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PSA Peugeot Citroën Continues to Globalise and Move its Brands Upmarket 3.5 million vehicles sold in 2011
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2011 Highlights

- Sales of new vehicles and CKD units down 1.5% to 3,549,000 units¹
- Sharp increase in the proportion of sales outside Europe², to 42% of the total
- Increase in the proportion of premium vehicle sales to 18%, reflecting the success of the Citroën DS line and the Peugeot 3008, 508 and RCZ
- Further decline in corporate average emissions to 127.9g of CO₂/km vs. 132g in 2010.

In 2011, the worldwide automotive market expanded by an aggregate 3%. Growth was led by vibrant emerging markets, with Latin America up by 8%, Russia up by 39% and China (passenger cars) up by around 3%.

In Europe, in a crisis-hit environment made more difficult by the austerity measures introduced in the summer, the market contracted by 0.5%. Performances varied widely by country, with Germany up 9.4%, France down 1.3%, the United Kingdom down 2.4%, Spain down 16.9%, Italy down 10.5% and Central and Eastern Europe down 1.9%. From September onwards, prices came under severe pressure.

With its strong presence in Europe – particularly Spain, Italy and the United Kingdom – PSA Peugeot Citroën experienced a 1.5% decline in global unit sales.

Group unit sales contracted by 6.1% in Europe but grew by 10.6% in Latin America, 7.6% in China and 34.8% in Russia. As a result of these contrasting trends, sales outside Europe represented 42% of the consolidated total vs. 39% in 2010.

Frédéric Saint-Geours, Executive Vice-President, Brands noted:

"In 2011, the situation in the European automotive market, particularly the B segment, confirmed that our strategy of becoming more global and moving the Peugeot and Citroën brands further upmarket is the right one. Our new developments and the new Brand Department organisation will allow us to implement our strategy even faster."

¹ New vehicles and CKD units

² Europe: European Union + European Free Trade Association + Croatia

Globalisation: a rising proportion of sales generated outside Europe

- **An unfavourable market mix in Europe**

In a European car and light commercial vehicle market that declined by 0.6% in 2011 (with car sales down 1.4% but light commercial vehicle sales up 7%), registrations of PSA Peugeot Citroën vehicles contracted by 6.8% to 2,045,000 units. As a result, the Group's market share fell by 0.9 points compared with 2010 to 13.3%.

This was almost entirely due to lower sales in the B segment, as the Peugeot 207 came under stiff competition. The 207's replacement, the Peugeot 208, will be introduced in 2012.

Despite these negative headwinds, the Group showed resilience in the higher priced segments. Its market share remained stable in the C segment, thanks to vibrant demand for the new Citroën C4, and rose in the D and E segments following the successful launch of the Peugeot 508.

- **Sharp increase in the proportion of sales outside Europe, to 42% of the total**

Sales outside Europe accounted for 42% of the 2011 consolidated total, compared with 39% in 2010 and 32% in 2009. Unit sales of assembled vehicles rose by a strong 10.8%, confirming PSA Peugeot Citroën's commitment to its priority growth regions of Latin America, China and Russia, and its ambition to become more global.

Latin America: sales top 300,000 units for the first time

Despite a sharp slowdown in Brazilian demand in the second half, BtoB sales helped to drive an 8% increase in the Latin American market as a whole, with gains of 3% in Brazil and 29% in Argentina. In this environment, Group sales in the region topped 300,000 units for the first time, rising by 10.6% to 326,000 vehicles. Market share widened to 5.5% in 2011 from 5.4% the previous year. The launch of two local-manufactured models – the Peugeot 408 and Citroën C3 Picasso – contributed significantly to this performance and reaffirmed the Group's commitment to expanding its presence in the region.

China: real advances in implementing the growth strategy, with over 400,000 vehicles sold

After several years of very fast growth, the Chinese passenger car market appeared to settle at cruising speed in 2011 with volumes up 3.3%. The Group kept pace with market growth by launching two new models, the Peugeot 508 and Peugeot 308. Along with the Citroën C5 introduced in 2010, these new models complete the two brands' product offer in the Chinese market, particularly in the executive segment. Supported by the development of the distribution networks, PSA Peugeot Citroën sold a total of 404,000 vehicles in China in 2011, representing a market share of 3.4%.

By the end of the year, Peugeot had 284 dealers and 220 agents, representing 504 outlets in all, while Citroën had 360 dealers and 500 agents, for a total of 860 outlets.

Russia: continuing ramp-up

In 2011, the Russian market continued to expand rapidly. A total of 2.66 million vehicles were sold, 39% more than in 2010. The increase reflected underlying growth that was maintained despite the withdrawal of scrappage incentives in June. The 75,000 vehicles sold by PSA Peugeot Citroën represented an increase of 35%, in line with the market. The Group's market share stood at 2.7%. Sales were sustained by the launch of the new Citroën C4 and the restyled Peugeot 308, both assembled at the Kaluga plant. The distribution network continued to expand, with the two brands' 141 sales outlets now covering 90% of the country.

Upmarket strategy: increased proportion of premium* vehicles in total sales

The Group's strategy aims to increase the value of the Peugeot and Citroën brands by accentuating the move upmarket. In 2011, this led to an increase in the proportion of premium vehicle sales, to 18% of the total vs. 13% in 2010.

Examples of the strategy include the launch of the Peugeot 508, and of the successful latest addition to the Citroën DS line, the DS4.

Meeting the environmental challenge with a further reduction in CO₂ emissions

The Group's technological advances ensured that it maintained its environmental leadership in 2011. In the less than 110g of CO₂/km segment in Europe, it remains the unchallenged leader with a market share of 23.8%. And the 4.1g/km reduction in average carbon emissions of its new vehicles to 127.9g from 132g in 2010 confirms the quality of the Group's environmental strategy built around:

- Optimizing petrol and diesel engines.
- Developing micro-hybrid, hybrid and plug-in hybrid technologies with broader deployment of Stop&Start technology.
- New electric vehicles (the Peugeot iOn and the Citroën C-Zero brought to market in December 2010).

The HYbrid4 technology was awarded the Environmental prize at the Goldenes Lenkrad awards organized by Germany's Auto Bild magazine in November 2011.

Premium vehicles, which offer a level of driving pleasure, safety, quality of finish, connectivity and comfort that serves as a benchmark in their segment, include the 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, 4007 and Citroën C5, C6 and C-CROSSER).

Outlook for 2012

The downtrend in the European automotive market is expected to continue in 2012. To offset the negative headwinds, the Peugeot and Citroën brands will step up their marketing offensive by unveiling four major new models – the Peugeot 4008 and 208 and the Citroën C4 Aircross and DS5 – along with six restyled models – the Peugeot 107, Partner and Expert and the Citroën C1, Berlingo and Jumpy.

In Latin America, the launch of the Peugeot 308 in February and Citroën's DS line in the spring will play a key role in driving faster sales growth in the region.

In China, with the laying of the cornerstone for DPCA's third plant and the launch of the joint venture with Changan, PSA Peugeot Citroën is making real progress in meeting its strategic goals of setting up two complementary joint ventures and obtaining market shares of 5% with DPCA and 3% with CAPSA by 2015.

The Group is now soundly positioned to continue growing in this very promising market.

In Russia, the ramp-up of operations at the Kaluga plant marks a new milestone in the Group's growth strategy in this fast-growing market. During the coming year, several new models will be introduced in the local market – the Peugeot 408, 508 and 4008 and the Citroën DS4, DS5 and C4 Aircross.

Rising demand in these priority growth regions, coupled with local market share gains, should enable PSA Peugeot Citroën to meet its target of achieving 50% of sales outside Europe in 2015 and two-thirds in 2020.

2012 will be in particular the year of the hybrid, with the launch of four vehicles equipped with hybrid diesel powertrains – the Peugeot 3008 HYbrid4, Citroën DS5 HYbrid4, Peugeot 508 HYbrid4 sedan and Peugeot 508 RXH – that will reaffirm the Group's environmental leadership.

PSA Peugeot Citroën Worldwide Sales of Passenger Cars and Light Commercial Vehicles, 2010 and 2011

		2010	2011
Europe*	Peugeot	1,172,060	1,099,202
	Citroën	1,023,161	961,156
	Total PSA	2,195,221	2,060,358
Russia	Peugeot	36,879	45,361
	Citroën	18,621	29,456
	Total PSA	55,500	74,817
Latin America	Peugeot	173,799	190,088
	Citroën	120,512	135,685
	Total PSA	294,311	325,773
China	Peugeot	150,936	173,803
	Citroën	224,741	230,634
	Total PSA	375,677	404,437
Rest of the world	Peugeot	136,369	147,396
	Citroën	68,082	78,757
	Total PSA	204,451	226,153
Total Assembled Vehicles	Peugeot	1,670,043	1,655,850
	Citroën	1,455,117	1,435,688
	Total PSA	3,125,160	3,091,538
CKD Units	Peugeot	471,747	457,878
	Citroën	5,256	0
	Total PSA	477,003	457,878
Total Assembled Vehicles and CKD Units	Peugeot	2,141,790	2,113,728
	Citroën	1,460,373	1,435,688
	Total PSA	3,602,163	3,549,416

* Europe: EU + EFTA + Croatia