PSA PEUGEOT CITROËN

# 2011
# THIRD QUARTER REVENUES

October 26th, 2011

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# 2011
# THIRD QUARTER REVENUES

Frédéric Saint-Geours
CFO & EVP Strategy

# Q3 2011 Highlights

- 9 M Group revenues up **7.7%** year-on-year, Automotive Division revenues up **4.1%**
- Q3 Group revenues **+3.5%**, Automotive division **-1.6%** reflecting -45.000 units in production due to Agrati supply disruption, increasing price competition and unfavourable market mix in Europe
- **Globalization on track: sales volume outside Europe at 41% vs 37%** for 9M 2010
- **Ongoing success of Premiums,** notably Peugeot RCZ, 3008 and 508 and Citroën DS3, DS4 at 17% of sales
- **First worldwide Hybrid diesel** presented in September : Peugeot 3008HY4

# Q3 revenues: +3.5% (+7.7% on 9M basis)

| *In million euros* | Q3- 10 | Q3-11 | Δ | 9M - 10 | 9M -11 | Δ |
|---|---|---|---|---|---|---|
| Automotive* | 9 465 | 9 310 | -1.6% | 30 639 | 31 895 | +4.1% |
| Faurecia | 3 267 | 3 787 | +15.9% | 10 093 | 11 938 | +18.3% |
| Gefco | 794 | 850 | +7.1% | 2 509 | 2 867 | +14.3% |
| Banque PSA Finance | 464 | 493 | +6.2% | 1 383 | 1 435 | +3.7% |
| Other businesses and intra-company eliminations | (997) | (990) | - | (3 238) | (3 550) | - |
| Total revenues* | 12 993 | 13 450 | +3.5% | 41 386 | 44 585 | +7.7% |

* Without Agrati impact: Q3: Automotive 9 580 (+1.2%) and Total revenues 13 720 (+5.6%)
Without Agrati impact: 9M: Automotive 32 165 (+5.0%) and Total revenues 44 855 (+8.3%)

# 9 month 2011 market trends

▶ Strong growth outside Europe 30

## Cars and light commercial vehicles – Market evolution

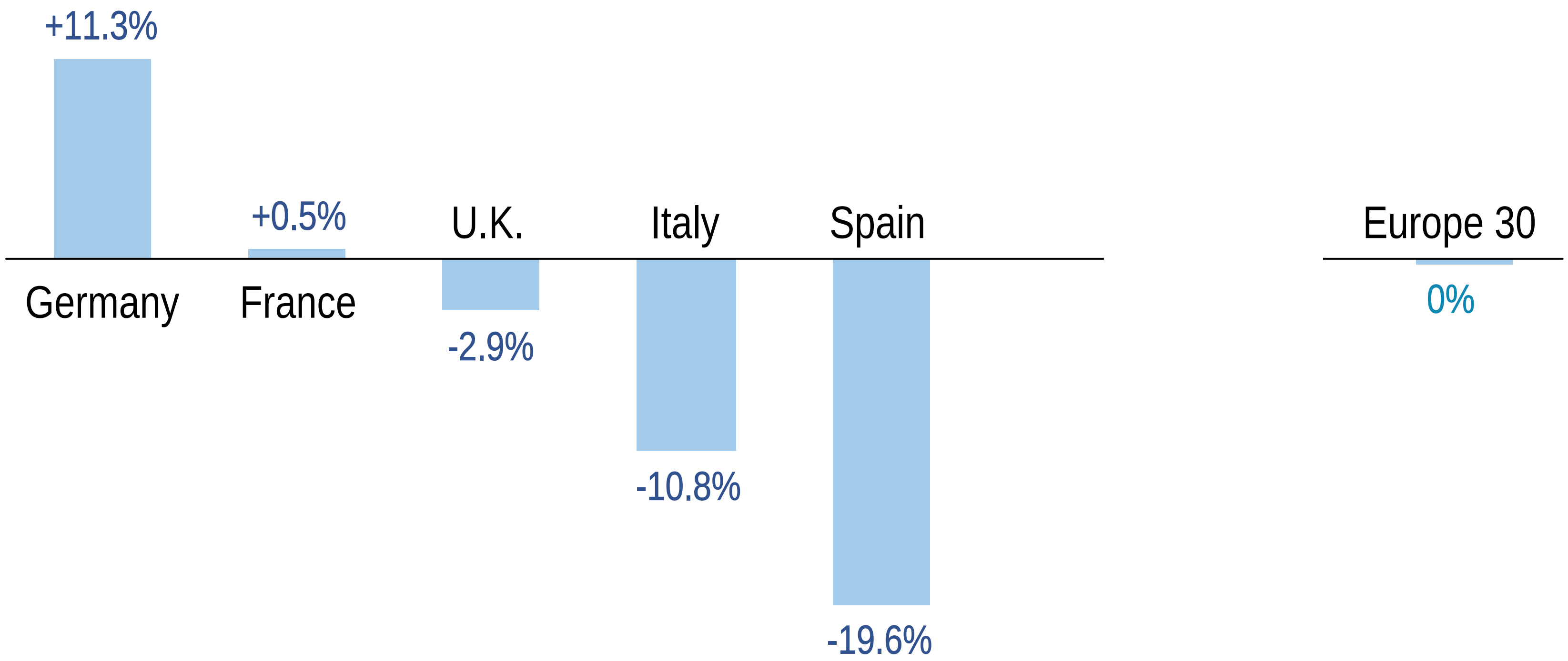
∆ 9M 2011 – 9M 2010

| | 9M 2011 |
|---|---|
| Europe 30 | 0% |
| China * | +9% |
| Latin America** | +11% |
| Russia | +45% |

* Passengers Vehicles ** Brazil, Argentina, Chile, Mexico

# 9 month 2011 market trends

▶ Unfavourable market mix in Europe

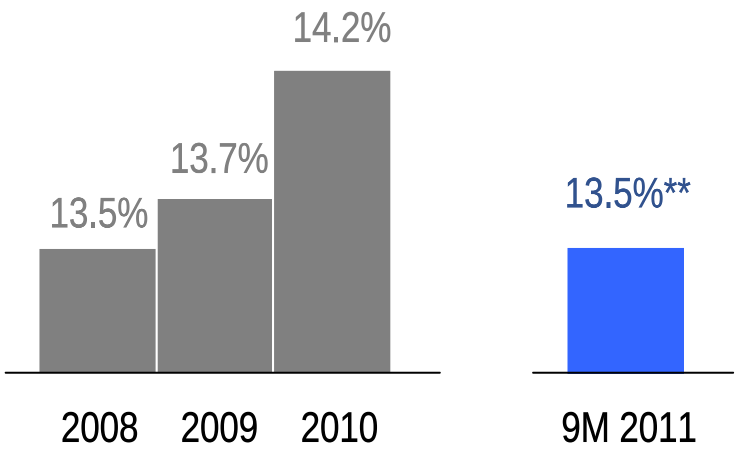



Source: Group data

# European market share

- Market share impacted by negative country mix, of which -0.2% due to Agrati supply disruption, in addition to -0.2% effect of Japan disaster

Market share in Europe 30*



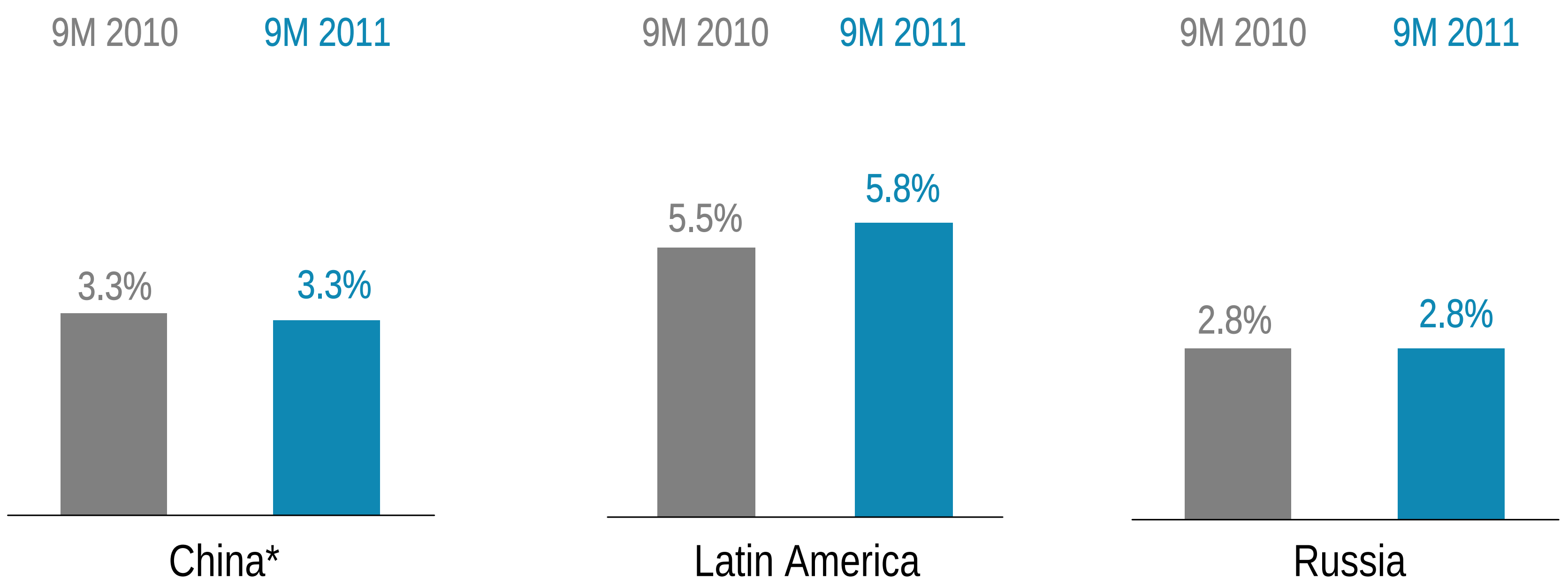

LCV:

- Upturn in the European light commercial vehicle market confirmed: +7.3% in 9M11
- European leader on the LCV market with 21.0% market share (vs 21.9% 9M 2010)

* PC - LCV ** 13.9% excluding supply disruption (Japan + Agrati)

# Performance outside Europe

Cars and light commercial vehicles – Market share




* Passengers vehicles

# Worldwide unit sales

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► Sales driven by Developing markets

— In K units —

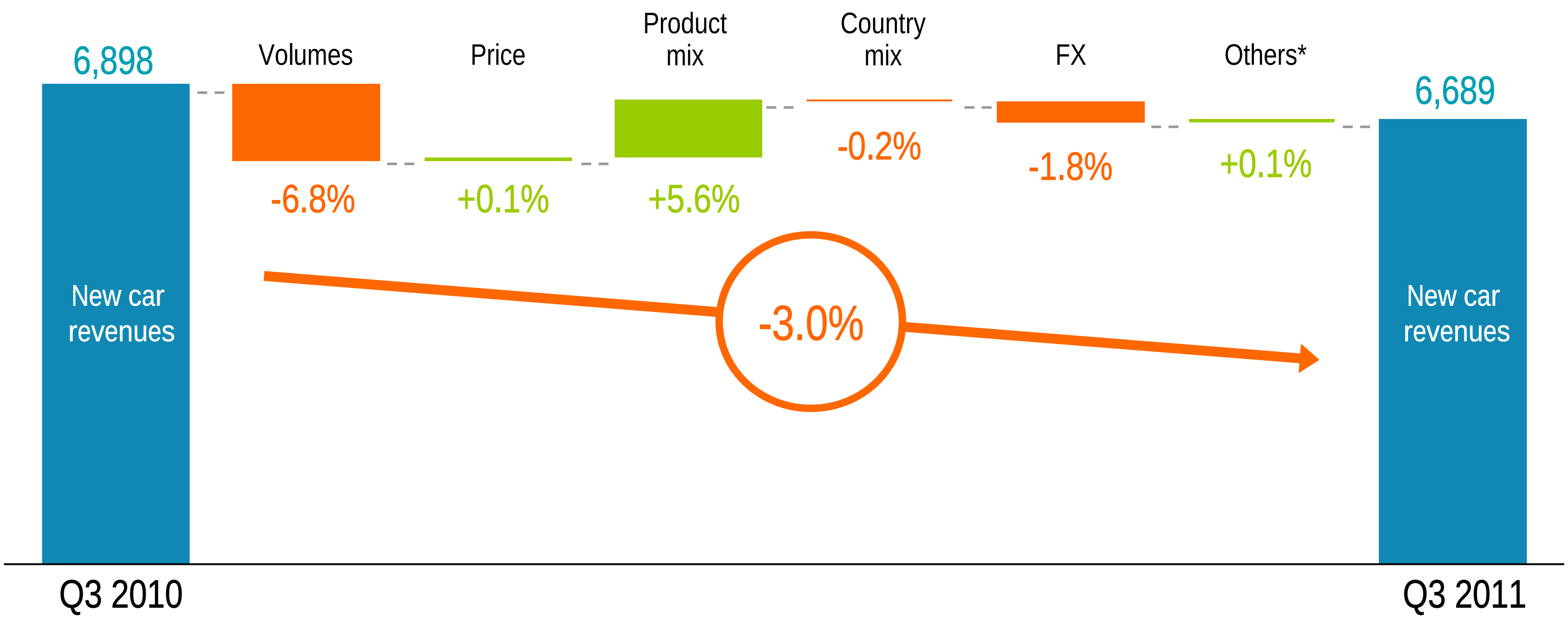
Assembled vehicles and CKD units

| | 9M 2010 | 9M 2011 | △ |
|---|---|---|---|
| Europe | 1,668 | 1,568 | -6.0% |
| China | 263 | 291 | +10.9% |
| Latin America | 205 | 239 | +16.7% |
| Russia | 39 | 55 | +42.1% |
| Rest of the world | 142 | 167 | +17.6% |
| Total assembled vehicles | 2,317 | 2,320 | +0.1% |
| o.w. assembled vehicles (excluding China) | 2,054 | 2,028 | -1.2% |
| Total CKD | 347 | 328 | -5.6% |
| Total assembled vehicles + CKD units | 2,664 | 2,648 | -0.6% |

# New car revenue analysis

- ▶ Positive contribution of product mix
- ▶ Impact of Agrati supply disruption : -3.4% on volumes

*In million euros*

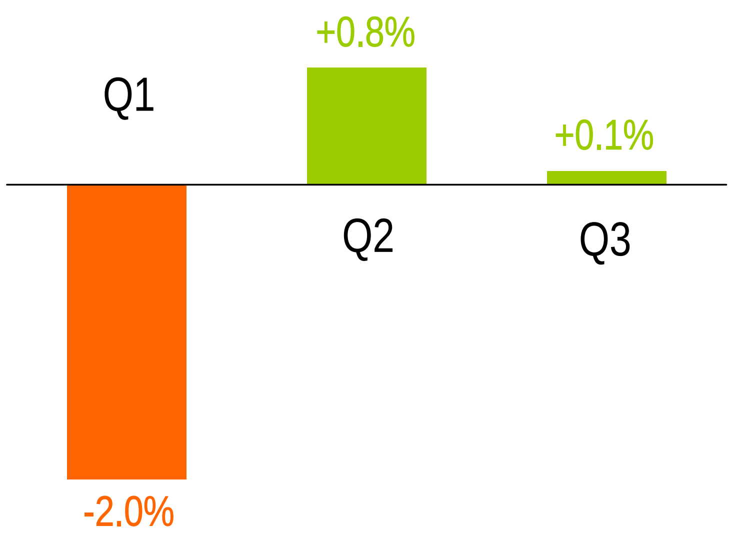



* CKD, accounting treatment of buy back commitment, short term rental

# New car revenue analysis

► Q3: Increasing pressure on prices in September

— Δ Q3 2011 – Q3 2010 —



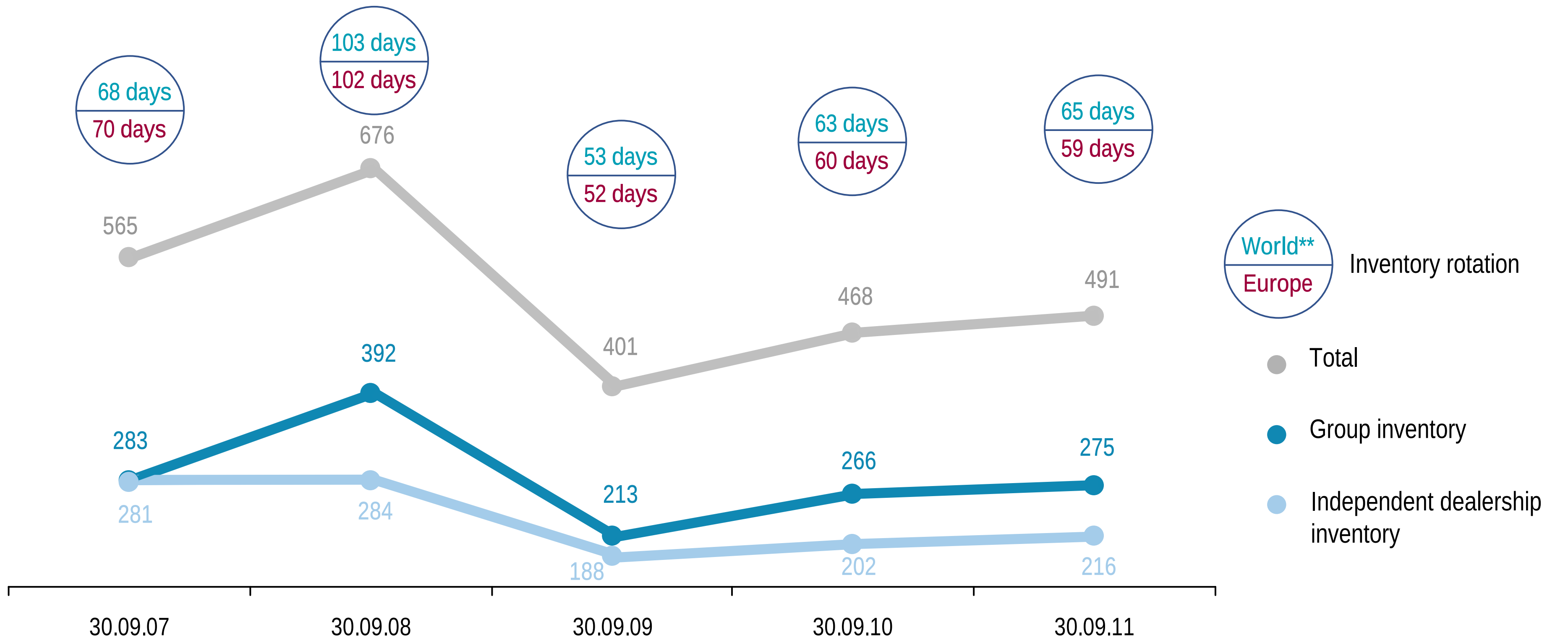

Q3:

- July + August: +0.9%
- September: -0.8%

# Inventory

- Inventory level down to 65 days from 76 days end June, on track to 62 days end of December
- Already < 2010 in Europe

*In thousands of new vehicles**




* Based on forward 3 months delivery expectations
** Excluding China

# Faurecia

▶ Q3 revenues up 15.9%

| *In million euros* | Q3 - 10 | Q3 - 11 | Change 11/10 | Like for like * | 9M - 10 | 9M - 11 | Change 11/10 | Like for like * |
|---|---|---|---|---|---|---|---|---|
| Automotive Seating | 1 021 | 1 101 | +7.9% | +6.7% | 3 224 | 3 551 | +10.2% | +9.2% |
| Interior Systems | 610 | 684 | +12.2% | +11.5% | 1 975 | 2 270 | +14.8% | +13.1% |
| Emissions Control Technologies Systems | 603 | 712 | + 18.1% | +22.9% | 1 805 | 2 168 | +20.1% | +22.7% |
| Automotive Exteriors | 290 | 368 | + 27.1% | +16.1% | 874 | 1 211 | +38.6% | +11.3% |
| Total Product revenues | 2 524 | 2 865 | + 13.5% | +12.8% | 7 878 | 9 198 | +16.8% | +13.5% |
| Monolith revenues | 528 | 668 | + 26.5% | +29.7% | 1 583 | 1 993 | +25.9% | +27.4% |
| Development, Tooling & Prototype revenues | 215 | 254 | + 18.0% | +19.0% | 632 | 747 | +18.3% | +13.7% |
| Total revenues | 3 267 | 3 787 | + 15.9% | +15.9% | 10 093 | 11 938 | +18.3% | +15.7% |

* At constant exchange rates and scope.

# Gefco

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▶ Increase in revenues up 7.1% for Q3

| *In million euros* | Q3 - 10 | Q3-11 | Change 11/10 | 9M – 10 | 9M - 11 | Change 11/10 |
|---|---|---|---|---|---|---|
| PSA Peugeot Citroën | 496 | 513 | + 3.4% | 1 620 | 1 787 | + 10.3% |
| Third parties | 298 | 337 | + 13.2% | 889 | 1 080 | + 21.5 % |
| Total revenues | 794 | 850* | + 7.1% | 2 509 | 2 867* | + 14.3% |

* Including Mercurio acquisition

# Banque PSA Finance

- ▶ Increase in revenues in line with sustained average outstanding loans
- ▶ Number of new contracts slightly affected in Q3 by car sales

| | Q3 - 10 | Q3-11 | Change 11/10 | 9M - 10 | 9M - 11 | Change 11/10 |
|---|---|---|---|---|---|---|
| Revenues *(in million euros)* | 464 | 493 | + 6.2% | 1 383 | 1 435 | + 3.7% |
| Total outstanding loans (average) | - | - | | €22.8 bn | €23.5 bn | + 3.0% |
| Number of new contracts (lease and financing) | 207 000 | 200 000 | - 3.4% | 642 000 | 644 000 | + 0.3% |

# Strong momentum of new products in Europe

## Key level to underpin 2012 performance

### 2010


PEUGEOT RCZ


PEUGEOT 3008


PEUGEOT 5008


CITROËN DS3


CITROËN C4



PEUGEOT iOn
CITROËN C-ZERO

### 2011


PEUGEOT 508 & 508 SW


PEUGEOT New 308


PEUGEOT 3008 HYbrid4


CITROËN DS3 racing

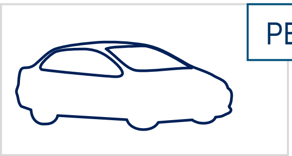

CITROËN DS4


CITROËN DS5

### 2012


PEUGEOT 508 RXH


PEUGEOT 4008 SUV


PEUGEOT B segment


DS5 Hybrid diesel


CITROËN C 4 Aircross

...

# Brand upscaling

## High quality Premium products

*% of total sales*

| | 9M 2009 | 9M 2010 | 9M 2011 |
|---|---|---|---|
| C & D segments | 37% | 39% | 42% |
| A & B segments | 46% | 44% | 39% |
| Premiums* | 9% | 13% | 17% |

* Premium vehicles: distinctive models from the A, B and C segments (Peugeot 207CC, 308CC, RCZ, 3008 and Citroën DS3 and DS4) and models from the D and E segments (Peugeot 508, 407, 607,4007 and Citroën C5, C6 and C-Crosser)

# Globalisation on track

7 new assembly or engine plants in developing countries under construction

- 9M 2011: 41% of sales outside Europe (vs 37% on 9 M 2010)
- 50% target by 2015 and 2/3 by 2020 vs 1/3 in 2009

*In units*

| | 2011 | 2015 |
|---|---|---|
| China | 420.000 (Wuhan)<br>- | > 750.000 (Wuhan)<br>> 200.000 (Shenzhen) |
| Latin America | 295.000 | > 400.000 |
| Russia | 45.000 | > 125.000 |
| India | - | 170.000 |

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# 2011 Outlook

Philippe Varin
CEO

# 2011 Outlook

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## ▶ Market assumptions

- ▶ Europe stable
- ▶ China: +c. 7%
- ▶ Latin America: +c. 6%
- ▶ Russia: +c. 30%

## ▶ Group outlook for 2011

- ▶ Automotive recurring operating income: close to break-even on FY 2011
- ▶ FY 2011: Faurecia ROI of €620 / 650M. Gefco and BPF expected to deliver higher ROI than in 2010
- ▶ Free Cash flow expected to be negative

- ▶ Next step : FY 2011 on February 15th, 2012

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# Action Plans

Philippe Varin
CEO

# Action plans

- **€3.6bn investment plan as announced for 2011 maintained**
- **Investment plan for 2012 maintained to develop the Group**

  - Globalisation: development of sales outside of Europe
  - Brand upscaling
  - Development of Faurecia

- **€800 M reduction costs generated in 2012**

  - €400M on procurement (massification of orders, modularity …)
  - €400M in fixed costs
    - Manufacturing
    - R&D
    - Fixed costs measures

to be detailed on European Group Committee today

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# APPENDIX

# Worldwide unit sales

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| In thousand of Units | | Q3 2010 | Q3 2011 | Change | 9 month 2010 | 9 month 2011 | Change |
|---|---|---|---|---|---|---|---|
| Europe | AP | 244 609 | 221 378 | -9,5% | 886 513 | 835 936 | -5,7% |
| | AC | 217 395 | 191 911 | -11,7% | 781 549 | 731 786 | -6,4% |
| | **Total PSA** | **462 004** | **413 289** | **-10,5%** | **1 668 062** | **1 567 722** | **-6,0%** |
| Russia | AP | 11 443 | 11 143 | -2,6% | 26 123 | 33 208 | 27,1% |
| | AC | 5 738 | 8 285 | 44,4% | 12 450 | 21 619 | 73,6% |
| | **Total PSA** | **17 181** | **19 428** | **13,1%** | **38 573** | **54 827** | **42,1%** |
| Amlat | AP | 48 440 | 49 103 | 1,4% | 123 612 | 138 708 | 12,2% |
| | AC | 29 749 | 35 835 | 20,5% | 81 414 | 100 607 | 23,6% |
| | **Total PSA** | **78 189** | **84 938** | **8,6%** | **205 026** | **239 315** | **16,7%** |
| China | AP | 36 315 | 42 500 | 17,0% | 105 699 | 123 393 | 16,7% |
| | AC | 50 015 | 54 391 | 8,7% | 157 126 | 168 064 | 7,0% |
| | **Total PSA** | **86 330** | **96 891** | **12,2%** | **262 825** | **291 457** | **10,9%** |
| Rest of the world | AP | 36 181 | 33 221 | -8,2% | 94 955 | 109 095 | 14,9% |
| | AC | 19 138 | 19 870 | 3,8% | 47 278 | 57 285 | 21,2% |
| | **Total PSA** | **55 319** | **53 091** | **-4,0%** | **142 233** | **166 380** | **17,0%** |
| **Total Assembled Vehicules** | AP | 376 988 | 357 345 | -5,2% | 1 236 902 | 1 240 340 | 0,3% |
| | AC | 322 035 | 310 292 | -3,6% | 1 079 817 | 1 079 361 | 0,0% |
| | **Total PSA** | **699 023** | **667 637** | **-4,5%** | **2 316 719** | **2 319 701** | **0,1%** |
| **CKD** | AP | 109 028 | 120 280 | 10,3% | 342 130 | 328 075 | -4,1% |
| | AC | 336 | 0 | -100,0% | 5 256 | | -100,0% |
| | **Total PSA** | **109 364** | **120 280** | **10,0%** | **347 386** | **328 075** | **-5,6%** |
| **Total Assembled vehicules + CKD units** | AP | 486 016 | 477 625 | -1,7% | 1 579 032 | 1 568 415 | -0,7% |
| | AC | 322 371 | 310 292 | -3,7% | 1 085 073 | 1 079 361 | -0,5% |
| | **Total PSA** | **808 387** | **787 917** | **-2,5%** | **2 664 105** | **2 647 776** | **-0,6%** |

# Market trends

## Cars and light commercial vehicles – Market


* Europe = EU + EFTA + Croatia

** Only Passenger Cars

# Ongoing success of new launches

| *As of September 30, 2011* | Units in 2011 / since launch | Ongoing successes |
|---|---|---|
| Peugeot 508 (launch in February) | 70.000* | Full range in Q4 2011 |
| Peugeot 3008 | 101.000 / 291.000 | 57% conquest customer |
| RCZ | 15.000 / 32.000 | 40% conquest customer |
| DS3 | 58.000 / 123.000 | 60% conquest customer<br>60% with the second trim level |
| DS4 (launch in May) | 18.000* | 36% with the largest engine<br>60% with the second trim level |

* Orders since launch