

## STRUCTURAL COOPERATION

## 1 Product Planning

Renault and Nissan develop and market their own vehicles with respect for their individual brand identity. However, in the short term, when brand image is not involved and for specific products (such as light commercial vehicles) in certain markets, Renault and Nissan do not exclude the possibility of selling adapted products from their partner's range under their own brand name.

Double-badging and cross-manufacturing take full advantage of exchanging best practices and efficiency within the Alliance.

In Europe, it was initially aimed to support Nissan's LCV sales drive.

## Vehicles double-badged and cross-manufactured in Europe

Renault	Nissan	Start of sales by Nissan
Master	Interstar	March 2002
Trafic	Primastar	September 2002
Kangoo	Kubistar	October 2003



Renault Master



Nissan Interstar



Renault Trafic



Nissan Primastar

Nissan's Barcelona plant in Spain produces the Renault Trafic, the Nissan Primastar (and the Opel/Vauxhall Vivaro) enabling both brands to meet the growing demand for compact vans.



Renault Kangoo



Nissan Kubistar

## Mexico

Nissan Platina, an adapted version of the Renault Clio sedan, was launched in April 2002.

## 2 Common Platforms

Common platforms are developed as Renault and Nissan renew their product line-up. Renault and Nissan aim to share platforms with a target of 10 shared platforms in 2010.

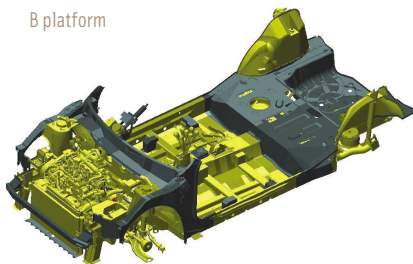
### B PLATFORM

**Nissan March**  
**Nissan Cube**  
**Nissan Micra**  
**Nissan Tiida**  
**Renault Modus**  
**Dacia/Renault Logan\***  
**Nissan Tiida Latio**  
**Nissan Note**  
**Renault Clio III**  
**Nissan Wingroad**  
**Nissan Bluebird Sylphy**

\*Derived from the B platform

**Start of sales**  
 March 2002 in Japan  
 October 2002 in Japan  
 January 2003 in Europe  
 September 2004 in Japan  
 September 2004 in Europe  
 September 2004 in Europe  
 October 2004 in Japan  
 January 2005 in Japan  
 September 2005 in Europe  
 November 2005 in Japan  
 December 2005 in Japan

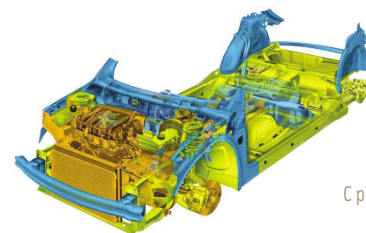
B platform



### C PLATFORM

**Renault Mégane II\***  
**Nissan Lafesta**  
**Nissan Serena**

**Start of sales**  
 September 2002 in Europe  
 December 2004 in Japan  
 May 2005 in Japan



C platform

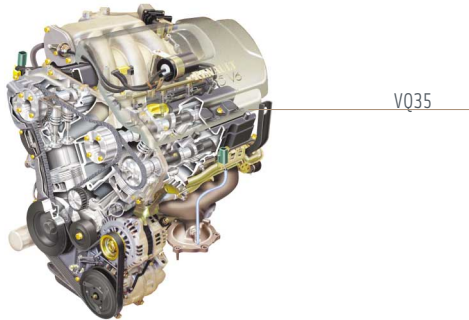
\*All Mégane II models are manufactured on the C Platform.

### 3 Powertrains

Cooperation in the common use and development of engines and transmissions within the Alliance is accelerating.

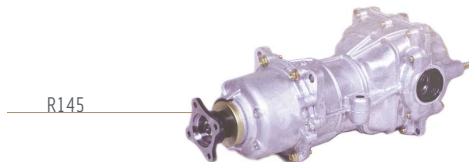
#### Components from Nissan to Renault

1. Nissan V6 3.5-liter engine (VQ35):  
Renault Vel Satis in February 2002 and Renault Espace in October 2002



VQ35

2. Nissan 4WD rear differential unit (R145):  
Renault Kangoo 4x4 in May 2001



R145

3. Nissan 3-liter diesel engine (ZD30):  
Renault Master and Mascott vans in 2004

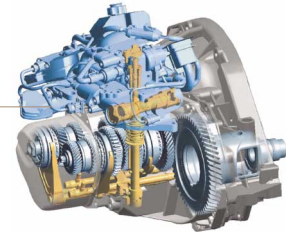
ZD30



#### Components from Renault to Nissan

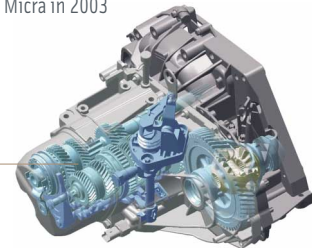
1. Renault 160Nm manual transmission (JH160): Nissan March in 2001 and Nissan Micra in 2002

JH160



2. Renault 200Nm manual transmission (JR200):  
Nissan Almera in 2002 and Nissan Micra in 2003

JR200



3. Renault 1.5 dCi engine (K9K):  
Nissan Almera in October 2002 and Nissan Micra in January 2003

K9K



4. Renault 1.9 dCi engine (F9Q):  
Nissan Primera in December 2002



F9Q

**Production by Renault of Nissan components for Renault and Nissan**  
Production at the Renault Cacia Plant in Portugal of Nissan ND manual transmission for Nissan models Primera and Almera, built at Nissan Motor Manufacturing (UK) Ltd., and Almera Tino, built at Nissan Motor Iberica, S.A., and for the Renault Mégane II from February 2002

ND



### Common engines and transmission

In 2004, Renault and Nissan started production of Alliance common engines and transmission.

1. HR15DE 1.5-liter gasoline engine (S2G):  
Nissan Tiida in September 2004,  
Nissan Tiida Latio in October 2004,  
Nissan Note in December 2004,  
Nissan Wingroad in November 2005  
and Nissan Bluebird Sylphy  
in December 2005

S2G



2. MR20DE 2.0-liter gasoline engine (M1G):  
Nissan Lafesta in September 2004, Nissan Serena in May 2005,  
Nissan Bluebird Sylphy in December 2005 and  
a Renault vehicle in the beginning of 2006

M1G



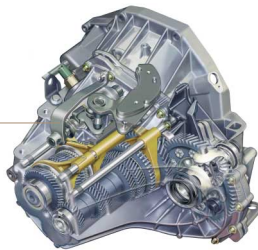
3. MR18DE 1.8-liter gasoline engine (M1G):  
Nissan Tiida and Tiida Latio in January 2005 and  
Nissan Wingroad in November 2005

4. M9R 2.0-liter diesel engine (M1D):  
Renault Laguna II in June 2005



M1D

5. MT1 240Nm 6-speed manual transmission:  
Renault Modus, Mégane II and Clio III in April 2005 and  
Nissan Tiida in November 2005



MT1

(\*Described dates are based on vehicle sales start.)

#### 4 Research and Advanced Engineering

As described in the Alliance Vision - Destination document, one of the objectives of the Alliance is to be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence.

Renault and Nissan are cooperating on strategic fields of research and advanced engineering in which they have common interests. This cooperation leads to the effective utilization of resources of both groups covering a broader range of potential technical solutions. It accelerates work to achieve technology breakthroughs to bring new products to the market.

#### 5 Navigation and Communication System

Renault and Nissan jointly developed a new navigation and communication system in 2004.

The first utilization of this system was on the Nissan Tiida in September 2004 in Japan. The first European application of the new Alliance co-developed navigation and communication system is on the Renault Laguna and on the Nissan Pathfinder, both launched on the market in March 2005. It was also introduced on Renault Vel Satis in April 2005.



Alliance co-developed navigation and communication system

### 6 Purchasing

Cost reductions in the Alliance have been achieved with joint purchasing and the building of a common supplier base:

#### Renault-Nissan Purchasing Organization (RNPO)

The Renault-Nissan Purchasing Organization (RNPO) was established in April 2001 as the first Alliance joint-venture company. The scope of joint purchasing activities and geographic responsibility of RNPO was enlarged, increasing the annual volume from \$21.5 billion (as of the end of 2002) to \$33 billion in January 2004. It represents 70% of the Alliance purchasing turnover. Further opportunities of cost reduction are expected by focusing on the use of suppliers in Leading Competitive Countries (LCC).

### 7 Manufacturing

Renault and Nissan have actively exchanged and implemented best practices by working on the new step for further improvement of Renault Production Way/Système de Production Renault (SPR) and Nissan Production Way (NPW).

The Alliance Vehicle Evaluation System (AVES), already applied in all Nissan plants, replaced the AQR (Renault Quality Assurance) in all Renault sites from January 2003.

Renault and Nissan started working jointly on new activities which more directly contribute to manufacturing performance improvement, such as DST (Design Standard Time) for the improvement in the design stage, DSTR (Design Standard Time Ratio) and new aspects of ergonomics for improvements in the production stage, PIC (Product Introduction Cost) for the improvement in the new product introduction stage.



Assembly of a Nissan Platina at the Nissan Aguascalientes Plant, Mexico

### 8 Logistics

Renault and Nissan work hard to capitalize on the close geographical fit between the industrial production plants operated by the two groups worldwide. Forecasting the Alliance's fast-growing international requirements is also an important task for the Alliance. There are six operational sub-teams focusing on the following issues:

1. Overseas parts logistics for CKD (Completely Knocked Down)
2. Supply parts management (production part logistics)
3. In-bound logistics (production part logistics)
4. Material handling (in plant logistics)
5. Out-bound logistics (vehicle logistics)
6. Common standard packaging

In 2005, Renault and Nissan set up four new strategic working groups (strategy, cost management for new projects, international operations and human resources), in this field. This is to respond to the growing globalization of the Alliance's logistics activity, in addition to enhancing the current operations.

### 9 Quality

The Alliance objective in terms of quality, as stated in Alliance Vision - Destination, is to be recognized by customers as being among the best three automotive groups in the quality and value of its products and services in each region and market segment.

#### Alliance Quality Charter

The specific Charter defines Alliance quality rules and tools and is implemented in all Alliance projects; version two being available since January 2003.



Quality control at the Nissan Aguascalientes Plant, Mexico

It applies to key quality processes: quality customer surveys, corporate quality target, new model development quality management, quality assurance in production, supplier parts quality assurance, service quality assurance (sales and after-sales), quality technical improvement, warranty policies and procedures.

### 10 Information Systems (IS)/Information Technology (IT)

The Renault-Nissan IS/IT Office (RNIO) was established in September 2001, and then became Renault-Nissan Information Services (RNIS) in July 2002.

Its intention of increased collaboration is to improve performance through three main areas for progress: standardization of infrastructures, global vendor management, and implementation of common business applications.

First achievements have been the creation of a three-year IS master plan for the Alliance starting in 2004, the implementation of a common high level network, the setting-up of a unique IT catalogue, the selection of a set of common vendors for hardware and software, development of a common data model for the BOM (Bill of Materials, the documentation of the production parts), the selection of common software applications for CAD (Computer Aided Design), purchasing and some other business areas. The new "Alliance Worldwide Backbone" (AWB) broadband network is the high-level network infrastructure of the Alliance, provided by NTT (Nippon Telephone & Telegraph). It has been operational since December 7, 2003, and connects Renault and Nissan's four main telecommunication centers: Paris (Renault & Nissan Europe), Atsugi (Nissan), Denver (Nissan North America), and Curitiba (Renault & Nissan MERCOSUR).

### 11 Sales Financing

#### RCI Banque

In 1999 RCI Banque, Renault Group's financing arm, bought Nissan's five European financing subsidiaries based in Germany, Spain, the United Kingdom, Italy and the Netherlands. RCI Banque has taken over the financing for Nissan in France (2000), Switzerland (2001) and Austria (2003), in Romania for Eastern Europe, and in Argentina and Brazil for South America. RCI Banque offers customized financing and services to both Renault and Nissan's three customer segments (retail, fleets and dealers).

#### New financing program in Mexico

A new financing program started in January 2004. "NR Finance Mexico S.A. de C.V." (NRFM) offers automobile loans to Renault and Nissan customers and "NR Wholesale Mexico S.A. de C.V." (NRWM) offers financing to Renault and Nissan dealers. Nissan Motor Acceptance Corporation (NMAC), Nissan Mexicana, S.A. de C.V. (NMEX) and RCI Banque (Renault's captive finance company) are the owners of the two companies. In 2004, NRFM achieved 57,550 new vehicle contracts for both companies.

## REGIONAL COOPERATION

The principle behind regional cooperation is that the leading partner promotes the other's development in a particular region by providing active support in sales and marketing and/or production.

## 1 Europe

**Target:** Support Renault and Nissan's growth in Europe and reduce distribution costs.

On a European level: Group Offices have been established under Renault's responsibility to facilitate exchange of best practices in after-sales documentation and marketing surveys.

On a local level: Creation of joint local Group Offices under Renault's responsibility in four European countries (France, the United Kingdom, Spain and Italy) while maintaining separate front-office operations.

Establishment of seven Single Legal Entities, owned and managed by Renault, with common premises:

- ◆ Switzerland on February 16, 2001
- ◆ The Netherlands on February 16, 2001
- ◆ Germany on September 16, 2002
- ◆ Austria on May 28, 2003
- ◆ Slovenia on January 1, 2004
- ◆ Croatia on January 1, 2004
- ◆ Portugal on January 1, 2005

In addition to Group Offices and Single Legal Entities in Europe, Renault UK and Nissan Motor GB share common premises and a common parts warehouse created in 2002.

In April 2005, Renault and Nissan opened a common regional parts warehouse in Hungary, which covers activities of both groups in Central Europe (Renault parts are delivered to Austria, Hungary, the Czech Republic and Slovakia, and Nissan parts to Austria, Hungary, Slovakia and Slovenia). Its opening ceremony was held on June 1, 2005.



Common regional parts warehouse, Hungary

## 2 Mexico

**Target:** Support Renault's return to Mexico and Central America while optimizing Nissan's capacities.

In 2004, Renault and Nissan were the leading group in Mexico with a 23.6% market share.

## Cross production

1. Renault Scénic at the Nissan Cuernavaca Plant from December 2000, representing the first joint manufacturing operation under the Renault-Nissan Alliance (end of production in mid-2004);
2. Renault Clio at the Nissan Aguascalientes Plant, from November 2001;
3. Nissan Platina, derived from the Renault Clio sedan, and selling from April 2002.

- ◆ **Sales results in Mexico in 2004:** Renault Scénic and Clio: 13,973 units  
Nissan Platina: 55,869 units



Renault Scénic II



Nissan Platina



Renault Clio

### 3 Central America

Five Nissan National Sales Companies (NSCs) have started Renault operations in Ecuador, El Salvador, Honduras, Panama and Nicaragua. In Guatemala, Renault started business in December 2003 with the NSC, that is handling Nissan's operations in El Salvador, Honduras and Nicaragua. In Costa Rica, FASA Group (Renault-Nissan's National Sales Company in Panama) successfully took over Renault's previous importer in April 2005 in order to relaunch the brand in the country.

### 4 MERCOSUR and South America

**Target:** Maximize the synergies within the Alliance in the MERCOSUR by developing Nissan's passenger car and light commercial vehicle sales by joint use of Renault's industrial and commercial complex.

**Brazil:** Nissan do Brasil Automoveis was created in October 2000.

Nissan do Brasil created a network of 64 Nissan dealers in operation at the end of 2004 with the support of the existing Renault dealers (42 showrooms and 22 corners at Renault dealers).

#### Joint production of LCVs

In December 2001, Renault and Nissan inaugurated a new LCV assembly plant, in Curitiba, Parana, Brazil.

#### ◆ Start of production of LCVs

Renault Master: December 2001

Nissan Frontier: April 2002

Nissan Xterra: March 2003

#### ◆ Sales volume in Brazil for 2004 for LCVs

Renault Master II: 2,694 units

Nissan Frontier: 6,679 units

Nissan Xterra: 1,104 units

**Argentina:** Renault Argentina became Nissan's importer in June 2001.

**Peru:** Support was given by the local Nissan partner to re-establish Renault's sales presence.

**Chile:** Nissan sales volumes at the end of 2004 was 12,989 increased by 5,713 units compared to 2003.

### 5 Asia-Pacific

**Target:** Develop sales by Renault in the Asia-Pacific area with Nissan's central back-office and local support (currently five countries). Renault's Asia-Pacific office was established in Tokyo in June 2000. Technical support by Nissan for Renault Samsung Motors in Korea.

**Japan:** Renault's Japan sales network is expanding with Nissan's support. Current Nissan dealers have been selling Renault vehicles since May 2000. A total of 77 (including 13 independent outlets) exclusive or dual-brand dealer outlets are in operation as of August 2005.



Renault-Nissan dealership, Japan

**Australia:** Nissan Australia took responsibility for the distribution of Renault vehicles. Sales began in May 2001 with 25 outlets selected largely from existing Nissan dealers are in operation.

**Malaysia:** Renault signed a memorandum of agreement with TCEC (TC Euro Cars Sdn. Bhd), a subsidiary of Nissan's Malaysian partner on May 15, 2003. TCEC handles the commercial distribution and after-sales services for the Renault range since September 2003, and has produced the Kangoo from the end of 2004.

## COOPERATION IN ALL MAJOR AREAS

**South Korea:** Renault Samsung Motors (RSM) produces SM3, SM5 and SM7, derived from Nissan vehicles, with extensive technical support from Nissan for their production and adaptation. This collaboration establishes future growth for RSM.

In November 2005, Nissan announced to sell the Renault Samsung-built SM3 globally under Nissan badge.



SM3



SM5



SM7

**China:** Both partners have a development strategy in China. Nissan entered into a full-line automotive joint-venture agreement with Dongfeng Motor, and started operations in July 2003. In June 2004, Renault announced a plan with Dongfeng Motor to produce 300,000 vehicles a year in China.

### 6 Africa and Middle East

#### ◆ Maghreb

**Morocco:** Renault importer acquired Nissan importer SIAB (Nissan's exclusive importer for Morocco) on November 1, 2000, and is enhancing Nissan development in the market.

**Tunisia:** ARTES, the Renault National Sales Company (NSC), became the new Nissan NSC on May 16, 2003.

Target: Develop Nissan business and brand awareness.

#### ◆ Sub-Saharan Africa

The strategy for both brands is to consolidate the distributions in the major markets through common hubs in partnership with major international distribution groups.

**South Africa:** Renault uses Nissan's spare parts logistics and warehousing capacity, and shares its technical training center facilities. Renault-Nissan Purchasing Organization (RNPO) is actively pursuing opportunities of joint sourcing in South Africa. In the same spirit, the two partners have created a permanent local Alliance committee with the aim of developing group-office synergy, mainly focused in the sales, marketing and after-market area.

#### ◆ Gulf Countries

**Kuwait:** Sales of Renault vehicles began in January 2003, through the existing Nissan dealer network Al-Babtain group.

**Bahrain:** Sales of Renault vehicles began in February 2003, through the existing Nissan dealer network Al-Moayyed.



Al-Moayyed showroom, Bahrain

**Qatar:** Renault also began sales in Qatar in May 2003, through Nissan dealer Al-Mana.

**United Arab Emirates and Oman:** Nissan National Sales Company (NSC) started distributing Renault models from September 2005.

### 7 Eastern Europe

**Romania:** Renault started importing and distributing Nissan vehicles in January 2003, through a single company, Renault Nissan Romania.

**Bulgaria:** Renault Nissan Bulgaria was created in September 2005 to keep pace with the rapid growth of the Bulgarian automobile market. Renault Nissan Bulgaria, a wholly-owned Renault s.a.s. subsidiary, is responsible for:

- importing vehicles and spare parts for the Renault, Nissan and Dacia brands,
- distributing them through three brand-specific dealer networks.

**Russia:** Nissan and Renault are actively pursuing back-office synergies between their National Sales Companies (NSCs).

## COOPERATION IN ALL MAJOR AREAS

### HUMAN RESOURCES

Human Resources in the Alliance cover two main areas: personnel exchanges and Alliance Business Way Program.

#### Personnel Exchanges

Since the beginning of the Alliance, Renault and Nissan have been committed to developing personnel exchanges in order to increase Alliance performance. These exchanges concern approximately 412 employees (including common organizations) and can be grouped into 4 categories:

1. The first category includes Renault and Nissan expatriates who are employed by the partner company. Such exchanges help reinforce the various functions through the sharing of best practices as well as encouraging mutual understanding.

As of June 1, 2005, 70 expatriates fall into this category:

- ◆ 36 Renault employees have joined Nissan in Japan and work mainly in Ginza (Headquarters) and Atsugi (Technical Center).
- ◆ 34 Nissan employees work at Renault, either at the headquarters or at Reuil and Guyancourt.

2. 14 other expatriates work in Alliance projects such as development of platforms, engines and transmissions, etc.

3. A third category is made up of people working in common companies (RNPO and RNIS). Approximately 270 people fall into this group.

4. Lastly, personnel exchanges within a regional framework also exist. Thus, 37 Renault employees have been assigned to work in European Nissan affiliates. Nissan has also posted 21 employees either to Renault Samsung Motors or Renault Japan and the Asia-Pacific region.

These 412 people are not the only ones directly making the Alliance work. Several hundred people are involved in Alliance bodies, particularly Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These people remain employed by their home company.

#### Alliance Business Way Program

The objective of the Alliance Business Way Program is to increase the Alliance's global performance by reinforcing team performance and individual skills. Training programs are as follows:

**Working with Japanese/French Partners** is a training to understand cultural backgrounds and working styles, with three main focuses: communications, project management and how to overcome resistance and problems while maintaining a positive partnership. It is aimed at key Alliance contributors offered both at Renault and Nissan.

**Team-Working Seminars (TWS)** are aimed at Alliance bodies, such as CCTs, FTTs and common organizations to improve teamwork efficiency, strengthen personal links and mutual trust, build team identity, and share common team goals.



Renault-Nissan Team-Working Seminar (TWS)