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## PSA Peugeot Citroën Returns to Sales Growth With Worldwide Unit Sales Up 5.5% in the First Half of 2014 - Financial Table Included

### First-Half 2014 Highlights

- Worldwide sales up 5.5% to 1,541,000 units (see appendix for details).
- Strong growth in Europe, with unit sales up 11.7%, and in China/Southeast Asia, up 27.7%.
- 12.1% market share in Europe.
- Successful launches of the Peugeot 308, 2008 and 301 and the Citroën C4 Picasso and C-Elysée.
- Very good start for the Peugeot 108, the new Citroën C1 and the Citroën C4 CACTUS.
- Leadership in light commercial vehicles in Europe, with market share increasing to 21.2%.
- European leader in low-carbon vehicles, with average CO<sub>2</sub> emissions of 111.8 g/km.

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PSA Peugeot Citroën (Paris:UG):

### Europe: unit sales up 12% in a still unstable market

In a European passenger car and light commercial vehicle market up 6.6%, PSA Peugeot Citroën's unit sales rose 11.7% from the year-earlier period to 956,000 vehicles. The Group's overall market share in Europe stood at 12.1% in the first half. The increase reflected growth in the French, Spanish and UK markets, as well as a more upward pricing policy for the brands, which were better positioned. The 10% increase in the light commercial vehicles market, which PSA Peugeot Citroën leads with a market share of 21.2%, also contributed to the Group's performance in the region. In an environment of continued low demand in Europe, the Group's sales were lifted by its product dynamic and brand repositioning, which is producing encouraging results.

### Brands' sales dynamic and improved competitiveness confirmed

- A year after the Peugeot 2008's market launch, production has already exceeded 164,500 units in Europe. Premium versions account for 65% of sales. To meet this strong demand, which confirms the relevance of the targeted product strategy, the Mulhouse facility has added a new shift to step up production.

Nearly 116,000 orders have already been booked for the **new Peugeot 308**, voted Car of the Year in Europe, since it was launched in September 2013. This model illustrates Peugeot's commitment to meeting exacting standards, delivering an alluring product and creating an emotional connection. The new Peugeot 308 leads its segment in France, reflecting the quality of the Group's vehicles.

- The **new Citroën C4 Picasso**, launched just one year ago, has already achieved unit sales of 127,000. Top-of-the-range versions account for 64% of sales.
- The **DS brand** confirmed its success, with production of the **DS 3** passing the 300,000 mark in France. The brand has also strengthened its attractiveness, as seen in the positive response to the recently introduced DS 3 with new signature lighting.

In this environment, recent model launches contributed to the Group's recovery.

- The **Peugeot 308 SW** has already made a very good showing, with more than 21,000 orders since its market introduction. The **Peugeot 108**, launched on 12 June with an upscale positioning, has enjoyed a similar positive trend, with more than 3,000 orders in the first month.
- The **Citroën C1** and the **Citroën C4 CACTUS**, which made their market debut in June 2014, have already been very well received by the international media. A total of 4,500 orders have already been booked for the Citroën C1 and 7,000 for the Citroën C4 CACTUS.

Taken together, the Group's inventory reduction initiatives have produced results, and inventories at end-June were lower than initially expected.

### **European leader in low-carbon vehicles, with CO<sub>2</sub> emissions of 111.8g/km.**

With average CO<sub>2</sub> emissions of 111.8g/km as of 31 May 2014, PSA Peugeot Citroën has confirmed its position as European leader in low carbon vehicles and maintained its objectives. Vehicles emitting less than 111g of CO<sub>2</sub> per km account for more than 66% of the Group's registrations, representing a significant increase from 2013. This reduction in CO<sub>2</sub> emissions has been made possible by the development of such innovative technologies as the new BlueHDi exhaust system, which has been gradually extended across the diesel line-up since September 2013. The new generation 3-cylinder EB PureTech petrol engine, introduced on Peugeot and Citroën vehicles in a naturally aspirated version followed by a turbo version, has also helped reduce CO<sub>2</sub> emissions by around 18% thanks to improved efficiency and the turbo version's ultra-precise direct injection.

### **International markets: 585,000 units sold, driven by China and Southeast Asia**

#### **China and Southeast Asia: uptrend accelerates**

In the first half of 2014, PSA Peugeot Citroën's unit sales in China rose 27.7% in a market up 12.8% thanks to the performance of joint ventures Dongfeng Peugeot Citroën Automobile (DPCA) and Changan PSA Automobile (CAPSA). China has been the Group's largest world market since March 2014.

**DPCA** recorded sales growth of 24.5% during the period, with 342,900 units invoiced. This increase, representing almost twice that of the market, lifted the Dongfeng-PSA Peugeot Citroën joint venture's market share by 0.4 points over the first half to 4.2%.

- **Dongfeng Peugeot's** sales rose 33%, with 183,400 units invoiced. The Peugeot 2008 launched on 17 April got off to an extremely fast start, with more than 11,100 units already invoiced at the end of June. The Peugeot 3008 pursued its strong growth, with units sold up 37% to 33,700. In addition, the Peugeot 301 confirmed its good trend since launch, with 36,700 units sold in the first half, and the Peugeot 308 remained a strong performer, with 44,200 units sold.
- **Dongfeng Citroën's** sales rose 16%, with 159,500 units invoiced. The new C-Elysée enjoyed very strong sales during the period, with 46,000 units invoiced at 30 June, while the C4L recorded a 75% increase in unit sales to 35,000.
- **CAPSA**, the joint venture between Changan and PSA Peugeot Citroën, achieved unit sales of nearly 10,000 over the first half of its first full year, thanks in particular to the performance of the DS 5 and DS 5LS, two models produced at the Shenzhen plant and launched in September 2013 and March 2014, respectively.

In Southeast Asia, the Peugeot brand's sales rose 18% to 3,450 vehicles. The brand turned in a strong performance in Malaysia, with registrations up 20% to nearly 3,300. Peugeot has also been on the move in Vietnam, making its first deliveries to clients of locally assembled Peugeot 408s.

#### **Latin America: priority on recovery and profitability**

In a Latin American market down 9.2%, Group sales declined by 26.8% to 107,000 units, for a market share of 4.6%. This situation reflects lower automobile demand, primarily in Argentina where the Group is among the leaders with a market share increased from 15.2% to 15.5%, as well as the negative impact of local currency fluctuations.

In Brazil, Group sales decreased by 22.1% in a contracting, highly competitive market.

In Argentina, Group sales were down 33.8% as the market felt the effects of the peso's devaluation, a new tax on "luxury" models and sharp restrictions on imports – including from Brazil, where PSA Peugeot Citroën produces its flagship B-segment models for the Argentine market (the Peugeot 208, the Citroën C3, C3 Picasso and C3 Aircross).

The Group is implementing the conditions for profitable growth in this region as part of the Back In the Race strategic plan. The Peugeot, Citroën and DS brands have focused on their most profitable products and improved their product/price positioning and priority has been given to the operations' recovery and profitability.

#### **Eurasia: deployment of a sales recovery plan**

In a Russian market down 7.8% and exposed to pressure from an unfavourable macroeconomic environment, the Group's unit sales declined 25.8% to 23,400, for a market share of 1.9%. The Group's performance in the region was also heavily impacted by deteriorating exchange rate trends and the drop-off in the Ukrainian market. As announced in the Back In the Race strategic plan, PSA Peugeot Citroën is focusing on reorganising its structures, reviewing its commercial line-up and promoting the necessary development of local content to lay the groundwork for profitable growth as soon as market conditions permit.

#### **India – Pacific: encouraging growth outlook**

In a stable market that represents substantial growth potential for PSA Peugeot Citroën, Group sales stood at 9,600 units.

- The market for imported vehicles was up 8% over the period in Japan, despite a downward trend since the value added tax rate increased in April. The Peugeot 2008, which has proven very popular with customers since it was launched in February, helped fuel a 10% rise in Peugeot brand sales to more than 600 units.
- In a stable South Korean market, the newly arrived Citroën brand is on the offensive, buoyed by an excellent response to the C4 Picasso. Peugeot brand sales increased by 20% over the period and the end-of-June launch of the new Peugeot 308 should provide a lift in the second half.
- The launch of the new Peugeot 308 in Australia and New Zealand and the introduction of light commercial vehicles in New Zealand should have a positive impact on the Group's second-half performance in the region.

#### **Africa and the Middle East: hard hit by unfavourable exchange rates, but strong growth potential**

In a market down 2.1% and impacted by the stronger euro, Group sales declined by 37.2% to 81,600 vehicles. After several years of growth, the Algerian and Turkish markets in particular contracted sharply. PSA Peugeot Citroën is maintaining a strong presence in this environment. Peugeot is the number two brand in Algeria and is focused on developing and deploying its brands.

The Group pursued its discussions in Iran on the possibility of re-starting operations when feasible.

With the signature of an agreement with PAN Nigeria Limited, the Group is strengthening its presence in Nigeria, where the Peugeot 301 will be assembled and sold starting in the second half of 2014. Assembly and sale of the Peugeot 508 and Peugeot 308 will follow, thereby enhancing the Group's offering in Nigeria.

#### **Sales outlook for the second half of 2014**

In the second half, PSA Peugeot Citroën will continue to differentiate its three brands – Peugeot, Citroën and DS – and develop its more targeted global product plan to cover the market more effectively.

The tighter pace of new launches should allow the Peugeot, Citroën and DS brands to improve their price positioning. The recent introductions of the Peugeot 108, Citroën C1, Citroën C4 CACTUS, combined with the upcoming launches of the new Peugeot 508 in Europe and the Premium DS 6WR

SUV and the new Peugeot 408 in China, should support this strategy and strengthen the brands' sales performance worldwide.

Over the full year, the Chinese and European markets should continue to grow, by around 10% and 3%, respectively, while the Latin American and Russian markets should be down, by 7% and 10% respectively.

Commenting on the publication of the first-half sales results, Carlos Tavares, Chairman of the Managing Board, declared: *"At the end of this first half, I am pleased to see the Group return to sales growth. Our Back in the Race strategic plan is producing its initial results, as the 5.5% increase in our worldwide sales attests. However, we need to remain focused on executing our roadmap, as the external environment is still unstable, particularly in Europe, Latin America and Russia."*

#### World sales by regions (Build Up First, CKD next)

PSA REGION	BRANDS	06 months 12	06 months 13	06 months 14			
		Units	Units	Units	%	%Chg	
BU	China & SE Asia	AP	107 139	142 987	189 108	12,27%	32,26%
		AC	105 743	137 868	160 315	10,40%	16,28%
		DS	192	957	10 482	0,68%	++
		<b>PSA</b>	<b>213 074</b>	<b>281 812</b>	<b>359 905</b>	<b>23,35%</b>	<b>27,71%</b>
	Eurasia	AP	25 569	20 246	15 229	0,99%	-24,78%
		AC	18 065	15 740	11 329	0,74%	-28,02%
		DS	1 518	907	570	0,04%	-37,16%
		<b>PSA</b>	<b>45 152</b>	<b>36 893</b>	<b>27 128</b>	<b>1,76%</b>	<b>-26,47%</b>
	Europe	AP	525 356	460 031	521 986	33,87%	13,47%
		AC	393 920	332 113	383 801	24,90%	15,56%
		DS	61 445	63 374	50 056	3,25%	-21,01%
		<b>PSA</b>	<b>980 721</b>	<b>855 518</b>	<b>955 843</b>	<b>62,02%</b>	<b>11,73%</b>
	India & Pacific	AP	8 121	6 971	6 965	0,45%	-0,09%
		AC	2 340	1 519	1 759	0,11%	15,80%
		DS	1 463	1 476	857	0,06%	-41,94%
		<b>PSA</b>	<b>11 924</b>	<b>9 966</b>	<b>9 581</b>	<b>0,62%</b>	<b>-3,86%</b>
	Latam	AP	76 177	87 313	64 454	4,18%	-26,18%
		AC	43 806	56 155	41 478	2,69%	-26,14%
		DS	1 487	2 368	856	0,06%	-63,85%
		<b>PSA</b>	<b>121 470</b>	<b>145 836</b>	<b>106 788</b>	<b>6,93%</b>	<b>-26,78%</b>
	MEAF	AP	69 763	90 012	55 625	3,61%	-38,20%
AC		32 150	38 576	25 053	1,63%	-35,06%	
DS		2 009	1 466	968	0,06%	-33,97%	
<b>PSA</b>		<b>103 922</b>	<b>130 054</b>	<b>81 646</b>	<b>5,30%</b>	<b>-37,22%</b>	
Total	AP	812 125	807 560	853 367	55,37%	5,67%	
	AC	596 024	581 971	623 735	40,47%	7,18%	
	DS	68 114	70 548	63 789	4,14%	-9,58%	
	<b>PSA</b>	<b>1 476 263</b>	<b>1 460 079</b>	<b>1 540 891</b>	<b>99,99%</b>	<b>5,53%</b>	
CKD	China & SE Asia	AP	1 344	587	192	0,01%	-67,29%
		<b>PSA</b>	<b>1 344</b>	<b>587</b>	<b>192</b>	<b>0,01%</b>	<b>-67,29%</b>
	MEAF	AP	141 769				
		<b>PSA</b>	<b>141 769</b>				
	Total	AP	143 113	587	192	0,01%	-67,29%
		<b>PSA</b>	<b>143 113</b>	<b>587</b>	<b>192</b>	<b>0,01%</b>	<b>-67,29%</b>
	BU + CKD	AP	955 238	808 147	853 559	55,39%	5,62%
AC		596 024	581 971	623 735	40,47%	7,18%	
DS		68 114	70 548	63 789	4,14%	-9,58%	
<b>PSA</b>		<b>1 619 376</b>	<b>1 460 666</b>	<b>1 541 083</b>	<b>100,00%</b>	<b>5,51%</b>	

**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 confirms its position of European leader in terms of CO<sub>2</sub> 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)*

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