



**EARNINGS REPORT
2016**



Earnings report - 2016

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KEY FIGURES

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

(1) See explanations page 3.

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

(3) Automotive excluding AVTOVAZ operational free cash flow: cash flows (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement. Detailed calculation in chapter 4.2.6.1.A4 of the condensed consolidated financial statements.

OVERVIEW

In 2016, under the impetus of the Drive the Change plan, **Groupe Renault** reached a new sales record and becomes the number-one French automotive group worldwide, with 3,182,625 vehicles registered. Volume and market shares were up in all regions.

In 2016, **Group revenues** came to €51,243 million, up 13.1% from 2015. This represents growth of 17.0% at constant exchange rates.

Automotive excluding AVTOVAZ revenues amounted to €48,995 million, up 13.7% thanks to an increase in the Group's brand volumes and sales to partners. The price effect was positive, due to the impact of new models and price increases in some emerging markets to offset currency devaluation.

The **Group's operating margin** amounted to €3,282 million (+ 38.2%), compared to €2,375 million ⁽¹⁾ in 2015, representing 6.4% of revenues (5.2% ⁽¹⁾ in 2015).

The **Automotive excluding AVTOVAZ operating margin** was up €840 million (+ 54.3%) to €2,386 million, or 4.9% of revenues (versus 3.6% ⁽¹⁾ in 2015).

This performance is mainly explained by the impact of the volume growth (€1,036 million).

Continuing efforts to reduce costs contributed positively for €184 million, taking into account a significant increase in R&D expenses.

The mix/price/enrichment effect was positive at €115 million, in particular due to the impact of our new models and price increases implemented in some emerging countries.

The currency impact was highly negative at -€702 million, reflecting firstly the depreciation of the British pound and the Argentinean peso.

Raw materials continued to have a very favorable effect of €331 million.

The company's G&A increased by €112 million.

Sales Financing contributed €896 million to the Group's operating margin, compared with €829 million ⁽¹⁾ in 2015, an increase of 8.1%.

Cost of risk (including country risk) has stabilized at a very good level of 0.31% of average performing assets (versus 0.33% at end-2015).

Other operating income and expenses are near-neutral at €1 million. This balance is primarily due to an

(1) See explanations page 3.

IN BRIEF

accounting profit of €325 million recorded following the first full consolidation of AVTOVAZ at December 31, 2016, and to provisions for restructuring, in particular in France, for a total amount of €283 million. No provision has been booked regarding the diesel investigation in France.

Accordingly, the Group's **operating income** came to €3,283 million, compared to €2,176 million⁽¹⁾ in 2015.

Net financial income and expenses is a charge of -€323 million, compared to -€221 million in 2015. This evolution came mostly from lower financial income notably in Argentina, and foreign exchange gains in 2015.

The **contribution of associated companies** came to €1,638 million, compared to €1,371 million in 2015.

Nissan's contribution amounted to €1,741 million in 2016, versus €1,976 million in 2015.

AVTOVAZ's contribution for 2016 was negative at €89 million, versus a loss of €620 million recorded in 2015.

This improvement stems mainly from a sharp reduction in impairment losses recorded in 2016 compared with 2015, and partly, from the company's improved operating performance. Furthermore, accounting for AVTOVAZ's losses in the results of equity affiliates was capped in 2016 at the value of the investment in Renault's books.

Net income came to €3,543 million (+19.7%) and net income, Group share, to €3,419 million (€12.57 per share, compared with €10.35 per share in 2015, up 21.4%).

Positive **Automotive excluding AVTOVAZ operational free cash flow** came to €1,107 million, after taking

into account a positive change in working capital requirements of €356 million over the period.

The net cash position, after AVTOVAZ consolidation, amounted to €2,720 million (€3,925 million before the consolidation).

A **dividend** of €3.15 per share, versus €2.40 last year, will be submitted for approval at the next Shareholders' Annual General Meeting.

AVTOVAZ

As the first full AVTOVAZ's consolidation occurred on the 28th of December 2016, the income statement was not consolidated. On the other hand, the company's balance sheet was consolidated in our financial statements. The consolidation impact on Groupe Renault's net financial position was a negative €1,205 million, and a preliminary goodwill of €1,025 million was accounted for. As of 31st of December 2016, AVTOVAZ market value was higher than the carrying value of AVTOVAZ net assets including goodwill in Renault's financials.

During 2017, some other capital restructurings are contemplated in order to restore AVTOVAZ's equity.

AVTOVAZ's management communicated its detailed recovery plan on January 16th. The main objectives of this plan is to reach positive operating profit (before impairment and restructuring costs) in 2018 and achieve profitable growth beyond. This presentation is available on our website:

<https://group.renault.com/finance/informations-financieres/documents-et-presentations/>

OUTLOOK 2017

In 2017, the global market is expected to record growth of 1.5% to 2%. The European and French markets are expected to increase by 2%.

At the International level, the Brazilian and Russian markets are expected to be stable. On the other hand, China (+5%) and India (+8%) should continue their momentum.

MIDTERM PLAN 2022

Groupe Renault will present in 2017 a new strategic plan 2017-2022, with an ambition to reach €70 billion (at constant exchange rates) in revenues and 7% operating

margin at the end of the plan, while maintaining a positive operational automotive free cash flow every year.

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

* Compared with 2016 Groupe Renault published results.

(1) See explanations page 3.

OVERVIEW

- In 2016, sales of passenger cars and light commercial vehicles (PC+LCV) by Groupe Renault increased by 13.3%, with 3.18 million vehicles registered in a global automotive market that rose by 4.6%.
- This fourth consecutive year of growth in registrations allowed the Group to set a new sales record. The Group's worldwide market share now stands at 3.5% (+0.3 points). Both Renault and Dacia brands have registered record sales. Renault keeps its position as the world's leading French brand.
- In **Europe**, the Group continues to benefit from the momentum of the European automotive market (+7%) with an 11.8% increase in registrations to 1.8 million vehicles, corresponding to a market share of 10.6%. Renault becomes Europe's second biggest automotive brand.
- **Outside Europe**, Groupe Renault achieved record sales in 2016, up 15.3% on 2015 against growth of 5.2% on the market as a whole. Volumes and market shares were up in all regions.
- In 2016, the number of new financing contracts by **RCI Banque** was up 12.5% compared to 2015.

THE GROUPE RENAULT'S TOP FIFTEEN MARKETS

REGISTRATIONS	Ranking 2015	volumes 2016* (in units)	PC+LCV market share 2016 (%)	Change in market share on 2015 (points)
1 France	1	651,778	26.9	+0.44
2 Germany	3	198,609	5.5	+0.34
3 Italy	6	190,610	9.4	+0.32
4 Spain	5	170,272	12.9	-0.22
5 Turkey	4	169,236	17.2	+0.45
6 Brazil	2	149,977	7.5	+0.22
7 United Kingdom	7	138,642	4.5	+0.25
8 India	13	132,235	4.0	+2.23
9 Russia	8	117,227	8.2	+0.69
10 South Korea	11	111,087	6.2	+1.75
11 Iran	14	108,536	8.4	+3.66
12 Argentina	12	99,097	14.5	+1.83
13 Belgium-Luxemburg	10	92,247	13.8	+0.47
14 Morocco	15	61,726	37.8	-0.34
15 Algeria	9	61,249	51.3	+15.72

* Figures as of end-December 2016 (excluding Twizy).

Explanations of 2015 restatements

(1) Taxes, which satisfy the definition of tax based on a taxable profit according to IAS 12 "Income Tax" and which were previously presented as operating expenses, have been reclassified under current taxes from 2016 and conversely for taxes not satisfying the definition of tax based on a taxable profit. The presentation of the financial statements for 2015 was restated accordingly.

(4) Net interest and current taxes paid are now presented on separate line items in the consolidated cash flow statement and interest on derivatives related to financing operations by the Automotive segments are now presented in cash flows from operating activities and no more included in the cash flows from financing activities. The presentation of the financial statements for 2015 was restated accordingly.

SALES PERFORMANCE

1.1. AUTOMOTIVE EXCLUDING AVTOVAZ

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1.1.1. GROUP REGISTRATIONS WORLDWIDE BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2016*	2015	Change (%)
GROUP	3,182,625	2,808,926	+ 13.3
EUROPE REGION	1,805,290	1,614,191	+ 11.8
Renault	1,390,280	1,239,688	+ 12.1
Dacia	415,010	374,503	+ 10.8
AMERICAS REGION	354,370	354,072	+ 0.1
Renault	354,370	354,072	+ 0.1
ASIA-PACIFIC REGION **	167,363	124,418	+ 34.5
Renault	54,885	43,102	+ 27.3
Dacia	1,381	1,291	+ 7.0
Renault Samsung Motors	111,097	80,025	+ 38.8
AFRICA MIDDLE-EAST INDIA REGION	491,151	360,029	+ 36.4
Renault	414,249	270,846	+ 52.9
Dacia	76,902	89,180	- 13.8
Renault Samsung Motors	0	3	- 100.0
EURASIA REGION	364,451	356,216	+ 2.3
Renault	273,525	270,251	+ 1.2
Dacia	90,926	85,965	+ 5.8

* Preliminary figures.

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

→ Europe

In **Europe**, Groupe Renault's market share (passenger cars and light commercial vehicles) rose by 0.5 points to 10.6%. Registrations rose by 11.8% to 1,805,290. Sales were up in all the countries in the region.

Sales were up again for the **Renault brand**, which becomes Europe's second biggest automotive brand. With 1,390,280 vehicle registrations (up 12.1% on 2015), Renault's market share rose 0.4 points to reach 8.1%. It is mainly due to the successful product range renewal programme including Espace, Talisman and the Mégane family. Renault kept its leadership in B-segment city cars, owing to successful showings from Clio and Captur.

After eleven years on the European market, **Dacia brand** sales were again up in 2016 (by 10.8%), at a record 415,010 registrations.

The Renault brand stays at the top of the European **electric vehicles market**, with sales up by 11% at 25,648 units (excluding Twizy). ZOE heads the electric passenger car with registrations up 16% and Kangoo Z.E. the electric light commercial vehicle market.

In **France**, Groupe Renault achieved its best sales performance in five years. Renault widened its lead as France's leading automotive brand, with a 22.3% of the passenger car and light commercial vehicle market, while Dacia sales hit a record high of 112,000 units.

→ Outside Europe

Despite uneven economic situations across the globe, Groupe Renault was able to increase its market share in all regions thanks to a renewed and enlarged line-up.

• Americas

Groupe Renault sales rose by 0.1% despite market shrinkage of 4.1%, holding up well to the economic difficulties with a market share of 6.5%, up by 0.3 points.

In **Brazil**, market share rose by 0.2 points to a record 7.5%, on a market that slipped back 19.8% thanks to the successful performance of Duster Oroch.

In **Argentina**, the Renault brand continues to reap the benefits of the recovering market, with registrations up by 24.8% against growth of 9.1% in the market as a whole.

In **Colombia**, sales volume (51,049 vehicles) and market share (21.3%) both hit records.

SALES PERFORMANCE

1.1. AUTOMOTIVE EXCLUDING AVTOVAZ

In 2017, the Group will benefit of its brand new SUV range with Captur, Kwid and New Koleos as well as the arrival of the one-ton pick-up Alaskan.

• Asia-Pacific

Group's sales increased by 34.5% at 167,363 units.

In **South Korea**, Renault Samsung Motors sales rose 38.8% in South Korea despite the 0.3% shrinkage of the market. The market share was up 1.7 points at 6.2% thanks to the successful launches of SM6 and QM6 in 2016.

In **China**, following release of Kadjar, the first vehicle made locally by the Dongfeng Renault joint venture, Renault sales rose by 50.8% against market growth of 14.0%. Launched end of 2016, New Koleos orders approached 10,000 in just two months.

• Africa Middle-East India

Groupe Renault registrations rose by 36.4%, giving a market share of 6.2% (up 1.7 points).

In **India**, Renault kept its position as best-selling European automotive brand, with sales up by 145.6%. Kwid registrations totalled 105,745. India becomes the Group's eighth biggest market worldwide.

In **Iran**, sales boomed by 110.7% to give Groupe Renault an 8.4% market share, up 3.7 points on 2015. The Group has reclaimed its position as a major player on the reopened Iranian market thanks to successful performance from Tondar and Sandero.

In **North Africa**, Groupe Renault holds a 38.5% market share, up by 4.9 points. In **Algeria**, its market share reached a record 51.3% in 2016, up by 15.7 points, benefiting from local production of Symbol. In **Morocco**, where Dacia and Renault hold first and second places respectively, Groupe Renault registrations rose by 22.5% leading to a market share of 37.8%.

• Eurasia

Registrations rose by 2.3% despite market shrinkage of 6.3%. Market share rose accordingly, by 1.1 points to 13.0%.

In **Turkey**, the Group established a new record on sales, with registrations up 4.4%. New Mégane Sedan got off to a good start, with orders topping 13,200 in the first two months.

In **Russia**, still a declining market (-10.8%), Renault achieved a record market share of 8.2% (+0.7%), chiefly owing to successful performance from Kaptur, which sold more than 14,600 units since it was launched in June.

1.1.2. GROUP REGISTRATIONS BY BRAND AND BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS) **	2016*	2015	Change (%)
GROUP	3,182,625	2,808,926	+ 13.3
BY BRAND			
Renault	2,487,309	2,177,959	+ 14.2
Dacia	584,219	550,939	+ 6.0
Renault Samsung Motors	111,097	80,028	+ 38.8
BY VEHICLE TYPE			
Passenger cars	2,748,181	2,421,361	+ 13.5
Light commercial vehicles	434,444	387,565	+ 12.1

* Preliminary figures.

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

Registrations of the **Renault brand** increased by 14.2% compared to 2015, thanks to the success of new models and the strong momentum of the European automotive market.

With 2,487,309 units sold, the Renault brand accounted for 78.2% of Group's registrations.

The **Dacia brand's** registrations went up by 6.0% to 584,219 units, driven by the strong growth in Europe (notably in France with a 12.1% increase).

Renault Samsung Motors' volumes increased sharply (+38.8%) thanks to the successful launches of SM6 and QM6.

SALES PERFORMANCE

1.2. SALES FINANCING

1.2. SALES FINANCING

1.2.1. NEW FINANCING AND SERVICES

With a record number of 1,563,954 contracts financed by end-December 2016, i.e. a 12.5% increase compared with 2015, RCI Banque confirms its profitable growth trajectory while also strengthening its strategy of commercial support for the Alliance brands.

This high level of performance is driven by the growth of the automotive market, in particular in Europe where increased sales of new vehicles are offsetting the decline recorded in Brazil and Russia, and by increased market share for the Alliance brands.

Up 0.7 points compared with 2015, the Group's vehicle financing penetration rate amounted to 37.7%. Outside Turkey, Russia and India (companies consolidated by the equity method), this rate came to 41.0%, versus 40.0% at end-December 2015.

In this context, new financing contracts (excluding cards and personal loans) were up across all Alliance brands, reaching €17.9 billion, up 14.9% over the year.

Average performing assets came to €33.3 billion, i.e. an increase of 16.3% versus 2015. Of this amount, €25.2 billion was directly related to the Customers business, up 16.0%.

RCI BANQUE FINANCING PERFORMANCE

	2016	2015	Change (%)
Number of financing contracts (thousands)	1,564	1,390	+12.5
- including UV contracts (thousands)	276	233	+18.6
New financing (€ billion)	17.9	15.6	+14.9
Average loans outstanding (€ billion)	33.3	28.6	+16.3

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

This business continued its development throughout 2016, with the number of contracts increasing by 19.8% to over 3.4 million contracts (of which more than 63% include vehicle-related services).

RCI BANQUE SERVICES PERFORMANCE

	2016	2015	Change
Number of services contracts (thousands)	3,415	2,851	+19.8%
PENETRATION RATE ON SERVICES	100.3%	91.5%	+8.8 pts

1.2.2. RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

The penetration rate, which experienced overall growth of 0.7 points for the RCI Banque Group compared with 2015, saw varying trends depending on the brands and regions.

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

	2016 (%)	2015 (%)	Change (points)
Renault	37.8	37.4	+0.4
Dacia	40.5	41.1	-0.5
Renault Samsung Motors	52.9	54.3	-1.4
Nissan	35.0	33.1	+1.9
Infiniti	27.1	28.5	-1.4
Datsun	18.6	19.4	-0.8
RCI BANQUE	37.7	37.1	+0.7

SALES PERFORMANCE

1.2. SALES FINANCING

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

	2016 (%)	2015 (%)	Change (points)
Europe	41.5	40.2	+1.3
Americas	37.7	39.0	-1.3
Asia-Pacific	52.3	53.3	-1.0
Africa Middle-East India	18.2	16.4	+1.8
Eurasia	24.7	24.2	+0.5
RCI BANQUE	37.7	37.1	+0.7

In the **Europe Region**, the number of new vehicle financing contracts increased by 12.6% in one year. The vehicle financing penetration rate for the Region increased by 1.3 points compared with 2015, reaching 41.5%.

In the **Asia-Pacific Region**, more than half of the new vehicles sold by Renault Samsung Motors were financed by RCI Banque, which benefited from the manufacturer's strong sales performance. The vehicle financing penetration rate reached 52.3%, down 1.0 point.

The **Americas Region** is still affected by the fall in the Brazilian automotive market, down 19.8% compared with 2015. Supported by the strong sales performance in Argentina, the vehicle financing penetration rate in the

Region was maintained at a high 37.7%, a 1.3 points decline compared to 2015.

The **Africa Middle-East India Region** recorded an 18.2% vehicle financing penetration rate, up 1.8 points compared with the previous year. In India, the roll-out of the Financing business since 2015 has generated a 5.9 points increase in the penetration rate over the year, reaching 12.6%.

In the **Eurasia Region**, the vehicle financing penetration rate increased by 0.5 points to 24.7%. In Russia, in an environment of falling automotive sales, the vehicle financing penetration rate improved by 2.9 points, returning to a pre-crisis level of 26.9%. In Turkey, the penetration rate amounted to 22.1%, down 3.8 points, in a growing automotive market.

1.2.3. INTERNATIONAL DEVELOPMENT AND NEW ACTIVITIES

In 2016, RCI Banque continued to capture new markets, supporting the commercial development of the Alliance brands.

In Colombia, the year was marked by the launch of its own financing business. The subsidiary became operational in August 2016, and more than 18,000 new vehicles financing contracts were signed.

In India, driven by the commercial success of Renault Kwid launched at the end of 2015, RCI Banque recorded significant growth in its business, with more than 22,000 financing contracts under management.

Despite the fall in its main emerging markets, the share of RCI Banque business performed outside of Europe still accounted for nearly a quarter of the number of new vehicle financing contracts (23% in 2016, compared with 26% in 2015).

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 the end of December 2016, the total amount of deposits collected reached €12.6 billion, i.e. 33% of Group net outstandings. In line with its strategy, RCI Banque thus exceeded the target it had set itself for 2016.

Positioned as the services operator for electric-vehicle battery rental in 23 countries for the Alliance, RCI Banque had 97,202 batteries under management at the end of 2016.

Lastly, on June 22, 2016, RCI Banque took a minority stake in the company Bulb Software Ltd, which offers an innovative solution for the management of professional vehicles and equipment enabling the simplified and comprehensive monitoring of use and of all related costs. This investment is in line with RCI Banque's strategy of offering innovative and affordable services to individual and professional customers, thereby simplifying their use of the car.

SALES PERFORMANCE

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
WORLDWIDE REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)**	2016*	2015	Change (%)
Kwid	111,687	17,933	+++
Twingo	86,829	97,477	-10.9
ZOE	22,009	18,939	+16.2
Clio	460,996	457,241	+0.8
Captur / QM3	260,768	243,665	+7.0
Pulse	2,288	1,882	+21.6
Logan	337,243	325,670	+3.6
Sandero	403,542	349,076	+15.6
Mégane / Scénic	258,641	254,821	+1.5
Fluence (incl. Z.E.) / SM3 / Scala	59,827	91,346	-34.5
Kaptur / Captur Americas	15,298	-	-
Lodgy	41,152	41,504	-0.8
Duster	329,271	334,117	-1.5
Kadjar	163,711	54,339	+++
Laguna	152	7,957	-98.1
Latitude / SM5	7,045	26,409	-73.3
Talisman / SM6	94,756	1,861	+++
Koleos / QM5 / QM6	28,616	36,482	-21.6
Espace	27,337	21,315	+28.3
SM7	7,150	8,486	-15.7
Kangoo (incl. Z.E.)	150,189	154,113	-2.5
Dokker	77,366	69,014	+12.1
Trafic	99,038	86,144	+15.0
Master	94,204	93,068	+1.2
Oroch	28,598	3,484	+++
Alaskan	293	-	-
Others	14,619	12,583	+16.2
TOTAL WORLDWIDE GROUP PC + LCV REGISTRATIONS**	3,182,625	2,808,926	+13.3
Twizy***	2,338	2,132	+9.7

* Preliminary figures.

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

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

SALES PERFORMANCE

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

**GROUPE RENAULT
EUROPEAN REGISTRATIONS**

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2016*	2015	Change (%)
Twingo	85,276	96,552	- 11.7
ZOE	21,735	18,736	+ 16.0
Clio	351,187	339,972	+ 3.3
Captur / QM3	217,304	195,920	+ 10.9
Logan	37,252	40,919	- 9.0
Sandero	168,229	147,642	+ 13.9
Mégane / Scénic	233,347	238,305	- 2.1
Fluence (incl. Z.E.) / SM3 / Scala	3,872	4,696	- 17.5
Lodgy	22,966	22,070	+ 4.1
Duster	140,411	123,777	+ 13.4
Kadjar	128,622	49,238	+++
Laguna	137	7,903	- 98.3
Latitude / SM5	1	70	- 98.6
Talisman / SM6	34,221	1,856	+++
Koleos / QM5 / QM6	122	4,697	- 97.4
Espace	27,294	21,287	+ 28.2
Kangoo (incl. Z.E.)	105,937	100,652	+ 5.3
Dokker	46,077	40,046	+ 15.1
Trafic	92,411	80,684	+ 14.5
Master	75,234	67,228	+ 11.9
Others	13,655	11,941	+ 14.4
TOTAL EUROPEAN GROUP PC + LCV REGISTRATIONS	1,805,290	1,614,191	+ 11.8
Twizy**	2,227	2,012	+ 10.7

* Preliminary figures.

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

SALES PERFORMANCE

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
INTERNATIONAL REGISTRATIONS

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)**	2016*	2015	Change (%)
Kwid	111,687	17,933	+++
Twingo	1,553	925	+67.9
ZOE	274	203	+35.0
Clio	109,809	117,269	-6.4
Captur / QM3	43,464	47,745	-9.0
Pulse	2,288	1,882	+21.6
Logan	299,991	284,751	+5.4
Sandero	235,313	201,434	+16.8
Mégane / Scénic	25,294	16,516	+53.1
Fluence (incl. Z.E.) / SM3 / Scala	55,955	86,650	-35.4
Kaptur / Captur Americas	15,298	-	-
Lodgy	18,186	19,434	-6.4
Duster	188,860	210,340	-10.2
Kadjar	35,089	5,101	+++
Laguna	15	54	-72.2
Latitude / SM5	7,044	26,339	-73.3
Talisman / SM6	60,535	5	+++
Koleos / QM5 / QM6	28,494	31,785	-10.4
Espace	43	28	+53.6
SM7	7,150	8,486	-15.7
Kangoo (incl. Z.E.)	44,252	53,461	-17.2
Dokker	31,289	28,968	+8.0
Trafic	6,627	5,460	+21.4
Master	18,970	25,840	-26.6
Oroch	28,598	3,484	+++
Alaskan	293	-	-
Others	964	642	+50.2
TOTAL INTERNATIONAL GROUP PC + LCV REGISTRATIONS**	1,377,335	1,194,735	+15.3
Twizy***	111	120	-7.5

* Preliminary figures.

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

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

SALES PERFORMANCE

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

GROUPE RENAULT
WORLDWIDE PRODUCTION BY MODEL***

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	2016**	2015*	Change (%)
Twizy	2,855	2,120	+ 34.7
Kwid	119	-	+++
Twingo	83,855	83,377	+ 0.6
Clio	461,640	464,453	- 0.6
ZOE	25,478	19,115	+ 33.3
Captur	242,915	255,459	- 4.9
Logan	183,425	191,052	- 4.0
Sandero	342,415	315,745	+ 8.4
Autres Logan	40,840	40,615	+ 0.6
Lodgy	37,105	32,663	+ 13.6
Mégane / Scenic	282,842	238,498	+ 18.6
Fluence/ Mégane Sedan / SM3	69,477	85,719	- 18.9
Kaptur / Captur Americas	21,999	-	-
Duster / Duster Oroch	339,083	297,050	+ 14.2
Kadjar	140,795	82,321	+ 71.0
Laguna	-	5,921	-
Latitude / SM5	5,131	25,852	- 80.2
Talisman	107,221	5,685	+++
Koleos	23,187	28,511	- 18.7
Espace	26,395	27,066	- 2.5
SM7	6,791	8,911	- 23.8
Kangoo	159,786	152,963	+ 4.5
Dokker	80,783	71,515	+ 13.0
Trafic (incl. GM, Nissan, Fiat)	121,655	93,316	+ 30.4
Master (incl. GM, Nissan et RVI)	142,086	135,806	+ 4.6
Alpine	30	-	-
Others	226,801	200,186	+ 13.3
GROUP GLOBAL PRODUCTION	3,174,709	2,863,919	+ 10.9
o/w produced for partners:			
GM	28,251	26,821	+ 5.3
Nissan	164,401	143,227	+ 14.8
Daimler	75,382	63,525	+ 18.7
Renault Trucks	12,625	12,583	+ 0.3
Fiat	12,525	-	+++
PRODUCED BY PARTNERS FOR RENAULT	2016**	2015*	Change (%)
Kwid (Chennai - Nissan)	115,223	18,282	+++
Duster (Chennai - Nissan)	20,592	22,477	- 8.4
Kadjar (Wuhan - DRAC)	25,450	56	+++
Koleos (Wuhan - DRAC)	7,538	-	+++
Logan (Iran, AVTOVAZ)	109,610	72,757	+ 50.7
Sandero (Iran, AVTOVAZ)	58,228	33,668	+ 72.9
Others (Nissan, DRAC, Pars / Iran Khodro / AVTOVAZ)	7,002	13,805	- 49.3

* 2015 restated pro forma 2016.

** Preliminary figures.

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

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SALES PERFORMANCE

1.3. REGISTRATIONS AND PRODUCTION STATISTICS

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

At December 31, 2016

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

Group Top 15 markets in bold.

SUMMARY

(€ million)	2016	2015 restated ⁽¹⁾	Change
Group revenues	51,243	45,327	+ 13.1%
Operating profit	3,282	2,375	+ 907
Operating income	3,283	2,176	+ 1,107
Financial income	- 323	- 221	- 102
Contribution from associated companies	1,638	1,371	+ 267
<i>o/w Nissan</i>	<i>1,741</i>	<i>1,976</i>	<i>- 235</i>
Net income	3,543	2,960	+ 583
Automotive excluding AVTOVAZ operational free cash flow	1,107	1,051	+ 56
Automotive excluding AVTOVAZ net cash position	3,925	2,661	+ 1,264
Automotive incl. AVTOVAZ Net cash position	2,720	-	-
Shareholders' equity	30,895	28,474	+ 2,421

(1) See explanations page 3.

2.1. COMMENTS ON THE FINANCIAL RESULTS

2.1.1. CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2016					2015				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	9,942	14,136	9,989	14,928	48,995	8,829	12,236	8,802	13,241	43,108
Sales Financing	547	560	557	584	2,248	559	573	534	553	2,219
Total	10,489	14,696	10,546	15,512	51,243	9,388	12,809	9,336	13,794	45,327

(In%)	Change				
	Q1	Q2	Q3	Q4	Year
Automotive excl. AVTOVAZ	+ 12.6	+ 15.5	+ 13.5	+ 12.7	+ 13.7
Sales Financing	- 2.1	- 2.3	+ 4.3	+ 5.6	+ 1.3
Total	+ 11.7	+ 14.7	+ 13.0	+ 12.5	+ 13.1

The **Automotive excluding AVTOVAZ contribution** to revenues amounted to €48,995 million, an increase on 2015 (+ 13.7%). Excluding a 3.9 points negative exchange rate effect, automotive excluding AVTOVAZ revenues grew by 17.0%. This increase is mainly due to:

- a volume effect of 8.9 points linked to the success of new models and the European momentum;
- a positive price effect of 3.9 points, mainly resulting from the impact of new models and price increases in some emerging countries to offset the devaluation of currencies;
- a growth in sales to partners had a favorable impact of 2.5 points, mainly thanks to the increase in the Rogue production in Korea and a significant rise in CKD (*complete knock down*) activity in Iran and China;
- a favorable product mix effect of 0.7 points, largely due to the launch of vehicles in the higher market segments (Kadjar, Talisman, Mégane);
- "Others" benefited for 1.4 points, mainly thanks to spare parts and used cars growing businesses, in addition to the consolidation impact of Formula 1 revenues from June 2016.

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FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	2016	2015 restated ⁽¹⁾	Change
Automotive excl. AVTOVAZ	2,386	1,546	+ 840
% of division revenues	4.9%	3.6%	+ 1.3 pts
Sales Financing	896	829	+ 67
Total	3,282	2,375	+ 907
% of Group revenues	6.4%	5.2%	+ 1.2 pts

(1) See explanations page 3.

The **Automotive excluding AVTOVAZ operating margin** rose by €840 million to €2,386 million (4.9% of revenues), owing mainly to:

- strong business growth (€1,036 million);
- continuing efforts to reduce costs by €184 million, taking into account a significant increase in R&D expenses;
- a positive mix/price/enrichment effect for €115 million, in particular due to the impact of our new models and price increases implemented in emerging countries;
- a €331 million significant tailwind from raw materials.

These positive effects offset:

- a highly negative currency impact at -€702 million, reflecting firstly the depreciation of the British pound and the Argentinean peso;
- company's G&A increasing by €112 million.

Sales Financing contributed €896 million to the Group's operating margin, compared with €829 million in 2015, an increase of 8.1%.

Cost of risk (including country risk) has stabilized at a very good level of 0.31% of average performing assets (versus 0.33% at end-2015).

Other operating income and expenses are near-neutral at €1 million compared with a net charge of €199 million in 2015. This balance is due primarily to an accounting profit of €325 million recorded following the first full consolidation of AVTOVAZ at December 31, 2016, and to provisions for restructuring, in particular in France, for a total amount of €283 million. It is worth noting that no provision has been booked regarding the diesel investigation in France.

Accordingly, the Group's **operating income** came to €3,283 million, compared to €2,176 million in 2015.

Net financial income and expenses is a charge of -€323 million, compared to -€221 million in 2015. This evolution came mostly from lower interest income notably in Argentina, and foreign exchange gains in 2015.

The **contribution of associated companies** came to €1,638 million:

- €1,741 million for Nissan (€1,976 million in 2015);
- -€89 million for AVTOVAZ (-€620 million in 2015).

AVTOVAZ's contribution for 2016 was negative at €89 million, versus a loss of €620 million recorded in 2015. This improvement stems mainly from a sharp reduction in impairment losses recorded in 2016 compared with 2015, and partly, from the company's improved operating performance. Furthermore, accounting for AVTOVAZ's losses in the results of equity affiliates was capped in 2016 at the value of the investment in Renault's books.

Current and deferred taxes showed a charge of €1,055 million, up €689 million compared with 2015, of which €728 million for current taxes and €327 million for deferred taxes.

Net income totaled €3,543 million, compared with €2,960 million in 2015; Net income, Group share was €3,419 million (compared with €2,823 million in 2015).

2.1.2. AUTOMOTIVE EXCLUDING AVTOVAZ OPERATIONAL FREE CASH FLOW

AUTOMOTIVE EXCLUDING AVTOVAZ OPERATIONAL FREE CASH FLOW

(€ million)	2016	2015 restated ⁽⁴⁾	Change
Cash flow (excluding dividends received from publicly listed companies)	4,362	3,484	+ 878
Change in the working capital requirement	356	648	- 292
Tangible and intangible investments net of disposals	- 3,047	- 2,729	- 318
Leased vehicles and batteries	- 564	- 352	- 212
OPERATIONAL FREE CASH FLOW EXCLUDING AVTOVAZ	1,107	1,051	+ 56

(4) See explanations page 3.

In 2016, the Automotive excluding AVTOVAZ segment reported positive **operational free cash flow** of €1,107 million, resulting from:

- cash flow of €4,362 million (+€878 million compared with 2015), arising from an improvement in operational profitability;
- a positive change in the working capital requirement of €356 million, despite a rise in inventories;

- property, plant and equipment and intangible investments net of disposals of €3,047 million, an increase of €318 million compared with 2015.

Net capital expenditure and R&D expenses remained at 8.2% of Group revenues versus 7.9% in 2015, in line with the Group Plan's objective of under 9% of revenues.

GROUPE RENAULT – RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

(€ million)	2016	2015 restated ⁽¹⁾	Change
R&D expenses	- 2,530	- 2,212	- 318
Capitalized development expenses	903	874	+ 29
% of R&D expenses	35.7%	39.5%	- 3.8%
Amortization	- 743	- 706	- 37
Gross R&D expenses recorded in the income statement	- 2,370	- 2,044	- 326

(1) See explanations page 3.

The capitalization rate fell from 39.5% in 2015 to 35.7% in 2016 in connection with the progress of projects.

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

(€ million)	2016	2015 restated ⁽¹⁾
Tangible investments (excluding leased vehicles and batteries)	2,037	1,840
Intangible investments	1,054	955
o/w capitalized R&D	903	874
Total acquisitions	3,091	2,795
Disposal gains	- 44	- 66
Total Automotive excl. AVTOVAZ	3,047	2,729
Total Sales Financing	6	6
TOTAL GROUP	3,053	2,735

(1) See explanations page 3.

Total gross capital expenditure rose in 2016 compared with 2015; the breakdown was 64% in Europe and 36% worldwide:

- in Europe, investments were devoted primarily to the renewal of C-range vehicles (new Scénic and Mégane family), D-range vehicles (Talisman), and the introduction of Micra in Flins as part of the cross-production activities with Nissan.

Substantial efforts were also made to improve the competitiveness of European plants and adapt the production

capacity to the increase in the European markets, in particular regarding powertrain and the A/B range.

- outside of Europe, investments targeted mainly the C/D range (new Mégane Sedan and new Koléos), the Global Access range (Kaptur in Russia, new cross-over and small entry-level SUV in South America).

Large investments were also made to modernize the Córdoba plant following the decision to establish a manufacturing chain there, dedicated to Renault, Daimler and Nissan pick-ups.

2

FINANCIAL RESULTS

2.1. COMMENTS ON THE FINANCIAL RESULTS

NET CAPEX AND R&D EXPENSES

(€ million)	2016	2015 restated ⁽¹⁾
Tangible and intangible investments net of disposals (excluding capitalized leased vehicles and batteries)	3,053	2,735
Capitalized development expenses	-903	-874
Capex invoice to third parties and others	-226	-252
Net industrial and commercial investments (1)	1,924	1,609
<i>% of Group revenues</i>	<i>3.8%</i>	<i>3.5%</i>
R&D expenses	2,530	2,212
<i>o/w billed to third parties</i>	<i>-246</i>	<i>-253</i>
Net R&D expenses (2)	2,284	1,959
<i>% of Group revenues</i>	<i>4.5%</i>	<i>4.3%</i>
Net CAPEX and R&D expenses (1) + (2)	4,208	3,568
<i>% of Group revenues</i>	<i>8.2%</i>	<i>7.9%</i>

(1) See explanations page 3.

2.1.3. AUTOMOTIVE NET CASH POSITION AT DECEMBER 31, 2016

CHANGE IN AUTOMOTIVE NET CASH POSITION (€ MILLION)

Net cash position at December 31, 2015	+2,661
Operational free cash flow for 2016	+1,107
Dividends received	+772
Dividends paid to Renault's shareholders	-794
Nissan Share Buy-Back Program	+1,119
Financial investments and others	-940
Net cash position excl. AVTOVAZ at December 31, 2016	+3,925
AVTOVAZ net cash position	-1,205
Net cash position at December 31, 2016	+2,720

The €59 million increase in the **net cash position of the Automotive segment** compared with December 31, 2015 is due to:

- operational free cash flow;
- net dividends;
- participation to the Nissan Share Buy-Back Program;
- various elements (sundry value adjustments linked to currency fluctuations, AVTOVAZ recapitalization,...);
- the first consolidation impact of AVTOVAZ net cash position.

AUTOMOTIVE NET CASH POSITION

(€ million)	Dec. 31, 2016	Dec. 31, 2015
Non-current financial liabilities	-4,625	-5,693
Current financial liabilities	-6,049	-4,811
Non-current financial assets – other securities, loans and derivatives on financial operations	+109	+119
Current financial assets	+1,188	+1,475
Cash and cash equivalents	+12,097	+11,571
Net cash position	+2,720	+2,661

In 2016, **Renault's** medium/long-term borrowings totaled approximately €616 million. It strengthened its historical presence in the Japanese domestic market by issuing a 50 billion yen bond ("Samurai bond"). The Automotive segment's liquidity reserves stood at €15.1 billion at December 31, 2016. These reserves consisted of:

- €11.8 billion in cash and cash equivalents;
- €3.3 billion in undrawn confirmed credit lines.

At December 31, 2016, **RCI Banque** had available liquidity of €8.4 billion, consisting of:

- €4.1 billion in undrawn confirmed credit lines;
- €2.6 billion in central-bank eligible collateral;
- €1.3 billion in high quality liquid assets (HQLA);
- €0.3 billion in available cash.

2.2. CONDENSED FINANCIAL STATEMENTS 2016

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2

FINANCIAL RESULTS

2.2. CONDENSED FINANCIAL STATEMENTS 2016

2.2.1. CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	2016	2015 restated ⁽¹⁾
Revenues	4	51,243	45,327
Cost of goods and services sold		(40,256)	(36,094)
Research and development expenses	10-A	(2,370)	(2,044)
Selling, general and administrative expenses		(5,335)	(4,814)
Operating margin	5	3,282	2,375
Other operating income and expenses	6	1	(199)
<i>Other operating income</i>	6	727	77
<i>Other operating expenses</i>	6	(726)	(276)
Operating income (loss)		3,283	2,176
Cost of net financial indebtedness	7	(284)	(225)
<i>Cost of gross financial indebtedness</i>	7	(385)	(387)
<i>Income on cash and financial assets</i>	7	101	162
Other financial income and expenses	7	(39)	4
Financial income (expenses)	7	(323)	(221)
Share in net income (loss) of associates and joint ventures		1,638	1,371
<i>Nissan</i>	12	1,741	1,976
<i>Other associates and joint ventures</i>	13	(103)	(605)
Pre-tax income		4,598	3,326
Current and deferred taxes	8	(1,055)	(366)
Net income		3,543	2,960
Net income – non-controlling interests' share		124	137
Net income – parent-company shareholders' share		3,419	2,823
Basic earnings per share ⁽²⁾ (in €)		12.57	10.35
Diluted earnings per share ⁽²⁾ (in €)		12.46	10.29
Number of shares outstanding (in thousands)			
<i>For basic earnings per share</i>	9	271,968	272,708
<i>For diluted earnings per share</i>	9	274,331	274,314

(1) Taxes based on taxable profit as defined by IAS 12 "Income taxes", which were previously included in operating expenses, are reclassified as income taxes from 2016, and the opposite reclassification applies for taxes that do not correspond to the standard's definition of taxes based on taxable profit. The presentation of the 2015 financial statements has been restated accordingly. Details of the reclassifications are presented in notes 2-A2 and 2-A3.

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

NB: The notes indicated refer to the Notes to the 2016 consolidated financial statements presented in chapter 4 of the 2016 registration document.

2.2.2. CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	2016			2015 restated ⁽¹⁾		
	Gross	Tax effect ⁽²⁾	Net	Gross	Tax effect ⁽²⁾	Net
NET INCOME	4,598	(1,055)	3,543	3,326	(366)	2,960
OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES						
<i>Items that will not be reclassified subsequently to profit or loss</i>	<i>(176)</i>	<i>159</i>	<i>(17)</i>	<i>52</i>	<i>(43)</i>	<i>9</i>
Actuarial gains and losses on defined-benefit pension plans	(176)	159	(17)	52	(43)	9
<i>Items that have been or will be reclassified subsequently to profit or loss</i>	<i>(213)</i>	<i>240</i>	<i>27</i>	<i>(193)</i>	<i>78</i>	<i>(115)</i>
Translation adjustments on foreign activities ⁽³⁾	38	-	38	(299)	-	(299)
Partial hedge of the investment in Nissan	(70)	204	134	(103)	85	(18)
Fair value adjustments on cash flow hedging instruments ⁽⁴⁾	(68)	59	(9)	56	(24)	32
Fair value adjustments on available-for-sale financial assets ⁽⁵⁾	(113)	(23)	(136)	153	17	170
Total other components of comprehensive income from parent company and subsidiaries (A)	(389)	399	10	(141)	35	(106)
SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME						
<i>Items that will not be reclassified subsequently to profit or loss</i>	<i>(225)</i>	<i>-</i>	<i>(225)</i>	<i>(89)</i>	<i>-</i>	<i>(89)</i>
Actuarial gains and losses on defined-benefit pension plans	(225)	-	(225)	(89)	-	(89)
<i>Items that have been or will be reclassified subsequently to profit or loss ⁽⁶⁾</i>	<i>230</i>	<i>-</i>	<i>230</i>	<i>1,450</i>	<i>-</i>	<i>1,450</i>
Translation adjustments on foreign activities	229	-	229	1,462	-	1,462
Other adjustments	1	-	1	(12)	-	(12)
Total share of associates and joint ventures in other components of comprehensive income (B)	5	-	5	1,361	-	1,361
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	(384)	399	15	1,220	35	1,255
COMPREHENSIVE INCOME	4,214	(656)	3,558	4,546	(331)	4,215
Parent-company shareholders' share	-	-	3,435	-	-	4,070
Non-controlling interests' share	-	-	123	-	-	145

(1) The change in presentation concerning income taxes, and the resulting reclassifications in the 2015 financial statements, are presented in notes 2-A2 and 2-A3.

(2) The tax effect includes income of €44 million in 2016 (€239 million in 2015) resulting from recognition of net deferred tax assets of the French tax consolidation group, comprising €(301) million related to net income and €345 million relating to other components of comprehensive income (respectively income of €188 million and €51 million in 2015) (note 8-B).

(3) Including €23 reclassified to profit or loss for this item in 2016 (no such reclassifications in 2015).

(4) Including €(4) million reclassified to profit or loss in 2016 (€8 million in 2015).

(5) Including €(1) million reclassified to profit or loss in 2016 (€7 million in 2015).

(6) Including €349 million reclassified to profit or loss in 2016 (€(19) million in 2015).

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FINANCIAL RESULTS

2.2. CONDENSED FINANCIAL STATEMENTS 2016

2.2.3. CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	Dec. 31, 2016	Dec. 31, 2015
NON-CURRENT ASSETS			
Intangible assets and goodwill	10-A	4,899	3,570
Property, plant and equipment	10-B	12,988	11,171
Investments in associates and joint ventures		19,026	19,356
<i>Nissan</i>	12	18,304	18,571
<i>Other associates and joint ventures</i>	13	722	785
Non-current financial assets	22	1,392	1,478
Deferred tax assets	8	922	881
Other non-current assets	17	1,366	1,131
Total non-current assets		40,593	37,587
CURRENT ASSETS			
Inventories	14	5,821	4,128
Sales financing receivables	15	34,358	28,605
Automotive receivables	16	1,914	1,262
Current financial assets	22	1,908	1,760
Current tax assets	17	44	62
Other current assets	17	3,612	3,068
Cash and cash equivalents	22	13,853	14,133
Total current assets		61,510	53,018
TOTAL ASSETS		102,103	90,605
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)			
	Notes	Dec. 31, 2016	Dec. 31, 2015
SHAREHOLDERS' EQUITY			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(321)	(227)
Revaluation of financial instruments		758	890
Translation adjustment		(1,668)	(2,059)
Reserves		23,643	21,653
Net income – parent-company shareholders' share		3,419	2,823
Shareholders' equity – parent-company shareholders' share		30,743	27,992
Shareholders' equity – non-controlling interests' share		152	482
Total shareholders' equity	18	30,895	28,474
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	124	122
Provisions for pensions and other long-term employee benefit obligations – long-term	19	1,717	1,550
Other provisions – long-term	20	1,457	1,178
Non-current financial liabilities	23	4,639	5,707
Other non-current liabilities	21	1,518	1,285
Total non-current liabilities		9,455	9,842
CURRENT LIABILITIES			
Provisions for pension and other long-term employee benefit obligations – short-term	19	54	50
Other provisions – short-term	20	1,105	997
Current financial liabilities	23	5,248	4,143
Sales financing debts	23	36,041	30,740
Trade payables		9,533	8,295
Current tax liabilities	21	321	219
Other current liabilities	21	9,451	7,845
Total current liabilities		61,753	52,289
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		102,103	90,605

2.2.4. CHANGES IN SHAREHOLDERS' EQUITY

	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 shareholders' equity
<i>(€ million)</i>											
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 ⁽¹⁾							39		39		39
AVTOVAZ restatement ⁽²⁾						2	(27)	15	(10)		(10)
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 ⁽³⁾					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 ⁽⁴⁾						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
2016 net income								3,419	3,419	124	3,543
Other components of comprehensive income ⁽³⁾					(132)	391	(243)		16	(1)	15
2016 comprehensive income					(132)	391	(243)	3,419	3,435	123	3,558
Allocation of 2015 net income							2,823	(2,823)			
Dividends							(655)		(655)	(109)	(764)
(Acquisitions) / disposals of treasury shares and impact of capital increases				(94)					(94)		(94)
Changes in ownership interests ⁽⁴⁾							9		9	(344)	(335)
Cost of share-based payments							56		56		56
Balance at December 31, 2016	295,722	1,127	3,785	(321)	758	(1,668)	23,643	3,419	30,743	152	30,895

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

(2) 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 practice ended as of December 31, 2015 (note 13-A to the 2015 consolidated financial statements).

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

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

Details of changes in consolidated shareholders' equity in 2016 are given in note 18.

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2.2. CONDENSED FINANCIAL STATEMENTS 2016

2.2.5. CONSOLIDATED CASH FLOWS

(€ million)	Notes	2016	2015 restated ⁽¹⁾
Net income		3,543	2,960
Cancellation of dividends received from unconsolidated listed investments		(44)	(34)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		2,840	2,728
Share in net (income) loss of associates and joint ventures		(1,638)	(1,371)
Other income and expenses with no impact on cash, before interest and tax	26-A	1,405	450
Dividends received from unlisted associates and joint ventures		1	-
Cash flows before interest and tax ⁽²⁾		6,107	4,733
Dividends received from listed companies ⁽³⁾		772	581
Net change in financing for final customers		(3,934)	(3,136)
Net change in renewable dealer financing		(1,981)	(233)
Decrease (increase) in sales financing receivables		(5,915)	(3,369)
Bond issuance by the Sales Financing segment	23-C	5,353	3,814
Bond redemption by the Sales Financing segment	23-C	(3,673)	(2,640)
Net change in other sales financing debts		4,030	3,729
Net change in other securities and loans of the Sales Financing segment		(412)	59
Net change in financial assets and debts of the Sales Financing segment		5,298	4,962
Change in capitalized leased assets		(705)	(522)
Decrease (increase) in working capital before tax	26-B	(239)	417
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		5,318	6,802
Interest paid		90	141
Interest received		(416)	(416)
Current taxes (paid) / received		(603)	(492)
CASH FLOWS FROM OPERATING ACTIVITIES		4,389	6,035
Capital expenditure	26-C	(3,097)	(2,801)
Disposals of property, plant and equipment and intangibles		44	66
Acquisitions of investments involving gain of control, net of cash acquired ⁽⁴⁾		(133)	(3)
Acquisitions of other investments, net of cash acquired		(48)	(25)
Disposals of other investments, net of cash transferred and other ⁽⁵⁾		1,120	13
Net decrease (increase) in other securities and loans of the Automotive segments		207	(299)
CASH FLOWS FROM INVESTING ACTIVITIES		(1,907)	(3,049)
Dividends paid to parent-company shareholders	18-D	(701)	(555)
Dividends paid to non-controlling interests		(108)	(65)
(Acquisitions) sales of treasury shares		(102)	(102)
Cash flows with shareholders		(911)	(722)
Bond issuance by the Automotive segments	23-C	616	533
Bond redemption by the Automotive segments	23-C	(1,510)	(1,403)
Net increase (decrease) in other financial liabilities of the Automotive segments		(1,040)	540
Net change in financial liabilities of the Automotive segments	23-B	(1,934)	(330)
CASH FLOWS FROM FINANCING ACTIVITIES		(2,845)	(1,052)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(363)	1,934

(1) Interest and current taxes received and paid are now reported on separate lines in the statement of consolidated cash flows, and interest on derivatives on financing operations of the Automotive segments is now classified as cash flows from operating activities. The resulting reclassifications for 2015 are presented in notes 2-A2 and 2-A3.

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

(3) Dividends received from Daimler (€44 million in 2016 and €34 million in 2015) and Nissan (€728 million in 2016 and €547 million in 2015).

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

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

(€ million)	2016	2015
Cash and cash equivalents: opening balance	14,133	12,497
Increase (decrease) in cash and cash equivalents	(363)	1,934
Effect of changes in exchange rate and other changes	83	(298)
Cash and cash equivalents: closing balance ⁽¹⁾	13,853	14,133

(1) Cash subject to restrictions on use is described in note 22-C.

2.2.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.2.6.1. INFORMATION ON OPERATING SEGMENTS AND REGIONS

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

- the segment comprising the Group's automotive activities, as they existed until Renault acquired control of the AVTOVAZ Group under IFRS 10, is now called "Automotive (excluding AVTOVAZ)". This segment comprises the production, sales, and distribution subsidiaries for passenger and light commercial vehicles, automobile service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in automotive-sector associates and joint ventures, mainly Nissan, and AVTOVAZ (until December 28, 2016);
- the Sales Financing segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures, is unchanged;
- from the date of acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V. and the AVTOVAZ Group in December 2016, the Group has a third operating segment called "AVTOVAZ", which consists of the Russian automotive subgroup and its parent company. Details of this operation are given in notes 3-B and 13-A.

As the acquisition of control, as defined by IFRS 10, took place in late December 2016, the figures for the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment are established as follows:

- the net income of Alliance Rostec Auto B.V. and the AVTOVAZ Group for 2016 is still included by the equity method in the Automotive (excluding AVTOVAZ) segment, as in 2015;
- the income generated by the acquisition of control under IFRS 10 is included in the net income of the Automotive (excluding AVTOVAZ) segment (see note 6-B);
- as the impact of full consolidation of Alliance Rostec Auto B.V. and the AVTOVAZ Group on the fully consolidated entities' net income and changes in cash between December 28, 2016 and December 31, 2016 is judged non-significant, full consolidation is applied from December 31, 2016;
- the year-end balance sheet figures at December 31, 2016 for Alliance Rostec Auto B.V. and the AVTOVAZ Group are included in the consolidated financial position of the new AVTOVAZ segment at December 31, 2016. In the tables presenting balance sheet figures for 2016, the first consolidation of these entities is presented in changes in the scope of consolidation;
- the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ in 2016 as in 2015.

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A. Information by operating segment

A1. Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
2016⁽²⁾				
Sales of goods	46,993	28	-	47,021
Sales of services	2,002	2,220	-	4,222
External sales	48,995	2,248	-	51,243
Intersegment sales	(430)	464	(34)	-
Sales by segment	48,565	2,712	(34)	51,243
Operating margin⁽³⁾	2,327	896	59	3,282
Operating income (loss)	2,326	898	59	3,283
Financial income (expenses)	(323)	-	-	(323)
Share in net income (loss) of associates and joint ventures	1,631	7	-	1,638
Pre-tax income	3,634	905	59	4,598
Current and deferred taxes	(754)	(285)	(16)	(1,055)
Net income	2,880	620	43	3,543
2015 RESTATED⁽⁴⁾				
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⁽³⁾	1,535	829	11	2,375
Operating income (loss)	1,338	827	11	2,176
Financial income (expenses)⁽⁵⁾	(72)	-	(149)	(221)
Share in net income (loss) of associates and joint ventures	1,367	4	-	1,371
Pre-tax income	2,633	831	(138)	3,326
Current and deferred taxes	(85)	(277)	(4)	(366)
Net income	2,548	554	(142)	2,960

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

(2) As the impact of the AVTOVAZ Group and its parent company on the net income between December 28, 2016 and December 31, 2016 is judged non-significant, full consolidation is applied from December 31, 2016 (note 3-B).

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

(4) The change in presentation concerning income taxes and the resulting reclassifications in the 2015 financial statements are presented in notes 2-A2 and 2-A3.

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

A2. Consolidated financial position by operating segment

Consolidated financial position by operating segment – Assets – December 31, 2016

ASSETS (€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
NON-CURRENT ASSETS							
Property, plant and equipment and intangible assets	15,843	1,665	-	17,508	388	(9)	17,887
Investments in associates and joint ventures	18,888	41	-	18,929	97	-	19,026
Non-current financial assets – investments in companies	5,790	-	(509)	5,281	1	(4,012)	1,270
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	166	13	(57)	122	-	-	122
Deferred tax assets and other non-current assets	1,897	71	-	1,968	376	(56)	2,288
Total non-current assets	42,584	1,790	(566)	43,808	862	(4,077)	40,593
CURRENT ASSETS							
Inventories	5,456	320	-	5,776	54	(9)	5,821
Customer receivables	2,377	265	(451)	2,191	34,923	(842)	36,272
Current financial assets	1,228	-	(40)	1,188	1,383	(663)	1,908
Current tax assets and other current assets	2,417	305	(178)	2,544	4,171	(3,059)	3,656
Cash and cash equivalents	11,820	277	-	12,097	1,894	(138)	13,853
Total current assets	23,298	1,167	(669)	23,796	42,425	(4,711)	61,510
TOTAL ASSETS	65,882	2,957	(1,235)	67,604	43,287	(8,788)	102,103

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.). In 2015, it also includes the value of the investment in the associate AVTOVAZ, amounting to €1 million.

Consolidated financial position by operating segment – Shareholders' equity and liability – December 31, 2016

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ	Intra Automotive Transactions	Total Automotive	Sales Financing	Intersegment transactions	Consolidated total
SHAREHOLDERS' EQUITY							
	31,098	(11)	(330)	30,757	4,028	(3,890)	30,895
NON-CURRENT LIABILITIES							
Long-term provisions	2,700	10	-	2,710	464	-	3,174
Non-current financial liabilities	3,851	1,011	(235)	4,627	12	-	4,639
Deferred tax liabilities and other non-current liabilities	945	83	-	1,028	614	-	1,642
Total non-current liabilities	7,496	1,104	(235)	8,365	1,090	-	9,455
CURRENT LIABILITIES							
Short-term provisions	1,055	78	-	1,133	26	-	1,159
Current financial liabilities	5,343	746	(40)	6,049	-	(801)	5,248
Trade payables and sales financing debts	9,260	754	(416)	9,598	36,760	(784)	45,574
Current tax liabilities and other current liabilities	11,630	286	(214)	11,702	1,383	(3,313)	9,772
Total current liabilities	27,288	1,864	(670)	28,482	38,169	(4,898)	61,753
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	65,882	2,957	(1,235)	67,604	43,287	(8,788)	102,103

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

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Consolidated financial position by operating segment – December 31, 2015

ASSETS (€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
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 companies	4,830	2	(3,460)	1,372
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	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 currents assets	20,720	36,327	(4,029)	53,018
TOTAL ASSETS	61,113	37,037	(7,545)	90,605
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)				
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

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1). In 2015, it also includes the value of the investment in the associate AVTOVAZ, amounting to €91 million.

A3. Consolidated cash flows by operating segment

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

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

(2) As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 is judged non-significant, full consolidation is applied from December 31, 2016 (note 3-B).

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

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

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

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

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

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

(2) As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 is judged non-significant, full consolidation is applied from December 31, 2016 (note 3-B).

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(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	Sales Financing	Intersegment transactions	Consolidated total
2015 RESTATED ⁽²⁾				
Net income	2,548	554	(142)	2,960
Cancellation of dividends received from unconsolidated listed investments	(34)	-	-	(34)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,689	39	-	2,728
Share in net (income) loss of associates and joint ventures	(1,367)	(4)	-	(1,371)
Other income and expenses with no impact on cash, before interest and tax	132	304	14	450
Dividends received from unlisted associates and joint ventures	-	-	-	-
Cash flows, before interest and tax ⁽³⁾	3,968	893	(128)	4,733
Dividends received from listed companies ⁽⁴⁾	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 before tax	648	(258)	27	417
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	4,845	2,049	(92)	6,802
Interest received	174	-	(33)	141
Interest paid	(439)	-	23	(416)
Current taxes (paid)/received	(219)	(273)	-	(492)
CASH FLOWS FROM OPERATING ACTIVITIES	4,361	1,776	(102)	6,035
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 segments	(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 segments	(346)	-	16	(330)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,047)	(171)	166	(1,052)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	297	1,583	54	1,934

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

(2) The change in presentation concerning interest and current taxes received and paid and the resulting reclassifications in the 2015 financial statements are presented in notes 2-A2 and 2-A3.

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

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

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	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

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and AVTOVAZ, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method (see 4.2.6.1.).

A4. Other information for the Automotive segments: net cash position or net financial indebtedness and operational free cash flow

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

Net cash position or net financial indebtedness

(€ million)	Dec. 31, 2016				Dec. 31, 2015
	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ	Intra-Automotive	Total Automotive	Automotive (excluding AVTOVAZ) ⁽¹⁾
Non-current financial liabilities	(3,849)	(1,011)	235	(4,625)	(5,693)
Current financial liabilities	(5,343)	(746)	40	(6,049)	(4,811)
Non-current financial assets – other securities, loans and derivatives on financing operations	166	– ⁽²⁾	(57)	109 ⁽²⁾	119
Current financial assets	1,228	–	(40)	1,188	1,475
Cash and cash equivalents	11,820	277	–	12,097	11,571
Capitalisable loans from Renault s.a.s. to AVTOVAZ	(97)	–	97	–	–
Net cash position (net financial indebtedness) of the Automotive segments	3,925	(1,480)	275	2,720	2,661

(1) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment (see 4.2.6.1.).

(2) Excluding a €13 million loan by AVTOVAZ to a supplier.

Operational free cash flow

(€ million)	2016	2015 restated ⁽¹⁾
Automotive (excluding AVTOVAZ) ⁽²⁾		
Cash flows before interest and tax (excluding dividends from listed companies)	5,043	3,968
Change in the working capital requirement before tax	356	648
Interest received	114	174
Interest paid	(441)	(439)
Current taxes (paid)/received	(354)	(219)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,047)	(2,729)
Capitalized leased vehicles and batteries	(564)	(352)
Operational free cash flow of the Automotive (excluding AVTOVAZ) segment	1,107	1,051

(1) The change in presentation concerning interest and current taxes received and paid, and the resulting reclassifications in the 2015 financial statements, are presented in notes 2-A2 and 2-A3.

(2) In 2015 and 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment (see 4.2.6.1.).

As the impact of the AVTOVAZ Group and its parent company between December 28, 2016 and December 31, 2016 is judged non-significant, there is no AVTOVAZ segment

contribution to the Group's operational free cash flow for 2016 (note 3-B).

2

FINANCIAL RESULTS

2.2. CONDENSED FINANCIAL STATEMENTS 2016

B. Information by region

The regions presented correspond to the geographic divisions used for Group management. The regions are defined in chapter 1.3.1.3. of the registration document.

Consolidated revenues are presented by location of customers. Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

	Europe ⁽¹⁾	Americas	Asia-Pacific	Africa Middle-East India	Eurasia ⁽²⁾	Consolidated total
<i>(€ million)</i>						
2016						
Revenues	33,195	4,194	5,434	4,212	4,208	51,243
Property, plant and equipment and intangibles	12,038	1,054	589	714	3,492	17,887
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

(1) Including the following for France:

<i>(€ million)</i>	2016	2015
Revenues	11,968	10,154
Property, plant and equipment and intangibles	9,680	9,108

(2) Including property, plant and equipment and intangibles of AVTOVAZ in the amount of €1,665 million at December 31, 2016.

Financial information on the Alliance

3

FINANCIAL INFORMATION ON THE ALLIANCE

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

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

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

KEY PERFORMANCE INDICATORS

The preparation of the key performance indicators under Renault accounting policies takes into account the restatement of the figures published by Nissan under Japanese Accounting Standards into IFRS. Additionally, the following adjustments have been performed:

- reclassifications when necessary to harmonize the presentation of the main income statement items;
- adjustments to fair value applied by Renault for acquisitions of 1999 and 2002.

REVENUES 2016

(€ million)	Renault	Nissan ⁽¹⁾	Intercompany eliminations	Alliance
Sales of goods and services of the Automotive segment	48,995	86,774	(5,978)	129,791
Sales Financing revenues	2,248	7,837	(134)	9,951
Revenues	51,243	94,611	(6,112)	139,742

(1) Converted at the average exchange rate for 2016: EUR 1 = JPY 120.3.

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 2016 results.

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

(€ million)	Operating margin	Operating income ⁽²⁾	Net income ⁽²⁾
Renault	3,282	3,283	1,802
Nissan ⁽¹⁾	5,904	4,879	4,209
Alliance	9,186	8,162	6,011

(1) Converted at the average exchange rate for 2016: EUR 1 = JPY 120.3.

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

(3) Nissan's operating income includes (754) million euros, ((90.7) billion yen), of Quality related costs.

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

For the Alliance, the operating margin is equivalent to 6.5% of revenues.

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

(€ million)	
Renault	2,370
Nissan ⁽¹⁾	3,002
Alliance	5,372

(1) Converted at the average exchange rate for 2016: EUR 1 = JPY 120.3.

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ million)

RENAULT AT DECEMBER 31, 2016

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	4,899	Shareholders' equity	30,895
Property, plant and equipment	12,988	Deferred tax liabilities	124
Investments in associates (excluding Alliance)	722	Provisions for pension and other long-term employee benefit obligations	1,771
Deferred tax assets	922	Financial liabilities of the Automotive segment	8,393
Inventories	5,821	Financial liabilities and debts of the Sales Financing segment	36,053
Sales financing receivables	34,358	Other liabilities	24,867
Automotive receivables	1,914		
Other assets	8,322		
Cash and cash equivalents	13,853		
Total assets excluding investment in Nissan	83,799		
Investment in Nissan	18,304		
TOTAL ASSETS	102,103	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	102,103

NISSAN AT DECEMBER 31, 2016

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	6,541	Shareholders' equity	45,874
Property, plant and equipment	45,098	Deferred tax liabilities	6,630
Investments in associates (excluding Alliance)	5,516	Provisions for pension and other long-term employee benefit obligations	3,332
Deferred tax assets	1,556	Financial liabilities of the Automotive segment ⁽²⁾	(1,769)
Inventories	12,063	Financial liabilities and debts of the Sales Financing segment	68,135
Sales financing receivables	58,457	Other liabilities ⁽³⁾	35,013
Automotive receivables	5,621		
Other assets ⁽³⁾	13,269		
Cash and cash equivalents	7,112		
Total assets excluding investment in Renault	155,233		
Investment in Renault	1,982		
TOTAL ASSETS	157,215	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	157,215

(1) Converted at the closing rate at December 31, 2016: EUR 1 = JPY 123.4

(2) The financial liabilities of the Automotive segment represent the amount after deducting internal loans receivable to the Sales Financing segment (€10,807 million at December 31, 2016).

(3) Following announcement by Nissan on November 22, 2016, of execution of tender agreement to tender its shareholding in Calsonic Kansei, all assets and liabilities are combined with Other assets and Other liabilities.

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 2016, excluding leased vehicles and batteries, amount to:

€ million	
Renault	2,039
Nissan ⁽¹⁾	3,970
Alliance	6,009

(1) Converted at the average exchange rate for 2016: EUR 1 = JPY 120.3.

Based on the best available information, Renault estimates that the impact of full consolidation of Nissan on its shareholders' equity calculated under current accounting policies would result in :

- a maximum 5-10% decrease in shareholders' equity – Group share;
- a €27.5 billion increase in shareholders' equity – non-controlling interests' share.

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