

**PSA Peugeot Citroën 'Back in the Race'**  
**€2.2 billion of operating Free Cash Flow in 2014, the Group is net debt free**

- **€53.6 billion in revenue for the year<sup>1</sup>**
- **Recurring Operating Income of €905 million, up €1.3 billion, from a loss of €-364 million in 2013**
- **Favourable swing attributable to the Automotive division, which ended the year with recurring operating income at €63 million, up €1.1 billion from a loss of -€1,039 million in 2013**

"Our 2014 results show evidence that the process of rebuilding the Group's financial fundamentals is underway," said Carlos Tavares, Chairman of the PSA Peugeot Citroën Managing Board. "By generating €2.2 billion in operating Free Cash Flow<sup>2</sup> during the year, and becoming net debt free, we are ahead of our reconstruction plan. I would like to thank all of our teams for their achievements in a sometimes difficult environment. More than ever, we remain focused on fully meeting our objectives and achieving a 2% operating margin for the Automotive division."

**Consolidated net revenue** came to €53,607 million in 2014, up 1% over 2013. **Automotive division** revenue dipped 0.9% to €36,085 million, with favourable changes in the product mix and in prices offsetting a very negative currency effect.

The **Group** ended the year with a **Recurring Operating Income** of €905 million, representing a positive swing of €1,269 million from a loss of -€364 million in 2013. The **Automotive division** reported **Recurring Operating Income** of €63 million in 2014, up €1,102 million from a loss of €1,039 million the year before. The return to profit was attributable to the positive product and price mix resulting from the success of recent launches by the brands and from the pricing power policy. It was also supported by further reductions in fixed costs.

Including its pro forma share of the 2014 income of the DPCA and CAPSA joint ventures, the Division's recurring operating income came to €366 million, an improvement of €1,246 million over the previous year.

**Non-recurring operating income and expenses** represented a net expense of -€682 million, primarily due to restructuring costs incurred by the Automotive division.

**Financial income and expenses** represented a **net financial expense** of -€763 million compared with -€664 million in 2013, with the year-on-year change corresponding mainly to the non-recurring gain realised in 2013 on the sale of BNP Paribas shares.

The Group's **net loss** eased to -€555 million in 2014 up €1,672 million from -€2,227 million the year before.

**Banque PSA Finance's recurring operating income** came to €337 million, a decline of -€31 million year-on-year that was due to changes in the Bank's refinancing situation. In February 2015, the first two joint ventures with Santander Consumer Finance were launched, one in France and the other in the United Kingdom. These new entities will enable Banque PSA Finance to offer competitive interest rates to customers of the Peugeot, Citroën and DS brands while at the same time improving its margins. The start-up of operations by these new ventures also enabled Banque PSA Finance to announce that it would no longer be using the French State's guarantee for its future bond issues.

<sup>1</sup> Income statement figures for 2013 and 2014 have been restated to exclude the impact of applying IFRS 5, 10 and 11 and IFRIC 21.

<sup>2</sup> Free cash flow of manufacturing and sales companies

**Faurecia's recurring operating income** amounted to €673 million, up 25% on 2013.

**Free cash flow of manufacturing and sales companies** for the year amounted to €1,792 million, lifted by the improvement in funds from operations and working capital requirement (up €1,752 million over the period) thanks mainly to the inventory reduction action plans and supply chain optimisation. Excluding restructuring costs of €583 million and net non-recurring income of €193 million (mainly corresponding to gains on sales of property assets), **operating Free Cash Flow** was a positive €2,182 million.

Total inventory, including independent dealers, stood at 339,100 vehicles at 31 December 2014, down 44,800 units from end-2013.

**The manufacturing and sales companies' net financial position** at 31 December 2014 was a positive €548 million, versus a negative €4,181 million at the previous year-end, reflecting the €2,995-million proceeds from the April and May 2014 share issues as well as the increase in Free Cash Flow.

As the rebuilding of the Group's financial fundamentals is not achieved, no dividend payment will be proposed for the financial year 2014.

## Outlook

In 2015, PSA Peugeot Citroën expects to see automotive demand increase by a modest 1% in Europe and by approximately 7% in China, but decline by some 10% in Latin America and by around 30% in Russia.

The Group aims to generate operating free cash flow of around €2 billion over the period 2015-2017. It is also targeting an operating margin<sup>3</sup> of 2% in 2018 for the Automotive division, with the objective of reaching 5% over the period of the next medium-term plan, covering 2019-2023.

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## Financial Calendar

- 29 April 2015: First-quarter 2015 revenues

*The PSA Peugeot Citroën Group's consolidated financial statements for the year ended 31 December 2014 were approved by the Managing Board on 10 February 2015 and reviewed by the Supervisory Board on 17 February 2015. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements.*

## About PSA Peugeot Citroën

*With its three world-renowned brands, Peugeot, Citroën and DS, PSA Peugeot Citroën sold 3 million vehicles worldwide in 2014. The second largest carmaker in Europe, PSA Peugeot Citroën recorded sales and revenue of €54 billion in 2014. The Group confirms its position of European leader in terms of CO<sub>2</sub> emissions, with an average of 110.3 grams of CO<sub>2</sub>/km in 2014. 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 [psa-peugeot-citroen.com](http://psa-peugeot-citroen.com)*

<sup>3</sup> Recurring operating income relating to revenues

## Appendices

Comparative information has been restated to reflect the application of IFRS 5, 10 and 11 and IFRIC 21.

### Recurring Operating Income including Banque PSA Finance\*

(in millions of euros)	2013.				2014.			
	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Revenues	52,459	1,773	(310)	53,922	53,019	1,703	(363)	54,359
Recurring operating income/(loss)	(516)	369	-	(147)	779	337	-	1,116
Non-recurring operating income/(expense)	(1,165)	-	-	(1,165)	(679)	(2)	(0)	(681)
Operating Income/(loss)	(1,681)	369	-	(1,312)	100	335	0	435

\*Following the announcement of the partnership with Santander, the Banque PSA Finance operations intended to be transferred to the partnership vehicles have been excluded from consolidated recurring operating income for 2014. This table shows consolidated recurring operating income as if all Banque PSA Finance operations were still fully consolidated.

### Consolidated Income Statement

(in millions of euros)	2013				2014			
	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Revenues	52,459	668	(48)	53,079	53,019	628	(40)	53,607
Recurring operating income/(loss)	(516)	152	-	(364)	779	126	-	905
Operating Income/(loss)	(1,681)	152	-	(1,529)	100	123	-	223
Net financial expense	(664)	-	-	(664)	(755)	(8)	-	(763)
Income taxes	(266)	(40)	-	(306)	(226)	(87)	-	(313)
Share in net earnings of companies at equity	165	8	-	173	270	12	-	282
Net income/(loss) from operations intended to be transferred to new joint ventures	(19)	118	-	99	(34)	50	-	16
Consolidated profit/(loss)	(2,465)	238	-	(2,227)	(645)	90	-	(555)
Group share	(2,556)	223	6	(2,327)	(787)	86	(5)	(706)
Attributable to minority interests	91	15	(6)	100	142	4	5	151
(in euros)								
Basic earnings per €1 par value share				(6,80)				(1,15)
Group share								

### Consolidated Balance Sheet

(in millions of euros)	31 December 2013				31 December 2014			
	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Total non-current assets	19,709	389	(1)	20,097	20,331	279	(5)	20,605
Total current assets	15,524	24,668	(568)	39,624	16,526	6,209	(704)	22,031
Total assets intended to be transferred to new joint ventures	43	-	-	43	167	18,529	(120)	18,576
TOTAL ASSETS	35,276	25,057	(569)	59,764	37,024	25,017	(829)	61,212

EQUITY AND LIABILITIES	31 December 2013				31 December 2014				
	(in millions of euros)	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
Total equity					7,837				10,418
Total non-current liabilities	12,622	364	(1)	12,985	11,637	2	(1)	11,638	
Total current liabilities	18,109	21,401	(568)	38,942	18,071	13,368	(537)	30,903	
Liabilities intended to be transferred to new joint ventures	-	-	-	-	37	8,508	(292)	8,253	
<b>TOTAL EQUITY &amp; LIABILITIES</b>				<b>59,764</b>				<b>61,212</b>	

### Consolidated Statement of Cash Flows

(in millions of euros)	2013				2014			
	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL	Manufacturing and Sales Companies	Finance Companies	Eliminations	TOTAL
<b>Consolidated profit/(loss) from continuing operations</b>	<b>(2,446)</b>	<b>(128)</b>	<b>-</b>	<b>(2,547)</b>	<b>(611)</b>	<b>(211)</b>	<b>-</b>	<b>(822)</b>
<b>Funds from operations</b>	<b>804</b>	<b>(21)</b>	<b>-</b>	<b>783</b>	<b>2,126</b>	<b>13</b>	<b>-</b>	<b>2,139</b>
Net cash from/(used in) operating activities	1,244	(478)	(9)	757	3,878	448	(262)	4,064
Net cash used in investing activities of continuing operations	(2,474)	(33)	-	(2,507)	(2,314)	(22)	-	(2,336)
Net cash from/(used in) financing activities of continuing operations	2,058	(153)	-	1,905	675	3	334	1,012
<b>Net cash used by new borrowings and repayments of borrowings of finance operations not transferred to new joint ventures</b>	<b>-</b>	<b>(2,294)</b>	<b>-</b>	<b>(2,294)</b>	<b>-</b>	<b>(1,448)</b>	<b>-</b>	<b>(1,448)</b>
<b>Net cash from/(used by) changes in assets and liabilities of finance operations intended to be transferred to new joint ventures</b>	<b>(72)</b>	<b>3,099</b>	<b>74</b>	<b>3,101</b>	<b>(20)</b>	<b>1,817</b>	<b>10</b>	<b>1,807</b>
Effect of changes in exchange rates	(91)	(6)	4	(93)	47	1	-	48
<b>Increase/(decrease) in cash and cash equivalents of continuing operations and operations intended to be transferred to new joint ventures</b>	<b>665</b>	<b>135</b>	<b>69</b>	<b>869</b>	<b>2,266</b>	<b>799</b>	<b>82</b>	<b>3,147</b>
Net cash and cash equivalents at beginning of period	5,496	1,669	(279)	6,886	6,161	1,804	(210)	7,755
<b>Net cash and cash equivalents at end of period – continuing operations</b>	<b>6,161</b>	<b>1,804</b>	<b>(210)</b>	<b>7,755</b>	<b>8,427</b>	<b>2,603</b>	<b>(128)</b>	<b>10,902</b>