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More comprehensive information about PSA Peugeot Citroën may be obtained on its Internet website ([www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com)), under Regulated Information.



***Philippe Varin***  
***Introduction***

# AGENDA

- **Highlights** Philippe VARIN, Chief Executive Officer
- **2009 First Half Results** Frederic SAINT-GEOURS, Chief Financial Officer
- **Our ambitions** Philippe VARIN
- **Outlook** Philippe VARIN
- **Q&A**

# HIGHLIGHTS OF THE 2009 FIRST HALF RESULTS

- **Adverse market and industry conditions only partially offset by performance improvement**
- **Cash generation driven by inventory reduction**
- **Strengthened liquidity and extended debt maturity**
- **New streamlined executive team**
- **Three ambitions defined and priorities set**

▶▶▶ ***Frédéric Saint-Geours*** ◀◀◀  
***2009 First Half Results***

# FIRST HALF 2009 INCOME STATEMENT

- Revenues & recurring operating income impacted by volume decline
- New restructuring & impairment expenses

*In million euros*

FY 2008		H1 2008	H1 2009	Variation
54,356	Revenues	30,066	<b>23,497</b>	-21.8%
523	<b>Recurring operating income (loss)</b>	1,115	<b>(826)</b>	
1.0%	<i>% margin on revenues</i>	3.7%	<b>-3.5%</b>	
917	Non-recurring operating income and (expenses)	(86)	<b>(506)</b>	
(394)	<b>Operating income (loss)</b>	1,029	<b>(1,332)</b>	
(286)	Net financial income (expenses)	(70)	<b>(226)</b>	
103	Income taxes	(293)	<b>470</b>	
57	Share in net earnings (losses) of companies at equity	65	<b>24</b>	
(520)	Consolidated profit (loss) for the period	731	<b>(1,064)</b>	
(363)	<b>Net profit (loss), Group share</b>	733	<b>(962)</b>	
(1.59)	Earning per share (in euros)	3.21	<b>(4.24)</b>	

# RECURRING OPERATING INCOME BREAKDOWN

- **Automotive division & Faurecia hit by market collapse**
- **Resilience of Banque PSA Finance**

*In million euros*

FY 2008		H1 2008	H1 2009
(251) -0.6%	Automotive <i>% margin on revenues</i>	633 2.7%	<b>(904)</b> <b>-4.8%</b>
91 0.8%	Faurecia <i>% margin on revenues</i>	90 1.4%	<b>(187)</b> <b>-4.3%</b>
126 3.6%	Gefco <i>% margin on revenues</i>	79 4.1%	<b>7</b> <b>0.5%</b>
557	Banque PSA Finance	308	<b>244</b>
-	Other businesses and eliminations	5	<b>14</b>
<b>523</b> 1.0%	<b>PSA Peugeot Citroën</b> <i>% margin on revenues</i>	1,115 3.7%	<b>(826)</b> <b>-3.5%</b>



# AUTOMOTIVE

- Revenues & recurring operating income impacted by volume decline
- Extension of voluntary separation plan & additional impairments

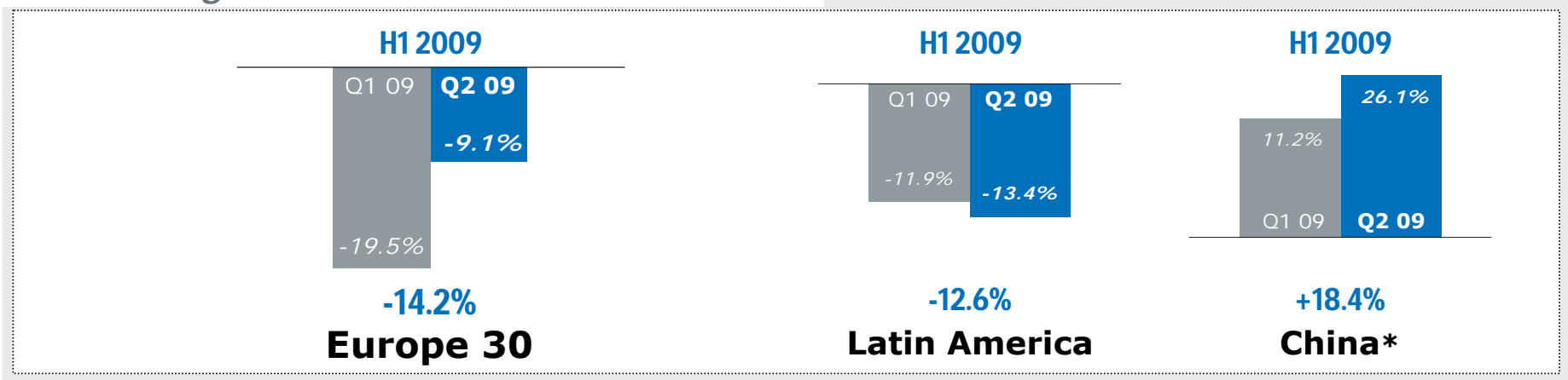
*In million euros*

FY 2008		H1 2008	H1 2009	Variation
41,643	Revenues	23,258	<b>18,658</b>	-19.8%
(251)	<b>Recurring operating income (loss)</b>	633	<b>(904)</b>	
-0.6%	<i>% margin on revenues</i>	2.7%	<b>-4.8%</b>	
(460)	Non-recurring operating income and (expenses)	(58)	<b>(422)</b>	
(473)	• Restructuring & impairment	(61)	<b>(423)</b>	
13	• Other	3	<b>1</b>	
(711)	<b>Operating income (loss)</b>	575	<b>(1,326)</b>	

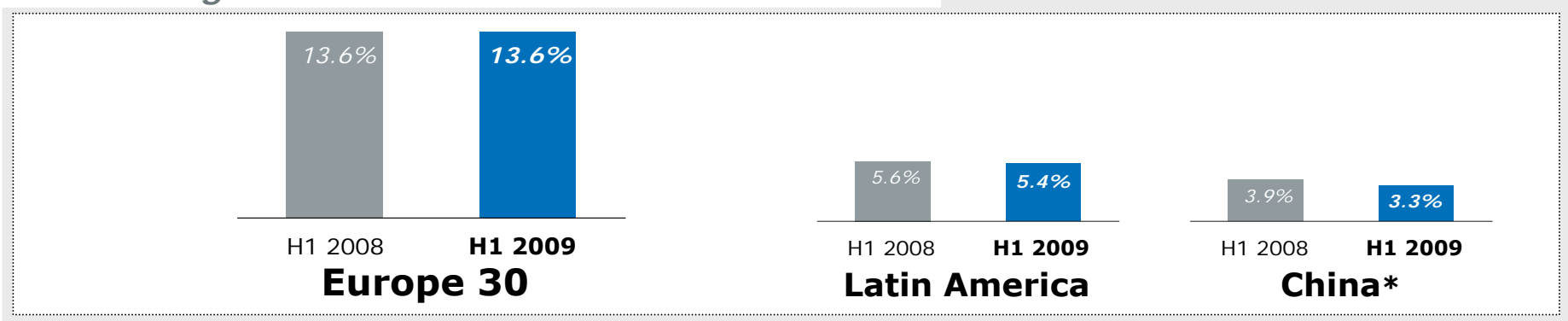
# MAJOR TRENDS AND MARKET SHARES

- European market more resilient than expected
- Robust market share in Europe

*Cars and light commercial vehicles – Market*

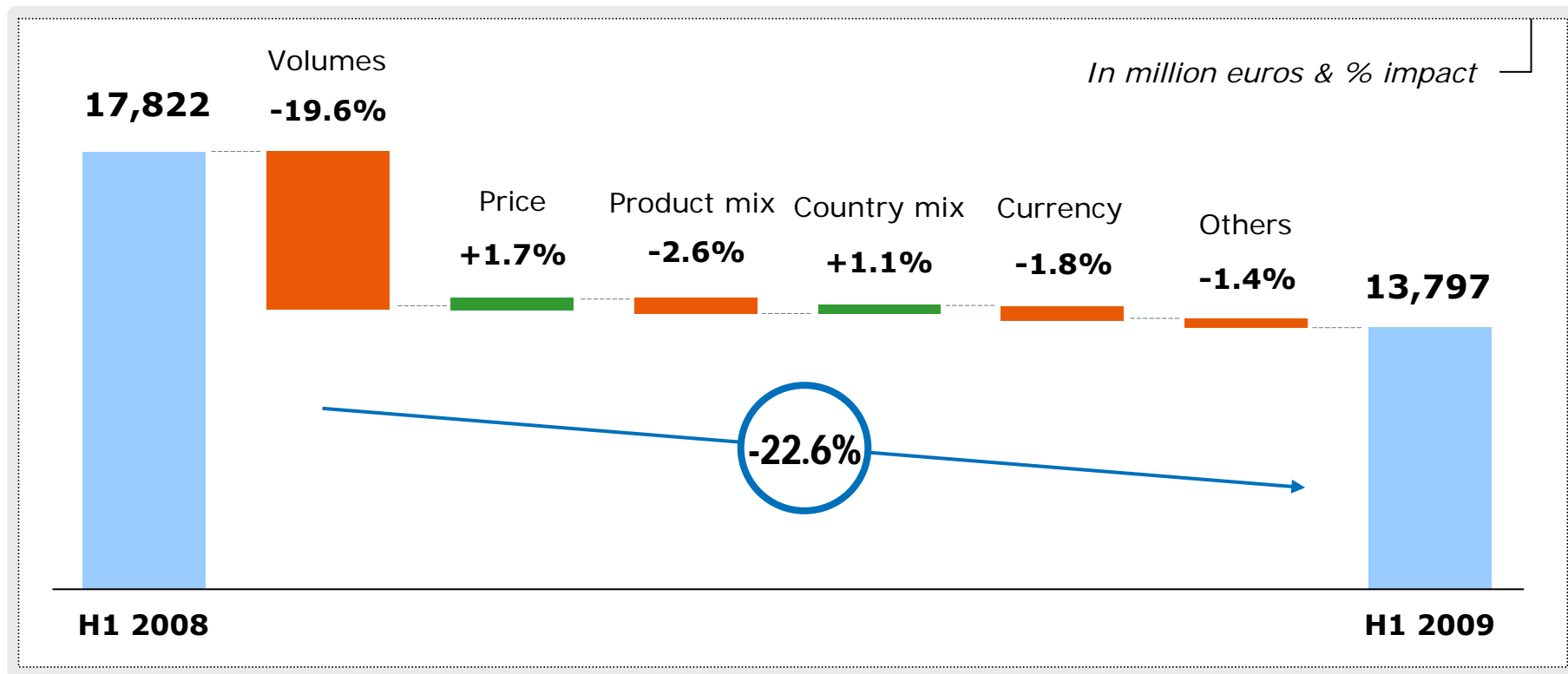


*Cars and light commercial vehicles – Market share*



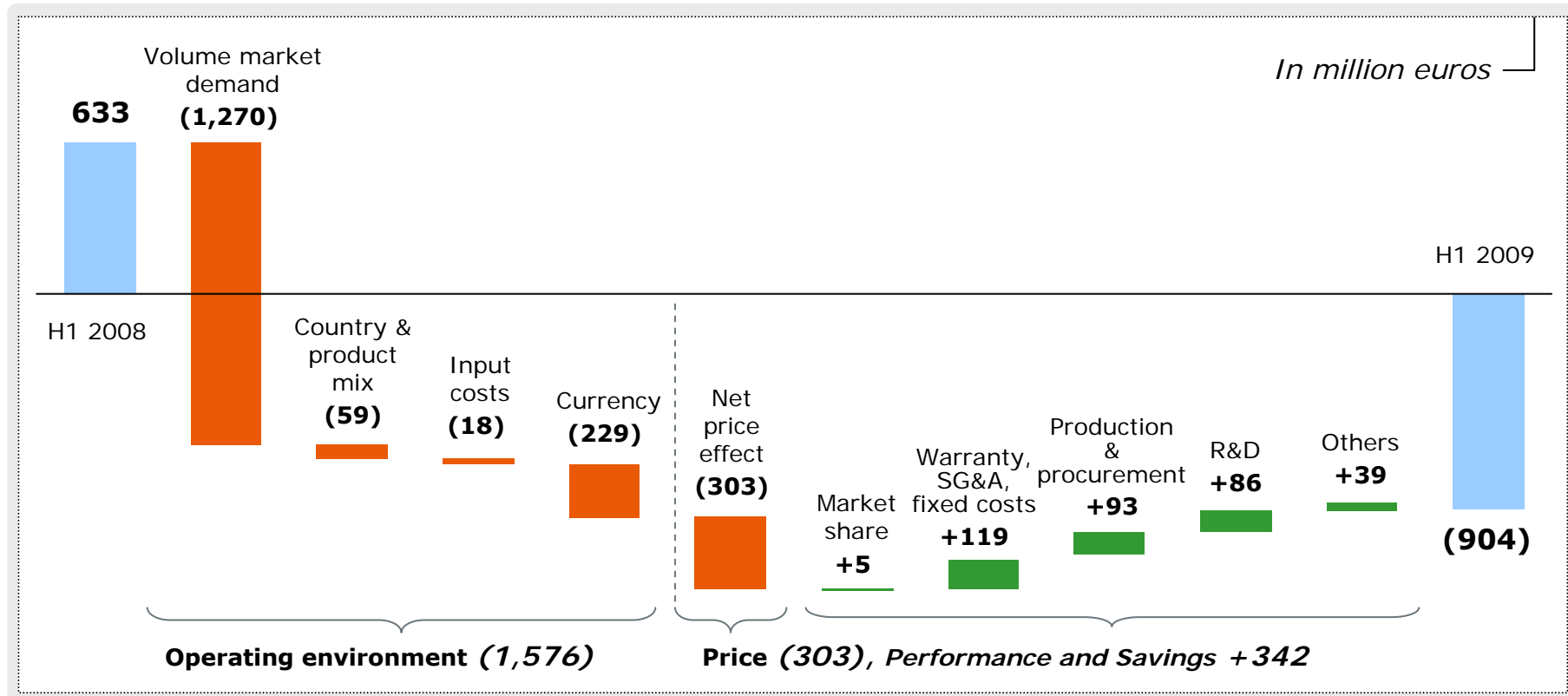
# NEW CAR SALES ANALYSIS

- Revenues decline due to volume drop



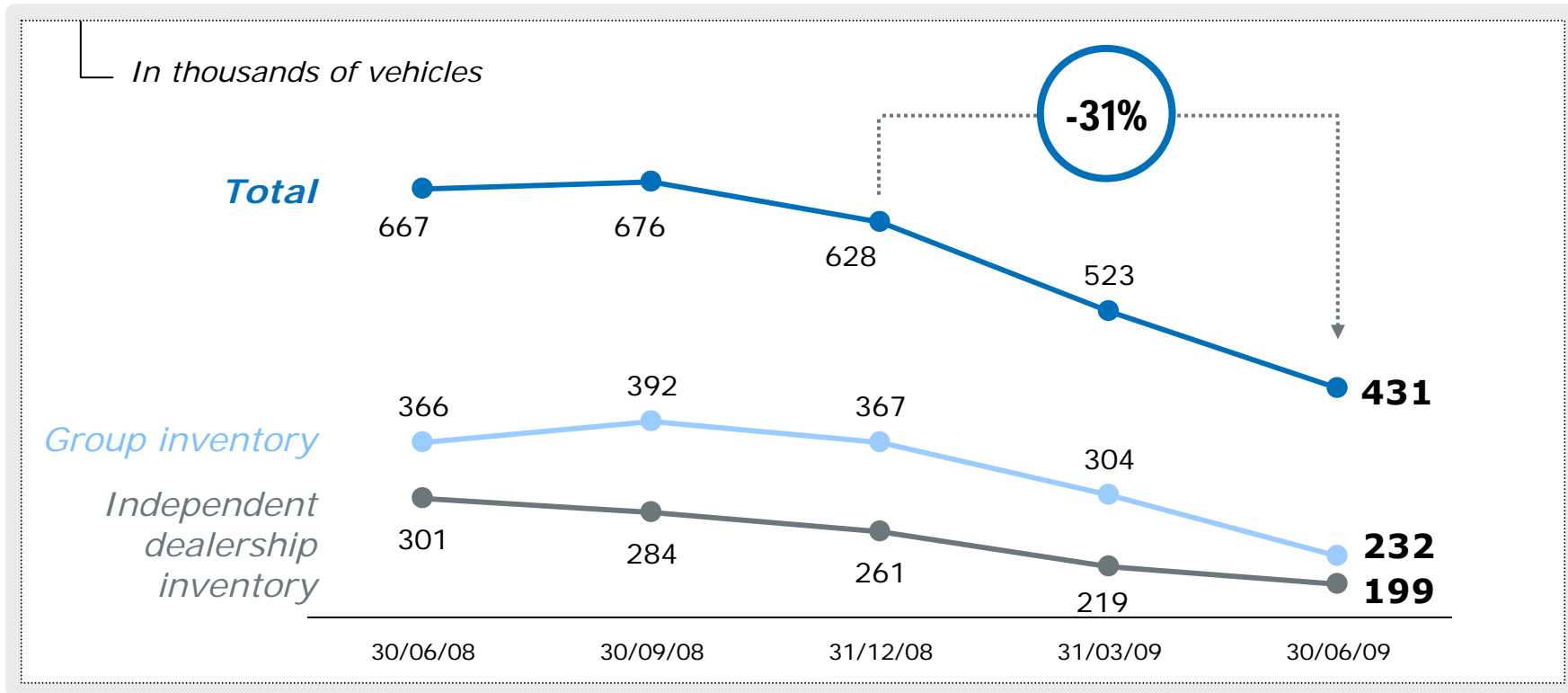
# AUTOMOTIVE RECURRING OPERATING INCOME

- Recurring operating income impacted by market collapse
- Weak market triggers highly promotional activity



# SHARP INVENTORY REDUCTION

- Vehicle production cut by 32% vs H1 2008
- Sales volumes to dealer network -20% vs H1 2008



# FAURECIA

- After an exceptionally weak Q1, overall situation is improving
- Recovery plan "Challenge 2009" on track
- Financing reinforced & new equity issued

*In million euros*

FY 2008		H1 2008	H1 2009	Variation
12,011	Revenues	6,601	<b>4,380</b>	-33.6%
91 <i>0.8%</i>	<b>Recurring operating income (loss)</b> <i>% margin on revenues</i>	90 <i>1.4%</i>	<b>(187)</b> <b>-4.3%</b>	
(444)	Non-recurring operating income and (expenses)	(27)	<b>(69)</b>	
(353)	<b>Operating income (loss)</b>	63	<b>(256)</b>	
(195)	Net financial income (expenses)	(48)	<b>(97)</b>	
(569) <i>-4.7%</i>	<b>Consolidated profit (loss) for the period</b> <i>% margin on revenues</i>	(19) <i>-0.3%</i>	<b>(361)</b> <b>-8.2%</b>	

# GEFCO

- Operations impacted by decline in automotive sector
- "Force 10" plan continues to reduce costs

*In million euros*

FY 2008		H1 2008	<b>H1 2009</b>	Variation
3,536	Revenues	1,904	<b>1,395</b>	-26.7%
2,171	• o/w PSA Peugeot Citroën	1,191	<b>874</b>	
1,365	• o/w third parties	713	<b>521</b>	
126	<b>Recurring operating income (loss)</b>	79	<b>7</b>	
3.6%	<i>% margin on revenues</i>	4.1%	<b>0.5%</b>	
-	Non-recurring operating income and (expenses)	(1)	<b>(15)</b>	
126	<b>Operating income (loss)</b>	78	<b>(8)</b>	

# BANQUE PSA FINANCE

- **Increased penetration rate**
- **Stricter credit scoring and rigorous debt recovery**
- **Significant financing secured**

*In million euros*

FY 2008		H1 2008	<b>H1 2009</b>	Variation
976	Net banking revenue	504	<b>470</b>	-6.7%
2,088	Revenues	1,059	<b>915</b>	
0.42%	Cost of risk (in % of average loans)	0.31%	<b>0.53%</b>	
557	<b>Recurring operating income</b>	308	<b>244</b>	

848,077	Number of new contracts (lease and financing)	444,598	<b>449,463</b>	+1.1%
27.3%	Penetration rate	25.5%	<b>27.8%</b>	+2.3 pts
€22.3bn	Total outstanding loans (end of period)	€24.4bn	<b>€23.1bn</b>	-5.3%



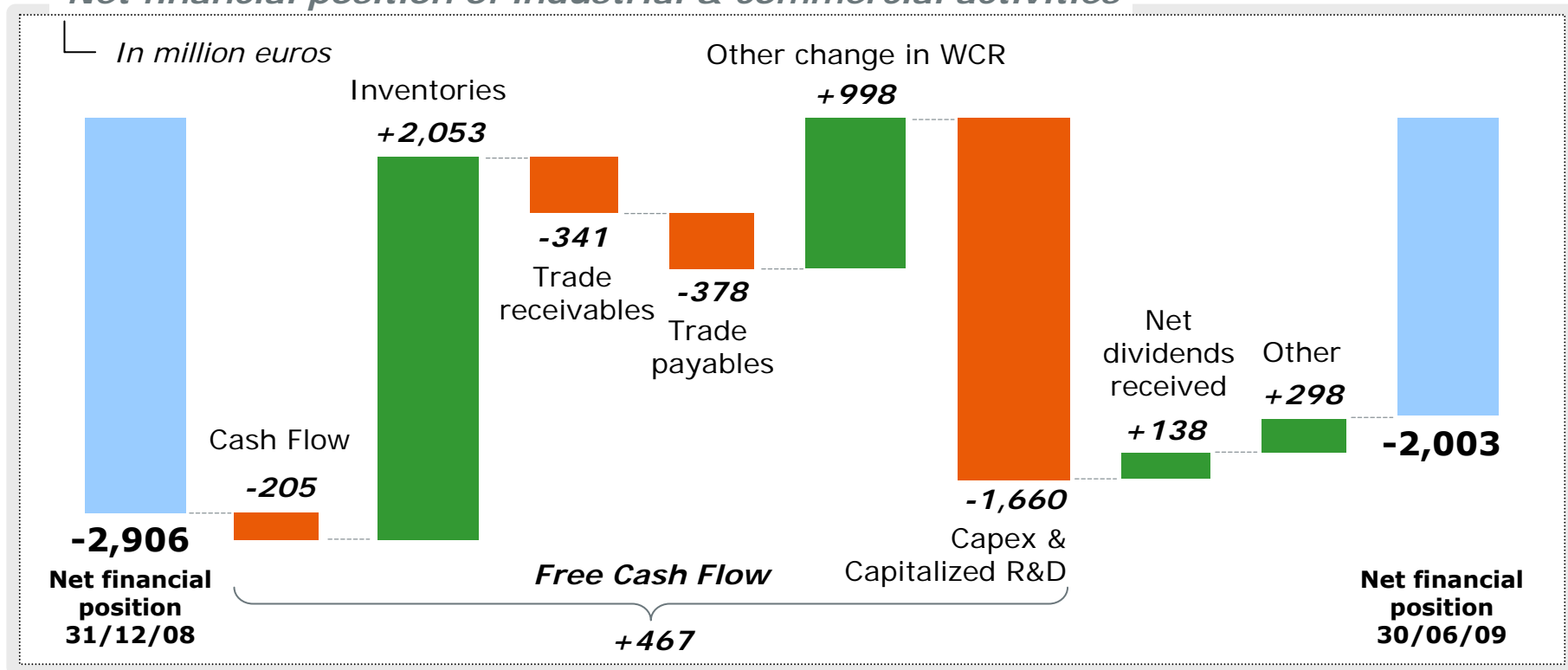


***Cash & Liquidity***  
***Industrial &  
Commercial activities***

# CASH FLOW ANALYSIS

- Positive cash flow performance driven by inventory reduction and favourable variation in current provisions
- Inventory reduction now complete

## Net financial position of industrial & commercial activities

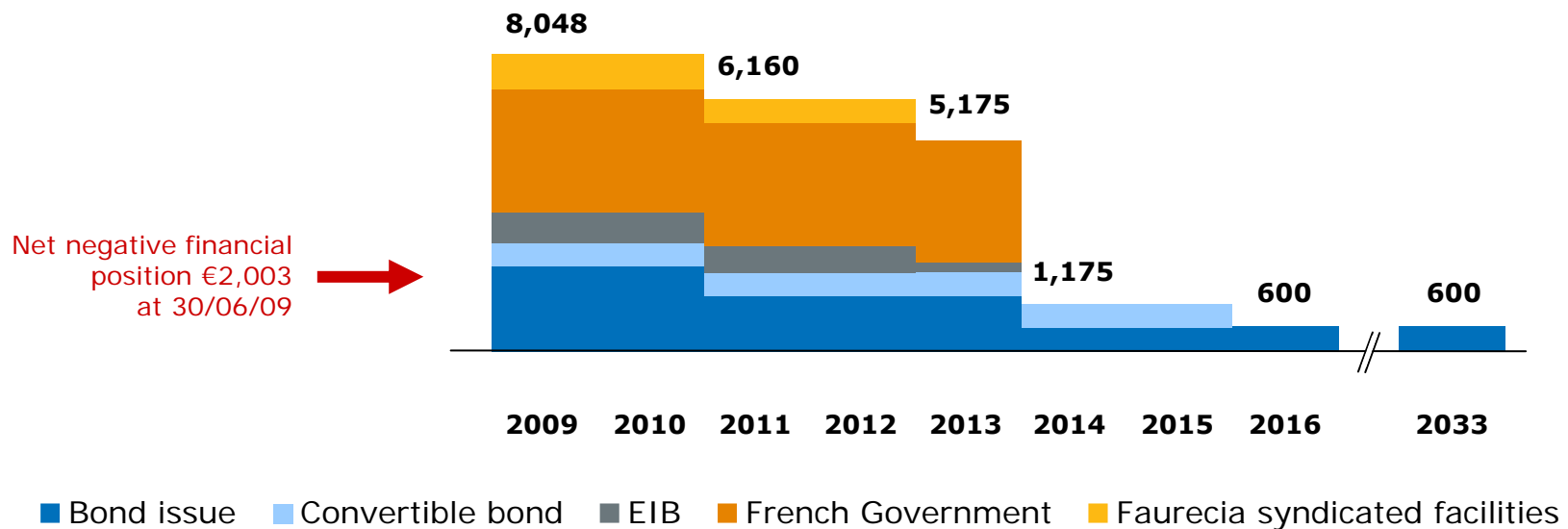


# DEBT MATURITY PROFILE\*

## (Industrial & Commercial activities)

- Strong liquidity position
- No debt repayments in 2009 or 2010
- 2011 bond maturity refinanced

Gross debt in million euros at period end



\*Absolute debt amounts (ie not including accrued interest)

# GEARING RATIO

- A robust balance sheet

*In million euros*

	FY 2008	H1 2009
<b>Net debt position</b>	2,906	<b>2,003</b>
<b>Total Equity</b>	13,259	<b>12,600</b>
<b>Gearing ratio</b>	21.9%	<b>15.9%</b>

## FIRST HALF SUMMARY

- **Adverse market and industry conditions only partially offset by performance improvement**
- **Free Cash Flow generation driven by inventory reduction**
- **Strengthened liquidity and extended debt maturity**



***Philippe Varin***  
***Our ambitions***

# FIRST ACTIONS

- **Strengthened financial position**
- **Appointed a streamlined executive team**
- **Defined three ambitions and set priorities**

# NEW STREAMLINED EXECUTIVE TEAM

## *Managing Board*

- **P. VARIN**, Chairman
- **JM. GALES**, Sales, Marketing & After Sales
- **G. FAURY**, Manufacturing & Engineering
- **G. OLIVIER**, Automotive Programmes & Automotive Strategy
- **F. SAINT-GEOURS**, Finance & Strategic Development

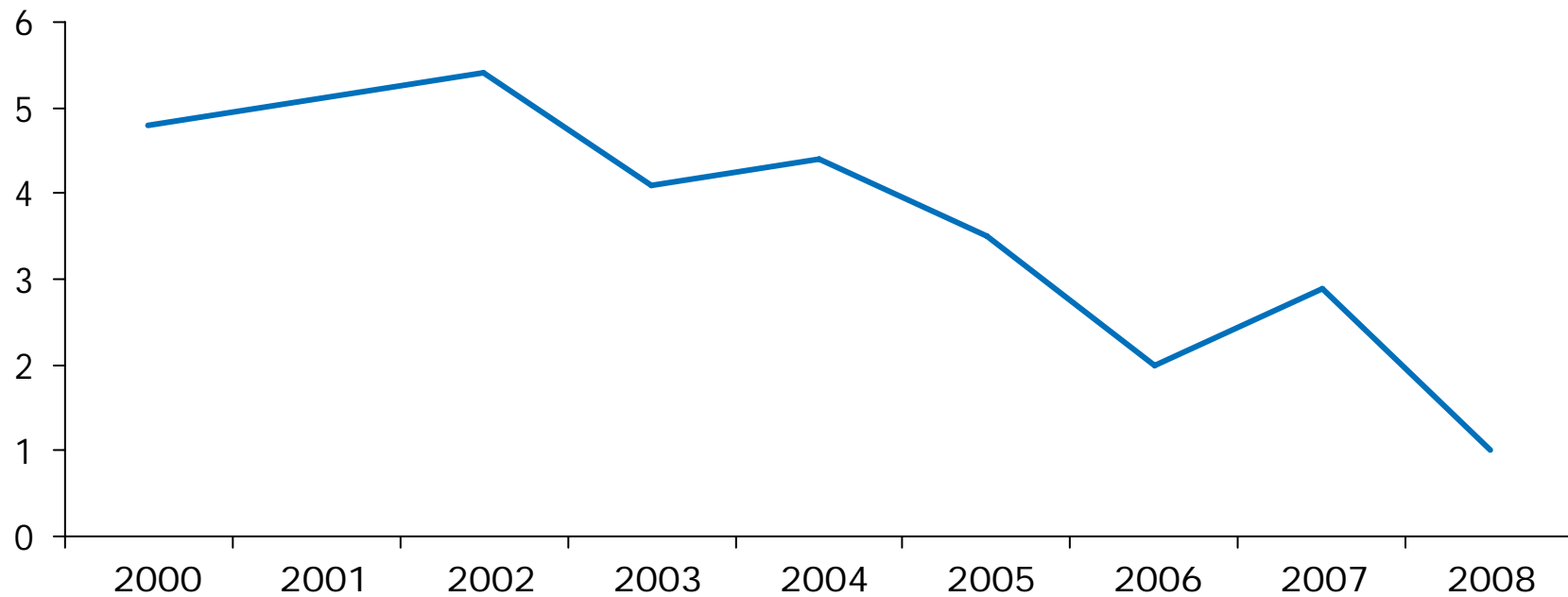
- **JC. HANUS**, Corporate Secretary
- **D. MARTIN**, Human Resources
- **JC. QUEMARD**, Procurement



# OUR CHALLENGES

- **Make our Non European businesses profitable**
- **Leverage better the value of our brands**
- **Increase operational efficiency in Europe**

*% Group recurring operating margin on revenues*



## THREE AMBITIONS

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- **A global player**
- **A step ahead in pioneering vehicles and services**
- **An industry benchmark for operational efficiency**

# A GLOBAL PLAYER

## Our current situation

- **34% of sales outside Europe 30**
- **Market share in Latin America 5.4%, China 3.3%**
- **Management too eurocentric**

## Our priorities

- **Reach critical mass in Latin America and Asia, especially China**
- **Adapt vehicles fully to non European customer needs**
  - Specific vehicle designs for Latin America and China
  - Gasoline engines
  - Automatic gearboxes
- **Internationalise our management teams**

# A STEP AHEAD – ENVIRONMENTAL PERFORMANCE

## Our current situation

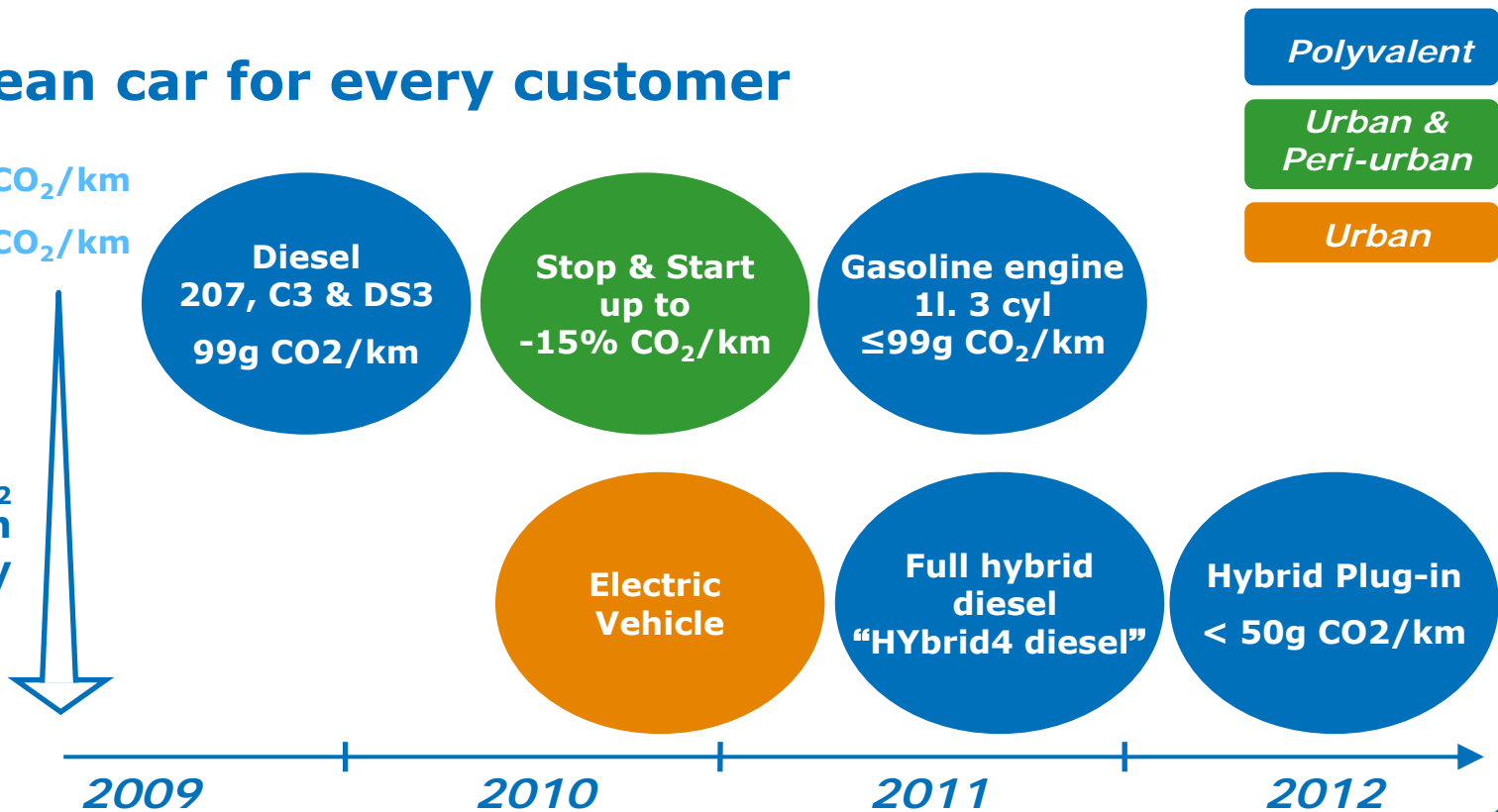
- A leader in low emission vehicles

## Our priorities

- A clean car for every customer

EU: 148g CO<sub>2</sub>/km  
PSA: 137g CO<sub>2</sub>/km

CO<sub>2</sub>  
Emission  
Efficiency



# A STEP AHEAD - VEHICLE DESIGN

## Our current situation

- **New concepts & vehicle design widely appreciated**



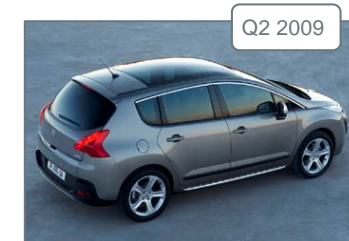
Citroën C5



Citroën C3 Picasso



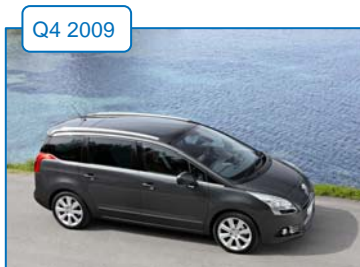
Citroën C-Quatre China



Peugeot 3008 Crossover

## Our priorities

- **Continue the new model momentum**



Peugeot 5008



Citroën C3



Citroën DS3



Peugeot RCZ

- **Develop brand value proposition and differentiation**

# A STEP AHEAD - SERVICE

## Our current situation

- **Below average customer service**
- **Strong position of Banque PSA Finance**
- **Leading edge in emergency call and pilots on new mobility services**

## Our priorities

- **Top 3 in customer satisfaction surveys**
- **Broaden financial services offer to customers**
- **Leading edge in mobility and connectivity services**

# AN INDUSTRY BENCHMARK FOR OPERATIONAL EFFICIENCY

## Our current situation

- Positive benefits of CAP 2010 initiative
- Lean Manufacturing rolled out in production
- Headcount reduction of 5% in H1 2009 to adapt to market conditions

## Our priorities

- **Focus on group-wide excellence**
  - Engineering
  - Sales & distribution
  - Support Services
- **Pursue adjustment to European demand level**
  - Plant capacity compacting
  - Headcount adaptation
- **Put supplier relations onto a new footing**



*Philippe Varin*  
*Outlook*



# NEW MODEL MOMENTUM TO BOOST SALES

## Europe 30

### H1 launches



### H2 2009 & H1 2010 launches



## Latin America

### H1 launches



## China

### H1 launches



# OUTLOOK

## Our market assumptions

- **2009 European market growth:**
  - FY at -12%, H2 at -7%
- **Recovery expected end of 2010**
- **Good momentum in China & Brazil**

## Our 2009 expectations

- **Increase in H2 European market share above 14% supported by new model launches**
- **Recurring operating loss of €1 to 2 bn**
- **Positive H1 Free Cash Flow should be more than offset in H2**

# CONCLUSION

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- **Strengthened liquidity and extended debt maturity**
- **New streamlined executive team in place**
- **Three ambitions defined and priorities set**

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