

## **“Push to Pass” first year: record profitability and success of commercial launches**

**For the third year in a row, the Group achieved growth on three fronts:**

- **Growth of the Automotive division operating margin to 6%<sup>1</sup> versus 5% in 2015**
- **Growth of sales : 3.15 million vehicles sold<sup>2</sup>, up 5.8%**
- **Growth of the net financial position thanks to a positive €2.7 billion Free Cash Flow<sup>3</sup> in 2016**

**The Group is improving its medium-term operational outlook.**

**For the first time since 2011<sup>4</sup>, a dividend of €0.48 per share will be submitted for approval at the next Shareholders' Meeting.**

Carlos Tavares, Chairman of PSA Group Managing Board, comments: *“These results demonstrate our ability to consistently deliver an excellent performance in an adverse environment. They are the outcome of the Group’s operating efficiency improvement and our competitive teams’ focus on the execution of the Push to Pass plan. Day after day, the Group is building the conditions for profitable and sustainable growth, reinforced by the success of the first launches in its product offensive.”*

In 2016, **Group revenues** were €54,030 million compared to €54,676 million in 2015 and **Automotive revenues** were €37,066 million, compared to €37,514 million in 2015 which represent respectively a growth of 2.1% and 2.7%, at constant exchange rates, driven notably by the success of recently launched models and the Group’s pricing power strategy. Net of adverse change in exchange rates, both Group and Automotive revenues were down 1.2%.

**The Group recurring operating income** was €3,235 million, up 18% compared to 2015. **The Automotive recurring operating income** was €2,225 million, up 19% compared to 2015. In an environment characterised by adverse exchange rates, this growth was driven by higher volumes, positive price and mix effects, and lower fixed and production costs.

**The Group non-recurring operating income and expense** was a charge of €624 million, compared to a charge of €757 million in 2015.

**Net financial income and expense** was a charge of €268 million versus a charge of €642 million in 2015.

**Net income** reached €2,149 million, an increase of €947 million compared to 2015. Net income, Group share, reached €1,730 million compared to €899 million in 2015.

**Banque PSA Finance** reported **recurring operating** income of €571 million<sup>5</sup>, up 11% versus 2015.

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<sup>1</sup> Recurring operating income related to revenue

<sup>2</sup> Of which 233,000 vehicles produced in Iran under Peugeot license in 2016, following the final JV agreement signed with Iran Khodro on 21 June 2016

<sup>3</sup> Sales and Manufacturing companies

<sup>4</sup> Dividend in respect of 2010, paid on 7 June 2011.

<sup>5</sup> 100% of the result of Banque PSA Finance. In the financial statements of the PSA Group, joint ventures are consolidated using the equity method and other activities covered by the agreement with Santander are reclassified as “Operations held for sale or to be continued in partnership.”

**Faurecia recurring operating income** was €970 million, up 17%.

**The free cash flow of manufacturing and sales companies** was €2,698 million.

Total inventory, including independent dealers, stood at 406,000 vehicles at 31 December 2016, an increase of 56,000 units year on year.

**The net financial position of manufacturing and sales companies** was €6,813 million at 31 December 2016, compared to €4,560 million at 31 December 2015.

A dividend of €0.48 per share will be submitted for approval at the next Shareholders' Meeting with an ex-dividend date considered to be on 15 May 2017, and the payment date on 17 May 2017.

### **Market outlook**

In 2017, the Group anticipates a stable automotive market in Europe, Latin America and Russia, and growth of 5% in China.

### **Operational outlook improved**

The new objectives of the Push to Pass plan are to:

- deliver over 4.5% Automotive recurring operating margin<sup>6</sup> on average in 2016-2018, and target 6% by 2021;
- deliver 10% Group revenue growth by 2018<sup>7</sup> vs 2015, and target additional 15% by 2021<sup>7</sup>.

### **Financial Calendar**

26 April 2017: First-quarter 2017 revenue

10 May 2017: 2016 Shareholders' Meeting

26 July 2017: 2017 Interim results

25 October 2017: Third-quarter 2017 revenue

*The PSA Group's consolidated financial statements for the year ended 31 December 2016 were approved by the Managing Board on 16 February 2017 and reviewed by the Supervisory Board on 22 February 2017. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements.*

*The report on the annual results and the presentation of the 2016 results can be consulted on the Group's website ([www.groupe-psa.com](http://www.groupe-psa.com)), in the "Finance" section.*

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### **About PSA Group**

With sales and revenue of €54 billion in 2016, the PSA Group designs unique automotive experiences and delivers mobility solutions that provide freedom and enjoyment to customers around the world. The Group leverages the models from its three brands, Peugeot, Citroën and DS, as well as a wide array of mobility and smart services from its Free2Move brand, to meet the evolving needs and expectations of automobile users. [The French automobile manufacturer](#) PSA is the European leader in terms of CO<sub>2</sub> emissions, with average emissions of 102.4 grams of CO<sub>2</sub> per kilometer in 2016, and an early innovator in the field of autonomous and connected cars, with 1.8 million such vehicles worldwide. It is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia. Find out more at [groupe-psa.com/en](http://groupe-psa.com/en).

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<sup>6</sup> Recurring operating income as a proportion of revenue

<sup>7</sup> At constant (2015) exchange rates

## Attachements

### Consolidated Income Statement

<i>(in million euros)</i>	2015				2016			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Revenue	54,426	267	(17)	54,676	53,884	161	(15)	54,030
Recurring operating income (loss)	2,729	4		2,733	3,234	1		3,235
Operating income	1,970	6		1,976	2,610	1		2,611
Net financial income (expense)	(642)			(642)	(272)	4		(268)
Income taxes	(687)	(19)		(706)	(498)	(19)		(517)
Share in net earnings of companies at equity	314	123		437	(67)	195		128
Profit (loss) from operations held for sale or to be continued in partnership	72	65		137	174	21		195
Consolidated profit	1,027	175		1,202	1,947	202		2,149
Attributable to owners of the parent	737	162		899	1,532	198		1,730
<i>attributable to non-controlling interests</i>	290	13		303	415	4		419
Basic earnings per €1 par value share attributable to equity holders of the parent				1.14				2.16
Diluted earnings per €1 par value share – attributable to equity holders of the parent				0.96				1.93

### Consolidated balance sheet

<i>(in million euros)</i>	31 December 2015				31 December 2016			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Total non-current assets	20,926	1,131	(2)	22,055	22,311	1,654		23,965
Total current assets	18,839	1,193	(608)	19,424	20,133	1,087	(32)	21,188
Total assets of operations held for sale or to be continued in partnership	616	7,048	(33)	7,631	-	-	-	-
<b>TOTAL ASSETS</b>	<b>40,381</b>	<b>9,372</b>	<b>(643)</b>	<b>49,110</b>	<b>42,444</b>	<b>2,741</b>	<b>(32)</b>	<b>45,153</b>

### Equity and liabilities

<i>(in million euros)</i>	31 December 2015				31 December 2016			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Total equity				12,219				14,618
Total non-current liabilities	9,984	17		10,001	10,123	15		10,138
Total current liabilities	20,104	3,405	(551)	22,958	19,797	632	(32)	20,397
Total transferred liabilities of operations held for sale or to be continued in partnership	401	3,623	(92)	3,932	-	-	-	-
<b>TOTAL EQUITY &amp; LIABILITIES</b>				<b>49,110</b>				<b>45,153</b>

## Consolidated statement of cash flows

<i>(in million euros)</i>	2015				2016			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Consolidated profit from continuing operations	955	(4)		951	1,773	171		1,944
Funds from operations	4,490	22	1	4,513	4,466	69		4,535
<b>Net cash from (used in) operating activities of continuing operations</b>	<b>5,432</b>	<b>6,560</b>	<b>41</b>	<b>12,033</b>	<b>4,937</b>	<b>1,356</b>	<b>177</b>	<b>6,470</b>
<b>Net cash from (used in) investing activities of continuing operations</b>	<b>(2,692)</b>	<b>(125)</b>	<b>111</b>	<b>(2,706)</b>	<b>(2,673)</b>	<b>113</b>	<b>10</b>	<b>(2,550)</b>
<b>Net cash from (used in) financing activities of continuing operations</b>	<b>(644)</b>	<b>(830)</b>	<b>142</b>	<b>(1,332)</b>	<b>(905)</b>	<b>(330)</b>	<b>(447)</b>	<b>(1,682)</b>
<b>Net cash related to the non-transferred debt of finance companies to be continued in partnership</b>		<b>(8,234)</b>	<b>(5)</b>	<b>(8,239)</b>		<b>(2,615)</b>	<b>305</b>	<b>(2,310)</b>
<b>Net cash from the transferred assets and liabilities of operations held for sale or to be continued in partnership</b>	<b>42</b>	<b>938</b>	<b>(218)</b>	<b>762</b>	<b>(255)</b>	<b>1,097</b>	<b>1</b>	<b>843</b>
Effect of changes in exchange rates	(112)	(19)	3	(128)	(93)	16		(77)
<b>Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership</b>	<b>2,026</b>	<b>(1,710)</b>	<b>74</b>	<b>390</b>	<b>1,011</b>	<b>(363)</b>	<b>46</b>	<b>694</b>
Net cash and cash equivalents at beginning of period	8,427	2,603	(128)	10,902	10,453	893	(54)	11,292
<b>Net cash and cash equivalents of continuing operations at end of period</b>	<b>10,453</b>	<b>893</b>	<b>(54)</b>	<b>11,292</b>	<b>11,464</b>	<b>530</b>	<b>(8)</b>	<b>11,986</b>