

Growth and record profitability in 2017 H1

Successful execution of Push to Pass strategic plan

- **Automotive recurring operating income at €1,442 million up by 10.7%, representing a record recurring operating margin of 7.3%¹**
- **Group revenue at €29,165 million, up 5% vs 2016 H1**
- **Record Faurecia recurring operating margin¹ at 5.7%**
- **Record Net income, group share, at €1,256 million**
- **Growth of net financial position at €7,631 million thanks to a positive €1,116 million Free Cash Flow²**

"Groupe PSA record performance was achieved thanks to our customers who have made our last commercial launches great successes, and thanks to the continuous commitment of all Group employees in the execution of the Push to Pass plan, combining agility and business sense. The way the teams overcame headwinds brings confidence for the coming challenges." said Carlos Tavares, Chairman of Groupe PSA Managing Board.

Group revenues amounted to €29,165 million in the first half of 2017, up 5.0% compared to €27,779 million in the first half of 2016. The cumulated growth since the beginning of Push to Pass, excluding exchange rates impact, stands at +8.2%³.

Automotive revenues amounted to €19,887 million, also up 3.6% compared to the first half of 2016, benefiting from the success of the new models and the pricing discipline.

Group recurring operating income amounted to €2,041 million, up 11.5% compared to the first half of 2016. **The Automotive recurring operating income** grew by 10.7% compared to the first half of 2016 at €1,442 million. This 7.3% record profitability level was reached despite raw material cost increases and exchange rate headwinds, thanks to a positive product mix and further cost reductions.

Group non-recurring operating income and expenses had a negative impact of -€112 million, compared to -€207 million in the first half of 2016.

Group net financial expenses decreased to €121 million, compared to €150 million in the first half of 2016.

Consolidated net income reached €1,474 million, up by €91 million, in spite of the negative impact of operations in China. Net income, Group share, reached €1,256 million, compared to €1,212 million in the first half of 2016.

Banque PSA Finance reported recurring operating income⁴ of €312 million, up 5.1% compared to the first half of 2016.

¹ Recurring operating income related to revenue

² Sales and Manufacturing companies

³ Versus 2015 H1 at constant (2015) exchange rates

⁴ 100% of the results of Banque PSA Finance. In the financial statements of Groupe PSA, the joint ventures are accounted for at equity.

Faurecia recurring operating income amounted to €587 million, an increase of 19.8% compared to the first half of 2016.

The Free Cash Flow of manufacturing and sales companies amounted to €1,116 million, driven by the improved profitability of operations.

Total inventory, including independent dealers, stood at 374,000 vehicles at 30 June 2017, down 25,000 units from end June 2016.

The manufacturing and sales companies' net financial position at 30 June 2017 was a positive €7,631 million, up €818 million compared to 31 December 2016.

Market outlook: for 2017, the Group expects the automotive market to grow by approximatively 3% in Europe, and 5% in China, Latin America and Russia.

Operational targets

The Push to Pass plan sets the following targets:

- Deliver over 4.5% Automotive recurring operating margin⁵ on average in 2016-2018, and target over 6% by 2021;
- Deliver 10% Group revenue growth by 2018⁶ vs 2015, and target additional 15% by 2021⁶.

[Link](#) to the presentation of 2017 H1 Results

Financial Calendar – 25 October 2017: third-quarter 2017 Revenue

Group PSA consolidated financial statements at 30 June 2017 were approved by the Managing Board on 20 July 2017 and reviewed by the Supervisory Board on 25 July 2017. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements.

The interim results report and interim financial results presentation for 2017 are available at www.groupe-psa.com, in the "Analysts and Investors" section.

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About Groupe PSA

With sales and revenue of €54 billion in 2016, the Groupe PSA designs unique automotive experiences and delivers mobility solutions that provide freedom and enjoyment to customers around the world. The Group has three car brands, Peugeot, Citroën and DS, as well as a wide array of mobility and smart services under its Free2Move brand, to meet the evolving needs and expectations of automobile users. The automobile manufacturer PSA is the European leader in terms of CO₂ emissions, with average emissions of 102.4 grams per kilometre in 2016, and an early innovator in the field of autonomous and connected cars, with 2.3 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.

Media library: <https://medialibrary.groupe-psa.com/> /  Twitter: [@GroupePSA](https://twitter.com/GroupePSA)

⁵ Recurring operating income as a proportion of revenue

⁶ At constant (2015) exchange rates

Appendices

Consolidated Income Statement

<i>(in million euros)</i>	First-half 2016				First-half 2017			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Revenue	27,684	102	(7)	27,779	29,089	87	(11)	29,165
Recurring operating income (loss)	1,823	7	-	1,830	2,026	15	-	2,041
Operating income (loss)	1,616	7	-	1,623	1,914	15	-	1,929
Net financial income (expense)	(154)	4	-	(150)	(121)	-	-	(121)
Income taxes	(299)	(11)	-	(310)	(440)	(6)	-	(446)
Share in net earnings of companies at equity	62	87	-	149	(1)	113	-	112
Profit (loss) from operations held for sale or to be continued in partnership	47	24	-	71	-	-	-	-
Consolidated profit (loss) for the period	1,272	111	-	1,383	1,352	122	-	1,474
Attributable to equity holders of the parent	1,102	110	-	1,212	1,137	119	-	1,256
Attributable to minority interests	170	1	-	171	215	3	-	218
Basic earnings per €1 par value share attributable to equity holders of the parent				1.51				1.44

Consolidated balance sheet

<i>(in million euros)</i>	31 December 2016				30 June 2017			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
ASSETS								
Total non-current assets	22,311	1,654	-	23,965	23,219	1,648	-	24,867
Total current assets	20,133	1,087	(32)	21,188	22,947	1,167	(39)	24,075
Total assets of operations held for sale or to be continued in partnership	-	-	-	-	-	-	-	-
TOTAL ASSETS	42,444	2,741	(32)	45,153	46,166	2,815	(39)	48,942

<i>(in million euros)</i>	31 December 2016				30 June 2017			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
EQUITY AND LIABILITIES								
Total equity				14,618				15,683
Total non-current liabilities	10,123	15	-	10,138	11,323	6	-	11,329
Total current liabilities	19,797	632	(32)	20,397	21,351	618	(39)	21,930
Transferred liabilities of operations held for sale or to be continued in partnership	-	-	-	-	-	-	-	-
TOTAL EQUITY & LIABILITIES				45,153				48,942

Consolidated Statement of Cash Flows

<i>(in million euros)</i>	First half of 2016				First half of 2017			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Consolidated profit (loss) from continuing operations	1,225	76	-	1,301	1,352	122	-	1,474
Funds from operations	2,798	69	-	2,867	2,927	56	-	2,983
Net cash from (used in) operating activities of continuing operations	3,187	907	(74)	4,020	3,047	61	-	3,108
Net cash from (used in) investing activities of continuing operations	(1,560)	21	14	(1,525)	(1,931)	3	-	(1,928)
Net cash from (used in) financing activities of continuing operations	(903)	(173)	(104)	(1,180)	669	-	(1)	668
Net cash related to the non-transferred debt of finance companies to be continued in partnership	-	(2,258)	175	(2,083)	-	-	-	-
Net cash from the transferred assets and liabilities of operations held for sale or to be continued in partnership	(78)	1,201	(11)	1,112	-	-	-	-
Effect of changes in exchange rates	(95)	10	-	(85)	(58)	(1)	-	(59)
Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership	551	(292)	-	259	1,727	63	(1)	1,789
Net cash and cash equivalents at beginning of period	10,453	893	(54)	11,292	11,464	530	(8)	11,986
Net cash and cash equivalents of continuing operations at end of period	11,004	601	(54)	11,551	13,191	593	(9)	13,775