

New energy

2016-2017 Annual Report



GROUPE RENAULT

Page 3 – THE NEW RENAULT

A visual review of the Group's transformation

Page 19 – REVIEW OF THE GROUP'S TRANSFORMATION

Editorial by Carlos Ghosn,
Chairman and Chief Executive Officer of Groupe Renault

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Our key indicators in 2016

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Renault in the words of those who make the Group what it is

Page 86 – FINANCIAL HANDBOOK

Dedicated to our shareholders

A man with short brown hair and a light beard, wearing a white button-down shirt and dark trousers, is leaning against the roof of a red car. He is looking directly at the camera with a slight smile. The background is a bright, clear blue sky with some light clouds. The car's window and roof are visible on the right side of the frame.

**“I didn’t think
Renault had
changed
this much.”**

ALEXANDRE BRANCOURT

Renault customer since February 2016

100%
of the Renault range
renewed



DESIGN

Design is now the most important criterion for purchasing a Renault car in Europe. The cycle, marked by the renewal of the range, came to an end in 2016. A new adventure is initiated, based once again on the life experience of consumers.



WORLD

Present in 127 countries, Renault designs vehicles adapted to the local needs of each region. With 36 production sites and 12,700 dealerships worldwide, the Group also manufactures and distributes its products as close to its markets as possible.





127
sales markets



OPENING UP

Strategic partners since 1999, Renault and Nissan enjoy an Alliance that is unique to the automotive industry. Creating ever greater synergies and economies of scale, the Alliance has attracted other partners: Germany's Daimler in 2010, followed by China's Dongfeng, Russia's AVTOVAZ and more recently, Japan's Mitsubishi.



18 years

of success and
challenges met



The No. 1

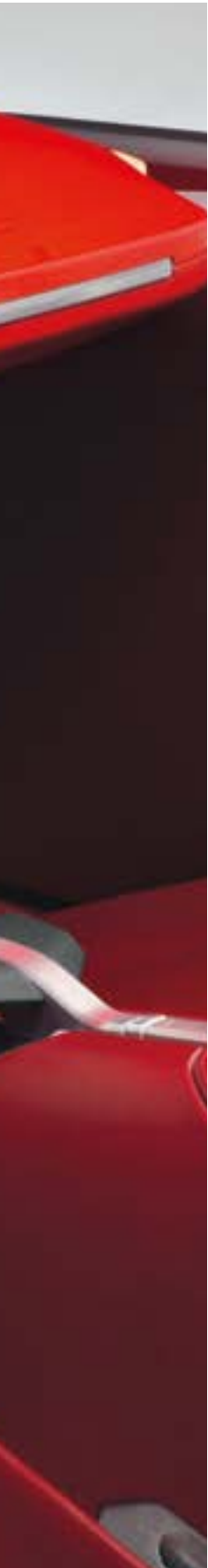
French automotive group
worldwide



OFFENSIVE

Ten new models were launched worldwide in 2016, in Europe, Russia, China and Latin America. Renault's international presence has never been stronger, with new products revealed in their target markets.





VISION

Combining connectivity, autonomy and electric energy, Renault is working to become, by 2020, one of the first full-line carmakers to launch entirely safe road-going autonomous vehicles. Sustainable and affordable, tomorrow's mobility is being prepared today.

GROUP BRANDS

Proud of its French roots, the Group is present on an international scale through five singular and complementary brands: Renault, Dacia, Renault Samsung Motors, Alpine and LADA.





RENAULT SAMSUNG MOTORS

RENAULT





DACIA

LADA





ALPINE





In the last six years, 2016 being the culmination, Groupe Renault has indeed changed. In a concrete and visible manner. Last year alone we launched ten vehicles. We have moved into new segments, including pick-ups with Alaskan. We have also continued to renew the range with iconic models such as new Scénic and, more recently, the Alpine A110, presented at the Geneva Motor Show. We have strengthened our geographical presence – in China, India, Iran, Argentina, Brazil and Russia – with the successful consolidation of AVTOVAZ. Yesterday's pioneers, we are confirming our place as the leaders of the electric vehicle market, with, among others, ZOE Z.E. 40, Kangoo Z.E. and Master Z.E. Our results in 2016 show the extent of these changes. One year ahead of schedule, we have exceeded the objectives set as part of the "Drive the Change" strategic plan, with revenue of €51.2 billion, operating margin of 6.4% and net margin of 6.9%, ranking us among the best in the automotive industry. By welcoming Mitsubishi Motors, the Alliance sold close to ten million vehicles, and currently ranks in the world's top two⁽¹⁾ automotive manufacturers. Our strengthened range and geographical footprint, productive partnerships and record and robust results are the external signs of a deep-seated transformation, led as part of the "Drive the Change" strategic plan since 2011. A key transformation driver has been increasing our profit sources, achieved through a more diversified vehicle portfolio and a better balanced geographical mix. In the last few years we have invested in local production and sourcing, by setting up plants in Morocco, Algeria and China. In France, the agreements signed with the social partners have been crucial to Renault's return to competitiveness. From 2013 to 2016, production in France grew by 50% and we hired three times more employees than initially planned, or a total 3,000 people. Between now and 2019 we are going to modernize our production base and hire 3,600 employees, 1,800 of whom this year, and 6,000 people on young-professional contracts.

(1) Source: "World's largest automakers" article published on April 27, 2017 on forbes.com (3 months 2017).

Another key driver in our transformation, made possible by the Alliance, has been the generation of economies of scale – and the corresponding reduction in costs. By developing common platforms we have been able to build more vehicles in more countries at lower cost and with lower investment levels. In the last six years, we have saved some €3 billion in this way. We have worked across the vehicle value chain, from product definition to engineering, manufacturing, suppliers and logistics.

Renault has changed. Its growth is now more global, more sustainable and more profitable. With our solid foundations and new energy, as part of a prosperous Alliance, we have the mass and resources to sustain our strong performance in the future.

To do so, we need to keep changing. Because there are many challenges – the automotive sector is changing. The vehicle of the future will be electric, connected, autonomous. The manufacturing sector is changing, too. New players are emerging, from start-ups to large businesses. The challenge is as much about establishing a vision for the future as about knowing how to get there as fast and reliably as possible and at the most reasonable cost. We need to develop new technologies, recruit new skills, and form new partnerships. The size of the Alliance will help us in this. For Groupe Renault, this will be the objective of the next strategic plan, which will be announced in 2017.

CARLOS GHOSN

Chairman and Chief Executive Officer



“Renault has changed and will continue to change.”

EXECUTIVE COMMITTEE

CARLOS GHOSN

Chairman and Chief Executive Officer (1)

JEAN-CHRISTOPHE KUGLER

Executive Vice-President,
Chairman of Europe Region (2)

MOUNA SEPEHRI

Executive Vice-President,
Office of the CEO (3)

JOSÉ-VICENTE DE LOS MOZOS

Executive Vice-President, Manufacturing
& Supply Chain (4)

CHRISTIAN VANDENHENDE

Executive Vice-President, Quality and Total
Customer Satisfaction (5)

GASPAR GASCON

Executive Vice-President, Engineering (6)

BRUNO ANCELIN

Executive Vice-President, Product Planning
and Programs (7)

THIERRY KOSKAS

Executive Vice-President,
Sales and Marketing (8)

MARIE-FRANÇOISE DAMESIN

Alliance Executive Vice-President, Alliance
Human Resources, and Executive
Vice-President, Human Resources
Groupe Renault (9)

CLOTILDE DELBOS

Executive Vice-President, Chief Financial
Officer Groupe Renault, and Chairman
of the Board of RCI Banque (10)

STEFAN MUELLER

Executive Vice-President, Chief Performance
Officer (CPO) (11)

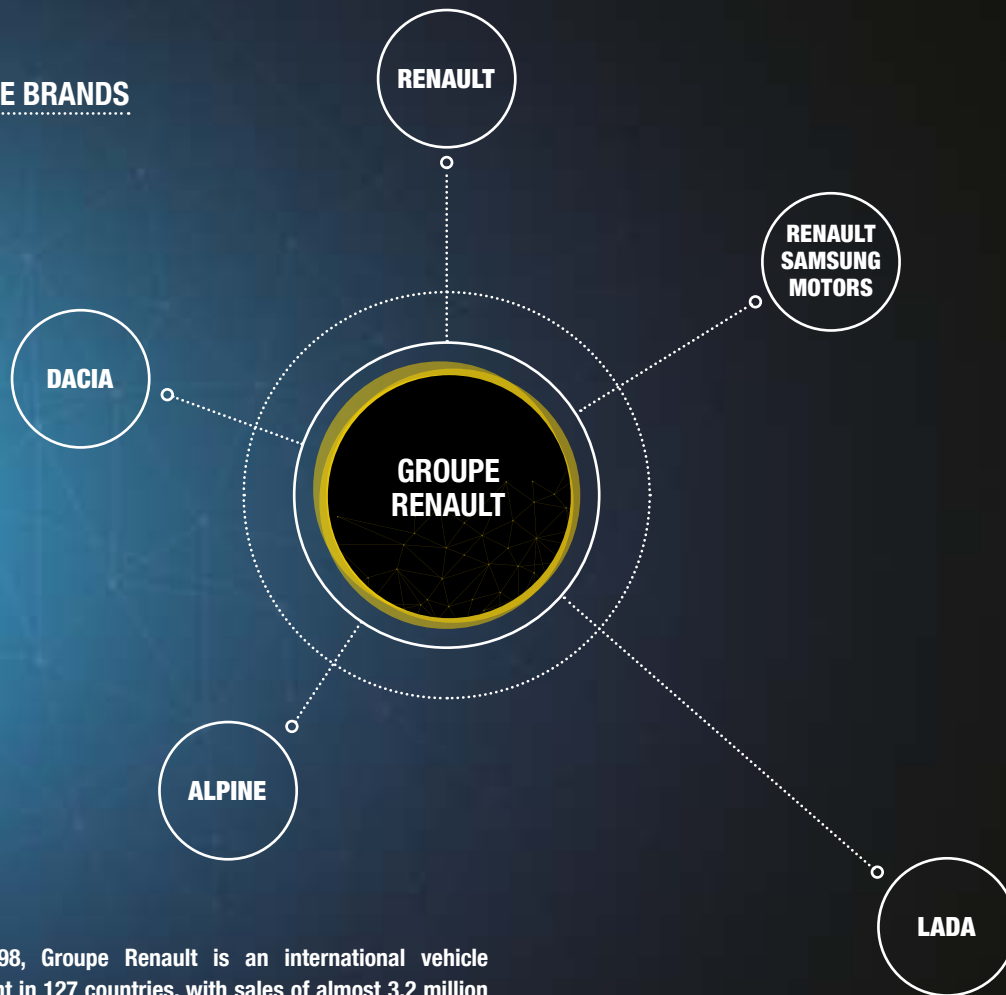
THIERRY BOLLORÉ

Executive Vice-President Chief
Competitive Officer (12)





ONE GROUP, FIVE BRANDS

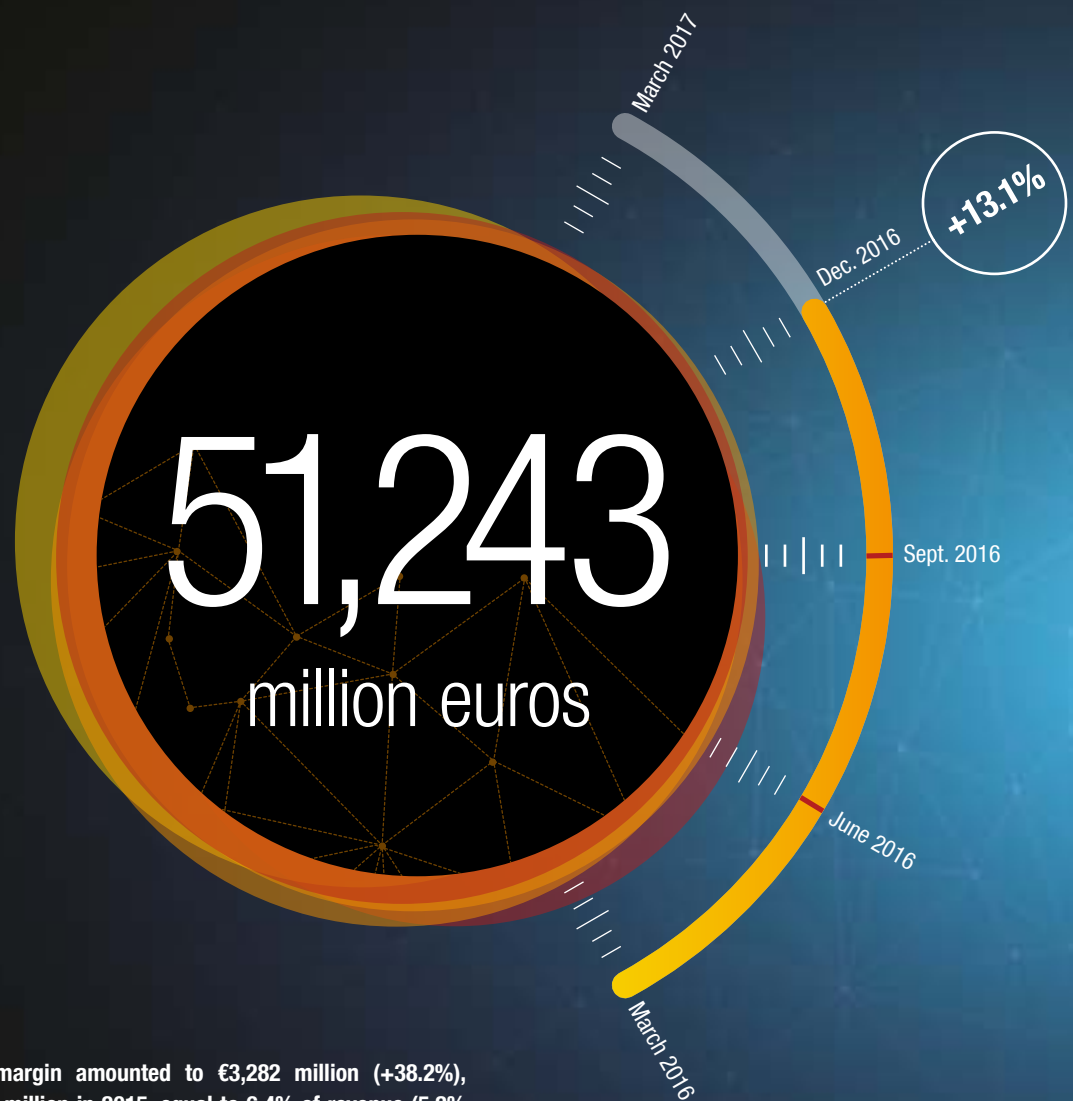


— Founded in 1898, Groupe Renault is an international vehicle manufacturer present in 127 countries, with sales of almost 3.2 million vehicles in 2016. Today, the Group employs a workforce of almost 125,000 people. It has 36 production sites and 12,700 points of sale worldwide.

To address the technological challenges of the future and maintain a strategy of profitable growth, the Group is continuing its international expansion with its three complementary brands (Renault , Dacia, and Renault Samsung Motors). In 2017, the Group gained two new brands: Alpine and LADA. A responsible corporate citizen in all its markets, boosted by its unique alliance with Nissan, Groupe Renault is also paving the way for the vehicles of the future: electric, connected and autonomous. With the new Formula 1 racing team and its victories in Formula E, motorsports are a driving force for innovation at Renault and a way to build brand renown.

REVENUE

At December 31, 2016



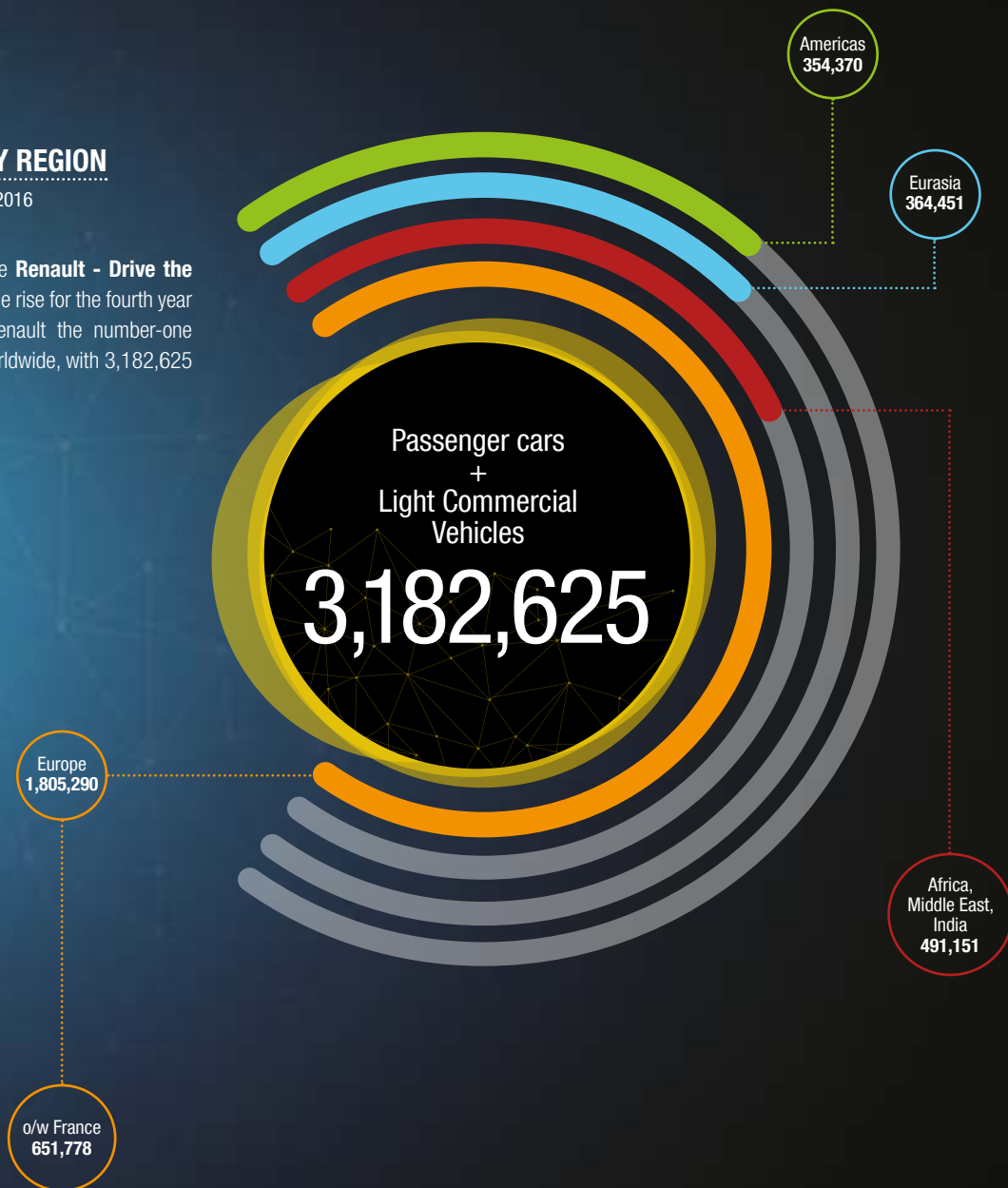
— Group operating margin amounted to €3,282 million (+38.2%), compared with €2,375 million in 2015, equal to 6.4% of revenue (5.2% in 2015).

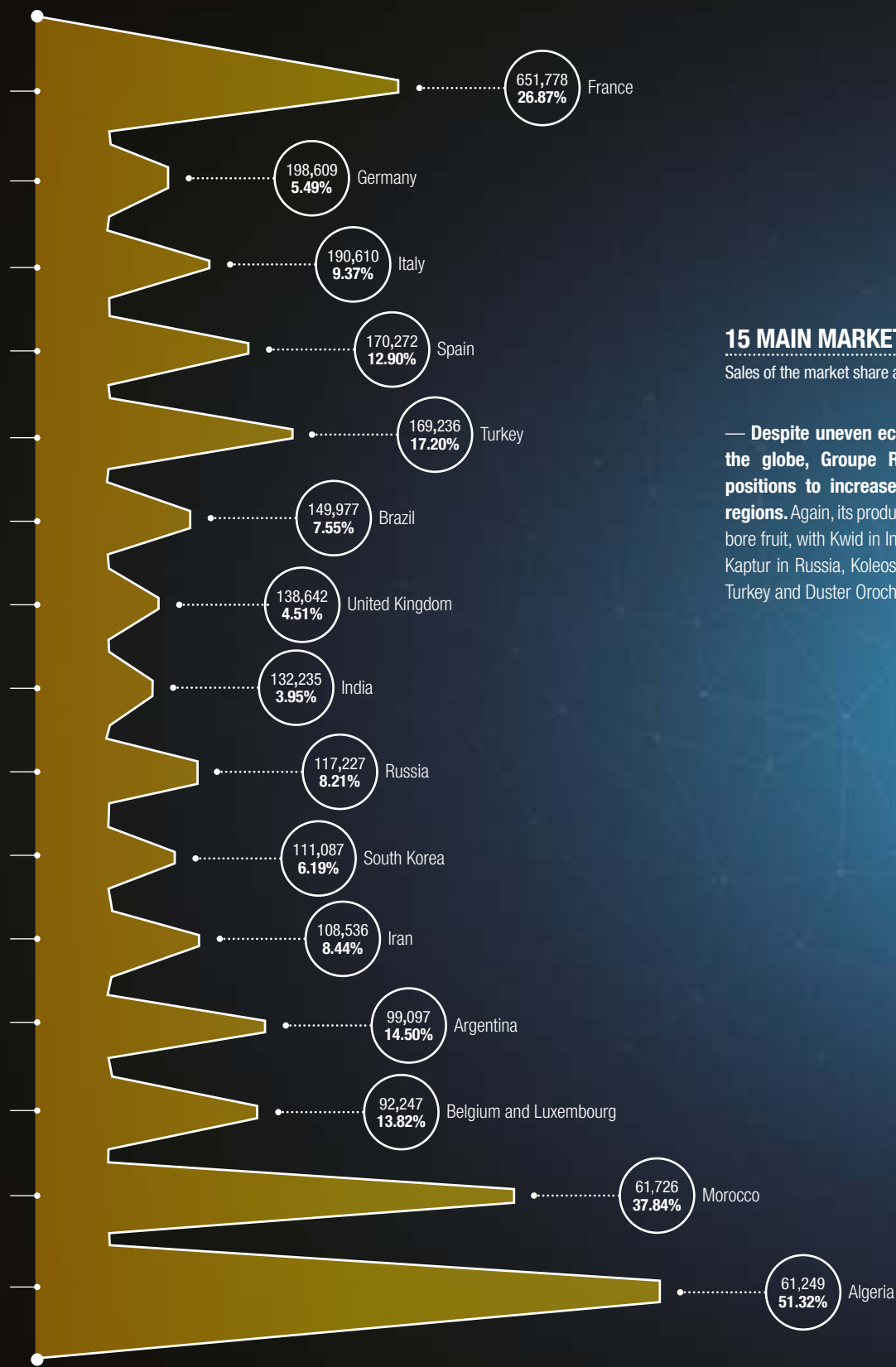
Group revenues totaled €13,129 million in first quarter 2017 (€12,560 million excluding AVTOVAZ). The 25.2% increase (19.7% excluding AVTOVAZ) resulted primarily from an increase in the Group's brand volume and sales to partners.

SALES VOLUMES BY REGION

Total Group sales by region in 2016

— Under the impetus of the **Renault - Drive the Change** plan, sales are on the rise for the fourth year running, making Groupe Renault the number-one French automotive group worldwide, with 3,182,625 vehicles registered in 2016.





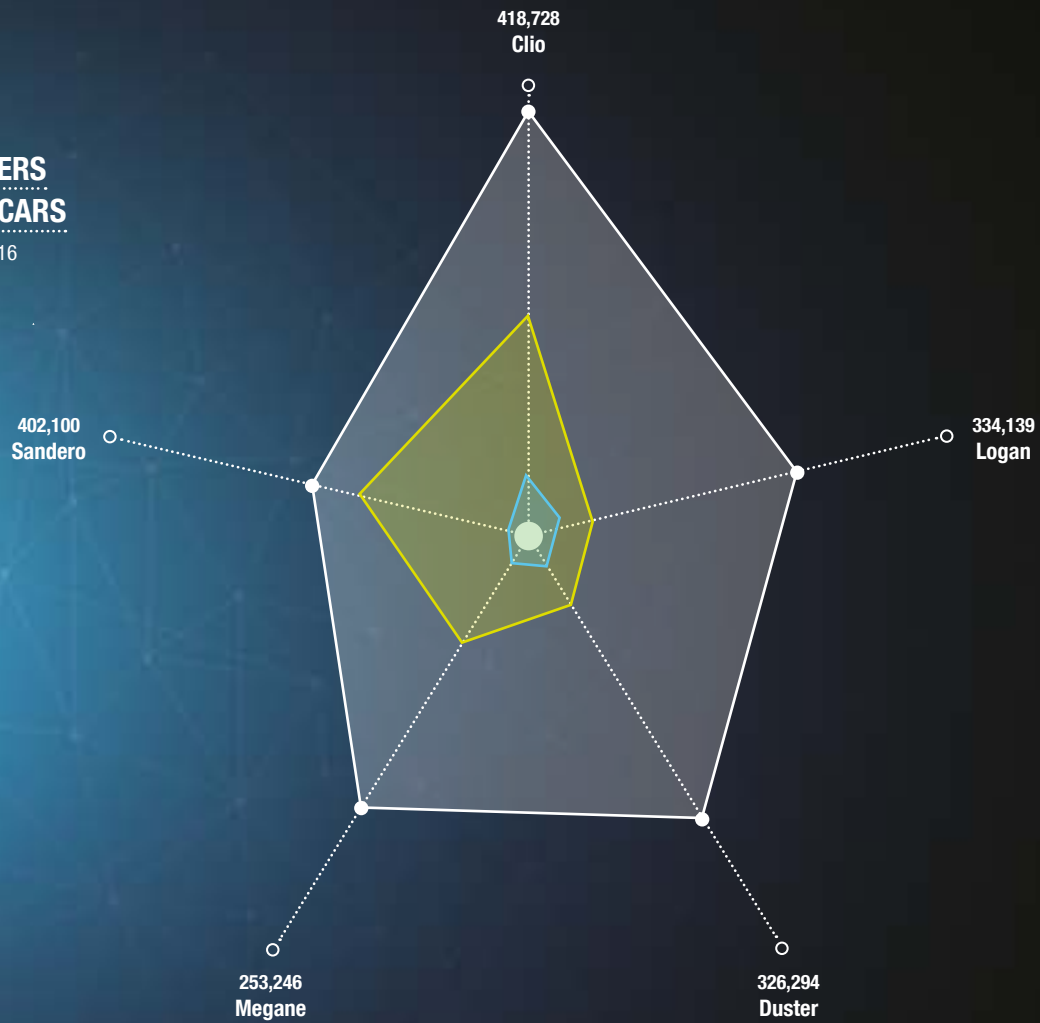
15 MAIN MARKETS

Sales of the market share as a percentage in 2016

— Despite uneven economic situations across the globe, Groupe Renault strengthened its positions to increase its market share in all regions. Again, its product range renewal programme bore fruit, with Kwid in India, QM6 and SM6 in Korea, Kaptur in Russia, Koleos in China, Megane Sedan in Turkey and Duster Oroch in Latin America.

5 BEST SELLERS PASSENGER CARS

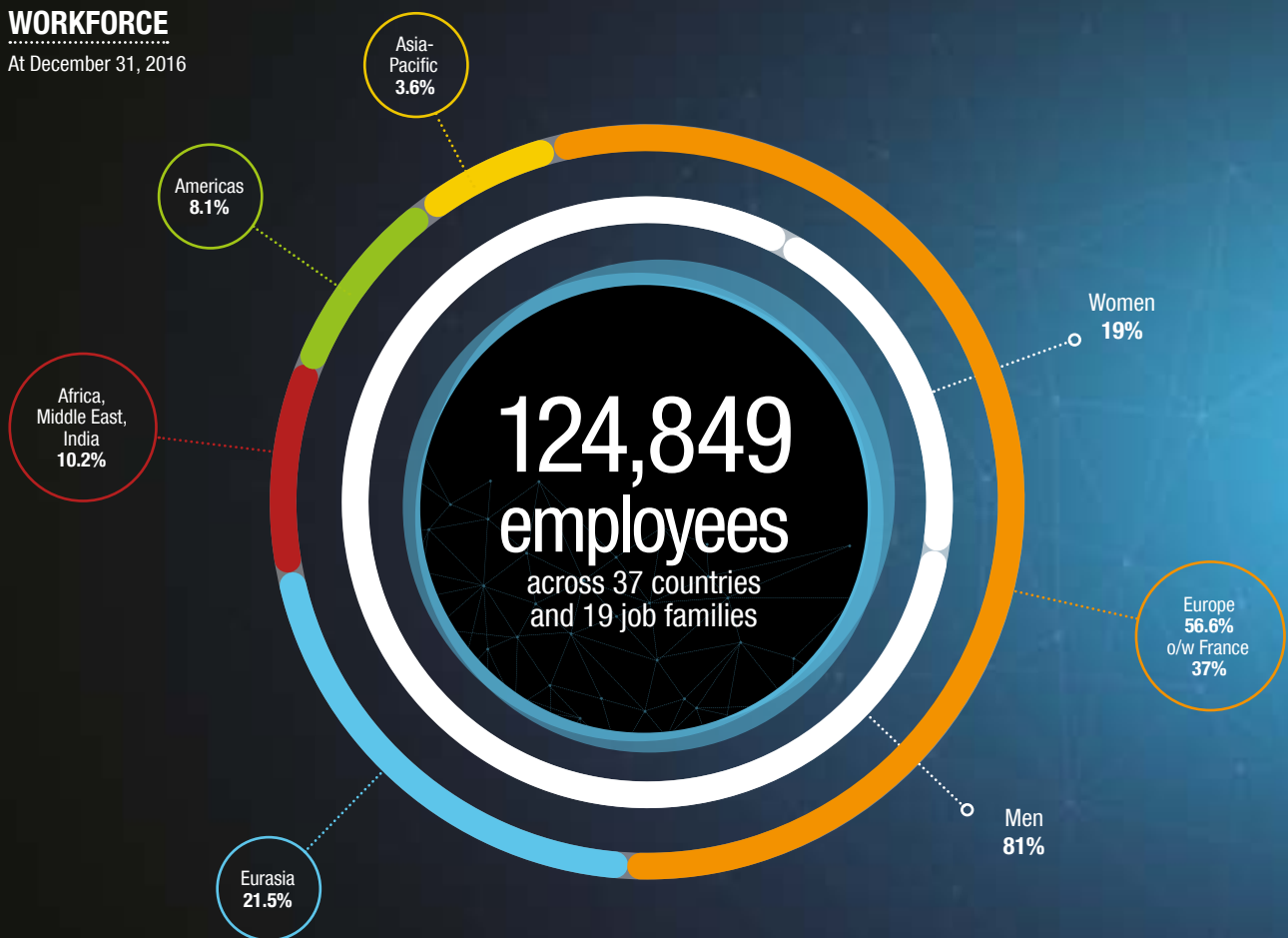
At December 31, 2016



— Sustained growth ambitions for Renault in 2017, with young product range, new releases, and international development.

WORKFORCE

At December 31, 2016



— The Group's objective is to boost the skills of as many employees as possible, both experienced staff and new recruits, to help them make progress and support their development within the company.

STORIES OF PASSION

— p. 30

**Innovation:
the future today.**

“The most amazing thing when you switch to autonomous driving is watching the wheel turn by itself.”



Anaïs Fayard
Group employee

— p. 40

**Diary of an
around-the-world tour.**

All around the world, the Renault brand is growing stronger with motorists.



Dikmen Sems
Vice-President, Renault Technologies Russia

— p. 48

**TreZor ushers
in a new design era.**

A report behind the scenes in Guyancourt (France)

Anthony Lo
Vice-President,
Exterior Design



“Our aim is to stand apart in concepts and design. It would be risky for us to simply follow trends.”

— p. 58

The first time Sara B. came to France was to join her class at the Renault Foundation.

— p. 66

Employees know how important the Alliance is and why.

Close-up on a giant of the automotive industry.

— p. 76

The living is easy in Borda do Campo, Brazil.

“Though an intern, I was directly involved in projects and asked to participate in meetings.”

Sara Boualam
Specialist in control laws for chassis systems

Catherine Perez
Vice-President,
B segment program,
Nissan



We have a responsibility towards the communities around us.



Frédéric Hébert
Head of Digital Learning
Groupe Renault

“This is the first time the Alliance has gone this far in sharing industrial processes.”

Oliver Faust
Vice-President, CSR,
Groupe Renault





**INNOVATION:
THE FUTURE
TODAY**



“I really feel like Renault is already in the future.”



How did you end up on the passenger seat of an autonomous Espace?

Anaïs Fayard, Group employee — Everyone is talking about autonomous cars. When I found out Renault employees could take part in a test drive, I applied straight away. I am curious, and highly motivated by new products and, naturally, the future of the company. I was fortunate to be chosen, with two other employees, for a one-hour test drive on a route between the Group headquarters in Boulogne-Billancourt and the Technocentre in Guyancourt, with one of the project heads at the wheel.



“Watching the wheel turn by itself is amazing.”

What were your first impressions?

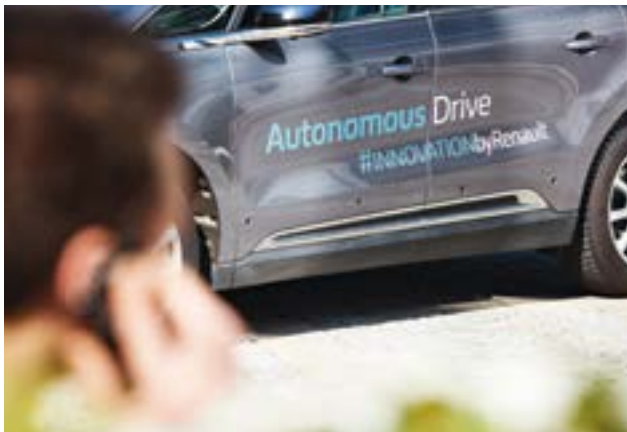
From the outside, you can see right away that the car has been modified. I was surprised by the number of sensors, sonar units and cameras. Inside, too, there are lots of screens, recording as much information as possible during the tests. The vehicle was equipped with GoPro cameras to film our reactions. I was divided between apprehension and excitement. I had the feeling I was taking part in something extraordinary, a journey into the unknown. The most amazing thing when you switch to autonomous driving is watching the wheel turn by itself. On the way back we ran into traffic jams and I saw how the behavior of the car was smooth, with no jolting.



Would you buy one?

Of course! My commute takes over 40 minutes each way, and I'm sure that a lot of people would like to use the time spent in their cars differently and be able to relax, even in traffic jams. The big question is putting your trust in the car, handing over control. For me, this is the big issue in being able to market autonomous vehicles.

“The big question is putting your trust in the car.”

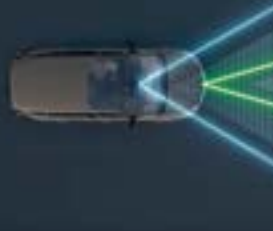


What are your main takeaways from the experience?

It showed me how much progress Renault has made in these areas – I didn't think the prototype would be this advanced. I also realized how much still needs to be done, on the aesthetics and ergonomics of the car, in particular to make all the sensors and onboard equipment more discreet. Whatever the case, the subject has attracted substantial interest. My colleagues, the people around me, to whom I was able to show a video of the test drive, asked me loads of questions on the behavior of the car and my impressions. I really feel like Renault is already in the future and I am very proud to be a part of that adventure!

— In autonomous driving, a car needs to carry out a range of complex tasks that are automatic for the human brain: perceive the environment, analyze the situation, take decisions and act. This highly complex process requires a wide range of sensors, onboard intelligence and actuators.

Front camera



Renault's aim is to be one of the first full-line vehicle manufacturers to make eyes-off/hands-off autonomous driving technology available on production vehicles.



Ultrasound sensors

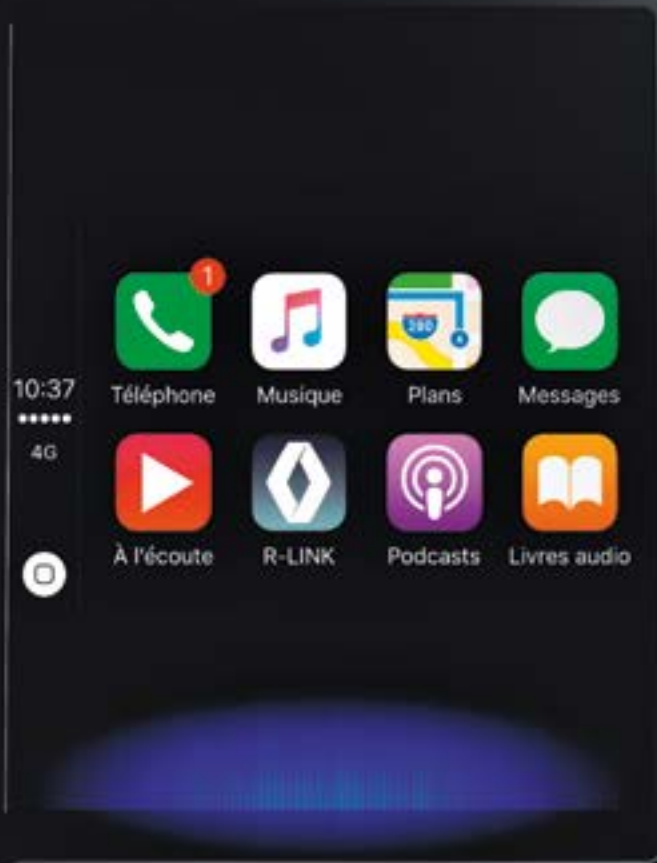


Angle sensors



Three cameras with different focal lengths (short/medium and long range) at the top of the windscreen.

28 different sensors, corner radars, a long-range central radar and LIDARs are part of the range of sensors found on the autonomous Espace.



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- 📺



— My Renault

A new connected app for remote vehicle management. The main functions are grouped in three categories:

- navigation continuity
- remote management
- services and dealerships



— Renault Easy Connect

The mobility experience that makes life easier

— Smartphones on board

Since April 2017, Android Auto and Apple CarPlay have been rolled out worldwide on all range vehicles equipped with R-Link Evolution (for Android Auto) or R-Link 2 (for Android Auto and Apple CarPlay).



— Renault Easy Connect

Renault Easy Connect, available on all current and future vehicles. All the services are based

on the main connected multimedia platforms proposed by Renault. For vehicles on the road that are not connected to these platforms, Renault will by the end

of the year introduce a special connectivity box bringing most of these functionalities to each vehicle.



Innovation doesn't just come from inside the company

— The POM (Platform Open Mind) initiative is the first time a carmaker has invited innovators from around the world to work on one of its vehicles. The man behind the idea, **Frédéric Auzas**, talks about this extraordinary adventure.

How did the POM project arise?

— **As researchers**, we already use vehicles as demonstrators. But it is a “heavy” process, calling for major financial and human resources. We thought it would be interesting to propose a more versatile object. With its simple design and low voltage (under 58 volts), Twizy is an ideal electric vehicle for customization. In addition, there is already a community of “makers” who modify and customize their Twizy to adapt it to their uses. So for Renault's internal innovation competition, Pitch & POC, we came up with the idea of using Twizy, minus its body, as an automotive development kit, available to start-ups, academics, professionals or students. POM (short for Platform Open Mind) was born.

With the aim of building an innovative community?

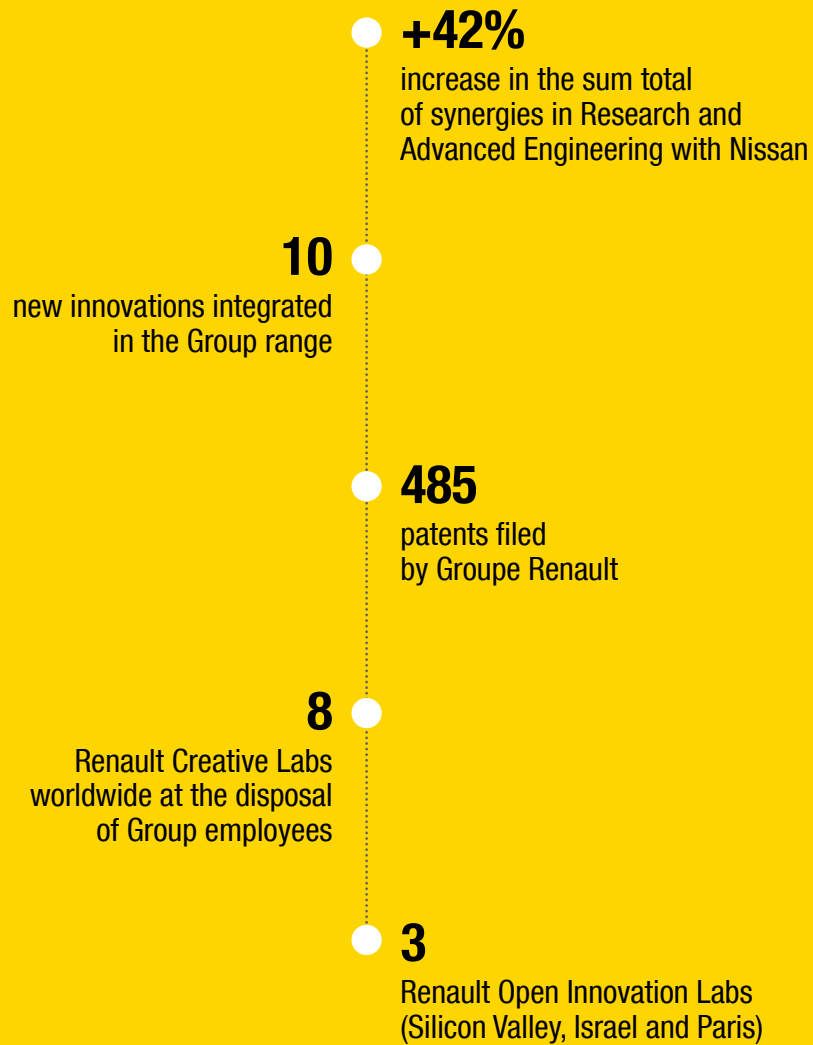
— **Innovation doesn't just come from inside the company!** Everything moves very fast now. Interfacing through POM with an entire ecosystem of innovators around the world serves to foster the emergence of new mobility concepts and services that we can use for inspiration. Our strength is also that we go beyond the realm of a “regular” research project. Twizy has already been launched and is produced on an industrial platform, so the innovations stimulated by POM could be more easily confronted with the real-life requirements of the automotive sector.

Where does POM stand today?

— **The fact that the project was backed by the Research Department and the Electric Vehicle** program gave it a real boost, the potential of which was confirmed at the 2017 CES show in Las Vegas and the 2017 MWC in Barcelona. Academics and start-ups are already showing interest. It has become a real Renault project.

THE ROADS TO INNOVATION...

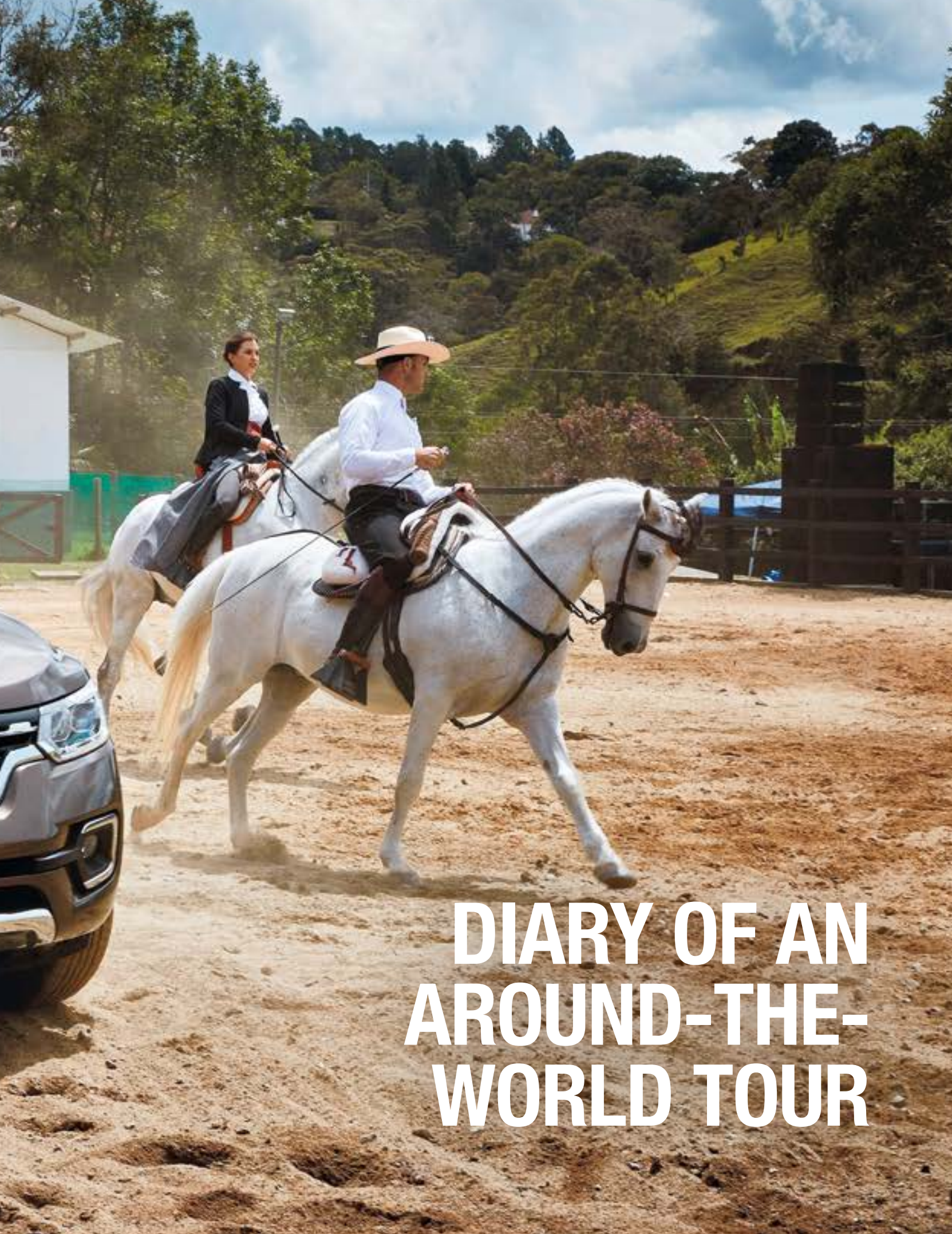
In 2016



7 collaborative European projects approved, with an acceptance rate four times higher than average

... ARE OPEN, COLLABORATIVE AND PARTNERSHIP-BASED

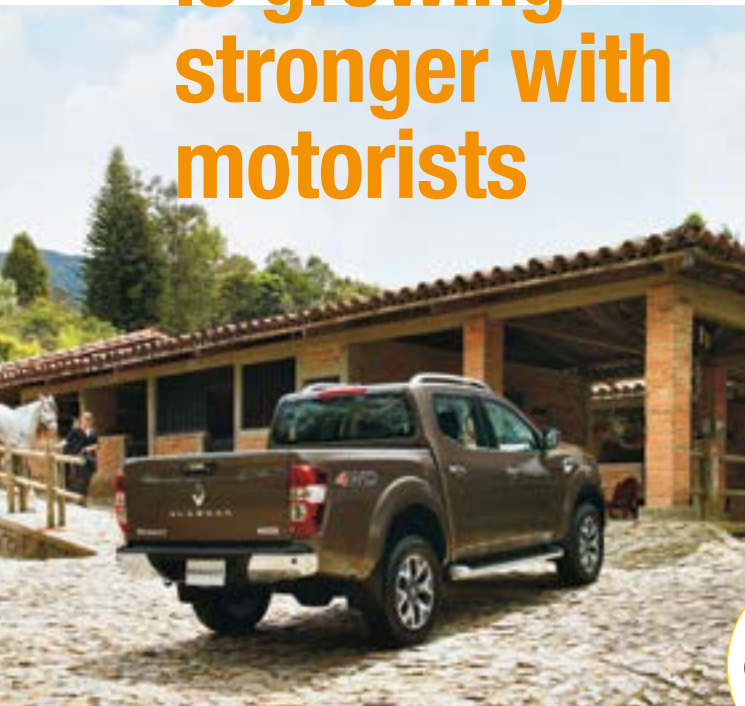




DIARY OF AN AROUND-THE- WORLD TOUR



Around the world, the Renault brand is growing stronger with motorists



Committed to renewing its range and expanding geographically, in 2016, Renault made ten successful launches of vehicles produced and distributed as close to its markets as possible. These new models are no longer revealed in Europe but unveiled directly in the production and sales region. Review of an exceptional year.

The Alaskan pick-up,

produced in Mexico at Nissan's Cuernacava site, was revealed in Colombia. With its classic Renault front end featuring the inimitable broad grille and C-shaped lights, Renault's second pick-up boasts a one-tonne payload and features the robustness and real off-road abilities required to win over Latin American customers.

86
cars per
1,000 inhabitants in
Colombia, compared
with 700/1,000 in
the USA.





New Koleos makes a big splash at the Beijing Motor Show

The imposing yet athletic SUV, designed specially for Asian motorists, expresses the Group's determination to enter the Chinese market from the top.

It is assembled at two Asian plants: Renault Samsung Motors' Busan plant in South Korea and Renault's new plant in Wuhan (China), opened in February 2016. The largest crossover in the Renault range, Koleos's spacious cabin has swiftly won over customers, with nearly 10,000 orders in the first two months.



New vehicles are unveiled in their target market

In European markets, the new, fourth-generation Scenic

The Group's international development is also playing out in European markets, as shown by new Scenic, an "icon" of the range that made a strong impression on its reveal at the 2016 Geneva Motor Show. Produced like its predecessors at Renault's Douai plant in France, the colourful, large-wheeled (20-inch) model is a perfect ambassador of Renault design. New Scenic was greeted enthusiastically by the press and consumers.



Presented at the Moscow Motor Show, Kaptur,

"with a K", was designed specifically for Russian customers. It is a real 4x4. Its windscreen and seats are equipped with an electric heating resistor and the engine can be started remotely. And Russian customers have responded more than positively. In a difficult economic environment, Renault took a record 8.2% share of the Russian market in 2016, up 0.7% on 2015.



8.2%
Renault's record market share in Russia in 2016.



+11.8%
increase in
registrations
in Europe between
2015 and 2016.



Megane Sedan, targeting markets in Africa, the Middle East and India

Revealed at the Paris Motor Show, Megane Sedan is a three-box (five-door) version of the emblematic Renault model. Produced at Renault's Bursa plant in Turkey, it mainly targets markets in the Africa, Middle East and India Region, whose motorists appreciate these models for their capacious trunks. Exported to some 50 countries in 2016, Megane Sedan got off to an excellent start, with over 13,200 orders in two months.



“I have seen the Group open up to diversity.”

— By **Dikmen Sems**, VP Renault Technologies Russia

You are Turkish and have lived in Russia for seven years, making you a representative of today’s mobile and multicultural generation.

— **I have lived in an international environment for some time now.** After my aeronautical engineering studies, I did a master’s in Toulouse, mixing with students from many different countries and learning French!

How did you join the Group?

— **Returning to Turkey** in 1995, and having worked as a teacher for a short while, I was recruited to work in the Paint Methods Engineering department at the Oyak-Renault plant in Bursa. That was a time when everything was opening up. Turkey was looking towards Europe and the Group was heading in an international direction, with a new vehicle project – Megane, Clio, Fluence – every year at Oyak-Renault. When I arrived in 1995, the site produced 180 vehicles a day, mainly for the local market. When I left in 2010, it was producing 1,300 a day for export outside Turkey. During that time, I took on new responsibilities and in 2009 was appointed as the first head of the Turkish Decentralized Vehicle Engineering Department (DIVD) at Bursa, with a multicultural team of 160 people. Previously, this type of responsibility would have been entrusted to an expatriate.

Working in Russia, have you also taken part in the upskilling of local talents?

— **Yes. In 2010 Renault asked me to handle the same assignment in Moscow.**

And once again I was a privileged eyewitness of the transformation of the company with the roll-out of Duster. But we were spectators of the project, as the engineering process was created with the input of a mainly expatriate team. So I suggested we hire and train local staff to build up the skills necessary for future launches. And that is what happened. Today, the projects I am responsible for at the three Russian sites (Moscow, Togliatti and Izhevsk) are carried out 95% by Russians for Russians. This is naturally the case for Kaptur, the latest model and one of the big successes of 2016!



GROUPE RENAULT SETS SALES RECORDS IN 2016...



Europe

Renault
No. 2 car brand

10.6% market share

**+11.8% increase
in sales**



France

26.9% market share

**+7.3% increase
in sales**



AMI

6.2% market share

**+36.4% increase
in sales**



Americas

6.5% market share

**+0.1% increase
in sales**



Asia-Pacific

0.4% market share

**+34.5% increase
in sales**



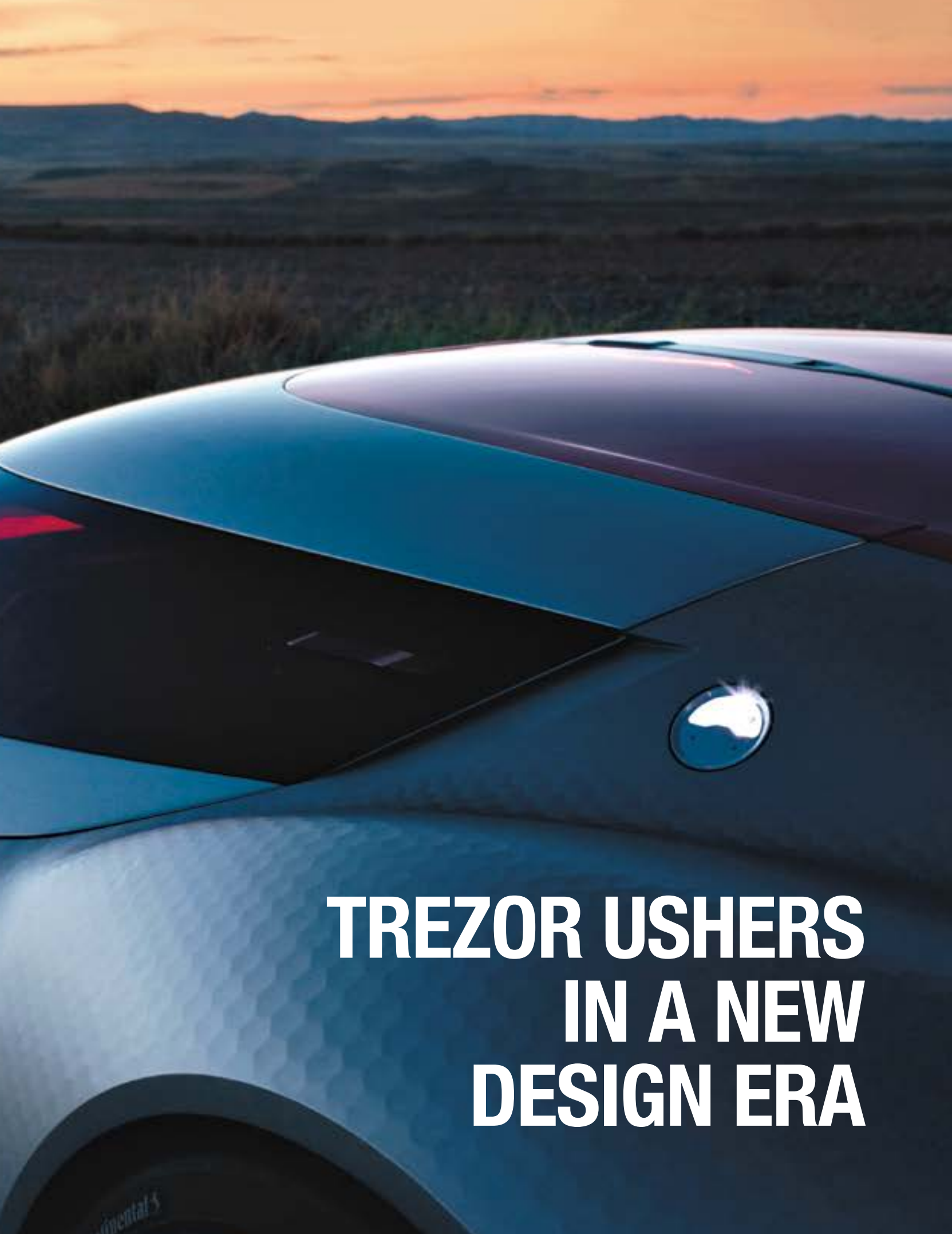
Eurasia

13% market share

**+2.3% increase
in sales**

... FOR THE FOURTH CONSECUTIVE YEAR





**TREZOR USHERS
IN A NEW
DESIGN ERA**

Continental's

At the immaculate open-space design center at the Technocentre – a blank page on which tomorrow’s vehicles are drawn – **Anthony Lo**, VP Exterior Design, told us how the brand continues to cultivate its difference as it initiates a new creative cycle.

Scenic marks the end of a cycle for Renault design.

Anthony Lo —Yes, and we are very proud of the work achieved. Renault’s design strategy is based on the life cycle, exploring the experiences of our customers as they fall in love, discover the world, create a family, work, enjoy leisure, and attain wisdom. The teams covered all these experiences over a six-year period and met the major challenge of entirely renewing the range through new vehicles or new generations of vehicles.

Does the TreZor concept car revealed at the 2016 Paris Motor Show initiate a new phase?

— It is indeed a new beginning. TreZor celebrates what we have achieved and announces what we want to do next. What does TreZor express? That we want to continue developing a simple, to-the-point language. And that we want to go further in terms of details. We are initiating the new cycle with the theme of love. TreZor expresses a mature sensibility, a strong commitment. We have exaggerated some of the details such as the front-end signature. We have introduced new materials, including an unprecedented “faceted” carbon exterior. Vehicle entry and exit is also innovative. There are no conventional doors; it’s like getting into a sports car.





“Our objective is to stand apart in terms of concepts and design. It would be risky for us to merely follow trends.”



What next?

— Our objective is to stand apart in terms of concepts and design. It would be risky for us to merely follow trends. For example, the Chinese market today is dominated by SUVs. Does that mean we should replace this vehicle generation with the same thing? I'm not so sure. SUVs are the latest thing but what will the next thing be? One of the keys to success is becoming more international, learning how to read the needs of our markets, observing so as to improve our concepts. The success of the Renault Samsung QM3 in the highly demanding South Korean market shows that this objective is within our reach.

How to foster creativity?

— The Design team is staffed by people of 29 nationalities with diverse backgrounds. The recent reorganization of the Technocentre design centre in France will bring us closer together around a shared core, since our studios look over the workshop where we can constantly see the progress being made on prototypes and models. Renault is also one step ahead in term of imaging tools. Very early on in the process, we can visualize designs in 3D and share future concepts with our partner departments. This is vital to creating trust in the projects.





With its spectacular appearance, TreZor takes body design even further than DeZir to propose an utterly new experience.

Exterior design
draws on sports car cues, with no aggressiveness.

Perfect proportions
Architecture and optimal proportions form the basis of Renault design.



Astonishing exterior
Combining masculine and feminine attributes, the carbon body is smooth and silky.



Since tomorrow's cars will be autonomous, connected and electric, the cockpit, designed until now for driving, can now be rethought on the basis of new onboard activities.



The integration of connectivity and multimedia systems has opened up the design field. Concept cars are now designed in a cross-disciplinary fashion by the Design teams and those at Engineering.

By changing the driving and traveling experience of our customers, the advent of the connected vehicle sets new design challenges. The objective is to better integrate these new “control centers”, which now play a central role on the dashboard.



Resources commensurate with today's design dreams

**6 DESIGN
CENTERS**

worldwide

France in Guyancourt

Romania in Bucharest

Russia

India in Mumbai and Chennai

South Korea in Giheung

Brazil in São Paulo



**500
DESIGNERS**



of whom

400

at the Guyancourt
Technocentre

nearly

30

nationalities

THE PRODUCT OFFENSIVE CONTINUES...



TreZor

Renault TreZor wins the “Most Beautiful Concept Car 2016” award at the International Automobile Festival.

New products at the 2017 Geneva Motor Show



ZOE e-Sport Concept

100% electric and 100% sporty, ZOE e-Sport Concept is a combination of a Renault ZOE production model and a Renault e.dams Formula E single-seater.



New Captur

Europe’s best-selling urban crossover in 2016, Captur has been reinvented with even more distinctive styling and new in-car technologies.



New Koleos

Revealed in Beijing in April 2016 and already launched in some regions, New Koleos will be launched in Europe in June 2017.



Alaskan

A pick-up with a one-tonne payload already sold in Latin America, Alaskan will be launched in Europe in late 2017.



Alpine A110

A new two-seater sports coupé that renews the timeless qualities of compact design, lightness and agility behind the success of the “Berlinette”.




Dacia Logan MCV Stepway

The Stepway family greets a new member: a modern, spacious and affordable station wagon with an adventuresome spirit.

... WE ARE GIVING GROUPE RENAULT A LONG-TERM FUTURE





**THE FIRST TIME
SARA B. CAME TO
FRANCE WAS TO JOIN
HER CLASS AT THE
RENAULT FOUNDATION**




“Though an intern, I was directly involved in the projects.”


“That was when I knew I wanted to join Renault.”

When Sara got off the plane in August 2013, it was the first time she had ever been to France. Four years later, she is a proverbial fish in water in her open-space office at the Renault Technocentre. Sara's story began in Morocco. Born in Safi, she moved to Marrakesh to complete her high-school studies with the aim of joining one of the country's oldest engineering schools, EMI, in Rabat. And Renault? “I was fascinated by the automotive sector, especially with the opening of Renault's Tangier plant in Morocco. I wanted to do my end-of-studies internship there, but I wasn't accepted.”





71
students of
16 nationalities
supported in
2016/2017.



96%
of the students
of the master's
diplomas on
offer found a job
6 months after
graduating*

* 2015 figure

But it was only a matter of time. In 2011, Sara's elder sister joined the Renault Foundation to complete a Master's in Transport and Sustainable Development. After graduating from EMI, Sara decided to apply herself, to do a Master's in Mobility and Electric Vehicles. She came through the selection process successfully and entered the 2013 class, joining 15 other grant-holding students from nine different countries, in Paris.

First internship at Renault

"I was 23. I was a bit afraid, having cut the umbilical cord, but the Foundation took complete care of us." What followed were sixteen intense months, ten of which spent at Paris Tech schools, the other six as an intern at a company. Sara's internship was at Renault. "I realized during the internship that the Group empowers its employees at a very early

45
university
institutions
have long-term
relationships with
the Foundation.

stage. Though an intern, I was directly involved in the projects and asked to participate in meetings. That was when I knew I wanted to join Renault.” Sara graduated from her class in 2014. Renault was unable to offer her a position straight away, but she joined a consultancy office and worked for 18 months as a consultant for the Group. Then, in 2016, she joined the Technocentre, where she had completed her internship.

“Today I work on innovative projects focussed on the autonomous vehicle, more specifically in the development of control units for chassis systems. I work with passionate people and a business-line referent who loves to share his experience. After school, which was very theoretical at times, I am now in the real world, with customer requirements to be fulfilled and deadlines to be met! I meet challenges on a day-to-day basis.” Her initial experience at the Group was consistent with her impressions as an intern. The company has placed its trust in her. “I’ve already been on an assignment at Nissan in Japan, and in a few months I’ll be going back there, alone! I’ve also had the chance to meet Carlos Ghosn in person, taking part in a discussion with him and other students supported by the Foundation as part of a film shoot.” The occasion was yet further proof for Sara that young talents at Renault are not just welcomed but listened to.



950
students
assisted
in 15 years.

**“Since
I graduated,
one thing has
led to another.”**





5 programs for tomorrow's professions

- **MBA Management International** (Université Paris-Dauphine – IAE Sorbonne – Renault Foundation).
- **Master's in Transport and Sustainable Development** (École des ponts ParisTech – Renault Foundation).
- **Master's in Mobility and Electric Vehicles** (Arts et métiers ParisTech – Renault Foundation).
- **Master's in Road Safety Management** (Saint Joseph University, Beirut, Lebanon – Renault Foundation).
- **Professional Bachelor's in Electric Vehicles and Electro-Mobility** (IUT Mantes-la-Jolie – Renault Foundation).



— **Introducing Frédéric Hébert**,
Head of Digital Learning, Groupe Renault

“Renault has changed its training model.”

Is Renault’s transformation to a learning company a necessity?

— **As recently as a few years ago, the innovation cycles in the automotive industry** were long cycles. Today, things are speeding up across all sectors, with new market entrants appearing and disappearing at a brisk pace. We are heading towards a world where you have to reinvent yourself constantly to remain on top. Learning companies will be able to empower employees in their own development by stimulating their curiosity and creativity and opening them up to other worlds.

What are the consequences for employees?

— **We cannot address future challenges simply by hiring “new blood”**, even if this last is necessary for new business segments such as big data and digital technology. In the automotive sector, culture is transmitted and experience is truly valuable. The aim, then, is to upskill the greatest number of employees, old and new, and help them to develop in the company and make progress.

How?

— **Training is no longer about spending a few days of the year in a course.** It is a constant state of mind, the ability to integrate learning moments throughout the day. Digital tools are a fantastic means to that end, providing their content is worked and “marketed” to fully immerse trainees, obtain their buy in and involve all the Company’s populations. This is something that the new Renault portal, “Drive your Learning”, introduced in January, successfully achieves. It notably features “training capsules” that raise staff awareness on new developments that they may not be familiar with, such as the Plant 4.0 and new data storage and transmission technologies (the block chain). With short cycles, seasonal updates, three languages currently and soon many more, it is truly focused on users. And this is essential to its success.



Want to apply to Renault?
All platforms lead to Renault.
Go to LinkedIn...

A GROUP THAT IS BOOSTING ITS TALENTS



19,000 recruitments



Nearly 2,500 young people

in work-study contracts in France



110 nationalities

work together on a regular basis at the Group



3,229,668 hours of training

provided to upskill employees



19 function families

represented at the Group

**THERE ARE FUTURES TO BE SEIZED
AT RENAULT...**



A photograph of an automotive assembly line. In the foreground, a blue metal frame supports a white engine and a black coil spring. The background shows a factory setting with various mechanical parts and equipment. The text "EMPLOYEES KNOW HOW IMPORTANT THE ALLIANCE IS AND WHY" is overlaid in white, bold, capital letters at the bottom of the image.

**EMPLOYEES KNOW
HOW IMPORTANT THE
ALLIANCE IS AND WHY**



Combining tradition and innovation at Le Mans

The chassis components of the new Nissan Micra are produced in their entirety by a French plant, Renault's oldest in France: Le Mans. Requiring a €7 million investment in new manufacturing tools, this production has increased site activity by around 8%. Le Mans today is involved in nearly all the Group's "product" projects and houses a chassis technical center on the leading edge of innovation and expertise.



Nearly 600 recruitments

Nissan Micra production at Flins and Micra chassis production at Le Mans have generated an increase in recruitment in the employment catchment areas of the two sites. Renault recruited nearly 600 people at Flins and Le Mans on open-ended contracts between 2015 and 2016, covering all professional categories (operators, technicians and managers). The jobs concern young graduates and experienced professionals alike, with education levels ranging from vocational training certificates and professional high-school diplomas to five years of higher education.



Designed for the city

The new Nissan Micra has a more modern design, onboard technology and dynamic road performance for guaranteed at-the-wheel pleasure. Targeting demanding young customers, it has everything it takes to carve out a strong position in the ultracompetitive urban car market.

— Interview with Catherine Perez,
Vice-President, B Segment Program, Nissan



This is the first time the Alliance has gone this far in the sharing of industrial processes

Why was Flins chosen to produce the new Nissan Micra?

Catherine Perez — The fifth-generation model was designed for Europe, so it was natural to produce it at a site close to its main customers. The European market is extremely competitive, especially in the urban car market, and the success of a model launch hinges on not making customers wait too long. We also chose a European site because each customer can create “his” Micra, a customization possibility that is incompatible with long-distance transport. Competing against the other sites in the network, Flins came out on top notably because it already produced other B-segment models. This meant we could reuse equipment already in place.

Is this the first time a Nissan vehicle has been assembled in a 100% Renault plant?

— It is the first time Nissan has entrusted Renault with the industrial development of a completely new vehicle. This required the convergence of two industrial cultures and the introduction of specific Nissan work procedures at Flins. The process took three years starting from the choice of the French site in 2013. Several Flins operators attended training in Japan at Nissan’s Oppama plant, one of the Group’s most modern sites. This valuable exercise in sharing led to a number of reciprocal adaptations. For example, Nissan adopted the car roof assembly process used by Renault. More attractive, faster and less costly, this process is now used for the Nissan Micra and will be extended to other Nissan production sites for other vehicles. After an initial phase of producing parts on a replica of the assembly line in Japan, tests were made on the real line with the support of Nissan teams having traveled to France. This led to the production of the first cars in early 2017.

“In Europe’s highly competitive urban car market, customers simply cannot be made to wait for their purchase.”



What are your main takeaways from this shared work effort?

— This project is much more than a simple sharing of processes. The engineering, quality and manufacturing teams from Flins and Oppama put a great deal of effort into the project. Thanks to their substantial efforts over a three-year period, this production line today represents the very best of Renault and Nissan. A true “learning workshop” was rolled out, and the Alliance will reap the benefits over the long term.

“New Micra will be the first Nissan produced at a French plant.”



Meticulous design
Slender lights give the car an immediately recognizable look.



Intended for export
Objective at Flins: produce 132,000 vehicles over a full year, 80% intended for European neighbors.



Blockbuster

Nissan Micra is the best-selling model in Nissan's history at 7 million units worldwide.



More space

At 17 cm longer than the previous generation, the new Micra boasts a bigger interior and is adapted to European tastes.



The agile and dynamic fifth-generation model was designed to win over European drivers.

With Micra at Flins, the Alliance is taking concrete form

Nathalie Retourné, Head of the Paint Shop Elementary Work Unit, was one of the 60 Flins employees to train at Nissan's Oppama site in Japan. We talked about the exceptional experience.

How did you integrate the Nissan processes?

— I made two trips to Oppama with two of my colleagues – a trainer and an operator. On the first trip, I learned all about the production lines and obtained Supervisor Master Trainer certification, so now I can train other operators on Nissan standards. This is the first time Renault employees have obtained this certification, and it was a vital point in Nissan authorizing Flins to produce Micra. Our second trip was more about training on specific tools. I was struck both times by the rigorousness of the training, the time our Japanese colleagues spent detailing every movement and process and explaining them to the operators. The system is extensive, with video screens set up at operator stations showing operating procedures.

What did you gain from the experience?

— It changed the way I look at my teams and the way I transmit my knowledge to them. But the opposite is also true: there was a real dialogue between us. For example, the Oppama teams didn't have the same approach to ergonomics, and when we were there we explained ours to them.



How do people feel about the arrival of Micra at Flins?

— It is a real opportunity for the plant, ensuring its long-term future. But above all this project has given the Alliance concrete form. We are now producing a Nissan vehicle, but thanks to the sharing of best practices and processes between Renault and Nissan. My impression is that it is no different from manufacturing a Renault car.

A new 20,000 m² workshop was created at Flins for Nissan Micra production.



PASSPORT TO THE WORLD MARKET...



18 years of experience



9.96 million vehicles sold worldwide in 2016,
or 1 out of 9 vehicles



Fruitful partnerships with Daimler, Dongfeng,
AVTOVAZ and Mitsubishi Motors



424,797 electric vehicle sales combined
for the Renault-Nissan Alliance,
with Mitsubishi Motors, at end-2016



Between now and 2020 the Alliance will launch over ten vehicles equipped with autonomous driving technology. To this end, it is stepping up acquisitions and partnerships.

The Renault-Nissan Alliance has acquired **Sylphéo**, a French software firm, to speed the development of its capacities in connectivity and mobility technologies.

The Renault-Nissan Alliance is announcing a partnership with **Microsoft** to pursue the roll-out of connected vehicles worldwide.

The Renault-Nissan Alliance and **Transdev** are to codevelop an autonomous vehicle fleet system for tomorrow's mobility.

... AND TO THE FUTURE OF AUTONOMOUS DRIVING



A photograph of a vibrant green building facade. The upper part features a balcony with white, ornate balustrades and a white metal railing. Below the balcony is a dark brown stone wall with white decorative patterns. Several Brazilian flags are strung across the scene. The text 'THE LIVING IS EASY IN BORDA DO CAMPO, BRAZIL' is overlaid in white, bold, sans-serif font at the bottom right.

**THE LIVING IS EASY
IN BORDA DO CAMPO,
BRAZIL**

Janaina's delicious cooking has a taste of autonomy.

By the side of the truck road to the port of Paranaguá sits Borda do Campo, one of the poorest districts in the city of São José dos Pinhais. In the mid-1990s Renault do Brasil built a plant on the other side of the highway exit ramp, generating an explosion in the population of São José. From 132,000 in 1992, the city's population has grown to over 300,000 today. Poor families have been drawn to the city by the promise of a better life. Many of them now live in Borda do Campo. Some of them have found jobs, but most have been confronted by the ills afoot in Brazilian society, including the informal economy, domestic violence, drug trafficking and prostitution.





Women take the initiative

But in 2002, the women of Borda do Campo decided to take control of their destiny. They started by planting a community vegetable garden to feed their children, at the same time forming an organization called Borda Vida. Rose, a former beneficiary who now chairs the organization, tells us: "The area was almost dead. The name 'Borda Vida' gave it new life." In 2005, Renault do Brasil gave the organization two vehicles and provided it with financial support. More projects soon followed, including a community kitchen and a "Sewing House", and relations between Renault do Brasil and Borda Vida became closer. "We have a responsibility towards the communities that we work in," says Sivia Barcik, Deputy Director of the Renault do Brasil Institute. "Encouraging the ecosystem created by Borda Viva, which works on access to education, food security, the fight against poverty and women's liberation, was an obvious move." In 2010, when the plant ordered anti-hail nets for its new vehicle stock from a subcontractor, it was the organization's sewers who took care of the order. "This very large contract helped us to develop our work and reach out to a lot more women in the community," says Rose.

An example for other communities

The Borda Viva house, built in 2015, now forms the core of the district. Women prepare 120 meals a day there for a restaurant open to the public. They have also developed a catering business for companies in the area, including Renault do Brasil. More than 130 children eat at the organization's canteen every day, or take part in after-school activities there. The Sewing House is run by nine self-employed women and has hired a fashion designer to create two collections a year using left-over fabrics and recycled materials. Their bags, made from seat-belt straps, are even sold on the Champs-Élysées at Atelier Renault. So what does the future hold in store? "There are other communities beyond the highway," says Rose. "What we have done, they can do too, and we are going to help them do so."



“The area was almost dead. The name Borda Vida gave it new life.”



3 drivers

— Children

Since it began its work, the organization has served 337,176 meals, and 1,338 children from 446 families have benefited from the project. Every year since 2010, fund-raising campaigns have financed Christmas presents and winter clothes for nearly 3,000 children.

— Training

Thirty-two women have been trained by the cooking school, 16 of whom have been hired by the organization or companies in the region. Thus far, 69 women have been trained by the Sewing House.

— Autonomy

The mothers supported by the organization have become more independent, more active and more concerned by the community through their real-life contribution to the work of the organization. And through the community-minded values of solidarity, mutual support and entrepreneurship specific to the Borda Vida project, they have become more empowered in their quest to improve their living conditions.



— SOCIAL BUSINESS AND INTEGRATION

Mobiliz

Difficulties accessing mobility constitute a key obstacle to social and professional integration or reintegration. To solve this social problem in an entrepreneurial manner, Groupe Renault introduced the Mobiliz solidarity program in 2012 based on the principles of social business. Developed in cooperation with partners from the charity sector, academia and public organizations, Mobiliz comprises three components: the commitment of Renault Socially Responsible Garages, which volunteer to provide program beneficiaries with quality products and services at preferential prices; the work

of the Mobiliz Invest SAS investment company, which provides financing and support for businesses offering innovative high-impact mobility solutions for socioeconomically disadvantaged people; and Renault's sponsorship of the Business & Poverty Chair at HEC business school and its participation in the Business and Poverty Action Tank, which seeks to contribute to a more inclusive society that creates more economic and societal value.



— France, Spain, Argentina, Brazil

Our finest performances are community-minded and responsible





— 15 YEARS OF INITIATIVES

Renault Foundation

Since its creation in 2001, the Renault Foundation has enabled over 950 students of 35 nationalities to benefit from a grant to join leading-edge training programs in multicultural management, road safety and sustainable mobility. The Foundation has an educational and humanist remit to train new generations in tomorrow's trades so as to help

them succeed in a global and multicultural professional world. The Foundation's five programs take a forward-looking stance to future needs while fostering equal opportunities and intercultural relations.



— RAISING THE AWARENESS OF NEARLY 15 MILLION CHILDREN

Road safety

The Safety and Mobility for All educational program mainly targets children and teenagers. Launched by the Group in 2000, it has already served to inform several million young people around the world through the dissemination of over one million educational resources. Currently implemented in ten countries, it ranks among the

most ambitious road safety awareness campaigns ever to be led by an automotive manufacturer. "Kids on the Road", for primary school children, has been adopted and implemented in Poland, Slovenia, Bulgaria, Croatia, Portugal, Turkey, Brazil, Argentina and Colombia.

— A NEW MIND-SET SINCE RIO

Disabilities

At the Rio 2016 Paralympic Games, Renault committed in five countries to seven athletes, forming the Renault Handisport Team to help change mind-sets about disabilities. With four gold medals, three silvers and two bronze the team put in a stellar performance at the Games. Marie-Amélie Le Fur, an athlete who won three medals in Rio,

had this to say to young people with disabilities who dream of competing in the Games: "Believe in your dreams, go for it and give it your all to succeed. And don't forget the importance of sharing and people."

— **Introducing Oliver Faust,**
Vice President, CSR, Groupe Renault

“Difficulties accessing mobility are a key obstacle to integration.”

What is Renault’s philosophy on responsible commitment?

— **A company’s primary responsibility** is ensuring its profitability and the sustainability of its business activities. We are a carmaker. Cars are a fantastic source of freedom, but they also have negative impacts in terms of road accidents and the environment. And so we are naturally responsible for addressing these two issues. But our responsibility does not end there. We are also part of an ecosystem. Society expects us to share the creation of value, particularly in our employment catchment areas, by fighting against exclusion and poverty.

And within our organization, our performance hinges on the well-being and training of our employees and the promotion of diversity among our teams.

You are also interested in social entrepreneurship.

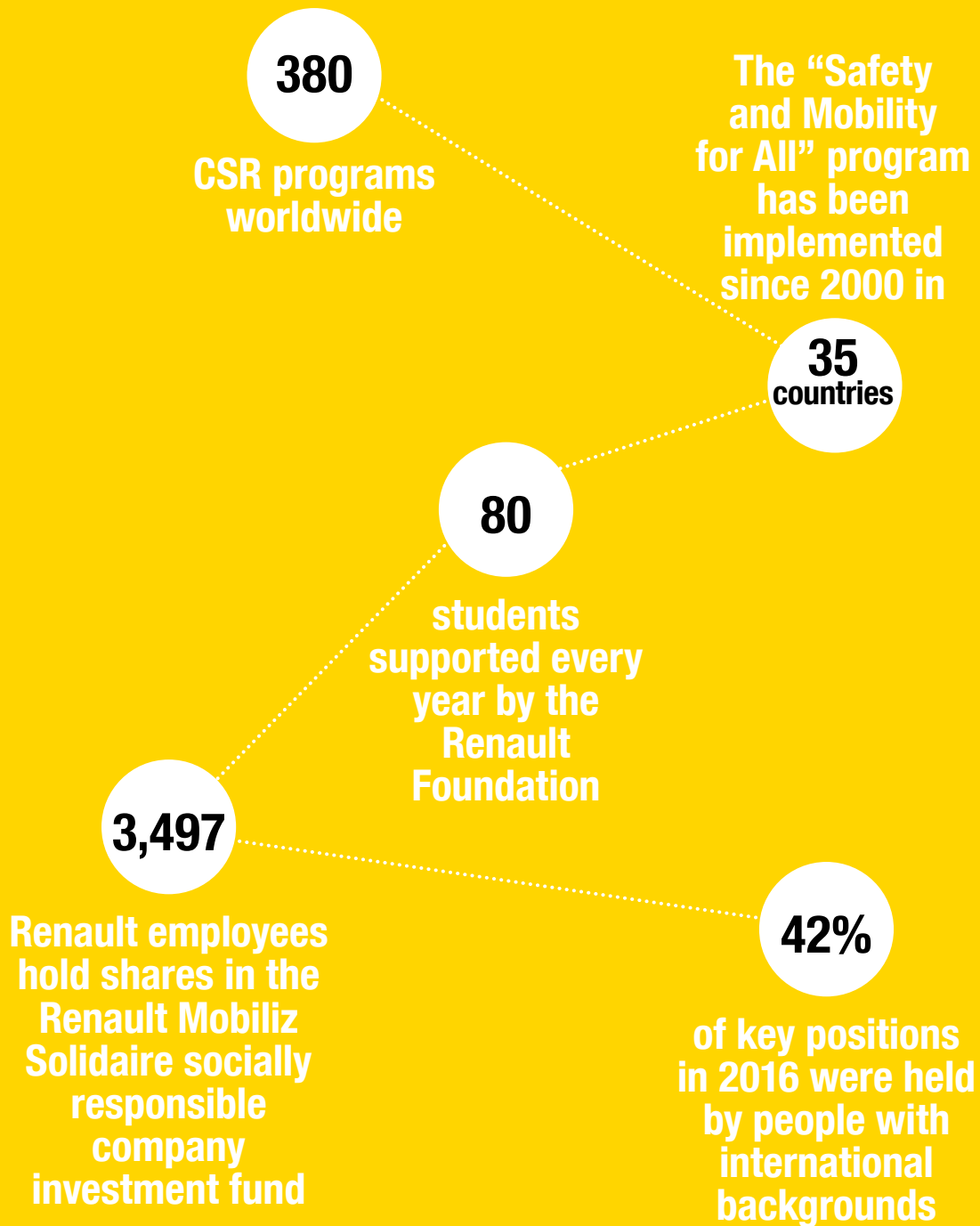
— **Yes, because it is a way of generating a positive social impact at no additional cost for the company.** We already have two major programs under way. To remove one of the primary obstacles to integration, i.e. difficulties accessing mobility, we have nearly 350 Socially Responsible Renault Garages in our network in France. These garages repair the vehicles of people in situations of poverty at cost price and enable them to benefit from lease purchasing deals combined with micro-loans for the acquisition of a new vehicle. Our Mobiliz Invest investment fund has already enabled eight innovative companies to develop a business activity with a positive social impact with the help of Renault mentors. This is a win-win approach, because through these companies we gain access to highly experimental projects in the field of mobility.

What is the future road map for Renault CSR?

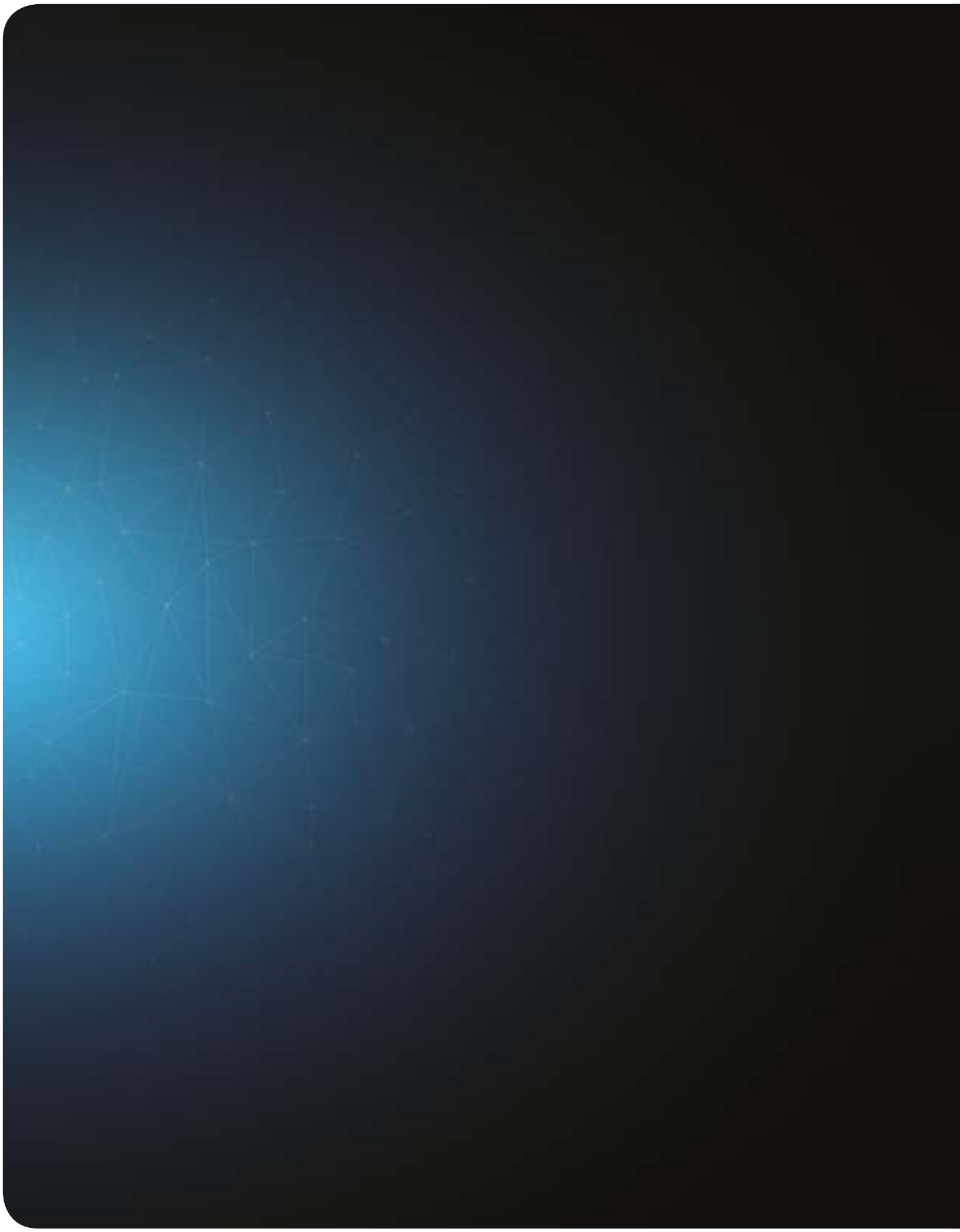
— **In short, we are going to step up our work on inclusion and responsible mobility.** Inclusion is the opposite of exclusion. It is about developing diversity and leaving no one behind, be it one of our own employees or society as a whole. It is also about helping people to integrate, particularly through social entrepreneurship and education (in addition to the current programs of the Renault Foundation). Committing to responsible mobility means building cars and raising the road-safety awareness of users (our program already covers 14 countries and we are commencing roll-out in China). It also involves producing vehicles in respect of the environment throughout their entire life cycle. Together, these initiatives add up to quite a program!



CSR KEY FIGURES



Renault and its employees are working to shrink the group’s environmental footprint. Every year, they avoid the atmospheric release of the CO₂ emissions of a city the size of Barcelona (1.6 million inhabitants).



shareholder handbook



 100%

GOVERNANCE

The Board of Directors met seven times in 2016. Drawing on the in-depth work of its specialized committees, the Board addressed the key areas of Group strategy, the defense of company interests, the accounts and budget, corporate governance and regulated agreements.

Members of the Board of Directors

At February 9, 2017

CARLOS GHOSN

- Chairman and CEO, Renault S.A.
- Chairman and CEO, Nissan Motor Co. Ltd (until March 31, 2017)
- Chairman of the Board, Nissan Motor Co. Ltd (since April 2017)
- Chairman of the Board, Mitsubishi Motors Corporation (since October 2016)

Current term expires: Annual General Meeting 2018

FREDERICK BARRAT

- Director elected by the employees
- Supervisor in planning and processes, special requirements (Renault)
- Member of the International and Industrial Strategy Committee

Current term expires: November 2020

ALAIN J.-P. BELDA

- Independent Director
- Executive Director, Warburg Pincus
- Member of the Remuneration Committee
- Member of the Appointments and Governance Committee
- Member of International and Industrial Strategy Committee

Current term expires: Annual General Meeting 2017

CHERIE BLAIR

- Barrister
- Independent Director
- Founder and Chair of Omnia Strategy LLP
- Founder and Chair of the Cherie Blair Foundation for Women

Current term expires: 2019

THIERRY DESMAREST

- Independent Director and Lead Director of Air Liquide
- Independent Director
- Chairman of the International and Industrial Strategy Committee
- Member of the Remuneration Committee

Current term expires: Annual General Meeting 2020

PASCAL FAURE

- Director appointed by the French State
- Director General, DGE
- Member of the International and Industrial Strategy Committee

Current term expires: N/A

DOMINIQUE DE LA GARANDERIE

- Independent Director
- Founder and Partner, Cabinet La Garanderie & Associés (law firm) and former Chairman of the Paris Bar Association
- Member of the Audit, Risks and Ethics Committee
- Member of the Appointments and Governance Committee

Current term expires: Annual General Meeting 2017

RICHARD GENTIL

- Director elected by the employees
- Technician, hydraulic and mechanical maintenance methods, and gas foundry manager, Renault
- Member of the International and Industrial Strategy Committee

Current term expires: November 2020

MARC LADREIT DE LACHARRIÈRE

- Independent Director
- Chairman and CEO, Fimalac
- Chairman of the Appointments and Governance Committee
- Member of the Remuneration Committee

Current term expires: Annual General Meeting 2018

PHILIPPE LAGAYETTE

- Director of Fimalac
- Lead Director
- Independent Director
- Chairman of the Audit, Risks and Ethics Committee
- Member of the Appointments and Governance Committee

Current term expires: Annual General Meeting 2019

BENOÎT OSTERTAG

- Director elected on the proposal of the employee shareholders
- Skills Leader, Quality Function (Renault)
- Member of the Audit, Risks and Ethics Committee
- Member of the International and Industrial Strategy Committee

Current term expires: Annual General Meeting 2017

ÉRIC PERSONNE

- Director elected by the employees
- Head of Sales and Quality Reporting, Renault Retail Group (RRG)
- Member of the Remuneration Committee
- Member of the International and Industrial Strategy Committee

Current term expires: November 2020

Four specialized committees

— Audit, Risks and Ethics Committee (CARE).

This Committee has six members, four of whom are independent. It met five times in 2016. It notably reviewed: the accounts and the related financial press releases, the accounting and financial impacts of a number of Group partnerships, the monitoring of internal and external audit plans, and the independence of the statutory auditors.

— Remuneration Committee.

This Committee has five members, four of whom are independent. It met five times in 2016, notably addressing the remuneration of the Chairman and CEO, including the performance conditions attached to his variable remuneration under the “Renault – Drive the Change” plan.

— Appointments and Governance Committee.

This Committee has five members, four of whom are independent. It met twice in 2016, its main business concerning the make-up of the Board of Directors and Board Committees, the renewal of directors, with particular emphasis on targets for increasing the number of female Board members, the Board's performance and the list of independent directors.

— Strategy Committee International and Industrial.

This Committee results from the merger in April 2016 of the International Strategy Committee and the Industrial Strategy Committee. The Committee is made up of two independent directors, four directors elected by employees or employee shareholders and one director representing the State. It met twice in 2016, its main business concerning Renault's operations in India and Renault's activity in Russia and China. It also examined technical subjects relating to the electric vehicle strategy.

OLIVIA QIU

- Director of Saint Gobain S.A.
 - Independent Director
 - Director of Innovation, Philips Lighting
- Current term expires: Annual General Meeting 2020

FRANCK RIBOUD

- Chairman of the Strategic Committee, Danone S.A.
 - Independent Director
 - Chairman of the Board, Danone S.A.
- Current term expires: Annual General Meeting 2018

YU SERIZAWA

- Advisor to the Chairman of Mori Building Company Limited
 - Director proposed for election by Nissan
 - Chair and CEO, Forma Corporation
- Current term expires: Annual General Meeting 2017

PASCALÉ SOURISSE

- Independent Director
 - Senior Executive Vice President, International Development, Thales
 - President, Thales International SAS
 - Member of the Audit, Risks and Ethics Committee
- Current term expires: Annual General Meeting 2018

PATRICK THOMAS

- Independent Director
 - Member of the Supervisory Board, Laurent Perrier
 - Chairman of the Remuneration Committee
 - Member of the Audit, Risks and Ethics Committee
- Current term expires: Annual General Meeting 2018

MARTIN VIAL

- Director appointed by the French State
 - Commissioner of government shareholdings under the supervision of the French Ministry of Finance and Public Accounts and the French Ministry of the Economy, Industry and the Digital Sector
 - Member of the Audit, Risks and Ethics Committee
 - Member of the Appointments and Governance Committee
- Current term expires: N/A

YASUHIRO YAMAUCHI

- Director of Renault Nissan b.v.
 - Chief Competitive Officer, Nissan Motor Co., Ltd.
- Current term expires: Annual General Meeting 2018

FINANCIAL RESULTS IN 2016

Driven by the momentum of its “Drive the Change” plan, Groupe Renault set a new sales record in 2016. With registrations of 3.18 million vehicles, it became the leading French automotive group in the world.

All the Regions increased their sales volumes and market share.

Group revenues in 2016 came to €51,243 million, up 13.1% on 2015. At constant exchange rates, revenues grew 17.0%.

Automotive revenues in 2016 totalled €48,995 million, up 13.7% thanks to an increase in the sales volumes of the Group brands and sales to partners. The price effect was positive, primarily owing to the impact of new models and to the price increases made in some emerging countries to offset currency devaluation.

Group operating margin came out at €3,282 million (+38.2%), compared with €2,375 million⁽¹⁾ in 2015, and represented 6.4% of revenues (5.2%⁽¹⁾ in 2015).

Automotive operating margin increased €840 million (+54.3%) to €2,386 million, or 4.9% of revenues (compared with 3.6%⁽¹⁾ in 2015). The performance was mainly attributable to growth in sales volumes (€1,036 million). Continued cost reduction made a positive contribution of €184 million after factoring in a substantial increase in R&D expenditure. The mix/price/enrichment effect was positive by €115 million, mainly due to the impact of our new models and price increases in some emerging countries. The currency impact was highly negative at -€702 million, primarily reflecting the depreciation of pound sterling and the Argentine peso. Raw materials continued to have a highly positive effect of €331 million. General and administrative expenses increased €112 million. The contribution of **Sales Financing** to the Group's operating margin came to €896 million, compared with €829 million⁽¹⁾ in 2015, for an increase of 8.1%. The cost of risk (including country risk) stabilized at a very high level of 0.31% of average performing loans outstanding, compared with 0.33% at end-2015.

Other operating income and expenses were practically neutral at +€1 million. This mainly resulted from a profit of €325 million recorded following the initial global integration of AVTOVAZ on December 31, 2016, and from restructuring provisions, notably in France, for a total €283 million. No provisions were recorded for the investigation on diesel in France.

Group operating income totalled €3,283 million, compared with €2,176 million⁽¹⁾ in 2015.

Financial income was a negative €323 million compared with a negative €221 million in 2015. This trend mainly resulted from the contraction in financial products, notably in Argentina, and exchange rate gains recorded in 2015.

The contribution of associated companies came to €1,638 million, compared with €1,371 million in 2015. Nissan's contribution in 2016 amounted to €1,741 million, compared with €1,976 million in 2015. AVTOVAZ's contribution was negative, at €89 million, compared with a loss of €620 million recorded in 2015. The improvement can mainly be attributed to the sharp decrease in impairment loss recorded in 2016 compared with 2015, and, in part, to the company's improved operational performance. The consolidation of the losses of AVTOVAZ in the income of companies accounted for under the equity method in 2016 was capped at the value of the investment in Renault's books.

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

Automotive operational free cash flow was a positive €1,107 million, after factoring in a change in the working capital requirement contributing €356 million in the period.

The net cash position following the consolidation of AVTOVAZ was €2,720 million (€3,925 million before consolidation).

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

(1) Restated for IAS 12.

The outlook for 2017

The world car market is expected to grow by between 1.5% and 2.5% in 2017, compared with the previous estimate of between 1.5% and 2%.

The European market is still expected to grow by 2% over the same period, as is the market in France. Outside Europe, the Russian market could grow by up to 5%, in contrast to an initial forecast of stability. China (+5%) and India (+8%) are expected to maintain their growth momentum.

Against this backdrop, and following the consolidation of AVTOVAZ, Groupe Renault is confirming its objectives:

- **increase revenues beyond the impact of AVTOVAZ (at constant exchange rates)⁽²⁾**
- **increase Group operating margin in euros⁽²⁾**
- **generate positive Automotive operational free cash flow.**

(2) Compared with the 2016 results published by Groupe Renault.



€51,243 million
Revenues up 13.1%

3.18 million units
Registrations
up 13.3%

€3,282 million
Group operating margin
up 38.2% (6.4% of revenues)

€2,386 million
Automotive operating margin
up 54.3%
(4.9% of Automotive revenues)

€3,283 million
Group operating income
up 50.9%

€1,638 million
Contribution of associated
companies

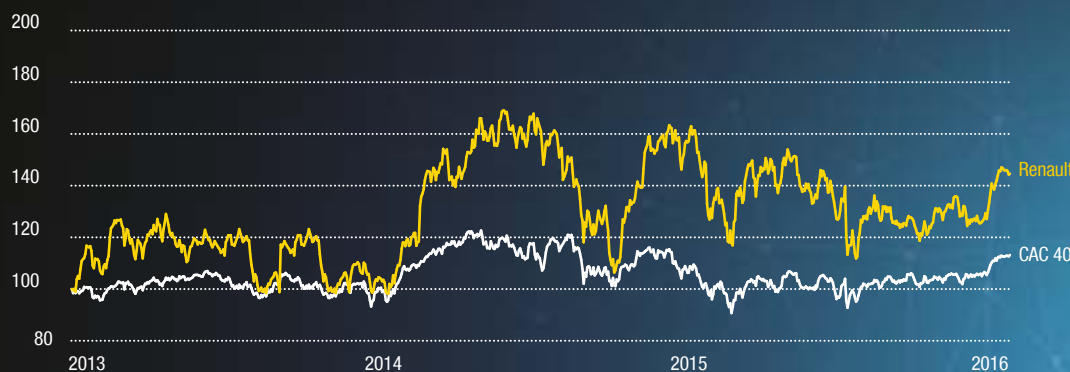
€3,543 million
Net income up 19.7%

€1,107 million
Positive Automotive operational
free cash flow

SHARE PERFORMANCE AND OWNERSHIP STRUCTURE

The Renault share has been listed on the Paris Stock Market (Euronext) since November 17, 1994, the date of the Company's initial public offering. The share price at the time of the IPO was FF 165, or €25.15. Renault has been listed in the CAC 40 index of French blue-chip companies since February 9, 1995. It is also listed on the SBF, Euronext and Euro Stoxx Auto indexes.

Share price trend in the last three years



Ownership structure

in % at December 31, 2016

SHARE CAPITAL
€1,126,701,902.04

295,722,284
Actions

Public
58.50%

Self-owned
1.57%

French State
19.74%

Nissan
15%

Employees*
2.09%

Daimler Pension Trust e.V
3.10%

*The share of shares held by employees and former employees taken into account in this category corresponds to the shares held in the FCFE employee savings funds.



To find out more,
go to

group.renault.com/finance

SUSTAINABLE RATINGS AND INDEXES

Sustainability rating agencies, specialized departments of financial institutions and certain investor groups assess companies on their commitments, the implementation of responsible policies, and their performance in terms of labor relations, environmental protection and corporate governance. These assessments are designed to meet demand from socially responsible or mainstream investors, who use the findings to select the companies in which they invest⁽¹⁾.

Some of these rating agencies, usually working in partnership with providers of equity indexes, have developed special benchmarks composed of the top-rated companies in terms of the environment, labor relations, and corporate governance.

Renault's ratings in 2016

— Carbon Disclosure Project

The Carbon Disclosure Project (CDP), founded in 2000, is mandated by a group of institutional investors to enhance understanding of the impacts of climate change on the value of the assets managed by its signatories.

Since 2002, the CDP has sent a regular information request to companies in a standard format, asking them about their greenhouse gas emissions and policy on climate change. The CDP notably covers the members of the FT 500 index of the world's top 500 companies by market capitalization.

Results in 2016: Following its responses to the CDP Climate Change questionnaire, Groupe Renault obtained an A rating, ranking it in the A list of companies considered by the CDP as the world leaders in the fight against climate change. On October 25, 2016 the CDP presented a Climate Leadership Award to Groupe Renault for its contribution to the reduction of greenhouse gases.

— ROBECOSAM

SAM is an asset management company founded in 1995 and based in Switzerland. It specializes exclusively in responsible investment, bringing companies asset management services, sustainable development indexes including the well-known Dow Jones Sustainability Indexes (DJSI), company ESG assessments and proactive and committed investment solutions.

Results in 2016: Even though it was not chosen for the Dow Jones Sustainability World Index (DJSI World), Groupe Renault posted a strong performance, in particular in environmental terms, and rated higher than average in the automotive industry.

— OEKOM RESEARCH

Oekom research is a leading sustainable rating agency that analyzes 6,200 issuers (5,500 companies and subsidiaries, and 700 sovereign issuers) around the world.

Results in 2016: Groupe Renault's ESG performance once again earned "Prime" status, with an overall B-rating. The Group ranked among the top three carmakers analyzed worldwide, as of March 9, 2017. Groupe Renault obtained a C+ rating in the "Social" category and a B rating in the "Environment" category.

— SUSTAINALYTICS

Sustainalytics is a leading independent international agency in the field of ESG research and ratings. In February, 2017 Groupe Renault's overall ESG performance received a rating of 75 out of 100, earning it "Leader" status in the automotive industry assessed.

— MSCI

MSCI is one of the world's leading suppliers of investment decision-making tools. MSCI ratings assess the performance of businesses in 37 key ESG areas, focused on the most material issues (i.e. those potentially generating major risks and opportunities) common to the core business of the company and the industrial sector concerned. Companies are rated on a scale of AAA to CCC relative to the standards and performance of their peers in the sector. MSCI also manages the series of MSCI Global Sustainability Indexes, including companies with the highest MSCI ESG ratings relative to their peers in the sector in a given region.

Results in 2016: Groupe Renault once again received a global ESG rating of AA, ranking third among the major players in the automotive industry behind Tesla and BMW. Groupe Renault is listed in the MSCI Global Sustainability Indexes, including the MSCI ACWI ESG Index, the MSCI World ESG Index, the MSCI EM ESG Index and the MSCI USA IMI ESG Index.

Inclusion in socially responsible indexes

Renault is listed in the following socially responsible indexes:

— **Ethibel Excellence:** Renault was once again included in the Ethibel Sustainability Index (ESI) Excellence Europe on March 20, 2017. Selection by Forum Ethibel indicates that the company has a better social performance than the average in its sector.

— **The Global Challenges Index,** set up in 2007 by the German agency oekom research, lists 50 companies worldwide recognized for their contribution to sustainable development through their products and services and for initiatives related to the development of their businesses. At March 22, 2017 Groupe Renault continued to be listed in this index;

— the series of MSCI Global Sustainability Indexes,

including the MSCI ACWI ESG Index, the MSCI World ESG Index, the MSCI EM ESG Index and the MSCI USA IMI ESG Index. The MSCI ACWI ESG Index lists mid- and large-cap companies in 23 developed-market countries and 21 emerging-market countries. The MSCI World ESG Index lists mid- and large-cap companies in developed markets. The MSCI EM ESG Index lists mid- and large-cap companies. The MSCI USA IMI ESG Index lists US small-, mid- and large-cap companies.

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— The STOXX Global ESG Leaders Index,

including the world's leading companies in environmental, social and governance terms. At March 22, 2017 Renault continued to be listed in this index, which is calculated on the basis of indicators supplied by Sustainalytics. This index comprises three ESG sub-indexes: STOXX Global ESG Environmental Leaders, STOXX Global ESG Social.

(1) Socially responsible investment (SRI) refers to all financial investments made not only on the basis of the financial performance of the monitored values but also on the integration of criteria such as the company's behavior relative to its economic, social and environmental environment.

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Printing: Relais Graphique

Renault has transformed.

Everything has changed: its products, its global business locations, its industrial platforms and its innovative capacity.

Rediscover the passion driving the Renault brand and the collective confidence inspired by a French automotive group full of energy and promise.

