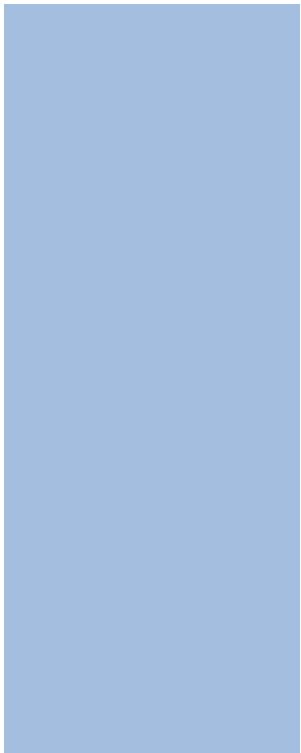


PSA - PCMA Rus Diversification of Local Content



AEB Conference 1st July 2014

Daniel MAJERUS



PSA / PCMAR in RUSSIA

- 2 COMMERCIAL BRANDS : PEUGEOT and CITROEN.
 - Purchasing Team dedicated to NPP (Moscow) :
 - Supporting Commercial activities.
 - Maintenance
 - Stationneries, HR Activities.
 - Spare Parts and Accessories.
 - Media and IT.

- 1 FACTORY : PCMAR, based in KALUGA. Site of ROSVA
 - Purchasing Teams dedicated to :
 - NPP
 - Vehicles Components.

PCMA Rus : key facts and milestones

- **JV PSA (70%) and Mitsubishi (30%)**
- **Brands:** Peugeot, Citroen, Mitsubishi
- **2009 – 2011:** buildings, infrastructure, equipment and processes installed
- **Total CAPEX = 550 M€**
- **Production phases**
 - **2010-2012, SKD:** 44,000 vehicles per year, duration 30 months
 - Starting **July 2012, full cycle production:** 125,000 vehicles per year at full production capacity

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- **Produced since opening in 2010**
 - Over 160,000 vehicles
- **Export**
 - To Belorussia, Ukraine and Kazakhstan

PCMA Rus : car launches

Producing for three Brands, in two car segments (C-segment and SUV):

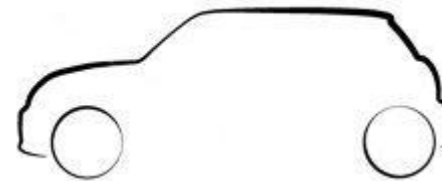
Peugeot 408



Citroën C4 Sedan



New: TBC



Jul 2012

Nov 2012

Apr 2013

Jul 2013

2015

2016

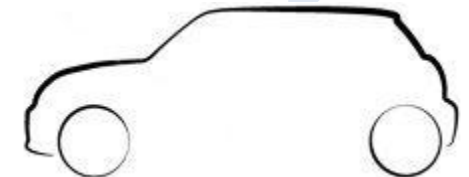
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Mitsubishi Outlander



Mitsubishi Pajero Sport



New: TBC

Work under new models under three brands of PCMA Rus mother companies – Peugeot, Citroen and Mitsubishi – is on its way.

2014 : new factors in the car market

In 2014 automotive market players have faced new challenges:

■ Unfavorable FOREX

- Russian ruble: -10% to EUR/ USD since the beginning of the year (-25% in a calendar year)

■ Customer's uncertainty in the future

- High inflation expectations: up to 10% in the coming months, according to experts
- GDP growth slow down: +1.3% in 2013 (comparing to +3.4% in 2012 and +4.5% in 2010)
- Impact of Ukraine crisis on macroeconomics and consumer behaviour

■ Intense competition

- Market decrease of -4% in Jan-June YOY, comparing to the “weak” year 2013 and despite price increase expectations



Localization as a response

Global manufactures' production in Russia is localized at 15-75%. Deeper localization should provide a wide range of benefits :

■ Defense against FOREX risks

- Purchasing in the same currency as sales

■ Optimization of logistics

- Automotive clusters growing around car production sites

■ More competitive product

- Attractive price
- Strict quality control

■ Product adjustment to driving conditions and client's expectations



Local suppliers network

St Petersburg



Moscow



Kaluga



Vladimir



Naberezhnie Chelny



Nizhniy Novgorod



PCMA Rus: 34% of localization



Further localization development

PCMA Rus sets ambitious goals on localization amplification in 2014-2016.

■ Local component increase

- +10% in 2014
- +10% in 2015
- Further localization in compliance with the development of the component supplier market

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■ First models to benefit from **deeper localization**

- Peugeot 408
- Citroen C4 Sedan

■ Nearest localization projects

- Car battery
- Light alloy wheels
- Plastic elements



Service to industry

As any industry, PCMA Rus needs various service to support the production processes going.

■ Examples of service needed

- Transport
- Organization of meals
- Cleaning services
- Equipment maintenance
- and many others...for PCMAR and PSA Moscow (Turn Over more than 90 M€)



■ Current status

- Few service suppliers settled in Kaluga region
- Few Russian companies among service suppliers

Long-term cooperation with industry: opportunities to seize for Russian small and medium enterprises.

■ Vehicles Components

- ❑ Interior plastic part
- ❑ Engine plastic part
- ❑ Plastic parts under the hood
- ❑ Washer reservoir ,
- ❑ Inside mirror ,
- ❑ Door lock , Door seal , Door Hinge, Door Stop, Door striker
- ❑ Transmission, Suspension spring, Shock absorber, Anti roll bar
- ❑ Brake disk , Brake caliper, Brake tubes
- ❑ Heat screen,
- ❑ Cooling radiator,
- ❑ Heating pipes ,Steering wheel,
- ❑ Wheels : alloy and steal wheels
- ❑ Wiper + window wiper blade,
- ❑ Scuttle grille,
- ❑ Electric window lift

PCMA Rus: open to new partners

Who can become a supplier?

- International group's subsidiary
- Russian company, including small and medium business



What are the choice criteria?

- Compliance with the standards
- Competitiveness

PCMA Rus is ready to invest in new cooperation!

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СПАСИБО
Thanks for your attention