



THE MARKET

Since 2002, when Peugeot Motors South Africa entered the local car market, the company's rate of development and brand recognition has exceeded all expectations. Peugeot brought style and sportiness to the roads, with its initial priority being to import a complete range of stylish, elegant and innovative products and to set up a dealer network where consumers could access these products.

Peugeot plans to consolidate this success and grow the brand in the local market place as the company completes its sixth year of operation in South Africa.

Peugeot Motors South Africa has introduced new models to our shores within months of their international launches, establishing a range of vehicles that appeal across most market segments - from the sporty through to the business user.

The Peugeot range includes small, medium and large passenger vehicles as well as commercial vehicles. The brand appeals to influential people who are early adopters of new brands. Their target market generally has a sense of style and a desire to be different. Peugeot is particularly strong in the small car segment with their stylish 207, trendy 107 and reliable 206.

As the brand embodies driving pleasure and comfort, its distinctive lion emblem denotes the sighting of another discerning driver.

ACHIEVEMENTS

After being absent from the South African market for around ten years, Peugeot took to the roads again in 1995, when McCarthy Motors imported the vehicles. In February 2002, Peugeot Motors of South Africa was born, wholly owned subsidiary of the French parent company.

In 2002, Peugeot South Africa sold 4,000 vehicles - in 2005, that figure grew rapidly to 9,000 vehicles. There are currently 30 Peugeot dealers in Southern Africa selling the full range of Peugeot vehicles.

Peugeot's global success has been marked by many firsts, including:

- In 1934, Peugeot's 402 showcased the world's first Coupé cabriolet with an electrically retractable hard top roof, a system still popular today,



and used on the 207 CC and 307 CC models. Just a year later, the 402 sped past its rivals, the first car to feature an aerodynamically styled body

- Internationally, as part of their Brazilian Tree Planting Project, Peugeot has planted over two million trees in an environmental project to help reduce the effect of motor vehicle emissions on the environment. Nearly two decades after the project commenced, these young forests are capturing increasing amounts of carbon from the atmosphere
- With the Peugeot 908 powered by an HDi diesel engine equipped with a diesel particulate filter system (DPFS), Peugeot has already won races in the Le Mans series in its first year of competition

The legendary Le Mans race provided Peugeot with an opportunity to express the values enshrined in its philosophy. Excellence, demonstrated by endurance coupled with reliability; dynamism, emphasised by a team challenge based on performance; styling,



illustrated by the car's feline profile, and finally innovation, expressed - amongst other ways through the use of technology designed to protect the environment. This year's races let Peugeot prove themselves once again to be true champions not just on the track, but also in the technology stakes

HISTORY

The Peugeot history began in Montbéliard, eastern France, well before the first Peugeot car. However in 1889, the first vehicle bearing the Peugeot name was the result of a collaboration between steam expert Leon Serpollet and Armand Peugeot.

The Peugeot timeline demonstrates consistent, pioneering innovation:

- 1889: Armand Peugeot introduces the first Peugeot car, the Serpollet-Peugeot
- 1892: Peugeot is the first car manufacturer to fit rubber tyres to a petrol engine four-wheel car
- 1912: The Peugeot L76 is the first car in the world to have an engine with double overhead camshafts and four valves per cylinder
- 1926: Peugeot celebrates its 100,000th car
- 1929: Peugeot begins to specialise in diesel engines. The Peugeot 201 is the first car in the world to have - as standard, independent front suspension
- 1934: The Peugeot 401 Eclipse has the first electric folding roof
- 1959: The Peugeot 403 becomes the world's first car to have an automatic cooling fan powered by engine temperature, as well as rear door child locks and, later, indirect fuel-injected engines
- 1965: The Peugeot 204 is the company's first front-wheel drive vehicle
- 1967: The 204 Estate is fitted with the smallest diesel engine in the world: 1200cc
- 1979: The 305 Diesel is the world's first turbo diesel car
- 1983: A seminal small car, the Pininfarina-designed Peugeot 205 is introduced and goes on to be an incredible sales success
 - 1993: The one-millionth Peugeot 405 rolls off the production line
 - 2003: Peugeot wins the World Rally Championships for the 3rd consecutive time with the Peugeot 206



- Sept 2007: Peugeot announce 10 million vehicles sold equipped with low emission HDi engines.

FAP is a unique Particle Filtration (PF) system developed by Peugeot. The FAP system reduces emissions to levels so low they are almost impossible to measure. Combined with HDi technology, the particle filter increases it's efficiency by 'afterburning' the trapped particles in a post injection-process. By using a filtering process as well as burning dangerous hydrocarbons after engine combustion, harmful emissions are practically negligible.

As part of the PSA Group, Peugeot is the second largest car manufacturer in Europe and the biggest producer of diesel engines. Despite it's size (over 200,000 employees) the Peugeot family remains closely involved in the operations of the company whose growth has been driven by a history of innovation.

THE PRODUCT

The Peugeot market is segmented by vehicle size, starting with the small car B segment.

Products in this range include the 107, 206, 207, 207 CC, 207 GTi and 1007 models and buyers are those individuals looking for distinctive, superbly styled smaller cars.

The M1 segment comprises medium-sized cars and includes the 307, 307 SW, 307 CC models, with the 308 set to be launched in South Africa in November 2007.

Peugeots strengths in this segment are the combination of French chic style and high levels of active and passive safety.

The M2 segment offers the brand's premium vehicles: the 407, 407 SW and 407 Coupe. These products are Peugeot's sleek, powerful, "work of art" range.

Peugeot also produces vehicles for the



commercial market, comprising the Partner small panel van and the Boxer panel van, often converted into taxis.

RECENT DEVELOPMENTS

Recent Peugeot launches in South Africa include the 207 CC, 207 GTi, 407 Coupe, part of a range proving popular with those after a sporty but elegant drive.

Continuing it's policy of expansion Peugeot opened three new dealerships in South Africa in 2007 in Vereeniging, Hatfield and Polokwane.

Peugeot's collaboration with German auto manufacturer BMW saw the two companies jointly winning a 2007 International Engine of the Year Award. In the 1.4 - 1.8 litre category, the trophy jointly went to BMW Group and PSA Peugeot Citroën, the developing partners of the 1.6 litre turbo engine. The award-winning engine powers some of the 207 range, in particular the Peugeot 207 GTi with a sporty 128 kW engine.

PROMOTION

The marketing of the Peugeot brand uses are carefully selected mix of above-the-line campaigns using TV, billboards, magazines, radio and newspapers. The company also sponsors television programs, like Prison Break and Men in Trees, to heighten awareness and inform the South African public of it's highly acclaimed range.

Peugeot also participates in motor shows such as Auto Africa and the Durban Motor Show, however it reaches beyond these traditional events and attends consumer interest events like the Woman's Show and The Baby Show, in keeping with the brand's commitment to its female audience and vehicle safety - making it the ideal choice for a family car.

BRAND VALUES

Style. Not only is it the beauty of pure Peugeot design and meticulous attention to the smallest of details, it's that heart-skipping-a-beat feeling every time you lay eyes on your Peugeot.

Dynamism: Our passion for creating cars that connect with you and the tar, lift your spirits on every journey and remind you why you love driving. The exhilaration of the open road, intensified.

Reliability: It makes for a car you can trust with your life and the lives of your loved ones, technology that keeps you safe in even the most unpredictable circumstances.

Innovation: Forward and fresh thinking is behind everything we do. From designing more

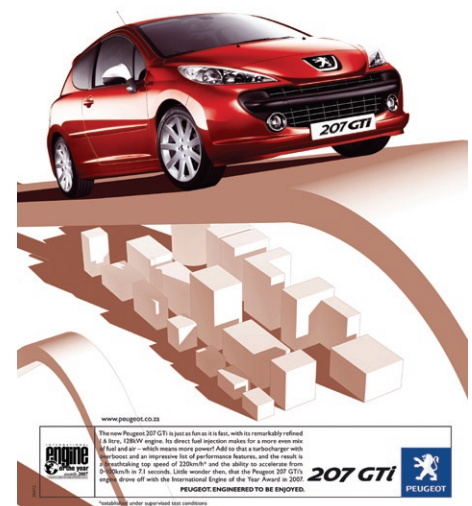
comfortable, economic vehicles to creating environmentally friendly cars, (we've reduced emissions from our vehicles and every car we build is 90 percent recyclable). They are also renowned for the design of innovative concept cars.

The Lion, the emblem of the brand, also appears on the coat of arms of Franche-Comté - the birthplace of the Peugeot family - and has come to symbolise an adventure in automotive innovation. The heraldic lion made its appearance on the 203 model, in 1948.

In 1965, having become a holding company under the name Peugeot SA; the brand changed the logo to retain only the lion's head on a triangular shield. Three years later the lion's head was framed in a square.

The visual identity of Peugeot changed again in 1998. The lion's paws, added in the same scale, reinforced the power and balance of this feline; its piercing blue eye symbolised the long-term vision of the brand.

GTi just became fun



THINGS YOU DIDN'T KNOW ABOUT PEUGEOT

- In 1934 Peugeot introduced the Peugeot 401 Eclipse, the first car in the world to have an electric folding roof
- In 2003, Peugeot-Citroen announced an investment of R3.2 billion in a joint venture with BMW to develop small gasoline engines. This collaboration resulted in a 2007 International Engine of the Year Award
- Peugeot is the leading manufacturer of HDi (high pressure direct diesel injection) technology. This is yet another innovative wonder, which is the result of a revolutionary approach to fuel delivery in modern motor vehicles. It skillfully combines two components: a fuel injection system and a combustion chamber. This ensures more complete combustion, higher efficiency, low fuel consumption and therefore reduced emission at the source. All of which means engines that burn leaner, meaner and cleaner