

New vehicle inventories (Peugeot and Citroën)

<i>(assembled cars, excluding China, in units)</i>	Manufacturer	Captive dealer network	Total
December 31, 2005	250,000	55,000	305,000
June 30, 2006	254,000	61,000	315,000
December 31, 2006	228,000	59,000	287,000
June 30, 2007	267,000	62,000	329,000
December 31, 2007	215,000	60,000	276,000

After increasing by €310 million in 2006, supplier credit was up by €190 million as of December 31, 2007, due to increases of €62 million at Faurecia and €28 million at Gefco, in line with their business growth. Automobile Division supplier credit was €145 million higher, reflecting the impact of business growth at the fully-consolidated companies—i.e. excluding the joint ventures with Toyota (TPCA) and Fiat (Sevel Nord and Sevel Sud) and the DPCA subsidiary in China.

The increase in short-term provisions was primarily attributable to the provision for warranty costs, which rose on the improvement in sales and the product mix, and to the deferred recognition of cost reductions. Reversals of long-term provisions mainly concerned post-retirement benefit plan curtailments arising from the voluntary departure plan.

Cash flows from investing activities

Net cash used by investing activities of the manufacturing and sales companies totalled €2,833 million in 2007 compared with €3,472 million the previous year.

Cash flows from investing activities

<i>(in millions of euros)</i>	2007	2006	2005
Automobile Division	2,306	2,887	3,259
Gefco	55	53	50
Faurecia	464	501	595
Other businesses	8	31	(31)
Total	2,833	3,472	3,873

These companies significantly reduced their gross capital expenditure, to €1,924 million from €2,520 million in 2006.

Gross capital expenditure

<i>(in millions of euros)</i>	2007	2006	2005
Automobile Division	1,576	2,150	2,370
Gefco	36	49	49
Faurecia	307	301	423
Other businesses	6	20	20
Total	1,924	2,520	2,862

The Automobile Division reduced outlays by taking a more selective and more demanding approach to capital projects and by implementing more efficient capital expenditure processes.

Faurecia's capital expenditure remained stable, at €307 million, or 2.4% of sales, compared with €301 million in 2006. The company is continuing to take a highly selective approach to new projects that gives priority to the least capital-intensive solutions.