



The momentum of CHINA

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Summary

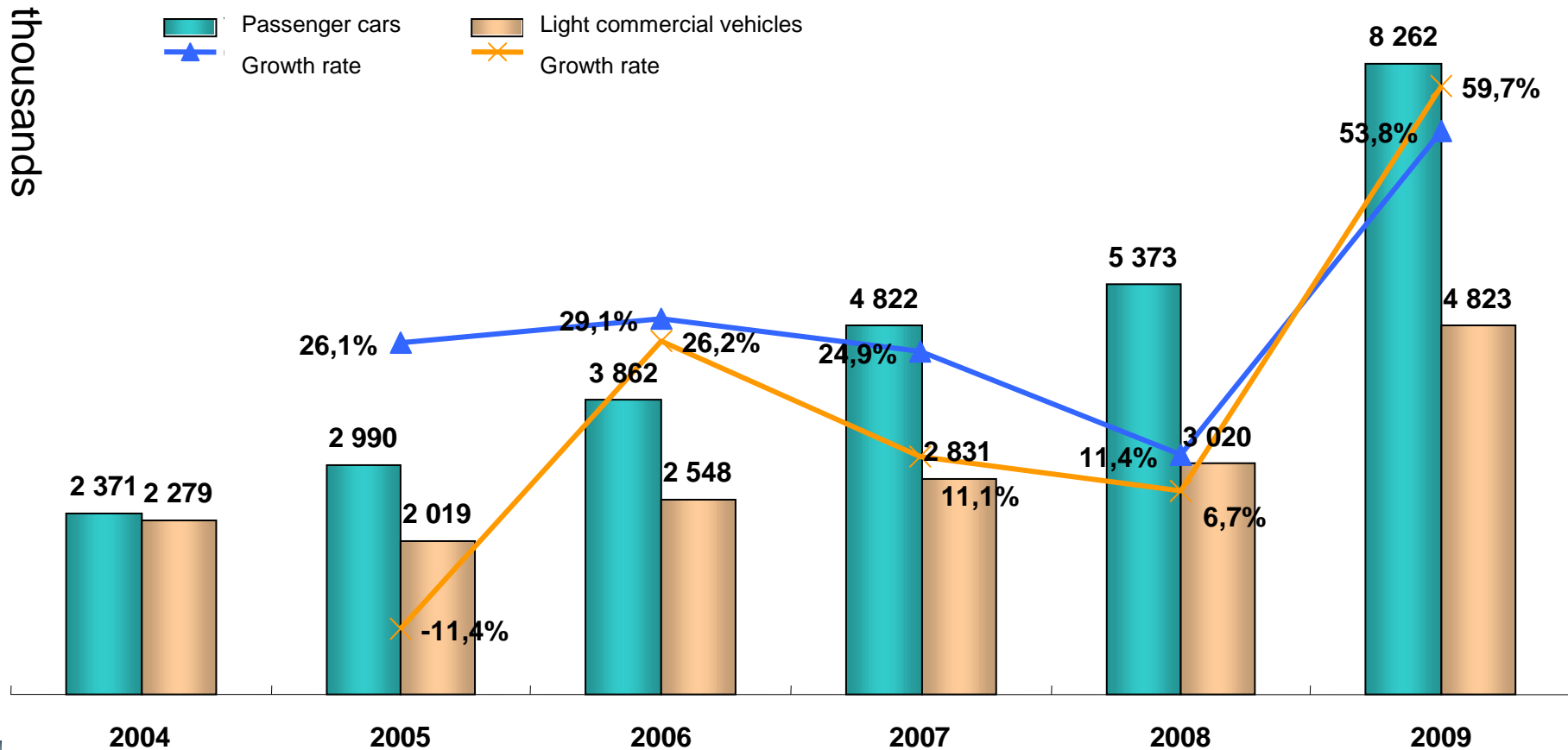
- China : the biggest market worldwide
- Chinese Market
- PSA Peugeot Citroën in China
 - ▶ Overview
 - ▶ Our range of products
 - ▶ The 4 pillars of our development in China
 - ▶ The China Tech Center



China : The Biggest Market Worldwide

Chinese Auto Market in 2009

- Strong impact of the new regulations on small engines on the passengers cars market
- LCV : Boom of the mini vans market (+96%), thanks to the policy aimed to accelerate the sales of vehicles in rural areas.

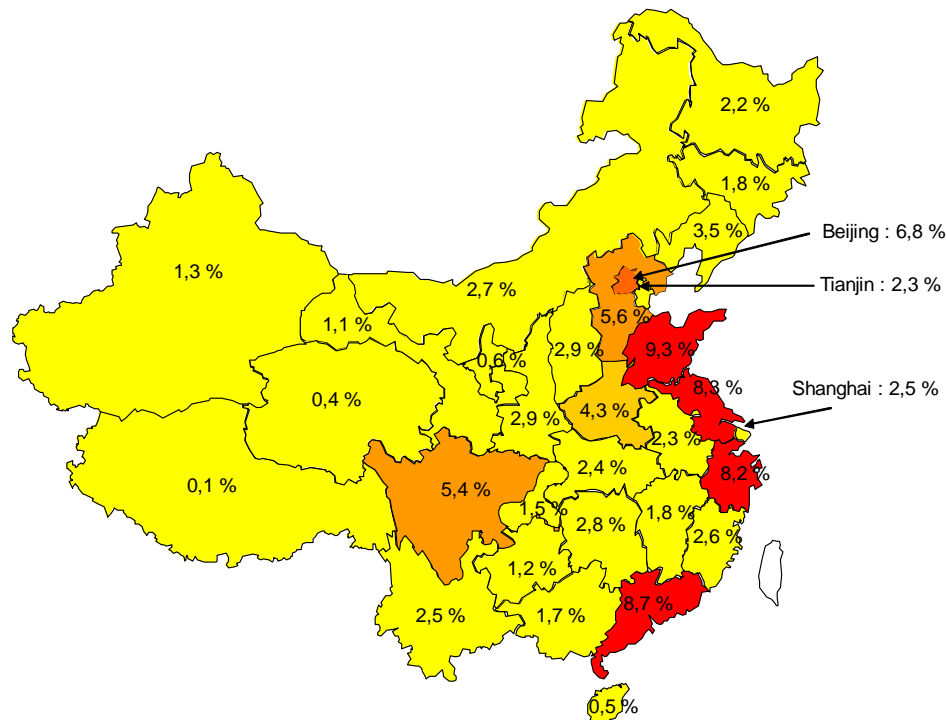


China : The biggest Market Worldwide

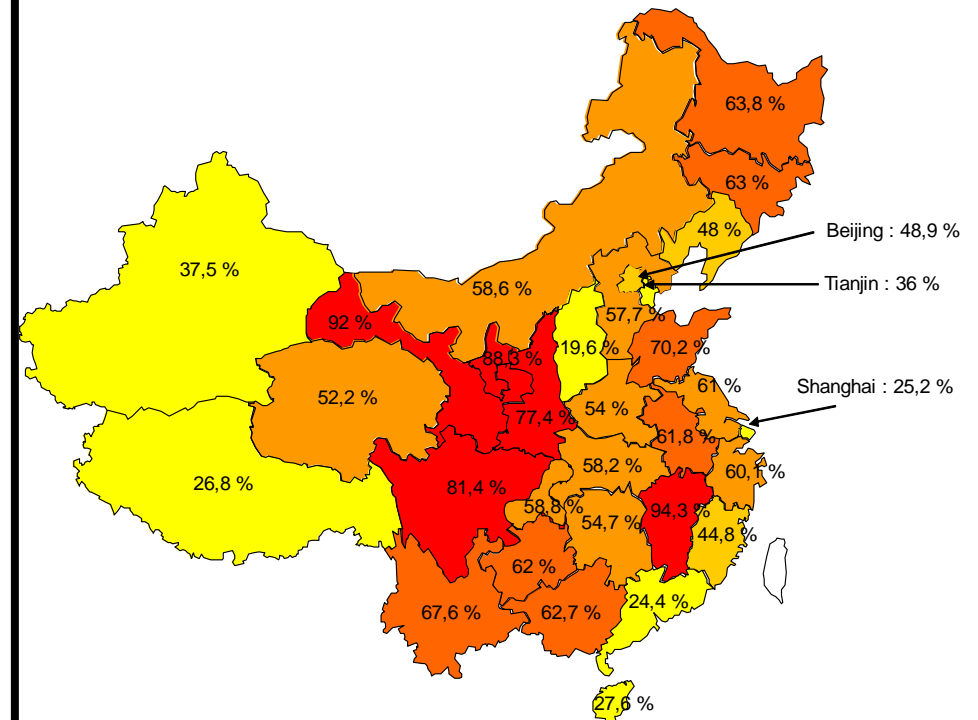
2009 Market – Provincial segmentation

- The Eastern coastal provinces remain the main markets in China. In 2009, **Shandong (9,3% of the market / +70,2%)** became the biggest provincial market in China before Guangdong(8,7% of the market / +24,4)
- The inner land provinces – like Jiangxi, Sichan, Shaanxi, Ningxia – have the strongest growth rates.

Market share by province



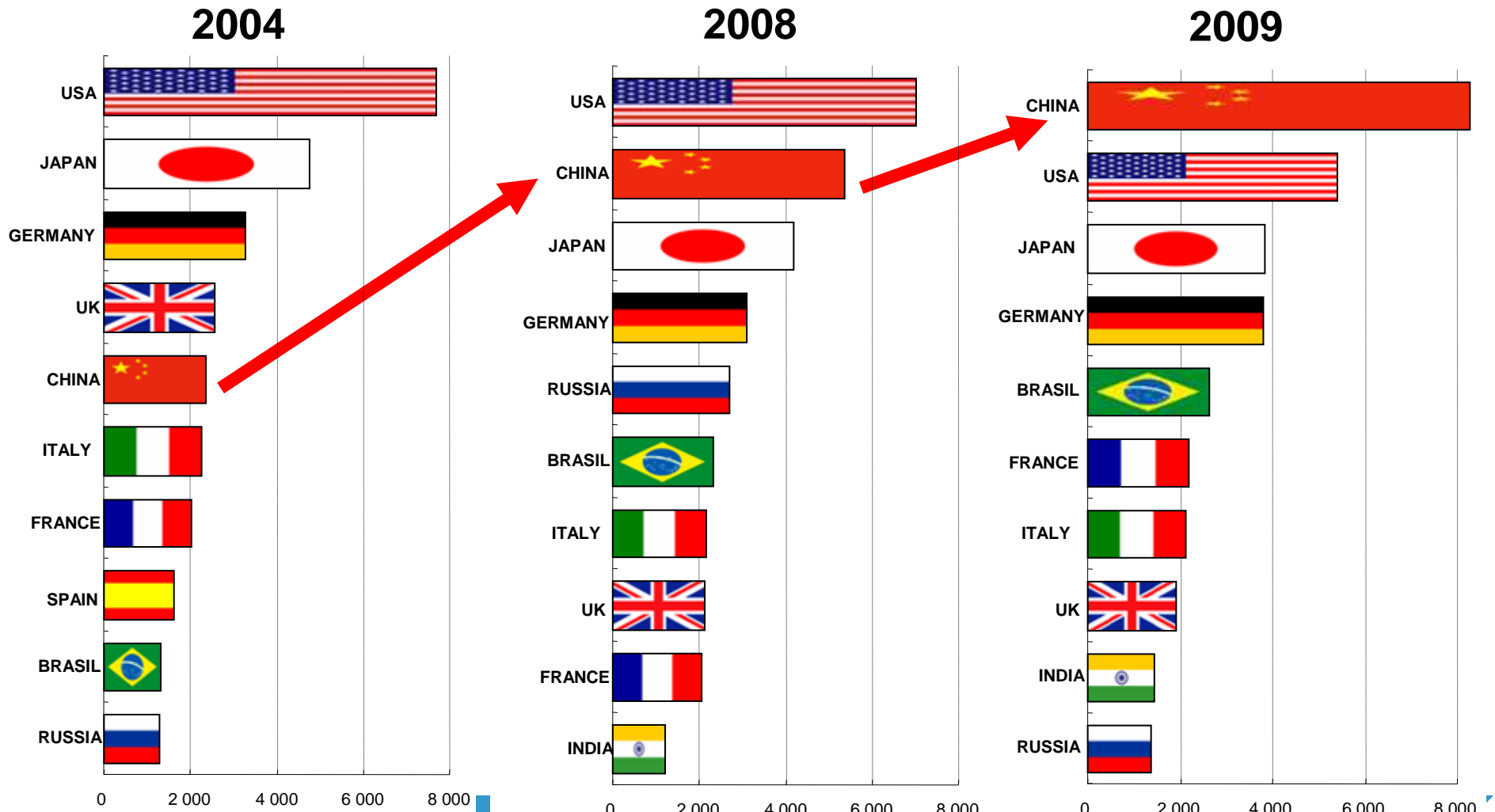
Growth rate by province



China : The biggest Market Worldwide

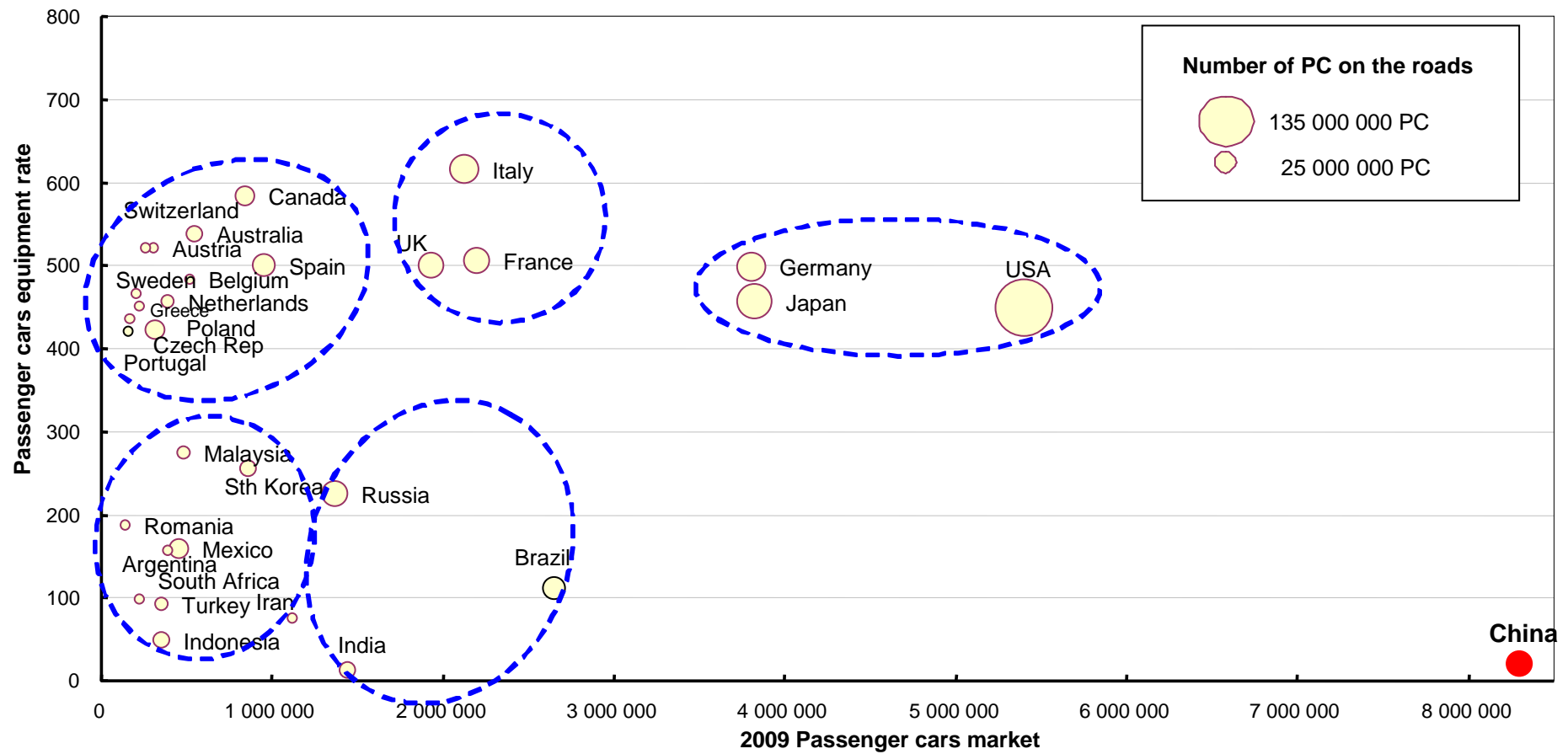
Top 10 auto markets worldwide

□ Within 5 years, China progressed from the 5th market in the world to the biggest



China : The biggest market Worldwide

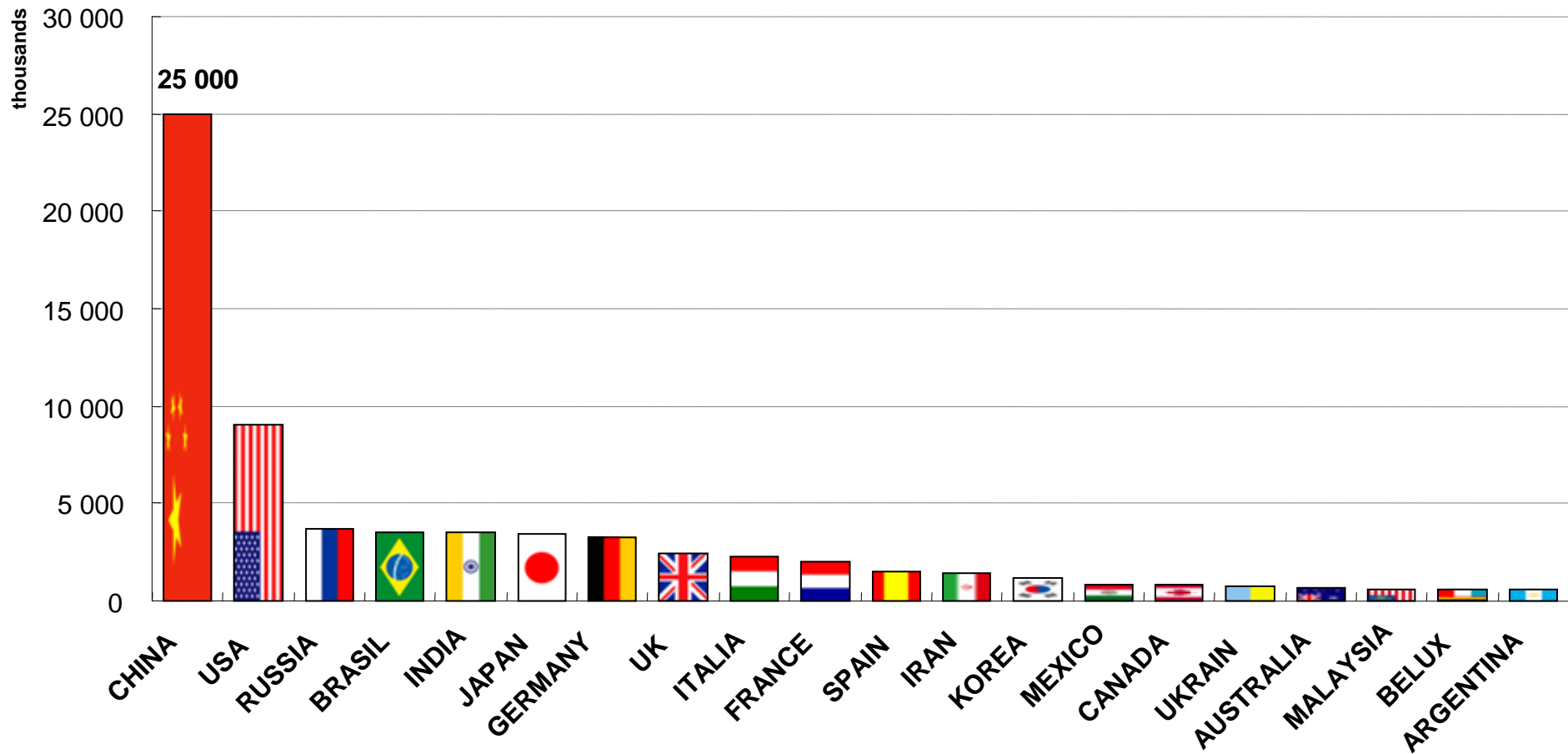
Big Market – Low equipment rate



China : The biggest Market Worldwide

Top 20 auto markets by 2021

By 2021, with 25 millions sales per year, the Chinese market will be 4 times bigger than the US market. It will represent one third of the auto sales worldwide.



China – June, 2010

China : Specific expectations

Chinese/European buyers comparison

	Chinese	European
First time buyer	80%	13%
Male ratio	83%	67%
2 persons household	17%	52%
Average number of person per household	3,3 persons	2,7 persons
1 car per household	75%	38%
Manager or above	53%	19%
Average age	35,4 years old	49 years hold
Urban driver	89%	63%

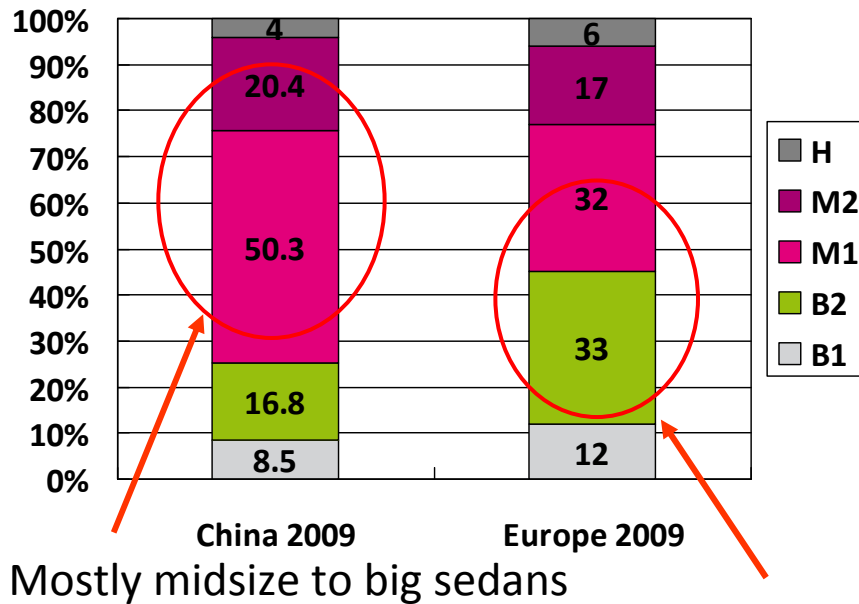
Compared to the European customer, the Chinese customer is much younger, lives in a city and buys a car for the first time.



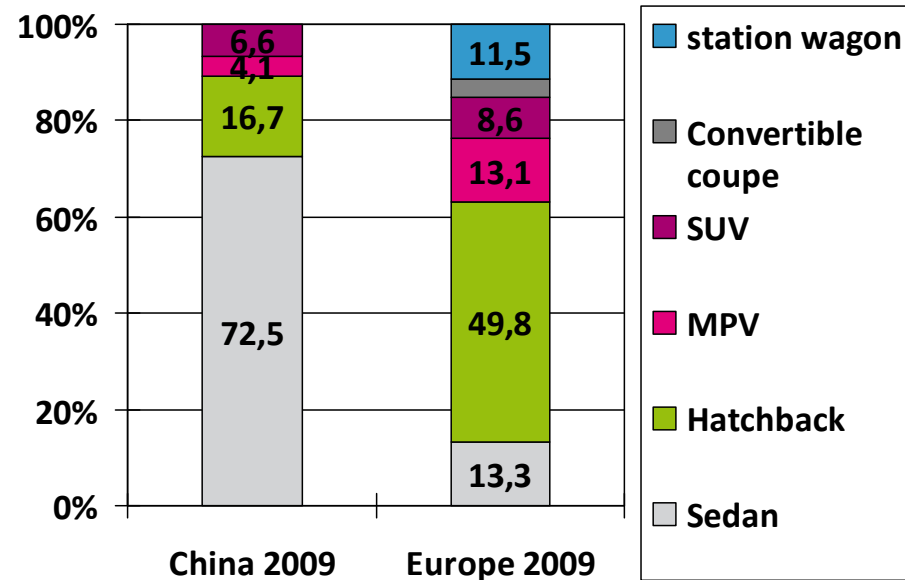
China : Specific expectations

- Europe : 50% Diesel, 63% hatchback or MPV's, 75% manual gearboxes
- Chine : 100% Gasoline, almost 75% Sedans, 50% AT

Not the same segmentation of the market



Different kind of cars



China : Specific Expectations

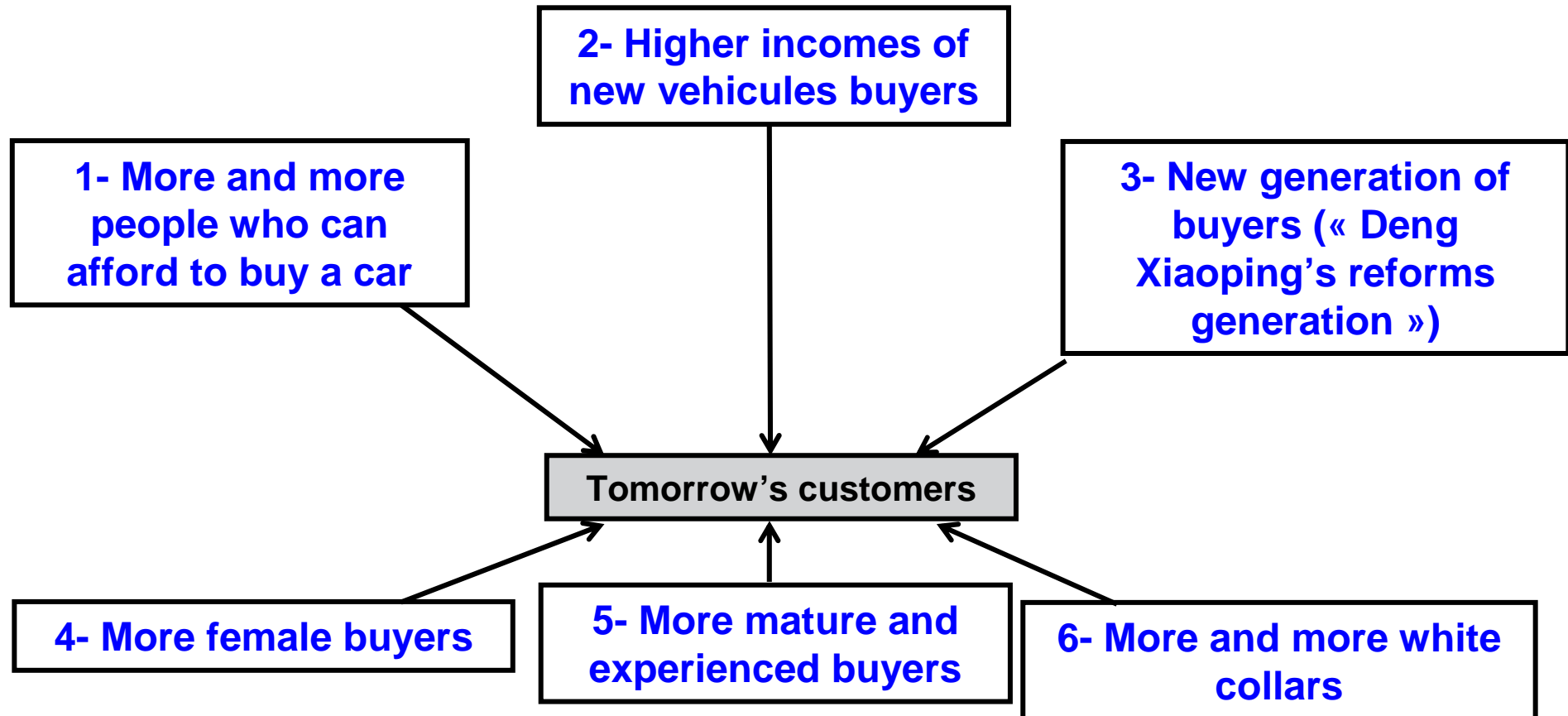
Differences in all details... Examples ...

- ▶ Upgrading rear seats: rear seat used mainly by children in Europe and China by adults because of the difference in rates of equipment
- ▶ Button to open the fuel flap inside the car in China (in China, employees help you to refuel your tank - the driver does not need to leave the cockpit at the gas station)
- ▶ Taste for leather interiors - even in entry-level versions (both for statutory reasons, but also ease of cleaning)
- ▶ Tilt adjustment of front seat: Wheel in Europe (precision setting), handle China (speed of pitch)

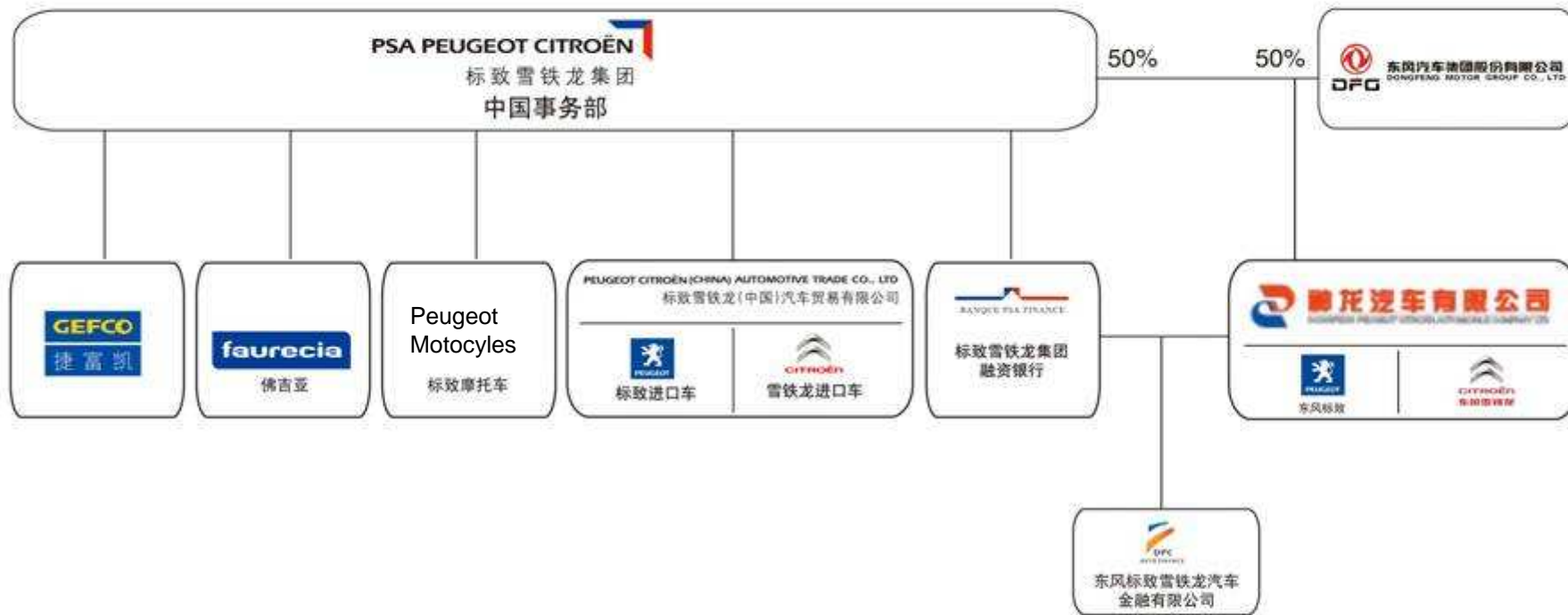


China : Specific Expectations

Forecast evolution of Chinese Customers



PSA Peugeot Citroën in China An Overview



14 000
employees in
China



PSA Peugeot Citroën in China Locally produced Peugeot Cars

207 Hatchback

03 2009



207 Sedan

12 2008



307 Hatchback

02 2008



307 Sedan

09 2007



408

04 2010



PSA Peugeot Citroën in China Locally produced Citroën Cars

C2 Hatchback

10 2006



C Elysée Hatchback

03 2009



C Elysée Sedan

04 2008



Xsara Picasso

04 2007



C Quatre Hatchback

09 2008



C Quatre Sedan

06 2009



C Triomphe

09 2006



C5

11 2009



PSA Peugeot Citroën in China Imported cars

Important regarding the Brands image



C4 Coupé



Grand C4 Picasso



C6



207 CC



407 SW



407 Coupé



308 CC



308 SW



407

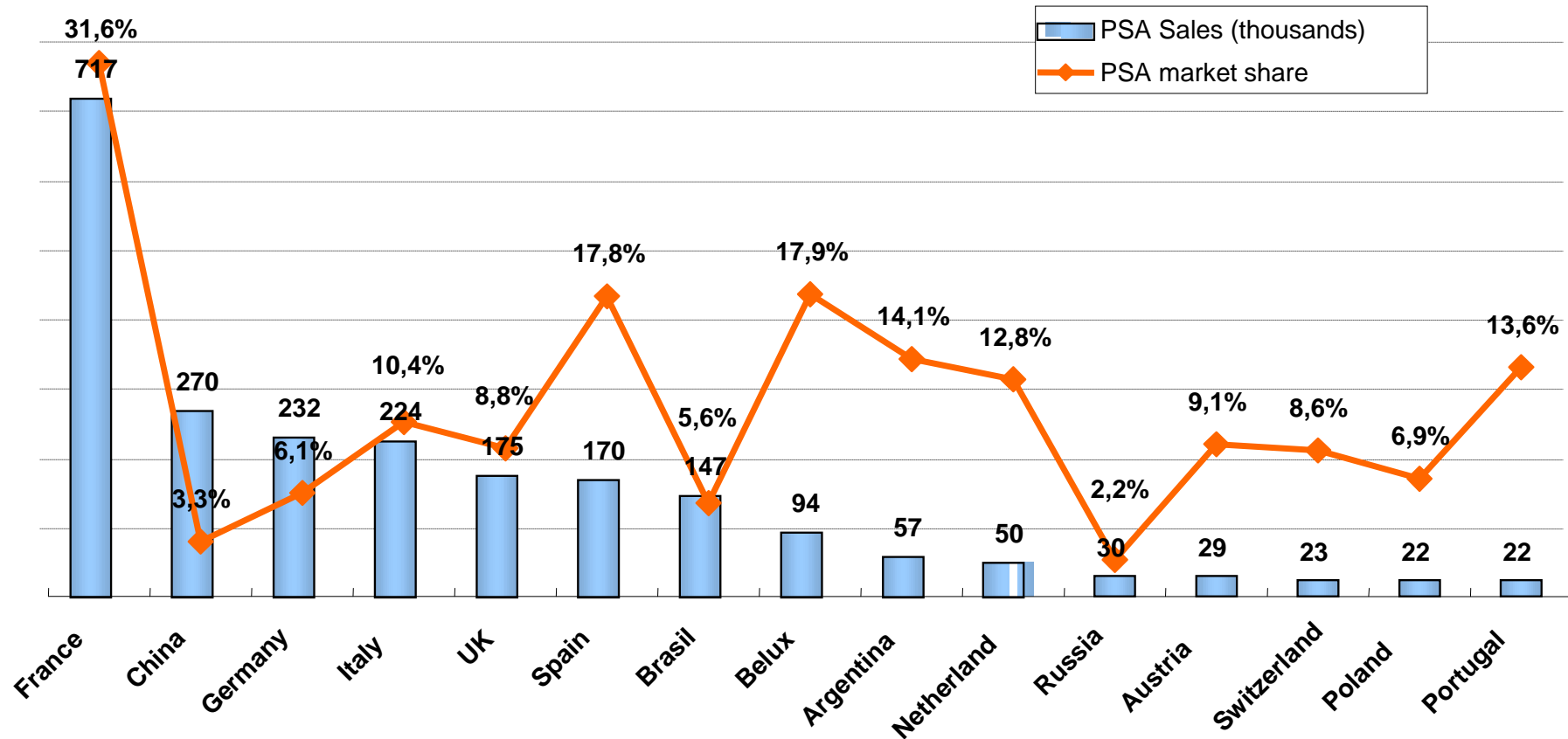


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PSA Peugeot Citroën in China

2nd biggest market for PSA Peugeot Citroën



272 000 vehicles sold in 2009 : +52%
 120 000 vehicles sold from Jan to Apr 2010 : + 63%
 Sales x2 within two years (2008-2010)



PSA Peugeot Citroën in China Our Strategy

- PSA Peugeot Citroën in China by 2020
 - ▶ 8 to 10% of Market Share
 - ▶ 2 millions vehicles per year
 - ▶ A broader range of products : Sedans, MPV, LCV, ...
 - ▶ Strong Brands
 - ▶ Leader for low CO2 emissions
 - ▶ Leader for sustainable mobility solutions
- Asia region, Managing Board member based in Shanghai



PSA Peugeot Citroën in China

The 4 Pillars of our development in China

- Reinforce our JV DPCA
 - ▶ New Products : at least one new car per Brand and per year
 - ▶ Increase market coverage
 - ▶ New production capacities
 - ▶ Increase market share
- A new partnership with Chang'an
 - ▶ No competition with DPCA
 - ▶ Entry into new market segments, including LCV
 - ▶ Reinforce Peugeot and Citroën Brands images
 - ▶ Economies of scale
- New cooperation in terms of R&D
 - ▶ Develop new technologies adapted to China
 - ▶ Recruiting the most talented people in China
- Develop the China Tech Center
 - ▶ To develop the vehicles which can meet Chinese customers' expectations



PSA Peugeot Citroën in China

The China Tech Center - Shanghai

- Key Dates

- ▶ April 1st 2008 : Launch of the project
- ▶ September 2008 : Opening of the center in a new tower, in the Caohejing Technological Development Zone in Shanghai
- ▶ April 2010 : Reveal of METROPOLIS, 1st concept-car developed by the China Tech Center

- Mission

- ▶ Development of vehicles and powertrain for the Chinese Market

- Main departments

- ▶ Vehicle Engineering
- ▶ Powertrain
- ▶ Design
- ▶ Quality

- Academic cooperation

- ▶ With the Tongji University Automobile College (Shanghai)
- ▶ With the China Europe International Business School (CEIBS)

