RENAULT–NISSAN ALLIANCE BASICS

RENAULT–NISSAN ALLIANCE

Signed on March 27, 1999, the Renault-Nissan Alliance is the first of its kind involving a Japanese and a French company, each with its own distinct corporate culture and brand identity. Both companies share a single joint strategy of profitable growth and a community of interests. To promote this shared objective, the Renault–Nissan Alliance set up joint project structures as early as June 1999 covering most of both companies’ activities.

THE ALLIANCE CHARTER

A Charter, signed in July 1999, sets out the principles of a shared ambition, mutual trust, respect of each partner’s identity, and balance between the two partners of the Renault–Nissan Alliance, completed by operating and confidentiality rules.

THE ALLIANCE BOARD

The Alliance Board steers the Alliance’s medium- and long-term strategy and coordinates joint activities on a worldwide scale. Alliance Board members (AB members) are Carlos Ghosn, the President and CEO of Renault and President and CEO of Nissan, three Renault Executive Vice Presidents (EVPs) and three Nissan EVPs. Members of the Renault EEG (Renault Group Executive Committee) and the Nissan EC (Executive Committee) also participate in the Alliance Board Meeting (ABM). AB members officialize decisions at the end of the meeting. Renault and Nissan run their operations under their respective Executive Committees, accountable to their Board of Directors, and remain individually responsible for their day-to-day management.

President of the Alliance Board:

Carlos Ghosn

The Alliance Board members include:

- Carlos Ghosn (President)
- Patrick Blain, Patrick Pelata, Jean-Louis Ricard, Toshiyuki Shiga, Tadao Takahashi, Mitsuhiko Yasukita

STRUCTURE OF THE ALLIANCE

Renault hold a 44.3% stake in Nissan, while Nissan owns 15% of Renault shares. Each company has a direct interest in the results of its partner.
RENAULT–NISSAN ALLIANCE BASICS

AB members from Renault:

Patrick Blain
Executive Vice President
Sales and Marketing

Patrick Pélata
Executive Vice President
Product, Strategic Planning and Programs

Jean-Louis Ricaud
Executive Vice President
Engineering and Quality

AB members from Nissan:

Toshiyuki Shiga
Chief Operating Officer
Japan Operations (MC-J),
GOM Operations (MC-GOM),
China Operations,
Global Marketing and Sales,
Global Affairs and
Conversion Business,
Corporate Quality Assurance
and Customer Service,
Human Resources, Treasury

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Corporate Quality Assurance
and Customer Service,
Human Resources, Treasury

Renault CEG members (in addition to AB members):

Michel de Vrigne
Corporate Secretary General
Executive Vice President
Renault Group Human Resources

Michel Gornet
Executive Vice President
Manufacturing

Thierry Moulanguet
Executive Vice President
Chief Financial Officer

Nissan EC members (in addition to AB members):

Hitoshi Saikawa
Executive Vice President
European Operations (MC-EE),
Purchasing

Carlos Tavares
Executive Vice President
Design,
Corporate Planning,
Product Planning,
Market Intelligence,
LCV Business

Alain-Pierre Reynaud
Senior Vice President
Global Controller

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RENAULT–NISSAN ALLIANCE BASICS

MANAGEMENT STRUCTURES AND GOVERNANCE OF THE ALLIANCE

To define a common strategy and manage synergies, an Alliance strategic management company, Renault-Nissan bv*, was founded on March 28, 2002. Renault-Nissan bv is jointly and equally owned by Renault and Nissan and hosts the Alliance Board, which met for the first time on May 29, 2002, and holds up to ten meetings a year.

* bv (Besloten vennootschap) is a closed limited liability company under Dutch law.

COORDINATION BUREAU

The Alliance Coordination Bureau (with one office in Renault – Paris and one in Nissan – Tokyo) coordinates the work of the Steering Committees (SCs), Cross-Company Teams (CCTs), Functional Task Teams (FTTs), and Task Teams (TTs) and prepares the meetings of the Alliance Board.

STEERING COMMITTEES*

Steering Committee (SC) handles cross group orientations under their responsibility and proposes the priority subjects for the ABM agenda and coordinates CCT/FTT/TT activities within the specific scope of the SC. The SC will decide on operational matters which cannot be solved at the CCT level and reports progress to the ABM and – where necessary – requests arbitrage or a decision confirmation. Seven SCs covering specific fields support the CCTs/FTTs that are responsible for the implementation of Alliance Projects.

The seven SCs are:

1. Planning
2. Product Development and Manufacturing
3. Control and Finance
4. Sales and Marketing
5. Information System
6. Support Function
7. General Overseas Market

*organization as of November 2003.
MANAGEMENT STRUCTURES AND GOVERNANCE OF THE ALLIANCE

3. CROSS-COMPANY TEAMS*

The structure of joint projects and synergies is primarily based on the work of 19 Cross-Company Teams (CCTs), made up of employees of both companies. Their mission is to act as opportunity hunters and problem solvers. They are also responsible for following up on the implementation of action items. CCTs explore opportunities for synergies between Renault and Nissan, draw up joint projects and monitor their implementation and report to the SC or Executive Vice President/Senior Vice President responsible.

The nineteen CCTs are:
1. Product Planning
2. Research and Advanced Engineering
3. Vehicle Engineering
4. Powertrain
5. Process Engineering
6. Manufacturing
7. Logistics
8. Purchasing
9. Light Commercial Vehicle
10. Parts and Accessories
11. Europe
12. Eastern Europe
13. Korea
14. China
15. Asia and Oceania
16. Africa and Middle East
17. Mexico
18. Central America
19. South America

4. FUNCTIONAL TASK TEAMS*

Functional Task Teams (FTTs) assist the work of the CCTs and contribute to synergies between Renault and Nissan in support functions (process, standards, management and information tools, etc).

The nine FTTs are:
1. Quality
2. Cost Management and Control
3. Research and Development
4. Legal and Tax
5. Corporate Planning
6. Communication
7. Human Resources
8. Marketing
9. Sales and Service

5. TASK TEAMS*

Whenever a specific subject arises, a task team (TT) is assigned to work on it until its accomplishment.

The four TTs are:
1. Industrial Strategy
2. Custom and Trade
3. Business-to-Employee (B2E)
4. Home Market

*organization as of November 2005.
ALLIANCE WORLDWIDE SALES AND PRODUCTION SITES IN 2004

The figures* represent sales in thousands of vehicles.

Combined Renault and Nissan sales: 5,785,231 units (up 8.0% over 2003)

**Renault Group** sales: 2,489,401 units
- Renault-Samsung Motors (RSM): 85,046 (down 23.7%)
- Dacia: 95,627 units (up 39.1%)

**Nissan Group** sales: 3,295,830 units

**Renault-Nissan Alliance global market share came to 9.6%**, of which **4.1% for Renault and 5.5% for Nissan**.

* The figures have been rounded off.
Today, global combined sales top 5.7 million vehicles per year and represent more than 9.6% of the worldwide market. The Renault-Nissan Alliance ranks among the leading four global automakers. It includes five brand names: Nissan and Infiniti for the Nissan Group and Renault, Dacia and Samsung for the Renault Group. Thanks to strong sales and industrial complementarities of the two companies, the Renault-Nissan Alliance has been able to grow in the global automotive market.

* Renault’s figures by country were updated from those released on February 2nd, 2005.
**OVERVIEW IN FISCAL YEAR 2004**

**RENAULT GROUP**
(including Renault, Dacia and Samsung Motors brands)

- **Revenues** €40,715 million / US$50,624 million
- **COP** €2,148 million / US$2,671 million
- **Net income** €3,551 million / US$4,415 million
- **Workforce** 130,573 employees
  - Based on Renault’s accounting standards
  - Exchange rate: 1.243385 US$/€, average rate for fiscal year ending December 31, 2004

**NISSAN GROUP**
(including Nissan and Infiniti brands)

- **Revenues** €63,812 million / US$79,705 million
- **COP** €6,407 million / US$8,003 million
- **Net income** €3,812 million / US$4,761 million
- **Workforce** 183,607 employees
  - Based on Nissan’s accounting standards
  - Exchange rates: 134.4 Yen/€ and 107.6 Yen/US$, average rates for the fiscal year ending March 31, 2005

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**RANKING OF AUTOMOTIVE GROUPS IN TERMS OF PRODUCTION VOLUME IN 2004**
(PASSENGER VEHICLES + LIGHT COMMERCIAL VEHICLES)

The figures represent production in thousands of vehicles.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Production Volume</th>
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<tbody>
<tr>
<td>1</td>
<td>General Motors</td>
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<tr>
<td>2</td>
<td>Ford</td>
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<td>3</td>
<td>Toyota</td>
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<td>Renault-Nissan</td>
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<td>VAG</td>
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<td>Daimler Chrysler</td>
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<td>Zhejiang Geely</td>
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Source: CCFA (Comité des Constructeurs Français d’Automobiles)