



PSA PEUGEOT CITROËN



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More comprehensive information about PSA PEUGEOT CITROËN may be obtained on group website (www.psa-peugeot-citroen.com), under Regulated Information.



Agenda

- Post H1 Highlights
- “Rebound 2015”
- Outlook



Post H1 Highlights

- The governmental report on PSA acknowledges the Group's situation
- PSA invests €750m in Sevelnord for LCV production with Toyota
- Asset Disposal : progress on real estate (French network), opening of the capital of Gefco
- Sales performance July - August:
 - Peugeot 208 leader in PC segment in France, Peugeot 2nd in market share in Europe in August
 - 15% of Citroën orders in Europe 16 are DS (23% in the UK)
 - 1/3 of the Citroën DS5 and 10% of Peugeot 3008 ordered are hybrid in Europe 16





REBOUND 2015

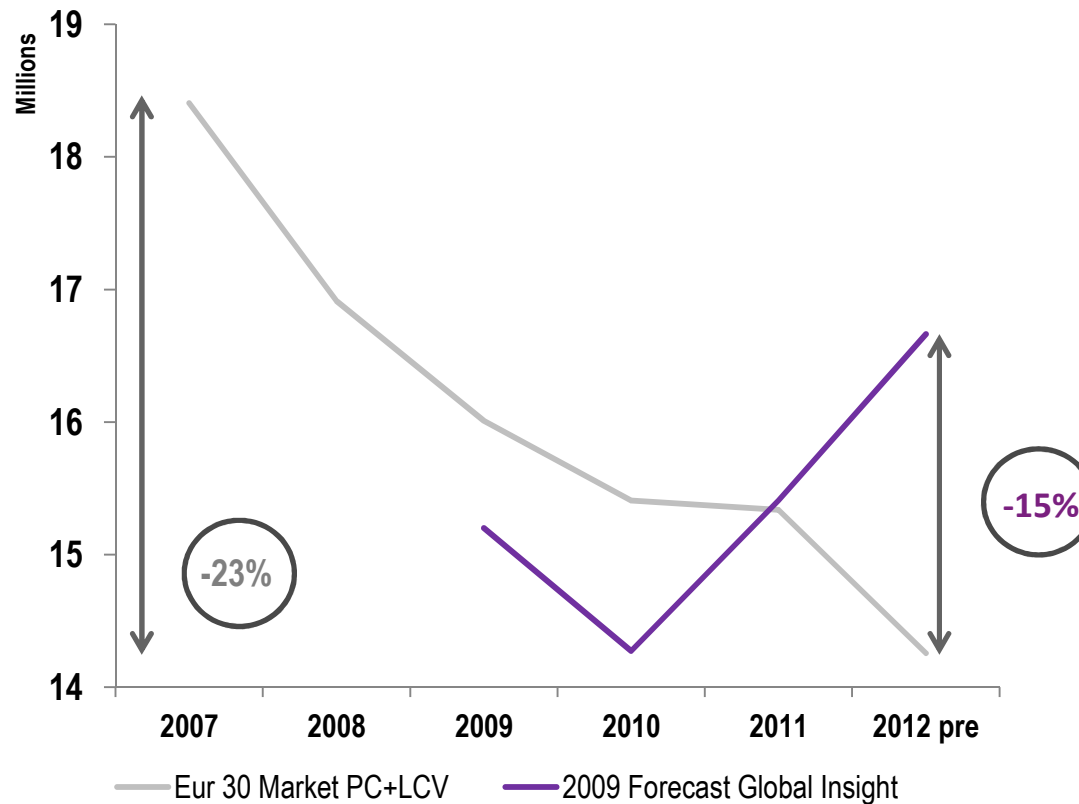
2012 Cash action plan on track

	FY 2012	H1 2012
Cost reduction	▶ €1bn	<input checked="" type="checkbox"/> ▶ €503m
New organisation for commercial operations and brands	▶ Cost synergies ▶ Operational control enhanced	<input checked="" type="checkbox"/> ▶ Back office merger in Europe completed
Investments prioritisation	▶ Automotive Capex and R&D to be reduced	<input type="checkbox"/> Automotive Capex and R&D: – Projects on hold or postponed
Asset disposals	▶ Total asset disposals: ca. €1.5bn ▶ GEFCO: opening of the capital in H2	<input checked="" type="checkbox"/> ▶ CITER: €448m ▶ Real estate: €340m
Inventories	▶ Back to 2010 levels	<input checked="" type="checkbox"/> ▶ 72 days = 2010 level

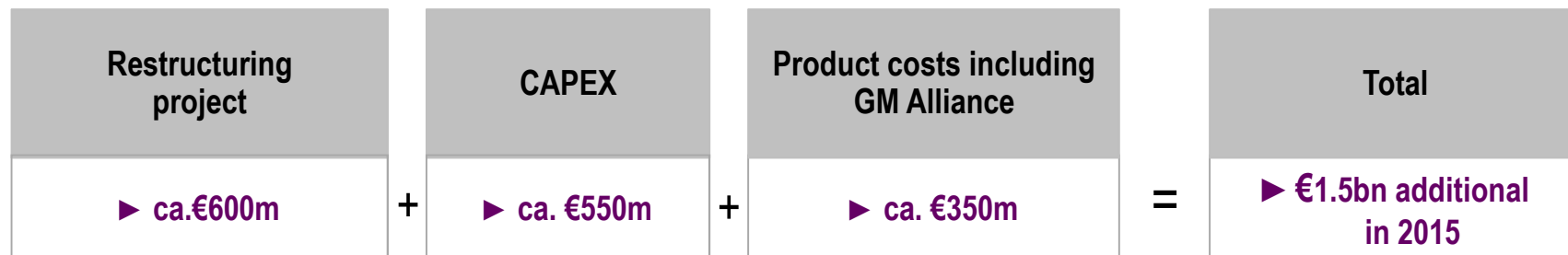


Durable drop in European markets

- ▶ 23% decline between 2007/2012, -8% forecast for 2012
- ▶ 15% gap vs. Global Insight forecast in 2009



REBOUND 2015 (*): Restore Automotive profitability in Europe



Break even in Group operational free cash flow by end 2014

(* **Underlying assumptions** : 1) European market and pricing environment stabilized at 2012 levels 2) Market share in Europe maintained at 13% unchanged 3) Input cost inflation = Production and procurement recurring improvement



Structural projects in France

Fixed costs

- ▶ Structural adjustment on all sites: 3,600 positions

Industrial footprint adjustment

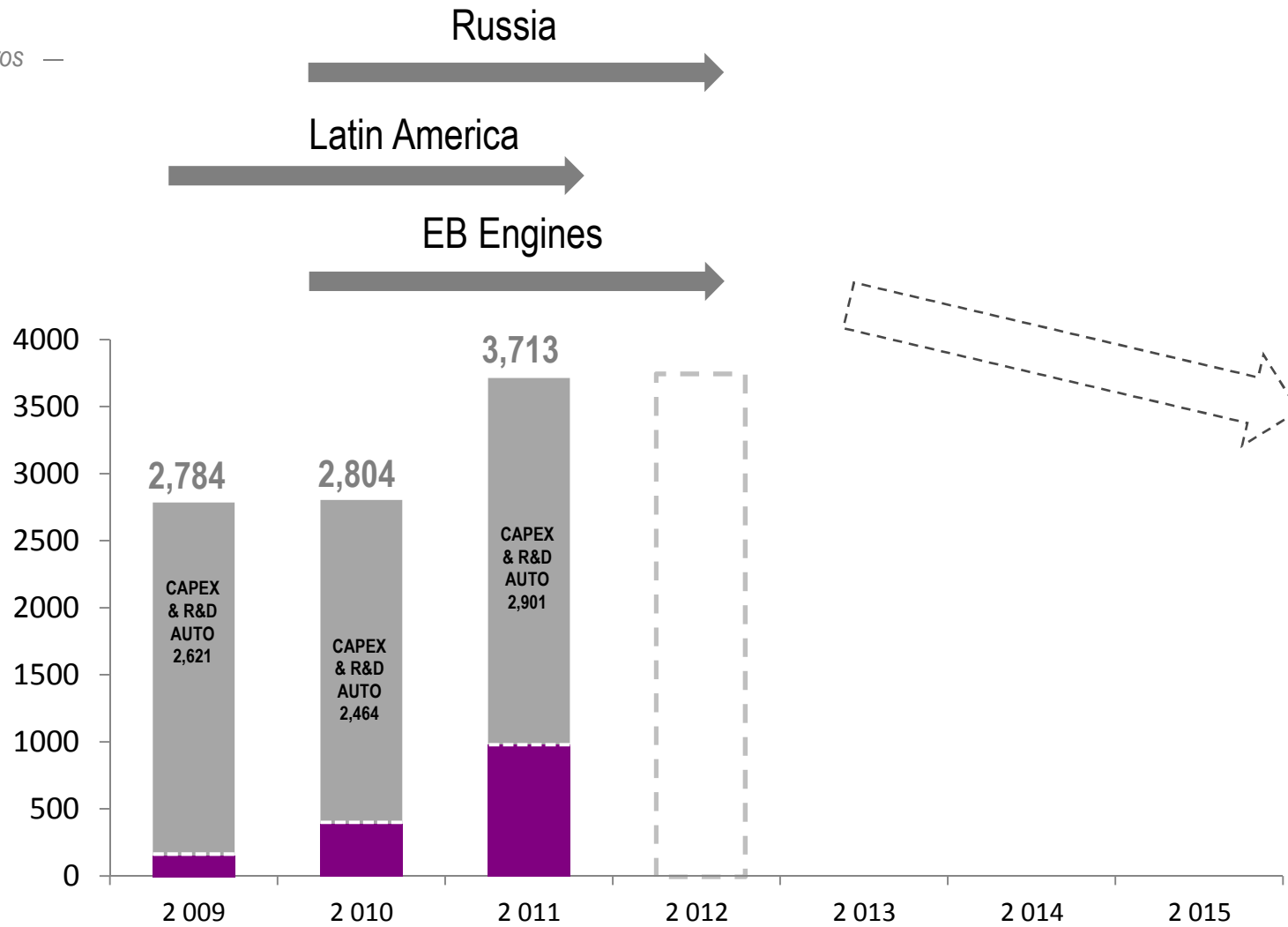
- ▶ Aulnay, end of production by 2014: 3,000 positions

- ▶ Rennes, headcount adjustment: 1,400 positions



Group Capex and capitalized R&D: A peak in 2011-2012

— In million euros —



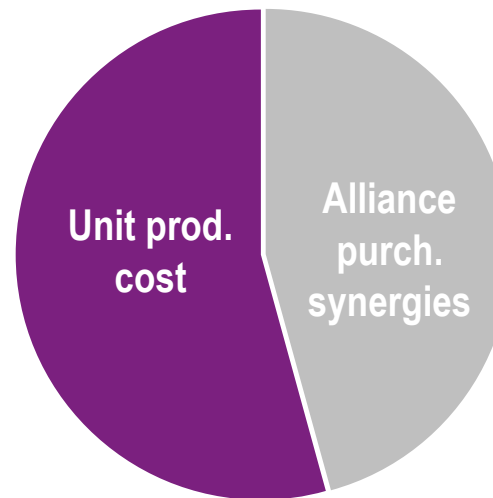
Product cost optimization

▶ €350m net savings on top of continuous improvement

- Acceleration of platform and modular strategies

- Engineering savings

- Technical benchmarking with GM



- €100bn combined annual purchasing base

- Joint purchasing organization designed and best practices exchanged



Global Alliance with GM on track

Logistics	<input checked="" type="checkbox"/> ▶ GM Europe and Russia Logistics to be transferred to Gefco ▶ Additional annual revenues
Joint Purchasing organisation	<input type="checkbox"/> ▶ Organization ready to operate ▶ Antitrust authorization processes underway in H2 ▶ Operational in Q4
Joint projects	<input type="checkbox"/> ▶ Project working groups ongoing ▶ Decisions due in H2



European market share supported by strong momentum of new products (1/2)

2012 & 2013



Hybrid4: 1st Diesel Hybrid
3,8l/100km for 99g CO₂, significant order book

■ Peugeot 508
(Hy4, RXH): >10%
and 3008: 8%

■ Peugeot 4008

■ Peugeot 301

■ Peugeot 208

- EB engines
- GTI/XY

■ Peugeot 2008

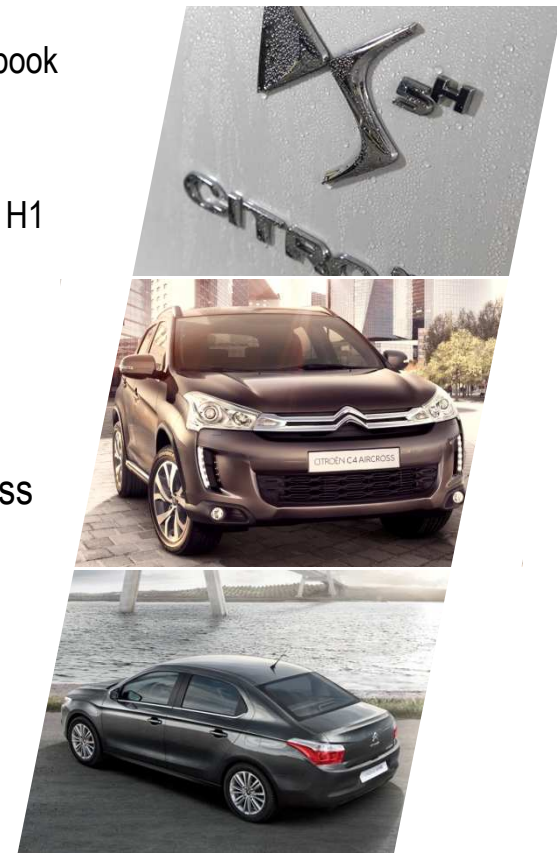
■ DS5 :
>20% of mix in H1

■ DS3 Cabrio

■ Citroën C4 Aircross

■ Citroën C-Elysée

- ▶ Launch end of 2012
- ▶ Presented in Paris



... 8 new launches in 2013



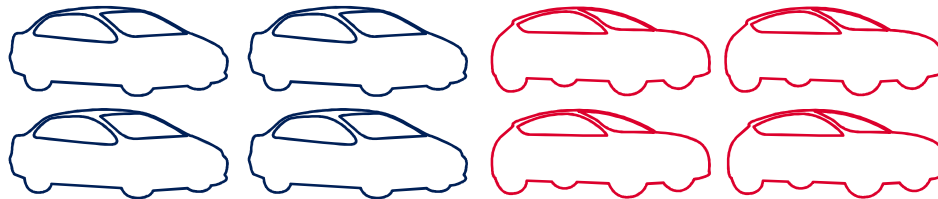
European market share supported by strong momentum of new products (2/2)

2013

2014

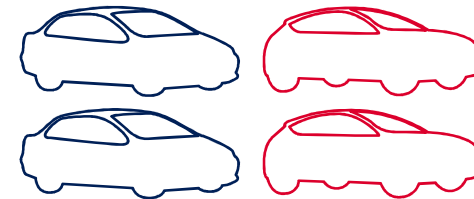
8 new launches

- High-potential products in high volume segment in Europe
- Strong image value products: 208 GTI, DS line extension



average age* of the range = 3.3 years

4 new launches



average age of the range = 3.3 years

* PC, vs. 3.5 in 2012 estimated



Globalisation: focus on China

Successes in China :

▶ **DPCA: 2 launches in 2012**

▶ **CAPSA: DS Line launched**



■ **Citroën C4 L and 1 SUV for Peugeot** to be launched in 2012

■ **Citroën C-Elysée** to be produced in 2013

■ **Success of the Peugeot 308**

■ **Dividend: RMB 776m in 2012,** up by 32%

■ **DS Line starting June 28th:** DS5, DS4, DS3 coming in H2

■ **Localized DS5 mid 2013** in Shenzhen

■ **Dealers: 24 DS stores,** Nanjing already opened, 80 DS Stores by end of 2013 in 55 cities and 200 by 2015



Globalisation

New milestones :

▶ **Russia** : Start of full scale production

▶ **LatAm**: New capacities and product momentum



█ **CKD launch of the Peugeot 408 in July**

█ **Total capacity of 125,000 cars/year**

█ **+61% for LCV in H1, market share +3pts**

█ **New capacities fully operational**

█ **Success of the launch of the Peugeot 308 in March in Brazil**

█ **New Citroën C3 launched in August**





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OUTLOOK

Outlook

Market assumptions

■ **Europe:** c. -8% (vs. -5% in February 2012)

■ **China:** c. +7%

■ **Latin America:** c. +2% (vs. +6% in February 2012)

■ **Russia:** c. +9% (vs. +5% in February 2012)

2012 Group objective

■ **Stabilization of Net Debt around June 2012 level**, driven by €1bn cost reduction plan, inventories back to 2010 level, asset disposals and opening of GEFCO capital

2013 Group objective

■ **Operational cash consumption rate reduced by half**





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APPENDIX

Recurring operating income by division

▶ Automotive division, H1 shows similar trend to H2 2011

<i>In million euros</i>	H1 2011	% margin	H1 2012	% margin
Automotive	405	1.8%	(662)	-3.3%
Faurecia	340	4.2%	303	3.5%
Gefco	143	7.1%	63	3.3%
Banque PSA Finance	274	-	271	-
Others businesses and eliminations	(5)	-	29	-
PSA Peugeot Citroën	1,157	3.7%	4	0.0%



Market trends

— Δ vs. previous year —

Cars and light commercial vehicles – Market evolution

	H1 2011	H2 2011	H1 2012
Europe 30	-1%	0%	-7%
<i>Italy</i>	-12%	-8%	-21%
<i>France</i>	+2%	-5%	-13%
<i>Spain</i>	-25%	-4%	-10%
<i>UK</i>	-4%	0%	+1%
<i>Germany</i>	+11%	+8%	+1%
China*	+10%	-2%	+7%
Latin America**	+13%	+3%	+2%
Russia	+57%	+25%	+14%

* Passengers Vehicles

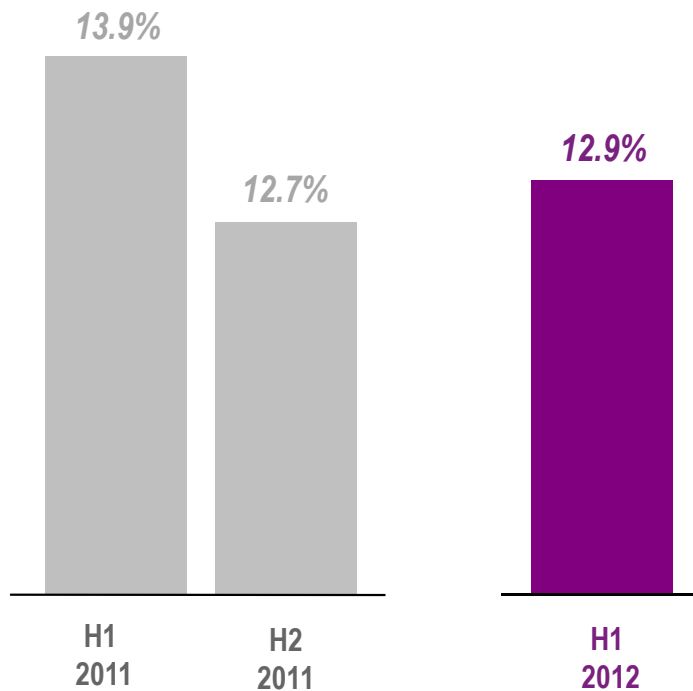
** Brazil, Argentina, Chile, Mexico



Automotive: european market share

▶ - 1 point drop, mainly due to unfavourable country and segment mix

Market share in Europe 30*



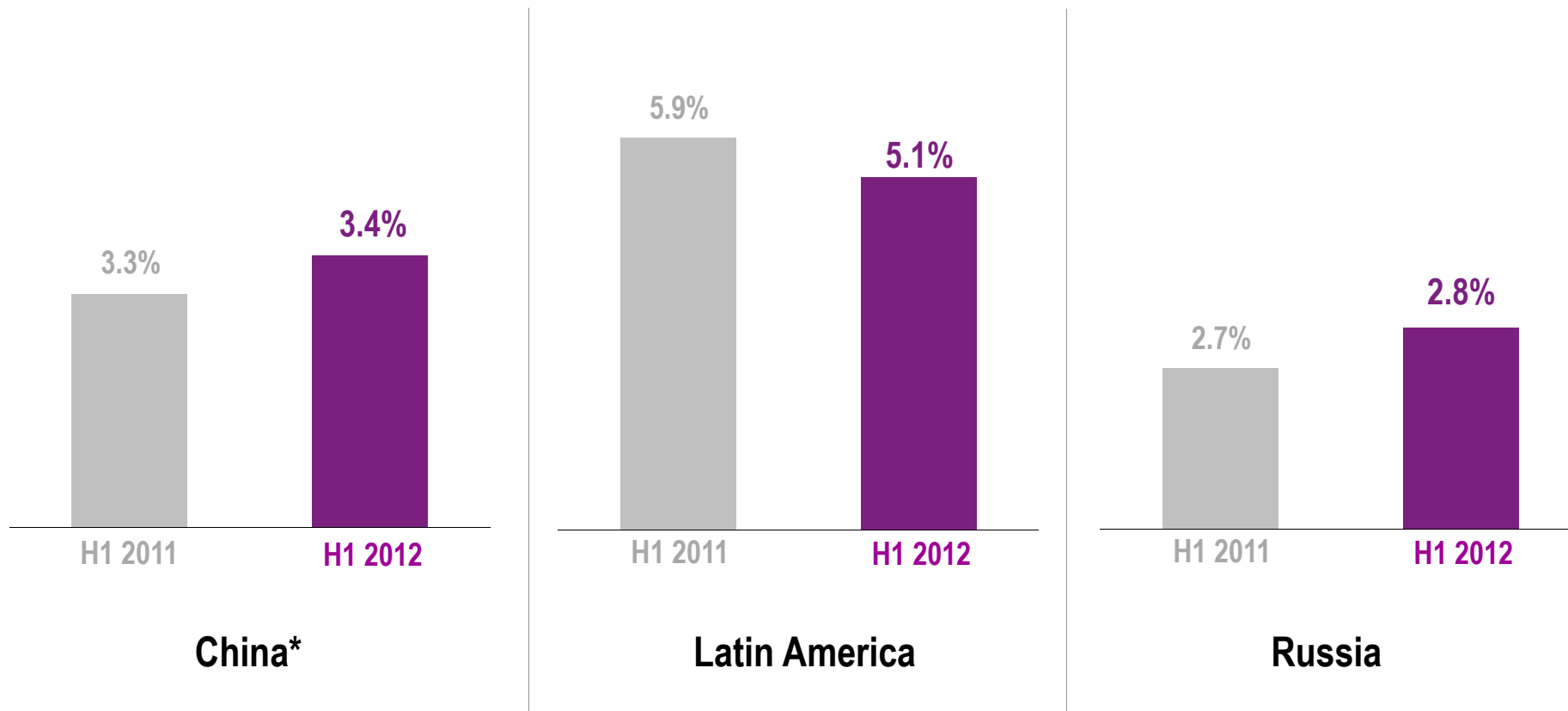
- **Peugeot 208 Launch** from March 29th, full launch in September with EB engines
- **LCVs: European leader** with 20.8% market share

* PC - LCV



Automotive: market share outside Europe

Cars and light commercial vehicles – Market share

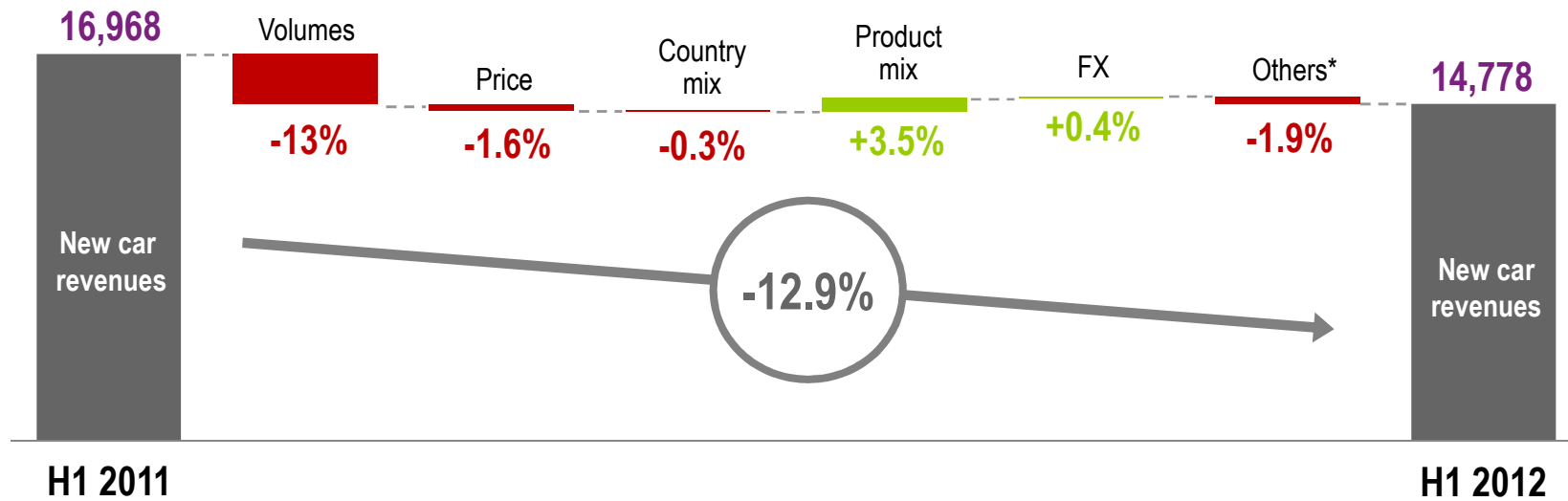


* Passengers vehicles on invoices market w/o imports



Automotive: new car revenue analysis

— In million euros —

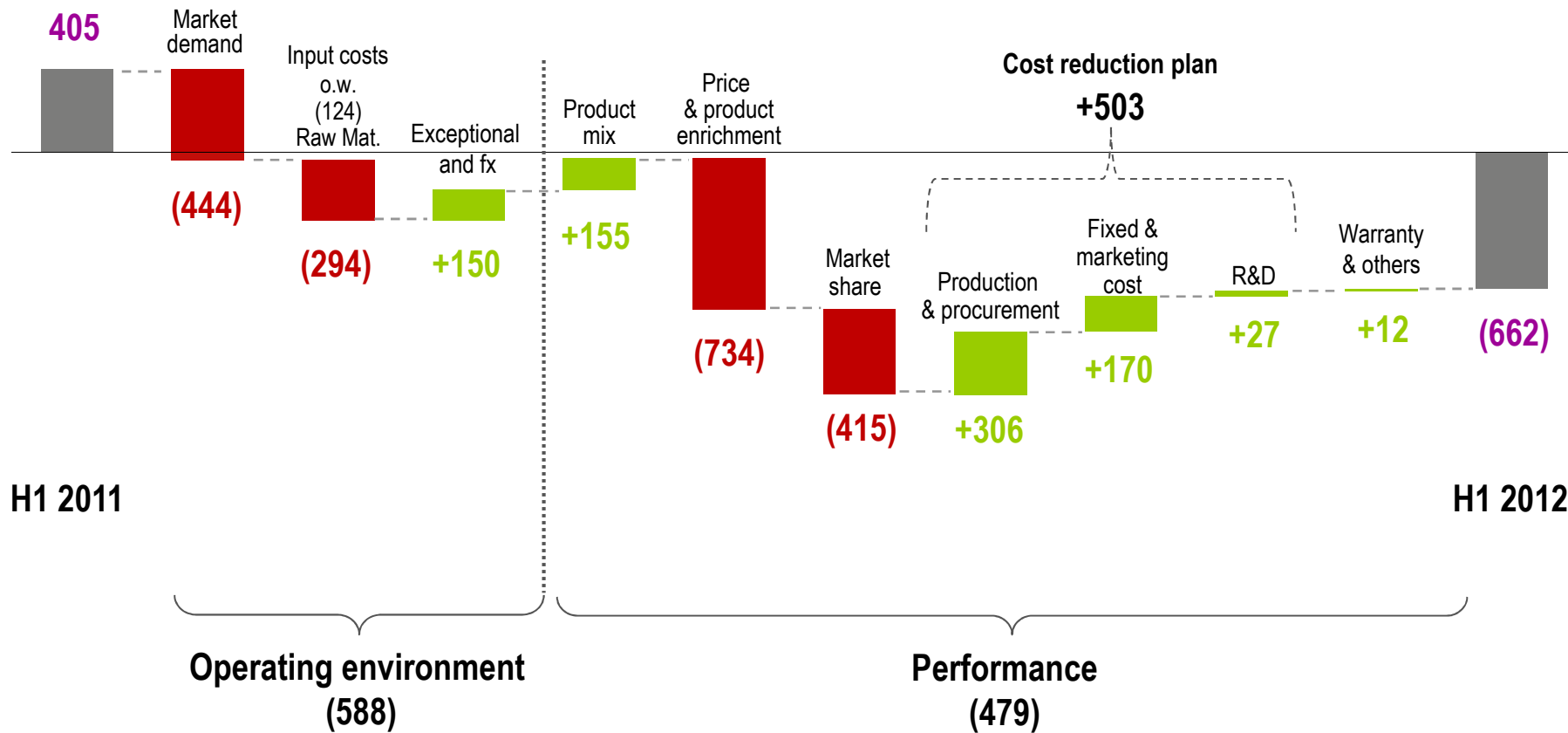


* CKD, accounting treatment of buy back commitment, short term rental



Automotive: recurring operating income

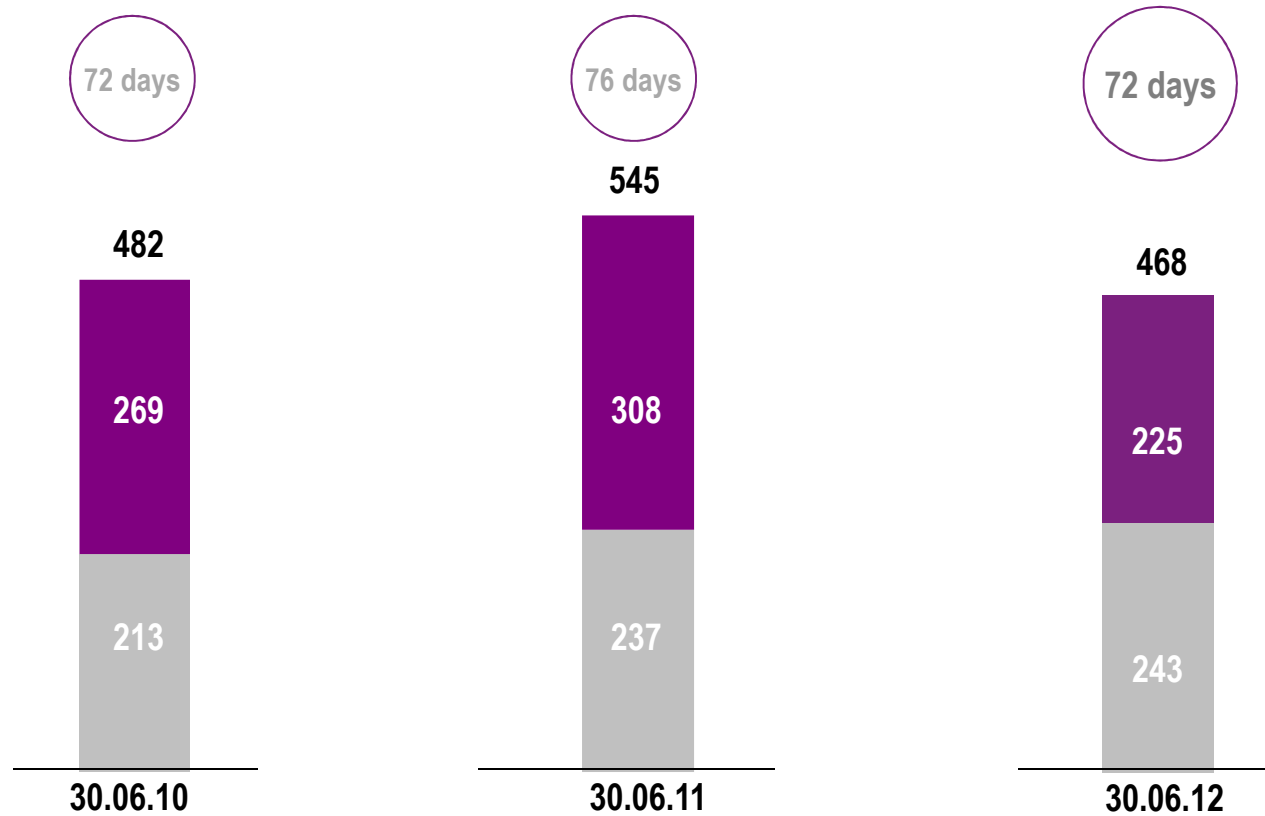
— In million euros —



Inventories

▶ Return to 2010 inventories levels achieved in June and confirmed for December

— In thousands of new vehicles* —



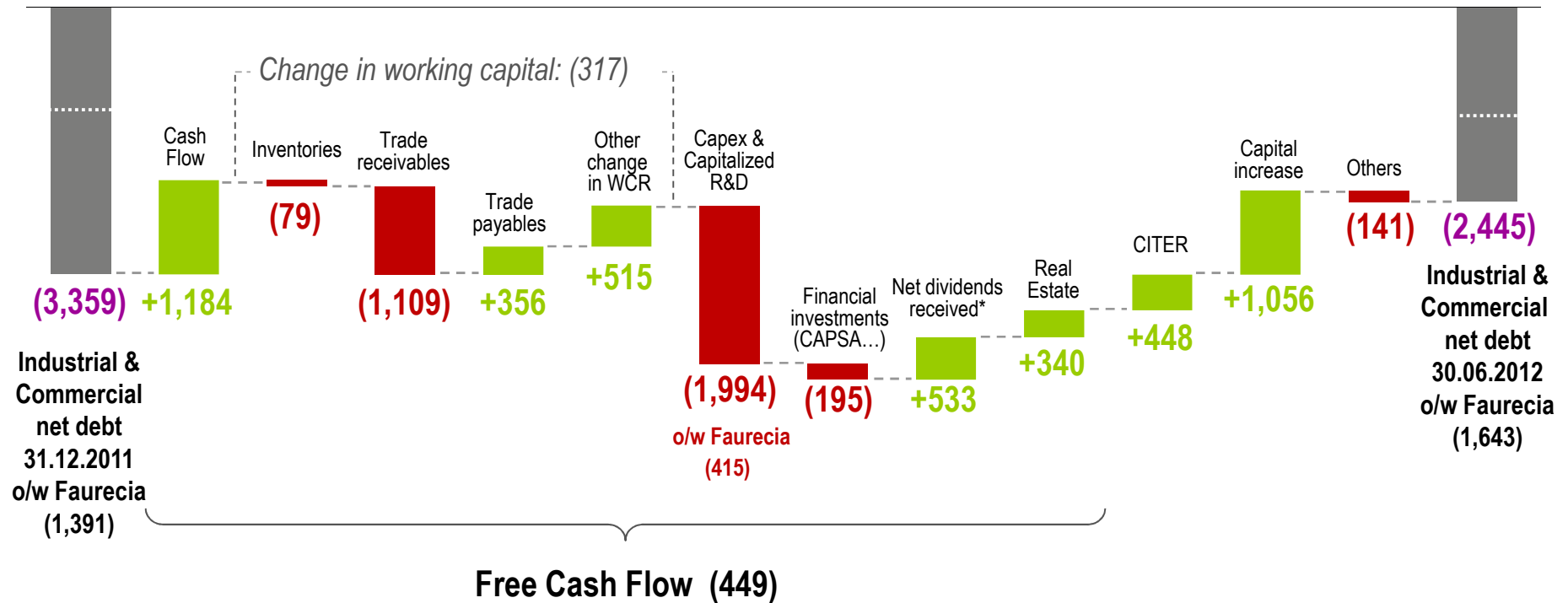
Group inventory ■
 Independent dealership inventory ■

* World figures, based on forward 3 months delivery expectations, excluding China



Cash flow analysis

— In million euros —



* From Group companies



Financial security

- ▶ Solid level of financial security
- ▶ PSA back-up facilities extended for 1 year for 93% of total amount

<i>In million euros</i>	End 2010	End 2011	H1 2012
Cash and cash equivalents	9,278	5,190	7,560
Current & non current financial assets	1,102	1,300	1,391
Total	10,380	6,490	8,951
Back-up facility (undrawn) – excluding Faurecia	2,400	2,400	2,400
Back-up facility (undrawn) – Faurecia	505	660	730
Total financial security	13,285	9,550	12,081
Net debt position	1,236	3,359	2,445
Total equity	14,303	14,494	14,796
Gearing	9%	23%	16.5%

* Proforma after Rental car activity disposal



- ▶ New contract with PSA effective since January 2012
- ▶ Agreement in logistics with GM Europe on July 2nd

<i>In million euros</i>	H1 2011	H1 2012	Δ
Revenues	2,017	1,881	-6.7%
PSA Peugeot Citroën	1,274	1,109	-13%
Third parties	743	772	+4%
Recurring operating income	143	63	-55.9%
% of revenues	7.1%	3.3%	



Banque PSA Finance

- ▶ Net banking revenue up +3.4%
- ▶ Cost of risk increasing with provisions on Southern Europe

<i>In million euros</i>	H1 2011	H1 2012	Δ
Revenues	942	979	+3.9%
Net banking revenue	524	542	+3.4%
Cost of risk (in % of average loans)	0.45%	0.65%	
Recurring operating income	274	271	-1.1%
Penetration rate	26.4%	28.1%	+1,7pt
Number of new contracts (lease and financing)	443,740	413,531	-6.8%
Total outstanding loans*	24.3bn	24.7bn	+1.8%

* End of period



Faurecia

- ▶ Sales +7,5% supported by North America and Asia
- ▶ Capital spending to accelerate development outside Europe

<i>In million euros</i>	H1 2011	H1 2012	Δ
Revenues	8,150	8,765	+7.5%
Recurring operating income	340	303	-10.9%
% of revenues	4.2%	3.5%	
Non-recurring operating income and (expenses)	(33)	(37)	
Operating income	307	266	-13.4%
Net financial income (expenses)	(55)	(89)	
Consolidated net income for the period	207	141	-31.9%
% of revenues	2.5%	1.6%	
Free Cash Flow	(42)	(205)	
Net financial position*	(1,286)	(1,643)	

* End of period



Enhancing brand image and pricing power

Strong increase in product mix and successes of new launches

▶ Upward Residual Values* for all new products building up pricing power

	Launch	Previous models	New models	
			At launch	Current
Peugeot 3008	Q1 2010	-	44%	44%
Peugeot 3008 HY4	Q4 2011	-	46%	-
Peugeot RCZ	Q2 2010	-	43%	46%
Peugeot 508	Q1 2011	35%	44%	42%
Citroën DS3	Q2 2010	-	42%	44%
Citroën DS4	Q1 2011	-	40%	40%
Citroën DS5	Q4 2011	-	44%	44%
New Citroën C4	Q3 2010	34%	41%	40%

* Residual Values (36 months, 90,000km) – Source DAT, Q4 2011 (Germany)



Brand upscaling

▶ New products above estimates, increasing Brand value

Units sold, H1 2012



Success of new launches

68,900

6,900

62,000

38,000

20,000

13,500

8% in GT

48% conquest customers

55% conquest customers

65% conquest customers

55% conquest customers

20% Hybrid4

Higher average price*

€32,800 vs €27,600 (407)

€32,300

€29,400 vs €23,700 (308bl)

€22,100 vs €17,900 (C3)

€26,200 vs €23,700 (C4)

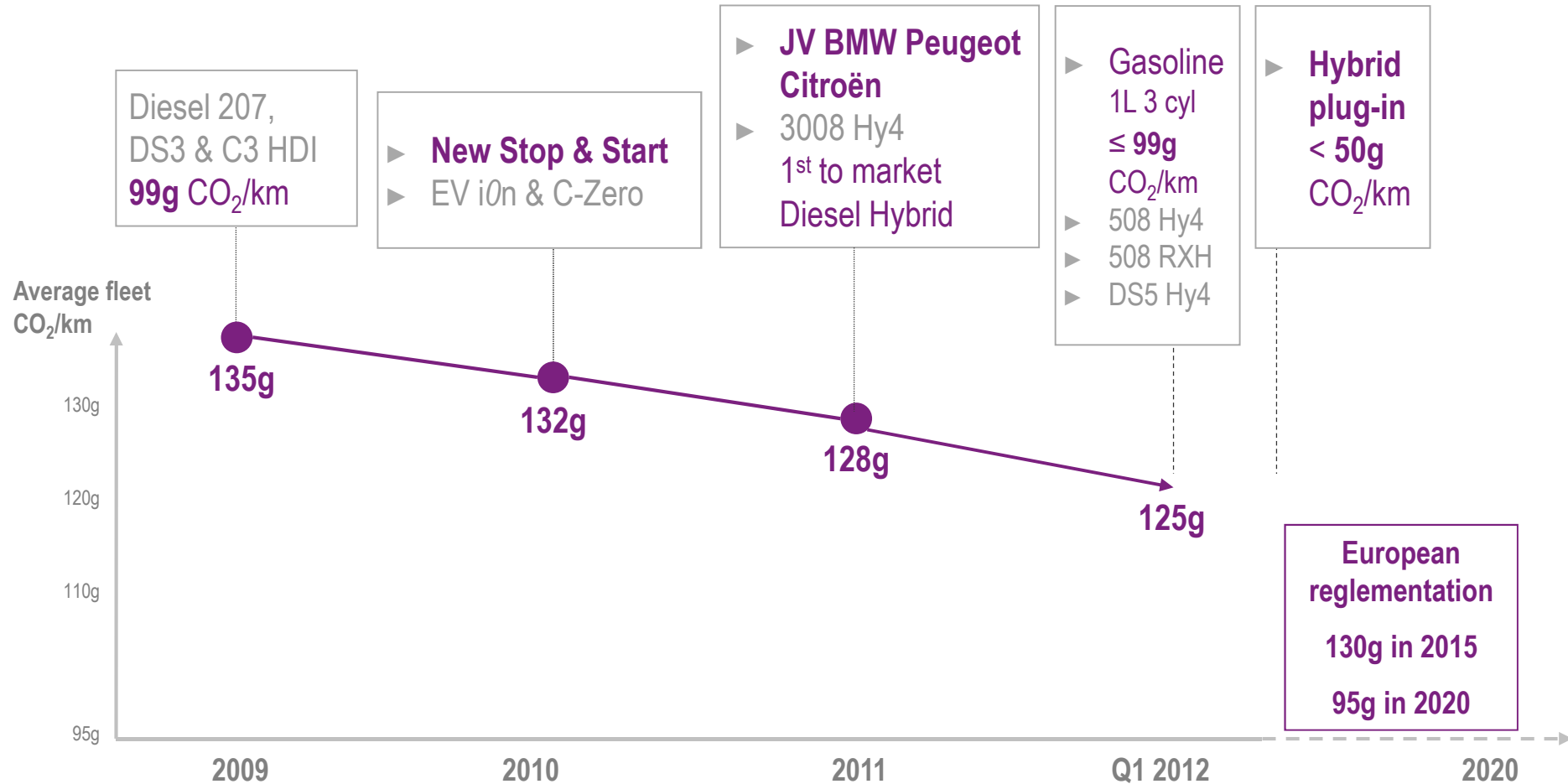
€35,400 vs €31,200 (C5)

* Average price in France



Brand upscaling / Step ahead

Innovation and CO₂ new technologies



European sales ≤ 120g CO₂/km: 811,000 in 2011, in line with 1,000,000 target in 2012

