

## A Robust and Fruitful Alliance

The targets outlined in the Nissan Value-Up plan for sustainable growth would be far harder to achieve without the close and continuing cooperation of our Alliance partner, Renault. With CEO Carlos Ghosn leading the executive committees of both companies, the Alliance has become an even greater source of global insight and solutions.

A distillation of best practices from two companies is much more potent than what one alone can produce. The Alliance board meets regularly to develop strategy and to share perspectives on major industry issues and opportunities.

Because its scope remains open and flexible, the Alliance has generated a wide spectrum of projects and initiatives. For example, one core benefit of the Alliance is the capacity to carry out in-depth benchmarking that would not be possible with a third party. Nissan and Renault's joint transparency policy encourages such disclosures, giving us the advantage of a dual angle on problems and their potential solutions.

The Alliance presents opportunities in engineering as well. We have collaborated on powertrain development, for example, giving both Renault and Nissan the chance to refine a fundamental component of the carmaking craft. Across functions and borders, our engineers are inspiring each other to devise the vehicles of the future.

Further optimization of the Alliance in areas such as distribution and shared production capacity lowers cost and risk—factors that will help us expand faster in the largely untapped General Overseas Markets (GOM). Where one partner has a presence and the other does not, the support and market knowledge is there to be shared. For a totally new market or segment, we discuss the best way to enter. Two recent examples of Alliance cooperation are:

- New diesel engines with market-changing potential. One is the M1D, a 2.0-liter common-rail

diesel that began rolling out across the Renault and Nissan ranges in 2006. Another is an all-new clean diesel engine that will debut in the United States in 2010 in the Nissan Maxima. This engine, part of a concerted effort to reduce CO<sub>2</sub> emissions and dependence on pure petroleum-based fuels, will clear stringent U.S. Environmental Protection Agency emissions requirements.

- In July 2007, Nissan Mexicana introduced a new vehicle to the Mexican market called the Aprio. This car is a variation of the Renault Logan already being marketed in more than fifty countries under the Renault and Dacia brands. The Aprio is built at the Renault manufacturing plant in Curitiba, Brazil, and is the most recent example of the robust collaboration between Renault and Nissan.

To make the Alliance thrive, Nissan and Renault concentrate solely on opportunities with the potential to benefit both partners. One example is shared sales financing services in various markets, including Europe. If a project is not mutually advantageous, we either find a way to balance the return or abandon the venture.

In the end, the true worth of the Alliance springs from its virtually limitless potential. We realize that we each have our own strengths and goals, but that only energizes us to discover where we can rely on each other for support. We challenge each other, too, and in doing so, move our businesses to a higher road.

**RENAULT NISSAN**



The Renault Scenic (left) and Nissan Dualis