ORDINARY SHAREHOLDERS' MEETING OF 29 JANUARY 2016

SOLE DIRECTOR'S REPORT

Dear Sirs,

In my capacity as Permanent Representative of your Grouping's Sole Director, I am proud to report to you on its activities over the past year, presenting the outlook for the financial year 2016, submitting the 2015 annual financial statements for your approval and, finally, asking you to allocate the earnings for the financial year.

RESPONSIBILITIES AND ACTIVITIES DURING THE FINANCIAL YEAR 2015:

• Your Grouping centralizes the cash requirements and surpluses of industrial and commercial companies in the PSA PEUGEOT CITROËN Group in Europe: countries of the Eurozone via Euro cash pooling, and the United Kingdom, Switzerland, Sweden, Norway, Denmark, Poland, Czech Republic and Hungary via foreign currency cash pooling managed by PSA International;

• Your Grouping manages net cash surpluses, in accordance with the PSA PEUGEOT CITROËN Group's investment policy, and within the counterparty limits governing its commitments;

• Since June 2013 GIE PSA Trésorerie has issued guarantees to bondholders to cover PSA issues;

• In 2015 your Grouping extended two lines of credit to PCMA Russia. The first, introduced in June 2013 to fund capital expenditures, for an amount of 900 million rubles, was drawn for 740.7 million rubles by the time it matured in February 2015, and was not renewed. The second line, for 1,400 million rubles with a one year maturity established in December 2013 to comply with the ratios of the European Bank for Reconstruction and Development required for loans it made to the subsidiary, was fully drawn, and renewed on 16 December 2015 for one year in the amount of 1,949 million rubles;

• From April 2014, Peugeot S.A. and the GIE PSA Trésorerie have access to a confirmed credit line totalling €3 billion. On 10 November 2015 Peugeot S.A. signed an "Amend and Extend" of this syndicated credit facility with more favourable financial terms to extend the maturity of the credit until 2020.


Cash position with regard to members of the Grouping and other PSA PEUGEOT CITROËN Group counterparties

The loan accounts granted to members of the Grouping and other counterparties of the PSA PEUGEOT CITROËN Group (excluding Faurecia and Banque PSA Finance) represented €6,932 million in average annual outstandings (compared to €7,269 million in 2014) while borrowing accounts to these entities totalled €9,529 million (compared to €7,659 million in 2014). The very large change in average loans outstanding to Group entities was a result of the €3 billion Peugeot S.A. capital increase in 2014. In addition, following the €4,052 million recapitalization of Peugeot Citroën Automobiles S.A. by Peugeot S.A. on 26 November 2015, loans outstanding to Group entities were down at the close of 2015.

Since June 2009, the financing rate applied to members of the Grouping has been set on a monthly basis, in order to charge the funding costs incurred, less investment income received, back to members.

External financing

In 2015 your Grouping did not make use of any new external financing, either directly or by intermediary of Peugeot S.A.

In June 2015 via Peugeot S.A., your Grouping made partial early repayments totalling €500 million on four bonds.

In 2015, the average outstanding of all external financing amounted to €4,066 million, compared to €5,193 million in 2014.

Financial expenses resulting from external financing amounted to €295 million for the financial year 2015, compared to €345 million in 2014.

After the 2015 period-end, your Grouping participated, through Peugeot S.A., in the €535 million cash repayment of the OCEANE issued by Peugeot S.A. on 23 June 2009 for €575 million maturing 1 January 2016. The €40 million remainder equals the portion of the bonds that had been converted.

Interest rate hedges

Given the level of interest rates, no new interest rate hedging has been established. No financing was hedged in 2015 by interest rate hedging, either directly or via Peugeot S.A.

Investments

The average amount of cash investments in 2015 was €6,943 million, compared to €5,982 million in 2014.

Investments of your Grouping in 2015 break down as follows, in average annual amounts (in millions of euros):

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Amount (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketable debt</td>
<td>1,416</td>
</tr>
<tr>
<td>Securities/short-term banking</td>
<td>5,017</td>
</tr>
<tr>
<td>UCITS</td>
<td>356</td>
</tr>
<tr>
<td>Overnight loans</td>
<td>138</td>
</tr>
<tr>
<td>Loans to BPF</td>
<td>15</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,943</strong></td>
</tr>
</tbody>
</table>
Financial income from external investment transactions amounted to €16 million in 2015, compared to €26 million in 2014, with a 2015 average Eonia rate of -0.1%, lost 20 basis points compared to 2014.

OUTLOOK FOR THE FINANCIAL YEAR 2016

Your Grouping will continue to fulfil its responsibilities (i) of pooling the cash surpluses and requirements of members of the Grouping, (ii) of investing net surpluses, as well as (iii) acting as an intermediary in terms of managing interest rate risk.

Your Grouping will continue to optimise the return on its investments whilst preserving its short-term financial security.

In 2016, a study will be conducted so that the financing rate applied to members of the Grouping does not reflect long-term transactions.

REVIEW OF ACCOUNTS FOR THE FINANCIAL YEAR 2015

The annual financial statements were prepared in accordance with current legal requirements and have been approved by your Grouping’s Statutory Auditors. They include the balance sheet, the income statement and the notes to the financial statements. The notes contain information material to the understanding of the financial statements which, consequently, must be reported.

The income statement for the financial year shows a loss of €4.1 million, compared with a loss of €0.7 million the previous financial year.

Financial income for the financial year was up and stood at €61.5 million, compared with €40.7 million in 2014.

The change in operating income breaks down as follows:

- **+€50 million** due to decreased expenses related to external financing: The average outstanding balance of external debt was €4,066 in 2015, €1,128 million lower than in 2014, but the €500 million bond redemption, the advantages of which will take effect over the coming financial years, created a redemption premium of €55 million in 2015. The average cost of financing rose accordingly, reaching 7.25% in 2015 compared to 6.44% in 2014;

- **+€7 million** due to lower borrowing costs for members of the Grouping and other counterparties of the PSA PEUGEOT CITROËN Group, with sharply increased balances (+€1,870 million) but an average yield of 0% (Eonia, floored at 0);

- **-€15 million** due to lower investment income, before adjusting for unrealized capital gains on UCITS, which are not shown in company profit and loss. Except for this effect, the decrease in investment income was €10 million, with balances higher by €961 million but an average yield on investments of 0.23%, compared with 0.43% in 2014, in an historically low-yielding money market;

- **-€47 million** due to the decreased income from financing granted to members of the Grouping and other counterparties of the PSA PEUGEOT CITROËN Group, excluding Faurecia and Banque PSA Finance. The net change in income and expenses of the previous items have been passed on to the members in accordance with the financing rates chargeback policy in force.

It should be noted that the increase in operating expenses, which amounted to €66 million in 2015, compared to €41 million in 2014, is due to the increased costs on bond issues and redemption charged
back by PSA and which are recorded in this item. As mentioned above in regard to changes in the cost of external funding, a redemption premium of €55.4 million was paid in 2015, whereas redemptions in 2014 generated premiums to bondholders of €28.2 million.

Total assets stood at €12.2 million on 31 December 2015, compared to €13.6 million on 31 December 2014.

You are asked to approve the financial statements for the financial year 2015 as now presented to you.

Proposal for allocation of earnings:

If you approve the financial statements as they have been presented to you, I propose, in accordance with Article 21 of your Grouping’s contract, that you allocate the earnings, i.e. a charge which stands at €4,097,428.33 to each of the members of your Grouping in proportion to the shares held in its capital, namely:

- PEUGEOT S.A.: €4,056,454.05
- AUTOMOBILES PEUGEOT: €13,658.09
- AUTOMOBILES CITROËN: €13,658.09
- PEUGEOT CITROËN AUTOMOBILES S.A.: €13,658.09

The Permanent Representative of the Sole Director

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