2. Cooperation in All Major Areas

LIGHT COMMERCIAL VEHICLE (LCV) DOUBLE-BADGING

Double-Badging, Parts Exchange, Cross-Manufacturing

In 2002, the Renault Master and Renault Trafic were double-badged and launched, respectively, as the Nissan Interstar in March, and the Nissan Primastar in September. This double-badging project supports Nissan LCV sales in Europe.

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. Manufacturing in Europe takes full advantage of the Alliance's exchange of best practices in manufacturing efficiency.

• Sales results in Western Europe CY 2002:
  Nissan Primastar and Interstar: 4,032

COMMON PLATFORMS

Two Common Platforms for the B and C Segments

**B Platform**

<table>
<thead>
<tr>
<th>Start of Sales</th>
<th>Sales Volume Since Launching</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2002 in Japan</td>
<td>191,416 (end of May 2003)</td>
</tr>
<tr>
<td>October 2002 in Japan</td>
<td>58,829 (end of May 2003)</td>
</tr>
<tr>
<td>January 2003 in Europe</td>
<td>62,933 (end of May 2003)</td>
</tr>
</tbody>
</table>

The B platform will also be used for the future vehicle replacing the Renault Clio.

**C Platform**

<table>
<thead>
<tr>
<th>Start of Sales</th>
<th>Sales Volume Since Launching</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2002</td>
<td>189,600 (end of May 2003)</td>
</tr>
</tbody>
</table>

The C platform will also be used for future Nissan C-segment models.
2. Cooperation in All Major Areas

POWERTRAINS

Joint Use and Development of Engines and Transmissions*

Nissan Components Supplied to Renault


3. Nissan 3-liter diesel engine (ZD30), supplied from the second half of 2003 for Master and Mascott vans.

Renault Components Supplied to Nissan

2. Renault 1.5 dCi engine (K9K) in Almera, October 2002; Micra in January 2003.

3. Renault 1.9 dCi engine (F9Q) in Primera, December 2002.

* Dates are start of powertrain production.

Renault Production of Nissan Components for Both Renault and Nissan
Production of Nissan ND manual transmission at the Renault Cacia plant in Portugal started in February 2002. The ND manual transmissions have been supplied to Nissan Primera, Almera, Almera Tino and to Renault Mégane II.
2. Cooperation in All Major Areas

**RESEARCH AND ADVANCED ENGINEERING**

Renault and Nissan Join Forces in Research

Nissan and Renault are conducting research on fuel cell including breakthrough technologies.

Nissan and Toyota announced a hybrid vehicle partnership on September 2, 2002. If requested by Renault, Toyota is prepared to discuss supply of the system to Renault.

The next generation of on-board upgraded telematics is commonly developed for different regions.

**PURCHASING**

Significant Cost Reductions Achieved through Joint Purchasing and Common Supplier Base

The Renault-Nissan Purchasing Organization (RNPO) was established in April 2001, representing 30 percent of combined global annual purchasing turnover. This percentage was increased to more than 40 percent by the end of 2002, representing a yearly purchasing volume of $21 billion. A further expansion to 70 percent is expected.

For the period 1999 to 2002, joint Alliance efforts resulted in total savings of $1.9 billion.

**MANUFACTURING AND LOGISTICS**

Exchange of Best Practices to Adopt Each Other's Strengths

Manufacturing

Introduction of the Alliance Vehicle Evaluation System (AVES) in all Renault and Nissan plants was completed in January 2003.

Renault established the Renault Production Way (SPR) system, improving workstation performance thanks to Nissan’s expertise in work management.

Renault ideas introduced into Nissan include standards and analysis tools for workstation ergonomics and cost-control methods.

Shorter Delivery Time and Cost Reduction through Unifying Logistics Functions

Logistics

The Global Alliance Logistics Committee (GALC) and Alliance Logistics Taskforce (ALT) were established in November 2002. GALC checks progress in reaching targets and sets worldwide logistics strategies. ALT coordinates and supports Cross-Company Team (CCT) activities, and reports on major cost reduction opportunities to GALC.

Renault began using Nissan’s returnable racks for Completely Knocked Down (CKD) parts shipments. Common Key Process Indicators (KPI) and Knocked Down (KD) evaluation system started in April 2003.

A new joint ocean vehicle shipping route, adding UK-based routes to the existing France-Spain route, was established in early 2002.
2. Cooperation in All Major Areas

Common parts collections (warehousing and truck sharing) were expanded in Europe for parts procurement logistics in 2002.

Common standard packing in Europe was established in March 2003.

New working group to improve supply parts management was established in May 2003.

INFORMATION SYSTEMS/INFORMATION TECHNOLOGY (IS/IT)

Providing System Support for Joint Renault-Nissan Projects

In July 2002, Renault-Nissan Information Services (RNIS) was established to deliver cost-effective systems and optimized infrastructure set-up to the two companies’ IS/IT departments.

In IS, a common Bill of Materials (BOM) database will be completed in both systems by March 2004. A next version of the CAD software currently used by Renault will be adopted in both companies by 2005. For supplier management, joint utilization of the purchasing system developed by Nissan is under study.

In IT, a worldwide Alliance backbone for network and telecommunications will be implemented at the beginning of 2004, as well as an IT catalog establishing common standards for both Renault and Nissan.

EUROPE

Renault Leads Sales and Marketing Growth for Renault and Nissan

Reorganization of Dealer Networks

From the beginning of the Alliance, Renault and Nissan have worked together to reorganize their dealer networks under a hub strategy. When the reorganization is completed in 2005, 50 percent of both Renault and Nissan’s dealers will be common hubs, with single dealerships covering both brands – and enjoying major economies of scale.

By April 1, 2003, approximately one-third of the total planned common hubs had been established.

Reorganization of National Sales Company (NSC) Sales and Marketing Functions

1. Group office creation under Renault’s responsibility in France, Italy, Spain and the UK for accounting, human resources, after-sales, dealer development and purchasing.

2. Single Legal Entity (SLE) establishment:
   - Switzerland – February 16, 2001*
   - The Netherlands – February 16, 2001*
   - Germany – September 16, 2002*
   - Austria – May 28, 2003*

*Date of legal establishment
2. Cooperation in All Major Areas

**MEXICO AND CENTRAL AMERICA**

Renault Returns to Mexico with Nissan Support / Nissan Platina Developed with Renault Support

**Building a Dealer Network**
A network of Renault dealers, largely selected from existing Nissan dealers, is under development. A total of 32 sales outlets were in operation at the end of 2002.

In El Salvador, Honduras, Panama and Ecuador, Renault has begun selling its cars with Nissan support.

**Joint Production**
1. Renault Scénic in the Nissan Cuernavaca plant, Mexico, from December 2000
2. Renault Clio in the Nissan Aguascalientes plant, Mexico, from November 2001
3. Nissan Platina, derived from the Renault Clio sedan, in the Aguascalientes plant, Mexico, from March 2002

• Sales results in Mexico CY 2002:
  - Renault Scénic and Clio: 15,386
  - Nissan Platina: 36,683

**MERCOSUR**

Full Entry of Nissan in the MERCOSUR Market with Renault Support

**Building a Dealer Network**
Nissan do Brasil is creating a network of Nissan dealers from existing Renault dealers. A network of 61 Nissan dealers was in operation at the end of 2002.

In Argentina, Renault Argentina became Nissan's importer in June 2001. At the end of 2002, it established 43 sales outlets operated by 27 Renault dealers.

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

**Common Plant**

• Sales results in Brazil CY 2002 for LCV vehicles assembled at the common plant:
  - Renault Master II: 525
  - Nissan Frontier: 3,275
2. Cooperation in All Major Areas

**JAPAN**

**Expansion of Renault’s Japan Sales Network with Nissan Support**

**Establishment of a Dealer Network**

Current Nissan dealers have been selling Renault vehicles since May 2000. A total of 71 exclusive or dual-brand dealer outlets were in operation at the end of 2002. Plans call for the network to be expanded to 100 dealers in the mid- and long-term.

**ASIA AND OCEANIA**

**Renault Sales Jump**

**Korea**

Nissan is providing extensive technical support for the production and adaptation of the SM5 and SM3, derived from Nissan vehicles, to firmly establish Renault Samsung Motors (RSM) for growth into the future.

- **RSM sales results CY2002:**
  - 116,793 units, 9.4% market share.

**Australia**

Nissan Australia took responsibility for the distribution of Renault vehicles, with sales beginning in May 2001. Twenty-five outlets were selected at the end of 2002, largely from existing Nissan dealers.

**Taiwan**

Nissan distributor Yulon Motor began the distribution of Renault vehicles in July 2001, and has established 14 Renault sales outlets.

**Indonesia**

The Indomobil group, Nissan’s Indonesian partner, began the distribution of Renault vehicles in November 2001, with a network of five dealerships.

**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 will handle the commercial distribution and after-sales services for the Renault line-up, as well as the production of the Kangoo from 2004.
2. Cooperation in All Major Areas

AFRICA, EASTERN EUROPE AND MIDDLE EAST

Utilization of Each Other's Sales Networks

Morocco
Renault Maroc acquired Nissan importer SIAB in October 2000, and is enhancing Nissan development in the market.

Tunisia
ARTES became the new Nissan National Sales Company (NSC) on May 16, 2003. ARTES has been the Renault NSC in the country.

Sub-Saharan Africa
Nissan began sales in Congo and Mali in 2001 through Renault's existing dealer network. In Senegal, Nissan terminated its contract with its existing NSC in 2002, with Renault NSC SERA Senegal taking over sales of Nissan vehicles.

Gulf States
Sales of Renault vehicles began in Kuwait in January 2003, and in Bahrain in February 2003, through the existing Nissan dealer network. Renault also began sales in Qatar in May 2003, also through Nissan dealers.

Romania
Nissan began sales activities through the existing Renault dealer network in January 2003.

PERSONNEL EXCHANGES

Since the beginning of the Alliance, Renault and Nissan have been committed to developing a personnel exchange programme in order to increase Alliance performance. These exchanges, which concern approximately 300 employees, can be grouped into four categories:

1. The first category includes Renault and Nissan expatriates who are employed by one of the two parent companies. Such exchanges make it possible to reinforce the various functions through the sharing of best practices as well as to encourage mutual understanding. As of April 1, 2003, 65 expatriates fall into this category:
   — 36 Renault personnel are integrated into NML (Nissan) and work mainly in Ginza and Atsugi.
   — 29 Nissan personnel work at Renault, either at the headquarters or at Rueil and Guyancourt.

2. Other expatriates – approximately 15 – work in Alliance projects such as development of platforms, engines and transmissions, etc.

3. A third category is made up of people working in both common companies (Renault-Nissan Purchasing Organization - RNPO and Renault-Nissan Information Services - RNIS). On April 1, 2003, approximately 185 people fall into this group.

4. Lastly, personnel exchanges within a regional framework also exist. Approximately 20 Renault employees have been sent to work in European Nissan affiliates. Nissan has also sent 24 employees either to Renault Samsung Motors (RSM) or Renault Japan, Asia-Pacific.

Of course, these 300 people are not the only ones directly involved in making the Alliance work. Several hundred people are involved in Alliance structures, particularly in the Cross-Company Teams (CCTs) and Functional Task Teams (FTTs). These people remain employed by their original company.