The Renault-Nissan Alliance

Nissan has greatly increased its global footprint and achieved dramatic economies of scale through the Renault-Nissan Alliance, a unique and highly scalable strategic partnership founded in 1999. Renault and Nissan together sold 7.28 million cars* in 190 countries in 2010, making the Alliance the third largest auto group worldwide. The Alliance unites 350,000 employees worldwide under five brands: Nissan, Infiniti, Renault, Renault Samsung Motors and Dacia.

* This figure includes Lada sales (AvtoVAZ of Russia).

Please see our website for more information on the Renault-Nissan Alliance.
http://www.nissan-global.com/EN/COMPANY/PROFILE/ALLIANCE/RENAULT01/index.html

Global Pursuit of Synergy and Growth

Although it was initially considered a unique arrangement in the late 1990s, the Alliance quickly became a role model for several other partnerships in the auto industry. Meanwhile, the Alliance itself broadened its scope substantially, forming additional partnerships with automakers including Germany's Daimler, China's Dongfeng Motor and Russia's AvtoVAZ.

The Alliance is based on the rationale that substantial cross-shareholding investments compel each company to act in the financial interest of the other, while maintaining individual brand identities and independent corporate cultures. Renault currently has a 44.3% stake in Nissan, and Nissan holds a 15.0% stake in Renault. The cross-shareholding arrangement requires mutual trust and respect, as well as a transparent management system focused on speed, accountability and performance.

The Alliance pursues a strategy of profitable growth with three objectives:

1. 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
2. To be among the best three automotive groups in key technologies, each partner being a leader in specific domains of excellence
3. To consistently generate a total operating profit among the top three automotive groups in the world, by maintaining a high operating margin and steady growth

The Alliance remains committed to developing synergies through such common organizations as the Renault-Nissan Purchasing Organization (RNPO), joint working groups and shared platforms, components and industrial facilities. In its second decade of existence, the Alliance also keenly focuses on maintaining its clear lead in sustainable transportation.

Zero-Emission Leadership

The Alliance invested €4 billion in research, engineering, product development and manufacturing to develop the first wave of zero-emission cars—electric vehicles (EVs). Unlike other carmakers, the Alliance focused on development of a unique, purpose-built EV that could be mass-produced at affordable prices for mainstream consumers. The first tangible result of the investment was the groundbreaking Nissan LEAF, which went on sale in Japan and the United States in December 2010. The Nissan LEAF—which was named the 2011 World Car of the Year—will be available globally starting in 2012. The Alliance is developing eight additional EVs for production by 2014.

The heart of the Alliance's initial investment is the EV battery. The Alliance is working on five all-new battery production plants in Japan, France, the United States, the United Kingdom and Portugal. When fully ramped up, these plants will give the Alliance battery production capacity of 500,000 units a year.

This advanced technology and total supply chain control guarantees an advantage unmatched in the global automotive industry, allowing Renault and Nissan to achieve a full production scale of hundreds of thousands of EVs per year. This priceless "first-mover advantage" will give Nissan and Renault significant brand equity, customer awareness and market data from real-world drivers.

While the Alliance is focused on the EV, it also continues to work on and invest in hydrogen fuel-cell vehicles (FCVs) and future zero-emission strategies.

Emerging Market Dominance

The Alliance will always remain committed to the brands' roots and core markets, including Japan, Europe and North America. At the same time, the Alliance is expanding aggressively in the world's fastest-growing economies, positioning the companies shrewdly for the rest of the 21st century and beyond.

To take one example, the Alliance has invested heavily in India, where a plant in Chennai began producing cars for both Nissan and Renault in 2010. The first vehicle produced was the Nissan Micra. Starting in 2011, the plant will produce the Renault Koleos and Fluence. The Chennai factory represents an investment of about €800 million from February 2008 to 2015. The plant—which has full stamping, body, paint, plastic, trim and chassis shops, as well as two test tracks—will eventually have the capacity to produce 400,000 vehicles a year.

The Alliance is likewise planning for ambitious growth in China, Brazil, Russia, Morocco and other emerging markets. While these investments mean more affordable cars and trucks for new consumers overseas, they also mean more jobs in the Alliance's homelands—particularly in additional value-added positions in research and development, manufacturing processes and vehicle design. This means that the Alliance's emerging-market expansion is a definitive "win-win" for both historic markets and those that are experiencing double-digit growth.