

Note 3 Scope of Consolidation**3.1. Number of Consolidated Companies****A. Number of Companies Consolidated at Year-End**

	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2007
Fully-consolidated companies			
Manufacturing and sales companies	287	290	288
Finance companies	37	36	34
	324	326	322
Companies at equity			
Manufacturing and sales companies	37	37	33
Finance companies	1	1	1
	38	38	34
CONSOLIDATED COMPANIES AT DECEMBER 31	362	364	356

B. Changes During the Year

	2008
Consolidated companies at January 1	364
Newly consolidated companies	
• Automobile companies	2
• Automotive equipment companies	4
• Transportation and logistics companies	2
• Other manufacturing and sales companies	1
• Finance companies	4
Companies sold and removed from the scope of consolidation	(3)
Merged companies and other	(12)
CONSOLIDATED COMPANIES AT DECEMBER 31	362

3.2. Main Changes in the Scope of Consolidation in 2008

No material changes in the scope of consolidation occurred during 2008.

Note 4 Segment Information

In accordance with IFRS 8 – Operating Segments, segment information is presented in line with the indicators used internally by management to measure the performance of the Group's different business segments. The disclosures below are derived from the internal reporting system and have been prepared in accordance with the IFRSs adopted by the European Union. The Group's main performance indicator is recurring operating income.

4.1. Business Segments

The Group's operations are organized around five main segments:

- the Automobile Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot and Citroën brands;

- the Automotive Equipment Division, corresponding to the Faurecia group and comprising the Vehicle Interiors, Automotive Seating, Front End and Exhaust Systems businesses;
- the Transportation and Logistics Division, corresponding to the Gefco group comprising the Logistics and Vehicle and Goods Transportation businesses;
- the Finance Division, corresponding to the Banque PSA Finance group, which provides retail financing to customers of the Peugeot and Citroën brands and wholesale financing to the two brands' dealer networks;
- other Businesses, which include the activities of the holding company, Peugeot S.A., and Peugeot Motorcycles.

Balances for each segment, as shown in the table below, are on a stand-alone basis. Faurecia and Banque PSA Finance publish consolidated financial statements and segment information for these two businesses is therefore presented down to the level of net profit. For the other segments, as cash positions and taxes are managed jointly in some countries, only operating income and share in net earnings of companies at equity are presented by segment. All intersegment balance sheet items and transactions are eliminated, and for the purposes of reconciliation with the Group's financial statements are shown under the heading "Eliminations and reconciliations" together with unallocated amounts.

All intersegment commercial transactions are carried out on an arm's length basis on the same terms and conditions as those applicable to the supply of goods and services to third parties.

(in million euros)	2008						TOTAL
	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	
Sales and revenue							
• third parties	41,621	9,532	1,365	1,651	187	-	54,356
• intragroup, intersegment	22	2,479	2,171	437	89	(5,198)	-
TOTAL	41,643	12,011	3,536	2,088	276	(5,198)	54,356
Recurring operating income	(225)	91	127	557	3	(3)	550
Restructuring costs ⁽¹⁾	(335)	(166)	(1)	-	(10)	-	(512)
Impairment losses on CGUs	(138)	(265)	-	-	(2)	-	(405)
Other non-recurring operating income and (expenses)	13	(13)	1	(1)	-	-	-
Operating income (loss)	(685)	(353)	127	556	(9)	(3)	(367)
Interest income		15		-		232	247
Finance costs		(129)		-		(214)	(343)
Other financial income and (expenses), net		(81)		(1)		(108)	(190)
Net financial income (expense)		(195)		(1)		(90)	(286)
Income taxes		(29)		(197)		322	96
Share in net earnings of companies at equity	53	8	(2)	-	(2)	-	57
Consolidated profit (loss) for the year		(569)		358			(500)
Segment assets	28,610	5,185	1,053	26,381	(1,218)	(1,579)	58,432
Of which investments in companies at equity	686	40	1	14	5	-	746
Segment liabilities	(17,186)	(2,940)	(730)	(23,462)	490	1,569	(42,259)
Capital employed (Note 39.1)	11,424	2,245	323	2,919	(728)	(10)	16,173
Capital expenditure (excluding sales with a buyback commitment)	2,620	483	45	25	1	-	3,174
Depreciation and amortisation	(2,656)	(465)	(56)	(15)	-	-	(3,192)

(1) Automobile Division and Automotive Equipment Division restructuring costs include asset impairments of €79 million and €3 million respectively.

In 2008, following an internal reorganization, plant and equipment design operations were reclassified from "Other businesses" to the Automobile Division. The effect of this change on Automobile Division segment information is not material.

	2007						
<i>(in million euros)</i>	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	TOTAL
Sales and revenue							
• third parties	45,471	10,028	1,403	1,544	230	-	58,676
• intragroup, intersegment	48	2,633	2,151	455	266	(5,553)	-
TOTAL	45,519	12,661	3,554	1,999	496	(5,553)	58,676
Recurring operating income	858	121	155	608	10	-	1,752
Restructuring costs	(229)	(105)	(42)	-	(4)	-	(380)
Impairment losses on CGUs	(216)	(61)	-	-	(12)	-	(289)
Other non-recurring operating income and (expenses)	97	(60)	-	-	-	-	37
Operating income (loss)	510	(105)	113	608	(6)	-	1,120
Interest income		16		-		267	283
Finance costs		(121)		-		(185)	(306)
Other financial income and (expenses), net		(10)		(1)		(6)	(17)
Net financial income (expense)		(115)		(1)		76	(40)
Income taxes		(13)		(186)		(103)	(302)
Share in net earnings of companies at equity	46	2	-	-	-	-	48
Consolidated profit (loss) for the year		(231)		421			826
Segment assets	27,544	6,228	1,203	28,768	(560)	(1,847)	61,336
Of which investments in companies at equity	677	45	3	12	-	-	737
Segment liabilities	(20,040)	(3,415)	(844)	(25,874)	141	1,855	(48,177)
Capital employed (Note 39.1)	7,504	2,813	359	2,894	(419)	8	13,159
Capital expenditure (excluding sales with a buyback commitment)	2,182	472	53	27	6	-	2,740
Depreciation and amortisation	(2,728)	(479)	(55)	(14)	(8)	-	(3,284)

(in million euros)	2006						TOTAL
	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	
Sales and revenue							
• third parties	43,035	9,199	1,272	1,396	283	-	55,185
• intragroup, intersegment	122	2,450	1,973	365	370	(5,280)	-
TOTAL	43,157	11,649	3,245	1,761	653	(5,280)	55,185
Recurring operating income	267	69	151	604	17	11	1,119
Restructuring costs ⁽¹⁾	(245)	(169)	(6)	-	(9)	-	(429)
Impairment losses on CGUs	(194)	(234)	-	-	(41)	-	(469)
Other non-recurring operating income and (expenses)	64	17	9	-	-	-	90
Operating income (loss)	(108)	(317)	154	604	(33)	11	311
Interest income		11		-		167	178
Finance costs		(86)		-		(148)	(234)
Other financial income and (expenses), net		(15)		(1)		(33)	(49)
Net financial income (expense)		(90)		(1)		(14)	(105)
Income taxes		(35)		(205)		84	(156)
Share in net earnings of companies at equity	16	4	-	-	-	-	20
Consolidated profit (loss) for the year		(438)		398			70
Segment assets	27,710	6,462	1,160	27,191	(155)	(1,850)	60,518
Of which investments in companies at equity	644	40	3	12	-	-	699
Segment liabilities	(19,612)	(3,337)	(790)	(24,539)	(100)	1,991	(46,387)
Capital employed (Note 39.1)	8,098	3,125	370	2,652	(255)	141	14,131
Capital expenditure (excluding sales with a buyback commitment)	2,852	515	70	27	20	-	3,484
Depreciation and amortisation	(2,547)	(530)	(54)	(12)	(15)	-	(3,158)

(1) Automobile Division restructuring costs include impairment losses of €71 million linked to the sale of the Ryton site in the UK.

4.2. Reconciliation to the Consolidated Balance Sheet

(in million euros)	2008	2007	2006
Segment assets at December 31	58,432	61,336	60,518
Other non-current financial assets ⁽¹⁾	823	1,121	1,321
Current financial assets	515	1,483	1,132
Cash and cash equivalents ⁽¹⁾	1,950	5,035	6,123
Assets reported in the balance sheet	61,720	68,975	69,094
Segment liabilities at December 31	42,259	48,177	46,387
Equity	13,277	14,555	14,106
Non-current financial liabilities	4,491	4,294	4,125
Current financial liabilities ⁽¹⁾	1,693	1,949	4,476
Equity and liabilities reported in the balance sheet	61,720	68,975	69,094

(1) Including eliminations.