



# Peugeot reports sales fall, holds targets, shares rise

PARIS, FRANCE: Struggling French car manufacturer PSA Peugeot Citroen reported a fall in third-quarter sales and warned that one of its ventures with General Motors was in doubt on Wednesday (23 October), but held to its financial targets.



Peugeot's 208 R5. Image: Peugeot

The price of shares in the group, the biggest French car manufacturer and the second-biggest in Europe after the VW group, rose by 4.71% to 10.89 euros in initial trading.

Global Equities' broker Xavier de Villepion said: "The market is thinking mainly in terms of next year and hopes to see an improvement in the performance and financial structure of the group."

Peugeot said that sales in the quarter fell by 3.7% on a 12-month comparison to €12.1bn.

This reflected a fall of sales, notably in Europe, Russia and Brazil along with strong competition from other manufacturers. Peugeot said it was facing very strong pressure from exchange-rate factors which had undermined earnings in rubles, the real, and in sterling.

Sales by the car division fell by 5.8% and in the banking subsidiary by 5.1%. Sales from its parts subsidiary Faurecia were little changed, firming by 0.8%.

In the first nine months of the year, sales fell by 3.8% to €39.8bn. Peugeot is in the throes of a radical restructuring involving job cuts and the closure of a factory. It was rescued last year by large state guarantees for its financing and credit arm.

Source: AFP via I-Net Bridge

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