(Translation)

SEMI-ANNUAL SECURITIES REPORT

For Interim Period from January 1, 2017 to June 30, 2017

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Semi-Annual Securities Report under Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Law filed on September 15, 2017 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Law.

2. The documents attached to the Semi-Annual Securities Report filed as stated above are not included herein.

Renault

(E05907)

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Document Name:	Semi-Annual Securities Report
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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” or 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 Euro Zone and French Republic. The telegraphic transfer for selling Euro against yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of August 7, 2017 was EUR 1 = JPY131.97. Any conversions made herein from the Euro 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

With respect to the contents set out in “I. Summary of Laws and Regulations in the Country which the Company belongs” in the Part I “Corporate Information” of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period, except for the following changes which are underlined below. The numbering of items below corresponds the Securities Report of Renault filed on June 9, 2017.

1. SUMMARY OF CORPORATE SYSTEM, ETC.

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

Most often used forms of limited liability companies are *Société Anonyme* and Société par actions <u>simplifiées</u> forms 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 1, 2003 titled "*Loi de Sécurité Financière*", an Ordinance n°2004-604 dated June 24, 2004, a law dated July 26, 2005, titled “*Loi pour la confiance et la modernisation de l’économie,* a law dated August, 4, 2008 titled LME ("*Loi de modernisation de l’économie")*, an Ordinance n° 2010-1511 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 March 29, 2014 aiming at recapturing the real economy, an Ordinance n°2014-863 dated July 31, 2014 relating to company law, <u>an Ordinance n° 2014-948 dated August 20, 2014 relating to governance and equity transactions on companies with public participation,</u> an Ordinance n°2015-1127 dated September 10, 2015 reducing the number of shareholders in a non-listed SA, a Law n°2015-990 dated August 6, 2015 aiming at simplifying economy ("*Loi Macron*"), an Ordinance n°2016-131 dated February 10, 2016, aimed at reforming contract law, a Law n°2016-1691 dated December 9, 2016 aiming at fighting against corruption ("*Loi Sapin II*"), and a Decree n° 2017-663 dated April 27, 2017.

[Omitted]

Shareholders

[Omitted]

The shareholders are vested the ultimate power over the SA. In particular, the shareholders appoint the Supervisors (“membres du conseil de surveillance”), <u>and</u> the Executive Officers (“membres du directoire”)<u>, in a two-tier company, or the Directors (“administrateurs”), in a unitary company,</u> as the case may be, and the Independent Auditor (*commissaire aux comptes*) of the corporation, may declare dividends, who approve the financial statements, may decide to dissolve the corporation and may authorize any modification of the registered capital, as well as any other amendments of the By-laws.

[Omitted]

Form of Capital Investment

[Omitted]

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, except in certain circumstances. Such report, if any, 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 or the exercice of rights attached to securities giving access to the company's share capital. The authorization to increase the capital is within the sole competence of the shareholders assembled at an Extraordinary General Meeting, who can delegate this power or its competence to the Board of Directors or the Management Board, as the case may be. Issuance of shares can be generally made in consideration of (a) contributions made in cash, (b) contributions made in kind or (c) by capitalization of reserves, benefits, or issuance premiums.

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 Extraordinary General Meeting of shareholders, who can delegate this power or its competence to the Board of Directors or the Management Board, as the case may be. 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.

[Omitted]

Management

[Omitted]

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

[Omitted]

The Board of Directors consists of 3 or more and 18 or less Directors ("*membres du Conseil d'Administration*"). The Directors representing the employees and the Directors representing the employee shareholders, if any, are not taken into account when calculating the maximum number of Directors. In the event of a merger or consolidation of companies, the number of Executive Directors may be increased up to 24 for 3 years. A Director may be a French national or a foreigner, an individual or a legal entity, 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, in principle, limited to five. Unless another age limit is set in the By-laws, the number of members of the Board of Directors exceeding the age of 70 cannot exceed one-third of the Board.

[Omitted]

Powers are only restricted by the purposes of the company and powers granted to the General Meeting of the shareholders under law. Restrictions imposed on the powers of the CEO are binding internally within the company, but cannot be asserted against third parties. Resolutions at the Board of Directors are made by a majority vote of the Executive 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 Executive Directors.

(b) Management Board and Supervisory Board

[Omitted]

The Management Board consists of 1 or more and 5 or less members (in the case of a listed company, 7 or less members). 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. By exception, where an SA has a share capital of less than EUR 150,000, the Management Board may only be composed of one Executive Officer called the Sole Executive Officer ("*directeur général unique*"). 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 and provided there is no contrary provision in the By-laws, 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 Chairman of the Management Board ("*Président du Directoire*"). The Chairman of the Management Board can be assisted by one or several Executive Officers called "*Directeurs Généraux*".

[Omitted]

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

[Omitted]

Shareholders' Rights

[Omitted]

(b) Right to Appoint Directors

Up to fourteen 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 14 Directors (art. 11 of the By-laws).

[Omitted]

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 one Director is appointed by the French State.

[Omitted]

Management

[Omitted]

Members of the Board of Directors

[Omitted]

A/Directors appointed by the Shareholders' General Meeting

These Directors shall not be less than 3 and at most 14 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.

[Omitted]

B/ As the case may be, a French State representative designated pursuant to Article 4 of Order No. 2014-948 of August 20, 2014.

C/ Directors elected by the employees

[Omitted]

D/One Director representing the employee shareholders:

When the appointment of a Director representing shareholders becomes mandatory under article 225-23 of the French Commercial Code, the Board of Directors has to convene an extraordinary general meeting in order to modify the By-laws of the Company accordingly. Thus appointment procedures for the Director representing employee shareholders are mainly provided by the By-laws.

[Omitted]

General Meeting of Shareholders

[Omitted]

Shareholders' meeting may not vote on a matter which is not entered on the agenda except for the dismissal (*révocation*) of Directors and Supervisors and their replacement.

[Omitted]

II. OUTLINE OF THE COMPANY

1. Development of Major Managerial Index, Etc.:

The figures are presented under IFRS. Please read following charts together with the information provided in VI. FINANCIAL CONDITION of this PART I.
The figures in the table below are rounded to two decimal places as necessary.

(Unit: EUR million, except otherwise indicated)

	Half-Year ended June 30				Years ended December 31		
Consolidated	2015	2015 restated (4) & (5)	2016	2017(6)	2015	2015 restated (4) & (5)	2016
Revenues	22,197	22,197	25,185	29,537	45,327	45,327	51,243
Pre-tax income	1,704	1,714	2,087	2,895	3,271	3,326	4,598
Net income	1,469	1,452	1,567	2,416	2,960	2,960	3,543
Net income – parent-company shareholders' share	1,396	1,379	1,501	2,379	2,823	2,823	3,419
Comprehensive income	2,990	2,972	2,106	1,693	4,215	4,215	3,558
Shareholders' equity	27,262	27,234	29,789	31,726	28,474	28,474	31,027 (7)
Shareholders' equity – (parent-company shareholders' share)	26,811	26,783	29,324	31,464	27,992	27,992	30,743
Total assets	86,146	86,118	95,097	106,431	90,605	90,605	102,271 (7)
Renault's equity per share (EUR) (1) (rounding to two digits to the right of the decimal point)	90.66	90.57	99.16	106.40	94.66	94.66	103.96
Earnings per share (EUR) (2) (rounding to two digits to the right of the decimal point)	5.12	5.06	5.51	8.77	10.35	10.35	12.57
Capital adequacy ratio (%) (3) (rounding to two digits to the right of the decimal point)	31.65	31.62	31.32	29.81	31.43	31.43	30.34
Cash flows from operating activities	1,607	1,650	1,436	3,065	6,017	6,035	4,389
Cash flows from investing activities	(1,342)	(1,342)	(1,009)	(1,623)	(3,049)	(3,049)	(1,907)
Cash flows from financing activities	(1,625)	(1,668)	(2,383)	(1,636)	(1,034)	(1,052)	(2,845)
Cash and cash equivalents	11,153	11,153	12,217	13,556	14,133	14,133	13,853
Number of employees as of the end of the term (person) (Excluding employees under the early retirement	nc	nc	nc	nc	120,136	120,136	124,849

scheme)							

The figures for FY 2015 and half year 2015 are restated (see notes 4 and 5 below.)

(1) Based on shareholders' equity - (parent-company shareholders' share) and on number of shares, i.e. 295,722,284 shares at June 30 and December 31, 2015, June 30 and December 31, 2016, and June 30, 2017.

(2) Based on net income - parent-company shareholders' share and on average number of shares outstanding, i.e 271,217 thousand shares in first half 2017, 272,477 thousand shares in first half 2016, 272,769 thousand shares in first half 2015, 271,968 thousand shares in fiscal year 2016, 272,708 thousand shares in fiscal year 2015. The average number of shares outstanding is a weighted average number of shares outstanding during the period after neutralization of treasury shares and of Renault shares held by Nissan.

(3) Shareholders' equity divided by total assets.

(4) Taxes, which satisfy the definition of tax based on a notion of net intermediate income within the meaning of IAS 12 «Income Tax» and which were previously presented as operating expenses, have been reclassified under current taxes from 2016 and conversely for taxes not satisfying the definition of tax based on net intermediate income. The presentation of the financial statements for the first half of the year and for 2015 were restated accordingly. Restatements done accordingly on the six-months ended June 30, 2015 and full year 2015 financials are detailed in note 2-C & 2-D of the 2016 condensed half-yearly consolidated financial statements.

(5) Since December 31,2015, the AVTOVAZ accounts are included in the Group's financial statements without any three-month lag, therefore, the previously published figures for the first half of 2015 regarding AVTOVAZ are restated so that the first half of 2015 covers the calendar period from January 1 to June 30. Restatements done accordingly on the six-months ended June 30, 2015 and full year 2015 financials are detailed in note 2-C & 12-A of the 2016 condensed half-yearly consolidated financial statements. Avtovaz is consolidated by full integration since January 1st, 2017

(6) Avtovaz is consolidated by full integration since January 1st, 2017. The results of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section Information on operating segments.A "CONSOLIDATED INCOME STATEMENT BY OPERATING SEGMENT" in the 2017 condensed half-yearly consolidated financial statements).

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

As the acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V

and the AVTOVAZ Group, took place on December 28, 2016, the net income of Alliance Rostec Auto B.V and the AVTOVAZ Group for 2016 is still included by the equity method in Groupe Renault's profit & loss. Only the year-end balance sheet figures at December 31, 2016 for Alliance Rostec Auto B.V and the AVTOVAZ Group are included in the Groupe Renault's consolidated financial position at December 31, 2016. In 2017, the completeness of financial data of Alliance Rostec Auto B.V and the AVTOVAZ Group is consolidated by full integration into Groupe Renault's accounts.

2. Contents of Business:

With respect to the contents set out in "PART I CORPORATE INFORMATION, II. OUTLINE OF THE COMPANY, 3. Contents of Business" of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

3. State of Related Companies:

With respect to the contents set out in "PART I CORPORATE INFORMATION, II. OUTLINE OF THE COMPANY, 4. Statement of Related Companies" of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period, except for the following changes which are underlined below. The numbering of items below corresponds the Securities Report of Renault filed on June 9, 2017.

[Omitted]

(2) SUBSIDIARIES

[Omitted]

RENAULT S.A.S.

[Omitted]

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

[Omitted]

- Revenues at December 31, 2016: € 45,198 million.

[Omitted]

RCI BANQUE SA

[Omitted]

- Net amount financed at June 30, 2017: €10.38 billion.
- Total balance sheet (consolidated) at June 30, 2017: €47,548 million.
- Workforce at June 30, 2017: 3,220.

RENAULT RETAIL GROUP (FRANCE)

2, avenue Denis Papin, 92140 Clamart Cedex (France)

[Omitted]

RENAULT BELGIQUE LUXEMBOURG

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

- The authorised share capital of EUR 18,630,000 divided into 67,500 voting shares of EUR 276 each.
- Groupe Renault holds directly 100% of the authorised capital of Renault Belgique Luxembourg and 100% of its voting rights.

[Omitted]

RENAULT ARGENTINA

[Omitted]

- Groupe Renault holds directly 100% of the authorised capital of Renault Argentina and 100% of its voting rights.

[Omitted]

DACIA

[Omitted]

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

[Omitted]

- Business: manufacturing of motor vehicles.
- Plant in Mioveni.
- Revenues at December 31, 2016: €4,624 million.

[Omitted]

Renault India Private Limited

[Omitted]

- The authorised share capital of Renault India Private Limited is INR 60,000,000,000 divided into 6,000,000,000 voting shares of INR 10 each.

[Omitted]

AVTOVAZ

[Omitted]

- Business: AvtoVAZ is a major Russian passenger car manufacturer.[Omitted]

(3) AFFILIATED COMPANIES[3]

[Omitted]

Automobile Division

NISSAN Motor Co., Ltd.

[Omitted]

- The number of authorized share is 6,000,000,000 shares. The subscribed capital is 605,813,734,035 JPY (as of March 31, 2017) divided into 4,220,715,112 shares.
  The number of shares (excluding treasury stocks & crossholding stocks) was 4,190,125,700 as of March 31, 2017, corresponding to 41,901,257 voting rights.

[Omitted]

Financial Companies (Affiliates)

Renault Credit Car

60, Ravensteinstreet, 1000, Brussels, Belgium

[Omitted]

4. State of Employees:

At December 31, 2016, the Renault group's total workforce stood at 124,849 persons, with 121,743 in the Automotive division and 3,106 in the Sales Financing division, and such workforce has not changed significantly during the first half 2017.

III. STATE OF BUSINESS

1. Outline of Results of Operation, etc.:

KEY FIGURES

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

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

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

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

As the acquisition of control, as defined by IFRS 10, over Alliance Rostec Auto B.V

and the AVTOVAZ Group, took place on December 28, 2016, the net income of Alliance Rostec Auto B.V and the AVTOVAZ Group for 2016 is still included by the equity method in Groupe Renault's profit & loss. Only the year-end balance sheet figures at December 31, 2016 for Alliance Rostec Auto B.V and the AVTOVAZ Group are included in the Groupe Renault's consolidated financial position at December 31, 2016. In 2017, the completeness of financial data of Alliance Rostec Auto B.V and the AVTOVAZ Group is consolidated by full integration into Groupe Renault's accounts.

OVERVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OUTLOOK 2017

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

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

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

(1) increase group revenues, beyond the impact of AVTOVAZ (at constant exchange rates)*,
(2) increase group operating profit in euros*,

(3) generate a positive automotive operational free cash flow.

(*) compared with 2016 Groupe Renault published results

RISK MANAGEMENT AND RELATED THIRD PARTIES

Renault designs, manufactures and markets private cars and light commercial vehicles. It is affected by cycles in automotive markets, and in first-half 2017, 54.5% of their impact was in Europe and 45.5% outside Europe. All economic fluctuations in these regions are liable to influence the Group’s financial performance.

No other risks than those described in Part III-4 “RISKS IN BUSINESS, ETC.” of the Annual Securities Report filed with the Director General of the Kanto Local Finance Bureau on June 9, 2017, are anticipated in the remaining six months of the year.

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

(A) - SALES PERFORMANCE

OVERVIEW

(1) **Groupe Renault** sets a sales record in the first half of 2017 with 1.88 million vehicles sold, up 10.4% versus last year in a market up 2.6%.

(2) **All group brands** posted increases in sales volumes and market share. The **Renault and Dacia** brands set half-year sales records. **Renault** ranks as the second most sold brand in Europe.

(3) **All Regions** increased their sales volumes and market share. In particular, the **Group** recorded a 19.3% rise in sales in the **Africa-Middle East-India Region** and a 50.5% increase in the **Asia-Pacific Region**.

(4) **Groupe Renault** confirms its growth ambitions in 2017, driven by its renewed range, new product launches and the development of its international business activities.

(5) In the first half of 2017, the number of new financing contracts by **RCI Banque** was up 14.6% compared to the first half of 2016.

THE RENAULT GROUP'S TOP FIFTEEN MARKETS

	REGISTRATIONS	volumes H1 2017* (in units)	PC / LCV market share H1 2017 (%)	Change in market share on H1 2016 (points)
1	FRANCE	368,002	27.0	-0.5
2	RUSSIA	201,065	28.0	+1.7
3	ITALY	122,339	10.0	+0.3
4	GERMANY	115,977	6.0	+0.7
5	SPAIN	89,473	11.6	-0.6
6	TURKEY	75,130	18.7	+0.7
7	BRAZIL	73,416	7.4	+0.1
8	IRAN	68,365	9.8	+4.0
9	UNITED KINGDOM	66,974	4.2	-0.2
10	ARGENTINA	57,711	13.3	+1.1
11	INDIA	57,201	3.3	-0.5
12	SOUTH KOREA	52,882	6.0	+0.9
13	BELGIUM+LUXEMBOURG	50,313	12.6	-0.9
14	CHINA	35,647	0.3	+0.2
15	MOROCCO	35,365	41.9	+4.7

** Preliminary figures.*

(A) - 1. AUTOMOTIVE

(A)-1-1. WORLDWIDE GROUP REGISTRATIONS BY REGION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017*	H1 2016**	Change (%)
GROUP	**1,879,288**	**1,702,577**	**+10.4**
EUROPE REGION	**1,025,146**	**971,128**	+5.6
Renault	777,001	744,682	+4.3
Dacia	245,453	224,469	+9.3
Lada	2,692	1,977	+36.2
AMERICAS REGION	**181,566**	**158,460**	+14.6
Renault	181,438	158,460	+14.5
Lada	128	0	-
ASIA-PACIFIC REGION	**100,452**	**66,729**	+50.5
Renault	46,313	19,206	+++
Dacia	667	606	+10.1
Renault Samsung Motors	52,776	46,917	+12.5
Lada	696	0	-
AFRICA MIDDLE-EAST INDIA REGION	**249,081**	**208,708**	+19.3
Renault	204,263	174,548	+17.0
Dacia	44,299	34,160	+29.7
Lada	519	0	
EURASIA REGION	**323,043**	**297,552**	+8.6
Renault	134,305	127,135	+5.6
Dacia	42,426	38,375	+10.6
Lada	146,312	132,042	+10.8

** Preliminary figures.*

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

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

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

- **EUROPE**

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

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

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

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

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

- **OUTSIDE EUROPE**

Outside Europe, all the Regions increased their sales volumes and market share. Group registrations rose 16.8% in a market that grew 3.4%.
Groupe Renault strengthened its positions with the success of its range: QM6 and SM6 in South Korea, Kaptur, Vesta and Xray in Russia, Koleos in China, Megane Sedan in Turkey and Oroch in the Americas.

(1) **Africa-Middle East-India**

Group registrations rose 19.3% for a market share of 6.4%, up 1.1 points.
In **Iran**, sales rose 100.3% for a market share of 9.8% (up 4 points) thanks to the success of Tondar and Sandero.
In **India**, Renault continues to rank as the number-one European car brand, with a market share of 3.3%.
In **North Africa**, group sales grew 10.1% in a market down 8.3%. The Group took a 43% share of the market, up 7.2 points.

(2) **Eurasia**

Registrations rose 8.6% in a market that grew 2.5%. The market share of the Group, now including the Lada brand, increased 1.4 points to 24.5%, notably through strong momentum in Russia.
Returning to growth for the first time in four years, the **Russian** market grew 6.9% in the first half of the year. The Group increased its sales by 14% (including Lada).
Lada sales grew almost twice as fast as the market, increasing 12.8% for a market share of 19.5% (up 1 point), driven by the success of the new Vesta and Xray models.
The **Renault** brand claimed an 8.5% share of the market, up 0.7 points. Kaptur registrations totaled more than 14,140 units for the half-year period.
With the consolidation of Lada sales volumes, Russia now stands as the group's number-two market.

(3) **Asia-Pacific**

Registrations increased 50.5% in a market up 3.6%.
In **China**, Renault sold nearly 36,000 vehicles (compared with 9,771 in first-half 2016), of which 21,000

New Koleos, launched in late 2016 and produced locally.
Renault Samsung Motors posted a 12.5% increase in South Korea in a market that contracted 4.2%. The brand's market share came out at 6.9% (up 1 point) thanks to the success of the latest product launches (SM6 and QM6).

(4) **Americas**

Sales grew 14.6% in a market up 8.3% for a market share of 6.5%, up 0.4 points. Sandero, Logan and Duster Oroch confirmed their success.
Groupe Renault continued to take full advantage of the market recovery in **Argentina**, increasing its registrations 45.6% in a market that grew 34%. Market share increased 1.1 points to 13.3%. Renault has benefited from the local production of Sandero and Logan since the end of 2016. The market in **Brazil** grew 4.2% in the first half of the year. The group took advantage of the trend, reporting a 5.1% increase in sales and a 7.4% share of the market.

(A)-1-2. GROUP REGISTRATIONS BY BRAND AND BY TYPE

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

** Preliminary figures.*

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

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

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

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

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

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

(A) - 2. SALES FINANCING

(A)-2-1. NEW FINANCING AND SERVICES

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

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

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

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

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

RCI BANQUE FINANCING PERFORMANCE

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

Capitalizing on the momentum in the automotive market and strong growth in new and used vehicle financing, the Services business is continuing to grow, with volumes up 26.5% from the first half of 2016. The volume of services sold at the end of June 2017 thus stood at 2.1 million insurance and service contracts, 65% of which are services associated with vehicle use.

RCI BANQUE SERVICES PERFORMANCE

	H1 2017	H1 2016	Change (%)
Number of services contracts *(thousands)*	2,096	1,657	+26.5 %
Penetration rate on services	110.8 %	95.4 %	+15.4 pts

(A)-2-2. RCI BANQUE PENETRATION RATE ON NEW VEHICLE REGISTRATIONS

.

PENETRATION RATE BY BRAND

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

PENETRATION RATE BY REGION

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

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

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

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

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

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

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

(A) - 3. REGISTRATIONS AND PRODUCTION STATISTICS

RENAULT GROUP

WORLDWIDE REGISTRATIONS

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

*Twizy****	731	1,029	-29.0

*Preliminary figures.

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

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

RENAULT GROUP

EUROPEAN REGISTRATIONS

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

Preliminary figures

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

*Twizy****	694	993	-30.1

Preliminary figures

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

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

RENAULT GROUP

INTERNATIONAL REGISTRATIONS

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

Others Lada	16,972	21,387	-20.6

TOTAL INTERNATIONAL GROUP PC + LCV REGISTRATIONS	854,142	731,449	+16.8

*Twizy****	37	36	+2.8

** Preliminary figures*

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

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

RENAULT GROUP

WORLDWIDE PRODUCTION BY MODEL*

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (UNITS)	H1 2017**	Reported H1 2016***	Change (%)
Twizy	1,238	*1,680*	-26.3
Kwid	221		-
Twingo	43,930	44,626	-1.6
Clio	221,993	245,615	-9.6
ZOE	17,738	13,735	+29.1
Captur / QM3	137,442	128,908	+6.6
Logan	116,838	113,287	+3.1
Sandero	234,907	167,378	+40.3
Lodgy	22,105	19,683	+12.3
Mégane / Scénic	146,223	152,032	-3.8
Fluence (incl. Z.E.) / SM3 (incl. Z.E.) / Scala	29,246	42,442	-31.1
Duster	158,770	163,174	-2.7
Kaptur / Captur Americas	31,898		-
Kadjar	67,914	76,464	-11.2
Lada Granta	45,859	N/A	N/A
Lada Vesta	37,261	N/A	N/A
Lada Xray	14,805	N/A	N/A
Lada Largus	21,036	N/A	N/A
Lada 4x4	19,492	N/A	N/A
Latitude / SM5	2,639	2,852	-7.5
Talisman/ SM6	47,716	53,019	-10.0
Koleos / QM5 / QM6	35,981	3,420	+++
Espace	10,028	15,751	-36.3
SM7	3,574	3,472	+2.9
Kangoo (incl. Z.E.)	98,425	87,244	+12.8
Dokker	45,972	41,599	+10.5
Trafic	75,861	56,289	+34.8
Master	74,236	81,977	-9.4
Oroch	16,870	14,520	+16.2

GROUP GLOBAL PRODUCTION	**1,948,881**	**1,651,634**	+18.0
o/w produced for partners:			
GM	11,209	16,371	-31.5
Nissan	132,775	84,962	+56.3
Daimler	41,246	40,822	+1.0
Fiat	9,275	3,477	+++
Renault Trucks	6,500	6,390	+1.7

PRODUCED BY PARTNERS FOR RENAULT	**H1 2017****	**Reported H1 2016*****	**Change (%)**
Kwid (Chennai - Nissan)	59,424	50,010	+18.8
Duster (Chennai - Nissan)	8,533	11,195	-23.8
Kadjar (Wuhan - DRAC)	13,387	10,630	+25.9
Koléos (Wuhan - DRAC)	25,909	-	
Logan (Iran, AVTOVAZ in 2016)	43,182	43,694	-1.2
Sandero (Iran, AVTOVAZ in 2016)	24,025	25,577	-6.1
Others (Nissan, DRAC, Pars Khodro, Iran Khodro, AVTOVAZ in 2016)	1,971	2,138	-7.8

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

*** Preliminary figures*

*** In H1 2016 : Group production does not include LADA models and the production of Renault's vehicles by AVTOVAZ is mentionned in the production by partners for Renault.

In 2017, AVTOVAZ production is included in the Groupe Renault's production

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

At June 30, 2017

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

United Kingdom				

Group Top 15 markets in bold

B) FINANCIAL INFORMATION ON THE ALLIANCE

The purpose of the financial data in this section is twofold: to broadly quantify the economic significance of the Renault-Nissan Alliance through key performance indicators, and to make it easier to compare the assets and liabilities of the two Groups. The data of both Groups comply with the accounting standards applied by Renault in 2017.

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

Information concerning Renault is based on the consolidated figures released at June 30, 2017, while the information concerning Nissan is based on the restated consolidated figures prepared for the purposes of the Renault consolidation, covering the period from January 1 to June 30, 2017 whereas Nissan's financial year-end is March 31.

KEY PERFORMANCE INDICATORS

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

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

REVENUES FIRST-HALF 2017

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

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

The Alliance's intercompany business mainly consists of commercial transactions between Renault and Nissan. These items have been eliminated to prepare the revenue indicator. Their value is estimated on the basis of Renault's first-half 2017 results.

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

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

(1) Converted at the average exchange rate for first-half 2017: EUR 1 = JPY 121.7.
(2) Renault's net income is adjusted to exclude Nissan's contribution and Nissan's net income is similarly adjusted to exclude Renault's contribution.
(3) *Nissan's operating income includes € 912 million (¥ 111 billion), of gain on sales of shares of subsidiaries.*

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

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

In first-half 2017, the Alliance's research and development expenses, after capitalization and amortization, are as follows:

(€ million)

	1,327
Nissan (1)	1,701
Alliance	**3,028**

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

BALANCE SHEET INDICATORS

CONDENSED RENAULT AND NISSAN BALANCE SHEETS (€ MILLION) RENAULT AT JUNE 30, 2017

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	4,873	Shareholders' equity	31,726
Property, plant and equipment	12,814	Deferred tax liabilities	112
Investments in associates (excluding Alliance)	716	Provisions for pension and other long-term employee benefit obligations	1,701
Deferred tax assets	1,131	Financial liabilities of the Automotive segment	8,980
Inventories	6,892	Financial liabilities and debts of the Sales Financing segment	40,014
Sales financing receivables	36,980	Other liabilities	23,898
Automotive receivables	2,017		
Other assets	8,611		
Cash and cash equivalents	13,556		
Total assets excluding investment in Nissan	**87,590**		
Investment in Nissan	18,841		
Total assets	**106,431**	**Total shareholders' equity and liabilities**	**106,431**

NISSAN AT JUNE 30, 2017 (1)

ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Intangible assets	6,269	Shareholders' equity	46,211
Property, plant and equipment	44,011	Deferred tax liabilities	5,927
Investments in associates (excluding Alliance)	6,175	Provisions for pension and other long-term employee benefit obligations	3,102
Deferred tax assets	1,582	Financial liabilities of the Automotive segment (2)	(4,498)
Inventories	11,536	Financial liabilities and debts of the Sales Financing segment	67,673
Sales financing receivables	58,955	Other liabilities	34,394
Automotive receivables	4,484		
Other assets	8,891		
Cash and cash equivalents	8,802		
Total assets excluding investment in Renault	**150,705**		
Investment in Renault	2,104		
Total assets	**152,809**	**Total shareholders' equity and liabilities**	**152,809**

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

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

The values displayed for Nissan assets and liabilities reflect the restatements for the harmonization of accounting standards and adjustments to fair value applied by Renault for the acquisitions made in 1999 and 2002, mainly concerning revaluation of land, capitalization of development expenses, and pension-related provisions. Balance sheet items have been reclassified when necessary to make the data consistent across both Groups.

Purchases of property, plant and equipment by both Alliance groups for first-half 2017, excluding leased vehicles and batteries, amount to:

(€ million)

Renault	1,051

Nissan [1]	1,962
Alliance	**3,013**

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

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

(1) a maximum 5-10% decrease in shareholders' equity – Group share;

(2) a €27.1 billion increase in shareholders' equity – non-controlling interests' share.

2. State of Production, Orders Accepted and Sales:

See 1. above.

3. Problem(s) to be Coped with: Renault: no new informations

With respect to the contents set out in "PART I CORPORATE INFORMATION, III. STATEMENTS OF BUSINESS, 3. Problem(s) to be Coped with" of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

4. Risks in Business, etc.

With respect to the contents set out in "PART I CORPORATE INFORMATION, III. STATEMENTS OF BUSINESS, 4. RISKS IN BUSINESS, ETC." of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period, except for the following changes which are underlined below.

[Omitted]

RISK MANAGEMENT

[Omitted]

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

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

As of the date of approval of the 2017 semi-annual consolidated financial statements, no banks had made any demand for early repayment of loans due to breached covenants.

[Omitted]

5. Important Contracts Relating to Management, etc.:

Not applicable.

6. Research and Development Activities:

For further information, see RENAULT GROUP - RESEARCH AND DEVELOPMENT COSTS of 7. Analysis of Financial Condition, Operating Results and State of Cash Flow below.

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 June 30, 2017.

SUMMARY

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

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

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

COMMENTS ON THE FINANCIAL RESULTS

(1) CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

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

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

- a volume effect of 4.4 points linked to the success of new models, the ongoing European momentum and the dynamism of international sales ;
- the growth in sales to partners had a favorable impact of 2.5 points thanks to the strong momentum in our CKD activity in Iran and China and in the sales of vehicles assembled in Europe (notably with the start of Nissan Micra production);
- a positive price effect of 2.3 points, mainly due to the price increases related to the renewal of the range.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

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

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

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

These positive effects offset:

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

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

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

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

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

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

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

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

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

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

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

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

(2) AUTOMOTIVE OPERATIONAL FREE CASH FLOW

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

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

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

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of €2,089 million (-€90 million mostly due to the increase in paid taxes in this half compared to last year),
- a positive change in the working capital requirement of €100 million,
  - property, plant and equipment and intangible investments net of disposals of €1,537 million, an increase of 10.5% compared with the first half of 2016,

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

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

RENAULT GROUP – RESEARCH AND DEVELOPMENT EXPENSES

Analysis of research and development costs:

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

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

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

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

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

- ➔ *In Europe, the investments primarily concern the renewal of the AB range (new Captur and Clio family). A significant effort is also being pursued to improve the competitiveness and flexibility of European plants.*
- ➔ *Outside Europe, capital expenditure was primarily linked to the Global Access range (replacement of Duster in Romania, Kwid in the Americas, etc.) and the renewal of the powertrain range in Brazil. Major investments were also made to modernize the Cordoba plant, following the decision to establish a production line there that is dedicated to pick ups for Renault, Daimler and Nissan.*

NET CAPEX AND R&D EXPENSES

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

(3) AUTOMOTIVE NET CASH POSITION AT JUNE 30.2017

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

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

The €287 million decrease in the **net cash position of the Automotive segment** compared with December 31, 2016 is mainly due to the usual mismatch between dividends received from Nissan (paid in two times, one in the first half and the other in the second half) and dividends paid by Renault in June.

AUTOMOTIVE NET CASH POSITION INCL. AVTOVAZ

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

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

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

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

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

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

IV. CONDITION OF FACILITIES

1. Condition of Principal Facilities:

With respect to the contents set out in "PART I CORPORATE INFORMATION, IV. STATEMENTS OF FACILITIES, 2. Statement of Principal Facilities" of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

2. Plan for Construction, Removal, etc. of Facilities:

With respect to the contents set out in "PART I CORPORATE INFORMATION, IV. STATEMENTS OF FACILITIES, 3. Plan for Construction, Removal, etc. of Facilities" of the Securities Report of Renault filed on June 9, 2017, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

V. STATE OF THE COMPANY

1. State of Shares, etc.:

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) Aggregate Number of Shares

As of June 30, 2017

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:

Date	Aggregate Number of Issued Shares		Capital			
	Number of Increase/Decrease	Outstanding Shares	Amount of Increase/Decrease		Outstanding Amount	
	Shares	Shares	EUR	JPY	EUR	JPY
December 31, 2016	–	295,722,284	–	–	1,126,701,902.04	148,690,850,012.219
June 30, 2017	–	295,722,284	–	–	1,126,701,902.04	148,690,850,012.219

(4) Description of Major Shareholders:

As of June 30, 2017

Name or Company Name	Address	Number of Shares Held (shares)	Percentage to the Aggregate Number of Issued Shares (%)*
French State	France	58,387,915	19.74
Nissan Finance Co., Ltd.	1-1-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa	44,358,343	15.00
Daimler Pension Trust e.V	Mercedesstrasse 137, 70327 Stuttgart, Federal Republic of Germany	9,167,391	3.10
Employees (1)		5,994,937	2.03
Treasury stock		5,084,664	1.72
Public		172,729,034	58.41
Total	-	295,722,284	100.00

(1) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual fund.

* The figures are rounded off to two decimal places.

2. Trends of Stock Price:

Highest and Lowest Price of Shares for the Recent Six Months:

The following figures are based on the stock price of Renault shares on Euronext Paris.

(per share)

Month	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
Highest Price (JPY)	89.16 (11,766)	90.76 (11,978)	87.9 (11,600)	86.59 (11,427)	89.12 (11,761)	86.74 (11,447)
Lowest Price (JPY)	81.1 (10,703)	81.65 (10,775)	77 (10,162)	76.75 (10,129)	82.93 (10,944)	78.12 (10,309)

3. State of Directors and Officers:

With respect to the contents set out in "PART I CORPORATE INFORMATION, V. STATEMENTS OF THE COMPANY, 4. Statement of Officers" of the Securities Report of Renault filed on June 9, 2017, there were the following changes during the relevant interim period.

During the Renault's Annual General Meeting held on 15th June 2017, the resolutions N°11 to N°18 have been adopted, as following:

- Resolution N°11

Ratification of the cooptation of the term of office of Mr Yasuhiro Yamauchi as director appointed upon the proposal of Nissan.
The General Meeting of Shareholders ratified the Board of Directors' provisional appointment of Mr Yasuhiro Yamauchi of February 9, 2017, as a director appointed upon the proposal of Nissan in replacement of Mr Hiroto Saikawa, following the resignation of the latter, for the duration of the remaining term of office of Mr Saikawa, that is until the Ordinary Shareholders' Meeting held to vote on the annual financial statements for the financial year ended December 31, 2017.

- Resolution N°12

Ratification of the cooptation and renewal of the term of office of Mrs Yu Serizawa as director appointed upon the proposal of Nissan
The General Meeting of Shareholders ratified the Board of Directors' provisional appointment on December 12, 2016 of Mrs Yu Serizawa as a director appointed upon the proposal of Nissan in replacement of Ms Yuriko Koike following the resignation of the latter, for the duration of the remaining term of office of Ms Koike, that is up to the date of this General Meeting of Shareholders, and the renewal of Mrs Yu Serizawa's term of office for a period of four years up to the General Meeting of Shareholders held to vote on the annual financial statements for the financial year ending December 31, 2020.

- Resolution N°13

Appointment of Mr Pascal Faure as a director appointed on proposal of the French State
The General Meeting of Shareholders appointed, on the proposal of the French State, Mr Pascal Faure as a director for a term of four years ending after the General Meeting of Shareholders voting on the financial statements for the financial year ending December 31, 2020

The terms of Ms. Dominique de La Garanderie and Mr. Alain Belda as directors was expiring at the end of the Shareholders' General Meeting on June 15, 2017. The terms of these two directors was not renewed due to the age limit for directors, set out in the Company's by-laws.

Furthermore, Mr. Franck Riboud had informed the Board of his decision to resign from his position as director with effect from the General Meeting of June 15, 2017.

In this context and in the interests of pursuing the objective of increasing the proportion of female directors on the Board, the Board of Directors had already reviewed a number of applications including those of Ms. Miriem Bensalah Chaqroun, Ms. Marie-Annick Darmaillac and Ms. Catherine Barba.

- Resolution N°14

Appointed of a new director – Mrs Miriem Bensalah Chaqroun
The General Meeting of Shareholders has appointed Mrs Miriem Bensalah Chaqroun as a director for a period of four years until after the General Meeting of Shareholders voting on the financial statements for the financial year ending December 31, 2020. This appointment strengthens the number of directors with a more industrial profile on the Board of Directors. Her presence also increases the proportion of women on the Board and contributes to its internationalization.

- Resolution N°15

Appointment of a new director – Mrs Marie-Annick Darmaillac
The General Meeting of Shareholders appointed Mrs. Marie-Annick Darmaillac as a director for a four-year period until after the General Meeting of Shareholders voting on the financial statements for the financial year ending December 31, 2020.
The appointment gives the Board of Directors expertise in ethical and sustainable development issues that are central to Groupe Renault's current strategy. It also helps in balancing the proportion of men to women on the Board.

- Resolution N°16

Appointment of a new director to replace a resigning director – Mrs Catherine Barba

The General Meeting of Shareholders duly recorded the resignation of Mr Franck Riboud as director from the date of this Meeting. It appointed Mrs Catherine Barba as director to replace Mr Franck Riboud for the duration of the latter's remaining term, ie until after the General Meeting of Shareholders voting on the financial statements for the financial year ending December 31, 2017.

This appointment brings expertise in digital innovations and trends to the Board of Directors at a time when digital technology is becoming a transformation tool for businesses and fits with the Board's aims to integrate the new technologies sector. Furthermore, Mrs Barba's appointment is positive for the gender balance of the Board of Directors.

- Appointment of a director representing employee shareholders

Following the elections of January 2 and 12, 2017 at Groupe Renault, two candidates obtained over 5% of favorable votes: Messrs Benoît Ostertag and Julien Thollot. In this respect and in accordance with the rules and regulations of the elections, two resolutions were submitted to the General Meeting of Shareholders to appoint a director representing employee shareholders for a four-year term. Of the two candidates proposed by the 17th resolution and the 18th resolution, only the candidate that obtained the largest number of favorable votes was appointed director representing employee shareholders. Mr. Ostertag finally obtained the largest number of favorable votes and has been renewed as director representing employee shareholders.

Following the General Meeting of June 15, 2017, the composition of the Board has the following characteristics:

	Composition at the end of the 2016 Annual General Meeting	Composition at the end of the 2017 Annual General Meeting
Rate of independence	66.7%(1)	66.7%(1)
Rate of feminization	31.2%(2)	43.7%(2)
Rate of international directors	37.5%(3)	43.7%(3)

(1) Pursuant to the recommendations of the Afep/Medef Code, the directors representing the employees and the director representing the employee shareholders are not taken into account in the calculation of the independence rate of the Board of Directors.

(2) Pursuant to legal provisions, the directors representing the employees are not taken into account in the calculation of the feminization rate within on the Board of Directors.

(3) In the interests of consistency, the directors representing the employees are not taken into account in the calculation of the rate of international directors.

- the Board's independence rate remains above that recommended by the Afep/Medef Code; and
- the feminization rate is above that required by law (minimum 40% of women within the Board of Directors of a listed company).

1. The number of members by gender (as of 30th June, 2017):

Board of Directors
Number of male members: 12
Number of female members: 7 (percentage of female members: 43.7% excluding directors representing the employees and 46.66% excluding directors representing the employees and the director representing the employee shareholders)

2. Newly appointed member(s)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Date on which such person assumed his/her office	Term of Office	Brief Professional History
YASUHIRO YAMAUCHI **Birth date:** 02/02/1956 (61 years old)	***Director***	***NA***	***February 9, 2017 (ratification on 15th June 2017 by the Renault's General Meeting***	***2018 AGM***	Mr. Yamauchi holds a degree in Social Sciences from the International Christian University, College of Liberal Arts. He joined Nissan Motor Co., Ltd. in 1981, where he held various management positions in the Purchasing Department, as well as in RNPO (Renault-Nissan Purchasing Organization). He joined RNPO in April 2008 as Senior Vice President in charge of Purchasing. In April 2014, Yasuhiro Yamauchi was appointed Alliance Global Vice President, Senior Vice President, Alliance Purchasing, in charge of the convergence of Management and Human Resources of the Renault and Nissan Purchasing, Engineering, Manufacturing & Supply Chain Departments. In November 2016, he was appointed Chief Competitive Officer of Nissan Motor Co. Ltd. He is responsible for global manufacturing and Research and Development, as well as purchasing, manufacturing, supply chain management, R&D, Connected Vehicles and Mobility Services for the Alliance. His role is to ensure that NML maintains its competitiveness in the global market. Yasuhiro Yamauchi was co-opted by the Board of Directors at its meeting held on February 9, 2017.

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Date on which such person assumed his/her office	Term of Office	Brief Professional History

YU SERIZAWA **Birth date:** 07/25/1958 (59 years old)	***Director***	***Number of registered shares held: 100***	***December 12, 2016 (ratification by the Renault's Annual General Meeting on 15th June 2017)***	***2021 AGM***	After a short career at Crédit Lyonnais (Tokyo Branch and Paris head office), Mrs. Serizawa was involved in the creation of InfoPlus Incorporated in 1985, and then founded Forma Corporation in 1992. Mrs. Serizawa was Senior Advisor for Japan to the World Economic Forum until 2004. Since 2000, she is Senior Advisor to the President of Mori Building Company Limited. Mrs. Serizawa was coopted by the Board of Directors at its meeting on December 12, 2016, following the resignation of Ms. Koike. Her appointment has been submitted to the General Meeting of June 15, 2017 and adopted.

Name and Date of Birth	**Title**	**Kind of holding shares of Renault and the number thereof**	**Date on which such person assumed his/her office**	**Term of Office**	**Brief Professional History**
MIRIEM BENSALAH CHAQROUN **Birth date:** 11/14/1962 (54 years old)	***Independent Director***	***NA***	15th June 2017	***2021 AGM***	Miriem Bensalah Chaqroun, holds an MBA in International Management and Finance from the University of Dallas, Texas (USA). She held various positions within the Société Marocaine de Dépôt et de Crédit from 1986 to 1989 before joining the Holmarcom Group (her family holding company, among the top five industrial and financial groups in Morocco) starting in 1989. Since then, she has been Group Director and CEO (Vice‑President and Chief Executive Officer) of Les Eaux Minérales d'Oulmès. In 2012, she was elected President of the Confédération Générale des Entreprises du Maroc, the Moroccan employers' association.

Name and Date of Birth	**Title**	**Kind of holding shares of Renault and the number thereof**	**Date on which such person assumed his/her office**	**Term of Office**	**Brief Professional History**

MARIE-ANNICK DARMAILLAC **Birth date:** 11/24/1954 (62 years old)	***Independent Director***	***NA***	15th June 2017	***2021 AGM***	Ms. Marie-Annick Darmaillac joined Vivendi in January 2017, where she is CSR Director (Corporate Social Responsibility). Marie-Annick Darmaillac also held the position of Deputy of the Mediator of the French Republic, before being appointed Secretary General of the Public Prosecutor's Office of the Court of Appeal of Paris and Sub-prefect of the City of Paris until October 2005. She then joined the Bolloré Group, where, as General Secretary Deputy, she was responsible in particular for oversight of the management of the Group's major talents as well as ethical and sustainable development issues. Previously, starting in October 2015, Marie-Annick was the Director of Internal Talent Promotion and Development for the Canal+ group. A magistrate by training, she successively held the positions of judge at the Versailles Court and bureau head at the DGCCRF (the French Directorate-General for Competition, Consumer Affairs and Prevention of Fraud). She was subsequently Deputy Director of Continuing Education at the Ecole *Nationale de la Magistrature* and Technical Advisor to the French Ministry of Justice.

Name and Date of Birth	**Title**	**Kind of holding shares of Renault and the number thereof**	**Date on which such person assumed his/her office**	**Term of Office**	**Brief Professional History**

CATHERINE BARBA **Birth date:** 02/28/1973 (44 years old)	***Independent Director***	***NA***	15th June 2017	***2021 AGM***	A graduate of ESCP Europe in 1996, Catherine Barba joined the OMD media agency (Omnicom group), where she created and developed the OMD Interactive entity dedicated to online advertising until 1999. From 1999 to 2003, she joined Marc Simoncini's iFrance website as Chief Executive Officer to grow the business in France, Belgium, Switzerland and Spain. In 2003, she created the Cashshore Shopping portal, a cashback site that she sold to the Plebicom group in 2010 with its 500,000 users and 1,200 partner online sales sites. In 2005, she developed the e-business consulting firm Malinea, which she sold in 2011 to the founders of vente-privee.com, with which she was a partner in the Digital Commerce Factory until 2012. In 2012, she founded and directed CB Group (Catherine Barba Group) so that she could use her entrepreneurial experience and digital expertise for physical distribution chains and major brands, which she supported in their internal digital and customer-based transformation. In 2015, she set up her company in New York to bring an international dimension to her business and offer her clients direct contacts with the most innovative players in the digital revolution. Catherine Barba is a director of the ETAM lingerie brand and an investor in some ten innovative start-up such as Frenchweb, Leetchi, Recommend, Retency and Reech. She is very involved in the promotion of women, and she organizes events in Paris (Digital Women's Day 2013, 2014 and 2015) and New York (Women in Innovation Forum in 2016 and 2017) that put the spotlight on outstanding women who dare and innovate, to help to create a new generation of women entrepreneurs.

3. Retired member(s):

Name	**Title**	**Retired date**
Dominique de la Garanderie	Member of the Appointments and Governance Committee and member of the Audit, Risk and Ethics Committee	15th June 2017

Name	**Title**	**Retired date**
Alain JP Belda	Member of the Compensation Committee, member of the Appointments and Governance Committee and member of the International and Industrial Strategy Committee	15th June 2017

Name	Title	Retired date
Frank Riboud	***Independent Director***	15th June 2017

4. Change of titles:

Name	**New Title**	**Previous Title**	**Date of change of title**
NA	***NA***	***NA***	***NA***

VI. FINANCIAL CONDITION:

a. The accompanying semi-annual financial statements in Japanese (the «semi-annual financial statements in Japanese») of Renault («Renault») and its consolidated subsidiaries («the Group») are based on the translations of the original condensed consolidated half-year financial statements (the «original semi-annual financial statements») for the six month period ended June 30, 2017 which have been prepared in conformity with IFRS (IAS34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements). The provision of Article 76 Paragraph 1 of the Regulation Concerning the Terminology, Forms and Preparation Methods of Semi-annual Financial Statements, etc. (Ministry of Finance Ordinance No. 38, 1977) is applied to the disclosure of the semi-annual financial statements of the Group in Japan. The semi-annual financial statements in Japanese contain several arrangements in conformity with Japanese disclosure requirements.

   The major differences between IFRS and generally accepted accounting and reporting principles of Japan are described in “3. Differences between IFRS and Japanese GAAP.”

b. The original semi-annual financial statements have not been audited but have been reviewed in accordance with the professional standards applicable in France by any independent registered accounting offices

c. Japanese yen amounts included in the semi-annual financial statements in Japanese are the translations of the major Euro amounts stated in the original semi-annual financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥131.97. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rate vis-a-vis Customers by the Bank of Tokyo-Mitsubishi UFJ, Limited at August 7, 2017. The Japanese yen amounts and items 2. «Other» and 3. «Differences between IFRS and Japanese GAAP» are not included in the original semi-annual financial statements.

1. Semi-annual financial statements

Condensed half-yearly consolidated financial statements

Consolidated income statement

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

(1) The results of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section."Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" - A).

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

Consolidated comprehensive income

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

(1) The results of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section" Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" -.A).

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

Consolidated financial position

ASSETS *(€ million)*	Notes	June 30, 2017	December 31, 2016 [(1)]
NON-CURRENT ASSETS			
Intangible assets and goodwill	10-A	4,873	4,798
Property, plant and equipment	10-B	12,814	12,988
Investments in associates and joint ventures		19,557	19,026
Nissan	11	*18,841*	*18,304*
Other associates and joint ventures	12	*716*	*722*
Non-current financial assets	14	1,262	1,379
Deferred tax assets		1,131	1,204
Other non-current assets		1,314	1,366
Total non-current assets		**40,951**	**40,761**
CURRENT ASSETS			
Inventories	13	6,892	5,821
Sales financing receivables		36,980	34,358
Automotive receivables		2,017	1,914
Current financial assets	14	2,019	1,908
Current tax assets		65	44
Other current assets		3,951	3,612
Cash and cash equivalents	14	13,556	13,853
Total current assets		**65,480**	**61,510**
TOTAL ASSETS		**106,431**	**102,271**

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

SHAREHOLDERS' EQUITY AND LIABILITIES *(€ million)*	Notes	June 30, 2017	December 31, 2016 [(1)]
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(375)	(321)
Revaluation of financial instruments		602	758
Translation adjustment		(2,334)	(1,668)
Reserves		26,280	23,643
Net income – parent company shareholders' share		2,379	3,419
Shareholders' equity – parent company shareholders' share		**31,464**	**30,743**
Shareholders' equity – non-controlling interests' share		262	284
TOTAL SHAREHOLDERS' EQUITY	**15**	**31,726**	**31,027**
Non-current liabilities			
Deferred tax liabilities		112	153
Provisions for pension and other long-term employee benefit obligations – long-term	16-A	1,649	1,717
Other provisions – long-term	16-B	1,511	1,457
Non-current financial liabilities	17	5,350	4,639
Other non-current liabilities		1,503	1,518
TOTAL NON-CURRENT LIABILITIES		**10,125**	**9,484**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	16-A	52	54
Other provisions – short-term	16-B	1,036	1,112
Current financial liabilities	17	3,642	5,248
Sales financing debts	17	40,002	36,041
Trade payables		9,949	9,533
Current tax liabilities		296	321
Other current liabilities		9,603	9,451
TOTAL CURRENT LIABILITIES		**64,580**	**61,760**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**106,431**	**102,271**

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

Changes in consolidated shareholders' equity

(€ million)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent – company shareholders' share)	Shareholders' equity (parent – company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total shareholders' equity
Balance at December 31, 2016 (1)	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,643**	**3,419**	**30,743**	**284**	**31,027**
1st half-year 2017 net income								2,379	**2,379**	37	**2,416**
Other components of comprehensive income (2)					(156)	(663)	95		**(724)**	1	**(723)**
1st half-year 2017 comprehensive income					**(156)**	**(663)**	**95**	**2,379**	**1,655**	**38**	**1,693**
Allocation of 2016 net income							3,419	(3,419)			
Dividends							(854)		**(854)**	(112)	**(966)**
(Acquisitions) / disposals of treasury shares and impact of capital increases				(54)					**(54)**		**(54)**
Changes in ownership interests (3)							(2)		**(2)**	52	**50**
Cost of share-based payments and other						(3)	(21)		**(24)**		**(24)**
Balance at June 30, 2017	**295,722**	**1,127**	**3,785**	**(375)**	**602**	**(2,334)**	**26,280**	**2,379**	**31,464**	**262**	**31,726**

(1) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.
(2) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans during the period.
(3) Changes in ownership interests comprise the effect of acquisitions and disposals of investments, and commitments for buyouts of non-controlling interests.

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

(€ million)	**Number of shares (thousands)**	**Share capital**	**Share premium**	**Treasury shares**	**Revaluation of financial instruments**	**Translation adjustment**	**Reserves**	**Net income (parent – company shareholders' share)**	**Shareholders' equity (parent – company shareholders' share)**	**Shareholders' equity (non -controlling interests' share)**	**Total shareholders' equity**
Balance at December 31, 2015	**295,722**	**1,127**	**3,785**	**(227)**	**890**	**(2,059)**	**21,653**	**2,823**	**27,992**	**482**	**28,474**
1st half-year 2016 net income								1,501	**1,501**	66	**1,567**
Other components of comprehensive income (1)					(578)	1,311	(186)		**547**	(8)	**539**
1st half-year 2016 comprehensive income					**(578)**	***1,311***	***(186)***	***1,501***	***2,048***	**58**	***2,106***
Allocation of 2015 net income							2,823	(2,823)			
Dividends							(655)		**(655)**	(79)	**(734)**
(Acquisitions) / disposals of treasury shares and impact of capital increases				(103)					**(103)**		**(103)**
Changes in ownership interests (2)							12		**12**	4	**16**
Cost of share-based payments							30		**30**		**30**
Balance at June 30, 2016	**295,722**	**1,127**	**3,785**	**(330)**	**312**	**(748)**	**23,677**	**1,501**	**29,324**	**465**	**29,789**
2nd half-year 2016 net income								1,918	**1,918**	58	**1,976**
Other components of comprehensive income (1)					446	(920)	(57)		**(531)**	7	**(524)**
2nd half-year 2016 comprehensive income					***446***	***(920)***	***(57)***	***1,918***	***1,387***	***65***	***1,452***
Dividends										(30)	**(30)**
(Acquisitions) / disposals of treasury shares and impact of capital increases				9					**9**		**9**
Changes in ownership interests (2) (3)							(3)		**(3)**	(216)	**(219)**
Cost of share-based payments							26		**26**		**26**
Balance at December 31, 2016 (3)	**295,722**	**1,127**	**3,785**	**(321)**	**758**	**(1,668)**	**23,643**	**3,419**	**30,743**	**284**	**31,027**

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

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

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

Consolidated cash flows

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

(1) *The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are provided in the information by operating segment (section ” Notes to the condensed half-yearly consolidated financial statements - Information on operating segments” -.C).*
(2) *Cash flows before interest and tax do not include dividends received from listed companies.*
(3) *In first-half 2017, dividends from Daimler (€45 million) and Nissan (€346 million). In 2016, dividends from Daimler (€44 million) and Nissan (€346 million) in the first half-year and dividends from Nissan (€382 million) in the second half-year.*
(4) *The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.*
(5) *Renault SA sold Nissan shares for an amount of €473 million in first-half 2016 and €646 million in second-half 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the 2016 consolidated financial statements).*

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

(1) *The cash flows of Alliance Rostec Auto B.V. and the AVTOVAZ Group, which together make up the AVTOVAZ segment, are fully consolidated from January 1, 2017. The relevant figures are reported in the information by operating segment (section. ” Notes to the condensed half-yearly consolidated financial statements - Information on operating segments” - C).*
(2) *Cash subject to restrictions on use is described in note 14-C.*

Notes to the condensed half-yearly consolidated financial statements

I. Information on operating segments

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

- The segment comprising the Group's automotive activities, as they existed until Renault acquired control of the AVTOVAZ Group under IFRS 10, is now called Automotive (excluding AVTOVAZ) segment. 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 AVTOVTAZ (until December 28, 2016).
    - The Sales Financing segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures, is unchanged.
    - The AVTOVAZ segment, consisting of the Russian automotive group AVTOVAZ and its parent company Alliance Rostec Auto B.V. which was formed at the end of 2016 after Renault acquired control over them, as defined by IFRS 10, in December 2016.

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

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

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

A. Consolidated income statement by operating segment

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

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

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

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

(1) In first-half and full year 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see" Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" -).

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

B. Consolidated financial position by operating segment

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

Current tax liabilities and other current liabilities	12,034	289	(32)	12,291	1,227	(3,619)	9,899
Total current liabilities	**26,830**	**1,627**	**(507)**	**27,950**	**42,065**	**(5,435)**	**64,580**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**66,924**	**2,812**	**(1,227)**	**68,509**	**47,506**	**(9,584)**	**106,431**

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

Current tax liabilities and other current liabilities	11,630	286	(214)	11,702	1,383	(3,313)	9,772
Total current liabilities	**27,288**	**1,871**	**(670)**	**28,489**	**38,169**	**(4,898)**	**61,760**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**65,882**	**3,125**	**(1,235)**	**67,772**	**43,287**	**(8,788)**	**102,271**

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

C. Consolidated cash flows by operating segment

(€ million)	**Automotive (excluding AVTOVAZ)**	**AVTOVAZ**	**Intra Automotive Transactions**	**TOTAL AUTOMOTIVE**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
1st half 2017							
Net income	**2,079**	**(61)**	**(4)**	**2,014**	**353**	**49**	**2,416**
Cancellation of dividends received from unconsolidated listed investments	(45)			(45)			(45)
Cancellation of income and expenses with no impact on cash							
Depreciation, amortization and impairment	1,508	53	-	1,561	37	-	1,598
Share in net (income) loss of associates and joint ventures	(1,306)	(3)	-	(1,309)	(8)	-	(1,317)
Other income and expenses with no impact on cash, before interest and tax	370	60	-	430	221	13	664
Dividends received from unlisted associates and joint ventures	-	-	-	-	-	-	-
Cash flows before interest and tax (1)	**2,606**	**49**	**(4)**	**2,651**	**603**	**62**	**3,316**
Dividends received from listed companies (2)	**391**	**-**	**-**	**391**	**-**	**-**	**391**
Decrease (increase) in sales financing receivables	-	-	-	-	(2,986)	64	(2,922)
Net change in financial assets and sales financing debts	-	-	-	-	4,133	(108)	4,025
Change in capitalized leased assets	(327)	-	-	(327)	(68)	-	(395)
Change in working capital before tax	100	84	7	191	(869)	(11)	(689)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**2,770**	**133**	**3**	**2,906**	**813**	**7**	**3,726**
Interest received	33	11	-	44	1	(5)	40
Interest paid	(169)	(68)	-	(237)	-	13	(224)
Current taxes (paid)/received	(381)	(3)	-	(384)	(89)	(4)	(477)
CASH FLOWS FROM OPERATING ACTIVITIES	**2,253**	**73**	**3**	**2,329**	**725**	**11**	**3,065**

(1) Cash flows before interest and tax does not include dividends received from listed companies.
(2) In the first half of 2017, dividends received from Daimler (€45 million) and Nissan (€346 million).

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Intersegment transactions	Consolidated total
1st half 2017							
CASH FLOWS FROM OPERATING ACTIVITIES	**2,253**	**73**	**3**	**2,329**	**725**	**11**	**3,065**
Purchases of intangible assets	(633)	(10)	-	(643)	(1)	-	(644)
Purchases of property, plant and equipment	(1,013)	(43)	7	(1,049)	(2)	-	(1,051)
Disposals of property, plant and equipment and intangibles	109	13	(10)	112	-	-	112
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(16)	-	-	(16)	2	-	(14)
Acquisitions and disposals of other investments and other	(15)	-	-	(15)	-	-	(15)
Net decrease (increase) in other securities and loans of the Automotive segments	(132)	-	(1)	(133)	-	122	(11)
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,700)**	**(40)**	**(4)**	**(1,744)**	**(1)**	**122**	**(1,623)**
Cash flows with shareholders	(1,097)	-	-	(1,097)	(34)	-	(1,131)
Net change in financial liabilities of the Automotive segments	(292)	(105)	(1)	(398)	-	(107)	(505)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1,389)**	**(105)**	**(1)**	**(1,495)**	**(34)**	**(107)**	**(1,636)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(836)**	**(72)**	**(2)**	**(910)**	**690**	**26**	**(194)**

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

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

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

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

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

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

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

(€ million)	**Automotive (excluding AVTOVAZ)** **(1)**	**Sales Financing**	**Intersegment transactions**	**Consolidated total**
Year 2016				
Net income	**2,880**	**620**	**43**	**3,543**
Cancellation of dividends received from unconsolidated listed investments	(44)	-	-	(44)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment	2,779	61	-	2,840
Share in net (income) loss of associates and joint ventures	(1,631)	(7)	-	(1,638)
Other income and expenses with no impact on cash, before interest and tax	1,059	330	16	1,405
Dividends received from unlisted associates and joint ventures	-	1	-	1
Cash flows before interest and tax (2)	**5,043**	**1,005**	**59**	**6,107**
Dividends received from listed companies (3)	**772**	**-**	**-**	**772**
Decrease (increase) in sales financing receivables	-	(6,007)	92	(5,915)
Net change in financial assets and sales financing debts	-	5,276	22	5,298
Change in capitalized leased assets	(564)	(141)	-	(705)
Change 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 (4)	(397)	(18)	282	(133)
Acquisitions and disposals of other investments and other (5)	1,087	(15)	-	1,072
Net decrease (increase) in other securities and loans of the Automotive segments	268	-	(61)	207
CASH FLOWS FROM INVESTING ACTIVITIES	**(2,089)**	**(39)**	**221**	**(1,907)**
Cash flows with shareholders	(896)	(15)	-	(911)
Net change in financial liabilities of the Automotive segments	(1,788)	-	(146)	(1,934)
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,684)**	**(15)**	**(146)**	**(2,845)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**153**	**(790)**	**274**	**(363)**

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

(1) In 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment, and the net income of the AVTOVAZ Group and its parent company, accounted for by the equity method. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see" Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" -)

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

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

(4) The effect of acquisition of control, as defined by IFRS 10, over the AVTOVAZ Group and its parent company amounted to €(104) million in 2016, including €282 million of cash acquired.
(5) Renault SA sold Nissan shares for an amount of €1,119 million in 2016, in connection with Nissan's share repurchase operation between March and December 2016 (note 12-B to the consolidated financial statements for 2016).

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

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

Net cash position (net financial indebtedness)

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

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

Operational free cash flow

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

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

(1) In first-half and full year 2016 the Automotive (excluding AVTOVAZ) segment includes transactions between the Automotive (excluding AVTOVAZ) segment and the AVTOVAZ segment. As the impact of the AVTOVAZ Group and its parent company on the net income and changes in cash between December 28, 2016 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016 (see" Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" -).

II. Accounting policies and scope of consolidation

NOTE 1 – Approval of the financial statements

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

NOTE 2 – Accounting policies

The interim financial statements at June 30, 2017 are compliant with IAS 34 "Interim financial reporting". They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2016.
The Renault Group's financial statements at June 30, 2017 were prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at December 31, 2016 and adopted by the European Union at the closing date. The accounting policies are identical to those applied in the consolidated financial statements at December 31, 2016.

A. Changes in accounting policies

The Renault Group applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2017.
The Group has not opted for early application of the new standards listed below, which have been published in the Official Journal of the European Union and will be mandatory from January 1, 2018.

New standards published in the Official Journal of the European Union not applied early by the Group	
IFRS 9	Financial Instruments
IFRS 15	Revenue from contracts with Customers

On October 29, 2016 the European Union published IFRS 15, "Revenue from Contracts with Customers" in the Official Journal. IFRS 15 will replace IAS 11 and IAS 18 and the associated IFRIC and SIC interpretations, and proposes a new approach to recognition of sales revenues described in five stages. It notably has potential impacts on recognition methods for income from contracts containing several performance obligations, but the analyses currently being conducted by Renault have not so far identified any major changes in revenue recognition.In particular, the accounting treatment of warranties under IFRS 15, which distinguishes insurance-type warranties from service-type warranties, will not be affected. The same applies to sales of vehicles with a buy-back commitment, which are reclassified as rentals when the likelihood of return is high. This new standard will be applied from January 1, 2018.
On November 29, 2016 the European Union published IFRS 9, "Financial instruments", in the Official Journal. This standard introduces a new classification of financial assets based on the Group's managerial intention, a dynamic impairment model for financial assets based on expected losses to complement the current model based on incurred losses, and broader principles for hedge accounting. The accounting treatment of macro hedges is unchanged by IFRS 9. The Group is currently examining the implementation of this new standard and its impact on the financial statements.
The Group has reviewed all of its financial asset portfolios, to define an accounting classification in compliance with IFRS 9 categories. In particular, to meet the new requirements of IFRS 9 and adjust the accounting classification of the Daimler shares purchased under the strategic partnership, the Group is considering carrying them at fair value with changes in fair value included in other components of Comprehensive Income.The Group has also begun developing a new methodology for provisions on Automotive receivables, based on prospective assessment of the credit risk at the inception of the receivable and its deterioration over time.
The principal impacts of application of IFRS 9 concern the Sales Financing segment. Analyses essentially concerned:

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

Figures for the consequences of application of IFRS 9 are currently being finalized.
The standard will be applied from January 1, 2018.

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

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

In January 2016 the IASB released IFRS 16 "Leases", which will replace IAS 17 and the associated IFRIC and SIC interpretations and will eliminate the previous distinction between operating leases and finance leases for the lessee. Under IFRS 16, a lessee recognizes an asset related to the right of use and a financial liability that represents the lease obligation. The right-of-use asset is amortized and the lease liability is initially recognized at the present

value of lease payments over the expected term of the lease. The present value is computed using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise.
However, IFRS 16 is very similar to the existing standard as regards the treatment of leases by the lessor.
Work concerning application of these new measures is ongoing. The Group does not intend to apply IFRS 16 early.

B. Estimates and judgments

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

NOTE 3 – Changes in the scope of consolidation

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

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

B. AVTOVAZ

The AVTOVAZ Group is Russia's leading automaker. It sells Lada brand cars and also makes cars for Renault and Nissan.
The joint venture Alliance Rostec Auto B.V. and the AVTOVAZ Group, consisting of the parent company PJSC AVTOVAZ and its subsidiaries, which were accounted for by the equity method until late December 2016, are fully consolidated from the date of the Alliance Rostec Auto B.V capital increase subscribed by Renault s.a.s. in December 2016, which took place after the capital increase by AVTOVAZ subscribed by Alliance Rostec Auto B.V.
The acquisition of control, as defined by IFRS 10, took place on December 28, 2016. Since the impact of these entities on net income and changes in cash between December 28 and December 31, 2016 was judged non-significant, full consolidation was applied from December 31, 2016.
The cash capital increase for Alliance Rostec Auto B.V. subscribed by Renault s.a.s. on December 28, 2016, which amounted to 14.85 billion roubles, followed a 26.14 billion roubles cash capital increase for AVTOVAZ, of which 14.85 billion roubles (€231 million at the 2016 year-end exchange rate) were provided by Alliance Rostec Auto B.V.
Alliance Rostec Auto B.V. also invested in a financial instrument with a value of €180 million, substantially conferring economic interests in AVTOVAZ even though this financial instrument does not make Alliance Rostec Auto B.V the legal owner of any shares in AVTOVAZ. Alliance Rostec Auto B.V contracted a loan from Renault, amounting to €179 million at the 2016 year-end exchange rate, to finance this operation.
Following these capital increases Renault now owns 73.30% of the capital (57.30% of voting rights) of Alliance Rostec Auto B.V. which holds 64.60% of the capital of AVTOVAZ, such that the indirect investment in AVTOVAZ is 47.35%. Including the financial instrument held by Alliance Rostec Auto B.V., 88.69% of the capital of AVTOVAZ is held by Alliance Rostec Auto B.V., and therefore in substance the indirect percentage ownership of AVTOVAZ is 65.01%.
The fair value at acquisition date of the total consideration transferred was 30,300 million roubles (€462 million at December 28, 2016 exchange rate). Details of this fair value are shown in note 3-B to the consolidated financial statements for 2016.
The costs associated with the acquisition of control amount to €4 million at June 30, 2017 (of which €3 million were already recognized at December 31, 2016), and were recorded in other operating expenses.
The non-controlling interest amounted to €(202) million at December 31, 2016, valued at the corresponding share of identifiable net liabilities recognized by the entities acquired. The Group did not opt to state these non-controlling interests at fair value.
As the control over AVTOVAZ was acquired at the very end of 2016, it was not possible to determine the fair values of the assets and liabilities transferred by the year-end. They were therefore recorded at the value stated in the consolidated financial statements under IFRS published by AVTOVAZ at December 31, 2016, except for certain debts to Renault presented in note 3-B to the consolidated financial statements for 2016.

The preliminary allocation of the purchase price is as follows at June 30, 2017:

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

(1) The Lada brand, which is valued at 9,248 million roubles, has an indefinite useful life and is thus unamortized.
(2) Mainly corresponds to recognition of deferred tax assets on tax loss carryforwards amounting to 17,866 million roubles.
(3) Already recorded in the consolidated financial statements at December 31, 2016.
(4) Including (233) million roubles already recognized at December 31, 2016.

Provisional determination of goodwill:

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

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

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

capitalized at the same amount in a later phase. This capitalization is still intended at June 30, 2017 and should take place in the next few months.
No revenues or net income of the entities acquired were recognized in 2016 as they were non-significant between the date of acquisition of control and first full consolidation at December 31, 2016. The amount of revenues and net income from these entities (before elimination of intragroup operations in the Renault Group) that would have been included in Renault's net income if AVTOVAZ had been fully consolidated from January 1, 2016 is detailed in note 13-A to the 2016 consolidated financial statements, "Investment in AVTOVAZ". The corresponding amounts at June 30, 2016 are shown below.

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

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

III. Consolidated income statement

NOTE 4 – Revenues

A – Breakdown of revenues

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

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.
(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

B – Revenues by Region

Consolidated revenues are presented by location of customers

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

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

NOTE 5 – Research and development expenses

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

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

NOTE 6 – Other operating income and expenses

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

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

A. Restructuring and workforce adjustment costs

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

The costs in 2017 also include €17 million (€98 million in 2016, including €31 million for the first half-year) to complement the provision related to the French career-end work exemption plan introduced in 2013. Employees could sign up to this plan until December 31, 2016 and the cost was covered by a provision established over the residual forecast working life of the employees concerned.

Other restructuring and workforce adjustment costs mainly concern the Eurasia and Europe regions in first-half 2017. In 2016, they mainly concerned the Americas, Eurasia and Europe regions.

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

The impact of acquisition of control of the AVTOVAZ Group recognized in other operating income and expenses in the second half of 2016 is a net gain of €325 million. The acquisition of control and its effects are described in note 3-B above and in notes 3-B and 6-B to the consolidated financial statements for 2016.

C. Impairment of fixed assets and goodwill

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

D. Impairment related to operations in Iran

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

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

In September 2016 Renault and IDRO, an investment and industry renewal fund in Iran, signed a further agreement for future formation of a joint venture in which Renault will be the majority shareholder. This entity was not yet in existence at June 30, 2017.
As the market is gradually reopening, in view of the forthcoming agreement between Renault and the Iranian government and future discussions with local partners, the possibility of reconsolidating Renault Pars is still being examined.

E. Other unusual items

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

NOTE 7 – financial income (EXPENSES)

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

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

The net liquidity position (net financial indebtedness) of the Automotive segments is presented in the information by operating segment (Information on operating segments – D).

NOTE 8 – Current and deferred taxes

For interim accounting purposes, the tax charge - or income - is determined at the projected year-end effective tax rate, adjusted for non-recurring events of the half-year, which are recognized in the period in which they arise.

A. Current and deferred tax expense

(€ million)	1st half 2017 (1)	1st half 2016	Year 2016
Current income taxes	(461)	(422)	(728)
Deferred tax income (expense)	(18)	(98)	(327)
Current and deferred taxes	**(479)**	**(520)**	**(1,055)**

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

The current tax charge for entities included in the French tax consolidation group amounts to €152 million in first-half 2017 (€114 million in first-half 2016 and €182 million in 2016).
In first-half 2017, €309 million of current income taxes comes from foreign entities including AVTOVAZ (compared to €308 million in first-half 2016 and €546 million for the year 2016).

B. Breakdown of the tax charge

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

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

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

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

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

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

French tax consolidation group

In the first-half of 2017, the effective tax rate in the French tax consolidation group is 28.3% (44.1% in first-half 2016 and 41.5% in 2016).
The Group partially recognizes the deferred tax assets of the French tax consolidation group that correspond to tax loss carryforwards, in view of profitability prospects.
The amount of net deferred tax assets recognized in the consolidated financial position totalled €421 million at June 30, 2017, compared to €457 million at the start of the year, comprising €176 million recognized in income (€200 million at Decmber 31, 2016) and €245 million included in other components of comprehensive income (€257 million at Decmber 31, 2016), due to the respective origins of the taxes concerned.
In first-half 2017, the amount of deferred tax assets recognized decreased by €(36) million. The corresponding charge was recognized in income (€(24) million) and other components of comprehensive income (€(12) million).

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

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

Entities not in the French tax consolidation group

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

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

NOTE 9 – Basic and diluted earnings per share

(in thousands of shares)	**1st half 2017**	**1st half 2016**	**Year 2016**
Shares in circulation	295,722	295,722	295,722
Treasury shares	(5,116)	(3,862)	(4,368)
Shares held by Nissan x Renault's share in Nissan	(19,389)	(19,383)	(19,386)
Number of shares used to calculate basic earnings per share	**271,217**	**272,477**	**271,968**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(in thousands of shares)	**1st half 2017**	**1st half 2016**	**Year 2016**
Number of shares used to calculate basic earnings per share	271,217	272,477	271,968
Dilutive effect of stock options, performance share rights and other share-based payments	2,097	2,082	2,363
Number of shares used to calculate diluted earnings per share	**273,314**	**274,559**	**274,331**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to performance shares awarded under the relevant plans, and rights to shares as part of the Chairman and CEO's performance-related remuneration, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional.

IV. Consolidated financial position

NOTE 10 – Intangible assets and property, plant and equipment

A. Intangible assets and goodwill

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

(1) *The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.*
(2) *Including €5 million of impairment on capitalized development expenses and other intangible assets – see note 6-C.*

B. Property, plant and equipment

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

(1) *Including €8 million of impairment on property, plant and equipment – see note 6-C.*
(2) *Including €507 million of capitalized leased assets.*

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

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

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

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

No impairment tests were conducted on any cash-generating unit representing an economic entity (plant or subsidiary) during first-half 2017, as there was no indication of any loss of value.
Renault's stock market capitalization (€23,436 million at June 30, 2017) was lower than the value of the Group's shareholders' equity. The impairment test of the Automotive (excluding AVTOVAZ) segment carried out at December 31, 2016 was updated at June 30, 2017 and did not lead to recognition of any impairment on assets of the Automotive (excluding AVTOVAZ) segment.

E. Impairment tests on the AVTOVAZ cash-generating unit

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

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

NOTE 11 – Investment in Nissan

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

The Nissan accounts included under the equity method in Renault's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault consolidation.
Nissan held 0.7% of its own shares at June 30, 2017 (0.7% at December 31, 2016), and Renault's percentage interest in Nissan was 43.7% (43.7% at December 31, 2016).

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

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

(1) Nissan has held 44,358 thousands of Renault shares since 2002, corresponding to an investment of around 15%.
(2) Other changes include the effect of Renault dividends received by Nissan, the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.

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

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

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

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

(2) Restatements for Renault Group requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan’s investment in Renault accounted for by the equity method.

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

D. Nissan net income under Japanese GAAP

Since Nissan's financial year ends on March 31, the Nissan net income included in the first-half 2017 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2016 financial year and the first quarter of its 2017 financial year.

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

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

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

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

F. Impairment test of the investment in Nissan

At June 30, 2017, the stock market value of the investment was 14.9% lower than the value of Nissan in Renault's statement of financial position (4.7% at December 31, 2016).
In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2016), an impairment test was carried out at December 31, 2016. An after-tax discount rate of 7.5% and a growth rate to infinity of 3.1% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and balanced medium-term prospects. In view of the December 2016 test results, the Group has not considered it necessary to conduct an impairment test at 30 June 2017.
The test conducted did not lead to recognition of any impairment on the investment in Nissan at June 30, 2017.
A 200 base point increase in the discount rate associated with a 40 base point decrease in the growth rate to infinity or a 100 base point decrease in the operating margin would have no impact on the book value of the investment in Nissan.

G. Operations between the Renault Group and the Nissan group

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

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

- Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
  - Total sales by the Automotive (excluding AVTOVAZ) segment to Nissan and purchases by the Automotive (excluding AVTOVAZ) segment from Nissan, in the first half of 2017 amounted to an estimated €2.4 billion and €1.2 billion respectively (€4.1 billion and €2.1 billion respectively in 2016, including €2.1 billion and €1.0 billion for the first half-year).
  - The balance of Automotive (excluding AVTOVAZ) segment receivables on the Nissan group is €738 million at June 30, 2017 and the balance of Automotive (excluding AVTOVAZ) segment liabilities to the Nissan group is €783 million at June 30, 2017 (€644 million and €765 million respectively at December 31, 2016).

- Finance: In addition to its activity for Renault, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange, interest rate and commodity risks. In the balance sheet at June 30, 2017, the derivative assets on the Nissan group amount to €75 million and derivative liabilities amount to €74 million (€70 million and €74 million respectively at December 31, 2016).

Renault's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In the first half of 2017, RCI Banque recorded €67 million of service revenues in the form of commission and interest received from Nissan (€134 million at December 31, 2016, of which €67 million concerned the first half-year). The balance of Sales financing receivables on the Nissan group is €93 million at June 30, 2017 (€78 million at December 31, 2016) and the balance of liabilities is €180 million at June 30, 2017 (€185 million at December 31, 2016).

G2. Operations between AVTOVAZ and the Nissan group

Total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan, in the first half of 2017 amounted to an estimated €111 million and €16 million respectively.
In the AVTOVAZ financial position at June 30, 2017, the balances of transactions between AVTOVAZ and the Nissan group consist mainly of:

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

NOTE 12 – Investments in other associates and joint ventures

Details of investments in other associates and joint ventures are as follows in the Group's financial statements:

- Consolidated income statement

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

(5) AVTOVAZ has been fully consolidated since December 31, 2016 following acquisition of control on December 28, 2016 (see " Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" - and note 3-B).

- Consolidated statement of financial position

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

NOTE 13 – Inventories

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

NOTE 14 – Financial assets – Cash and cash equivalents

A. Current/non-current breakdown

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

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

B. Investments in non-controlled entities

Investments in non-controlled entities include €1,042 million (€1,163 million at December 31, 2016) for the Daimler shares purchased under the strategic partnership agreement. These shares are classified as available-for-sale financial assets and their fair value is determined by reference to the market price. At June 30, 2017, the stock market price (€63.37 per share) was higher than the purchase price (€35.52 per share). The decrease in fair value over the period amounted to €121 million and was recorded in other components of comprehensive income at June 30, 2017 (decrease of €113 million over the year 2016 and €396 million in the first half-year of 2016).

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

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.
Some of the current bank accounts held by the Sales financing Securitization Funds is allocated to increasing credit on securitized receivables, and consequently acts as collateral in the event of a default on receivables (note 15-B1 to the consolidated financial statements for 2016). These current bank accounts amount to €542 million at June 30, 2017 (€477 million at December 31, 2016).

NOTE 15 – Shareholder's equity

A. Share capital

The total number of ordinary shares issued and fully paid-up at June 30, 2017 was 295,722 thousands with par value of €3.81 per share (unchanged from December 31, 2016).
Treasury shares do not bear dividends. They account for 1.72% of Renault's share capital at June 30, 2017 (1.57% at December 31, 2016).

B. Distributions

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

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

New performance share plans were introduced during first-half 2017, concerning 1,428 thousands of shares with initial total value of €92 million. The vesting period for rights to shares is 3 years, followed by a minimum 1-year holding period for most of the performance shares awarded (1,013 thousands of shares). The remaining shares (415 thousands of shares) have a 4-year vesting period and no minimum holding period.

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

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

(1) The figures shown include shares for the Chairman and CEO's performance-related remuneration.
(2) Stock purchase options exercised in 2017 were granted under plan 18 and 19 in 2011 and plan 20 in 2012.
(3) Price at which the shares were acquired by the Group to cover future option exercises.
(4) Performance shares vested were mainly awarded under plan 21 in 2014.

NOTE 16 – Provisions

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

Provisions for pensions and other long-term employee benefit obligations amount to €1,701 million at June 30, 2017 (€1,771 million at December 31, 2016). These provisions decreased by €70 million in first-half 2017, mainly due to the higher financial discount rate used for France. The rate most frequently used to value the Group's obligations in France is 1.61% at June 30, 2017, against 1.44% at December 31, 2016.

B. Change in provisions

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

(1) Mainly technical reserves established by the insurance companies that are part of Sales financing.
(2) The figures at December 31, 2016 include adjustments relating to preliminary allocation of the purchase price paid for the AVTOVAZ Group (note 3-B) which were recognized during the first half-year of 2017, and are thus different from the figures previously published.
(3) Short-term portion of provisions: €1,036 million; long-term portion of provisions: €1,511 million.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are established to cover the estimated risks. During the first half-year of 2017, the Group recorded no significant new litigation in provisions. Information on contingent liabilities is reported in note 20-A.

NOTE 17 – Financial liabilities and sales financing debts

A – Current/non-current breakdown

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

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

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

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

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

(1) *Figures are presented excluding intragroup transactions. Intragroup transactions between the Automotive (excluding AVTOVAZ) and AVTOVAZ segments are presented in the consolidated financial position by segment in section " Notes to the condensed half-yearly consolidated financial statements - Information on operating segments" - -B.*

C – Financial liabilities and sales financing liabilities of the Automotive (excluding AVTOVAZ) and Sales Financing segments

Changes in bonds of the Automotive (excluding AVTOVAZ) segment

Renault SA issued two bonds under its EMTN programme during the first half of 2017: a Eurobond with nominal value of €750 million and 6-year maturity, and a private placement of ¥7 billion with 3-year maturity. The total amount of bonds issued by the Automotive (excluding AVTOVAZ) segment during first-half 2017 is €809 million.
During first-half 2017, Renault SA redeemed bonds for a total amount of €1,193 million, and Renault do Brasil redeemed €14 million of the bond issued in March 2016.
Also, as part of its "Shelf Registration" programme, Renault SA launched a ¥90 billion Samurai bond on the Japanese market on June 29, 2017. This new Samurai bond has two tranches, one with 3-year maturity and the other with 5-year maturity. The transaction was settled in early July 2017**.**

Changes in liabilities of the Sales Financing segment

During first-half 2017, RCI Banque group issued new bonds totalling €5,345 million and maturing between 2017 and 2025, and redeemed bonds for a total of €2,487 million, of which €15 million redeemed to the Automotive (exluding AVTOVAZ) segment.
New savings collected rose by €944 million during first-half 2017 (€993 million of sight deposits and €(49) million of term deposits) to €13,519 million (€10,019 million of sight deposits and €3,500 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, France and the United Kingdom.

Credit lines

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

€4,625 million (€4,637 at December 31, 2016). These credit lines were unused at June 30, 2017 (and at December 31, 2016).

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

For management of its liquidity reserve, at June 30, 2017 the Sales Financing segment had provided guarantees to the Banque de France (under France's central collateral management system *3G (Gestion Globale des Garanties))* in the form of assets with book value of €6,120 million (€5,453 million at December 31, 2016). These assets comprise €4,733 million of shares in securitization vehicles, €331 million of euro bonds and €1,056 million of sales financing receivables (€4,504 million of shares in securitization vehicles, €168 million of euro bonds and €781 million of sales financing receivables at December 31, 2016). The funding provided by the Banque de France against these guarantees amounts to €2,500 million at June 30, 2017 (€2,000 million at December 31, 2016).

D – Financial liabilities of the AVTOVAZ segment

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

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

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

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

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

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

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

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

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

At June 30, 2017 the AVTOVAZ Group was not in compliance with covenants set by loan agreements with banks: cross-default; breach of payment obligation of any other liability; as well as maximum amount of all claims, for which the Company is a defendant. At 30 June 2017 the Group had €227 million of bank loans with breached covenants (€601 million at December 31, 2016). Credit institutions are able to claim for early repayment of the debts, which comprise €57 million of long-term debts with breached covenants that have been reclassified as short-term liabilities, and €170 million of short-term debts at 30 June 2017 (€246 million and €355 million respectively at December 31, 2016).

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

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

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

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

At June 30, 2017, the AVTOVAZ Group's loans and borrowings of €902 million (including the short-term portion) were guaranteed by property, plant and equipment in the amount of €181 million, by finished goods in the amount of €35 million and by other sureties in the amount of €8 million (€952 million guaranteed by €238 million of property, plant and equipment and by €39 million of finished goods at December 31, 2016).

V. – Cash flows and other information

NOTE 18 – Cash flows

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

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

B. Change in working capital before tax

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

C. Capital expenditure

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

NOTE 19 – Related parties

A. Remuneration of Directors and Executives and Executive Committee members

There was no significant change during the first half of 2017 in the principles for remuneration and related benefits of Directors and Executives and Executive Committee members.

B. Renault's investments in associates

Details of Renault's investments in Nissan are provided in note 11.

C. Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, La Poste, etc. These transactions, which take place under normal market conditions, represent sales of €146 million for the first half-year of 2017, an automotive receivable of €103 million, a sales financing receivable of €393 million and a financing commitment of €59 million at June 30, 2017.

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

In the course of its business, the Group enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automotive regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 20-A).

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

A. Off-balance sheet commitments given and contingent liabilities

A1 – Ordinary operations

The Group is committed for the following amounts:

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

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the closing date in the maximum amount of €2,439 million at June 30, 2017 (€1,998 million at December 31, 2016).
(2) Firm investment orders at AVTOVAZ amount to €39 million at June 30, 2017 (€63 million at December 31, 2016).
(3) Largely as a result of specificities in French lease contracts that allow penalty-free early termination, the irrevocable lease commitments reported here are not fully representative of the financial liability to be recognized in application of IFRS 16. The negative impact of future application of this standard on the financial liability is currently being analysed (note 2-A). The lease commitments made by AVTOVAZ amount to €42 million at June 30, 2017 (€43 million at December 31, 2016).
(4) At June 30, 2017, assets pledged, provided as guarantees or mortgaged include commitments given by AVTOVAZ amounting to €215 million (€277 million at December 31, 2016), essentially corresponding to property, plant and equipment and finished goods pledged as guarantees for financial liabilities (note 17-D).

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

A2 – Contingent liabilities

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

The ratio for the sector as a whole was above 1.5 for the period July 1, 2015 to June 30, 2016 and is expected to exceed 1.5 for the period July 1, 2016 to June 30, 2017, with Renault contributing to this situation. Only automakers which do not respect their own individual ratio over the period concerned are liable for penalties. Under the applicable rules, penalties can be avoided by purchasing credits from other automakers concerned. This agreement creates a contingent obligation for Renault that will only be confirmed by the occurrence of uncertain future events that are partly within its control (compliance with the individual ratio) and partly beyond its control, since the ratio to be respected concerns the entire automotive sector. Reliable estimation of the potential risk at the reporting date is difficult, mainly because of uncertainties as to developments in the Argentinean and Brazilian automotive markets between now and 2020. Consequently, no provision has been recognized by the Group.

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

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

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

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

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

In the ongoing “emissions” affair in France, Renault notes that a formal legal investigation has been opened. This new stage in the procedure is seen as an indication that the French prosecution office wishes to pursue this matter. No provision was recognized in connection with this investigation at 30 June 2017 or December 31, 2016.

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

B. Off-balance sheet commitments received and contingent assets

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

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,676 million at June 30, 2017 (€2,757 million at December 31, 2016). In addition, AVTOVAZ received €13 million in real estate property rights and ownership rights as guarantees of loans, and €110 million in rights to vehicles as guarantees of trade receivables (€13 million and €93 million respectively at December 31, 2016).

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

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

NOTE 21 – Subsequent events

No significant events have occurred since June 30, 2017.

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Renault

Statutory Auditors' Review Report

on the condensed half-yearly consolidated financial statements

For the six-month period ended June 30, 2017
Renault, Société anonyme (« Renault »)
13-15, quai le Gallo – 92100 Boulogne-Billancourt

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Renault, société anonyme (« Renault »)

Statutory Auditors' Review Report on the condensed half-yearly consolidated financial statements

For the six-month period ended June 30, 2017

To the shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

the review of the accompanying condensed half-yearly consolidated financial statements of Renault for the six-month period ended June 30, 2017,

the verification of information contained in the half-yearly management report.

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

I. Conclusion on the financial statements

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

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

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 28, 2017

The statutory auditors

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

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Commissaire aux comptes
Membre de la compagnie régionale de Versailles

Renault

Rapport des commissaires aux comptes sur l'information financière semestrielle 2017

Période du 1er janvier au 30 juin 2017
Renault, Société anonyme (« Renault »)
13-15, quai le Gallo – 92100 Boulogne-Billancourt

Renault, société anonyme (« Renault »)

Rapport des commissaires aux comptes sur l'information semestrielle 2017

Période du 1er janvier au 30 juin 2017

Aux Actionnaires,

En exécution de la mission qui nous a été confiée par votre assemblée générale et en application de l'article L. 451-1-2 III du Code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes consolidés semestriels résumés de la société Renault, relatifs à la période du 1er janvier au 30 juin 2017, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes consolidés semestriels résumés ont été établis sous la responsabilité du conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes consolidés semestriels résumés avec la norme IAS 34 - norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité commentant les comptes consolidés semestriels résumés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés semestriels résumés.

Paris-La Défense, le 28 juillet 2017

Les commissaires aux comptes

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Département de KPMG S.A.

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Jean-Paul Vellutini   Laurent des Places   Aymeric de La Morandière   Bernard Heller

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Renault

Statutory Auditors' Review Report

on the condensed half-yearly consolidated
financial statements

For the six-month period ended June 30, 2016
Renault, Société anonyme (« Renault »)
13-15, quai Alphonse -Le-Gallo – 92100 Boulogne-Billancourt
Share Capital : € 1,126,701,902.04

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Renault, société anonyme (« Renault »)

Statutory Auditors' Review Report on the condensed half-yearly consolidated financial statements

For the six-month period ended June 30, 2016

To the shareholders,

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

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

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

I. Conclusion on the financial statements

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

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

II. Specific verification

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

Paris La Défense, July 28, 2016

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Renault

Rapport des commissaires aux comptes sur l'information financière semestrielle 2016

Période du 1er janvier 2016 au 30 juin 2016
Renault, Société anonyme (« Renault »)
13-15, quai Alphonse-Le-Gallo – 92100 Boulogne-Billancourt
Capital Social : 1 126 701 902,04 euros

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Renault, société anonyme (« Renault »)

Rapport des commissaires aux comptes sur l'information semestrielle 2016

Période du 1er janvier 2016 au 30 juin 2016

Aux Actionnaires,
En exécution de la mission qui nous a été confiée par votre assemblée générale et en application de l'article L. 451-1-2 III du Code monétaire et financier, nous avons procédé à :
- l'examen limité des comptes consolidés semestriels résumés de la société Renault, relatifs à la période du 1er janvier au 30 juin 2016, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes consolidés semestriels résumés ont été établis sous la responsabilité de votre conseil d'administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes
Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.
Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes consolidés semestriels résumés avec la norme IAS 34 - norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

II – Vérification spécifique
Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité commentant les comptes consolidés semestriels résumés sur lesquels a porté notre examen limité.
Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés semestriels résumés.

Paris-La Défense, le 28 juillet 2016

KPMG Audit
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2. Other Matters

(1) Subsequent Events

i) Renault-Nissan Alliance annual synergies rise 16% to €5 billion (press release dated 7 July 2017)

- Shared synergies rise from €4.3 billion to €5 billion in 2016
- Alliance on track to deliver synergies of at least €5.5 billion in 2018
- Engineering, Manufacturing and Purchasing contribute bulk of synergies
- Common Module Family architecture delivers continued benefits

PARIS/YOKOHAMA (July 7, 2017) – The Renault-Nissan Alliance today reported a 16 percent increase in synergies for 2016 compared to 2015.

The Alliance members secured savings, generated incremental revenues and implemented cost-avoidance measures through the world's leading automotive partnership.

The value of annualized synergies realized by the Alliance rose to €5 billion last year, up from €4.3 billion in 2015. Converged operations in purchasing, engineering and manufacturing contributed most of the €700 million synergy improvement.

"The growing cooperation across the Alliance is delivering strong benefits for the members of the Alliance, reflected by the economies of scale, technological breakthroughs and innovations that are being shared between Renault and Nissan," said Carlos Ghosn, chairman and chief executive officer of the Renault-Nissan Alliance. "We are on track to realize synergies of €5.5 billion in 2018, even before taking into account the contributions from Mitsubishi Motors, our new Alliance partner."

With the addition of Mitsubishi Motors, which became the third full member of the Alliance at the end of 2016, annual sales have reached 10 million units. The addition of Mitsubishi Motors comes two years after Renault and Nissan deepened their partnership by converging four key functions: Engineering, Manufacturing & Supply Chain Management, Purchasing and Human Resources. Each such functions is led by a common Alliance Executive Vice President.

"We continue seeing tangible results of this major convergence," added Mr. Ghosn. "Our growing synergies are helping Renault, Nissan and now Mitsubishi Motors meet their financial objectives and deliver higher-value vehicles to customers in the new era of mobility."

In the current year, the Alliance members are expected to introduce more next-generation technologies in electric vehicles, autonomous driving and connected cars and will increase commonalities in platforms, powertrain and parts to boost competitiveness and identify new synergies.

In April 2017, the Alliance created a light commercial vehicle business unit that will deliver additional synergies in vans and light trucks. The new unit will maximize shared product development and cross-manufacturing, technology sharing and cost-reduction, while preserving brand differentiation among Alliance members.

With the addition of Mitsubishi Motors, the Alliance is expected to generate additional synergies from joint purchasing and logistics, as well as from deeper localization, joint plant utilization, common vehicle platforms, technology-sharing and an expansion of their combined presence in both mature and emerging markets.

Mitsubishi Motors is expected to contribute expertise to the Alliance in areas such as plug-in hybrid electric vehicles, pick-ups, light trucks and sports utility vehicles, as well as a strengthened market presence in the ASEAN region.

Common Module Family

The CMF architecture is based on five primary component sets, or modules, which allows engineers to interchange the modules to create hundreds of variants across most of the Alliance brands.

The Alliance has secured significant benefits from CMF since it was introduced in 2013.

The Renault Kwid which went on sale in India in 2015, became the first Alliance model built using CMF-A architecture for the smallest and most affordable car segment. Last year, Nissan launched a Datsun model based on the same CMF-A architecture in India: the Datsun redi-GO. These cars share more than 60 percent of common parts while offering a completely different brand experience to customers.

In 2016, the Alliance completed the deployment of all car models based on the CFM-C/D architecture with the launch of the new Renault Scenic and the new Megane. Other Alliance vehicles manufactured utilizing the CFM-C/D architecture include the Nissan Rogue, the Qashqai and the X-Trail, the new Renault Espace, the Kadjar and the Talisman.

By 2020, the Alliance expects 70 percent of its vehicles to be built on CMF. The approach is expected to contribute to purchasing cost savings of up to 30 percent and a reduction of engineering costs by up to 40 percent.

Cross-production and shared platforms

The cross-production of vehicles continues to be a major driver of manufacturing synergies. Cross-production allows Renault, Nissan and Mitsubishi Motors to manufacture vehicles in each other's plants and closer to where they are sold, and to increase plant utilization, thus reducing fixed costs.

Production of the new Nissan Micra began at Renault's plant in Flins, France in 2016. Nissan is capitalizing on the plant's expertise in building high quality B-segment hatchbacks. The new Micra is built on a revised and updated V-Platform with powertrains being shared by Micra and Clio.

Later this year, Nissan will begin production of the Renault Alaskan pick-up truck at its Barcelona plant in Spain.

ii) August 07, 2017. Groupe Renault signs a new joint venture in Iran

- **Groupe Renault, IDRO and PARTO NEGIN NASEH Co (NEGIN Holding) are announcing the creation of a new joint venture company in Iran to boost Renault's presence in the country and step up the brand's growth.**
- **The joint venture follows on from the strategic partnership agreement signed at the Paris Motor Show on September 30, 2016.**
- **In first-half 2017, Groupe Renault sales in Iran doubled year on year, for a total 68,365 vehicles and a 9.7% market share.**

Boulogne-Billancourt, August 7th, 2017 - Groupe Renault is announcing the signature of a joint venture agreement with the Industrial Development & Renovation Organization of Iran (IDRO) and PARTO NEGIN NASEH Co, an importer of Renault products in Iran.

The proposed joint venture company, of which Renault will be the majority shareholder, though with a first period of joint control with IDRO and PARTO NEGIN NASEH Co, will include an engineering and purchasing centre to support the development of local suppliers as well as a plant with an initial production capacity of 150,000 vehicles a year, supplementing Groupe Renault's existing capacity of 200,000 vehicles a year in the country. The first vehicles to be produced at the plant will be new Symbol and new Duster.

In addition to the vehicle plant announced in September 2016, an engine plant is also planned with a capacity of 150,000 units a year.
The manufacturing facilities will be in Saveh, located 120 km from Tehran. They will be owned and operated by the joint venture company.

The agreements also provide for the development of an exclusive Renault distribution network, in addition to the existing network of NEGIN Khodro.

“We are happy to sign this agreement with IDRO and PARTO NEGIN NASEH Co. In a rapidly expanding Iranian market, it was vital to implement plants, engineering and purchasing centre. This joint venture will enable an acceleration of our growth in this country" said Thierry Bollore, Member of Groupe Renault Executive Committee and Chief Competitive Officer.

“The development of a commercial network specific to our brand will reinforce Groupe Renault’s position in Iran. The signing of this new joint venture reinforces the strategic choices we have made in Iran and will open new perspectives in a 2 million vehicle market projected in 2020”, said Stefan Mueller, Member of Groupe Renault Executive Committee and Chief Performance Officer.

“Our Group as the owner of the Negin Khodro Co., the existing establishment for Renault Network in Iran, is proud to be part of this industrial development. As a family-owned private business in the country, N.H. Group envisages this joint venture with Renault and IDRO, as another possibility of a long-lasting partnership with Groupe Renault for years to come", said Naser Haddadzadeh, Chairman of the NEGIN Holding.

Our joint-venture with our historical partners SAIPA and Iran Khodro will continue to produce and deliver the current range: Tondar, Tondar pick-up, Sandero and Sandero Stepway, independently of the start of this new JV.

Entry into force and finalization of the transaction remains subject to a number of conditions precedents, including regulatory approvals, formation of the new company and preparation of the industrial assets for the project. The parties expect completion to take place on or around October 30, 2017.

This press release may contain privileged information within the meaning of Article 7 of EU Regulation 596/2014.

Groupe Renault in Iran

Groupe Renault has been present in Iran since 2003 through a joint venture with SAIPA and IRAN KHODRO. Renault and its Iranian partners have produced 500,000 vehicles to date.

In 2016, Groupe Renault sales increased 110.7% year on year, for a total 108,536 vehicles and an 8.4% share of the market.

In first-half 2017, group sales in the country increased 100.3% year on year, for a total 68,365 vehicles and a 9.7% share of the market.

Renault currently produces the following models in Iran: Tondar, Tondar pick-up, Sandero and Sandero Stepway.

(2) Litigation Cases

Neither Renault nor any of its subsidiaries is involved in any legal or arbitration proceedings which may have or have had for the six months ended June 30, 2017, a significant effect on the financial position of Renault and its subsidiaries nor, so far as Renault is aware, are any such proceedings pending or threatened against Renault or any of its subsidiaries.

3. 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

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 there is no clear guidance for Joint Operation. 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 1.60, "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.

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 (except for goodwill).

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.

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 capitalized as part of the cost of that asset. Under Japanese GAAP, borrowing costs are generally recognized as incurred.

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

The exchange quotation of the currency (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. REFERENCE INFORMATION RELATING TO THE COMPANY

1. Shelf Registration Statement and Attachments thereto

Shelf Registration Statement and attachments thereto were filed with the Director-General of the Kanto Local Finance Bureau as of May 25, 2017.

2. Amendment to Shelf Registration Statement

The Amendment to Shelf Registration Statement was filed with the Director-General of the Kanto Local Finance Bureau as of June 8, 2017.

3. Securities Report and Attachments thereto

The Securities Report and attachments thereto were filed with the Director-General of the Kanto Local Finance Bureau as of June 9, 2017.

4. Supplemental Document to Shelf Registration Statement and Attachments thereto

The Supplemental Document to Shelf Registration Statement and attachments thereto were filed with the Director-General of the Kanto Local Finance Bureau as of June 29, 2017.

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

I. INFORMATION ON GUARANTY COMPANY

Not applicable.

II. INFORMATION ON COMPANIES OTHER THAN GUARANTY COMPANY

Not applicable.

III. INFORMATION ON BUSINESS INDICES, ETC.

Not applicable.