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Press Information

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Nissan and Daimler to produce engines together in North America

In the latest step forward in the collaboration of the Renault-Nissan Alliance and Daimler, Nissan's Decherd, Tenn., plant will build Mercedes-Benz 4-cylinder engines for Infiniti and Mercedes-Benz starting in 2014.

DETROIT (Jan. 8, 2012) –Nissan and Daimler will produce Mercedes-Benz 4-cylinder gasoline engines together at Nissan's powertrain assembly plant in Decherd, Tenn. Production will begin in 2014, with installed capacity of 250,000 units per year once full ramp-up is achieved. The Decherd facility will produce engines for Mercedes-Benz and Infiniti models.

"This is the newest milestone in our pragmatic collaboration and our most significant project outside of Europe so far," said Renault-Nissan CEO Carlos Ghosn. "Localized capacity reduces exposure to foreign exchange rates while rapidly enabling a good business development in North America – a win-win for the Alliance and Daimler."

The collaboration marks the first production of Mercedes-Benz engines in the North America Free Trade region. The Tennessee

plant's strategic location and logistics links ensure a direct supply of engines starting in 2014 for the Mercedes-Benz C-Class, built at Daimler's vehicle plant in Tuscaloosa, Ala.

"In the context of our Mercedes-Benz 2020 growth strategy, we have decided that we will expand the production capacities required for this close to the customers. Through the strategic extension of our cooperation with Renault-Nissan we can realize near-market engine production in the NAFTA region on attractive economic terms and make optimum use of synergies arising from the cooperation," Dr. Dieter Zetsche, Chairman of the Daimler Board of Management and Head of Mercedes-Benz Cars, said. "Thus we are systematically broadening our manufacturing footprint in this important growth market."

Nissan began powertrain assembly in Decherd in 1997. Today it manufactures 4-, 6- and 8-cylinder engines for the complete lineup of U.S.-produced Nissan and Infiniti vehicles. The plant also houses crankshaft forging and cylinder block casting operations. In 2011, Decherd produced more than 580,000 engines on a covered area of more than 1.2 million square feet (111,000 square meters).

Project portfolio expands

Daimler and the Renault-Nissan Alliance launched their strategic collaboration in April 2010, including an equity exchange that gives the Renault-Nissan Alliance a 3.1 percent stake in Daimler and Daimler a combined 3.1 percent interest in Renault and Nissan.

The collaboration began with three project pillars:

- Joint smart/Twingo architecture: The project is on track for launch in the early first quarter of 2014. Two-seater smart vehicles will be produced at Daimler's plant in Hambach, France, and four-seater smart and Renault production are slated for Renault's plant in Novo Mesto, Slovenia.
- All-new entry-level city van project for Mercedes-Benz: The project is on schedule with expected launch in late 2012.
- Powertrain cross-supply: The Alliance is supplying Daimler with compact three-cylinder gasoline engines to be used in smart and Twingo vehicles and four-cylinder diesel engines to be used in the jointly developed light commercial vehicle and in Mercedes-Benz's next generation of premium compact cars. Daimler will supply Nissan and Infiniti with four- and six-cylinder gasoline and diesel engines from the current and future engine portfolio as well as with automatic transmissions.

Since its founding in April 2010, the collaboration has been gradually expanded. In addition to the announcement this week about North American engine production, the companies had also earlier decided to partner on:

- Platform sharing: Infiniti plans to base a premium compact vehicle on the Mercedes compact-car architecture, starting in 2014.
- Zero-emission vehicles: Daimler will provide batteries from its production facility in Kamenz, Germany, and Renault-Nissan will provide electric motors for the use in electric vehicles (smart and Twingo ZE). First releases will occur in 2014.

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www.nissannews.com, www.media.daimler.com

and blog.alliance-renault-nissan.com

Decherd plant b-roll is available on:

nissannews.com/pressrelease/1025/175/video-gallery

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