

## ■ Market segment dynamics

At the heart of the leading market for private vehicles worldwide, France is the 5th leading vehicle manufacturing country, and the 2nd European manufacturer of utility and industry vehicles. Therefore, automotive logistics in France is an especially competitive market segment.

The globalization of commercial exchanges, multiplication of brands and available models, and constant shorter delivery times are the main characteristics of automotive logistics. As in Europe as a whole, exchanges in this sector have developed significantly: exports and imports have seen a growth rate of more than 70% since 2000.

The French manufacturers, Renault and Peugeot - Citroën, work with integrated or branch service providers.

RENAULT has logistics units (ILN) and a logistics subsidiary, SOFRASTOK (supply, storage and delivery); CAT, the group's former logistics subsidiary, was outsourced in 2001.

GEFCO is the logistics service provider subsidiary of Peugeot Citroën, and has the capacity to ensure the entire supply and handling operations for parts and vehicles for the group.

European manufacturers, who wish to have custom-built products and limited-stock delivery, will initiate changes in their logistics tools over the next few years.

Outsourced services, especially with the development of "split-manufacturing" (assembly outside the manufacturer's chain), present major development potential.

Similarly, with the growing penetration of the market by international manufacturers, new logistics service providers are developing, such as NYK Logistics & Megacarrier, whose major clients in France include Yamaha and Toyota.

## ■ France's attractiveness

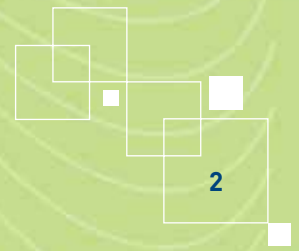
France provides privileged access to Western Europe. Five of the main ports in Europe are located in France: Marseille, biggest French and Mediterranean port, and Europe's 3rd biggest port; Le Havre, on the Atlantic seaboard, is Europe's 5th biggest port. In the field of Roll-on-Roll-off (RORO), France is the second country in Europe in terms of volume of traffic.

With a road network of more than one million kilometers, of which 10,000 kilometers are highways, France enjoys a fluid road traffic, with a congestion rate of 30 vehicles/km, well below the European average of 44 v/km.

The railway systems operators have begun wide scale modernization of the range and quality of their services, in order to develop freight activity.

In terms of real estate offer, France offers many advantages. The logistics rental rates in France are especially competitive. Moreover, there are modern high quality platforms, maintained by the State and the local authorities who assist their development and facilitate their setup.

Finally, France has qualified manpower in all the logistics positions. There are 50,000 executives specialized in logistics working in France.



## ■ International players in France

- GEFECO, subsidiary of PSA Peugeot Citroën, achieved a turnover of 3 billion euros in 2006. Covering specific automobile sectors (preparation and distribution of vehicles), logistics and overseas transport, and express, it has expertise in terms of upstream logistics and acceleration of flows through its large logistics platform at Le Havre, and an extensive fleet of wagons dedicated to the distribution of vehicles.

GEFECO has considerable expertise in the field of limited-stock delivery, and has also mastered downstream logistics and the management of replacement parts (management of stores for replacement parts, kitting packaging, urgent flows and sas management).

Finally, it is developing its expertise adapted for professional vehicles, through internal planning in post-manufacturing. Thanks to its expertise in the automotive sector, GEFECO has gained several new clients.

- NYK Logistics France, part of the Japanese group Nippon Yusen, has significantly expanded in the automotive sector, with a new platform that will ultimately employ 100 people, for the Yamaha Group in the South of France. With its maritime and air freight activity, which is growing rapidly, especially with China, the company aims to double its size within 3-5 years.