

Paris – 14 April 2014

**Carlos Tavares Presents the “Back in the Race” Plan  
to step up the Group’s recovery**

Carlos Tavares, Chairman of the PSA Peugeot Citroën Managing Board, today presented the 2014-2018 “Back in the Race” roadmap designed to accelerate the Group’s recovery, which is including three metrics:

- Recurring positive Group operating free cash flow by 2016 at the latest.
- €2 billion in total Group operating free cash flow over the 2016-2018 period.
- A 2% operating margin in the Automotive Division by 2018, with a target of 5% during the next medium-term plan covering the period 2019-2023.

“Back in the Race” is built around four operational objectives:

**1. DS, Peugeot and Citroën, three brands that are recognised around the world**

- The development of DS as a full-fledged premium brand will be stepped up.
- At the same time, the Group will continue to reposition the three brands, while clarifying their line-ups to ensure their complementarity, and will improve their price positioning.

**2. A focused, targeted global product plan more aligned with market demand**

- The Group’s line-ups will be gradually streamlined to 26 models by 2020. By focusing on a more compact range, PSA Peugeot Citroën will be able to improve market coverage and improve margins by targeting the most profitable segments.
- In addition, this will help to optimise the use of platforms and programmes around the world and to allocate R&D spend and capex more efficiently.

**3. A drive for profitable international growth accordance with the fundamentals of the automobile business**

- The Group will continue to accelerate its expansion in China, by tripling volumes with Dongfeng in 2020 and successfully completing the development of the DS brand.
- The partnership signed with Dongfeng will also help to drive faster growth in the ASEAN region.
- At the same time, the Group will turn around the situation in Russia and transform the business model in Latin America, with the objective of returning to profit in the two regions in the next three years.
- Lastly, PSA Peugeot Citroën will seek expansion opportunities in new growth countries, for example in Africa or the Mediterranean basin.
- To do so, a new global organisation structured around six major regions – Eurasia, Europe, Middle East/Africa, Latin America, China and ASEAN, Asia-Pacific – will be put into place.

#### **4. Upgrading to improve competitiveness, especially in Europe**

- To address its competitiveness challenges, PSA Peugeot Citroën has stepped up the modernisation of its plants and will bring them in line with global benchmark production facilities, while continuing to reduce costs and inventory.

#### **Continue to transform the corporate culture**

The recovery is well under way, but the Group needs to develop a real profit-driven culture and a global approach in order to return to profit more quickly. Pursuing the cultural change already underway at PSA Peugeot Citroën is an important prerequisite for meeting the preceding four objectives.

In presenting the “Back in the Race” plan, Mr Tavares said: “With this Back in the Race plan, I am committed to accelerating the Group’s recovery by channelling all of our teams’ creative potential so that we can quickly get back on the road to profit.”

#### **Media Contact**

**+33 1 40 66 42 00**

#### ***About PSA Peugeot Citroën***

*With its three world-renowned brands, Peugeot, Citroën and DS, PSA Peugeot Citroën sold 2.8 million vehicles worldwide in 2013, of which 42% outside Europe. The second largest carmaker in Europe, PSA Peugeot Citroën recorded sales and revenue of €54 billion in 2013. The Group is the European leader in terms of CO emissions, with an average of 115.9 grams of CO<sub>2</sub>/km in 2013. PSA Peugeot Citroën has sales operations in 160 countries. It is also involved in financing activities (Banque PSA Finance) and automotive equipment (Faurecia).*

*For more information, please visit [www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com)*