February 19th, 2014

2013 Financial Results
PSA Peugeot Citroën announces several major operations to drive the Group's development
Operational cash above target

In 2013, PSA Peugeot Citroën pursued its turnaround plans, within a European market down by a 2%.

- The brand differentiation and repositioning strategy was implemented with the launch of the Peugeot 2008, 308, 208 GTi and XY, the Peugeot 301 and the Citroën C4 Picasso, C4 L, C-Elysée and DS3 Cabrio;
- The plan to restructure manufacturing and sales operations in France led to 2,250 departures with appropriate support. The New Social Contract signed in 2013 is paving the way to improved competitiveness in Europe, while maintaining a strong manufacturing base in France;
- Sales outside Europe rose to 42% of total volumes, with a very good performance in China. The Group is in line with its objective of generating 50% of its sales outside Europe in 2015;
- The Alliance with GM on manufacturing was established in Europe, with three joint projects and a joint purchasing organisation.

The PSA Peugeot Citroën Group is ready for the next phase of its development, and today announces four major projects of operations[1]to this effect:

- Reinforcement of the industrial and commercial partnership with Dongfeng;
- €3.0 billion capital increases, with the attribution of free warrants to existing shareholders;
- Renewal of confirmed line of credit for €2.7 billion;
- Beside, PSA Peugeot Citroën announces that it has entered in exclusive negotiations to form a partnership between Banque PSA Finance and Santander[1].

2013 Results

- €54.1 billion in consolidated revenues, down 2.4% on 2012. Automotive Division revenues down 4.8% to €36.5 billion.
- Consolidated recurring operating loss limited to -€177 million, with a recurring operating loss of -€1,042 million for the Automotive Division.
- Significant reduction in cash burn, with operating free cash flow[2] of -€426 million vs - €3 billion in 2012.
- -€4,148 million in net debt at 31 December 2013[3].

[1] Please refer to the separate press releases issued today.These operations, which have been agreed in principle by the parties involved, remain subject to the signature of a binding documentation, planned at the end of March 2014, and the approval of regulatory bodies, notably in France and China, as well as the approval of the Extraordinary General Meeting of PSA Peugeot Citroën shareholders due to take place in the second quarter of 2014.

[2] *Free cash flow excluding restructuring and exceptional of manufacturing and sales companies.*

[3] *Net debt of manufacturing and sales companies.*

Summary Income Statement

In € millions	2012*	**2013**
Revenues	55,446	**54,090**
Recurring operating loss**	(560)	**(177)**
As a % of revenues	*-1%*	***-0.3%***
Net loss, Group share	(5,008)	**(2,317)**

**Reflects the application of IFRS 5 with respect to the sale of Gefco following the closing on 20 December 2012.*
***Reflects the application of IAS19R with respect to the Employee Benefits beginning in 2013 (impact of €16 million on consolidated recurring operating income at Group level, of which and of €8 million on Automotive Division recurring operating income); and reflects the application of IAS 36 on the Automotive Division of €595-million over the year.*

Commenting on these results, Philippe Varin, Chairman of the PSA Peugeot Citroën Managing Board, said:

"We have gone through some very challenging years for the European automotive industry, which have added to the Group's structural difficulties, notably its over-dependence on Europe. We vigorously implemented difficult restructuring measures which are now starting to bear fruit. We also launched core models this year that have exceeded their initial sales targets. The globalisation process is proceeding apace, with in particular an excellent performance in China.
The exceptional mobilization of all our employees has enabled us to lay the foundations for a turnaround in Europe and to return to profitable growth.
With today's announcements, we are giving a new impetus to our Group, with an ambitious industrial and commercial plan, and solid financial resources."

Outlook

In 2014, PSA Peugeot Citroën expects growth in automotive demand to be slightly positive at around 2% in Europe and around 10% in China, with a 2% decline in Latin America, and a stable market in Russia.

Continuing the trend of 2013, we will pursue our active cash management to target positive operational free cash flow[4] in 2016 at the latest. Beyond, the operating free cash flow generation should accelerate due to the structural benefit of the projects of transactions.

Consolidated results: Group recurring operating loss of €177 million in a difficult European market.

- **Consolidated revenues declined by 2.4% over the year to €54.1 billion**, albeit with a 1.5% upturn in the fourth quarter. Automotive Division revenues stood at €36,461 million, a 4.8% decline that primarily reflected lower volumes and a negative currency effect. Among the other divisions, Faurecia reported €18,029 million in revenues, up 3.9%, while Banque PSA Finance (BPF) saw a 7.2% decline to €1,773 million;
- **The consolidated recurring operating loss for the year came to - €177 million versus- €560 million loss reported in 2012.** The Automotive Division's recurring operating loss improved by €454 million to €1,042 million over the year, lifted by a positive product mix, strict price discipline significant cost reductions and lower amortization charges following 2012 impairment. Faurecia delivered recurring operating income of €538 million, up 4.3%, while Banque PSA Finance reported €368 million, down 5.9% due to weak European markets and higher financing costs;
- **Non-recurring operating income and expenses came to a net expense of - €1,169 million, versus a net expense of - €4,122 million in 2012.**
  The net expenses mainly comprised a -€1,101 million impairment charge, mainly recognised with respect to the assets of the Automotive Division, primarily to reflect the deteriorating automobile markets and adverse

[4] *Free cash flow excluding restructuring and exceptional of manufacturing and sales companies*

exchange rate movements in Russia and Latin America. These impairments, which did not entail any cash out and are reversible, will lead to a readjustment in the depreciable asset base in future years.
Restructuring costs amounted to -€460 million in 2013, versus -€528 million in 2012 relating to measures within the plans implemented in 2013, the additional measures of the New Social Contract, and including -€91 million in restructuring costs at Faurecia.

- **The net financial result amounted to - €658 million, versus - €430 million in 2012.** The increase is attributable to the rise in financial costs following the bond issues of the year, partly offset by the disposal of BNP Paribas shares for €89.3 million.

The consolidated net loss, Group share of -€2,317 million, versus -€5,008 million in 2012.

Results by division

Automotive Division: product mix performance despite market and currency headwinds

In € millions	2012	**2013**
Revenues	38,299	**36,461**
Recurring operating loss*	(1,496)	**(1,042)**
As a % of revenues	*-3.9%*	***-2.9%***

**Reflects the application of IAS19R with respect to the Employee Benefits beginning in 2013 (impact of €16 million on consolidated recurring operating income at Group level, of which and of €8 million on Automotive Division recurring operating income); and reflects the application of IAS 36 on the Automotive Division of €595-million over the year.*

- **Automotive Division revenues declined by 4.8% to €36,461 million in 2013, in a European market down 2%. The downward trend slowed down in the second half, with revenues decreasing by 1.8%.**

  Sales of assembled vehicles outside Europe accounted for 42% of total unit sales, up from 38% in 2012. Revenue from new vehicle sales fell 8% to €25,532 million from €27,765 million the year before.

  The product mix remains positive at +0.8%, reflecting the success of new launches and the differentiation of the Peugeot and Citroën brands. The 0.7% price effect reflects the Group's commitment to focusing on the most profitable retail channels throughout the year. Premium vehicles represented 19% of unit sales in 2013, compared with 9% in 2009.

  The sales performance reflects the success of the new models launched during the year:
  - The Peugeot 208 with 353,000 units sold in Europe and Brazil in 2013;
  - The Peugeot 308, with nearly 42,000 units sold in its three months on the market and a high mix.;
  - The Peugeot 2008, with over 100,000 vehicles sold, which significantly exceeded its targets, leading to the introduction of a second production shift at the Mulhouse plant;
  - The new Citroën C4 Picasso and Grand C4 Picasso, which deliver best-in-class carbon emissions performance;
  - The Citroën C4L in China, the extension of the DS line, and more recently the Peugeot 301 and the Citroën C-Elysée, which also exceeded their targets.

  The pace of new model launches will continue in 2014, in particular with the new Peugeot 308 SW and the Peugeot 108, the Citroën C4 Cactus and the new Citroën C1 and other models in the rest of the world.

  These favourable effects were not sufficient to offset i) the 5.4% year-on-year contraction in volumes, which reflected both the weakness in European demand and disruptions to Citroën C3 sales due to work stoppages at the Aulnay plant; and ii) the very negative currency effect (3.5%).

- **The Automotive Division ended the year with a recurring operating loss of €1,042 million, versus €1,496 million in 2012.**[5]

  The improvement in the recurring operating result reflects the Division's overall performance during the year, for €1,340 million. It was led by the sharp improvement in the product mix, for €406 million, following the recent launches; a limited price effect that added €287 million; a €933 million improvement in production and other costs; and a €140-million gain on R&D expenses. These factors helped to offset the negative €264-million impact of market share losses.

  In contrast to this positive performance, the market environment remained unfavourable, reducing recurring operating income by €886 million, in particular via the decline in demand, for €147 million and in particular the highly negative currency effect for €526 million, mainly due to the Argentine peso, the Brazilian real, the British pound and the Russian rubble.

  Inventory of new vehicles at 31 December stood at 384,000 vehicles, representing 62 days of sales, down 32,000 units from 31 December 2012, in line with targets.

- **Strategic development in China: 557,000 vehicles sold; dividend of €100 million**
  In 2013, domestic sales of DPCA vehicles rose by 26% to 550,000 units and market share improved to 3.64%, with the successful launches of the Citroën C4-L and the Peugeot 3008 crossover SUV, followed by the Citroën C-Elysée and the Peugeot 301. DPCA profit attributable to PSA Peugeot Citroën came to €187 million for the year, while the dividend paid to the Group increased by 19% year-on-year to €100 million (RMB 905 million). Following the inauguration of the third Wuhan facility on 2 July 2013, production capacity is expected to reach 750,000 units a year in 2015. The construction of a fourth facility by DPCA is under consideration.

  The second Chinese joint venture, CAPSA, launched the DS line in the local market with the DS5, DS4, DS3 and the DS3 Cabrio. A total of 52 outlets had been opened as of 31 December and the first DS World was inaugurated in March in Shanghai. Local production of the DS5 began in the second half at the Shenzhen plant, with an initial production capacity of 200,000 vehicles and engines a year. After going on sale in October, the first orders have exceeded expectations.

- **Two regions to be improved: Latin America and Russia.**
  In Latin America, sales rose 7% to 303,000 units, for a market share of 4.9% overall, albeit with wide variations among the countries.

  In Argentina, the Group maintained its growth momentum, with sales up more than 27,8% year-on-year and the newly launched Peugeot 301 and Citroën C4 Lounge exceeding forecasts. Nevertheless, import restrictions and the highly negative exchange rate environment are expected to weigh on the Group's growth in the region in 2014.
  In Brazil, demand declined for the first time in ten years, by 1.5%, while the negative impact from the real was sharply detrimental to the Group's results.
  Sales in Russia fell 22.3% to 61,100 units in a market down 5,4%, with a major adverse impact from the unfavourable rubble-euro exchange rate. Latin America and Russia are two regions that require improvement by optimising costs, streamlining the model ranges and increasing local integration in order to to reduce regional exchange rate sensitivity.

- **Sales successes in the rest of the world**
  The Peugeot 301 and Citroën C-Elysée proved highly successful and enjoyed very positive growth in the Mediterranean region, particularly in Algeria and Turkey where unit sales rose by 6.9% and 7.6% respectively compared with 2012.

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[5] The non-recurring impairment charges recognised on Automobile Division assets in 2012 in accordance with IAS 36 led to a decline in depreciation and amortisation expense, which had a positive €595-million impact that has been recognised in production and procurement, R&D and production costs.

Faurecia: sustained expansion outside Europe and a reduction in net debt

In € millions	2012	**2013**
Revenues	17,365	**18,029**
Recurring operating income	516	**538**
As a % of revenue	3.0%	**3.0%**
Consolidated profit	185	**143**

Faurecia reported 3.8% growth in revenue in 2013, with a 4.5% increase in recurring operating income, to €538 million. The operating margin at 3.0% was unchanged from 2012. Free cash improved relative to the 2012 level. Net debt was reduced to €1,629 million.

Banque PSA Finance: high 29.1% penetration rate; success of the Distingo passbook

In € millions	2012	**2013**
Net banking revenue	1,075	**891**
Revenues	1,910	**1,773**
Recurring operating income	391	**368**

Banque PSA Finance's performance reflected tough conditions in Europe, with net banking revenue down 17% to €891 million, which reflected the cost of financing and the decline in vehicle sales. The bank's penetration rate remained at a high level of 29.1%. Net risk provisions improved to 0.61% of average net loans outstanding from -1.23% in 2012.
The Distingo passbook savings account ended the year with €955 million in deposits, reflecting its popularity with consumers.

The dividend paid by Banque PSA Finance amounted to €281 million in 2013.

Financial condition

- Net debt of the manufacturing and sales companies amounted to €4,148 million at 31 December 2013 compared with €3,148 million a year earlier. The net debt of the Automotive Division (industrial and commercial companies excluding Faurecia) rose by €1,263 million over the year to €2,519 million, while that of Faurecia stood at €1,629 million, an improvement of €263 million on 2012.

- In 2013, the group significantly reduced it cash burn, with operating free cash flow[6] at a negative €426 million compared with a negative €3 billion in 2012.

- Funds from operations, which amounted to €1,288 million before restructuring costs of €588 million, helped to finance part of the -€2,397 million in capital expenditure and capitalised R&D that supported the Group's expansion in Europe and the rest of the world, and the -€71 million in financial investments (mainly the CAPSA joint venture). Capital expenditure and capitalised R&D costs were reduced by €1.4 billion over the year. The working capital requirement of the manufacturing and sales companies rose by €397 million, with an improvement of €323 million in inventory, a €9-million rise in receivables and a €77 million increase in payables. Inventory stood at 384,000 vehicles, a ratio of 62 days.

- In 2013, the Group maintained its financial security above €10 billion to €10,121 million. In addition to the €1 billion bond with 5 year maturity successfully realized in February 2013, PSA Peugeot Citroën

[6] *Corresponding to free cash flow of a negative €1,048 million after -€588 million in restructuring costs and €37 million in non-recurring income (mainly CAPSA financing for -71M€).*

also issued a €600 million bond in September 2013 and drawn the €300 million E.I.B. agreement in December 2013.

- **Financial structure and balance sheet**

At 31 December 2013, the group had €6.6 billion in cash resources and €3.6 billion in undrawn credit facilities. Equity amounted to €7,791 million at 31 December, mainly reflecting past impairments.

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PSA Peugeot Citroën announced today that its 2013 financial report is now available and has been filed with the French Autorité des Marchés Financiers (AMF). The report and the 2013 financial results presentation are available on www.psa-peugeot-citroen.com, in the "Analysts/Investors" section.

Financial Calendar:

- April: Carlos Tavares "Back in the Race" Investor Day
- 30 April 2014: First-quarter 2014 revenues
- Second quarter 2014: Annual Shareholders' Meeting
- 30 July 2014: First-half 2014 results

The consolidated financial statements for the year ended 31 December 2013 were approved by the Managing Board on 11 February 2014 and reviewed by the Supervisory Board on 18 February 2014. The Group's Statutory Auditors have audited the financial statements and are currently issuing their reports.

Appendices

Consolidated Statements of Income

	2013				2012*			
(in millions of euros)	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Revenues	52,627	1,773	(310)	**54,090**	53,860	1,910	(324)	**55,446**
Recurring operating income/(loss)	(545)	368		**(177)**	(951)	391	-	**(560)**
Non-recurring operating income/(expense)	(1,169)			**(1,169)**	(4,121)	(1)	-	**(4,122)**
Operating Income/(loss)	(1,714)	368		**(1,346)**	(5,072)	390	-	**(4,682)**
Consolidated profit/(loss)	*(2,456)*	*238*		***(2,218)***	*(5,216)*	*293*	-	***(4,923)***
Group share	(2,546)	223	6	**(2,317)**	(5,294)	281		**(5,008)**
Attributable to minority interests	90	15	(6)	**99**	78	12	(5)	**85**
Basic earnings/(loss) per €1 par value share				**(6.77)**				**(15.59)**

Consolidated Balance Sheets

Assets	31 December 2013				31 December 2012			
(in millions of euros)	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Total non-current assets	19,583	389	(1)	19,971	21,208	424	-	21,632
Total current assets	15,550	24,668	(568)	39,650	17,200	26,699	(656)	43,243
Total assets held for sale	43			43	9	0	0	9
TOTAL ASSETS	**35,176**	**25,057**	**(569)**	**59,664**	**38,417**	**27,123**	**(656)**	**64,884**
Equity and Liabilities	**31 December 2013**				**31 December 2012**			
(in millions of euros)	**Manufacturing and Sales Companies**	**Finance Companies**	**Eliminations**	**TOTAL**	**Manufacturing and Sales Companies**	**Finance Companies**	**Eliminations**	**TOTAL**
Total equity				7,791				10,167
Total non-current liabilities	12,668	363	(1)	13,030	12,650	345	-	12,995
Total current liabilities	18,006	21,405	(568)	38,843	18,971	23 361	(656)	41,676
Liabilities related to discontinued operations					46	0	0	46
TOTAL EQUITY & LIABILITIES				**59,664**				**64,884**

Consolidated Statement of Cash Flows

	2013				2012			
(in millions of euros)	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Consolidated profit/(loss) from continuing operations	**(2,453)**	**238**		**(2,215)**	**(6,019)**	**293**	**-**	**(5,726)**
Funds from operations	**700**	**469**	**64**	**1,630**	**1,033**	**290**	**-**	**1,323**
Net cash from operating activities	(1 097)	287	64	1 630	431	1 050	(64)	1,417
Net cash used in investing activities	(2,431)	(42)		(2,473)	(2,450)	(1)	3	(2,448)
Net cash from/(used in) financing activities	2,204	(286)		1 918	2,387	(532)	4	1,859
Effect of changes in exchange rates	(91)	(6)	5	(92)	(6)	(2)	2	(6)
Net increase/(decrease) in cash and cash equivalents	**779**	**135**	**69**	**983**	**362**	**515**	**(55)**	**822**

Net cash and cash equivalents at beginning of period	5,399	1,669	(279)	6,789	4,692	1,154	(223)	5,623
Net cash and cash equivalents at end of period	**6,137**	**1 804**	**(210)**	**7,731**	**5,399**	**1,669**	**(279)**	**6,789**

- *Reflects the application of IAS19R with respect to the Employee Benefits beginning in 2013 (impact of €16 million on consolidated recurring operating income at Group level, of which and of €8 million on Automotive Division recurring operating income); and reflects the application of IAS 36 on the Automotive Division of €595-million over the year.*