



## PRESS RELEASE

### **RENAULT-NISSAN ALLIANCE ANNUAL SYNERGIES RISE 16% TO €5 BILLION**

- **Shared synergies rise from €4.3 billion to €5 billion in 2016**
- **Alliance on track to deliver synergies of at least €5.5 billion in 2018**
- **Engineering, Manufacturing and Purchasing contribute bulk of synergies**
- **Common Module Family architecture delivers continued benefits**

PARIS/YOKOHAMA (July 7, 2017) – The Renault-Nissan Alliance today reported a 16 percent increase in synergies for 2016 compared to 2015.

The Alliance members secured savings, generated incremental revenues and implemented cost-avoidance measures through the world's leading automotive partnership.

The value of annualized synergies realized by the Alliance rose to €5 billion last year, up from €4.3 billion in 2015. Converged operations in purchasing, engineering and manufacturing contributed most of the €700 million synergy improvement.

“The growing cooperation across the Alliance is delivering strong benefits for the members of the Alliance, reflected by the economies of scale, technological breakthroughs and innovations that are being shared between Renault and Nissan,” said Carlos Ghosn, chairman and chief executive officer of the Renault-Nissan Alliance. “We are on track to realize synergies of €5.5 billion in 2018, even before taking into account the contributions from Mitsubishi Motors, our new Alliance partner.”

With the addition of Mitsubishi Motors, which became the third full member of the Alliance at the end of 2016, annual sales have reached 10 million units. The addition of Mitsubishi Motors comes two years after Renault and Nissan deepened their partnership by converging four key functions: Engineering, Manufacturing & Supply Chain Management, Purchasing and Human Resources. Each such functions is led by a common Alliance Executive Vice President.

“We continue seeing tangible results of this major convergence,” added Mr. Ghosn. “Our growing synergies are helping Renault, Nissan and now Mitsubishi Motors meet their financial objectives and deliver higher-value vehicles to customers in the new era of mobility.”

In the current year, the Alliance members are expected to introduce more next-generation technologies in electric vehicles, autonomous driving and connected cars and will increase commonalities in platforms, powertrain and parts to boost competitiveness and identify new synergies.

In April 2017, the Alliance created a light commercial vehicle business unit that will deliver additional synergies in vans and light trucks. The new unit will maximize shared product development and cross-manufacturing, technology sharing and cost-reduction, while preserving brand differentiation among Alliance members.

With the addition of Mitsubishi Motors, the Alliance is expected to generate additional synergies from joint purchasing and logistics, as well as from deeper localization, joint plant utilization, common vehicle platforms, technology-sharing and an expansion of their combined presence in both mature and emerging markets.

Mitsubishi Motors is expected to contribute expertise to the Alliance in areas such as plug-in hybrid electric vehicles, pick-ups, light trucks and sports utility vehicles, as well as a strengthened market presence in the ASEAN region.

## **Common Module Family**

The CMF architecture is based on five primary component sets, or modules, which allows engineers to interchange the modules to create hundreds of variants across most of the Alliance brands.

The Alliance has secured significant benefits from CMF since it was introduced in 2013.

The Renault Kwid which went on sale in India in 2015, became the first Alliance model built using CMF-A architecture for the smallest and most affordable car segment. Last year, Nissan launched a Datsun model based on the same CMF-A architecture in India: the Datsun redi-GO. These cars share more than 60 percent of common parts while offering a completely different brand experience to customers.

In 2016, the Alliance completed the deployment of all car models based on the CFM-C/D architecture with the launch of the new Renault Scenic and the new Megane. Other Alliance vehicles manufactured utilizing the CFM-C/D architecture include the Nissan Rogue, the Qashqai and the X-Trail, the new Renault Espace, the Kadjar and the Talisman.

By 2020, the Alliance expects 70 percent of its vehicles to be built on CMF. The approach is expected to contribute to purchasing cost savings of up to 30 percent and a reduction of engineering costs by up to 40 percent.

## **Cross-production and shared platforms**

The cross-production of vehicles continues to be a major driver of manufacturing synergies. Cross-production allows Renault, Nissan and Mitsubishi Motors to manufacture vehicles in each other's plants and closer to where they are sold, and to increase plant utilization, thus reducing fixed costs.

Production of the new Nissan Micra began at Renault's plant in Flins, France in 2016. Nissan is capitalizing on the plant's expertise in building high quality B-segment hatchbacks. The new Micra is built on a revised and updated V-Platform with powertrains being shared by Micra and Clio.

Later this year, Nissan will begin production of the Renault Alaskan pick-up truck at its Barcelona plant in Spain.

### **ABOUT THE RENAULT-NISSAN ALLIANCE:**

The Renault-Nissan Alliance is a strategic partnership between France-based Groupe Renault and Japan-based Nissan Motor and Mitsubishi Motors. The automakers combined sold 9.96 million vehicles in nearly 200 countries in 2016 – more than one in nine vehicles worldwide. The Alliance has strategic collaborations with other automakers, including Germany's Daimler and China's Dongfeng. It also owns a majority stake in the joint venture that controls Russia's top automaker, AVTOVAZ. The Alliance is the industry leader in zero-emission vehicles and is developing the latest advanced technologies, with plans to offer autonomous drive and connectivity features and services on a range of affordable vehicles.

[blog.alliance-renault-nissan.com](http://blog.alliance-renault-nissan.com)

[www.media.renault.com](http://www.media.renault.com)

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