

Paris, 26 January 2015

Five trade unions sign a new agreement on discretionary and non-discretionary profit shares

To give employees a greater stake in the results of PSA Peugeot Citroën, driven by the “Back in the Race” plan, five trade unions have signed a new agreement improving the Group’s discretionary and non-discretionary profit-sharing systems.

On 23 January 2015, PSA Peugeot Citroën and five trade unions – CFE-CGC, CFDT, CFTC, FO and GSEA – signed a new, three-year profit-sharing agreement in France for 2015-2017.

One of the commitments made by PSA Peugeot Citroën in the “New Social Contract” signed in late 2013 was an improved formula for calculating discretionary profit shares, applicable when the company achieved positive results.

To ensure consistency between the discretionary profit-sharing system and the “Back in the Race” plan designed to restore PSA Peugeot Citroën's business fundamentals, the new agreement will cover a three-year period and be based on recurring operating income and Operational Free Cash Flow, with the same trigger threshold and targets that are applicable to Group executives.

To more effectively share the results of the Group’s financial reconstruction with employees, the formula for calculating profit shares has been improved. It is now expressed exclusively as a percentage of salary, which makes it easier for employees to understand and calculate, and the percentage has been increased to as much as 3.4%, versus 2% in the previous agreement.

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