## RENAULT-NISSAN ALLIANCE 2004



## **RENAULT NISSAN**

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#### **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.

#### **ALLIANCE MANAGEMENT STRUCTURE**

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 monthly meetings.

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

#### THE ALLIANCE BOARD

The Alliance Board steers the Alliance's medium- and long-term strategy and coordinates joint activities on a worldwide scale. 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: Louis Schweitzer Vice-President of the Alliance Board: Carlos Ghosn



Front row: Pierre-Alain De Smedt (Renault - Executive Vice-President: Industry and Technology), Norio Matsumura (Nissan - Executive Vice-President: Marketing & Sales), Louis Schweitzer (Renault - Chairman and Chief Executive Officer), Carlos Ghosn (Nissan - President and Chief Executive Officer)

Back row: Georges Douin (Renault - Executive Vice-President: Product & Strategic Planning and International Operations), Nobuo Okubo (Nissan - Executive Vice-President: Research, Technology and Engineering), Tadao Takahashi (Nissan - Executive Vice-President: Manufacturing), François Hinfray (Renault - Executive Vice-President: Sales & Marketing and Light Commercial Vehicles)

#### The Alliance Board:

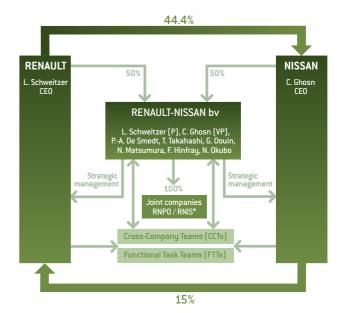
 is solely responsible for medium- and long-term planning (three-, five- and ten-year plans), joint projects in vehicles and powertrains, and defining the principles of the two partners' economic and financial policies;

• validates Renault's and Nissan's product and powertrain plans;

 has the exclusive right to propose the creation of joint companies to Renault and Nissan, significant changes to market coverage or product offerings, major investments and strategic partnerships with third parties.

In addition, Renault-Nissan bv is the sole shareholder and manager of existing (Renault-Nissan Purchasing Organization - RNPO and Renault-Nissan Information Services - RNIS) and future joint companies. These joint companies sign exclusive service agreements with Renault and Nissan.

#### FINANCIAL STRUCTURE

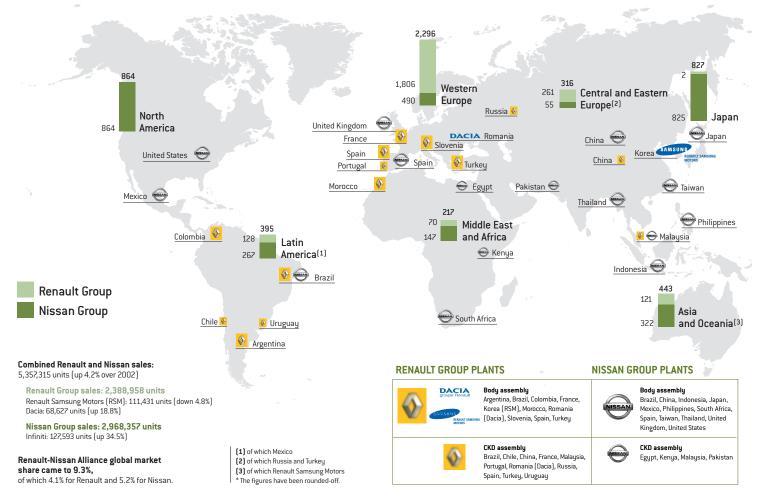


Renault holds a 17.9% stake in Nissan Diesel; while Nissan holds a 23.9% stake. \*RNP0: Renault-Nissan Purchasing Organization / RNIS: Renault-Nissan Information Services

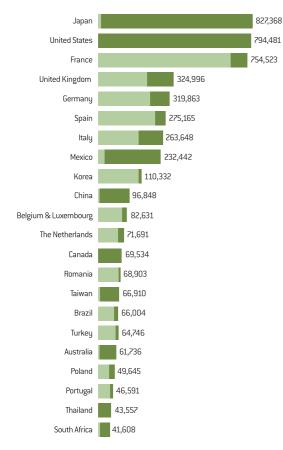
Renault holds a 44.4% stake in Nissan, while Nissan owns 15% of Renault shares. Each company has a direct interest in the results of its partner.

#### ALLIANCE WORLDWIDE SALES AND PRODUCTION SITES IN 2003

The figures\* represent sales in thousands of vehicles.



#### **COMBINED RENAULT AND NISSAN SALES IN 2003** (MAIN MARKETS)



Total Sales in 2003 :		
Renault Group		E 257 215
Nissan Group	2,968,357	5,357,315

Today, global combined sales top 5.3 million vehicles per year and represent more than 9.3% of the worldwide market. The Renault-Nissan Alliance ranks among global leading 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.



Production line of Renault Trafic and Nissan Primastar in Nissan's LCV plant in Barcelona, Spain

# 2. COOPERATION IN ALL MAJOR AREAS STRUCTURAL COOPERATION

#### **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, this initiative 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 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.

#### **COMMON PLATFORMS**

Common platforms are developed as the two partners renew their line-ups. Renault and Nissan aim to share platforms (1.5 million vehicles per year per platform for mainstream vehicles) with a target for 2010 of approximately 10 Alliance platforms.

#### **B** platform

	Start of sales	Cumulative sales volume through June 2004
Nissan March	March 2002 in Japan	316,529
Nissan Cube	October 2002 in Japan	249,988
Nissan Micra	January 2003 in Europe	266,624
Renault Modus	September 2004 in Europe	—
Dacia/Renault Logan *	September 2004 in Europe	-
Nissan Tiida	September 2004 in Japan	-

\* derived from the B platform

#### C Platform

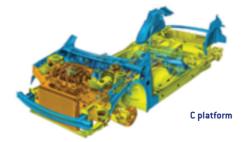
Renault Mégane II Nissan Lafesta September 2002 in Europe end of 2004 in Japan

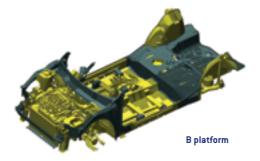
Start of sales

Cumulative sales volume through June 2004

935,474

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#### **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 gasoline engine (VQ 35): Vel Satis in February 2002 and Espace in October 2002.

VQ 35



2. Nissan 4WD rear differential unit (R 145): Kangoo 4x4 in May 2001.

R 145

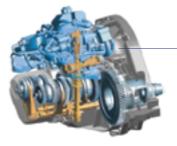
**3**. Nissan 3-liter diesel engine (ZD 30): Master and Mascott in 2004.



ZD 30

#### Components from Renault to Nissan

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



JH 160

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



JR 200

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



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

F90



## 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 (co-developed by both Renault and Nissan)

- 1. S2G and M1G gasoline engines:
  - S2G on Tiida in September 2004,
  - M1G on Nissan Lafesta at the end of 2004 and on a Renault car in 2006.



2. M1D diesel engine: - M1D on Laguna II in 2005.

#### 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 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 and accelerating work to achieve technology breakthroughs to bring new products to the market.

Some of the selected fields of cooperation are long-term research themes in fuel cell vehicle applications, new high performance materials and innovative vehicle performance features focused on customer benefit.

#### PURCHASING

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

#### **Renault-Nissan Purchasing Organization**

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. This amount represents 70% of the Alliance purchasing turnover.

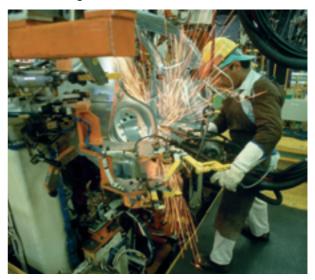
The expansion of RNPO's scope consists in adding the purchasing of machinery and equipment, logistics and additional vehicle parts. In addition, RNPO's geographic responsibility has expanded to all Leading Competitive Countries (LCC): from Western Europe, Japan and North America to all areas where Renault and Nissan have industrial operations.

#### MANUFACTURING

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

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

New step: Renault and Nissan started jointly working on new activities that more directly contribute to manufacturing performance improvement, such as DST (Design Standard Time) for improvements 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 improvements in the new product introduction stage, etc.



Nissan Cuernavaca Plant, Mexico

#### LOGISTICS

In 2003, synergies in logistics attained \$115 million. The results of the Global Alliance Logistics Committee (GALC) and Alliance Logistics Taskforce (ALT), established in November 2002, largely contributed to these savings. The objective is to shorten delivery times and increase cost reduction through unifying logistics functions.

#### Overseas parts logistics: Completely Knocked Down (CKD)

- Common Key Process Indicators (KPI) and 5 step evaluation system started in April 2003. Renault and Nissan identified items to improve that are being implemented during 2004;
- Common system is developed for new opportunities. One is new Knocked Down (KD) plant and another is global packaging management system.

#### Vehicle logistics

- Definition of synergies of overseas vehicle distribution in 2004;
- Common KPI and 5 step evaluation system started end of 2003;
- Start of joint study for distribution within Eastern Europe.



Nissan Toluca Center, Mexico

#### Inbound parts logistics (production parts)

- Joint unitization centers in Spain, France and the U.K. in 2004;
- Application of 5 step evaluation for X-dock globally and search for synergies.

#### Material handling in plants

- Benchmark of parts delivery method in plants and establishment of new actions in 2004.

#### Common standard packaging (production parts)

- Common global packaging was developed in March 2004 and is now being adopted;
- Joint development of upcoming manual transmission packaging with best practices.

#### Supply parts management (production parts)

- In May 2003, a new working group to improve supply parts management was established;
- Three actions are under way:
- Parts delivery accuracy improvement from production control point of view;
- 2. Improvement of ordering method;
- 3. Operational improvement through pilot plant activity.

#### QUALITY

The Alliance objective in terms of quality, as stated in the "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 2 has been available since January 2003.

The Charter 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.

The Charter brings Renault and Nissan closer by **the implementation of common quality tools** such as AVES (Alliance Vehicle Evaluation System), ANPQP (Alliance New Product Quality Procedure), ASES (Alliance Supplier Evaluation System) and PPM (Parts per Million) definition.

- The **ANPOP**, a quality control system for suppliers, is used on the B platform and has been expanded to all new projects.
- The **ASES** evaluates supplier's management, performance and engineering capability related to quality.



Quality control at the Nissan Aguascalientes Plant, Mexico



## 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.

The intention, through 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 were 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 catalog, the selection of a set of common vendors for hardware and software, the 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). The system has been operational since December 7, 2003 and connects Renault and Nissan's four main telecommunication centers: Paris (Renault and Nissan Europe), Atsugi (Nissan), Denver (Nissan North America), and Curitiba (Renault and Nissan Mercosur).

#### SALES FINANCING

#### **RCI Banque**

In 1999, RCI Banque, the 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 took 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 services to both Renault and Nissan's three customer segments (retail, fleet and dealers).

#### New financing program in Mexico

A new financing program started in January 2004. NR Finance Mexico S.A. de C.V. (NRFM) proposes 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 will be owners of the two companies.

## **REGIONAL COOPERATION**

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

#### EUROPE

Target: Support Nissan's growth in Europe and reduce distribution costs (Alliance consolidated).

A mirror organization helps deploy common processes. Group Offices are being set up under Renault's responsibility to accelerate

exchange of best practice in after-sales, marketing and Light Commercial Vehicles (cross-badging).

Joint local Group Offices have been created under Renault's responsibility in four European countries (France, the United Kingdom, Spain, Italy) while maintaining separate front-office operations.

## Establishment of 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 in January 2005 (plan).

Renault and Nissan created a common parts warehouse in the U.K. A common regional parts warehouse in Hungary that covers activities in Central Europe is under construction.

**Common Hubs** refer to a new dealer organization based on a network of joint partners. Renault and Nissan manage their own networks of separate sales and service outlets devoted to one brand or another in extended areas. As of March 31, 2004, 2,600 Renault and Nissan main dealers were restructured, and 485 Renault Hubs and 328 Nissan ones were created, of which 146 are common. In 2005, more than 500 Hubs will be created for Renault and Nissan respectively, more than half of which will be common.

#### **MEXICO AND CENTRAL AMERICA**

**Target:** Support Renault's return to Mexico and Central America while optimizing Nissan's capacities. Renault aims to sell around 40,000 vehicles in Mexico in the longer term.

#### **MEXICO**

In 2003, Renault and Nissan represent the first group in Mexico with a 24% market share.

#### **Production cooperation**

- Renault Scénic at the Nissan Cuernavaca Plant from December 2000, representing the first cross-manufacturing operation under the Renault-Nissan Alliance\*;
- 2. Renault Clio at the Nissan Aguascalientes Plant, from November 2001;
- 3. Nissan Platina, derived from the Renault Clio sedan at the Nissan Aguascalientes Plant, and selling from April 2002.

#### Sales volume in Mexico for 2003

Renault Scénic and Clio: 13,610 Nissan Platina: 53,657







Renault Clio

Renault Scénic II

Nissan Platina

#### **CENTRAL AMERICA**

Four Nissan importers have Renault operations in Ecuador, El Salvador, Honduras and Panama. In Guatemala, Renault started its activities in December 2003 with an importer that belongs to the main Nissan importer group.

#### MERCOSUR AND SOUTH AMERICA

Target: Maximize the synergies within the Alliance in the Mercosur by developing Nissan's Passenger 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 59 Nissan dealers, in operation at the end of 2003 with the support of the existing Renault dealers (32 showrooms and 27 corners at Renault's 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 (Top AVES\* level in 2003) Nissan Xterra: March 2003

#### Sales volume in Brazil for 2003 for LCVs

Renault Master II: 1,307 Nissan Frontier: 6,587 Nissan Xterra: 796

#### ARGENTINA

In Argentina, Renault Argentina became Nissan's importer in June 2001. At the end of 2003, it established 45 sales outlets operated by 29 Renault-Nissan dealers.

#### PERU

In Peru, support was given by the local Nissan partner to re-establish Renault's sales presence.

#### CHILE

In Chile, Nissan sales volume at the end of 2003 had increased by 30% compared to 2002.

<sup>\*</sup> For further information, refer to page 24 on common quality tools (Alliance Quality Charter).

#### **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 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 74 (including 12 independent outlets) exclusive or dual-brand dealer outlets are in operation. Plans call for the network to be expanded to 100 dealers in the mid- and long-term.



Renault and Nissan dealership in Japan

#### **AUSTRALIA**

Nissan Australia took responsibility for the distribution of Renault vehicles. Sales began in May 2001, and 26 outlets selected largely from existing Nissan dealers are in operation.

#### TAIWAN

Nissan distributor Yulon Motor began the distribution of Renault vehicles in July 2001. Renault business is handled by Yulon Motor. Seventeen Renault sales outlets are in operation.

#### **INDONESIA**

Distribution of Renault vehicles by the Indomobil group, Nissan's partner in Indonesia. The existing network totals eight dealerships.

#### MALAYSIA

Nissan's Malaysian partner TCEC has been handling commercial distribution and after-sales services for the Renault range since September 2003 and will produce the Kangoo from the end of 2004.

#### KOREA

Renault Samsung Motors (RSM) produces SM5 and SM3, derived from Nissan vehicles, with extensive technical support from Nissan for their production and adaptation. This collaboration establishes future growth for RSM. The next RSM vehicle, the SM7, will be launched in December 2004.

#### Sales in Korea:

RSM sales results for 2003: 110,249 units, representing a 10.8% market share.





Samsung SM5

Samsung SM3

#### CHINA

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

#### AFRICA, MIDDLE EAST AND EASTERN EUROPE

#### MAGHREB

#### MOROCCO

The 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. The target is to develop Nissan business and brand awareness.

#### SUB-SAHARAN AFRICA

The strategy of both brands is to consolidate distribution on 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.

#### **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 in Bahrain

#### QATAR

Renault also began sales in Qatar in May 2003, through Nissan dealers Al-Mana.

#### UNITED ARAB EMIRATES AND OMAN

Nissan's National Sales Company (NSC) will become Renault's importer in 2004.

#### **EASTERN EUROPE**

#### ROMANIA

In Romania, Renault started importing and distributing Nissan vehicles in January 2003, through an operation that became a Single Legal Entity in 2004.

#### RUSSIA

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

## 2. COOPERATION IN ALL MAJOR AREAS HUMAN RESOURCES

Human Resources in the Alliance are jointly involved in two main areas: Personnel exchanges and the 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 350 employees (including common organizations) and can be grouped into four categories:

The first category includes Renault and Nissan expatriates who are employed by the partner company during their expatriation. Such exchanges help reinforce the various functions through the sharing of best practices as well as encouraging mutual understanding. As of November 1, 2003, 75 expatriates fall into this category:

- 40 Renault employees are integrated into Nissan in Japan and work mainly in Ginza (Headquarters) and Atsugi (Technical Center).

- 35 Nissan employees work at Renault, either at the headquarters or at Rueil and Guyancourt.

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

A third category is made up of people working in common companies (RNPO and RNIS). Approximately 200 people fall into this group.

Lastly, personnel exchanges within a regional framework also exist. Thus, 25 Renault employees have been assigned to European Nissan affiliates. Nissan has also posted 30 employees either to Renault Samsung Motors or Renault Japan and the Asia-Pacific region.

These 350 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 Alliance Business Way Program is a performance-oriented program in three phases for Renault and Nissan individuals and Renault-Nissan Teams:

**Cross-cultural training** consists of attending a conference on Japanese or French culture and a "Working with Japanese/French Partners" session. Over 1.400 people have been trained in both companies.

**Team-Working Seminars** (TWS) for a Renault-Nissan team focus on individual and team efficiencies by developing teams' processes and enhancing team communication.



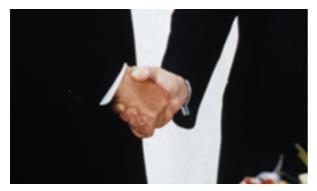
Workshops at an internal Renault-Nissan Alliance convention

## **3. THE ALLIANCE CHARTER: PRINCIPLES AND VALUES**

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.

### EXTRACTS FROM THE ALLIANCE CHARTER

- "A spirit of cooperation, of understanding and of mutual respect is the basis of this Alliance which induces a set of rules."
- "While preserving respective brands and identities and ensuring profitable growth for each partner, Renault and Nissan seek to build a new culture founded on trust, aiming at building a bi-national group."
- "Thanks to complementarity and synergy opportunities, and despite distance and differences between the 2 companies, Renault and Nissan intend to develop a continuous cross learning process in order to build together value for both companies and their employees, shareholders and customers."



Yoshikazu Hanawa and Louis Schweitzer sign the agreement between Renault and Nissan in Tokyo on March 27, 1999

The Alliance Charter also formalizes a guide to the "Spirit, Principles and General Rules of Business Ethics", agreed to by both partners. It includes the following :

- 1. Ambition and will to success must guide both partners to build together value for both companies and their stakeholders.
- 2. Promote and maintain at all times mutual trust.
- 3. We should develop a common vision based on truth and human respect.
- 4. Ensure balance between the 2 partners.
- 5. Keep confidential within the Alliance any information or document relating more particularly to studies, products, industrial, financial, commercial data and any industrial property rights or know-how, exchanged or developed as a result of the Alliance.
- 6. Be fair with third parties.

The Charter also sets out key conditions of success that were widely communicated to all contributors of the Alliance.

## 4. ALLIANCE VISION - DESTINATION

For the fifth anniversary of the Alliance, in March 2004, Renault and Nissan stated the ambitions of the Alliance and reaffirmed the shared values and principles in a document entitled "Alliance Vision - Destination."

#### **ALLIANCE VISION - DESTINATION**

The Renault-Nissan Alliance is a unique group of two global companies linked by cross-shareholdings.

- They are united for performance through a coherent strategy, common goals and principles, results-driven synergies, shared best practices.
- They respect and reinforce their respective identities and brands.

#### I - The principles of the Alliance

The Alliance is based on trust and mutual respect. Its organization is transparent.

#### It ensures:

- clear decision making for speed, accountability and a high level of performance,
- maximum efficiency by combining the strengths of both companies and developing synergies through common organizations, crosscompany teams, shared platforms and components.

The Alliance attracts and retains the best talents, provides good working conditions and challenging opportunities: it grows people to have a global and entrepreneurial mindset.

The Alliance generates attractive returns for the shareholders of each company and implements the best established standards of corporate governance.

#### The Alliance contributes to global sustainable development.

#### II - Objectives

The Alliance develops and implements a strategy of profitable growth and sets itself the following three objectives:

- 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,
- to be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence,
- to consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating profit margin and pursuing growth.



Renault Mégane II convertible

Nissan Murano

## **5. FIVE YEARS OF THE ALLIANCE**

## 1999

- March 27: Louis Schweitzer and Yoshikazu Hanawa sign the Alliance agreement between Renault and Nissan in Tokyo.
- May 28: Closing date of the agreement: Renault takes a 36.8% equity stake in Nissan Motor, a 15.2% equity stake in Nissan Diesel and acquires Nissan's five financial subsidiaries in Europe.
- June 9: The first informal meeting of the Global Alliance Committee (GAC), governing body of the Renault-Nissan Alliance, takes place in Paris, followed by monthly meetings alternately in Paris and Tokyo.
- June 10: Yoshikazu Hanawa joins the Renault Board of Directors.
- June 25: Carlos Ghosn (Chief Operating Officer), Patrick Pelata (Executive Vice-President, Product Planning and Corporate Strategy) and Thierry Moulonguet (Senior Vice-President, Deputy Chief Financial Officer) join the Nissan Board of Directors.
- July 6: Renault and Nissan each take their stake in Nissan Diesel to 22.5%.
- October 18: Carlos Ghosn announces the Nissan Revival Plan (NRP) in Tokyo.

## 2000

- January: Renault Mexico is established with Nissan's support.
- March 30: The International Advisory Board (IAB) is established.
- June 20: Carlos Ghosn is named President and Chief Operating Officer of Nissan by the Board of Directors.
- October: Nissan do Brasil Automoveis is established with existing Renault dealers' support.

- October 30: Renault Maroc purchased Nissan's distributor SIAB in Morocco.
- December 6: Production of the Scénic at the Nissan Cuernavaca Plant in Mexico begins.

## 2001

- February 16: Renault and Nissan's new common commercial organizations in Europe, the first Single Legal Entities (SLEs), are established in Switzerland and in the Netherlands.
- April 2: Renault-Nissan Purchasing Organization (RNPO), a joint purchasing company, is established.
- May: Sales of Nissan vehicles in Congo through Renault's existing dealers begin.
- May 2: The first Renault showroom is opened in Australia in cooperation with Nissan.
- June: Sales of Nissan vehicles in Mali through Renault's existing dealers begin.
- June: Renault Argentina becomes a Nissan importer in Argentina.
- June 21: Carlos Ghosn is named President and Chief Executive Officer of Nissan by the Board of Directors.
- July 21: Sales of Renault vehicles in Taiwan with Nissan's local partner begin.
- September: Sales of the Renault Kangoo 4x4 fitted with a Nissan 4WD unit begin.
- September 13: Renault and Nissan set up a common IS/IT organization.

## **5. FIVE YEARS OF THE ALLIANCE**

- November 1: Distribution of Renault vehicles in Indonesia through the local Nissan distributor begins.
- November 15: Production of the Renault Clio at the Nissan Aguascalientes Plant in Mexico begins.
- December 20: Renault and Nissan inaugurate an LCV plant in Curitiba, Brazil. Production of the Renault Master van, the first model made at the LCV plant in Curitiba, Brazil, begins.

## 2002

- February: SERA Senegal, the Renault NSC in Senegal, becomes a Nissan importer.
- February: Production of Nissan ND manual transmission begins at the Renault Cacia Plant in Portugal.
- March: Sales of the Nissan Interstar in Europe, a double-badged vehicle with the Renault Master, begin.
- March 1: Renault increases its stake in Nissan to 44.4%.
- March 4: Production of the Nissan Platina, derived from the Clio sedan, begins at the Nissan Aguascalientes Plant in Mexico.
- March 5: Sales of the Nissan March in Japan, the first vehicle built on the common B platform, begin.
- March 8: Sales of the Renault Vel Satis, powered by a Nissan 3.5-liter V6 gasoline engine, begin.
- March 28: Renault and Nissan set up a common strategic management structure, Renault-Nissan bv.
- March 29: Nissan acquires a 13.5% stake in Renault.
- April 22: Production of the Nissan Frontier pickup, the second model produced at the LCV plant in Curitiba, Brazil, begins.

- April 26: Carlos Ghosn joins the Renault Board of Directors.
- May 28: Nissan increases its stake in Renault to 15%.
- May 29: The Alliance Board, replacing the Global Alliance Committee (GAC), meets for the first time.
- June 20: Shemaya Lévy joins the Nissan Board of Directors.
- July 1: Renault-Nissan Information Services (RNIS) is established.
- September: Sales of Renault Mégane II in Europe, the first vehicle built on the common C platform, begin.
- September 16: Renault and Nissan's new common commercial organization in Europe, the third Single Legal Entity (SLE), is established in Germany.
- October 22: Production of the X83 compact van begins at the Nissan Barcelona Plant in Spain - the first cross-manufacturing project in Europe (sold as the Renault Trafic, Nissan Primastar and Opel/Vauxhall Vivaro).
- December: Sales of the Nissan Almera in Europe, fitted with the Renault 1.5-liter diesel engine, begin.
- December 15: The FASA group, the Nissan distributor in Panama, becomes a Renault importer.

## **5. FIVE YEARS OF THE ALLIANCE**

## 2003

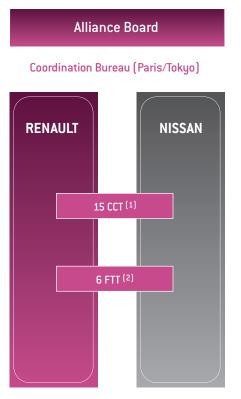
- January 3: Sales of Renault vehicles through Nissan's local sales network in Kuwait begin.
- January 17: Renault begins managing the importing and distribution of Nissan vehicles in Romania.
- January 23: Sales of the new Nissan Micra, the European version of the Japanese March based on the common B platform in Europe, begin.
- February 2: Sales of Renault vehicles through Nissan's local sales network in Bahrain begin.
- March: Sales of the Nissan Primera in Europe, fitted with the Renault 1.9-liter diesel engine, begin.
- March 26: Production of the Nissan Xterra, the third model produced at the LCV plant in Curitiba, Brazil, begins.
- April: Sales of the new Nissan Micra in Europe fitted with the Renault 1.5-liter diesel engine begin, completing the new common-rail diesel engine line-up for the European market.
- May 5: Sales of Renault vehicles through Nissan's local sales network in Qatar begin.
- May 16: Distribution of Nissan vehicles by Renault importer (ARTES) in Tunisia begins.
- May 28: Renault and Nissan's new common commercial organization in Europe, the fourth Single Legal Entity (SLE), is established in Austria.
- July 24: Itaru Koeda joins the Renault Board of Directors, succeeding Yoshikazu Hanawa.
- October: Sales of the Nissan Kubistar in Europe, double-badged vehicle with the Renault Kangoo, begin.
- November 27: Renault reduced its stake in Nissan Diesel from 22.5% to 17.9%, while Nissan's stake increased from 22.5% to 23.9%.

## 2004

- January 1: Renault and Nissan's new common commercial organizations in Europe, Single Legal Entities (SLE), are established in Slovenia and Croatia respectively.
- January: RNPO Phase III, enlarging the scope of its activities and its geographic responsibilities, begins.
- January: In Mexico, a new common financing program, which proposes auto loans to Renault and Nissan customers and dealers, begins.
- March 29: Alliance "Vision Destination" is announced for the fifth anniversary of the Alliance.
- June: Sales of the Renault Master in Europe, fitted with the Nissan 3.0-liter diesel engine, begin.
- September: Sales of the Renault Modus, Renault's first vehicle built on the common B platform, begin in Europe.
- September: Sales of the Logan, marketed under both Renault and Dacia brands, begin in Romania. The Logan is based on a derivative of the common B platform.
- September: Sales of the Nissan Tiida, based on the common B platform and fitted with the common S2G engine, begin in Japan.

## 6. MANAGEMENT STRUCTURES AND GOVERNANCE OF THE ALLIANCE

## **GOVERNING BODY**



#### THE ALLIANCE BOARD

The Alliance Board steers the Alliance's medium and long-term strategy and coordinates joint activities on a worldwide scale\*.

#### INTERNATIONAL ADVISORY BOARD

The International Advisory Board (IAB), a group co-chaired by CEOs of both companies, gives recommendations and proposals.

#### COORDINATION BUREAU / RENAULT ALLIANCE STEERING COMMITTEE / NISSAN ALLIANCE STEERING COMMITTEE

The Alliance Coordination Bureau (with one office in Renault - Paris and one in Nissan - Tokyo) and two Steering Committees coordinate the work of the Cross-Company Teams (CCTs) and the Functional Task Teams (FTTs) and prepare the meetings of the Alliance Board.

Cross-Company Teams
 Functional Task Teams

<sup>\*</sup> For further information, the missions and responsibilities of the Alliance Board are explained in more detail in chapter 1 on pages 5 - 6.

## 6. MANAGEMENT STRUCTURES AND GOVERNANCE OF THE ALLIANCE

#### **CROSS-COMPANY TEAMS\***

Cooperation structures are primarily based on the work of the 15 Cross-Company Teams (CCTs), made up of employees of both companies. Their mission is to act as opportunity hunters and problem solvers. They also have the responsibility to follow up on the implementation of action items. CCTs explore opportunities for synergies between Renault and Nissan, draw up joint projects and monitor their implementation.



### Fifteen CCTs:

- 1. Europe
- 2. Africa, Eastern Europe and Middle East
- 3. Asia and Oceania
- 4. Japan
- 5. Mexico and Central America
- 6. South America
- 7. Product Planning
- 8. Research and Advanced Engineering
- 9. Vehicle Engineering
- 10. Powertrains
- 11. Manufacturing
- 12. Logistics
- 13. Process Engineering
- 14. Purchasing
- 15. Light Commercial Vehicles

## FUNCTIONAL TASK TEAMS\*

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

## Six FTTs:

- 1. Legal and Tax
- 2. Cost Management and Control
- 3. Quality
- 4. Parts and Accessories
- 5. Research and Development
- 6. Marketing

### **STEERING COMMITTEES\***

Three Steering Committees (SCs) concerning specific fields support CCTs/FTTs to implement Alliance projects and to facilitate the decision-making process for the Alliance Board.

- 1. Engineering Steering Committee (ESC)
- 2. General Overseas Markets (GOM) Steering Committee
- 3. Control Finance Steering Committee

## TASK TEAMS\*

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

- 1. Industrial Strategy Task Team
- 2. E-business Task Team
- 3. Custom and Trade Optimization Task Team

## 7. OVERVIEW OF RENAULT AND NISSAN

#### **OVERVIEW IN FISCAL YEAR 2003\***

## **RENAULT GROUP**

(including Renault, Dacia and Samsung Motors brands)



- Exchange rate: 1.130877 US\$/Euro, average rate for fiscal year ending December 31, 2003

#### **NISSAN GROUP**

(including Nissan and Infiniti brands)



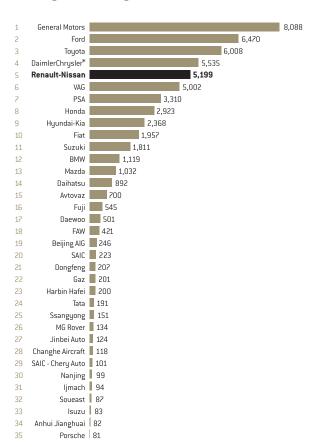
Revenues	$\in$ 56,625 million / US\$ 65,629 million
Net income	$\in$ 3,839 million / US\$ 4,450 million

### Workforce 123,748 employees

- Based on Nissan's accounting standards
- Exchange rates: 131.2 Yen/Euro and 113.2 Yen/US\$, average rates for the fiscal year ending March 31, 2004

\* Renault's 2003 fiscal year begins January 1, 2003, and ends December 31, 2003. Nissan's 2003 fiscal year begins April 1, 2003, and ends March 31, 2004.

#### RANKING OF AUTOMOTIVE GROUPS IN TERMS OF PRODUCTION VOLUME IN 2003 (Passenger Vehicles + Light Commercial Vehicles)



\* including Mitsubishi

#### 8. RENAULT AND NISSAN PRODUCT LINE-UP **EUROPE** (including Eastern and Central Europe) 55. ---**RENAULT GROUP LINE-UP** NISSAN GROUP LINE-UP Thalia\* Almera Tino Twingo Clio Modus Micra Almera Primera / Primera Wagon (B) (Sub B) (B) • (B) 🔴 (B) • • (C) • (C) • (D) • Modus has been on sale in Europe since September 2004 Mégane/Mégane II Scénic II Maxima OX 350 Z X-TRAIL Pickup Laguna Espace [C/4X4] • • (E) • (Sport) (4X4) (Pickup) including Mégane Scénic I Vel Satis Kangoo Trafic Master Kubistar Primastar Interstar (E) • (B/LVC) • (LCV) • • (LCV) • • (LCV) • (LCV) • (LCV) • • 4X4 **D** Segment Patrol GR Dacia 1310 Classic Terrano LCV LCV Dacia Solenza\* Dacia 1310 Pick-Up\* Dacia Logan\* Master RWD Cabstar (C) • (LCV) Atleon

\* only sold in Romania / Central Europe

NB: The selection of photos for Renault and Nissan line-ups are based on different criteria. For Renault, the photos represent vehicles with the highest sales volume for 2003 in each region. For Nissan, the photos represent vehicles that are key to NISSAN 180. Vehicles with a particular link to the Alliance:

- Vehicles that are double-badged / derived
- Vehicles assembled on common platforms
- Vehicles containing components from the other partner (engines and/or transmissions)
- Vehicles developed by a company and produced at its partner's plant (cross-manufacturing)

## 8. RENAULT AND NISSAN PRODUCT LINE-UP MIDDLE EAST AND AFRICA

#### **RENAULT GROUP LINE-UP**





Twingo (Sub B)

Thalia

(B) •

Espace

(E) •



Laguna

(D)

Clio

(B)

Mégane/Mégane II [C/4X4] • •





Vel Satis (E) •

Kangoo (B/LCV) •



Dacia Solenza



Trafic • •

LCV

Dacia 1310 Pick-Up

Master (LCV) • •







Altima

[4X4]

350 Z (Sport)

Maxima (E)

TN

Sunny

X-TRAIL

(4X4)

Almera





Pickup / HARDBODY

Urvan (LCV)

**F** Segment Infiniti 045 **E Segment** Infiniti G35 **D** Segment Primera ●

PICKUP

**B** Segment Micra/March • •



1400 Bakkie

LCV Cabstar/Cabstar-E Civilian Atleon

NB: The selection of photos for Renault and Nissan line-ups are based on different criteria. For Renault, the photos represent vehicles with the highest sales volume for 2003 in each region. For Nissan, the photos represent vehicles that are key to NISSAN 180.

- Vehicles with a particular link to the Alliance:
- Vehicles that are double-badged / derived
- Vehicles assembled on common platforms
- Vehicles containing components from the other partner (engines and/or transmissions)
- Vehicles developed by a company and produced at its partner's plant (cross-manufacturing)

(LCV)

## 8. RENAULT AND NISSAN PRODUCT LINE-UP **JAPAN AND ASIA-PACIFIC**

#### **RENAULT GROUP LINE-UP**





Mégane II

(C) •





Clio (B)



Kangoo (B/LVC) •





Laguna

**SUB B Segment** Twingo **E Segment** Espace • Vel Satis ● Avantime LVC

#### Master •

#### Vehicles with a particular link to the Alliance:

- Vehicles that are double-badged / derived
- Vehicles assembled on common platforms
- Vehicles containing common engines
- Vehicles containing components from the other partner (engines and/or transmissions)
- Vehicles developed by a company and produced at its partner's plant (cross-manufacturing)
- NB: The selection of photos for Renault and Nissan line-ups are based on different criteria. For Renault, the photos represent vehicles with the highest sales volume for 2003 in each region. For Nissan, the photos represent vehicles that are key to NISSAN 180.

#### NISSAN GROUP LINE-UP











Fuga

Teana/Cefiro/ Maxima (E)

(E)

Skuline/Infiniti G35

Sunny/Sentra/ Pulsar (C)









(C) •

Tiida

March /Micra (B) • •

Cube/Cube<sup>3</sup> (B) •

Fairlady Z/350Z/ Roadster (Sport)



**F** Segment

President

E Segment

Stagea

Primera/

Bluebird

Bluebird Sylphy

Avenir

Sunny

Wingroad/

Pulsar Wagon

Cedric/Gloria

Cima/Infiniti Q45





X-TRAIL

(4X4)



Paladin

(4X4)

Elgrand (MPV)

**B** Segment Verita MINI Мосо Clipper

> CROSSOVER Infiniti FX35

MPV Serena Liberty/Prairie Presage

4X4 Safari/Patrol

PICKUP Frontier/Pickup/ Navara NV



Atlas/Cabstar Caravan/Urvan Civilian Expert AD Van Vanette

**D** Segment Primera Wagon **C** Segment

Terrano Pathfinder

\* to be launched in Japan in October 2004







## 8. RENAULT AND NISSAN PRODUCT LINE-UP **NORTH AMERICA** (including MEXICO)

#### RENAULT GROUP LINE-UP (Mexico)







Clio (B) ••

Mégane I [C/4X4]including Mégane

Scénic I 😐



Laguna

#### **NISSAN GROUP LINE-UP**







Infiniti 045 (F)

Infiniti G35/ G35 Coupe

(E)

Altima



3507/3507 Roadster



(Sport)





E Segment

Infiniti M45



Murano (Crossover)

(Crossover)

Titan (Pickup)



Infiniti 0X56

(4X4)

Infiniti 135 Maxima C Segment

**B** Segment Tsuru MPV Quest

Almera

4X4 X-TRAIL Pathfinder Armada Xterra



Urvan

#### Vehicles with a particular link to the Alliance:

- Vehicles that are double-badged / derived
- Vehicles assembled on common platforms
- Vehicles containing components from the other partner (engines and/or transmissions)
   Vehicles developed by a company and produced at its partner's plant
- (cross-manufacturing)
- NB: The selection of photos for Renault and Nissan line-ups are based on different criteria. For Renault, the photos represent vehicles with the highest sales volume for 2003 in each region. For Nissan, the photos represent vehicles that are key to NISSAN 180.



Platina (B) • •

## 8. RENAULT AND NISSAN PRODUCT LINE-UP LATIN AMERICA AND MERCOSUR (excluding MEXICO)

RENAULT GROUP LI	INE-UP		NISSAN GROUP LIN	E-UP	
Twingo	Clio	Thalia	Cefiro	Sentra	Platina
(Sub B)	(B)	(B) ●	(E)	(C)	(B) •
Mégane/Mégane II 〔C/4X4〕 ● ●	Laguna (D)	Vel Satis [E] ●	Murano (Crossover)	Pathfinder	X-TRAIL
including Mégane Scénic I					()
				Ser.	-
Kangoo (B/LCV) •	Trafic (LCV) ••	Master (LCV) ● ●	Xterra [4X4] •	Frontier (Pickup) •	Frontier/Pickup (Pickup)
	0000		F Segment Infiniti Q45* E Segment Altima Infiniti G35*/	SPORT 350Z/ 350Z Roadster CROSSOVER Infiniti FX35/45*	PICKUP Titan* Patrol Pickup LCV
Dacia SuperNova [C]	Dacia 1310 Pick-Up (LCV)		G35 Coupe* Infiniti I35* Infiniti M45*	MPV Quest*	Urvan W41
			D Segment Primera • C Segment	<b>4X4</b> Infiniti QX56* Armada* Terrano	
			Almera	Patrol	* sold only in Puerto Rico
Samsung SM5 (E)	line-ups are based on o	os for Renault and Nissan different criteria. For Renault, chicles with the highest sales	Vehicles with a particular lin Vehicles that are double-b Vehicles assembled on co	adged / derived	

Vehicles assembled on common platforms

• Vehicles containing components from the other partner (engines and/or transmissions)

NB: The selection of photos for Kenault and Nissan line-ups are based on different criteria. For Renault, the photos represent vehicles with the highest sales volume for 2003 in each region. For Nissan, the photos represent vehicles that are key to NISSAN 180.

## Notes

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## **RENAULT NISSAN**