mécanique Romania | Romania | 100 | 100 |
| Renault Commercial Romania | Romania | 100 | 100 |
| Renault Technologie Romania | Romania | 100 | 100 |
| AFM Industrie* | Russia | - | 100 |
| CJSC Renault Russia | Russia | 100 | 100 |
| Remosprom* | Russia | - | 100 |
| Oyak-Renault Otomobil Fabrikalari | Turkey | 52 | 52 |
| Renault Ukraine | Ukraine | 100 | 100 |
| **SALES FINANCING** | | | |
| **France** | | | |
| Diac | France | 100 | 100 |
| Diac Location | France | 100 | 100 |

| RENAULT GROUP'S INTEREST (%) | COUNTRY | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|---|
| RCI Banque and branches | France | 100 | 100 |
| **Europe** | | | |
| RCI Versicherungs Services GmbH | Germany | 100 | 100 |
| RCI Financial Services S.A. | Belgium | 100 | 100 |
| Renault AutoFin S.A. | Belgium | 100 | 100 |
| Overlease | Spain | 100 | 100 |
| RCI zrt Hongrie | Hungary | 100 | 100 |
| ES Mobility SRL | Italy | 100 | 100 |
| RCI Insurance Ltd | Malta | 100 | 100 |
| RCI Life Ltd | Malta | 100 | 100 |
| RCI Services Ltd | Malta | 100 | 100 |
| RCI Financial Services B.V. | Netherlands | 100 | 100 |
| Renault Credit Polska Sp. Z.o.o. | Poland | 100 | 100 |
| RCI Gest Instituiçao Financiora de Credito | Portugal | 100 | 100 |
| RCI Gest Seguros – Mediadores de Seguros | Portugal | 100 | 100 |
| RCI Finance CZ s.r.o. | Czech Republic | 100 | 100 |
| RCI Financial Services s.r.o. | Czech Republic | 50 | 50 |
| RCI Financial Services Ltd | United Kingdom | 100 | 100 |
| RCI Finance S.A. | Switzerland | 100 | 100 |
| **Africa – Middle East – India** | | | |
| RCI Finance Maroc | Morocco | 100 | 100 |
| RDFM | Morocco | 100 | 100 |
| **Americas** | | | |
| Courtage S.A. | Argentina | 100 | 100 |
| Rombo Compania Financiera | Argentina | 60 | 60 |
| Companhia de Arrendamento Mercantil RCI do Brasil | Brazil | 60 | 60 |
| Companhia de Crédito, Financiamento e Investimento RCI do Brasil | Brazil | 60 | 60 |
| Administradora de Consorcio Renault do Brasil | Brazil | 100 | 100 |
| Corretora de Seguros RCI do Brasil | Brazil | 100 | 100 |
| **Asia – Pacific** | | | |
| RCI Financial Services Korea | South Korea | 100 | 100 |
| **Eurasie** | | | |
| RCI Broker De Asigurare | Romania | 100 | 100 |
| RCI Finantare Romania | Romania | 100 | 100 |
| RCI Leasing Romania IFN | Romania | 100 | 100 |
| OOO RN FINANCE RUS | Russia | 100 | 100 |

* *The subsidiaries AFM Industrie and Remosprom were absorbed in 2015 by a fully consolidated company.*

## B – COMPANIES CONSOLIDATED BASED ON THE PERCENTAGE INTEREST IN EACH BALANCE SHEET AND INCOME STATEMENT ITEM (JOINT OPERATIONS)

| RENAULT GROUP'S INTEREST (%) | COUNTRY | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|---|
| **AUTOMOTIVE** | | | |
| Renault-Nissan Technology and Business Centre India Private Limited (RNTBCI) | India | 67 | 67 |

## C – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

| **RENAULT GROUP'S INTEREST** (%) | **COUNTRY** | **DECEMBER 31, 2015** | **DECEMBER 31, 2014** |
|---|---|---|---|
| **AUTOMOTIVE** | | | |
| Boone Comenor | France | 33 | 33 |
| Indra Investissements | France | 50 | 50 |
| Renault South Africa | South Africa | 40 | 40 |
| Renault Algérie Production | Algeria | 49 | 49 |
| Dongfeng Renault Automotive Company | China | 50 | 50 |
| Renault-Nissan Automotive India Private Limited | India | 30 | 30 |
| Nissan Group | Japan | 43.7 | 43.7 |
| Alliance Rostec Auto B.V. | Netherlands | 50 | 50 |
| AVTOVAZ Group | Russia | 37.3 | 37.3 |
| Motorlu Araclar Imal ve Satis A.S | Turkey | 49 | 49 |
| **SALES FINANCING** | | | |
| Renault Credit Car | Belgium | 50 | 50 |
| Nissan Renault Financial Services India Private Limited | India | 30 | - |
| RN SF B.V. | Netherlands | 50 | 50 |
| BARN B.V. | Netherlands | 30 | 30 |
| RN Bank | Russia | 30 | 30 |
| Orfin Finansman Anonim Sirketi | Turkey | 50 | 50 |

(2) Comptes annuels (Parent Company Financial Statements)

Comptes de résultat simplifies de Renault S.A.
Bilan simplifié
Tableau de flux de trésorerie
Annexe aux comptes sociaux

[Japanese translation and French original of the above are included in this section of the Securities Report in Japanese.]

<English translation of the Parent Company Financial Statements>

## (2) FINANCIAL STATEMENTS

### INCOME STATEMENT

| (€ million) | **2015** | **2014** |
|---|---|---|
| Operating expenses | (21) | (27) |
| Increases to provisions | (23) | (9) |
| **NET OPERATING EXPENSE** | **(44)** | **(36)** |
| Investment income | 790 | 690 |
| Increases to provisions related to investments | 4 | 36 |
| **INVESTMENT INCOME AND EXPENSES (NOTE 2)** | **794** | **726** |
| Foreign exchange gains | 65 | 182 |
| Foreign exchange losses | (24) | (29) |
| Reversals from provisions for exchange risks | (45) | 3 |
| **FOREIGN EXCHANGE GAINS AND LOSSES (NOTE 3)** | **(4)** | **156** |
| Interest and equivalent income | 8 | 47 |
| Interest and equivalent expenses | (253) | (311) |
| Reversals of provisions and transfers of charges | 9 | 73 |
| Expenses on sales of marketable securities | (4) | (61) |
| Depreciation and provisions | (3) | (5) |
| **OTHER FINANCIAL INCOME AND EXPENSES (NOTE 4)** | **(243)** | **(257)** |
| **NET FINANCIAL INCOME** | **547** | **625** |
| **PRE-TAX INCOME BEFORE EXCEPTIONAL ITEMS** | **503** | **589** |
| **INCOME TAX (NOTE 5)** | **160** | **95** |
| **NET INCOME** | **663** | **684** |

### BALANCE SHEET

| | **2015** | | | **2014** |
|---|---|---|---|---|
| **ASSETS** (€ million) | **GROSS** | **DEPRECIATION, AMORTISATION & PROVISIONS** | **NET** | **NET** |
| Investments stated at equity | 7,349 | | 7,349 | 6,715 |
| Other investments (note 6) | 7,500 | | 7,500 | 7,498 |
| Advances to subsidiaries and affiliates (note 7) | 11,404 | 4 | 11,400 | 11,478 |
| **FINANCIAL ASSETS** | **26,253** | **4** | **26,249** | **25,691** |
| **TOTAL FIXED ASSETS** | **26,253** | **4** | **26,249** | **25,691** |
| **RECEIVABLES (NOTE 9)** | **516** | **5** | **511** | **421** |
| **MARKETABLE SECURITIES (NOTE 8)** | **209** | **1** | **208** | **109** |
| **CASH AND CASH EQUIVALENTS** | **163** | | **163** | **38** |
| **OTHER ASSETS (NOTE 9)** | **126** | | **126** | **67** |
| **TOTAL ASSETS** | **27,267** | **10** | **27,257** | **26,326** |

| **SHAREHOLDERS' EQUITY AND LIABILITIES** (€ million) | **2015** | **2014** |
|---|---|---|
| Share capital | 1,127 | 1,127 |
| Share premium | 4,782 | 4,782 |
| Equity valuation difference | 1,533 | 899 |
| Legal and tax basis reserves | 113 | 113 |
| Retained earnings | 7,729 | 7,599 |
| Net income | 663 | 684 |
| **SHAREHOLDERS' EQUITY (NOTE 10)** | **15,947** | **15,204** |
| **REDEEMABLE SHARES (NOTE 11)** | **129** | **129** |
| **PROVISIONS FOR RISKS AND LIABILITIES (NOTE 12)** | **233** | **80** |
| Bonds | 5,596 | 6,259 |
| Borrowings from credit institutions | 991 | 1,109 |
| Other loans and financial debts | 3,632 | 2,678 |
| **FINANCIAL LOANS AND BORROWINGS (NOTE 13)** | **10,219** | **10,046** |
| **OTHER LIABILITIES (NOTE 14)** | **664** | **703** |
| **DEFERRED INCOME (NOTE 15)** | **65** | **164** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **27,257** | **26,326** |

## STATEMENT OF CHANGES IN CASH

| (€ million) | **2015** | **2014** |
|---|---|---|
| Cash flow (note 19) | 823 | 642 |
| Change in working capital requirements | (137) | 165 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **686** | **807** |
| Net decrease/ (increase) in other investments | 0 | (245) |
| Net decrease/ (increase) in loans | 78 | (195) |
| Net decrease/ (increase) in marketable securities | (99) | 36 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | **(21)** | **(404)** |
| Bond issues | 584 | 1,689 |
| Bond redemptions | (1,404) | (1,676) |
| Net increase/ (decrease) in other interest-bearing borrowings | 829 | 123 |
| Dividends paid to shareholders | (554) | (504) |
| Bond issuance expenses and redemption premiums | (1) | (7) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | **(546)** | **(375)** |
| **CASH AND CASH EQUIVALENTS: OPENING BALANCE** | **33** | **5** |
| Increase/ (decrease) in cash and cash equivalents | 119 | 28 |
| **CASH AND CASH EQUIVALENTS: CLOSING BALANCE** | **152** | **33** |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

Renault SA has drawn up its annual financial statements in accordance with the provisions of regulations 2014-03 of the ANC *(Autorité des Normes Comptables)*, approved by the ministerial decision of September 8, 2014 concerning the French chart of accounts.

The following methods were applied in valuing balance sheet and income statement items:

### A - INVESTMENTS

As allowed by CNC *(Conseil National de la Comptabilité)* avis N°34 (July 1988), as an alternative to the standard valuation method for investments carried in the balance sheet, Renault SA has opted to state investments in wholly-controlled companies at equity:

- this method is applied to all companies that are fully consolidated in the Group’s financial statements;
- the shareholders’ equity of these companies is determined under the accounting policies applied in the consolidated financial statements; as this is a valuation method, intercompany eliminations are not taken into account;

- in valuing a subsidiary, its holdings in companies wholly controlled by the Group are valued in the same way;
- the change during the year in the overall percentage of shareholders' equity corresponding to these interests is not an income or loss item; it is included in shareholders' equity under "Equity valuation difference". This amount cannot be distributed or used to offset losses; when it is negative, a provision for general depreciation is established as a charge against income.

Investments in companies not wholly controlled by Renault SA are valued at acquisition cost, less related expenses, or at their book value if this is lower. The book value takes account of the share of net assets, profitability prospects and commercial outlets. Provisions are established when the book value of the investments is lower than the gross value.

**B - ADVANCES TO SUBSIDIARIES AND AFFILIATES**

Loans to related companies and advances to subsidiaries and affiliates are recorded at historical cost. Impairment is recognised when there is a risk that these loans will not be recovered.

**C – MARKETABLE SECURITIES**

Marketable securities are valued at acquisition cost, excluding related expenses and accrued interest for bonds, or at market value if this is lower.

Treasury shares held for the purposes of free share plans and stock option plans are included in marketable securities. These shares are subject to a provision for expenses, corresponding to the difference between the value of shares (acquisition or net worth on the date of reassignment price) and the exercice price of the options for beneficiaries, therefore the exercice price of the option is less than the acquisition cost.

Treasury shares not allocated to a specific plan are also included in marketable securities. Impairment is recorded if the stock market price falls below the book value.

**D – LOAN COSTS AND ISSUANCE EXPENSES**

Loan costs, including issuance expenses, and bond redemption premiums, which are recorded in Other Assets, are amortised on a straight-line basis over the corresponding duration.

**E - TRANSLATION OF FOREIGN CURRENCY RECEIVABLES AND LIABILITIES**

Receivables and liabilities denominated in foreign currencies are translated as follows:

- all receivables and liabilities in foreign currencies are converted at the year-end exchange rate;
- exchange differences arising between the date of transactions and December 31st are recorded in Other assets and Deferred income (translation adjustment);
- a provision for risk equal to the unrealised exchange losses is established after determining an overall foreign exchange position for each currency (including derivatives).

**F - PROVISIONS FOR RISKS AND LIABILITIES**

Provisions for risks and liabilities are defined in accordance with CRC regulation 2000-06. They are established for probable payment obligations existing at the year-end. A contingent liability, in contrast, is an obligation that is neither probable nor definite at the date the financial statements are established, or a probable obligation that cannot be reliably estimated. Provisions are not established for contingent liabilities, but an off-balance sheet commitment is reported where relevant.

**G - DERIVATIVES**

Gains and losses on derivatives designated as hedges are recorded in the income statement in the same way as the revenues and expenses relating to the hedged item.

Derivatives not designated as hedges are adjusted to fair value at each closing date. Any resulting unrealised loss is recognised in the income statement, while unrealised gains are not recognised in income.

The fair value of forward exchange contracts is based on market conditions. The fair value of currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates). The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking year-end market conditions into consideration. The market value of derivatives is not recognised in the balance sheet.

**H - NET EXCEPTIONAL ITEMS**

Exceptional items are revenues and expenses resulting from events or transactions that are clearly distinct from the company's normal business operations, and are not expected to recur on a frequent or regular basis.

**2. Investment income and expenses**

Details are as follows:

| (€ million) | 2015 | 2014 |
|---|---|---|
| Dividends received from Nissan Motor Co. Ltd. | 547 | 432 |
| Dividends received from Daimler | 40 | 37 |
| Other dividends received | 75 | 80 |
| Interest on loans | 128 | 141 |
| Increases to provisions related to subsidiaries and affiliates | 4 | 36 |
| **TOTAL** | **794** | **726** |

All interest on loans concerns Group subsidiaries.

**3. Foreign exchange gains and losses**

The net foreign exchange loss is chiefly attributable to operations in yen undertaken by Renault SA. Since these operations are not classified as part of the hedge of the net assets of Nissan in Renault SA's individual financial statements, they are included in financial income and expenses in the income statement.

Foreign exchange gains and losses in 2015 to €41 million comprise the following:

- a foreign exchange gains of €29 million on redemption of the bond issued on June 29, 2012 (nominal value 10 billion yen);
- a foreign exchange gains of €18 million on redemption of the bond issued on June 12, 2013 (nominal value 38 billion yen);
- a foreign exchange gains of €8 million on redemption of swap related to the bond issued on April 11, 2013 (nominal value 750 billion Renminbi Yuan);
- a foreign exchange loss of €17 million on redemption of the bond issued on November 28, 2013 (nominal value 49.6 billion yen);
- a foreign exchange gains of €3 million on the loan of 500 billion Renminbi Yuan from Renault Finance.

Foreign exchange gains and losses in 2014 included a net gain of €153 million.

**4. Other financial income and expenses**

Other financial income and expenses generated a net loss of €243 million in 2015 (compared to a loss of €257 million in 2014) and mainly comprise net interest payments of €253 million on Renault borrowings after swaps and €8 million reversed from impairment recorded in respect of treasury shares.

Details of interest paid and other similar expenses are as follows:

| (€ million) | 2015 | 2014 |
|---|---|---|
| Net accrued interest after *swaps* on bonds* | (186) | (236) |
| Net accrued interest after *swaps* on borrowings from credit institutions | (22) | (24) |
| Accrued interest on termination of borrowings from subsidiaries | 0 | (2) |
| Accrued interest on redeemable shares | (17) | (17) |

| | | |
|---|---|---|
| Other financial expenses | (2) | (2) |
| Other (treasury notes and brokers commissions) | (26) | (30) |
| **TOTAL** | **(253)** | **(311)** |

* *The net interest on bonds comprises accrued and paid interest amounting to €246 million (€368 million in 2014), and accrued and received interest on swaps amounting to €60 million (€132 million in 2014).*

In 2015, the €186 million of interest received and paid mainly comprise:
- €32 million on the bond issued on September 19, 2013;
- €28 million on the bond issued on March 22, 2010;
- €28 million on the bond issued on September 18, 2012;
- €23 million on the bond issued on May 25, 2011;
- €16 million on the bond issued on March 05, 2014;
- €12 million on the bond issued on December 05, 2012;
- € 8 million on the bond issued on June 30, 2010;
- € 7 million on the bond issued on September 20, 2010.

The net interest receivable on the swapped portion of bonds and borrowings from credit institutions amounted to €19 million: €80 million on the paying leg and €61 million on the receiving leg.

**5. Income tax**

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this regime has applied to the group in which Renault SA is taxed in France since January 1, 2004. French subsidiaries that are more than 95% owned by Renault SA pay their income taxes directly to the company under this regime. Each entity included in the domestic tax consolidation records its theoretical taxes as if it was taxed separately. The tax saving generated by this system is treated as income for Renault SA, the company heading the group of entities concerned. The parent company is not obliged to reimburse the subsidiaries for the tax savings resulting from utilisation of their tax losses when the subsidiaries return to profit or leave the tax consolidated group. Tax losses can now only be carried forward against taxable income up to the amount of €1 million plus 50% of the taxable income above that amount.

This rule is applicable:
- for determining the income/loss of the tax consolidation group;
- by convention, for determining the income/loss of each company included in the tax consolidation.

These rules on tax loss carryforwards apply to all losses existing, whatever their origin.

In practice, although these rules will have an impact on determination of certain subsidiaries' taxable income, they will have no immediate impact on the taxable income of the group as a whole, which continues to report a tax loss, amounting to €116 million (€372 million decrease than in 2014).

Article 15 of the rectified French Finance Law for 2014 postponed the cancellation of the 10.7% exceptional contribution on the corporate income tax payable. This measure is applicable for financial years ending until December 30, 2016. This contribution is due:
- on income tax at the normal rate or reduced rate payable by the tax consolidation group;
- by convention, on income tax at the normal rate or reduced rate payable by the companies included in the tax consolidation group to Renault SA.

The income generated by income taxes for 2015 was €150 million corresponding to the income tax proceeds paid by the subsidiaries of Renault SA as if they were imposed separately.

Details of the tax charge related to the year are as follows:

| | | TAXES | | | | | NET INCOME | |
|---|---|---|---|---|---|---|---|---|
| (€ million) | PRE-TAX INCOME | THEORETICAL | NETTING | CREDIT GENERATED | NET TAX CREDIT | TAX DUE | THEORETICAL | AS BOOKED |
| Current income subject to normal rate | 503 | | | | | | 503 | 503 |

| | | | | |
|---|---|---|---|---|
| Tax consolidation | | 150 | | 150 |
| Impairment | | (2) | | (2) |
| Other | | 12 | | 12 |
| **TOTAL** | **503** | **160** | **503** | **663** |

The deferred taxes Renault SA are as follows:

| | **2015** | | **2014** | | **VARIATIONS** | |
|---|---|---|---|---|---|---|
| (€ million) | **ASSETS(1)** | **LIABILITIES(2)** | **ASSETS(1)** | **LIABILITIES(2)** | **ASSETS** | **LIABILITIES** |
| **Temporarily non-deductible expenses** | | | | | | |
| Provisions for risks and liabilities | 62 | | 50 | | 12 | |
| **Expenses deducted (or taxed income)** | | 44 | | 43 | | 1 |
| **not yet recognised for accounting purposes** | 20 | 36 | 51 | 18 | -31 | 18 |
| **TOTAL** | **82** | **80** | **101** | **61** | **-19** | **19** |

*(1) i.e. future tax credit.*
*(2) i.e. future tax charge.*

6. **Investments**

Changes during the year were as follows:

| (€ million) | AT START OF YEAR | CHANGE OVER THE YEAR | AT YEAR-END |
|---|---|---|---|
| Investment in Nissan Motor Co. Ltd. | 6,622 | | 6,622 |
| Investment in RNBV | 11 | | 11 |
| Investment in Daimler | 584 | | 584 |
| Other investments | 283 | | 283 |
| **TOTAL BEFORE PROVISIONS** | **7,500** | **0** | **7,500** |
| Impairment | (2) | 2 | 0 |
| **TOTAL, NET** | **7,498** | **2** | **7,500** |

**7. Advances to subsidiaries and affiliates**

Changes during the year were as follows:

| (€ million) | AT START OF YEAR | INCREASES | DECREASES | AT YEAR-END |
|---|---|---|---|---|
| Dividends receivable | 2 | | | 2 |
| Loans | 11,480 | 1,773 | (1,851) | 11,402 |
| **TOTAL BEFORE PROVISIONS**(1) | **11,482** | **1,773** | **(1,851)** | **11,404** |
| Impairment | (4) | | | (4) |
| **TOTAL, NET** | **11,478** | **1,773** | **(1,851)** | **11,400** |
| *(1) Current portion (less than one year)* | 11,438 | | | 11,375 |
| *Long-term portion (over 1 year)* | 44 | | | 29 |

Loans include:

- €6,845 million in short-term investments with Renault Finance (€6,732 million in 2014);
- €25 million in long-term loans to Renault s.a.s. (identical to 2014);
- €4,532 million in current accounts resulting from centralised cash management agreements with Group subsidiaries (€4,725 million in 2014).

All loans relate to Group subsidiaries.

**8. Marketable securities**

Marketable securities primarily include €208 million for Renault SA's treasury shares.

Changes in treasury shares were as follows:

| | AT START OF YEAR | OPTIONS EXERCISED AND AWARDS | SHARES PURCHASED | TRANSFERS TO OTHER FINANCIAL ASSETS | IMPAIRMENT (REVERSALS) | AT YEAR-END |
|---|---|---|---|---|---|---|
| Number of shares | 2,555,983 | 423,841 | 1,441,595 | | | 3,573,737 |
| Shares allocated | 108 | (15) | 114 | | | 207 |
| Shares not allocated | 1 | | | | | 1 |
| **GROSS VALUE** (€ million) | **109** | **(15)** | **114** | | | **208** |
| **IMPAIRMENT** (€ million) | | | | | | |
| **TOTAL** | **109** | **(15)** | **114** | | | **208** |

9. **Receivables and other assets**

Receivables mainly comprise:

- an unbilled receivable of €152 million for performance share (€55 million in 2014), under the reinvoicing agreement between Renault SA and Renault s.a.s. introduced in 2012;

tax receivables:

| (€ million) | AT START OF YEAR | INCREASES | DECREASES | AT YEAR-END |
|---|---|---|---|---|
| **RECEIVABLES TAX** | | | | |
| Deposit: Income tax | 0 | 7 | | 7 |
| CIR: Research tax credit | 296 | 138 | (150) | 284 |
| CICE: Competitive employment tax credit | 50 | 49 | (48) | 51 |
| Other receivables tax | 25 | 4 | (7) | 22 |
| **TOTAL BEFORE PROVISIONS** | **371** | **198** | **(205)** | **364** |
| **IMPAIRMENT** | | | | |
| CIR: Research tax credit | (4) | (3) | 3 | (4) |
| CICE: Competitive employment tax credit | (1) | (1) | 1 | (1) |
| **TOTAL** | **(5)** | **(4)** | **4** | **(5)** |
| **TOTAL NET** | **366** | **194** | **(201)** | **359** |

The increases are principally receivables Research Tax Credit for the year of €133 million and the Competitive Employment Tax Credit of €49 million.

The decreases are principally constituted of the assignment of the debt CIR for the year 2013 for €148 million (Research Tax Credit) and the assignment of the debt CICE for the year 2014 for €49 million.

The major components of Other Assets are:

| (€ million) | AT START OF YEAR | INCREASES | DECREASES | AT YEAR-END |
|---|---|---|---|---|
| **OTHER ASSETS** | | | | |
| Deferred charges | 22 | | (6) | 16 |
| Redemption premiums amounting | 5 | | (2) | 3 |
| Unrealized losses | 40 | 107 | (40) | 107 |
| **TOTAL** | **67** | **107** | **(48)** | **126** |

- deferred charges consist of final payments and issuance expenses on various loans;
- redemption premiums, mainly on several long-term bonds (5 to 7 years);
- translation adjustments essentially resulting from unrealised foreign exchange losses, covered by provision, on bonds swapped to yen.

**10. Shareholders' equity**

Changes in shareholders'equity were as follows:

| (€ million) | BALANCE AT START OF YEAR | ALLOCATION OF 2014 NET INCOME | DIVIDENDS | 2015 NET INCOME | OTHER | BALANCE AT YEAR-END |
|---|---|---|---|---|---|---|
| Share capital | 1,127 | | | | | 1,127 |
| Share premium | 4,782 | | | | | 4,782 |
| Equity valuation difference | 899 | | | | 634 | 1,533 |
| Legal and tax basis reserves | 113 | | | | | 113 |
| Retained earnings | 7,599 | 684 | (554) | | | 7,729 |
| Net income | 684 | (684) | | 663 | | 663 |
| **TOTAL** | **15,204** | **0** | **(554)** | **663** | **634** | **15,947** |

Non-distributable reserves amounted to €1,646 million at December 31, 2015.
Renault SA's shareholding structure was as follows at December 31, 2015:

| | OWNERSHIP STRUCTURE | | VOTING RIGHTS | |
|---|---|---|---|---|
| | NUMBER OF SHARES HELD | % OF CAPITAL | NUMBER | % |
| French state | 58,387,915 | 19.74% | 58,387,915 | 23.56% |
| Employees | 8,945,130 | 3.03% | 8,945,130 | 3.61% |
| Treasury shares | 3,573,737 | 1.21% | | |
| Nissan | 44,358,343 | 15.00% | | |
| Daimler | 9,167,391 | 3.10% | 9,167,391 | 3.70% |
| Other | 171,289,768 | 57.92% | 171,289,768 | 69.13% |
| **TOTAL** | **295,722,284** | **100%** | **247,790,204** | **100%** |

The par value of the Renault SA share is €3.81.

## STOCK OPTION AND PERFORMANCE SHARE ATTRIBUTION PLANS

The Board of Directors periodically grants stock options to Group executives and managers, with prices and exercise periods specific to each plan. Performance share plans are also awarded, each with its own vesting and required holding periods.
During 2015, a new performance share plan was introduced. All plans include performance conditions which determine the number of options or performance shares granted to beneficiaries.

### A – CHANGES IN THE NUMBER OF STOCK OPTIONS AND PERFORMANCE SHARE RIGHTS HELD BY PERSONNEL

| | STOCK OPTIONS | | | |
|---|---|---|---|---|
| | QUANTITY | WEIGHTED AVERAGE EXERCICE PRICE (€) | WEIGHTED AVARAGE SHARE PRICE AT GRANT AND EXERCICE DATES (€) | PERFORMANCE SHARE RIGHTS |
| **OPTIONS OUTSTANDING AND RIGHTS NOT YET VESTED AT JANUARY 1, 2015** | **1,024,830** | **37** | **-** | **1,504,362** |
| Granted | - | - | - | 1,450,625 |
| Options exercised and vested rights | (308,038)(1) | - | 49(2) | (115,095)(3) |
| Options and rights expired and other adjustments | - | - | N/A | (8,642) |
| **OPTIONS OUTSTANDING AND RIGHTS NOT YET VESTED AT DECEMBER 31, 2015** | **716,792** | **37** | **-** | **2,831,250** |

*(1) Stock options exercised in 2015 were granted under plans 18 and 19 in 2011.*
*(2) Price at which the shares were acquired by the Group to cover future options.*
*(3) Performance shares vested were awarded under plans 18 bis and 19 bis in 2011.*

### B – STOCK PURCHASE OPTIONS

For plans current in 2015, options attributed vest after a period of 4 years, and the exercise period then covers the 4 following years:

| PLAN | TYPE OF PLAN | GRANT DATE | EXERCISE PRICE (€) | OUTSTANDING AT DECEMBER 31, 2015 | EXERCISE PERIOD |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Plan 18 | Stock purchase options | April 29, 2011 | 38.80 | 183,574 | April 30, 2015 – April 28, 2019 |
| Plan 19 | Stock purchase options | December 8, 2011 | 26.87 | 137,000 | December 9, 2015 – December 7, 2019 |
| Plan 20 | Stock purchase options | December 13, 2012 | 37.43 | 396,218 | December 13, 2016 – December 12, 2020 |
| **TOTAL** | | | | **716,792** | |

### C – PERFORMANCE SHARES PLANS IN PROGRESS IN 2015

Vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.
The vesting period for performance shares awarded to French tax residents is 3 years, followed by a minimum holding period of 2 years.
For non-French tax residents, the vesting period is 4 years and there is no minimum holding period.

| PLAN | TYPE OF PLAN | GRANT DATE | SHARE RIGHTS AWARDED AT DECEMBER 31, 2015 | VESTING DATE | HOLDING PERIOD |
|---|---|---|---|---|---|
| Pan 18 bis | Performance shares | April 29, 2011 | - | April 30, 2015(1) | None |
| Plan 19 bis | Performance shares | December 8, 2011 | - | December 8, 2015(1) | None |
| Plan 20 bis | Performance shares | December 13, 2012 | 74,966 | December 13, 2016 | None |
| Plan 21(2) | Performance shares | February 12, 2014 | 976,485<br>332,559 | February 12, 2017<br>February 12, 2018 | February 12, 2017 – February 12, 2019<br>None |
| Plan 22(2) | Performance shares | February 11, 2015 | 1,050,265<br>396,975 | February 11, 2018<br>February 11, 2019 | February 11, 2018 – February 11, 2020<br>None |
| **TOTAL** | | | **2,831,250** | | |

*(1) The performance shares concerned by these plans were issued to beneficiaries in 2015.*
*(2) Included the variable part of the CEO converded in performance share.*

## 11. Redeemable shares

These shares, issued in October 1983 and April 1984 by Renault SA, can be redeemed with a premium on the sole initiative of Renault SA. They earn a minimum annual return of 9% comprising a fixed portion (6.75%) and a variable portion, equal to at least 2.25%, that depends on consolidated revenues and is calculated based on identical structure and methods.
797,659 redeemable shares remained on the market at December 31, 2015, for a total of €129 million including accrued interest. These shares are listed on the Paris Bourse. The market price for redeemable shares with par value of €153 was €539.95 at December 31, 2015 (€438.90 at December 31, 2014).
The 2015 return on redeemable shares, amounting to €17 million (€17 million in 2014) is included in interest and equivalent expenses.

## 12. Provisions for risks and liabilities

Provisions for risks and liabilities break down as follows:

| (€ million) | 2014 | INCREASES | REVERSALS | 2015 |
|---|---|---|---|---|
| Foreign exchange losses | 0 | 45 | | 45 |
| Provisions for expenses(1) | 72 | 115 | (5) | 182 |
| Other provisions for risks(2) | 8 | | (2) | 6 |
| **TOTAL** | **80** | **160** | **(7)** | **233** |
| *Current (less than 1 year)* | *0* | | | *45* |
| *Long-term (over 1 year)* | *80* | | | *188* |

*(1) A provision of €182 million was booked at December 31, 2015 (€72 million at December 31, 2014) after it was decided to allocate free shares. Under a reinvoicing agreement introduced between Renault SA and Renault s.a.s., a €152 million share of this provision is considered as an unbilled receivable on the subsidiary Renault s.a.s (€55 million in 2014).*

*(2) Other provisions mainly consist of provisions for risks related to investments.*

Each known litigation in which Renault SA is involved is examined at year-end. After seeking the opinion of legal and tax advisors, the provisions deemed necessary are, where appropriate, established to cover the estimated risk.

## 13. Financial loans and borrowings

### A - BONDS

Bonds amounted to €5,596 million at December 31, 2015 (€6,259 million at December 31, 2014).
The principal changes in bonds over 2015 were as follows:

- issuance on July 02, 2015 of a 4-year bond with total nominal value of 7 billion yen, at the fixed rate of 0.90%;
- issuance on November 26, 2015 of a 3-year bond with total nominal value of 50 billion yen, at the fixed rate of 0.75%;
- issuance on November 26, 2015 of a 3-year bond with total nominal value of 13 billion yen, at the fixed rate of 0.75% (swapped to Euros at the fixed rate of 1.115%);
- issuance on November 26, 2015 of a 3-year bond with total nominal value of 7 billion yen, at the fixed rate of 0.75%;
- redemption on June 12, 2013 of a 2-year bond with total nominal value of 38 billion yen at the fixed rate of 1.92%;
- redemption on June 29, 2012 of a 3-year bond with total nominal value of 10 billion yen at the fixed rate of 3.3%;
- redemption on June 30, 2010 of a 5-year bond with total nominal value of €400 million at the fixed rate of 5.625%, swapped at a floating rate of 3-month Euribor +3.875%;
- redemption on September 20, 2010 of a 4-year and 9-month bond with total nominal value of €250 million at the fixed rate of 5.625%;
- redemption on November 28, 2013 of a 2-year bond with total nominal value of 49.6 billion yen at the fixed rate of 1.37%.

**BREAKDOWN BY MATURITY**

| | DECEMBER 31, 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | TOTAL | -1 YR | 1 TO 2 YRS | 2 TO 3 YRS | 3 TO 4 YRS | 4 TO 5 YRS | +5 YRS |
| Nominal value | 5,536 | 1,496 | 2,053 | 1,434 | 53 | 0 | 500 |
| Accrued interest | 60 | 60 | | | | | |
| **TOTAL** | **5,596** | **1,556** | **2,053** | **1,434** | **53** | **0** | **500** |

| | DECEMBER 31, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | TOTAL | -1 YR | 1 TO 2 YRS | 2 TO 3 YRS | 3 TO 4 YRS | 4 TO 5 YRS | +5 YRS |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Nominal value | 6,191 | 1,310 | 1,489 | 1,992 | 900 | 0 | 500 |
| Accrued interest | 68 | 68 | | | | | |
| **TOTAL** | **6,259** | **1,378** | **1,489** | **1,992** | **900** | **0** | **500** |

**BREAKDOWN BY CURRENCY**

| | DECEMBER 31, 2015 | | DECEMBER 31, 2014 | |
|---|---|---|---|---|
| (€ million) | BEFORE DERIVATIVES | AFTER DERIVATIVES | BEFORE DERIVATIVES | AFTER DERIVATIVES |
| Euro | 3,567 | 4,356 | 4,225 | 4,907 |
| Yen | 1,861 | 1,169 | 1,879 | 1,286 |
| CNY | 168 | 71 | 155 | 66 |
| **TOTAL** | **5,596** | **5,596** | **6,259** | **6,259** |

**BREAKDOWN BY INTEREST RATE TYPE**

| | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| (€ million) | AFTER DERIVATIVES | AFTER DERIVATIVES |
| Fixed rate | 4,713 | 4,662 |
| Floating rate | 883 | 1,597 |
| **TOTAL** | **5,596** | **6,259** |

**B - BORROWINGS FROM CREDIT INSTITUTIONS**

Borrowings from credit institutions stood at €991 million at December 31, 2015 (€1,109 million at December 31, 2014) and are mainly contracted on the market.

The principal changes in bonds over 2015 were as follows:

- redemption on June 19, 2015 of a 7-year bond with total nominal value of €42 million at the floating rate of 3-month Euribor +120 bp;
- redemption on August 10, 2015 of a 3-year bond with total nominal value of €50 million, at the floating rate of 3-month Euribor +285 bp;
- redemption on November 23, 2015 of a 3-year bond with total nominal value of €25 million, at the fixed rate of 3.15%, swapped at the Eonia rate +300.3 bp.

**BREAKDOWN BY MATURITY**

| | DECEMBER 31, 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | TOTAL | -1 YR | 1 TO 2 YRS | 2 TO 3 YRS | 3 TO 4 YRS | 4 TO 5 YRS | +5 YRS |
| Nominal value | 981 | 375 | 211 | 217 | 83 | 95 | 0 |
| Accrued interest | 10 | 10 | | | | | |
| **TOTAL** | **991** | **385** | **211** | **217** | **83** | **95** | **0** |

| | DECEMBER 31, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | TOTAL | -1 YR | 1 TO 2 YRS | 2 TO 3 YRS | 3 TO 4 YRS | 4 TO 5 YRS | +5 YRS |
| Nominal value | 1,098 | 127 | 292 | 137 | 141 | 306 | 95 |
| Accrued interest | 11 | 11 | | | | | |
| **TOTAL** | **1,109** | **138** | **292** | **137** | **141** | **306** | **95** |

**BREAKDOWN BY CURRENCY**

| | DECEMBER 31, 2015 | | DECEMBER 31, 2014 | |
|---|---|---|---|---|
| (€ million) | BEFORE DERIVATIVES | AFTER DERIVATIVES | BEFORE DERIVATIVES | AFTER DERIVATIVES |

| | | | | |
|---|---|---|---|---|
| Euro | 991 | 991 | 1,109 | 1,109 |
| Other currencies | | | | |
| **TOTAL** | **991** | **991** | **1,109** | **1,109** |

**BREAKDOWN BY INTEREST RATE TYPE**

| | DECEMBER 31, 2015 | DECEMBER 31, 2014 |
|---|---|---|
| (€ million) | AFTER DERIVATIVES | AFTER DERIVATIVES |
| Fixed rate | 126 | 99 |
| Floating rate | 865 | 1,010 |
| **TOTAL** | **991** | **1,109** |

Borrowings from credit institutions maturing within one year include €10 million in bank credit balances.

**C - OTHER LOANS AND FINANCIAL DEBTS**

Other loans and financial debts amounted to €3,632 million at December 31, 2015 (€2,678 million in 2014), and principally comprise:

- borrowings from Group subsidiaries with surplus cash;
- treasury notes amounting to €567 million.

No loans or financial debts are secured.

**D – LIQUIDITY RISK**

The automotive operating segment needs sufficient financial resources to finance its day-to-day business and the investments necessary for future growth. It therefore regularly borrows on the banking and capital markets to refinance its debt, and this exposes it to a liquidity risk in the event of market closure or tensions over credit availability. As part of its centralised cash management policy, Renault SA handles most refinancing automotive operating segment through long-term resources via the capital markets (bond issues, private placements), bank financing, or short-term financing such as treasury notes.

Renault SA also has confirmed credit agreements with banking establishments (see note 18).

The contractual documentation for these financing arrangements and credit agreements contains no clause that might adversely affect credit availability as a result of a change in Renault's credit rating or financial ratio compliance.

Given the available cash reserves, confirmed credit lines unused at the year-end, and the prospects for renewal of short-term financing, Renault SA has sufficient financial resources to cover its commitments over a 12-month horizon.

**14. Other liabilities**

Changes in other liabilities were as follows:

| (€ million) | 2015 | 2014 | VARIATION 2015/ 2014 |
|---|---|---|---|
| Tax liabilities | 657 | 696 | -39 |
| Liabilities related to other assets | 5 | 5 | 0 |
| Other liabilities | 2 | 2 | 0 |
| **TOTAL** | **664** | **703** | **-39** |

The variation of €39 million in tax liabilities was due in an increase in tax liability subsidiaries: €47 million due under the CICE; €2 million due under the CIR and a decrease of €88 million under the tax French domestic tax consolidation system.

**15. Deferred income**

Deferred income mainly comprises unrealised foreign exchange gains on borrowings issued in yen or swapped to yen, totalling €57 million.

## 16. Information concerning related companies

"Related companies" are all entities consolidated in the Group's financial statements, whatever is the consolidation method. Transactions with related companies are conclude in normal conditions of market.

**INCOME STATEMENT**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| (€ million) | TOTAL | RELATED COMPANIES | TOTAL | RELATED COMPANIES |
| Interest on loans | 128 | 126 | 141 | 139 |
| Interest and equivalent expenses | (253) | 19 | (311) | 29 |
| Reversals of provisions and transfers of charges | 13 | | 116 | |

**BALANCE SHEET**

| | 2015 | | 2014 | |
|---|---|---|---|---|
| (€ million) | TOTAL | RELATED COMPANIES | TOTAL | RELATED COMPANIES |
| Loans | 11,402 | 9,020 | 11,480 | 11,401 |
| Receivables | 516 | 152 | 426 | 55 |
| Cash and cash equivalents | 163 | | 38 | |
| Borrowings from credit institutions | 991 | | 1,109 | |
| Loans and financial debts | 3,632 | 3,039 | 2,678 | 2,429 |
| Other liabilities | 664 | 662 | 703 | 700 |

## 17. Financial instruments

### A - MANAGEMENT OF EXCHANGE AND INTEREST RATE RISK

The corresponding commitments, expressed in terms of notional amount where appropriate, are shown below:

| **AT DECEMBER 31**<br>(€ million) | **2015** | **2014** |
|---|---|---|
| **FOREIGN EXCHANGE RISKS** | | |
| ***Currency* swaps** | | |
| Purchases | 788 | 681 |
| *with Renault Finance* | *788* | *681* |
| Sales | 831 | 664 |
| *with Renault Finance* | *831* | *664* |
| **Other forward exchange contracts and options** | | |
| Purchases | 279 | 504 |
| *with Renault Finance* | *279* | *504* |
| Sales | 276 | 516 |
| *with Renault Finance* | *276* | *516* |
| **INTEREST RATE RISKS** | | |
| ***Interest* rate swaps** | **1,587** | **2,013** |
| *with Renault Finance* | *1,587* | *2,013* |

**CURRENCY RISK**

Transactions undertaken to manage exchange rate exposure principally comprise currency swaps and forward currency operations to hedge financing contracted in foreign currencies, apart from financing in yen. Renault SA also carries out forward currency sales to hedge loans to subsidiaries denominated in foreign currencies.

**RATE RISK**

Renault SA carries most of the Group's indebtedness. Its interest rate risk management policy applies two basic principles: long-term investments use fixed-rate financing, and investments for liquidity reserves use floating-rate financing. The financing in yen undertaken as part of the hedge of Nissan equity is fixed-rate.

Renault SA uses derivatives to implement the above interest rate and exchange risk management policies. Most of its operations on the financial instrument markets are undertaken via Renault Finance, a wholly-owned Group subsidiary.

**B - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amounts in the balance sheet and the estimated fair values of Renault SA's financial instruments are as follows:

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **AT DECEMBER 31** (€ million) | **BALANCE SHEET VALUE** | **FAIR VALUE** | **BALANCE SHEET VALUE** | **FAIR VALUE** |
| **ASSETS** | | | | |
| Marketable securities, gross(1) | 209 | 331 | 110 | 155 |
| Loans | 11,402 | 11,426 | 11,480 | 11,503 |
| Cash and cash equivalents | 163 | 163 | 38 | 38 |
| **LIABILITIES** | | | | |
| Redeemable shares | 129 | 431 | 129 | 350 |
| Bonds | 5,596 | 5,865 | 6,259 | 6,583 |
| Other interest-bearing borrowings(2) | 4,623 | 4,665 | 3,787 | 3,882 |

*(1) Including treasury shares.*
*(2) Excluding redeemable shares.*

## C - ESTIMATED FAIR VALUE OF OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

| | 2015 | | 2014 | |
|---|---|---|---|---|
| **AT DECEMBER 31** (€ million) | **ASSETS** | **LIABILITIES** | **ASSETS** | **LIABILITIES** |
| Forward exchange contracts | 3 | (1) | 18 | (6) |
| *with Renault Finance* | *3* | *(1)* | *18* | *(6)* |
| Currency swaps | 43 | 0 | 11 | (35) |
| *with Renault Finance* | *43* | *0* | *11* | *(35)* |
| Interest rate swaps | 36 | (4) | 63 | (6) |
| *with Renault Finance* | *36* | *(4)* | *63* | *(6)* |

### ASSUMPTIONS AND METHODS ADOPTED

Estimated fair values are based on information available on the markets and arrived at using valuation methods appropriate to the types of instrument in question.

When the financial instrument is listed on an active and liquid market, the last listed price is used to calculate the market value. For unlisted instruments, market value is determined based on recognised valuation models that refer to observable market parameters. If Renault SA has no valuation tools, particularly for complex products, valuation is carried out by quality financial institutions.

The main assumptions and valuation methods are as follows:

- **financial assets:**
  - **marketable securities:** the fair value of securities is determined mainly by reference to market prices,
  - **loans and advances to subsidiaries and affiliates:** for loans with original maturity of less than three months, floating-rate loans and advances to subsidiaries and affiliates, the value recorded in the balance sheet is considered to be the fair value. Other fixed-rate loans have been measured by discounting future cash flows using the risk-free rates offered to Renault SA at December 31, 2015 and December 31, 2014 for loans with similar conditions and maturities;
- **liabilities:** the fair value of financial liabilities is determined by discounting future cash flows at risk-free rates plus the credit spread of the borrower at December 31, 2015 and December 31, 2014 for borrowings with similar conditions and maturities. The fair value of redeemable shares is based on their year-end stock market value;
- **off-balance sheet foreign exchange instruments:** The fair value of forward contracts and of currency swaps is determined by discounting future cash flows, using market curves (exchange and interest risk free rate) respectively on December 31, 2015 and December 31, 2014 for the contracts' residual terms;
- **off-balance sheet interest rate instruments:** the fair value of interest rate swaps represents the amount Renault SA would receive (or pay) if it settled outstanding contracts at the end of the year. Unrealised capital gains or losses, determined on the basis of prevailing interest rates to each contract, are taken into account at December 31, 2015 and December 31, 2014.

## 18. Other commitments and contingencies

Off-balance-sheet commitments are as follows:

| | 2015 | | 2014 | |
|---|---|---|---|---|
| (€ million) | **TOTAL** | **CONCERNING RELATED COMPANIES** | **TOTAL** | **CONCERNING RELATED COMPANIES** |
| **COMMITMENTS RECEIVED** | | | | |
| Unused credit lines | 3,305 | | 3,185 | |
| **TOTAL** | **3,305** | | **3,185** | |
| **COMMITMENTS GIVEN** | | | | |
| Guarantees and deposits | 646 | 631 | 727 | 712 |
| Unused credit lines | 540 | 540 | 496 | 496 |
| **TOTAL** | **1,186** | **1,171** | **1,223** | **1,208** |

As part of the management of RCI Banque's major risk ratio, Renault SA entered into a pledging agreement in 2010 for a deposit of €550 million by Renault SA with RCI Banque.
In 2011, Renault SA acted as guarantor, with joint and several liability, against default by Renault Tanger Exploitation (the debtor) and undertook a commitment to pay Renault Tanger Méditerranée (the beneficiary) all the amounts due under the sublease, i.e. rents and charges for one year (€81 million).
There are no restrictive clauses on credit lines opened but unused.
The forward sales and swaps undertaken by Renault SA are described above (note 17.A - Management of exchange and interest rate risk).

**19. Cash flow**

Cash flow is determined as follows:

| (€ million) | **2015** | **2014** |
|---|---|---|
| Net income | 663 | 684 |
| Increases to provisions and deferred charges | 8 | 10 |
| Net increase to provisions for risks and liabilities | 154 | 49 |
| Net increases to impairment | (2) | (101) |
| **TOTAL** | **823** | **642** |

**20. Workforce**

Renault SA has no employees.

**21. Directors' fees**

Directors' fees amounted to €1,155,300 in 2015 (€1,074,699 paid for 2014), of which €48,000 were for the function of Chairman (€48,000 in 2014).

**22. Subsequent events**

No significant events have occurred since the year-end.

**INFORMATION OF SUBSIDIARIES AND AFFILIATES** (€ million)

| **COMPANIES** | **SHARE CAPITAL** | **RESERVES AND RETAINED EARNINGS** | **% OF CAPITAL HELD** | **BOOK VALUE OF SHARES OWNED** |
|---|---|---|---|---|
| **INVESTMENTS** | | | | |
| Renault s.a.s. | 534 | 2,390 | 100% | 6,531 |
| Dacia(1) | 562 | 180 | 99.43% | 795 |
| Dongfeng Renault Automotive Company(2) | 667 | (68) | 50.00% | 282 |
| Nissan(3) | 10,761 | 25,501 | 43.40% | 6,622 |
| Sofasa(4) | 1 | 43 | 27.66% | 23 |
| **TOTAL INVESTMENTS** | | | | **14,253** |

*(1) The exchange rate used for Dacia is 4.5240 Romanian lei = 1 euro.*
*(2) The exchange rate used for DRAC is 7.0608 Renminbi Yuan = 1 euro.*
*(3) The exchange rate used for Nissan is 131.07 Yen = 1 euro.*
*(4) The exchange rate used for Sofasa is 3,452 Colombian pesos = 1 euro.*

| **COMPANIES** | **OUTSTANDING LOANS AND ADVANCES FROM RENAULT SA** | **SALES REVENUES EXCLUDING TAXES 2015** | **NET INCOME (LOSS), PRIOR YEAR** | **DIVIDENDS RECEIVED BY RENAULT SA IN 2015** |
|---|---|---|---|---|
| **INVESTMENTS** | | | | |

| | | | | |
|---|---|---|---|---|
| Renault s.a.s. | 1,291 | 39,426 | (36) | |
| Dacia[1] | | 4,311 | 99 | 75 |
| Dongfeng Renault Automotive Company[2] | | | 15 | |
| Nissan[3] | | 91,076 | 3,491 | 547 |
| Sofasa[4] | | 844 | 24 | |

*(1) The exchange rate used for Dacia is 4.4452 Romanian lei = 1 euro.*
*(2) The exchange rate used for DRAC is 6.97 Renminbi Yuan = 1 euro.*
*(3) The exchange rate used for Nissan is 134.28 Yen = 1 euro.*
*(4) The exchange rate used for Sofasa is 3,044.41 Colombian pesos = 1 euro.*

**PARTICIPATIONS BY EQUIVALENCE**

The value of RENAULT s.a.s shares estimated by equivalence was impacted during exercice 2015 of €733 million in provisions for depreciation booked in 2015 on its participation in the JV Alliance Rostec Auto B.V. (main shareholder of the Group AVTOVAZ) and on its loans and receivables on the Group AVTOVAZ.

These provisions were booked to take the financial deterioration of this Group, which announces a consolidated loss on 74 billion Russian rouble in 2015 (€1,087 million converted at the exchange of the Russian rouble for 2015) and a negative consolidated stockholders' equities in December 31, 2015 for 39 billion Russian roubles (€486 million converted at the exchange rate at Decembre 31, 2015 of the Russian rouble).

**ACQUISITION OF INVESTMENTS**

See note 6.

**FIVE-YEAR FINANCIAL HIGHLIGHTS**

| (€ million) | **2011** | **2012** | **2013** | **2014** | **2015** |
|---|---|---|---|---|---|
| **YEAR-END FINANCIAL POSITION** | | | | | |
| Share capital | 1,127 | 1,127 | 1,127 | 1,127 | 1,127 |
| Number of shares and investment certificates outstanding | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 | 295,722,284 |
| **OVERALL INCOME FROM OPERATIONS** | | | | | |
| Income before tax, amortisation, depreciation and provisions[1] | (51) | 288 | 1,429 | 498 | 564 |
| Income tax | 164 | 135 | 189 | 95 | 160 |
| Income after tax, amortisation, depreciation and provisions | 277 | 574 | 1,664 | 684 | 663 |
| Dividends paid | 339 | 502 | 504 | 554 | |
| **EARNINGS PER SHARE IN EUROS** | | | | | |
| Earnings before tax, amortisation, depreciation and provisions[1] | (0.17) | 0.97 | 4.83 | 1.68 | 1.91 |
| Earnings after tax, amortisation, depreciation and provisions | 0.94 | 1.94 | 5.63 | 2.31 | 2.24 |
| Net dividend per share | 1.16 | 1.72 | 1.72 | 1.90 | |
| **EMPLOYEES[2]** | | | | | |

*(1) Provisions are those recorded during the year, less reversals and applications.*
*(2) No employees.*

## 2. DETAILS OF MAJOR ASSETS AND LIABILITIES

See the accompanying Notes to the Accounts.

## 3. OTHER

### (1) RECENT DEVELOPMENTS

#### i) PUBLICATION ON 14 JANUARY 2016 OF A RENAULT GROUP PRESS RELEASE (press release dated 14 January 2016)

Following public disclosure by the EPA – US Environmental Protection Agency – of the existence of a defeat device software used by a leading car manufacturer, an independent technical commission was created by the French government.

The purpose of this independent technical commission is to verify that French car manufacturers have not installed equivalent devices in their vehicles.

In this regard, the UTAC (French Homologation Authority mandated by the Ministry) is currently testing 100 vehicles in circulation, including 25 Renault vehicles reflecting Renault's market share in France. At the end of December 2015, 11 vehicles had already been tested, including 4 Renault vehicles enabling the French public authorities to initiate productive discussions with Renault's engineering team.

The French Agency for Energy and Climate (DGEC), which is, on behalf of the Ministry for Ecology, Sustainable Development and Energy, the main contact for the independent technical commission, already considers that the on-going procedure would not reveal the presence of a defeat device on Renault's vehicles.

This is good news for Renault.

The on-going tests open the way for improvement solutions for future and current Renault vehicles. presented in its Renault Emissions Plan which is aimed at improving the energy performance of our vehicles.

At the same time, the DGCCRF (*Direction générale de la concurrence, de la consommation et de la répression des fraudes*) decided to carry out additional on-site and material investigations, in order to definitively confirm the first findings resulting from the analysis of the independent technical commission.

The DGCCRF (*Direction générale de la concurrence, de la consommation et de la répression des fraudes*) went to the Headquaters, the Renault Technical Centre in Lardy and the Technocentre in Guyancourt.

Renault's teams are fully cooperating with the independent technical commission and the additional investigations decided by the Ministry of Economy.

Following the success of the COP21, Renault intends to accelerate its investment towards industrial solutions aiming at protecting the planet.

The Renault Group is already in the top 3 (1st in 2013, 2nd in 2014 in the improvement programs of the carbon footprint. Over the last 3 years, the Renault Group has reduced by 10% the carbon footprint of its vehicles.

**ii) DENIAL (press release dated 19 January 2016)**

Renault confirms that a recall campaign is already in progress. Approximately 15,000 cars fitted with dCi110 engines are involved. The purpose of the recall is to recalibrate the engine's control unit. The issue had been identified, resolved and put in production in September 2015.

In addition, Renault firmly denies having mentioned that 700,000 cars were in need of a software update. Indeed, all Renault vehicles are fully compliant with current regulations. As stated in December 2015, on top of meeting applicable Euro6b standards, Renault intends to be able to propose an improved NOx emission system to customers.

**iii) RENAULT REAFFIRMS ITS AMBITIONS IN IRAN (press release dated 28 January 2016)**

- For more than ten years, Renault Group has been active in Iran and consistent in its strategic choices.
- Since 2003, Renault and its Iranian partners, SAIPA and IRAN KHODRO, have produced close to 500,000 vehicles.
- Following the launches of the Logan Pick-up and the Sandero in 2015, Renault and its Iranian partners are stepping up their cooperation and preparing the introduction of other models.

During President Rouhani's visit to France, Renault Group reaffirmed Iran's position since 2003 as a very important market for company strategy, characterised by two key words: calm and consistent.

For more than ten (10) years without interruption, Renault Pars, a joint venture with Iran's two main auto manufacturers, Saipa and Iran Khodro, has enabled the Group to produce nearly 500,000 vehicles in the country.

In 2015, two (2) new vehicles were manufactured: the Logan Pick-up with Iran Khodro and the Sandero with Saipa. These models are the latest additions to a line-up that has met with success among the Iranian people.

Thanks to the lifting of economic sanctions against Iran on 16 January 2016, and as soon as smooth relations have resumed between French and Iranian banks, Renault will considerably intensify operations in Iran and prepare future model releases in association with its two local partners.

"With a market amounting to two million vehicles by 2020, Iran has undeniable potential. Renault has ambitious plans in Iran and advanced discussions are currently underway with Saipa and Iran Khodro to step up our presence, develop our structures and support the automobile sector in Iran," said Bernard Cambier, Director of the Africa-Middle East-India region.

In 2015, Group sales soared by 56.1% compared to 2014, to reach a total of 51,500 vehicles and 4.8% of market share.

**iv) RENAULT TOP MANAGEMENT APPOINTMENTS (press release dated 11 february 2016)**

Renault Group today announced a series of senior management appointments.

As of March 1st 2016, Mr. Stefan Mueller, EVP, Chairman of Europe Region, is appointed EVP, Chief Performance Officer (CPO).

As of April 1st 2016, Mr. Jean-Christophe Kugler, SVP, Chairman of Eurasia Region, is appointed EVP, Chairman of Europe Region and becomes a member of Renault Executive Committee.

Denis Le Vot, SVP, Sales & Marketing for Europe G9, will become SVP, Chairman of Eurasia Region.

Ken Ramírez, Managing Director of Renault Group UK, is appointed SVP, Sales & Marketing for Europe G9. He will be a member of the Renault Management Committee.

After a 36 year career with Renault Group, Jérôme Stoll has decided to retire.

Carlos Ghosn, Chairman and Chief Executive Officer, said: "*I would like to thank in particular Jérôme Stoll for his contribution to Renault Group's development worldwide. His commitment and unwavering loyalty were key to our performance."*

Furthermore, Mr. Carlos Ghosn asked Mr. Jérôme Stoll to oversee the newly formed racing organization. Mr. Jérôme Stoll is appointed President of Renault Sport Racing covering the operations both in Viry-Châtillon (France) and in Enstone (United Kingdom).

*Born on August 27th 1960, **Stefan Mueller** is graduated from Würzburg University and has a Master of Business Administration from New York University. He has both German and Swiss nationalities. He started his career in 1986 in Sales & Marketing Division of BMW AG, in Munich. In 1988, he moved to Sales Region Division North America and was appointed Director of Dealer Development in the United States in 1992. He came back to Germany two years later to take in charge the Fleet Business and Direct Customers. In 1998, he became Executive Director of Direct Sales and Project manager on new distribution strategy. He joined Ford Motor Company in 1999, as Director Brand and Distribution Development for Premier Automotive Group, in London, prior to become President Germany and President Central Europe Region for Volvo Car Germany, in Cologne. In 2003, he joined Volkswagen AG, first as Executive Director German Market for Audi, and then as President of Volkswagen Retail GmbH. He was appointed Executive Director German Market for Volkswagen AG in 2006. In 2008, he moved to ADAC e.V., as CEO. As of September 1st 2012, Stefan Mueller is appointed as EVP, Chairman of Europe Region. He is a member of the Group Executive Committee. On March 1st 2016, he is appointed EVP, Chief Performance Officer (CPO).*

*Born on December 15th 1961, **Jean-Christophe Kugler** holds an engineering degree from the École Centrale Nantes. He joined the process engineering R&D center at Renault in 1984. In 1989, he became Section Manager, Quality Control engineering, before moving to the Maubeuge site in 1994 as Head of the Quality department for the launch of Kangoo. In 1998, he took charge of the Quality department at the Córdoba plant in Argentina. In 2000, he came Head of Production Vehicles within the Painted Body Engineering Department at Guyancourt, then Head of Body Shop Engineering between 2002 and 2005 and Assistant Director between 2005 and 2006. From 2006 to 2008, he was Director of the Small Commercial Vehicle Program and then the I Range Program. In October 2008, Jean-Christophe Kugler became Senior Vice President, Light Commercial Vehicles.*
*In November 2011, Jean-Christophe Kugler was appointed as SVP, Chairman of EuromedAfrica Region and then Chairman of Eurasia Region. On April 1st 2016, he is appointed EVP, Chairman of the Europe Region and becomes a member of the Group Executive Committee.*

*Born on April 8th 1965, **Denis Le Vot** holds an engineering degree from the École des Mines de Paris. He joins Renault in 1990 in Sales & Marketing within the International Operations Department. In 1994, he joins the AfterSales Division and becomes Senior Manager AfterSales Product Development. Appointed successively Senior Manager AfterSales of Avtoframos in Russia, Sales Director in Belgium, Global AfterSales Marketing & Strategy and then Marketing Director of Renault MAIS in Turkey, he becomes VP, Marketing & Sales of Eurasia Region in 2007. In 2011, he is appointed Deputy Managing Director of Renault Russia and in September 2013, he becomes VP, Sales & Marketing G9.*
*On January 1st 2015, Denis Le Vot becomes a member of the Renault Management Committee. On April 1st 2016, he is appointed SVP, Chairman of Eurasia Region.*

*Born on February 13rd 1968 in Puerto Rico, **Ken Ramírez** has a bachelor's degree in Electrical Engineering from the Georgia Institute of Technology and has more than 24 years of experience in the automotive industry in the*

*UK, US, Japan, Mexico and Latin America. He joined the RenaultNissan Alliance in 2002, holding various leadership roles at Nissan in Research & Development, Program Management, Corporate Planning and Marketing & Sales, most recently as Managing Director of Nissan Latin America and the Caribbean, including Nissan and Infiniti brands in the region covering 37 countries. He is Managing Director of Renault UK since February 2013, including Renault and Dacia brands in the Europe North Territory, covering UK, Ireland, Cyprus and Malta markets. He is a Board member on the UK Society of Motor Manufacturers and Traders (SMMT) Executive and an Advisory Counsellor for the French Chamber of Commerce in the UK (CCFGB).*
*On April 1st 2016, Ken Ramírez is appointed SVP, Sales & Marketing for Europe G9 and becomes a member of Renault's Management Committee.*

*Born on March 8th 1954, **Jérôme Stoll** graduated from École Supérieure de Commerce de Paris (ESCP), HEC Group's Executive MBA. He began his career within Renault VI (Renault Industrial Vehicles) from 1980 to 1983, then worked in the senior management team of Berliet Nigeria, a subsidiary of Renault VI, from 1983 to 1987.*
*He joined Renault's Finance Department in 1987 and became Finance and Administrative Director of Renault Automation in 1989. He was appointed Director of Industrial Purchasing in 1995, then Director of Powertrain Purchasing in 1998. From 2000 to 2006 he was Chairman and CEO of Renault Samsung Motors. In 2006 he became head of Mercosur, was appointed CEO of Renault Brazil, and joined the Renault Management Committee. In 2009 he was made a member of the Group Executive Committee and became leader of the Management Committee for the Europe Region, Executive Vice President, Sales and Marketing and LCVs, and Chairman of the Renault Retail Group. From September 1st 2012 he focused his responsibilities on the Group's Sales Department, LCV Division and the Renault Retail Group. On September 10th 2013 he was appointed Chief Performance Officer, remaining Executive Vice President, Sales and Marketing. On January 1st 2016, the roles of Chief Performance Officer (CPO) and EVP of Sales and Marketing have been split, to boost growth and profitability. Jérôme Stoll remains Chief Performance Officer with the mission to lead the regions in order to deliver expected results in volume and profit. In March 2016, he will retire but is appointed President of Renault Sport Racing covering the operations both in ViryChâtillon (France) and in Enstone (United Kingdom).*

## v) RENAULT TO RECRUIT 1,000 PERMANENT EMPLOYEES AND 1,000 APPRENTICES IN FRANCE IN 2016 (press release dated 17 February 2016)

- Renault has announced that it will recruit 1,000 people on permanent contracts in France in 2016.
- Added to the 1,000 permanent employees hired in 2015, Renault is significantly exceeding the commitment it made with the "Contract for a new dynamic of growth and social development for Renault in France".
- Renault will also continue to support young people by signing 1,000 new apprenticeship contracts.

Under the "Contract for a new dynamic of growth and social development for Renault in France" signed on March 13, 2013, Renault made a commitment to hire 760 employees in the second phase of the agreement.

Between 2015 and 2016, 1,000 people were hired on permanent contracts. This is proof that the concrete measures taken since 2013 to help drive the Group's growth and prepare for the future have been a success.

Carlos Ghosn, Chairman and CEO of the Renault group: "With the agreement signed in 2013, we ensured the continuing activity of our French plants, which are now more competitive, higher-performing, and more attractive to our partners. In 2015, this enhanced competitiveness significantly boosted our production volume to more than 660,000 vehicles. This 24% increase from 2014 (31% more than in 2013) translated into new hires. In 2016, we will again reap the rewards of this agreement, and Renault will be recruiting again in France this year. This win-win agreement provides yet another illustration of the robustness of our group's social model."

In 2016, the hiring campaign will focus on specific businesses related to the major industrial projects and technological challenges of the next few years in France, such as self-driving cars, connected cars and alternative energies.

One-half of the recruitments will be in Renault plants; the other half will occur in other areas of the Group, particularly engineering and services. The positions will span the entire range of occupational categories (production workers, technicians, engineers and managers) and target young graduates and experienced candidates alike.

In addition, the company will continue to actively develop young people's professional skills and offer 1,000 new apprenticeship contracts in 2016.

Positive effects on plant activity and employment achieved through the agreement:

- Production of 132,000 Nissan Micras at the Flins plant, starting end 2016
- Production of chassis parts for the future Nissan Micra at the Fonderie de Bretagne foundry
- Production of 65,000 "J" gearboxes at the Cléon plant (previously manufactured in Portugal)
- Production of Renault's R240 electric motor at the Cléon plant
- Assembly of the Bolloré group's Bluecar electric vehicles at the Dieppe plant
- Production of a new light commercial vehicle for Fiat, based on the same platform as the New Trafic, at the Sandouville plant, with a total estimated volume of 100,000 units
- Production of the new Nissan NV300 van, to replace the Nissan Primastar, at the Sandouville plant. The Nissan NV300 van will be built on the same production line as the New Trafic and generate an estimated additional volume of 100,000 vehicles for the 20162026 period.
- Extension and broadening of the provision of the forward looking employment and skills management agreement (GPEC), thereby helping to increase the number of departures while avoiding a redundancy plan, as per the terms of the agreement
- New employees hired on permanent contracts as of 2015 (1,000 on permanent contracts and 1,000 apprenticeships) and again in 2016 (another 1,000 on permanent contracts and 1,000 apprenticeships), exceeding the number provided for under the competitiveness agreement (760 new hires)

**vi) ON 18 FEBRUARY 2016, MOODY'S UPGRADED RENAULT'S RATINGS TO BAA3; STABLE OUTLOOK.**

**vii) RENAULT WILL PARTICIPATE IN THE NISSAN SHARE BUYBACK PROGRAM TO MAINTAIN ITS SHAREHOLDING AT 43.4% (press release 26 February 2016)**

On 26 February 2016, the Board of Directors of Renault was informed of Nissan's project regarding its share buyback program which is to take place between 29 February and 22 December 2016.

Considering that this buyback program will create value for all Nissan shareholders, including Renault, the Board of Directors of Renault approved participating in this transaction which will not affect the 43.4% holding of Nissan shares by Renault.

**viii) RENAULT AND NISSAN STRENGTHEN CONVERGENCE TO BOOST EFFICIENCY AND REVENUE (press release dated 04 March 2016)**

- Renault and Nissan to strengthen synergies in Engineering, Manufacturing Engineering & Supply Chain Management, Purchasing, and Human Resources

- Additional functions expected to converge after internal approval process

- Convergence should generate €5.5 billion in synergies in 2018

The Renault-Nissan alliance is strengthening synergies in four (4) core divisions and launching new convergence projects to boost efficiency and revenue.

Convergence includes integrating divisions, creating common processes, exchanging talent and other significant sharing of resources. Convergence helped Renault and Nissan generate more than €4 billion in annualized synergies in calendar-year 2015.

During a convention of top alliance executives globally, Renault-Nissan announced today that it is strengthening synergies in Engineering, Manufacturing Engineering and Supply Chain Management, Purchasing, and Human Resources. These functions converged in 2014 and already have alliance executives managing the units.

The alliance also plans to partly converge Quality and Costing to support the original four (4) converged functions. The alliance will study other opportunities to increase synergies in Sales & Marketing, Connectivity and Connected Services, Product Planning, Aftersales and other support functions.

Through the end of March 2016, Renault and Nissan executives will present these convergence projects to appropriate employee representation and corporate decision-making bodies. If approved at the end of an internal review process, implementation will begin 1 April 2016. Leaders in these new functions and the scope of their converged activities will be announced at that time.

**Alliance as Pragmatic Business Tool**

Renault and Nissan share an industrial footprint with numerous cross-manufacturing projects in France, South Korea, India and Russia. In addition, engineers at Renault and Nissan – which have a combined annual R&D and capital expenditure fund of €10 billion work together as one team to reduce duplication in the development of next- generation technologies.

The alliance aims to generate €5.5 billion in synergies in 2018.

“The auto industry is rapidly evolving, requiring Renault and Nissan to leverage the alliance as a pragmatic business tool,” said Renault-Nissan Alliance CEO and Chairman Carlos Ghosn. “The road ahead is one of more convergence, working more closely together.”

**ix) GROUP RENAULT REDUCES ITS NITROGEN OXIDE EMISSIONS ON ITS DIESEL EURO 6B VEHICLES IN CUSTOMER DRIVING CONDITIONS (press release dated 05 April 2016)**

- Renault Group has studied and deployed a number of actions designed to reduce the nitrogen oxide (NOx) emissions of its Diesel EURO 6b vehicles in customer driving conditions.

- These measures, which significantly reduce Nitrogen Oxide emissions in real life conditions without a noticeable impact on performance or fuel consumption will be applied in factory on Diesel EURO 6b vehicles from July 2016.

- From October 2016, customers who have already taken delivery of a Diesel EURO 6b vehicle can arrange to have the modifications applied, free of charge, via simple visit to their Renault dealer.

To benefit its customers, Renault Group is implementing two changes to the antipollution systems in its vehicles:

1/ Extension of the operating range of the EGR systems – a key element in the reduction of nitrogen oxide

The studies and tests carried out since July 2015 permitting Renault Group to double the operating range at full efficiency of the EGR systems, without impacting the reliability and safety of engine and vehicle operation under customer driving conditions.

2/ Enhanced performance of the NOx trap which allows, in addition to the EGR, the storage and processing of nitrogen oxide at regular intervals.

The frequency and efficiency of the purges have been increased with a more robust system in order to better manage the wide range of different driving conditions.

The combination of these actions will on average, according to the conditions and driving style, reduce nitrogen oxide emissions in the extended EGR zone by half.

New EURO 6b Diesel models will include these features as a standard.

Existing EURO 6b Diesel models will progressively include these features in production, starting from July 2016. From October 2016, customers having already taken delivery of a Diesel EURO 6b vehicle can request for these changes to be applied free of charge via a simple visit to their Renault dealer. Information will be sent to customers in the coming weeks and will also be available online at https://group.renault.com/en/companyvehicles/engines/generalinformation/.

Renault Group reiterates that all its vehicles are homologated according to the standards in force. The actions described represent a first step towards the future EURO 6d standard which will set a maximum European level for the emission of pollutants in real life conditions, via the introduction of a new protocol 'RDE' (Real Driving Emissions)

In addition, Renault Group is developing new technologies to prepare for the arrival of EURO 6d which are planned to arrive in September 2017 for the new types.

**x) GROUP RENAULT SENIOR MANAGEMENT APPOINTMENTS (press release dated 14 April 2016)**

As of April 25th 2016, **Clotilde Delbos**, SVP, Group Controller, is appointed EVP, Chief Financial Officer. She reports to Carlos Ghosn and becomes a member of the Renault Executive Committee. Her candidature will also be proposed as Chairman of the board of RCI Banque.

As of June 1st 2016, **Thierry Piéton**, SVP, Administration and Finance at Nissan Europe is appointed SVP, Group Controller. He reports to Clotilde Delbos and becomes a member of the Renault Management Committee.

These appointments are due to Renault Group CFO **Dominique Thormann**'s decision to retire for health reasons after a 27 years career at Renault and Nissan.

"I would like to thank in particular Dominique Thormann for his contribution to the performance of Nissan, in Japan, in Europe and in the United States, but also for his contribution to the performance of Renault as EVP, Chief Financial Officer and Chief Executive Officer of RCI Banque. His loyalty, his thoroughness and his engagement have been a great value for the development of both companies. We wish him a speedy recovery," said Carlos Ghosn.

*Born on September 30th, 1967, **Clotilde Delbos** graduated from Ecole de Management de Lyon. She started her career in California, then moved to Price Waterhouse in Paris before joining the Pechiney Group in 1992. She held various positions in France and in Brussels in Internal Audit, Treasury and Mergers & Acquisitions before being named Financial Director of the Bauxite Alumina and International Trade Divisions. After the Pechiney acquisition by Alcan, Ms. Delbos was named VP & Business Finance Director of the Engineered Products Division in 2005, until it was sold in 2011 to Apollo Global Management Private Equity Fund and to the "Fonds Stratégique d'Investissement". In this new company, Constellium, she became Deputy CFO and Chief Risk Officer. She joined Groupe Renault in 2012 as Group Controller. On January 1st 2014, she was named as a member of the Renault Management Committee. On May 1st 2014, Mrs. Clotilde Delbos was appointed Alliance Global Director, Control, in addition to her current role as SVP, Groupe Renault Controller. In November 2014, she became a member of the Board of Directors of RCI Banque. On April 25th 2016, she was appointed EVP,*
*Chief Financial Officer and is expected to become Chief Executive Officer of RCI Banque.*

*Born on March 5th, 1970, **Thierry Piéton** started his career as an auditor with PricewaterhouseCoopers in 1995. He joined General Electric (GE) in 1998 and subsequently held various finance positions in the Healthcare division in Buc, France, Milwaukee, USA and in Freiburg, Germany. In 2004, he became Chief Financial Officer for Europe, Middle East and Africa for GE Security based out of Brussels. Two years later, he took the role of Global Financial Planning & Analysis Manager with GE Consumer & Industrial based in Louisville, USA. In 2007, Mr. Pieton returned to Europe as the Chief Financial Officer for GE Oil & Gas Global Services based out of Florence, Italy. In 2011, he became Chief Financial Officer for GE Power Conversion based in Paris. Mr. Piéton joined Nissan Europe in Rolle, Switzerland as Senior Vice President, Administration & Finance in May 2014. On June 1st 2016, he will be appointed SVP, Group Controller, Groupe Renault.*

*Born on August 2nd, 1954, **Dominique Thormann** started his career as a credit analyst in the Chase Manhattan Bank in New York in 1979, holding several international positions in Rome, Milan (Italy) and Paris. He joined Renault Credit International in 1989 as International Treasurer before taking charge of Investor Relations for Renault in 1994. In 1999, he joined Nissan Motor Co., Ltd. in Tokyo (Japan) as Deputy General Manager, Investor Relations and Financial Strategy. He went on to become Vice President, Global Communications and Investor Relations, before becoming Senior Vice President in charge of Administration and Finance for Nissan Europe in 2004, a post based in Paris. On July 1, 2006 he joined Nissan North America as Senior Vice President in charge of Administration and Finance. He was appointed Chief Executive Officer of RCI Banque in October 2009. On July 1, 2010, he was appointed Chief Financial Officer of Renault group and became a member of the group executive committee. On April 25th 2016, he will retire from Groupe Renault.*

**xi) ON 19 APRIL 2016, STANDARD & POOR'S REVISED RENAULT'S OUTLOOK FROM STABLE TO POSITIVE, BBB-/A-3 RATINGS AFFIRMED.**

**xii) PUBLICATION ON 21 APRIL 2016 OF THE RENAULT'S GROUP QUARTERLY INFORMATION, 31 MARCH 2016**

REVENUES INCREASE BY 11.7% IN FIRST QUARTER 2016

• Groupe Renault revenues came to €10,489 million in first quarter 2016. This 11.7% increase is mainly due to the recovery of the European market and the success of the vehicle range.

• In the first quarter of 2016, Groupe Renault reported a 7.3% increase in global registrations to 692,453 vehicles in a worldwide market which expanded by 1.5%.

• In Europe, the Group's registrations rose by 8.9% in a market up 8.2%, mainly thanks to the success of new models (Espace, Kadjar and Talisman) and continuing strong sales of Clio IV and Captur.

• Outside Europe, despite downturns in the Russian, Brazilian and Algerian markets, the Group increased its registrations by 4.7%, largely thanks to a 36.1% increase in the Africa, Middle East and India Region.

• In view of the European market's buoyant growth in the first quarter, the Group has raised its full-year forecast for this market to at least +5%, compared to +2% previously. However, the Brazilian market is now expected between - 15% and - 20%, compared to - 6% previously.

• The Group confirms its guidance for full-year 2016.

SALES RESULTS: FIRST-QUARTER HIGHLIGHTS

In a global automotive market up 1.5%, Groupe Renault's registrations rose by 7.3% to 692,453 units. The Group's market share increased by 0.2 points to 3.1%.

The Group continued to benefit from the buoyant market in Europe. Registrations rose by 8.9% in a market up 8.2% while market share came to 9.8%. Sales under the Renault brand grew by 9.9% thanks to Clio IV (the second best-selling car in Europe) as well as Captur, Kadjar, Espace and Talisman. The full impact of the new Megane, which was released in the first quarter, is yet to be felt. Sales under the Dacia brand increased by 5.7%, mainly due to Sandero.

In France, the Group reported an 8.6% rise in registrations to 163,104 vehicles in the first quarter. Its market share held steady at 26.5%. The Group placed four vehicles in the Top 10 best-selling passenger cars, with the Clio IV coming in at number one. For the first time in five years, the Renault brand registered more than 100,000 passenger cars in the first three months. The Dacia brand saw its passenger car sales grow by 16.8%.

Outside Europe, the Group reported a 4.7% increase in sales, despite the ongoing slowdowns in Russia and Brazil. This was largely due to strong sales in the Africa, Middle East and India Region.

In the Africa, Middle East and India Region, the Group's registrations grew by 36.1% with market share gaining 1.5 points to 4.6%.

In Iran, the market started to gradually re-open with Group sales up by nearly 600%. This was largely attributable to the success of Logan and Sandero. The Group's market share increased by 3.6 points to 4.2%.

In India, the market grew 3.3% while Renault registrations rose almost 200% thanks to the success of Kwid. Since the launch of this car, the group booked 120,000 orders and registered nearly 23,000 sales since the beginning of the year.

In North Africa, sales fell by 25.5% on account of a 54.4% drop in the Algerian market, despite a gain in Renault's market share. With the new regulations introduced in Algeria to restrict imports, the Renault brand posted a market share of 31.9%, up 16.1 points, due to the popular Symbol model produced locally.

In the Americas Region, the Group's sales in Brazil declined in line with the market (-28.3%). In Argentina, the market rose by 1.6% while the Group reported a 3.3% increase in sales.

In Eurasia, the Group's market share improved by 1.3 points to 11.9%. Growth in most countries in the region almost offset the downturn in the Russian market. In Russia, Renault increased its market share by 0.2 points to 7.3%. Renault continued with its product offensive, unveiling the Kaptur in March 2016.

In Asia-Pacific, the first quarter saw the start of production of Renault Kadjar at the Wuhan plant in China. In South Korea, the Group's leading market in the region, Renault Samsung Motors took 20,000 orders for the new SM6 sedan launched mid-March.

FIRST-QUARTER REVENUES BY OPERATING SECTOR

In the first quarter of 2016, the Group's revenues came to €10,489 million, an 11.7% increase compared to the previous year (+16.3% increase at constant exchange rates).

Automotive revenues came to €9,942 million, up 12.6% thanks to an increase in invoices (+10.2 points) and sales to partners (+2.7 points). Product and geographic mix impacted positively by 2.8 points. Pricing had a positive impact of 2.7 points due mainly to price increases in emerging countries to offset currency declines, especially in Russia and South America. The euro's gain against a number of currencies, including the Argentinean and Colombian peso, the Brazilian real and the Russian rouble, resulted in an unfavourable impact of 4.5 points.

Sales Financing (RCI Banque) reported revenues of €547 million, down 2.1% compared with the first quarter of 2015. However, the number of new financing contracts rose by 10.2%. Average performing assets increased by 12.8% to €31.1 billion.

OUTLOOK FOR 2016

The global automotive market is expected to continue to grow by +2% in 2016. The European market performed better than expected in the first quarter and is expected to increase by at least +5%, up from +2% forecast previously. However, the Brazilian market, is expected to decline further than anticipated (-15% to -20%, instead of -6% previously).

Within this context, the Renault Group (at constant scope of consolidation) is aiming to:

• Increase Group revenues (at constant exchange rates).

• Improve Group operating margin.

• Generate positive Automotive operational free cash flow.

**Groupe Renault consolidated revenues**

| (in € million) | **2016** | **2015** | **Change 2016/2015** |
|---|---|---|---|
| **1st Quarter** | | | |
| Automotive | 9,942 | 8,829 | +12.6 % |
| Sales Financing | 547 | 559 | -2.1 % |
| **Total** | **10,489** | **9,388** | **+11.7 %** |

**xiii) ADOPTION OF RESOLUTIONS N° 5 AND 6 BY THE GENERAL MEETING OF 29 APRIL 2016**

**xiv) THE DIVIDEND PROPOSAL OF 2.40 EURO PER SHARE HAS BEEN APPROVED BY THE COMBINED GENERAL MEETING OF 29 APRIL 2016.**

Such dividend will be paid on 17 May 2016.

**xv) PUBLICATION ON 12 MAY 2016 OF NISSAN'S CONTRIBUTION TO RENAULT'S FIRST QUARTER 2016 EARNINGS**

Nissan released today its results for the fourth quarter of fiscal year 2015/2016 (April 1,2015 to March 31, 2016).

Nissan's results, published in JGAAP, for the fourth quarter of fiscal year 2015/2016 (January 1 to March 31, 2016), after restatements, will have a positive contribution to Renault's first-half2016 net income estimated at € 228 million (*).

(*) Based on an average exchange rate of 127 yen/euro for the period under review.

**(2) LITIGATION CASES**

Refer to Part I- III – 4. RISKS IN BUSINESS, ETC. - "LEGAL AND CONTRACTUAL RISKS".

**4. DIFFERENCES BETWEEN IFRS AND JAPANESE GAAP**

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, the practical guideline permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

1- Goodwill should be amortized over a period of less than 20 years. Effective from April 1, 2015, the following condition has been added in the PITF18 : "in case the subsidiary is not amortizing the goodwill." This is because USGAAP have been revised so that to allow the option for non-listed companies to amortize goodwill.
2- Regarding actuarial gains and losses of defined benefit plans recognized in other comprehensive income, the differences between IFRS and Japanese GAAP should disappear upon application ASBJ N°26 except for actuarial differences and past service cost that should be recognized in P&L over a certain period under JGAAP whereas under IFRS, actuarial differences can never be recycled to P&L (cf .8b).
3- Capitalization and amortization of intangible assets arising from development phases.
4- Reevaluations of investment properties, property, plant and equipment, and intangible assets
5- Presentation of net income before attribution to Group share and minority interest (or non-controlling interest). Starting from April 1, 2015 non-controlling interests has been presented as a part of net income under JGAAP.

Effective April 1, 2008, Practical Guideline application (PITF18) was limited to foreign entities consolidated under full-consolidation method leaving equity method foreign subsidiaries reporting in their local GAAP. Effective April 1, 2010, Practical Guideline application (PITF24) has been extended to equity method companies.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Method of consolidation

Under IFRS, until 2012, equity method and proportionate method were authorized by IAS31 to consolidate jointly controlled entities. From January 1 2013, IAS31 has been replaced by IFRS11 which requires distinction for joint controlled arrangement between Joint-Venture and Joint-Operation arrangements. In a Joint-Venture arrangement, partners limit their rights to Net asset of the jointly controlled entity whereas in a Joint-Operation arrangement specific rights for partners exist on Assets and Liabilities of the controlled entity. The consequence in terms of consolidation method is that Joint-Venture arrangements for a jointly controlled entity should be consolidated under Equity method and Joint-Operation arrangements should be consolidated on the basis of the percentage share specific to each balance sheet and income statement item. Despite EU has postponed to January 1 2014 mandatory first application, Renault has performed an early adoption from January 1, 2013.

Under Japanese GAAP, Joint Ventures are accounted for by equity method and no distinction between Joint Venture and Joint Operation arrangements is performed. So :

- until 2012, consolidation of Joint Ventures on a proportional basis was not permitted in Japanese consolidated accounts, unless it was allowed by local GAAP accepted for Japanese GAAP consolidation purposes, in this case IFRS (see §a),
- from 2013, consolidation of Joint Operations on the basis of the percentage share specific to each balance sheet and income statement item, newly permitted in IFRS accounts, is not allowed in Japanese consolidated accounts, unless it is authorized by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

d. Accounting for business combination

Under IFRS, accounting for business combination allows the purchase method only. Effective April 1, 2010, pooling of interest is disallowed under JGAAP, hence convergence to IFRS on this matter is now almost perfect.

2) Presentation of statement of financial position and statement of comprehensive income

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IAS 1.51, “an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant”.

Under Japanese GAAP, a presentation based on liquidity is generally adopted.

b. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders’ equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized based on risk-and-reward approach.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

c. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

d. Comprehensive income

Under IFRS, comprehensive income for the period attributable to owners of the parent and non-controlling interests are disclosed on the statement of comprehensive income. Effective from March 31, 2011 year-end closing, this requirement has been extended to JGAAP. Perfect convergence with IFRS has been completed on March 31, 2012 with enforcement of disclosure on “amounts reclassified to net income in the period that were recognized in other comprehensive income in current or previous periods” (recycling effects).

3) Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use.
The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset’s fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm’s length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is tested if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. In the situation where an impairment loss is required from the test, this loss will be assessed as the difference between the carrying value of the assets and the present value of the future cash flows expected to be generated from these assets. The reversal of an impairment loss is not permitted under JGAAP whereas it is under IFRS.

4) Financial instruments

The analysis of the differences between Japanese GAAP and IFRS is conducted by the Committee of European Security Regulators (the “CESR”). The key differences are the following:

a. Redeemable shares

Under IFRS, and based on the current understanding of IAS 39 on that matter, the redeemable shares with embedded derivative which cannot be evaluated separately, are recognized as a debt and accounted for at fair value.

Under Japanese GAAP, redeemable shares are initially recorded as equity at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, a valuation allowance on sales finance receivables should be recorded when the underlying receivables are subject to impairment. The recognition and measurement of such provision is subject to the existence of objective evidence, including documentation of a triggering event and supporting evidence of the corresponding depreciation rates and patterns by category of receivables.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

5) Valuation of inventories

Under IFRS, costs in inventory are assigned by using individual cost method, first-in, first-out method weighted average cost method or the retail method..

Under Japanese GAAP, individual cost method, first-in, first-out, average cost (overall or moving) and retail method are applicable. The lower of cost or market value method is required to be applied.

6) Goodwill

a Translation of goodwill

Under IFRS, goodwill generated by a combination with a foreign company is recorded in the functional currency of the entity acquired and subsequently translated to the Group's presentation currency using the closing rate.

Under Japanese GAAP, goodwill had been translated and carried in the currency of the acquiring entity at the rate applicable at the date of acquisition. Effective April 1 2010, goodwill generated by a combination with a foreign company is translated to the Group's presentation currency using the closing rate.

b Amortization of goodwill

Under IFRS, goodwill are not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

c Negative goodwill

IFRS states that all negative goodwill need to be recognized immediately in income.

Under Japanese GAAP, negative goodwill had been recognized as a liability and amortized on a straight-line basis over a period not exceeding 20 years. Effective April 1 2010, all negative goodwill is recognized immediately in income.

7) Employee benefits

a. Pension liability

Under IFRS, the whole amount of the vested benefits is accrued in the financial statement.

Under Japanese GAAP, the accounting standard for accruing pension has been issued and became effective in 2000. As a result of the first application of this new regulation, most Japanese companies chose the option of amortizing the cost related to the service prior to the effective date over a period not exceeding 15 years. Nissan finished this amortization at March 31, 2015 after 15 years passed from the application in FY2000.

b. Actuarial differences on pension accrual

Until 2012, IFRS has allowed entities to elect between two options for the recognition of actuarial differences:

- Recognizing them as a liability as incurred, counterpart in shareholders' equity (other comprehensive income).
- Amortizing them through a "corridor approach".

Renault has chosen to recognize the actuarial gains and losses in the period in which they occur and directly in other comprehensive income. From January 1, 2013, IAS19R does not allowed "corridor approach" anymore.

Under Japanese GAAP, all unrecognized actuarial gains and/or losses are subject to amortization after consideration of materiality.
Japanese GAAP converged to IFRS at the end of Fiscal Year beginning on or after April 1, 2014 as stipulated by ASBJ Statement No26 published on May 17, 2012 with a possibility of early adoption on April 1, 2013. Under this Accounting Standard, actuarial gains and losses that are yet to be recognized in profit or loss would be recognized within the net asset section (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus would be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits) without any adjustments. The two differences with IFRS will remain on P&L:

- JGAAP stipulates that actuarial differences and past service cost should be recognized in P&L account over a certain period no longer than the expected average remaining working lives of employees. Under IFRS, actuarial differences can never be recycled to P&L and IAS19R stipulates that amortization on expected average remaining working lives of unvested Past Service cost is not accepted anymore and that unvested Past Service cost should be recognized immediately like vested ones.
- IFRS applies the discount rate to the net benefit obligation (i.e. projected benefit obligation less plan asset) to calculate a single net interest cost or income, whereas under JGAAP calculation of interest cost (based on the application of a discount rate to the projected benefit obligation) and expected return on assets (based on the application of an long-term expected rate of return on assets to the calculated asset value) are performed independently. Long-term expected rate of return is defined by considering the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others. Thus, under IFRS the difference between the actual performance and the expected performance of the plan assets is not recorded into the P/L but directly in other comprehensive income.

c. Accrual for compensated absence

Under Japanese GAAP, accrual for compensated absence is not required while such liability should be recognized under IFRS.

8) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.
If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, Accounting Standard for Stock Option is applicable to stock options granted after enforcement of the New Company Law (May 1, 2006). Stock option category addressed is limited to equity settled share-based payment transactions and no clear guideline is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted by the Group to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income. This is currently the only one difference remaining with IFRS.

9) Research and development expenses

In compliance with IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part.
Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

10) Assets Retirement Cost Obligation

Until March 31, 2010, Japanese GAAP did not stipulate the obligation to recognize Assets Retirement Cost obligation as a liability. From April 1, 2010, Asset Retirement Obligation or similar removal costs of tangible assets are considered incurred when fixed assets are acquired, constructed, developed or used in ordinary way. First time application impact should be charged to extraordinary loss. Obligation is valorized as discounted amount of cash-flow requested to remove fixed asset. This Japanese GAAP accounting change (ASBJ Statement 18 and Guidance 21 dated March 31 2008) is consistent with IAS16.

11) Impact of the first application (for the year ended on December 31, 2005) of IFRS

Further to the recurrent GAAP differences described above, the following items have generated some significant one shot differences in equity as a result of the first time adoption of IFRS. The most significant differences are in relation with:

a. Treasury shares
b. Financial instruments
c. Research and development expenses and retrospective application of IAS 38
d. Sales with buy-back commitments
e. Pension liabilities

12) Borrowing costs capitalizations:

Under IAS 23 effective from January 1, 2009, borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying assets shall be capitalised as part of the cost of that asset. Under Japanese GAAP, borrowing costs are generally recognised as incurred.

## VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

To exchange quotation of the currencies (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent five business years and for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

## VIII. OUTLINE OF HANDLING OF SHARES, ETC. OF THE COMPANY IN JAPAN

Not applicable.

## IX. REFERENCE INFORMATION RELATING TO THE COMPANY

### 1. INFORMATION OF PARENT COMPANY, ETC. OF FILING COMPANY

Not applicable

### 2. OTHER REFERENCE INFORMATION

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant fiscal year to the date of filing of this report:

| NAME OF DOCUMENTS | FILING DATE |
|---|---|
| (1) SECURITIES REPORT AND ATTACHMENTS THERETO | MAY 15, 2015 |
| (2) SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO | MAY 15, 2015 |
| (3) SEMI-ANNUAL SECURITIES REPORT AND ATTACHMENTS THERETO | SEPTEMBER 18, 2015 |
| (4) AMENDMENT TO SHELF REGISTRATION STATEMENT | SEPTEMBER 18, 2015 |
| (5) SUPPLEMENTAL DOCUMENT TO SHELF REGISTRATION STATEMENT AND ATTACHMENTS THERETO | NOVEMBER 19, 2015 |

## PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

Not applicable.

**AUDITORS' REPORT**

Auditors' Report (relating to 2015 Consolidated financial statements) *

Auditors' Report (relating to 2015 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

**<Statutory auditors' report on the consolidated financial statements for 2015>**


| | |
|---|---|
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| Commissaire aux comptes<br>Membre de la compagnie régionale de Versailles | Commissaire aux comptes<br>Membre de la compagnie régionale de Versailles |


**Renault**

# Statutory Auditors' Report

## on the consolidated financial statements

For the year ended 31 December 2015
Renault, société anonyme (« Renault »)
13-15, quai Le Gallo – 92100 Boulogne-Billancourt

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.*
*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters.*
*These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*
*This report also includes information relating to the specific verification of information given in the group's management report.*
*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

**Renault, société anonyme (« Renault »)**

## Statutory Auditors' Report on the consolidated financial statements

For the year ended 31 December 2015

To the Shareholders,
In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

## I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;

- as respectively disclosed in notes 12-A and 13-A to the consolidated financial statements, the group accounts for its investment in Nissan and its investment in AVTOVAZ by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy. We have also verified the conditions underlying the reclassification of the AVTOVAZ loans and receivables granted by Renault into the line “investments in associates and joint-ventures” of the consolidated financial position. We have also reviewed the methods used to assess the recoverable value of the net investment of Renault in this company. Finally, for those two equity investments, we have verified that the information given in the notes to the consolidated financial statements mentioned above is appropriate;

- as part of our assessment of the accounting policies applied by your company, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in the notes 2-K and 10-A2;

- as disclosed in the note 8-B to the consolidated financial statements, the group recognizes part of the net deferred tax asset of the French tax group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable income and the resulting utilisation of tax losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

**III. Specific verification**

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, 16 February 2016

The statutory auditors

*French original signed by*

| KPMG Audit<br>*A department of KPMG S.A.* | | ERNST & YOUNG Audit | |
|---|---|---|---|
| Jean-Paul Vellutini | Laurent des Places | Aymeric de la Morandière | Bernard Heller |

<Statutory auditors' report on the financial statements for 2015>

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France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

**Renault**

# Statutory Auditors' Report on the financial statements

For the year ended 31 December 2015
Renault, société anonyme (« Renault »)
13-15, quai Le Gallo – 92100 Boulogne-Billancourt

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*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken of outside of the financial statements.*
*This report also includes information relating to the specific verification of information given in the Group's management report and in the documents addressed to the shareholders.*
*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

**Renault, société anonyme (« Renault »)**

**Statutory Auditors' Report on the financial statements**

For the year ended 31 December 2015

To the Shareholders,
In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

## I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

## II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French company law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter.

As disclosed in note 1.A to the financial statements and in accordance with the recommendation n°34 of the French national accounting body (*Conseil National de la Comptabilité*), your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the financial statements of the Group. Our assessment of this equity value is based on the result of the procedures performed to audit the consolidated financial statements of the Renault Group for the 2015 fiscal year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

**III. Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the Shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French company law (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the crossholdings and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense, 16 February 2016

The statutory auditors

*French original signed by*

KPMG Audit
*A department of KPMG S.A.*

ERNST & YOUNG Audit

Jean-Paul Vellutini

Laurent des Places

Aymeric de la Morandière

Bernard Heller

## AUDITORS' REPORT

Auditors' Report (relating to 2014 Consolidated financial statements) *

Auditors' Report (relating to 2014 Parent Company financial statements) *

* Free Japanese translation and a photocopy of French original are included respectively in this section of the Securities Report in Japanese.

**<Statutory auditors' report on the consolidated financial statements for 2014>**

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Commissaire aux comptes
Membre de la compagnie régionale de Versailles

**Renault**

# Statutory Auditors' Report

## on the consolidated financial statements

For the year ended 31 December 2014
Renault, société anonyme (« Renault »)
13-15, quai Le Gallo – 92100 Boulogne-Billancourt

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*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters.*
*These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken of outside of the financial statements.*
*This report also includes information relating to the specific verification of information given in the group's management report and in the documents addressed to the shareholders.*
*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

**Renault, société anonyme (« Renault »)**

**Statutory Auditors' Report on the consolidated financial statements**

For the year ended 31 December 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of Renault;
- the justification of our assessments;
- the specific verification required by law.

  - These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

## I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- for the purpose of preparing the consolidated financial statements, Renault group makes certain estimates and assumptions concerning, in particular, the value of certain asset, liability, income and expense accounts, the main items of which are summarized in note 2-B to the consolidated financial statements. For all these items, we assessed the appropriateness of the accounting rules and methods applied and disclosures provided in the notes to the financial statements. We also reviewed the consistency of the underlying assumptions, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made;

- as respectively disclosed in notes 12-A and 13-A to the consolidated financial statements, the group accounts for its investment in Nissan and its investment in AVTOVAZ by the equity method; our audit of the scope of consolidation included a review of the factual and legal aspects of the Alliance which serve as the underlying basis for this accounting policy;

- as part of our assessment of the accounting policies applied by your company, we have reviewed the methodology adopted for the capitalization of development costs as intangible assets, their amortization and the verification of their recoverable amount and we verified that these methods were properly disclosed in the notes 2-K and 10-A2;

- as disclosed in the note 8-B to the consolidated financial statements, the group has decided to recognize part of the net deferred tax asset of the French tax group; we have reviewed the consistency of the underlying assumptions for the forecasted taxable income and the resulting utilisation of tax losses carried forward, the quantified impact thereof and the available documentation and assessed on this basis the reasonableness of estimates made.

  - These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense, 16 February 2015

The statutory auditors

*French original signed by*

| KPMG Audit<br>*A department of KPMG S.A.* | | ERNST & YOUNG Audit | |
|---|---|---|---|
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**<Statutory auditors’ report on the financial statements for 2014>**

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Commissaire aux comptes
Membre de la compagnie régionale de Versailles

**ERNST & YOUNG Audit**
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense
France

Commissaire aux comptes
Membre de la compagnie régionale de Versailles

**Renault**

# Statutory Auditors’ Report on the financial statements

For the year ended 31 December 2014
Renault, société anonyme (« Renault »)
13-15, quai Le Gallo – 92100 Boulogne-Billancourt

*This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.*
*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken of outside of the financial statements.*
*This report also includes information relating to the specific verification of information given in the Group's management report and in the documents addressed to the shareholders.*
*This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.*

**Renault, société anonyme (« Renault »)**

**Statutory Auditors' Report on the financial statements**

For the year ended 31 December 2014
To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying financial statements of Renault;
- the justification of our assessments;
- the specific verification and information required by law.
- These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

**I. Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

**II. Justification of our assessments**

In accordance with the requirements of article L.823-9 of the French company law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter.

- As disclosed in note 1.A to the financial statements and in accordance with the recommendation n°34 of the French national accounting body (*Conseil National de la Comptabilité*), your company has elected to use the equity method to value its investments in subsidiaries over which it exercises exclusive control. The equity value of these investments is determined in accordance with the accounting rules and methods used to draw up the financial statements of the Group. Our assessment of this equity value is based on the result of the procedures performed to audit the consolidated financial statements of the Renault Group for the 2014 fiscal year.

- These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

**III. Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

- We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the Shareholders with respect to the financial position and the financial statements.

- Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French company law (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

- In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, the crossholdings and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense, 16 February 2015

The statutory auditors

*French original signed by*

KPMG Audit
*A department of KPMG S.A.*

ERNST & YOUNG Audit

Jean-Paul Vellutini    Laurent des Places    Jean-François Bélorgey    Bernard Heller