

PSA PEUGEOT CITROËN



BACK IN THE RACE

FIRST HALF
RESULTS 2014
July 30th



This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, PEUGEOT SA ("Company") shares.

This presentation may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding the Company's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties as described in the registration document filed with the French *Autorité des Marchés Financiers* (AMF). These statements do not reflect future performance of the Company, which may materially differ.

The Company does not undertake to provide updates of these statements.

More comprehensive information about PSA PEUGEOT CITROËN may be obtained on group website (www.psa-peugeot-citroen.com), under Regulated Information.



BACK
IN THE RACE



H1 2014 Financial Results

Jean-Baptiste de Chatillon
CFO and Member of the Managing Board

<i>In million euros</i>	H1 2013*	H1 2014	Change
Revenues	27,740	27,616	(124)
Recurring operating income	(100)	477	577
% of revenues	-0.4%	1.7%	
Non-recurring operating income and (expenses)	33	(100)	(133)
Operating income	(67)	377	444
Net financial income (expenses)**	(245)	(344)	(99)
Income taxes	(207)	(183)	24
Share in net earnings of companies at equity	88	108	20
Consolidated net income / (loss)	(433)	(42)	391
Net income, Group Share	(471)	(114)	357

* IFRS adjustments detailed in appendix on H1 2013 results

** Detailed financial expenses in Appendix

Group Revenues

<i>In million euros</i>	H1 2013*	H1 2014	Change
Automotive	18,740	18,610	(130)
<i>o/w Automotive new car revenues</i>	13,282	13,163	(119)
<i>DPCA & CAPSA Revenues**</i>	1,745	2,068	323
Pro forma Automotive Revenues incl. DPCA & CAPSA	20,485	20,678	193
Faurecia	9,265	9,328	63
Banque PSA Finance	888	848	(40)
Others businesses and eliminations	(1,153)	(1,170)	(17)
PSA Peugeot Citroën	27,740	27,616	(124)

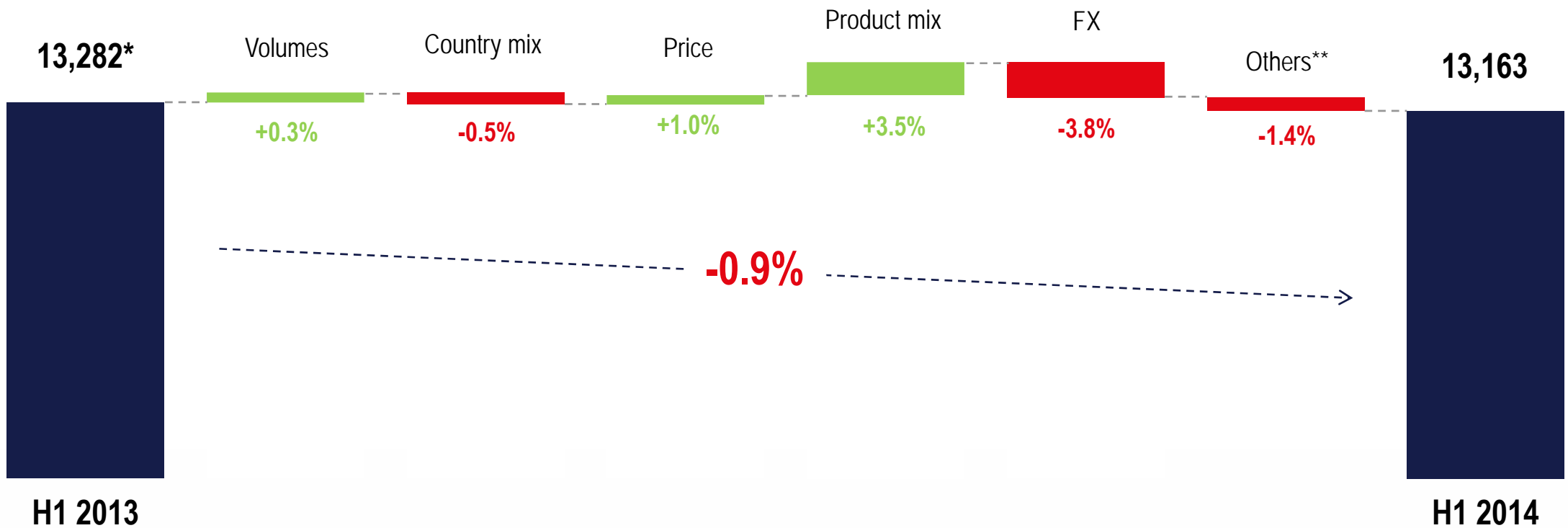
* Restated according to IFRS 10, IFRS 11

** 50% of DPCA & CAPSA revenues

Automotive: new car revenue analysis

- **Favorable impact** of pricing policy, product mix and profitable channels
- **Strong negative impact** of exchange rate

In million euros



* IFRS11: 2013 restated on Group revenues and on Automotive division revenues in Appendix

**CKD, accounting treatment of buy back commitment, short term rental

Recurring Operating Income by division

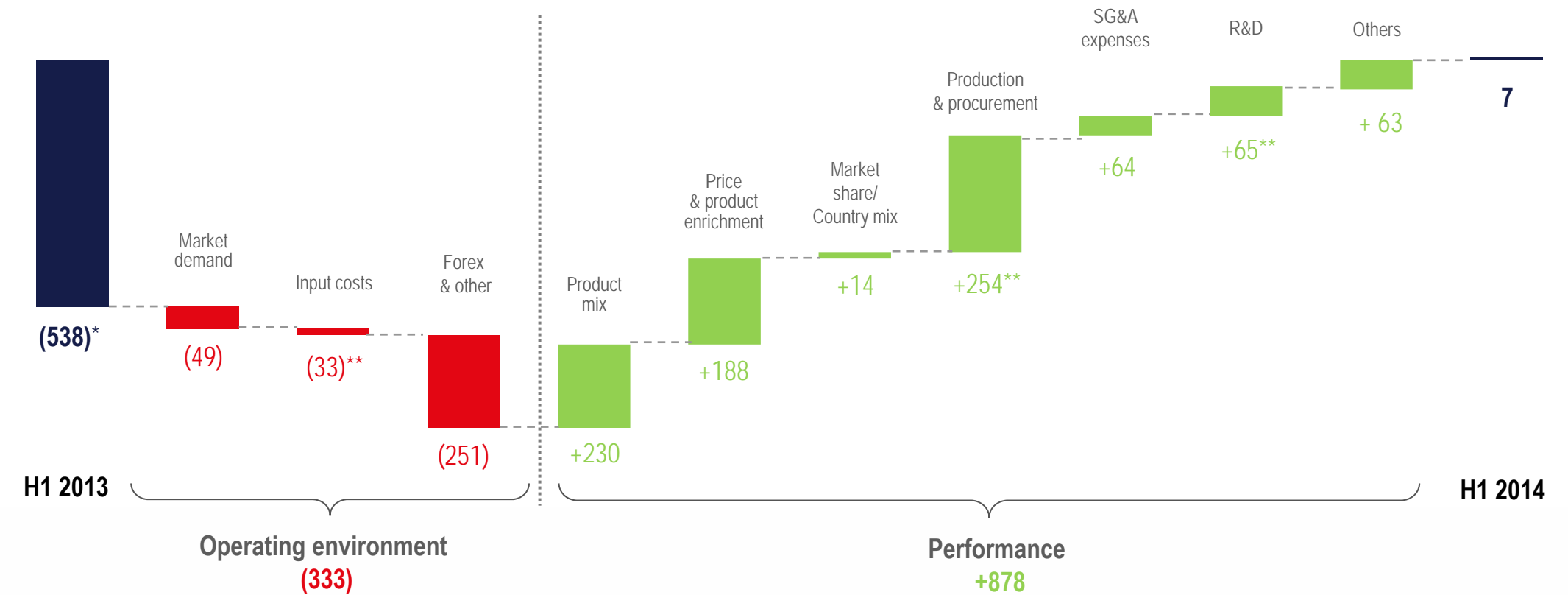
<i>In million euros</i>	H1 2013*	H1 2014	Change
Automotive	(538)	7	545
<i>DPCA & CAPSA Rec. Operating Income (ROI)**</i>	90	121	31
Pro forma Automotive ROI incl. DPCA & CAPSA	(448)	128	576
Faurecia	256	311	55
Banque PSA Finance	198	172	(26)
Others businesses and eliminations	(16)	(13)	3
PSA Peugeot Citroën	(100)	477	577

* Restated according to IFRS 10, IFRS 11 and IFRIC 21

** 50% of DPCA & CAPSA revenues

Automotive: Recurring Operating Income

In million euros



* Vs (€510m) published in H1 2013, restated with IFRS 10, IFRS 11 and IFRIC 21 - see Appendix

** IAS 36 on Automotive division impact: +€51m on H1 2014, registered on Production & procurement and R&D and input costs

- Penetration rate at 27.3%, negatively impacted by Latin America (-0.6pt) and funding situation
- Cost of risk improving at 0.50%
- Signature of a partnership with Santander to recover competitiveness in Europe

<i>In million euros</i>	H1 2013	H1 2014	Change
Revenues	888	848	(40)
Net banking revenue	458	426	(32)
Cost of risk (in % of average loans)	0.55%	0.50%	-0.05pt
Recurring operating income*	198	172	(26)
Penetration rate	28.4%	27.3%	-1.1pt
Number of new contracts (lease and financing)	375,820	360,781	(15,039)
Total outstanding loans	22.4bn	21.9bn	-0.5bn

* Retrospective application of IFRIC21 norm on 2013 data. Before IFRIC21, ROC H1 2013 = €205m

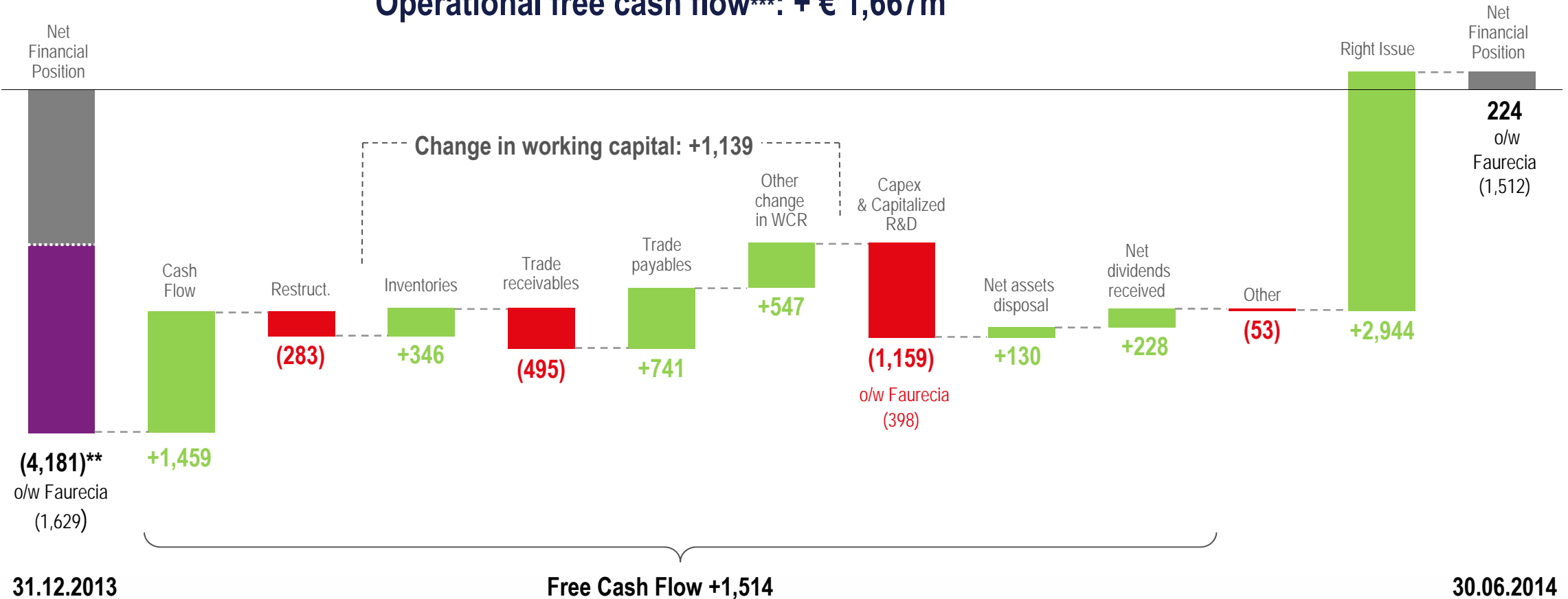
<i>In million euros</i>	H1 2013	H1 2014	Change
Revenues	9,265	9,328	63
Recurring operating income	256	311	55
% of revenues	2.8%	3.3%	
Non-recurring operating income and (expenses)	(41)	(45)	(4)
Operating income	215	266	51
Net financial income (expenses)	(114)	(104)	10
Consolidated net income for the period	60	116	56
% of revenues	0.6%	1.2%	
Free Cash Flow	73	161	88
Net financial position*	(1,629)	(1,512)	(116)

* At constant exchange rates and scope

Cash Flow analysis*

In million euros

Operational free cash flow*: + € 1,667m**



* Industrial: Automotive & Faurecia

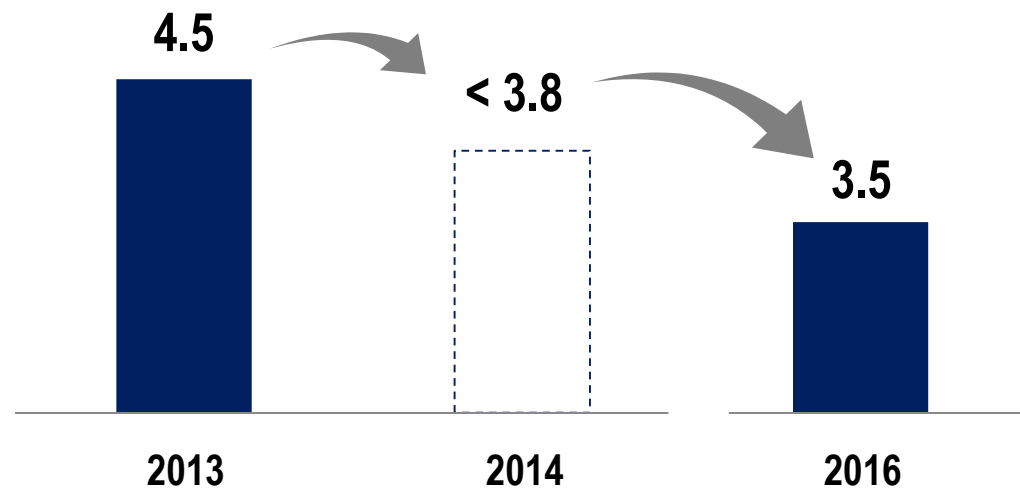
** Vs (€4,148m) published in H1 2013, restated with IFRS 10, IFRS 11 and IFRIC 21 - see Appendix

*** Excluding restructuring and exceptional elements

Optimized working capital

Automotive division inventories

In billion euros

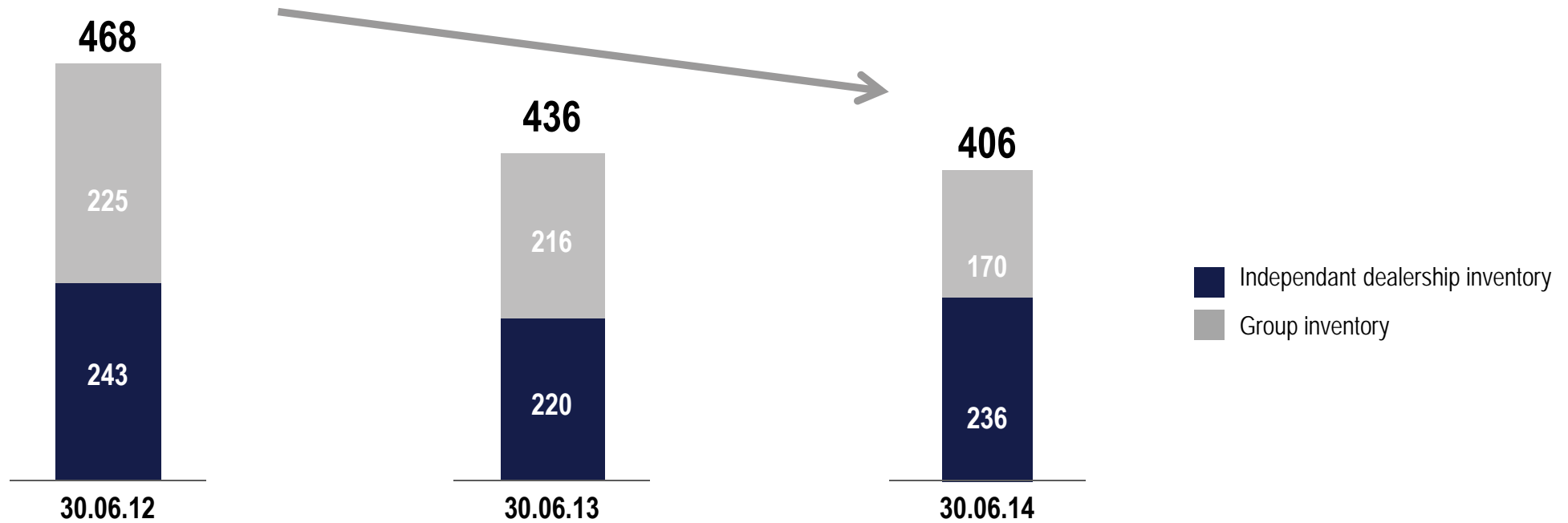


Actions on working capital

- Reduction of Auto division inventory's structure needs
- Supply chain optimization
- Local action to reduce inventories

■ Inventories down 30k vehicles vs H1 2013

In thousands of new vehicles*

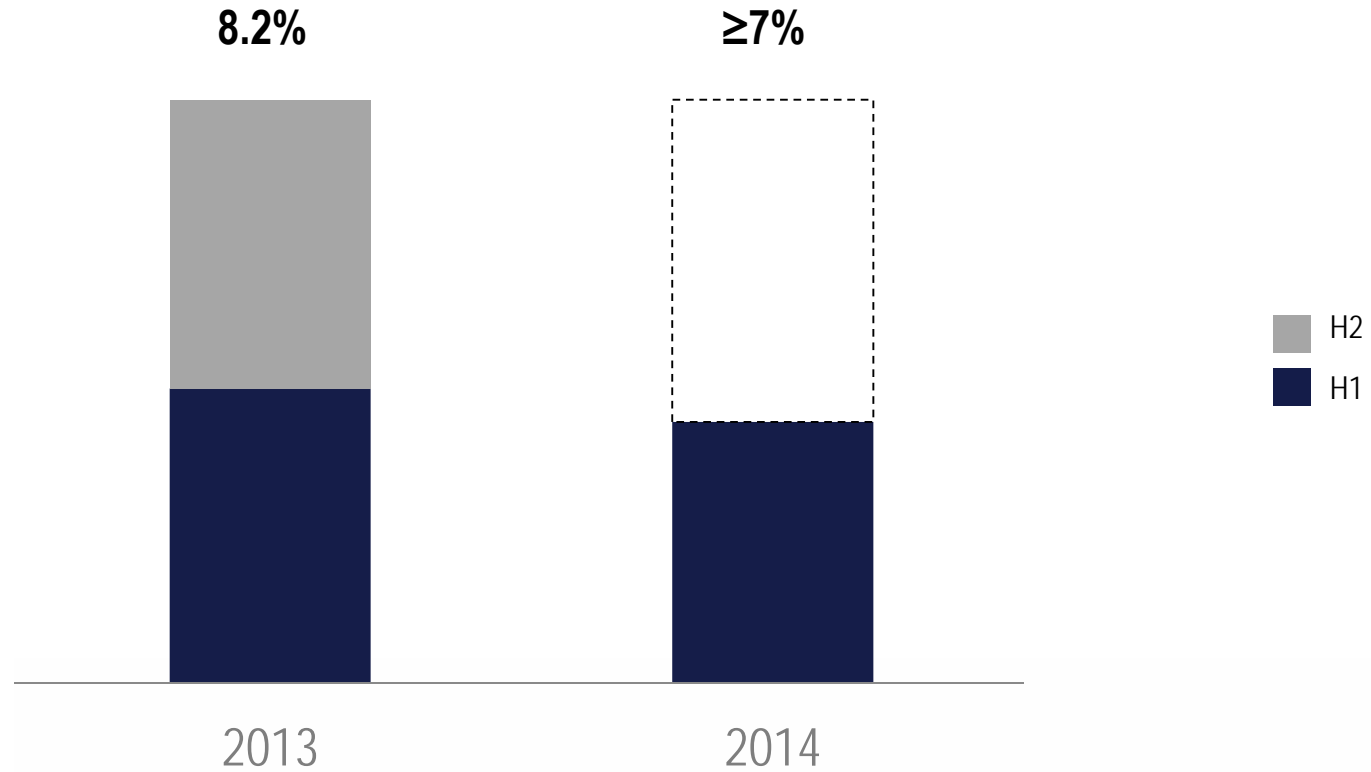


* World figures, based on forward 3 months delivery expectations, excluding China

Automotive division: Capex and R&D

As a percentage of Automotive revenues

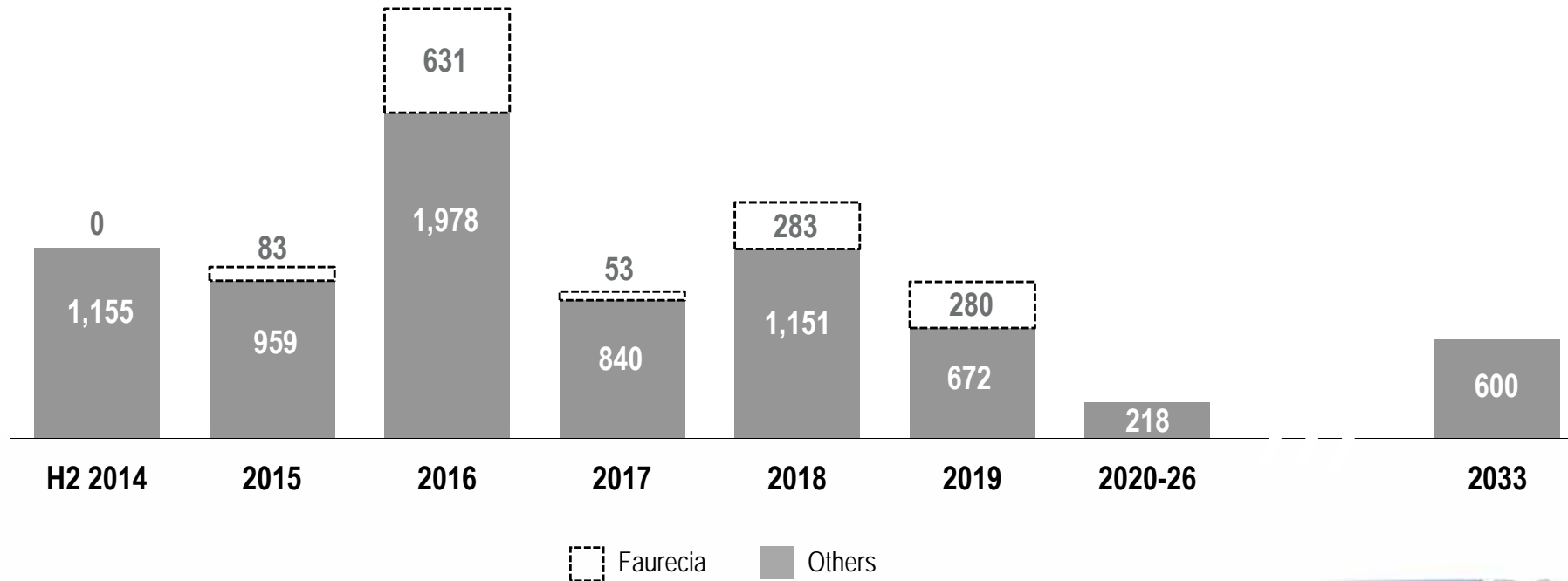
- More efficient R&D and CAPEX
- Maintain Automotive division level between 7 and 8% of revenues



Debt Maturity Profile

■ Average maturity of 3.6 years at the end of June 2014

Gross debt* in nominal value at end 30.06.2014
 In million euros



* Excluding BPF, undrawn credit-line, short term liabilities & other adjustments



BACK IN THE RACE

IN THE RACE



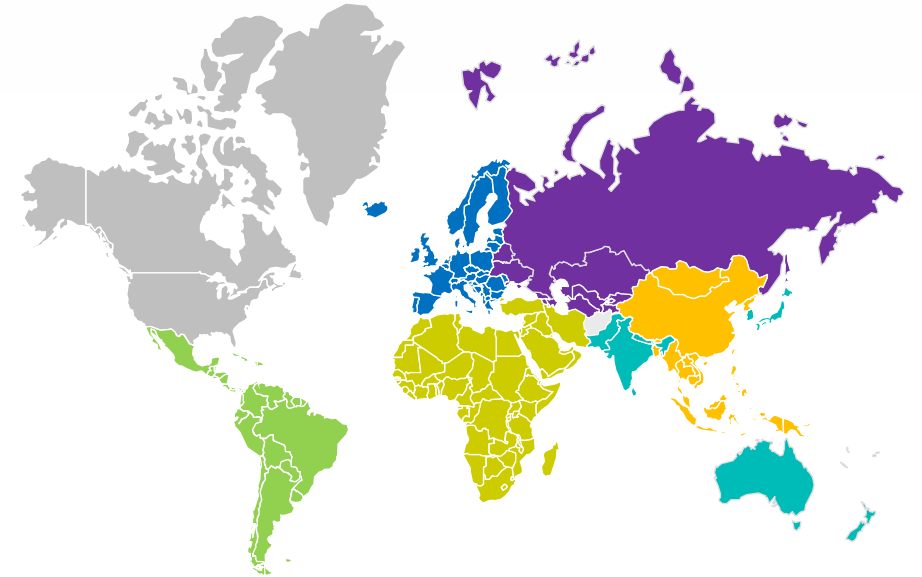
Back in the Race

H1 2014 Highlights

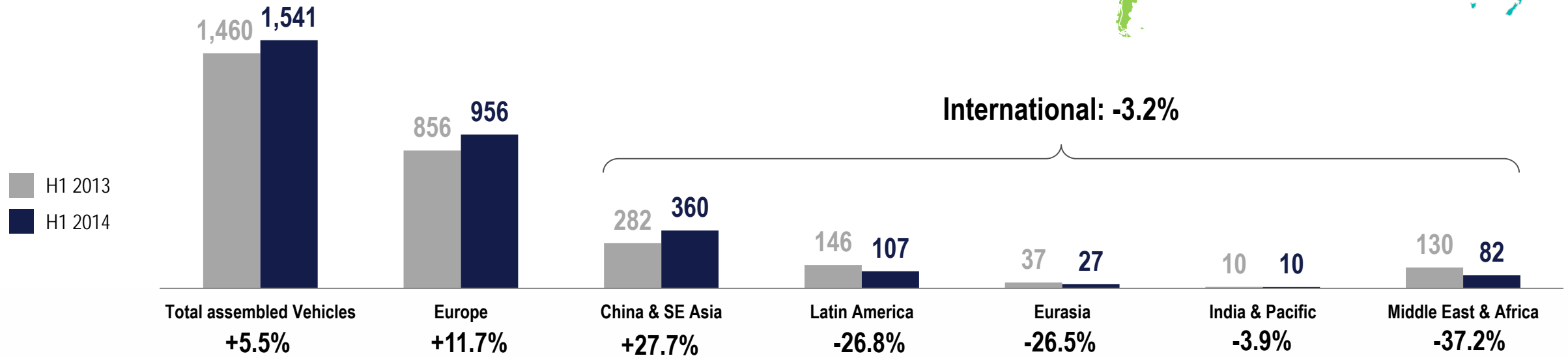
Carlos Tavares
Chairman of the Managing Board

Automotive: worldwide unit sales* in H1 2014

- Total sales increase by **5.5%**
- European sales: **+11.7%**
- Sales in China and SE Asia: **+27.7%**
- International sales impacted by market evolution and Forex



Worldwide unit sales*
In thousands of units



* Assembled vehicles, excluding CKD's

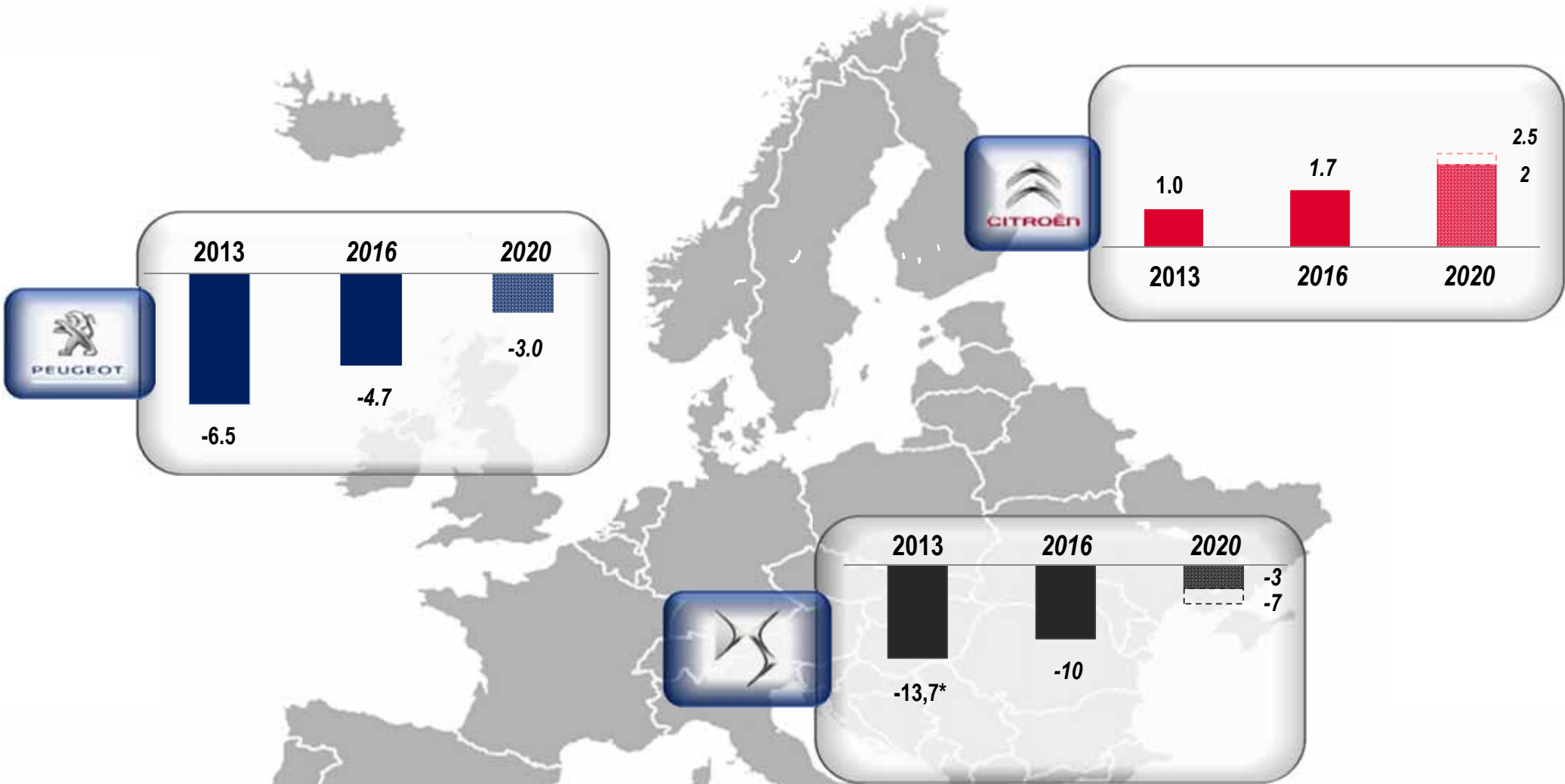


Back in the race: 4 business objectives

- 1. Further differentiate brands and improve net pricing**
- 2. Focus on a global core model strategy**
- 3. Ensure profitable growth worldwide**
- 4. Enhance core competitiveness, including Europe**

Move the Group's culture towards a fully profit-oriented global mindset

1. Further differentiate brands and improve net pricing
Improving Brands net pricing in Europe on track in 2014



Net price positioning adjusted for content – gap vs key mainstream competitor
 * 2013 DS restated to integrate further and complete segments for which DS and its target Brand are in competition.

2. Focus on a global core model strategy

H1 Product momentum towards profitable market segments

DS

- **DS 5LS**
C- segment premium sedan Launched in China in March 2014
- **Reveal of 1st DS SUV: DS 6 Wild & Refined** Launch in September 2014 in China
- **DS 3 new light signature with new engines** orders opened in June in Europe



300.000th DS 3 produced in France

PEUGEOT

- **Peugeot 2008: 1st global compact crossover** 170k units since launch, fast start in China
- **Peugeot 108**
Launched in June 2014: the move upmarket now reaches A segment
- **New Peugeot 508**
Launch in H2 2014 (H1 2015 in China)



Launch in H2 2014

CITROËN

- **Citroën C4 Picasso** success with >125k units sold since launch. 64% of the mix on upper versions
- **Citroën C4 Cactus** - excellent press welcome / launched in June 2014
- **Citroën C1** launched in June 2014



Launch in June 2014

2. Focus on a global core model strategy Attractive products and technologies



Citraoen C4 Cactus

#1 DESIGN
Manifesto
of Citroen renewal



Peugeot 308 SW

#1 segment C-Estate
in France since May



DS 6 Wild & Refined

**DS's first
Premium SUV**
Sept 2014



Citraoen C4 Picasso

#1 in its
SEGMENT
in Europe

3.4 years
Average age of the range



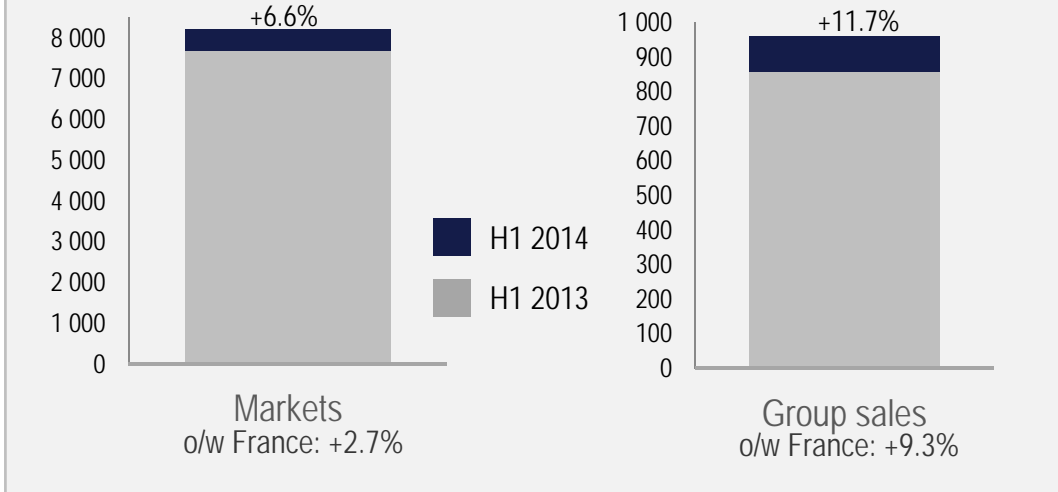
3 cyl. EB Pure Tech

Group PSA leader
in CO₂ emissions
in Europe

111.8g/km
CO₂ emission

3. Ensure profitable growth worldwide Europe

Group sales up +11.7% on a market up 6.6%



Source: internal PSA - In k units

H1 position

- 12.1% market share
- Overperform market trend in France and Italy



**#1 of C Segment in France
Car of the year**

116k units sold since launch



#2 of its Segment in Europe

65% of mix on upper versions

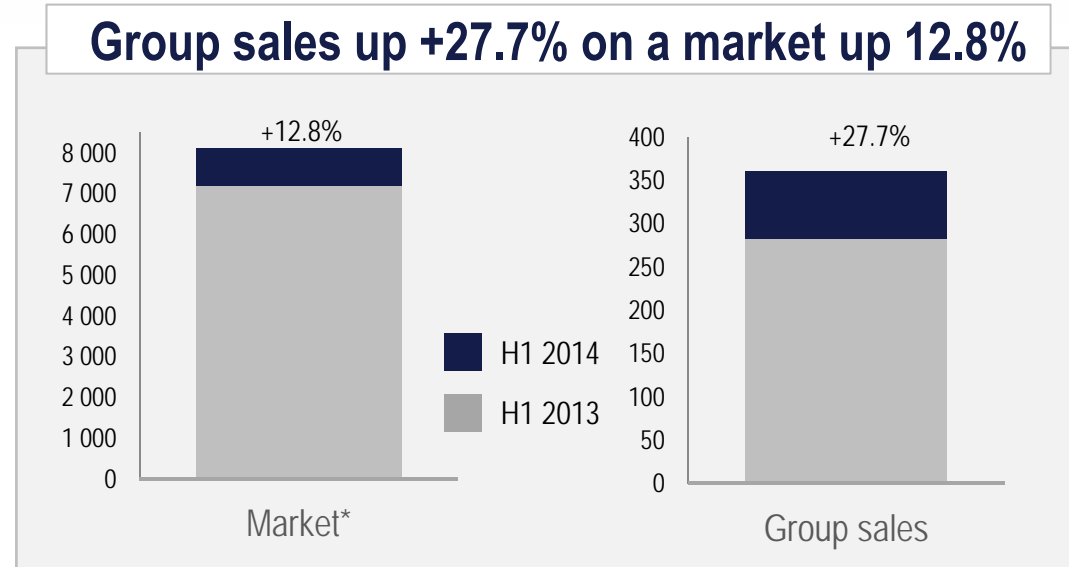


THP Engine: International Engine of the Year



Group LCV: PSA European leader with 21.2% market share

3. Ensure profitable growth worldwide China & SE Asia



Source: internal PSA - In k units

* Market: China PC

H1 position

- 360k units sold in H1, outperforming the market
- **Market share 4.2%** in China in H1 2014, vs 3.8% in H1 2013
- Group's largest world market since March

DPCA

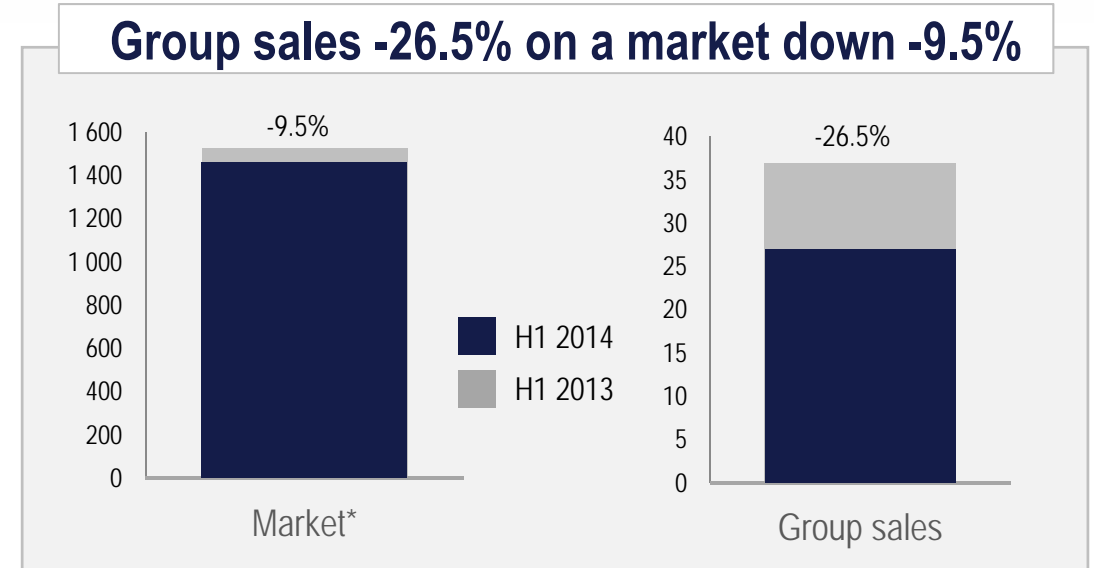
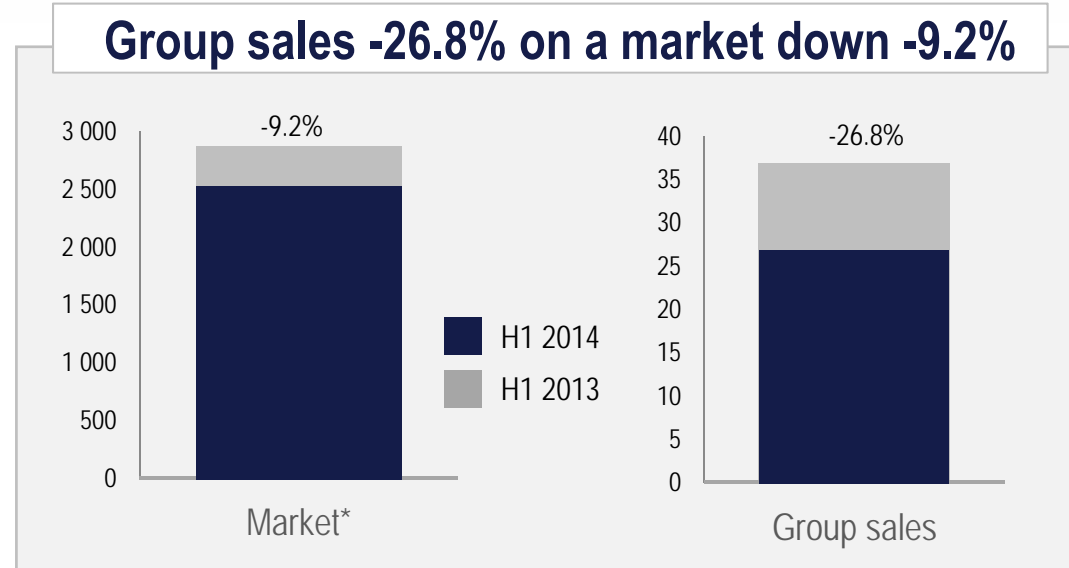
- Commercial development: **success of C-Elysée and C4 L / Entire Peugeot line-up gains, with success of 2008 and 3008**
- FY sales targeted at **700k units**, above initial target of 650k units
- **4th plant** is announced in July, dedicated to SUV, with capacity to build 300k units from 2016 onwards. Towards maximum capacity **>1M units**
- Creation of **R&D JV** and ASEAN export JV on track

CAPSA

- Acceleration of development in China with **60 dealers** by end of H1 2014
- **2 launches** targeting key segments
- Delivery of the **10,000th DS** end June

3. Ensure profitable growth worldwide Latin America

Eurasia



Source: internal PSA - In k units

* 4 markets: Argentina, Brazil, Chile and Mexico

Source: internal PSA - In k units

* 4 markets: Russia, Ukraine, Belarus and Kazakhstan

H1 position

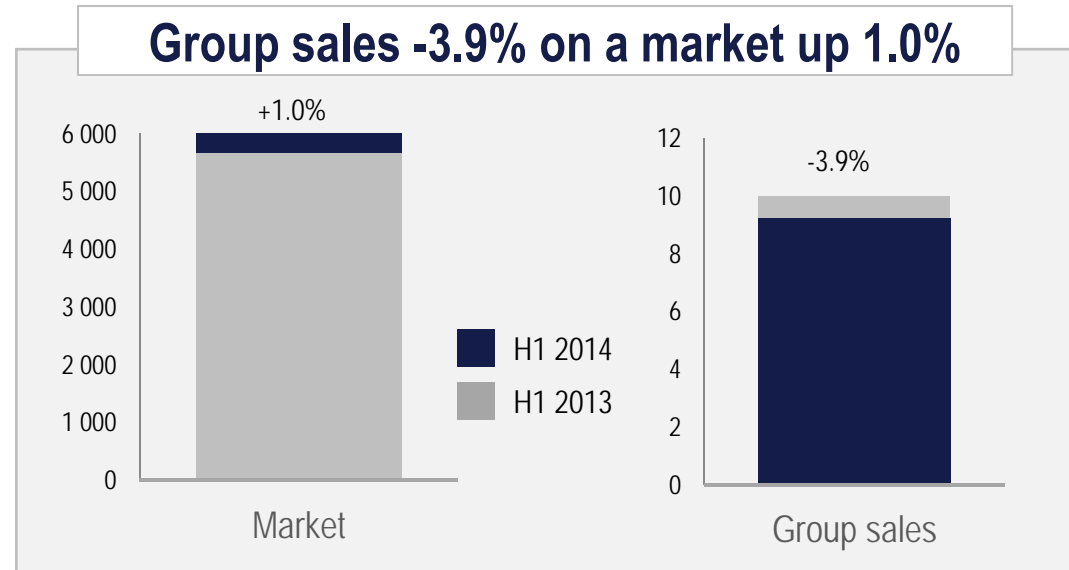
- 107k units sold in H1
- Market share 4.6%
- Volumes in Q1 higher than Q2 in both areas
- Forex strongly negative but compensated by price increases in main countries: Argentina, Brazil, Russia
- Slight improvement in LatAm and significant one in Russia, but still strong negative financial results in both areas

H1 position

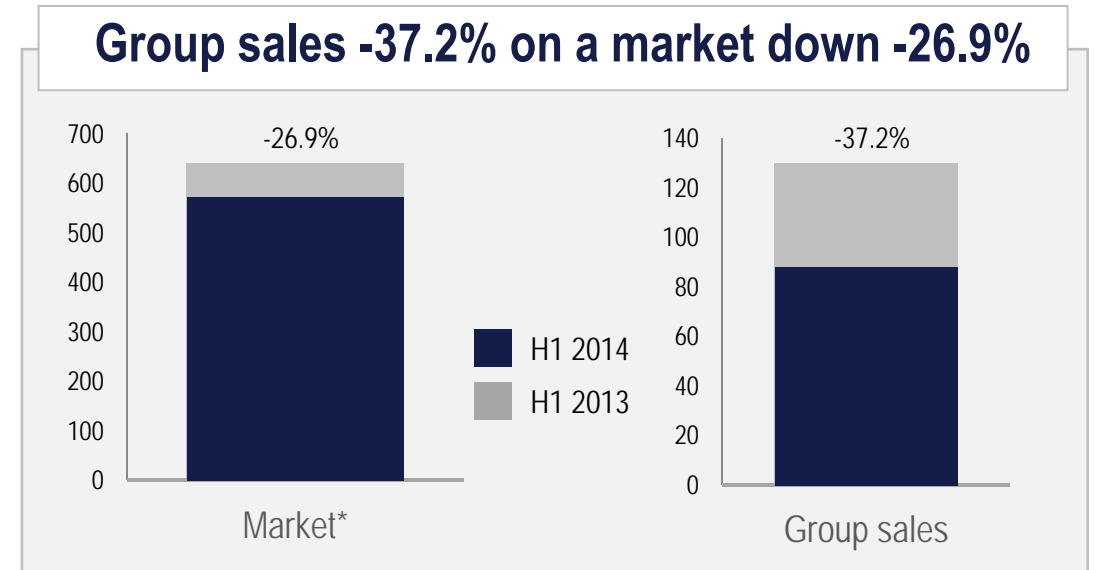
- 27.1k units sold in H1
- Market share 2% in Eurasia

3. Ensure profitable growth worldwide India – Pacific

Middle East - Africa



Source: internal PSA – In k units



Source: internal PSA – In k units * 2 Markets: Turkey and Algeria

H1 position

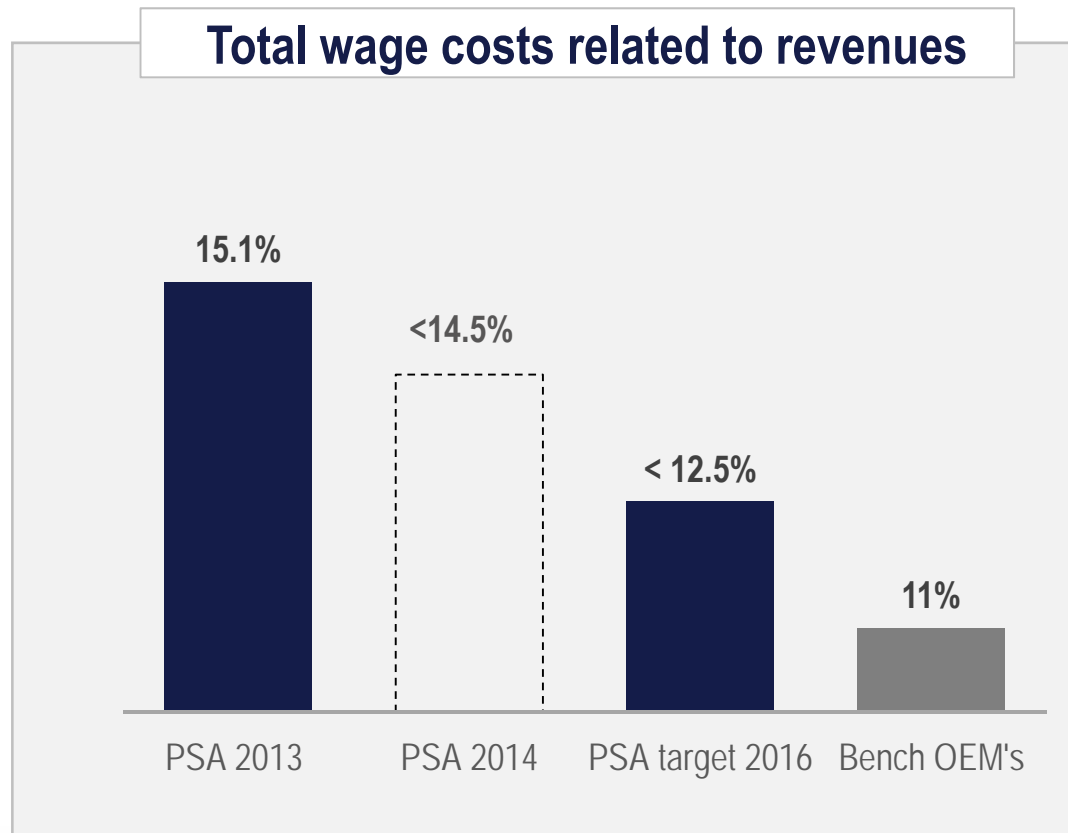
- Setting the reference point for 2016 –upsides
- 9.6k units sold in H1
- Significant potential for the Group

H1 position

- Peugeot #2 in Algeria
- 82k units sold in H1
- Forex strongly negative in Algeria and Turkey
- Potential under development

4. Enhance core competitiveness, including Europe

Fixed costs and competitiveness



Source: internal PSA

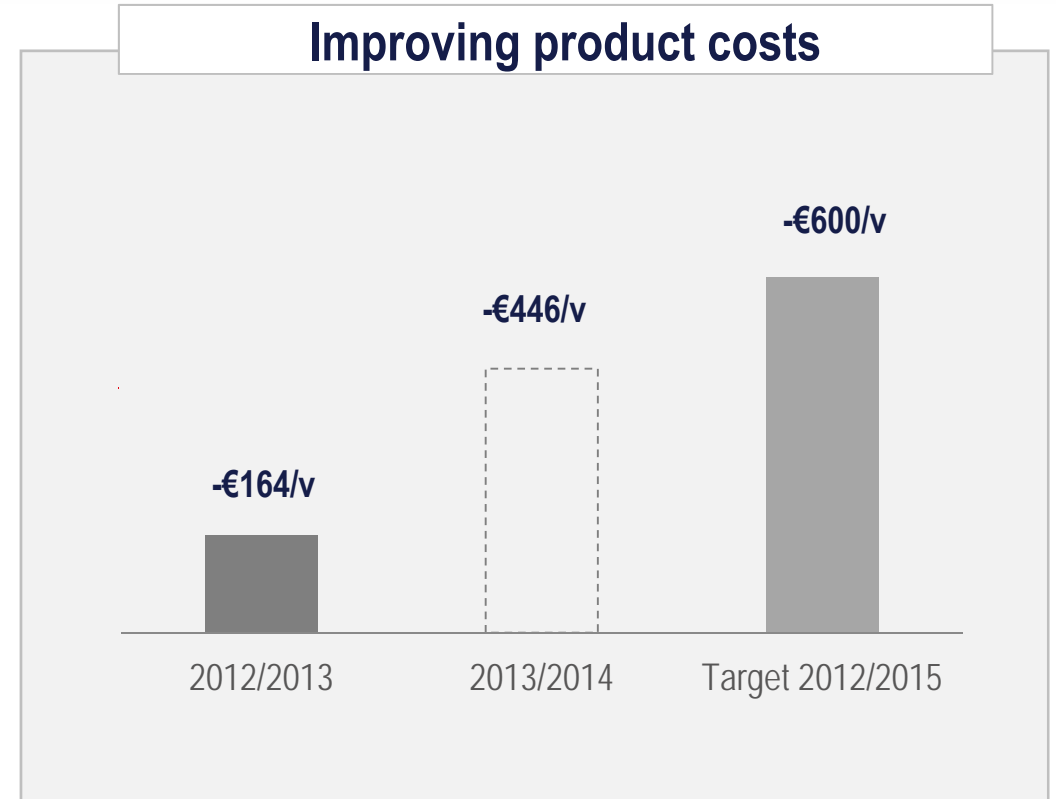
- Securing cost competitiveness of industrial footprint as agreed in the New Social Contract
- European restructuring plans on track
 - Employment chapter progressing with Senior leave, work-study contract, Job & Skills alignment System ("DAEC"), professional training
 - All 6 Unions signed improvement DAEC in June
- Plans launched to reduced fixed costs in Latin America and Russia
- Restructuring plan 2013 achieved: 7,919 signed with 4,178 departures end of June

4. Enhance core competitiveness, including Europe

Increase savings

Optimize utilization rate in Europe

	2009	2011	2012	2013	H1 2014
Utilization rate*	78%	86%	75%	72%	84%



- **-€500** reduction in total product cost 2015-2018 (including Euro 6 regulation impact)

* 100% = 2 shifts working 8 hours / day, 235 days / year

Opportunities & Risks

Opportunities

- Encouraging start, still much to do
- Pricing policy
- Sales in China

Risks

- European markets still low
- French market growth lower than other markets in Europe
- Emerging markets sharply down (Argentina...)
- Negative FX in Latin America, Russia...
- Cost of Euro 6
- Increasing risks on our plants procurement

2014 market assumptions: Europe: +3%, China: +10%, Latin America: -7%, Russia: -10%*

Positive Group operational free cash flow** by 2016 at the latest

€2bn cumulated Group operational free cash flow over 2016-2018

Reach 2% operating margin*** in 2018 for the automotive business, targeting 5% within the timing of the next mid-term plan 2019-2023

* vs -5% estimated in March 2014

** Free cash flow without restructuring and exceptional

*** ROI relating to revenues

PSA PEUGEOT CITROËN



BACK
IN THE RACE



Q&A



BACK
IN THE RACE



Appendices

Worldwide unit sales

<i>units*</i>		H1 2013	H1 2014	Change
Europe**	Peugeot	460,031	521,986	13.5%
	Citroën	332,113	383,801	15.6%
	DS	63,374	50,056	-21.0%
	Total PSA	855,518	955,843	11.7%
China & South East Asia	Peugeot	142,987	189,108	32.3%
	Citroën	137,868	160,315	16.3%
	DS	957	10,482	++
	Total PSA	281,812	359,905	27.7%
Latin America	Peugeot	87,313	64,454	-26.2%
	Citroën	56,155	41,478	-26.1%
	DS	2,368	856	-63.9%
	Total PSA	145,836	106,788	-26.8%
Eurasia	Peugeot	20,246	15,229	-24.8%
	Citroën	15,740	11,329	-28.0%
	DS	907	570	-37.2%
	Total PSA	36,893	27,128	-26.5%
India-Pacific	Peugeot	6,971	6,965	-0.1%
	Citroën	1,519	1,759	15.8%
	DS	1,476	857	-41.9%
	Total PSA	9,966	9,581	-3.9%
Middle East - Africa	Peugeot	90,012	55,625	-38.2%
	Citroën	38,576	25,053	-35.1%
	DS	1,466	968	-34.0%
	Total PSA	130,054	81,646	-37.2%
Total Assembled vehicules	Peugeot	807,560	853,367	5.7%
	Citroën	581,971	623,735	7.2%
	DS	70,548	63,789	-9.6%
	Total PSA	1,460,079	1,540,891	5.5%
CKD	Peugeot	0,587	0,192	-67.3%
	Citroën	0,0	0,0	
	DS	-	-	
	Total PSA	0,587	0,192	-67.3%
Total Assembled vehicules + CKD	Peugeot	808,147	853,559	5.6%
	Citroën	581,971	623,735	7.2%
	DS	70,548	63,789	-9.6%
	Total PSA	1,460,666	1,541,083	5.5%

* Assembled vehicles, CKD units

** Europe = EU + EFTA + Albania + Bosnia + Croatia + Kosovo + Macedonia + Montenegro + Serbia

Group: Net financial income (expenses)

<i>In million euros</i>	H1 2013*	H1 2014	Change
Interest income	116	45	(71)
<i>Of which Automotive Division</i>	111	42	(69)
Finance costs	(269)	(331)	(62)
<i>Of which Automotive Division (incurred costs excluding capitalised costs)</i>	(250)	(276)	(26)
Other financial income	27	48	21
Other financial charges	(119)	(106)	13
Financial result	(245)	(344)	(99)

* Restated according to IFRS 10, IFRS 11 and IFRIC 21

Reconciliation table – Revenues

Impacts of IFRS 10 & 11

<i>In million euros</i>	H1 2013	IFRS10&11 impact	H1 2013 Incl. IFRS10&11
Group revenues	27,710	30	27,740
Automotive revenues	18,695	45	18,740
New vehicles revenues	13,174	108	13,282

Reconciliation table – Recurring Operating Income

Impacts of IFRS 10&11 and IFRIC 21

<i>In million euros</i>	H1 2013	IFRS10&11 and IFRIC 21 impact	H1 2013 Incl. IFRS10&11 and IFRIC 21
Group Recurring Operating Income	(65)	(35)	(100)
Inc. Automotive Recurring Operating Income	(510)	(28)	(538)

Reconciliation table – IAS 36 impact

<i>In million euros</i>	H1 2014	IAS 36 Impact	H1 2014 incl. IAS 36 Impact
Automotive ROI H1 2013			(538)
Input costs	(59)	26	(33)
Operating environment	(359)	26	(333)
Product mix	230		230
Price & product enrichment	188		188
Market Share	14		14
Production & procurement	244	10	254
Fixed & marketing costs	64		64
R&D	50	15	65
Others	63		63
Performance	823		878
Automotive ROI H1 2014			7



Market trends

Cars and light commercial vehicles – Market evolution

Δ vs. previous year

	H1 2014
Europe 30	+6.6%
<i>Italy</i>	+4.0%
<i>France</i>	+2.7%
<i>Spain</i>	+19.8%
<i>UK</i>	+11.3%
<i>Germany</i>	+2.7%

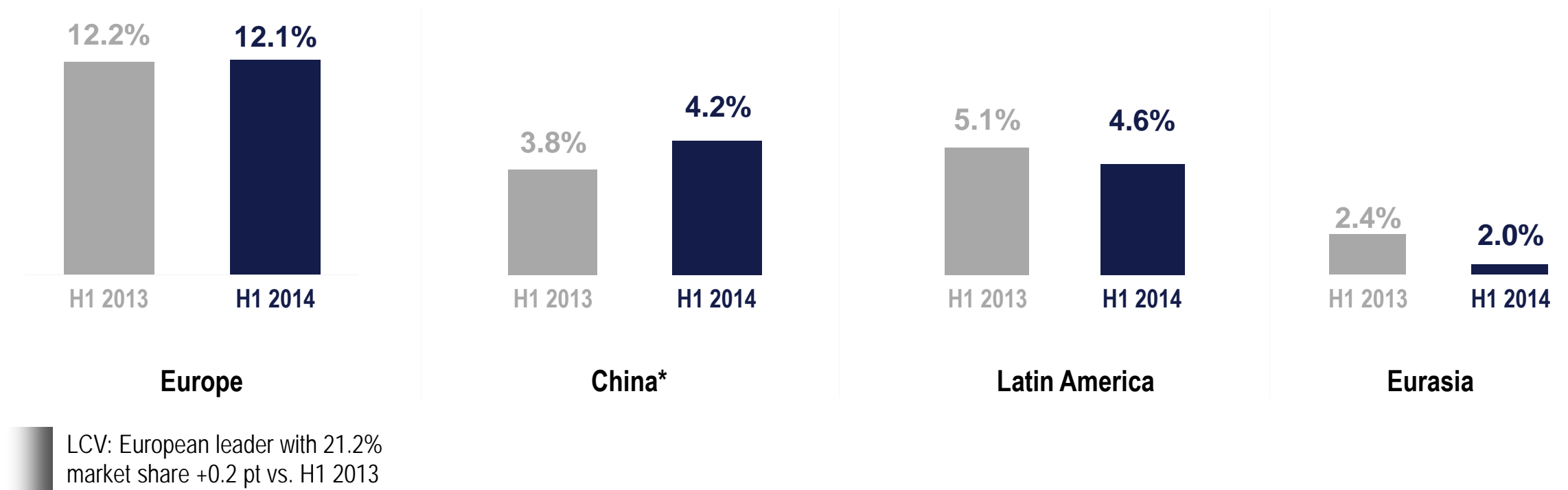
	H1 2014
China*	+12.8%
Latin America**	-9.2%
Eurasia	-9.5%

* Passengers vehicles on invoices market w/o imports

** Brazil, Argentina, Chile, Mexico

Automotive: market share

Cars and light commercial vehicles – Market share



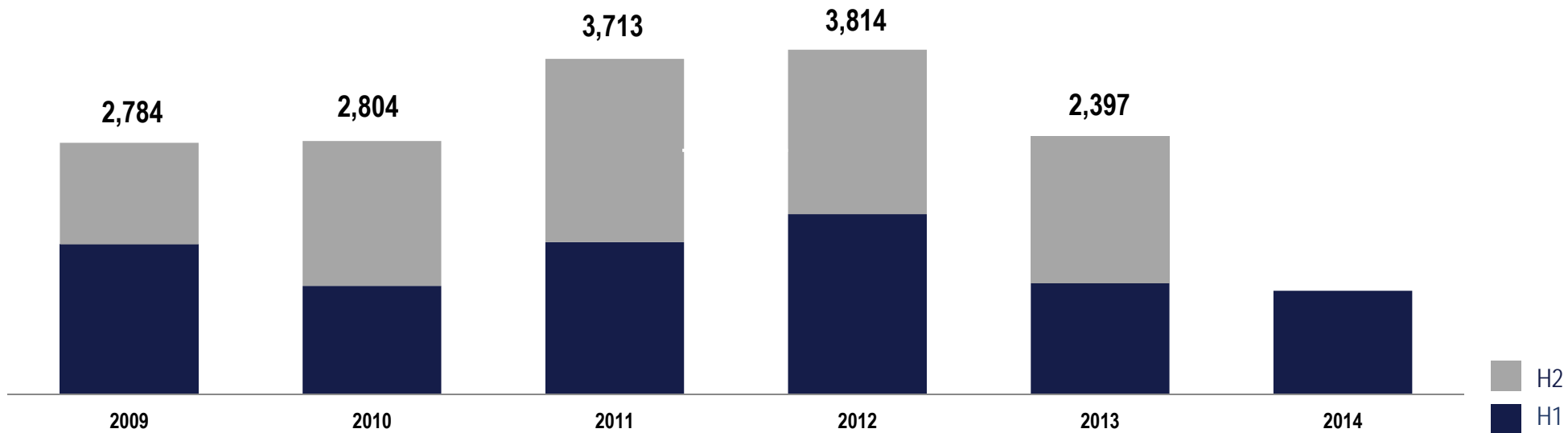
* Passengers vehicles on invoices market w/o imports



Capitalized Capex and R&D

In million euros*

- Phasing H2 > H1 in 2014
- 2014 trend similar to 2013



* XXXX

In million euros

<i>In million euros</i>	End 2012	End 2013**	H1 2014
Cash and cash equivalents	5,421	6,185	10,427
Current & non current financial assets	1,903	405	447
Total	7,324	6,590	10,874
Back-up facility (undrawn) – excluding Faurecia	2,400	2,400	3,000
Back-up facility (undrawn) – Faurecia	850	1,150	1,150
Total financial security	10,574	10,140	15,024
Net Financial Position	(3,148)	(4,181)	224
Total equity	10,167	7,837	10,666
Gearing	31%	53%	-2%

* Industrial: Automotive & Faurecia

** Restated according to IFRS 10, IFRS 11 and IFRIC 21

Framework for a turnaround

1 Further differentiate brands and improve net pricing

- Reduced pricing gap vs selected benchmark by 2020
- Half of the objective achieved by 2016

2 Focus on a global core model strategy

- From 45 to 26 models by 2022
- Reduced to 38 models by 2016

3 Ensure profitable growth worldwide

- Leveraging Asian growth with strengthened DFM partnership: 970,000 veh. by 2016
- Latin America and Russia break-even by 2017 at the latest

4 Enhance competitiveness, including Europe

- Total wages cost < 12.5% revenues by 2016
- Utilization rate Europe 115% by 2022
- Target: €500 reduction in total product costs, 2015-2018
- Reduction of working cap by €1bn by 2016