

GILLES NORMAND
Corporate Vice President



Middle East, Africa, Latin America and the Caribbean

A Fast-Rising Performer

The story for fiscal 2006 in our part of GOM—Africa, the Middle East and Latin America—was much the same as in 2005, with double-digit growth momentum in all regions. Our total volume was up 18 percent, and our average market share rose to 7.7 percent. Our growth was well balanced across Latin America, the sub-Saharan, the Caribbean, the Maghreb, and the Middle East. Some countries enjoyed explosive growth, including the doubling of our sales in Venezuela and Egypt, 18 percent in South Africa, and more than 20 percent in some parts of Latin America and the sub-Saharan.

Rising prices for raw materials and oil have been a positive driver for us. For instance, our sales in Chile, the world's largest copper producer, are buoyant. The increased traffic of such goods through the Suez Canal and Panama Canal has also helped us. We've doubled our volume in Egypt, and our sales in Panama are thriving.

Last year we launched four new vehicles in Latin America and the Caribbean, including the Tiida, which was voted Car of the Year of the Americas. We also introduced several new models in the Middle East, such as the Sunny, now sourced from Korea through our Alliance with Renault. This car is incredibly successful—our initial sales projections were too conservative, and we're having a hard time keeping our Middle East and African distributors supplied. In the luxury market, Infiniti sales in the Middle East totaled 4,700 units, up 28 percent. That's good, but in our opinion still far from the Infiniti's potential in the region.

We did lose an opportunity in entry-level cars, simply because we don't have this type of product in our lineup yet. However, we recognize the global opportunity of such products and we're working very hard to address this segment.

On the plus side, Nissan's brand power is improving, demonstrated by the narrowing of the price gap against our competitive benchmarks. In certain markets and segments, we're even exceeding them. We also received four gold awards in South Africa for sales and service quality—one in every customer satisfaction category.

The company is clearly investing more to secure growth. Last year we announced a 150 million dollars investment to introduce a full new product lineup in Brazil and Argentina. We're using Brazil as a laboratory to develop bio-ethanol and flexfuel technology, which is crucial because we know that mature markets like the United States and Europe are seriously considering ethanol and flexfuel as alternatives.

Fiscal 2007 will be another year of progress for us. We will launch a record eight new cars in the Middle East, including the Altima sedan and coupe, the Xterra, the Qashqai, the new Armada, and the new Navara. We are introducing six new models in the Maghreb region—another record.

We have also launched a new family of cars called the Livina. The Livina is a global car, but we're introducing it in GOM first. It's already being sold in China and Indonesia, with launches in several GOM countries to follow. As for the Infiniti brand, we will introduce the G37 coupe, the EX, and other models in the lineup. Our target this year is 6,000 units.

So, our GOM "revolution" continues. We feel good about the products, our local operations and business partners and, most importantly, our ability to deliver what customers expect from Nissan.



New Showroom in Qatar opened in June 2007