PSA PEUGEOT CITROËN

REGISTRATION DOCUMENT

STRATEGY RESULTS CSR

2013

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REGISTRATION DOCUMENT

2013

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) and registered under No. D.14-0269 on 2 April 2014, in accordance with the provisions of Article 212-13 of the General Regulation of the AMF.

It may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the AMF. It was prepared by the issuer and is the responsibility of the person whose Signature appears therein.

It contains all of the information concerning the Annual Financial Report.

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PERSONS RESPONSIBLE

> PERSON RESPONSIBLE FOR THE 2013 REGISTRATION DOCUMENT

Carlos Tavares
Chairman of the Peugeot S.A. Managing Board

> STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2013 REGISTRATION DOCUMENT

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, i) the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Peugeot S.A. and of the companies in the consolidated group, and ii) the Report of the Managing Board, whose contents are described on page 484, presents a true and fair view of the business development, results and financial position of Peugeot S.A. and the companies in the consolidated group, together with a description of the main risks and uncertainties they face.

I have obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the historical accounts contained therein.

The Statutory Auditors' Reports on the consolidated financial statements and the separate financial statements of Peugeot S.A. for the year ended 31 December 2013 may be found in sections 20.3.1 and 20.4.1., and include an emphasis of matter. In the Report on the consolidated financial statements, the emphasis of matter is the following:

"Without prejudice, however, to the foregoing opinion, we would draw your attention, given the Group's economic and financial environment as presented in the Management Report, to the following notes to the consolidated financial statements:

- note 2.4, which specifies the accounting items for which estimates and assumptions used are particularly sensitive;
- note 9.1 on impairment testing of Automotive Division assets, which led to a €1,009 million impairment. This note specifies that the tests were conducted on the basis of a medium-term plan whose terms of financing were not finalised at 31 December 2013. It emphasises that the Group is confident in its ability to establish the corresponding funding;
- note 40 on events subsequent to the balance sheet. In particular, it states that the Managing Board and the Supervisory Board decided, on 18 February 2014, to submit to the next Shareholders' Meeting a capital increase of €3 billion. It further states that this capital increase should make it possible to finance the Group's current medium-term plan and relaunch its development;
- note 36, which sets out the Group's and Banque PSA Finance's liquidity position.
- note 3, which sets out the impact of the first application of revised IAS 19 regarding employee benefits."

The consolidated financial statements for the year ended 31 December 2012 includes an emphasis of matter. The report may be found on pages 274 and 275 of the Registration Document filed with the French securities regulator (Autorité des marchés financiers) on 28 March 2013 under no. D.13-0239.

The annual financial statements for the year ended 31 December 2011 includes an emphasis of matter. The report may be found on pages 224 and 225 of the Registration Document filed with the French securities regulator (Autorité des marchés financiers) on 5 March 2012 under no. D.12-0128.

Carlos Tavares
Chairman of the Peugeot S.A. Managing Board

> PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Carole Dupont-Pietri
Head of Financial Communication and Investor Relations
Tel: +33 (0)1 40 66 42 59

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STATUTORY AUDITORS

> PERSONS RESPONSIBLE FOR AUDITING THE ACCOUNTS

STATUTORY AUDITORS

ERNST & YOUNG ET AUTRES

(Member of the Compagnie régionale des Commissaires aux Comptes de Versailles)

Christian Mouillon & Marc Stoessel
1-2 place des Saisons
92400 Courbevoie - Paris-la Défense 1

Date of first appointment: Annual Shareholders' Meeting of 31 May 2011.

End date of current appointment: at the close of the Annual Shareholders' Meeting called to approve the 2016 financial statements.

MAZARS

(Member of the Compagnie régionale des Commissaires aux Comptes de Versailles)

Loïc Wallaert & Jean Louis Simon
61, rue Henri Regnault
92400 Courbevoie

Date of first appointment: Annual Shareholders' Meeting of 25 May 2005.

End date of current appointment: at the close of the Annual Shareholders' Meeting called to approve the 2016 financial statements.

ALTERNATE STATUTORY AUDITORS

SOCIÉTÉ AUDITEX

1-2 place des Saisons
92400 Courbevoie - Paris-la Défense 1

Date of first appointment: Annual Shareholders' Meeting of 31 May 2011.

End date of current appointment: at the close of the Annual Shareholders' Meeting called to approve the 2016 financial statements.

PATRICK DE CAMBOURG

61, rue Henri Regnault
92400 Courbevoie

Date of first appointment: Annual Shareholders' Meeting of 25 May 2005.

End date of current appointment: at the close of the Annual Shareholders' Meeting called to approve the 2016 financial statements.

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SELECTED FINANCIAL INFORMATION

This document gives the PSA Peugeot Citroën Group's consolidated accounts for the years 2013 and 2012. The 2011 consolidated financial statements are included in the Registration Document that was filed with the French securities regulator (*Autorité des Marchés Financiers*) on 5 March 2012 under no. D. 12-0128. Please also see paragraph 20.1 below.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union on 31 December 2013, the balance sheet date.

> CONSOLIDATED STATEMENTS OF INCOME

	2013				2012 (1)			
(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
Sales and revenue	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) for the year	(2,456)	238	-	(2,218)	(5,216)	293	-	(4,923)
Attributable to equity holders of the parent	(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 Attributable to equity holders of the parent				(6.77)				(15.59)

(1) Restated in accordance with IAS 19R with respect to the Employee Benefits beginning in 2013 (impact of €16 million on consolidated recurring operating income at Group level, of which €8 million on Automotive Division).

> CONSOLIDATED BALANCE SHEETS

ASSETS	31 December 2013				31 December 2012			
(in million 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	0	0	43	9	0	0	9
TOTAL ASSETS	**35,176**	**25,057**	**(569)**	**59,664**	**38,417**	**27,123**	**(656)**	**64,884**

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2013				31 December 2012			
(in million 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
Total liabilities held for sale					46	0	0	46
TOTAL EQUITY AND LIABILITIES				**59,664**				**64,884**

> CONSOLIDATED STATEMENTS OF CASH FLOWS

	2013				2012			
(in million 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**	**287**	**-**	**987**	**1,033**	**290**	**-**	**1,323**
Net cash from (used in) operating activities	**1,097**	**469**	**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 year	**5,399**	**1,669**	**(279)**	**6,789**	**4,962**	**1,154**	**(223)**	**5,623**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**6,137**	**1,804**	**(210)**	**7,731**	**5,399**	**1,669**	**(279)**	**6,789**

04

RISK FACTORS

The PSA Peugeot Citroën Group (hereafter referred to as the "Group" or "PSA Peugeot Citroën") pays close attention to ensuring that effective control is maintained over the risks associated with its various businesses. This Chapter describes the main identified risks and the procedures for limiting both their occurrence and their impact. It also presents the Group's insurance programmes.

The various operating units identify and assess risks and evaluate the related internal controls on an on-going basis, in France and abroad, within the main units of the Automotive Division and the non-Automotive subsidiaries (except Faurecia which has its own system).

As part of the approach, risk maps are drawn up by each operating unit and at Group level, in order to assess how well the major risks ("Top Risks") are managed and draw up Action Plans to address any weaknesses.

A half-yearly reporting system has been set up to keep the Executive Committee informed about the Top Risks and associated Action Plans.

For more detailed information on risk management, please refer to section 16.5.1 (paragraph 2.4.1.), page 217 of this registration document.

4.1. > OPERATIONAL RISKS

4.1.1. RISKS RELATED TO THE GROUP'S ECONOMIC AND GEOPOLITICAL ENVIRONMENT

RISK FACTORS

The Group's operations, and as such its earnings, may be adversely affected by difficult economic conditions. Accordingly, periods of reduced activity, and periods of economic crisis to an even greater extent, may contribute to a significant drop in demand in one or more geographic markets. The impact for the Group can be even greater if the falloff in demand hits the regions where PSA Peugeot Citroën has a strong sales presence.

In areas outside Europe, the Group is, de facto, exposed to various risks, including:

- exchange rate risk: sharp falls in local currencies against the euro or the overvaluation of currencies used for purchases may limit the Group's ability to sell its products in certain markets, see 4.2.1 below;
- unfavourable changes in tax and/or customs regulations in the countries with which the Group trades;
- geopolitical events: the Group may be exposed to geopolitical risks such as popular uprisings, diplomatic crises, the overthrow of a regime, arbitrary or discriminatory behaviour, or a war in a foreign country. For instance, the Group decided to suspend its shipments to Iran because of difficulties finding secure sources of funding.

RISK MANAGEMENT AND CONTROL PROCESSES

The Group has tightened up its management structure so that it can react swiftly to various high-risk situations. As part of this move, against a backdrop of fierce sales competition and a European market that is expected to remain depressed for the foreseeable future, the Group has implemented new cost-cutting measures with a view to further strengthening its Performance Plan (see section 9.2.3.1).

The Group's globalisation strategy presented in Chapter 11 below – which primarily involves internationalising its business activities – is part of its strategy to deal with any negative consequences that could arise in a particular geographic area as a result of a recession or serious geopolitical events.

The Group's exposure to exchange rate risks is managed mostly on a centralised basis by PSA International (PSAI) which sets up the appropriate currency hedges where required. In addition, the impact of negative currency effects is passed on in selling prices wherever possible. For more details, please refer to Note 36.1 D to the 2013 consolidated financial statements, section 20.3.7 below, page 291.

4.1.2. NEW VEHICLE DEVELOPMENT, LAUNCH AND MARKETING RISKS

RISK FACTORS

The decision to develop new vehicle models or subassemblies and to introduce them in the market is backed by marketing and profitability studies. Profitability calculations are based primarily on unit sales forecasts. Any downward adjustment in a unit sales forecast may lead to the recognition of i) an impairment loss on moulds and tooling or capitalised development costs depreciated/amortised over the commercial life of the vehicle models concerned or ii) a provision to cover any contractual penalties that may be imposed in the event of a breach of take-or-pay clauses included in the Group's cooperation agreements with other carmakers. The results of the valuation tests conducted at 31 December 2013 are given in Note 9.1 to the 2013 consolidated financial statements below in Section 20.3.7, page 307.

The development of new vehicles and subassemblies also exposes the Group to risks arising from constant changes in European and global regulations, particularly in the areas of safety and the environment. The overall trend is towards increasingly strict regulations. New regulations on the CO_2 emissions of light commercial vehicles are pending. China and Brazil are also reinforcing their regulations on new technologies and CO_2 emissions. In Brazil, the INOVAR Auto 2013-2017 regulatory obligations imposed on vehicle sales (level of CO_2, degree of Local Integration, amount of R&D expenditure in Brazil) apply to the Group, as well as its competitors.

Technical risks related to product quality and safety can lead carmakers to recall vehicles in order to correct the identified defects.

With regard to commercial risks, the Group is highly exposed to the mature European market, in a current context of relative economic decline in European countries, saturation of vehicle fleets and a reduction in the space allocated to vehicles in urban areas. In the European market, given the substantial means devoted to promoting sales, there is also a risk relating to the efficient use of marketing budgets.

Strong volume growth in China has increased the Group's exposure to the Chinese market. The main risk is slower growth in this market, which would quickly result in a situation of overcapacity given the pace of investment by manufacturers, and as such pressure on prices and margins. However, the mode of development used for PSA Peugeot Citroën's activities in China, via its two 50:50 joint ventures, Dongfeng Peugeot Citroën Automobile (DPCA) and Changan PSA Automobiles (CAPSA), means that the financial risk is shared with the partners. Regarding the reinforcement of the partnership with Dongfeng, please refer to Section 4.6, and Chapters 12 and 22 below for more information.

With regard to its development in Latin America, the Group is potentially exposed to all the risk factors described in paragraph 4.1.1.

RISK MANAGEMENT AND CONTROL PROCESSES

The Automotive Programmes Department is tasked with deploying the Group's strategic vision and enhancing value creation by ensuring the alignment of all of the contributing processes and by leading the implementation of Group programmes. This mission is global in scope. It notably ensures that project start-ups are carried out in accordance with the Worldwide Master Plan, both by the programme functions (vehicles, modules, services) and by the contributing departments (industrial, human resources, etc.), and that the economic performance of programmes is consistent with the objectives laid down in the strategic planning framework.

To cover the project management risks related to new vehicle development and process engineering, the Group leverages a comprehensive design and development process, known as the operational development plan, which is regularly updated. For each vehicle project, a set of product services, profitability, quality, time-to-market and CO_2 reduction objectives are set. Progress in meeting these objectives is tracked by a system of project milestones, corresponding to the various stages at which senior management reviews all the financial and technical indicators. In addition, the Quality Department authorises the sale of each vehicle that leaves the production line and organises any necessary recalls of faulty vehicles delivered to dealers or customers. It also ensures that vehicles in the marketing or design stage comply with the applicable regulations, particularly those relating to safety and the environment. Responding more effectively to customers' after-sales service requirements during the vehicle design phase (repairability, ease of fault detection, etc.) has also contributed to steady improvement in the quality of the Group's new models.

The Group considers it of great importance that effective time-frames for new regulations are determined based on the results of objective impact studies and that they are realistic, taking into account the time that carmakers will reasonably need to adapt. The Group's exchanges with the regulatory authorities are designed to ensure that this is the case. In Brazil, the Group has set up centralised management of the INOVAR Auto regulatory obligations.

Appropriate regulatory watch systems and Action Plans have been set up in Europe and in the Group's main host countries outside Europe.

In Europe, the Group has strengthened its market forecast process, based on a prudent approach to growth in European markets. Actions to strengthen internal controls and manage margins and variable selling expenses were also taken in 2013. The Group implemented a self-assessment approach to its subsidiaries' internal controls over their selling expenses, and introduced a new system for analysing margins and variable selling expenses in all countries. Targeted audits by country or by type of expenditure were also performed by the Audit and Risk Management Department. Lastly, the Group is gradually freeing itself of its reliance on the European market through its growing internationalisation.

To date in China, market trends appear to be well under control, insofar as the country's developing areas are taking over from saturated cities. The Group is managing the vehicle and subassembly projects of its two joint ventures via dedicated internal governance, as well as via the administrative bodies of its two joint ventures. With regard to CAPSA, the industrial and sales development of the premium-oriented DS range are underway Dongfeng Motors within. In addition, the strengthening of the partnership with DPCA will give the Group an engineering and export base for the rest of Asia, the activity of which may help offset any decline in the Chinese market.

In Latin America, specific risk management and control processes were reinforced in 2013, with the following noteworthy measures:

- the introduction of routine risk analyses before validation of the vehicle programming process;
- the reinforcement of Local Integration action plans on vehicle and subassembly projects, with the aim of reducing the Group's exposure to currency risk;
- the strengthening of the currency hedging policy in Latin America;
- the establishment of crisis management procedures in order to react swiftly (particularly in view of macroeconomic tension in Argentina).

4.1.3. CUSTOMER AND DEALER RISK

RISK FACTORS

The Group is exposed to the risk of customer default in the normal course of its distribution and lending activities.

For sales with a buyback commitment, the risk concerns the difference between the vehicle's estimated resale price, as determined at the contract's inception, and the actual resale price.

The provisions and charges recorded in relation to this risk are presented in Note 19.4 for Banque PSA Finance and Note 22 for the industrial and commercial companies in the notes to the 2013 consolidated financial statements in Section 20.3.7 below, on pages 226 and 327, respectively.

RISK MANAGEMENT AND CONTROL PROCESSES

Faced with the risk of customer default, the Group has placed particular importance on the security of the payments it receives for goods and services delivered to its customers. The Group has developed a secure payment policy to avoid credit risks.

Banque PSA Finance has set up its own system for managing the credit risk associated with financing activities (see section 4.3 below).

For Automotive Division sales not financed by Banque PSA Finance, a standard has been issued that specifies (i) the payment and credit terms to be applied to customers according to the type of product (new vehicle, used vehicle, replacement parts, spare parts or subassemblies), and (ii) the level of approval required for granting special dispensation from the rules set out in the standard. Protection mechanisms have been set up to fully guarantee the payment of amounts owed by foreign importers.

The Group has put in place a monthly reporting system to ensure that all of these risk management and control processes are properly applied and Management analyses the key indicators used for the reporting system during its regular business reviews.

A system has also been set up for measuring the residual value of vehicles sold with a buyback commitment. An initial valuation is carried out in the contract negotiation phase and subsequent valuations are regularly performed throughout the term of the contract which enables the values to be adjusted for new contracts where required.

4.1.4 RAW MATERIALS RISK

RISK FACTORS

The Group's Automotive Division and Automotive Equipment Division (Faurecia) are exposed to raw materials risk either as a result of their direct purchases of raw materials or indirectly when purchasing components from suppliers. Raw materials purchases represented 30% of the total purchasing series budget in 2013. They are either industrial products such as steel and plastics whose prices and related adjustments are negotiated between purchasing officers and vendors, or commodities traded on organised markets, such as aluminium, copper, lead or precious metals, in which case the purchase prices of the raw materials or components concerned are based directly on quoted market prices. Raw materials with the greatest impact on production costs are as follows, in declining order:

- for industrial products: steel (38% of total raw material series purchasing costs), thermoplastics and elastomers (24%);
- for traded commodities: aluminium (6% of total raw material series purchasing costs), precious metals (3%) and non-ferrous metals (copper, zinc, lead) (3%).

The Group has identified two main types of raw materials risk:

1. supply risk related to the availability of raw materials;
2. financial risk related to fluctuations in raw materials prices.

"Standard parts" (or Direct Material) concern the purchase of raw material or components used in the assembly of the vehicle, which become the property of the end customer when purchasing his vehicle (e.g.: sheet steel, headlights, bumpers, seats, glazing, wheels, etc.).

The amount of standard parts for Europe (including Russia) amounted to 2013 to €16.9 billion, i.e. 79% of the total amount of Europe purchases.

There are many other types of purchases but a distinction can be drawn between the following:

- purchase of automotive components or accessories (load carriers, towing hitch, mats, etc.) as replacement parts or additional ancillary equipment in the Peugeot and Citroën networks;
- the purchase of capital goods (or investment goods) that concern the Group's production assets: stamping die, paint lines, welding robots, etc. These goods are capitalised in PSA Peugeot Citroën's balance sheet;
- the purchase of industrial supplies (factory consumables for the maintenance of capital goods, individual protective equipment, etc.), provision for general expenses, services (facility management, cleaning, advertising, temporary employees, travel agency, catering, etc.).

RISK MANAGEMENT AND CONTROL PROCESSES

In response to these two risks, the strategy implemented by the Purchasing Department is aimed at fully leveraging a number of measures at its disposal, such as optimising global sourcing, using bulk purchases of raw materials (for both direct and indirect transactions), increasing flexibility in terms of substitute materials, using recycled and green materials, recovering and reusing by-products and implementing financial hedges.

The implementation of this raw materials strategy is managed during quarterly reviews chaired by the Director of Research and Development and the Director of Group Purchasing. It is deployed by technical Purchasing units organised by material, which are responsible for implementing the action measures and regularly monitoring the supply risks.

In order to limit the economic risk in respect of traded commodities, the Purchasing Department and Corporate Finance have set up a medium-term (three-year) financial hedging policy through the PSA International subsidiary. This policy is subject to quarterly reviews, chaired by the Executive Vice President, Finance, and the Director of Purchasing, during which decisions on the positions taken are approved in accordance with rules of governance, updated consumption estimates and major market trends. No speculative positions are taken, and the policy in periods of rising prices is to secure the price of at least 50% of forecast purchases for the coming year and 20% of purchases for the coming two years.

For more details, please refer to Note 36.1 E to the 2013 consolidated financial statements, section 20.3.7, page 367.

4.1.5. SUPPLIER RISK

RISK FACTORS

Given that the parts and components purchased from suppliers represent more than 75% of a vehicle's production cost. The largest supplier represents 10.9% of the purchases, the 5 major suppliers represent 27.2% and the ten major suppliers represent 37.9%.

These companies' technical, quality, logistical and financial performances are critical to the Group's efficient operations and future growth. Failure by suppliers to fulfil their commitments could lead to production stoppages at plants and delays in the commercial launch of new vehicles.

RISK MANAGEMENT AND CONTROL PROCESSES

Suppliers are evaluated, selected and monitored according to various criteria including: competitiveness, quality, logistics performance, the ability to develop new products and manufacture them in large quantities, sustainability, and social and environmental responsibility.

The Purchasing Department leverages its extensive expertise in production costing and raw materials price management and its in-depth understanding of global markets to efficiently manage competitive bidding processes and supplier relationships.

In addition, dedicated teams are responsible for preventive and curative managing of quality and logistics risk, and supply chain sustainability.

In 2012, the Group established a Supplier Development organisation to secure its supplies in terms of quality and logistics, both during the project phase and commercialisation. This organisation also contributes to the ramp-up of suppliers' operational efficiency (lean manufacturing).

In addition, the Purchasing Department's "Supplier Relations Strategy and Supplier Risk" entity analyses the financial results of the Group's main suppliers and compiles information about their industrial strategies, assessing the impact on the supplier base of PSA Peugeot Citroën's make-or-buy policy, analysing the socio-economic impacts of the Group's industrial choices and monitoring suppliers' compliance with the Group's social and environmental specifications, etc. Since the economic and financial crisis of 2008, which greatly affected suppliers, this entity has monitored them closely. The financial results of all suppliers are analysed, which allows those with high risk of failure to be identified. Among them, suppliers exposing the Group to high industrial and financial risk are considered "high risk", and their situation is presented on a monthly basis to the Purchasing Management Committee, which approves action plans and can propose the initiation of secured arrangements. The Secured Arrangements Management Committee, comprising representatives of the Finance Department, the Programmes Department, the Supply Chain Department and the R&D Department, and chaired by the Purchasing Director, meets on a monthly basis to validate and monitor progress on decisions as to secured arrangements.

The unit also continues to monitor the commitments made by the Group during this crisis (faster payments to suppliers and compliance with the High Performance and Best Practices Code), and is actively involved in the work of the PFA, a platform aimed at fostering on-going discussion and exchange between auto industry stakeholders, and the FMEA, a fund established to support automotive equipment suppliers.

In 2013, 74 suppliers were the subject of preventive and remedial action plans, representing approximately 5% of the Group's total purchases, compared with 83 suppliers and 7.6% of total purchases in 2012. This compares with the 2009 peak of 100 suppliers representing 15% of total purchases.

The Group has also changed its process of allocating contracts by supplier sites in order to strengthen its approach to risk prevention in response to geopolitical crises in certain North African and Middle Eastern countries in 2011 and 2012. With this in mind, the Group took action in 2013 to double the means of production for parts needed in significant numbers every day.

4.1.6. INDUSTRIAL RISKS

RISK FACTORS

A major incident such as a fire, a natural disaster, damage to strategic equipment or an obstruction to production could compromise the production and sale of several hundred thousand vehicles.

RISK MANAGEMENT AND CONTROL PROCESSES

For several years, the Group has implemented assertive industrial and natural risk prevention strategies designed to:

- prevent the occurrence of major incidents;
- limit high-risk situations to the extent possible and mitigate their effects;

- ensure that the various Group structures are capable of dealing with emergency and crisis situations;
- promote a risk prevention culture and a resilient response to accidents at all levels in the organisation;
- optimise the transfer to the insurance market of high frequency risks.

The Group's network of local risk managers is responsible for managing risks that could affect the Group's property, plant and equipment and, consequently, its ability to continue operating. They are supported by specialists on operational questions and areas such as fire and natural disaster risks

This overall policy has considerably reduced the risk factors involved and the number of incidents, which has halved in ten years. Its effectiveness has also been recognised by the Group's insurance companies, which have given the majority of the Group's highest risk operations the internationally recognised "Highly Protected Risk" classification.

Industrial risks arising from the Group's international development strategy, particularly the construction or acquisition of production facilities outside Europe, are limited by performing prior studies that take into account the projected needs of the Business Unit concerned, the availability of shared platforms, mechanical assemblies and subassemblies at Group level (encompassing both design and manufacturing capabilities), any partnerships and the local environment.

In the specific area of manufacturing processes, the Industrial Division's risk management system is built on three pillars: the PSA Peugeot Citroën Excellence System, combined with the dynamics of convergence to plant excellence, the Global Risk Management System and the Manufacturing Management Control System. These three systems cover all major risks identified within the Industrial Division. Risk management processes are integrated into the Manufacturing and Components' operational management process and tracked throughout the year. Audits are regularly performed to verify that the applicable standards are effective and respected, and post-audit recommendations are issued where required.

Lastly, concerning the quality of manufacturing processes, the assembly plants have been ISO 9001 certified by UTAC (except for section 7.3 "Design and Development"), to comply with the requirements of European Directive 2007/46/EC, Annex X, "Conformity of production procedures".

4.1.7. ENVIRONMENTAL RISKS

RISK FACTORS

The Group may be exposed to environmental risks arising from its manufacturing and sales activities. These must be managed given the size of the Group's production facilities and the fact that foundries, mechanical component plants, paint shops and/or final assembly plants may exist side by side on the same site.

DESCRIPTION OF THE RISK MANAGEMENT AND CONTROL PROCESSES

The Group is focussed on managing the environmental impact of all its sites. Measures to control pollution and environmental risks have been integrated not only into project specifications but also into later operations.

The Industrial Environment Department coordinates the deployment of the Industrial Division's environmental policy, which aims to reduce the environmental impact of the Group's facilities. This unit is responsible for rolling out environmental procedures for the whole Group, tracking changes in environmental regulations and managing a centralised reporting system that monitors each facility's environmental performance. It also helps sustain the process of continuous improvement.

- Human resources

At each main facility, a dedicated "environmental" protection team is responsible for applying the Group's environmental strategy designed to guarantee full operational control over these risks. The site can also rely on technical support from environmental experts in the Industrial Division and the Research and Development Department.

- Financial resources

The ISO certification programme is supported by annual capital expenditure budgets for projects to reduce environmental pollution and risks and to maintain compliance with the applicable standards.

- Processes

ISO 14001:

Environmental risks have been analysed in accordance with ISO 14001, leading to the identification at each facility of Significant Environmental Aspects (SEAs) of the facility's operations and its integration in the host community.

The analysis, which is regularly updated, serves to identify the major environmental challenges at each plant and to prepare Action Plans to address these challenges, which are approved and monitored by management.

In addition, analyses of past events and regular emergency drills help to optimise the facilities' response capabilities and keep to a minimum the environmental impact of any accident or other incident.

Regular audits by the Internal Auditors and accredited testing laboratories, such as UTAC and SGS, provide assurance that the environmental management system is properly applied.

Worldwide, all of the Automotive Division production plants are ISO 14001 certified, except for the Kaluga plant in Russia, which began operations in 2012 and is expected to be certified in 2014.

All industrial projects are reviewed by the Design Department, the plant concerned, technical department experts and Group environmental specialists in order to identify the potential risks and devise appropriate responses to keep their environmental impact to a minimum.

Hazardous products used at the Group's facilities are managed in accordance with regulatory requirements. These requirements cover, in particular, the handling, storage, use and elimination of the products.

Procedures have been set up to identify all chemicals brought on site and to approve their use by workstation operators, after due consideration of the health, safety and environmental risks.

In addition, these risks are considerably attenuated through construction techniques, such as building workshops over retention basins and using overhead pipe systems to carry polluting liquids. For other risks, regular audits of compliance with environmental procedures are carried out during walk-through inspections by production line managers. Compliance with environmental procedures is also confirmed by ISO 14001 audits.

For more information on the Group's certification process, refer to section 5.3.3.2 below of this Registration Document, page 64.

REACH:

Under the new EU regulatory framework for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), which came into effect on 1 June 2007, PSA Peugeot Citroën is certified as:

- a "producer of articles", and as such has taken the necessary steps to respond to customer queries concerning the possible presence of "substances of major concern" in its products;
- a "downstream producer", and as such is working with other European carmakers (within ACEA, the European Automobile Manufacturers' Association), in a joint initiative with suppliers to ensure that they have taken on Board the new regulations and will be able to (i) ensure the uninterrupted supply of substances and compounds required in automobile manufacturing and (ii) provide the necessary information to use these substances and compounds in compliance with REACH legislation.

For more information on compliance with the REACH regulation, refer to section 5.3.2.3.2 below of this Registration Document, page 58.

European CLP (Classification, Labelling and Packaging) regulation:

With the same objective of limiting risks to people and the environment, the Group has embarked on a major information and training programme for the progressive roll-out of the European CLP Regulation and the new danger definitions and markers it introduces.

As part of its commitment to sustainable and responsible development, the Group cooperates with the public authorities in three separate areas:

- environmental regulations impose regular reporting of information to stakeholders in a specified format. The government agency responsible for the environment performs periodic audits of the Group's facilities to check compliance with environmental standards and regulations. The Group's regular contacts with the agency, both during these audits and on other occasions, provide opportunities for constructive discussions about changes in the facilities' activities and the presentation of best environmental practices;
- the Group's Annual Report and Sustainable Development Performance Indicators, which can be downloaded from the PSA Peugeot Citroën website, inform stakeholders and the public about the Group's projects concerning the industrial environment, the results obtained and the progress made in improving environmental performance.

In compliance with ISO 14001, each facility has developed systems to ensure that all stakeholder requests are duly considered and responded to as effectively as possible.

Lastly, analyses of past events and regular emergency drills help to optimise the facilities' response capabilities and keep to a minimum the environmental impact of any accident or other incident.

4.1.8. WORKPLACE HEALTH AND SAFETY RISKS

RISK FACTORS

As an employer, the Group is faced with a wide range of situations that could affect employee health, safety and well-being. Working conditions can cause situations of stress or discomfort that, in addition to their impact on health, can directly influence employee commitment. Lastly, the Group is exposed to the risk of workplace accidents, due to risky situations or behaviours within or outside the Group's facilities, with the leading cause of employee fatalities being accidents during the daily commute.

Shiftwork, involving repetitive tasks and physical demands, is the main cause of occupational illnesses. In the same way, the use or presence of certain chemicals in production processes or the components of manufactured products may adversely affect air quality, generate pollution or create a risk of explosion. Work schedules and working conditions may be a source of stress or anxiety which, as well as having health implications, directly affects an employee's commitment to his or her job.

RISK MANAGEMENT AND CONTROL PROCESSES

To address these risks, a new Workplace Health and Safety Management System has been established, in line with the Group's ambition to promote Responsible Development, which is based on a System of Health and Safety Management at Work consisting of 22 requirements, applicable to all entities and subsidiaries. The new management approach is based on six fundamental principles:

- executive management involvement;
- structured leadership;
- clearly established and applied standards;
- defined roles;
- alert systems;
- and effective monitoring and improvement resources.

The Group's five priority commitments under the policy are to prevent:

- musculoskeletal disorders by systematically assessing the physical, cognitive and environmental demands of repetitive tasks, in order to take the necessary action. An ergonomic approach is factored in, from the design stage of new workstations or the transformation of existing facilities, to help maintain the health of operators;
- chemical risks by appointing networks of experts to assess all products and substances and recommend risk management measures, and by implementing air quality monitoring plans in all production shops;
- psychosocial risks by continuously monitoring stress levels and their professional causes based on 29 factors, in order to implement appropriate action plans at all levels of the organisation;
- road accident risks based on a road risk prevention manual that provides employees with guidelines on how to use their cars;
- risky behaviour by deploying STOP™ risk observation procedures that help managers develop their ability to detect risky situations or behaviours and take the necessary action.

An assessment covering 18 risk categories is performed for each work unit. This assessment is conducted jointly by managers and the entities' risk prevention professionals. The results are used to develop risk management Action Plans which are prioritised by level of importance.

All Group facilities throughout the world are now participating in this process, using a road map consisting of five increasingly challenging stages which guarantee the continuous progress of each entity in terms of safety. A set of performance indicators has been developed to enable executive management and the management of each division to track performance.

As part of the Workplace Health and Safety Management System deployment plan, all employees including senior management are given training and encouragement in complying with the Group's safety rules.

Audits are performed to check that the system is properly deployed and functions effectively.

4.1.9. RISKS ASSOCIATED WITH THE COOPERATION AGREEMENTS

RISK FACTORS

To speed up its development and bring down engineering and production costs, the Group has implemented a policy of entering into cooperation agreements with other carmakers. This policy forms part of the Group's Worldwide Master Plan, and is underpinned by the dual principles of mutual trust and risk sharing. It applies to both vehicle platforms and subassemblies (gearboxes, engines and electrical components). In addition, the Group regularly grants manufacturing licences to certain industrial partners. For more information on partnerships, please refer to Section 8.1.2 below.

In the pre-signature negotiation phase for cooperation agreements there is a risk that the partner concerned could use the information provided to it by PSA Peugeot Citroën.

Once a cooperation agreement has been signed, the risks faced by the Group are mainly financial, *i.e.* penalties may be imposed in the event of a breach of take-or-pay clauses or to offset the negative impact on component purchase prices caused by reductions in volumes, or overruns or overestimates in respect of R&D expenditure or investments when the partner is acting as project manager.

Whenever a project's profitability is jeopardised, a provision for onerous contracts and/or an asset impairment loss is recorded in the consolidated financial statements to reflect the future costs that will be incurred.

Other risks to which the Group is exposed in relation to its cooperation agreements include the risk of a partner granting licences to a third party without any consideration for the Group or the risk of a partner manufacturing faulty products, which would require PSA Peugeot Citroën to undertake remedial action with its customers and could damage the image of PSA Peugeot Citroën products.

The Alliance between the PSA Peugeot Citroën Group and General Motors, announced on 29 February 2012, resulted in the signing of specific agreements and, in particular, the launch of three industrial projects on 19 December 2012. An amendment to these agreements was added in December 2013, which confirms and sets out two out of the three projects initially envisaged, and which incorporates a new cooperation programme (B segment LCVs).

These contracts include termination clauses, notably in the event that the profitability of one of the industrial projects is inadequate.

In addition, the estimated amount and timing of the synergies* expected from the Alliance, which were reassessed in December 2013, continue to depend on the proper implementation of the industrial programmes, which have ambitious objectives, given the level of competition in the markets in question.

The announced amount of synergies may not be achieved, or may be achieved only at a later time than initially expected. Regarding the reinforcement of the partnership with Dongfeng, please refer to Section 4.6 and Chapters 12 and 22 below for more information.

RISK MANAGEMENT AND CONTROL PROCESSES

To reduce its risk in negotiating contracts, the Group has strengthened the control procedures applied to strategic projects via stricter rules in terms of contract management. This procedure, approved by the Executive Committee in May 2013, lays down the terms of accountability, sequencing (mandate and framing, followed by negotiation, validation before signature, monitoring of contract execution) and approval (Executive Committee, Managing Board).

At operational level, Corporate Finance and the Programmes Department have set up a process for verifying that the partners involved in cooperation ventures comply with their contractual commitments.

Part of this process entails setting up governance bodies for each venture, with a referral procedure for settling any disputes that may arise. The governance bodies allow regular reviews and shared decision-making, notably concerning action plans aimed at rectifying any potential situations of contractual non-compliance and as such mitigating the related risks.

For more details, please refer to Notes 9 and 37.2 to the 2013 consolidated financial statements, in Section 20.3.7 below, pages 307 and 373, respectively.

* *Total synergies, estimated in February 2012 at some $2 million annually within five years, were revised to approximately $12 billion annually from 2018 onwards, represented in a balanced manner between the two groups.*

4.1.10. INFORMATION SYSTEM RISKS

RISK FACTORS

Risks related to the Group's information systems can be categorised as follows, based on their consequences:

- system downtime due to hardware or software failures, physical damage, targeted hacking of systems, computer viruses or unauthorised access;
- damage to data integrity due to hardware or software failures or targeted malicious damage;
- breach of data confidentiality due to lax data access controls (poorly managed clearances, no encryption), or misuse of access rights (identity theft, unauthorised clearance upgrading, etc.).

RISK MANAGEMENT AND CONTROL PROCESSES

A Group Information Systems Security Policy has been established, covering the Automotive and Finance Company divisions.

It is deployed in the operational divisions through governance implemented by the Group Security Department (DSG) in connection with the IT Department (DSIN).

Internal and external audits are carried out on a regular basis within the Group to ensure that the policy is properly applied.

In order to manage the aforementioned risks, the Group implements a range of measures that concern both the design features of its information systems and their use and maintenance. These measures are focused on the following two areas:

- controlling access to sensitive information, especially as the Group's systems are increasingly being opened up to external parties: segregating tasks, periodically reviewing clearances, restricting the number of authorised users, ensuring traceability and encrypting information, etc.;
- guaranteeing that the Group would be able to continue its essential operations if a malfunction or major incident occurred at one of its IT centres: Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP).

4.2. > FINANCIAL MARKET RISKS

The Group is exposed to liquidity risk, as well as interest rate risks, counterparty risks, exchange rate risk and other market risks related in particular to fluctuations in commodity prices and in equity markets. Note 36 to the 2013 consolidated financial statements, on page 357, provides information on risk management, which is primarily carried out by Corporate Finance, as well as identified risks and the Group policies designed to manage them.

4.2.1. EXPOSURE TO CHANGES IN EXCHANGE RATES

Refer to Note 9.1 («Impairment test on CGUs and provisions for onerous contracts of the Automotive Division) and Note 36.1 D («Currency Risk») to the 2013 consolidated financial statements, section 20.3.7 below, respectively pages 307 and 364.

4.2.2. EXPOSURE TO CHANGES IN INTEREST RATES

Refer to Note 36.1 B («Interest Rate Risk») to the 2013 consolidated financial statements, section 20.3.7 below, page 361.

4.2.3. COUNTERPARTY AND CREDIT RISKS

Please refer to Note 36.1 C to the 2013 consolidated financial statements, section 20.3.7 below, page 363.

4.2.4. LIQUIDITY RISK

Please refer to Notes 9.1 and 36.1 A to the 2013 consolidated financial statements, section 20.3.7 below, respectively pages 307 and 357.

4.2.5. CREDIT RATING

Several key factors determine the Group's credit rating and/or may affect its ability to raise short, medium and long-term financing. These factors include the Group's earnings level and volatility, market positions, geographic diversification and products, risk management strategies and financial ratios, particularly the net debt-to-equity and operating cash flow-to-net debt ratios. An unfavourable change in one or more of these factors could lead the rating agencies to downgrade the Group's credit rating, which in turn could drive up its financing costs and make access to the financial markets more difficult. Conversely, an improvement in any of these factors could lead to a rating upgrade.

Following the publication of PSA Peugeot Citroën's full-year results for 2012, on 14 February 2013 Standard & Poor's downgraded Peugeot S.A.'s long-term rating to BB- (short-term rating unchanged at B) and Banque PSA Finance's rating to BB+ (short-term rating B), with a negative outlook for both companies. On 15 February 2013, Moody's Investors Service placed PSA Peugeot Citroën under review for a possible downgrade, extending the review to Banque PSA Finance on 19 February 2013. This review resulted in the downgrade of Peugeot S.A.'s long-term rating to B1 on 10 April 2013 (short-term rating unchanged at Not-prime), followed by the downgrade of Banque PSA Finance to Ba1 on 16 April 2013 (short-term rating unchanged at Not-prime), with a stable outlook for both companies. In early August 2013, following the announcement of the half-yearly results for 2013, Moody's Investors Service revised downward the outlook for Peugeot S.A. and Banque PSA Finance from stable to negative.

After the publication of the full-year results for 2013 and the announcements made on the same day, Standard & Poor's downgraded Peugeot S.A.'s long-term rating to B+/stable on 19 February 2014 (short-term rating unchanged at B) and, as a result, that of Banque PSA Finance to BB/ stable on 21 February 2014 (short-term rating unchanged at B). Moody's Investors Service maintained its ratings (B1 for Peugeot S.A. and Ba1 for Banque PSA Finance), but revised the outlook from negative to stable for both companies on 25 February 2014. The short-term rating has also remained unchanged at "Not-Prime" for both Peugeot S.A. and Banque PSA Finance.

Rating agencies cite the following factors that could lead to a downgrade of Banque PSA Finance's long-term rating:

- a downgrade of the rating of its shareholder, Peugeot S.A.;
- a deterioration in its financial structure;
- and any change liable to result in a belief that Banque PSA Finance would be unable to receive state assistance or support should it need such help.

	Peugeot S.A.	Banque PSA Finance
S&P	B+/Stable/B	BB/Stable/B
Moody's	B1/Stable/Not-Prime	Ba1/Stable/Not-Prime

4.3. > RISKS RELATING TO BANQUE PSA FINANCE'S BUSINESS

Banque PSA Finance (BPF) provides retail financing for new Peugeots and Citroëns and all brands of used vehicles sold by the Peugeot and Citroën dealer networks as well as working capital financing and real estate financing for the two carmakers. The bank also provides wholesale financing for the dealer networks' vehicle and spare parts inventories. It offers individual and corporate customers a comprehensive range of financing solutions (instalment loans, leases with a purchase option and long-term leasing) and related services.

The Bank's loan approval process is totally independent from the dealer network, and from the Peugeot and Citroën brands.

Refinancing decisions and banking relationships are managed at corporate level, based on a set of clearly defined rules governing commitment levels.

Dedicated divisions within the Risk Management Function, the manager of which reports to BPF's Chief Executive Officer, identify, measure, manage and monitor the risks involved in Banque PSA Finance's various activities. It reports on its work to the Bank's Audit Committee and, where necessary, its Executive Committee.

The bank's governance procedures cover risk management, validation of the risk measurement methods and models, risk level setting but also, the processes of identifying the risks and assessing their potential criticality in terms of the management policies adopted and the general economic climate. These different factors are presented to three committees for analysis and decision: the Risk Committee, the Refinancing Committee and the Audit Committee. Members of BPF's Executive Committee and Board of Directors either attend or receive a detailed report of the meeting.

As part of the implementation of the Single Supervisory Mechanism (SSM) entrusted to the European Central Bank (ECB), on 23 October 2013, the ECB announced the criteria for the evaluation of the balance sheet of banks deemed to be significant, which would in principle come under the SSM from Autumn 2014. Banque PSA Finance and 127 other establishments are concerned by this measure. On the same date, the ECB initiated a complete assessment of the balance sheet of these banks, prior to assuming its supervisory role at the European level. This consists of assessing the risk exposure of the banks through a review of the quality and valuation of their assets, assessing the robustness of the banks and boosting confidence in the banking sector. This task, which will end in November 2014, is therefore under way within Banque PSA Finance.

The Banque PSA Finance Group prepared its consolidated financial statements for the year ended 31 December 2013 in accordance with the IFRS (International Financial Reporting Standards), as adopted in the European Union and mandatory as at this date.

BPF has identified 14 macro risks to which it is subject, including the seven major risks described below. Decisions not to treat risks as major risks are attributable either to policies aimed at reducing risks to a minimum or eliminating them entirely (currency risk, interest rate risk, market risk) or to the lesser relative importance of the risks in question (risk related to securitisation transactions, non-compliance risk, reputational risk, insurance activity risk).

Banque PSA Finance's 2013 annual report, available on the website at www.banquepsafinance.com, describes risk factors and risk management for all 14 macro risks.

4.3.1. BUSINESS RISK

RISKS FACTORS

Seven main risk factors influence Banque PSA Finance's activity levels:

- external factors contributing to vehicle purchases;
- public authority policy incentives to purchase new vehicles;
- changes in regulations and taxation that might alter the business or its profitability;
- the sales volumes and marketing activities of the Peugeot and Citroën brands, which determine the number of joint campaigns they run with BPF;
- PSA Peugeot Citroën's rating and, as a knock-on effect, that of Banque PSA Finance, which could increase Banque PSA Finance's refinancing costs or, at the very least, the cost of its refinancing via the financial markets;
- the competitive position of Banque PSA Finance's offering and prices;
- country risk, with management seeking to secure financing locally as far as possible.

MEASURING, MANAGING AND MONITORING THE RISKS

These risk factors are measured at least once a year as part of the budget setting and medium-term plan drafting processes. Budget provisions are reviewed four times in a given year. Business risk is also covered by the stress testing process.

4.3.2. CREDIT RISK

RISK FACTORS

Credit risk is the risk of loss arising from the failure of a customer to meet the payment or other terms of a contract with BPF. While it generally has the ability to recover and resell the financed vehicle following a customer default, the resale value of a recovered vehicle may not be adequate to cover the default loss. Moreover, contractually Banque PSA Finance is not exposed to residual value risk.

Apart from its conservative risk selection policy, credit risk levels are influenced by the economic climate in the countries in which BPF operates, both at the level of defaults and at the level of the market value of the recovered vehicles.

RISK MEASUREMENT, MANAGEMENT AND CONTROL

Risks are assessed on approval of the loan and monthly for all loans in the portfolio.

On approval of the loan, internal or, in a very limited number of cases, external rating models are used to evaluate risk. The internal models are developed and backtested by experts within the central organisation of BPF. Loan selection processes are based on grading models (Corporate) or credit scoring systems (Retail), both of which are centrally managed and controlled (with the exception of partner subsidiaries which are monitored closely). To enhance its effectiveness, the scoring system is adapted according to the specific characteristics of each local market. The effectiveness of the tools used is monitored frequently at headquarters and by the operating teams in France and abroad.

In the retail sector (financing granted to individuals and SMEs), loan approvals are either granted automatically or require further analysis by the analyst or are requested as part of the expert risk analysis systems. The models are enhances with data from external bases, both positive and negative, or with internal information such as the customer's payment history (if he or she is seeking a renewal to purchase a new vehicle).

Decisions are based on strict lending limits. Indeed, Corporate loans require a decision from the local or central Credit Committees.

Subsidiaries and dealerships have access to internal risk measurement models which have been developed and backtested by teams within the central organisation of BPF. Checks are run by local and central risk analysts to ensure the risk measurement tools have taken proper account of any new customer segments.

For the retail portfolio, Basel (IRBA) credit risk models are used for countries for which the ACPR has approved this method (eight at the end of 2013). These models, which are also developed and backtested centrally, provide the default rates, loss rates and then the probability of default and loss given default rates used to calculate the equity requirements for these portfolios. For the Corporate Excluding Dealers and Equivalent activity, two counterparty credit scoring systems have been developed and are regularly backtested, one for France (Basel 2/IRBF model) and the other for countries outside France. They are regularly backtested and any external ratings incorporated are benchmarked. Two systems (France and non-France) are used for loan approvals and on-going loan agreements in the Corporate Dealers segment. The IRBF approach has been approved for the eight countries in which Banque PSA Finance has a Corporate Dealers activity.

Credit risk is accounted according to IFRS standards. Defaulted retail loans and sound loans with past due instalments are impaired at a rate calculated several times each year using a model which estimates the present value of any future amounts recovered based on historic recovery data for bad debts. Non-performing Corporate Dealers and Corporate Excluding Dealers and Equivalent loans are impaired on a case-by-case basis, and account is taken of the value of any guarantees held. These portfolios are impaired as soon as the loan is classed as non-performing if an analysis of the loan in question indicates a loss greater than zero.

The 2013 result includes an additional impairment loss of €20 million related to adjustments to impairment rates on certain financing techniques, in line with the extension of annual backtesting to IAS provisioning of retail portfolios. These adjustments impact France and the United Kingdom in particular.

Risk management procedures incorporate:

- Head Office validation of the products offered by subsidiaries and dealerships, with clear definition of their legal status and any associated guarantees, maximum life, minimum contribution and any thresholds and residual values;
- checks to ascertain the risk of invoicing more than the loan amount or Corporate Dealers/Retail loan duplication;
- loan approvals subject to certain conditions;
- strict lending levels and granting procedures;
- checking the documents provided in support of the loan application and any guarantees required prior to making the funds available.

There is also an enhanced system in place for Corporate Dealers (financing granted to dealers in the Peugeot and Citroën networks) and Corporate Fleets (financing granted to Corporate Excluding Dealers and Equivalent) portfolios which includes:

- pre-determined lines of credit and terms, the credit lines being linked to financial products that in turn have their own lines, bearing in mind that the two are not interchangeable;
- collective guarantees or requirement for guarantees to be produced at the start of the relationship, on renewal, or should credit risk increase between two renewals. The guarantees can be personal, based on specific assets or given by credit insurers. Bank guarantees are also accepted;
- daily monitoring of potential payment issues;
- a graduated alert system which runs from "under review" to "default", including a conditional default system that applies even if the default does not fall into the Basel default category;
- a dealer ratings review system which calculates new ratings, triggered by changes in their financial or commercial indicators;
- stock audits at a frequency appropriate for the dealer's risk profile plus the retention of the Registration Documents and finally loan agreements which provide that financed vehicles may be pledged at any time, subject to the regulations in force in the particular country.

Retail risks are monitored on the basis of:

- changes in the quality of loan applications and loan provision;
- payment behaviour indicators for each technique, customer segment, year of production, etc.;
- Basel risk measurement indicators for current loan agreements.

The risk monitoring indicators are checked by local and central analysts who meet at least bimonthly, more frequently if necessary, to substantiate their analyses. Any areas of risk identified may lead to a change in the risk measurement and control processes.

The principal measures used to monitor risk in the Corporate sector are:

- tracking utilisation of credit lines;
- monitoring the counterparty's financial situation;
- monitoring payment issues and past due instalments;
- monitoring potentially serious situations such as companies who cease trading, rehabilitation proceedings or compulsory liquidations;
- daily monitoring of credit line utilisation (locally or at Head Office), potential payment issues and the findings of the stock audits;
- keeping a very close eye on dealers under surveillance or who have defaulted or fall into the "conditional default" category;
- monthly meeting of a local Credit Committee attended by non-voting Peugeot and Citroën representatives;
- meetings between the bank's central teams and subsidiary or branch personnel at least once a month.

The Banque PSA Finance Risk and Audit Committees are the main bodies responsible for monitoring credit risk at Banque PSA Finance. The Risk Committee also validates the risk measurement models. In certain cases, these may be validated at a Basel 2 Committee meeting attended by members of the Risk Committee.

Note 34 «Cost of Risk» to the annual report of Banque PSA Finance provides details on the changes in the cost of risk and the changes in provisions by client category (Corporate Dealers, Corporate and Equivalent and Retail) depending on the quality of receivables.

4.3.3. LIQUIDITY RISK

RISK FACTORS

Banque PSA Finance's exposure to liquidity risk is dependent on:

- external parameters (Market risk): essentially the situation in the international financial markets;
- internal parameters (Funding risk): principally the Bank's rating, which, because of the methodology used by the main rating agencies, is linked to its parent company's rating.

These risks are potentially lower than in previous years because of the development from 2013 onwards of a customer deposit activity.

Banque PSA Finance raises its finance from bank credit lines and market financing operations, but also has recourse to securitisation programmes and the refinancing transactions available through central banks, principally the European Central Bank. The risk specific to securitisation transactions is described in Banque PSA Finance's 2013 annual report, available on the website at *www.banquepsafinance.com*.

Liquidity risk is the main financial risk to which Banque PSA Finance is confronted. As such, it is the subject of particular attention and vigilance.

RISK MEASUREMENT, MANAGEMENT AND CONTROL

Liquidity risk measurement is based on:

- the intraday liquidity risk and financing requirement, and ten-day and one-month liquidity forecasts to comply with the capital adequacy ratios applicable to the bank. End-of-month projections for the three months beyond the current month are also required, and are updated each month;
- Banque PSA Finance's capacity to refinance its new Retail and Corporate loan provision without a maturity gap, bearing in mind that the bank's internal regulations require that the underlying asset offers sufficient cover to refinance the related asset on maturity.

The risk measurements are stress tested to assess their resilience and their continued ability to meet the liquidity control limits set internally.

There are two mechanisms in place for managing liquidity risk:

- a general policy based on an adequate capital base, diversification of external funding sources and lenders, and a liquidity facility. This policy also aims to achieve full matching (of assets and liabilities over the relevant maturities);
- a series of risk ceilings and indicators, the main ones being:
  - liquidity risk indicators and ceilings to calculate Banque PSA Finance's liquidity risk at the present moment and in the near future,
  - a liquidity coefficient higher than the statutory minimum,
  - having adequate financial security in place to guarantee the continued operation of its activity, without restriction, over a six-month period, assuming that it has no access to the capital markets during this period and is unable to secure new bank loans,
  - stress scenario simulations and a contingency plan.

Risks indicators are calculated daily or monthly, as applicable, and the Refinancing Committee meets every month to monitor application of the general policy, current and anticipated risk levels and compliance with the limits set. It also discusses any measures that need to be taken to further enhance the measurement, management and monitoring of liquidity risk.

4.3.4. COUNTERPARTY RISK

RISK FACTORS

Banque PSA Finance is exposed to counterparty risk from three sources:

- its interest rate risk and operational currency risk hedges;
- investment of its liquidity reserve;
- the delegated management of the Securitisation Fund reserve investments.

RISK MEASUREMENT, MANAGEMENT AND CONTROL

It invests only in money market securities issued by leading banks, in the form of either units in money market funds with capital and performance guarantees from these leading banks or money market notes.

Counterparties undergo a sustainability and solvency analysis and are given a credit rating based on an internal model.

Derivatives transactions are governed by standard ISDA or national agreements, and contracts with the most frequently used counterparties provide for weekly margin calls (98.3% of outstanding loans as at 31 December 2013). Derivative contracts are entered into solely with Investment Grade banks.

Utilisation of these limits is assessed and checked daily, and any breaches of limits are reported on a daily basis. A summary report of any limits exceeded is submitted monthly to the Refinancing Committee and also to the Banque PSA Finance Risk Committee and Audit Committee meetings. Proposed improvements of the counterparty risk measurement, management and monitoring mechanism are submitted to the Banque PSA Finance Refinancing Committee for approval.

4.3.5. CONCENTRATION RISK

RISK FACTORS

The risk of concentration for Banque PSA Finance is the risk related to a high concentration of credit in certain categories of assets or certain industries or refinancing in certain categories of liabilities.

Banque PSA Finance is exposed to several types of concentration risk:

- the concentration risk of each loan transaction;
- the sector concentration risk of loan transactions;
- the concentration risk of its bank loans.

RISK MEASUREMENT, MANAGEMENT AND CONTROL

Concentration indices are used to measure the segment and individual concentration risks of the loan transactions. There are risk ceilings in place in respect of individual and segment concentration risks, and also for the concentration risks of the credit institutions that lend to BPF.

According to the type of concentration risk, the ceilings are submitted quarterly to the Banque PSA Finance Risk Committee or to the Banque PSA Finance Refinancing Committee.

BPF factors in the impact of PSA Peugeot Citroën Group's rating when determining the level of its commitments to the latter.

As at 31 December 2013, risk-weighted loans and commitments to PSA Peugeot Citroën Group entities stood at €252 million, *i.e.* 9.4% of its regulatory capital. On the same date, the ten largest credit commitments of Banque PSA Finance, including those to the PSA Peugeot Citroën Group, represented a total of €2,057 million, or 76.6% of regulatory capital. Listed by type of counterparty, the ten largest commitments break down as follows:

- Banks: €1,256 million, or 46.7% of regulatory capital;
- Corporate Dealers (excluding PSA Peugeot Citroën): €478 million, or 17.8% of regulatory capital;
- Corporate Excluding Dealers and Equivalent (excluding PSA Peugeot Citroën): €324 million, or 12.1% of regulatory capital.

The measurement, management and monitoring of this risk are described in Section 16.5 of the annual report of BPF.

4.3.6. OPERATIONAL RISK

DEFINITION AND RISK FACTORS

Banque PSA Finance defines operational risk as "the risk of loss arising from inadequacy or failure attributable to procedures, bank employees, internal systems or external events, including events that, although very unlikely to happen, would carry a high risk of loss". It is distinct from non-compliance risk and reputational risk, which are described in Banque PSA Finance's 2013 annual report, available on the website at *www.banquepsafinance.com*.

IDENTIFYING AND ASSESSING THE RISK, MANAGEMENT AND MONITORING PROCEDURES

Banque PSA Finance is exposed to any one of the incidents listed in the Basel operational risk categories:

- internal fraud and external fraud;
- employment practices and workplace safety;
- clients, products and business practice;
- damage to physical assets;
- business disruptions and systems failure;
- execution, delivery and process management.

Banque PSA Finance is primarily exposed to operational risks mainly linked to credit risk, external fraud and, to a much lesser extent, the risks inherent in outsourcing activities to contractors or partners.

Banque PSA Finance has produced, and up-dates, a global risk map for all of its activities. In this map, operational risks are identified, given a priority rating of one to four and classed by activity, process and sub-process.

Risk management mechanisms are incorporated into the procedures and operating instructions and second-tier checks are carried out by the permanent control functions. Risk is also managed via decision-making and authorisation rules or special solutions incorporated into the IT systems. Business recovery plans have been drawn up and deployed for central (Head Office) and local (subsidiary and branch) systems. They are tested once a year.

4.3.7. CORRELATION BETWEEN BANQUE PSA FINANCE AND ITS SHAREHOLDER

DEFINITION OF CORRELATION RISK AND THE RISK FACTORS

Given that Banque PSA Finance is part of a group, and that its operations are captive, a number of factors originating within the PSA Peugeot Citroën Group may partially affect the bank's activity and profitability:

- financial and economic factors: the sales performance, financial results, profitability prospects and ultimately the rating of the PSA Peugeot Citroën Group;
- strategic factors: product development and geographical locations;
- factors linked to PSA Peugeot Citroën's reputation and brand image.

MEASURING, MANAGING AND MONITORING CORRELATION RISK

The different risk factors have been classed in order of importance and stress scenarios used to fully understand them. The main correlation risk is the close link between the short- and long-term ratings of the Group and Banque PSA Finance, due to the methodology used by rating agencies. Stress scenarios were used to ascertain the effect on Banque PSA Finance were its shareholder's rating to be downgraded below certain thresholds, specifically if the latter's short or long term rating fell short of investment grade or closed access to specific financial markets. This eventuality was also studied within the context of the liquidity risk contingency plan in place.

4.4. > LEGAL AND CONTRACTUAL RISKS

The PSA Peugeot Citroën Group is exposed to legal risks as an employer and in connection with the design and distribution of vehicles, the purchase of components and the supply of services.

To manage these risks, the Group implements preventive policies covering workplace health and safety, industrial and intellectual property, the manufacturing environment, vehicle safety, product and service quality and the security of the Group's transactions from a legal standpoint.

4.4.1. LEGAL AND ARBITRATION PROCEEDINGS

As of 31 December 2013, no Group company was involved in any claims or litigation that had a material impact on the consolidated financial statements.

During the last twelve months, there were no governmental, legal or arbitration proceedings that may have, or have had, significant effects on the Group's financial position or profitability. To the best of the Group's knowledge, no such proceedings are pending or threatened.

Concerning provisions for claims and litigation, please refer to Note 27.2 to the 2013 consolidated financial statements, Section 20.3.7 below, page 334.

4.4.2. LEGAL RISKS ASSOCIATED WITH ANTI-COMPETITION LITIGATION

RISK FACTORS

Like all economic operators, the Group is exposed, in France and in the countries where it operates, to legal risks related to competition law.

The identified risks have been mapped, and mainly concern the areas of procurement, trade and cooperation.

RISK MANAGEMENT AND CONTROL PROCESSES

To avoid these risks, the Group, both centrally and in the countries where it operates, has internal and external legal counsel, experts in competition law, working closely with the relevant businesses.

In addition, the Group launched in 2013 permanent training in competition law for operational managers who may be faced with the risk of anti-competitive practices. In 2013, the training began in the field of trade. It will continue in 2014, and will be extended within the Group.

4.4.3. REGULATORY RISKS

The nature of the Group's activities and its international presence make it subject to a set of wide-ranging regulations. In particular, the development of new vehicles and subassemblies also exposes the Group to risks arising from constant changes in European and global regulations, particularly in the areas of safety and the environment. The overall trend is towards increasingly strict regulations. The Group's activities may be impacted by public authority policy incentives to purchase new vehicles, as well as by unfavourable changes in tax and/or customs regulations in the countries with which the Group trades.

These requirements are taken into account as soon as possible in the development of vehicles and subassemblies at the project level and in the marketing of these vehicles. For this purpose, the Group has implemented policies and procedures at the appropriate levels to ensure compliance with these regulations. The Group also participates in permanent dialogue with the national and regional authorities in charge of specific regulations for automotive sector products so as to prevent risks related to regulatory changes.

4.4.4. FINANCIAL COVENANTS

The purpose of financial covenants is to protect lenders, and their non-compliance generally opens up early repayment or acceleration clauses. Peugeot S.A. and GIE PSA Trésorerie's €2.4 billion syndicated revolving credit facility demands a ratio of the net debt of manufacturing and sales companies to Group equity of less than one. This ratio was met as at 31 December 2013 (53%).

None of the other manufacturing and sales companies' borrowings are subject to any ratings triggers. However, in certain cases the loan agreements contain guarantee clauses that are standard in the automotive industry. They include the following clauses:

- "negative pledge" whereby the borrower undertakes not to grant any collateral to any third parties. There are however a number of exceptions;
- "material adverse change", which applies in the event of a major negative change in economic conditions;

- *pari passu*, requiring the lender to be treated at least as favourably as the borrower's other creditors;
- cross-default, whereby if one loan goes into default, other loans from the same lender automatically become repayable immediately;
- where the borrower undertakes to provide regular information to the lenders;
- where the borrower undertakes to comply with the applicable legislation;
- where no change in control of the Company is authorised.

In addition, loans granted by the European Investment Bank (EIB), recognised in the balance sheet at 31 December 2013 for a total amount of €737 million, are dependent on the Group carrying out the projects being financed and require the Group to pledge a minimum amount of financial assets.

The OCEANE convertible bonds presented in Note 29.3 to the 2013 Consolidated Financial Statements, section 20.3.7 below, are subject to standard clauses, such as the requirement to maintain a listing for Peugeot S.A. or Faurecia shares.

Faurecia's €1,150 million syndicated loan signed in December 2011 contains certain covenants setting limits on debt and requiring Faurecia to comply with certain consolidated financial ratios. At 31 December 2013, all of the covenants set out in Note 36.1 A to the 2013 consolidated financial statements (section 20.3.7 below) were complied with.

Many of BPF's agreements contain acceleration clauses, requiring it to:

(i) maintain bank status and as such to comply with the statutory ratios for all French banks;

(ii) report a Common Equity Tier One ratio of at least 11% and;

(iii) retain the option of a government guarantee for bond issues.

At 31 December 2013, all these clauses were complied with.

4.4.5. RISKS RELATED TO PENSION AND OTHER POST-RETIREMENT BENEFIT OBLIGATIONS

The Group's employees in certain countries are entitled to supplementary pension benefits under either defined-contribution or defined-benefit plans, as well as lump-sum length-of-service awards paid at the time of retirement. The Group's only obligation under defined contribution plans is to pay fixed contributions into the fund concerned. For its defined benefit plans – which primarily concern France and the United Kingdom – the Group is required to record a provision corresponding to the long-term pension benefit obligation, which generates employee-benefit related commitments in the consolidated accounts. This directly impacts the Group's consolidated income statement.

In addition, the value of the Group's defined-benefit pension obligation can be affected by changes in the underlying assumptions used for the calculations, such as the discount rate applied to future cash flows, inflation rates and demographic assumptions (e.g. the rate of future salary increases, mortality tables and staff turnover, etc.).

In order to effectively control the Group's overall pension liabilities, independent actuaries perform valuations every year in each country concerned, and the assumptions used are regularly reviewed so as to best reflect reality. The Group's pension funds (allocation of financial assets, underlying strength of the models used, returns, etc.) are monitored by Corporate Finance. Lastly, the Group anticipates changes in the applicable accounting standards so that it can identify and effectively deal with their impacts.

For more details, please refer to Note 28 to the 2013 consolidated financial statements, section 20.3.7 below, page 335.

4.4.6. RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS

In the course of its business, the Group patents its innovations and grants or receives rights to use patents or other industrial or intellectual property rights, undertaking all of the usual measures to protect them.

The Group pays careful attention to protecting its intellectual property rights and legal action is taken against producers of counterfeit replacement parts and any other parties that breach the Group's rights.

In 2013 PSA Peugeot Citroën, for the sixth year in a row, finished first in French patent filings, with 1,348 patents published in 2012with the Institut National de la Propriété Industrielle (INPI). This trend is expected to continue in 2014.

For more information on the Group's patent policy, refer to section 11.1 below of this Registration Document, page 156.

4.4.7. OFF-BALANCE SHEET COMMITMENTS

The main off-balance sheet commitments concern guarantees, bonds and endorsements issued by the Group in the normal course of business, as well as commitments undertaken as part of cooperation agreements.

For more details, please refer to Note 37 to the 2013 consolidated financial statements, section 20.3.7 below, page 372.

4.5. > RISK COVERAGE – INSURANCE

With the support of insurance brokers, the Group's Insurance unit has set up worldwide insurance programmes that are placed with companies that have a high insurer financial strength rating, notably for:

- the property and casualty programme, under four policies providing aggregate cover of €1,500 million, with deductible excess amounts of up to €10 million per claim;
- the civil liability insurance programme, under three policies providing aggregate cover of €250 million, with a maximum excess of €0.5 million per claim;
- the vehicle transportation and storage insurance programme, under three policies providing aggregate cover of up to €100 million for damage to vehicles stored on open air parking lots and up to €50 million for damage to vehicles or parts during transportation, with a maximum excess of €0.3 million per claim;
- the fraud programme, under three policies providing cover of €60 million for financial losses caused by fraud or a malicious attack on information systems.

Some of the lead policies under these programmes are reinsured by SARAL (SA de Réassurance Luxembourgeoise), a wholly owned subsidiary of Peugeot S.A.

SARAL is involved exclusively, alongside traditional insurers and reinsurers, in insuring the Group's risks, and in particular, risks regarding property and casualty and losses attributable to business interruption (€16 million per claim and per year), automobile liability (€0.75 million per claim and per year), risks associated with the transportation of vehicles and their storage on parking lots (€15 million per claim and €30 million per year) and fraud risks (€1.5 million euros per claim and €3 million per year).

Allied to its pro-active approach to risk prevention the Group's insurance policy can be summed up as transferring high-level risks to the insurance market and retaining low- and average-level risks through deductibles and the captive reinsurance company.

4.6. > RISKS RELATING TO MAJOR STRATEGIC TRANSACTIONS ANNOUNCED BY PEUGEOT ON 19 FEBRUARY 2014

The implementation of the reinforced industrial and commercial partnership with Dongfeng Motor Group Company Limited is subject to the completion of a set of conditions.

The coming into effect of the reinforced partnership with Dongfeng Motor Group Company Limited is subject to the completion of capital increases of €1,048 million reserved for Dongfeng Motor Group Company Limited (via Dongfeng Motor (Hong Kong) International Co., Limited) and the French State (via SOGEPA) (*i.e.* €524 million for each of the beneficiaries).

A rights issue with preferential subscription rights in the amount of approximately €1,950 million is also subject to subscription commitments (as provided for in the Master Agreement setting out the terms and conditions of the capital increases by the Company) by Dongfeng Motor Group Company Limited (via Dongfeng Motor (Hong Kong) International Co., Limited) for €276 million, the French State (via SOGEPA) for €276 million and EPF/FFP (for an amount that balances their post-transactions stake with that of Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA; the subscription commitment amount of EPF/FFP would be determined at the time of obtaining the AMF's approval for the prospectus for the capital increase with preferential subscription rights); as at the date of this Registration Document, the balance, i.e. maximum €1.4 billion, is guaranteed by a volume put by a banking syndicate. This volume put commitment, subject to the realization of the transactions mentioned below, may be terminated at any time by the banking syndicate under certain customary circumstances, particularly in the event of a material adverse change in the situation of the Company and its subsidiaries, occurrence of some major domestic or international circumstances or unfavourable market events that may seriously compromise the completion of the rights issue or even in the event of non-compliance by Dongfeng Motor Group Company Limited, the French State or EPF/FFP with the terms and conditions of their subscription commitments.

The capital increase with preferential subscription rights will be monitored by the same banking syndicate and will be part of an underwriting agreement signed after obtaining AMF's approval for the rights issue prospectus. This underwriting agreement may not be terminated, except in the event of non-compliance by Dongfeng Motor (Hong Kong) International Co., Limited, SOGEPA or EPF/FFP, where appropriate, with the terms and conditions of their subscription commitments to the reserved capital increase and to the capital increase with preferential subscription rights and their lock-up commitment made with the Company or the non-completion of the reserved capital increase on the day after the AMF's approval for the prospectus for the capital increase with preferential subscription rights is obtained. If the volume put commitment or the underwriting agreement were terminated or if the reserved capital increase were not completed in accordance with their terms and conditions, the capital increase with preferential subscription rights would not be completed on the one hand and on the other hand, the reinforced industrial and commercial partnership with Dongfeng Motor Group Company Limited would not come into force under the stipulated terms and conditions.

Moreover, the reinforced partnership with Dongfeng Motor Group Company Limited was signed between the Company and Dongfeng Motor Group Company Limited on 26 March 2014 with a Framework Agreement establishing the principles of the industrial cooperation and a Master

Agreement whose implementation is subject to obtaining the appropriate regulatory authorisations from the competent Chinese and French authorities. The Master Agreement may however be terminated before Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA sign their subscription commitments (scheduled for the day the AMF approves the prospectus for the capital increase with preferential subscription rights) in the event of the occurrence of a material adverse event, *i.e.* any event, circumstance or change (or series of similar events, circumstances or changes arising from the same factual circumstances) resulting in a material adverse impact on the financial position, shareholders' equity or results of operations of the Company and its subsidiaries (taken as a whole), but excluding any event, circumstance or change resulting from (i) general economic or financial conditions, or (ii) events affecting the industry in general, or (iii) any fact disclosed to the public or disclosed to Dongfeng Motor Group Company Limited or to the French State before 26 March 2014. This clause may only be implemented by Dongfeng Motor Group Company Limited and the French State, acting jointly and in good faith.

Thus, the occurrence of a material adverse event as described above could lead to the termination of the Master Agreement and thus result in the non-completion of all the aforementioned capital increases and the non-implementation of the reinforced partnership with Dongfeng Motor Group Company Limited, which could have a material adverse effect on the Group's activity, results, financial situation, outlook and image.

The completion of the financial transactions announced on 19 February 2014 requires the favourable vote of two-thirds of the members voting in the Company's Extraordinary Shareholders' Meeting.

The Company's Combined Annual And Extraordinary Shareholders' Meeting convened for 25 April 2014 (the "Shareholders' Meeting") is called upon to approve the financial authorisations, which will enable the implementation of the Company's financial transactions announced on 19 February 2014.

These financial authorisations are authorisations of the Shareholders' Meeting given to the Managing Board to:

- issue and allocate free equity warrants ("BSA") of the Company in the ratio of one equity warrant per share of the Company (16th resolution) to the Company's existing shareholders (with the exception of Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA) giving the right to subscribe to a maximum number of 106,454,698 Company shares, based on a ratio of 3 new shares for 10 BSA;
- carry out a capital increase amounting to 523,999,995 euros (issue premium included) by issuing 69,866,666 new shares with a subscription price of 7.50 euros each (issue premium included) in favour of Dongfeng Motor (Hong Kong) International Co., Limited (17th resolution);
- carry out a capital increase amounting to 523,999,995 euros (issue premium included) by issuing 69,866,666 new shares with a subscription price of 7.50 euros each (issue premium included) in favour of SOGEPA (18th resolution);
- carry out a capital increase with preferential subscription rights amounting to a total maximum amount, including issue premium, of two billion euros (19th resolution).

They are supported by resolutions on the appointment of Supervisory Board members and a related resolution on the modification of the issue limit of the OCEANE bonds issued by the Company in 2009, which are reaching maturity in January 2016 (20th resolution).

Each of these resolutions must be approved subject to, the conditions precedent of (i) for financial resolutions, the approval of the other financial resolutions, resolutions on the appointment of Supervisory Board members (with the exception of the renewal of the term of Louis Gallois) and the resolution on the modification of the issue limit of the OCEANE bonds and (ii) for resolutions on the appointment of Supervisory Board members with the exception of the renewal of the term of Louis Gallois the completion of the issue and allocation of BSA and the effective completion of reserved capital increases. Consequently, if one or more financial resolutions, the resolution on the modification of the issue limit of the OCEANE bonds or one of the resolutions on the appointment of Supervisory Board members were to be rejected by the Shareholders' Meeting, the financial transactions announced on 19 February 2014 would not be carried out and thus it would not be possible to reinforce the partnership with Dongfeng Motor Group Company Limited.

As a result, the objectives announced by the Group for improving its financial strength and competitiveness would be jeopardised, which would have a major negative impact on the Group's activity, results, financial situation, outlook and image.

The synergies or objectives expected from the reinforced partnership with Dongfeng Motor Group Company Limited may fail to be achieved.

The Group believes that the reinforcement of the partnership with Dongfeng Motor Group Company Limited should generate synergies of approximately €400 million per year for the Company by 2020.

However, the amount and timing of the synergies announced are based on a certain number of assumptions, which may not be realised. Thus, these synergies are based on the successful implementation of the subsequent steps of the industrial and commercial plan defined by the Company and Dongfeng Motor Group Company Limited as part of the partnership and on the attainment of the common goals of both companies to triple DPCA's vehicle sales volumes by 2020 (*i.e.* manufacturing and bringing to market 1.5 million vehicles per year).

The non-achievement of the announced amount of synergies, or the achievement thereof only at a later date than initially estimated may have a major negative impact on the Group's activity, results, financial situation, outlook or image.

05

INFORMATION ABOUT THE COMPANY

5.1 > HISTORY AND DEVELOPMENT OF THE ISSUER

5.1.1. NAME OF THE COMPANY

The name of the Company is Peugeot S.A.

The name "PSA Peugeot Citroën" refers to the entire Group of companies owned by the Peugeot S.A. holding company.

5.1.2. PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company is registered in the Paris Trade and Companies Register under number 552 100 554. Its APE business identifier code is 7010Z.

5.1.3. DATE OF INCORPORATION AND LENGTH OF LIFE

The Company was established in 1896. Its term will end on 31 December 2058, unless it is wound up before this date or its term is extended.

5.1.4. REGISTERED OFFICE – GOVERNING LAW – LEGAL FORM

REGISTERED OFFICE AND ADMINISTRATIVE HEADQUARTERS

The Company's registered office and administrative headquarters is located at 75, avenue de la Grande-Armée – 75116 Paris, France.

Phone: +33 (0)1 40 66 55 11.

GOVERNING LAW

The Company is governed by the laws of France.

LEGAL FORM

It is incorporated as a *société anonyme* (Joint Stock Corporation) governed by a Managing Board and a Supervisory Board under the terms of the French Commercial Code.

5.1.5. IMPORTANT EVENTS IN THE DEVELOPMENT OF THE COMPANY'S BUSINESS

Founded in 1896, Peugeot S.A. engaged in manufacturing and sales until 1965, when it was transformed into a holding company as part of a legal and financial restructuring of the Group. Its operating activities were taken over by a subsidiary, Automobiles Peugeot.

In 1974, Peugeot S.A. acquired all of the outstanding shares of Citroën S.A. and then merged the two companies in 1976.

In 1978, the Chrysler Corporation sold its European manufacturing and sales operations to Peugeot S.A. In 1980, the newly-acquired companies – which continued to do business under the Talbot marque – were transferred to Automobiles Peugeot.

In 1979, Chrysler Financial Corporation's European commercial financing subsidiaries were acquired, marking a turning point in the development of the Group's finance business.

Aciers et Outillages Peugeot merged with Cycles Peugeot in 1987 and was renamed Ecia. It then became Faurecia in 1998 following its friendly merger with automotive equipment manufacturer Bertrand Faure. In 2001, Faurecia acquired Sommer Allibert's automotive equipment business.

PSA Finance Holding, whose subsidiaries provide financing for Peugeot and Citroën sales, was transformed into a bank in 1995. Its current name is Banque PSA Finance.

The Automotive Division was reorganised in late 1998 to align legal structures with the new functional organisation introduced that year. Automobiles Peugeot and Automobiles Citroën transferred all their motor vehicle development and manufacturing assets to Peugeot Citroën Automobiles and their capital equipment design and manufacturing operations to Process Conception Ingénierie.

In February 2012, PSA Peugeot Citroën and General Motors (GM) signed a Master Agreement announcing a global strategic alliance.

As announced in December 2013, the Group and GM announced further steps in their strategic Alliance. The Alliance remains structured around the main pillars of joint programs, purchasing, and logistics, focused on Europe and is extended into cross manufacturing. The Alliance on manufacturing was established in Europe, with three joint projects and a joint purchasing organisation. For more information on the Alliance, please refer to Chapters 12 and 22 below.

In December 2012, PSA Peugeot Citroën sold 75% of the capital of its subsidiary, GEFCO SA, which specialises in Logistics, to JSC Russian Railways (RZD).

Following the project to increase the investment of PSA Peugeot Citroën and Renault in the capital of the subsidiaries Française de Mécanique (Douvrin, Nord-Pas de Calais) and Société de Transmissions Automatiques (Ruitz, Nord-Pas de Calais), on 19 December 2013, PSA Peugeot Citroën took exclusive control of Française de Mécanique.

On 19 February 2014, the Group announced major transactions for its development projects, including increases in capital of €3 billion, with a free attribution of equity warrants to existing shareholders. For more details, please refer to Chapter 22 below.

5.2. > CAPITAL EXPENDITURE

Please refer to section 10.3.2 concerning the statement of cash flows of manufacturing and sales companies and section 11 concerning "research and development and capital expenditure". In 2013, all the Group's investment programmes were reviewed with the aim of reducing investment and R&D spending in the Automotive Division.

5.3. > ACTIONS IN FAVOUR OF SUSTAINABLE DEVELOPMENT – ENVIRONMENTAL AND COMMUNITY INITIATIVES

This section presents the Group's policy on the environment and community initiatives in favour of sustainable development, the actions carried out in this respect and related indicators.

SCOPE OF REPORTING

Community and environmental information included in this section fall within the remit of the provision of Articles L. 225-102-1 para. 5 of the French Commercial Code resulting from law No. 2010-778 of 12 July 2010 on the national environmental commitment (the "Grenelle" Act) and in line with GRI (Global Reporting Initiative) recommendations.

This information is consolidated and is based on the parent company Peugeot S.A. as well as on all of its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies controlled within the meaning of Article L. 233-3 of the French Commercial Code.

Detailed societal and environmental data as well as information on sustainable development initiatives also covers: the Automotive (PCA), Banking (BPF) and Equipment supply (Faurecia) divisions:

- Automobiles: Peugeot Citroën Automobile's activities (production, research and development and tertiary facilities);
- Banking: Banque PSA Finance (BPF) in the banking and insurance business;
- Equipment: Faurecia.

Faurecia is a listed company, in which Peugeot S.A. has a stake of 51.70%. In accordance with the legal provisions, Faurecia manages its business independently and therefore prepares and publishes its societal and environmental indicators in its own Registration Document.

In compliance with regulations, quantitative data were reported using cross-functional, comparable indicators when relevant.

The scope of reporting does not include subsidiaries jointly owned with other carmakers or cooperation ventures accounted for by the equity method, due to the lack of exclusive control.

In these cooperation ventures, the Group exercises its role as shareholder and industrial partner in a commitment to supporting each venture's long-term development. Therefore it takes its CSR responsibilities just as seriously in these joint ventures as it does in its other operations.

The cooperation ventures report their CSR data at different levels, depending on the management structure in place with the industrial partner.

The Group owns a stake in six automobile manufacturing cooperation ventures:

- TPCA, located in Kolin in the Czech Republic, in cooperation with Toyota;
- DPCA, located in Wuhan, Hubei Province, China, in joint venture with DongFeng Motor Corp;
- CAPSA, located in Shenzhen, China, in joint venture with China Changan Automobiles;
- Sevelsud, located in Val di Sandro, Italy, in cooperation with Fiat;
- Française de Mécanique, located in Douvrin, France, in cooperation with Renault;
- PCMA Automotiv RUS, located in Kaluga, Russia, in cooperation with Mitsubishi Motors Corp.

In 2007, at the Group's initiative and with the agreement of co-shareholder Dongfeng Motor Corp., DPCA published its first Sustainable Development Report – the first such report ever prepared by a carmaker in China.

Française de Mécanique, in joint venture with Renault until 19 December 2013, the date on which the Group took control, was not fully consolidated in the 2013 reporting, but it will be included in the 2014 reporting.

The structure of the cooperation venture with Mitsubishi Motors Corp. is included in the societal and environmental reporting.

Other items, including examples of actions undertaken, are described in greater detail in the CSR (Corporate Social Responsibility) publications for each of the entities. The Group's CSR policy and Faurecia's Registration Document notably describe the policy, commitments and results of the automobile, banking and equipment supply divisions.

THIRD-PARTY AUDIT

The process of collecting social and environmental information on the industrial sites, commercial subsidiaries, trademarks and the banking subsidiary Banque PSA Finance (BPF) published in this report, which meet the requirements of Articles L. 225-102-1 and R. 225-105 of the French Commercial Code, which are based on the Grenelle 2 Law, were verified by an independent firm (Grant Thornton) and the certification is included in Chapter 23 of this Registration Document.

Faurecia commissioned an independent body, which audited the Company's quantitative and qualitative data in light of the Grenelle Law.

Its findings were communicated to Grant Thornton, which included them in its auditor's report.

Data required by the Grenelle 2 Law are indicated with icons numbered from G1 to G42.

The certification on the content and accuracy of the information by the independent firm Grant Thornton is available in full in Chapter 23 of this Registration Document.

5.3.1. CORPORATE AND SOCIAL RESPONSIBILITY: AN INTEGRAL PART OF GROUP STRATEGY G.20

Faced with the challenges of sustainable development, companies today are rethinking their business models in terms not only of products and services, purchasing and human resources, but also of CSR.

They are committed to operating more responsibly, in spite of the tough economic climate and strong headwinds confronting numerous sectors.

At the Group, this commitment is stronger than ever – despite being particularly hard hit by the downturn in the automotive market – and remains a pillar of the Group's strategy.

Its approach to CSR is based on three foundations that broaden its scope to include more than just cars.

The Group is positioned as:

- a sustainable mobility specifier that in particular is committed to reducing its environmental impact;
- a full-fledged partner to its host communities;
- the initiator of an innovative, responsible human resources policy.

Within the Group, the Sustainable Development Department reports to a member of the Executive Committee. This cross-functional department manages the CSR process, backed by a network of correspondents in each of the Group's major departments. It recommends CSR initiatives to the Executive Committee, which approves them in an annual review process and oversees their implementation.

PSA PEUGEOT CITROËN, SETTING THE STANDARD IN SUSTAINABLE MOBILITY

The market leader in numerous technologies and the first volume carmaker to offer them across the model line-up, the Group has focused its R&D (Research & Development) strategy for the next four years on reducing its environmental impact, developing on-board intelligence and responding to the challenges of urban mobility.

LEVERAGING CLEAN TECHNOLOGY TO SHRINK THE GROUP'S ENVIRONMENTAL FOOTPRINT

Every year, the Group makes considerable investments to reduce the CO_2 emissions of the vehicles its sells. Improvements in engine efficiency, combined with programmes to make vehicles lighter and more aerodynamic, have enabled the Group to shrink average emissions per vehicle to 115.9 g/km of CO_2 in Europe at end 2013. This puts the Group firmly on track to meet the EU target of 95 g/km of CO_2 by 2020, making the Group one of Europe's best-performing carmakers in terms of CO_2 emissions.

At the same time, since the majority of customers will continue to favour internal combustion engines, the Group is pursuing its initiatives to reduce fuel consumption and thus emissions:

- 2000: first diesel vehicle quipped as standard with a particulate filter;
- 2009 and 2010: market launch of a number of diesel-powered vehicles emitting less than 99 g/km of CO_2;
- 2010: wider use of micro-hybrid e-HDi technology, which automatically shuts down the internal combustion engine when the vehicle is at a standstill, thereby reducing fuel consumption as well as CO_2 emissions by up to 15% in city use;
- 2011: launch, in a world first, of HYbrid4 technology, which combines a diesel internal combustion engine and an electric motor. This innovation is currently available on the Peugeot 3008 and 508 sedan and RXH and the Citroën DS5. These models can operate in full electric mode from start-up and for the first three to four kilometres, up to speeds of 60 km/h. Then the internal combustion engine takes over and recharges the battery, notably every time the vehicle decelerates;
- 2012: market launch of new three-cylinder petrol engines that emit less than 95 g/km of CO_2. Unveiling of the HYDOLE project, a diesel hybrid plug-in prototype that emits less than 50 g/km of CO_2.
- 2013:
  - unveiling of the Hybrid Air prototype car with a full hybrid powertrain that combines a petrol engine, compressed air and hydraulic power,
  - unveiling of the Group's new global platform, EMP2: Efficient Modular Platform 2. This new generation platform provides effective solutions in terms of modularity, equipment and carbon reduction,
  - market launch by the Group of the first diesel vehicle equipped with the Blue HDi exhaust line (SCR - Selective Catalytic Reduction), thus allowing for a massive reduction in nitrous oxide emissions.

Moreover, as cities install the necessary infrastructure, electric vehicles will increasingly become a plausible alternative solution, especially for urban use. A pioneer in this sector, the Group was the first European carmaker to bring to market electric utility vehicles with the Citroën Berlingo and Peugeot Partner. In 2010, the Group strengthened its position with the Peugeot iOn and Citroën C-Zéro, two consumer EVs. In 2011, Peugeot rounded out its product line with the fully electric e-Vivacity plug-in scooter. In 2012 the Group was Europe's leading EV manufacturer for the second year in a row. In 2013, its EV line-up was enhanced with two new light utility vehicles.

A CAREFUL SELECTION OF MATERIALS AT EVERY STAGE OF DESIGN FOR CITROËN AND PEUGEOT MODELS

To pursue this path, the Group has been developing eco-design processes. Its R&D is focused on incorporating renewable materials into its models, and especially into polymers, beginning in the design stage.

The Group uses three different types of renewable materials: recycled plastics, natural materials (wood, vegetable fibres, etc.), and bio-sourced materials (polymers not made from petrochemicals but from renewable resources).

As a result, starting in 2012, 25% of the materials in the Peugeot 208 (excluding steel) are bio-sourced or recycled. This eco-design approach will be applied to all Peugeot and Citroën models in the coming years so that they incorporate green materials. This strategy was continued in models launched in 2013, like the new Citroën C4 Picasso.

At the same time, the Group is committed to optimising the use of natural resources and to limiting the environmental impact of its end-of-life products. It conducts life cycle analyses to measure all of a vehicle's environmental impacts from the drawing Board to end-of-life recovery and recycling, with the goal of choosing the most appropriate technologies and materials for use in new vehicle projects.

AN INDUSTRIAL GROUP COMMITTED TO REDUCING ENVIRONMENTAL IMPACTS

For the Group, the production of low-carbon vehicles requires manufacturing facilities capable of effectively managing their own impacts and addressing key environmental challenges by:

- helping to combat climate change;
- limiting pollution including air and wastewater emissions;
- protecting the natural environment and biodiversity and limiting the use of natural resources, most importantly water;
- reducing and more effectively reusing waste.

Today over 500 employees are directly involved in managing the environmental impact of the Group's manufacturing processes.

The Group has undertaken major modernisation projects at its Sochaux and Mulhouse plants to replace old boilers with new gas-fired ones using the latest technology, in order to cut the plants' combustion emissions. These projects started in late 2011 and should be completed in 2014. Finally, the Group's plant in Vesoul, France finished phasing out the use of heavy fuel oils starting in 2012 with the installation of new natural gas and biomass boilers – thereby allowing the plant to generate the heat it needs while shrinking its carbon footprint

The Group is continuing to deploy energy-efficiency measures throughout the organisation, enhance its Environmental Management System (EMS) at all plants, and encourage its dealership network to pursue similar initiatives. The Group's environmental measures also extend to its suppliers, through clauses in supply agreements that require compliance with specific CSR criteria.

EFFECTIVE RESPONSES TO EMERGING URBAN MOBILITY CHALLENGES

By focusing on efficient design, the Group has responded proactively to new consumer expectations by enhancing its existing services line-up and developing new customisable mobility solutions that have already been introduced in several European countries:

- Mu by Peugeot, which lets consumers select the vehicle they need for each type of use;
- Citroën Multicity, which enables cars to be linked to a city's other means of transport;
- Share your fleet, the new car sharing solution from the Group targeted towards car fleets unveiled at the 2013 Frankfurt Motor Show.

Mu by Peugeot is now available in seven European countries and over 100 dealerships. The target is to add over a hundred new sites a year. The service has already received several innovation awards in Germany, Belgium, Spain and the United Kingdom.

Citroën Multicity offers pioneering new services to meet today's mobility needs. These services include:

- peer-to-peer carsharing, introduced in June 2012, whereby a car owner lends his vehicle to another person for a short period of time. This lets the owner earn extra money from his car as well as enables the renter to have the use of a car under safe conditions when he needs one;
- carpooling, which lets people save money, reduce CO_2 emissions and have company for long commutes;
- 100% electric carsharing in Berlin: Citroën Multicity Auto-partage Berlin, an EV carsharing service introduced in Germany's capital on 30 September 2012. This service uses Citroën's C-Zéro electric vehicles. In addition, the Group has made road safety an essential component of responsible mobility.

Share your fleet, the new carsharing product developed and marketed in cooperation with SIXT AG, was launched in Germany in July 2013 and is targeted toward businesses and local governments. It offers the following advantages:

- a 30% reduction in mobility costs thanks to the optimised use of vehicles, lower taxi/public transport costs and additional receipts generated by private use;
- a service that employees will want to use: 24/7 access to high-end models, very flexible use (reservations up to 15 min before departure) a wide selection of models (city cars, sedans, Sport Utility Vehicles, Light Commercial Vehicles and Electric Vehicles).

Its advanced safety equipment is available on all the Group's ranges and is largely affordable. This equipment includes the eCall emergency call service, a distance alert system, and a smart cruise control system for use in moderate traffic that adjusts the car's speed to that of the car in front of it. The Group is also pursuing its on-Board intelligence research projects to develop tools that provide users with access to a wide range of customised services designed to make travelling easier.

PSA PEUGEOT CITROËN, A FULLY-FLEDGED PARTNER TO ITS HOST COMMUNITIES

Interacting with Civil Society

In recent years, the Group has focused its community commitment on mobility as a means of fostering social ties and helping to get people back into mainstream society.

- The PSA Foundation, created on 18 June 2011, supports social, educational, cultural and environmental projects related to mobility – an area in which the Group is active. This mission is embodied in the Foundation's "A World on the Move" slogan. In the two years since the Foundation has been active, it has provided support in the form of funding, equipment, and volunteer time to over 200 projects, drawing on a network of 20 regional delegates and close to 150 Group employee volunteers.

  The Foundation's initiatives reflect general interest structures around the world: 79% of projects are located in France and 21% overseas, with special emphasis on the Group's areas of development.

  To carry out its mission, the Foundation is backed by a multi-year action plan with a five-year budget of €10 million. In 2013, the Foundation donated a total of €2.1 million to various charitable organisations. These donations target five key areas:

  a. "Mobility and integration" (47% of budgeted funds in 2013). This refers to initiatives to help people join the workforce;
  b. "Mobility and emergency outreach" (17% of budgeted funds in 2013). This refers to initiatives to assist highly disadvantaged people at risk;
  c. Mobility and educational and cultural action (24% of budgeted funds in 2013). These programmes use mobility to promote equal opportunity and give at-risk youth a second chance;
  d. "Mobility and disability" (7% of budgeted funds in 2013). The goal of this programme is to increase autonomy and improve the quality of life for disabled persons;
  e. "Mobility and the environment" (5% of budgeted funds in 2013). Mobility and the environment initiatives seek to build awareness among people of all ages of sustainable mobility and the preservation of biodiversity.

  The Foundation also donates skills by sending volunteer managers to work with the charities it supports. These are typically long-term assignments to provide technical assistance.
- Through its Peugeot brand, the Group joined forces with France's National Forestry Service (ONF) in 1998 to initiate a carbon sink project in the Amazon. The project involves reforesting a large plot of degraded land in Brazil, with the goal of sequestering carbon and supporting research work on the greenhouse effect and biodiversity. In 2012, the project partners set up PETRA, an experimental platform for the management of Brazilian Amazon rural lands. This programme will supplement the annual support provided to French and Brazilian PhD students for research in priority areas for carbon sink technology (like forestry, biodiversity and carbon capture).

Supplier Relations: Creating a Lasting Competitive Advantage

The Group leverages its relations with suppliers with the goal of becoming more competitive in terms of cost-effectiveness, quality, innovation and the creation of shared value.

Since it began in 2009, the Excellence in Supplier Relations programme, which provides advantages upstream of automotive projects, has been critical in every one of its aspects, such as: R&D, technical and manufacturing. In this way, the Group has built a superior relationship based on value creation with a panel of 15 global suppliers who are involved in the inputs to the Group's strategic directions, all in a "win-win" scenario. The goal of this approach is that each partner will share its know-how and establish a long-term relationship aimed at continual progress.

As a complement to this programme, the Group will by 2015 certify some one hundred major suppliers as able, because of their strong financial structure and capacity to innovate, to help further the development of the Group, especially internationally.

For the Group, forging solid, lasting supplier relationships also requires compliance with the Group's social and environmental standards and continuously improves their performance in this area.

The Group is also pursuing its local integration strategy, choosing suppliers that operate near its production facilities. By increasing the percentage of local purchases, the Group is demonstrating that its operations support the economic development of its host regions and countries.

PSA PEUGEOT CITROËN: DEPLOYING A RESPONSIBLE HUMAN RESOURCES POLICY

Human Resources: a Key Performance Driver for the Group

PERSONALISED CAREER DEVELOPMENT SUPPORT

To support its talented employees and help them develop their skills, the Group relies on PSA University, opened in April 2010 to play an ever-greater role in driving the Group's transformation. The University's mission is to transmit – around the world – skills, capabilities and attitudes that comply with the Group's values and strategic objectives.

In 2011, two branches were opened outside France – one in Sao Paulo, Brazil and one in Shanghai, China – to share the Group's corporate values and work methods with employees in other regions.

In early 2012 the Group rolled out the "Mobility 2012" initiative, to underscore its commitment to responsible development and better manage its restructuring operations. "Mobility 2012" offers employee mobility opportunities for those wishing to broaden their horizons and work in "sensitive" business.

This programme has two components:

- an internal programme called "Top Competences" so employees can move into fields where the Group has large HR needs or where the Group needs to balance out its workforce;
- an external programme for employees who want to leave the Group to start their own business, acquire an existing business, take retraining leave, or take a job with another company.

During the transition period, HR and career support staff will meet with these employees in the Group's Employee Mobility and Career Development Offices to answer employees' questions and give them personalised advice. The Group's number one priority is to make sure that employees are not left to manage their career on their own.

This effective dialogue is particularly important when the Group is going through periods of strained labour relations. Accordingly, as part of the Group's turnaround plan, on 24 October 2013 the Group signed with its employee representatives a "New Social Contract." The agreement is designed to involve employees in the Group's recovery and to maintain the Group's industrial and technological base in France beyond 2016, while preserving employees' basic interests.

The Group also celebrates the diversity of its people and their cultures and makes equality and respect for differences one of the founding principles of its responsible HR policy. The deployment of the Worldwide Diversity Commitment has provided the Group with a reference document. It contains seven founding principles designed to enable teams to take into consideration gender balance and diversity issues and the challenges they represent. Already the recipient of various French employee diversity and gender equality awards in recent years, in 2011 the Group obtained the first certification granted under the Gender Equality European Standard.

A COMMITMENT TO HEALTH AND SAFETY

The Group's occupational safety and health policy is implemented through its Occupational Safety and Health Management System. All Group facilities are involved in this structured approach, which in four years has amply demonstrated its effectiveness. The Group believes that the only acceptable goal is an accident-free workplace, and that it cannot develop its business without first ensuring employee safety. The Group focuses its efforts in this area on five key priorities: the prevention of musculoskeletal disorders, the elimination of chemical-related, psychosocial and road safety risks, and the detection of situations that put employees at risk.

The improved occupational safety and health performance at the Group's operations and divisions clearly shows that it has embarked on a process of continuously improving its safety and health indicators. The goal is to pursue this path, focusing efforts on both individual and team behaviour to transform the Group's safety culture over the long term. By 2014, the Group's aim to reduce its lost-time incident frequency rate (for employees and temporary staff) by one point was a goal shared by everyone in the organisation.

In 2010, personal safety objectives were set up for all managers and safety was included in discretionary profit-sharing plans to give all employees a stake in the Group's safety results.

DEVELOPMENT SUPPORTED BY INTERNATIONAL DIALOGUE

The Group's commitment to social dialogue is being pursued around the world through international forums for dialogue and discussion, such as the European Works Council and the Joint Union-Management Strategy Committee. This dialogue fosters social cohesion within the Group based on powerful values such as solidarity, tolerance and commitment. It also reflects the Group's determination to extend best human resources practices throughout the organisation and to promote such strong principles as respect for human rights, equal opportunity, diversity and occupational safety and health.

The effectiveness of this dialogue can be seen especially during periods when the Group is experiencing strained labour relations. The Group's management works closely and on a permanent basis with labour unions and government representatives to find mutually-acceptable solutions that will limit the job losses stemming from its restructuring plans.

In 2003 the Group pledged to uphold and promote the ten principles of the United Nations Global Compact, an agreement inspired by the Universal Declaration of Human Rights. This public commitment is the basis for the Group's Global Framework Agreement on Social Responsibility. The Agreement was signed by more than 90 labour unions around the world and applied by all Group subsidiaries in all host countries in 2006. It was renewed in 2010 to include a new objective related to environmental protection.

BEHAVIOUR GOVERNED BY THE GROUP'S ETHICAL STANDARDS

In line with its history and a corporate culture based on respect and responsibility, the Group asks all employees to comply with its standards of behaviour when meeting the Group's economic, social and environmental responsibilities. Formally presented in a Group charter, the guidelines apply to all subsidiaries in which the Group holds a majority stake (with the exception of Faurecia, which has its own Code of Ethics) and in all countries.

This ethical commitment is backed by a system that has been strengthened since 2010 and gradually extended as follows:

- 2010: creation of a corporate ethical governance structure, the Ethics Committee; deployment of a concrete, up-to-date version of the Code of Ethics in eight languages; pledge by all senior managers worldwide to support the Code of Ethics via an e-questionnaire;
- 2011: creation with 12 Chief Ethics Officers of a network to relay the Ethics Committee in the main regions and deployment in 20 countries of the Code of Ethics translated into 15 languages. At end-2013, 21,890 employees in 20 countries took part in an ethics e-learning module and signed the Code;
- 2012-2013: pledge by all concerned Group employees to support the Code (including in Russia and China) and the introduction of additional alert systems and tools to combat fraud.

5.3.2. INITIATIVES UNDERTAKEN TO PRESERVE THE ENVIRONMENT AND NATURAL RESOURCES

The Group teams (including Faurecia's teams) are proficient in the eco-design process, which helps to shrink a vehicle's environmental footprint to a minimum at every stage in its life cycle, by improving fuel efficiency, reducing emissions of carbon andother pollutants, using natural resources reasonably and enhancing recyclability. In addition to ensuring that its vehicles comply with local environmental legislation, eco-design also ensures that the Group will stay ahead of the competition in terms of sustainable mobility.

As part of its commitment to sustainable development, the Group dedicates a very substantial portion of its technological research efforts to clean technologies that help to shrink its vehicles' environmental footprint by:

- improving fuel efficiency and reducing carbon emissions;
- making vehicles lighter, which in turn increases fuel efficiency and reduces raw materials consumption;
- using green materials that are recycled or bio-sourced.

THE ORGANISATION OF THE GROUP SO AS TO TAKE ENVIRONMENTAL QUESTIONS INTO CONSIDERATION IN THE PRODUCT AND SERVICE DESIGN PHASE G.20

Automotive Division (including PCA)

Within the Automotive Division, the Research and Development Department reports to the Executive Committee. With close to 15,000 employees worldwide, R&D does all the work on technological innovation for the Group, concentrating on three main areas:

- low-carbon vehicles: to meet the challenges of the environment, the depletion of fossil fuels and changing lifestyles;
- design, concept and styling for flawless perceived quality;
- services, working with Peugeot and Citroën Marketing, to think through the future of connectivity and mobility (multi-modal transport and onboard intelligence).

The Programmes Department continuously monitors implementation of the solutions chosen throughout the development of vehicle projects and measures their efficiency: usage of green materials, CO_2 emissions. A dedicated entity oversees the Group's end-of-life vehicle policy.

Banque PSA Finance

Within the BPF subsidiary, two separate central teams devote their efforts to product design, a Financing Products marketing team and an Insurance Products marketing team. Their respective ranges are designed in close consultation with the marketing teams for the two brands. The result is a single BPF product plan, which integrates the brands' input to support the marketing of low-emission Peugeot and Citroën vehicles through appropriate and innovative financing products and services. Operational marketing teams in the BPF subsidiaries adapt the offerings to local markets with regard to laws, practices, language, etc.

Faurecia

Depending on the engine type and driving cycle, decreasing the average vehicle's total mass by 100 kg reduces CO_2 emissions by approximately 8-10 g per kilometre driven. Since Faurecia's products can account for up to 20% of a vehicle's total weight, Faurecia plays a key role in making vehicles lighter and more fuel efficient, thereby reducing greenhouse gas emissions and reducing the consumption of raw materials for their manufacture. Through its Emissions Control Technologies business, Faurecia also makes a significant contribution to lowering emissions and reducing noise pollution.

In order to grow, and to make lighter and cleaner, Faurecia takes environmental factors into account at all stages in the product life cycle, from product design to product end-of-life.

Overall Research and Innovation performance is based on three strategic focuses: a system approach, optimising product and process design, and managing technological change.

- System approach: Faurecia develops and supplies systems and sub-systems such as seats, front-end modules, cockpits, exhaust streams, etc., that are frequently delivered as complete modules featuring Faurecia's own proprietary design.
- Product and process design: once a system has been identified and its use has been determined, product/process design may begin. Products and their technical and economic performance are optimised by harnessing the expertise of the design teams, creating standards and managing knowledge and the ability to simulate phenomena.
- Technological focus: this is based on a network of in-house expertise and the integration of companies with unique expertise, or on partnerships with universities and it enables Faurecia to achieve the best product/process system design fit and to optimise the components of the process.

Faurecia entrusts the strategic challenge of innovative and efficient product development to two of its main divisions:

- the Research and Innovation Unit, which covers upstream activities prior to programme acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering to its customers, which it achieves by designing new products and technologies and developing generic products and processes;
- the Programme Engineering Unit, which covers vehicle programmes. It is a downstream unit responsible for ensuring that programmes are completed within the set timeframes and in compliance with the required cost and quality levels.

RESOURCES COMMITTED TO PREVENT ENVIRONMENTAL RISKS AND POLLUTION G.22

Automotive Division

Data relating to the Automotive Division (including PCA) are presented in section 11 of the Registration Document.

Faurecia

R&D accounted for €916 million of total expenditure in 2013 (5.1% of sales). Of this, €100 million was spent on innovation over the same period.

Five thousand five hundred engineers and technicians based at over 30 centres across the globe represent the Group's R&D community. Five hundred patent applications were submitted in 2013.

Technological development and innovation are key priorities for Faurecia. In support of this priority, in 2013, Faurecia strengthened its policy of outreach to academia. After the productive launch of advanced projects with the Fraunhofer Institut für Chemische Technologie (ICT) in Germany and through chairs for sponsored research established at the l'École Supérieure d'Electricité (Supélec) and the l'Ecole Supérieure d'Ingénieurs en Génie Electrique (ESIGELEC) for mechanical electronics and the École Centrale de Paris (ECP) and the Technische Universität Munchen (TUM) in Munich for assembly lines and logistics, the Technische Universität Dortmund (TUD) for metallic materials and their fabrication, a new chair was created at the Freiburger Materialforschungszentrum of the University of Freiburg (FMF) and the SKZ Würzburg, both in Germany, for the chemistry of plastics and biomaterials. Industrial chairs are medium-term bilateral agreements between industrial firms and academic laboratories that focus on technological subjects or innovative processes. They bring professors together with doctoral, post-doctoral and/or masters students in a given speciality for an average period of around five years.

Faurecia has also deployed an ambitious in-house skills management policy. Over three hundred experts are now skilled in the Group's 67 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise.

General Management's involvement in monitoring innovation plans via "Technology Leadership Seminars", "Technology Sessions" and participation in the Experts' Forum, shows that the Company is committed to technology and innovation, believing these to be key drivers of its success.

In 2013, the Group's continuous innovation work resulted in the filing of about 500 new patents. This number is considerably higher than for the previous year, when about 460 patents were filed, confirming Faurecia's commitment to innovation. These patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimise the entire product value chain.

In 2013, R&D's commitment to innovation was embodied by the opening of a new development centre in Shanghai (China) for the Automotive Seating, Interior Systems and Automotive Exteriors divisions.

5.3.2.1. COMBATTING GLOBAL WARMING AND ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE G.22 G.32

Looking forward to 2020, the automobile industry will have to become more energy efficient and environmentally friendly.

In Europe and Brazil, emissions regulations focus mainly on environmental protection. The procedures to manage emissions in China also aim to consolidate the country's energy independence.

At the same time, tax incentives, the trend toward urbanisation in all markets and the spread of limited-access downtown areas and low-emission zones are speeding the development of more environmentally responsible technologies.

Against this backdrop, the Group aims to consolidate its position as an environmental pioneer. The Group is developing a range of increasingly fuel-efficient, low-carbon cars that continue to meet the growing mobility needs of individuals, giving them access to employment, education and healthcare, while complying with regulatory standards.

The Group's current strategy is based on a segmented approach by major market and customer type (passenger car and utility vehicle, depending on type of use, expectations and budget) with a low-carbon vehicle for each segment. In 2013, the Group introduced high-volume vehicles in each European market segment that are well positioned in terms of carbon emissions.

5.3.2.1.1. CO_2 Performance

HIGHLY FUEL-EFFICIENT VEHICLES LAUNCHED IN 2013

			g/km of CO_2
Peugeot	208	1.2L e-VTI 82 hp ETG5 Blue Lion	95
Peugeot	208	1.6L e-HDI FAP 92 hp BVM5 Blue Lion	85
Peugeot	2008	1.6L e-HDI FAP 92 hp ETG6 Blue Lion	98
Citroën	C3	e-VTi 82 Airdream ETG	95
Citroën	C3	e-HDi 90 Airdream BVM	85
Citroën	C4	e-HDi 115 Airdream BVM6	95
Citroën	DS3	e-VTi 82 Airdream ETG	95
Citroën	DS3	e-HDi 90 Airdream BVM	85

Launches of this type of vehicle will continue in the years ahead.

As part of this approach, the Group is planning to deploy a wide array of technological solutions structured around the following main objectives:

- optimising powertrains for petrol and diesel engines, including more widespread use of Stop & Start systems;
- improving the overall fuel efficiency of its vehicles, in particular by optimising vehicle architecture (aerodynamics and mass) and equipment (tyres, etc.);
- deploying hybrid technologies with different-size engines and battery capacity to meet a wide range of types of use and budgets. Bi-modal and hybrid plug-in technologies will account for a significant portion of the market in the decade 2020-2030, both for passenger cars and light utility vehicles;
- developing electric vehicles for both fleets and individual customers, as cities install the necessary infrastructure and battery costs decline.

In Europe, after selling over 50 % of PC/LCV vehicles with emissions of less than 110 g/km of CO_2 in 2013, the Group has continued its efforts to achieve the target for 2015 of having more than 60% of the vehicles it markets issue less than 100 g/km of CO_2.

To consolidate its environmental leadership over the medium term and looking forward to 2020, the Group aims to systematically offer:

- vehicles with “very low” fuel consumption but that still deliver superior features and equipment;
- best-in-class carbon performance for high-volume vehicles in the main market segments.

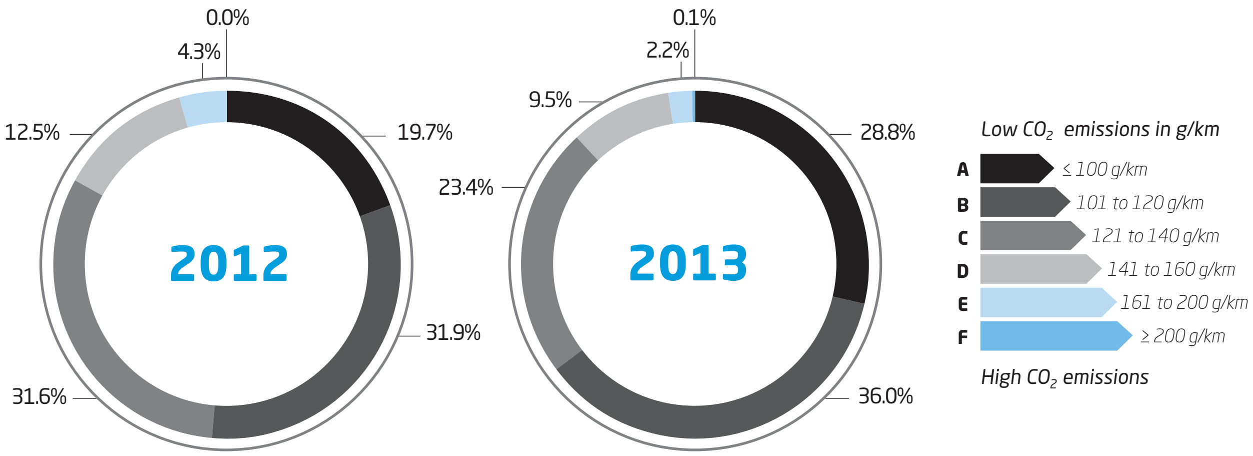
In China, where the regulatory environment will be as strict as Europe’s in 2020, a comparable effort will be deployed, in particular by activating the same technical levers.

In Brazil, the Group has confirmed its goal of reducing fuel consumption and carbon emissions by applying the same technological levers as in Europe. This will help to position the Group among the market leaders.This ambition is compliant with the CAFE rules that come into force in 2017 and which became official policy in Brazil in September 2012.

SALES AND MARKET SHARE BY CO_2 EMISSIONS LEVEL

Group registrations by CO_2 emissions level

(Passenger car 2012 registrations in the 22-country Europe, corresponding to the EU excluding Greece, Cyprus, Malta, Bulgaria and Romania)



In this chart, the CO_2 emissions bands (in g/km) correspond to the ratings on French energy efficiency labels

In 22-country Europe (i.e. the EU excluding Greece, Cyprus, Malta, Bulgaria and Romania), the Group vehicles performed as follows:

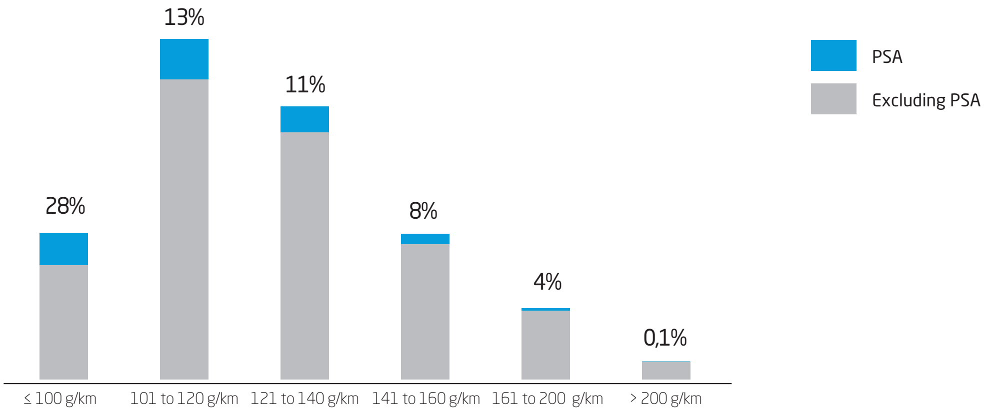
- 29% of vehicles sold emitting less than 100 g/km of CO_2 against 20% in 2012;
- 56% of vehicles sold emitting less than 110 g/km of CO_2 against 39% in 2012;
- 65% of vehicles sold emitting less than 120 g/km of CO_2 against 52% in 2012;
- 88% of vehicles sold emitting less than 140 g/km of CO_2 against 83% in 2012.

Average Group CO_2 emissions in 22-country Europe stood at 115.9 g/km of CO_2 in 2013, versus 122.5 g/km in 2012 and 127.9 g/km in 2011. The Group is positioned as leader in the 22-country Europe market, where average emissions were 127.1 g/km of CO_2 in 2013.

The results also reflect the Group's decision to focus on affordable technological solutions applicable to mass-produced cars, which is the only way to have a real impact on the environment.

European automobile market by CO_2 emissions level

(2013 passenger car registrations in 22-country Europe, corresponding to the EU excluding Greece, Cyprus, Malta, Bulgaria and Romania, per increments of 400,000)



A comparison of the Group registrations and the total European market by range of CO_2 emissions in 2013 highlights the Group's contribution to reducing new vehicle emissions in Europe.

In 2013, a total of 845,000 Group passenger cars emitting less than 120 g/km of CO_2 were registered in 22-country Europe. Moreover, the Group is the market leader both in the segment of vehicles emitting less than 100 g/km of CO_2, with a 28% share (375,000 Group passenger vehicles).

FUEL CONSUMPTION AND CO_2 EMISSIONS BY VEHICLE G.31

Fuel consumption and CO_2 emissions in 2013

The models below were selected on the basis of two criteria: best sales in 22-country Europe and environmental performance. For each one, the table shows data for the petrol, hybrid and diesel versions offering the lowest CO_2 emissions and fuel consumption on the market. In some cases, the best selling models are also the most fuel efficient.

PEUGEOT (EUROPE 22) 2013

Models		Energy	Displacement	Power	Fuel consumption (litres/100 km)			CO_2
			cm³	kW	City	Highway city	Combined	g/km
Peugeot IOn		**Electric**	**-**	**47**	**0**	**0**	**0.0**	**0**
Peugeot 107	**1.0**	**Petrol**	**998**	**50**	**5.1**	**3.8**	**4.3**	**99**
Peugeot 206+	**1.1**	**Petrol**	**1,124**	**44**	**7.8**	**4.6**	**5.8**	**133**
	1.4 HDi 70	**Diesel**	**1,398**	**50**	**4.9**	**3.5**	**4.0**	**104**
Peugeot 207	1.4 VTi 95	Petrol	1,397	70	7.6	4.8	5.8	135
	1.4 75	**Petrol**	**1,360**	**54**	**8.6**	**4.9**	**6.3**	**145**
	1.6 HDi	Diesel	1,560	68	4.6	3.3	3.8	98
	1.6 HDi 92	**Diesel**	**1,398**	**50**	**5.2**	**3.5**	**4.2**	**110**
Peugeot 208	1.2 e-VTi 82	Petrol	1,199	60	4.9	3.7	4.1	95
	1,2 VTi 82	**Petrol**	**1,199**	**60**	**5.6**	**3.9**	**4.5**	**104**
	1.6 e-HDi 92	Diesel	1,560	68	3.8	3	3.3	85
	1.4 HDi 68	**Diesel**	**1,398**	**50**	**4.4**	**3.4**	**3.8**	**98**
Peugeot 2008	**1.2 VTi 82**	**Petrol**	**1,199**	**60**	**6**	**4.3**	**4.9**	**114**
	1.6 e-HDi 92	Diesel	1,560	68	4.1	3.6	3.8	98
	1.6 e-HDi 92	**Diesel**	**1,560**	**68**	**4.7**	**3.6**	**4.0**	**103**
Peugeot 301	**1.6 115 hp**	**Petrol**	**1,587**	**85**	**8.8**	**5.3**	**6.5**	**151**
	1.6 HDi 92	**Diesel**	**1,560**	**68**	**4.8**	**3.7**	**4.1**	**108**
Peugeot Bipper	**1.4 75**	**Petrol**	**1,360**	**54**	**8.2**	**5.6**	**6.6**	**152**
	1.3 HDi 75	Diesel	1,248	55	4.8	3.7	4.1	107
	1.3 HDi 75	**Diesel**	**1,248**	**55**	**5.7**	**3.8**	**4.5**	**119**
Peugeot Partner	**1.6 VTi 98**	**Petrol**	**1,598**	**72**	**9.2**	**5.3**	**6.7**	**155**
	1.6 e-HDi 92	Diesel	1,560	68	5	4.4	4.6	120
	1.6 HDi 92	**Diesel**	**1,560**	**68**	**6.1**	**4.6**	**5.2**	**135**
Peugeot 308	**1.6 VTi 120**	**Petrol**	**1,598**	**88**	**9.1**	**4.9**	**6.4**	**147**
	1.6 HDi 112	**Diesel**	**1,560**	**82**	**4.9**	**3.8**	**4.2**	**110**
Peugeot 3008	**1.6 VTi 120**	**Petrol**	**1,598**	**88**	**9.2**	**5.3**	**6.7**	**155**
	1.6 e-HDi 115	Diesel	1,560	84	4.5	4	4.2	110
	1.6 HDi 115	**Diesel**	**1,560**	**84**	**4.7**	**4.1**	**4.3**	**112**
	HYbrid4	Diesel electric hybrid	1,997	120/147	3.1	3.6	3.4	88
	HYbrid4	**Diesel electric hybrid**	**1,997**	**120/147**	**3.7**	**3.9**	**3.8**	**99**
Peugeot 5008	**1.6 VTi 120**	**Petrol**	**1,598**	**88**	**9.4**	**5.5**	**6.9**	**159**
	1.6 e-HDi 115	Diesel	1,560	84	4.6	3.9	4.2	109
	1.6 HDi 115	**Diesel**	**1,560**	**84**	**5.9**	**4.3**	**4.9**	**128**
Peugeot RCZ	**1.6 THP 156**	**Petrol**	**1,598**	**115**	**8.9**	**5.1**	**6.4**	**149**
	2.0 HDi 163	**Diesel**	**1,997**	**120**	**6.8**	**4.5**	**5.3**	**139**
Peugeot 4008	**1.6 HDi 115**	**Diesel**	**1,560**	**84**	**5.6**	**4.5**	**4.9**	**129**
Peugeot 508	**1.6 THP 156**	**Petrol**	**1,598**	**115**	**9**	**4.7**	**6.2**	**144**
	1.6 e-HDi 115	Diesel	1,560	84	4.6	3.7	4.0	104
	2.0 HDi 140	**Diesel**	**1,997**	**103**	**6.4**	**3.9**	**4.8**	**125**
	HYbrid4	**Diesel electric hybrid**	**1,997**	**120/147**	**3.2**	**3.5**	**3.4**	**88**

Models		Energy	Displacement	Power	Fuel consumption (litres/100 km)			CO_2
			cm³	*kW*	City	Highway city	Combined	*g/km*
Peugeot 508 RXH	HYbrid4	Diesel electric hybrid	1,997	120/147	4	4.2	4.1	107
Peugeot 4007	2.2 HDi 16V	Diesel	2,179	115	8.8	5.8	6.9	180
Peugeot 807	2.0 HDi 136	Diesel	1,997	100	7.4	5	5.9	155
Peugeot Expert		Diesel	1,997	94	7.6	6	6.6	172
Peugeot Boxer		Diesel	2,198	81	9.3	5.8	7.1	187

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Models		Energy	Displacement	Power	Fuel consumption (litres/100 km)			CO_2
			cm³	*kW*	City	Highway city	Combined	*g/km*
Citroën C-Zéro		**Electric**	**-**	**47**	**0**	**0**	**0.0**	**0**
Citroën C1	**VTi 68**	**Petrol**	**998**	**50**	**5.1**	**3.8**	**4.3**	**99**
Citroën C3	e-VTi 82	Petrol	1,199	60	4.5	3.9	4.1	95
	VTi 82	**Petrol**	**1,199**	**60**	**5.6**	**4.1**	**4.6**	**107**
	e-HDi 90	Diesel	1,560	68	3.8	3	3.3	85
	e-HDi 70	**Diesel**	**1,398**	**50**	**4.5**	**3.4**	**3.8**	**99**
Citroën DS3	e-VTi 82	Petrol	1,199	60	4.5	3.9	4.1	95
	VTi 120	**Petrol**	**1,598**	**88**	**8**	**4.9**	**6.0**	**138**
	e-HDi 90	Diesel	1,560	68	3.8	3	3.3	85
	e-HDi 90	**Diesel**	**1,560**	**68**	**4.4**	**3.3**	**3.7**	**98**
Citroën C3 Picasso	VTi 120	Petrol	1,598	88	7.4	4.6	5.7	132
	VTi 95	**Petrol**	**1,397**	**70**	**8.4**	**5.1**	**6.3**	**145**
	e-HDi 90	Diesel	1,560	68	4.7	3.6	4.0	105
	e-HDi 90	**Diesel**	**1,560**	**68**	**4.7**	**3.8**	**4.2**	**109**
Citroën C-Elysée	1.2i	Petrol	1,199	53	6.4	4.3	5.1	116
	1.2i	**Petrol**	**1,199**	**53**	**6.9**	**4.2**	**5.2**	**119**
	HDi 90	**Diesel**	**1,560**	**68**	**4.8**	**3.7**	**4.1**	**108**
Citroën Nemo	**1.4i**	**Petrol**	**1,360**	**54**	**8.2**	**5.6**	**6.6**	**152**
	HDi 75	Diesel	1,248	55	4.8	3.7	4.1	107
	HDi 75	**Diesel**	**1,248**	**55**	**5.7**	**3.8**	**4.5**	**119**
Citroën Berlingo	**VTi 95**	**Petrol**	**1,598**	**72**	**9.2**	**5.3**	**6.7**	**155**
	e-HDi 90	Diesel	1,560	68	5	4.4	4.6	120
	HDi 90	**Diesel**	**1,560**	**68**	**6.1**	**4.6**	**5.2**	**135**
Citroën C4	VTi 95	Petrol	1,397	70	8.2	4.9	6.1	140
	VTi 120	**Petrol**	**1,598**	**88**	**8.8**	**4.7**	**6.2**	**143**
	e-HDi 115	Diesel	1,560	84	4.1	3.4	3.7	95
	HDi 90	**Diesel**	**1,560**	**68**	**5.2**	**3.6**	**4.2**	**110**
Citroën DS4	**VTi 120**	**Petrol**	**1,598**	**88**	**8.3**	**5**	**6.2**	**144**
	e-HDi 110	Diesel	1,560	84	4.6	4	4.2	110
	e-HDi 110	**Diesel**	**1,560**	**84**	**5.1**	**3.9**	**4.3**	**113**
Citroën C4 Picasso	THP 155	Petrol	1,598	115	8.2	4.8	6.0	139
	VTi 120	**Petrol**	**1,598**	**88**	**8.5**	**4.9**	**6.3**	**145**
	e-HDi 90	Diesel	1,560	68	4.2	3.5	3.8	98
	e-HDi 115	**Diesel**	**1,560**	**85**	**4.4**	**3.7**	**4.0**	**104**
Citroën C4 Aircross	**1.6i BVM 4X2**	**Petrol**	**1,590**	**86**	**7.4**	**4.9**	**5.8**	**133**
	HDi 115	**Diesel**	**1,560**	**84**	**5.3**	**4.2**	**4.6**	**119**
Citroën C5	VTi 120	Petrol	1,598	88	8.3	5	6.2	144
	THP 155	**Petrol**	**1,598**	**115**	**9.3**	**5.1**	**6.7**	**153**
	e-HDi 115	Diesel	1,560	82	5.2	4.1	4.5	117
	HDi 115	**Diesel**	**1,997**	**103**	**6.3**	**4.3**	**5.0**	**130**

Models		Energy	Displacement	Power	Fuel consumption (litres/100 km)			CO_2
			cm³	kW	City	Highway city	Combined	g/km
Citroën DS5	THP 200	Petrol	1,598	147	8.9	5.5	6.7	155
	Blue HDI 20	Diesel	1,560	88	4.6	3.5	3.9	102
	HDi 163	Diesel	1,997	120	7.7	4.9	5.9	154
	HYbrid4	Diesel electric hybrid	1,997	120/147	3.1	3.6	3.4	88
Citroën C-Crosser	HDi 160	Diesel	2,179	115	8.6	5.6	6.7	175
Citroën C6	V6 HDi 240 FAP	Diesel	2,992	177	10	5.8	7.3	190
Citroën C8	HDi 135	Diesel	1,997	100	7.4	5	5.9	155
Citroën Jumpy		Diesel	1,997	94	7.6	6	6.6	172
Citroën Jumper		Diesel	2,198	81	9.3	5.8	7.1	187

In tests by an independent organisation, CO_2 emissions are measured with the vehicle on a chassis dynamometer running the European standard Motor Vehicle Emission Group (MVEG) test procedure, which covers both city and highway driving cycles. The measured emissions are then calculated per kilometre, providing a basis for determining consumption by type of fuel. The resulting data enable consumers to compare the performance of vehicles offered by different brands.

5.3.2.1.2. Innovating to combat environmental risks G.22 G.29 G.32

TECHNOLOGICAL PRODUCT INNOVATIONS

Every year, the Group earmarks large sums for technological research and development that aims to improve the energy efficiency of the customer product and service offering.

AUTOMOTIVE DIVISION

Petrol and Diesel Engines

The Group is continuing to optimise diesel and petrol internal combustion engines in all geographies - Europe, China and Latin America - to improve their fuel efficiency and thus reduce their carbon emissions, by deploying highly innovative technological solutions in engine architecture as well as in fuel intake, injection and emissions-control systems. The main levers for optimising efficiency include:

- downsizing (reducing engine size and the number of cylinders combined with turbocharging), thereby reducing fuel consumption while maintaining performance levels;
- increasing torque while reducing maximum power, thereby lengthening the power and torque bands and increasing fuel efficiency;
- reducing mechanical friction (oil, piston rings, oil pump, actuators, accessories, permeability, etc.);
- optimising combustion technology.

High-performance technical solutions for internal combustion engines are available on Group vehicles, particularly since the 2012 deployment of new-generation petrol engines. The medium and long-term strategy is to reinforce this competitive edge with new engines and gearboxes, in particular for the 2015-2020 period.

REDUCING DIESEL ENGINE FUEL CONSUMPTION AND EXHAUST EMISSIONS

The Group is consolidating its expertise in fuel efficient, high performance, low-carbon diesel engines. Developed in cooperation with Ford, common-rail, direct-injection HDi diesel engines deliver outstanding driving comfort and significantly lower CO_2 emissions.

These benefits have made the HDi one of the best selling engines. Diesel represented 47.6% of passenger car and utility vehicle unit sales in 2013 (PC + LCV) Equipped with particulate filters since 2000, HDi engines are constantly being optimised to deliver greater driving comfort and enhanced emissions-control systems. In 2013, the Group produced a total of 1,250 million HDi engines and has turned out 20.2 million since 1998. Of these, 7.5 million are already equipped with additive particulate filters, invented by the Group and made mandatory by the Euro 5 standard which came into force on 1 January 2011. The particulate filter is a mechanical system that captures particulates under all motoring conditions (hot or cold engine, in town, on the highway, on the motorway, sitting in traffic, etc.). The particulate filter developed by the Group catches more than 99.9% of all particulates of any size (including ultrafine, less than 100 nm).

In 2013, the Group deployed over the full year its 1.6 HDi 92 diesel and 115 hp engines, which have been equipped since mid-2012 with new technologies that can reduce fuel use and CO_2 emissions by as much as 6%.

Combined with HYbrid4 technology - a world first - the Group's 2.0-litre diesel engine has enabled the Peugeot 3008 HYbrid4 and 508 HYbrid4 and the Citroën DS5 HYbrid4 to achieve breakthrough performance: 85 g/km of CO_2 emissions for combined power (internal combustion and electric powertrains) of 200 hp. for the version launched in early 2014. At the end of 2013, the Group will have sold a total of over 50,000 vehicles equipped with HYbrid4.

In a global market where internal combustion engines will still be predominant in 2020, the Group is continuing to develop its HDi technology. At the same time it is more broadly deploying its e-HDi (Stop & Start) technology.

The emissions-control technology developed by the Group for the Euro 6 standards, which combines additive particulate filters with Selective Catalytic Reduction technology to lower nitrous oxide emissions, will enable the Group's diesel engines to comply with today's most stringent control standards.

REDUCING PETROL ENGINE FUEL CONSUMPTION AND EXHAUST EMISSIONS

In less than ten years, the Group will have revitalised all of its petrol engine ranges, in line with its goal of reducing carbon emissions not only in Europe but also in other major markets, including China and Brazil.

In late October 2013, the Group launched the EB Turbo PureTech engine at the Française de Mécanique site in Douvrin (Pas-de-Calais), France. This new three-cylinder, 1.2-litre petrol engine combines dimensions and reduced weight for benefits and performance unprecedented for this level of displacement:

- a specific level of performance of |80 kW/l and 190 nm/l| allows a gain in engine efficiency while displacement is reduced. These engines are an example of the Group at its best in the field of Turbo direct-injection engine downsizing and manufacturing expertise. As a result, EB Turbo PureTech 1.2l engines will emit 18% less CO_2 than current 4-cylinder engines without sacrificing driving pleasure thanks to a high level of torque at even the lowest rpms;
- EB Turbo PureTech engines will be in the Citroën C4 (110 g/km of CO_2) and the Peugeot 308 (107 g/km of CO_2) starting in March 2014, followed by the Peugeot 208 (105 g/km of CO_2), and finally the Citroën C3 and DS3 (105 g/kg of CO_2) in July 2014.

The new EB Turbo PureTech engine is the latest in the 2012 family of 3-cylinder petrol engines (1-litre and 1.2-litre) with many high-tech features unveiled by the Group in 2012. This new family, which covers range of power from 50 to 100 kW, reduces carbon emissions by up to 25% compared with the previous generation, making it possible to offer petrol-powered cars that emit less than 100 g/km of CO_2.

Since 2006, the Group has been offering the 1.4-litre and 1.6-litre, four-cylinder petrol engines developed jointly with BMW, which deliver a 10 to15% reduction in CO_2 emissions compared with their predecessors. By the end of 2013, 3,738,000 of these engines had already been produced by this partnership. The engines have been voted Engine of the Year in their category seven times.

PSA Peugeot Citroën and BMW are pursuing their cooperative venture by developing a new generation of Euro 6-compliant four-cylinder petrol engines.

To support and strengthen its international development, especially in China, the Group has begun deploying the new engines in its non-European markets and will step up deployment in the years ahead.

In emerging markets, where mainly petrol engines are being deployed, there are growing trends toward European-style regulations, government incentives and consumer expectations. To support its growth outside Europe, the Group has decided to introduce clean, fuel-efficient, high-performance, high-tech engines in these markets as quickly as possible.

These new developments take into account specific market expectations, such as flex fuel models for Brazil. The deployment of these new engines in China represents a significant step forward, in line with the strategy of reducing CO_2 emissions from the Group vehicles in the market by 2020.

Lastly, hybrid engines are also being introduced with a Stop & Start petrol offer launched in 2013, which will be extended to all petrol engines and followed by a hybrid offer.

The Group is committed to completely overhauling its petrol engine ranges with the goal of:

- meeting the need to reduce carbon emissions throughout the line-up;
- complying with future regulatory requirements in all regions;
- integrating specific requirements for fast-growing non-European markets and providing them with clean, high-tech engines that appeal to consumers;
- enabling a shift toward hybrid solutions.

Gear Boxes

Petrol and diesel powertrains are continuously improved by focusing on two main areas:

- transmission efficiency, for both manual and automatic gearboxes;
- adapting the power train (*i.e.*, gear ratios, gear ratio change strategies, compatibility with Stop & Start), to take maximum advantage of improvements to engines, and operate under optimum conditions of fuel consumption, in the test cycle and in customer use (with the help of the recommended gear indicator for manual gearboxes).

The six-speed electronic manual gearbox, widely deployed by the Group, combines these two areas for an extended very low fuel consumption offering at an affordable price.

For automatic gearboxes, the new generation of boxes AT6 III and AM6 III were adapted and their performance improved, helping to reduce overall consumption of the chain by about 15%. Introduction of the new feature began in late 2013.

Alternative Fuels

Another way to reduce a vehicle's carbonfootprint is to use other fuels than petrol and diesel, such as natural gas, LPG and biofuels. The Group has reaffirmed its commitment to the responsible use of biofuels, while emphasising the need to take sustainability criteria into account in developing products and the related industry segments, including changes in how farmland is to be used.

COMPRESSED NATURAL GAS (CNG)

Compressed Natural Gas, which is comprised mainly of methane (CH_4), is also among the energies used by the Group in markets where the gas represents a plausible alternative to petrol. This is notably the case in Argentina and China, where local conditions are favourable to its development (secure CNG supply, political commitment to set up a distribution network and tax incentives). Using CNG also helps to reduce total carbon emissions by 20% compared with conventional petrol fuels.

ETHANOL AND FLEX-FUEL VEHICLES

Ethanol and its derivative, ethyl tertiary butyl ether (ETBE), which are made from cereals and sugar beets in Europe and sugar cane in Brazil, are biofuels that can be blended with petrol.

SP95-E10, a fuel introduced in France in 2009, is a blend of regular unleaded petrol (SP95) and 10% plant-derived ethanol. All of the Group's petrol-powered models produced since 1 January 2000 can run on SP95-E10.

The Group has also developed flex-fuel engines that can run on ethanol/petrol blends of up to 85% ethanol in Europe (E85) and from 20 to 100% ethanol in Brazil. While the development of E85 is still marginal in France and elsewhere in Europe, Brazil is the world's largest market for ethanol and flex-fuel vehicles.

In the years ahead, flex-fuelmodels will be brought to market equipped with new families of petrol engines currently being developed. This solution will help to improve the new engines' energy efficiency by optimising consumption while also reducing CO_2 emissions through the use of ethanol.

The Group sold 109,000 flex-fuel vehicles in 2013 (102,000 in 2012) primarily in Latin America.

BIODIESEL

Biodiesel are a blend of diesel fuel and vegetable oil ethyl esters or methylesters (VOEEs or VOMEs), which are made from oilseeds such as rapeseed. The biodiesel currently on retail sale (at the pump) in Europe contain up to 7% VOEE/VOMEs.

Higher biofuel blends are more beneficial when used in captive fleets, where issues related to more rigorous fuel storage, refuelling and maintenance processes are easier to resolve. For example, the Group's service fleet has been running on B30 fuel (a 30% biodiesel/70% diesel blend) for more than a decade and covers over 14 million kilometres a year with this fuel.

All of the Group's diesel vehicles can run on B10 (with up to 10% biodiesel) and B30, provided that the fuel is of high quality and the vehicle is maintained accordingly with high-quality oil, a strict oil maintenance schedule and a specially serviced diesel fuel filter. This includes the vehicles equipped with e-HDi and HYbrid4 technologies.

The Group is participating in various research programmes in Europe, notably in France where it is a member of the Diester Partners association. The Group and the Fédération Nationale des Syndicats d'Exploitants Agricoles (FNSEA), France's largest farmers' union, are committed to jointly developing ethanol and biodiesel-based biofuels in line with the objectives of the European Union Directive on renewable energies, which sets a target of sourcing at least 10% of land transport fuel from renewables by 2020.

In a partnership with the Labatel laboratory in Brazil, the Group is operating a fleet of modern diesel vehicles that run on local fuels made from vegetable sources, to promote diesel engines for individual motoring.

The Group is also helping to create an advanced laboratory with the Pontifical Catholic University of Rio de Janeiro (PUC) and more recently launched a partnership with Petrobras, the energy company, to reduce carbon emissions by optimising combustion of local biofuels. Finally, the Group has signed up to partner FAPESP, a São Paulo government organisation, in creating a network for research into engines and biofuels to run for ten years.

The Group is actively involved in developing biofuel standards to ensure the minimal quality levels required to support efficient engine performance, proper vehicle operation and a satisfying driving experience. It is also a member of the steering committee of the European Biofuels Technology Platform.

ADVANCED BIOFUELS

Extending the use of biofuels, without detracting from their positive social and environmental impact, requires the development of so-called "advanced" biofuels, which can be made from biomass feedstocks, such as crop residue, non-food crops, organic waste or even microalgae. The Group is contributing to this process by participating in research projects and real-world trials. One example is the ongoing Shamash project, which aims to produce a lipid biofuel from microalgae supplied by Alpha Biotech.

A biofuel chair was created at the end of 2012 by IFP School (Institut français du pétrole), the Tuck Foundation and the Group. For a period of three years, this chair is structured around teaching and research activities aiming to expand knowledge on the impact of the use of biofuels in cars.

Deploying Micro-Hybrid, Hybrid and Electric Vehicles

More than ever, the environmental challenges associated with automobile use are being met by technological solutions designed to drive powerful breakthroughs in fuel efficiency and CO_2 emissions. The Group will introduce Stop & Start solutions, hybrids and zero-emission vehicles, consolidating its position in the European low-carbon vehicle segment and extending its expertise to other markets.

STOP & START AND E-HDI TECHNOLOGIES

Stop & Start technology allows the engine to shut down automatically when the vehicle is standing still or in neutral – at a red light, for example – and to start up again instantly and noiselessly when reactivated by the driver. As a result, it helps to reduce carbon emissions by up to 15% in city driving. When combined with the system's cost-effectiveness, its features help to provide an efficient solution to a number of traffic-related issues in cities, where 75% of Europeans live.

First-generation Stop & Start technology was introduced on the Citroën C2 and C3 in 2004. The second generation, known as e-HDi, delivers superior driveability, faster restart and other premium features. Fitted on an HDi diesel engine, the new reversible starter-alternator is more efficient and improves power management. Introduced in the second half of 2010 on the Citroën C5, the technology was deployed throughout 2012 and 2013 on almost all Peugeot and Citroën product lines in Europe. The Group achieved its goal of marketing a total of one million vehicles equipped with Stop & Start and e-HDI technologies by the end of 2013.

Beyond that date, the Group is planning, for the 2015-2020 period, to extend deployment of Stop & Start and e-HDi technologies in Europe, China and other regions by combining recent advances in its diesel and petrol internal combustion engines with innovative technologies for managing vehicle electrical consumption.

HYBRIDS

The Group's HYbrid4 diesel hybrid technology represents a major breakthrough in terms of fuel efficiency and CO_2 emissions in the European market, offering gains of up to 30% compared with the equivalent HDi diesel model and emitting less than 100 g/km of CO_2. The powertrain combines the high fuel efficiency of the HDi diesel in highway driving with all the benefits of electric propulsion on city and suburban roads. It also offers all-wheel drive capability, thanks to the electric motor mounted on the rear axle assembly, as well as e-HDi technology and a particulate filter.

The first diesel hybrids on the market, the Peugeot 3008 HYbrid4, 508 RXH and 508 HYbrid4 and the Citroën DS5 HYbrid4 have been equipped with this technology since early 2012.

As part of its strategy to reduce the carbon footprint of vehicles sold in China, the Group plans to bring hybrids to the Chinese market by 2015.

The Group also unveiled Hybrid Air, a technology it developed to offer customers vehicles with a broadly accessible hybrid solution in terms of both price and features. This innovative solution innovative full-hybrid petrol solution is a key step toward a 2 l/100 km vehicle by 2020.

Developed with joint funding from the Investments for the Future Programme, the Group has filed 80 patents for this new type of powertrain, which includes:

- an innovative combination of proven technologies: a petrol engine, a compressed-air energy-storing device, a combined engine/hydraulic pump, automatic transmission with a planetary gear box;
- an intelligent control system that adapts the operation mode to the driver's needs and optimises energy efficiency using a three-mode system of operation: an air mode, a petrol mode and a combined mode. The powertrain can operate during city use at 60 to 80% in zero-emissions mode or ZEV (depending on traffic density);

- for a typical model on the market similar to a Citroën C3 or Peugeot 208, fuel consumption is 69 g/km of CO_2 or 2.9 l/100 km (gearbox thermal benchmark of 104 g/km of CO_2). In urban conditions, efficiency may increase as much as 45% compared to conventional engine power.

The technical options make it a technology that is both accessible to all customers, with a more competitive Total Cost of Ownership (TCO) (residual value, cost per use), and universal, because it can be manufactured on several markets.

This technology was designed for the B (82 hp), C (110 hp) and LCV segments, and it could be offered in segment B vehicles starting in 2016, as a supplement to the HYbrid4 technology designed for the most powerful C and D segments.

Finally, in 2013, the Group unveiled a working model, the 208 HYbrid FE, which breaks new boundaries for a non-plug-in full hybrid petrol vehicle with 46 g/km of CO_2, or only 1.9 l/100 km. This prototype also sets new standards for performance (0 to 100 km/h in 8 seconds). Optimisation takes place in four main areas: engine power, hybrid technologies, body weight (gain of 200 kg), and aerodynamics (while maintaining a very attractive style that fits in with the overall brand).

PLUG-IN HYBRIDS

The Group is working on a plug-in hybrid, meaning a multi-functional vehicle that can be recharged on an ordinary electric socket. An enhanced battery pack will enable the plug-in to run in all-electric mode for between 15 and 50 kilometres, which corresponds to most motorists' daily needs. It therefore offers all the benefits of an EV for day-to-day use, but can also handle longer distances thanks to its internal combustion engine.

Meanwhile, the Group is studying possible applications of technologies that can significantly reduce CO_2 emissions, such as the development of very affordable hybrid solutions to make low-emission cars available to the great majority of customers.

ELECTRIC VEHICLES

2011 saw the market launch of the Peugeot iOn and Citroën C-Zéro, developed in conjunction with Mitsubishi Motors Corporation. Since 2010, the Group has sold 12,800 electric vehicles throughout the world.

Late 2013 saw the launch of the Peugeot Partner and Citroën Berlingo Electric, two LCVs (light commercial vehicles) that enhance the Group's range of electric cars.

Car-sharing services involving a significant number of EVs were introduced and favourably received. The Group was involved in launching these services in the French cities of Nice and La Rochelle. Since the end of 2012, the Group's Multicity carshare service has made electric vehicles available in Berlin, which had a fleet of over 300 in 2013. In October 2013, 16 Peugeot iOn and Citroën C-Zéro were included in the experimental Lyon Confluence project, in which the electricity needed to recharge the electric vehicles used for carsharing was produced from renewable energies.

FUEL CELL VEHICLES

Over the longer term, the Group is exploring possible applications of hydrogen fuel cell technology.

Having built seven demonstrators, the Group continues to monitor and partner fundamental research, including support for projects with the National Research Association and dissertations.

At the moment, fuel cells can be used as a range extender, with the 20 kW module, or for propulsion, with several 80 kW stacks.

However, fuel cell vehicles do not yet have the technical and economic maturity needed to support mass-market production. As a result, process engineering and mass marketing would not seem foreseeable until 2025.

Although considerable progress has been made, hydrogen fuel cell technology is still combating against a number of issues including the cost of the fuel cell system, the lack of infrastructure for mass market distribution of hydrogen, the well-to-wheel energy and CO_2 footprint, the fuel cell's lifespan, and the size, mass and cost of the hydrogen storage system.

Optimising Vehicle Architecture and Equipment

In addition to its engine, fuel and hybrid technologies, the Group is optimising vehicle features in order to position itself as a leader in reducing fuel consumption and CO_2 emissions. The technical levers that will reduce carbon emissions are vehicle mass, aerodynamics and architecture, tyre rolling resistance and electrical power management as well as comfort, safety and driver assistance systems.

Taking into account how these levers interact, the Group's offer strives to guarantee future vehicles that meet expectations in all host markets – whether in Europe, Asia or Latin America – in terms of cost, consumer appeal and features.

In terms of fuel consumption and CO_2 emissions, the Group has competitive advantage that it aims to develop, with targeted positioning – for all its car ranges, from premium to core models, and for all its utility vehicles – in the low CO_2 emissions bands. This objective will be met through major technological efforts as well as by an on-going search for the right balance of sizes, optimised mass and highly attractive features in terms of spaciousness, comfort, road-holding and equipment.

As a result, the Group deployed vehicles that were very well positioned in terms of carbon emissions in each segment of the European market. The strategy of extending and strengthening these levers has also been planned for the medium and long term, combined with "breakthrough" technological innovations, in all regions.

In 2013, the Group launched its new global platform, EMP2, or Efficient Modular Platform 2. This new-generation platform provides effective solutions in terms of modularity, equipment and carbon reduction.

EMP2 responds to several objectives:

- coverage of all body styles worldwide, such as segments C and D (which will eventually make up half of all Peugeot and Citroën vehicle sales worldwide);
- modular design that allows components to be cross-functional and volumes to increase considerably;
- breakthrough gains in mass and in consumption;
- innovative technological choices that contribute to improvements in features;
- technical compactness for more creative expression in exterior styling.

Platform design has made possible breakthrough gains in mass, with an average reduction of 70 kg thanks to a general use of innovative lighter materials, cutting-edge modelling and assembly processes, and downsized modules that can be customised.

The first vehicles developed using EMP2 will be produced with a 22% average decrease in consumption, thanks to the combination of EMP2 and other levers with regard to power trains and vehicle body styles.

As a result, starting in 2013, the new Peugeot 308 reached an emissions level of only 82 g/km of CO_2 and the new C4 Picasso 98 g/km of CO_2 (with the 1.6 HDi engine).

EQUIPMENT

Overall vehicle energy efficiency also involves optimising constituent components and sub-assemblies.

Reducing tyre rolling resistance by 1 kg/tonne lowers carbon emissions by 2 g/km. The Group systematically looks for tyres that achieve the best trade-off between grip (primary safety), resistance, while adapting to the requirements of each country or region (Europe, China, Latin America, etc.). The Group prefers to use very low rolling resistance tyres equipped with pressure sensors.

It also systematically applies a strategy of reducing losses caused by friction on all mechanical parts of the vehicle, including brakes, bearings and bushings.

Improving the control and management of electrically-powered components (sensors, actuators, motors) by ten amperes also provides a carbon reduction of about 3 g/km. The major levers for improvement are electrifying components, energy recovery (mainly via regenerative braking) and storage, and using innovative electrical/electronic control systems and architectures.

Improvements in fuel efficiency also involve air-conditioning systems, by optimising fluids and components (evaporator, compressor) to reduce the energy needed for their operation, and by developing heat exchangers that recover energy via thermal loops.

Along with gear ratio change indicators, the Group is developing a set of environmentally friendly driving systems, such as the eco-driving interface.

VEHICLE MASS AND AERODYNAMICS

Vehicle mass has a direct influence on fuel consumption, and therefore on greenhouse gas emissions: a weight reduction of 110 kg leads to an average 8 or 9 g/km reduction in CO_2, taking into account the induced effects on the vehicle's size and powertrain. At a given power-to-weight ratio, a lighter vehicle will need a less powerful engine and smaller mechanical components (vehicle frame, suspension systems, brakes, etc.).

Already a leader in terms of the average weight of its vehicles, the Group is taking an active approach to further lightening its vehicles, making this a major lever in reducing their environmental footprint. The current technical deployment plans will enable reducing the weight of vehicles now under development by more than 100 kg in relation to current models: for example, the Peugeot 208 introduced in 2012 weighs 110 kg less than the Peugeot 207, and the new Peugeot 308 and Citroën C4 Picasso launched in 2013 weigh 140 kg less than the previous models.

At the same time as the Group is optimising its vehicle architecture, it is also focusing on the choice of materials (high-strength steels, aluminium, composites, plastics) and assembly techniques. Metals account for about 70% of the vehicle's total weight. High-tensile steel is preferred because of its superior rigidity. Whenever technically feasible and cost effective, mass is being reduced by choosing lower density materials, such as the aluminium, composite materials and thermoplastics used instead of steel. Innovative assembly techniques provide further gains. For example, hot stamping and laser welding help lighten the car body, while improving shock resistance.

A vehicle's drag (SCx) also has a direct influence on its greenhouse gas emissions: improving SCx by 5 dm2 reduces CO_2 emissions by 2 g/km.

However, to reduce drag, all parts of the vehicle must be taken into consideration:

- the upper section of the body, by making the vehicle's projected frontal area more compact, by reducing the vehicle's wake through adjustments to the rear section, and by limiting structures that cause vortices;
- the underbody, by smoothing the underfloor structure using aerodynamic fairings, by limiting the impact of suspension components, and by controlling air intakes in the engine compartment;
- the wheel environment, by limiting the permeability of wheel rims, and avoiding whipstall;
- ground clearance;
- airflow circuits (cooling, engine cooling, brake cooling), by optimising the capture of aerodynamic forces through a reduction of the engine and cooling system thermal requirements, by installing airflow ducts and electronically controlled air inlet systems;
- rear-view mirrors and hubcaps, by optimising their design to avoid aerodynamic turbulence.

The Group is committed to sharply reducing aerodynamic drag on all its model lines. This work is being carried out in conjunction with efforts to optimise vehicle architecture and design.

Faurecia is developing eco-friendly technologies by focusing on three areas:

- lower weight: Faurecia offers new product architectures and is developing alternative materials and new manufacturing processes that result in body weight reductions of 20 to 30% in current developments. This corresponds to reductions of about 60 kg out of the 200 kg weight of products in the Faurecia line.
  - A process developed by the Group combines natural hemp fibres and polypropylene resin, which can be 25% lighter than polypropylene made from fibre glass,
  - Faurecia also uses a process that mixes natural fibres and polypropylene fibres (NF-PP). Developed for the instrument panel, it makes possible a 20% reduction in product weight,
  - Thanks to the acquisition en 2012 of Sora Composites, strategic partnerships concluded with academia and universities and the development of its own expertise, the Group has become a key player in the development of components for the automotive industry. The mastery of these new technologies increase Faurecia's involvement with structural parts, which account for 100 kg in weight. The goal is to make these parts 40% lighter;
- size reduction: reducing product size maximises passenger room and/or helps reduce vehicle size, which translates either directly or indirectly into lower mass;
- energy recovery: Faurecia develops technologies for recycling the thermal energy available in exhaust systems, either directly to heat the vehicle's interior or to heat up the engine faster, or indirectly by transforming the thermal energy into electricity to power accessories. The products developed and applied to traditional or hybrid vehicles can achieve emissions reductions of between 2 g to 8 g/km of CO_2 in the European cycle for direct uses, and between 4 g to 15 g/km of CO_2 for indirect uses.

5.3.2.1.3. Insurance and Financing Innovations to Combat Environmental Risks G.22

In 2012, Banque PSA Finance (BPF) developed a specified financing deal for the Citroën C0, which allows customers to use the 100% electric vehicle at a promotional hire cost. This deal was part of the development of the car-sharing and vehicle pooling scheme in partnership with Multicity. A dedicated monthly fully comprehensive insurance product was also launched to accompany this offer.

More recently, in September 2013, Banque PSA Finance developed with the Citroën brand a carsharing solution via the Multicity site.For this solution, the Citroën C1 is especially environmentally friendly, with consumption limited to 4.3 l/100 km and CO_2 emissions lower than 99 g/100 km.

More generally, BPF has a specific range of insurance for electric vehicles marketed by the PSA Peugeot Citroën Group.

With a fleet of 430,000 Long-Term Rental vehicles, Banque PSA Finance is a major player in business car rentals in Europe; it is the sixth-largest in 31-country Europe (including Turkey).

For its "business" customers, the financing solutions designed for vehicle fleets allow customers, depending on their profile, to opt either for a variable budget based on the mileage driven by their vehicles, or for a constant budget for consistent use. An extranet site is also offered in six countries, which allows managers of business vehicle fleets to track in real time the cost of vehicle use, (TCO or total cost of ownership) and optimise and oversee it as much as possible (with regard to consumption, etc.).

During responses to calls for tender, in relation to the Peugeot and Citroën brands, BPF offers its major corporate accounts training in eco-driving designed for drivers of financed vehicles to help them control petrol expenses by teaching them how to use less fuel, thus reducing pollutive emissions and the risk of accidents and promoting greater respect for the rules of the road.

Finally, during calls for tender, Banque PSA Finance encourages customers to get a business pack, which includes a GPS and Bluetooth device so that they can restructure their travel time and reduce the risk of accidents.

BPF facilitates electric vehicle use by its customers by offering them service such as battery rental and maintenance, in the form of a general offer (rental of vehicle and battery), or in the form of a separate offer (battery rental only).

BPF has undertaken several projects to digitise the "paper" documentation issued at each stage of negotiation with the customer, including at the signature of the contract at the point of sale, for a significant reduction in the use of "paper" documents and printers. Touch tablets designed for sales forces at points of sale will be gradually deployed in the major countries of Europe in 2014.

Finally, it is the goal of Banque PSA Finance to digitise a maximum of after-sale exchanges, substituting letters for e-mails or direct processing of transactions by customers themselves online. This feature will be introduced initially in the major countries of Europe in the second half of 2014.

5.3.2.2. PRESERVING AIR QUALITY G.22 G.24 G.41

The Group identified the need to deal with particulate pollution from the late 1990s and introduced a new generation of HDI engines onto the market, which have cut particulate emissions by 60% on the previous generation (to 100 mg/km from the new HDI engines, 250 mg in earlier versions).

To solve the problem once and for all, the Group invented the particulate filter, available in some lines of vehicles since 2000 and deployed significantly since 2007.

The particulate filter screens out all fine and ultrafine particles very effectively (more than 99.9% by particle number, more than 99% by mass).

The full Peugeot and Citroën diesel range has been equipped with particulate filters since 2010 - it has been mandatory for all vehicles since the Euro 5 standard came into force for all vehicle types in January 2011.

The Group adopted a particulate filter with additive solution, the best option for efficiency and regeneration. This solution includes an additive reservoir, a ceramic filter and sensors. The additive is introduced automatically into the fuel (without the driver needing to do anything). It is based on iron, which is wholly captured by the filter and brings down the combustion temperature for soot by a hundred degrees, allowing faster regeneration under all conditions of vehicle use (town or motorway driving, etc.) unlike catalytic filters.

The particulate filter removes particles in all driving conditions. It is a mechanical system which operates effectively in all phases of engine function - load/temperature, hot/cold, motorway/town driving - even when the filter is full.

The technology for the particulate filter with additive developed by the Group reduces the fraction of NO_2 in the NOx, unlike the catalytic filters used by the competition.

In France, almost 2.5 million diesel Peugeot and Citroën vehicles are equipped with particulate filters of the 16,500,000 passenger cars on the road.

Particle emissions have gone from more than 3.5 million particles in number per cm^3 on an unfiltered diesel engine to 3,500 particles per cm^3 on a diesel engine with a particulate filter.

A diesel engine equipped with a particulate filter emits fewer particles than the cleanest petrol engine.

Using Technological Product Innovations to Reduce Risks of Air Pollution or Air Discharges

REDUCING VEHICLE EXHAUST EMISSIONS

Meeting European Emissions Standards with a Focus on the Last Three Stages: Euro 4, Euro 5 and Euro 6

These standards set maximum admissible levels of CO, HC, NOx and particulate matter (weight and number) emissions.

The Euro 5 and Euro 6 stages aim to reduce the maximum admissible levels of particulate matter and NOx emissions of diesel-powered vehicles to very low levels. Euro 5 and Euro 6 represent a more than 80% reduction in diesel particulate matter weight compared with Euro 4. To meet the standard for the number of particles, a high level of filtering efficiency is required (more than 99%). As for diesel nitrous oxide emissions, Euro 5 represents a 30% reduction and Euro 6 a 70% reduction compared with Euro 4.

EXHAUST EMISSIONS AT ROOM TEMPERATURE (20°C)

	Petrol vehicle(1), CNG, LPG (g/km)			Diesel vehicle (g/km)		
	Euro 4	Euro 5	Euro 6	Euro 4	Euro 5	Euro 6
CO	1.00	1.00	1.00	0.50	0.50	0.50
Non-methane HC	-	0.068	0.068	-	-	-
THC	0.10	0.10	0.10		-	-
NO_x	0.08	0.06	0.06	0.25	0.18	0.08
THC+NO_x	-			0.30	0.23	0.17
Particle emissions (mass)	-	0.005/0.0045(2)	0.0045(2)	0.025	0.005/0.0045(2)	0.0045(2)
Particle emissions (number)	-	-	6×10^{12} part/km(3) 6×10^{11} part/km(4)	-	6×10^{11} part/km(5)	6×10^{11} part/km
Durability (km)	100,000	160,000	160,000	100,000	160,000	160,000

(1) Beginning with Euro 5, applies only to vehicles with direct-injection petrol engines.

(2) On the application dates – 1 September 2011 for New Vehicle Types and 1 January 2013 for All Types – a changeover to a more precise measurement procedure will reduce the maximum admissible level to 0.0045 from 0.005 g/km. On the same dates, particle number (PN) emission limits will also be introduced, initially for diesel.

(3) Extension of PN limits at the manufacturer's request until 31 August 2017 for New Vehicle Types and 31 August 2018 for All Types (one year later for certain categories).

(4) Stricter PN limits beginning on 1 September 2017 for New Vehicle Types and on 1 September 2018 for All Types (one year later for certain categories).

(5) Introduction of PN emission limits for diesel beginning on 1 September 2011 and for New Vehicle Types and on 1 January 2013 for All Types.

EVAPORATION EMISSIONS

	Petrol vehicle *, CNG, LPG (g/test cycle)			Diesel vehicle (g/test cycle)		
	Euro 4	Euro 5	Euro 6	Euro 4	Euro 5	Euro 6
HC	2.00	2.00	2.00	-	-	-

HC Unburned hydrocarbons; NMHC: Unburned non-methane hydrocarbons (without CH_4); CO: Carbon monoxide; N_{Ox}: Nitrous oxide

** A more stringent procedure for measuring evaporation losses is currently being prepared at European level. It will impose stricter requirements beginning in September 2017 for new vehicle types and in September 2018 for all types.*

Current exhaust emissions limits at -7°C concern only vehicles with positive-ignition engines (petrol, natural gas, etc.) and involve only unburned hydrocarbons (HC) and carbon monoxide (CO).

In Europe, the Group's petrol and diesel-powered passenger cars have complied with Euro 5 standards since September 2009 for new models brought to market and since January 2011 for all models currently being sold.

The following stage, Euro 6, will come into effect on 1 September 2014 for new models and in September 2015 for all new car registrations (one year later for certain categories).

In the rest of the world, vehicles sold by the Group meet or exceed the applicable standards in each local market and are equipped with the new technologies developed for the European market.

Eliminating Particulate Emissions with the Particulate Filter

The Diesel Particulate Filter (DPF) is an after-treatment system that eliminates close to 100% of even the smallest particulate matter in exhaust gases. It has further enhanced the environmental performance of diesel engines and is playing an important role in improving the quality of air in urban environments. Launched by the Group in 2000 in a world first for the Group, the FAP particulate filter has set the new standard for European diesel. In its Euro 5 standards, the European Commission backed by its Member States stipulated that all diesel vehicles must be equipped with particulate filters. DPF-equipped Peugeot and Citroën models already more than meet particulate emissions standards defined in the Euro 5 and Euro 6 stages.

A pioneer in this field, the Group had sold a total of 7.6 million DPF-equipped diesel vehicles by the end of 2013. The particulate filter screens out all fine and ultrafine particles very effectively (more than 99.9% by particle number, more than 99% by mass).

With the advent of the Euro 5 stage, the DPF with additive technology has been extended to all Peugeot and Citroën diesel models, including the Peugeot 207, 208, 308, 3008, 5008, 407, 508, 807, 4007, 4008, RCZ, Partner, Expert, Boxer and Bipper and the Citroën DS3, DS4, DS5, C3, C4, C4 Picasso, C5, C6, C8, C-Crosser, Berlingo, Jumpy, Jumper, and Nemo.

The Group adopted a particulate filter with additive solution, the best option for efficiency and regeneration. This solution includes an additive reservoir, a ceramic filter and sensors. The additive is introduced automatically into the fuel (without the driver needing to do anything). It is based on iron, which is wholly captured by the filter and brings down the combustion temperature for soot by a hundred degrees, allowing faster regeneration under all conditions of vehicle use (town or motorway driving, etc.), unlike catalytic filters.

The particulate filter removes particles in all driving conditions. It is a mechanical system which operates effectively in all phases of engine function - load/temperature, hot/cold, motorway/town driving - even when the filter is full.

In 2013, vehicles equipped with particulate filters accounted for more than 83% of total Group diesel vehicle sales worldwide, compared with 78% in 2012, 65% in 2011, 47% in 2010 and 37% in 2009.

Reducing NO_x Emissions with Selective Catalytic Reduction (SCR)

To prepare for Euro 6 standards, the Group has decided to deploy Selective Catalytic Reduction (SCR) technology across the model line-up, identified by the "Blue HDi" label.

This new after-treatment technology, which substantially reduces nitrogen oxide (NO_X) emissions, is based on abating NO_X production by injecting urea into the exhaust stream before it enters a special catalyst chamber.

Integrated into a new emission control architecture including a particulate filter, SCR helps to optimise fuel efficiency and limits CO_2 emissions.

FAURECIA

Faurecia has developed a range of emissions control technologies that cut emissions of nitrous oxides and particles for all types of diesel engines (private and commercial vehicles) based on two principles:

- low-pressure exhaust gas recirculation. Waste gases are reinjected *via* cylinders to lower the combustion temperature. This is known as Low-Pressure Exhaust Gas Recirculation (LP-EGR) and requires the exhaust line to be fitted with an electric valve. Faurecia has developed its own valve in order to meet increasing market demand;
- Selective Catalytic Reduction (SCR) is a system that treats exhaust gases directly using an external tank containing a liquid or gas catalyser known as AdBlue®. Faurecia is also continuing to develop its own system for cutting emissions of nitrous oxides. The ASDS (Ammonia Storage and Delivery System) process stores ammonia in a compact gaseous form, allowing for improved performance over a traditional liquid-form storage system.

Faurecia is also developing a system that incorporates an oxidation catalyst, a gas mixer with a liquid or gas catalyst (BlueBox), and particulate filters. It moves all of these components closer to the engine leading to more efficient treatment of exhaust gases and superior size and weight ratios.

EGR and SCR technologies are increasingly being used for private and utility vehicles (less than 5 tonnes) in Europe and North America. The most stringent regulations make particulate filters and SCR or EGR systems mandatory for commercial vehicles. In addition, some applications require innovations such as the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering, and are already included in several models that are looking ahead to the Euro 6 standard or equivalent standards.

Moreover, starting in 2014, Faurecia will be the first company in the world to supply particulate filters for direct-injection petrol engines. It is intended for this technology to become more widely available in the coming years

5.3.2.3. ENCOURAGING THE SUSTAINABLE USE OF RESOURCES AND RECYCLING

5.3.2.3.1. Consumption of Raw and Recycled Materials and Measures taken to use them more efficiently G.28

AUTOMOTIVE DIVISION

Use of Materials

In its commitment to optimising the use of natural resources and limiting its products' environmental footprint, the Group analyses and selects materials for new projects based on the findings of life cycle assessments, which review every stage in a material's life cycle, along with the related environmental impacts.

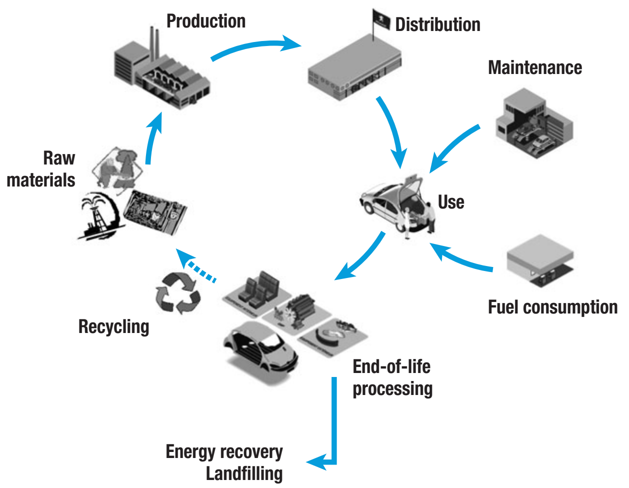
Eco-Design and Life Cycle Analysis

In addition to ensuring that its vehicles comply with local environmental legislation, eco-design also guarantees that the Group will stay ahead of the competition in terms of sustainable mobility and new materials.

Life cycle stage	Major challenges
Product definition	> Define new automobile products and services taking into account the mobility needs of consumers around the world, local legislation and people's expectations with regard to the environment, safety, etc.
Design and engineering	> Design vehicles at an acceptable cost and attenuate their impact: > on the environment, by reducing their CO_2 and other local emissions, using resources responsibility and improving their recyclability, > on society, by improving their safety performance, reducing noise pollution, easing traffic congestion, etc.
Production	> Reduce the environmental impact of automobile manufacturing; > Ensure workplace safety; > Participate in the economic and social life of local communities.
Transport and sale	> Integrate environmental concerns into supply chain and dealership network management; > Responsibly inform customers in its advertising and labelling, and ensure a satisfying ownership experience with effective sales and customer service processes.
Use	> Help to attenuate the impact of using an automobile by promoting safer, more environmentally responsible driving practices, improving vehicle fuel efficiency and developing ever-more effective exhaust emissions control systems.
End of life	> Facilitate the collection and processing of end-of-life vehicles and components by specialised providers and optimise their recyclability (decontamination, recycling and resource recovery services).

Based on this principle, the Group conducts life cycle analyses of its vehicles and components that comply with the framework defined in the ISO 14040/044 standards. These studies analyse the multi-criteria environmental footprint of a vehicle and validate its component and materials design. The entire product life cycle is taken into account from raw material extraction, to manufacture, use and end-of-life recycling.

Simplified diagram of a vehicle life cycle



These analyses are carried using software linked to environmental databases that makes it possible to calculate a product's environmental impact.

The Group tracks the following indicators, among others:

> climate change or the impact of CO_2 and other greenhouse gas emissions;
> acidification of the air, caused in part by sulphur emissions;
> eutrophication of water, caused by emissions of nitrous compounds;
> creation of photochemical ozone;
> depletion of primary resources;
> primary energy consumption;
> total CO_2 emissions;
> total carbon emissions;
> total NOx emissions;
> flows of non-recycled waste to landfill sites.

The results of life cycle analyses help to:

> compare the environmental impact of one innovative solution to another; and, more broadly, the overall environmental impact from a product;
> identify possible pollution transfers from one phase of the life cycle to another;
> identify major environmental impacts;
> choose more environmentally friendly technologies and materials.

The Group has thus set for itself the goal to analyse the life cycle of each new family of vehicles. In addition, for each major technological change or strategic innovation, a study is carried out in order to assess any developments in the environmental impacts from these changes. As a result, in 2013, life cycle analyses covered 20% of the total fleet sold.

The goal is to guarantee that the environmental impacts from a new model are less than for the previous generation. These results were verified with regard to:

> the new Citroën C4 Picasso, compared with the previous version;
> the new Peugeot 208, with or without the Stop & Start system, in comparison with the Peugeot 207;
> the Peugeot 508 in comparison with the Peugeot 407.

In addition, the Group conducts, in cooperation with suppliers, life cycle analyses on model parts or components as part of major innovations (changes in raw materials, inclusion of natural/recycled materials, strategic or functional innovations, etc.).

Accordingly, the consideration of environmental impacts in the innovation process has been in effect since 2013 and a compete evaluation of each critical innovation.

Carbon Footprint

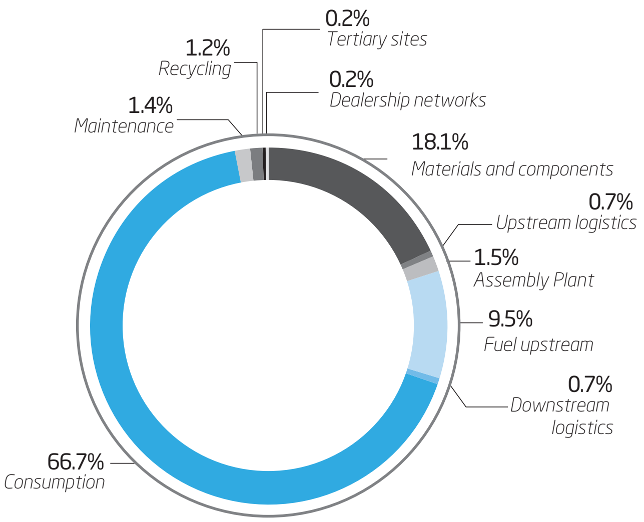
In addition, the Group has begun a process to determine the total CO_2 equivalent coming from its operations in Europe.

These calculations take into consideration all PSA Peugeot Citroën activities that emit greenhouse gases (primarily CO_2), over the whole life cycle of an automotive product.

Accordingly, this assessment will take into account, over one year of activity, emissions from:

> production of materials and components for the vehicles manufactured;
> Group manufacturing plants, both assembly plants powertrain plants;
> service activities (including development sites);
> fuel extraction and production necessary to use the vehicles manufactured;
> use phase of the vehicles manufactured;
> vehicle end-of-life.

Breakdown of a vehicle's global carbon footprint



The method and results were verified and approved by an Eco Act, a firm specialising in environmental analysis and greenhouse gas diagnostics.

An Assertive Commitment to Using "Green Materials"

The Group is focusing much of its research on polymers (non-metallic and non-mineral materials), which account for 20% of a vehicle's total mass. Most of the other materials, such as metals and fluids, are already recyclable and extensively recycled. For example, the steel used already contains a large amount of steel from recycled sources.

The Group uses three different types of renewable materials: recycled plastics, natural materials (wood, vegetable fibres, etc.), and bio-sourced materials (polymers not made from petrochemicals but from renewable resources). Their use offers a number of benefits, such as reducing the use of fossil plastics and fostering the development of plastics recycling processes by increasing demand.

Since 2008, the Group has deployed an ambitious plan which has increased the proportion of green materials to beyond the 20% of the total mass of polymers for new vehicles that debuted in 2013, from an average 6% in 2007.

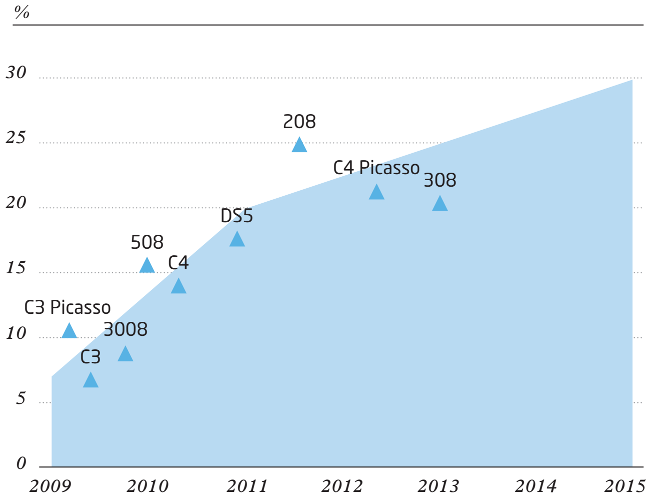
The wider application of green materials requires the development of robust supply chains and more research on new materials. To meet its targets, the Group is actively selecting and certifying materials that offer the best cost/technical trade-offs, to create a portfolio of solutions for future vehicle projects.

To spur faster development of the biomaterials industry and expand the use of these materials in automobiles in the future, the Group is involved in a large number of scientific partnerships. In particular, it is leading the MATORIA project, which aims to develop new injection plastics made from renewable resources. The Group is also helping to financially support the Bioplastics university chair at the Mines ParisTech engineering school, notably by funding five doctoral dissertations on natural fibres, bio-sourced polymers and a variety of other subjects.

Through the Association Régionale de l'Industrie Automobile d'Ile-de-France, the Group is now a partner in the new "BioMass miscanthus' project alongside the National Institute for Agronomy Research (INRA).

Using Green Materials in Vehicles

The graph below represents the increased use of green materials in PSA Peugeot Citroën vehicles:



Progress towards fulfilling the green materials plan may be seen in the latest Peugeot and Citroën cars brought to market:

- **in the Peugeot 208, green materials** (either recycled or of natural origin) **account for 25%** of the car's total polymer weight.

  In a **world first**, the rear bumper is made entirely of recycled material. According to a life cycle analysis currently being conducted in the Group, a bumper made entirely of recycled polypropylene reduces fuel consumption by 36% compared to one made of new polypropylene. While the use of recycled polyamide in the cooling fan system reduces CO_2 emissions by approximately 30%, compared with the same components made with new polyamide.

  Green materials are also used for many other parts and sub-assemblies, including wheel well inner liners, rear bumpers, boot carpeting, steering wheels, seats, engine covers and air filters;
- **the new Citroën C4 Picasso** contains **over 60 kg of green materials** (either recycled or of natural origin), for over 22% of the car's total polymer weight. The green component comprises 30% natural materials and 70% recycled materials distributed over nearly 80 different parts.

  Please note the following features:
  - the inclusion of 6% recycled materials in the back floor,
  - carpeting made of over 80% natural materials.
- The green materials in the **new Peugeot 308** account for **over 20%** of its 220 kg of polymers and may be found in over 70 different parts.

  Listed below are some of the note-worthy features of the 308:
  - the door panel trim of polypropylene made from natural fibres,
  - the hubcaps made from recycled polyamide.

FAURECIA

Eco-Design and Life Cycle Analysis

Faurecia is increasingly using life cycle analyses at various levels to steer its strategic decisions and those of automakers. These analyses are carried out on its products, on the entire vehicle, from the extraction of materials to delivery to automakers, and on the entire life cycle of the car (including customer use and recycling).

Framed by international standards ISO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including climate change (including CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyses allow both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

This is an especially useful innovation tool for evaluating benefits as well as any impact transfers as far upstream as possible through a comprehensive overview of the environmental impacts that paves the way for future innovations.

It also provides a more in-depth understanding of the environmental choices of an entire industry. Faurecia is therefore heavily committed to developing and using life cycle analyses in liaison with automakers and auto sector partners as the means of gaining a shared understanding of environmental challenges.

Whether in the short term with conventional engine power or in the medium term with the growth of hybrid engines and the emergence of "electric" engines, Faurecia's customers are keenly looking for groundbreaking solutions. This is the only way in which they can reduce their energy consumption and environmental footprint while at the same time ensuring autonomy, comfort, safety and driving pleasure.

Moreover, in an increasingly competitive environment, automakers must meet increasingly diverse local and global demand, while complying with existing regulations and anticipating future changes to the regulatory framework.

However, while the reduction in weight and the ensuing reduction of CO_2 emissions have a direct impact on the structure of automakers' offers, product line-ups themselves are gradually gaining in visibility, especially for Tier 1 equipment manufacturers.

The broad scope of its customer portfolio allows Faurecia to achieve a better overview of the market and a better understanding of customer expectations, resulting in a more appropriate structuring of its offers.

En 2013, anticipation of future regulation and customer demand continued to format Faurecia's innovation plan portfolio and its research and development budget in conjunction with specific requests from automakers to integrate "green" materials (renewable or recycled) and to provide for the recovery of vehicle materials.

For most of the parts that Faurecia produces and for most vehicles currently on the market, reducing mass is a clear priority and life cycle analyses help to quantify and validate such objectives. However, in certain cases, making vehicles lighter may not be the best solution.

Use of Sustainable Materials

Faurecia develops and incorporates bio-based materials and this is also an effective way of taking up positions that span the entire product life cycle.

In addition to the Lignolight technology, natural fibres are also one of Faurecia's key focuses and help to provide diverse types of solutions. NAFILean (NAtural Fiber Injection) technology, which combines natural hemp fibres and polypropylene resin, can be 25% lighter than polypropylene made from fibre glass. This technology is now under production for the instrument panel in the new Peugeot 308. Faurecia's portfolio also includes natural fibres combined with polypropylene fibres. This technology is in production for the instrument panel in the Smart, and it will also be applied in the door panels, thus causing a weight reduction of 20% compared to other top-quality technologies.

The final stage is the generation of 100% natural materials for semi-structural automotive applications at high speeds and this is the aim of the partnership with Mitsubishi Chemicals launched in 2012. This joint effort is based on the modification of polybutylene succinate (PBS), which was derived from biomass and patented by Mitsubishi Chemicals so that it could be made entirely from natural materials. BioAmber will provide the biosourced succinic acid to both partners. This resin will be combined with reinforcing fibres to obtain parts through an injection process.

5.3.2.3.2. Reducing Hazardous Substances G.24 G.41

For many years, the Group has been attentive to the health and safety of its customers and employees.

Regulatory requirements are factored into all phases of vehicle life, from design and manufacture to use and end-of-life recycling, in close collaboration with suppliers. The integration of these requirements focus on two major issues:

- the elimination of four heavy metals (lead, mercury, cadmium and hexavalent chromium) that are regulated by Directive No. 2000/53/EC on end-of-life vehicles. In 2002, the Group first asked suppliers to provide a compliance certificate for each part delivered. Since 2004, this information has been collected from suppliers using the material composition system information reporting form;
- compliance with the REACH regulation. As the final link in the production chain, the Group has set up an organisation and a communication system to monitor its partners and suppliers and ensure that they comply with the REACH regulation. To ensure compliance, the Group uses the automotive industry guidelines on REACH (http://www.acea.be/news/news_detail/reach_guideline/), which it helped to draft as a member of the European Automobile Manufacturers' Association (ACEA). The Group has set a goal of limiting as much as possible the use of substances on the REACH candidate list and anticipating the prohibitions in Appendix XIV by working as far upstream as it can in the new material research and innovation phase.

In addition to monitoring regulatory requirements, the Group has voluntarily introduced technical solutions to ensure the highest levels of customer health and safety. These include filters for air coming into the passenger compartment and limits on volatile organic compounds in materials used. In addition, chemical compounds known for their allergenic properties are closely monitored.

Suppliers are also asked to declare using the MACSI tool the use of nanomaterials in the parts and materials used in the vehicles. This requirement is implemented as far upstream as possible because it is part of the environmental evaluation process for innovations. As a result, for all innovations, suppliers are asked to declare the use of nanomaterials and submit a risk analysis conducted jointly with PSA Peugeot Citroën.

5.3.2.3.3. Measures to Prevent Waste or Recycle End-of-Life Products G.25

RECYCLING AND RECOVERING END-OF-LIFE VEHICLES

Upstream, the impacts of recycling end-of-life vehicles (ELVs) are taken into account in every new model and component. Vehicle materials are selected according to increasingly strict criteria that are designed to foster the development of recovery and recycling facilities. To ensure that its vehicles are highly recyclable, the Group is committed to:

- **using easily recyclable materials**;
- **reducing the variety of plastics in a car**, to facilitate sorting after shredding, optimise the related recovery processes and ensure their profitability;
- **using a single family of plastics per major function,** so that an entire sub-assembly can be recycled without prior dismantling;
- **marking plastic parts with standardised codes**, to ensure identification, sorting and traceability;
- **introducing green materials, especially recycled** materials, into vehicle design to support the emergence or development of new markets for certain materials;
- **integrating recycling considerations very far upstream,** starting with the innovation phases, with particular attention to new materials or vehicle parts.
  - As part of this commitment, the Group is involved in research and development projects with partners from the automotive and recycling sectors.
  - It is notably a leader in the European project ABattReLife, which debuted in May 2012 with the following partners: Bayerische Motoren Werke AG (Germany), Pôle Véhicule du Futur, the University of Technology of Belfort-Montbéliard, the University of Technology of Troyes, Nederlandse organisatie voor toegepast natuurwetenschappelijk onderzoek (Netherlands), KEMA Nederland B.V. (Netherlands), Fraunhofer-Gesellschaft (Germany), Bayern Innovativ GmbH (Germany). The ABattReLife project aims to deepen the Group's understanding of the high voltage battery life cycle. Practically speaking, it will focus on the assembly and management of a database on the behaviour and deterioration of high voltage batteries, and develop strategies and technologies for recycling and reusing lithium ion batteries. For EV and hybrid vehicle batteries, the Group has forged partnerships with specialised recyclers to ensure that these end-of-life products are processed using appropriate, effective recycling technologies.
- **designing in vehicle emissions control requirements**. Decontamination, or pre-treatment, is the first mandatory step in the processing of end-of-life vehicles. It involves draining all fluids from the vehicle, neutralising pyrotechnical components and dismounting parts considered harmful to the environment. The objective of this step is to avoid transferring pollution to another part of the environment when processing ELVs:
  - the Group has developed an in-house tool for determining how easily a vehicle can be pretreated for recycling. This qualitative method evaluates the accessibility of parts that must be decontaminated and the ease at which this can be done. The results of these evaluations have been used to define new design requirements, with the goal of making it easier to decontaminate ELVs. For any component that has to be decontaminated, a datasheet describing the necessary procedure must be prepared during the design stage;
  - as a participant in the International Dismantling Information System (IDIS) project, the Group provides scrapyard facilities with disassembly instructions for Peugeot and Citroën vehicles.

French testing laboratory UTAC has certified again that the Group is able to implement the processes needed to ensure that all Peugeot and Citroën vehicles are certifiably 95% recoverable by weight, of which 85% is actually reusable or recyclable. Today, all Peugeot and Citroën vehicles have been certified compliant and on 8 December 2011 UTAC certification was renewed for a three-year period.

Downstream, the Group has for more than 20 years been involved in collecting and processing ELVs from its dealership networks through partnerships with vehicle demolition and shredding companies. Demolition companies are in charge of decontaminating and partially or entirely dismantling end-of-life vehicles, while shredding companies extract then process scrap aluminium, copper and other important materials for sale in the international marketplace.

The Group's actions in this field fall within the remit of the European Directive 2000/53/CE of 18 September 2000 on end-of-life vehicles (ELV), which spells out three types of recovery: reuse, recycling of materials and energy recovery. It requires vehicles to be overall 85% recoverable by vehicle weight, of which 80% is actually reusable or recyclable. Beginning in 2015, vehicles will have to be 95% recoverable, of which 85% reusable or recyclable.

In addition, the Group has, as part of its product strategy, marketed a series of hybrid and electric vehicles and has already implemented the means for achieving the targets required for the recycling of batteries. Battery technology for Li-ion-type electric vehicles and batteries for NiMh hybrid vehicles require special processing. PSA Peugeot Citroën's goal is to mass-process the materials and reuse them in recycled materials.

To meet these mandatory regulations for ELV processing and ensure profitability, the Group prefers to use a mixture of demolition and shredding, the first for its ability to increase second-hand parts activity and material recovery of parts and the second for its technical expertise in sorting the shredded materials. In addition to just metals and plastics, it is PSA Peugeot Citroën's goal is to recover not just metals but a broader range of materials that can be used in two ways:

- recycled materials;
- energy recovery.

A post-shredding sorting system now creates an economically viable business in a secondary raw materials market increasingly shaped by price fluctuations.

The Group **in France** forges relationships with technically skilled, cost-efficient industrial partners to ensure full ELV traceability and guarantee that overall recovery targets are met.

These partners of the Group work with networks of certified demolition companies (510 at year-end 2013) that collect end-of-life vehicles, deregister and decontaminate them and then dismantle them to resell parts for reuse.

This strategy led to the **collection between 2009 and 2013 of more than 730,000 vehicles** sold through the Peugeot and Citroën networks.

The Group's performance in France in overall recovery of end-of-life vehicles through its network is compliant with European regulations and better than the national average.

- **Group performance in 2012 = 89.9%** of which 84.7% reused or recycled.

As previously reported, the most recent ADEME data (2011) at the national level reports overall performance in reuse, recycling and recovery to be 84.8% (of which 80.8% recycling and reuse).

The major challenge now is to meet the European Directive's ambitious target of 95% recyclability of recovered ELVs by 2015 on favourable economic terms.

To achieve this goal, the Group will launch a tender offer to select industrial partners that can meet the following targets: complying with regulations and with ELV pick-up and incentivising payment schedules in dealership networks achieving a 95% end-of-life vehicle recycling overall recovery rate for ELVs, and investing in R&D projects to find new outlets for recycling and energy recovery channels.

This strategy also creates opportunities for developing new materials sourcing channels for the auto industry. These may include integrating recycled plastics in the new vehicles production process through the green materials programmes or recycling non-ferrous metals in engine manufacture.

On the European markets, in cooperation with European manufacturers, the Group has updated its market risk analysis for about 20 markets considered to be priority markets and will in 2014 dedicate itself to implementing the action plans constructed together. Moreover, all contracts agreed by subsidiaries are continuously monitored so that any shortcomings can be corrected immediately.

Outside of Europe, the Group participates with its local partners in the development of national regulations, as in China in 2013.

FAURECIA

Recyclability

Given such stringent regulatory requirements of European Directive No. 2000/53/EC, carmakers are placing ever-greater demands on their suppliers in terms of end-of-life product recycling.

All of Faurecia's businesses are concerned by these imperatives and each have come up with projects or solutions for ensuring that recycling will be as effective as possible in the future based on the specific features of the components produced.

As regards current solutions, an innovative product must be measurable both in terms of improved technical and economic performance and its carbon footprint. Faurecia is committed to a process of forecasting and recovering future end-of-life products. Selective trials overseen by Faurecia comprise the first phase of a comprehensive approach by the automotive industry in partnership with industrial firms, academia and auto clusters, to forecasting volumes of materials available for recycling in the future.

As part of its efforts to make vehicles lighter, and on the occasion of some of its R&D projects, such as the DEMOS Project, the Automotive Seating division uses life cycle analysis solutions to evaluate the impact of the potential recyclability of new materials, new products or multi-material concepts which are set to become increasingly widespread.

After conducting recycling and recovery trials around the dismantling of complex products, the Interior Systems division has conducted similar operations after vehicle shredding. Industry recyclability studies and trials have been conducted with vehicle shredding companies on both existing products and materials in the development phase, including agro-composites. The NAFCORECY (NAtural Fiber COmposites RECYcling) project was thus able to demonstrate, with the assistance of European companies that specialise in recycling, that component parts made from NAFILean (polypropylene with natural fibres) may be processed via post-shredding technologies for automotive products at the end of their lifespan, and via recycling technologies used for industrial waste.

All possibilities for recycling end-of-life products are studied with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilisation cycles at the design stage. Faurecia also uses llife cycle analyses to "eco-design" its products, integrating all of the above criteria as early as possible into the innovation and development processes.

Recycling

Faurecia offers an increasing number of recycled plastic parts.

In the Automotive Seating business, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15-20% of the materials comprising the seats manufactured by Faurecia.

In the Interior Systems division, recycled material is factored into and validated during the new product development phase and subject to the same constraints and specifications as non-recycled materials.

In addition, Faurecia maximises the incorporation of recycled natural fibres (mainly cotton) in its vehicle soundproofing systems.

The mechanical and aesthetic performances achieved, thanks to the efforts of the BOREVE project begun in 2008, now make it possible to incorporate a percentage of recycled material compatible with the requirements for bumper surfaces, which is one of the most critical parts as regards appearance.

Life cycle analysis studies show the reduced impact on the environment of these efforts to incorporate recycled material and Faurecia, as well as its manufacturing customers, has considerably expanded its panel of recycled material suppliers. Today this allows it to offer increasingly technical applications with an expanding range of material grades.

5.3.2.4. DEVELOPMENT OF MOBILITY AND ONBOARD INTELLIGENCE SERVICE G.32

5.3.2.4.1. Mobility Offering

Relying on new connected vehicle technologies and a product range from bikes and scooters to LCVs (light commercial vehicles), the PSA Peugeot Citroën Group offers a package of mobility services that cover a wide range of personal and business needs:

SHARE YOUR FLEET, A NEW CARSHARING SOLUTION FOR BUSINESS FLEETS LAUNCHED IN GERMANY IN JULY 2013

This service, which is primarily intended for medium-sized and large business car fleets, allows employees to reserve their vehicles on-line on a simple, user-friendly platform, and access them without keys using an RFID card system. Share Your Fleet includes all the services of a long-term lease (maintenance, insurance etc.), online assistance, and carsharing technology installed in the vehicles covered under their warranties.

This solution allows companies to:

- reduce mobility costs 30% thanks to the optimised use of vehicles, lower taxi/public transport costs and additional receipts generated by private vehicle use;
- have a service employees want to use: 24/7 access to vehicles, very flexible use (reservations up to 15 min before departure).

Share Your Fleet is available for a wide range of vehicles, including city cars, sedans, Sport Utility Vehicles, Light-Duty Vehicles and Electric Vehicles.

This service was developed and is marketed in cooperation with the Short-Term Renter SIXT AG.

MU BY PEUGEOT, A CONCRETE, NEW-GENERATION LEASING SOLUTION

Mu by Peugeot is a new generation service allowing people to rent mobility, introduced in 2010. Launched in 2010 in France, then in Germany, Italy and Spain, Mu is currently available at over 100 sale points in seven countries in Europe. This unique offer is also available on smart phones and allows anyone to access a wide range of vehicles. Mu by Peugeot makes it possible to use the right form of transport for any mobility needs, thanks to the rental of a variety of products or accessories: it is therefore possible to occasionally rent a bike, scooter, car, light commercial vehicle, replacement car or scooter, an accessory (GPS, roof box, infant seat, etc.). The offer also covers hire of an electric bicycle, the Peugeot e-vivacity electric scooter and a Peugeot iOn or Hybrid. This service has 15,000 customers.

CITROËN MULTICITY, URBAN CARSHARING AND GATEWAY TO INTER-MODAL TRANSPORT

With the new CITROËN Multiplicity mobility offering, launched in March 2011 in France and May 2012 in Germany, the brand has a solution – available to everyone without subscription – that has positioned auto maker CITROËN as a travel facilitator. Citroën Multicity integrates innovative services to meet new mobility patterns: to gain time and make getting around easier thanks to carsharing and online services.

- **Citroën Multicity carsharing in Berlin** has deployed a fleet of 350 100% electric Citroën C-Zéro cars in the streets of the German capital since August 2012. This carsharing service makes it possible to find a vehicle easily (using a smart phone application or online) and take a short trip around Berlin without a reservation with no need to return the car to the same garage or park in a specific place. Rental is highly flexible because it is billed by the minute at very attractive prices.
- **Citroën Multicity online is a portal dedicated to organising all of your travels**.

  The itinerary engine researches and compares all possible travel solutions based on the criteria input. The resulting door-to-door multi-modal itineraries offer customised responses showing cost, time and CO_2 emissions for each proposed trip. Individual transport (car, taxi, etc.) is displayed, as is public transport (buses, trams, metro, airplane, etc.). Citroën Multiplicity offers customers a range of itineraries, all modes of transport, all timetables, all prices and a direct transport reservation service from a single site.

  On the Multicity portal, you also have access to innovative services that meet new mobility needs:

  - peer-to-peer carsharing, introduced in June 2012, whereby a car owner lends his vehicle to another person for a short period of time. This lets the owner earn extra money from his car and provides the renter with a car when he needs one,
  - carpooling, which lets people save money, reduce CO_2 emissions and have company for long commutes,
  - special automobile access offers, such as an innovative proposal for long-term leasing of C-Zéro electric cars for 23 months, with the option to rent it to individuals on Citroën Multicity; this systems lets cars be a combination of a car used privately and a shared car. Through this scheme, more than 1,000 people have become ambassadors for the electric vehicle.

BANQUE PSA FINANCE (BPF) PACKAGES

Most BPF branches are now offering individual customer and corporate packages – designed in close coordination with the Peugeot and Citroën marketing teams – that combine vehicle financing, maintenance and personal and vehicle insurance. The packages provide continuous use of a vehicle for a fixed monthly "subscription" whatever happens in the course of the contract: vehicle is off-road – breakdown, accident, unemployment, disability.

BPF also offers solutions to extend the manufacturer's warranty, extending the maintenance and maintenance in good condition beyond the normal brand warranty period so supporting its customers' mobility.

5.3.2.4.2. Onboard Intelligence

The Group's new onboard intelligence services are designed to make mobility safer, more efficient and more environmentally friendly.

Since 2002, Peugeot and Citroën have offered a range of assistance services based on the shared RTx/NaviDrive telematics platform that combines, in a single unit, a radio, CD player, GSM hands-free telephone, GPS navigation system and traffic information.

Leveraging this experience, Peugeot and Citroën introduced a vehicle-integrated autonomous telematics box (ATB) equipped with an embedded SIM card in 2009.

PEUGEOT CONNECT

Peugeot Connect offers a range of innovative services based on information sent directly from the vehicle. These include:

- Peugeot Connect SOS, for location-aware emergency calls;
- Peugeot Connect Assistance, for location-aware repair assistance;
- Peugeot Connect Fleet, for easier fleet management. This service provides remote access to all the data needed to support fleet use and maintenance, including odometer readings, the number of kilometres before next inspection and diagnostics for mechanical components such as the gearbox and emissions control system. Fleet managers are alerted in real time by e-mail if the system detects safety issues such as low oil, worn brake pads or under-inflated tyres. By promoting regular maintenance, the networked service also helps reduce the fleet's environmental impact. Peugeot Connect Fleet also tracks fuel consumption and CO_2 emissions.

ETOUCH CITROËN

Citroën eTouch, innovative and accessible to both individuals and professionals, includes:

- a location-aware emergency call system and assistance service thanks to an embedded SIM card;
- a virtual log and an eco-driving service, a diagnostic that displays any technical alerts, monitoring of fuel consumption and CO_2 emissions and any changes, available online (via the MyCITROËN web page) and smartphone.

These services allow motorists to track their fuel consumption and CO_2 emissions, as well as receive maintenance reminders and real-time vehicle alerts. They are available for free during the warranty period.

PEUGEOT CONNECT APPS AND CITROËN MULTICITY CONNECT

Peugeot Connect Apps (on the 208, 2008 and Nouvelle 308) and Citroën Multicity Connect (on the New C4/Picasso/Grand C4/Picasso), offer evolving mobility services. The scheme launched with more than ten applications and an app store (New 308 and New C4/Picasso/Grand C4/Picasso only) available for the onboard touch-screen based around mobility services and in partnership with leading brands to make your trips easier, safer and more personalised. This offer has been available in six countries since late 2013. Easy to access, it is designed as a plug-and-play solution at no extra cost wherever the customer goes in the world. The offer's credibility is based on an all-in-one dynamic, which can be seen in:

- exclusive Plug & Play functions: no factory option, no specific command, no point-of-sale configuration;
- an all-inclusive subscription created exclusively for PSA Peugeot Citroën (transparency and safety for the customer base): all-inclusive prepayment, no additional billing to worry about, no roaming charges when travelling in the Europe, no automatic renewal, no termination to request at the end of the contract;
- an improved driving experience: readable screen, attention to layouts so that pages are clean, creation of standardised buttons for all applications, developments of functionalities consistent with internet services ("click to call" and "click to nav"), increased driver safety though the blocking of access to some functionalities when the vehicle is in motion;
- the use of geolocation (searches near the vehicle, etc.) and onboard vehicle indicators (speed, mileage, level of petrol), much of this information is not accessible on smartphones;
- service integrated with customer relations (CRM), which enhances personal space, proactive management of vehicle maintenance plan;
- regular enrichment of services with the arrival of new applications, both free and pay, that offer drivers new connected experiences.

5.3.3 SITE OPERATIONS AND THE ENVIRONMENT

THE GROUP INDUSTRIAL DIVISION'S ENVIRONMENTAL VISION

In 2013, the Industrial Division restructured its approach in managing the environmental impacts related to its operations by making it more coherent and effective as well as to better demonstrate this activity's contribution to the priorities of the Group's CSR policy. The Industrial Division's environmental vision is part of the Industrial Division's global vision, which aims to achieve, by 2020, a level of optimal operational efficiency. This vision commits all Group plants to progress to the level of "Excellent Plant" high-performance, flexible and extensive, among the world's top manufacturers thanks to the consolidation of the expertise of the various professions and industrial activities that are part of the environment business.

The environmental vision of the Industrial Division focuses on three guiding principles, which will be explained throughout this Chapter:

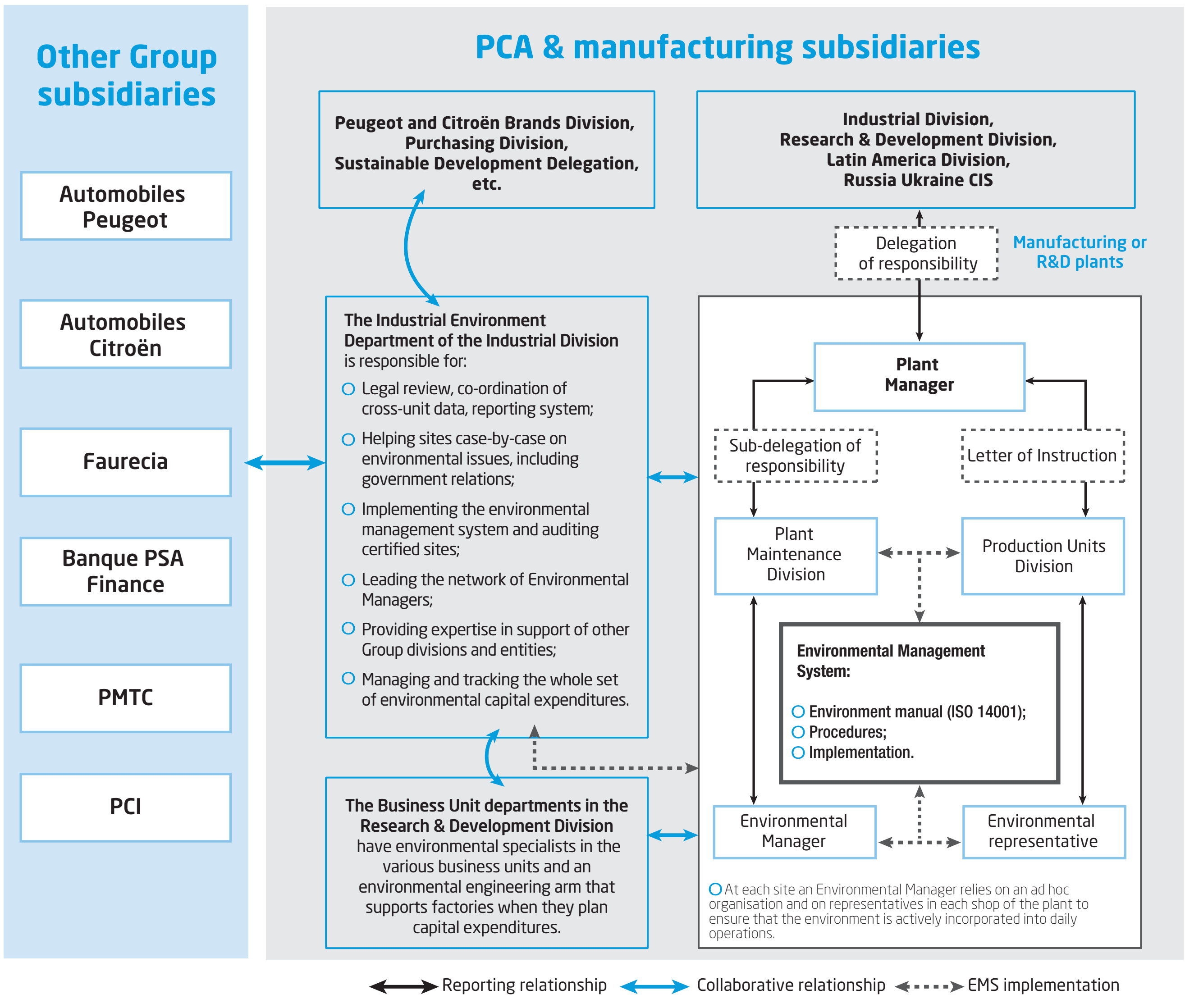
- reducing the carbon footprint of industrial activities according to two priority objectives: the reduction of emissions from its industrial facilities and the measurement and reduction of the impact of logistics activities. Finally, the use of renewable energy as opportunities allow will also be considered;
- developing strategies for the circular economy that are focused on controlling consumption, water use and treatment in industrial processes, and research and implementation of waste treatment processes with the help of the Group's partners in this area;
- controlling environmental impacts associated with the use of chemicals, to reduce emissions from painting workshops, and the risks associated with the use of these products. The preservation of biodiversity is also part of this plan to reduce the Group's impacts.

5.3.3.1. A SOLID AND PROVEN ORGANISATIONAL STRUCTURE THAT GIVES THOUGHT TO ENVIRONMENTAL ISSUES IN PROCESSES G.20

For many years, the Group has been engaged in assertive environmental stewardship at its production, research and development sites and each secondary site in a commitment to ensuring that their operations comply not only with local regulations but also safeguard the neighbouring environment and the quality of life of host communities while demanding continuous improvement.

The Group's industrial strategy integrates the protection of the environment, based on a disciplined organisation, a methodology structured around the ISO 14001 standard, the allocation of significant financial resources and an Environmental Management and Reporting Tool (ORGE), whose database provides measurements of the environmental performance of each establishment since 1989. Accordingly, the Group quantifies its environmental impacts and can act on the most significant aspects of its operations. For reporting purposes, the Group has been collecting environmental data from industrial sites on the global scale since 1995. This now-robust and proven practice makes it possible to assess progress made over the long term in addition to conduct analyses of short scales of time.

Within the Industrial Division, the Industrial Environment Department oversees and coordinates the environment business and the overall environmental strategy on the industrial sites. This department manages the ORGE application and the annual investment plan. At each plant, an environmental compliance officer is backed by a team dedicated to environmental and energy issues and correspondents appointed in each workshop and facility. Finally, the Research and Development Department also has environmental specialists who provide technical support for the plants, particularly during capital projects. In all, some 500 people are directly involved in managing the Group's industrial environment. Moreover, non-manufacturing plants with tertiary or research and development activities also benefit from the expertise of the Industrial Environment Department to help take into account the environmental problems unique to them.



The Peugeot and Citroën Commercial Dealership Networks

The Peugeot and Citroën brands are distributed by points of sale owned by the Group and led by Peugeot Citroën Retail (PCR) as well as independent dealers.

Within the Real Estate Division, a dedicated environment cell manages environmental progress at the points of sale that belong to the Group. A close collaboration with the Environmental Department of the Industrial Division makes it possible to bring in expertise in the networks and coordinate the actions of the environmental correspondents from the branches or regions on various environmental topics (monitoring regulatory compliance, managing on-site analyses and investigations, and even depollution measures, if necessary).

Since 2008, the Peugeot and Citroën brands have had an information system to collect, monitor and consolidate environmental data.

In addition, special attention has been given to new buildings, with the determination of construction rules for new concessions. These rules incorporate aspects of the building's energy performance, insulation, heating and ventilation, lighting, water and waste management.

Out of its constant concern for improving the service it offers to its customers, the Group also makes sure its network of independent dealers is involved in its sustainable development efforts.

The environmental strategies in the concessions network are overseen by environmental representatives appointed for each brand subsidiary. It is their mission to relay and deploy the environmental strategies defined centrally and follow the specific regulatory developments of each country.

For the Peugeot and Citroën commercial networks, the Peugeot Citroën Retail (PCR) environmental unit carried out two complementary projects in 2013: a maintenance audit of buildings and the establishment of consumption limits.

FAURECIA

The monitoring of environmental issues within the Faurecia Group (environmental evaluation when necessary, management of discharge and pollution when regulations are applicable, management of waste generated by process activities, etc.) is decentralised and organised by Business Group.

Environmental policies are defined and deployed by the HSE (Health, Safety and Environment) Division of each Business Group. To accomplish their mission, these divisions have set up a network of HSE Managers at each of the divisions (which are primarily geographical), who are supported by HSE coordinators within each Faurecia site. They contribute their expertise to plant management, are responsible for the application of procedures and monitor compliance of regulations and Faurecia standards. This organisational structure also makes it possible to mainstream best practices to all sites within the same Business Group and/or between the four Business Groups. In some cases, this feedback can lead to standard group rules.

5.3.3.2. AN ACTIVE CERTIFICATION POLICY G.20

Within the Automobile Division, an environmental management system is in place on all Group production sites. It is based on the international standard ISO 14001, which is an acknowledged standard for management and organisation. The standard enables a company to formalise an environmental policy, identify the Significant Environmental Aspects of each facility and reduce their impact, draft the procedures and standards used to implement the policy, and guarantee regulatory compliance as part of a continuous drive for improvement, which is a foundational principle of environmental protection.

The purpose of ISO 14001 environmental certification for production and R&D facilities is the integration of sustainable development and environmentally responsible plans into Group operations. This approach involves the deployment of a system for preventing environmental impacts, incidents and damage and for effectively managing natural resource use and waste production. Moreover, certification guarantees the Group's environmental commitment to local authorities and the stakeholders.

Launched more than 15 years ago, the certification process is now fully implemented in the production plants, which are all ISO 14001 certified. Today, the process is being deployed in R&D and replacement parts facilities. ISO 14001 is one of the standards with which all new production plants must comply.

ISO 14001 CERTIFICATION TABLE FOR THE MANUFACTURING PLANTS

1999	2000	2001	2002	2003	2004	2005	2007	2010	2012
Mulhouse	Poissy	Aulnay	Caen	Metz	Saint-Ouen	Hérimoncourt (1)	La Garenne	Belchamp	Jeppener
Sochaux	Vigo	Rennes	Charleville	Mangualde			Vesoul		Sevel Nord (2)
	Trémery	Porto Real	Sept-Fons				Trnava		
	Madrid		Valenciennes						
	Buenos Aires								

(1) Included in PCA data since 2005 (certified since 2001).
(2) Included in PCA data since 2012 (certified since 2000) according to the approach developed by the Group.

The terminal plant in Kaluga, Russia, in joint operation with Mitsubishi, is committed to the ISO 14001 certification process and hopes to achieve it during 2014.

The automotive industry cooperation ventures with Toyota, Dongfeng Motor Corp. and Fiat in Italy are already certified.

Faurecia

The majority of Faurecia plants, using a voluntary approach, implement environmental management systems based on the international standard ISO 14001. The ISO 14001 certification allows Faurecia to meet the requests of its customers.

At a constant scope, the number of certified ISO 14001 plants remained stable in 2013, *i.e.,* nearly 65% of the 228 industrial plants included in the scope last year. The current economic situation has led some sites to postpone their goals to implement an Environmental Management System (EMS). At constant scope, the number of sites that have an programme to implement a certified management system experienced a slight decline; as a result, twenty-seven plants had such a programme in 2013 compared to thirty the previous year.

5.3.3.3. EMPLOYEE INFORMATION AND TRAINING CAMPAIGNS FOR ENVIRONMENTAL PROTECTION G.21 G.24

The key elements in successfully controlling the environmental impact at the sites are the competency and involvement of the individuals in the environmental sector.

To attain this objective within the automobile sector, the Group has identified an Environment Business in its core business developed for all its major activities. The environment business certified by PSA University allows the training path for every major environmental contributor to be defined, thus aiding in the full completion of his or her activity. In addition, the Industrial Environment Department assists these individuals by exercising permanent monitoring (regulations and best practices).

In the plants, the identification of work areas that impact the environment is regularly updated and leads, for such areas, to the establishment of special training to ensure knowledge and mastery of the impact generated by these activities.

Over and above the training of major environmental contributors in the industry, every employee shall receive information on the environmental situation of his or her site at regular intervals and at least once a year. Finally, as part of the development of a Site Prevention Plan, every contributor outside the Group shall be made aware of the environmental policy of the site on which it is active. These various environmental training programmes totalled 14,827 hours for the year 2013.

Faurecia

The implementation of ISO 14001 management systems by Faurecia sites is accompanied by training and raising awareness programmes with regard to the environmental domain. In 2013, the number of training hours increased 22.5% to 22,907 hours delivered. Thirty percent of the Group's workforce (23,948 people) took part. This investment in Group employee skills training represents almost €134,076.

5.3.3.4. PREVENTION OF ENVIRONMENTAL RISK, POLLUTION OR EFFLUENTS AT THE SITES G.22 G.24

5.3.3.4.1. Resources Implemented

The Industrial Division's environmental vision is developed starting with the design of new means of production, so that its environmental impact can be considered. It can thus be estimated that 2% of the amount of investment in industrial tools corresponds to taking their environmental impact into consideration. In addition, the Industrial Environment Department manages an annual investment plan that provides for plant compliance operations relating to regulatory changes and the reduction of pollution and environmental risks. So, despite a difficult economy, an annual investment plan of €1.5 million was undertaken in 2013. Finally, this department assures regulatory monitoring that allows capturing perspectives of structural regulatory development, and shares this information with the Management with regard to the concept of production methods in order to best anticipate future regulatory constraints.

FAURECIA

Faurecia takes into account the reduction of the impact of its industrial activities on the natural surroundings in the immediate vicinity of its sites, especially in terms of the emission of pollutants in the air and in water, consumption of energy and generation of greenhouse gas, as well as waste production. To this end, in 2013, Faurecia continued to intensify its policy of setting-up depollution equipment at the end of manufacturing processes or modifications to such processes in order to reduce the quantity or the harmfulness of its discharge and waste. The total investment in environmental protection reported by the sites and the compliance of equipment was increased to €13.854 million in 2013 – an increase in investment of more than 9.9% over 2012. This increase was primarily the result of an increase in investments dedicated exclusively to the protection of the environment of 58.2%, or €4.613 million in 2013. As such, the Group's two sites have demonstrated their commitment to the environment: the Essen site based in Germany invested €1,175,000 to implement a gas turbine-powered cogeneration system. For its part, the Audincourt plant in France invested €611,000 for the installation of a new line of paint with a thermal oxidizer to ensure greater energy efficiency. These investments are grouped together in a global investment plan that is reviewed every six months.

5.3.3.4.2. Prevention or repair measures

The proven organisation structure that has been put in place, with environmental representatives in each Group entity and central coordination by a team of experts, has resulted in the development of an effective approach to certification. The involvement of every employee in the control of impacts at every stage of the process is the foundation of an effective environmental approach.

On this foundation, the environmental component of the Excellent Plant, the industrial performance strategy of the Industrial Division, leads to the definition of ambitious objectives on all aspects on which it can act: air emissions, control and reduction of natural resource consumption, reduction of discharges into water, waste, biodiversity management, and the implementation of appropriate methods and reliance on the involvement of all employees.

REDUCTION OF CARBON FOOTPRINT FROM MANUFACTURING

Like the product strategy where the emphasis is on the development of carbon-free vehicles, the Industrial Division has, through its environmental vision, promised to participate in the Group's efforts to reduce its carbon footprint in relation to energy consumption. Within the Automotive Division, the manufacturing of vehicles uses energy for a wide range of industrial processes such as foundry, machining, paint baking and heat treatment. Consequently, the Group has developed an energy management plan for all its plants based on best available techniques that has helped to reduce per-vehicle energy consumption by 28% since 1995 and CO_2 emissions by 35% since 1995.

The plan relies on the mapping of energy performance of the largest plants in order to identify the necessary interventions to completely overhaul their energy programmes as well as related short-term investments to help reduce energy consumption.

Today, the Group's commitment to managing energy consumption has come to maturity. As a result, the Sochaux plant was the first manufacturing plant in France to obtain certification of its energy management system according to the new ISO 50001 benchmark, followed by Mulhouse during 2012. In 2013, the Trnava plant obtained ISO 50001 certification, in yet another small example of limiting energy consumption on the Group's industrial capacity and of the Industrial Division's commitment to reduce its carbon footprint.

Another lever for reducing the carbon footprint is to do something about the CO_2 emissions related to Logistics. These actions will start with quantifying the current situation and then constructing a long-term action plan to reduce these emissions by 2022.

Finally, another lever that was identified is to increase the share of renewable energies used in the Group's industrial processes to further reduce its carbon footprint. As a result, studies will be conducted to identify opportunities for action in the field, such as the wood-fuelled boiler installed in 2012 at Vesoul to replace heavy oil as a source of heating. Other actions may also be planned, such as the installation of 9,300 m^2 of photovoltaic panels in Sochaux in 2010 in partnership with Veolia Environment.

PARTICIPATION IN THE CO_2 EMISSION ALLOWANCE SCHEME

For the 2008 to 2012 period, seven plants (Sochaux, Mulhouse, Rennes, Poissy, Vesoul and Vélizy in France; and Vigo in Spain) that operated installations rated over 20 MW qualify for the CO_2 emission allowance scheme set up in application of European Union Directive No. 2003/87/EC, amended, on greenhouse gas emissions trading. The deployment of a policy to limit energy consumption that relies on the best technologies available has led to the reduction of CO_2 emissions at the relevant sites such that the Group remained self-sufficient throughout the 2008-2012 period.

The Group is continuing with the third phase (2013-2020) of the CO_2 emission allowance scheme, which has been extended to four new sites (Aulnay, Sevel Nord, Sept-Fons in France and Madrid in Spain) and all operations (forges, foundries, etc.) at the seven plants currently affected for their thermal power stations (combustion).

In this context, the requests for allowances and free quotas have been duly established, verified by third parties, validated by the national authorities. Notice has been given of the amounts allocated, and the corresponding quotas have been recorded in the Community Register.

Currently, the automobile sector is not identified by European regulation as a sector exposed to the "risk of carbon leakage". As a result, the allocation of free quotas for the Group, as for other automobile manufacturers, is limited to 80% of a reference value (issued based on a European benchmark), and will then reduce with every following year on the basis of a gradient of 30% of the reference value in 2020. The Group is hence prepared to reduce its CO_2 emissions.

IMPLEMENTATION OF INITIAL GHG (GREENHOUSE GAS) EMISSION CHECKS

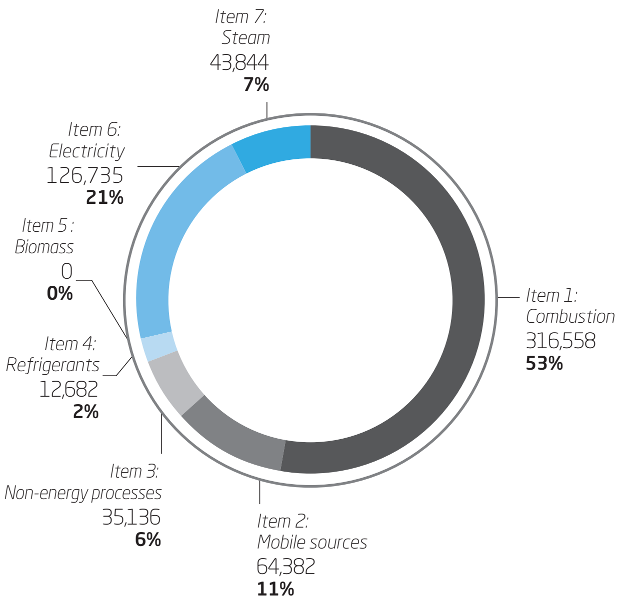
Pursuant to Article L. 225-25 of the environmental code, derived from the Grenelle environment laws, the relevant companies in the Automobile Division (companies with more than 500 employees) have implemented greenhouse gas (GHG) emission checks (six GHGs from the Kyoto protocol) for its French activities, on the basis of the reference year 2011.

Every company in question has established its check by applying the methodology established at the Group level, and has passed it on to the competent regional Prefect in December 2012.

These checks have taken into account the following sources, under operational control of the respective companies:

Emission category	No.	Emission items	Example of sources of emission
Direct GHG emissions	1	Direct emissions from fixed sources of combustion	Combustion of energy from fixed sources
	2	Direct emissions from mobile sources with heat engine	Combustion of fuel from mobile sources
	3	Direct emissions from processes excluding energy	Non-combustion related industrial processes, which could result from decarbonation, chemical reactions, etc.
	4	Direct fugitive emissions	Leakage of refrigerants, livestock, nitrogen fertilisation, treatment of organic waste, etc.
	5	Biomass emissions (land and forests)	Biomass from land activities, humid areas or the exploitation of forests
Indirect emissions related to energy	6	Indirect emissions related to electricity consumption	Production, transport and distribution of electricity
	7	Indirect emissions related to the consumption of steam, heat or cold	Production, transport and distribution of steam, heat and cold

An extremely summarised result of the PCA checks and its affiliates is given below:



An action plan for the period 2012 to 2014 is a part of this check. The resulting actions adopted may be a plan for controlling energy (e.g. reduction of electricity or gas consumption in 2012), or specific actions for reducing GHG emissions (e.g. utilisation of refrigerants having a low Global Warming Potential).

The total emission gain over the three years expected from the envisaged action plan comes to more than 60,000 tonnes of CO_2.

BRAND DEALERSHIP NETWORKS

For Peugeot and Citroën commercial networks, the Peugeot Citroën Retail (PCR) environmental cell successfully completed two complementary projects in 2013: a maintenance audit of the buildings and the establishment of limits to the consumption of water, electricity and gas in all of the branches and subsidiaries of Peugeot Citroën Retail. These two projects will enable the following thanks to a central information repository in a database:

- having representative photographs of site conditions;
- assuring traceability of site development;
- quick access to reliable, long-term information;
- facilitate regular updates;
- optimise maintenance costs;
- reduce energy consumption at points of sale.

For every point of sale, the audit of the buildings collected the constituent elements of the buildings as well as their energy usage and the level of fire prevention equipment.

The control and analysis of water, electricity and gas consumption will be implemented based on remote reading of metres (values directly read every hour by metres at the points of sale and programmed to alert the site manager and the site savings manager by email or text message in case the system detects any anomalies). For all three networks, the reading of meters at the entrance to the site will allow identification of sites with heavy energy consumption, detection of anomalies and seeking out its cause (e.g. highlighting invisible leakages or overconsumption arising from poor utilisation of installations).

Each site equipped with the remote application "NOE", may locally consult its consumption and may, on the basis of alerts warnings, trigger corrective actions to regulate and reduce its flow and energy consumption. The Group over sees consumption limits through the publication of a best practices guide on energy savings and a newsletter. The savings generated following the capital expenditures will be measured over the full year.

FAURECIA

In compliance with Article 75 of Law No. 2010-788 dated 12 July 2010 (called Grenelle 788 law), Faurecia sites in France have implemented their GHG check and informed the local authorities of an action plan for reducing greenhouse gas emissions. More than 50% of the surveyed sites have already implemented actions to reduce energy consumption with the aim of reducing their energy bills and, as a result, the Group's direct emissions. Among these actions, those recurring most frequently are regular monitoring of consumption for rapid detection of energy loss and leaks, increasing employee awareness of energy savings, the installation of new, more fuel-efficient equipment (lighting, heating, etc.), the installation of intelligent energy systems (timers, movement sensors, etc.), or assessing the energy efficiency of buildings in order to identify potential areas of energy reduction. In 2013, some Faurecia Business Groups started discussing possible uses of renewable energies at their sites.

DEVELOPMENT OF THE CIRCULAR ECONOMY

Out of an eagerness to apply the concepts of responsible development advocated by the Group's policy and to stay in line with the product strategy that promotes better recovery and recyclability for its vehicles, the Industrial Division's environmental vision is committed to developing a circular economy wherever it is located This expresses itself in the desire to avoid any wasting of natural resources, in particular water, and using only as many raw materials as are necessary. This strategy also extends into waste management, through the achievement of zero waste discharge and encouragement of recovery and recycling. For some plants, the Group is also studying potential opportunities to exchange resources and waste as part of industrial ecology experiments.

MANAGING WATER CONSUMPTION AND EFFLUENT

For the Automotive Division, saving water is a challenge for every manufacturing plant. As with energy, each plant has its own water consumption management plan based on metering systems, the display of the least water-intensive operating parameters for each workstation and the deployment of recycling systems. Since 1995, these measures have led to a very sharp 70% reduction in water consumption per vehicle produced, thereby helping to conserve resources.

Beyond these efforts to save water based on management actions, the Group has long deployed reverse cascade rinsing to its painting activities, so the water can be used for six cycles of successive rinses depending on its cleanliness. Today, to curb consumption of natural water resources, the Group works on solutions for the recycling of wastewater from industrial processes, including implementation of widespread innovative technologies such as evapo-concentration, which separate the oil phase from the water phase of aqueous discharges for reuse in the process.

Whether connected to the public wastewater treatment network or equipped with their own integrated treatment plant, each facility tracks effluent systematically – sometimes on a daily basis – using indicators, defined in the operating permits. The results of the tracking operations are reported to administrative authorities on a frequent basis. This organisation ensures that aqueous releases are not harmful to the surroundings. In particular, given the nature of effluent from the car plants, the risk of eutrophication and acidification is negligible.

At Faurecia, the water consumed is mostly used for chilling. 53.1% of water used is discharged into natural surroundings (of which 12.2% requires on-site treatment), and the remaining 46.9% is directed towards collective treatment systems. 121 sites out of the 237 surveyed were subject to self-monitoring by local authorities for assessing the quality of waste water. Of these 121 sites, 86% comply with the requirements related to effluents.

WASTE MANAGEMENT G.25

Within the Automotive Division, the Industrial Division's environmental vision regarding waste management aims to reduce the mass of waste per vehicle manufactured, as well as eliminating landfill waste in favour of recovery and recycling efforts in European plants.

Introduced in 1995, the policies, which exclude metal waste, have demonstrated their effectiveness:

- the weight of waste per vehicle produced has been reduced by 31%;
- analysis and characterisation of waste produced during the different stages of production (casting, foundry work, mechanical parts manufacture, stamping, paint and final assembly) have made it possible to identify processing channels that provide an alternative to landfilling. The gradual deployment of new outlets, depending on locally available treatment solutions, is driving a steady increase in the waste recovery rate, which has now reached 87% excluding metal waste.

In addition, nearly all scrap sheet metal, turnings and other metal waste is recovered and reused in steelmaking or in the Group's foundries.

When metal waste is taken into account, Group plants reclaim or recycle around 95% of their process waste.

The Peugeot Citroën Retail France dealership network signed a two-year domestic waste management contract with Véolia and Chimirec which started on 1 January 2012 for all hazardous and non-hazardous waste. This contract includes products and operations ranging from sorting, processing and conditioning of waste, collecting waste from the sites, transporting it, as well as creating awareness among and training operators who deal with the waste produced in the dealership networks.

At Faurecia, metal waste (66,160 tonnes in 2013) is fully recycled. At constant scope, their quantity by volume fell 8.4%.

LIMITING ATMOSPHERIC EMISSIONS: LIMITING THE ENVIRONMENTAL IMPACT RELATED TO CHEMICAL PRODUCTS.

The processes put in place in automotive manufacturing use chemical products, and the Group is seeking to limit their use and impact.

Volatile Organic Compounds

Identified as ozone-producing pollutants in the late 1980s, Volatile Organic Compounds (VOCs) are closely monitored and an action plan to reduce them has been implemented.

Within the Automobile Division, even though overall emissions of VOCs in the Group's auto body painting workshops are marginal compared with the total VOCs discharged into the atmosphere in France (less than 1% of France; source CITEPA: Emissions inventory of atmospheric pollutants and GHG in France 2013, or 734 kt) they nonetheless constitute the major environmental challenge with regard to emissions on a site-by-site basis.

The strategy for reducing these emissions is being deployed in four areas, using Best Available Technologies:

- optimising paint shops by using equipment with higher application efficiency to reduce the use of conventional paints and related solvents, by selecting low-solvent paints and by recycling used solvents;
- deploying water-based paints and other clean technologies in new facilities, particularly in the new Kaluga facility in Russia, which is equipped with this effective technology;
- installing air treatment equipment that incinerates VOCs on site;
- encouraging the sharing of experience and best practices among Group plants.

This action plan has helped the Group both to reduce VOC emissions by vehicles in the Group's auto body painting facilities by 65% since 1995 and, for each plant, to comply with the limits set by Chapter on VOCs (volatile organic compounds) in Directive No. 2010/75/EU on industrial emissions, which was repeated from the VOC directive that entered into force in 1999.

Continued systematic implementation of the best technologies at cost-effective prices is enabling the Group to steadily improve its performance. VOC emissions per vehicle produced have been below 4 kg since 2009 with 2.91 kg of VOCs emissions per vehicle produced for PCA in 2013.

Other Regulated Atmospheric Pollutants

In addition to limiting CO_2 emissions as described above, the gradual replacement of conventional high-sulphur fuel oil with low-sulphur fuels and natural gas has helped to substantially reduce worldwide sulphur dioxide (SO_2) emissions from the Group's power plants. Also in 2012, the Group finally stopped using these fuels, which enabled it to establish residual SO_2 emissions of around 6 tonnes in 2013.

At the same time, nitrous oxide (NOx) emissions have also declined sharply thanks to improvements in thermal power stations, and the choice of fuels (natural gas as a substitute for fuel oil).

Two major modernisation projects for the centralised boilers at the Sochaux and Mulhouse plants were begun late 2011 and should be completed in 2014. They provide for the installation of new gas boilers that incorporate the best performance and other technologies available and will thus contribute to the reduction of emissions of pollutants from fuels.

For all of 2013, 170 Faurecia sites were subject to self-monitoring by local authorities for assessing the quality of atmospheric discharge. Of these 170 sites, 89% complied with the requirements set up as part of this monitoring.

PROTECTING THE SOIL G.24 G.30

Within the Automobile Division, the Group is committed to identifying any pre-existing soil contamination at its sites.

Either at the instigation of public authorities or at the Group's initiative, soil contamination has been assessed at a large number of sites. After extensive investigations, some sites studied are being monitored. Depending on the site, these surveys were supported by a small number of one-time remediation or prevention programmes.

In every case, strict procedures are applied to prevent soil pollution, in particular through the use of retention basins for liquid storage and limiting, to the extent possible, the use of underground pipelines for fluids transport and conducting checks and maintenance on the existing underground pipelines.

Within the dealership networks of the Peugeot and Citroën brands, Peugeot Citroën Retail's (PCR) environment cell carries out extensive soil and diagnostic studies on the installations identified as potentially the most polluting at the time of sale or transfer. In case of proven pollution, the Group implements an action plan to treat this pollution, taking into account regulatory constraints, for making the site compatible with the intended use after it is has been sold or transferred.

Faurecia

Worldwide, Faurecia sites occupy an area of 1055.92 hectares. This figure is an increase from 2012 (+9.7%) because of the 22 additional sites within the Group. 64% of the area occupied is rainwater-resistant (compared to 65% in 2010). The so-called waterproof area includes the areas occupied by buildings, parking spaces, roads and other impervious surfaces.

The 112 sites, representing 45% of those surveyed, carried out a soil and groundwater survey for identifying at least the consequences of past activity and the environmental impact of the site set up.

Soil and groundwater pollution checks are also carried out in compliance with regulatory requirements, and also as part of environmental due diligence audits requiring in-depth examination.

RESPECTING BIOLOGICAL BALANCE, PROTECTING BIODIVERSITY AND MANAGING ODOURS AND NOISE G.26 G.33

The Group's carmaking operations do not intrinsically pose a high risk to the environment. The manufacturing facilities are quite large, however, due to the demands of mass-market production.

Locations near Protected Areas

The Group's manufacturing facilities worldwide include 22 manufacturing plants and 13 study centres and tertiary sites. These 35 facilities occupy an area of about 3,901 hectares, of which 47% are waterproofed. The impermeable nature of the soil limits the infiltration of water into the soil, which can be, depending on the receiving environment, a factor in flooding. Consequently, the Group is creating ways to limit its stormwater discharges, especially during expansion projects with, for example, the implementation of storm basins.

Furthermore, most of these sites are located in suburban industrial areas. No site is included in a space defined as wetland (RAMSAR convention) or as an area regulated for the protection of fauna and Flora (national parks, Natura 2000, nature reserves areas, areas covered by biotope orders, etc.). And even though some facilities (Aulnay, Bessoncourt, Caen, Charleville, La Ferté Vidame, Mulhouse, Sept-Fons, Trnava, Valenciennes and Vesoul) are located near these areas, their proximity has no consequence identified so far on the environments concerned.

Measures required to preserve natural habitats, flora and fauna, as well as to ensure the tranquillity of neighbouring communities, are assessed and defined during initial or supplemental environmental impact studies conducted before the installation of any new plant facilities or equipment whose content is defined by regulations. These studies assess the sensitivity of natural environments located in the immediate vicinity of the sites, and particularly the proximity of special protection areas of fauna and flora. They are carried out under new facilities or renewed at each significant stage of development of a site (extension, new installation or new equipment), and are legally subject to public notice and the approval of the administrative authorities.

Accordingly, about ten impact studies are conducted annually on the Group's sites of the Group In addition to these studies, analyses of the environmental impacts from the activity are conducted annually under the environmental management system ISO 14001 in all the Group's certified sites. These analyses include:

- environmental issues such as GHG emissions, biodiversity, consumption of energy, health consequences, etc.;
- characterisation of the milieu of the site (environmental protection area, urban, etc.);
- the possibility of "listing" environmental aspects on the basis of their impact.

They allow the management of these issues (objectives, performance monitoring, etc.).

Since facilities and the regions in which they are located have very different characteristics, each facility is granted considerable independence in setting up its biodiversity management programme. The plants in Rennes (France) and Madrid (Spain) have conducted flora assessments so that their open space management programmes can be adjusted accordingly. The production facilities in Porto Real (Brazil) and Sochaux (France) have rehabilitated land on which to plant indigenous species. Forests at the Belchamp and La Ferté Vidame sites have earned Pan-European Forest Certification (PEFC) for their sustainable management practices.

Sevel Nord has also drawn up a biodiversity inventory on its site and has implemented an initiative for the development of hives. Apart from the symbolic impact on the production of local honey, this approach is a good indicator of the condition of the nature in the immediate surroundings.

"The Peugeot Carbon Sink Project in the Amazon": an environmental, scientific and socio-economic commitment

The Peugeot brand, in partnership with France's National Forestry Office (ONF), is pursuing the carbon sink project it has sponsored in the Amazon since 1998. Scheduled to run through 2038, the project involves reforesting vast areas of deteriorated land and restoring biodiversity in the Brazilian state of Mato Grosso, while studying the relationship between reforestation and the absorption of atmospheric carbon dioxide.

The reforestation initiative is helping to revitalise the biodiversity, especially by maintaining native plant species, with the aim of restoring balance to the ecosystem. More than two million trees representing around 50 species have already been planted over a total estimated surface area of 2,000 hectares.

The Amazon rainforest is home to more than half of the world's terrestrial biodiversity.

In its first decade, the Peugeot carbon sink absorbed an estimated 53,000 tonnes of CO_2, or an average 5.1 tonnes per hectare per year. Depending on tree spacing and the species planted, sequestration may vary from 2 to 12 tonnes per hectare per year from one plot to another. These calculations are based on the AR-ACM001 methodology prepared by the International Panel of Experts on Climate Change.

The sink's long-term success hinges on its seamless integration into the region's economic and social fabric. This has led to the creation of local jobs to help raise awareness about the future of forests and the importance of preserving them.

In 2009, Peugeot, the ONF and the Mato Grosso government signed an agreement designating carbon sink as a Private Natural Heritage Reserve, which serves as a real-world laboratory for the research needs of the Brazilian and international scientific community. Tree felling and logging are prohibited throughout the reserve, which comprises 1,800 hectares of natural forest.

The 12th meeting of the Scientific and Technical Committee of the Peugeot and the ONF (French National Forestry Service) carbon sink project was held in November 2011. At the meeting, which was attended by representatives of dozens of Brazilian and French political, scientific, and academic institutions, Peugeot and the ONF announced they had begun to sell carbon credits generated by the project. This operation should assure additional financing for the project in an amount corresponding to the value of 110,000 tonnes of atmospheric carbon dioxide captured by the reforestation project developed in the Cotriguaçu region of northwest Mato-Grosso State.

The carbon credits have been sold following the VCS (Verified Carbon Standard) protocol methodology in line with international rules and regulations. The carbon credits generated by the carbon sequestration project were certified through two audits, one by Ernst & Young and the other by TUV-SUD. The award of this quality label by recognised, independent observers reflects the project's importance and the partners' disciplined scientific approach.

The Peugeot-ONF carbon sink project is the first reforestation project in Brazil to generate certified carbon credits following the VCS protocol and the second in South America.

In 2012, the project partners set up PETRA (an experimental platform for the management of Brazilian Amazon rural lands). PETRA will supplement the annual support provided to Franco-Brazilian PhD students for research in priority areas for carbon sink technology (like forestry, biodiversity, carbon capture, etc.). Moreover, the project will rely on local small-scale producers for the development of adapted agroforestry systems.

In Slovenia, the local subsidiary of Banque PSA Finance set-up an operation in partnership with the "Slovenian Forest" association, wherein BPF plans to transfer a stake to the association. (All the Publicity for this initiative at the Point of Sale is carried out on recycled paper).

FAURECIA

26 sites are today estimated to be located near a protected zone according to local authorities (less than three kilometres). In order to improve practices linked to the protection of biodiversity, certain sites are working in particular to expand the maintenance of their green areas and to use their organic waste in natural fertilisers.

5.3.3.4.3. Provisions for Environmental Risk G.23

AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The Group currently has no provisions or guarantees for environmental risks, as far as its Automobile Division and Banque PSA Finance are concerned. However, the regulation on financial guarantees will be applicable to Group sites in France. The concrete implementation of this new project is being coordinated by the Environment Department and will come into force in 2014.

As far as Faurecia is concerned, immaterial provisions were made in 2012 for potential environmental risks. They are not being specifically monitored. They are included in the provision amount, the details of which are provided in Note 24.2 of the consolidated accounts published in the Faurecia's Registration Document.

Provisions for risks to the environment were constituted in the amount of €6.107 million.

AMOUNT OF PENALTIES PAID FOLLOWING A LEGAL RULING CONCERNING THE ENVIRONMENT

PCA

The Group did not have to pay any penalties in this regard in 2013.

Faurecia

In 2013, 13 sites were subject to 18 actions or notifications of non-compliance, of which 27% concerned the environment and 72% were related to questions of hygiene, security and work conditions. In the environmental domain, the observations sent to the authorities essentially concerned waste-related reporting errors, exceeding of limit values and renewed impact assessments. For security, claims dealt with, for example, the implementation of certain equipment (sprinklers), provision of protective equipment or the lack of supervision of some discharges. The few facilities thus involved were subject to the payment of €1,367 in total (-95.3% from 2012).

Four complaints were addressed at three Faurecia Group sites during the year 2013 for some olfactory nuisances (solvent odour) and the noise at night.

Currently, there are still eight on-going disputes worldwide in relation to environmental issues. None are in relation to health, safety or working conditions.

5.3.4. SITE'S CONSUMPTIONS AND EMISSIONS

As discussed earlier in the introduction to this Chapter, the following environmental indicators are in compliance with articles L. 225-102-1 and R. 225-105 of the French Commercial Code, the decree enabling Article 225 "Grenelle 2" and in line with GRI (Global Reporting Initiative) recommendations.

A cross-reference index with GRI indicators may be found at the end of the Group's "Corporate and Environmental Responsibility report – Strategic Guidelines, Commitments and Indicators 2012", published by the Group for its Automobile and Banking Divisions. A cross-reference index with GRI indicators may be found at the end of the Group's "Corporate and Environmental Responsibility report – *Strategic Guidelines, Commitments and Indicators 2012*", published by the Group for its Automobile and Banking Divisions. The reported data concern the production plants (PCA, PCI and Peugeot Motocycles), the R&D centres, the main office sites, the Peugeot and Citroën proprietary dealership networks and the logistics platforms of companies fully consolidated within the Group and Banque PSA Finance.

A listed company 57.4%-owned by Peugeot S.A., Faurecia manages its business independently and therefore prepares and publishes its own indicators in its Annual Report.

The Group consumes two main resources for the needs of its operations:

- water, for such uses as machining, washing, cooling, sanitary facilities, etc. Depending on local availability, production plants get their water from public water companies, private wells or nearby rivers;
- energy, in the form of fossil fuels, biomass, steam and electricity, to power a certain number of processes, such as heat treatment, casting and paint curing, as well as to provide heat, light and air conditioning in buildings and offices.

The use of water, energy and products in manufacturing processes, such as scrap iron in casting, steel and aluminium sheets in stamping, or surface treatment products, paints, cutting liquids, glues and sealants, generate emissions into the water, air and soil, as well as waste that Group plants are committed to limiting and effectively managing.

Details on the methodology used for the indicators published in this Chapter may be found in the "Corporate and Environmental Responsibility report – *Strategic Guidelines, Commitments, Indicators*", which is available for downloading on the Group's website.

Coverage rates presented under the tables for the Peugeot and Citroën brands, as well as for Faurecia, correspond to the percentage of total sites concerned by these given indicators that reported data for the year. Failure to report data may be due to the inability of the facility to respond or to calculate the indicator concerned (lack of metering systems, for example). Unless otherwise mentioned, data concern all sites.

Note that certain 2012 results were restated to reflect more detailed data reported after the earlier Registration Document was published. The restatements have been explained each time the difference exceeded 1%.

Scope:

PCA: Peugeot Citroën Automobiles operations (production plants, R&D centres, office facilities).

The PCA scope of reporting covered 35 sites. In 2013 PCA's scope of entities remained unchanged from 2012.

AP/AC: operations of the Peugeot and Citroën proprietary networks (Peugeot Citroën Retail dealerships, import subsidiary headquarters, replacement parts warehouses, regional training centres and regional offices).

The Automobiles Peugeot and Automobiles Citroën scope of reporting covered 177 Citroën sites, 214 Peugeot sites and 37 dual-brand sites, for a total of 428 sites. (Only entities open at the start of the reporting campaign, 18 November 2013, are reported. With regard to newly opened sites, the only entities taken into consideration are those open for at least six months during the reporting period.)

PCI: Process Conception Engineering operations (one site).

PMTC: Peugeot Motorcycles operations (one site). The Dannemarie PMTC plant closed down on 31 December 2012 and therefore ceased to be included.

BPF (Banque PSA Finance): banking and insurance operations. The data for the Banque PSA Finance business have to do with central office operations and the subsidiaries in France, the United Kingdom, Germany, Spain, Italy, Switzerland, Belgium, the Netherlands, Portugal and Austria-which is to say the corporate headquarters and the ten largest European markets, making up 90% of BPF's total lending, as opposed to 50% in 2012, which accounts for the increased consumption. (The data of subsidiaries in Poland, Slovakia, Czech Republic, Croatia and Turkey are included in the AP/AC reporting).

Faurecia: Faurecia's equipment supply operations. Faurecia's scope of reporting covered 248 sites, divided into four product groups.

The data presented in the tables below have been audited by Grant Thornton. Information on the methods, procedures, global scope of verification and level of assurance of their audit is presented in the current document.

5.3.4.1. ENERGY

Energy Consumption, Measures Taken to Improve Energy Efficiency and Use of Renewable Energy G.29

DIRECT ENERGY CONSUMPTION

Note: Energy indicators below are expressed in the same unit of measurement (MWh ncv) by applying officially recognised conversion coefficients.

(unit: MWh ncv)		Heavy Fuels	HHO	NG + LPG	Coke + Carbon	Wood	Total
PCA	**2013**	**-**	**4,788**	**1,926,378**	**85,797**	**16,070**	**2,033,033**
	2012	4,556	4,987	1,988,757	87,181	3,185	2,088,666
	2011	4,100	5,487	1,884,388	110,585	-	2,004,560
AP/AC	**2013**	**524**	**14,650**	**159,489**	**-**	**-**	**174,663**
	2012	339	19,012	170,921	-	-	190,272
	2011	367	20,369	180,874	-	-	201,610
PCI	**2013**	**-**	**-**	**139**	**-**	**-**	**139**
	2012	-	-	152	-	-	152
	2011	-	-	3,959	-	-	3,959
PMTC	**2013**	**-**	**-**	**20,207**	**-**	**-**	**20,207**
	2012	-	-	21,703	-	-	21,703
	2011	-	0	20,346	-	-	20,346
FAURECIA	**2013**	**780**	**7,777**	**802,833**	**-**	**-**	**811,390**
	2012	1,522	10,728	708,416	-	-	720,666
	2011	2,162	14,043	741,459	-	-	757,664
BPF	**2013**	**-**	**-**	**466**	**-**	**-**	**466**
	2012	-	-	103	-	-	103
	2011	-	-	-	-	-	-
TOTAL	**2013**	**1,304**	**27,215**	**2,909,512**	**85,797**	**16,070**	**3,039,898**
	2012	6,417	34,727	2,890,052	87,181	3,185	3,018,377
	2011	6,629	39,899	2,831,026	110,585	0	2,988,139

Heavy fuel oil = HSFO + LSFO +VLSFO
HSFO= High-sulphur fuel oil
LSFO= Low-sulphur fuel oil
VLSFO=Very low-sulphur fuel oil
HHO= Home heating oil
NG= Natural Gas
LPG= Liquefied Petroleum Gas

PCA's primary energy consumption was down 3% in 2013, almost stable in the reporting's scope. This demonstrates the efficiency of the energy management programs within the Group's entities, in an environment of reduced factory throughput.

It should be noted that the Group has made efforts to substitute for the most polluting energy sources, as can be seen particularly in the retirement within PCA of all equipment using heavy fuel oils and in the installation of less polluting equipment, including equipment powered by natural gas and in some cases wood, as at Vesoul.

Data from the Peugeot and Citroën brands were reported from an average 97% of their sites in 2013 (98% in 2012 and 2011) for direct energy consumption.

The decrease in energy consumption by the Peugeot Citroën Retail dealership network is the result of a consumption monitoring policy implemented by the facilities of the dealership network to save energy.

Data from Faurecia were reported from an average 93% of its sites in 2012, versus 97% in 2012 and 95% in 2011, for direct energy consumption.

In 2013, out of the 228 sites included in the 2012 scope, the energy consumption was 2.10 million MWh (up 0.1%). At the same time, the hours worked in that scope did not change significantly from 2012 (up 1.4%). As a ratio to hours worked, at like scope, energy consumption showed a very slight increase of 0.8% as compared with 2012 (or, in total terms, 13.8 KWh per hour worked).

Note that for the entire 2013 scope total energy consumption increased significantly, reaching 2.36 million MWh, or a growth rate of 11.3% over 2012. This increase in consumption is directly related to the Group's additional twenty-two sites. One of these, in the United States, is now Faurecia's largest plant, covering 283,280 square metres. Its energy consumption accounts for about 65.5% (168,363 MWh) of the total consumption of those twenty-two additional sites (256,689.7 MWh).

INDIRECT ENERGY CONSUMPTION

(unit: MWh)		Electricity	Steam	Total
PCA	**2013**	**2,237,698**	**203,568**	**2,441,266**
	2012	2,358,596	237,381	2,595,977
	2011	2,486,202	235,404	2,721,606
AP/AC	**2013**	**137,862**	**5,756**	**143,618**
	2012	143,250	4,691	147,941
	2011	157,083	9,403	166,486
PCI	**2013**	**1,357**	**2,077**	**3,434**
	2012	2,099	2,274	4,373
	2011	2,153	-	2,153
PMTC	**2013**	**8,205**	**-**	**8,205**
	2012	11,702	-	11,702
	2011	12,550	-	12,550
FAURECIA	**2013**	**1,523,480**	**22,622**	**1,546,102**
	2012	1,385,446	12,034	1,397,480
	2011	1,321,735	18,990	1,340,725
BPF	**2013**	**3,987**	**647**	**4,634**
	2012	2,054	1,289	3,343
	2011	-	-	-
TOTAL	**2013**	**3,912,589**	**234,670**	**4,147,259**
	2012	3,903,147	257,669	4,160,816
	2011	3,979,723	263,797	4,243,520

Within PCA, the implemented energy control measures made it possible to reduce secondary energy consumption by 6% in the Group's industrial operations.

Data from the Peugeot and Citroën brands were reported from an average 95% of their sites in 2013 (94% in 2012 and 95% in 2011) for indirect energy consumption.

Data from Faurecia was reported from an average 96% of their sites in 2013 (96% in 2012 and 97% in 2011) for indirect energy consumption.

In 2013 out of the 228 sites included in the 2012 scope, the energy consumption was 2.10 million MWh (up 0.1%). At the same time, the hours worked in that scope did not change significantly from 2012 (up 1.4%). As a ratio to hours worked, at like scope, energy consumption showed a very slight increase of 0.8% as compared with 2012 (or, in total terms, 13.8 kWh per hour worked).

Note that for the entire 2013 scope total energy consumption increased significantly, reaching 2.36 million MWh, or a growth rate of 11.3% over 2012. This increase in consumption is directly related to the Group's additional 22 sites. One of these, in the United States, is now Faurecia's largest plant, covering 283,280 square metres. Its energy consumption accounts for about 65.5% (168,363 MWh) of the total consumption of those twenty-two additional sites (256,689.7 MWh).

USING RENEWABLE ENERGIES

The Group examines on a case-by-case basis opportunities to resort to renewable energy. This is why 9,300 m^2 of photovoltaic panels were installed in 2010 at the Sochaux site in partnership with Veolia Environnement.

Thus, the Vesoul site inaugurated the commissioning of a wood furnace in November 2012 to replace older oil furnaces that were less environment-friendly. In 2013 this wood-burning furnace produced 16,070 MWh of renewable energy.

Energy Consumption and Adaptation to the Consequences of Climate Change G.31 G.32

DIRECT AIR EMISSIONS FROM COMBUSTION PLANTS

Note: Direct emissions are calculated on the basis of energy consumption in compliance with the ruling of 31 October 2012 or European Decision 2012/601 in the case of CO_2 and the circular of 15 April 2002 for all other gases. Changes in emission levels are thus directly related to changes in energy consumption.

Direct Greenhouse Gas Emissions (GHG)

Total greenhouse gas emissions expressed in tonnes of CO_2 equivalent were calculated by applying the following global warming coefficients: 310 for N_2O and 21 for CH_4 (Source: IPCC Second Assessment Report: Climate Change 1995).

(unit: t)		CO_2	N_2O	CH_4	Total CO_2 equivalent
PCA	**2013**	**430,408**	**17.6**	**29.6**	**436,488**
	2012	441,288	18.0	29.0	447,476
	2011	426,459	17.0	27.1	432,305
AP/AC	**2013**	**36,911**	**1.5**	**2.4**	**37,432**
	2012	40,384	1.6	2.6	40,946
	2011	42,785	1.7	2.7	43,382
PCI	**2013**	**28**	**0.0**	**0.0**	**28**
	2012	31	0.0	0.0	32
	2011	814	0.0	0.1	828
PMTC	**2013**	**4,154**	**0.2**	**0.3**	**4,216**
	2012	4,461	0.2	0.3	4,528
	2011	4,182	0.2	0.3	4,244
FAURECIA	**2013**	**170,083**	**7.3**	**11.1**	**172,586**
	2012	150,940	6.5	9.7	153,143
	2011	158,590	6.8	9.9	160,891
BPF	**2013**	**86**	**0.0**	**0.0**	**88**
	2012	21	0.0	0.0	22
	2011	-	-	-	-
TOTAL	**2013**	**641,670**	**26.6**	**43.4**	**650,837**
	2012	637,125	26.3	41.5	646,146
	2011	632,830	25.7	40.1	641,649

CO_2= Carbon dioxide *N_2O= Nitrous oxide* *CH_4= Methane*

These data take into account 5,433 equivalent tonnes of CO_2 arising from combustion of biomass in PCA.

In the above table, data from Peugeot and Citroën brands, as well as for Faurecia, were reported from the same percentage of sites as those reporting direct energy consumption.

Direct greenhouse gas emissions (GHG) of Faurecia sites come from the consumption of fossil fuels and leaks of refrigerants. Emissions from fossil fuels-that is, from the use of compressed natural gas, liquefied natural gas and fuel oil-amounted to 170,083.1 tonnes of CO_2 equivalent in 2013, or an increase of 12.7% over 2012, which was directly related to the consumption by the 22 additional sites. At like scope, these emissions represented 148,471 tonnes CO_2 equivalent, for a reduction of 0.5%.

Other Direct Emissions

SO_2/NO_2 emissions have been calculated from fossil fuel energy consumption (fuel oil, coal, coke, natural gas and LPG), using emissions factors as recognised by the regulations.

(unité : t)		SO_2	NO_2
PCA	**2013**	**6.1**	**429.4**
	2012	14.0	435.9
	2011	13.0	411.5
AP/AC	**2013**	**6.3**	**40.0**
	2012	7.5	44.0
	2011	8.0	46.6
PCI	**2013**	**0.0**	**0.0**
	2012	0.0	0.0
	2011	0.0	0.9
PMTC	**2013**	**0.0**	**4.4**
	2012	0.0	4.2
	2011	0.0	4.0
FAURECIA	**2013**	**14.8**	**178.9**
	2012	18.3	159.2
	2011	13.3	166.4
BPF	**2013**	**0.0**	**0.1**
	2012	0.0	0.0
	2011	-	-
TOTAL	**2013**	**27.3**	**652.8**
	2012	39.8	643.3
	2011	34.4	629.4

SO_2= Sulphur dioxide *NO_2= Nitrogen dioxide*

Within the PCA scope, the Group is seeking to do away with reliance on the most polluting forms of energy. Thus since 31 December 2012, the industrial plants in the PCA consolidation no longer have production equipment using fuel oil.

In the above table, data from Peugeot and Citroën brands, as well as for Faurecia, were reported from the same percentage of sites as those reporting direct energy consumption.

Indirect Emissions of CO_2

Note: Indirect emissions are calculated based on applying emissions factors, either obtained from suppliers or published by the (International Energy Agency 2011 data), to the purchased electricity and steam).

(unit: t)		Indirect CO_2
PCA	**2013**	**288,593**
	2012	274,551
	2011	250,821
AP/AC	**2013**	**35,413**
	2012	36,251
	2011	42,810
PCI	**2013**	**530**
	2012	590
	2011	76
PMTC	**2013**	**394**
	2012	452
	2011	443
FAURECIA	**2013**	**602,461**
	2012	539,648
	2011	470,563
BPF	**2013**	**795**
	2012	638
	2011	-
TOTAL	**2013**	**928,187**
	2012	852,131
	2011	764,713

NB: Corrections to the Brazilian and Russian electric emissions factors have been made since 2012 by Brazil's Ministry of Science and Technology and by the International Energy Agency with regards to the Russian Federation. This changes the data on secondary emissions in these two countries.

The 9% increase in the Group's secondary emissions between 2012 and 2013, when PCA consumed 6% less secondary energy, is attributable to the energy mix used by the Group's suppliers to supply that energy. An increase in the carbon content of energy supplied has been reported. As an example, the principal supplier of electricity in France, from which the Group buys 67% of its electricity, produced electricity with 20% higher CO_2 emissions than in 2012.

In the above table, data from Peugeot and Citroën brands were reported from the same percentage of sites as those reporting indirect energy consumption.

Data from Faurecia was reported from the same proportion of sites as for indirect energy consumption. They covered an average 97% of sites in 2013 (97% in 2012 and 99% in 2011) for indirect CO_2 emissions. Atmospheric discharge from Faurecia sites mainly originate from the consumption of natural gas, liquefied petroleum gas and oil. These three sources generated the emission of approximately 170,083.1 tonnes CO_2 equivalent in 2013, or an increase of 12.7% over 2012, directly related to the consumption by the twenty-two additional sites. At like scope, these emissions represented 148,471 tonnes CO_2 equivalent, for a reduction of 0.5%. The electricity consumption at the Faurecia sites in 2013 moreover corresponds to the indirect emissions of 602,461.3 tonnes CO_2 equivalent, or an increase of nearly 11.6% over 2012. 8.9% of this increase was related to the Group's twenty-two additional sites. At like scope, these emissions represented 545,629 tonnes CO_2 equivalent, or an increase of 2.2%. This increase can be explained by a change in the emission factors following the update of the IEA (International Energy Agency) benchmark. Some countries registered a big increase in their factor between 2012 and 2013 (Spain and Portugal).

VOCS EMISSIONS FROM PAINTSHOP FACILITIES

Note: VOCs emissions from paintwork and presses (emissions attributable mainly to separating agents) are determined by a material balance method compliant with the principles of the 1999/13/EC directive.

		VOCs (tonnes)	Ratio (in kg vehicle produced)
PCA	**2013**	**5,838**	**2.91**
	2012	6,597	3.30
	2011	8,059	3.65
PMTC	**2013**	**8**	**-**
	2012	4	-
	2011	10	-
FAURECIA	**2013**	**2,366**	**-**
	2012	1,970	-
	2011	2,228	-
TOTAL	**2013**	**8,212**	**-**
	2012	8,571	-
	2011	10,296	-

VOCs: Volatile Organic Compounds.

For PCA in 2013, a reduction of 12% in VOCs (Volatile Organic Compounds) emissions was observed, as well as a reduction of 12% in the ratio of VOCs emission per painted vehicle. This significant growth can be attributed mainly to a plan of managing and controlling consumption of solvents that resulted in significantly reducing emissions from solvent-based paint installations and improving the results of installations that are already low-emission as a result of their process involving water-soluble paints. It can also be the result of the ongoing conversion of painting facilities at the Sochaux factory, which has switched two of its three solvent-based paint lines to lines that use water-soluble paints.

5.3.4.2. WATER

Water Consumption and Sourcing in Light of local Constraints G.27

WATER WITHDRAWALS

(unit: m3)		City water	Surface water	Underground water	Total
PCA	**2013**	**1,954,344**	**3,259,761**	**3,384,130**	**8,598,235**
	2012	1,963,888	3,929,592	3,870,874	9,764,354
	2011	1,941,873	4,286,015	3,746,222	9,974,110
AP/AC	**2013**	**613,190**	**-**	**-**	**613,190**
	2012	676,854	-	2	676,856
	2011	706,343	-	5,000	711,343
PCI	**2013**	**3,173**	**-**	**-**	**3,173**
	2012	3,243	-	-	3,243
	2011	2,637	-	-	2,637
PMTC	**2013**	**8,342**	**-**	**-**	**8,342**
	2012	13,512	-	-	13,512
	2011	14,835	-	-	14,835
FAURECIA	**2013**	**2,019,282**	**684,032**	**924,151**	**3,627,465**
	2012	1,882,862	654,418	1,107,469	3,644,749
	2011	1,807,235	704,038	1,016,044	3,527,317
BPF	**2013**	**6,589**	**-**	**-**	**6,589**
	2012	10,201	-	-	10,201
	2011	-	-	-	-
TOTAL	**2013**	**4,660,830**	**3,943,793**	**4,308,281**	**12,912,904**
	2012	4,550,560	4,584,010	4,978,345	14,112,915
	2011	4,472,923	4,990,053	4,767,266	14,230,242

The consumption of water within PCA decreased by 12% compared to the year 2012. After a worsening of the water consumption ratio per painted vehicle, the causes of which were identified in 2012, an action plan was adopted at the Group's factories to once again get this figure to decline.

Data for Peugeot and Citroën were reported from 84% of their sites in 2013 (versus 86% in 2012 and 2011).

Data for Faurecia was reported from 89% of its sites in 2013 (90% in 2012 and 97% in 2011).

At Faurecia, all sites together reported an estimated, overall water consumption at 3,627 million cubic metres in 2013 for the 224 entities reporting all of their consumption. This total water consumption covers 96.4% of the total workforce. Within the 209 sites already in operation in 2012 that reported all of their water consumption, the total water consumption declined somewhat, by 3.8% (-135,853 cubic metres) between 2012 and 2013. On these 209 sites, the water consumption reported for the number of hours worked decreased by 4%, or about 0.97 litre less for every hour worked (23.08 litres in 2013 vs. 24.5 litres in 2012). This positive trend was primarily due to more limited consumption by the ISO 14001 sites (down 5.9% in water consumption). In 2013 the water used by Group factories derived as follows: 55.7% from municipal systems, 18.9% from surface water and 25.5% from the water table.

GROSS EFFLUENT DISCHARGE, EX-WORKS G.24

(unit: kg/year)		COD	DBO_5	SM
PCA	**2013**	**1,284,528**	**428,342**	**372,479**
	2012	1,374,178	552,685	363,743
	2011	2,152,278	831,021	491,814
AP/AC	**2013**	**nc**	**nc**	**nc**
	2012	nc	nc	nc
	2011	nc	nc	nc
PCI	**2013**	**nc**	**nc**	**nc**
	2012	nc	nc	nc
	2011	nc	nc	nc
PMTC	**2013**	**923**	**364**	**35**
	2012	520	197	27
	2011	347	208	36
FAURECIA	**2013**		**Non-Consolidated**	
	2012	nc	nc	nc
	2011	nc	nc	nc
BPF	**2013**	**nc**	**nc**	**nc**
	2012	nc	nc	nc
	2011	nc	nc	nc
TOTAL	**2013**	**1,285,451**	**428,706**	**372,514**
	2012	1,374,698	552,882	363,770
	2011	2,152,625	831,229	491,850

COD= Chemical oxygen demand BOD_5: Biochemical oxygen demand after five days   SM: Suspended matter   n/c: not communicated.

Note: In 2012, the reduction in these indicators for discharge of pollutants was in particular attributable to the implementation of a new calculation method, which took into account the actual discharge of the various sites in a manner better than the calculation method used until then, which was proposed by French water agencies that take into account the average flow and the flow in the busiest month.

Note: data for Faurecia have not been consolidated because the differences in regulatory requirements worldwide mean it is not possible to consolidate indicators in a uniform manner.

Less than 10% of the effluent presented above is released into the environment after full treatment in an integrated plant. The remainder is channelled to public waste water plants for further treatment.

5.3.4.3. CONSUMPTION OF RAW MATERIALS G.28

Raw and Recycled Materials Consumed and Measures Taken to Use them more Effectively

RAW AND RECYCLED MATERIALS CONSUMED (FOR PCA, STANDARD PARTS)

The Group's 2013 raw materials use was as follows:

- directly: 800,000 tonnes of steel (vs. 880,000 tonnes in 2012) and 57,000 tonnes of non-ferrous metals (vs. 63,000 tonnes in 2012);
- indirectly: 1,430,000 tonnes of steel (vs. 1,575,000 tonnes in 2012) and 177,000 tonnes of non-ferrous metals (vs. 195,000 tonnes in 2012) and 540,000 tonnes of synthetic materials including 16,000 tonnes of recycled materials (vs. 600,000 tonnes of synthetic materials including 18,000 tonnes of recycled materials 2012).

The reduction in the rate of direct steel consumption compared to other material shows the reduction of steel usage in the production of the Group's vehicles.

RAW AND RECYCLED MATERIALS CONSUMED (FOR FAURECIA)

Plastics and metals were retained as elements to be collected for 2013, and represented the most important consumption.

In 2013, the process of production required the use of 929,527 tonnes of metal and 342,503 tonnes of plastic (apart from inventory and materials recycled in-house). The metals were mainly used for manufacturing seats and exhaust pipes: 64.5% and 35% respectively of the use of this raw material. Plastics were mainly used for manufacturing dashboards: Faurecia Interior System uses 58.9% of this raw material. Faurecia plants also make use of scraps from the production line by reusing them as raw materials. To this point data are being collected only for reused plastics. In 2013, 9.2% of plastic raw material came from the recycling process. Plastic scraps sourced internally are re-used as by-products. In 2013, at like scope, 12,658 tonnes were recycled in this manner, or a drop of 6% from 2012. Faurecia Interior Systems uses 82.7% of the plastics that get recycled within the Group.

5.3.4.4. WASTE G.25

Total Weight of Waste by Type and Disposal Method

FOR PCA (EXCLUDING METAL WASTE, NEARLY 100% OF WHICH IS RECYCLED)

(unit: t)		Land fill	Recovery and recycling	On-site recycling	Other disposal methods	Total
Foundry waste	**2013**	**4,251**	**45,667**	**92,976**	**27**	**142,921**
	2012	7,118	45,863	101,842	53	154,876
	2011	9,235	65,810	101,377	60	176,482
Non-hazardous process waste	**2013**	**10,804**	**72,518**	**5,400**	**1,891**	**90,613**
	2012	14,832	71,714	1,209	1,693	89,448
	2011	11,350	81,000	1,141	1,272	94,762
Hazardous process waste	**2013**	**1,292**	**15,822**	**-**	**18,769**	**35,883**
	2012	1,686	17,035	-	17,074	35,795
	2011	2,515	23,321	-	22,888	48,724
TOTAL	**2013**	**16,347**	**134,007**	**98,376**	**20,687**	**269,417**
	2012	23,636	134,612	103,051	18,620	280,119
	2011	23,100	170,131	102,517	24,220	319,968

Non-hazardous process waste *Hazardous process waste*

The table above does not include the metal waste (459,768 tonnes in 2013) almost all of which was recycled.

The reduction in the quantity of specific foundry waste between 2012 and 2013 was linked to the reduction in operations of the two main foundries of the Group.

The quantity of buried waste was reduced by about 7,300 tonnes between 2012 and 2013. This outcome was largely (to the extent of 2,900 tonnes) the result of changes made to the processing of used foundry sands, such that these are more often reused than placed in a landfill. It should be noted that the effort to find cleaner disposal methods has been particularly successful in the assembly plants, as the Buenos Aires and Vigo plants reduced their buried waste by about 4,200 tonnes. In addition, the Trnava plant has joined our Sochaux, Mulhouse and Poissy industrial sites which now bury no waste at all (except the tiny fraction required by law to be buried.)

AP/AC (EXCLUDING METAL WASTE)

(unit: t)		Land fill	Recovery and recycling	Other disposal methods	Total
Non-hazardous process waste	**2013**	**NA**	**NA**	**NA**	**10,002**
	2012	3,605	8,096	92	11,793
	2011	4,333	8,974	70	13,378
Hazardous process waste	**2013**	**NA**	**NA**	**NA**	**4,115**
	2012	554	3,526	187	4,267
	2011	850	3,595	169	4,613
TOTAL	**2013**	**NA**	**NA**	**NA**	**14,117**
	2012	4,159	11,622	279	16,060
	2011	5,183	12,568	240	17,991

Non-hazardous process waste *Hazardous process waste*

Data from the Peugeot and Citroën brands were reported from an average 85% of their sites in 2013 (83% in 2012 and 87% in 2011).

When the disposal method is not known, the waste is considered to have been landfilled.

This table does not include metallic waste (2,570 tonnes in 2013).

FOR PCA + PMTC (EXCLUDING METAL WASTE, OF WHICH ALMOST 100% WAS RECYCLED)

(unit: t)		Land fill	Recovery and recycling	Other disposal methods	Total
Foundry waste	**2013**	**-**	**-**	**-**	**-**
	2012	-	-	24	24
	2011	-	-	124	124
Non-hazardous process waste	**2013**	**95**	**464**	**0**	**559**
	2012	136	372	0	508
	2011	124	485	0	609
Hazardous process waste	**2013**	**-**	**56**	**115**	**171**
	2012	9	173	313	495
	2011	2	138	515	655
TOTAL	**2013**	**95**	**520**	**115**	**730**
	2012	145	545	337	1,027
	2011	127	622	639	1,389

Non-hazardous process waste *Hazardous process waste*

NB: The table above does not include the 276 tonnes of metal waste produced in 2013, nearly all of which was recycled.

The reduced volume of waste within PCI and PMTC is largely due to the closing of the Dannemarie PMTC site.

FOR FAURECIA (EXCLUDING METAL WASTE, NEARLY 100% OF WHICH IS RECYCLED)

(unit: t)		Land fill	Recovery and recycling	On-site recycling	Other disposal methods	Total
Non-hazardous process waste	**2013**	**54,513**	**84,751**	**2,136**	**3,675**	**145,075**
	2012	51,059	61,657	13,472	2,754	128,942
	2011	43,542	62,896	14,258	4,529	125,225
Hazardous process waste	**2013**	**3,220**	**7,813**	**328**	**7,916**	**19,277**
	2012	2,761	6,723	-	6,803	16,287
	2011	2,659	7,048	-	7,337	17,044
TOTAL	**2013**	**57,733**	**92,564**	**2,464**	**11,591**	**164,352**
	2012	58,820	68,380	13,472	9,557	145,229
	2011	46,200	69,944	14,258	11,866	142,268

Non-hazardous process waste; Hazardous process waste.

Data from Faurecia was reported from an average 86% of their sites in 2013 (92% in 2012 and 97% in 2011).

The table above does not include the metal waste (66,160 tonnes in 2013) almost all of which was recycled.

In 2013, Faurecia operations generated 228,047 tonnes of waste (non-hazardous, hazardous and metallic waste). As such, 158 sites were able to report on all their waste treated according to type, representing 71.4% of the total sites. On the other hand, 2,464 tonnes of waste were recycled on-site.

With respect to disposal methods, Faurecia sites achieved a total waste recycling rate of 51%, both outsourced and on-site. The energy recovery rate from waste was 19%.

At like scope, the volume of metallic waste produced declined 8.4% to a total of 65,815 tonnes.

In 2013, the waste produced comprised 63% of non-hazardous waste, 29% of externally recycled metal, and only 8% of hazardous waste.

BANQUE PSA FINANCE

(unit: t)		Land fill	Recovery and recycling	Other disposal methods	Total
Non-hazardous process waste	**2013**	**14**	**34**	**0**	**47**
	2012	28	0	0	28
	2011	-	-	-	-
Hazardous process waste	**2013**	**0**	**0**	**0**	**0**
	2012	0	0	0	0
	2011	-	-	-	-
TOTAL	**2013**	**14**	**34**	**0**	**47**
	2012	28	0	0	28
	2011	-	-	-	-

Non-hazardous process waste *Hazardous process waste*

5.3.5. COMPANY SUSTAINABLE DEVELOPMENT COMMITMENT

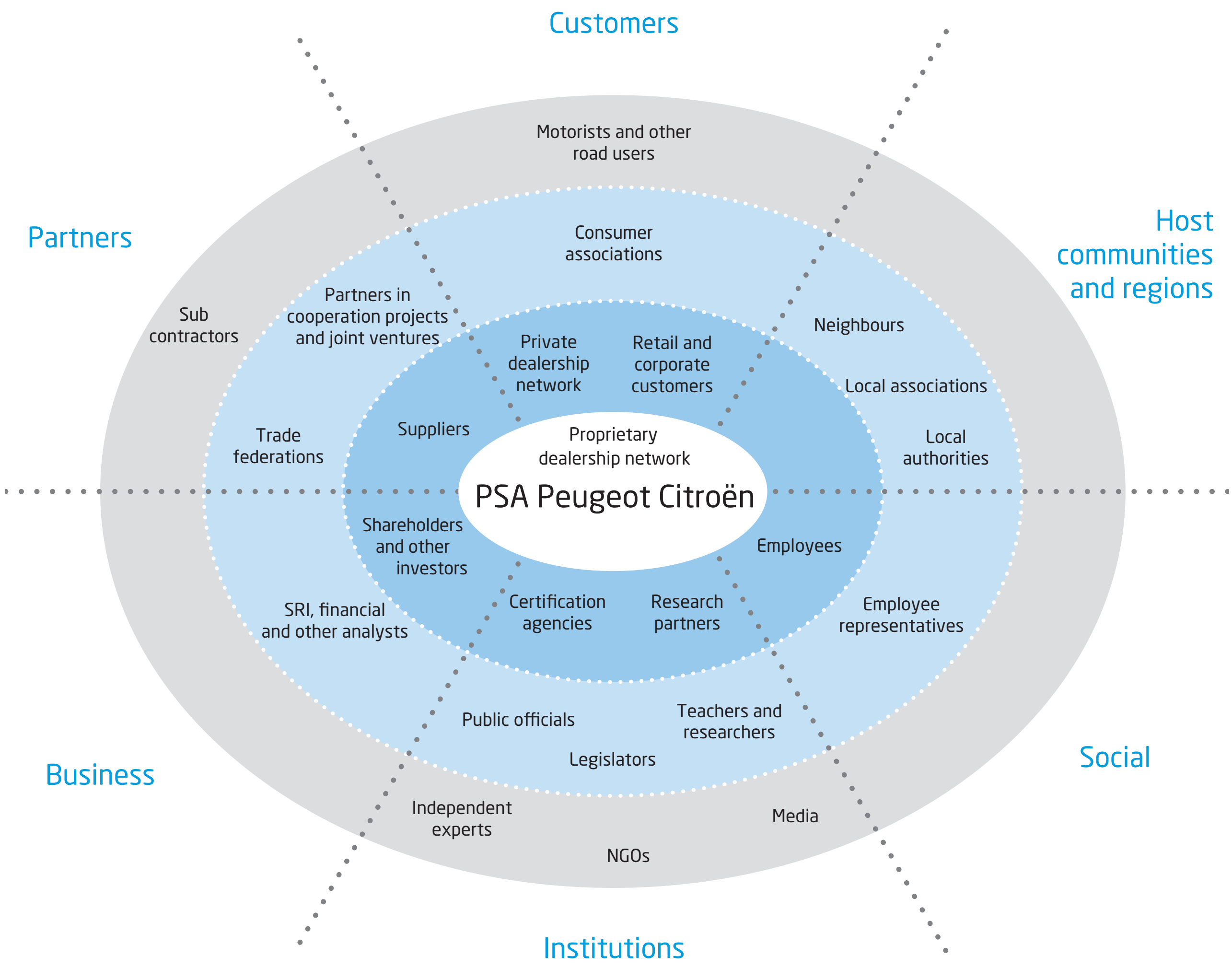
5.3.5.1. RELATIONS WITH STAKEHOLDERS G.36

PSA Peugeot Citroën – a major player in the local economies where it operates – has maintained solid relations with all of its stakeholders for many years. The experience gained through these relations allows us to better identify company, environmental or economic challenges and risks. Continuously monitoring the changing expectations, needs and limitations of society allows for better mutual understanding. The advantages of this system are that it makes it easier to prevent risks and conflicts and to adapt the Group's strategic objectives to global sociological, technological and institutional changes.

Stakeholders and Forums

PSA Peugeot Citroën has identified its main stakeholder groups. They are presented in the diagram below by type and the importance of their relations with the Group.

STAKEHOLDERS



Dialogue Resources Used by PSA Peugeot Citroën

The expectations of customers, employees and shareholders are a core concern at PSA Peugeot Citroën. The Group is committed to including community representatives in its circle of dialogue alongside industrial and business partners.

The resources are divided into three levels: unilateral, bilateral and contractual.

Stakeholder	Information - communication	Dialogue - consultation	Agreements - partnerships
Employees	> Internal communication through newsletters, websites, events, etc. > Awareness campaigns on sustainable development, diversity, disabilities, eco-driving, safe driving, etc.	> Daily dialogue with management > Platforms and discussion among employees within Basic Work Units > Suggestion boxes > Dialogue through employee representatives > Periodic satisfaction surveys	> Training
Employee representatives		> Social agenda > European Works Council expanded to a Global Council > Joint Union-Management Strategy Committee > Specific sessions on site	> Global Framework Agreement on Social Responsibility > Collective bargaining agreements and employee relations agreements with labour unions > New social contract (2013)
Customers and consumer associations	> Peugeot and Citroën websites > Responsible communication charter > Information on road safety features when a vehicle is delivered	> Dealership network and customer services > Consultation with consumer panels > Consumer relations teams	
Dealership networks		> Customer satisfaction and quality feedback	> Analysis of all types of risk (including ethical) before a dealership contract is signed > Inclusion of sustainable development clauses in dealership contracts
Shareholders and other investors	> Letter to shareholders > Sustainable Development and Annual Report and Registration Document > Corporate *website* > Annual and interim financial results	> Consultation Committee > Annual Shareholders' Meeting > Investor meetings > Numerous conferences	
Suppliers	> Monthly information meetings	> Supplier trophies > Innovation days > Suppliers' Convention (CEO + 300 largest suppliers) and products/projects meeting > Attendance by three PSA Peugeot Citroën delegates per region > Supplier relations teams	> Social and environmental guidelines for suppliers > Sustainable development clauses in contracts and general terms and conditions of sale > Involvement in France's PFA - a platform set up to foster on-going discussion and exchange among auto industry stakeholders
Partners in cooperation projects and joint ventures		> Member of French, European and global trade associations for automobile manufacturers (like the CCFA in France and the ACEA for Europe)	> Joint development and production of vehicle components and bases, notably for electric vehicles, hybrid components and Euro six-compliant engines
Other carmakers		> Member of the European Automobile Manufacturers' Association (ACEA) > Member of national trade associations in all host counties	
Financial and SRI rating agencies	> Corporate Social Responsibility Report	> Responses to questionnaires and periodic requests	
NGOs and associations	> Corporate Social Responsibility Report	> Responses to requests > Meetings with NGOs > Formal discussions held directly or through institutions of which the Group is a member (EPE, C3D, etc.)	> Participation in the local community (infrastructure, support of local associations, etc.) > Support from the Foundation for projects and charities
Institutions		> Regular contacts with European and international institutions, as well as with French authorities > Local contacts with consulates	
Host communities and site neighbours	> Events on road safety, environmental issues, sustainable mobility and other topics	> Discussions with local officials > Open houses and site visits	

Stakeholder	Information - communication	Dialogue - consultation	Agreements - partnerships
Media	> Press releases > Website and media centre (corporate and brands)	> Dedicated press relations teams	
Teachers and researchers	> Forum for France's leading business and engineering schools > Awareness campaigns with local schools and events for France's Industry Week	> Intern and apprenticeship programmes, and laboratory space for doctoral candidates under a CIFRE contract > Work on urban mobility within the City on the Move Institute (IVM)	> Agreements to create Open Labs and endowed Chairs at universities, engineering schools and business schools > Partnerships with national educational systems in each host country > Visits, vehicle donations and educational events held by Group sites
Corporate Social Responsibility experts and dedicated entities		> Discussion sessions	

The Group also communicates with other stakeholders through its banking business, Banque PSA Finance:

Stakeholder	Information - communication	Dialogue - consultation	Agreements - partnerships
ACPR - French Prudential Controls & Resolution Authority	> Annual report on internal controls > Internal Controls Charter	> Inspections by the ACP > Half-yearly results presentations > Regular communication of financial and accounting indicators > Inspections by local supervisory agencies	
Trade associations	> French Association of Financial Companies (ASF) > FBF: French Banking Federation > Equivalents in the countries where the Group operates	> Working groups > Ad hoc discussions as needed	
Commercial partners > Banking > Insurance	> HSBC and Société Générale	> Operational cooperation	> Different types of partnerships in some countries: Joint ventures, etc.
Certification agencies	> Bureau Véritas	> ISO 9001 version 2008 certification annual audit	
Consumer associations	> Through the French Association of Financial Companies (ASF)	> Involvement in ASF initiatives on consumer credit	
Investors	> Banks and Institutional Investors	> Through the Group's Finance Division	
Dealership networks	> Dealerships, subsidiaries, and branches	> Customers and advisors	
Rating agencies	> Moody's, Standard & Poor's etc.	> Road shows, > Results presentations	

STAKEHOLDERS DIALOGUE FOR 2013

Aware of the issues surrounding its business operations, PSA Peugeot Citroën has for many years maintained a constructive dialogue with all of its stakeholders. The experience we have gained from this transparent, ongoing dialogue enables us above all to identify the issues, the opportunities and risks before the Group, be they related to employment, the environment or the economy. These regular discussions with PSA Peugeot Citroën stakeholders guide our CSR ambitions.

This dialogue also helps us to adapt socially and technologically to changes in civil society.

In 2013, the PSA Peugeot Citroën Stakeholders Dialogue was based on three major themes:

- social (employment) policy;
- responsible purchasing;
- and sustainable mobility.

Given the crisis that has beset the auto industry for several years, requiring necessary adjustments to its manufacturing capacity, and in order to carry out the necessary restructuring plans as responsibly as possible, the Group has emphasised an ongoing dialogue with its most affected stakeholders (employee organisations, unions, local communities, governments and the automotive industry).

The first objective was to co-sign the assistance programme for employees affected by the Group's restructuring plans.

This was accomplished by:

- measures to assist the job reassignments initiated in 2012 (inside and outside of the Company, the training/re-training plan, etc.);
- maintaining and developing the revitalisation efforts at the Rennes and Aulnay sites, with the local elected officials and our business partners.

As part of the Group's turnaround plan, on 24 October 2013 PSA Peugeot Citroën signed with its employee representatives a "New Social Contract."

The agreement is designed to involve employees in the Group's recovery and to maintain PSA Peugeot Citroën's industrial and technological base in France beyond 2016, while preserving employees' basic interests.

This New Social Contract is built on four areas of application:

1) greater involvement by employees and their representatives in the Group's strategic vision and in each department's and site's forward-looking projects;
2) a new approach that secures jobs while carrying out collective transformations, particularly to improve the utilisation rate of our plants;
3) deployment of a PSA Peugeot Citroën intergenerational contract that provides for senior leave (potentially affecting 2,500 to 3,000 employees over three years) and the hiring, under work-study schemes, of more than 2,000 young people;
4) flexibility and wage moderation measures (with no decline in remuneration paid) representing €125 million. The New Social Contract also gives employees a stake in the Company's recovery through an improved discretionary profit sharing agreement and an additional profit-sharing payment (discretionary or non-discretionary) in early 2015.

In addition, in 2013 PSA Peugeot Citroën continued to participate in the discussions led by the representative councils of corporate social responsibility in France (MEDEF, AFEP, EPE, C3D, UDA, CCFA, etc.) while maintaining a prominent position in the automotive industry (led by PFA in France and ACEA in Europe), particularly with regard to responsible purchasing and assistance to suppliers.

As concerns sustainable mobility, the third theme of our stakeholder dialogue, PSA Peugeot Citroën undertook several joint initiatives.

For one, the Group initiated partnerships with large organisations such as France Nature Environnement (FNE). The quality of the discussions with the representatives of this association, whose work is focused on safeguarding the environment, led the Group to take two major steps:

- a presentation at the FNE's Annual Conference in April 2013 of PSA Peugeot Citroën's efforts to further sustainable mobility;
- helping to write and publish a white paper, co-ordinated by FNE, on the place of the automobile in tomorrow's transportation picture.

For another, representatives of several PSA Peugeot Citroën management teams took part in the working group on sustainable mobility organised by the Tuck Foundation. The leading purpose of this foundation, noted for its service to the public and founded in 1992, is to foster international cooperation in education and research about hydrocarbons, petrochemicals, engines and activities related to them, along with their effects on the environment.

With this mission, the Tuck Foundation helps bring together the major representatives of the energy sector to deal with the strategic challenges as to research and innovation.

The Group also brought the Carbon 4 association into its discussions of long-term mobility scenarios.

Lastly, throughout the year, several experts on mobility met with panels of Group employees whose jobs involve them in the development of services and products pertaining to sustainable mobility. These discussions have enabled PSA Peugeot Citroën to incorporate issues of sustainable mobility more fully into its business model. In fact, in the last quarter the Group decided to create a Business Unit whose mission is to coordinate PSA Peugeot Citroën's mobility and connected vehicle strategy. This Business Unit primarily includes the two mobility departments of the Citroën and Peugeot brands: Multicity and MU, as well as the "Share your Fleet" offering.

Faurecia

Faurecia has implemented permanent dialogue with a certain number of its stakeholders:

- research partners: technological development and innovation are key priorities for Faurecia. In support of this priority Faurecia in 2013 continued its policy of outreach to academia. After the productive launch of advanced projects with the Fraunhofer Institut für Chemische Technologie (ICT) in Germany and through chairs for sponsored research in industrial studies established at:
  - the École Supérieure d'Electricité (Supélec) and the École Supérieure d'Ingénieurs en Génie Electrique (ESIGELEC) for mechanical electronics,
  - the École Centrale de Paris (ECP) and the Technische Universität Munchen (TUM) in Munich for assembly lines and logistics,
  - the Technische Universität Dortmund (TUD) for metallic materials and their fabrication.

  A new chair was created at the Freiburger Materialforschungszentrum of the University of Freiburg (FMF) and the SKZ Würzburg, both in Germany, for the chemistry of plastics and biomaterials. Other, existing chairs are worth noting: the industrial composites chair with the Ecole Centrale de Nantes, which aims to study manufacturing materials and procedures compatible with automobile cycle timings. In addition, Faurecia also signed in 2013 a strategic partnership with Mitsubishi Chemicals for the development of bio-sourced resins;
- suppliers: Faurecia is committed to basing its growth on socially responsible actions and behaviours in all its business lines and in all countries where the Group has facilities. With that in mind, Faurecia strives to establish close, long-term relationships with its suppliers, based on growth and mutual advantage. Faurecia believes that the principles of social, environmental and economic responsibility are essential criteria in awarding contracts to suppliers. Great stress is laid on communications and transparency, so that there will be a strategic alignment of vendor and purchaser. Conventions are organised where awards are formally granted on performance in different areas (Logistics, Quality, Innovation, etc.) Faurecia maintains close relationships with its suppliers and arranges strategy tracking meetings in which it shares and discusses strategies to execute in the interest of mutual development, together with Tech Days for researching, identifying, promoting and developing new ideas for innovation, all as part of a free and open dialogue. Faurecia ensures supplier reliability, not only in terms of product quality, but also in terms of meeting CSR (Corporate Social Responsibility) criteria;
- customers: Faurecia is involved in all stages of developing the equipment required by its customer carmakers, from defining the product specifications to the initial marketing;
- industrial or business partners. In 2013 Faurecia struck new partnerships or added to existing ones. For example, at Faurecia Interior Systems in February a 50:50 joint venture was signed with AIP (Auto Interior Products Co. Ltd.), a Summit Group company, a diversified group headquartered in Bangkok. Faurecia & Summit Interior Systems (Thailand) Company Limited, based in Rayong, will produce 100% of Ford's needs for vehicle interiors in Thailand (door panels, dashboards, consoles). In April 2013, a 50:50 joint venture agreement was signed with CCAG (China Chamg'An Group). CSM Faurecia Automotive Parts Company Limited, based in Dongguan makes and delivers to Ford automobile interior systems such as door panels, dashboards and consoles;

- the financial community: a wide variety of public documents, including regulated information, which can be found on the Group's website www.faurecia.fr, covers the Company's business activity, strategy and financial information. Faurecia organised over 400 large-scale and individual meetings in 14 countries, which allowed for direct dialogue to take place with nine hundred institutional investors and financial analysts in 2013. Shareholders also have a dedicated area on the Faurecia Intranet where they can find out about the Group's employee savings plan;
- certification agencies: environmental management systems based on the international standard ISO 14001 are being set-up at Faurecia in accordance with the Group's environmental compliance policy and within the framework of the Faurecia Excellence System (FES). This certification also allows Faurecia to meet its customers' requirements.

5.3.5.2. EXCELLENCE IN SUPPLIER RELATIONS: A SUPPLY CHAIN COMMITMENT

Purchasing is central to the Group's international development and to its integration in the industrial ecosystems of the countries it operates in.

The Group's Purchasing Department is responsible for the supplier relationship. Its role is to build and maintain a supplier database at the best technical, industrial and economic level. It also guarantees the quality and security of the Group's supplies, by ensuring that suppliers comply with Group standards, particularly in terms of quality, logistics and sustainable development. It handles purchasing for Peugeot Citroën Automobiles (the Group's manufacturing and support business), and for the central management functions of the Branding Department, Peugeot Automobiles and Citroën Automobiles. It is responsible for the major purchases made by Banque PSA Finance.

Faurecia has a special status - it is a subsidiary, but also a supplier to other carmakers which are direct competitors of PSA Peugeot Citroën. This requires these units to be strictly separated, including the purchasing function. However, the principles of responsibility within the PSA Peugeot Citroën Purchasing Departments also apply to Faurecia's relationship with its own supply chain, as both a part of the Group and a strategic supplier.

On 29 February 2012, PSA Peugeot Citroën and General Motors announced the creation of a global strategic Alliance. By joining forces and sharing the know-how of the two companies, this alliance aims to secure the profitability of both partners and improve their competitiveness in Europe. The alliance is structured around three main pillars:

- the sharing of vehicle platforms, components and modules;
- the creation of a purchasing joint venture for products and services in order to solidify all of the identified synergies. The joint entity will take advantage of the purchasing power of each partner, giving each its lead by family of product;
- a logistics agreement between GEFCO and General Motors calling for the transfer to GEFCO of the bulk of the American manufacturer's logistical operations in Europe.

5.3.5.2.1. The Group's Purchasing Strategy

THE CRITICAL ROLE PLAYED BY PURCHASING IN GROUP PERFORMANCE G.39

Total purchases by PSA Peugeot Citroën in 2013 were €23.5 million, which broke down as follows:

TOTAL WORLDWIDE PURCHASING EXPENDITURE

(in million euros)	Europe incl. Russia	AMLAT	ASIA	Total
Standard parts	16,937	1,725	13	18,675
Replacement parts	1,346	39	0	1,385
Non-standard	3,208	270	0	3,478
TOTAL	**21,491**	**2,034**	**13**	**23,538**

The standard parts purchased represent over 75% of a vehicle's production cost.

€20.1 million of the non-standard parts and components purchases can be attributed to BPF. BPF's purchases consist mainly of consulting and IT products and services, and do not pose any special issues related to risk management in general or CSR in particular. They are treated the same as other similar purchases by the Group.

SUPPLIER RISK G.34

Given the importance of purchased technology used in car manufacturing, the technical, quality, logistical and financial performance of suppliers matter. Supplier failure of any kind can actually bring a plant's production to a standstill or create delays in the introduction of new models.

All suppliers are evaluated, selected and monitored on various criteria, especially including: competitive pricing, quality, logistical performance, ability to develop and mass produce new products, survivability and social and environmental responsibility.

The Purchasing Department analyses the financial results of the Group's main suppliers and compiles information about their industrial strategies, assesses the impact on the supplier base of PSA Peugeot Citroën's "make-or-buy policy", analyses the socio-economic impacts of Group's industrial choices and monitors that suppliers comply with the Group's social and environmental specifications.

Since the economic and financial crisis of 2008, which impacted suppliers heavily, the Group has tracked suppliers even more closely. The financial performance of all suppliers is analysed, which makes it possible to identify any suppliers at risk of insolvency. Among the latter, any supplier that places the Group at significant financial or industrial risk is labelled "high risk"; and their financial position is presented every month to the Purchasing Management Committee, which approves action plans and may propose obtaining some kind of preventive security. The Secured Arrangements Management Committee, composed of representatives of

Finance, Programme Management, Supply Chain Management and R&D and chaired by the Senior Manager of Purchasing approves and makes monthly progress reviews of decisions as to secured arrangements.

This Committee also continues to monitor the commitments made by the Group to confront the crisis affecting the French automotive industry (faster payments to suppliers and compliance with the High Performance and Best Practices Code) and is actively involved in the work of the PFA – a platform set up in France in 2009 to foster on-going discussion and exchange between auto industry stakeholders and has also maintained its participation in the FMEA fund established to support automotive equipment suppliers.

In 2013, **74** suppliers were the subject of preventive and remedial action plans, representing approximately **5%** of the Group's total purchases, vs. **83** suppliers and **7.6%** of total purchases in 2012. As a point of comparison, the number peaked in 2009 with 100 such suppliers, representing 15% of total purchases.

It also worth noting that the Group altered its procedures for awarding contracts in terms of supplier sites in order to bolster its risk prevention programme after the geopolitical crises occurring in 2011 and 2012 in certain North African and Middle Eastern countries. In 2013 the Group set up twin plants for parts that are needed with daily frequency.

A PURCHASING STRATEGY BUILT ON PARTNERSHIPS AND REGIONAL INTEGRATION G.34 G.38

In light of its financial impact in its host communities, PSA Peugeot Citroën is committed to making high-quality supplier interactions an integral part its strategy. This takes the form of focusing its supplier base on a smaller number of companies selected on the basis of their operating efficiency and with whom the Group has established true partnership and transparency.

The Purchasing Department is pursuing this objective *via* four avenues:

- **locating purchasing teams as closely as possible to host communities**;
- strengthening supplier relationship management, begin through the Excellence in Supplier Relations project;
- using supplier development techniques;
- incorporating **sustainable development** criteria into its supplier relations policy.

It is also developing specific methods and resources to manage these initiatives.

5.3.5.2.2. Localising Purchases Closer and Closer to the Group Manufacturing Centres, as Proof of Tighter Involvement in its Host Communities

LOCAL CONTENT IS A MAJOR FOCUS OF PSA PEUGEOT CITROËN'S PURCHASING STRATEGY G.34

PSA Peugeot Citroën is a full-fledged partner to its host communities; The Group therefore promises to continue its policy of buying more from vendors nearby the production site, which helps support on-site subcontracting.

The PSA Peugeot Citroën Group obtained the certification "*Origine France Garantie*" for 13 vehicles produced in its French factories (Mulhouse, Poissy, Rennes and Sochaux): seven Peugeot cars (208 GTi, 208 XY, 308, 508, 2008, 3008 and 5008) and six Citroën cars (Citroën C3, C4, C5 and models in the DS, DS3, DS4 and DS5 line) received the Origine France Garantie certification issued by the association Pro France. This certification is given to products whose final assembly is done in France and over 50% of whose value is also produced in France. It guarantees to French consumers that the product they are buying is French made.

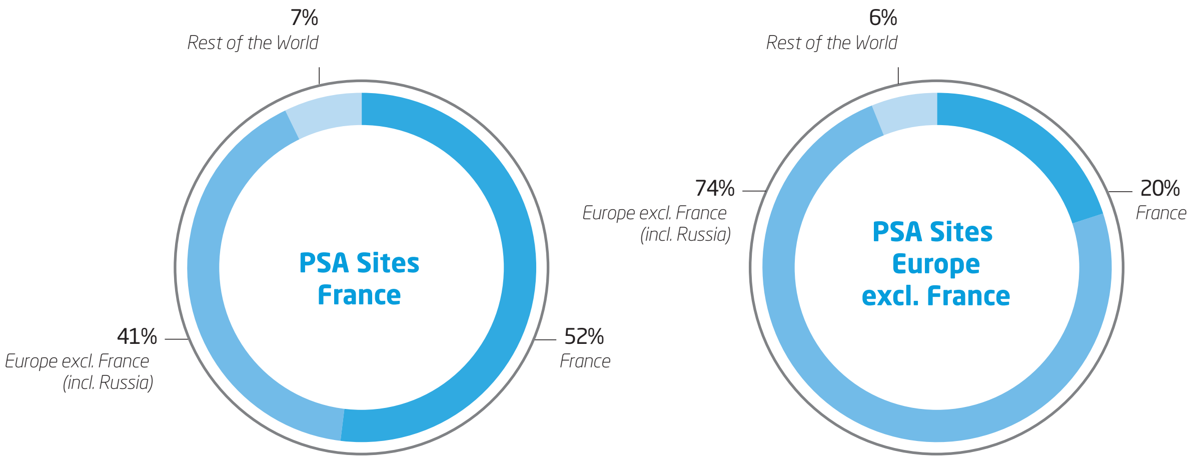
As an example, the fraction of value produced in France for the Peugeot 208 GTi and XY is as high as 76%, and for Citroën C3, C4 and C5 models it averages 72%:

- in the Porto Real plant in Brazil, an average **of 74%** of the parts are sourced from Latin America, with a maximum of 81% for the 207;
- in Buenos Aires (Palomar site) in Argentina, this fraction of local content (*i.e.* sourced in Latin America) is on average 57% with a maximum of 86% for the 207;
- **93**% of the parts used in the Group's plants in France are sourced in Europe;
- as a comparison, locally-sourced parts (Central and Eastern Europe) for the Trnava plant in Slovakia grew from 5% in 2005 to 55% at the end of 2013.

The fraction of local content equals the total of local purchases over the total purchases by the factory excluding deliveries between Group factories. To illustrate, the local area of the Trnava factory is the Central and Eastern European Region, which included the following countries: Albania, Belorussia, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldavia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine.

*In line with PSA Peugeot Citroën's strategy of international expansion and local integration, the Group's **1,324** purchasing professionals are located as close as possible to the Group's target markets.*

ORIGIN OF PARTS (STANDARD AND SPARE) IN TERMS OF PSA PEUGEOT CITROËN PRODUCTION SITES



THREE EXAMPLES OF FIRM COMMITMENT: THE FRENCH AUTOMOTIVE INDUSTRY, THE EUROPEAN AUTOMOTIVE INDUSTRY AND THE SUPPLIER CLUSTERS

Since the French government's February 2009 Automotive Summit, the government and car manufacturers have been working together to bolster the country's automotive industry. The PSA Peugeot Citroën Group's commitment in the area has only grown stronger since then: three regional deputies work alongside government departments to assist supplier companies ranked 1 or 2 in account size. More than ten PSA Peugeot Citroën managers actively participate in the French government's automotive industry support platform (PFA), France's regional automotive industry associations (ARIAS), and the country's competitive clusters. The Group also provides support to these organisations.

The PFA's mission is to:

- represent the French automotive industry in its totality by enabling it to speak with a single voice;
- take any step likely to enhance the automotive industry and keep it competitive;
- develop a clear, shared vision of the major medium and long-term issues faced by the entire industry and organise common or concerted actions that will respond to them These issues primarily involve technological changes over time, industrial excellence, evolving business models and the challenges of price-competition;
- make the industry and its business lines increasingly attractive, and develop an employment, training and apprenticeship policy;
- be a powerful force in standard setting and in negotiating regulations with national and international bodies;
- help establish harmonious relations among all industry participants, in compliance with laws and regulations, primarily through the High Performance and Best Practices Code;
- provide Employee representatives the economic facts that will enable them to understand the issues facing the industry, both nationally and internationally.

In mid-2012, a working group on CSR was created in the French automotive industry (Comité des Constructeurs Français d'Automobiles - CCFA). This working group aims to identify the CSR best practices at each member company and standardise them across working group members, so that they can be more easily implemented across the industry. One of the working group's key focus areas is responsible purchasing policies, including approaches and methods for supporting the supply chain - to establish standardised practices and ultimately develop industry-wide guidelines.

PSA Peugeot Citroën is also a major contributor to the French government's Automotive Parts Suppliers' Modernisation Fund (FMEA), providing a third of the Fund's capital. The FMEA plays a key role in supporting the industry's small- and medium-sized businesses.

The two Tier 1 and Tier 2 FMEA funds work with equipment suppliers who are:

- able to join together and consolidate into more capable entities in the automotive equipment supply chain;
- and have a marked capacity for innovation and growth, and that need equity investment;
- to finance their development in creating value and to meet the needs of their customers by being even more competitive.

The PSA Peugeot Citroën Group also participates in a working group of European carmakers like BMW, Daimler, Ford Europe, Jaguar Land Rover, Toyota Motors Europe, Volkswagen Aktiengesellschaft, Volvo Cars and Volvo Group. This "European Automotive Working Group on Supply Chain Sustainability" aims to simplify procedures for suppliers and as well to improve the social, ethical and environmental performance of the automotive supply chain.

Four areas of development were thus identified:

- share the experiences of each company in terms of responsible purchasing;
- develop and deploy common software in the interest of making each carmaker's CSR programme more effective;
- work together on common projects to improve management of the subcontracting chain;
- prepare a common message to communicate to our suppliers and subcontractors what is required and expected in terms of CSR in the automotive industry.

Building on its success in creating an automotive industry cluster in Galicia, Spain (the CEAGA), PSA Peugeot Citroën – in association with other car manufacturers and major parts suppliers – initiated a project in 2012 to create another such cluster around its production plant in Porto Real, Brazil. This project cluster, aimed at boosting the local industry's competitiveness and foster local economic development through partnerships with public- and private-sector organisations like local parts suppliers, universities, and government agencies, resulted in the creation of the Sul-Fluminense Automotive Cluster.

This cluster in the southern region of the State of Rio de Janeiro where the PSA Peugeot Citroën factory is located was publicly made official in April 2013. It presently consists of 18 companies, the carmakers and their equipment suppliers in the region. The principal members are PSA Peugeot Citroën, Michelin, MAN Trucks and Nissan.

The Cluster's priorities for action are the improvement of road and logistical infrastructures, electric power, the telecommunications network and training.

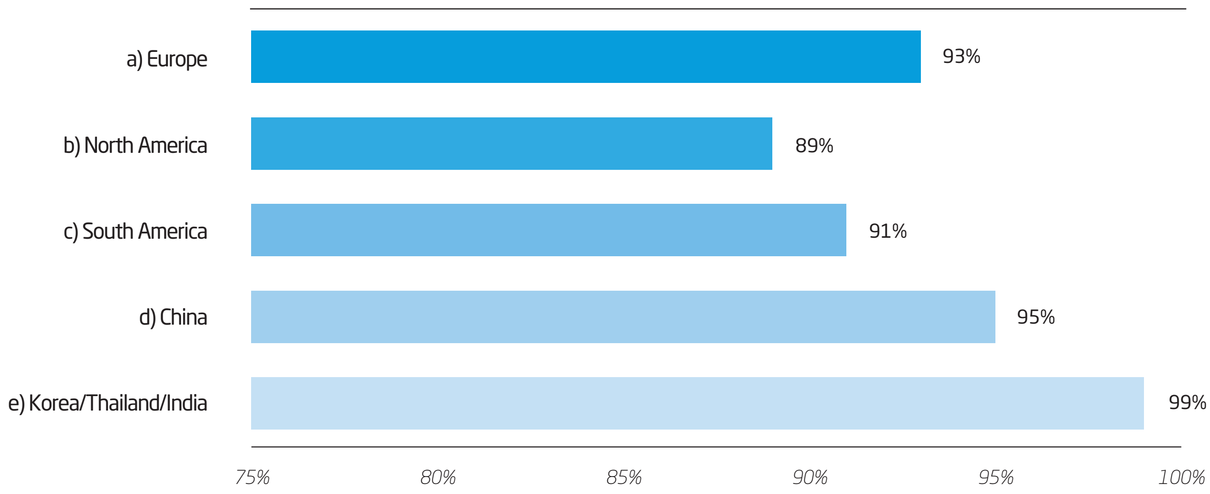
In this context to date, regular contacts with governmental agencies (municipalities of the region and the State of Rio de Janeiro) have become frequent, moving progress towards the region's sustainable development and competitiveness.

A similar cluster, the Cluster Automotivo Bonaerense, was established, also by the impetus of PSA Peugeot Citroën, around the Palomar site in Argentina and covering the entire Province of Buenos Aires. It currently regroups nine companies.

FAURECIA

Faurecia's ambition is to purchase as close as possible to industrial operations to help develop local industry, and minimise the associated logistical costs and impacts.

89% to 99% of standard parts are sourced locally, depending on the regions where the Faurecia production plants are located (2013 figures).



Locally-sourced products account for almost 100% of non-production purchasing.

PSA PEUGEOT CITROËN: FRANCE'S LEADING PURCHASER IN THE ADAPTED "ESAT" SECTOR (COMPANIES EMPLOYING INDIVIDUALS WITH DISABILITIES - ÉTABLISSEMENTS ET SERVICES D'AIDE PAR LE TRAVAIL) G.37

For over 20 years PSA Peugeot Citroën has worked with the adapted sector to source standard parts (e.g., instrument panels, interior trim, pedals, etc. Subcontracting with this sector is one of the sections of the Group's agreement on employing the disabled, which is the fourth agreement signed since 2000 and in the process of being renewed for 2014-2017.

- 2013 turnover in terms of value added purchases (calculated as turnover - cost of components and parts): €31 million.
- 4,500 industrial products.
- Six major associations: ADAPEI du Doubs, ADAPEI 70, Bretagne Ateliers, Les Papillons Blancs, Les Ateliers de l'Ostrevent and AMIPI.
- 1,631 people employed, of whom 1,596 are in manufacturing, corresponding to 2.3 employment percentage points of disabled individuals at Peugeot Citroën Automobile (PCA) France.

5.3.5.2.3. Incorporating Sustainable Development Criteria into Supplier Relations

STRENGTHENING SUPPLIER RELATIONSHIP MANAGEMENT

Begun in 2009 the Excellence in Supplier Relations programme, which provides advantages upstream of automotive projects, is critical in every one of its aspects-R&D, technical, manufacturing. In this way the Group has built a superior relationship based on value creation with a panel of 15 global suppliers who are involved in the inputs to the Group's strategic directions, all in a "win-win" scenario. The goal of this approach is that each partner will share their know-how and establish a long-term relationship aimed at continual progress.

As a complement to this programme, the Group will by 2015 certify some one hundred major suppliers as able, because of their strong financial structure and capacity to innovate, to help further the development of the Group, especially internationally.

SUPPLIER DEVELOPMENT

Instituted in early 2012, the Supplier Development (SD) Department includes all PSA Peugeot Citroën entities involved in supplier relations in the areas of quality and industrial performance.

Thus, a dedicated team of experts in lean manufacturing is responsible for visiting the production sites of under-performing suppliers or those known to have fallen short most often. Generally, each supplier production site has a single point of contact within the Group.

The objective of this organisation is to guarantee the industrial performance of suppliers, see that new projects succeed, and improve product quality, both when new and in use. This single-point management of supplier sites also improves the Group's ability to pick out "weak signals" (emerging quality or logistical failures) so as to avoid in particular interruptions of supply that can lead to significant waste of resources.

In addition, a dedicated team of experts in lean manufacturing is responsible for visiting the production sites of under-performing suppliers or those most prone to defects.

This organisation is deployed wherever PSA Peugeot Citroën is located (Europe, Russia, Latin America and China) so as to be close as possible to our supplier pool.

The results in terms of quality figures for suppliers currently in development or online are consolidated on a worldwide basis. These are used to guide supplier relations at the corporate level and are put into the supplier application package.

CORPORATE SOCIAL RESPONSIBILITY CRITERIA EXTENDED TO SUPPLIERS G.39 G.42

PSA Peugeot Citroën intends to make compliance with its corporate social responsibility requirements a core component of its purchasing policy, alongside quality, deadlines and cost. For example, one of the key criteria in the supplier approval process is compliance with International Labour Organisation principles. Failure to respect human rights entails immediate corrective obligations. Failure to implement these actions leads to penalties and suppliers may be removed from the panel.

The Supplier Guidelines for PSA Peugeot Citroën's Corporate Social Responsibility Standards are available via the Group's B2B portal.

PSA Peugeot Citroën's corporate social responsibility standards are:

- reliant upon managers' personal commitment: Since 2010 the Group's Code of Ethics has referred explicitly to making ethical and environmental criteria part of supplier relations. This Code has now been signed by all the Group's senior and supervisory managers. At the end of 2013 it is in force in a total of 29 countries, having been signed by 21,900 of the Group's employees;
- listed together in their own section of the specifications sent to suppliers: these requirements make explicit reference to the Global Compact, the Universal Declaration of Human Rights, the Declaration on Basic Principles and Rights in the Workplace, the Rio Declaration on the Environment and the United Nations Anti-Corruption Agreement;
- distributed to the Group's largest suppliers and to suppliers associated with high-risk countries or product families. These suppliers are asked to formally pledge to comply with the PSA Peugeot Citroën guidelines or to demonstrate their compliance with equivalent guidelines. Nearly 894 suppliers had made this commitment as of end-2013, accounting for 92.35% of the purchasing budget managed by the Purchasing Department;
- incorporated into the fundamental principles of supplier relationship management, in contractual documents such as supplier approval letters and purchasing terms and conditions, and in the Group's purchasing processes.

A SUSTAINABLE DEVELOPMENT POLICY BACKED BY TRAINING AND AWARENESS INITIATIVES AND ON-SITE AUDITS

- Buyers are made aware of sustainable development issues during training sessions organised by the PSA Peugeot Citroën purchasing skills training centre. Since 2008 about 392 people have been trained in Europe and 115 in Latin America.

  In addition, the Purchasing Department's sustainable development unit regularly holds meetings with managers from operating Purchasing Departments to keep them informed of sustainable development issues.
- Targeted awareness initiatives are carried out among suppliers in high-risk areas *via* self-assessment questionnaires.
- Social and environmental audits are conducted at selected suppliers' sites in accordance with the risk level associated with their country, products or processes. Since 2010, 46 social and environmental audits have been performed at suppliers ranked 1, 2 or 3.
- In 2013 suppliers were generally made more aware when a CSR notice was placed in the supplier application package during the bid process. Suppliers who were contacted to make bids were asked to fill out a CSR self-assessment questionnaire about all their plants that manufacture for the Group.

A SIGNIFICANT CONTRIBUTION TO THE GROUP'S ENVIRONMENTAL OBJECTIVES

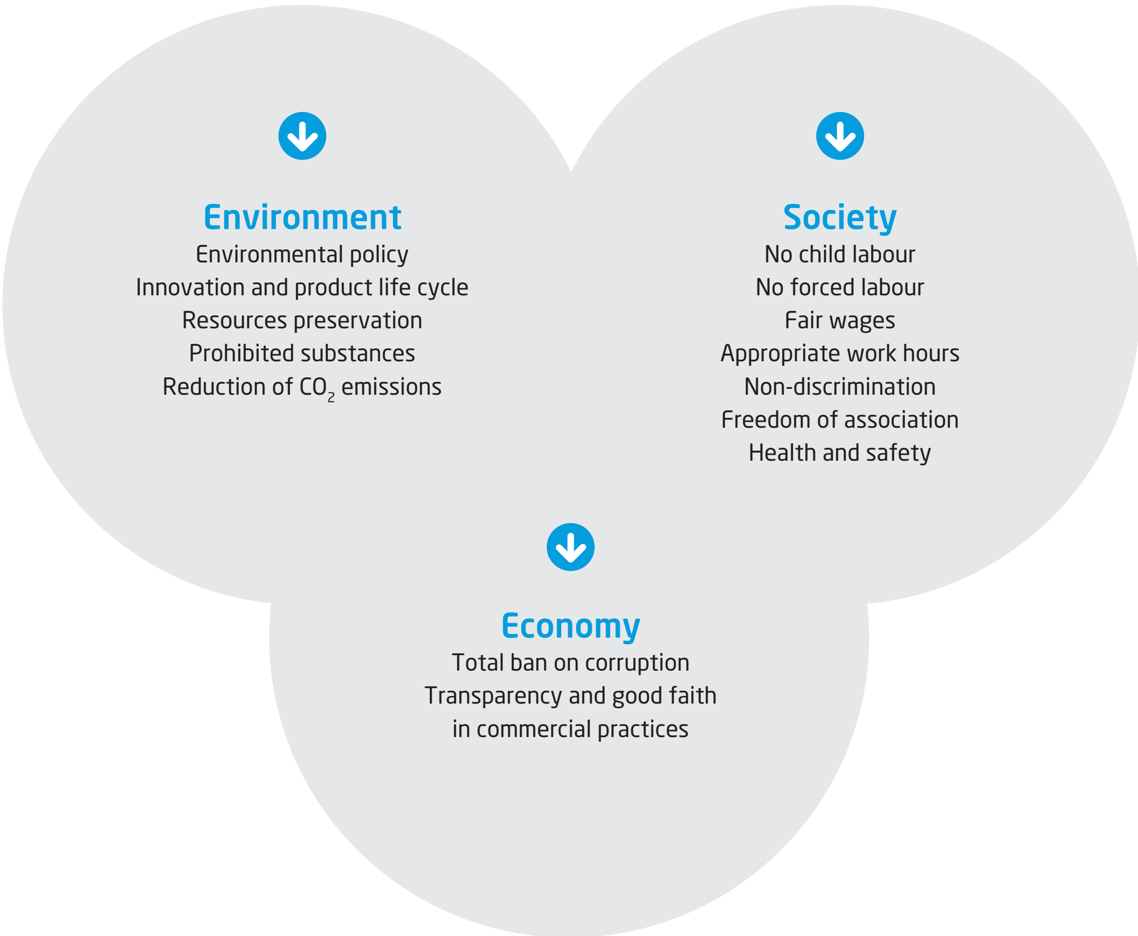
The Group's environmental objectives for its products are translated into contractual commitments *via* specifications and purchasing policies that set ambitious targets for the use of "green and recyclable materials". These objectives are also a key focus of the innovation policy that is part of the Group's supplier certification criteria. For further information, please refer to section 5.3.2.

FAURECIA

Faurecia's Code of Ethics, the operational principles of which are outlined in Chapter 7.2.4.1 defines the behavioural principles which apply daily to all Faurecia staff in their internal and external relations and their partners, and sets out the way the Group intends to put into practice its values of respect for customers, shareholders, people and the environment.

It is the Group's intention to expand its sustainable purchasing policies. Thus, as indicated in sub-Chapter 7.2.2.1, Faurecia strives to establish close, long-term relationships with its suppliers, based on growth and mutual advantage. Faurecia believes that the principles of social, environmental and economic responsibility are major criteria in awarding contracts to suppliers. Faurecia believes it is essential for its suppliers to comply with behavioural norms that are in line with and reflect its own commitments.

Accordingly, Faurecia has emphasised its expectations in terms of CSR compliance with a Code of Ethics specifically addressed to its suppliers in 2013 and ensures that the criteria of this code are reliable.



The Code of Ethics for suppliers and subcontractors is an integral part of the basic principles of supplier relations, in the contractual documents, particularly in the conditions of purchase, as well as in the Group's purchasing process such as the consultation file and the supplier quality audit process.

Also, at the specifically environmental level, Faurecia is rolling out a policy meant to avoid or minimise local and/or global problems which could be posed by car use. Via its industrial and human resources management policies, research and development, Faurecia is making an active contribution to reducing greenhouse gases and polluting emissions and improving road safety. Throughout a vehicle's life, Faurecia asks and encourages its suppliers to support it in this progressive approach.

5.3.5.3. CONSUMER SAFETY AND PROTECTION G.41

5.3.5.3.1. Commitment to Road Safety

Road safety has always been a top priority for PSA Peugeot Citroën. This commitment makes its vehicles among the safest available. The Group is focusing on technologies that have shown a proven ability to make automobiles fuel efficient and safe, at an affordable cost for the largest number of motorists.

However, addressing road safety issues involves more than just installing increasingly sophisticated onboard safety systems, which make vehicles heavier and therefore less fuel-efficient. Roadway infrastructure must also be upgraded, while motorists and other road users must be effectively educated in safe driving and road use practices. At PSA Peugeot Citroën, corporate social responsibility also means a focus on sponsoring and education. The Group continued to work to improve road safety in 2013:

- by helping raise children's awareness of road safety through its Foundation;
- among its employees, by stipulating precise rules for professional travel and journeys to work and by organising road safety awareness campaign as its various sites.

PRIMARY SAFETY: AVOIDING ACCIDENTS

Chassis systems

Capitalising on its recognised expertise in suspensions, steering, braking and other chassis systems, PSA Peugeot Citroën designs cars that are naturally safe to drive, with technology that compensates, to the extent possible, for bad driving, faulty infrastructure and adverse weather conditions. They are designed to deliver handling performance, precision steering and braking efficiency that rank among the best in the market.

These qualities are supported by driving assistance technologies that come to the driver's aid in emergency situations.

Anti-blocking systems (ABS, standard in all models), electronic brakeforce distribution (EBD), emergency braking assist (EBA), and electronic stability programmes (ESP), which help drivers maintain control even in a skid are now included as standard in all models in Europe.

The Grip Control system, which is integrated into the electronic stability programme, is available on the Peugeot 2008, 3008 and Partner and on the Citroën C4 Picasso, Grand C4 Picasso and Berlingo.

Tyre pressure monitoring systems help to detect under-inflated tyres that can reduce vehicle stability and threaten occupant safety. By continuously checking tyre pressure, such systems also help to reduce tyre noise, improve fuel efficiency and increase tread life.

Vision, visibility, speed and safe following distances

See and be seen. PSA Peugeot Citroën has developed numerous innovations in this field that are available on several model ranges. These include:

- innovative lighting systems: static directional lighting, Xenon dual-function bidirectional headlights in the executive segment, automatic activation of emergency flasher lights in the event of sudden deceleration, LED daytime running lights and automatic dipped beam/ main beam switching;
- a blind spot information system that indicates the presence of a vehicle (particularly a motor bike) in a blind spot zone through a pictogram in the wing mirror;
- a camera system to aid reversing;
- a panoramic vision system: marketed on the new Citroën C4 Picasso/ Grand C4 Picasso, this provides a panoramic bird's eye-view of the vehicle in real time to help drivers manoeuvre more effectively. Using data from four cameras on the front and back bumpers and two others on the wing mirrors, a computer produces a single birds-eye view of the vehicle. This can help drivers position their vehicles correctly between two vehicles, for example in perpendicular parking spaces;
- a Distance Alert system that indicates on the head-up display of the Peugeot 3008 or on the dashboard display screen of the new Peugeot 308, the time it would take to close with the vehicle in front at the current speed. The alert time point can be set by the driver;
- the AFIL lane departure warning system, which alerts drivers who drift across a lane by vibrating the seat on the side the lane was crossed. This function is designed to deal with certain distracting situations while driving, one of the key causes of motorway accidents;
- a speed limiter system that desactivates the accelerator pedal when the driver tries to exceed his or her pre-set speed limit. The driver can programme five frequently used speed limits into the system's memory;
- intelligent variable cruise control (recently marketed on the new Peugeot 308 and the new Citroën C4 Picasso/Grand C4 Picasso) a system that makes it easier to use cruise control in semi-dense traffic by aligning vehicle speed with that of the car in front, which is detected by a medium range radar sensor in the front-end. This eliminates the need to make frequent changes in speed and to deactivate and reactivate the system. The cruise control deactivates automatically if the distance between vehicles is too short. Torque, rather than the brakes, is used to reduce the set speed when necessary;
- automatic braking at low speed, currently being developed. When a car is travelling at less than 30 km/h, a short-range (10 m.) laser sensor (Lidar) embedded at the top of the windscreen detects objects that could cause a collision if the driver does not react. The system activates automatic braking to avoid hitting the car in front or, in certain cases, to slow the vehicle down so that a collision would be less serious. The driver can retake control at all times. To optimise braking distance, the system anticipates by pre-filling the braking circuit with fluid;
- automatic braking at high speed (faster than 20 km/h) mainly for emergency braking on highways and motorways. The system functions similarly to the low-speed automatic braking (laser capture) and brakes automatically if it detects an obstacle or intensifies the driver's braking to avoid impact or reduce the severity of a collision by reducing the impact speed.

Ergonomics and human-machine interface (HMI)

The proliferation of driver assistance systems and spread of info-tainment technologies demand close attention when designing HMIs. PSA Peugeot Citroën carries out numerous upstream research projects on distraction risk factors, to provide an in-vehicle environment that is as comfortable and safe as possible, so the driver can concentrate on driving.

These research projects cover a wide range of issues, from methods of diagnosing driver alertness to exploration of new modes of interaction to limit lapses in alertness during different driving phases.

Through a collaborative project called SCOREF (French Experimental On-Road COoperative System) investigating "car to x" applications of ICT, researchers are looking at ways to send drivers targeted information that may either warn them about risks of an accident (suggested speed, weather alerts, traffic, obstacles such as a vehicle breakdown on the carriageway, etc.) or provide a service (service stations, recommended route, etc.). All this information must be delivered to drivers without distracting their attention or disturbing their driving.

SECONDARY SAFETY: PROTECTION DURING AN ACCIDENT

Body structure

Whatever the kind of accident, the structure of the vehicles, thanks to their level of resistance and absorption of energy gives the best possible protection to occupants.

Vehicles are structurally designed to dissipate the energy from an impact in a controlled manner, with effectively positioned impact absorption structures and deformable crash boxes. The passenger cell becomes a real survival cell by reducing strain and intrusion.

These high resistance passenger cells have made it possible to develop highly sophisticated, high performance restraint systems, based on seatbelt tensioning devices, load-limiting retractors and many airbags.

Peugeot and Citroën vehicles are equipped with up to nine airbags:

- two front airbags, whose pressure and volume when inflated adjust automatically to the severity of impact;
- two front side airbags, which protect the thorax, pelvic region and abdomen of the driver and front-seat passenger;
- a steering column (or knee) airbag, which protects the lower limbs by cushioning the impact on the knees and shins;
- two curtain airbags, which protect the side of the head of the front and rear passengers;
- two rear lateral airbags, which protect the thorax of the rear passengers in the event of a side impact.

On some models, the active bonnet automatically rises in the event of a crash with a pedestrian using an impact sensor and a pyrotechnic mechanism. It acts as a shock absorber, reducing the risk of head injuries to the pedestrian's head.

On cabriolet models, the roll-over protection system consists of active, pyrotechnically-charged roll-bars and windscreen pillar stiffener tubes.

Restraint systems

Restraint systems - which include ISOFIX attachment points for child seats, seatbelt load-limiting retractors and adapting airbags are all carefully calculated to maximise protection for everyone in the vehicle, regardless of their age or where they are seated. Already fitted on front seatbelts, load-limiting retractors are now gradually being installed for back seats as well. These systems adjust occupant restraints while limiting pressure on the chest, thereby reducing the frequency of thoracic and abdominal injuries. Buckle-up reminders sound a warning and light up to warn the driver when someone has not buckled their belt.

Euro NCAP and China NCAP safety ratings

All Group models from the entry level up rank among the best in secondary safety, as attested by the results of European and worldwide impact tests: Euro NCAP, China NCAP, Latin NCAP.

As of end-2008, a total of 13 Group vehicles had obtained the maximum five-star rating for adult protection under the former Euro-NCAP system. Under the new Euro-NCAP protocol introduced in 2009, vehicles tested receive an overall rating based on the protection offered to adult and child occupants, as well as pedestrians, and also considers the presence of safety features.

Thirteen Group vehicles have obtained the maximum 5-star overall rating under the stricter new protocol.

EURO NCAP

		Assessment protocol in effect until 2008				Test protocol in use from 2009 forward	
Model	**Year launched**	**Year tested**	**Adult Occupant Rating (1)**	**Pedestrian protection (rating) (1)**	**Child Protection Rating**	**Year tested**	***Overall rating* (overall score)**
New Citroën C4 Picasso	2013					2013	*****
Citroën C1/Peugeot 107 (2)	2005					2012	***
Peugeot Expert	2007					2012	***
Peugeot 208	2012					2012	*****
Citroën DS5	2011					2011	*****
Citroën DS4	2011					2011	*****
Peugeot 508	2011					2011	*****
Citroën C-Zéro/ Peugeot iOn (2)	2010					2011	****
Citroën C4	2010					2010	*****
Citroën Nemo	2010					2010	***
Citroën C3	2009					2009	****
Citroën DS3	2009					2009	*****
Peugeot 5008	2009					2009	*****
Peugeot 3008	2009					2009	*****
Citroën C3 Picasso	2009					2009	****
Peugeot 308 CC	2008	2008	*****	**	***	2009	*****
Citroën Berlingo/ Peugeot Partner (2)	2008	2008	****	**	****		
Citroën C5	2008	2008	*****	**	****	2009	*****
Peugeot 308	2007	2007	*****	***	****	2009	*****
Peugeot 207 CC	2007	2007	*****	**			
The Citroën Grand C4 Picasso	2006	2006	*****	**	****	2009	*****
Peugeot 207	2006	2006	*****	***	****		
Citroën C6	2006	2005	*****	****	****		
Peugeot 407 Coupé	2005	2005	*****	**	****		
Citroën C1/Peugeot 107 (2)	2005	2005	****	**	****		
Peugeot 807/Citroën C8 (2)	2002	2003	*****	*			

(1) Occupant protection rated out of five stars / Pedestrian protection rated out of four stars.
(2) Vehicles appearing on the same line have the same technical specifications.

CHINA NCAP

	Year launched	Year tested	*Overall rating (overall score)*
Citroën C4L	2013	2013	*****
Peugeot 308	2012	2012	*****
Peugeot 508	2011	2011	*****
Peugeot 408	2010	2010	*****
Citroën C5	2010	2010	*****
Peugeot 307 Notchback	2009	2009	*****
Citroën C-Quatre	2008	2009	****
Citroën C-Triomphe	2006	2007	*****

LAB

The Laboratoire d'Accidentologie, de Biomécanique et d'Étude du comportement humain (LAB) is a road safety association created jointly by PSA Peugeot Citroën and Renault. A unique organisation, LAB has conducted research projects for more than 40 years to enhance understanding of accident mechanisms and their related injury mechanisms.

Its areas of expertise are:

- accidentology, meaning the analysis of road accidents. Its database comprises some 15,000 accidents;
- biomechanics, which investigates injury mechanisms and how the human body responds to accidents.

LAB's research projects have helped to guide the Group's technological choices and to assess their real-life performance on the road. LAB is behind a number of major advances in automobile safety, from seatbelts to load-limiting retractors, airbags, pre-tensioners and stronger structural components for passenger compartments.

TERTIARY SAFETY: POST ACCIDENT EMERGENCY RESPONSE

Emergency call system

PSA Peugeot Citroën has played a pioneering role and remains the European leader in post-accident or tertiary safety, which helps to attenuate the effects of an accident by facilitating emergency rescue. It is the only mainstream carmaker to have deployed a wide-scale, location-aware emergency call system, without a subscription or any cut-off date.

Since March 2010 the autonomous telematics box (ATB) developed by PSA Peugeot Citroën includes a SIM card and separates the telematics function from the radio, navigation and telephone functions.

In the event of an accident or medical emergency in an ATB-equipped vehicle, occupants can alert a dedicated assistance centre simply by pressing the SOS button. In the case of a collision, the same alert is sent automatically.

Calls are routed to operators speaking the occupants' language, as determined by the vehicle registration number, even if the call is made from abroad. If necessary, the assistance centre can call in local first responders.

Thanks to the GPS system and the onboard GSM mobile phone link, assistance personnel can precisely locate the vehicle. This saves time and allows for more effective assistance to be provided.

According to the European Commission, equipping every vehicle on the road with such a system would save more than 2,000 lives a year in Europe. The emergency call system is particularly useful when accidents occur in isolated areas with no eyewitnesses.

	Cumulative total through 2010	Cumulative total through 2011	Cumulative total through 2012	Cumulative total through 2013
Cumulative total of Peugeot and Citroën vehicles equipped with the PSA Peugeot Citroën emergency call system	717,447	1,016,676	1,278,048	1,498,340
Cumulative total alerts sent to emergency services	3,968	5,212	7,207	9,690
Countries in which the PSA Peugeot Citroën emergency call service is available	France, Germany, Italy, Spain, Belgium, Luxembourg, Netherlands, Portugal, Austria and Switzerland	France, Germany, Italy, Spain, Belgium, Luxembourg, Netherlands, Portugal, Austria and Switzerland	France, Germany, Italy, Spain, Belgium, Luxembourg, Netherlands, Portugal, Austria and Switzerland + Denmark, Poland and United Kingdom	France, Germany, Italy, Spain, Belgium, Luxembourg, Netherlands, Portugal, Austria, Switzerland, Denmark, Poland and United Kingdom, Czech Republic, Slovakia, Norway and Sweden.
Number of countries where PSA Peugeot Citroën emergency call service is available	10	10	13	17

Victim removal Instructions

To facilitate the job of rescue workers after an accident, PSA Peugeot Citroën works with French rescue teams to prepare victim removal instructions for each of its models.

Regular training sessions are held to update the teams' knowledge of the new vehicles and the new technologies that are about to go on the market. The Group also provides educational materials to the emergency services. In 2012, the Group donated 142 vehicles or vehicle bodies to the emergency services for use in training exercises. Meanwhile, PSA Peugeot Citroën is working with the Public Safety Services of the French Interior Ministry and the zonal victim removal group on defining an international standard for victim removal instructions. This project is being developed under the aegis of ISO, which includes Germany, Japan and the USA among others. The standard is scheduled for release at the end of 2013 and will be global in application.

PEUGEOT MOTOCYCLES

Safety

Peugeot Motocycles is Europe's fifth-largest builder of motorcycles and scooters. Safety is its priority through an approach to urban mobility that is both more safety conscious and socially aware.

Innovation is at the core of its strategy and has allowed Peugeot Motocycles to establish itself as a benchmark in passive and active protection. Successes include:

- development of the SBC integral braking system (2001);
- first brand in the world to offer ABS on a 125 scooter (2002);
- marketing of an airbag vest (2011);
- marketing of the Peugeot Metropolis, the first 3-wheel scooter with an aluminium front wheel axle for more accurate road handling and a DRL (Day Running Light) for heightened visibility by day (2013).

FAURECIA

Faurecia's research and development is based on some priority issues which seek to make a positive impact on the health and safety of consumers who are also drivers: lower weight, smaller size, energy recovery, controlled emissions and renewable materials.

For example, Faurecia has developed a set of technologies which reduce nitrogen dioxide emissions and particles from diesel engines.

5.3.5.3.2. Consumer Protection

The distribution of consumer credits which makes up about 70% of total credits distributed by BPF and its subsidiaries are subject to specific regulations that protect consumer rights. These regulations were strengthened in the EU by the adoption of Directive No. 2008/48/EC on credit agreements for consumers, which each Member State had to transpose into their own national laws before 12 May 2010.

BPF and/or its subsidiaries contributed to working and consultation groups set up by professional bodies in the different countries at the time the European Directive was being transposed. The directive creates new obligations for advertising, pre-contractual information, solvency studies of borrowers and contractual information all of which were implemented by BPF and the subsidiaries affected. In France, the directive was transposed in the Lagarde Law of 1 July 2010, reforming consumer credit, which came fully into force on 1 May 2011.

More generally, in the interests of quality and improving its customer processes, BPF has put in place a system for handling customer complaints designed to quality assure their treatment (commitment on response times, requirement for a written response). This system is based on a framework instruction which requires all BPF's local subsidiaries or branches to appoint a Head of Complaints to deal with complaints received in compliance with the instruction, to monitor the types and volume of complaints, analyse this data and, where this shows up poor practice, take appropriate corrective measures.

Crédipar, BPF's French subsidiary, joined an Ombudsman mediation system set up by the French association of Financial Companies (ASF) and cites contact details for the Ombudsman in all its credit contracts alongside those for its own Consumer Department, which is responsible for handling complaints.

Crédipar also signed up to the "Agreement on amicable recovery of consumer credit" between the ASF and various consumer representative bodies. The Agreement seeks to guarantee customers that a number of good practice rules will be followed (progressive stages in the recovery process, respect for confidentiality and privacy, transparency in the relationship with the customer). In this way it seeks to promote amicable settlement of unpaid debts.

Crédipar takes part in ASF working groups on the protection of consumers (borrowers) and the struggle against over-indebtedness.

Finally, BPF regularly measures the quality and performance of its services, including through customer satisfaction surveys that allow a permanent improvement of customer relations.

5.3.5.4. CSR ACTIONS AND FINANCIAL ASSISTANCE ON BEHALF OF REGIONAL AND/OR LOCAL COMMUNITY DEVELOPMENT G.37 G.35

The PSA Peugeot Citroën Group employs nearly 90,000 people in France. It is one of the country's largest private employers and in some regions, the largest.

Support given to organisations or associations located very near the Group's employee pool strengthen the bond between it and its environment. This outreach is the result of its desire to become involved in the world beyond its own walls.

Its beliefs are backed up by ambitious CSR initiatives, and notably a global and local philanthropic policy geared towards audiences and local communities wherever the Group has operations. By its actions the Group shows that business success and social action are closely related.

Separate mention should be made of the Citroën and Peugeot brands, local CSR actions taken by various Group's sites, initiatives of the Company's Foundation and of the City on the Move Institute (IVM), reseach centre on urban mobility.

For better and deeper connections with their localities, Citroën and Peugeot, as well as the Group's sites, define for themselves what kind of support they will give to NGOs. The throughline is local development, with the following areas of work: youth and educational programmes, local economic development, social assistance and charity, mobility and roadway safety, humanitarian emergencies, culture and philanthropy and environmental protection.

The information contained in this document was collected from a network of correspondents in the brands or the plants, representing some fifty contributors in all, in France and abroad. An annual reporting drive is held in the last quarter of each year to gather and compile the information.

The Company's Foundation works in close collaboration with this network, particularly to take on projects brought by volunteer associations that deal with mobility. The Foundation regularly monitors its activities and makes assessments on the anniversary of each project's sponsorship. The Foundation provides continually updated financial tracking throughout the year, including a balance sheet provided in its Activity Report, available as of 20 January 2014 on its website (http://www.fondation-psa-peugeot-citroen.org/fr/publications/). The 79 projects supported by the Foundation in 2013 fall into five categories: mobility and emergency outreach, mobility and integration, mobility and educational and cultural initiatives, mobility and disability, and mobility and environment.

5.3.5.4.1. CSR initiatives: community involvement

CSR ACTION PLANS FOR THE DIFFERENT BRANDS

The Citroën and Peugeot brands support associations throughout the world, chosen by their local representatives. A few illustrations follow.

Initiatives supported by the Citroën brand

In Spain, Citroën continues to provide funds and equipment (mainly vehicles) to numerous charities, training, and welfare-to-work programmes, primarily geared towards young people. Additionally in 2013, as part of the Innovation Prize and more particularly in the area of the internet and social media, the Citroën Communications Department awarded a €40,000 scholarship.

Initiatives supported by the Peugeot brand

In the UK, Peugeot extended its major fund-raising campaign among employees and its network for the charity Children in Need. This drive collected over £250,000, which was added to a gift of £10,000 plus logistical support from Peugeot UK.

In Argentina the brand continued its whole "Imagination by Peugeot" programme, which works on four main issues: Road safety, values, education and environment. For each one Peugeot partnered with an expert, with whom it engaged in training, awareness and communication.

In Turkey, "Obstacle-free Living with Peugeot" is a societal project for disabled people, carried out with support from the Ministry of the Family and Social Policies and the United Nations Development Programme (UNDP). The purpose of this programme is to help the disabled, assist their integration into society and also increase public awareness so as to improve their quality of life in the broadest sense.

CSR ACTION PLANS FOR THE DIFFERENT SUBSIDIARIES

The head office management of BPF encourages all its entities in France and around the world to sponsor worthy causes like:

- in 2013 Crédipar in France, working with employees of this subsidiary, renovated the training kitchen for mentally disabled youth at the Chatou IPC (Institut de Pédagogie Curative);
- Banque PSA Finance in Span participated in a number of events:
  - Volunteer Day: employees of the subsidiary helped to organise a fundraising dinner in Madrid on 22 December to aid homeless families in Madrid,
  - *Asociación Mujeres Opañel* (Madrid), an NGO to serve low-income women at risk of marginalisation: the subsidiary contributes by providing food baskets to help families during the Christmas season,
  - Day Against Violence towards Women and the "*¡Hay salida!*" ("There is a way out!") campaign:
    - employee volunteers' wearing a badge with the *¡Hay Salida!* logo + the toll-free number,
    - email blast and public postings,
  - disabled Persons Day heightening employees' sensitivity to disabilities, first-hand accounts, awareness;
- Banque PSA Finance in the United Kingdom: social action in response to crisis: The BPF subsidiary in 2013 renewed its support of Children in Need and collected money on its behalf;
- BPF in China: DPCAFC contributed to the financing of a purchase of sports equipment for a school for orphaned children in Gansu, a province in the northwest of China;
- BPF in Brazil: the local subsidiary contributed significantly to the financing of sports clubs and assistance for children;
- BPF in Germany: the subsidiary gave financial support to an association for the advancement of the Neu-Isenberg nursery;
- BPF in Belgium: initiatives taken on behalf of medical research: recovery of unused ink cartridges to benefit an anti-cancer association.

Faurecia employees, in France and overseas, regularly work on community initiatives.

Three examples of this work on three continents:

- The collection of food for the poor has been increasingly important for Faurecia in North America. The FUELS programme (Faurecia Unites with Employees for Local Service) drew the involvement for the fifth straight year of the employees at the 47 Faurecia sites in the USA, Canada and Mexico. In September 2013 some twenty thousand people joined in a joint effort to give help and support: Creative ideas were not lacking: non-perishable food collected, contests held, cars washed, housing rehabilitated, education given, money collected. These moments of sharing and the pleasure of giving one's time for the community are deeply appreciated by the employees, who, every year, make it a point of honour to exceed their goals. Since 2010 more than 2.4 million meals have been distributed by the FUELS programme.
- In 2013 and for the second year in a row, a week-long seminar on jobs for the disabled was held in France at the headquarters in Nanterre. On the theme of "*Getting Past Disabilities*", employees were able to shake off received ideas and prejudices. Among the initiatives undertaken: distribution of a brochure presenting key statistics and the various types of disability, lecture raising sensitivity to disabilities and workshops with sensory courses to run ("What can you tell when blind?") as well as an exhibition and a contest "Celebrities and disabilities".
- For Faurecia staff in China, it is essential that the Company's works support sustainability in relation to population. This year the staff swung into action in partnership with Netspring, a social sector enterprise that strives to reduce waste and pollution from electronic devices, through a project called "Green IT Classrooms Against Poverty." Faurecia opened its first Green IT Classroom by offering refurbished computers to underprivileged students in rural areas. One of the objectives was to reduce to rural/urban gap in the country, affecting many children who do not have access to basic educational resources.

LOCAL CSR PLANS (INITIATIVES HELPING LOCAL DEVELOPMENT)

PSA Peugeot Citroën is a key player in most of the local economies where it operates, and as such strives to be a responsible corporate citizen of its communities. All its major sites (both production plants and office facilities) have developed Local CSR Plans outlining the actions they intend to take that supplement the work of the PSA Peugeot Citroën Foundation.

These local initiatives, put in place several years ago, have often been replicated by the Foundation since it was created in 2011. They constitute a discussion tool with stakeholders in the areas where we are located and heighten the reputation and image of the PSA Peugeot Citroën Group. They foster local development and deepen our involvement in the communities.

Group employees are very actively involved in all local initiatives. This may mean lending employees (donation of skills) and or giving incentives for pro bono work for local organisations or involvement in local events.

In 2013, local philanthropic initiatives by Group entities covered the following areas, in the amount of nearly €1.8 million:

- youth and educational programmes (47% of budgeted funds);
- local economic development (jobs, training, welfare-to-work schemes, and the solidarity economy) 15% of budgeted funds);
- charitable aid for basic necessities like food, clothing, and healthcare (excluding disaster relief) 15% of budgeted funds;
- mobility, including road safety and ecodriving (10% of budgeted funds);
- humanitarian relief, (9% of budgeted funds);
- local grants for culture and sponsorships, 3% of budgeted funds;
- the environment (biodiversity conservation, education, and awareness) 1% of budgeted funds.

This year local initiatives to aid youth and educational programmes were more numerous than ever.

Local Initiatives to Aid Youth and Educational Programmes

A good many partnerships were forged by the PSA Peugeot Citroën sites with NGOs specialising in education or with schools in their surrounding area. The sites open their doors to students so that they can visit manufacturing plants and become acquainted with the world of industry. Finally, several sites make donations of computer hardware and/or automotive equipment to technical schools.

SEMILLA

SEMILLA is an association established in 1974 to promote the social and educational integration of young people from Villaverde. The Madrid plant provides financial support to this NGO, which aims at developing the talents of the underprivileged and offering them a brighter outlook, through personal attention. The SEMILLA association offers two educational programmes targeted by age group. The first programme is intended for children and adolescents aged 6 to 16 years and aims at combating academic failure and dropping out of school. The second one is intended more specifically at 16 to 19 year-olds and aims at integrating them into the world of employment. In 2013, 340 young people benefitted from one of these two programmes.

DONATIONS

Many sites continue to support vocational training schools by giving them gearboxes, engines, transmissions, etc. The Trémery plant, for example, donated one hundred engines, which is the equivalent of about €148,000. Similarly, in 2013 the Vélizy plant donated about one hundred vehicles to various organisations to enable apprenticeships or training, including eight at GIGN.

Local Economic Development

By local economic development we mean jobs, training and welfare-to-work schemes. It accounted for 15% of funding in 2013.

Several sites provide coaching at local SMEs (small and medium sized businesses). Employees on loan provide this support as a way to improve skills at the companies they visit.

PERFORMANCE BRETAGNE

This organisation in Rennes, Brittany, has benefited from the active support of the PSA Peugeot Citroën plant for quite a few years. The association works with small and medium sized businesses in Brittany to help them more efficiently manage their manufacturing facilities with regard to: the environment, industrial organisation, human resources, IS and internet. The Rennes plant lends employees to this organisation who advise companies on IS and internet management on the following issues: industrial organisation, help with installing visual management tools, training in lean management, usefulness of a web presence, advice on choosing software, the security of information systems, etc. In 2013 11 businesses received assistance.

SUPERFORCE LORRAINE

The Group's Trémery, France, site provides the same type of support to local SMEs through the Partenaires Superforce Lorraine association, by assigning a full-time manager to these bourgeoning businesses. This year 20 SMEs received this assistance.

Social and charitable aid (apart from disaster relief)

Through its sites PSA Peugeot Citroën provides concrete, significant aid to local social and charitable aid initiatives: donations of food and clothing, sporting events for humanitarian causes, medical research, etc. accounted for 15% of funding in 2013.

VOLUNTEER PROGRAMME

PSA Peugeot Citroën Argentina has undertaken a series of initiatives to help local residents using Company employees as volunteers. For the third year running, the Company has donated the cost of two houses per month to the NGO"Un Techo para mi Pais" and participated in the construction of six dwellings during the year, through the help of volunteers. These volunteers also participated in the Virgen Madre foundation's Day of the Child. For the fourth year running, support was given to the PSA Peugeot Citroën - AFALP Club mini basketball school. Eighty scholarships were provided to secondary school students to get them involved in sports. Lastly, for the sixth year running employees ran in the Italian Hospital's marathon to benefit children with cancer.

AYUVI

This NGO received support from the Vigo plant in 2013. Ayuvi helps marginalised mothers. The plant gave material assistance (donated baby clothes, food and various baby items).

Local initiatives to help mobility

These represent 15% of the budgeted funds and concern the following two areas:

ROADWAY SAFETY

Awareness of roadway safety is a major area of the Group's commitment to civic involvement. All of the industrial and service sites conduct awareness projects all over the world with employees and/or local communities, usually in partnership with educators and bodies such as firefighters, national and other police forces, training centres, etc.

The sites organise several informational campaigns over the year reminding people of the dangers of alcohol or drugs when at the wheel, as well as campaigns to check vehicle lights and awareness seminars specifically for those on two wheels.

VEHICLE LOANS

In addition, Group entities will at times make their service vehicle pools available to local associations to help them get about.

In 2013 the Sochaux plant loaned local associations 130 vehicles for a total of 542 loan-days. The Poissy plant made 13 vehicles available representing 158 loan-days.

Humanitarian relief

This refers to extraordinary assistance given after an unexpected event (9% of funds).

This year in China the CAPSA and DPCA joint ventures made contributions of cash and vehicles equivalent to €163,000 to the city of Lushan following the earthquake of 20 April 2013 that hit Szechuan Province.

Cultural initiatives, local sponsorships

To encourage local artistic endeavours, some sites choose to invest in cultural projects.

LE PHENIX

The Valenciennes plant took such a sponsoring role as a member of Valencienne's nationally known entrepreneurs' club Le Phenix. Its financial support opened cultural opportunities for disadvantaged people and the elderly in retirement homes.

ARTIST IN RESIDENCE

The Saint Ouen plant hosts a two-year residency for artists. A professional composer and photographer came onto the site and recorded the sounds of the factory, to put together a concert of contemporary music and an exhibition that got the employees involved. The objective was to have employees gain an appreciation of the artists' work, to highlight the talents that had been discovered and to make local residents familiar with the plant.

Local initiatives to protect the environment

Awareness of respect for the environment is a major area of the Group's commitment to civic involvement. Industrial and service sites conduct awareness projects all over the world with employees and/or local communities.

UNIVERSITY OF HAUTE ALSACE

The Mulhouse plant continued its partnership with this faculty by lending employees to provide training and coaching, particularly as to ISO standards 14001 and 50001.

5.3.5.4.2. Sponsorship Initiatives: the Guiding Thread of Mobility

THE COMPANY'S FOUNDATION

PSA Peugeot Citroën is firmly convinced that mobility is a global societal challenge and a fundamental right. Mobility has an effect on all lives and goes hand in hand with economic development. It is based on discovery, independence, progress and innovation. Backed by its expertise in mobility, the Group is focusing on projects that are useful to the community while seamlessly capitalising on its core carmaking competencies. This commitment is made real through the actions of the Company's Foundation.

Created on 18 June 2011, the PSA Peugeot Citroën Foundation supports social, emergency outreach, educational, cultural and environmental projects in the field of mobility. This mission is expressed in the Foundation's motto "A World on the Move". Since 2011 the Foundation has provided support in the form of funding, equipment, and volunteer time to 213 projects, drawing on a network of about 30 local delegates and about 150 PSA Peugeot Citroën employee volunteers. In 2013 79 initiatives by associations or NGOs were supported throughout the world: 71% of projects were located in France and 29% abroad, with a preference for areas where the Group is expanding.

The initiatives come from associations, NGOs and employees, or grow out of projects supported by the Group's plants and facilities. Applications are submitted online on a website in two languages (French and English).

To carry out its philanthropic mission, the Foundation is backed by a multi-year action plan with a five-year budget of €10 million. At the end of 2013, €5.9 million had been contributed by the Foundation to tax-exempt organisations, including €2.1 million in 2013 under five major headings:

a. "mobility and integration" (47% of budgeted funds in 2013). This refers to initiatives to help people join the workforce;

b. "mobility and emergency outreach" (17% of budgeted funds in 2013). This refers to initiatives to assist highly disadvantaged people at risk;

c. "mobility and educational and cultural initiatives" (24% of the funds budgeted in 2013); these initiatives use mobility to promote equal opportunities or give troubled young people a second chance;

d. "mobility and disability" programmes to give the disabled greater independence and an improved quality of life (7% of 2013 donations);

e. "mobility and the environment" initiatives to build awareness about sustainable mobility and the preservation of biodiversity (5% of 2013 donations).
Skills Donation covers these five areas.

a. Mobility and Integration

The Foundation supports community organisations in urban areas that offer mobility services to people referred by social services. The goal is to remove the obstacles for the unemployed to receive training or find a new job. These initiatives represent 19% of budgeted funds.

MOBILITY PLATFORMS

The platforms include a variety of services over a given territory: mobility diagnostics, discounted vehicle leasing, carpooling, on-call transportation, help obtaining driving licences, etc. This commitment to support and develop the mobility platforms represents 28% of the Foundation's budget in 2013..

FARE: With the federation of driver education associations known by its French acronym FARE, the PSA Foundation forged an innovative partnership for mobility platforms: the Mouv'Up! programme. Since March 2013 the Foundation and FARE have provided a programme with the aim of taking the brakes off of mobility for people looking for a job, especially the less advantaged among them. Mouv'Up! plans to create 20 mobility platforms over two years. In 2013, ten regions were involved, with an investment of €60,000. These were Corrèze, Corsica, Côte-d'Or, Deux-Sèvres, Hérault, Moselle, Aude, Seine-Maritime, Vienne and Yvelines. In 2013 this partnership made a loan of one PSA Peugeot Citroën employee to support the activities of FARE, as a donation of skills. Ten other regions will be involved in Mouv'Up! in 2014.

AIL Midi-Pyrénées: Some at-risk people receive no public aid because they are above the eligibility ceilings: the unemployed recipients of the Allocation de Solidarité Spécifique, low-income workers, apprentices, etc. For them the AIL Midi-Pyrénées mobility platform, with the financial support of the Foundation, has come up with a "mobility chequebook" worth one or two hundred euros per beneficiary. These mobility cheques allow the beneficiary to manage his or her "mobility account" as he or she wishes and according to his or her needs: bicycle or scooter hire, car hire, repairs, maintenance, etc.

COMMUNITY GARAGES

The Foundation supports community garages that are aimed at welfare recipients. They allow people to have vehicles repaired, rent or buy them at low cost. These garages also hire the unemployed to help them return to the workforce.

Gardois Community Garage: The Foundation gave its financial support to create this community garage in Vauvert (Gard). This organisation, which is also a job training centre, opened its doors in the spring of 2013 and now has three employees. In 2013 the Foundation supported four other community garages in France, making it nine such organisations that it has supported since 2011.

Auto-Mobilité: This garage located in Nord-Pas-De-Calais opened in 2012. It is solely for the use of low-income individuals: recipients of the French income supplement (*revenu de solidarité active*), those seeking work, low income workers, retirees and the low-income disabled. As a social micro-credit facility, the Auto-mobilité helps its customers make applications for micro-credits, which are customised loans at low rates of interest and without collateral. Granted under certain circumstances, they make it possible, for example, to buy or repair a vehicle. The association then devises a three-year repayment plan before forwarding the application to a community bank, which looks into the request. The Foundation's financial support has allowed the garage to expand its fleet of cars and to buy supplies.

DRIVING SCHOOLS

The Foundation supports reduced-rate driving schools for job seekers, welfare recipients, and at-risk youth. With the help of targeted instruction methods and pricing, the open access to tests for the BSR safe-driving certificate, Rules of the Road and driving licence. They are a powerful tool for occupational and employment assistance.

Poinfor: The reduced-rate driving school from the Chaumont area opened in 2012. The Foundation provided funds to acquire a driving-school vehicle. In 2013 the Foundation renewed its financial support to further the activities of the driving school. In 2014 Poinfor is expected to employ a department-wide mobility platform currently under construction.

Respire: Respire is a neighbourhood, state-owned enterprise whose mission is to improve the living conditions of Orleans people living south of Saint-Jean de-la-Ruelle, by giving top hiring priority to neighbourhood residents. In 2010 it created the reduced-rate driving school they dubbed "A licence for a job." It is intended for people entering the workforce who cannot take the usual driving-school classes. The programme allows them to obtain their licence at reduced cost and to learn in a manner better suited to them, working around any possible cognitive or psychological barriers. In 2013 the Foundation financed the purchase of a manual gearbox vehicle that simplifies the process of learning to drive. In 2012 it helped Respire to buy equipment for its community garage.

REDUCED-RATE HIRE

Being able to hire a car for less can help a person find a job or become qualified for one. The Foundation supports associations who have created this local service.

MOB 60: MOB 60 co-ordinates a low-cost two-wheel hire service and a workshop for maintenance and repair. The beneficiaries are recommended by social welfare agencies; they are low-income individuals who have no licence or have lost it and cannot afford to obtain a new one. The receive a two-wheel hire at a favourable rate to look for a job, have a job interview or get to work. In 2012 the Foundation gave MOB 60 ten scooters and in 2013 a utility vehicle to deliver them to the beneficiaries or, if necessary, take them to the mechanic shop for repair. At the same time MOB 60 gives young people a chance to take the AM licence at a very low cost. In 2014 MOB 60 will open two branches in Picardy.

MODES OF TRANSPORT AND TRANSPORTATION ON DEMAND

Modes of transport and/or transportation on demand services make getting about easier for low-income people isolated in rural areas or urban outskirts with poor public transportation, and tightens the fabric of society.

ESCAPADE: The *Espace Socioculturel d'Audincourt pour la Promotion d'Activités et le Développement des Échanges* (ESCAPADE) introduced the Mediabus. a transportation service, in January 2014. Thanks to financial support from the Foundation a 9-seat minibus was bought. The goal of the project is to strengthen relations between residents and diversify the generational and cultural mix. Individuals with impaired mobility and seniors will be given rides to do their shopping. Families will be able to take in cultural activities, discover organic gardens and enjoy a reduced cost restaurant. Young people joining the workforce will able, for instance, to get to job fairs. The bus is also made available to associations for use in their activities.

Trans'boulot: This Moselle association received financial support in 2013 to acquire a vehicle to transport people. It offers a transportation-on-demand service and provides temporary transportation for people in difficult social or occupational circumstances. This service is on call 24/7 for trips or times of day not handled by public transportation.

MOBILE SERVICES

The French Red Cross: In late 2012 the Foundation launched its Red Cross on Wheels project, with staff from the French Red Cross. The mobile care units will serve anyone in need, and are intended to provide a warm, welcoming place to combat loneliness. This nation-wide initiative aims to reach out to isolated families and individuals in response to the country's higher rates of poverty, ageing population, scaled-back public services, and difficult-to-access areas. The Foundation decided to join forces with the Red Cross in order to take long-term action to overcome these challenges. In 2012 the organisations mapped out a set of best practices for mobile care units, which were then used to establish operating procedures and identify the required equipment. In 2013 this three-year-old partnership became real when mobile programmes were created with financing from the Foundation. These programmes offer services that provide for basic needs like food, clothing and shelter, psychological attention and support, play a huge role in breaking down isolation and keeping people connected. They are adapted to the specific needs of each community they visit. This initiative is part of the French Red Cross' strategy to develop new ways of providing care while encouraging autonomy, to offer a large palette of services that can meet the specific needs of different families, and to reach out to people in need wherever they may be. Through PSA Peugeot Citroën's "Red Cross on Wheels" project, the Foundation hopes to facilitate access to social services for all those who find themselves isolated or at risk. The first two specially fitted vehicles were delivered in October 2013, in Ain and Gers. €275,000 have already been paid to the French Red Cross under this partnership.

BGE PARIF: This network in Ile-de-France supports entrepreneurs and signed a two-year agreement with the Foundation to design the Business Creation Bus. The Foundation donated a delivery van fitted out and equipped to receive the public. The Foundation also pays for its operation, bringing its commitment to BGE up to €60,000 over two years. Unique in its kind in Ile de France, this bus goes out among people who are poorly informed about entrepreneurship. It targets individuals who are very keen to start their own business, people with projects in search of start-up capital or people with jobs who wish to grow. They are given information and advice about the pathway of creating a business or any kind of self-employment.

b. Mobility and Emergency Outreach

The Foundation supports associations whose staff, often mobile, helps people from disadvantaged backgrounds: assistance to the homeless, support for families without resources, help for the isolated and marginalised groups-this represents 17% of the budgeted funds and ten projects in 2013.

Samusocial de Paris: PSA Peugeot Citroën began working with this municipal humanitarian aid organisation in 1997 by providing utility vehicles for its first mobile aid unit. And since 2000 the Group has been paying the vehicle rental fees for the organisation's night-time patrol unit. In 2013 the PSA Peugeot Citroën Foundation continued its support of Samusocial de Paris. It helped to fund the operation of their night-time street patrols.

PSA Peugeot Citroën employees also occasionally volunteer their time to support the organisation's field staff and telephone hotline. Samusocial of Paris was founded in 1993 to provide emergency assistance to the city's homeless. It offers them shelter and provides essential medical, psychological, and social services. In the course of a year Samusocial takes care of over 11,000 isolated people. Since 2011, the commitment to Samusocial de Paris has totalled €395,000.

ANDES: In 2013 three community grocery shops in the national association for the development of community grocery shops (French acronym ANDES) each received a vehicle to transport people and food. At stake: allowing underprivileged groups with less mobility to get the food assistance, social services and inclusion offered by one of the 230 groceries in the network. Apart from food aid, the point is to set up a sustainable programme of social inclusion. The recipients are free to choose their products and are empowered consumers. A community grocery does not give products away but sells them for 70% to 90% less than in a conventional shop. In addition, the beneficiaries participate in workshops (cooking, health assessment, etc.) and cultural outings. They agree to undertake a personal project, such as pay back a loan, learn to manage budget, etc. This assistance allows them to regain the dignity that many highly at-risk people lose due to lessened mobility. Research conducted by ANDES as part of its partnership with the Foundation made it possible for ANDES to define the best mobility solutions. After a call for projects and a joint selection process, three grocery shops received a vehicle: in Indre, Allier and Haute Garonne (Mirail section of Toulouse). Over a hundred households served by the three shops will benefit. In addition, three other grocery shops in the network will be able to use a pooled vehicle.

c. Mobility and Educational and Cultural Action

In 2013 the Foundation supported 18 projects in education and culture (or 24% of all assistance given). Cultural projects supported by the Foundation occur mostly on French soil.

EDUCATION

The Foundation believes that by using mobility to give at-risk youth greater access to educational and cultural programmes, it is also promoting equal opportunity and giving these youth a second chance. That's why it works hand-in-hand with community organisations focusing on these issues, in both urban and rural areas.

Frateli: This association brings together a scholarship student in higher education from a modest background who has passed his baccalaureate with honours, with a mentor trained to assist and advise his or her mentee. He or she helps the young person with his or her career direction and opens up his or her professional network. Frateli sponsors 1,000 active mentorships and takes on a new group of 250 mentees per year. These young people face not just social discrimination but often also regional discrimination. Having a driving licence is often vital to get to one's place of study in a reasonable amount of time, to obtain an internship or to look for one's first job. For the third year in a row the Foundation has made a grant to Frateli. The "mobility scholarships" provide the mentees with funding for driving licences and commutes. In 2012-2013 the Foundation financed 27 driver's licenses and 115 commutes.

El Baraka: El Baraka is one of Algeria's most active associations dealing with road safety. This is a fundamental issue, as the number of people killed on Algerian roads is very high. The association's goal is to limit and then reduce the number of accidents and deaths on the roads with a massive road safety awareness campaign for drivers. Thanks to financial support from the Foundation, it has published a "Safe Driver's Handbook".

CULTURE

The Foundation supports initiatives linked to mobility and culture. The aim is to reach out to those who find it hard to access transport or cannot get around.

MuMo, The Mobile Museum: This is the first mobile museum whose aim is to bring contemporary art to children who would not otherwise see it. The museum was born from a belief that art is an excellent way to open minds and foster the sharing of ideas. MuMo was designed by renowned architect Adam Kalkin and takes the form of a shipping container that can be installed on the back of a truck. The container opens to reveal four distinct areas underneath a monumental sculpture by contemporary artist Paul McCarthy. The museum boasts a collection of works from world-famous artists like Daniel Buren, James Turell, and Huang Yong Ping. For the third consecutive year, the Foundation chose to be MuMo's sponsor, making it a grant of €380,000 over three years.

d. Mobility and Disability

The Foundation supports 18 initiatives in France and abroad that offer mobility solutions to the physically and mentally handicapped, so that mobility is no longer an obstacle but a springboard to greater independence and an improved quality of life. These initiatives represent 7% of funds budgeted in 2013.

APF: For thirteen years the French association for the paralysed (acronym APF) has organised "inclusive visits to ordinary places." AFP gives physically and mentally challenged children and adolescents an opportunity to stay with healthier children at vacation spots, *via* partnering organisations: UCPA, Fédération des œuvres laïques, Fédération Léo Lagrange, etc. The Foundation's multi-year support (€30,000 per year from 2012 to 2014) makes it possible to develop these innovatively inclusive visits. The objective is that in time the partnering organisations will be able on their own to lodge young disabled people who need special care. The partnership with the PSA Peugeot Citroën Foundation makes it possible to multiply the number of "mixed" stays. The children are grouped with one-half healthy children and the other half with disabilities. This partnership is the second of two forms of support given to the APF by the Foundation. In 2012 our support involved building an accessible course the goal of which was to make the general public more aware of the obstacles faced by people with impaired mobility as they make their daily rounds.

ARIS: The Foundation gives financial support to ARIS, one of the largest voluntary associations in France dealing with deafness and one of the very rare reduced-rate driving schools specialising in teaching driving to the deaf and hard of hearing. The grant made by the Foundation financed an 18-month lease to acquire three driving-school vehicles.

e. Mobility and the Environment

The Foundation lends its support to projects that combine environment and mobility for the general public: awareness campaigns for sustainable mobility and travelling educational projects to do with ecology and biodiversity. This category of projects represents 5% of the support given by the Foundation to NGOs.

All China Women's Federation: The goal of this project is to make Chinese children and their parents more aware of sustainable mobility-and to feel more responsible for it. The programme was launched in 2011 and is slated to last five years. To make a project like this successful the Foundation relies on a network of over twenty local delegates, so as to take local circumstances fully into account and to keep close track of projects. Since 2011 €262,300 have been given to this Chinese association. The Foundation helps to finance educational brochures and posters for 300,000 schoolchildren in Beijing, Guangzhou and Shanghai, and perhaps other cities in China as well. PSA Peugeot Citroën employees also take part in the programme by volunteering their time to hold workshops and chaperone school outings, for example.

In 2013 the Foundation supported 79 projects, all at different stages of progress. The Foundation assists startup organisations along with projects that have matured to a certain degree. Its projections show that this year it lent its assistance to over 200,000 people. This figure will be confirmed at the one year review given to all sponsorship agreements.

f. The Foundation Awards

In the spring of 2013 the PSA Peugeot Citroën Foundation introduced the first Foundation Awards. The objective is to promote the work done by Group employees who volunteered their spare time in mobility-related organisations or projects. In September slightly more than 7,000 employees voted online to pick their favourite or "Heart Throb" from among the 20 finalist projects selected by the Foundation and its local delegates. Then a jury of mentors, members of the Foundation and representatives of PSA Peugeot Citroën divisions met to name the winners of the Grand Prix France, the Grand Prix International and the Grand Prix for Mentorship. The 16 finalists receive up to €5,000. The four Grand Prix winners had their donation doubled and received up to €10,000. The awards were given to the winning associations in the autumn, and totalled €109,400.

g. Donation of Skills

In 2013 the Foundation's close relationship with a number of tax-exempt organisations allowed an experimental programme of skills donation to be continued. Based on agreement between the employee and the Company, five employees have lent their know how to the NGO.

THE CITY ON THE MOVE INSTITUTE (IVM)

The City on the Move Institute, or IVM, was created in 2000 and has become a key player in the field of research and innovation on urban mobility. It has set a global standard in the eyes of urban transportation professionals through the work it has done and its demonstration projects on the inclusive and social aspects of mobility, on the potential for developing new services particularly in outlying urban areas and newly burgeoning sections of Chinese cities, and on the necessary features of transportation sites and of inter-modal transportation. The IVM pursues an original approach, working with multi-disciplinary academic fields, with major world cities open to innovation and with representatives of the community and NGOs.

Highlights of the year 2013 were:

1) The Legible City

In France, working with Grand Lyon and UNI-EST and supported by the PSA Peugeot Citroën Foundation, IVM undertook action research for 2013-2016 to design and produce a digital mobility-training kit. It has to be shareable, technically stable, distributable and able to meet the needs of multiple users: municipalities, teachers and trainers, tourism professionals, etc. This product will make use of the latest knowledge in the digitally-based training field.

The plan undertaken consists of three points:

- the roll-out of a five-seminar programme bringing together a great many people in the field, practitioners and researchers to draw up specifications for a training application. The first of these was held in December 2013 on the topic "Making the Digital Citizen-Proof". For, indeed, to carry out this programme it will be just as important to capitalise on the cognitive and affective aspects of learning through play, as to be familiar with the necessary practical abilities it takes to move about a city;
- an international colloquium on the challenges of training in urban spaces and intra-city travel (September 2014);
- delivery of the training materials (2016).

In Latin America, IVM-Latin America has pointed out that a major challenge is for city dwellers to be able to count on complete and appropriate travel information. Under the guidance of A. Borthagaray, a device showing multi-modal information was developed for use in the vehicles of three Buenos Aires bus lines (nos. 132, 12 and 34). It makes use of design, architecture and internet culture components. This experiment made it possible to refine the selection protocol and the information design for further application on other lines in the network, to all the Metrobus lines and to the city's largest inter-modal centres. This project was developed in partnership with local authorities and contractors and in systematic consultation with riders. The phase of this work was presented in the Buenos Aires Design Biennial.

2) Passages: transitional space for the 21st century city

This new programme launched in late 2012/early 2013 is intended to raise in a new way the question of how city and auto will share space, and thus to imagine, using different cases and contexts, how to improve the quality of travel in urban spaces. The idea is to being together both dimensions, mobility and sociability, as a way to adapt a city's architecture, design, governance, information and spatial connections. After an initial evaluation phase and a precise definition of the issue (early 2013), the partners are now working with the city governments of Shanghai, Toronto, Barcelona, Santiago de Chile, Montevideo, Valparaiso and some French cities to determine what sort of micro interventions it might be possible to undertake that would have a large impact and thus meet the emergencies which cannot be met by long-term plans and large-scale solutions.

3) E-sharing: shared electric mobility for occupational groups

This project, carried out in 2013 and 2014 and assisted by ADEME under the Vehicle of the Future programme of their Investments of the Future, is part of an experiment run by PSA Peugeot Citroën with industrial partners (Docapost and Deways) and local municipalities (Grand Lyon and Metropolitan Rennes). The project is based on the observation that mobility for work purposes is highly important (trips from home to work and work-related travel) and that employers are beginning to look for innovative mobility solutions tailored to their needs.

Whereas other providers focus on sharing a pool of vehicles at the place of employment, IVM wants to explore a much larger set of approaches to sharing assets. This may involve not just sharing mobility but other formal and informal everyday services. So a quantitative study was begun in late 2013 to make a preliminary survey of local social connections, the physical form they take and where they occur. IVM's objective is to produce a paper for each employment area that matches employee ride sharing with the characteristics of the companies, of the areas under study and of the basic units of population. This work will make it possible to understand the mechanisms of mobility sharing and enlist businesses in an innovative approach and clarify a number of poorly understood areas in the vehicle sharing world.

4) Better Mobility, Better Life

The "Better Mobility Better Life" award in China is a means to identify innovative solutions in mobility management. Every year since 2010 dozens of initiatives from numerous cities have been brought to the attention of a jury of international experts. The award is organised in partnership with the World Bank, the University of Tongji, the Transportation Research Centre of the Ministry of Housing and Rural and Urban Development, "Urban Transport" magazine and the Chinese association of schools of urban planning.

The examples collected have allowed IVM to see a wide variety of approaches and of management models, and how complex is the mix of parties and local sensitivities when it comes to mobility issues. Taking an on-the-ground approach has shed new light on what mobility looks like on an everyday basis. Here and there, on the initiative of a public transportation agency, an association, a neighbourhood group, a company, solutions emerge: bike sharing, carpooling, night buses, car parks in common, micro-traffic management, vehicle fleets adapted to people with impaired mobility, etc. Sometimes new, often original, without attempting to be revolutionary, these solutions are offered simply as attempts to improve local mobility. In 2013 a draft was prepared of a book compiling the initiatives that won the award in 2010, 2011 and 2012 for publication some time in 2014.

5) Opening of a permanent IVM office in Brazil

In October 2013, IVM signed a scientific and technical partnership agreement with Mackenzie Presbyterian University of Sao Paulo. A Brazilian scientific committee was formed, consisting of academics and professionals from different cities in Brazil, with a view to developing research programmes and specific actions. An IVM exhibition on mobility rights was presented.

PSA Peugeot Citroën allocated IVM a budget of €950,000 to IVM in 2013.

THE PEUGEOT INDUSTRIAL HERITAGE FUND

Inaugurated in September 2010 and financed by an endowment fund heavily supported by PSA Peugeot Citroën, the Terre Blanche Archives Centre is the new home for archival materials from all of the Group's manufacturing and business facilities. After a top-to-bottom renovation to restore building features typical of 19th century industrial architecture, the Centre now houses a rare collection of historical records, photographs, technical drawings and unusual artefacts that have been brought together for safekeeping. The Centre de Terre Blanche will also open its doors to historians, researchers and students interested in viewing its archives. The fund continues to expand, thanks to gifts and contributions from automobile enthusiasts, including many former employees, whose invaluable but often fragile documents can be digitised and preserved under optimal conditions. More broadly, the archives offer a compelling perspective on the more than 200-year history of automobiles in Europe.

5.3.5.5. ETHICAL PRACTICES - ANTI-CORRUPTION G.40

Overall Group Policy: Code of Ethics

PSA Peugeot Citroën's corporate culture is based on **respect** and **responsibility**, reflecting the history of the Group and of its Peugeot and Citroën brands. This ethical outlook is formalised in policies, international agreements (Global Framework Agreement) and membership of international standards. It is reaffirmed in the PSA Peugeot Citroën strategic vision statement unveiled in 2009, which is grounded in a commitment to responsible growth.

The Group's endeavours concerning ethics have three components: A renewed and supplemented Code of Ethics; ethical management and a structured reporting, warning and auditing system; and a rigorous implementation process.

Documents and Reference Procedures

In 2010, PSA Peugeot Citroën confirmed its ethical commitment by rolling out a new improved version of its Code of Ethics.

- Written around 16 rules, this Code is intended to provide employees with ethical standards, which are updated in light of the Company's economic, social and environmental responsibilities. Its compact format ensures it can be taken on Board quickly and is easy to display. Translated into 20 languages, it applies to all of the Group's subsidiaries including BPF, which the exception of Faurecia, which has its own Code of Ethics.

Rules 1, 11, 12 and 16 of the Code of Ethics specify guidelines to avoid anti-competitive practices and corruption, prevent conflicts of interest, limit gifts and maintain a clear separation between work and political activities. Along with an illustrative document "Daily ethics", an operational guide comprising examples of situations which might occur, the Code of Ethics is made directly available to members of staff on the Group's intranet. It is part of the new employee documents given to all new staff;

- "Compliance with the Code of Ethics" is the operating procedure in the Group's procedure manual, which every employee is expected to apply. It can be viewed on the Group's intranet. It sets out the practical obligations for employees and management in terms of ethics, actions to take and procedures to follow in the event of questions or if breaches of the Group's ethical principles are identified and the respective roles of each body.

This rule includes detailed instructions about fraud, anti-competitive behaviour, insider trading and corruption, in accordance with the requirements of the UK Bribery Act which came into force in 2011 and the commitments taken by the Company to fight corruption (World framework agreement on corporate responsibility). It is based on the "Anti-fraud system" implemented in 2012.

- A code of stock exchange ethics applicable to Members of the Peugeot S.A. Supervisory Board, to non-voting observers, to members of the Managing Board and members of the Executive Committee as described in Chapter 16.5.1 of this Registration Document.
- PSA Peugeot Citroën also carefully monitors its suppliers: Anti-corruption and conflicts of interest are an integral part of the Group's "social and environmental requirements."

In addition to this general system and the Group's reference documents, other procedures have been introduced in certain corporate departments or subsidiaries depending on the identified risks or particular legislation. In the United Kingdom the conflict of interest and anti-bribery policy was strengthened in November 2012.

BANQUE PSA FINANCE

Due to its status as a banking establishment, Banque PSA Finance is subject to banking regulations, which govern the resources and actions of the Internal Control function.

BPF has implemented, by virtue of CRBF Regulation No. 97-02 of 21 February 1997 procedures and systems to prevent risks which any financial institution may encounter, especially in terms of its control and ethics policy, the following procedures:

- an Internal Controls Charter sets out the basic principles of how its internal control system is organised and operated: this document is given the widest possible circulation. It can be viewed on the Bank's intranet site. This Charter develops and explains the principles of role separation and for preventing "conflicts" of interest.

  By way of example, the process for allocating and monitoring staff and contractor IT rights includes a system to check the absence of "conflict" between the different rights budgeted. Also, each entity of the BPF Group must ensure, when producing and revising its instructions, procedures and powers and when it reflects on its structure, to adhere to the principles of role separation and prevent conflicts of interest. Also, the bodies which control operational risks aim to ensure the prevention and early treatment of risks by identifying, assessing, monitoring and managing them;
- an anti-money-laundering and terrorism system (LCB-FT) is in place. It is based on a BPF framework agreement which includes local procedures, checks on risks identified for each operational process, reporting tools which allow Central Compliance to pilot the application of the Group policy and monitor if necessary the Action Plans adopted.

  Within this system, focus may be placed on tools for detecting Politically Exposed Persons, subject to current regulatory conditions to deepen if necessary the components of the customer relationship, especially as regards identifying the provenance of funds. In parallel, Banque PSA Finance has an automated tool for detecting persons whose assets have been frozen so that they do not enter into a relationship with them.

  Internal LCB-FT training is encouraged to give targeted practical training to staff according to their exposure to risk;
- finally, in addition to the various systems described above, BPF has implemented a professional alert system which allows any Group employee to inform the Central Compliance Manager of any non-compliance situation linked to the institutions' activities. This tool, placed in a context of strict adherence to the rules set by an *ad hoc* internal procedure and confidentiality imperatives, is part of the internal anti fraud and conflict of interest procedure.

FAURECIA

By signing the Global Compact in March 2004 **Faurecia** committed itself to obeying and promoting the ten principles of the Compact founded on the Universal Declaration of Human Rights, the International Labour Organisation's declaration on basic principles and rights in the workplace, the Rio Declaration on the environment and development and the United Nations Convention Against Corruption. These commitments were repeated in the Faurecia code of ethics published in 2007. This Code was presented to the European Works Council in April 2007 then was discussed with the labour management partners in the Group's different countries. It was then individually circulated to each Group employee. It is sent to every new employee and is available in 14 languages on the Faurecia website and on its intranet. It is part of the FCP ("Faurecia Core Procedures") and seeks to increase responsibility and involvement of the Group's staff. Its knowledge in the plants is systematically checked during Internal Audits.

This code is built on three themes: respect for basic rights, development of economic and social dialogue, the development of skills, ethics and rules of behaviour.

It also includes an alert procedure if the Code of Ethics is breached.

The ethical principles and behavioural rules are:

- the use of the Group's funds, services or assets: Any funding of political activity is prohibited, as well as any illicit payments to governmental authorities or their employees. Assets, liabilities, expenses and other transactions performed by Group entities must be recorded in the books and accounts of those entities which must be kept in accordance with the applicable principles, rules and laws;
- relations with customers, service providers or suppliers: Gifts and entertaining from customers and/or service providers is restricted. As such, it is prohibited to accept any gift or gratuity from customers or contractors worth over 50 euros per year and per business partner.

  Suppliers must be selected based on quality, need, performance and cost. As stated in the current Purchasing procedures, agreements between the Group and its authorised representatives, agents and consultants or any other contractor must clearly state the actual products/services to be supplied, the basis for remuneration or price and all other terms and conditions. This rule also prohibits any investment with suppliers and any purchase of goods or services from suppliers or customers for personal use;
- compliance with competition law: Faurecia complies closely with applicable competition regulations in all countries where the Group is active and especially the ban on entering into agreements, contracts, projects, arrangements or coordinated behaviour among competitors concerning prices, territories, market share or customers;
- confidentiality: This rule applies to the confidentiality of employee personal data and Faurecia data relating to assets, documents and data;
- good faith and exclusivity: Group staff and Directors must perform their contracts of employment in good faith;
- conflict of interest: Employees may not profit personally from a transaction performed on behalf of a Group company with customers and suppliers, notably;
- protecting the Group's assets: Group employees or Directors are responsible for the correct use of the Group's assets and resources including those linked to intellectual property, technologies, IT equipment, software, property, equipment, machines and tools, components, raw materials and liquidities.

Ethical Governance and Monitoring System

From 2010, the Group has had an Ethics Committee, which reports to the Executive Committee. This Committee is chaired by the Secretary General of the Group and includes the Group's Human Resources Director and the Quality Director, Auditing and Rick Management Director.

The Committee meets quarterly and is responsible for:

- ensuring that ethical practices are properly deployed and applied (updating the Code and operating handbooks, tracking deployment, and analysing and responding to compliance cases and questions submitted by employees);

- tracking external trends and factors, such as new risks, emerging stakeholder expectations and new legislations;
- deploying and tracking the fraud prevention mechanism.

If a case of non-compliance poses a major risk to the Company, the Committee alerts the Managing Board, which then decides whether to inform the Supervisory Board's Finance and Audit Committee.

The Ethics Committee relies on a global network of **12 Chief Ethics Officers** covering the geographical areas where the Group operates and responsible for ensuring that the ethical approach is deployed locally. The Chief Ethics Officers ensure systematic reporting to the Ethics Committee of local ethical cases and problems and assess on a case by case basis the need to directly alert the Committee, prior to the enquiry.

The **Group's management** are called upon to assess risks of fraud in their areas of activity and their own practices with regard to the Company's ethics. They are responsible for applying the Code of Ethics in their area and for implementing suitable systems according to the risk levels identified. At the close of 2013, the process for analysing the risk of violating the code by business area and geographic region was standardised, and made to apply down to the lowest hierarchical levels, on a predefined agenda and with greater management involvement.

Finally the Auditing and Risk Management Department checks that the processes have actually been implemented. It looks into and analyses any cases of fraud or corruption. Each audit of a site or a subsidiary includes a section analysing this risk.

The mechanism for guaranteeing good faith and fair dealing and preventing fraud and corruption is based on principles common throughout the Group:

- employee involvement;
- analysis of risks and a defined process for controlling them;
- traceability of transactions;
- separation of powers and multiple sign-offs depending on the sums involved;
- and selection of suppliers.

Fighting Fraud

In 2013 the strengthened anti-fraud system was implemented in the PSA Peugeot Citroën Group, including PCA, as well as all Group entities and subsidiaries, with the exception of Faurecia and BPF who operate their own systems. It is placed under the responsibility of the Group's Ethics Committee, which has tasked the Group's Security Department (one of the entities of the Group's General Secretariat) with managing it, carrying out investigations, monitoring and reporting incidents. The system is structured around prevention, detection, investigation and treatment processes, as well as continued improvement:

- prevention and deterrence are provided by the departments that have committed, among other things, to abide by the minimal measures of the internal control system: updating delegations of authority, separation of tasks, two-signature requirements, best practices in terms of managing access to the information system, etc.;
- for detection, the Group's Security Department relies on a network of 12 fraud detection managers, (RDF), one for each Group management entity as well as 50 local security managers (RLS) appointed within the establishments;
- investigation is performed by the Group's Security Department, while decisions/penalties are applied by the operational manager of the unit;
- finally, out of concern for continuing improvement, an *a posteriori* analysis of fraud is performed by the Group's Security Department and Auditing and Risk Management Department in terms of potential repeated fraud, the ability to detect it more quickly and its impact to lessen the deficiencies in the system.

In total, for 2013, no less than 74 managers (not including auditors), dispersed across the Group's functions, Establishments and geographical areas, ensure optimum networking of PCA and are specifically tasked with alerting and informing the Ethics Committee in the event of fraud and monitoring the implemented Action Plans.

This alert system is strengthened in the United Kingdom subsidiaries by an email whistleblowing system.

It is also supplemented at the supplier level by supplier CRS audits conducted by the purchasing department (46 audits conducted of Rank 1, 2 or 3 suppliers) which automatically generated an audit of anti-corruption practices and policy).

LATIN AMERICA

In this region, an existing local Ethics Committee deals with cases relating to PSA Peugeot Citroën activities in Argentina, Brazil, Chile and Mexico, in close liaison with the Group's Ethics Committee. The Chief Ethics Officer for the area is a member of the Group's General Secretariat and sits on this Latin America Ethics Committee and is also a local member of the Auditing and Risk Management Department.

Every year a campaign is conducted with management and non-management personnel of the region, who fill out a formal declaration related to conflicts of interest, receipt of gifts, performance of services, etc. This declaration makes reference to the Code and assumes that the latter has been reread and studied before the document is signed.

A whistleblowing system has also been implemented in this area *via* the use of a website which is fed back to the local Ethics Committee as well as the Group's Ethics Committee.

ASIA

To combat against fraud and corruption, the Management in Asia has a local Fraud Detection Manager to detect, investigate and take preventative measures. The region's Chief Ethics Officer, based in Shanghai and a member of the Group's General Secretariat, is the local liaison in implementing the Group Ethics Committee's decisions and guidelines. The Chief Ethics Officer refers any questions or observations with respect to local practices to the Group's Ethics Committee.

In addition, the Management in Asia was audited in 2013 by the Group Audit to ensure that practices in China complied with the Group's rules and principles, particularly with respect to anti-fraud and anti-corruption (signature rules, managing the bids, etc.).

BANQUE PSA FINANCE

In addition to the various systems described above, BPF has implemented a professional alert system which allows any Group employee to inform the Central Compliance Manager of any non-compliance situation linked to the institutions' activities. This tool, placed in a context of strict adherence to the rules set by an *ad hoc* internal procedure and confidentiality imperatives, is part of the internal anti fraud and conflict of interest procedure.

FAURECIA

The Code provides for a system to manage breaches. Any employee who becomes aware of a breach of the rules set out in the Code may use an internal alert procedure; they may refer to their line manager or HR Director verbally or in writing. Depending on the nature and importance of the events reported, additional investigations may be launched, an inquiry may be set up or an Internal Audit decided upon. A strengthened alert procedure can also be started if the events relate to serious risks for the Group in terms of accounting, financial auditing and anti-corruption strategy. Events which jeopardise the physical or moral integrity of an employee may also be included in the scope of this procedure which involves an outside body being brought in which the Group has tasked with gathering data and beginning procedures. If the events reported meet the criteria above and if their importance renders it necessary, the external body will approach the Group *via* its Chief Executive Officer who may ask the Group's Internal Audit Department to conduct the necessary investigations.

Implementation and achievements in 2013

ADHESION

Roll-out of the new Code of Ethics was supported by a robust cascading process, with extensive involvement by managers at every level.

In 2010, executives and senior managers, including the Group's senior executive team (780 people), were requested to demonstrate their commitment to the Code of Ethics by completing an electronic questionnaire and personally signing the Code. They also agreed to cascade the Code down to their teams and to promote its principles.

This signing up process *via* electronic questionnaire was deployed as of 2011 among executives and continued into 2012.

At year-end 2012, 20,420 employees in 22 countries had been trained in the Code *via* the questionnaire, which has now been translated into 17 languages, and had formally embraced it with their personal sign-off.

In 2013 the operation was continued but in more decentralised fashion, under the aegis of the local Chief Ethics Officers, the choice of methods being left to their initiative in light of local needs, legislation and the role of employee representatives, bringing the number of signers to 21,890.

Code compliance campaigns were launched in 2013 in Slovenia and Croatia, based on an adapted electronic questionnaire, whilst campaigns were launched in Poland, the Czech Republic, Slovakia and Hungary--completing the preceding campaign and bringing in the new arrivals.

Likewise the Netherlands desired paper signatures from all managers in addition to the 2011/2012 campaign.

Complementary initiatives for awareness of the Code and signing it on paper were taken in 2013 in the network itself with business managers in France and internationally to include the new arrivals, the objective being to have signatures from the 274 managers individually identified.

In 2013 a Business Ethics working group was formed, at the initiative of the Sustainable Development Delegation and under the aegis of the Corporate Secretary, with the objective of ensuring compliance to the Code by vulnerable countries such as Russia and China. Another goal of the working group was to strengthen the mechanisms for preventing anti-competitive and corrupt practices.

In China, after appointing the locally present member of the Managing Board, the ethics programme was launched with a general written statement. Following the launch seminars given by training co-ordinators, the individual adhesion signatures were gathered: in total, 696 signers of the Group's Asia Division out of a total of 743 people or a rate of nearly 94%, above the international average.

In Russia-Ukraine adhesion was also obtained by written signature, after a series of mini-training sessions for employees in Moscow, Kiev and Kaluga. At the close of 2013, 321 employees had signed.

Thirteen countries in all were specifically made aware of the Code of Ethics in 2013, and the Code has been translated into 20 languages.

The prevention of anti-competitive and corrupt practices was achieved in 2013 by targeted training and awareness, and at higher levels in small groups of senior managers of the functions concerned and their direct colleagues, by experts from the Legal Department and the Corporate Secretary's office. In total 120 individuals, mostly upper management with responsibility for sales and purchasing took part in the three-hour session. Cascaded sessions are planned for 2014.

TRAINING

(Consolidated Group, excluding Faurecia)

Areas	Number of hours	Number of employees
Equal opportunity, diversity, anti-discrimination training	9,869	1,573
Compliance with internal rules, Global Agreement, data privacy guidelines, etc.	22,555	7,961
Code of Ethics	884	1,843
Corruption, conflicts of interest, etc.	2,097	854
TOTAL	**35,405**	**12,231**

- In 2013 all training on ethics broadly defined represented 35,405 hours for 12,231 employees. A certain amount of this more general training covered subjects like corruption. For example, under the terms of the Global Framework Agreement on Social Responsibility, Peugeot Citroën is committed to fighting against all forms of corruption and avoiding conflicts of interest.
- 854 employees were identified as being particularly concerned by these issues and were offered more in-depth instruction in preventing corruption and conflicts of interest.
- 1,573 employees received specific training on equal opportunities, diversity and anti-discrimination (9,869 hours of training). A module of 22,555 hours of training was delivered to 7,961 employees on respect for internal regulations, the global framework agreement, the IT regulations and fraud prevention.

2013 SITUATION

The Ethics Committee met six times in 2011, when it launched, then four times in 2012 and another four times in 2013, in accordance with the quarterly operation established.

Results for 2013 are as follows:

- Cases of conflict of interest *(Group scope, excluding Faurecia).*

  There were no major cases of conflict of interest reported in 2013.
- Corruption *(Group scope, excluding Faurecia)*

  There were no convictions for corruption delivered in 2013.
- Failure to obey competition rules *(Group scope, excluding Faurecia)*

  There were no major convictions for infringing competition rules in 2013. In 2011, the Peugeot Turkey Popas subsidiary was ordered to pay a €6,098,648 fine. Peugeot Turquie Popas has appealed the decision. The proceedings are ongoing.

06

BUSINESS OVERVIEW

Regarding segment information - business segments and principal markets - please refer to Note 5 to the 2013 consolidated financial statements, section 20.3.7 below, page 304.

Information on the revenue and result of the various operating segment is presented in section 9 below, page 139.

The Group is expanding its vehicle manufacturing and sales activities, which represent 67% of revenue, but also its automotive equipment, through its Faurecia subsidiary (automotive seating, interior systems, automotive exteriors), which represents 33% of its revenue, and a financing business through PSA Peugeot Citroën's wholly-owned Banque PSA Finance subsidiary. The breakdown of revenue and recurring operating income/loss by division is as follows:

	Group revenue			Group recurring operating income (loss)		
In million euros	2013	2012	Change	2013	2012	Change
Automotive Division	36,461	38,299	-4.8%	(1,042)	(1,496)	454
Faurecia	18,029	17,365	3.8%	538	516	22
Banque PSA Finance	1,773	1,910	-7.2%	368	391	(23)
Other businesses and eliminations	(2,173)	(2,128)	-2.1%	(41	29	(70)
TOTAL	**54,090**	**55,446**	**-2.4%**	**(177)**	**(560)**	**383**
Group sales (in thousands of new vehicles, excluding spare parts)	2,818	2,820	-0.1%			

6.1. > AUTOMOTIVE DIVISION

6.1.1. SIGNIFICANT EVENTS OF THE YEAR

In 2013, automotive activity was marked by:

- global sales of assembled vehicles and CKDs at 2,819,000 units, down 4.9% for the year, but stability in sales of assembled vehicles, down 0.1%;
- a trend over the year that reversed itself in the fourth quarter with a 4% increase in assembled vehicle sales;
- a new increase in the proportion of sales outside Europe to 42% of the total from 38% in 2012;
- continuation of the upscaling strategy, with 19% premium car sales vs. 9% in 2009;
- success of the Peugeot 2008 and 308;
- success of the Citroën C4 Picasso and Grand C4 Picasso;
- successful launch of the DS brand in China;
- PSA Peugeot Citroën remains a leader in CO_2 emissions reduction with an average of 116.2 grams/km or a decline of 6.2 grams over 2012.

In 2013, the world's automotive markets showed decidedly mixed trends. The automotive market grew 4.1% in 2013 compared to 2012.

Thus the European and Russian markets continue their decline with respective drops of 1.6% (Europe 30) and 5.4%.

By contrast, the Chinese market saw a 19.1% increase and the Latin American market, 2.9%.

For information about the Group's strategy and objectives for 2014, please refer to section 12 below.

6.1.2. THE GROUP'S MARKETS

Market share data are taken from statistics published by the "Association Auxiliaire de l'Automobile" for Western European countries and by various local organisations for other countries.

A EUROPEAN MARKET AGAIN IN DECLINE

After a drop of 8.6% in 2012 the European market (Europe 30) fell yet again in 2013 by 1.6%.

In 2013 only a few national markets, like Great Britain and Spain, were up (respectively 11% and 4.1%).

These uptrending markets are a long way from 2007 levels: Spain in 2013 rose to 809,000 registrations vs. 1,892,000 in 2007.

France posted a 5.5% decline and Italy 7.6% to 1,404,000 registrations, the lowest level since 1979, as compared to 2,739,000 in 2007.

In 2013, the Group was Europe's second-largest carmaker. Its market share stood at 11.94% for that area, compared to 12.7% in 2012. The Group is emphasising the most profitable distribution channels in this difficult market environment.

Europe-wide, with 304,000 registrations of Light Commercial Vehicle (LVC), the Group held on to its leadership and attained a market share of 20.7%, more or less the same as in 2012.

THE GROUP CONTINUES TO INTERNATIONALISE

The internationalisation strategy continues to pay off: the fraction of vehicles sold outside of Europe is up sharply since 2009. With 42% of its sales outside of Europe in 2013, representing 1,189,000 vehicles, PSA Peugeot Citroën is in line with its objective of generating 50% of its sales outside Europe in 2015.

CHINA: VERY HIGH GROWTH

The Chinese market showed 19.1% growth in 2013. Against that, the Group's sales there increased by 26.1% to 557,000 units vs. 442,000 in 2012. Market share came in at 3.64%. China is PSA Peugeot Citroën's second biggest market after France.

Peugeot scored a new increase of 25.8% with 272,000 units sold vs. 216,000 in 2012. Citroën sales were up 26.3% to 285,000 units vs. 226,000 in 2012.

The Peugeot 3008, the Citroën C4L introduced at the start of the year, the Peugeot 301 and the Citroën C-Élysée offered in the second half of 2013 made strong contributions to the Group's expanded sales in China.

In 2014 PSA Peugeot Citroën sales are expected to keep growing, particularly with the expansion of the sales network throughout the territory and a broadened product line.

The middles classes, which are the bulls eye for Group sales in Chine, today represent 25% of the Chinese population and should represent 40% by 2020. To keep pace with this change, the Group is planning for yearly production capacity of 950,000 vehicles in its Shenzhen (200,000 units for CAPSA) and Wuhan (750,000 units for DPCA). The construction of a fourth factory by DPCA is under study.

LATIN AMERICA: STILL A MIXED SITUATION

The Latin-American market (Argentina, Brazil, Chile and Mexico) grew by 2.9% overall in 2013 with 5,937,000 registrations. A detailed analysis of this figure shows significant local disparities.

The Brazilian market is down 1.5% for the first time in ten years. This decline occurred even though the cut in the IPI [1] that went into effect in 2012 was maintained through 2013 and aggressive pricing was severe especially in the second half-year. Meanwhile the change in exchange rates in the region (vs. the euro) was very unfavourable and heavily penalised the Group's financial performance.

The lowered local content percentage of the Group's operations amplified the currency effect.

The Group achieved 123,000 sales in Brazil in 2013.

Against all this, PSA Peugeot Citroën sales in the region grew 7% over 2012 with 303,000 units sold in the Latin American region, with a market share of 4.9%. In Argentina the PSA Peugeot Citroën Group continued its high rate of growth with 140,100 registrations in 2013, representing 25.5% growth vs. 2012. The Group made particular success of its launch of the Peugeot 208 and the Citroën C4 Lounge, whose sales are already above forecast. Group vehicle registrations showed strong growth, in Chile (up 31.5%) and Mexico (up 33.4%), much higher than the markets themselves, up respectively 10.3% and 7.9%.

RUSSIA: SIGNIFICANT FALL-OFF IN THE AUTOMOBILE MARKET

Along with a slowdown in the Russian economy, the automotive market saw a net decline of 5.4% in 2013. The Group's market share was down three-tenths of a point to 2.3%.

In 2013 the introduction of vehicles suitable to this market, the Peugeot 301 and 208 and the Citroën C-Élysée, filled out the brand's product range. Note that the Citroën C4 Sedan produced locally in Kaluga was introduced in June. These models will enable the Group to strengthen its presence on the Russian market in 2014.

The Group achieved 61,000 sales in Russia in 2013.

REST OF THE WORLD

Due to the success of the Peugeot 301 and the Citroën C4L and C-Élysée, the Group's sales also rose outside of these three regions, including Algeria (up 6.9%) and Turkey (up 7.6%).

The Group's business in Iran has been suspended since February 2012. As previously reported, in 2011, this business represented between 1.5% and 2% of the Group's Automotive Division revenue. The Group has been following developments in the situation closely. However, the sanctions have not been lifted but temporarily suspended for a period of six months, and in this context, the Group has resumed contact with its partners.

For detailed information, please refer to the key figures in section 6.1.4 below.

(1) Imposto sobre Produtos Industrializados (tax on industrial products).

(2) Premium vehicles offer a leading selection of automotive features in their segment (driving pleasure, safety, quality of finish, connectivity, comfort, etc.) and include the distinctive models of segments A, B and C (Peugeot 207CC, 2008, 308CC, RCZ, 3008, 4008 and Citroën DS3, DS3 Cabrio, DS4, C4-AIRCROSS) and the models in segments D and E (Peugeot 508, 407 and Citroën DS5, C5, C6).

6.1.3. GROUP VEHICLE MODELS

BRAND DIFFERENTIATION

The Group has implemented a clear strategy of brand differentiation and repositioning in order to expand the customer base for its three brands: DS, Peugeot, and Citroën. Accordingly, the Peugeot brand represents elegance and good road holding, the DS brand stands for luxury "à la française" and the Citroën brand means comfort and practical innovation.

This strategy can be seen:

- for the Peugeot brand, through upscaling with a rich mix;
- for the Citroën brand, through a renewed product range and increased sales in China;
- for the DS brand, through an extended product range in Europe and increased sales in China coupled with the development of the dealer network.

The Peugeot 308's goal is sales of 150,000 vehicles in Europe in 2015, when all the engines in the product range will have been launched.

PREMIUM SALES UP

The Group's upscaling strategy relies on strong branding and differentiated customer territories.

The Group's upscaling means an increase in premium [2] sales, which went from 505,000 units in 2012 to 540,000 units in 2013, or 19% of total sales volume.

Vehicles with HYbrid4 hybrid diesel technology added to the upscaling of the brands: In Europe these account for 11% of sales of the Peugeot 3008, 16% of the 508 and 34% of the Citroën DS5.

In total, the Group sold 24,319 hybrid vehicles in 2013 and so became the number 2 seller of hybrid vehicles in Europe.

SUCCESSFUL PRODUCT INTRODUCTIONS

In 2013 PSA Peugeot Citroën successfully launched new models.

The urban crossover Peugeot 2008, introduced last spring, and the new Peugeot 308 surpassed their sales goals, with respectively and orders.

For Citroën the new C4 Picasso and Grand C4 Picasso, with 58,000 orders, bolster the brand's performance.

REDUCTION OF CO_2 EMISSIONS: PSA PEUGEOT CITROËN LEADS THE RACE HERE AND EXCEEDS THE EUROPEAN STANDARDS

The Group continues to reduce the CO_2 emissions of its vehicles and has established itself as a leader in Europe in this field. With an average of 115.9 g of CO_2 emitted per km [1] in 2013 vs. 122.4 g CO_2 per km in 2012, the objectives set by Brussels for 2015 (130 g CO_2/km) have already been met and bettered.

55.3% of vehicles sold by the Group in Europe emit less than 111 g/km CO_2, up from 39.1% in 2012.

The lowered CO_2 emissions are the visible result primarily of new technologies developed and introduced during 2013:

- the new generation modular platform EMP2 implemented starting in 2013 at the Vigo plant for the new Citroën C4 Picasso and the Sochaux plant for the new Peugeot 308. This new platform will enable us to develop a variety of silhouettes on the C and D segments, with unequalled performance, especially with regard to CO_2 emissions. Optimised internal combustion engines with the family of three-cylinder petrol engines including the Turbo PureTech 110 and 130 hp versions, introduced in late October on the Française de Mécanique website;
- the exclusive depolluting technology Diesel Blue HDi to meet the Euro 6 standard and lower nitrogen oxide emissions from diesel engines to the level of petrol. This new exhaust stream launched in late 2013 on the Peugeot 508 and the Citroën C4 will be gradually installed on the diesel vehicle product range sometime in 2014;
- hybrid technologies, with the wider adoption of second generation Stop & Start e-HDi on the Peugeot and Citroën diesel lines;
- the HYbrid4 hybrid diesel technology, which continues to expand in Europe with over 50,000 Peugeot and Citroën vehicles equipped with this technology, marketed that way since they were first introduced.

For more information, particularly on the regions concerned, please refer to section 11.1.3 below.

(1) January to December 2013.

6.1.4. OPERATING STATISTICS

PSA PEUGEOT CITROËN GROUP – CONSOLIDATED WORLDWIDE SALES

Continent	Brand	Year 2013	Year 2012
Europe*	Peugeot	879,000	947,600
	Citroën	749,700	810,600
	PSA Peugeot Citroën	**1,628,700**	**1,758,200**
Russia	Peugeot	40,700	49,900
	Citroën	33,700	38,000
	PSA Peugeot Citroën	**74,400**	**87,900**
Latin America	Peugeot	182,900	172,900
	Citroën	119,700	110,000
	PSA Peugeot Citroën	**302,700**	**282,900**
Asia	Peugeot	286,600	231,000
	Citroën	289,200	230,500
	PSA Peugeot Citroën	**575,800**	**461,600**
Rest of the World	Peugeot	162,400	153,600
	Citroën	73,700	75,800
	PSA Peugeot Citroën	**236,100**	**229,400**
Total assembled vehicles (AV)	Peugeot	1,551,600	1,555,000
	Citroën	1,266,000	1,264,900
	PSA Peugeot Citroën	**2,817,600**	**2,819,900**
Total completely knocked down units (CKD)	Peugeot	1,100	145,000
	Citroën	0	0
	PSA Peugeot Citroën	**1,100**	**145,000**
TOTAL AV + CKD	Peugeot	1,552,700	1,700,000
	Citroën	1,266,000	1,264,900
	PSA PEUGEOT CITROËN	**2,818,700**	**2,964,900**

* *Europe: EU + EFTA + Bosnia + Croatia + Kosovo + Macedonia + Montenegro + Serbia.*

PSA PEUGEOT CITROËN GROUP - WORLDWIDE CONSOLIDATED SALES PER MODEL

Brand	Model	Year 2013	Year 2012
Peugeot	iOn	500	2,900
	107	57,700	76,400
	206	72,700	199,900
	207	59,200	147,900
	208	334,400	220,800
	2008	74,400	100
	301	72,200	4,800
	307	15,900	35,400
	308	240,700	252,000
	3008	140,600	108,300
	5008	44,400	52,500
	405	0	110,600
	407	0	100
	408	83,100	80,000
	508	89,500	121,700
	807	2,800	4,500
	4007	800	2,700
	4008	9,100	9,300
	Rcz	9,200	11,100
	Bipper	22,700	26,000
	Partner	143,100	149,800
	Expert	26,100	29,500
	Boxer	53,500	53,900
TOTAL		**1,552,700**	**1,700,000**

Brand		Model	Year 2013	Year 2012
Citroën		C-Zéro	300	3,300
		C1	59,400	66,700
		C2	10,000	14,600
		C3	177,100	215,800
		C3 Picasso	90,000	84,700
		DS3	69,000	68,200
		ZX	55,900	55,600
		Xsara Picasso	0	4,000
		C-Élysée	56,200	5,600
		C4	283,300	263,800
		C4 Picasso	99,900	82,900
		DS4	29,800	33,200
		C5	65,500	76,300
		DS5	23,900	27,800
		C6	0	1,600
		C8	2,800	4,100
		C4 Aircrosser	13,600	17,000
		C-Crosser	100	3,300
		Nemo	19,400	28,500
		Berlingo	140,700	139,800
		Jumpy	25,000	24,900
		Jumper	43,700	43,100
		Other	100	0
TOTAL			**1,266,000**	**1,264,900**
PSA Peugeot Citroën	Passenger Cars (PC)		2,448,600	2,595,300
	Light Commercial Vehicle (LCV)		370,100	369,600
	PC+LCV diesel	Total PSA Peugeot Citroën	1,343,500	1,471,000
	electric	Total PSA Peugeot Citroën	1,200	6,600
	hybrid	Total PSA Peugeot Citroën	22,100	25,800
TOTAL PSA PEUGEOT CITROEN			**2,818,700**	**2,964,900**

PASSENGER CAR REGISTRATIONS ON EUROPEAN MARKETS

	2013	2012
Country	Volume	Volume
France	1,790,500	1,898,800
Germany	2,952,400	3,082,500
Austria	319,000	336,000
Belux	532,700	537,100
Denmark	181,900	170,600
Spain	722,700	699,600
Finland	103,300	111,100
Greece	58,700	58,500
Ireland	74,300	79,600
Iceland	7,300	7,900
Italy	1,303,400	1,402,900
Norway	142,200	138,000
Netherlands	417,000	502,500
Portugal	105,900	95,300
United Kingdom	2,264,700	2,044,600
Sweden	269,600	279,900
Switzerland	307,900	328,100
TOTAL WESTERN EUROPE (18 COUNTRIES)	**11,553,500**	**11,773,000**
Croatia	27,800	31,400
Hungary	56,100	53,100
Poland	289,000	270,900
Czech Republic	164,700	174,000
Slovakia	65,500	68,600
Slovenia	52,300	50,100
TOTAL PECO	**655,400**	**648,000**
Baltic States	42,500	42,300
Bulgaria + Romania	89,700	93,100
Malta + Cyprus	12,800	16,800
TOTAL EUROPE - 30 COUNTRIES	**12,354,000**	**12,573,300**

LIGHT COMMERCIAL VEHICLE REGISTRATIONS ON EUROPEAN MARKETS

	2013	2012
Country	Volume	Volume
France	367,300	384,100
Germany	218,000	225,000
Austria	30,800	31,600
Belux	60,100	61,400
Denmark	24,500	24,600
Spain	85,800	77,100
Finland	11,200	12,300
Greece	3,500	3,800
Ireland	11,100	10,800
Iceland	600	500
Italy	101,800	117,400
Norway	32,300	33,400
Netherlands	50,800	56,700
Portugal	18,200	16,000
United Kingdom	279,000	247,900
Sweden	37,700	40,000
Switzerland	32,100	33,800
TOTAL WESTERN EUROPE (18 COUNTRIES)	**1,364,900**	**1,376,400**
Croatia	5,300	3,700
Hungary	11,600	11,100
Poland	42,500	40,900
Czech Republic	11,800	12,000
Slovakia	5,600	5,800
Slovenia	6,200	5,800
TOTAL PECO	**83,000**	**79,200**
Baltic States	7,300	6,800
Bulgaria + Romania	13,200	15,300
Malta + Cyprus	1,500	1,800
TOTAL EUROPE - 30 COUNTRIES	**1,469,900**	**1,479,500**

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS ON EUROPEAN MARKETS

	2013	2012
Country	Volume	Volume
France	2,157,800	2,282,800
Germany	3,170,400	3,307,500
Austria	349,900	367,700
Belux	592,700	598,500
Denmark	206,400	195,200
Spain	808,600	776,700
Finland	114,500	123,400
Greece	62,200	62,300
Ireland	85,400	90,400
Iceland	7,900	8,400
Italy	1,405,100	1,520,300
Norway	174,400	171,400
Netherlands	467,800	559,200
Portugal	124,200	111,400
United Kingdom	2,543,700	2,292,500
Sweden	307,200	319,900
Switzerland	340,000	361,900
TOTAL WESTERN EUROPE (18 COUNTRIES)	**12,918,300**	**13,149,400**
Croatia	33,100	35,000
Hungary	67,700	64,100
Poland	331,500	311,800
Czech Republic	176,500	186,000
Slovakia	71,100	74,400
Slovenia	58,500	55,900
TOTAL PECO	**738,400**	**727,200**
Baltic States	49,800	49,100
Bulgaria + Romania	103,000	108,500
Malta + Cyprus	14,300	18,600
TOTAL EUROPE - 30 COUNTRIES	**13,823,800**	**14,052,700**

PASSENGER CAR & LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE (30 COUNTRIES) BY MANUFACTURER

		2013		2012	
Rank	Groups	Volume	MS (%)	Volume	MS (%)
1	VAG	3,261,000	23.6%	3,287,300	23.4%
2	**PSA Peugeot Citroën**	**1,650,800**	**11.9%**	**1,779,400**	**12.7%**
	> Citroën	753,500	5.5%	824,600	5.9%
	> Peugeot	897,300	6.5%	954,800	6.8%
3	Renault Group	1,332,300	9.6%	1,297,700	9.2%
4	Ford Group	1,093,000	7.9%	1,115,800	7.9%
5	G.M.	1,045,100	7.6%	1,088,300	7.7%
6	Fiat Group	935,900	6.8%	998,200	7.1%
7	Daimler Ag	835,700	6.0%	807,300	5.7%
8	BMW Group	797,900	5.8%	802,800	5.7%
9	Hyundai Group	773,900	5.6%	781,200	5.6%
10	Toyota Group	577,600	4.2%	585,800	4.2%
11	Nissan	471,700	3.4%	486,700	3.5%
12	Geely Group	231,400	1.7%	232,100	1.7%
13	Suzuki Group	153,700	1.1%	156,200	1.1%
14	Tata	153,100	1.1%	141,800	1.0%
15	Mazda	148,200	1.1%	125,600	0.9%
16	Honda	139,500	1.0%	140,700	1.0%
17	Mitsubishi	96,700	0.7%	91,800	0.7%
18	Other	75,000	0.5%	81,400	0.6%
19	Subaru	39,000	0.3%	42,200	0.3%
20	Isuzu	12,200	0.1%	10,400	0.1%

PSA PEUGEOT CITROËN GROUP REGISTRATIONS ON PASSENGER CAR ON EUROPEAN MARKETS

Country	2013		2012	
	Volume	MS (%)	Volume	MS (%)
France	527,900	29.5%	571,900	30.1%
Germany	103,200	3.5%	132,500	4.3%
Austria	17,900	5.6%	25,500	7.6%
Belux	77,400	14.5%	83,500	15.6%
Denmark	26,600	14.6%	28,300	16.6%
Spain	104,200	14.4%	108,100	15.5%
Finland	5,100	5.0%	6,300	5.7%
Greece	4,800	8.1%	6,700	11.5%
Ireland	3,400	4.6%	3,400	4.3%
Iceland	100	1.7%	200	3.1%
Italy	120,600	9.2%	138,600	9.9%
Norway	7,700	5.4%	9,800	7.1%
Netherlands	49,700	11.9%	65,900	13.1%
Portugal	14,500	13.7%	13,100	13.8%
United Kingdom	183,800	8.1%	173,100	8.5%
Sweden	12,200	4.5%	16,200	5.8%
Switzerland	22,800	7.4%	24,000	7.3%
TOTAL WESTERN EUROPE (18 COUNTRIES)	**1,282,000**	**11.1%**	**1,407,200**	**12.0%**
Croatia	3,700	13.4%	5,100	16.3%
Hungary	3,700	6.6%	2,700	5.1%
Poland	21,700	7.5%	21,900	8.1%
Czech Republic	13,200	8.0%	12,400	7.1%
Slovakia	7,200	11.0%	6,100	8.9%
Slovenia	7,100	13.6%	7,300	14.6%
TOTAL PECO	**56,700**	**8.6%**	**55,500**	**8.6%**
Baltic States	3,000	6.9%	3,800	9.0%
Bulgaria + Romania	4,400	4.9%	4,600	4.9%
Malta + Cyprus	1,100	8.2%	1,100	6.7%
TOTAL EUROPE - 30 COUNTRIES	**1,347,000**	**10.9%**	**1,472,200**	**11.7%**

PSA PEUGEOT CITROËN GROUP - REGISTRATIONS OF LIGHT COMMERCIAL VEHICLES ON EUROPEAN MARKETS

	2013		2012	
Country	Volume	MS (%)	Volume	MS (%)
France	122,800	33.4%	129,000	33.6%
Germany	19,100	8.7%	21,400	9.5%
Austria	3,000	9.9%	3,400	10.6%
Belux	15,500	25.9%	15,500	25.2%
Denmark	3,100	12.8%	3,500	14.3%
Spain	27,400	32.0%	25,100	32.5%
Finland	700	6.4%	700	6.1%
Greece	300	8.7%	300	8.8%
Ireland	1,200	11.0%	1,200	10.7%
Iceland	0	6.4%	0	3.2%
Italy	16,100	15.8%	17,000	14.5%
Norway	5,400	16.6%	5,300	15.7%
Netherlands	8,300	16.4%	8,900	15.7%
Portugal	5,300	29.0%	4,800	30.0%
United Kingdom	44,400	15.9%	40,000	16.1%
Sweden	5,000	13.2%	6,300	15.7%
Switzerland	3,700	11.7%	4,100	12.1%
TOTAL WESTERN EUROPE (18 COUNTRIES)	**281,500**	**20.6%**	**286,500**	**20.8%**
Croatia	1,500	27.5%	1,000	27.7%
Hungary	2,000	17.2%	1,900	17.2%
Poland	8,000	18.9%	7,400	18.1%
Czech Republic	2,600	21.9%	2,200	18.1%
Slovakia	1,700	30.0%	1,800	30.5%
Slovenia	2,400	39.3%	2,300	39.4%
TOTAL PECO	**18,200**	**21.9%**	**16,500**	**20.9%**
Baltic States	1,700	23.4%	1,500	22.2%
Bulgaria + Romania	2,000	15.4%	2,300	14.9%
Malta + Cyprus	300	17.6%	300	18.2%
TOTAL EUROPE - 30 COUNTRIES	**303,700**	**20.7%**	**307,100**	**20.8%**

PSA PEUGEOT CITROËN GROUP - REGISTRATIONS OF PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES ON EUROPEAN MARKETS

	2013		2012	
Country	**Volume**	**MS** *(%)*	**Volume**	**MS** *(%)*
France	650,700	30.2%	700,900	30.7%
Germany	122,200	3.9%	153,900	4.7%
Austria	20,900	6.0%	28,800	7.8%
Belux	93,000	15.7%	99,000	16.5%
Denmark	29,700	14.4%	31,800	16.3%
Spain	131,600	16.3%	133,200	17.2%
Finland	5,800	5.1%	7,100	5.7%
Greece	5,100	8.1%	7,100	11.4%
Ireland	4,700	5.5%	4,600	5.1%
Iceland	200	2.0%	300	3.1%
Italy	136,700	9.7%	155,600	10.2%
Norway	13,100	7.5%	15,000	8.8%
Netherlands	58,000	12.4%	74,800	13.4%
Portugal	19,800	16.0%	17,900	16.1%
United Kingdom	228,200	9.0%	213,200	9.3%
Sweden	17,200	5.6%	22,400	7.0%
Switzerland	26,600	7.8%	28,100	7.8%
TOTAL WESTERN EUROPE (18 COUNTRIES)	**1,563,500**	**12.1%**	**1,693,700**	**12.9%**
Croatia	5,200	15.7%	6,100	17.5%
Hungary	5,700	8.5%	4,600	7.2%
Poland	29,700	9.0%	29,300	9.4%
Czech Republic	15,800	9.0%	14,600	7.9%
Slovakia	8,900	12.5%	7,900	10.6%
Slovenia	9,500	16.3%	9,600	17.1%
TOTAL PECO	**74,900**	**10.1%**	**72,100**	**9.9%**
Baltic States	4,700	9.3%	5,300	10.8%
Bulgaria + Romania	6,500	6.3%	6,800	6.3%
Malta + Cyprus	1,300	9.2%	1,400	7.8%
TOTAL EUROPE - 30 COUNTRIES	**1,650,800**	**11.9%**	**1,779,400**	**12.7%**

PEUGEOT - PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS ON EUROPEAN MARKETS

	2013		2012	
Country	Volume	MS (%)	Volume	MS (%)
France	350,100	16.2%	369,100	16.2%
Germany	63,900	2.0%	81,700	2.5%
Austria	11,800	3.4%	16,100	4.4%
Belux	48,400	8.2%	50,800	8.5%
Denmark	15,800	7.6%	17,200	8.8%
Spain	71,100	8.8%	67,500	8.7%
Finland	2,900	2.6%	3,700	3.0%
Greece	1,600	2.5%	2,700	4.3%
Ireland	2,800	3.2%	2,800	3.1%
Iceland	100	0.7%	100	1.8%
Italy	71,500	5.1%	78,800	5.2%
Norway	8,200	4.7%	9,200	5.4%
Netherlands	35,400	7.6%	46,300	8.3%
Portugal	12,100	9.8%	10,900	9.8%
United Kingdom	126,900	5.0%	121,100	5.3%
Sweden	9,800	3.2%	13,900	4.3%
Switzerland	13,500	4.0%	14,000	3.9%
TOTAL WESTERN EUROPE (18 COUNTRIES)	**845,700**	**6.5%**	**906,100**	**6.9%**
Croatia	2,800	8.4%	3,200	9.2%
Hungary	3,000	4.5%	2,500	3.9%
Poland	18,100	5.5%	16,000	5.1%
Czech Republic	8,900	5.0%	7,900	4.2%
Slovakia	5,000	7.1%	4,800	6.4%
Slovenia	5,500	9.3%	5,600	10.0%
TOTAL PECO	**43,300**	**5.9%**	**39,900**	**5.5%**
Baltic States	2,800	5.6%	3,600	7.3%
Bulgaria + Romania	4,400	4.2%	4,100	3.8%
Malta + Cyprus	1,100	7.4%	1,100	6.0%
TOTAL EUROPE - 30 COUNTRIES	**897,300**	**6.5%**	**954,800**	**6.8%**

CITROËN - PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS ON EUROPEAN MARKETS

	2013		2012	
Country	Volume	MS (%)	Volume	MS (%)
France	300,600	13.9%	331,800	14.5%
Germany	58,300	1.8%	72,200	2.2%
Austria	9,100	2.6%	12,800	3.5%
Belux	44,600	7.5%	48,200	8.1%
Denmark	14,000	6.8%	14,600	7.5%
Spain	60,500	7.5%	65,700	8.5%
Finland	2,900	2.5%	3,400	2.8%
Greece	3,500	5.6%	4,400	7.0%
Ireland	1,900	2.2%	1,800	1.9%
Iceland	100	1.3%	100	1.4%
Italy	65,200	4.6%	76,800	5.1%
Norway	4,900	2.8%	5,800	3.4%
Netherlands	22,600	4.8%	28,500	5.1%
Portugal	7,700	6.2%	7,000	6.3%
United Kingdom	101,300	4.0%	92,000	4.0%
Sweden	7,400	2.4%	8,500	2.7%
Switzerland	13,100	3.8%	14,000	3.9%
TOTAL WESTERN EUROPE (18 COUNTRIES)	**717,700**	**5.6%**	**787,600**	**6.0%**
Croatia	2,400	7.3%	2,900	8.4%
Hungary	2,700	4.0%	2,200	3.4%
Poland	11,600	3.5%	13,300	4.3%
Czech Republic	6,900	3.9%	6,700	3.6%
Slovakia	3,900	5.4%	3,100	4.2%
Slovenia	4,100	7.0%	4,000	7.2%
TOTAL PECO	**31,500**	**4.3%**	**32,200**	**4.4%**
Baltic States	1,900	3.8%	1,700	3.5%
Bulgaria + Romania	2,100	2.0%	2,800	2.5%
Malta + Cyprus	200	1.7%	300	1.8%
TOTAL EUROPE - 30 COUNTRIES	**753,500**	**5.5%**	**824,600**	**5.9%**

PSA PEUGEOT CITROËN GROUP – PRODUCTION PER MODEL

Brand		MODEL	2013	2012
Peugeot		iOn	500	1,800
		107	57,300	74,900
		206	71,500	187,300
		207	54,800	135,400
		208	333,800	242,900
		2008	78,800	100
		301	76,900	11,600
		307	16,700	34,900
		308	243,500	245,700
		3008	138,700	104,000
		5008	44,300	49,300
		405	0	108,400
		408	85,300	77,500
		508	86,800	116,400
		807	2,700	4,200
		4007	0	2,300
		4008	7,700	12,200
		Rcz	8,300	9,800
		Bipper	22,400	24,200
		Partner	143,000	142,300
		Expert	26,300	28,200
		Boxer	52,900	54,200
TOTAL			**1,552,200**	**1,667,500**
Citroën		C-Zéro	500	1,800
		C1	58,500	65,800
		C2	9,800	14,800
		C3	177,600	210,700
		C3 Picasso	91,200	82,300
		DS3	68,200	68,800
		ZX	55,100	55,600
		Xsara Picasso	0	1,800
		C-Élysée	59,400	7,000
		C4	278,600	261,700
		C4 Picasso	104,700	80,600
		DS4	29,300	30,700
		C5	64,200	72,500
		DS5	22,600	29,700
		C6	0	1,400
		C8	2,700	3,700
		C4 Aircrosser	11,800	21,700
		C-Crosser	0	2,300
		Nemo	19,300	27,500
		Berlingo	140,800	136,800
		Jumpy	25,300	23,600
		Jumper	42,400	43,400
		Other	100	0
TOTAL			**1,262,000**	**1,244,200**
PSA Peugeot Citroën	Passenger Cars (PC)		2,445,900	2,554,100
	Light Commercial Vehicle (LCV)		368,300	357,700
	PC+LCV DIESEL	Total PSA Peugeot Citroën	1,338,900	1,427,200
	ELECTRIC	Total PSA Peugeot Citroën	1,400	3,700
	HYBRID	Total PSA Peugeot Citroën	21,200	26,200
TOTAL PSA PEUGEOT CITROEN			**2,814,200**	**2,911,800**

6.1.5. POSSIBLE DEPENDENCE ON PATENTS OR LICENCES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS OR NEW MANUFACTURING PROCESSES

Please refer to sections 4.1.5, 4.1.6 and 4.4.5.

6.2. > FAURECIA

The automotive equipment maker Faurecia [1] focuses on a targeted number of key automotive businesses. In each of its business lines – automotive seating, interior systems, automotive exteriors and Emissions Control Technologies – Faurecia is in the top three global leaders.

Following Faurecia's call of its OCEANE 2009 bonds, Peugeot S.A. since 31 December 2013 holds 51.701% of the capital and 68.006% of the voting rights in Faurecia.

With 320 production sites in 34 countries, Faurecia does business on every continent. Its industrial strategy follows two lines:

- to be constantly able to support leading automakers in their global strategy, notably in fast-growing emerging markets; and
- to continuously optimise the global location of its facilities to offer customers superior cost and quality performance.

Faurecia employs 97,500 people worldwide.

Faurecia analyses its revenue primarily on the basis of product sales (parts and component deliveries to carmakers). The Group also generates revenues from two other sources. The Group sells monoliths, which are components used in catalytic converters for exhaust streams (classified under Emissions Control Technologies). Monoliths are billed to the carmakers at production cost (pass-through basis) and integrated in the exhaust streams by Faurecia as part of global contracts. Thus, they do not generate any profit, while being particularly sensitive to the fluctuations in the prices of the precious metals used in their manufacture. The Group also generates income from the sale of equipment, R&D and prototypes.

Faurecia reported sales of €18,028 million in 2013, versus €17,365 million in 2012 (for more detailed information about Faurecia's sales, please see section 9.2.3.2 below).

Faurecia ended 2013 with recurring operating income of €538 million (representing 3.0% of revenue) as opposed to recurring operating income of €514 million in 2012.

6.2.1. FOUR CORE BUSINESSES

AUTOMOTIVE SEATING

Faurecia designs and assembles seats and makes their main components, including frames, adjustment mechanisms, foams and upholstery, and comfort and safety accessories. In 2013, this activity accounted for 35.7% of product sales (excluding monoliths).

As a complete seat architect, Faurecia has created the concept of flexible metal structures, which can be adapted to various vehicle bodies on one or several platforms.

INTERIOR SYSTEMS

Faurecia designs and produces instrument panels, central consoles and door panels that meet both the expectations of car buyers and the requirements of automakers. It offers advanced solutions in the areas of passenger safety, interior fittings and weight reduction.

In acoustic packages, the Company delivers products that optimise soundproofing through insulation and sonic absorption.

In 2013, interior systems accounted for 27.7% of product sales (excluding monoliths).

(1) For more information on Faurecia, please visit the website www.faurecia.fr and consult Faurecia's 2013 Registration Document.

AUTOMOTIVE EXTERIORS

Faurecia is one of the world's leading suppliers of front-end modules and carriers in composite materials, and ranks among the top suppliers for bumpers and engine cooling systems in Europe. In 2013, this activity accounted for 12.1% of product sales (excluding monoliths).

EMISSIONS CONTROL TECHNOLOGIES

The world leader in emissions control technologies, Faurecia engineers, manufactures and markets a range of complete exhaust systems corresponding to every market requirement. To meet increasingly exacting international emissions control standards, Faurecia addresses pollution reduction at the design stage, and helps automakers in their search for new engine configurations by pioneering innovative technological solutions like the diesel particulate filter. In 2013, this activity accounted for 24.5% of product sales (excluding monoliths).

6.2.2. INDUSTRIAL FOOTPRINT

Working with almost all of the world's automakers, Faurecia's production facilities are found across the world. In 2013 Faurecia's product sales (excluding monoliths) by region were as follows: 54% in Europe, 27% in North America, 13% in Asia, 5% in Latin America and 1% in other countries.

Faurecia can adapt its worldwide production facilities to fit the needs and expectations of automakers. While two thirds of its facilities manufacture components and are therefore located to optimise production and logistics costs, the other third operate on a just-in-time basis.

6.2.3. CUSTOMER BASE

In 2013 Faurecia continued to diversify its customer base, with the Volkswagen Group remaining Faurecia's largest customer, accounting for 25% of product sales apart from monoliths. Ford accounts for 15% of product sales apart from monoliths, PSA Peugeot Citroën 14%, Renault Nissan 11%, GM 8% and BMW 7%.

6.3. > BANQUE PSA FINANCE

100% directly controlled by companies in the PSA Peugeot Citroën Group and closely associated with the sales policies of the Peugeot and Citroën brands, Banque PSA Finance (BPF) provides financing of vehicle sales by the two brands' dealers in the 23 countries where it has locations.

It also provides dealers of the two brands with financing for their inventories of new and used vehicles and replacement parts, along with other financing such as for working capital, and offers individuals and businesses a complete range of financing and other services.

BPF financing for individuals or companies will typically tie insurance and services into the package.

Through the Banque PSA Finance's organisational structure, its loan approval process is totally independent of the two brands and of the dealer network, and dealers are unable to exert any influence on the approval decision.

In March 2013 Banque PSA Finance entered the mass market savings business under the brand PSA Banque by creating the DISTINGO savings passbook. This new line generated assets of €955 million at 31/12/2013 and so significantly helped BPF to diversify its sources of refinancing.

On 30 July 2013 the European Commission approved the guarantee extended by the French State in the amount of €7 billion on the securities issued by BPF between 1 January 2013 and 31 December 2016 as a way to support BPF's refinancing on the financial markets. Concerning the use of the French State guarantee, please refer to Section 10.4.2 below and Note 36.1 A(B) to the 2013 consolidated financial statements..

Final approval from the European Commission on the French State guarantee in favour of Banque PSA Finance was received on 30 July 2013. Under this agreement, the French State has made a certain number of commitments to the European Commission, which will remain in force until 15 December 2015 and include, principally, a commitment in relation to the return to profitability of the Group, under which PSA Peugeot Citroën would be required to take appropriate measures to reduce net debt if net debt were to exceed a specified threshold, and a commitment to seek prior approval from the European Commission to carry out acquisitions totalling more than €100 million per year.

The whole set of bank refinancing transactions carried out in 2013 – new syndicated credit, extension of a revolving line, granting a line a credit, renewal of bilateral bank lines – enabled Banque PSA Finance to confirm €11.5 billion in medium term bank credit. The renewal of these bank lines was tied to securitisation, to entry into the savings business and to the State-backed bond issues, and added predictability to Banque PSA Finance's refinancing, bolstering both the amount raised and its maturity. In 2013, securitisation and other LTRO (Long Term Refinancing

Operation) exceeded the €7 billion mark, bank credit lines were €4.3 billion and borrowing under the capital markets programmes €7.6 billion. Finally, the assets generated by the savings product amounted to €955 million at 31/12/2013.

As at 31 December 2013, the Bank's net banking revenue stood at €891 million compared to a 2012 figure of €1,075 million. The loan book fell by 7.6% to €21,312 million at 31 December 2013 (€23,061 million at end December 2012).

For more detailed information on Banque PSA Finance financial performance please refer to Chapter 9.2.3.4 below.

Banque PSA Finance enjoys a strong financial structure due to a Basel II solvency ratio of 12.95% at 31 December 2013. It has liquid reserves of over one billion euros, providing over six months of future cash needs. It is not engaged in any proprietary trading activities.

In addition, given the volume of its cross-border business, Banque PSA Finance this year joined the list of 130 "significant institutions" in the euro zone that are to be directly supervised by the European Central Bank (ECB) starting in 2014.

On 19 February 2014, PSA Peugeot Citroën and Banque PSA Finance announced that they had entered into exclusive negotiations with Santander Consumer Finance to form a 50:50 partnership for developing BPF's business in Europe. For more details, please refer to section 12 below.

PSA Banque is expanding its DISTINGO product range in France, with the launch on 24 March of a fixed-rate account – Distingo Fixe. This account is reserved for DISTINGO savings account holders. It offers a profitable investment with an annual actuarial rate of 3.10% over two years.

6.3.1. FINANCIAL SERVICES TO THE FINAL CUSTOMER

Retail financing , which includes financing for Corporates Excluding Dealers and Equivalent, and non-corporate Retail financing, represented 74% of total loans outstanding, or €15,762 million at 31 December 2013 versus €17,007 million at 31 December 2012.

Banque PSA Finance serves both individuals and corporate fleets with:

- loans to purchase new and used cars;
- long-term leasing solutions;
- short-term leasing and sales with a buyback commitment;
- an array of related services, such as insurance, maintenance and extended warranties.

Led by a sustained focus on building customer loyalty for the Peugeot and Citroën brands, Banque PSA Finance offers diversified financing products and services, as well as bundled offers, that together with the two brands provide a comprehensive range of mobility solutions.

The bank's penetration rate among buyers of new Peugeots and Citroëns reached 29.1% in 2013 vs. 29.8% in 2012.

6.3.2. WHOLESALE FINANCING

Banque PSA Finance provides financing for new and demonstration vehicles and replacement parts for the two brands' dealer networks.

Wholesale financing represented 26% of total loans outstanding, or €5,550 million, at 31 December 2013.

Its support services also include helping the dealers manage, track and control their financial risks in line with country-specific developments.

6.3.3. INSURANCE AND SERVICES

Every year BPF adds to its retail lending with insurance products (credit insurance, private health insurance, auto insurance, etc.) and automotive services co-ordinated with Peugeot and Citroën (extended warranties and maintenance contracts).

Due to its growth in these product lines, in 2009 BPF created PSA Insurance to being together the skills and knowledge necessary to develop and properly manage this particular strategic business for BPF and the Peugeot and Citroën brands. Through all the BPF subsidiaries and branches, PSA Insurance designs and distributes a full range of insurance products and services in collaboration with its own insurance companies or in partnership with major insurance carriers.

In 2013, despite poor market conditions, BPF sold 1,359,865 insurance policies and/or services, or on average 1.82 contracts per customer financed, which marked a sharp 17.3 point increase in penetration over 2012. The contribution of this business to BPF recurring operating income was €171 million.

2013 was the fourth year running of earnings and sales growth for this strategic business.

6.3.4. GEOGRAPHIC DISTRIBUTION OF BANQUE PSA FINANCE CUSTOMERS

Banque PSA Finance's leading markets are in:

- France;
- western Europe: Germany, Austria, Belgium, Luxembourg, Spain, Italy, Netherlands, Portugal, United Kingdom and Switzerland;
- in Russia;
- Latin America: Argentina, Brazil, Mexico;
- Central Europe: Hungary, Poland, Czech Republic, Slovakia, Slovenia, Croatia;
- Turkey;
- China.

The PSA Peugeot Citroën loan book, excluding China, at end 2013 broke down by country as follows: France 37.5%, Germany 12.2%, United Kingdom 12.8%, Spain 7.9%, Italy 7.8%, Other European Countries 14.6%, Brazil 4.5% and Rest of World 2.7%.

6.4. > PEUGEOT MOTOCYCLES (PMTC)

In a challenging global economy, European demand for scooters fell for the sixth consecutive year. In all, the market has contracted by over 50% since 2007 and fell by 20% in 2013 alone.

Peugeot Motocycles maintained its market share in Europe and improved it in the upper segment with the successful introduction of the Metropolis, the first three-wheel scooter.

In 2014, Peugeot Motocycles will launch Django, a premium urban scooter whose distinctive style and multiple models will give the segment a new boost.

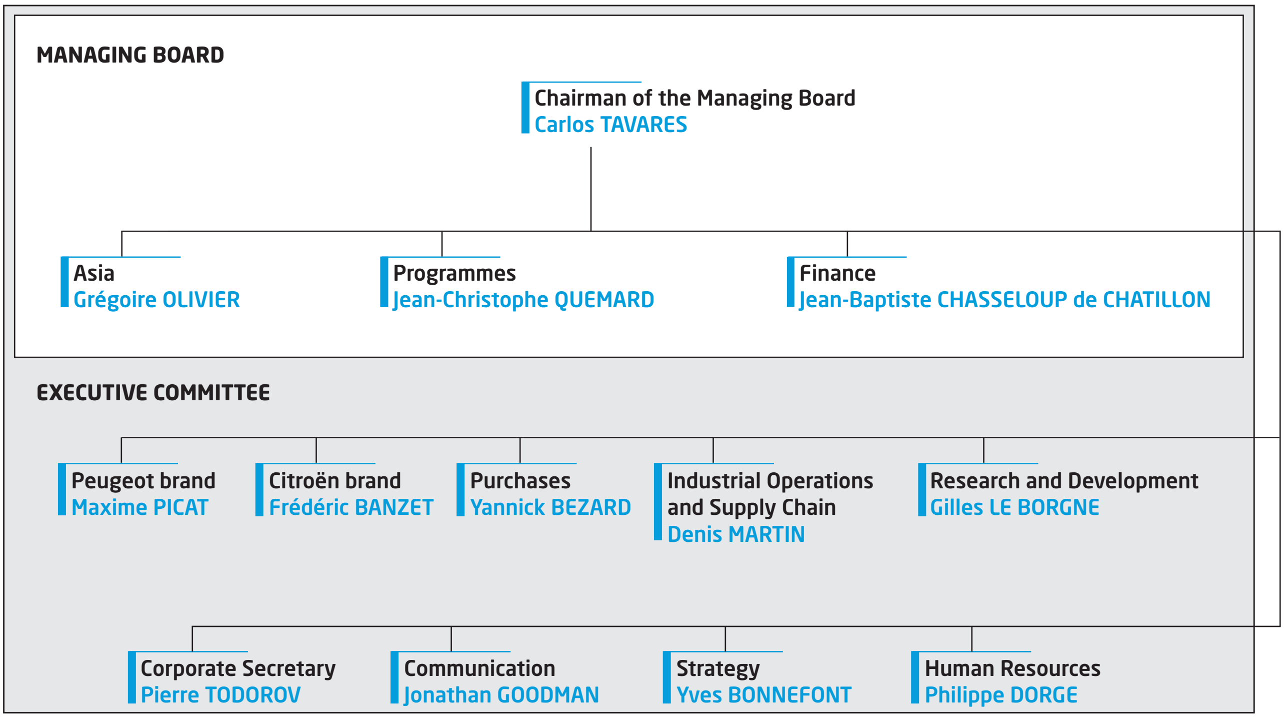
07

ORGANISATIONAL STRUCTURE

7.1. > THE GROUP

7.1.1. GROUP ORGANISATIONAL STRUCTURE - FUNCTIONS

The corporate management organisational chart as from 31 March 2014 is presented below:



To guarantee the due execution of the Group's strategy, a smaller Management team had been set up in April 2013, with a Managing Board of four members.

After conducting extensive research, the Supervisory Board chose Mr Carlos Tavares to succeed to Mr Philippe Varin, as Chairman of the Managing Board.

Mr Carlos Tavares has been a member of the Managing Board since 1 January 2014. He has been responsible for the Group's operations since 20 February 2014 and was appointed Chairman of the Managing Board on 31 March 2014.

Since 1st April 2014, Philippe Varin has been carrying out a temporary role within the Group, providing assistance on the implementation of the agreements concluded with the French State and Dongfeng Motor Group.

7.1.2. GROUP ORGANISATION

Executive management of the PSA Peugeot Citroën Group is the responsibility of the Managing Board, which is presented in detail in section 14.1.3 below.

The Managing Board is responsible for executive leadership and financial management. It helps to define and implement the Group's strategic vision, developed in accordance with the long-term objectives set and approved by the Supervisory Board. The Managing Board defines Group policies. It is a decision-making body and it allocates resources.

The Managing Board is backed by the Executive Committee, which comprises the four members of the Managing Board (President, Executive Vice-President Asia, Executive Vice-President Programmes and Chief Financial Officer) and nine Senior Vice-Presidents reporting to the Chairman of the Managing Board: Peugeot brand, Citroën brand, Research and Development, Industrial Operations and Supply Chain, Purchases, Human Resources, Strategy, Corporate Secretary and Communication. The Latin America, Russia Ukraine CIS, Quality and PSA Peugeot Citroën Excellence System divisions also report to the Chairman of the Managing Board.

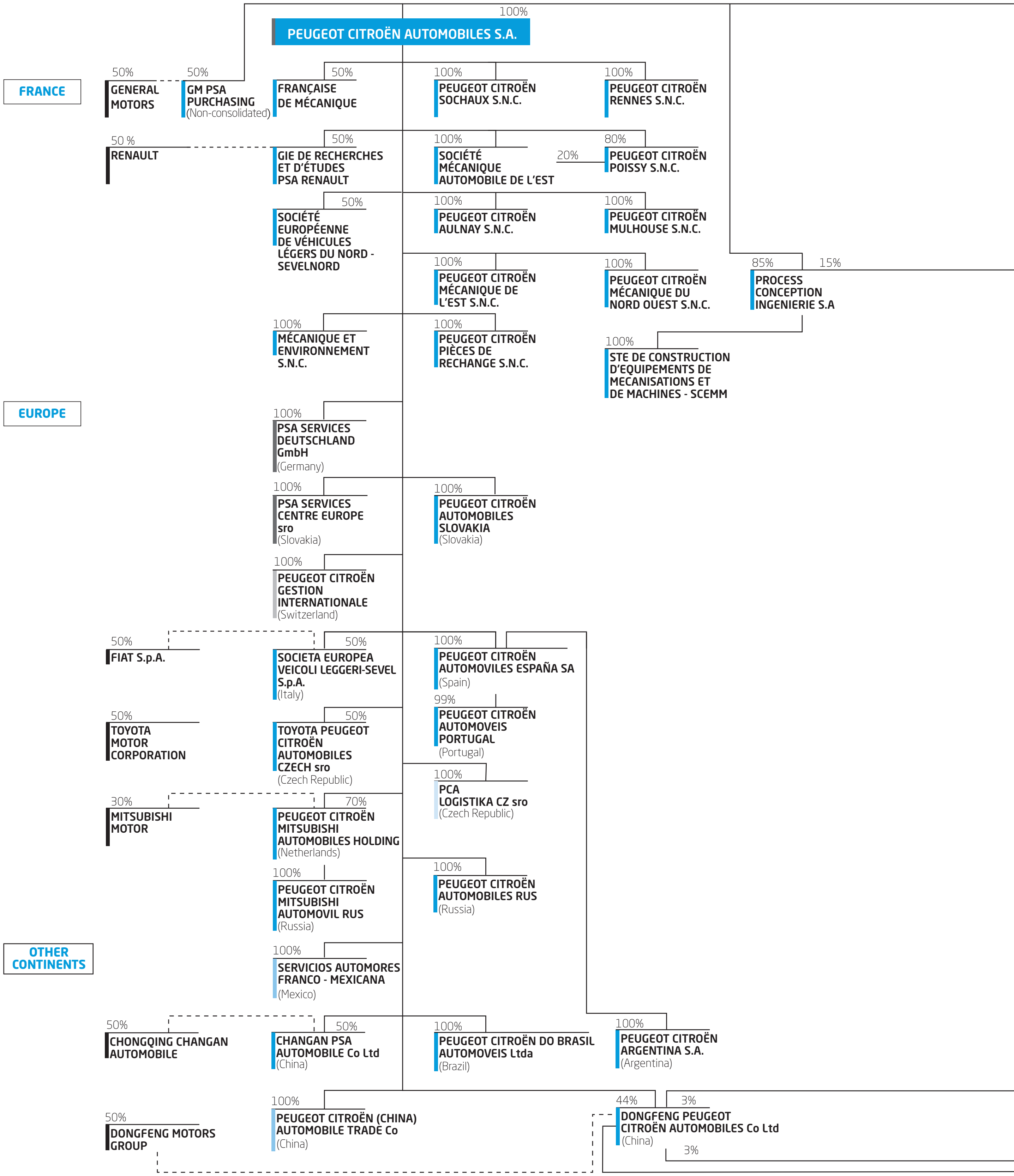
7.1.3. PARENT-SUBSIDIARY RELATIONSHIPS

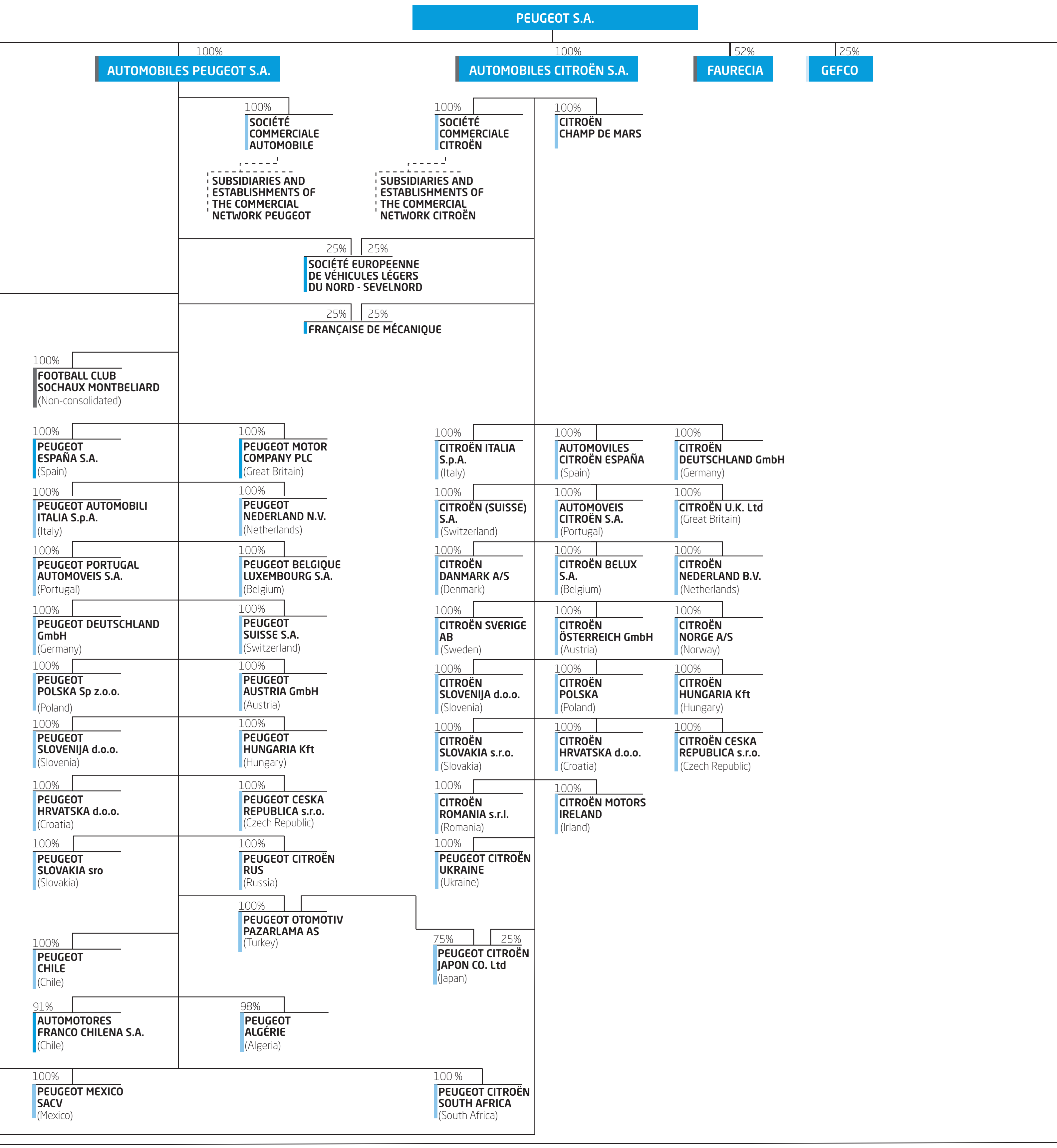
As the Group's holding company, Peugeot S.A. is not directly involved in any material operating activities.

Peugeot S.A. has a normal parent company relationship with its subsidiaries. The main events in this relationship are reviewed in the Company's financial statements in Chapter 20.4. Please refer as well to Note 38 to the 2013 Consolidated Financial Statements for a detailed description of Group related party transactions, in particular with equity-accounted companies.

For further information, please refer to the Statutory Auditors' special report on regulated agreements and commitments, Chapter 19 below, page 272.

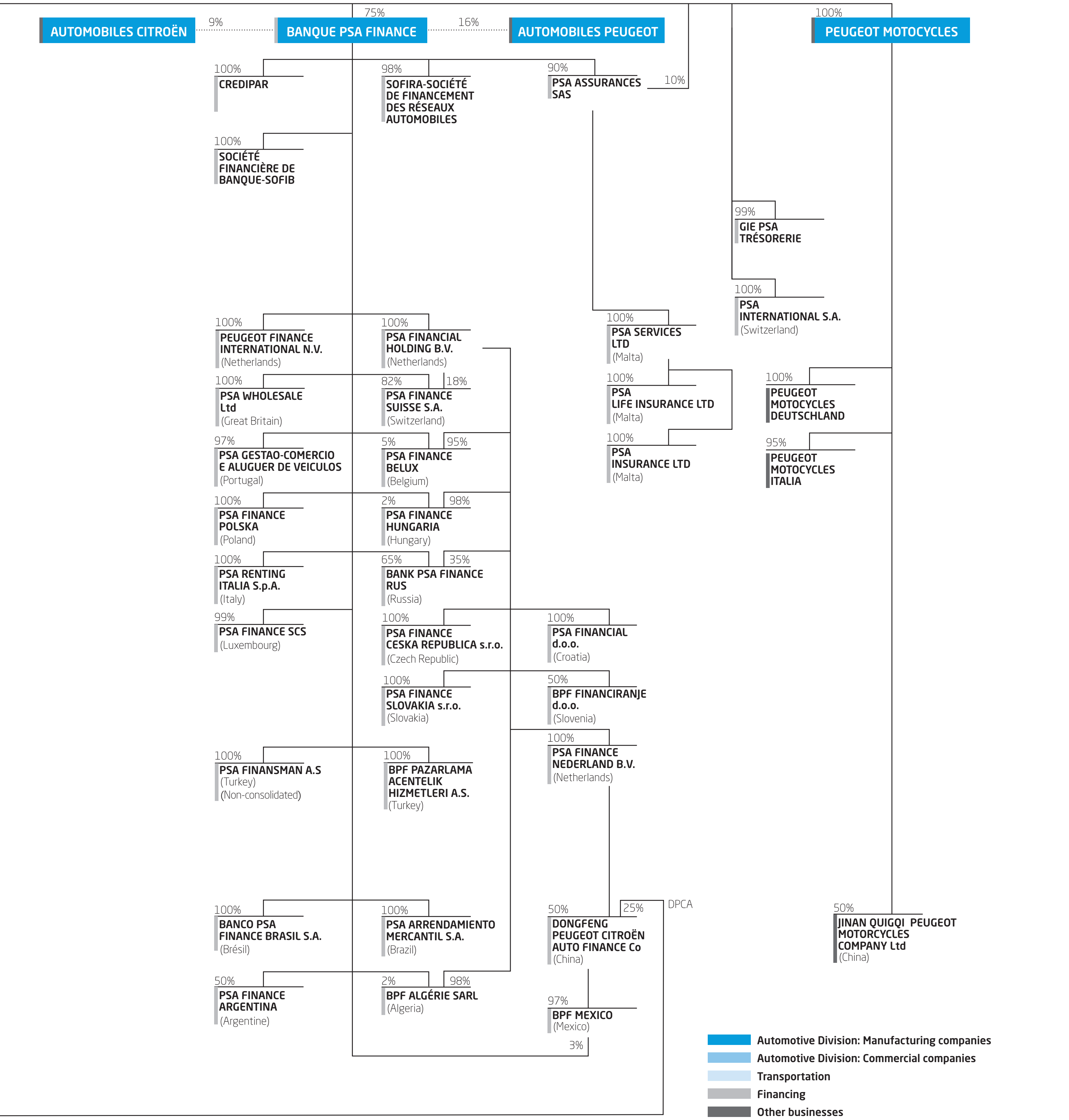
7.2. > MAIN SUBSIDIARIES AND EQUITY HOLDINGS OF THE COMPANY




PEUGEOT S.A.
100%
AUTOMOBILES PEUGEOT S.A.
100%
AUTOMOBILES CITROËN S.A.
52%
FAURECIA
25%
GEFCO
100%
SOCIÉTÉ COMMERCIALE AUTOMOBILE
SUBSIDIARIES AND ESTABLISHMENTS OF THE COMMERCIAL NETWORK PEUGEOT
100%
SOCIÉTÉ COMMERCIALE CITROËN
SUBSIDIARIES AND ESTABLISHMENTS OF THE COMMERCIAL NETWORK CITROËN
100%
CITROËN CHAMP DE MARS
25% 25%
SOCIÉTÉ EUROPEENNE DE VÉHICULES LÉGERS DU NORD - SEVELNORD
25% 25%
FRANÇAISE DE MÉCANIQUE
100%
FOOTBALL CLUB SOCHAUX MONTBELIARD (Non-consolidated)
100%
PEUGEOT ESPAÑA S.A. (Spain)
100%
PEUGEOT MOTOR COMPANY PLC (Great Britain)
100%
CITROËN ITALIA S.p.A. (Italy)
100%
AUTOMOVILES CITROËN ESPAÑA (Spain)
100%
CITROËN DEUTSCHLAND GmbH (Germany)
100%
PEUGEOT AUTOMOBILI ITALIA S.p.A. (Italy)
100%
PEUGEOT NEDERLAND N.V. (Netherlands)
100%
CITROËN (SUISSE) S.A. (Switzerland)
100%
AUTOMOVEIS CITROËN S.A. (Portugal)
100%
CITROËN U.K. Ltd (Great Britain)
100%
PEUGEOT PORTUGAL AUTOMOVEIS S.A. (Portugal)
100%
PEUGEOT BELGIQUE LUXEMBOURG S.A. (Belgium)
100%
CITROËN DANMARK A/S (Denmark)
100%
CITROËN BELUX S.A. (Belgium)
100%
CITROËN NEDERLAND B.V. (Netherlands)
100%
PEUGEOT DEUTSCHLAND GmbH (Germany)
100%
PEUGEOT SUISSE S.A. (Switzerland)
100%
CITROËN SVERIGE AB (Sweden)
100%
CITROËN ÖSTERREICH GmbH (Austria)
100%
CITROËN NORGE A/S (Norway)
100%
PEUGEOT POLSKA Sp z.o.o. (Poland)
100%
PEUGEOT AUSTRIA GmbH (Austria)
100%
CITROËN SLOVENIJA d.o.o. (Slovenia)
100%
CITROËN POLSKA (Poland)
100%
CITROËN HUNGARIA Kft (Hungary)
100%
PEUGEOT SLOVENIJA d.o.o. (Slovenia)
100%
PEUGEOT HUNGARIA Kft (Hungary)
100%
CITROËN SLOVAKIA s.r.o. (Slovakia)
100%
CITROËN HRVATSKA d.o.o. (Croatia)
100%
CITROËN CESKA REPUBLICA s.r.o. (Czech Republic)
100%
PEUGEOT HRVATSKA d.o.o. (Croatia)
100%
PEUGEOT CESKA REPUBLICA s.r.o. (Czech Republic)
100%
CITROËN ROMANIA s.r.l. (Romania)
100%
CITROËN MOTORS IRELAND (Irland)
100%
PEUGEOT SLOVAKIA sro (Slovakia)
100%
PEUGEOT CITROËN RUS (Russia)
100%
PEUGEOT CITROËN UKRAINE (Ukraine)
100%
PEUGEOT OTOMOTIV PAZARLAMA AS (Turkey)
100%
PEUGEOT CHILE (Chile)
75% 25%
PEUGEOT CITROËN JAPON CO. Ltd (Japan)
91%
AUTOMOTORES FRANCO CHILENA S.A. (Chile)
98%
PEUGEOT ALGÉRIE (Algeria)
100%
PEUGEOT MEXICO SACV (Mexico)
100 %
PEUGEOT CITROËN SOUTH AFRICA (South Africa)

At 31 December 2013 there were 415 units included in the consolidation perimeter. The above simplified Group structure shows the principal consolidated legal entities. The percentages are PEUGEOT SA's direct shareholdings. The structure shown is not exhaustive.

* *The Faurecia Group companies are listed in pages 380 to 385 of this Registration Document.*



08

PROPERTY, PLANTS AND EQUIPMENT

8.1.> EXISTING OR PLANNED MATERIAL TANGIBLE FIXED ASSETS

In 2013, Europe accounted for 69.4% of the Group's production (and around 47% in France), South America 9.2% and Asia 21.4%.

8.1.1. PSA PEUGEOT CITROËN GROUP – MANUFACTURING FACILITIES

ASSEMBLY PLANTS

Manufacturing centres	Models produced as of 31 December 2013	2013 output	2012 output
Aulnay (France) (1)	C3	7,400	119,900
Madrid (Spain)	207+, 207, 207 CC, 207 SW	54,800	76,400
Mangualde (Portugal)	Partner, Berlingo	56,700	43,900
Mulhouse (France)	2008, 208, 308, C4, DS4	213,500	223,900
Buenos Aires (Argentina)	207 HatchBack, 308, 408, C4 and C4 Lounge, Partner, Berlingo	116,200	131,900
Poissy (France)	208, C3, DS3, DS3 Cabrio	278,200	264,000
Porto Real (Brazil)	207 HatchBack, 207 Hoggar, 207, 208, Novo C3, C3 Aircross, C3 Picasso	141,400	95,700
Rennes (France)	C5, C5 t, 508, 508 SW, 508 RXH, 508 HY	84,800	129,600
Sevelnord (France)	807, Expert, C8, Jumpy	57,000	59,500
Sochaux (France)	308, 308 CC, 308 SW, 308 break, 3008, 3008 HY, 5008, DS5, DS5 HY	278,500	316,700
Trnava (Slovakia)	208, C3 Picasso	248,400	215,300
Vigo (Spain)	301, C-Élysée, C4 Picasso, Grand C4 Picasso, Berlingo, Partner, electric Berlingo and electric Partner	406,500	298,300

(1) *Pursuant to the reduction in activity of the European Automotive Division, a plan for the reorganisation of industrial activities and the redeployment of the workforce announced in July 2012 was implemented from May 2013, following the consultation procedure with the relevant employee representative bodies and focused on the shut down of production activities at the Aulnay plant. The last car produced by PSA Peugeot Citroën's Aulnay-sous-Bois plant rolled off the assembly line on 25 October 2013. The Aulnay site will continue to produce spare parts on its assembly line until 2014, while production of the Citroën C3 will now be fully transferred to the Poissy plant (Yvelines).*

MANUFACTURING COMPONENT PLANT AND FOUNDRIES

Caen (France)	Wheels, axles suspension systems, transmissions
Charleville (France)	Aluminium and iron castings
Hérimoncourt (France)	Engines, gear boxes: small-scale assembly and reconditioning
Jeppener (Argentina)	HDi diesel, gasoline and *flex fuel engines*, chassis systems
Metz (France)	Gear boxes
Mulhouse components (France)	Chassis systems
Mulhouse foundry (France)	Pressurised aluminium castings, steel forge, tooling
Porto Real (Brazil)	Flex-fuel *and* gasoline engines
Saint-Ouen (France)	Stamping, body-in-white, tooling
Sept-Fons (France)	Iron castings
Trémery (France)	Gasoline and HDi diesel engines
Valenciennes (France)	Gear boxes

The capacity utilisation rate in Europe stood at 72% in 2013 versus 75% in 2012 (harbour rate, based on two 8-hour shifts over 235 working days).

8.1.2. PSA PEUGEOT CITROËN GROUP – JOINT PLANTS WITH OTHER MANUFACTURERS

(AT 31 DECEMBER)

Subsidiaries	Production	Production 2013 Output	2012 Output
FRANCE			
FM, Française de Mécanique (Douvrin) (1)			
50% Peugeot Citroën Automobiles	Engines:		
50% Renault	TU + TUF	96,770	162,460
	DV4	155,430	221,650
	EP	268,480	317,020
	EB Turbo PureTech	600	
	TOTAL	**521,280**	**701,130**
OTHER COUNTRIES			
Sevelsud, Società Europea Veicoli Leggeri (Italy)			
50% Peugeot Citroën Automobiles	Peugeot Boxer	49,150	50,500
50% Fiat	Citroën Jumper	39,720	40,200
	TOTAL	**88,870**	**90,700**
DPCA, Dongfeng Peugeot Citroën Automobiles (Wuhan, China)			
50% Peugeot Citroën Automobiles			
50% Dongfeng Motors			
	C-Élysée, New C-Élysée, 301, C2 China, 207 China, 307 restyled 308 China, C4 China restyled, C4L, C Triomphe, 408 China and export, 508 China, C5 China, 3008 China	557,300	442,500
	TOTAL	**557,300**	**442,500**
TPCA, Toyota Peugeot Citroën Automobiles (Kolin, Czech Republic)			
50% Peugeot Citroën Automobiles	Peugeot 107	57,270	74,900
50% Toyota Motor Corporation	Citroën C1	58,470	65,800
	TOTAL	**115,740**	**140,700**
PCMA Rus (Kaluga, Russia)			
70% Peugeot Citroën Automobiles			
30% Mitsubishi Motors Company (MMC)	Citroën C4	10,320	10,900
	Peugeot 408	11,440	10,700
	TOTAL	**21,760**	**21,600**
CAPSA, Changan PSA Auto Company Ltd (Shenzhen, China)			
50% Peugeot Citroën Automobiles			
50% Changan	DS5	2,870	
	TOTAL	**2,870**	
OTHER JOINT VENTURES			
Okazaki (Japan)			
Mitsubishi Motors Company cooperation agreement			
	Citroën C4 Aircross	11,780	20,600
	Peugeot 4008	7,670	11,700
	TOTAL	**19,450**	**32,300**

(1) It should be noted that PSA Peugeot Citroën took full control of Française de Mécanique on 19 December 2013.

Subsidiaries	Production	Production 2013 Output	2012 Output
Mizushima (Japan)			
Mitsubishi Motors Company cooperation agreement	Citroën C-Zéro	460	1,600
	Peugeot IOn	480	1,700
	TOTAL	**940**	**3,300**
Bursa (Turkey)			
Fiat and Tofas cooperation agreement	Citroën Nemo	19,320	27,300
	Peugeot Bipper	22,430	24,200
	TOTAL	**41,750**	**51,500**
Bursa (Turkey)			
Karsan cooperation agreement	Citroën Berlingo	2,330	
	Peugeot Partner	7,750	
	TOTAL	**10,080**	
Graz (Austria)			
Magna Steyr cooperation agreement	Peugeot RCZ	8,310	9,800
	TOTAL	**8,310**	**9,800**

For more information on property, plant and equipment, please refer to Note 15 to the 2013 Consolidated Financial Statements (see Chapter 20.3.7, below).

8.1.3. REPLACEMENT PARTS

At 31 December 2013, eleven replacement parts warehouses, totalling nearly a million square meters of storage space, were managing some 230,000 SKUs:

- Wuhan (China);
- Moscow (Russia);
- Pinto (Spain);
- Pregnana (Italy);
- Spillern (Austria);
- Tile Hill (UK);
- Vesoul (France);
- Barueri (Brazil);
- Natolin (Poland);
- Pacheco (Argentina);
- Rieste (Germany).

8.2. > ENVIRONMENTAL ISSUES THAT COULD INFLUENCE USE OF THESE ASSETS BY PSA PEUGEOT CITROËN

Please refer to section 5.3 of this Registration Document.

09

FINANCIAL POSITION AND RESULTS

9.1. > FINANCIAL POSITION AND RESULTS

The consolidated financial statements of the PSA Peugeot Citroën Group are presented for the years ended 31 December 2012 and 2013. For the 2011 figures, please refer to the Registration Document filed with the *Autorité des Marchés Financiers* on 5 March 2012 under no. D.12-0128.

This section should be read jointly with the notes to the consolidated financial statements at 31 December 2013, chapter 20.3.7 below.

The accounting policies applied by the Group are presented in the notes to the consolidated financial statements at 31 December 2013 (see Note 1 – Accounting Policies).

9.2. > 2013 GROUP OPERATING RESULTS

The Group financial statements at 31 December 2012, presented for comparison, have been adjusted compared with the previously published financial statements: *Amendment to IAS 19 Employee Benefits*.

For more details, please refer to Note 3 in the Notes to the consolidated financial statements at 31 December 2013.

9.2.1. REVENUE

The Group's operations are organised around four main segments:

- the Automotive Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot and Citroën brands;
- the Automotive Equipment Division, corresponding to the Faurecia Group comprising Interior Systems, Automotive Seating, Automotive Exteriors and Emissions Control Technologies;
- the Finance Division, corresponding to the Banque PSA Finance Group, which provides retail financing to customers of the Peugeot and Citroën brands and wholesale financing to the two brands' dealer networks;
- other Businesses, which include the operations of Peugeot S.A., the Group's holding company, and Peugeot Motocycles. The income from the GEFCO Group, accounted for by the equity method, is presented under these businesses.

The table below shows consolidated revenue by business.

(in million euros)	2013	2012	%
Automotive Division	36,461	38,299	-4.8%
Faurecia	18,029	17,365	3.8%
Banque PSA Finance	1,773	1,910	-7.2%
Other Businesses and intersegment eliminations	(2,173)	(2,128)	-
TOTAL	**54,090**	**55,446**	**-2.4%**

Consolidated revenue does not include the contribution of the Chinese company, Dongfeng Peugeot Citroën Automobile (DPCA), as it is jointly controlled on a 50/50 basis with our local partner and is therefore accounted for by the equity method.

Regarding DPCA revenue, please refer to Note 16.5 to the 2013 consolidated financial statements, chapter 20.3.7 below. In 2013, DPCA's share in the Group sales represented 20%.

In 2013, PSA Peugeot Citroën consolidated revenue was down 2.4% to €54,090 million from €55,446 million in 2012.

The Automotive Division saw its revenue fall by €1,838 million in a year marked by a declining European market and a negative trend in foreign exchange. Faurecia's revenue increased by €664 million, while Banque PSA Finance revenue fell by €137 million. The performances of each business are commented on in section 9.2.3.

The table below shows consolidated revenue by region, based on the location of the customer.

(in million euros)	2013	2012
Consolidated revenue	54,090	55,446
Net contribution to consolidated revenue by region		
Europe	65.8%	68.1%
Russia	3.3%	3.2%
Asia	7.6%	6.2%
Latin America	10.1%	9.6%
Rest of the world	13.2%	12.9%
TOTAL	**100%**	**100%**

9.2.2. RECURRING OPERATING INCOME

The following table shows recurring operating income (loss) by business.

(in million euros)	2013	2012
Automotive Division	(1,042)	(1,496)
Faurecia	538	516
Banque PSA Finance	368	391
Other businesses and intersegment eliminations	(41)	29
TOTAL	**(177)**	**(560)**

The Group reported a recurring operating loss of €177 million in 2013, compared with a loss of €560 million in 2012. The Automotive Division's recurring operating loss improved by €454 million to €1,042 million over the year. Faurecia's performance rose 4.3% to €538 million. As regards Banque PSA Finance, its recurring operating loss fell 5.9% to €368 million.

9.2.3. ANALYSIS OF REVENUE AND RECURRING OPERATING INCOME BY DIVISION

9.2.3.1. AUTOMOTIVE DIVISION

(in million euros)	2013	2012
Revenue	36,461	38,299
Recurring operating income (loss)	(1,042)	(1,496)
As a % of revenue	*-2.9%*	*-3.9%*

Revenue

Automotive Division revenue totalled €36,461 million in 2013, a fall of 4.8% in a European market down by 1.6%. The second half of the year was less unfavourable with a drop in revenue of 1.8%.

New vehicle revenue declined by 8% to €25,532 million in 2013, down from €27,765 million in 2012. In addition to revenue from new vehicles, automobile revenue includes used vehicles and sale of parts. The product mix continues to be favourable at +0.8%, reflecting the success of recent launches (17 in 2013) and with the average age of the range falling. The price effect was also favourable over the year at +0.7%, thanks to the Group's pricing policy. These two effects were not, however, enough to offset the strong contraction in volumes (-5.4%) reflecting in particular shrinking European markets and market share losses, and intensified by the disruptions to Citroën C3 sales due to production shutdowns at the Aulnay plant in the first half of the year. The exchange rate effect was strongly negative (-3.5%), resulting in particular from the unfavourable movements in the Argentinian peso, the Brazilian real and the pound. The country mix was slightly unfavourable over the year, at -0.3%, and the "other" effect at -0.4% was mainly a result of fall in the price of diesel over the year.

The Group's market share fell 0.8 points in Europe, to 11.9% in 2013 versus 12.7% in 2012, impacted by disruptions to the sales of the Citroën C3, the channel and country mix and the Group's pricing policy.

The proportion of sales made outside Europe continued to expand, rising to 42% over the period.

In this difficult environment, the Group maintained the steady pace of new model launches, with 17 launches in 2013, and continued its upscaling strategy.

Recurring operating income (loss)

The Automotive Division reported a recurring operating loss of -€1,042 million in 2013, up from the -€1,496 million loss recorded the previous year. The €454 million difference is associated with an unfavourable environment, for €886 million, and with the Group's performance, for +€1,340 million.

The change in the Automotive Division's reported performance was due to the following factors:

OPERATING ENVIRONMENT

The deteriorating operating environment had a negative impact of €886 million on the recurring operating income:

- the non-recurring exchange rate effect had a negative impact of €500 million, including €526 million in negative foreign currency impact, mainly due to appreciation of the euro against the Argentinian peso, the Brazilian real and the pound;
- the shrinking market demand had a negative impact of €147 million;
- higher raw material costs and other external costs had a negative impact of €239 million.

UNDERLYING AUTOMOTIVE DIVISION PERFORMANCE

The Automotive Division's underlying performance contributed positively to the recurring operating income, at €1,340 million over the 2013 financial year:

- the improvement in production costs and other costs continued for €933 million, as well as a reduction in research and development expenses of €140 million, including the positive impact as a result of the non-recurring depreciation of Automotive Division assets recognised in 2012 (1);
- improvement in the product mix continued, with €406 million associated in particular with recent launches;
- the price effect was positive, at €287 million, thanks to prices being maintained in Europe and increased in Latin America in order to counter the negative foreign exchange effect;
- these positive effects offset the impact of the fall in market share for €264 million.

(1) Non-recurring depreciation of Automotive Division assets recognised in 2012 (IAS 36) generated a reduction in amortisation expenses leading to a positive €595 million effect, recognized in manufacturing and purchasing, R&D and production costs.

Turnaround plan in Europe

Rebound Plan ahead of shedule

	Restructuring plans		CAPEX reduction		Product cost including		Total annual savings
	Target 8,000 / Signed 7,300 / Departures 2,250						
End 2013	€160m	+	€645m	+	€120m	=	€0.9bn
2015	€600m	+	€550m	+	€350m	=	Additional €1.5bn in 2015*

** vs 2012. Assumptions 2012-2015: stabilisation of the European market and prices at 2012 levels*

To deal with the extended volume decline in Europe and to restore the Group's competitiveness, a plan to reorganise manufacturing operations and redeploy the workforce was presented on 12 July 2012, covering a total of 8,000 jobs, of which 3,600 affecting the Group's overhead staff; 3,000 jobs following the shut down of production activities at Aulnay, refocusing production in the Paris region, revitalising the site and implementing an Employment Safeguarding Plan; and 1,400 jobs at the Rennes site.

In December 2013, of the 8,000 jobs concerned, 7,300 people had signed a mobility agreement or an agreement to leave the Company and 2,250 people had effectively left.

More generally, the Rebound plan aims to generate €1.5 billion in additional savings in 2015:

- he first restructuring initiative had a target of €600 million in 2016, of which savings of €160 million had been achieved in 2013;
- the target reduction in capital expenditure was €550 million, of which €645 million in savings had already been achieved in 2013. Thus, the targets had been exceeded ;
- the third initiative, to reduce production costs, had a target of €350 million, of which €120 million had been achieved in 2013.

New Social Contract

	Confirmed flexibility and wage moderation		Additional agreements		Total
	○ Part-time, simplification and adaptation of working-time reduction ○ Bonus and wage moderation ○ Impact of the CICE in 2014		○ Towards a single-line organisation in Poissy, and a production line in Mulhouse during the modernisation in 2015 ○ Workforce in line with the PSA Generation Contract Mesures négociées du Dispositif d'Adéquation des ○ Measures negotiated for the jobs		
In 2016	€125m + €80m CICE	+	€295m	=	Approx. €500m in 2016

Furthermore, In October 2013, the Group announced the signing of a New Social Contract with employee representatives to improve competitiveness in Europe. It comprised four initiatives:

- greater involvement by employees and their representatives in the Group's strategic vision and in each department's and site's forward-looking projects;
- flexibility and wage moderation measures, which are expected to generate €125 million in savings by 2016, in addition to the €80m related to the CICE (Tax Credit for Competitiveness and Employment), tax reduction based on wages paid in France;
- the switchover to a single production line in Poissy and a line in Mulhouse during the modernisation phase, aiming at improving the industrial capacity utilisation rate;
- he extension of the provisions of the PSA generation contract, combining job retention leave for older employees with work-study hiring of over 2,000 young people, which could concern 3,500 older employees by 2016.

In this context, four commitments were made:

- the production of at least one million vehicles per year in France;
- the announcement of the launch of at least one new model in each assembly plant over the 2014-2016 period;
- an investment of €1.5 billion in our plant in France over a 3-year period;
- maintaining 75% of our R&D capacities in France.

The New Social Contract should enable savings of approximately €500 million in 2016, in addition to the Rebound Plan.

9.2.3.2. FAURECIA

(in million euros)	2013	2012
Revenue	18,029	17,365
Recurring operating income (loss)	538	516
As a % of revenue	*+3.0%*	*+3.0%*

Revenue

Faurecia's total sales for fiscal 2013 stood at €18.03 billion, up 5.0% over 2012 sales of €17.36 billion.

Product sales (delivery of parts and components to automakers) totaled €13.69 billion, up 3.9% from 2012 sales of €13.30 billion.

In 2013, Asia accounted for 13% of product sales (a 3 point increase), while North America represented 27% and South America 5%. Sales outside Europe represented 46% of the total. Faurecia reinforced the diversification of its customer portfolio, posting substantial growth with Nissan, Daimler and Ford; the latter consolidating its position as Faurecia's second largest customer with 15% of product sales. Business for commercial vehicles rose 17% over the year.

Product sales in 2013 break down as follows:

- in Europe, product sales were stable at €7.41 billion, in line with automotive production evolution;
- in North America, product sales stood at €3.71 billion, compared to €3.64 billion in 2012, a 1.3% increase, while automotive production rose 5%;
- in Asia, product sales reached €1.71 billion, compared to €1.39 billion in 2012, up 24.3% while automotive production grew 5%. Sales in China climbed to €1.39 billion. This 27.7% increase is nearly double the growth of the Chinese automobile market (14%);
- in South America, product sales stood at €717 million, up from €662 million a year earlier, representing a 26.3% increase compared with a 6% rise in automotive production.

PRODUCT SALES BY BUSINESS GROUP

The Business Group with the most dynamic growth was Emissions Control Technologies, where product sales totaled €6.4 billion, up 7.3% driven by growth in Asia (up 22%) and the commercial vehicle segment (up 17%). The increase in the second half was 12.1%.

Product sales for the Automotive Seating Business Group totaled €5.2 billion, compared to €5.1 billion in 2012, an increase of 3.4%.

Product sales at the Interior Systems Business Group totaled €4.6 billion, versus €4.3 billion in 2012, up 4.1%. This growth was driven by a sales increase with Ford in North America and double-digit growth in Asia.

Product sales at Automotive Exteriors stood at €1.9 billion, an increase of 3.9% over 2012.

Recurring operating income (loss)

Operating income stood at €538 million, or 3.0% of total sales, compared with €516 million (3.0% of sales) in 2012.

By region, operating income is explained as follows:

- in Asia, at 8.3%, the margin continued to improve over the year, thanks to a business model that combines strong growth and excellence in execution;
- in Europe, at 2.7%, the margin slipped slightly due to the 4.0% drop in automotive production in the first half. The margin improvement in the second half (up 60 basis points to reach 3.0%), reflects the first effects of the fixed cost reduction plan launched late 2012;
- in North America, at 2.1%, operating income posted a slight gain over the year, but profitability remains below targeted levels. A limited number of product and new technology launches had operational difficulties;
- in South America, at -3.2%, the margin has been impacted by the negative effects of inflation, currency fluctuations and higher costs of raw materials.

By Business Group, operating income evolved as follows:

- Automotive Seating: at 4.2% of sales (€198.7 million) for the fiscal year and 4.5% in the second half, operating income reached benchmark competition levels. The 50 basis points margin increase for the year stems from a good performance in Asia and a strong margin improvement in the mechanisms division;
- Emissions Control Technologies: at 3.1% of sales (€217.4 million), the gap with competition was reduced. The margin increase of 70 basis points is the result of significant progress in North America, a marked improvement in Europe and a margin which remains high in Asia;
- Interior Systems: at 1.8% of sales (€98.3 million) faced some launch difficulties particularly in North America;
- Automotive Exteriors: at 2.0% of sales (€37.9 million), the margin was impacted by launch costs in South America and transformation costs in the composites business. The margin in Europe remained satisfactory at 4.5%.

More detailed information about Faurecia is provided in the Annual Report, which can be downloaded from its website at www.faurecia.com.

9.2.3.3. BANQUE PSA FINANCE

(in million euros)	2013	2012
Revenue	1,773	1,910
Net banking revenue	891	1,075
Recurring operating income (loss)	**368**	**391**
As a % of revenue	*20.8%*	*20.5%*

Revenue

Banque PSA Finance's revenue for 2013 totalled €1,773 million, down 7.2% from the €1,910 million recorded in 2012.

In what continues to be a challenging economic climate, our end-user financing business continued to perform well overall, with 29.1% new vehicle financing, the best performance in the last ten years, apart from the record high of 29.8% in 2012. Despite this strong performance in terms of penetration, we recorded an 8,0% drop in the number of new vehicle contracts on our eligible market (sales of new Peugeot and Citroën vehicles) which was itself down 5.8%.

Due to wide variances from one country to another depending on the continued effects of the financial crisis on the car market, BPF recorded a decrease in overall volumes of end-user financing for new and used vehicles in 2013, with 731,003 contracts compared to 805,143 in 2012. The table below provides information relating to BPF's end-user financing activity in 2012 and 2013.

New retail financing granted in 2013 totalled €7,256 million, down 10.9% from €8,449 million in 2012.

At 31 December 2013, the retail loan book stood at €15,762 million, down from €17,007 million at 31 December 2012.

Our corporate dealer financing business fell off sharply in 2013. The decrease was particularly significant in the second semester, mainly due to the conservative policy adopted by the brand driven primarily by the decline in the European markets.

We provided corporate dealer financing for a total of 1,619,118 vehicles in 2013, a significant decrease compared with 2012 in volume. Vehicle financing amounts followed the same trend, with a 9.8% drop.

The wholesale loan book at 31 December 2013 came to €5,550 million, down 8.3% from €6,054 million at 31 December 2012.

Outstanding retail and wholesale loans totalled €21,312 million at 31 December 2013, down 7.6% on the €23,061 million recorded at the previous year-end.

Insurance and services margin (excluding net cost of refinancing) increased sharply to €170 million in 2013, compared to €162 million in the previous year.

(in million euros)	2013	2012
Outstanding loans (including securitised loans) by customer segment		
> Corporate Dealers	5,550	6,054
> Retail and Corporate & Equivalent	15,762	17,007
TOTAL BANQUE PSA FINANCE*	**21,312**	**23,061**

(in million euros)	2013	2012
Outstanding loans (including securitised loans)		
> France	7,991	8,572
> Rest of Europe	11,789	12,626
> Rest of the World	1,532	1,863
TOTAL BANQUE PSA FINANCE	**21,312**	**23,061**

* *Excluding remeasurement of interest rate portfolios.*

Recurring operating income (loss)

Banque PSA Finance reported recurring operating income of €368 million in 2013 versus €391 million the previous year. This deterioration is mainly due to the fall in Net banking revenue, partially offset by an improvement in the cost of risk and general operating expenses.

More detailed information about Banque PSA Finance is provided in the Bank's Annual Report, which can be downloaded from its website at www.banquepsafinance.com.

9.3.> OTHER INCOME STATEMENT ITEMS

9.3.1. OPERATING INCOME (LOSS)

Non-recurring operating expenses amounted to €1,582 million in 2013 versus €4,528 million in 2012:

- impairment losses on CGUs, provisions for Automotive Division onerous contracts and other assets totalled €1,100 million. This includes in particular an impairment loss on Automotive Division CGU assets of €1,009 million, given the deterioration in the automotive markets and the exchange rate trend in Russia and Latin America (see Note 9.1. to the 2013 consolidated financial statements). Other depreciation from Vehicle CGUs and provisions for Automotive Division onerous contracts amounted to €91 million;
- restructuring costs amounted to €460 million in 2013, including €365 million concerning the Automotive Division and €91 million related to Faurecia. The former relate primarily to France, in particular the plan to restructure the Automotive Division's production base and redeploy its workforce, as well as costs in relation to the New Social Contract. Restructuring costs for Faurecia included €84 million for employee separations (see Note 9.3).

Non-recurring operating income amounted to €413 million versus €406 million in 2012 and mainly included reversals on CGU impairment losses, contracts for pecuniary consideration and other Automotive Division income.

For more details, please refer to Note 9 to the 2013 consolidated financial statements.

As a result of these factors, the Group ended 2013 with a consolidated operating loss of €1,346 million, compared with operating income of €(4,682) million in 2012.

(in million euros)	2013	2012
Automotive Division	(2,111)	(5,752)
Faurecia	431	428
Banque PSA Finance	368	390
Other Businesses and holding company	(34)	252
TOTAL PSA PEUGEOT CITROËN	**(1,346)**	**(4,682)**

9.3.2. NET FINANCIAL INCOME (EXPENSE)

Net financial expense came to €658 million in 2013 compared with €430 million the previous year. This amount includes interest income from loans and on cash and cash equivalents, finance costs and other financial income and expense.

This increase is explained mainly by the rise in financial expenses associated with bond issues during the year, partially offset by the disposal of BNP securities for €89.3 million.

For more information, please refer to Notes 10 and 11 to the 2013 consolidated financial statements.

9.3.3. INCOME TAX EXPENSE

Income tax expense stands at €387 million in 2013 compared to €774 million in 2012. Income tax before impairment losses on the French tax group amounted to €835 million. Unrecognised tax assets corresponding to tax loss carry forwards for the French tax group amounted to €746 million, impairment losses on the French tax group totalled €80 million and other impairment losses amounted to €396 million at 31 December 2013.

For more details, please refer to Note 12 to the 2013 consolidated financial statements.

9.3.4. SHARE IN NET EARNINGS OF COMPANIES AT EQUITY

The net income of companies accounted at equity was €176 million for the 2013 financial year, compared to €160 million in 2012. The companies accounted at equity are firstly Dongfeng Peugeot Citroën Automobile (DPCA), Changan PSA Automobiles (CAPSA), and secondly cooperations with other car manufacturers, when they have a specific legal structure, as is the case for the joint ventures with Fiat and Toyota. In 2013, the PSA Peugeot Citroën Group took exclusive control of Française de Mécanique, previously 50%-owned.

The DPCA contributed €187 million to income in 2013, compared with €171 million in 2012 (see Note 16.5).

The CAPSA contributed a loss of €49 million to income in 2013, compared with a loss of €18 million in 2012.

Toyota Peugeot Citroën Automobiles' contributed €4 million to the Group's result, compared to €15 million in 2012. The contribution from the companies created by the cooperation with Fiat amounted to €2 million, compared to the negative contribution of €1 million in 2012. The contribution of Française de Mécanique, previously held in cooperation with Renault, amounted to a loss of €3 million in 2013 compared to a loss of €5 million in 2012.

For more information about the Group's share in the net earnings of companies at equity, please refer to Note 16 to the 2013 consolidated financial statements.

9.3.5. CONSOLIDATED PROFIT (LOSS) FROM CONTINUING OPERATIONS

The Group ended the year with a consolidated loss of €2,215 million compared to a loss of €5,726 million in 2012.

9.3.6. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

The net loss from discontinued operations was €3 million in 2013 compared with a profit of €803 million in 2012. The 2012 result mainly included the capital gain on the breakup of GEFCO.

9.3.7. CONSOLIDATED PROFIT (LOSS) FOR THE YEAR

The Group ended the year with a consolidated loss of €2,218 million compared with a loss of €4,923 million in 2012.

9.3.8. CONSOLIDATED PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated loss attributable to the parent company's equity holders was €2,317 million in 2013 compared to a loss of €5,008 million in 2012.

9.3.9. EARNINGS PER SHARE

The basic loss per share amounted to €6.77 compared with a basic loss per share of €15.59 in 2012. Diluted loss per €1 par value share was €6.77 versus a loss of €15.60 in 2012.

Please refer to Note 13 to the 2013 consolidated financial statements.

10

CASH AND CAPITAL RESOURCES

10.1. > EQUITY

Consolidated equity amounted to €7,791 million at 31 December 2013, down on the €10,167 million recorded at the previous year-end. This difference is mainly due to taking into account the result of the fiscal year, which was particularly impacted by the depreciation of the Automotive Division's assets.

At 31 December 2013, the share capital comprised 354,848,992 shares with a par value of one euro each. The Group holds 12,788,627 treasury shares, enabling it to cover its requirements under its current stock-option plans, and to cover part of the OCEANE bond issue of June 2009. No treasury shares were bought back in 2013.

10.2. > NET DEBT OF MANUFACTURING AND SALES COMPANIES AND NET DEBT-TO-EQUITY RATIO

Consolidated current and non-current financial liabilities of the manufacturing and sales companies amounted to €11,120 million compared with €10,734 million on 31 December 2012 (see Note 31.1 to the 2013 Consolidated Financial Statements). Manufacturing and sales company financial assets amounted to €6,972 million at 31 December 2013 versus €7,586 million at 31 December 2012.

The net debt of the manufacturing and sales companies thus deteriorated at 31 December 2013 to a loss of €4,148 million, compared with a loss of €3,148 million at the end of December 2012 (see Note 31 to the 2013 Consolidated Financial Statements). Faurecia's net debt represents €1,629 million, compared to €1,892 million in 2012. The net debt of the Automobile Division (manufacturing and sales companies excluding Faurecia) grew by €1,263 million over the period to €2,519 million.

Funds from operations in the 2013 financial year amounted to €700 million (including €588 million used in restructuring) and is down compared with 2012 (€1,033 million).

The Working Capital Requirement (WCR) had a positive impact of €397 million, thanks to good inventory control (up by €323 million compared with 31 December 2012). Trade receivables rose by €9 million compared to 31 December 2012. Trade payables rose by €77 million compared to 31 December 2012. The "Other Changes in Working Capital Requirements" item fell by €12 million compared to 31 December 2012.

Capital expenditure and capitalised Research & Development expenses amounted to €2,397 million in 2013. It fell by €1,417 million following two years of significant investment in increasing the international capacity and investment for the EB engines. This amount includes a reduction in investments of €610 million, in accordance with the objective set by the Rebound Plan at €600 million.

In addition, the Group made a number of financial investments totalling €71 million net, for the most part in relation to the capital increase by the CAPSA joint venture in China.

Payment of Group subsidiary dividends totalled €286 million in 2013, including €281 million from Banque PSA Finance.

Asset sales provided a cash injection of €37 million in 2013. This figure includes additional costs linked to the disposal of GEFCO.

Free cash flow[1] ended the year at €-1,048 million, versus €-1,387 million a year earlier. Operational free cash flow, excluding disbursement of €588 million for restructuring, excluding non-recurring items (CAPSA financing and sale of fixed assets) for €34 million, amounted to €-426 million.

The net debt-to-equity ratio, defined in section 20.3.7 (Note 31.3) hereafter, stood at 53% at 31 December 2013, compared to 31% a year earlier (see Note 31.3).

(1) Free Cash Flow of manufacturing and sales companies: the dividends received from Banque PSA Finance have been included in Free Cash Flow since 2010. This is equal to: operating flows + investment flows + net dividends received from Group companies.

10.3. > ORIGIN, AMOUNT AND DESCRIPTION OF CONSOLIDATED CASH FLOWS

10.3.1. CONSOLIDATED CASH FLOWS

For more information, please refer to the Consolidated Financial Statements – Consolidated Statements of Cash Flows for the year ended 31 December 2013, chapter 20.3.5 below, page 288.

10.3.2. CASH FLOWS FOR MANUFACTURING AND SALES COMPANIES

The following table presents the manufacturing and sales companies' cash flows for 2013 and 2012:

	Manufacturing and sales companies	
(in million euros)	**2013**	**2012**
Net Profit	(2,453)	(6,019)
Funds from operations	700	1,033
Change in working capital	397	(602)
Net cash from (used in) operating activities	**1,097**	**431**
Net cash used in investing activities	**(2,431)**	**(2,450)**
Net cash from/(used in) financing activities	**2,204**	**2,387**
Effect of changes in exchange rates	(91)	(6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	**779**	**362**
Net cash from discontinued operations	(41)	345
Cash and cash equivalents at beginning of year	5,399	4,692
Net cash and cash equivalents at end of period	6,137	5,399

CASH FLOWS FROM OPERATING ACTIVITIES OF MANUFACTURING AND SALES COMPANIES

Funds from operations for manufacturing and sales companies stood at €700 million in 2013 versus €1,033 million in 2012. This represents 1.3% of revenue for the manufacturing and sales companies, compared with 1.9% the previous year.

The €397 million change in working capital requirements mainly reflects good inventory management for €323 million.

Consequently, funds from manufacturing and sales companies present a positive balance of €1,097 million compared to €431 million in 2012.

The table below shows new vehicle inventory levels for the Group and in the independent dealer network:

(in thousands of new vehicles)	**2013**	**2012**	**2011**
The Group	169	184	234
Independent dealer network	215	232	259
TOTAL	**384**	**416**	**493**

The new vehicles inventory at 31 December 2013 totalled 384,000 new vehicles, representing a ratio of 62 days' sales[1], inline with the announced objective. At 31 December 2012, there were 416,000 new vehicles in inventory, representing 65 days' sales.

CASH FLOWS FROM MANUFACTURING AND SALES COMPANY INVESTMENT ACTIVITIES

Flows connected to investment in manufacturing and sales companies stand at €2,431 million at the end of 2013, compared with €2,450 million at the end of 2012. These investments, beyond those carried out by the Automotive Division, include investments made by Faurecia. Capitalised development expenditure stood at €835 million versus €1,262 million in 2012. (See note 8 to the 2013 Consolidated Financial Statements).

CASH FLOWS FROM FINANCING ACTIVITIES OF MANUFACTURING AND SALES COMPANIES

Flows from the financing activities of the manufacturing and sales companies totalled €2,204 million, compared to €2,387 million at 31 December 2012.

NET CASH AND CASH EQUIVALENTS AT END OF YEAR – MANUFACTURING AND SALES COMPANIES

Given the flows from operations, investment flows, and flows from financial operations explained above, and after taking the negative foreign exchange rate conversions of €91 million into account, net cash and cash equivalents at the year end totals €6,137 million, compared with €5,399 million at 31 December 2012.

Liquidity reserves for the manufacturing and sales companies amounted to €10,121 million at end-2013 versus €10,574 million at end-2012, with €6,571 million in cash and current & non-current financial assets, and €3,550 million in undrawn lines of credit (see Note 31.4).

10.3.3. NET CASH AND CASH EQUIVALENTS AT END OF YEAR – FINANCE COMPANIES

At the end of 2013, Banque PSA Finance cash stood at €1,804 million versus €1,669 million at the end of 2012 (see Note 25.2 to the 2013 Consolidated Financial Statements).

Net cash and cash equivalents of manufacturing and sales companies are predominantly denominated in euros.

10.4. > LIQUIDITY AND FUNDING

10.4.1. MANUFACTURING AND SALES COMPANIES

In the prevailing economic environment, the Group continued with its diversified, proactive financing strategy and conservative liquidity policy in order to meet its general financing needs, particularly the financing of its business and of its development projects. This strategy enabled the Group to refinance its debt maturities on favourable terms. The refinancing transactions strengthened the balance sheet by maintaining the average life of debt.

Refinancing transactions carried out during 2013 included the following in particular:

- on 28 February 2013, Peugeot S.A. issued a €1 billion 7.375% bond maturing in March 2018;
- in September 2013, Peugeot S.A. issued a €600 million 6.5% bond maturing in January 2019;
- in December 2013, the Group took out a €300 million 2.283% loan with the European Investment Bank (EIB), maturing in December 2018.

Peugeot S.A. and GIE PSA Trésorerie also have a confirmed line of credit for €2.4 billion, which matures in July 2015 for €2,225 million, leaving a balance of €175 million due in July 2014. This facility was not drawn at 31 December 2013 (see Note 29.1). Faurecia has undrawn confirmed lines of credit amounting to €1,150 million at 31 December 2013.

On 19 February 2014, the Group announced the renewal of its confirmed line of credit for an amount of €2.7 billion subject to the completion of the €3 billion capital increase announced on the same day.

(1) Sales ratio: ratio calculated on the basis of sales forecasts for the next three months.

The Bank termsheet signed on 18 February 2014 by Peugeot S.A. with nine leading banks provides for the renewal of its confirmed line of credit for an amount of €2.7 billion (which may be increased to €3 billion as part of syndication), with a tranche of €2 billion maturing in five years and a tranche of €700 million (which may be increased to €1 billion) maturing in three years, with two extension options of one year exercisable by the Company with the agreement of the banks.

This new line would be conditional on the achievement of the increases in capital of €3 billion and would replace the current line of €2.4 billion with maturity in July 2014 for €200 million and July 2015 for €2.2 billion (it should be noted that this facility was not drawn at 31 December 2013). It is anticipated that the final documentation and syndication of this line of credit will be finalised sometime in April 2014.

The drawdown of this new line would be conditional on the fulfilment of a ratio of net debt of manufacturing and sales companies to equity of less than 1 and the maintenance of the net debt of manufacturing and sales companies below €6 billion.

For more details, please refer to section 12 below.

10.4.2. BANQUE PSA FINANCE

In 2013, Banque PSA Finance made use of different sources of financing: bank deposits (launch of the "DISTINGO" passbook savings account on 7 March 2013), bonds, securitisation, and syndicated backup and revolving bilateral lines. As a regulated credit institution, we also have access to sources of liquidity such as the European Central Bank (ECB).

At 31 December 2013, 22% of the financing came from drawn bank loans, 38% from the capital markets, 25% from securitisation transactions on the markets, 10% from financings of public origin such as the ECB or the SFEF (*Société de Financement de l'Économie Française*), which raised funds in 2008 and 2009 in order to lend them to the banks and financial institutions during the previous crisis), and 5% from the bank deposit business started in March 2013. At 31 December 2012, these sources provided 23%, 42%, 20%, 15% and 0% of our financing, respectively.

Furthermore, Banque PSA Finance pursued its securitisation programme in 2013 with the success of eight securitisation transactions completed in three countries (France, Germany and Switzerland) for a total amount at the outset of €1,529 million of senior securities.

In 2013, Banque PSA Finance borrowed from the European Central Bank (ECB) under its long-term refinancing operation (LTRO). At 31 December 2013, this amounted to €1,700 million.

A bank loan collateralised by Belgian credit sale receivables was implemented in April 2013, generating net funding of €92 million at inception.

On 25 March 2013, Banque PSA Finance issued a fixed-rate bond maturing in April 2016 for €1.2 billion, with a coupon of 0.625%. The bond was issued in the context of the European Commission's authorisation to use the French State's guarantee (*cf.* Note 36.1.A(b)).

In March 2013, the Distingo interest-bearing passbook savings account was introduced for private customers in France. The total funds for these accounts at 31 December 2013 were €955 million out of total amounts owed to customers of €1,446 million repayable at any time.

FINANCIAL SECURITY

Financial security amounted to €8,400 million at 31 December 2013, compared to €8,233 million at 31 December 2012. (see Note 32.8).

More detailed information about Banque PSA Finance is provided in the Bank's Annual Report, which can be downloaded from its website at www.banquepsafinance.com.

10.5. > PROVISIONS FOR WARRANTIES

Please refer to Note 27.2 to the 2013 Consolidated Financial Statements.

10.6. > PENSION OBLIGATIONS AND SIMILAR

Please refer to Note 28.1 to the 2013 Consolidated Financial Statements.

10.7. > INFORMATION REGARDING ANY RESTRICTIONS ON THE USE OF CAPITAL RESOURCES THAT HAVE MATERIALLY AFFECTED, OR COULD MATERIALLY AFFECT THE ISSUER'S OPERATIONS

Please refer to Note 26.1 to the 2013 Consolidated Financial Statements.

10.8. > INFORMATION REGARDING THE ANTICIPATED SOURCES OF FUNDS NEEDED TO FULFIL CERTAIN COMMITMENTS

The planned capital increases for a total amount of €3 billion, described in sections 12 and 22, aim to strengthen the financial structure, cover the funding needs for the financial year and improve the required level of financial security of the Group.

At the same time, in February 2014, the Group started the process of renewing its confirmed credit line for an amount of at least €2.7 billion to strengthen its liquidity position.

These transactions are intended to improve the Group's financial structure and liquidity position.

In addition, the Group has a €5 billion EMTN program, to be renewed in 2014. The Group will continue to ensure it is in a position to seize market opportunities, with a view to optimising its financial security and related costs.

11

CAPITAL EXPENDITURE AND RESEARCH AND DEVELOPMENT

AUTOMOTIVE EXPERTISE TO DELIVER USEFUL TECHNOLOGIES

Innovation, research and development are priorities for PSA Peugeot Citroën. They are a powerful lever for creating competitive advantage by addressing such major auto industry challenges as changing standards and legislation, rising environmental awareness, emerging mobility and networking needs and meeting customer expectations for product appeal. To continue actively preparing for the future, approximately €1.6 billion, or 4.44% of Automotive Division revenue, is allocated to research and development every year. This year, the Group continued the transformation plan it initiated in 2011 to improve the organisational, economic and technological effectiveness of its R&D.

As part of its on-going work to build the future, PSA Peugeot Citroën has established an Open Innovation process both internally and externally to broaden its opportunities. Development costs are being reduced, new trends detected and Time to Market accelerated. This process brings together wide range of stakeholders, such as universities, laboratories, suppliers, institutions, other manufacturers and customers in order to detect new trends, identify the best technological concepts and strengthen the Group's international presence.

As Europe's second-largest carmaker, PSA Peugeot Citroën again proves it ability to remain one step ahead technologically and environmentally through innovative projects such as Hybrid Air.

11.1. > PREPARING FOR THE FUTURE

11.1.1. MAINTAINING CAPITAL EXPENDITURE TO SUPPORT DYNAMIC R&D

SKILLS AND EXPERTISE

Cars are created through a unique design and development process within the Group: 14,530 PSA Peugeot Citroën R&D employees, of whom 13,000 are assigned to the Research & Development Department, 930 to the Latin American Division and 600 to the Asia Division.

The Group has six research and development centres worldwide - four in France (Vélizy, Sochaux-Belchamp, La Garenne-Colombes and Carrières-sous-Poissy), one in Shanghai (China Tech Centre) and one South America, in Sao Paulo (Latin America Tech Centre). The Automotive Design Network styling centre in France (Velizy) is home to the two brands' styling studios, plus the innovation and vehicle architecture teams. Lastly, two vehicle test centres are located in Belchamp and La Ferté-Vidame, France.

SIGNIFICANT INVESTMENTS

To enable PSA Peugeot Citroën to build the future, introduce exciting new concepts and offer a comprehensive range of innovative models, research and development activities were backed by substantial budgets in 2013, totalling around €1.6 billion for the Automotive Division (including development costs on existing vehicles) and €265 million for Faurecia.

Investment and R&D expenditure for the Automotive Division is lower than the total in 2012. Nevertheless, this will enable the Group to pursue the development of strategic products, continue to seek out innovative technological solutions and expand geographically, particularly in China.

In 2013, investments and capitalised R&D expenses amounted to €2,406 million, of which €775 million for Faurecia. For additional information, please refer to Note 8 to the 2013 consolidated financial statements, Section 20.3.7 below.

R&D projects were directed towards:

- solutions to reduce carbon emissions: measures to lower vehicle weight, make more energy efficient powertrains with smaller carbon footprints and pave the way for alternative hybrid and electric powertrain development;
- the development of vehicles as part of the renewed Peugeot and Citroën lines: the average age of the line will still be 3.5 years, with 17 launches in 2013: the new Peugeot 208 XY, 208 GTI, 2008, 308, Partner Electric, and the new Citroën 5- and 7-seater C4 Picasso, Berlingo Electric and the DS3 cabrio; along with specific launches in China (3008 and 301, C4L, C-Élysée and DS5), Latin America (208 and C4 Lounge) and Russia (C4 Sedan). The Peugeot 308 and Citroën C4 Picasso are also the first vehicles to be manufactured on the new EMP2 platform. Lastly, the Group also launched a new engine in 2013: the EB Turbo tech and the new electronically controlled automatic 5- and 6-speed gearboxes. The rate of change will continue, along with significant innovations;
- the emergence of the communicating car with improved driver assistance systems for even greater safety and comfort and work on the connectivity between the driver and vehicle to integrate new clients uses in the cars.

Efforts devoted to R&D were on display at Innovation Day on 22 January 2013, where the Group presented several innovative technologies, including:

- Hybrid Air, a petrol and compressed air full-hybrid solution that represents a key step towards the 2l/100 km car;
- its new global modular platform EMP2 (Efficient Modular Platform 2) provides effective solutions in terms of modularity, equipment and CO_2. EMP2 is currently in place in Sochaux and Vigo and will also be deployed in China in 2014;
- Selective Catalytic Reduction (SCR), an innovative technology for eliminating diesel NOx emissions, which was launched in 2013.

In addition, to meet its goal of achieving 50% of its sales outside Europe by 2015, PSA Peugeot Citroën invested in its priority areas of development: Asia, Latin America and Russia, with peak investment during the period 2011-2012 (see paragraph 11.1.3).

After two years of significant investment to extend international capacity, investment in EB engines and renew its platforms, the Group returned in 2013 to more usual investment levels. This will allow the Group to continue its investment in product R&D and innovation, thanks to efficiency gains and shared development costs with its partners, including GM under the Alliance.

IMPROVED EFFICIENCY

In 2011, R&D undertook a transformation plan to improve its performance: DRIVE (Development Research and Innovation Value Enhancement).

The DRIVE plan aims to enhance the entire R&D value chain, from the exploratory and innovation stages to process engineering and series production phases.

In 2012, the gains made were in line with objectives thanks to efforts by all teams, who contributed to the improvement of R&D productivity. At the end of 2012, these savings totalled €369 million, proving the effectiveness of this approach.

In an automotive market that is increasingly competitive in terms of sale price and equipment offers, R&D continues its transformation in 2014 to improve its operational performance and meet the Group's strategic challenges. This new Transformation Plan, called Drive 2.0, comprises 12 projects, created or adapted from the previous plan, to deal with an environment that has changed since 2011. The major objectives of DRIVE 2.0 are:

- preparing for the future more effectively, by bringing new technologies which are key to the attractiveness and competitiveness of our products to the market more quickly;
- increasing R&D performance gains (faster and less expensive);
- adapting R&D to accompany the Group's globalisation;
- working collectively and more effectively with all our partners (suppliers, JVs, cooperative efforts);
- being a major player in upscaling, with an improvement in the functional quality and durability of our vehicles.

AN ACTIVE PATENT POLICY

According to the ranking released by National Intellectual Property Institute (INPI) in March 2013, PSA Peugeot Citroën was once again France's leading patent filer for the sixth consecutive year, with 1,348 patent applications published in 2012. Sustain such an high number of patent filings in a lacklustre business environment attests to the Group's deep commitment to R&D.

An assertive patent policy was launched in the early 2000s with the establishment of initiatives such as an incentive system of bonuses paid to inventors when a patent application was filed, the implementation of a ranking of inventors and the creation of a network of patent facilitators that efficiently relayed patent information within the various Group departments.

In 2011, this policy underwent significant changes to further strengthen protections for technological developments considered strategic and innovations begun in vehicle or organisational projects or were implemented in factories. PSA Peugeot Citroën thus consolidated a high-value portfolio.

The new patents filed are part of an ongoing innovation approach to offer vehicles that are ever more environment-friendly and safer thanks to on-board electronics or connectivity.

The new global EMP2 (Efficient Modular Platform 2) for which 116 patents have been filed, has, since 2013, provided effective solutions in terms of modularity, compactness, equipment and CO_2 reduction.

The Hybrid Air technology, a petrol and compressed air full-hybrid solution that represents a key step towards the 2l/100 km car by 2020, was the object of 80 patents filed by the Group.

The Group also protects its other innovation projects such as connectivity (multimedia equipment, networking, connectivity, electronics and human-machine interfaces), vehicle comfort and design, both inside and out, a reflection of the strategy to move the Peugeot and Citroën vehicle range upmarket. For example, patents have been filed for retractable, supple or transparent roof architectures, seat comfort, backrests, headrests, lights, aircon and heating.

These new patents have strengthened a portfolio of innovations that offer real potential for differentiation in a demanding, constantly changing market and thereby setting the Group apart from the competition and enabling it to invent the car of tomorrow.

11.1.2. NETWORKED INNOVATION AND DEVELOPMENT

An outward-facing strategy is the key to successful innovation at a time when the automotive industry is facing many technological, environmental and social challenges and the ability to swiftly identify and develop technologies at less cost has become essential to sustaining competitive advantage. It also plays a critical role in identifying the breakthrough technologies that will enable the design of the vehicle of the future. Convinced that the only way forward is Open Innovation, an inwardly and outwardly focused process that will offer a wide range of opportunities reduction of development costs, detection of new trends and Time to Market acceleration, PSA Peugeot Citroën is structuring its work around this approach.

The Group has formally defined its vision of Open Innovation: a policy of expanded relationships driven by the shared creation of value, in which relationships with various ecosystems are built and managed. Making Open Innovation happen means bringing together the stakeholders from each ecosystem in the innovation process to create more value for everyone.

The four ecosystems to be covered have been identified individuals (Employees, users, customers), businesses (SOHO, SME, large companies), academia (universities, laboratories) and institutions (local governments, public authorities, competitiveness clusters, Europe, Cities).

IDENTIFYING NEW USES

In 2012, the Group launched initiatives targeting the "individuals" ecosystem made up of employees, users and customers in particular to identify new uses, meet needs, gather and evaluate ideas.

To involve all individuals in the innovation process, PSA Peugeot Citroën is developing collaborative and participatory approaches to allow it to collect, analyse, use and transform, emerging trends and people's needs and ideas into technologies or services.

Emphasising the usage and market aspects of the innovation process will provide customers with technologies that can better meet their expectations and be used in new ways.

In late 2011 and early 2012, new methods were tested: internal or external idea competitions or challenges. The opinion of road users was sought out on a strategic issue to give new impetus to research and boost creativity. On the back of these successful operations, the challenge approach was extended in 2013:

- from October 2011 to January 2012, an *external ideas challenge* was organised in the form of the Citroën Creative Awards, in which 450 ideas were collected and analysed. This initiative was relaunched in December 2012, generating 950 ideas. A workshop between the four winners and Group experts was held in 2013 to develop these ideas. Work is currently underway to bring these to completion;
- an internal ideas challenge, the Costbuster Challenge, the second Group-wide ideas challenge, was organised in April 2013 around the theme of cost reduction. The number of visitors, participants and ideas almost tripled compared to the previous challenge, the Connected Users Challenge. In total, with 18,000 visitors, the Group received more than 3,500 ideas, 13,000 comments and 30,000 notes. 208 ideas are currently being analysed for implementation in 2014 or 2015. The judging panel awarded nine prizes in the Economic Savings, Speed of Implementation and Tips categories. A number of ideas challenges are planned in 2014.

One new experience was also tested in October 2013: an ideas challenge on the campus of Ecole Polytechnique Fédérale de Lausanne (EPFL). This challenge, Live and Let Drive, focused on reinventing car interiors for when they become autonomous. Five ideas were selected by a mixed panel of EPFL/PSA Peugeot Citroën and will be the focus of cooperation projects between the school and the carmaker in 2014.

In November 2013, these initiatives focusing on participatory and collaborative innovation were recognised for the second time at the Participatory Innovation Awards organised in November 2013 by the association Innov'Acteurs, with a special mention awarded in the Audacity and Perseverance category.

SHARING DEVELOPMENT

PSA Peugeot Citroën has a long tradition of targeted cooperation with its manufacturing partners and suppliers.

The Group is the world's leading manufacturer of diesel engines, while the PSA Peugeot Citroën/BMW petrol engines set the industry standard in their category. Cooperation with Ford continues on 1.4-litre to 2-litre engines, with derivatives designed to meet the Euro 6 standard, which will come into force in 2014.

We are also the European leader in light commercial vehicles thanks to cooperation with Fiat. These highly beneficial cooperative ventures have also enabled us to enter new market segments such as sub-compacts with Toyota and compact light commercial vehicles with Fiat/Tofas/Karsan, vans and medium-range commercial vehicles with Fiat, large commercial vehicles with payloads from 1,100 to 2,000 with Fiat and electric vehicles and 4x4s with Mitsubishi.

Fiat Group Automobiles and PSA Peugeot Citroën continued their discussions about the future of their Sevelnord joint venture. Under the terms of this agreement, it was decided that Fiat's investment in Sevelnord would be transferred to the Group, and that manufacturing of light commercial vehicles for the two groups would continue until the new Euro 6 emissions standards come into effect at the end of 2016.

In July 2012, PSA Peugeot Citroën and Toyota announced a new agreement on LCUs for the European market. Over the second quarter of 2013, PSA Peugeot Citroën supplied LCUs derived from its existing vehicles Peugeot Expert and Citroën Jumpy. The agreement also includes collaboration on next-generation vehicles. The future of medium-range LCUs will be produced on the Valenciennes-Hordain (Nord) site. This decision will guarantee the future of the site. It represents a total investment of over €750 million, including more than €400 million dedicated to R&D. It is expected that Toyota Motor Europe will be directly involved in development of and industrial investment in the next generation of vehicles. No equity investment or joint production is planned. The collaboration is expected to last beyond 2020.

In February 2012, General Motors and PSA Peugeot Citroën announced the creation of a Strategic Alliance. In December 2013, these two partners confirmed their continued cooperation to develop two vehicles based on PSA Peugeot Citroën platforms: the B-MPV (multi-purpose vehicle) and C-CUV (crossover-utility vehicle) programmes. Additionally, the partners will cooperate on new generation products in the LCUs B-segment, which are based on a PSA Peugeot Citroën new generation platform. The first vehicles from this collaboration are expected to go on the market in 2016.

In 2012 and 2013, the Group announced the development of new partnership projects in assembling models and adapting these to local markets (Peugeot 408 in Malaysia and Peugeot 3008 in Vietnam).

The Group is also developing its innovation policy by engaging in active and balanced dialogue with its suppliers. Framework Partnerships have been forged with the Group's strategic suppliers. With the implementation of its Open Innovation strategy, the Group also significantly boosted its collaboration capacity beyond the supplier ecosystem. There are also active partnerships with non-automotive manufacturing players such as EADS and EDF, on common interest issues such as the implementation of structural components made of composites and the storage of electrical energy. In 2013, the Group also focused on developing its capacity to forge partnerships with SOHOs and start-ups, again in an adapted and balanced framework. Through this extended collaboration policy, a partnership portal dedicated to innovation will be set up in 2014 to encourage contact with players in non-supplier ecosystems who want to forge an innovation relationship with the Group.

With the implementation of its Open Innovation strategy, the Group will continue to seek new partners, identify expertise and share developments.

REAPING THE BENEFITS OF EXPERTISE

To remain at the forefront of automotive products and services, the Group forges close partnerships in Europe and internationally with the academic world. Universities and the most advanced laboratories in their field are targeted to benefit from their expertise and explore ways to branch out into new research.

In 2010, PSA Peugeot Citroën announced the creation of the StelLab (Science & Technologies Exploratory Lean Laboratory) to lead its scientific partnerships.

Its mission is to foster interdisciplinary discussion and dialogue, both in-house and with outside partners in academia through academic chairs and OpenLabs (joint research structures that pool the Group's research and experimental facilities teams and those of partner laboratories).

The network now includes 12 OpenLabs and 6 academic chairs on Campuses of Excellence: Automotive Motion Lab in Marseille, Electronics and Systems for Automotive in Bordeaux, Energetics in Orléans, Materials and Processes in Metz, Fluidics in Poitiers, Computational Mechanics in the Paris region, Vibro-Acoustic-Tribology in Lyon, Competitive Intelligence in Bordeaux, OpenLab Design in Paris and Nantes, Biologie-Chimie-Physique in Paris, Efficient Omnivorous Engines and Biofuels in Brazil and Multimodal Perception and Reasoning for intelligent vehicles in China.

Working in close collaboration with PSA University, the network also has six chairs: the Otherness Chair, the Biofuels Chair, the Optoelectronics and Photonics Chair, the Armand Peugeot Chair, the Robotics and Virtual Reality Chair and the André Citroën Chair.

The StelLab network also has a presence in Switzerland, with the "StelLab@EPFL" innovation cell.

Thanks to these partnerships, the Group will be able to explore major issues concerning the future of the automobile and closely track future scientific discoveries around the world.

To date, 23% of the Group's scientific research activity is carried out within OpenLabs and more than 25 technological gems have already been produced there with our university partners.

In November 2013, the Group's scientific network unveiled its thinking on the car in 2025-2030 and presented the initial results of its exploratory work guided by three themes: clean technologies, driver assistance systems and new human-machine interfaces.

COLLABORATIVE RESEARCH

For the success of its R&D policy, the Group works with institutions such as Ministries, local governments, the French National Research Agency (ANR), the Agency for the Environment and Energy Management (ADEME), competitiveness clusters and the European Commission. This dialogue enables it to share research work on future technologies through grants and subsidies and have experimental sites to address the societal challenges of sustainable mobility.

The advantage of participating in public-private partnerships is that it provides access to all project results, including partner results.

Collaborative projects are mostly upstream research projects. Nevertheless, several projects have resulted in relevant working models (such as HYDOLE and OPENER – see Chapters 11.2.3. and 11.2.2. respectively) and helped to remove technological barriers, thus foreshadowing future innovations.

In the Routier section of the Transports programme of the Investments for the Future Programme, PSA Peugeot Citroën is involved in several projects of its own, *via* GIE RE PSA Renault and *via* the Groupement Scientifique Moteur (GSM).

In addition, Renault and PSA Peugeot Citroën have offered to coordinate projects to support the development of materials & process industries that meet the challenges of producing lighter-weight automotive products by 2018-2020. These proposals are part of a programme coordinated by two manufacturers called FASTLITE.

The projects are organised around materials segments (composites, metals) and automotive applications (bodywork elements, mechanical parts, equipment).

The Group also participates in the Promotion of Research programme in the Institutes for Technological Research (IRTs):

- "M2P" Metallurgy and Process Materials;
- "SystemX" Digital Systems Engineering;
- "Jules Verne" Composite Materials,

and in the "Energy" programme with involvement in the Institute of Excellence in Low-Carbon Energies (IEED) and "VEDECOM" for sustainable individual mobility.

PSA Peugeot Citroën is therefore a key player in the PFA platform, set up to define and lead initiatives to boost the French automotive industry.

PFA is currently leading two key programmes that will help unify and structure the industry and involving PSA Peugeot Citroën:

- the 2l/100 km vehicle, which aims to develop technological building blocks, available from 2018-2020, and capable of reducing CO_2 emissions at an acceptable cost for customers. The 2l/100 km aims to provide standardised consumption of some 2 l/100 km;
- VALdriv PLM, which aims to develop a system to manage technical information and related processes and skills, enabling all players involved in the life cycle of a product or service to instantly access the right data at the right time and place, depending on their rights and business lines, to create maximum value.

11.1.3. BECOMING MORE GLOBAL TO GET CLOSER TO OUR MARKETS

While the heart of PSA Peugeot Citroën's R&D capabilities remain in Europe – and particularly in France, where around 85% of our researchers are based, the deployment and growing expertise of our development centres in São Paulo and Shanghai are helping to drive our expansion in the global marketplace. They play a critical role in helping the Group to:

- address the specific expectations of local customers in terms of body styles, architecture, comfort and other factors;
- align our vehicles with local driving conditions, usage patterns and other needs;
- leverage local content opportunities consistent with our modular strategy.

These international development facilities will also be home to certain advanced research and engineering operations with local units specialised in such areas as biofuels, green materials and flexfuels in São Paulo.

Among other benefits, this organisation contributes to project success, eliminates overlap, improves reactivity and optimises management of R&D activities worldwide, while ensuring competitive development costs and time-to-market cycles.

More generally, PSA Peugeot Citroën is committed to becoming a global Group, generating 50% of sales outside Europe in 2015. Meeting this objective required investing in the Group's priority growth regions of Asia, Latin America and Russia, with a peak in investment during 2011-2012.

On 19 February 2014, PSA Peugeot Citroën announced, the reinforcement of the industrial and commercial partnership with the Dongfeng Motor Group (DFG), China's second-largest carmaker, in order to capitalise on the Group's current success in the world's largest automobile market, which is now the primary source of growth for the automotive industry.

Taking this more than 20 year-old partnership to the next level would enable the implementation of a major industrial plan, structured around three main axes. For more details, please refer to section 12 below.

ASIA

China

PSA Peugeot Citroën is developing its activities through two joint ventures: DPCA (Dongfeng Peugeot Citroën Automobile) and CAPSA (Changan PSA Automobiles).

Since 2010, PSA Peugeot Citroën and Dongfeng Motors DFG announced that their partnership through DPCA was being broadened and that DPCA would finance the investment of more than RMB 11 billion over the next five years.

- A strengthened product plan: the broader partnership plans to launch at least one new vehicle per year and per brand. This ambitious product plan not only refreshes extensively the current model line-up, but also expands the Peugeot and Citroën brands' local market coverage.

  In 2013, Dongfeng Citroën launched Citroën C-Élysée in late September and Dongfeng Peugeot launched Peugeot 301 in November. These launches complete the success of Peugeot 3008 and Citroën C4L, launched in late 2012. Citroën C4 also remains a high-profile model, followed by Peugeot 308, whose sales grew strongly in 2013.

  In 2013, the DPCA joint venture had three plants, with the third inaugurated in July 2013, which will bring total annual production capacity to 750,000 units in Wuhan in 2015.
- New production capacity: The third DPCA plant, in Wuhan, which had a production capacity of 150,000 vehicles in 2013, which is to be ramped up over time to 300,000. This plant began production of the new Citroën C-Élysée, a new step in DPCA sales offensive and of the Peugeot 301 in late 2013. With these moves, the Group has passed a new milestone in its development in China, the world's leading automobile market. This third plant has lifted DPCA's annual production capacity from 450,000 to 600,000 vehicles as from 2013 and to 750,000 vehicles in 2015.
- A clean vehicle plan and a revitalised engine line-up: in line with PSA Peugeot Citroën's strategy of halving its CO_2 emissions in China by 2020. At the same time, DPCA is moving forward in hybrid technology with its forthcoming Stop & Start-enabled models.

DPCA is continuing to deploy the Dongfeng Peugeot and Dongfeng Citroën dealerships and enhance their quality, with the goal of providing outstanding, close-to-the-customer service. Each brand has dealerships in 80% of China's major cities, backed by an additional network of several hundred agents. Lastly, as part of its strategy of expanding in Asia, PSA Peugeot Citroën is studying the possibility of exporting part of DPCA's assembled vehicles and CKD units to other countries in the region. The number of dealerships continued to grow quickly in 2013 to 728 (+13%).

These successes also reflect the work done by the China Tech Centre, the Group's R&D centre in Shanghai, which designed the Citroën C4L and adapted the Peugeot 3008 to meet the specific needs of Chinese consumers.

Together, these initiatives will help DPCA to meet its goal of serving 5% of the Chinese market by 2015.

On 28 September 2013, CAPSA, a joint venture set up in July 2010 by PSA Peugeot Citroën and China Changan Automobile Group, inaugurated its first plant in Shenzhen with capacity for 200,000 vehicles per year.

The plant, world best in class for its compactness, high technology process and its Excellence Management System, produces the Chinese version of the DS5, which was unveiled at the Chengdu Auto Show on 30 August 2013. The new model will spearhead the DS brand's market offensive in China.

Since the brand's DS World flagship showroom opened its doors in Shanghai in March 2013, the retail network is steadily expanding, to a total of 42 DS Stores as of at the end of December. The Group aims to open more DS Stores in 2014. Following the successive market launches of the imported DS5, DS4 and DS3, CAPSA is writing a new Chapter in its history with the introduction of the locally produced DS5.

The joint venture will also have its own R&D centre - construction started in July 2013 - in which CAPSA invests RMB 500 million. The centre's engineers will work closely with the China Tech Centre, the Group's R&D centre in Shanghai.

Please refer to section 12 below for information on the reinforcement of the industrial and commercial partnership with Dongfeng Motors.

LATIN AMERICA

In Brazil, PSA Peugeot Citroën has two production centres in Porto Real: an engine plant, in place for over ten years, and a final assembly plant.

The Porto Real engine plant, in the State of Rio de Janeiro, produces engines for Citroën and Peugeot vehicles aimed at the Latin American markets. The plant is highly efficient and considered a world model within the PSA Peugeot Citroën Group. It began production in 2012 with two new modern engines that were developed in Brazil:

- the EC5 1.6 16V engine, first Brazilian flex-fuel engine to have eliminated the cold-start fuel reservoir and be equipped with a variable-flow oil pump, among other innovations;
- the TU4 1.5 engine, with its many modern features, helped the new Citroën C3 get an A for energy efficiency for the Inmetro energy label.

The engine plant in Porto Real has been a strategic part of PSA Peugeot Citroën's consolidation on the domestic market in recent years. It is a fundamental part of the Group's future growth plans in Brazil and Latin America. From its inauguration in 2002 until today, the industrial unit has already produced nearly 1.6 million engines, of which a significant portion is exported. It has capacity for 190,000 engines a year.

At the same time, the PSA Peugeot Citroën Porto Real final assembly plant in the State of Rio de Janeiro, Brazil, exceeded its millionth vehicle.

The capacity extension work at this plant allowed production to increase from 29 to 40 vehicles/hour. The Peugeot 208 has been produced here since 30 January 2013. The Group has invested more than €305 million to develop the Peugeot 208 and to prepare and expand the Porto Real facility, lifting annual production capacity from 150,000 vehicles at present to 200,000 at full ramp-up.

In São Paulo, the engineers and stylists at the Group's Latin America Tech Centre have adapted the vehicle to local driving conditions, notably by equipping it with flex-fuel engines produced by PSA Peugeot Citroën in Brazil. As well as the Peugeot 208, the Group produces Peugeot 207, Citroën C3, C3 Aircross and C3 Picasso in Porto Real.

PSA Peugeot Citroën also has a final assembly plant in El Palomar, Argentina (near Buenos Aires) with annual capacity of 170,000 vehicles. This is where the Peugeot 207, Partner, 308 and 408, and the Citroën Berlingo, C4 Hatch and C4 Lounge are produced. The PSA Peugeot Citroën Group has been the leading carmaker in Argentina for more than 14 years.

The Group's production facilities in Argentina also include a mechanical component plant in Jeppener, which produces a 2.0l engine and has capacity for 75,000 engines a year.

In 2013, Group sales rose 7% in this market, which is growing 2.9%. With significant exposure to currency fluctuations, the Group is working to increase the local integration of vehicles produced in Latin American plants.

RUSSIA

PCMA Russia, an assembly plant joint operation between PSA Peugeot Citroën (70%) and Mitsubishi Motors Corporation (30%), in Kaluga, started production in mid-2012.

This plant has production capacity of 125,000 vehicles per year. The PSA Peugeot Citroën vehicles produced in Kaluga in 2013 were the Peugeot 408 and Citroën C4 Sedan. Highly exposed to the falling rouble in 2013, this had a very significant impact on Group sales, which were themselves also affected by market structure, with the Group achieving market share of 2.3%. The PCMA plant is implementing solutions to increase local integration, which will limit the effects of exchange rate fluctuations.

In Russia, Peugeot and Citroën have a network of 150 dealerships, which now covers more than 90% of the Russian territory and the 25 largest cities in the country.

After strong growth in 2012, the market fell back from April onwards, dropping 5.5% over 2013 as a whole.

In this difficult environment, Group sales in Russia fell 22.3% to 61,000 units in 2013.

Latin America and Russia are two regions to be improved, with the simplification of product ranges and better local integration to reduce the exposure of these regions to exchange rate variations.

11.2. > IMPROVING FUEL EFFICIENCY AND SAFEGUARDING THE ENVIRONMENT

PSA Peugeot Citroën is aware of the transport industry's responsibilities in reducing greenhouse gas emissions.

The Group is the 2nd European leader in vehicles fuel consumption and carbon emissions, with average emissions of 116.9 g/km. Having achieved its European objectives since 2012, the Group continues to reduce carbon emissions from its models (down 5.5 grams compared to late 2012).

As part of our sustainable development commitment, half of our technological research efforts are dedicated to clean technologies that help to shrink our vehicles' environmental footprint. This research is based on the following strategies:

- optimising IC powertrains (reduced fuel consumption and vehicle emissions);
- optimising petrol and diesel powertrains;
- reducing carbon emissions outside the powertrain: making vehicles lighter, which in turn improves at all levels (fuel efficiency, reduction of raw material content) the use of green materials (recyclable, recycled, bio-sourced).

Our latest models are all engineered to deliver extremely innovative environmental performance. They are equipped with new technologies (Stop & Start, downsizing, making vehicles lighter, etc.). For over ten years, the Group has been developing cutting-edge technologies to reduce emissions in general, and pollutant emissions in particular, such as HDi, DPF and SCR (Selective Catalytic Reduction) engines and other innovations for which the Group is often the front-runner.

In 2013, the Group's performance was due in particular to the development and marketing of new innovative technologies developed by the R&D teams:

- marketing new Peugeot 308 and Citroën C4 Picasso, developed on the new EMP2 modular platform with weight optimisation;
- launching the new 3-cylinder petrol EB Turbo Tech engine, fitted on the Peugeot 208, 2008, and Citroën C3 and DS3 models;
- rolling out e-HDi technology (STT system) over the entire range: 30% of vehicles sold in 2013, 24% in 2012 and 12% in 2011;
- hybrid diesel engines.

The Group continues to explore new pathways to prepare for the clean car of tomorrow.

11.2.1. OPTIMISING IC POWERTRAINS

PETROL ENGINES

By 2017, production volumes of PSA Peugeot Citroën petrol engines will rise considerably, in Europe, China and Latin America. The share of turbo engines will also grow in the coming years in all regions. To meet these needs, PSA Peugeot Citroën has three petrol engine families:

- the EP engine family (Prince engines developed with BMW - 4-cylinder engines (1.4-litre to 1.8-litre) outputting 95 to 270 horsepower):
  - the EP turbo engine family, comprising the EP6CDT 1.6-litre/155 hp and EP6CDTX 1.6-litre/200 hp turbocharged direct fuel injection engines, was extended in 2013 with the release of the EP6CDTR engine, outputting 270 horsepower and destined for the Peugeot RCZ R. The gain of 70 horsepower was achieved by changing the pistons and strengthening the connecting rods and bearings, allowing the Group to meet the challenge of offering the power of a sports car with the resilience of a production engine.

    Also noteworthy, in June 2013, the four-cylinder 1.6-litre turbocharged direct fuel injection petrol engine, for the 7th year in a row, won the International Engine Award presented by Engine Technology International in the 1.4 to 1.8 litre category,
  - the naturally aspirated EP family comprises the EP3C 1.4-litre/95 horsepower and the EP6C 1.6-litre/120 horsepower engines. In 2014, these naturally aspirated versions will be gradually replaced by the EB Turbo PureTech engines.

Nearly 75% of Peugeot and Citroën models contain a 1.6-litre or 1.4-litre petrol engine from this family. The 1.6-litre engine equips the Peugeot 308, 3008, 5008, 508 and Citroën C3, C3 Picasso, C4, C4 Picasso and C5, DS3, DS4 and DS5;

- the EC engine family (naturally aspirated 1.6-litre and 1.8-litre engines) aimed at the international market (wider Europe, China, LATAM, and overseas markets) comprises the EC5 1.6-litre/115 horsepower and EC8 1.8-litre/136 horsepower engines based on the traditional TU units extensively deployed in China, Latin America and overseas markets. This engine, which come with a manual or automatic gearbox, is a robust, economically competitive solution for international development;
- the new family of 3-cylinder petrol engines, the EB PureTech family:

  EB PureTech is a family of modular-design engines using high-performance technologies in terms of both products and industrial processes. The naturally aspirated 3-cylinder 1-litre and 1.2-litre (VTi PureTech) versions were launched in 2012. These engines are produced at the Trémery plant (350,000 engines produced since launch).

  In 2013 the family was extended, with the arrival of 2 1.2-litre turbocharged direct fuel injection versions outputting 110 and 130 horsepower. From 2014, these will be fitted in the Citroën C4 and the Peugeot 308 before being rolled out over the entire range of from the B, C and D segments. These versions will be produced in France on the Française de Mécanique site (in Moselle) which has installed capacity of 320,000 units per year.

  The EB Turbo engines have been defined with specific significant performance of 80 kW/l and 190 nm/l, improving engine efficiency while reducing capacity. EB PureTech is PSA Peugeot Citroën's showcase product in terms of downsizing and know-how in the production of turbocharged direct fuel injection.

  EB Turbo PureTech 1.2-litre engines reduce carbon emissions by 18% compared to current 4-cylinder engines, while providing real driving pleasure thanks to very high torques even at low engine speeds.

  Thanks to the new-generation high-yield turbo (240,000 rpm), the EB Turbo PureTech engine offers the best compromise between low-end torque and power, with 95% torque available from 1500 rpm up to 3500 rpm.

  From 2015 on, the Turbo versions will be installed locally in China, where they will be offered along with EC naturally aspirated engines. This EB Turbo PureTech offering allows us to closely follow changes in the Chinese market and to accompany the changeover that has already started from old, naturally aspirated, large-displacement engines to downsized engines that are more efficient and cleaner, using more advanced technologies.

  To develop the EB Turbo PureTech versions, the Group invested more than €210 million in R&D in France and over €180 million in industrial investments, a total of €390 million on top of the €500 million invested in the development and production of the naturally aspirated version. Total investment in the EB PureTech family comes to almost €900 million. This engine family is a major imperative, not only for the Group but also for France's industrial base. Over half of industrial investments in these engines is French in origin (65% for naturally aspirated engines).

Preparing the future for petrol engines will be based on compliance with the Euro6.2 standard, due to come into force in 2017. This will impact the Group's petrol projects in terms of emissions and particulate volumes. Expected gains in terms of CO_2 emissions are 7-9%.

In January 2013, PSA Peugeot Citroën also presented the innovative D-EGR concept (Dedicated Exhaust Gas Recirculation): a system that consists of increasing the amount of gas recirculated and the compression ratio to optimise engine output. The principle is to send excess fuel to a cylinder dedicated to producing these recirculating gases. This process enhances the hydrogen content of the recirculated gases to accelerate combustion in the cylinders.

Thanks to this technology, PSA Peugeot Citroën will offer high-performance petrol engines, enhancing fuel consumption by 10% in all applications compared to its predecessors. This innovation should be available on Group vehicles by 2018.

DIESEL ENGINES AND EMISSION CONTROLS

As the current European expert in terms of CO_2 reduction, PSA Peugeot Citroën is continues to develop its engines to provide its customers with vehicles optimised in terms of CO_2 emissions and fuel consumption. In an environment with ever more stringent European standards and growing environmental concerns, the Group is focusing on innovation to stand out from the competition.

In 2013, new emissions-control technology was launched for diesel engines: the Blue HDi exhaust line. Previewed at Innovation Day in January, this new pollutant emission treatment system incorporates Selective Catalytic Reduction, positioned upstream from the diesel particulate filter. This is made possible by the particle additive filter developed by PSA Peugeot Citroën and launched in a world first in 2000. The Blue HDi line meets the future Euro 6 standard and brings diesel emissions down to petrol levels, while reducing CO_2 emissions by 2 to 4%.

The Group decided to deploy this technology throughout the entire Diesel Euro 6 range, posting remarkable CO_2 emission levels:

- 1.6-litre HDi engines available in three power outputs: 75 horsepower, 100 horsepower and 120 horsepower;
  - 82 g/km on the Peugeot 308 (very low fuel consumption) => 3.-litre/100 km,
  - 94 g/km on the Peugeot 208 and Citroën DS3 and C3 => 3.6-litre/100 km,
  - 102 g/km on the Citroën DS5 => 3.9-litre/100 km;
- 2.0l HDi engines available in two power outputs – 150 horsepower and 180 horsepower;
  - 99 g/ km on the Peugeot 308 => 3.8-litre/100 km,
  - 105 g/km on the Peugeot 508 => 4-litre/100 km,
  - 110 g/km on the Citroën C4 Picasso => 4.2-litre/100 km.

The Blue HDi was launched in September 2013 on the Citroën C4 Picasso fitted with a 2.0-litre HDi diesel engine.

PSA Peugeot Citroën R&D teams are preparing for the future in terms of diesel engines by focusing on the development of a new diesel engine, the DVR. This engine is a major driver for the Group in tackling CO_2 emissions without losing sight of other aims (quality, services, etc.) to take up the challenge of the Euro 6 family presented above. The Group faces numerous significant challenges ahead to place it in a competitive position (product appearance and development know-how).

TRANSMISSIONS

The Group has three ranges of gearbox – manual, electronic and automatic.

There were two major launches in 2013:

- July saw the launch of the electronic 5-speed gearbox which, coupled with the EB PureTech naturally aspirated petrol engine in the Peugeot 208, emits 95 g in CO_2/km;
- October saw the launch of the 6-speed automatic gearbox, designed in collaboration with Aisin, which, coupled with the 2.0-litre HDi diesel engine on the Peugeot 508, emits 112 g CO_2/km, a record high for a vehicle in this segment.

Preparing for the future also involves the development of a manual 6-speed gearbox. The design of this new gearbox is based on an upscaling of the manual BE gearbox (modern synchronisers) and will help boost volume growth in 6-speed manual gearboxes.

For Euro 6.1 (2014), the Group focused its efforts on the launch of two automatic gearboxes, third-generation AT6 and AM6, which are highly competitive in the mid- and top-range automatic markets. By 2017-2018, it will have a range of automatic gearboxes that are high-performance in terms of driving comfort and CO_2, living up to the brands' promise around the world.

11.2.2. OPTIMISING HYBRID POWERTRAINS

The Stop & Start system, the first level in hybrid technology in internal-combustion engine vehicles, is especially effective in city driving, where vehicles spend about 30% of their time at rest for an average of 15 seconds, resulting in unneeded waste. For customers who travel short distances or drive in urban areas, the Group brought EV solutions to market this year. For motorists who need a more versatile vehicle for city driving during the week as well as longer trips on weekends, the Group launched HYbrid4 technology in 2012, a powertrain combining a diesel engine in front and an electric engine in the rear of the vehicle.

MICRO-HYBRIDS

Launched in 2010, the e-HDI diesel engine with Stop & Start technology helps to reduce CO_2 emissions by up to 15% in city driving. In addition to the optimised CO_2 gains, e-HDI also offers outstanding driving pleasure thanks to the technology used by the Group. It is equipped with a reversible starter-alternator, which is vibration-free and runs much faster and at lower temperatures than the reinforced starter-alternators used by the competition.

e-HDi technology has been deployed on several models made by the two brands. The system is available on the Citroën C3, DS3, new C4, C4 Picasso and Grand Picasso, C5, DS4 and DS5. The 508 was the first Peugeot model to inaugurate the micro-hybrid engine, which is also available on 3008. Since its launch in 2010, 870,000 Stop & Start systems with reversible starter-alternator (STTa) have been produced.

The design teams finalised optimisation work on the Stop & Start technology in the Stop & Start phase II project, which combines Stop & Start systems with reversible starter-alternator (STTa) and Stop & Start with starter (STTd) in order to meet Euro 6.1 (2014) and Euro 6.2 (2017) regulations.

The massive roll-out of these two systems between September and December marked the end of 2013:

- launch of STTd (starter): Peugeot 208 (Europe), Citroën C4 (China) and Citroën DS5;
- launch of STTa (starter-alternator): Peugeot 508.

FULL HYBRID DIESEL

The Diesel hybrid combines an electric engine and a Diesel HDi engine. The batteries are recharged during travel, deceleration and braking. Also called "Full Hybrid", this HYbrid4 technology is a response to issues related to CO_2 emissions in Europe but also around the world.

Diesel hybrid technology represents a real breakthrough in terms of fuel efficiency and CO_2 emissions in the European market. With the HYbrid4, PSA Peugeot Citroën has combined the environmental performance of a diesel IC engine with the advantages of electric propulsion to deliver revolutionary gains in fuel efficiency – of up to 30% compared with a conventional diesel – and carbon emissions of less than 100 g/km. The technology offers the high fuel efficiency of HDi diesel in highway driving and all the benefits of a hybrid electric drivetrain on city and suburban roads.

Moreover, the innovative HYbrid4 architecture delivers an enhanced driver experience. The electric motor's torque, the vehicle's reduced weight and the efficient transmission make for a comfortable, quiet and nimble ride, creating a whole new universe of driving sensations for Group customers.

The technology has been inaugurated on the Peugeot 3008 HYbrid4, the world's first hybrid diesel crossover, but will soon be extended to other models, such as the Peugeot 508 HYbrid4, 508 RXH or Citroën DS5 HYbrid4, which enjoyed great success, with 50,000 vehicles sold since it was brought to market in 2012.

The Group's R&D teams are preparing the next hybrid powertrains, optimising current hybrid diesel technology with a view to compliance with the Euro 6.1 and Euro 6.2 regulations.

THE HYBRID OF TOMORROW

Over the longer term, the Group is exploring possible applications to reduce carbon emissions significantly, such as very affordable hybrid solutions to make low-emission cars available to the great majority of customers.

Late 2012 saw the completion of the research project subsidised by ADEME, HYDOLE – a mainly hybrid powertrain. The concept built on HYbrid4 technology, adding a Li-ion battery developed by PSA Peugeot Citroën and a more powerful electric motor. This combination of technologies means that most daily trips can be performed with zero emissions and no noise, with a range of 60 km.

The lessons learned will inform R&D on rechargeable hybrids to best optimise engine and battery design.

In early 2013, the Group presented major innovations for the car of the future:

- Eco Hybrid: a broadly accessible hybrid solution. The use of this technology on petrol and diesel vehicles in the B, C and D segments will reduce CO_2 emissions by 15 g and cut fuel consumption by up to 15%. Eco Hybrid is a mild hybrid system designed to optimise global engine output. Its architecture is characterised by the coupling of an internal combustion engine with a 10 kW electric motor. The electric motor (and its steering arrangements) is combined with a 48 V Li-ion battery. The electric motor can drive the vehicle on its own at low speed during parking manoeuvres or when exiting car parks up to 20 kph, providing extra power during acceleration. The Eco Hybrid innovation will be offered on Group vehicles from 2017;
- a world-first in revolutionary technology: Hybrid Air, a petrol and compressed air full-hybrid solution. This innovative technology comprises a new-generation, battery-free full-hybrid powertrain, combining petrol and compressed air. It combines a petrol engine with a hydraulic pump, storing energy in the form of compressed air, and automatic transmission. The engine autonomously switches between three driving modes: zero emission, petrol engine and mixed. The innovation was widely hailed in 2013 and recognised as a true breakthrough for an environmentally friendly vehicle: it won the MAAF Technology of Tomorrow Award, the Fleet World Honours innovation award, the Engine Technology Development of the Year, awarded to the Group's partner, Bosch and also the Engineering Innovation Award of the year. Hybrid Air allows PSA Peugeot Citroën to position itself as world leader in this technology, with an affordable core range customer offering, lower consumption and ease of use.

11.2.3. ELECTRIC VEHICLES

PSA Peugeot Citroën would like everyone to own a clean vehicle.

Along with the rechargeable hybrid, the electric car is a major part of the Group's clean car strategy. By 2020, electric vehicles will account for 4-5% of the European market, estimated at 10-15% when diesel hybrids are included.

ELECTRIC VEHICLES

For urban and suburban mobility, the Peugeot iOn and Citroën C-Zéro are electric vehicles that are compact, handy and alert. With their Li-ion battery, they have an autonomy of up to 150 km per cycle, which ensures sufficient autonomy in actual use since 90% of automobile trips are less than 60 km long. Their silence and the lack of discharge into the atmosphere make these vehicles especially suited to the city. They are European versions of the new-generation electric vehicle developed by Mitsubishi Motors in cooperation with the two automakers. Since its launch date in 2011, the Group has sold almost 11,000 electric vehicles in Europe.

In 2013, the electric range was enhanced with the arrival of two new models of utility vehicles: Peugeot Partner and Citroën Berlingo, made electric in cooperation with Mitsubishi Motors Corporation and produced at the Vigo plant.

AVENUES TO THE FUTURE

Urban mobility and improving consumption performance are two key issues for the vehicles of tomorrow. 60% of trips within cities are made in individual cars, with a resulting impact on CO_2 emissions.

VelV, the light city urban vehicle, is a light electric vehicle project designed to meet city and suburban driving needs with a record power consumption level of just 85 Wh per kilometre travelled. Launched in 2011, this concept, developed by the Group with a consortium of French companies and a research laboratory, is a safe and efficient electric tricycle for three people, with a power of 20 kW and a mass of 650 kg. Developed thanks to subsidised projects, it has helped remove technological barriers, thus foreshadowing future innovations. In March 2013, the composite structure used to design VelV won an award at the JEC Europe Composites Show and Conferences. The project was completed in May 2013.

Thanks to this project, which is not intended to be mass-produced, the Group and its partners have a portfolio of technologies in the field of electric powertrains, of the associated control and supervision software and of structural and body materials. This concept targets corporate fleets, car rentals (standard or Autolib' type), second car buyers and numerous individual customers wishing to improve their mobility in the city.

At RIVES, the international eco-friendly car show in ALES (in southern France) in July 2013, Bosch and PSA Peugeot Citroën unveiled OpEneR, (Optimal Energy Consumption and Recovery) a research project aimed at increasing autonomy in future hybrid and electric vehicles through optimised energy management. OpEneR shows what the car of the future could look like: a regenerative braking system with electro-mechanical amplification, multi-engine powertrain, C2X connection and environmental feedback through the RADAR sensor, videos and 3D navigation.

Five partners are involved in this research project: Bosch, AVL List, PSA Peugeot Citroën, the Karlsruhe research centre in Germany and the Automotive Technology Research Centre in Galicia. In the project's first year, two promising prototypes were delivered with autonomy already up 7%.

The technical work on improving autonomy continues, with the addition of RADARS, video and C2X - communication with infrastructure. OpEneR V2 is being studied in 2014 within the framework of the HORIZON 2020.

OpEneR is part of the research into the cleaner car of the future, exploring and strengthening the potential of electrics. With this research project, the Group, which is constantly seeking to reduce its vehicles' environmental footprint, is increasing its expertise in clean technologies.

This prospective work is indispensable to identify solutions to reach the target of 95 g of CO_2 set by European regulations for 2020.

11.2.4. OTHER CARBON EMISSION REDUCTION STRATEGIES

The development and optimisation of powertrains are not the only pathways to improving the environmental performance of vehicles. Vehicle base, improved aerodynamics, reduced rolling resistance, reduced vehicle weight, use of renewable resources and research work are all factors that contribute to lowering the CO_2 emissions of Peugeot and Citroën vehicles.

OPTIMISED MODULAR PLATFORM (EMP2)

Rolled out in 2013, the new EMP2 modular platform contributes a high level of added value in terms of CO_2.

Several mechanisms contribute significantly to the over 22% CO_2 reduction:

> significantly lighter-weight vehicles: 70 kg for sedans to 80 kg for MPVs;
> redesigned aerodynamics;
> innovative technologies such as STT (Stop & Start), SCR (Selective Catalytic Reduction), reduced rolling resistance.

As of 2013, the new Peugeot 308 and the new C4 Picasso produced on the EMP2 platform reach record power consumption levels: just 82 g of CO_2/km for the first and 98 g of CO_2/km (with the 1.6 HDi) for the second.

AERODYNAMICS AND ROLLING RESISTANCE

The more aerodynamic the vehicle, the less fuel it uses and therefore the less carbon it emits because less engine power is needed to move it.

To continue to reduce the aerodynamic resistance of its vehicles and limit their CO_2 emissions, PSA Peugeot Citroën has set the following objectives:

> optimise vehicle dimensions;
> improve the aerodynamics of vehicle underbodies;
> integrate aerodynamic solutions such as spoilers and deflectors while developing attractive styles.

Because rolling resistance also comes from tyres, PSA Peugeot Citroën has launched a joint programme with Michelin to optimise the tyres on its vehicles. Very low rolling resistance (VLRR) tyres save 0.2 litre of fuel per 100 kilometres, reducing CO_2 emissions by 5 g. As of this year, the Group offers ultra low rolling resistance (ULRR) tyres that will further reduce carbon emissions.

VEHICLE MASS

In addition to optimised powertrains and lower rolling resistance, lighter vehicles also reduce the amount of engine power needed to deliver equivalent dynamic performance, providing another opportunity to reduce CO_2 emissions. A 100 kg reduction in vehicle weight, for example, yields a gain of around 10 g/km.

In 2007, PSA Peugeot Citroën launched an ambitious programme to reduce vehicle weights: 300 kg in 25 years. The objective is to introduce vehicles in 2013 that move down in inertia class in relation to the models being replaced, for a gain of more than 100 kg, while continuing to meet other project goals. This will be followed by another step down in inertia class by 2020, for a further 100-kg gain.

The new Peugeot 208, 308 and Citröen C4 Picasso vehicles illustrate these significant gains.

Vehicle weights will be progressively be reduced between now and 2020 without compromising the customer experience by using high performance steel materials (high-grade steel, aluminium alloys, composite materials, plastics and natural fibres) and by optimising design thanks to digital simulation.

SUSTAINABLE RESOURCE USE: GREEN MATERIALS AND BIOFUELS

As a responsible automobile manufacturer, PSA Peugeot Citroën takes into account the gradual depletion of fossil fuels and the environmental impacts of its vehicles throughout their life cycle. This is why green materials (i.e. recycled or made from natural, renewable materials) are used whenever possible to build Peugeot and Citroën vehicles, which are all capable of running on alternative fuels.

For more than 15 years, the Group's diesel engines have been able to run on a 30% biodiesel blend (made from plant oils or animal fat), while all its petrol engines can handle blends containing up to 10% ethanol (made mainly from sugar beets, sugar cane or cereals). Flex-fuel models, developed in Brazil in particular, can run on either conventional petrol or alcohol fuel without any action required by drivers.

Moreover, since 2008, the Group has deployed an ambitious plan which has increased the proportion of green materials to over 20% of the total mass of polymers for new vehicles debuted in 2013, from an average 6% in 2007. Progress towards fulfilling the green materials plan may be seen in the latest Peugeot and Citroën cars brought to market: on the Peugeot 208, green materials account for 25% of the car's total polymer weight, on the new Citroën C4 Picasso total polymer weight is over 60 kg, or over 22%, and green materials on the new 308 account for over 20% of its 220 kg of polymers.

The Group remains committed in this area and is involved in many scientific projects to deepen its research, notably through its involvement in the Biofuels Chair with the IFP School and the Tuck Foundation and in OpenLabs, particularly with Université Pierre et Marie Curie/Collège de France and Université Versailles-Saint Quentin dedicated to the creation of new breakthrough materials, Computational Mechanics with Ecole Polytechnique Solid Mechanics Laboratory (LMS) and the Materials Centre of the Ecole des Mines for designing with new materials, and, lastly, the creation of the Omnivorous Engine OpenLab with the University of Rio de Janeiro (PUC) in 2013 dedicated to the study and development of biofuel engines.

These research programmes and technological advances will enable the Group to deploy a low-carbon vehicle strategy and promote sustainable mobility by offering "a clean car for everyone".

11.3. > OFFERING A SAFE DRIVING EXPERIENCE SUITED TO NEW VEHICLE USES

The Group has been a pioneer in the field of connectivity for ten years now, and it is the first in Europe to deploy connected services such as emergency assistance and localised calls. The car calls emergency services itself when there is an accident. Very quickly thereafter, the Group developed systems for a simple way to hook up a mobile phone or MP3 player, to ring someone or listen to music.

Today, the Group offers a car that uses information retrieved from the Internet through Peugeot Connect Apps and Citroën Multicity Connect. These systems are designed to be used in the car in complete safety.

This multimedia touchscreen system, available in several of our cars, opens the way to a new generation of connected services dedicated to optimising customer mobility and on-board experience.

11.3.1. IMPROVING SAFETY IN ALL ITS FORMS

Protecting the occupants of a vehicle, as well as some road users in their immediate environment, has long been a priority for the Group, which looks at road safety from three angles in order to offer passengers maximum safety in all circumstances:

- primary security – for prevention of accidents – is undergoing new developments due to driver assistance systems and the increasing connectivity of vehicles. As a result, the vehicle is able to detect aspects of its environment to alert the driver or help avoid an accident. A new generation of voice control technology is also being developed to minimise driver distraction. In terms of primary safety, these new features take their place alongside driving excellence fundamentals (handling, braking, etc.) and development of driving assistance systems (such as grip control, adaptive lighting, line-crossing assistance, voluntary speed limiters, blind spot monitoring, emergency brake assist and measurement of distance between vehicles);
- secondary safety – to protect occupants and pedestrians in the event of impact – by always making progress in vehicle structures and restraint systems in the passenger compartment (airbags, seat belts, seats, etc.);
- tertiary safety – to facilitate the rescue when an accident could not be avoided: the connected and geo-located vehicle may, when a collision is detected, or after a manual trigger, automatically contact emergency or support services to contribute to the rapid response. The Premium emergency call service, which is free and never expires, now covers 13 European countries. More than 1.2 million Group cars are already equipped with the emergency call service. PSA Peugeot Citroën, as a pioneer in this new field of safety, is the European leader.

The expertise of PSA Peugeot Citroën is recognised in terms of road behaviour, which is the basis of the "forgiving car".

Every Peugeot and Citroën model from the entry level on up ranks among the world's best in secondary safety, as attested by the results of impact tests conducted by the European New Car Assessment Programme (Euro NCAP), an independent organisation that rates vehicle occupant protection.

Sixteen Group vehicles have obtained the maximum 5-star overall rating under the stricter new protocol.

In 2012, Peugeot 208 was the first vehicle in the Group's B segment tested in the new tougher Euro NCAP protocol in 2012. It got five stars with a score at the highest level. Compared to previous years, the ratings criteria were reviewed and to get the maximum score, one needed to have a percentage of at least 80% for adult protection, 75% for children, 60% for pedestrians and 60% for security safeguards. The 208 met all these criteria, and it ranks among the best in its segment.

Despite the increasing stringency of the protocol in 2013, C4 Picasso, Peugeot 2008 and Peugeot 308 also received 5 stars.

These performances attest to the efforts made by PSA Peugeot Citroën teams to promote responsible mobility, which is both cleaner and safer.

Beyond technological advances, PSA Peugeot Citroën teams are involved in many cooperative programmes in safety research, both French and Europeans, under the seventh FPRD (Framework Programme for Research and Development, the main Community instrument funding research and innovation in Europe for the period 2007-2013.) for the continued advancement of scientific knowledge in the field.

The Group's is also one of the founder members of VeDeCoM (Low-Carbon Communicating Vehicles and their Mobility) which reflects the Group's desire to get involved in long-term mobility and safety issues.

11.3.2. FROM CONNECTED CARS TO COMMUNICATING CARS

The considerable development of communications in recent years is reflected in everyday life by the widespread use of the Internet, the boom in mobile phones and smartphones, and the use of multimedia and video games. There is market demand to use these devices (cell phones, iPods) in the car and broaden their use for specific needs (navigation, remote troubleshooting). The automotive industry is now including these new technologies in cars through vehicle components and by giving customers a place to connect their electronic devices.

ERGONOMICS AND THE HUMAN-MACHINE INTERFACE

Human Machine Interfaces (HMIs) provide the driver with comfort and driving safety. Customer expectations are changing, and they want access to their digital environment on the screen of their vehicle in complete safety.

Since 2012, PSA Peugeot Citroën has been meeting these needs, for example by developing the i-cockpit on the Peugeot range, particularly with the new Peugeot 308. The driver is seated in the heart of a truly intuitive techno-cockpit: the driver's position has a small steering wheel for easy handling, a heads-up console for comfort and driving safety and a large easy-to-use 9.7" touchscreen with fewer buttons.

The first multimedia touchscreen developed by the Group incorporates extensive connectivity (all USB and Bluetooth versions) and, since 2012, access to mobility portals and services such as "Peugeot Connect Apps". HMI, which became a major issue, is characterised by its rich style that, thanks to its harmonious Agora styling, brings a modern and ergonomic look to the product *via* coverflow animation.

CONNECTIVITY & INFOTAINMENT

The Group is striving to integrate the new ways its customers use their cars into vehicles that are tuned in to their environment.

Customers can connect from their car to web applications, and the vehicles themselves are communicating objects or "intelligent objects" that provide traffic info, maintenance and diagnostics, and car-to-car communication.

Peugeot Connect offers a range of innovative services that connect the vehicle to its environment:

- the Peugeot Connect SOS, which is now available in 13 countries in Europe in the customer's language and more than 720,000 Peugeot vehicles, locates the vehicle and dispatches the necessary emergency help in the event of an accident. It is triggered manually *via* the SOS button (if the driver sees an accident, for example) or automatically (if the safety features – airbags, seatbelt pretensioners – are triggered). Peugeot Connect SOS is available around the clock seven days a week at no cost or commitment if Peugeot Connect equipment is installed on the vehicle;
- with Peugeot Connect Assistance (the Lion button in the vehicle), driver can contact Peugeot Assistance in their language around the clock seven days a week and they will be identified and located immediately. All information (serial number, mileage, mechanical alerts) is transmitted to Peugeot Assistance for a preliminary remote technical review, which saves valuable time;
- with the Peugeot Connect Fleet service, for a subscription fee, business customers can automatically review information related to vehicle maintenance, such as mileage, fuel consumption and CO_2 emissions;
- with the "Peugeot Connect Apps" system, customers have Peugeot-approved applications that allow them to take full advantage of the Internet. Peugeot Connect Apps offers applications specifically designed for automotive use that enable the driver to obtain essential information in real time. These applications give drivers access to Michelin traffic information, nearby available parking, stations with the cheapest petrol, the weather, Michelin guides (red and green), Yellow Pages, Tellmewhere, ViaMichelin travel information, the Coyote driver assistant and MyPeugeot. Because it is a Peugeot, customers who subscribe in France will not pay extra if they use their car anywhere in Europe and they will always have access to internet services. This application was previewed in the new 208 in September 2012.

Through "eTouch", Citroën expands the driving experience to the internet. It offers four services:

- two in-vehicle services: Citroën Localised Emergency Call and Citroën localised calls. Using a module and an embedded SIM card, in case of an emergency or accident, customers receive support from an operator who identifies and locates them and sends them technical assistance or help if they need it. Both services are free, require no subscription, never expire and are available 24/7, even abroad;
- two services are available online (through a personal MyCITROËN space) and smartphones: Citroën Virtual Maintenance Manual and Citroën EcoDriving. These services allow motorists to track their fuel consumption and CO_2 emissions, as well as receive maintenance reminders and real-time vehicle alerts.

Finally with “eTouch”, Citroën closes the loop by helping motorists to find their car with a smart phone when they are not in it.

The connected car completely changes the way people drive.

The range of services is now a major challenge. It must provide customers a sense of continuity with how they already “consume” connected services outside their cars but also fit into the constraints of the automobile and develop a value offer specific to the car, with such services as e-calling and remote diagnostics. In September 2013, PSA Peugeot Citroën set up a “vehicles and connected services” Business Unit to further step up the implementation of new innovative services.

The connected car is also a technological breakthrough that offers new opportunities for in-vehicle services like intelligent speed limits and natural language voice command.

Our R&D teams are working every to make sure that the car of tomorrow will be environmentally friendly, comfortable, connected and safe.

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TREND INFORMATION

> TREND INFORMATION

In 2013, the PSA Peugeot Citroën Group 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-Élysée 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 General Motors on manufacturing was established in Europe, with three joint projects:

- confirmation of continued cooperation for two products based on PSA Peugeot Citroën platforms in the B-MPV and C-CUV segments,
- addition of a new generation B-segment light commercial vehicle cooperation based on the latest-generation PSA platform,
- after detailed evaluation, the collaboration on a B segment platform and associated small petrol engine is dropped from consideration.

The first vehicles from the Alliance are expected to launch starting in 2016. Eventually, the overall target for the two partners is to jointly develop 700,000 vehicles per year.

The parties will balance manufacturing: B-MPVs from both companies will be built at the General Motors plant in Zaragoza, Spain and C-CUVs will be built at the PSA plant in Sochaux, France.

Furthermore, both groups will continue their purchasing cooperation in Europe, for joint programmes. Purchases could also be pooled for other (non-common) programmes or outside Europe, in specific cases to be defined by mutual agreement. The first savings were realised in 2013 (€60 million) and more than 90% of the savings targeted for 2014-2015 have already been secured. This was made possible, above all, by the volume effect, alignment with the best conditions granted to either party, and optimisation of supply sources.

The updated synergies expected from the Alliance are estimated at approximately $1.2 billion by 2018. The synergies will be shared about evenly between the two companies.

See Chapter 22 below for a description of the terms of the Alliance with General Motors.

The PSA Peugeot Citroën Group is ready for the next phase of its development.

On 19 February 2014, it announced four major operations projects (1) to this effect:

- reinforcement of the industrial and commercial partnership with Dongfeng;
- €3 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.

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 (2) in 2016 at the latest, beyond which, operating free cash flow generation is expected to accelerate due to the structural benefits of the operations projects.

(1) Please refer to the separate press releases issued on 19 February 2014. These operations, which have been agreed in principle by the parties involved, remain subject to the signature of a binding documentation, 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 on 25 April 2014 and other conditions described in Chapter 22 below.

(2) Free cash flow excluding restructuring and exceptional of manufacturing and sales companies.

> GROUP OPERATIONS ANNOUNCED ON 19 FEBRUARY 2014

For updates and more information on these transactions, see section 22.

PRESS RELEASE

PSA PEUGEOT CITROËN

PSA PEUGEOT CITROËN ANNOUNCES MAJOR BUSINESS AND FINANCIAL PROJECTS FOR THE DEVELOPMENT AND GROWTH OF THE GROUP

Do not publish, communicate or distribute, directly or indirectly, in the United States, Canada, Australia or Japan.

- **A strengthening of the industrial and commercial partnership with Dongfeng Motor Group.**
- **€3.0 billion capital increases.**
- **Free attribution of equity warrants to existing shareholders.**
- **A capital increase reserved for employees will be offered in 2014, to give them the opportunity to participate in the recovery of the Group.**

PSA Peugeot Citroën has announced major business and financial projects aimed at improving its competitiveness and accelerating its globalisation and emerging markets expansion strategy, while reinforcing its financial strength. They represent a continuation of the measures undertaken as part of the Rebound 2015 plan, the new Social Contract and the Back in the Race strategic plan that the Group will present in April 2014.

The operations would consist of:

1. The strengthening and deepening of the existing industrial and commercial partnership with Dongfeng Motor Group ("DFG"), China's second largest carmaker, in order to capitalise on the Group's current success in the world's largest automobile market, which is now the primary source of growth for the automotive industry;
2. €3.0 billion capital increases with a free attribution of equity warrants to existing Peugeot S.A. shareholders, including:
   - a reserved €1,048 million capital increase to be subscribed by DFG and the French State on an equal basis, at a subscription price of €7.50 per share,
   - a capital increase with preferential subscription rights in the amount of €1,950 million open to all Peugeot S.A. shareholders (including DFG and the French State), and underwritten by a large syndicate of banks for the shares not subscribed by DFG, the French State and FFP/EPF,
   - prior to the capital increases, an attribution of free equity warrants to existing Peugeot S.A. shareholders, with one warrant granted per existing share, based on a subscription ratio of 10 warrants for three new PSA Peugeot Citroën shares. The warrants could be exercised over three years and would be exercisable from the 2nd year, with a strike price equal to the subscription price of the reserved capital increase in favour of DFG and the French State i.e. €7.5 per share;
3. a capital increase reserved for employees will be offered in the course of 2014, in order to give them the opportunity to participate in the value creation potential of the Group.

These operations, which have been agreed in principle by the parties involved, remain subject to the signature of final 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 Peugeot S.A. shareholders due to take place in the second quarter of 2014.

These operations are aimed at:

- strengthening PSA Peugeot Citroën's footprint in China and in ASEAN and the realisation of industrial synergies with DFG, of around €400 million *per annum* for PSA Peugeot Citroën by early 2020s;
- reinforcing PSA Peugeot Citroën's competitive positioning in Europe, in particular through:
  - accelerating PSA Peugeot Citroën's development *via* the financing of a programme of strategic investments,
  - strengthening its balance sheet and liquidity, resulting into a strong decrease of financial charges.

Group trade unions of the Group are aligned with these projects and the Peugeot S.A. Work Council, consulted in this operation issued on February 18 a unanimous approval.

The President of the Supervisory Board announced: "The Supervisory Board has unanimously voted in favour of these major operations that open a new page in the history of PSA Peugeot Citroën. By reinforcing its financial solidity whilst outlining perspectives for an ambitious international development, these measures will contribute to the long term future of the Group as well as its future growth which will benefit the Group's clients, employees, shareholders and all its partners."

1) Accelerating the Group's international development by strengthening the industrial and commercial partnership with DFG

With nearly 16 million vehicles sold in 2013 and annual growth of around 18% between 2013 and 2015, China is the world's largest automotive market and the primary source of growth for the automotive industry. Since 2013, it has been PSA Peugeot Citroën's second largest market, with around 550,000 vehicles sold in 2013 *via* DPCA, its 50:50 joint venture with DFG.

DFG is a listed company on the Hong Kong stock exchange and with a market capitalization of approximately €9.5 billion, estimated revenues of €17.3 billion and EBITDA of €1.9 billion in 2013 [(1)], is:

- the country's second largest automaker, with 3.1 million units sold in 2012;
- china's third-ranked car manufacturer, with around 12% market share in 2012, and second-largest commercial vehicle producer, with around 12.5% market share in 2012;
- a market leader in MPVs, SUVs and mid-sized and heavy commercial vehicles.

Today, DFG and PSA Peugeot Citroën are taking their more than 20 year-old partnership to the next level by implementing a major industrial plan, structured around three main axes:

- a joint commitment to propel DPCA into a new phase of growth, with the objective of tripling its volumes to 1.5 million vehicles per annum by early 2020s, thanks to a reinforced product plan underpinned by:
  - the licensing of technologies developed by PSA Peugeot Citroën,
  - the launch of two to three new models a year globally for the three brands (Peugeot, Citroën and DPCA's own brand);
- the creation of a joint R&D centre, dedicated to the development of products and technologies for fast growing countries, including China:
  - this R&D centre will complete PSA Peugeot Citroën's R&D footprint in Europe and Latin America,
  - this agreement will include measures relating to the management of intellectual property, allowing PSA Peugeot Citroën to freely pursue the development of cooperation ventures with other carmakers;
- the creation of a new joint venture to drive the sales of PSA Peugeot Citroën and DFG vehicles in the rest of Asia and possibly in other emerging markets. This is aimed at capturing the strong growth opportunities in the ASEAN economies and leveraging the similarities between the model line-ups marketed there and in China.

This broader and deeper partnership represents, under its current form, synergies estimated at around €400 million per year for PSA Peugeot Citroën by early 2020s and could later be extended to other areas of collaboration.

The Group also successfully launched its DS line in China in 2013 with its partner Changan Automobile Group through its 50:50 joint venture, CAPSA. These agreements have no impact on the DS line development plan in China, which is designed to maximise capacity utilization at the Shenzhen plant in 2018.

Moreover the Alliance with General Motors continues in Europe and is delivering additional growth and synergies estimated at $1.2 billion by 2018, shared equally by the two partners.

2) €3.0 billion capital increases aimed at strengthening the Group's balance sheet and investment capacity, in order to maintain its technological leadership and accelerate its growth projects outside Europe

A. €3.0 BILLION CAPITAL INCREASES

Subject to the approval by the Extraordinary General Meeting of Peugeot S.A. shareholders to be held in Q2 2014 and to the other conditions detailed above, DFG and the French State would each invest €524 million in a €1,048million reserved capital increase, at a subscription price of €7.50 per share, and corresponding to the issuance of around 140 million new ordinary shares. DFG and the French State would each own approximately 14% of Peugeot S.A.'s share capital following the reserved capital increase.

Upon completion of this reserved capital issue, Peugeot S.A. would undertake a capital increase of approximately €1,950 million with preferential subscription rights, open to all existing shareholders (including DFG and the French State), on the basis of one right for each PSA Peugeot Citroën share held:

- the terms and conditions of the rights issue would be determined by the Chairman of the PSA Peugeot Citroën Managing Board under an authorisation to be submitted to Peugeot S.A. shareholders at the Annual Shareholders' Meeting;
- DFG and the French State would undertake to take up their share of the capital increase, in an amount of €276 million each and would hold a stake of 14% each in Peugeot S.A.'s share capital following the reserved capital increase;
- Peugeot family holdings FFP and EPF would also subscribe in the contemplated rights issue to reach the same ownership level in PSA Peugeot Citroën as DFG and the French State (i.e. approximately 14% each), demonstrating their confidence in the strategic reach of today's announcements and the related value creation for the Group;
- The portion of the rights issue not subscribed by DFG, the French State and FFP/EPF, i.e. a maximum amount of approximately €1,400 million, would be underwritten by a syndicate of banks.

DFG's investment through the two successive capital increases, for a total amount of €800 million, would accompany the deepening of this historic industrial partnership. The French State would invest the same amount as DFG. FFP/EPF's investment should amount to approximately €150 million to €250 million, depending on definitive conditions and terms set in the context of the rights issue.

Subject to the approval by the Extraordinary Shareholders' Meeting of Peugeot S.A. and to receipt of the various authorisations, current Peugeot S.A. shareholders (i.e. not including DFG or the French State) would receive, ahead of the reserved capital increases and the capital increase with preferential subscription rights, one free equity warrant (BSA) per share held, enabling them to increase their exposure to the Group's value creation potential:

1. the exercise of 10 equity warrants would give the right to purchase 3 new shares;
2. their exercise price would be €7.50, allowing current shareholders to subscribe to new shares under the same conditions as the reserved capital increase for DFG and the French State;
3. their maturity would be three years and the warrants would be exercisable from year 2.They would be traded on Euronext Paris;
4. proceeds from the exercise of the total number of BSAs would represent approximately €770 million in additional resources.

B. EFFICIENT AND BALANCED GOVERNANCE

Current dual structure would be maintained, the Management Board is responsible for the definition and the execution of the strategy. Carlos Tavares is to be appointed as Chairman of the Managing Board succeeding Philippe Varin on March, 31st 2014.

(1) Based on Thomson consensus and CNY/EUR exchange rate of 8.32 as of 31 December 2013.

Upon completion of the contemplated operations, the governance of the Group would be modified to take into account DFG and the French State as new shareholders.

The Supervisory Board composition of Peugeot S.A. would be balanced and in compliance with the AFEP-MEDEF code. It would be composed of six independent members, two representatives of each DFG, the French State and FFP/EPF, and two members representing employees and employees shareholders. The Supervisory Board would be chaired by an independent member.

The composition and chairmanship of the various committees would also be modified, with notably the creation of a committee overseeing development in Asia which would be chaired by a member proposed by DFG. The Governance Committee would be chaired by an independent member, while the Audit Committee would be chaired by a member proposed by the French State and the Strategic Committee by a member proposed by FFP/EPF.

DFG, the French State and FFP/EPF would undertake individually not to acquire any shares of Peugeot S.A. beyond the initial number of shares owned post-contemplated operations.

DFG, the French State and FFP/EPF could sell all or part of their shares freely after a lock-up period of 180 days following the capital increase with preferential subscription rights.

Double voting rights would be granted to shareholders following a holding period reduced from four years (as currently provided for by the Company by laws) to two years, upon approval of PSA Peugeot Citroën Extraordinary General Meeting, while FFP/EPF would undertake to neutralize the impact of its double voting rights for a period of two years.

DFG, the French State and FFP/EPF will not act in concert in relation to Peugeot S.A.

C. CONTEMPLATED CAPITAL INCREASE WILL STRENGTHEN PSA PEUGEOT CITROËN'S BALANCE SHEET AND INVESTMENT CAPACITY IN ORDER TO IMPLEMENT "BACK IN THE RACE" STRATEGIC PLAN

The €3 billion capital increase, together with the renewal of PSA Peugeot Citroën's syndicated credit facility of €2.7 billion, comprising a €2.0 billion five-year tranche, will strengthen the Group's balance sheet and liquidity position.

These transactions will also enhance PSA Peugeot Citroën's investment capacity, and fund the launch of investments related to its new "Back in the Race" strategic plan, in order to strengthen its competitiveness in Europe and its globalization strategy:

- debt reduction;
- portfolio of competitive products and in depth localisation to restore profitability in Latin America and Russia;
- technology including the next generation Hybrid Powertrain;
- CAPEX in capacities:
  - New Social Contract commitment in Europe with €1.5 billion Capex expenditures in France;
  - extension of competitive manufacturing footprint for selected products and markets.

Calendar

Dates indicated may change in the future:

End of March	> Registration Document to be filed > Signature of final documentation
Q2 2014	> Approval of regulatory bodies > PSA Peugeot Citroën Shareholders' General Meeting > Processing of Capital Increase and free distribution of warrants > Launch of the rights issue > Implementation of industrial and commercial cooperation with DFG

Morgan Stanley and Rothschild acted as financial advisors to PSA Peugeot Citroën for the industrial and commercial partnership with DFG and the €3.0 billion capital increases. Bredin Prat acted as legal advisor to PSA Peugeot Citroën for all of these transactions.

Banco Santander, BNP PARIBAS, Citigroup, Crédit Agricole Corporate and Investment Bank, Deutsche Bank, HSBC, Morgan Stanley, Natixis and Société Générale Corporate & Investment Banking are acting as Global Coordinators and Joint Bookrunners on the capital increase with preferential subscription rights. White & Case LLP acted as legal advisor to the banks syndicate.

IMPORTANT INFORMATION

No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issue, the subscription for or the purchase of Peugeot S.A.'s shares and/or warrants may be subject to specific legal or regulatory restrictions in certain jurisdictions. Peugeot S.A. assumes no responsibility for any violation of any such restrictions by any person.

This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003, as amended, in particular by Directive 2010/73/EU to the extent such Directive has been transposed in the relevant Member State of the European Economic Area (together, the "Prospectus Directive").

No securities offering will be opened to the public in France before the delivery of the visa on a prospectus prepared in compliance with the Prospectus Directive, as approved by the French Autorité des Marchés Financiers.

With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring publication of a prospectus in any relevant Member State. As a result, the new shares and/or warrants of Peugeot S.A. may only be offered in relevant Member States (i) to qualified investors, as defined by the Prospectus Directive; or (ii) in any other circumstances, not requiring Peugeot S.A. to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

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This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. Securities may not be offered, subscribed or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof. The warrants and the shares of Peugeot S.A. and rights in respect thereof have not been and will not be registered under the U.S. Securities Act and Peugeot S.A. does not intend to make a public offer of its securities in the United States.

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PRESS RELEASE

PSA PEUGEOT CITROËN

BANQUE PSA FINANCE AND SANTANDER CF IN EXCLUSIVE NEGOTIATIONS TO FORM A EUROPEAN PARTNERSHIP

Main characteristics of the project:

- **accelerate the end of the use of the French State guarantee;**
- **improve Banque PSA Finance's cost of funding and competitiveness;**
- **a strengthened commercial tool for the Peugeot and Citroën Brands;**
- **potential cash upstream up to €1.5 billion by 2018 for the Group.**

Banque PSA Finance, the auto finance company of the second largest European vehicle manufacturer and one of the leading auto finance companies in Europe, and Santander Consumer Finance ("Santander CF"), the consumer Finance Division of Santander, the largest bank in the Eurozone by market capitalisation, have entered into exclusive negotiations to form a 50/50 partnership to develop the activities of Banque PSA Finance in Europe. The negotiation would result in the creation of local partnerships, each 50/50 owned by Banque PSA Finance and Santander CF, across PSA Peugeot Citroën's main European markets. This partnership would create a competitive, sustainable and dynamic captive financing activity dedicated to PSA Peugeot Citroën's brands. This partnership would not need the French State guarantee for the funding of its activities.

Under the terms of the agreement, the partnership would enable the PSA Peugeot Citroën's brands captive to propose a more competitive financing to the dealers and the end-users. The partnership would enhance the commercial capabilities for the PSA Peugeot Citroën brands enabling to increase its penetration of the car finance market. The contemplated perimeter of the transaction would cover approximately 90% of Banque PSA Finance's current activities.

The entering into the agreements to implement this partnership is subject to the relevant regulatory and competition authorities agreements and the prior information and consultation of the relevant employee representative bodies. The closing of the transaction would then be expected to occur in H2 2015.

PRESS RELEASE

PSA PEUGEOT CITROËN

PSA PEUGEOT CITROËN ANNOUNCED THE RENEWAL OF ITS CONFIRMED LINE OF CREDIT FOR €2.7 BILLION (1)

PSA Peugeot Citroën today announced the renewal of €2.7 billion syndicated credit facility comprising a €2.0 billion five-year tranche and a €0.7 billion three-year tranche with two optional one-year extensions.

The new line would be subject to the completion of the €3 billion capital increases announced today. It would replace the €2.4 billion line of credit set up in July 2010 and maturing in July 2014 for €0.2 billion and July 2015 for €2.2 billion, enabling the Group to increase its financial flexibility and to extend the maturity of its financial resources.

The line will be underwritten by nine banks, demonstrating their confidence in the Group and their support to its strategy. It will be syndicated and fully documented in the coming weeks.

In conjunction with the capital increases announced today, this operation is designed to strengthen the Group's financial profile, robustness and financial security.

> FINAL AGREEMENTS SIGNED BETWEEN PSA PEUGEOT CITROËN, DONGFENG MOTOR GROUP, THE FRENCH STATE AND THE FAMILY-OWNED ETABLISSEMENTS PEUGEOT FRÈRES AND FFP - 26 MARCH 2014

PRESS RELEASE

PSA PEUGEOT CITROËN

FINAL AGREEMENTS SIGNED BETWEEN PSA PEUGEOT CITROËN, DONGFENG MOTOR GROUP, THE FRENCH STATE AND THE FAMILY-OWNED ETABLISSEMENTS PEUGEOT FRÈRES AND FFP

- Strengthening and deepening the existing manufacturing and sales partnership with Dongfeng Motor Group (DFG).
- Manufacturing synergies estimated at around €400 million a year for PSA Peugeot Citroën in 2020.
- Share and rights issues totalling €3 billion, of which €800 million taken up by DFG and €800 million by the French State.
- Share warrants granted without consideration to existing shareholders.
- A balanced shareholder structure for Peugeot SA, with the French State, the family-owned Etablissements Peugeot Frères and FFP and DFG each owning 14%.

In Paris today, Pierre Moscovici, France's Minister of Economy and Finance, Philippe Varin, Chairman of the PSA Peugeot Citroën Managing Board, Xu Ping, Chairman of the Board of Directors of DFG, Robert Peugeot, Chairman and Chief Executive Officer of FFP and Jean-Philippe Peugeot, Chairman and Chief Executive Officer of Etablissements Peugeot Frères, signed the final agreements concerning the share and rights issues announced last 19 February.

The ceremony was attended by Xi Jinping, President of the People's Republic of Chine and François Hollande, President of France.

Capitalising on the success of their cooperation initiated more than 20 years ago, PSA Peugeot Citroën and DFG today opened a new phase with the signature of the final agreement concerning their strategic manufacturing and sales partnership.

This strategic partnership covers three aspects:

- increasing output at DPCA, the Wuhan-based joint venture created in China by DFG and PSA Peugeot Citroën, with the objective of producing and selling 1.5 million vehicles per year in 2020;
- creating a joint R&D centre in China, dedicated to the development of products and technologies for fast-growing markets, including China;
- creating a new joint venture to drive the sales of Peugeot, Citroën and Feng Shen (DPCA own brand)-branded vehicles in South-east Asia and possibly in other emerging markets.

Thanks to this partnership, PSA Peugeot Citroën and DFG estimate that they will each be able to generate around €400 million in manufacturing synergies a year in 2020.

(1) Subject to the completion of the €3 billion capital increase announced today.

ABOUT PSA PEUGEOT CITROËN

With its two world-renowned brands, Peugeot and Citroën, 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 CO2 emissions, with an average of 115.9 grams of CO2/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

ABOUT THE PSA PEUGEOT CITROËN CAPITAL INCREASE

As announced last 19 February, the agreements provide for the issue of new shares and rights to new shares in a total amount of €3 billion and the grant of share warrants without consideration to existing Peugeot SA shareholders, under the following terms and conditions:

- *a restricted share issue, in an amount of €1,048 million, would be taken up equally by DFG and the French State on the basis of €7.50 per share;*
- *a rights issue, in an amount of around €1,950 million and open to all Peugeot SA shareholders, including DFG and the French State, would be underwritten by a broad banking syndicate for the portion not taken up by DFG, the French State and FFP/EPF;*
- *prior to these issues, warrants would be granted without consideration to existing Peugeot SA shareholders (i.e. excluding DFG and the French State) on the basis of one warrant for every share held, with ten warrants giving the right to purchase three new shares. These warrants would expire in three years, with the possibility of exercise from the second year at the same price as the shares issued under the offer restricted to DFG and the French State, e.g. €7.50 per share.*

Through these issues, DFG and the French State are expected to invest €800 million each in Peugeot SA, giving them a 14% stake in the Company, the same as the Peugeot family group.

The restricted share issues and the grant of warrants without consideration will be described in a prospectus filed with French securities regulator AMF before the Annual Meeting of Peugeot SA shareholders called for 24 April 2014. The rights issue will be described in a prospectus filed after the Annual Meeting.

A share issue restricted to employees will also be carried out in 2014, in order to give them a greater stake in their Group's recovery.

These transactions are subject to obtaining the related regulatory authorisations in France and China, as well as to the approval of Peugeot SA shareholders at the Annual Meeting.

IMPORTANT INFORMATION

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PROFIT FORECASTS OR ESTIMATES

The Group has not made any profit forecasts or estimates. Group outlook is presented in Chapter 12.

14

MANAGEMENT AND SUPERVISORY BODIES

Since 1972, Peugeot S.A. has had a two-tier management structure comprising a Managing Board, responsible for strategic and operational management, and a Supervisory Board, responsible for oversight and control. This separation is especially effective in addressing the concern for a balance of power between the executive and oversight functions, as reflected in the principles of good corporate governance.

The procedures of the Managing Board and Supervisory Board are presented in Chapter 16 of this Registration Document.

14.1. > INFORMATION ABOUT THE MANAGEMENT AND SUPERVISORY BODIES

The table below summarises the changes occurring within the Managing Board and Supervisory Board in 2013 and up to the date of this Registration Document.

Date of effect	Change occurring
12 February 2013	Mr Louis Gallois co-opted as an independent director to the Supervisory Board. Appointment of Mr Marc Friedel as non-voting advisor (censeur).
2 April 2013	Appointment of a new Managing Board: Messrs Philippe Varin (Chairman), Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier and Jean-Christophe Quémard.
23 April 2013	Resignation of Messrs Ernest-Antoine Seillière and Joseph F. Toot Jr from their positions on the Supervisory Board.
24 April 2013 (AGM)	Appointment by the General Meeting of shareholders of Ms Patricia Barbizet, Mr Jean-François Kondratiuk (employee representatives) and Ms Anne Valleron (employee shareholder representative) as Members of the Supervisory Board.Ratification of the appointment of Mr Louis Gallois.
1 January 2014	Mr Carlos Tavares appointed to the Managing Board.
31 March 2014	Appointment of Mr Carlos Tavares as Chairman of the Managing Board.

For information on the new governance structure that will be put in place following capital increase transactions, see section 22 of the Registration Document.

14.1.1. THE SUPERVISORY BOARD

INFORMATION ABOUT MEMBERS OF THE SUPERVISORY BOARD

The table below summarises the main information about members of the Supervisory Board.

Members of the Supervisory Board	Title	Age	Date of first appointment	Committee Member	Term of office expiry date	Number of shares held	Classified as independent in accordance with the criteria set by the Group
Thierry Peugeot	Chairman	56	19/12/2002	CNRG	2016 AGM	1,450	
Jean-Philippe Peugeot	Vice-Chairman	60	16 /05/2001	CNRG CS	2017 AGM	232	
Jean-Louis Silvant	Vice-Chairman	76	24/05/2006	CNRG CS	2016 AGM	1,742	√*
Patricia Barbizet	Member	59	24/04/2013	CFA	2017 AGM	500	√
Louis Gallois	Member	70	12/02/2013	CNRG CS	2014 AGM	100	√
Pamela Knapp	Member	56	31/05/2011	CFA	2017 AGM	1,000	√
Jean-François Kondratiuk	Member (representing employees)	64	24/04/2013		2015 AGM	190 FCPE shares	
Jean-Paul Parayre	Member	76	11/12/1984	CFA CS	2017 AGM	126,228	√*
Robert Peugeot	Member	64	06/02/2007	CS CFA	2017 AGM	150	
Thierry Pilenko	Member	56	25/04/2012	CFA	2016 AGM	2,000	√
Henri Philippe Reichstul	Member	65	23/05/2007	CS	2017 AGM	25	√
Dominique Reiniche	Member	58	25/04/2012	CNRG CS	2016 AGM	100	√
Marie-Hélène Roncoroni	Member	53	02/06/1999	CFA	2017 AGM	230	
Geoffroy Roux de Bézieux	Member	51	23/05/2007	CNRG	2017 AGM	1,000	√
Anne Valleron	Member (representing employee shareholders)	60	24/04/2013		2017 AGM	200 1,660 FCPE shares	

Scope:
CNRG: Appointments, Remuneration and Governance Committee.
CS: Strategy Committee.
CFA: Finance and Audit Committee.
AGM: Annual Shareholders' Meeting
* *The terms of office of Mr Silvant and Mr Parayre do not meet one of the independence criteria set by the AFEP-MEDEF Corporate Governance Code. Please refer to Chapter 16 of the Registration Document for information on the independence of members of the Supervisory Board.*

Advisors to the Supervisory Board

Marc Friedel		65	12/02/2013		2017 AGM	230	
Roland Peugeot		88	16/05/2001		2017 AGM	15,204	
François Michelin		87	25/07/2006		2016 AGM	150	√

INFORMATION ABOUT THE SUPERVISORY BOARD MEMBERS

Exercised terms of office in 2013

Thierry Peugeot

First elected to the Supervisory Board: 19 December 2002

Expiry and length of current term: 2016 (6 years)

French

Born on 19 August 1957

Business address:
PSA Peugeot Citroën
75, avenue de la Grande-Armée
75016 Paris
France

Chairman of the Supervisory Board of PEUGEOT S.A.
Member of the Appointments, Remuneration and Governance Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Director of Faurecia	√	√
Vice-Chairman and Chief Operating Officer of ÉTABLISSEMENTS PEUGEOT FRÈRES		
Director of FFP	√	
Director of COMPAGNIE INDUSTRIELLE DE DELLE – CID*		
Director of AIR LIQUIDE	√	
Director of SAPAR		
Permanent representative of CID on the Board of Directors of LISI*	√	
Vice-Chairman and member of the Supervisory Board of GEFCO		
Manager of SCI du Doubs		

* *Term of office exercised in an equity holding of FFP (via FFP INVEST).*

Former functions and directorships expired during the year ended and in the past five years:
- Director of LA FRANÇAISE DE PARTICIPATIONS FINANCIÈRES – LFPF.

Relevant expertise and professional experience:
A graduate of ESSEC Business School, Mr Thierry Peugeot began his career at Groupe Marrel as Export Manager for the Middle East and English-speaking Africa, then as Director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën as head of the Southeast Asia region for Automobiles Peugeot. Subsequently, he served as Chief Executive Officer of Peugeot do Brasil and then of SLICA in Lyon. In 2000, he was appointed to head Key International Accounts for Automobiles Citroën, after which he was named Vice President of the Replacement Parts unit for the Citroën brand and a member of the Group's Vice-Presidents Committee. He was appointed Chairman of the Supervisory Board of Peugeot S.A. in December 2002.

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,450 shares.

Jean-Philippe Peugeot

First elected to the Supervisory Board: 16 May 2001

Expiry and length of current term: 2017 (4 years)

French

Born on 7 May 1953

Business address:

Établissements Peugeot Frères
75, avenue de la Grande-Armée
75016 Paris
France

Vice-Chairman of the Supervisory Board of PEUGEOT S.A.
Member of the Appointments, Remuneration and Governance Committee
Member of the Strategy Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Chairman and Chief Executive Officer of ÉTABLISSEMENTS PEUGEOT FRÈRES		
Vice-Chairman and Director of FFP	√	
Member of the Supervisory Board of IMMOBILIÈRE DASSAULT*	√	
Manager of MAILLOT I		
Chairman of OLDSCOOL		

* *Term of office exercised in an equity holding of FFP (via FFP INVEST).*

Former functions and directorships expired during the year ended and in the past five years:
- Member of the Supervisory Board of LINEDATA SERVICES
- Director of LA FRANÇAISE DE PARTICIPATIONS FINANCIÈRES – LFPF
- Director of IMMEUBLES ET PARTICIPATIONS DE L'EST
- Director of SIMANTE SL.

Relevant expertise and professional experience:
Mr Jean-Philippe Peugeot is a graduate of ISG Business School. He has spent his entire career with Automobiles Peugeot. In particular, he managed an Automobiles Peugeot subsidiary for eight years and Peugeot Parc Alliance for four years.

Number of Peugeot S.A. shares owned as at 31 December 2013: 232 shares.

Jean-Louis Silvant

First elected to the Supervisory Board: 24 May 2006

Expiry and length of current term: 2016 (4 years)

French

Born on 7 February 1938
Business address:
La Martinerie
35, rue de la Fontaine
37370 Neuvy-le-Roi
France

Vice-Chairman of the Supervisory Board of PEUGEOT S.A.
Member of the Appointments, Remuneration and Governance Committee
Member of the Strategy Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Manager of SILVANT-INVEST		
Director of PEUGEOT SUISSE		√

Former functions and directorships expired during the year ended and in the past five years:
- Chairman of CLOSERIE DES TILLEULS
- Director of RESIDEAL SANTÉ

Relevant expertise and professional experience:
A graduate of the École Nationale Supérieure des Arts et Métiers, Mr Jean-Louis Silvant joined PSA Peugeot Citroën Group in 1961. He held a large number of executive positions, particularly in production, human resources and research and development, before serving as senior executive Vice-President of PEUGEOT S.A. from 1992 to 1998. He was a member of the PSA Peugeot Citroën Executive Committee from 1998 to 2002.

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,742 shares.

Patricia Barbizet

First elected to the Supervisory Board: 24 April 2013

Expiry and length of current term: 2017 (4 years)

French

Born on 17 April 1955
Business address:
Artémis
12, rue François-Ier
75008 Paris
France

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Finance and Audit Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
CEO and Director of ARTEMIS*		
Vice-Chairman of the Board of Directors and Director of KERING*	√	
Chairman of the Board of Directors of CHRISTIE'S INTERNATIONAL Plc		
Director of GROUPE FNAC SA	√	
Director of TOTAL	√	
Permanent representative of ARTEMIS on the Board of Directors of AGEFI*		
Permanent representative of ARTEMIS on the Board of Directors of SEBDO LE POINT*		
Director of SOCIÉTÉ NOUVELLE DU THÉÂTRE MARIGNY*		
Non-executive Board member of KERING HOLLAND N.V.*		
Member of the Supervisory Board of YVES SAINT LAURENT SAS*		
Non-executive President and Member of the Supervisory Board of FINANCIÈRE PINAULT SCA		
Member of the Management Board of SC VIGNOBLE CHATEAU LATOUR*		

* *Terms of office exercised within the KERING Group or its majority shareholder FINANCIERE PINAULT/ARTEMIS.*

Other functions as at 31 December 2013:
Managing Director of PALAZZO GRASSI

Former functions and directorships expired during the year ended and in the past five years:
- Director of BOUYGUES (April 2013)
- Board Member of GUCCI GROUP N.V. (April 2013)
- Director of TF1 (April 2013)
- Director of FONDS STRATÉGIQUE D'INVESTISSEMENTS (July 2013)
- Director of AIR FRANCE-KLM (Dec. 2013)
- Chairman of the Board of Directors and Director of PIASA
- Director of FNAC SA
- Chief Operating Officer of SOCIÉTÉ NOUVELLE DU THÉÂTRE MARIGNY
- Non-Executive Director of TAWA PLC

Relevant expertise and professional experience:
A graduate of ÉSCP business school, Ms Patricia Barbizet started her career with the Renault Group as treasurer of RENAULT VÉHICULES INDUSTRIELS, and then Financial Director of RENAULT CREDIT INTERNATIONAL. She joined the Pinault Group in 1989 as Financial Director. In 1992, she became Chief Executive Officer of ARTEMIS, and then, in 2004, Chief Executive Officer of FINANCIÈRE PINAULT. She was Chairman of the Supervisory Board of the PPR Group up to May 2005, at which time she became Vice-Chairman of the Board of Directors of PPR (KERING). She is also a Director of TOTAL.

Number of Peugeot S.A. shares owned as at 31 December 2013: 500 shares.

Louis Gallois

First elected to the Supervisory Board: 12 February 2013

Expiry and length of current term: 2014 (co-opted for the remainder of the term of office of his predecessor)

French

Born on 26 January 1944

Business address:
General Commissioner for Investment (Commissaire Général à l'Investissement)
32 rue de Babylone
75007 Paris
France

Member of the Supervisory Board of PEUGEOT S.A. (co-opted on 12 February 2013)
Member of the Appointments, Remuneration and Governance Committee
Member of the Strategy Committee
Senior Independent Supervisory Board Member

Other terms of office as at 31 December 2013:	Listed company	Group company
Member of the Supervisory Board of MICHELIN*	√	

* *Term of office expired in February 2014.*

Other functions as at 31 December 2013:
General Commissioner for Investment (Commissaire Général à l'Investissement)
Member of the Board of Directors of École Centrale de Paris
President of Fédération Nationale des Associations d'Accueil et de Rénovation Sociale

Former functions and directorships expired during the year ended and in the past five years:
- Chief Executive Officer of EADS
- President of Fondation de la Cité des Sciences et des Technologies (Villette Entreprises)

Relevant expertise and professional experience:
A graduate of the HEC and the École Nationale d'Administration, Mr Louis Gallois began his career in the French Treasury Department and then became chief of staff for Jean-Pierre Chevènement at the Ministry of Research and Technology. After that, he was CEO of Industry at the Ministry of Industry and policy officer at the Ministry of the Economy, Finance and Privatisation before ultimately serving on Mr Chevènement's staff at the Ministry of Defence. After that, he was Chairman and Chief Executive Officer of SNECMA and later held the same offices at AEROSPATIALE. After his term as President of the SNCF from 1996 to 2006, he was one of the co-Chief Executive Officers of the EADS Group, then in 2007, became Chief Executive Officer until June 2012. He was also the Chief Executive Officer of Airbus from September 2006 to the end of August 2007

Number of Peugeot S.A. shares owned as at 31 December 2013: 100 shares.

Pamela Knapp

First elected to the Supervisory Board: 31 May 2011

Expiry and length of current term: 2017 (6 years)

German

Born on 8 March 1958

Business address:
GfK SE
Nordwestring 101
90419 Nuremberg
Germany

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Finance and Audit Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Member of the Management Board of GFK SE	√	
Director of COMPAGNIE DE SAINT GOBAIN	√	
Director of HKP AG		

Former functions and directorships expired during the year ended and in the past five years:
- Director of MONIER HOLDINGS SCA (February 2013)

Relevant expertise and professional experience:
Ms Pamela Knapp is a graduate of Harvard (Advanced Management Programme) and holds a Masters in Economics from the University of Berlin. She began her career at Deutsche Bank AG, then worked as an M&A consultant before taking on various management roles at Siemens AG, including Chief Financial Officer of the Power Transmission & Distribution division from 2004 to 2009. Since 2009, she has been Chief Financial Officer, and Director of Human Resources at GfK SE.

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,000 shares.

Jean-François Kondratiuk

First elected to the Supervisory Board: 24 April 2013

Expiry and length of current term: 2015 (2 years)

French

Born on 24 March 1950

Business address:
PEUGEOT CITROËN AUTOMOBILES S.A.
Poissy
45 rue J.P. Timbaud
78300 Poissy
France

Member of the Supervisory Board of PEUGEOT S.A.
Member representing employees

Functions exercised within the PSA Peugeot Citroën Group as at 31 December 2013:
Method technician in the Poissy assembly plant
Employee representative
Shop steward (Force Ouvrière) at the PCA Poissy plant
Employee representative on the Health, Safety and Working Conditions Committees (CHSCT)
Secretary to the European Works Council
Director of the Corporate Foundation of PSA PEUGEOT CITROËN

Former functions and directorships expired during the year ended and in the past five years: None

Relevant expertise and professional experience:
Mr Jean François Kondratiuk has a scientific baccalaureate and joined the Group in 1970, since when he has worked as a method technician in the planning department at the Poissy production plant (in charge of special studies). He spends a substantial part of his time on his duties as a staff and trade union representative.

Number of shares in the PSA Peugeot Citroën employees' fund held as at 31 December 2013: 190 shares.

Jean-Paul Parayre

First elected to the Supervisory Board: 11 December 1984

Expiry and length of current term: 2017 (6 years)

French

Born on 5 July 1937

Business address:
203 avenue de Molière
1050 Brussels
Belgium

Member of the Supervisory Board of PEUGEOT S.A.
Chairman of the Finance and Audit Committee
Member of the Strategy Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Director of SOCIÉTÉ FINANCIÈRE DU PLANIER		

Former functions and directorships expired during the year ended and in the past five years:

- Chairman of the Supervisory Board of VALLOUREC (May 2013)
- Director of BOLLORÉ (June 2013)
- B manager of STENA INTERNATIONAL SARL (Dec. 2013)
- Chairman of the Supervisory Board of STENA MARITIME (Dec. 2013)
- Director of SNEF

Relevant expertise and professional experience:
Mr Jean-Paul Parayre, a graduate of École Polytechnique with an engineering degree from Ponts et Chaussées, was successively Technical Advisor to Mr Jacques Chirac during the latter's service as Undersecretary for Social Affairs and to François-Xavier Ortoli, former Minister of the Economy and Finance and Minister of Industrial and Scientific Development. He then held executive positions in a number of manufacturing and service companies, including Chairman of the Managing Board of PSA Peugeot Citroën (1977-1984), Chief Executive Officer and later Chairman of the Managing Board of Dumez (1984-1990), Vice-Chairman and Chief Executive Officer of Lyonnaise des Eaux Dumez (1990-1992), Vice-Chief Executive Officer of Bolloré Group (1994-1999) and Chairman and Chief Executive Officer of Saga (1996-1999). He was also Chairman of the Supervisory Board of VALLOUREC from 2000 to 2013.

Number of Peugeot S.A. shares owned as at 31 December 2013: 126,228 shares.

Robert Peugeot

First elected to the Supervisory Board: 6 February 2007

Expiry and length of current term: 2017 (4 years)

French

Born on 25 April 1950

Business address:
FFP
75, avenue de la Grande-Armée
75016 Paris
France

Member of the Supervisory Board of PEUGEOT S.A.
Chairman of the Strategy Committee
Member of the Finance and Audit Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Chairman and Chief Executive Officer of FFP	√	
Member of the Supervisory Board of HERMÈS INTERNATIONAL	√	
Member of the Supervisory Board of IDI EMERGING MARKETS*		
Permanent representative of FFP INVEST on the Supervisory Board of ZODIAC AEROSPACE*	√	
Director of SOFINA	√	
Director of IMERYS	√	
Director of ÉTABLISSEMENTS PEUGEOT FRÈRES		
Director of HOLDING REINIER*		
Director of SANEF*		
Director of FAURECIA	√	√
Director of DKSH AG*	√	
Manager of Sarl CHP GESTION		
Manager of SC RODOM		
Permanent representative of FFP, Chairman of FFP INVEST*		
Permanent representative of FFP INVEST, Chairman of FINANCIÈRE GUIRAUD SAS*		

* *Term of office exercised in an equity holding of FFP (via FFP INVEST).*

Former functions and directorships expired during the year ended and in the past five years:

- Chairman and Chief Executive Officer of SIMANTE SL
- Director of LA FRANÇAISE DE PARTICIPATIONS FINANCIÈRES - LFPF
- Director of IMMEUBLES ET PARTICIPATIONS DE L'EST
- Director of ALPINE HOLDING
- Director of WRG - WASTE RECYCLING GROUP LIMITED
- Director of B-1998 SL
- Director of FCC CONSTRUCCION

Relevant expertise and professional experience:
After graduating from École Centrale de Paris and INSEAD, Mr Robert Peugeot held various executive positions within the PSA Peugeot Citroën Group. From 1998 to 2007, he was a member of the Group's Executive Committee and Vice President, Innovation and Quality. He has been Chairman and Chief Executive Officer of FFP since 2003.

Number of Peugeot S.A. shares owned as at 31 December 2013: 150 shares.

Thierry Pilenko

First elected to the Supervisory Board: 25 April 2012

Expiry and length of current term: 2016 (4 years)

French

Born on 17 July 1957

Business address:
Technip SA
89 av. de la Grande Armée
75116 Paris
France

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Finance and Audit Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Chairman and Chief Executive Officer of TECHNIP	√	
Director of HERCULES OFFSHORE	√	

Former functions and directorships expired during the year ended and in the past five years:
- Director of CGG VERITAS

Relevant expertise and professional experience:
A graduate of the Institut Français du Pétrole and the École Nationale Supérieure de Géologie de Nancy, Mr Thierry Pilenko spent 20 years of his career at SCHLUMBERGER Group, where he was appointed Chief Executive Officer of SCHLUMBERGER SEMA in 2001. He was then Chairman and Chief Executive Officer of Veritas DGC Group. He is currently Chairman and Chief Executive Officer of TECHNIP Group..

Number of Peugeot S.A. shares owned as at 31 December 2013: 2,000 shares.

Henri Philippe Reichstul

First elected to the Supervisory Board: 23 May 2007

Expiry and length of current term: 2017 (4 years)

Brazilian

Born on 12 April 1949

Business address:
Rua dos Pinheiros, 870
20° Andar - cjs. 201 -
CEP 05422-001 São Paolo SP
Brazil

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Strategy Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Director of GAFISA	√	
Director of SEMCO PARTNERS		
Director of FOSTER WHEELER	√	
Director of REPSOL YPF S.A.	√	

Former functions and directorships expired during the year ended and in the past five years:
- Chairman and Chief Executive Officer of BRENCO
- Director of ASHMORE ENERGY INTERNATIONALL

Relevant expertise and professional experience:
After earning an economics degree from the University of São Paulo and doing post-graduate work at Oxford University, Henri Philippe Reichstul began his career as a university professor of economics. He then went on to hold various civil servant positions in Brazil, before serving as Chairman and Director of a variety of companies, including PETROBRAS, of which he was Chairman from 1999-2001.

Number of Peugeot S.A. shares owned as at 31 December 2013: 25 shares.

Dominique Reiniche

First elected to the Supervisory Board: 25 April 2012

Expiry and length of current term: 2016 (4 years)

French

Born on 13 July 1955

Business address:
Coca-Cola Europe
27 rue Camille Desmoulins
92130 Issy-les-Moulineaux
France

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Appointments, Remuneration and Governance Committee
Member of the Strategy Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Chairman Europe of The COCA-COLA COMPANY	√	
Director of AXA	√	

Former functions and directorships expired during the year ended and in the past five years:
- Chairman of COCA-COLA ENTREPRISE
- Member of the Supervisory Board of AXA
- Member of the ING Direct Consultative Committee France

Relevant expertise and professional experience:
A graduate from the ESSEC Business School, Ms Dominique Reiniche is Chairman Europe of The Coca-Cola Company. In the Coca-Cola system (Company and Bottler), she led marketing and sales teams for over 20 years, before being appointed to the Executive Management of France and then Europe. Prior to this, she was Director of Marketing and Strategy with Kraft Jacobs Suchard. She began her career with Procter & Gamble. She was the highest ranked French woman in the Top 50 most influential international business women in 2012 (Fortune) and ranked among the ten most influential European women in 2011 (Financial Times). She is also a member of AXA's Board of Directors and its Compensation and Governance Committee. She has previously been the President of the UDA (Advertiser's Union) and member of the MEDEF's Executive Committee. At the European level, she sat on ECR Europe's Board of Directors (Industry-Supermarket Distributors Forum), is currently President of UNESDA and Vice-Chairman of the Board of Directors and Member of the Executive Committee of the Federation of the European Food and Drink Industry (FoodDrinkEurope).

Number of Peugeot S.A. shares owned as at 31 December 2013: 100 shares.

Marie-Hélène Roncoroni

First elected to the Supervisory Board: 2 June 1999

Expiry and length of current term: 2017 (6 years)

French

Born on 17 November 1960

Business address:
FFP
75, avenue de la Grande Armée
75016 Paris
France

Member of the Supervisory Board of PEUGEOT S.A.
Member of the Finance and Audit Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Vice-Chairman and Director of FFP	√	
Director of SAPAR		
Director of ÉTABLISSEMENTS PEUGEOT FRÈRES		
Director of ASSURANCES MUTUELLES DE FRANCE		
Permanent representative of SAPAR on the Board of Directors of IMMEUBLES DE FRANCHE-COMTÉ	√	

Other functions as at 31 December 2013:
Vice-Chairman and Director of the Corporate Foundation of PSA PEUGEOT CITROËN
Director of INSTITUT DIDEROT

Former functions and directorships expired during the year ended and in the past five years:
- Director of IMMEUBLES ET PARTICIPATIONS DE L'EST
- Director of SIMANTESL
- Permanent representative of IMMEUBLES DE FRANCHE-COMTÉ on the Board of Directors of SA COMTOISE DE PARTICIPATION
- Director of LA FRANÇAISE DE PARTICIPATIONS FINANCIÈRES – LFPF
- Permanent representative of SOCIÉTÉ ASSURANCES MUTUELLES DE FRANCE on the Board of Directors of AZUR – GMF MUTUELLES D'ASSURANCES ASSOCIÉES
- Member of the Supervisory Board of ONET

Relevant expertise and professional experience:
Ms Marie-Hélène Roncoroni, graduate of Institut d'Études Politiques in Paris, began her career in an international audit firm before holding positions in the finance and Industrial and Human Relations Departments within the Group.

Number of Peugeot S.A. shares owned as at 31 December 2013: 230 shares.

Geoffroy Roux de Bézieux

First elected to the Supervisory Board: 23 May 2007

Expiry and length of current term: 2017 (4 years)

French

Born on 31 May 1962

Business address:
Omea Telecom
12, rue Belgrand
92300 Levallois
France

Membre du Conseil de Surveillance de Peugeot S.A.
Chairman of the Appointments, Remuneration and Governance Committee

Other terms of office as at 31 December 2013:	Listed company	Group company
Chairman of OMEA TELECOM (VIRGIN MOBILE)		
Director of PARROT S.A.	√	
Chairman of FINANCOM		

Other functions as at 31 December 2013:
Vice-Chairman, Treasurer and member of the Board of MEDEF

Former functions and directorships expired during the year ended and in the past five years:
- Vice-Chairman of the Supervisory Board of SELOGER.COM
- Director of IMS – INTERNATIONAL METAL SERVICE

Relevant expertise and professional experience:
Mr Geoffroy Roux de Bézieux graduated from the ESSEC Business School and held various positions at L'ORÉAL from 1986 to 1996. He was the founding Chairman of THE PHONE HOUSE, France's leading independent mobile phone retailer. He later sold the company to the CARPHONE WAREHOUSE, which appointed him as Managing Director Europe (2000-2006) and then Chief Operating Officer (2003-2006). Since 2006 he has been the Founder-Chairman of OMEA TELECOM (VIRGIN MOBILE).

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,000 shares.

Anne Valleron

First elected to the Supervisory Board: 24 April 2013

Expiry and length of current term:

2017 (4 years)

French

Date of birth: 1 July 1953

Business address:
PSA Peugeot Citroën
La Garenne technical centre
92250 La Garenne-Colombes
France

Member of the Supervisory Board of PEUGEOT S.A.
Member representing employee shareholders

Functions exercised within the PSA Peugeot Citroën Group as at 31 December 2013:
Special advisor to the Research and Development Department (DRD)
Chairman of the Supervisory Board of the PSA Peugeot Citroën employees' savings fund (FCPE)
Trade union representative (CFE-CGC) at the La Garenne plant
Central trade union representative (CFE-CGC) for Peugeot Citroën Automobiles

Other functions exercised as at 31 December 2013:
Vice-Chairman and Director of CETIM (Centre d'Études des Techniques et Industries Mécaniques)
Advisor to the Economic and Social Council of the greater Paris region
Vice-Chairman, Management Section, of Nanterre Employment Tribunal

Former functions and directorships expired during the year ended and in the past five years: None

Relevant expertise and professional experience:
A graduate of École Centrale de Lyon, Ms Anne Valleron began her career in 1976 in Automobiles Citroën. After working in research and development for diesel engines, she was promoted Head of Department for the development of petrol XU engines and then project leader for EW powertrains. She currently works in project management in the Research and Development Department.

Number of Peugeot S.A. shares owned as at 31 December 2013: 200 shares.

Number of shares in the PSA Peugeot Citroën employees' fund held as at 31 December 2013: 1,660 shares.

Marc Friedel First elected as non-voting advisor to the Supervisory Board: 12 February 2013 Expiry and length of current term: 2017 (4 years) French Born on 21 July 1948 Business address: 266, rue Marcadet 75018 Paris France	**Advisor to the Supervisory Board** **Other functions as at 31 December 2013:** Director of the Corporate Foundation PSA PEUGEOT CITROËN Director of the Institut de l'Ecole Normale Supérieure Director of Entraide Saint-Jean Vice-Chairman of Association protestante française de Beyrouth Director of Présence protestante française au Liban Member of the UCJG/YMCA Committee Paris Director of UCJF/WMCA **Former functions and directorships expired during the year ended and in the past five years:** > Member of the Supervisory Board of PEUGEOT S.A. **Relevant expertise and professional experience:** Mr Marc Friedel, a graduate of École Normale Supérieure "agrégé de l'Université" and Institut d'Études Politiques in Paris, spent most of his career at Berger-Levrault, a NYSE Euronext Paris-listed company where he was Chairman from 1989 to 1999. **Number of Peugeot S.A. shares owned as at 31 December 2013: 230 shares.**
Roland Peugeot First elected as advisor to the Supervisory Board: 16 May 2001 Expiry and length of current term: 2017 (4 years) French Né le 20 mars 1926 Born on 20 March 1926 Établissements Peugeot Frères 75, avenue de la Grande-Armée 75016 Paris France	**Advisor to the Supervisory Board**

Other functions as at 31 December 2013:	Listed company	Group company
Honory Chairman of ETABLISSEMENTS PEUGEOT FRÈRES		
Honory Chairman of FOOTBALL CLUB SOCHAUX MONTBELIARD - FCSM		√

Former functions and directorships expired during the year ended and in the past five years:
- Director of ÉTABLISSEMENTS PEUGEOT FRÈRES
- Permanent representative of ÉTABLISSEMENTS PEUGEOT FRÈRES on the Board of Directors of LA FRANÇAISE DE PARTICIPATIONS FINANCIÈRES - LFPF

Relevant expertise and professional experience:
Mr Roland Peugeot, a Harvard University graduate, has held several positions as Chairman in the PSA Peugeot Citroën Group. In particular he served as Chairman of the Supervisory Board from 1972 to 1998. He was also a member of the Board of Directors of Automobiles Peugeot from 1982 to 1996.

Number of Peugeot S.A. shares owned as at 31 December 2013: 15,204 shares.

François Michelin First elected as advisor to the Supervisory Board: 25 July 2006 Expiry and length of current term: 2016 (4 years) French Born on 15 June 1926 Business address: Pardevi 23, place des Carmes Déchaux 63040 Clermont-Ferrand France	**Advisor to the Supervisory Board** **Former function and directorship expired during the year ended and in the past five years** > Vice-Chairman of ANSA > Chairman of PARTICIPATION ET DÉVELOPPEMENT INDUSTRIELS S.A. - PARDEVI > Managing General Partner of COMPAGNIE FINANCIÈRE MICHELIN (Switzerland) **Relevant expertise and professional experience:** Mr François Michelin, who holds a mathematics degree from the Faculté de Sciences de Paris, became co-Managing General Partner of CGEM in 1955, then sole Managing General Partner in 1959. Under Mr François Michelin's leadership, Michelin rose from the world's tenth largest tyre manufacturer to one of the top three. **Number of Peugeot S.A. shares owned as at 31 December 2013: 150 shares.**

MEMBERS WHO LEFT THE SUPERVISORY BOARD IN 2013

Ernest-Antoine Seillière

First elected to the Supervisory Board: 22 June 1994

French

Born on 20 December 1937

Up to 23 April 2013:
Member of the Supervisory Board of PEUGEOT S.A.
Member of the Appointments and Governance Committee
Member of the Compensation Committee
Member of the Strategy Committee

Other terms of office as at 23 April 2013:	Listed company	Group company
Honorary chairman of the Supervisory Board of WENDEL	√	
Member of the Supervisory Board of HERMES INTERNATIONAL S.A.	√	
Director of BUREAU VERITAS	√	
Director of WENDEL-PARTICIPATIONS		

Former functions and directorships expired on this date and in the past five years:
- Chairman of the Supervisory Board of WENDEL (March 2013)
- Director of SOFISAMC
- Chairman and Chief Executive Officer of SOCIÉTÉ LORRAINE DE PARTICIPATIONS SIDÉRURGIQUES - SLPS
- Chairman of the Supervisory Board of ORANJE - NASSAU GROEP B.V.
- Member of the Supervisory Board of EDITIS HOLDING
- Member of the Supervisory Board of GRAS-SAVOYE
- Director of LEGRAND

Relevant expertise and professional experience:
Mr Ernest-Antoine Seillière is a graduate of Institut d'Études Politiques in Paris and École Nationale d'Administration with research experience from Harvard's Center for International Affairs and a French law degree. A former Foreign Affairs Advisor and Technical Advisor to several French Ministers, he joined Wendel in 1976, serving notably as Chief Executive Officer and Director (1978-1987), Chairman and Chief Executive Officer of CGIP (1987-2002), and Executive Vice President and Chairman of Marine-Wendel (1992-2002). Following the merger of the two companies, he became Chairman and Chief Executive Office of Wendel Investissement, and then Chairman of the Supervisory Board from 2005 to 2013. Chairman of MEDEF from 1997 to 2005, he was then Chairman of Businesseurope from 2005 to 2009.

Number of Peugeot S.A. shares owned as at 23 April 2013: 600 shares

Joseph F. Toot Jr

First elected to the Supervisory Board: 24 May 2000

American

Born on 13 June 1935

Up to 23 April 2013:
Member of the Supervisory Board of PEUGEOT S.A.
Member of the Compensation Committee

Former functions and directorships expired on this date and in the past five years:
- Director of ROCKWELL AUTOMATION, INC.
- Director of ROCKWELL COLLINS
- Director of THE TIMKEN COMPANY

Relevant expertise and professional experience:
Mr Joseph F. Toot Jr holds a Bachelor of Arts degree from Princeton University and an MBA from Harvard Business School. He has served as Chief Executive Officer and President of the Timken Company, Director of Rockwell Automation Inc., Independent Director of Timken Company and Director of Rockwell Collins.

Number of Peugeot S.A. shares owned as at 23 April 2013: 150 shares.

14.1.2. THE MANAGING BOARD AND GROUP EXECUTIVE COMMITTEE

MANAGING BOARD

Managing Board members are appointed by the Supervisory Board for four-year terms. They may be removed from office by the Supervisory Board pursuant to the Company's bylaws, or by shareholders in a General Meeting, in accordance with French company law.

Changes in the Composition of the Managing Board in 2013:

The Managing Board included Messrs Philippe Varin (Chairman), Jean-Baptiste Chasseloup de Chatillon (Executive Vice President, Finance), Guillaume Faury (Executive Vice President), Frédéric Saint-Geours (Executive Vice-President, Brands), Grégoire Olivier (Executive Vice President, Asia) and Jean-Christophe Quémard (Executive Vice President, Programmes).

A leaner Managing Board was introduced from 2 April 2013 comprising Messrs Philippe Varin (Chairman), Jean-Baptiste Chasseloup de Chatillon (Executive Vice President, Finance), Grégoire Olivier (Executive Vice President, Asia) and Jean-Christophe Quémard (Executive Vice President, Programmes).

Mr Carlos Tavares has been a member of the Managing Board since 1 January 2014. He is responsible for Group operations since 20 February 2014 and is Chairman of the Managing Board since 31 March 2014.

Since 1st April 2014, Philippe Varin has been carrying out a temporary role within the Group, providing assistance on the implementation of the agreements concluded with the French State and Dongfeng Motor Group.

GROUP EXECUTIVE COMMITTEE

The executive management of the PSA Peugeot Citroën is the responsibility of the Executive Committee.

Detailed information regarding composition of the Executive Committee is given in section 7.1.2. of this Registration Document.

DISCLOSURES REGARDING MEMBERS OF THE MANAGING BOARD

Exercised terms of office in 2013

Philippe Varin

First elected to the Managing Board: 1 June 2009

French

Date of birth: 08 August 1952

Business address:
PSA Peugeot Citroën
75, avenue de la Grande-Armée
75016 Paris
France

Chairman of the Managing Board of PEUGEOT S.A. until 31 March 2014

Other terms of office as at 31 December 2013	Listed company	Group company
Director of BANQUE PSA FINANCE		√
Director of FAURECIA	√	√
Chairman of the Board of Directors of PEUGEOT CITROËN AUTOMOBILES S.A.		√
Director of PCMA HOLDING B.V.		√
Director of COMPAGNIE DE SAINT GOBAIN	√	

Other functions as at 31 December 2013:
Chairman of the Board of Directors of The City on the Move Institute PSA Peugeot Citroën
Chairman of the Board of Directors of the Corporate Foundation of PSA Peugeot Citroën
Permanent representative of PEUGEOT SA on the Board of Directors of the Fonds de Dotation Peugeot pour la Mémoire de l'Histoire Industrielle

Former functions and directorships expired during the year ended and in the past five years:
- Non-executive Director of BG GROUP PLC (Feb. 2013)
- Chairman of the Board of Directors of GEFCO SA
- Director of TATA STEEL EUROPE LIMITED
- Director of TATA STEEL LIMITED
- Director of TATA STEEL UK LIMITED

Relevant expertise and professional experience:
Philippe Varin, a graduate of École Polytechnique with an engineering degree from École des Mines de Paris, held a number of different executive positions with the Pechiney Group before being appointed as President of the Rhenalu division in 1995. In 1999, he became senior executive President, Aluminium and a member of the Executive Committee. In 2003, he was named Chief Executive Officer of the Anglo-Dutch steel group Corus, which he left in April 2009 to join PEUGEOT S.A.

Number of Peugeot S.A. shares owned as at 31 December 2013: 76,400 shares.

Jean-Baptiste Chasseloup de Chatillon

First elected to the Managing Board: 13 March 2012

Current term expires: 2017

French

Born on 19 March 1965

Business address:
PSA Peugeot Citroën
75, avenue de la Grande-Armée
75016 Paris
France

Member of the Managing Board of PEUGEOT S.A.
Chief Financial Officer, PSA Peugeot Citroën

Other functions as at at 31 December 2013:	Listed company	Group company
Chairman of the Board of Directors of BANQUE PSA FINANCE		√
Director of AUTOMOBILES CITROËN		√
Permanent representative of PEUGEOT S.A. on the Board of Directors of AUTOMOBILES PEUGEOT		√
Director of FAURECIA	√	√
Vice-Chairman and Managing Director of PSA INTERNATIONAL S.A.		√
Director of DONGFENG PEUGEOT CITROËN AUTOMOBILE COMPANY LTD		√
Member of the Supervisory Board of GEFCO SA		
Director of CHANGAN PSA AUTOMOBILES CO. LTD		

Former functions and directorships expired during the year ended and in the past five years:
- Director of PEUGEOT CITROËN AUTOMOBILE SA (June 2013)
- Director of PCMA HOLDING B.V. (July 2013)
- Chairman of the Supervisory Board of PEUGEOT FINANCE INTERNATIONAL NV (Dec. 2013)
- Permanent representative of Citroën Belux on the Board of Directors of PSA FINANCE BELUX.
- Director of GEFCO
- Permanent representative of CCFA on the Board of Directors of AUTO MOTO CYCLE PROMOTION

Relevant expertise and professional experience:
A graduate of Université Paris Dauphine and the University of Lancaster (UK), Mr Jean-Baptiste Chasseloup de Chatillon is currently Chief Financial Officer of PSA Peugeot Citroën Group and a member of the Managing Board. He previously held management positions within the Group before being appointed as the Group's Management Control Director in 2007.

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,000 shares.

Grégoire Olivier

First elected to the Managing Board: 6 February 2007

Current term expires 2017

French

Born on 19 October 1960

Business address:

SA Peugeot Citroën
3rd Floor, Building 2, 1528,
Gunei Road, Shanghai Cahoejing
Hi-Tech Park 200 233
Shanghai
China

Member of the Managing Board of PEUGEOT S.A.
Executive Vice-President, Asia

Other terms of office as at 31 December 2013	Listed company	Group company
Vice-Chairman of CHANGAN PSA AUTOMOBILES CO LTD		√
Chairman of PEUGEOT CITROËN (CHINA) AUTOMOTIVE TRADE CO.		√
Vice-Chairman of DONGFENG PEUGEOT CITROËN AUTOMOBILE COMPANY LTD		√

Former functions and directorships expired during the year ended and in the past five years:
- Member of the Supervisory Board of WENDEL
- Director of PEUGEOT CITROËN AUTOMOBILES S.A.
- Permanent representative of PEUGEOT S.A. on the Board of Directors of AUTOMOBILES PEUGEOT
- Permanent representative of PEUGEOT S.A. on the Board of Directors of AUTOMOBILES CITROËN

Relevant expertise and professional experience:
Mr Grégoire Olivier, a graduate of École Polytechnique, holds an engineering degree from École des Mines de Paris and an MBA from the University of Chicago. After holding various positions, in particular at Pechiney and Alcatel, he was appointed Chairman of the Managing Board of Sagem in 2001. He was appointed Chairman and Chief Executive Officer of Faurecia in 2006 and then joined PSA Peugeot Citroën Group in 2007 as Executive Vice President of the Automobile Programmes and Strategy Department and member of the Managing Board. He is currently Vice President, Asia.

Number of Peugeot S.A. shares owned as at 31 December 2013: 4,500 shares.

Jean-Christophe Quémard

First elected to the Managing Board: 13 March 2012

Current term expires 2017

French

Born on 30 September 1960

Business address:
PSA Peugeot Citroën
Centre technique Vélizy A
Route de Gisy
78140 Vélizy-Villacoublay
France

Member of the Managing Board of PEUGEOT S.A.
Group Programme Director, PSA Peugeot Citroën Group

Other terms of office as at 31 December 2013	Listed company	Group company
Director of DONGFENG PEUGEOT CITROËN AUTOMOBILES COMPANY Ltd		√
Director of PCMA HOLDING B.V.		√
Chairman of the Board of Directors of GM PSA PURCHASING		√
Director of IFPEN		

Former functions and directorships expired during the year ended and in the past five years:
- Administrateur de BMW PEUGEOT CITROËN ÉLECTRIFICATION

Director of BMW PEUGEOT CITROËN ELECTRIFICATION
A graduate of the École des Mines in Saint-Étienne and the École du Pétrole et des Moteurs, Mr Jean-Christophe Quémard came to PSA Peugeot Citroën in 1986. He held various positions, including Director of the Vehicle Platforms and Technology Department. He was appointed as a member of an expanded Management Committee and as Head of Purchasing in 2008 and became a member of the Senior Management Committee in 2009. In September 2010, he was appointed Executive Vice President. He is also a Director of IFP Energies Nouvelles in his capacity as a qualified person.

Number of Peugeot S.A. shares owned as at 31 December 2013: 920 shares.

Appointed since 1 january 2014

Carlos Tavares

First appointed to the Managing Board: 1 January 2014

Current term expires: 2017

Portuguese

Date of birth: 14 August 1958

Business address:
PSA Peugeot Citroën
75, avenue de la Grande-Armée
75016 Paris
France

Chairman of the Managing Board of PEUGEOT S.A. since 31 March 2014
Member of the Managing Board of PEUGEOT S.A. until 31 March 2014

Other terms of office as at 31 December 2013: None

Former functions and directorships expired during the year ended and in the past five years:
- Chief Operating Officer of Renault and member of the Managing Board of the Renault-Nissan Alliance (August 2013)
- Director of Cedep
- Director of Renault Nissan BV
- Director of Avtovaz
- Chairman of the Strategic Planning Committee of Alpine-Caterham
- Chairman of the Management Committee of Nissan Americas
- Executive Vice-President, Planning, Nissan Motor Company

Relevant expertise and professional experience:
A graduate of Ecole Centrale de Paris, Carlos Tavares held various executive positions within the Renault Group between 1981 and 2004 before joining the Nissan Group. After heading up operations for Nissan in the Americas, he was appointed Chief Operating Officer for the Renault Group in 2011, a position he held until 2013. On 1 January 2014, he joined the Managing Board of Peugeot S.A. He has been responsible for the Group's operations since 20 February 2014. He has served as Chairman of the Managing Board since 31 March 2014.

Number of Peugeot S.A. shares owned as at 1 January 2014: 0 shares.

Terms of office expired in 2013

Guillaume Faury

First elected to the Managing Board: 17 June 2009

French

Born on 22 February 1968

Until 2 April 2013 Member of the Managing Board of PEUGEOT S.A.
Executive Vice-President, Research and Development, PSA Peugeot Citroën

Other terms of office as at 2 April 2013	Listed company	Group company
Chief Executive Officer of PEUGEOT CITROËN AUTOMOBILES S.A.		√
Chairman of the Board of Directors of PEUGEOT CITROËN AUTOMOVEIS PORTUGAL S.A.		√
Director of PEUGEOT CITROËN AUTOMOVILES ESPAÑA S.A.		√
Director of CHANGAN PSA AUTOMOBILES CO. LTD		√

Former functions and directorships expired during the year ended and in the past five years:
- Director of APSYS (EADS Group)
- Director of I.A.E
- Director of I.F.P.E.N.
- Director of EUROCOPTER DEUTSCHLAND GmbH
- Member of the Supervisory Board of EUROCOPTER DEUTSCHLAND GmbH.

Relevant expertise and professional experience:
Guillaume Faury graduated from École Polytechnique and École Nationale Supérieure de l'Aéronautique et de l'Espace and holds a post-graduate degree in Business Administration. He held various managerial positions at Eurocopter, serving on the Executive Committee and as Director of Marketing Programmes from 2006 to 2008. He joined PSA Peugeot Citroën in 2009 and a member of the Managing Board, and appointed Executive Vice President from June 2009 to March 2013, Research and Development.

Number of Peugeot S.A. shares owned as at 31 December 2013: 1,600 shares.

Frédéric Saint-Geours

First term of office on the Managing Board: from 1 July 1998 to 1 January 2008

New term of office on the Managing Board from 17 June 2009

French

Born on 20 April 1950

Until 2 April 2013 Member of the Managing Board of PEUGEOT S.A.
Executive Vice President, brands, PSA Peugeot Citroën Group

Other terms of office as at 2 April 2013	Listed company	Group company
Chairman of the Board of Directors of BANQUE PSA FINANCE		√
Chairman of the Board of Directors of AUTOMOBILES PEUGEOT		√
Chairman of the Board of Directors of AUTOMOBILES CITROËN		√
Vice-Chairman of DONGFENG PEUGEOT CITROËN AUTOMOBILES COMPANY Ltd		√
Director of CASINO GUICHARD-PERRACHON	√	

Other functions as at 2 April 2013:
Chairman of Union des Industries et Métiers de la Métallurgie (UIMM)

Former functions and directorships expired during the year ended and in the past five years:
- Chief Executive Officer of AUTOMOBILES PEUGEOT
- Permanent representative of PEUGEOT S.A. on the Board of Directors of AUTOMOBILES PEUGEOT
- Chief Executive Officer of BANQUE PSA FINANCE
- Permanent representative of AUTOMOBILES PEUGEOT on the Board of Directors of BANQUE PSA FINANCE
- Director of CHANGAN PSA AUTOMOBILES CO. LTD
- Director of FAURECIA
- Director of GEFCO
- Permanent representative of AUTOMOBILES PEUGEOT on the Board of Directors of GEFCO
- Director of PCMA HOLDING B.V.
- Director of PEUGEOT CITROËN AUTOMOBILES S.A.
- Member of the Supervisory Board of PEUGEOT DEUTSCHLAND GmbH
- Director of PEUGEOT ESPAÑA S.A.
- Chairman of the Supervisory Board of PEUGEOT FINANCE INTERNATIONAL NV
- Vice-Chairman and Managing Director of PSA INTERNATIONAL S.A.

Relevant expertise and professional experience:
Mr Frédéric Saint-Geours is a graduate of Institut d'Études Politiques in Paris and École Nationale d'Administration, and holds a degree in Economics. He joined PSA Peugeot Citroën in 1986, holding various positions, including Chief Financial Officer and Executive Vice-President of the Peugeot brand. He was appointed to the Managing Board and named Executive Vice President, Finance and Strategic Development in June 2009 and Executive Vice President, Brands from January 2012 to March 2013.

Number of Peugeot S.A. shares owned as at 2 April 2013: 2,370 shares.

14.2. > DISCLOSURES ON THE SITUATION OF MEMBERS OF THE SUPERVISORY BOARD AND MANAGING BOARD

MEMBERSHIP STRUCTURE OF THE SUPERVISORY BOARD AND FAMILY RELATIONSHIPS

At 31 December 2013, the Supervisory Board comprised four family members who represent the Peugeot family group: Messrs Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot and Marie-Hélène Roncoroni. Marc Friedel is non-voting advisor. Marie-Hélène Roncoroni, Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot and Marc Friedel are second cousins. Marie-Hélène Roncoroni and Thierry Peugeot are brother and sister. There are no family ties among the other Supervisory Board or Managing Board members.

For further information about the members of the Supervisory Board, please refer to Chapter 16.

CONFLICTS OF INTEREST CONCERNING SUPERVISORY BOARD OR MANAGING BOARD MEMBERS

The corporate officers have declared that no conflict of interest occurred during fiscal 2013 between their obligations to Peugeot S.A. and their personal interests or other obligations, and that none existed at the date of this registration document.

No loans or guarantees have been granted to or on behalf of any members of the Supervisory Board or Managing Board by the Company or any Group entities.

No assets required for the operation of the business are owned by any members of the Supervisory Board or Managing Board or their families.

The Master Agreement signed on 26 March 2014 by Dongfeng Motor Group Company Limited, the French State, the Peugeot family group companies, Etablissement Peugeot Frères and FFP, and the Company (see section 22 of the Registration Document) specifies rules to prevent conflicts of interest in the internal rules of the Supervisory Board as restructured after the completion of the transactions provided for under the Master Agreement.

DISCLOSURES REGARDING MEMBERS OF THE SUPERVISORY BOARD AND MANAGING BOARD

All corporate officers have declared, as they do every year, that none of them has:

- been convicted of any fraudulent offence in the last five years;
- been a corporate officer of a company that has been declared bankrupt, or placed in liquidation or receivership in the last five years;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities;
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.

14.3. > TRADING IN THE COMPANY'S SHARES BY MANAGEMENT AND THOSE RELATED TO THEM

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-22 of the AMF General Regulations, the following transactions were declared in 2013 on the securities of the Company by the senior management and the persons closely related to them:

Date of transaction	Name and position	Type of transaction	Shares involved	Unit price	Amount of the transaction
14/02/2013	Guillaume Faury Member of the Managing Board	Acquisition	Shares	€6,432	€10,291.20

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MANAGEMENT COMPENSATION

15.1. > MANAGING BOARD COMPENSATION

BASE SALARY AND INCENTIVE BONUS

COMPENSATION POLICY

The compensation paid to each Managing Board member is determined by the Supervisory Board after reviewing the recommendations of the Appointments, Remuneration and Governance Committee.

It consists of a fixed component and a variable component.

On the recommendation of this committee, the Supervisory Board determines the quantitative and qualitative objectives for the coming year at the start of the year. Targets for the Managing Board as a whole and individual objectives are assigned to them. The Board weights the distribution of these different objectives for each new year.

The amount of the incentive bonus is set at the start of the following year based on how well each member met his or her predefined objectives.

At the end of the year, the Supervisory Board examines to what extent each member of the Managing Board has reached his or her objectives and from this determines the incentive bonus for each one.

The achievement level for each of the objectives is calculated based on accounting data or information provided by external organisations. The required achievement levels are determined precisely, in relation to the corresponding budget items. Information concerning any payment of an incentive bonus is disclosed in the Registration Document.

All information regarding actual or potential compensation to members of the Managing Board is made available on the Group's website immediately after the meeting of the Supervisory Board deciding upon them.

This policy was implemented in accordance with the relevant recommendations of the AFEP-MEDEF Code.

2013 COMPENSATION

- Base salary: for 2013, the annual base salary for the Chairman of the Managing Board, unchanged since 2009, was €1,300,000. The base salaries set for Managing Board members, unchanged since 2009, were €618,000. Mr Grégoire Olivier, a Managing Board member who is based in China, also received a distance allowance corresponding to half of his base salary on an annualised basis. 2013 compensation is shown in table 2 below.
- Incentive bonus: as in 2012 and 2011, the members of the Managing Board waived the incentive bonus due to them for 2013.
- As previously reported, the Chairman of the Managing Board is entitled to an incentive bonus representing up to 150% of his annual base salary. Of the total, 20% represents a discretionary bonus that may be awarded by the Supervisory Board based on its assessment of the Chairman's performance in heading the Group and the remaining 130% may be awarded on the basis of the achievement of clearly defined objectives. For the other Managing Board members, the incentive bonus represents up to 110% of their annual base salary, of which up to 10% represents a discretionary bonus that may be awarded by the Supervisory Board based on its assessment of their performance and 100% may be awarded on the basis of the achievement of clearly defined objectives. In other words, apart from the discretionary bonus, the incentive bonus is paid only when certain performance targets are met.

The members of the Managing Board were assigned both shared and personal objectives.

- The portion of the incentive bonus corresponding to shared objectives represented 90% of base salary for the Chairman of the Managing Board and 75% for its other members. Said objectives related to the following quantitative criteria:
  - the first relates to the reduction in net debt of the Group's manufacturing and sales companies (representing 63% for the Chairman of the Managing Board, 52.5% for other Managing Board members);
  - the second relates to employee safety (representing 9% for the Chairman of the Managing Board, 7.5% for other Managing Board members);
  - the third relates to product and service quality (representing 18% for the Chairman of the Managing Board, 15% for other Managing Board members).

  The required achievement levels were determined precisely, in relation to the corresponding budget items.
- The portion of the incentive bonus corresponding to personal objectives represented a maximum of 40% of base salary for the Chairman of the Managing Board and 25% for the other Managing Board members.
- These personal objectives – related to each member's individual executive responsibilities – included for 2013:
  - quantitative objectives such as financial and sales performance by region and profitability objectives of programmes;
  - qualitative objectives, such as implementing a new organisation and enhancing the Group's external image.

  Targets (in terms of operating profit, market share, volumes, etc.) were associated with most of these criteria, but are not made public for confidentiality reasons.

2014 COMPENSATION

For 2014, the base salaries of the Chairman and other members of the Managing Board will remain unchanged.

The maximum variable portion of the compensation of the Chairman of the Managing Board will be maintained at 150% of his base salary, and that of the other Board members at 110%.

As in 2013, variable compensation is based on the degree of success in achieving objectives, which for Managing Board members include both shared and individual objectives. Shared objectives relate to the following criteria: Group recurring operating income (excluding Faurecia), staff safety, quality of service and products, and vehicle failure rates. In particular, individual objectives relate to free cash flow from operations and the level of control of capital expenditure.

Furthermore, as reported previously, pursuant to the agreement signed with the French State as to the latter's guarantee of bonds issued by Banque PSA Finance, any variable portion of salary offered to members of the Managing Board would need prior authorisation by the State so long as the guarantee is in place.

Compensation of Mr Carlos Tavares

At its meeting on 25 November 2013, the Supervisory Board, upon the recommendation of the Appointments, Remuneration and Governance Committee, approved the compensation package of Mr Carlos Tavares.

Until 31 March 2014, the annual base salary of Mr Carlos Tavares, as a member of the Managing Board, was set at €618,000. His incentive bonus may have represented up to 110% of his base salary.

Since 31 March 2014, his annual base salary as Chairman of the Managing Board amounts to €1,300,000 gross and his incentive bonus may represent up to 150% of his base salary.

Mr Carlos Tavares is eligible for the supplementary pension plan granted to the members of the Managing Board and key executives of Peugeot S.A. as applicable from 1 January 2014 (see below). No stock options or performance shares will be granted to Mr Carlos Tavares under the performance conditions for 2014. Mr Carlos Tavares is not entitled to a special payment upon taking up office, or any non-competition indemnity or any severance payment, when he ceases to be a member.

PENSION BENEFITS UNDER AN INSURED PLAN

In 2002, the Group set up a "top-hat" defined benefit person plan for senior Group executives with insurance company Axa France Vie in order to provide a further retirement plan in addition to the mandatory and collective agreement-based plans. Participants in this plan, including the members of the Managing Board and employees (other than corporate officers), are individuals who have held executive management positions according to the applicable terms and conditions set out in the plan.

New regulations for this supplementary pension plan took effect on 1 January 2014, entirely superseding the regulations previously in force.

Under the terms of these new regulations, beneficiaries will be allocated additional pension benefits amounting to 1% of their reference salary per year of employment in the Group, a percentage that is raised to 3.5% for each year of adherence to the plan (excluding years where certain Company performance criteria were not met, in which case the percentage is reduced to 2.5%). In any event, the additional pension benefit generated by the plan may not exceed 30% of the reference salary, defined as the average base salary over the last three years of employment, plus a percentage equal to the average of the ratios of bonuses to fixed salary over the last eight years of employment.

To be entitled to this additional pension benefit, a member must have served as a senior executive of the Group (as defined in the plan) for at least eight years (or for the five years immediately preceding their retirement) and end his or her career with the Group. This additional pension scheme complies with the applicable recommendations of the AFEP-MEDEF Code. Table 10 below shows the commitments made in respect of each member of the Managing Board, under this supplementary pension plan. Total compensation for the members of the Managing Board was determined by taking into consideration the benefit that this supplemental pension scheme represents.

SHAREHOLDERS' OPINION ON THE COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Information regarding compensation packages of the Managing Board members, which will be submitted to the Shareholders' Meeting of 25 April 2014 pursuant to the recommendations of the AFEP-MEDEF Corporate Governance Code applicable to listed companies (paragraph 24.3), is presented in Chapter 21.4.

EMPLOYMENT CONTRACT

No member of the Managing Board is a salaried employee of the Group. At its meeting on 12 March 2013, the Supervisory Board confirmed the suspension of the employment contracts of Messrs Jean-Baptiste de Chatillon, Grégoire Olivier and Jean-Christophe Quémard. This suspension was justified by their considerable length of service as employees. Mr Carlos Tavares does not hold an employment contract.

STOCK OPTIONS/PERFORMANCE SHARE GRANTS

None of the members of the Managing Board was granted any stock options or performance shares in 2013.

Pursuant to the undertakings given by the Group in connection with the support granted by the French government in the form of guarantees for certain market issues of debt securities to be carried out by Banque PSA Finance, any grant to members of the Managing Board would be subject to the prior approval of French government so long as the guarantee is in place.

The Managing Board members who have benefited of stock options attribution plans since 2007 are subject to lock-up rules [(1)] and are prohibited from using hedging instruments.

To the best of the Company's knowledge, none of these options have been covered by a hedging instrument. The Stock Market Code of Ethics bans corporate officers from entering into any hedging transactions on the Company's shares, including shares receivable on exercise of stock options.

Details of stock option plans in effect at 31 December 2013 is presented in Note 11 to the Peugeot S.A. financial statements in Chapter 20, below. Table 5 below (paragraph 15.3) shows that no options were exercised by Managing Board members during 2013.

OTHER BENEFITS

The only benefit in kind provided to Managing Board members is a company car.

No other commitments have been given to past or present Managing Board members concerning any other benefits to be paid when they cease to be a member. Details of the different types of compensation, commitments and benefits granted to Managing Board members in respect of their office in 2013 are presented in tables 1, 2 and 10 below.

15.2. > SUPERVISORY BOARD COMPENSATION

Supervisory Board members and advisors are paid annual attendance fees up to an aggregate amount determined in advance by the Annual Shareholders' Meeting. Pursuant to the decision of Peugeot S.A.'s Annual Shareholders' Meeting of 31 May 2011, this amount has been set at €1,000,000 until further notice.

In 2013, €40,000 was allocated to each member of the Supervisory Board and €20,000 to each advisor. The members of the Supervisory Board Committees were paid an additional €15,000, with the Chairmen of the Strategy Committee and the Appointments, Remuneration and Governance Committee receiving an additional €20,000 and the Chairman of the Finance and Audit Committee €30,000.

Mrs Anne Valleron (representing employee shareholders) and Messrs Jean-François Kondratiuk (representing employees), Geoffroy Roux de Bezieux and Louis Gallois waived their attendance fees for 2013.

The Chairman of the Supervisory Board received €425,000 in compensation for 2013, unchanged since 2002. Each Vice-Chairman of the Supervisory Board received €40,000.

No benefits in kind have been awarded to Supervisory Board members, with the exception of a company car provided for the Chairman. The Company reimburses the expenses incurred for the performance of their mission by the members of the Supervisory Board. Details of the different types of compensation, commitments and benefits granted to Supervisory Board members in respect of 2013 are presented in the tables in the present chapter below.

Moreover, Messrs Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot and Mrs Marie-Hélène Roncoroni also receive compensation for working or holding corporate offices in the companies of the familial group Peugeot. Details regarding the compensations paid by the company FFP are provided in the FFP Registration Document.

(1) Obligation to keep in registered form a portion of the shares obtained from the exercise of allocated stock options until the end of their term, which should be equivalent to 15% of the theoretical gross capital gain realisable.

15.3. > COMPENSATION AND BENEFITS

TABLE 1: COMPENSATION AND OPTIONS ALLOCATED TO EACH EXECUTIVE DIRECTORS

Mr Philippe VARIN **Chairman of the Managing Board**	**2012**	**2013**
Remuneration due for the financial year (details in Table 2)	1,302,172	1,302,904
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**1,302,172**	**1,302,904**

Mr Jean-Baptiste CHASSELOUP DE CHATILLON **Member of the Managing Board**	**2012**	**2013**
Remuneration due in respect of his term of office (details in Table 2)	498,013 (1)	620,904
Remuneration due in respect of his employment contract (details in Table 2)	90,118 (2)	
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**588,131**	

(1) Period from 13/03/2012 to 31/12/2012.
(2) Period from 01/01/2012 to 12/03/2012.

Mr Grégoire OLIVIER **Member of the Managing Board**	**2012**	**2013**
Remuneration due for the financial year (details in Table 2)	929,172	929,904
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**929,172**	**929,904**

Mr Jean-Christophe QUÉMARD **Member of the Managing Board**	**2012**	**2013**
Remuneration due in respect of his term of office (details in Table 2)	498,013 (1)	620,904
Remuneration due in respect of his employment contract (details in Table 2)	176,636 (2)	
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**674,649**	**620,904**

(1) Period from 13/03/2012 to 31/12/2012.
(2) Period from 01/01/2012 to 12/03/2012.

Mr Guillaume FAURY **Member of the Managing Board (up to 1 April 2013)**	**2012**	**2013** **01/01/2013 to 01/04/2013**
Remuneration due for the financial year (details in Table 2)	620,172	155,226
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**620,172**	**155,226**

Mr Frédéric SAINT-GEOURS Member of the Managing Board (up to 1 April 2013)	2012	2013 01/01/2013 to 01/04/2013
Remuneration due for the financial year (details in Table 2)	620,172	155,226
Value of options allocated during the financial year (details in Table 4)		
Value of performance shares granted during the year (details in Table 6)		
TOTAL	**620,172**	**155,226**

TABLE 2: COMPENSATION OF MEMBERS OF THE MANAGING BOARD

Mr Philippe VARIN Chairman of the Managing Board	Amounts for 2012		Amounts for 2013	
	Due	Paid in 2012	Due	Paid in 2013
Salary	1,300,000	1,300,000	1,300,000	1,300,000
Bonus				
Exceptional compensation				
Company car	2,172	2,172	2,904	2,904
TOTAL	**1,302,172**	**1,302,172**	**1,302,904**	**1,302,904**

Mr Jean-Baptiste CHASSELOUP DE CHATILLON Member of the Managing Board	Amounts in respect of 2012 for his term of office from 13/03/2012 to 31/12/2012		Amounts for 2012 Employment contract 01/01/2012 to 12/03/2012		Amounts for 2013	
	Due	Paid in 2012	Due	Paid in 2012	Due	Paid in 2013
Salary	496,273	496,273	38,409	38,409	618,000	618,000
Bonus				33,800		
Miscellaneous compensation(1)			51,277	51,277		
Company car	1,740	1,740	432	432	2,904	2,904
TOTAL	**498,013**	**498,013**	**90,118**	**123,918**	**620,904**	**620,904**

(1) Amount received in respect of the suspended employment contract, including paid leave compensation.

Mr Grégoire OLIVIER Member of the Managing Board	Amounts for 2012		Amounts for 2013	
	Due	Paid in 2012	Due	Paid in 2013
Salary	618,000	618,000	618,000	618,000
Bonus				
Exceptional compensation				
Distance allowance	309,000	309,000	309,000	309,000
Company car	2,172	2,172	2,904	2,904
TOTAL	**929,172**	**929,172**	**929,904**	**929,904**

Mr Jean-Christophe QUÉMARD Member of the Managing Board	Amounts in respect of 2012 for his term of office from 13/03/2012 to 31/12/2012		Amounts for 2012 Employment contract 01/01/2012 to 12/03 /2012		Amounts for 2013	
	Due	Paid in 2012	Due	Paid in 2012	Due	Paid in 2013
Salary	496,273	496,273	84,697	84,697	618,000	618,000
Bonus				63,000		
Miscellaneous compensation (1)			91,507	91,507		
Company car	1,740	1,740	432	432	2,904	2,904
TOTAL	**498,013**	**498,013**	**176,636**	**239,636**	**620,904**	**620,904**

(1) Amount received in respect of the suspended employment contract including paid leave compensation.

Mr Frédéric SAINT-GEOURS Member of the Managing Board (up to 1 April 2013)	Amounts for 2012		Amounts for 2013 01/01/2013 to 01/04/2013	
	Due	Paid in 2012	Due	Paid in 2013
Salary	618,000	618,000	154,500	154,500
Bonus				
Exceptional compensation				
Company car	2,172	2,172	726	726
TOTAL	**620,172**	**620,172**	**155,226**	**155,266**

Mr Guillaume FAURY Member of the Managing Board (up to 1 April 2013)	Amounts for 2012		Amounts for 2013 01/01/2013 to 01/04/2013	
	Due	Paid in 2012	Due	Paid in 2013
Salary		618,000	154,500	154,500
Bonus				
Exceptional compensation				
Company car		2,172	726	726
TOTAL		**620,172**	**155,226**	**155,266**

TABLE 3: ATTENDANCE FEES AND OTHER COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS

Non-executive Directors	Paid in 2012	Paid in 2013
Mr Thierry PEUGEOT, Chairman of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	50,000	32,500
Other compensation (as Chairman of the Supervisory Board)	425,000	425,000
Mr Jean-Philippe PEUGEOT, Vice-Chairman of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	50,000	40,000
Other compensation (as Vice-Chairman of the Supervisory Board)	40,000	40,000
Mr Jean-Louis SILVANT, Vice-Chairman of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	45,000	37,500
Other compensation (as Vice-Chairman of the Supervisory Board)	40,000	40,000
Ms Patricia BARBIZET, member of the Supervisory Board		
Attendance fees		20,000
Attendance fees for members of Board Committees		7,500
Ms Pamela KNAPP, member of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	15,000	15,000
Mr Jean-Paul PARAYRE, member of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	45,000	45,000
Mr Robert PEUGEOT, member of the Supervisory Board*		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	50,000	42,500
Mr Thierry PILENKO, member of the Supervisory Board		
Attendance fees	26,667	40,000
Attendance fees for members of Board Committees	7,500	15,000
Mr Henri Philippe REICHSTUL, member of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	15,000	15,000
Ms Dominique REINICHE, member of the Supervisory Board		
Attendance fees	26,667	40,000
Attendance fees for members of Board Committees	7,500	22,500
Ms Marie-Hélène RONCORONI, member of the Supervisory Board		
Attendance fees	40,000	40,000
Attendance fees for members of Board Committees	15,000	15,000

* *Robert Peugeot also received €26,000 for 2012 and €26,400 for 2013 as attendance fees as Director of Faurecia, a Group company.*

Non-executive Directors	Paid in 2012	Paid in 2013
Mr Geoffroy ROUX de BÉZIEUX, member of the Supervisory Board		
Attendance fees	40,000	0
Attendance fees for members of Board Committees	30,000	0
Mr Ernest-Antoine SEILLIÈRE, member of the Supervisory Board up to 23 April 2013		
Attendance fees	40,000	20,000
Attendance fees for members of Board Committees	45,000	22,500
Mr Joseph F. TOOT, member of the Supervisory Board up to 23 April 2013		
Attendance fees	40,000	20,000
Attendance fees for members of Board Committees	15,000	7,500
Mr Marc FRIEDEL		
Member of the Supervisory Board up to 12 February 2013		
Attendance fees	40,000	20,000
Attendance fees for members of Board Committees	15,000	7,500
Advisor since 12 February 2013		
Attendance fees	0	10,000
Mr François MICHELIN, Advisor		
Attendance fees	20,000	20,000
Mr Roland PEUGEOT, Advisor		
Attendance fees	20,000	20,000
TOTAL	**1,483,334**	**1,360,000**

For Ms Valleron, Mr Kondratiuk et Mr Gallois, see explanations under point 15.2 above.

TABLE 4: STOCK OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE DIRECTORS

Name	Number and date of plan	Type of option (purchase or subscription)	Value based on the method used in the consolidated financial statements	Number of options granted during the year	Exercise Price	Exercise period
NONE						

TABLE 5: STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE DIRECTOR

No options were exercised by corporate officers in 2013.

TABLE 6: PERFORMANCE SHARES GRANTED TO EXECUTIVE DIRECTORS

None.

TABLE 7: PERFORMANCE SHARES VESTING DURING THE YEAR FOR EACH EXECUTIVE DIRECTORS

None.

TABLE 8: RECORD OF GRANTED OPTIONS TO PURCHASE NEW OR EXISTING SHARES

Managing Board meeting date	24/08/2004	23/08/2005	23/08/2006	22/08/2007	20/08/2008
Total number of shares	1,159,040	1,100,050	1,131,145	1,311,825	1,536,250
of which number available for option or purchase by:					
Mr Grégoire OLIVIER				70,200	70,200
Mr Jean-Baptiste CHASSELOUP DE CHATILLON				4,680	7,020
Mr Jean-Christophe QUÉMARD				4,680	35,100
Start date for exercising options	24/08/2007	23/08/2008	23/08/2009	22/08/2010	20/08/2011
Last exercise date	24/08/2012	23/08/2013	23/08/2014	22/08/2015	20/08/2016
Exercise price	40.68	44.76	35.16	51.65	28.27
Exercise terms (applicable to plans comprising several tranches)	N/A	N/A	N/A	N/A	N/A
Number of shares issued on exercise of options as at 31/12/2013	12,000	10,000	15,000	0	0
Number of options cancelled, expired or forfeited	1,147,040	1,080,050	121,645	282,810	300,730
Number of options outstanding at year-end	0	0	994,500	1,029,015	1,235,520

TABLE 9: STOCK OPTIONS GRANTED TO/EXERCISED BY THE TEN EMPLOYEES NON-CORPORATE OFFICER WHO RECEIVED THE HIGHEST NUMBER OF OPTIONS

	Total number of options granted/shares subscribed or purchased	Exercise Price
Options granted during the year by the Company and any company included in the plan to the ten employees (other than corporate officers) of these companies to whom the most options were granted	0	
Options granted by the Company and any companies included in the plan and exercised during the year by the ten employees (other than corporate officers) of these companies having exercised the most options	0	

TABLE 10: COMMITMENTS CONCERNING MEMBERS OF THE MANAGING BOARD

	Employment contract		Supplementary pension plan		Compensation or benefits due or that may be due on termination or change in position		No-compete indemnity		Commitments under the PBO Executive pension plan at 31 Dec. 2012	
Executive Directors	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Mr Philippe Varin Chairman of the Managing Board since 01/06/2009		√	√			√		√	√	
Mr Grégoire Olivier Executive Vice-President, Asia since 16/02/2007	√ (1)		√			√		√	√	
Mr Jean-Baptiste Chasseloup de Chatillon Chief Financial Officer since 13/03/2013	√ (1)		√			√		√	√	
Mr Jean-Christophe Quémard Executive Vice-President, Programmes since 13/03/2013	√ (1)		√			√		√	√	

(1) Suspended employment contract at the time of their nomination.

As far as the Managing Board members are concerned, the total amount of commitments towards the executive retirement plan as at 31 December 2013 represents €16 million (versus €70 million for 2012). This fall is mainly due to tougher vesting terms and their favourable impact on payroll taxes and charges. In accordance with Note 25 to the Peugeot S.A. Financial Statements on p. 415, it should be remembered that these commitments correspond to the actual value of benefits for service rendered calculated using standard actuarial estimates and on the basis of the provisions of the plan resulting from the new regulations which came into effect on 1 January 2014. They also take account of the employer's contribution of 30% provided for in Article L. 137-11 of the French Social Security Code and of related payroll taxes. These amounts are therefore not likely to be paid out to the persons concerned, as payment of a retirement benefit under this plan would be subject to long-service and attendance conditions set out in p. 197 of the Registration Document.

For example, if the calculation was made on the basis of their reference salary at end-2013, the annual benefit paid out under this plan would represent some 14% of the reference salary for Philippe Varin, 29% for Jean-Baptiste de Chatillon, 24.5% for Grégoire Olivier and 30% for Jean-Christophe Quémard.

Philippe Varin indicated on 27 November 2013 that he had decided to waive the provisions of his entitlements as governed by the pension plan regulations in force as at 1 January 2008 and that he would leave it up to the Supervisory Board to determine the appropriate conditions for his retirement in due course and after consultation with the AFEP-MEDEF High Committee on Corporate Governance. The Supervisory Board will deliberate on the matter in 2014.

16

BOARD PRACTICES

16.1. > DIRECTORSHIPS AND SIMILAR OFFICES HELD BY MEMBERS OF THE MANAGING BOARD AND SUPERVISORY BOARD

Please refer to section 14.1 above.

16.2. > SERVICE CONTRACTS PROVIDING FOR BENEFITS

None of the members of the Supervisory Board or Managing Board have service contracts with Peugeot S.A. or any of its subsidiaries, providing for benefits upon termination of employment.

16.3. > SUPERVISORY BOARD COMMITTEES

Please refer to section 16.5.1 below.

16.4. > COMPLIANCE WITH BEST CORPORATE GOVERNANCE PRACTICES

At its 16 December 2008 meeting, the Supervisory Board decided to adopt the AFEP-MEDEF Corporate Governance Code, as applicable to French joint-stock companies with a Managing Board and Supervisory Board. Further details on the Company's application of this Code are provided in the report of the Chairman of the Supervisory Board on Board membership and gender balance, preparation and organisation of Supervisory Board meetings, and internal control and risk management.

Please refer to section 16.5.1 below.

16.5. > OTHER SIGNIFICANT CORPORATE GOVERNANCE PRACTICES AND INTERNAL CONTROL PROCESSES AND PROCEDURES

The Group's internal controls are implemented based on its operational organisation as well as its legal structure. The applicable internal control processes are described in the report of the Chairman of the Supervisory Board.

For information on the new governance structure that will be put in place following capital increase transactions, see section 22 of this Registration Document.

16.5.1. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE COMPOSITION OF THE BOARD AND GENDER BALANCE, THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD, AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The report of the Chairman of the Supervisory Board has been approved by the Supervisory Board at its meeting on 18 February 2014.

1. CORPORATE GOVERNANCE

1.1. Composition of the Supervisory Board

The Supervisory Board has fifteen members elected by shareholders' general rating for a term of office which has been reduced to four years for appointments made since the 25 April 2012 (terms of office in progress on that date run for six years), to comply with the AFEP-MEDEF Code.

Employee representatives

Members include one employee representative, Jean-François Kondratiuk, who was appointed in 2013 to fulfil the aim of the Supervisory Boards to involve employees more closely in defining the corporate strategy. The clause in the Articles of association introducing this representation restricted this member's term of office to two years, in order to avoid any conflict with the French Employment Protection Act, passed in June 2013. This approach will be extended by proposing to the Annual Shareholders' Meeting on 25 April 2014 that the Articles of association be changed in order to establish the arrangements for employee representation defined in the new legislative provisions (See Chapter 21.4 of this Registration document).

Since April 2013, a representative of employee shareholders has also sat on the Supervisory Board.

Vice-Chairmen

The Board has two Vice-Chairmen who may exercise the powers of the Chairman of the Board should he be unable or fail to do so.

Advisors

The Board's meetings are also attended by three non-voting advisors. This is a long-standing Group practice enabling the Board to benefit from their expertise and experience in the automotive industry. They are seasoned professionals and offer a long-term perspective on the Group's strategic objectives. Non-voting advisors are appointed by the Supervisory Board for a four-year term.

Senior Independent Supervisory Board Member

The Supervisory Board co-opted Louis Gallois as lead independent Director on February 2013 by agreement between the French government and the Group as part of the support granted by the French government in the form of guarantees for certain market issues of debt securities to be carried out by Banque PSA Finance.

The fact that Louis Gallois is the General Commissioner for Investment (Commissaire Général à l'Investissement), does not affect his independence insofar as his duties have nothing to do with the guarantee granted by the French government on Banque PSA Finance's bond issues. It should be remembered that currently, the Group is not eligible for state aid, which may be granted by the Commissioner for Investment.

As an independent member, Louis Gallois chairs the State guarantee monitoring committee, which was instituted at the inception of the guarantee. This committee comprises a total of five members. Two persons appointed by the concerned ministers represent the French government in the Monitoring Committee. The Chairman of the Supervisory Board's Finance and Audit Committee and the Chief Financial Officer complete the Monitoring Committee.

Mr Gallois' assignements as Senior Independent Member are:

- call and chair meetings of the independent members of the Supervisory Board at least once a year;
- offer the Chairman of the Supervisory Board suggestions and recommendations concerning the Board's practices after consulting with the other Board members;
- inform the Chairman of the Board of any conflicts of interest he may have identified;
- take note of the significant governance concerns of shareholders not represented on the Supervisory Board and ensure that they are addressed;
- to oversee the assessment of the Board's performance, in coordination with the Chairman of the Appointments, Remuneration and Governance Committee;
- report on the performance of his duties to the Supervisory Board and, where applicable, to the Annual Shareholders' Meeting.

Mr Gallois organised several meetings with independent members of the Supervisory Board during 2013.

In accordance with the law, meetings of the Supervisory Board are also attended by two non-voting members of the Peugeot S.A. Works Council.

1.1.1. INDEPENDENCE OF BOARD MEMBERS

As required by the AFEP-MEDEF Code, the Supervisory Board assesses the independence of its members every year. Following preparatory work by the Appointments, Remuneration and Governance Committee, the Board reviewed the position of each of its members with regard to the Group's independence criteria at its meeting on 18 February 2014.

The Supervisory Board has nine members qualified as independent based on the criteria applied by the Group. Members of the Supervisory Board belonging to the Peugeot family (Marie-Hélène Roncoroni, Thierry Peugeot, Jean-Philippe Peugeot and Robert Peugeot), the employee representative (Jean-François Kondratiuk) and the member representing the shareholder employees (Anne Valleron) cannot be considered as being independent.

Members of the Supervisory Board	Independent according to the Company's criteria	Independent according to the AFEP-MEDEF Code
Thierry Peugeot		
Jean-Philippe Peugeot		
Jean-Louis Silvant	√	
Patricia Barbizet	√	√
Louis Gallois	√	√
Pamela Knapp	√	√
Jean-François Kondratiuk		
Jean-Paul Parayre	√	
Robert Peugeot		
Thierry Pilenko	√	√
Henri Philippe Reichstul	√	√
Dominique Reiniche	√	√
Marie-Hélène Roncoroni		
Geoffroy Roux de Bézieux	√	√
Anne Valleron		
TOTAL	**9**	**7**
Percentage of total assets	69.2%*	53.84%*

* *Members of the Board representing employees or employee shareholders are not included in the calculation of percentages in accordance with the AFEP-MEDEF Code.*

The AFEP-MEDEF recommendation on the proportion of independent members is thus followed, whether the criteria used are those adopted by the Company or those of the AFEP-MEDEF Code.

The Company uses the independence criteria defined in the AFEP-MEDEF Code. However, the Group does not follow certain AFEP-MEDEF criteria for the following members:

- the limiting of successive terms to 12 years, in respect of Jean-Paul Parayre: The Group believes that his successive terms amounting to more than twelve years do not interfere with his independence and enable the Group to benefit from, and build on, his extensive experience of cyclical industries, particularly in times of crisis;
- the restriction on having held a directorship or equivalent position in another Group company within the past five years, in respect of Jean-Louis Silvant: Holding a directorship of another Group company (Peugeot Suisse) does not, given the nature of his office, involve any risk of the conflicts of interest that the independence rules are designed to avoid.

When nominating candidates for election or re-election, based on the recommendations of the Appointments, Remuneration and Governance Committee, the Board seeks to refresh its membership and enhance its independence, as well as to ensure a smooth rotation of its members by staggering their terms of office.

Please refer to Chapter 14.2 of the Registration Document for further developments about the Supervisory Board's composition (performed terms, statements on conflicted interest, familial links...).

1.1.2. GENDER BALANCE

There are five women and ten men on the Supervisory Board.

The Annual Shareholders' Meeting appointed Pamela Knapp as a Board member in 2011, followed by Dominique Reiniche in 2012, and Patricia Barbizet and Anne Valleron in 2013. This brings the percentage of women on the Board to 33.33%, and thus satisfies both the legislation and the recommendations of the AFEP-MEDEF Code before their mandatory compliance dates.

The Board will continue to appoint women with a target of at least 40% female membership by the end of the Annual Shareholders' Meeting held in 2016, in accordance with the AFEP-MEDEF's recommendations concerning the representation of women on Boards of Directors.

The Appointments, Remuneration and Governance Committee will continue to pursue a selection process that enhances the Board's international representation and the diversity of its members' skills.

1.2. Preparation and organisation of the work of the Supervisory Board

1.2.1. THE SUPERVISORY BOARD'S ROLES, RESPONSIBILITIES AND OPERATING PROCEDURES

Internal Rules

The current version of the Supervisory Board's internal rules, which is dated 13 March 2012, defines the Board's roles and responsibilities as follows:

- the Supervisory Board appoints members of the Managing Board and can remove them from office. It determines their compensation packages;
- the Supervisory Board sets the amount of compensation for its Chairman and Vice-Chairman or Chairmen and determines the procedures for allocating attendance fees among its members;
- in accordance with the law, the Supervisory Board acts as the oversight body of the Company, which is administered and managed by the Managing Board.

  As such, it is therefore responsible for:
  - overseeing the Managing Board's management of the Company by performing any checks and controls it deems appropriate,
  - the periodic review of the Company's management (i) each quarter when the Managing Board presents it with the activity report and (ii) within three months of each year-end, when the Managing Board presents the parent company and consolidated financial statements and the Management Report for its opinion and comments, before they are presented to the Annual Shareholders' Meeting;

- the Supervisory Board ensures that the strategy proposed and applied by the Managing Board fits with the Group's long-term vision as defined by the Supervisory Board.

  The Board reviews the strategic plan and the various multi-year business plans, as well as the capital expenditure plan and the budget.

The internal rules stipulate that the Supervisory Board is required to authorise in advance the following actions by the Managing Board as provided for in Article 9 of the Company's bylaws:

- shareholder-approved capital increase (whether paid up in cash or by capitalizing retained earnings) and capital reductions;
- any and all issues of ordinary or convertible bonds;
- the drafting of any merger agreements or agreements for partial business transfer;
- the signature or termination of any manufacturing or sales agreements representing a future commitment for Peugeot S.A., with companies whose corporate purpose is similar or related to that of Peugeot S.A., and generally the execution of any major transaction which substantially alters the scope of the business or the balance sheet structure of the Company or the Group.

  The Supervisory Board must therefore authorise in advance any significant transaction outside the scope of the Group's published strategy.

The Managing Board may carry out the following actions only with the unanimous backing of all of its members or, failing that, with the prior authorisation of the Supervisory Board:

- the purchase, sale, exchange or transfer of any and all operating real estate and businesses in transactions representing an amount in excess of the ceiling set by the Supervisory Board (currently €50 million);
- the purchase, acquisition or sale of any equity interest in any and all existing or future enterprises directly or indirectly representing an immediate or future investment, expense, debt guarantee or seller's warranty involving an amount in excess of the ceiling set by the Supervisory Board (currently €50 million);
- the signature of loan agreements, other than for bond issues, for a period or an amount in excess of the limits set by the Supervisory Board (currently €100 million).

Lastly, guarantees given on behalf of subsidiaries are submitted for Supervisory Board approval when the amount exceeds a certain level. In 2013, such approval was required for individual guarantees exceeding €25 million, or when the cumulative amount of guarantees given during the year exceeded €125 million (excluding customs and tax bonds where there is no such limit). This remains unchanged in 2014.

The Supervisory Board's internal rules also set out the following:

- Supervisory Board information procedures, practices and guidelines.

  The Supervisory Board is, in particular, kept regularly updated by the Managing Board of the Company's financial position, its cash flow and its commitments.
- the minimum number of Board meetings that must be held per year (currently five), as well as the procedures to be applied when holding the meetings and preparing the agenda;
- the roles and responsibilities of Supervisory Board Committees;
- the procedures for assessing the Board's performance;
- the obligations of Board members, particularly the requirement to comply with the Stock Market Code of Ethics introduced in 2010, which has been signed by each member.

The internal rules of the Supervisory Board should be revised after the completion of the planned transactions with Dongfeng Motor Group Company Limited, the French State, the Peugeot family group companies, Etablissement Peugeot Frères and FFP, and the Company (for more information, see Chapter 22 of the Registration Document).

Stock Market Code of Ethics

The Stock Market Code of Ethics sets out the rules on dealings by Supervisory Board members, non-voting advisers and Managing Board members in securities issued by Peugeot S.A. and/or FFP, as well as Faurecia. The Code provides for preventive measures under which Board members can trade in these securities while complying with market integrity rules.

Since 2012, the Stock Market Code of Ethics has applied both to Board members and to members of the Executive Committee.

In particular, the people concerned by the Code are now prohibited from carrying out any hedging transactions on the Group's securities, including through the use of options.

Operating Procedures

In preparation for Supervisory Board meetings, Board members are sent the agenda at least two weeks before the date of each meeting, together with the draft minutes of the previous meeting.

In addition to these minutes, each member's information pack contains the presentations to be given for each agenda item, the minutes of the meetings of the Board Committees and, where the meeting involves examining a quarterly business review, the Report of the Managing Board. The pack also contains the updated agenda for the meetings of the Supervisory Board and the Board Committees, an update of the "blackout periods" during which Board members are prohibited from trading in the Company's securities (as specified in the Stock Market Code of Ethics), press articles that have been published about the Group since the last Board meeting, and any external financial analyses that have been released. The pack is sent to members at the end of the week preceding the planned meeting. An additional pack is sometimes provided during the meeting.

Members of the Managing Board attend Supervisory Board meetings for matters which concern them and the Statutory Auditors attend the meetings where the annual and interim financial statements are examined.

The agenda for each year's meetings is prepared in April of the preceding year. Ordinary Supervisory Board meetings are generally preceded by meetings of the Finance and Audit Committee.

Ordinary meetings of the Supervisory Board last at least four hours, and may be longer, depending on the agenda. Moreover, the Chairman of the Board may call special meetings where necessary.

Assessment of the Board's Performance

The Supervisory Board's internal rules require the Board "to perform a regular self-assessment of its operating and control procedures".

The annual assessment of the performance of the Supervisory Board and its Committees was carried out in February 2013 by an external firm (Spencer Stuart).

The Appointments and Governance Committee set up an *ad hoc* working group which, on the basis of the assessment, made recommendations aimed at improving the Company's governance:

- reduce the number of Board Committees by merging the Compensation Committee and the Appointments and Governance Committee;
- open the Strategy Committee to any Board member who wishes to participate;
- implement a policy to gradually reduce the number of Board members to 12 by 2015, including employee representatives. Examples of the action taken in 2013 following the assessment are the merger of the Compensation and Appointments and Governance Committees to form the Appointments, Remuneration and Governance Committee; and the appointment of an independent Board member as Chairman of this Committee on 30 July 2013.

1.2.2. SUPERVISORY BOARD MEETINGS IN 2013

The Supervisory Board met twelve times in 2013, compared with thirteen times in 2012. The average attendance rate was 91%.

Key activities in 2013 were monitoring the action plans to redress the Group's financial position, reviewing the strategic objectives and negotiating the new social contract.

The meetings considered the following items, among others:

7 February:

- review of the adjustment to the carrying amount of assets in the Automotive Division and the related financial communication (views of the Statutory Auditors followed by discussion);

12 February:

- co-opting of Mr Gallois as a member of the Supervisory Board and appointment of Mr Friedel as an advisor;
- presentation of the Consolidated and Company Financial Statements for Peugeot S.A. for 2012 and the financial position at the end of 2012 by the Executive Vice President, Finance (views of the Statutory Auditors);
- review of the financial communication relating to the consolidated and parent company financial statements;
- update on the objectives for reducing costs, selling assets and controlling stock;
- presentation on the Group's strategic objectives;
- quarterly Report of the Managing Board;
- authorisation for a bond issue under the Euro Medium Term Notes (EMTN) programme;
- authorisation to guarantee loans taken out by a subsidiary;
- approval of the report of the Chairman of the Supervisory Board;
- approval of the planned objectives for employee representation on the Supervisory Board;
- presentation by the Managing Board of documents and management planning reports;
- review of the independence of Board members;
- Management Report of the Managing Board, Registration Document.

12 March:

- preparation for the Annual Shareholders' Meeting on 24 April 2013;
- approval of the report of the Supervisory Board to the Annual Shareholders' Meeting;
- Report of the Managing Board;
- appointment of a new Managing Board and allocation of duties;
- results of the assessment of the Supervisory Board's performance.

23 April:

- Report of the Managing Board;
- publication of quarterly revenues;
- authorisation to sell real-estate assets and provide guarantees;
- authorisation to guarantee commitments entered into by subsidiaries;
- approval of the Group's strategic objectives and authorisation to start discussions on strategy;
- implementation of the Appointments, Remuneration and Governance Committee, created from the merger of the Compensation and the Appointments and Governance Committees.

25 June:

- update on the implementation of the agreements signed with General Motors;
- update on the progress of the strategy discussions;
- presentation on financial objectives by the Managing Board;
- update on negotiations for the new social contract.

30 July:

- quarterly Report of the Managing Board;
- results and accounts for the first half of 2013, quarterly financial report and related communication (views of the Statutory Auditors);
- update on ongoing strategic discussions;
- authorisation of a bond issue under the EMTN programme together with a partial buyback of existing issues;
- authorisation to give guarantees for loans subscribed by subsidiaries;
- appointment of Geoffroy Roux de Bézieux as Chairman of the Appointments, Remuneration and Governance Committee.

9 September:

- update on the activity at the end of August 2013;
- update on the on-going strategy discussions.

22 October:

- publication of quarterly revenues;
- quarterly Report of the Managing Board;
- update on the on-going strategy discussions;
- presentation of documents and management planning reports;
- report on implementing the alliance with General Motors;
- authorisation to guarantee commitments entered into by subsidiaries.

18 November:

- update on the on-going strategy discussions;
- update on the implementation of the agreements signed with General Motors.

25 November:

- appointment of Carlos Tavares to the Managing Board with a view to succeed to Philippe Varin.

10 December:

- financial communication on asset impairment in the Automotive Division;
- update on ongoing strategic discussions.

17 December:

- 2014 budget, medium-term plan;
- renewal of the annual authorisation to give sureties, endorsements and guarantees;
- review of the policy on gender equality and equal pay;
- update on the on-going strategy discussions.

A long-term strategy meeting attended by all members of the Board was also held on 4 June 2013.

1.2.3. SUPERVISORY BOARD COMMITTEES

The Supervisory Board draws on preparatory work performed by its three Committees:

- Finance and Audit Committee;
- Strategy Committee;
- Appointments, Remuneration and Governance Committee.

The role of these Committees is to prepare matters for discussion at Supervisory Board meetings. They issue proposals, recommendations and opinions on the areas falling within their terms of reference and submit them to the Supervisory Board at its meetings.

COMPOSITION OF THE COMMITTEES IN 2013

Committee	Chairman	Members	Independent according to the Company's criteria	Independent according to the AFEP-MEDEF Code	Percentage independent under the Group criteria	Percentage independent under the AFEP-MEDEF Code
Finance and Audit Committee (6 members)	Jean-Paul Parayre*		√		4 independent members out of 6 (66.66%)	3 independent members out of 6 (50%)
		Patricia Barbizet	√	√		
		Pamela Knapp	√	√		
		Robert Peugeot				
		Thierry Pilenko	√	√		
		Marie-Hélène Roncoroni				
Strategy Committee (7 members)	Robert Peugeot				5 independent members out of 7 (71.43%)	3 independent members out of 7 (42.85%)
		Louis Gallois	√	√		
		Jean-Paul Parayre*	√			
		Jean-Philippe Peugeot				
		Philippe Reichstul	√	√		
		Dominique Reiniche	√	√		
		Jean-Louis Silvant*	√			
Appointments, Remuneration and Governance Committee (6 members)	Geoffroy Roux de Bézieux		√	√	4 independent members out of 6 (66.66%)	3 independent members out of 6 (50%)
		Louis Gallois	√	√		
		Jean-Philippe Peugeot				
		Thierry Peugeot				
		Dominique Reiniche	√	√		
		Jean-Louis Silvant*	√			

* *For a discussion of the independence of Board members, see Section 1.1.1 p. 209.*

Summary of the main developments during 2013:

- the Appointments and Governance Committee and the Compensation Committee merged on 23 April 2013;
- Geoffroy Roux de Bézieux replaced Jean-Philippe Peugeot as the Chairman of the Appointments, Remuneration and Governance Committee on 30 July 2013.

Members attend Committee meetings in their own names and may not be represented by another party.

1.2.3.1. The Finance and Audit Committee

EXPERTISE OF BOARD MEMBERS

The Supervisory Board considers that Pamela Knapp's experience as Executive Vice President, Finance, first of the Siemens AG Group and then of the GfK SE Group, has given her the specific skills in financial and accounting matters to comply with legal requirements.

In accordance with the recommendations of the AFEP-MEDEF Code, the other members of the Finance and Audit Committee also have the required financial and accounting expertise:

- The Committee's chairman, Jean-Paul Parayre, with the experience acquired during his service within various French ministers' offices and as a senior executive in major French groups;
- Patricia Barbizet, as Chief Executive Officer of the Artémis Group and as corporate officer of major French and foreign companies;
- Robert Peugeot, as Chairman and Chief Executive Officer of FFP;
- Thierry Pilenko, as Chairman and Chief Executive Officer of Technip;
- Marie-Hélène Roncoroni, having worked in an international audit firm before holding positions in the Group's Finance Department for seven years.

ROLE

In accordance with Article L. 823-19 of the French Commercial Code and with its internal rules, the Finance and Audit Committee oversees the following:

- preparation of financial information;
- effectiveness of the internal control and risk management systems;
- statutory audit of the Company's annual financial statements and the Group's consolidated financial statements;
- the independence of the Statutory Auditors.

The Committee conducts its work on the basis of the Report of the Working Group on Audit Committees published by the AMF on 22 July 2010.

It is, in particular, responsible for overseeing the selection procedure for renewing the Statutory Auditors.

It is also responsible for informing the Board of its opinion on off-balance sheet commitments and any project requiring prior approval by the Board, notably concerning operations which could have an impact on share capital.

In formalising its opinion on the quality of the internal control systems, the Committee reviews the Internal Audit plan for the coming year and is informed of the findings of the audits performed by the Audit and Risk Management Department in accordance with the plan.

The Finance and Audit Committee has access to all the information it requires. It also holds meetings with the Head of the Audit and Risk Management Department and the Statutory Auditors, with or without members of the Group Managing Board.

COMMITTEE MEETINGS IN 2013

The Finance and Audit Committee met 11 times in 2013, with an 88.5% attendance rate.

At its meeting on 7 February, it analysed the asset impairment tests and the related financial communication as part of its review of the consolidated accounts for 2012. The review of the accounts continued at a meeting on 8 February, at which the Chief Financial Officer and the Statutory Auditors presented the consolidated and parent company financial statements which were discussed by Committee members. They also worked on the financing plan for 2013-2014 and a planned bond issue.

The meeting on 11 March reviewed the financial ratings of Group companies, and discussed draft resolutions relating to finance and Group financing to be submitted to the Annual Shareholders' Meeting.

The Committee met on 22 April to review the results for the first quarter and the related communication, the *earnings guidance* and the draft authorisations for selling real-estate assets and giving guarantees.

The meeting on 15 July discussed the initial review of the half-yearly results. It also considered the progress of the strategy discussions, in terms of their financial impact. At its meeting on 26 July, the Committee reviewed the interim financial statements, presented by the Chief Financial Officer and the Statutory Auditors. The Committee also considered the authorisation of a bond issue and a partial buyback of existing issues.

The meeting on 13 September was devoted to reviewing the medium-term world plan and the financing of activities in Brazil, and that on 21 October to reviewing the third-quarter results and the related communication, and to discussing strategy and guarantee authorisations related to financing for subsidiaries.

The meeting on 28 November dealt with the financial impact of the strategic objectives and the implementation of the agreements signed with GM; the meeting on 10 December dealt with asset impairment in the Automotive Division.

At its meeting on 16 December, the Committee reviewed cash flow management for 2013 and the budget for 2014. It was also informed of the summary of work assignments in the 2013 Audit Plan, the map of the "Top Group Risks" (as defined in paragraph 2.4.1. below) and the 2014 Audit Plan.

1.2.3.2. The Strategy Committee

ROLE

The role of the Strategy Committee is to examine the Group's long-term future, reflect on potential avenues of growth and give its opinion on the Group's broad strategic vision.

In this respect, it makes recommendations on the long-term strategic plans and the medium-term plan presented by the Managing Board.

The Strategy Committee examines all major projects from their outset and is kept informed of the projects' content, especially their business approach and their development.

In particular, the Committee meets to discuss any project that falls within the scope of Article 9 of the Company's bylaws, whereby the Supervisory Board must approve in advance "*the signature or termination of any manufacturing or sales agreements representing a future commitment for Peugeot S.A., with companies whose corporate purpose is similar or related to that of Peugeot S.A. and generally the execution of any major transaction which substantially alters the scope of the business or the balance sheet structure of the Company or the Group*".

COMMITTEE MEETINGS IN 2013

The Strategy Committee met four times in 2013, with a 92.7% attendance rate.

During 2013, its work focused on the review of the Group's on-going strategy discussions and on the different possible options. In line with the recommendations made following the Supervisory-Board assessment, meetings of the Strategy Committee were opened from April to all Board members who wished to attend. The Committee's work covered the Medium-Term Plan and the associated budget (meetings on 22 April, 15 July and 24 September), the trading position and the action plans implemented (20 October).

In June, the long-term strategy meeting focused specifically on brand strategy, improving competitiveness, and a review of the strategies implemented in Asia, Latin America and Russia.

1.2.3.3. The Appointments, Remuneration and Governance Committee

ROLE

The Committee prepares the material for the Supervisory Board's discussions on the appointment of new members of the Managing or Supervisory Boards and on their compensation.

It defines the selection criteria, organises the selection procedure and proposes candidates for appointment or re-appointment. It also monitors succession plans for members of the Managing Board.

It is kept informed of the succession plans for certain key executives.

It tracks changes in French and European legislation concerning the governance of companies whose shares are traded on a regulated market, as well as all of the recommendations issued by market regulators and representatives of listed companies. It also submits opinions or recommendations to the Supervisory Board concerning governance issues.

When proposing members, the Appointments, Remuneration and Governance Committee considers the legal requirements for gender balance on directorial Boards (Act 2011-103 of 27 January 2011) and the recommendations of the AFEP-MEDEF Code. It also applies a selection policy aimed at increasing international representation on and diversifying the capabilities of the entire Board.

It advises on all aspects of compensation and benefits for:

- members of the Supervisory Board (Board and Committees);
- the Chairman and Vice-Chairmen of the Supervisory Board;
- the Chairman and other members of the Managing Board.

To fulfil these responsibilities, the Committee stays informed of French and European regulations on executive compensation in listed companies, all market recommendations and practices, levels and forms of compensation of senior executives who are not on the Managing Board, as well as the Managing Board policies for reviewing and updating these compensation packages.

COMMITTEE MEETINGS IN 2013

Prior to its merger with the Compensation Committee, the Appointments and Governance Committee met six times in 2013 with an attendance rate of 100%. The Compensation Committee met twice, with an 83.3% attendance rate. The Appointments, Remuneration and Governance Committee formed when the two Committees merged in April 2013 and subsequently met six times with a 95.2% attendance rate.

At its meeting on 24 January, the Appointments and Governance Committee issued recommendations on the engagement letter for the Senior Independent Supervisory Board Member (Mr Gallois) in view of his forthcoming co-option. The meeting on 7 February assessed the Group's governance (composition of the Board, organisation of the Managing Board and the role of the employee representatives to be appointed). At this meeting, the Committee also assessed the independence of Board members, measured against the criteria applied by the Company.

On 7 March, it focused on the draft resolutions for the Annual Shareholders' Meeting concerning the nomination of a new member of the Supervisory Board, the appointment of employee and employee-shareholder representatives, and the changes to the Articles of association associated with these appointments. It also gave its views on the organisation of the Managing Board and on the project to implement a more focused Managing Board.

The meeting on 18 April was devoted to the findings from the Board assessment, and recommended that the Appointments and Governance Committee be merged with the Compensation Committee.

Before the two Committees actually merged, the Compensation Committee held two more meetings: one (on 11 March 2013) on the recommendations for compensating members of the Managing Board and definition of their objectives; and a second (on 18 April) on the study of the attendance fees that might be paid to employee representatives on the Supervisory Board, whose appointment was proposed at the Annual Shareholders' Meeting on 24 April 2013. In the event, the members concerned elected to waive their fees.

The first meeting of the Appointments, Remuneration and Governance Committee took place on 25 July. Its discussions covered the renewal of the insurance policy for the civil liability of Executive Corporate Officers, the impact of the AFEP-MEDEF Code (revised in June 2013), the representation of employees on the Supervisory Board (legally required under the French Employment Protection Act) and the mandate of the Managing Board. Geoffroy Roux de Bézieux became Chairman of the Committee on 30 July 2013.

The meeting on 9 September recommended that all Supervisory Board members should have access to documents of the Committees. At its meeting on 17 October, the Committee considered the survey on the Group's employee relations, business organisation and the mandate of the Managing Board. The meeting on 20 November covered the succession plan for the Chairman of the Managing Board; and that on 27 November, the supplementary executive pension plan in force within the Group.

Under the terms of the succession plan for the Chairmanship of the Managing Board, the committee conducted research with the help of a recruitment agency in order to make recommendations to the Supervisory Board, which led to the selection of Carlos Tavares.

On 12 December, the Committee's main task was to review the report comparing the general working and training conditions for men and women within the Company, the Group's approach to ethics and compliance, and the composition of the Supervisory Board.

1.3. Adoption of the AFEP-MEDEF Corporate Governance Code

As stated in Section 16.4 above, the Company has adopted the AFEP-MEDEF Corporate Governance Code in its revised version of 8 June 2013, as applicable to French joint-stock companies with a Managing Board and Supervisory Board.

The table below summarises the recommendations of the AFEP-MEDEF Code which are not applied by the Company due to the specific features of its legal structure and operating methods or those of the automotive industry.

Relevant recommendation	Explanation
Independence of the Supervisory Board members	The Supervisory Board applies all of the independence criteria recommended in the AFEP/MEDEF Code, with the following two exceptions: > Limit of twelve years for successive terms of office: specific features of the automotive industry. Please refer to section 1.1.1 above for more details; > No office held in a consolidated company within the previous five years. To have acted as Director, even recently, of a Group company carries no risk of the sort of conflicts of interest that the independence rules are intended to avoid. Please refer to section 1.1.1 above for more details.
Proportion of independent members on the Finance and Audit Committee	50% of members are independent compared with the Code's recommendation of at least two thirds. The presence on the Board of the main shareholder comprising the Peugeot family group and Mr Parayre, who is not considered independent under the AFEP-MEDEF criteria, explains why the 2/3 threshold has not been reached.
Description of the role, resources and prerogatives of the Senior Independent Supervisory Board Member in the internal rules	Since 2013, they have been described in the Registration Document.
Opinion of Supervisory Board sought before an office is accepted in another listed company	Members of the Managing Board inform the Supervisory Board before they accept office in another listed company.
Term of office of Supervisory Board members	Members of the Supervisory Board have been elected for a term of four years since the Annual Shareholders' Meeting of 25 April 2012. However, the term for members who were in office on that date remains at six years.
The Compensation Committee includes members representing employees	Although they do not attend meetings, since September 2013 they have had access to the same documents as Committee members. They have also attended meetings of the Strategy Committee, open to all members since 2013.
Having a variable component of attendance fees based on actual attendance	Introducing a variable component of attendance fees based on actual attendance does not seem warranted, given that: > the attendance rate at Supervisory Board meetings was 91% in 2013; > the attendance rate at the various Committee meetings was 91.94% in 2013, as in 2012; > the Chairman of the Supervisory Board frequently consults Board members on issues outside of scheduled meetings, and likewise, Board members regularly take the initiative of informing the Chairman of their opinions and recommendations.
Members should own a significant number of shares	The Supervisory Board considered that, given the close involvement of its members, it was not necessary to change the rules in the Articles of association relating to shares held in the Company.

1.4. Supervisory Board and Managing Board Compensation

This report sets out the principles and rules established by the Supervisory Board to determine the compensation and benefits granted to corporate officers. Please refer to Section 15 of the Registration Document for detailed information on compensation and benefits.

SUPERVISORY BOARD

Supervisory Board members and advisors are paid annual attendance fees up to an aggregate amount determined in advance by the Annual Shareholders' Meeting. This amount is allocated by the Supervisory Board among its members on an annual basis.

MANAGING BOARD

Employment contract/corporate office

For developments on this section, refer to Chapter 15 of this Registration Document.

Managing Board Compensation

The Board's Appointments, Remuneration and Governance Committee carries out all the preparatory work for Board discussions on any aspect of compensation.

In 2013, members of the Managing Board received no variable compensation, no stock options and no performance shares.

Pursuant to the agreement signed with the French State as to the latter's guarantee of bonds issued by Banque PSA Finance, any variable portion, stock options or performance shares offered to members of the Managing Board would need prior authorisation by the State, so long as the guarantee is in place.

1.5. Attendance of Shareholders at Peugeot S.A. General Meetings

Every Peugeot S.A. shareholder may attend the Company's General Meetings irrespective of the number of shares held.

Pursuant to Article 11 of the bylaws, fully-paid up shares registered in the name of the same holder for at least four years shall carry double voting rights at Shareholders Meetings. Article 11 of the bylaws specifies that legal entities shall be represented at Shareholders' Meetings by their legal representative or any other designated person. It does not set out any other specific formalities for attendance.

Shareholders are advised to obtain an entrance card before the meeting to facilitate their admission. On the day of the meeting shareholders will be asked to provide evidence that they are shareholders of record during the registration process.

A single mail or proxy voting form will be sent to all holders of registered shares before the meeting. Holders of bearer shares wishing to vote by mail or by proxy may obtain the necessary forms from their bank or broker.

In accordance with Article R. 225-79 of the French Commercial Code, shareholders may appoint or revoke a proxy (name, first name and address) online at psa-ag-mandataire@mpsa.com, no less than three days before the date of the meeting.

The formalities for attending the Shareholders Meeting to be held on 25 April 2014 are set out in the Notice of meeting published at least thirty-five days before the date of the meeting in the *Bulletin d'Annonces Légales Obligatoire*s and on the Group's website.

1.6. Disclosure of Information that May Have an Impact in the Event of a Public Tender Offer for the Company's Shares

Pursuant to Article L. 225-100-3 of the French Commercial Code, it should be noted that there is no agreement providing for compensation for members of the Supervisory Board or the Managing Board if their term ends due to a takeover bid.

The other information defined in Article L. 225-100-3 of the French Commercial Code is provided in this Registration Document in Sections 18 and 21.1.

2. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

2.1. Internal Control Objectives for the PSA Peugeot Citroën Group

As part of its commitment to preventing and limiting the effect of internal and external risks, risk management and internal control systems are in place to provide reasonable assurance concerning the achievement of the following objectives:

- compliance with legislation and regulation;
- application of the Managing Board's instructions and guidelines;
- efficient internal processes, particularly those that help to safeguard the assets of Group companies;
- reliable financial reporting.

More generally, these procedures and processes also contribute to the proficient management of the Group's businesses, the effectiveness of its operations and the efficient use of its resources.

2.2. Reference Framework Used by PSA Peugeot Citroën

The Group's risk management and internal control system complies with and functions according to the rules of the eighth Directive on Statutory Audits, the Autorité des Marchés Financiers (AMF)'s Reference Framework for Risk Management and Internal Control Systems issued in January 2007, and the Report of the Working Group on Audit Committees published by the AMF on 22 July 2010. The Group's banking arm uses a specialised system for credit institutions that complies with Regulation 97-02 of the French Banking and Financial Regulations Committee concerning internal control in credit institutions.

Faurecia, whose shares are traded on a regulated market and that acts under the responsibility of its own Board of Directors, has a separate internal control system which it applies independently. In this respect, specific developments are accorded to the Company, as set out below.

2.3. Internal Control Principles

The Group internal control system was designed with the following goals in mind:

- reflect the Group's strategic objectives, which are to be a global, profitable, independent Group ranked among the world's leading broadline automobile manufacturers;
- proactively identify the risks capable of affecting the Group over the medium to long term;
- involve all of the Group's companies in the process, manage risks and ensure internal control compliance in all of their operations;
- focus on action plans and outcomes, with a constant view to supporting operating efficiency;
- comply with applicable laws and regulations, exemplary behaviour and ethical practices, which the Group believes to be essential to responsible growth;
- to have each division manage all the risks inherent in its business through internal control processes geared to its specific challenges;
- to identify the specific "Top Risks" to which the Group is exposed, in order to develop appropriate action plans that address these risks and a system for reporting them to the Executive Committee;
- to make the system auditable based on quality indicators.

2.4. Participants and Processes

2.4.1. AT GROUP LEVEL AND IN THE AUTOMOTIVE DIVISION

There is an overall set of security processes that contribute to the Group's risk management system.

The Group's organisation and operating procedures are decided by the Senior Executives, and defined in reference documents forming a working framework that each person follows.

They include the Organisation Handbook and the Operating Procedures Handbook (hereinafter the "Operating Procedures"), which are expanded and updated regularly. These handbooks describe the procedures to follow, the division of responsibilities and the rules to be applied by all employees, in all of his or her day-to-day business activities.

In addition, each department has its own operating manual describing its operating procedures and processes as well as interfaces with the other departments.

All these general and department-specific guidelines are available on an intranet site dedicated to the Group's Excellence System. Based on lean management principles and a culture of continuous improvement, this system structures the Group's organisation, management and working methods, thereby enabling the development of formal standards.

The risk management system is deployed Group-wide.

Each department oversees the management and control of its own risk in accordance with the corresponding Operating Procedure, by incorporating it into its current operating practices. They each identify and assess their risks, taking existing management processes in account and developing the necessary action plans to address them.

The Audit and Risk Management Department oversees the risk management system and controls the proper application of the risk management procedures.

The principal risks in each department (those with the highest impact and the most critical (impact x probability)) are reported by every department each half year in a "Top Departmental Risks" report. This is sent to the General Secretary *via* its Audit and Risk Management Department.

To supplement this departmental view, the Audit and Risk Management Department identifies the Group's "Top Cross-Functional Risks" once a year, when it meets with a representative sample of the Group's key executives and managers. Appropriate action plans are then approved and implemented to manage these risks.

Maps of the Top Group Risks (compiled from the Top Departmental Risks and the Top Cross-Functional Risks) are reviewed twice a year by the Executive Committee and presented to the Finance and Audit Committee. During these two reviews, the Executive Committee approves the action plans for managing the Top Group Risks.

Specific risk management and control procedures cover particular risks.

The Group's Code of Ethics was updated and expanded in 2010, and is directly available to all Group employees *via* the Intranet portal. All employees are required formally to accept the terms of the Code. An Ethics Committee chaired by the General Counsel meets on a quarterly basis. An international network of Chief Ethics Officers deploys the process in every host country and systematically reports to the Ethics Committee any local ethical issues or breaches of compliance. For further information on the Group's ethics policy, see Section 5.3.1 of this Registration document.

The fraud-prevention system was enhanced in 2012 and made the responsibility of the Group Ethics Committee. The Committee delegates its management, investigations, incident follow-up and reporting to the Group's Security Department.

The Security Department, which reports to the General Counsel, is responsible for defining and coordinating on a global basis all actions intended to protect the employees and tangible and intangible assets of the Group (except for Faurecia) against the risks arising from malicious acts of all kinds.

The Legal Affairs Department, which reports to the General Counsel, is responsible for preparing or verifying the Group's contractual commitments and ensuring their legal and regulatory compliance. It is also in charge of organising the Group's defence in the event of disputes with third parties. In this way, it helps to limit and manage the Group's exposure to legal risks as an employer, a designer and distributor of vehicles, a purchaser of components and a provider of services.

The Management Control Department, which reports to the Chief Financial Officer, is responsible for overseeing the Group's business and financial performance and proposes annual and medium-term targets for growth, operating margin and return on capital employed to Senior Management. It manages the process of preparing the medium-term plan and the budget framework. It prepares annual budgets, updated forecasts and monthly estimates in conjunction with the various business divisions in order to measure and track actual performance against targets. It controls the results of the operating departments and the Group's projects, and produces summary reports. It also carries out other finance-related tasks, particularly for the automotive business, such as product costings and price provision, selling price control, checking project profitability, financial monitoring of industrial cooperation with other carmakers, negotiations for mergers, acquisitions and disposals, etc., and drawing up formal management rules and standards.

The Audit and Risk Management Department checks that the risk management procedures are correctly applied

The Audit and Risk Management Department, through audit missions, performs audits to ensure that all Operating Procedures are observed and that general and specific risk management procedures are applied throughout all the Group's departments. The annual audit plan, which is defined independently, is based on the "Top Group Risks" and is subsequently submitted to Senior Management for approval and presented to the Finance and Audit Committee. The Audit and Risk Management Department is also responsible for assessing the degree of maturity of the risk management system and making recommendations for improving its effectiveness. A total of 101 audits were carried out in 2013 across the entire Group.

The Supervisory Board's control and oversight role

The Finance and Audit Committee of the Supervisory Board ensures that the risk management and internal control system operates effectively. The General Counsel reports to the Supervisory Board on the systems in place and their degree of maturity, as well as the Top Risk map, with particular emphasis on risks capable of having an impact on the Company's financial and accounting information.

The Board also reviews the Internal Audit Department's organisational and operating principles, expresses an opinion on the Internal Audit plan and is informed of the findings of (i) the Internal Audits performed as part of the plan and (ii) the follow-up audits to check that departments have implemented the recommendations.

The Finance and Audit Committee may also be asked by the Managing Board, the head of Audit and Risk Management or the Statutory Auditors to review any event exposing the Group to significant risk.

2.4.2. BANQUE PSA FINANCE

Under Regulation 97-02 of the French Banking and Financial Regulations Committee concerning internal control in credit institutions, the internal control system implemented at Banque PSA Finance (BPF) is based on the functions of control and risk management (Risk Management Function). The internal control function is broken down into first-tier control, performed by the operating units themselves, on-going second-tier control and periodic third-tier control.

Banque PSA Finance has a Charter setting out the fundamental principles on which the organisation and operation of its internal control system is based. The Bank's internal control Charter defines the organisation, resources, scope and tasks. It also sets out the way in which the Bank's control system functions.

Permanent Control Procedures

First-tier controls, the lynch pin of the internal control system.

First-tier controls are carried out in the operating units. They are either embedded in procedures and performed by all employees in the normal course of their work, or they are performed by dedicated employees within the operating units. They are supervised by the structures responsible for recurring controls.

Permanent Control

Second-tier controls are performed by three departments and include controls concerning (i) compliance, (ii) operational risks of the finance companies, including insurance entities, and headquarters, (iii) accounting processes and procedures and (iv) the finance, treasury and IT services provided by the PSA Peugeot Citroën Group on the Bank's behalf.

The Compliance unit is responsible for preventing, controlling and overseeing compliance risks. In particular, it verifies that the Bank meets its obligations concerning data protection, the prevention of money laundering and compliance of new or substantially modified products. It ensures that the required systems are put in place and organises compliance training. This unit is also responsible for regulatory oversight and ensuring that the Bank effectively incorporates regulatory changes into its business, particularly into its IT systems.

Controls over operational risks for the finance companies and headquarters include (i) recurring assessments of the effectiveness of the operational risk management systems put in place within the Bank, including for outsourced services, and (ii) specific second-tier controls. This unit is responsible for ensuring that operations staff regularly perform key first-tier controls on risks classified as major.

The department in charge of controlling operational risks associated with accounting, IT, refinancing and treasury processes performs recurring controls in all of these areas. In particular, it has developed a control certification system for the accounting department, whereby the finance managers of the Bank's subsidiaries and branches are required to sign a document after each accounts-closing process confirming that key controls over major accounting risks have been performed and providing the results of these controls.

These departments base their work on a risk map that sets out the main risks to which the Bank is exposed. The risk map helps to ensure the underlying strength of Banque PSA Finance's internal control system, by highlighting identified risks, potential losses that may arise from these risks, first-tier controls, and the results of these controls, as well as the results of second-tier controls and any residual risk.

Periodic Control Procedure

Periodic – or third-tier – controls consist of periodically checking transaction compliance, risk levels, compliance with procedures and the effectiveness of permanent controls.

They are performed by the Internal Auditors, based on an Internal Audit plan that provides for all of the Bank's units and processes (including those that are outsourced) to be audited at least once every three years.

Oversight by Executive Management and the Board:

The internal control system is overseen by BPF's executive management and the Board, supported by various committees.

The decision-making body, the Board of Directors verifies that the Bank's main risks are properly managed and obtains assurance about the system's reliability, through the Audit Committee. The Audit Committee reviews the lessons to be learned from risk monitoring activities and from permanent and periodic controls. It meets at least four times a year.

Executive management is responsible for defining and implementing the system of internal control. It oversees the system's efficiency and effectiveness, and ensures that adequate resources are assigned to internal control. In carrying out these duties it draws on the minutes of meetings of the Internal Control Committee, which has front-line responsibility for the operational management of the internal control system.

Risk Management Function

Since 1 December 2012, the Risk Management Function has reported to the Executive Committee of Banque PSA Finance. It ensures that systems are in place to measure and monitor all the bank's risks, apart from compliance risk. For this, it validates the risk management systems and provides a double check when lending decisions are made regarding Corporate portfolios. Lastly, it monitors risks and may alert executive management and governing bodies if an adverse situation either develops or could do so in the short term. In relation to the overall oversight of the bank's risks, it is responsible for the assessment required by Basel II Pillar 2.

Organisation of Internal Control of the Bank

The bank's internal control system relies on a set of regular controls. They are implemented *via* the delegated authorities given to all operating units and corporate departments. These delegations of authority determine the levels at which decisions must be made in the areas of banking and financial transactions, loan approvals, lending terms, new products and services and expenditure commitments.

The bank's key strategies are defined and implemented either in the quarterly Audit Committee meetings or in the operational committee meetings held regularly in the corporate departments and finance companies. These committees are in particular concerned with:

- credit risk. The committee reviews trends in arrears and write-offs, and analyses the performance of the risk-selection systems. Changes in the Basel II provisions are also presented to the meetings for decision;
- financing margins;
- products and processes, with their associated risks;
- the financing proposals for wholesale networks and vehicle fleets (reviewed either by a Group or a local Credit Committee, depending on the terms of the delegations);
- monitoring and review of the impact of the policy implemented in respect of bank refinancing and management of its liquidity, interest-rate and exchange rate risks;
- monitoring the IT security policy;
- compliance work.

2.4.3. FAURECIA

Faurecia internal control system is based on a set of resources, behaviours, procedures and actions tailored both to the specific features of each company and to the Faurecia Group as a whole. The system:

- contributes to controlling its activities, the effectiveness of its operations and the efficient use of its resources; and
- enables Faurecia to deal effectively with significant operational, financial or compliance risks.

The Faurecia Group's internal control aims to ensure:

- compliance with laws and regulations;
- application of the instructions and strategic guidelines issued by Senior Management and/or the Board of Directors;
- efficient internal processes, particularly those that help to safeguard the Company's assets;
- reliable financial reporting.

The Faurecia Group follows the AMF's Reference Framework and application guide as updated on 22 July 2010. The Faurecia Group's internal control is implemented based both on its operational organisation and its legal structure, and covers all fully consolidated Group subsidiaries.

Internal control is implemented by the management bodies and by all the employees of the Faurecia Group, who comply strictly with the Group's procedures in the course of their day-to-day tasks.

The internal bodies that are stakeholders in the internal control system include in particular:

- Faurecia's Board of Directors, which sets broad guidelines for the business and determines the Group strategy. It also supervises their development;
- Faurecia's Audit Committee, which responsibilities are defined by its Board of Directors and it plays a key role in monitoring (i) the process of preparing financial information, (ii) the effectiveness of the systems of internal control and risk management, and (iii) the statutory audit of the annual consolidated and parent company financial statements by the Statutory Auditors;
- Faurecia's Internal Audit Department, which reviews the system of internal control and changes to it; ensures that the Group's approach complies with the legislation and market recommendations; ensures that the system as a whole is comprehensive, consistent and appropriate; and ensures that the procedures are always followed, *via* regular audits based on sampling and verification. If there are shortcomings, it ensures that corrective action plans are properly implemented and assesses the

effectiveness of the internal control. Its work is approved and directed by the Chairman and reviewed by the Audit Committee. The Department uses a systematic and methodical approach to promote a constant improvement in the efficiency of all financial internal control systems. It may, where necessary, audit any Group process anywhere in the world. It conducts its audits entirely independently and supports its findings with detailed and quantified evidence that has been fully verified. All its work is open to Faurecia's Executive Comittee and it reports regularly to the Committee on the progress of the audits and on compliance with its objectives. Internal Audit follows up its recommendations to the auditees by (i) an analysis by questionnaire three, six and twelve months after the final report, (ii) a follow-up by the Operations Committee, (iii) a subsequent on-site audit, if this is considered necessary. Every six months, it presents the planned audit schedule, the completed reports, and the objectives achieved to the Group's General Counsel and Chief Financial Officer. It reports at least annually to the Audit Committee.

Programs are subject to specific internal control procedures, and are bounded by control procedures and systems throughout their life cycle. The Programme Management System (PMS) closely defines the programme's successive stages. Each programme is marked by milestones, from managing the invitation to tender until the end of the product's life. As part of the control system, programs are reviewed by the businesses concerned every month. The reviews are formally recorded and must comprise a certain number of documents. The purpose of this process is to identify on an on-going basis both the risks in the programme and the necessary action plans, and to implement those plans.

Quality risks are managed separately. They are assessed using clearly defined indicators, *via* monthly reports that generate improvement plans. Actions to prevent major risks are applied across business boundaries, at all levels in the organisation. There is also an Alert Management System (AMS) which relays problems to management as they arise. This system ensures both that the response will be rapid and organised so that the problem is resolved, and that the Company can capitalise on the solution. Lastly, the Faurecia Group's Quality Department has a team of auditors independent of operational units to carry out audits at both the production sites and in the research and development centres.

2.5. Preparation and Processing of Accounting and Financial Information

The Finance Department is responsible for defining and implementing a specific internal control system for accounting and financial matters, in addition to the risk management system described above, which also applies to it in the same way as any other department of the PSA Peugeot Citroën Group.

2.5.1. ACCOUNTING AND FINANCIAL ORGANISATION

The Finance Department uses a technical and organisational framework called "Nordic", which covers both accounting standards and Group consolidation standards, accounting best practice, and standards for integrated accounting, financial management, financing and cash management, and taxation. The framework is accessible to all Group employees to ensure that standards are applied uniformly. Different managers are responsible for updating specific categories of standards in line with their areas of specialisation.

The accounting standards describe the accounting policies applicable to all Group's subsidiaries, based on International Financial Reporting Standards (IFRSs) as approved by the European Union, and taking into account the accounting options selected by the Group and any standards that have been early adopted. They set out the accounting treatment and accounting entry structures for complex and/or new transactions. Specific standards are applied for Banque PSA Finance and Faurecia to reflect the specific nature of their businesses.

The guidelines on best accounting practices prepared by the Automotive Division Accounting Department are accessible by all Automotive Division employees. They help to ensure consistent application across the Group of best practices identified in terms of accounting quality and internal control.

All the Group's accounting, finance and management control units receive an annual Group reporting timetable drawn up by the Corporate Management Control Department, setting out for each monthly period the various accounting closure and reporting dates, and the dates of performance review meetings. The Consolidation Department also prepares and sends out a standard setting out the timetable for the submission and processing of subsidiaries' consolidation packages.

The accounting and financial information systems developed and/or implemented in the Group by the Information Systems Department meet the needs expressed by users (accounting, consolidation, management control, finance, treasury). Each application is classified in terms of availability, integrity, confidentiality and traceability of information sent or produced. The classification determines the requirements in terms of access clearance (confidentiality and traceability) and business continuity and recovery plans (availability and integrity). Data archiving and backup procedures have been implemented to comply with legal requirements for keeping data and to create audit trails guaranteeing data traceability.

To uphold and improve the quality of accounting and internal control within the Group's Automotive Division, an Accounting Quality Plan has been implemented at the level of each accounting team in the relevant departments, under the responsibility of the Chief Financial Officer. This plan comprises all internal actions taken to implement the recommendations of the internal and external auditors, as well as those of the teams themselves. A meeting is held every six months under the Chairmanship of the Group's Chief Financial Officer to monitor the Accounting Quality Plan.

2.5.2. PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Published financial information comprises the consolidated financial statements of the PSA Peugeot Citroën Group and the statutory financial statements of Peugeot S.A., approved by the Managing Board and presented to the Supervisory Board, as well as analyses of the data included in these financial statements and press releases issued by the Group.

Monthly, half-yearly and annual results are validated jointly by the Accounting units, the Consolidation Department, the Corporate Management Control Department and the Management Control units of each division. They form the basis of the full set of consolidated financial statements reviewed each month by the Executive Comittee.

The consolidated financial statements are prepared by the Consolidation Department, which is also responsible for Group accounting policies. The statements are prepared using the accounts of Group companies excluding Faurecia, restated in accordance with IFRS as adopted by the European Union, together with the accounts of the Faurecia Group sub-consolidation.

The subsidiaries' accounts are prepared under the responsibility of the Accounting and Finance Departments within the various divisions (Automotive, Automotive Equipment, and Finance). These departments, in liaison with the operating units and the Management Control Department, ensure the accuracy of the individual statutory accounts and the consolidation packages and systematically co-validate them. The Consolidation Department produces a full set of consolidated financial statements each month, both for internal management and external reporting purposes for the half-year and full-year closings. It also prepares the parent company and restated accounts for Peugeot S.A. It takes the work of the Statutory Auditors into account

The accounts are consolidated by separate dedicated teams for (i) the Group as a whole, (ii) Banque PSA Finance and its subsidiaries and (iii) Faurecia. Each month, all consolidated companies send their dedicated team their detailed financial statements, including their income statement, balance sheet, cash flow statement and analyses, prepared in compliance with Group standards, for integration into the consolidated accounts. Each subsidiary is responsible for preparing regular reconciliations between their statutory equity and equity reported in the consolidation package. These reconciliations are checked by the consolidation team in order to check, in particular, that deferred taxes are properly stated. All consolidation adjustments are controlled and traced. An overall analysis of changes in the main consolidated income statement, balance sheet and cash flow statement items is communicated each month to Senior Management.

The reliability of data reported by the subsidiaries is verified by their own management control teams, the Division-level Accounting and Finance Departments and the Group Consolidation Department.

The subsidiaries' financial statements are reported *via* the Magnitude system, which has been set up at all consolidated subsidiaries to guarantee data security and traceability.

Off-balance sheet commitments are identified within each Group company and reported to the consolidation team.

Asset control procedures are based on annual inventories of goods held by the Group as well as inventories of property, plant and equipment held at Group sites, based on cycle counts which ensure that each asset is counted, in general, at least once every three years. The inventories are governed by strict procedures concerning segregation of tasks and count controls to ensure that the results are reliable.

Investment and financing strategies and strategies for evaluating counterparty risks arising from financial market transactions are approved by the Finance Department.

The Financial Communications Department, which reports to the Finance Department, is responsible for relations with investors and the financial markets authorities. It coordinates the work done by the various Group entities on preparing the annual Registration Document and ensures that the timetable for its preparation and publication is met, in conjunction with the Statutory Auditors. The Management Control Department is responsible for drawing up and presenting summary data used to analyse results and provide forecasts.

2.6. Procedures for the Preparation of this Report

This report was based on the following main procedures:

- identifying all existing practices within the Group operating units and departments concerning procedures, risk analyses and regular updates to those procedures and analyses;
- verifying that Group internal control procedures and processes comply with the general principles of the AMF's Reference Framework for Risk Management and Internal Control Systems;
- obtaining assurance at the level of the Finance Department – with input from the accounting, consolidation, financial communications and management control teams – that processes for the preparation and approval of the consolidated financial statements fulfil the quality criteria defined for each operational category in the application guide included in the above-mentioned Reference Framework.

16.5.2. STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD OF PEUGEOT S.A.

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Peugeot S.A., and in accordance with article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-68 of the French Commercial Code (Code de commerce) for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by article L. 225-68 of the French Commercial Code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's Report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (Code de commerce). It should be noted that our role is not to verify the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's Report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's Report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's Report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (Code de commerce).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by article L. 225-68 of the French Commercial Code (Code de commerce).

Courbevoie and Paris-La Défense, March 27, 2014

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Jean-Louis Simon	Christian Mouillon	Marc Stoessel

17

A COMMITMENT RENEWED BY A "NEW SOCIAL CONTRACT"

The human resources policy implemented in 2013 contributes in a socially responsible way to applying the turnaround plan in Europe and considering all human dimensions of the Group's strategic vision. The other priorities, developing human resources and social dialogue, are being maintained with a renewed sense of commitment. This is the spirit of the "New Social Contract".

This social policy was set out clearly in a road map in 2013: initially, it involved implementing the industrial turnaround and workforce reduction plan (announced in 2012) in a socially responsible manner; it was then necessary to immediately find, in conjunction with all social partners, solutions to ensure the Company's recovery and fulfil the Group's ambitions, maintaining strong industrial and R&D bases in France while rolling out its operations internationally.

The project drawn up by the Group sets four priority areas as of 2013 and for the medium-term, 2014-2016. Thanks to a forward-looking, shared vision, it supports and provides security to employees *via* negotiated provisions and close HR support.

Social dialogue was chosen as the best way to define innovative solutions and to build trust and commitment. This dynamic between all stakeholders in a collective future project led to the "New Social Contract".

KEY FIGURES FOR 2013

Workforce	
Number of employees	196,885
Percentage of women employees in the Group	22.4%
Contractual agreements (1)	
Number of agreements signed	98
Safety (1)	
Management Frequency Rate (2)	1.19
Frequency Rate (3)	1.16
Training (1)	
Number of employees taking part in at least one training course during the year	75,846 (66%)

(1) Excluding Faurecia.
(2) Management Frequency Rate = Lost-time incident frequency rate including Group employees (excluding Faurecia) and temporary employees.
(3) Frequency Rate = Lost-time incident frequency rate for Group employees (excluding Faurecia).

SOCIAL REPORTING ON A GLOBAL SCALE

The Group consolidates and publishes indicators on its human resources management with three guidelines: transparency, completeness and quality of information. This social reporting process involves over 300 contributors from all the subsidiaries (32 countries), using interactive applications to compile data, led by a central team dedicated to this process.

The employee-relations indicators published comply with **Article R. 225-105-1** of the Grenelle 2 Act and Global Reporting Initiative recommendations. They were produced for the subsidiaries **as defined by Article L. 233-1** of the French Commercial Code and PSA Peugeot Citroën Group's controlled companies **as defined by Article L. 233-3** of the same code:

- the "Automotive" scope includes both the Automotive Division and SCEMM;
- the "Other Businesses" comprise the Peugeot S.A. holding company, PMTC France, PMTC Germany and PMTC Italy, Sevelnord.

The scope of reporting does not include employees of joint ventures or joint operations with Dongfeng (DPCA), Changan (CAPSA), Toyota (TCPA), Fiat (SevelSud) and Renault (Française de Mécanique), as the Group does not have exclusive control over these.

Française de Mécanique is included in the Group's safety results (see section 17.4)

The present section of the Registration Document includes data from Faurecia, a listed company 51.70%-owned by Peugeot S.A., in accordance with legal requirements. As Faurecia manages its business independently, it prepares and publishes its own indicators and human resources policy in its Registration Document.

The general information set out below concerns the Group's divisions excluding Faurecia. The specific policies implemented by Faurecia are detailed in separate sections.

Additional information to that included in this document may be found in the 2013 "Corporate Social Responsibility - Strategic Guidelines, Commitments and Indicators" report and on the Group's corporate website.

POLICIES AND MANAGEMENT SYSTEMS

The Group engages in dialogue beyond its internal stakeholders by regularly meeting with trade unions at the international, European, confederal and federal levels. It also takes part in the work and discussions of various bodies which promote responsible human resources practices: ORSE, IMS Entreprendre pour la Cité, the Arborus fund, Entreprise et Personnel, IDRH, ANDRH, C3D, CFIE, etc.

Policies have been set after analysing the Group's priorities, to ensure its operational efficiency, its sustainable development and to meet the differing expectations of its internal and external stakeholders. They apply the principles of tangibility and responsiveness. This section deals with three of these policies: health and safety (see section 17.4), human resources development (see section 17.2) and the social relations policy (see section 17.3).

They help define and implement the "management systems" which describe in full detail the requirements and their stages of maturity. These management systems are described in the form of a matrix, forming the operational "road map" for the various actors in the Company (HR, managers or personnel representatives).

OPERATING PRINCIPLE

	Road map for the Management Systems									
			Maturity level							
Policies Principles/ Orientations Targets	**Requirements**	**Checkpoint**	**Level 0 Undisclosed**	**Level 1 Awareness**	**Level 2 Change in the way of thinking**	**Level 3 Behavioural change**	**Level 4 Change in habits**	**Level 5 Established culture of excellence**	**Monitoring and results indicators**
Principle 1	Requirement 1		Description of the level						
	Requirement 2								
Principle 2	Requirement 3								
Etc.									

These management systems are being widely implemented across all Group entities. They make it possible to analyse the social and health/safety risks, apply processes to prevent these risks, perform self assessment, check the application of standards, and improve the maturity of the organisations responsible for implementing them. Their rigorous application is contributing to the Group's attainment of its targets.

A NEW PROJECT FOR THE GROUP'S HUMAN RESOURCES DEPARTMENT

"The New PSA Peugeot Citroën's Excellent Human Resources" project, set up in 2013, has four priorities for the period 2014-2016:

- acting together to turn around the Company:

  activating competitiveness drivers in the "New Social Contract", supporting reorganisations in Europe and strategic plans in high-growth areas are the main objectives of the Human Resources Department. This requires anticipation and provision of the necessary visibility through improved social dialogue to give employees job security and enable them to manage their career;
- breathing life into the New PSA Peugeot Citroën:

  based on Company values: "Respect, Bravery, Responsibility and Continued Progress", the culture of the "New PSA" must be simpler, less compartmentalised and more efficient for its clients. To boost collective commitment, the "Team Connect" survey, which collects opinions from within the Company, allows us to take stock, design action plans and improve management practices. The Group intends to defend its social reputation. It is working to develop its "Employer Brand" both internally and externally.The PSA Univesity and its organisation in business lines and professions is an asset designed to preserves and develops its "automotive engineering expertise";
- offering a positive social contract to which everyone can commit:

  ensuring safety, health and well-being at work, providing a positive overall remuneration policy, measuring and rewarding individual and collective performance, promoting individual development, boosting skills and employability, promoting diversity and ensuring equal opportunities;

- ensuring the excellence of the HR Department and its professionalism in its frames of reference and its principles: at times of economic and social difficulties, HR support is strengthened within a function led by the Corporate Human Resources Department, but which is decentralised to be close to employees and managers.

17.1. > RESPONSIBLE EMPLOYMENT AND SKILLS MANAGEMENT

RESPONSIBLE MANAGEMENT OF THE RESTRUCTURING IN 2013

In terms of employment, 2013 saw a stark contrast between the Group's situation in France and its situation in other countries. Outside France, the business activity and the Group's growth in China and Latin America led it to take on around 2,000 new employees.

In France, the difficulties created by an extremely impaired market led the Group to implement a restructuring plan which was presented to the social partners in 2012 and involved 8,000 job losses: 4,400 as part of an Employment Safeguarding Plan (PSE) affecting the entire Aulnay-sous-Bois site (3,000) and part of the Rennes site (1,400), and 3,600 jobs as part of a Jobs and Skills Reallocation Plan (PREC) involving the Group's structural businesses.

In this situation, honouring its commitment to support each and every employee in dealing with their job loss, the Group has therefore considerably boosted the individual and collective support offered to the employees concerned to help them undertake any necessary retraining in the best possible conditions: the implementation of proven solutions was combined with many innovations aimed to offer employees more varied reclassification solutions and greater opportunities to assess their motivations and skills.

The encouragement of internal and external reclassifications was structured around the Professional Mobility Poles (PMP) for both sites affected by the PSE, and around Mobility and Career Development units (EMDP) for those affected by the PREC: implanted in the Group's facilities, real employment boosters, the PMP and EMDP are areas offering information-sharing opportunities as regards jobs (adverts, catalogues of job offers, videos, computers, etc.) and at the same time guaranteeing confidential discussions. HR teams and managers constantly staff these areas, which are a source of information, training and guidance. The team in Aulnay supported close to 100 people over several months.

In addition, three specific websites describing all the measures of the restructuring plan and showing all jobs available have been provided to employees to make it considerably easier to obtain information about and proceed with their reclassification. By way of example, an online simulator allowed each employee affected to make an estimate of the redundancy pay they were likely to receive, while direct bridging between the websites of the Group's partner companies and the sites impacted by the PSE or the PREC made it possible for available job offers to be updated in real time.

INTERNAL RECLASSIFICATIONS: GREATER MOBILITY

Against a backdrop of multiple job losses, the Group's first objective was to give the employees concerned priority access to internal mobility opportunities.

Various meetings were organised on Group sites with available vacancies to publicise the vacancies to the staff affected. At the same time, over 330 preparation, interview and CV-writing workshops have taken place to optimise the quality of applications for both internal and external positions. To complete this approach, the Group's sites with vacancies came to the sites most affected by the restructuring, to present their vacancies and introduce their region, living and working conditions. This initiative has made internal mobility prospects clearer for a number of employees. In Rennes, for example ten days of this type took place during 2013.

To make this internal mobility successful, the Group also implemented the *Top Compétences* project to focus on the roles of the future or highly-sought-after skills, such as digital or electricity/electronic skills. After identifying, in combination with all departments, employee retraining needs and the skills needed to fill the vacancies, the Group's University designed, purchased and implemented tailored training. In 2013, almost 920 people took part in professional transfers and reconversions thanks to the *Top Compétences* project, supported by a programme of 43,000 training hours in total, *i.e.* an average of 47 hours per person.

The result of these combined actions is visible in the increased fluidity and acceleration of functional and geographical mobility. Between January and the end of December 2013, almost 2,400 people had moved geographically between sites in France, around half of whom moved from areas affected by the restructuring, *i.e.* equivalent to the total number of transfers in 2012.

EXTERNAL RECLASSIFICATION: INNOVATION TO SECURE SUCCESS

To best respond to the reclassification needs caused by the restructuring, particularly on sites affected by the Employment Safeguarding Plan (Aulnay-sous-Bois and Rennes), the Group improved existing reclassification solutions (career plans, personal plans, company creations or takeovers, reclassification leave, voluntary retirement) with major employment innovations:

- career transition leave: for employees interested in reclassification within large partner companies, *via* a tailored training system. In Aulnay-sous-Bois, the partner companies (RATP, SNCF, Aéroports de Paris) have offered positions eligible for reclassification, after analysing their needs and the skills available within the Group. They selected their future recruits from among interested employees, who received a promise of employment subject to the successful completion of the training course they enrolled on. These one to three month courses, led by the AFPA, took place in the Professional Transition Centre on the site. This innovative approach made it possible to hire 50 people in 2013;

- reindustrialisation leave made it possible to guide other interested employees towards companies which chose to move to Group sites, compensating for the loss of PSA Peugeot Citroën's industrial activity, and which committed to reserving a number of jobs for Group employees. In line with the very purpose of this leave, most hirings will take place from 2014.

With these specific steps, the Group has improved the individual support it offers to its employees who are affected by reclassification:

In this regard, the EMA "Multi-business team"system, implemented on the Aulnay-sous-Bois site, designed to help vulnerable employees access employment, is offered in particular to employees recognised as having a disability. This approach combines long-term personal support from a specialised agency, Homéga, (up to two years after signing up to the scheme), focused on the search for a job and roles compatible with the qualifications and skills of each employee affected, with a higher level of compensation. At the end of 2013, 80 people were engaged in this process.

Another initiative implemented in Aulnay: the PlaNet Finance association was included in the reclassification system, with the full-time presence in the factory of an advisor to support those with new business ideas. PlaNet Finance's expertise with micro-entrepreneurs in local areas has helped site employees affected by professional reconversion to set up 34 new companies.

Overall, the Group has played a major role in connecting its employees with job-creating companies. In addition to displaying partner offers in the PMPs and EMDPs, and uploading them to dedicated websites, almost 100 job forums and job speed datings have been organised on the Group's sites, in different formats: multi-company events, offering high internal visibility and bringing together many job offers and recruitment teams in one place, or single company events ("one day, one company") giving the partner all the time and space it needs to present itself to an audience that has come specifically to learn about its business and vacancies.

In addition to forums bringing together companies local to the Group's sites, the Group has taken the initiative to promote geographical mobility to its employees, in dynamic regions where the Group currently has little or no presence: on November 2013, the "Working in the Midi-Pyrénées" forum brought together over 400 employees around the biggest companies in the region (Airbus, Thalès, Safran etc.), from the Midi-Pyrénées economic development agency and public employment bodies.

Finally, the Group has organised special events to allow interested employees to better discover certain types of reclassifications or business segments: in June 2013 over 150 Group employees learned about aeronautical jobs and companies by visiting the "*avion des Métiers*" and meeting recruiters at the Salon du Bourget at a special day organised by the Group with the automotive platform. In September, over 500 employees took part in a video-chat organised internally to allow former employees, mainly company creators, to share their experience of reclassification, their difficulties and their successes.

As far as Aulnay is concerned, it would be possible to draw up the final outcome of this plan only at the end of the redeployment period, which will be completed in Summer 2014. At the beginning of the year, out of 3,000 employees, 240 had still not identified a solution. In accordance with the agreement signed by labour unions, employees will be offered two redeployments within the Group and, in the event of a refusal, a nine-month redplyment. In Rennes, all of the affected employees were redeployed and no compulsory redundancies were necessary.

Overall, the responsible employment management scheme rolled out by the Group in 2013 had resulted in 7,600 reclassifications at the end of December.

17.1.1. A NEW NEGOTIATED APPROACH TO PROTECTING EMPLOYMENT

Anticipating transformations *via* workforce and skills planning (GPEC) is a major priority for the Group.

GPEC-related matters were thus of prime importance when drawing up the "New Social Contract". Their inclusion, with the aim of making jobs more secure, is reflected in a system which jointly anticipates changes, gradually implements the necessary adaptation measures, and is committed to employing young people and older employees.

JOINTLY ANTICIPATING CHANGES

With the "New Social Contract", the Group and its employee representatives agreed to strengthen the role of the professions and skills observatory (in France). A joint body responsible for building and sharing a prospective vision of roles within the automotive industry, analysing each one and producing figures to reflect future company needs in terms of jobs, the professions and skills observatory meets at least twice a year centrally, and at least three times locally. The presentation of job trends by profession also includes action plans to ensure a balance between the needs of the Company and its resources. The observatory provides for results to be presented collectively and individually, so that each employee is fully aware of the situation of the position of their profession and the function in which they work.

The professions and skills observatory is based on the architecture of the 20 business lines and 114 Group professions (see section 17.1.3). The on-going professionalisation of this designation of employment by business line and profession increases the reliability of the analyses shared during the professions and skills observatory. As such, it is a considerable asset for successful workforce and skills planning.

WAYS TO ADAPT RESOURCES TO THE COMPANY'S NEEDS

The GPEC policy is characterised by a desire to respond differently to each situation where there is a discrepancy between requirements and resources and secure career paths. These intentions inspire its different stages.

Both in France and in other countries, the first stage is to organise projected job management around improved individual management, promote internal mobility as a priority and, if applicable, implement secure external mobility strategies. Measures to manage working times are also being looked at.

Beyond this first stage, systems to match jobs and skills, combining internal mobility with increased external job offers may be implemented.

A STRONG COMMITMENT TO EMPLOYING YOUNG PEOPLE AND OLDER EMPLOYEES

With the aim of offering innovative solutions to keep older employees in work, and aware of the importance of its role in training and integrating young people into the workplace, the Group wanted to make firm commitments in the "New Social Contract" *via* the Generation Contract: for each older employee kept in work, a young person will be hired by the Company between 2014 and 2016, *via* work-study contracts (apprenticeship contracts).

For older employees, the Group has drawn up a jobs and skills matching system (DAEC) combining keeping people in employment and gradually preparing employees for retirement in France. This system concerns employees two years away from retirement, or even three years from retirement when they have experienced a sustained period of difficulty during their career. It allows successive combination of a period of working only half the usual hours, followed by a period of exemption from all work, on an equal basis for the period remaining until retirement. This time can be used to mentor young people, or for external support assignments to SMEs, etc. Compensation during the period is equal to 70% of the full-time salary, with a minimum monthly compensation, over and above legal and contractual minimums, of €1,800 gross. These provisions ensure that employees maintain their employment contracts until they are able to claim their pension, while allowing them to gradually reduce the amount of work that they do. This may concern up to 3,500 people in France between 2014 and 2016.

At the same time, the Group agrees to hire an equivalent number of young people on training contracts. The main vehicle for these hirings is the apprenticeship contract, which effectively combines preparation for a diploma or degree with training at the Company. In addition, international corporate volunteering contracts (VIE), skill-acquisition contracts, and industrial training agreements by research (CIFRE) will be entered into to meet the needs of the Group and the pre-requisites for the courses taken by the young people. Preference will be given to apprentices or former apprentices for the targeted hirings that the Group will make under permanent contracts.

COMMITMENT TO REINDUSTRIALISATION

The Group pays close attention to the regions in which its sites are located. Many long-standing contacts have been nurtured over a number of years with local authorities and all economic and social players, as well as schools and universities. They enable priority to be given to local resources and development. The Group shows a particular commitment to the automotive industry, *via* four Regional Representatives appointed to help consolidate the French automotive industry in the regions (see section 4.1.2.).

At a number of its longest-running sites, the Group takes particular care about the impacts on the region of the industrial transformations that it is carrying out. A structure is in place within the Industrial Division to identify possible industrial regeneration projects. Since 2012, this structure has been looking at how to use and benefit from under-used areas or areas freed up. This has enabled the creation of jobs corresponding to the skills of the Company's employees. At the end of 2013, the portfolio of activities likely to locate to the Aulnay-sous-Bois site represented 1,300 jobs, of which 1,000 are newly created. In Rennes, six projects had been approved at the end of 2013, representing the creation of 238 new jobs.

The Group thus reaffirms its desire to ensure industrial continuity at the sites it operates, as well as its commitment to safeguarding jobs and skills in the automobile industry, and in general in the industries of the future.

FAURECIA: CONTRASTING ACTIVITY ACCORDING TO GEOGRAPHICAL AREA AND TARGETED EXTERNAL GROWTH OPERATIONS

At the end of 2013, Faurecia's overall level of activity grew in all regions apart from Europe, where it remained stable.

This trend is reflected in the change in the number of staff, which continued to grow in 2013, from 80,825 at the end of 2012 to 81,995 at the end of 2013, a rise of 1.4%.

Industrial redeployment initiatives affected 22 sites and 1,823 employees in 12 countries in 2013, mainly in Europe, but also in Canada, Brazil and the United States.

In this context, Europe has seen the number of employees fall slightly, by 0.9%, mainly as a result of the restructuring plans implemented in western European countries.

In North America, after strong growth in 2012 as a result of the acquisition of the Saline (Michigan) plant and the Group's growth in this market, employee numbers remained stable overall.

In South America, workforce growth continued significantly with an overall rise of 5.8% confirming Faurecia's development in this region.

Finally, Faurecia continued to expand in Asia, where employee numbers grew 21.3%, confirming the development potential of this market and the strong commercial momentum with automakers implanted in this zone.

ADAPTING HUMAN RESOURCES TO FAURECIA'S NEEDS

Over the last five years, Faurecia has grown very significantly and it now has over 97,000 employees, 15,000 of whom are engineers and managers. In 2013, the Group recruited 2,063 engineers and managers, compared to 2,566 in 2012. Recruitment mainly took place in areas of growth such as China (390), the United States (459), Mexico (263) as well as India (94) and Russia (64). Hirings continued at a slower rate in France (158) and Germany (129). 50% of new employees were assigned to production, 25% to sales, R&D and programme functions, and 25% to support functions. Young graduates accounted for 17.2% of hirings, 40% of whom came from panels of targeted higher education institutions set up in the nine main countries. In 2013, the number of international corporate volunteering (VIE) contracts continued to grow, with 167 contracts signed, compared to 133 in 2012. 57% of young engineers and managers having finished their VIE in 2013 stayed with Faurecia at the end of this period. Germany remains the country in which the Group recruits the most VIEs, followed by the USA and the central European countries. To give better visibility to its employer brand, Faurecia has reviewed its careers site and has developed an active presence on the various social networks. Despite a high recruitment rate, the percentage of vacancies filled internally stood at 53.2% overall in 2013, compared to 47% in 2012. It is markedly higher for upper management positions (72%). These results were achieved thanks to the implementation of robust succession and development plans, determined on the basis of staff reviews carried out at least once a year at all company levels (sites, divisions, business units and Group).

INDICATORS

WORKFORCE ON PERMANENT CONTRACTS AND FIXED-TERM CONTRACTS OVER THREE YEARS FOR EACH DIVISION G.1A

(Consolidated Group, at 31 December)

	2011	2012	2013
Automotive Division	122,879	117,374	108,895
o/w PCA France	*70,423*	*66,804*	61,265
Banque PSA Finance	2,679	2,669	2,801
Faurecia	72,030	80,825	81,995
Other businesses	1,178	3,419	3,194
TOTAL	**198,766**	**204,287**	**196,885**

Between 2012 and 2013, the number of Group employees on permanent or fixed-term contracts fell by 7,402.

The abbreviations CDI and CDD stand for, respectively "permanent employment contract" and "fixed-term employment contract."

WORKFORCE ON PERMANENT CONTRACTS AND FIXED-TERM CONTRACTS (OVER THREE YEARS) BY REGION G.1D

(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**69,588**	**27,376**	**11,931**	**108,895**
	2012	76,136	28,596	12,642	117,374
	2011	81,324	28,822	12,733	122,879
o/w PCA France	***2013***	***61,265***	***0***	***0***	***61,265***
	2012	*66,804*	*0*	*0*	*66,804*
	2011	*70,423*	*0*	*0*	*70,423*
BPF	**2013**	**824**	**1,679**	**298**	**2,801**
	2012	829	1,719	121	2,669
	2011	824	1,687	168	2,679
Faurecia	**2013**	**12,635**	**33,521**	**35,839**	**81,995**
	2012	13,136	33,271	34,418	80,825
	2011	12,557	31,331	28,142	72,030
Other businesses	**2013**	**3,156**	**38**	**0**	**3,194**
	2012	3,378	41	0	3,419
	2011	1,136	42	0	1,178
TOTAL	**2013**	**86,203**	**62,614**	**48,068**	**196,885**
	2012	93,479	63,627	47,181	204,287
	2011	95,841	61,882	41,043	198,766

At 31 December 2013, there were 196,885 employees within the Group of which 185,146 were on permanent contracts (94% of the workforce).

56% of the workforce now works outside France (32% in Europe and 24% in the Rest of the world). These changes reflect the internationalisation of the Group's business.

BREAKDOWN OF EMPLOYEES ON PERMANENT AND FIXED-TERM CONTRACTS BY SOCIO-PROFESSIONAL CATEGORY

(Consolidated Group, at 31 December 2013)

	Operators and administrative employees	Technicians and supervisors	Managers	Total
Automotive Division	59,533	28,113	21,249	108,895
o/w PCA France	*34,572*	*12,388*	*14,305*	*61,265*
Banque PSA Finance	*0*	*1,958*	*843*	*2,801*
Faurecia	54,196	12,047	15,752	81,995
Other businesses	2,085	587	522	3,194
TOTAL	**115,814**	**42,705**	**38,366**	**196,885**

WORKFORCE ON PERMANENT CONTRACTS AND FIXED-TERM CONTRACTS BY SOCIO-PROFESSIONAL CATEGORY AND BY REGION G.1D

(Consolidated Group, at 31 December 2013)

	France			Rest of Europe			Rest of the world			Total		
	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers
Automotive Division	37,570	17,003	15,015	15,514	8,013	3,849	6,449	3,097	2,385	59,533	28,113	21,249
o/w PCA France	*34,572*	*12,388*	*14,305*	*0*	*0*	*0*	*0*	*0*	*0*	*34,572*	*12,388*	*14,305*
Banque PSA Finance	0	486	338	0	1,284	395	0	188	110	0	1,958	843
Faurecia	6,977	2,342	3,316	23,118	5,573	4,830	24,101	4,132	7,606	54,196	12,047	15,752
Other businesses	2,085	554	517	0	33	5	0	0	0	2,085	587	522
TOTAL	**46,632**	**20,385**	**19,186**	**38,632**	**14,903**	**9,079**	**30,550**	**7,417**	**10,101**	**115,814**	**42,705**	**38,366**

- The manager category includes engineers and managers with a job description similar to managers in France.
- TAM is the French acronym for technicians and supervisors.

BREAKDOWN OF PERMANENT CONTRACTS AND FIXED-TERM CONTRACTS BY DIVISION AND GENDER G.1B

(Consolidated Group, at 31 December 2013)

	France		Rest of Europe		Rest of the world		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Automotive Division	12,109	57,479	6,256	21,120	1,848	10,083	20,213	88,682
o/w PCA France	*10,800*	*50,465*	*0*	*0*	*0*	*0*	*10,800*	*50,465*
Banque PSA Finance	486	338	857	822	143	155	1,486	1,315
Faurecia	2,912	9,723	8,797	24,724	10,271	25,568	21,980	60,015
Other businesses	485	2,671	13	25	0	0	498	2,696
TOTAL	**15,992**	**70,211**	**15,923**	**46,691**	**12,262**	**35,806**	**44,177**	**152,708**

WORKFORCE ON PERMANENT CONTRACTS AND FIXED-TERM CONTRACTS BY AGE GROUP AND GENDER G.1B

(Consolidated Group, at 31 December 2013)

	< 30 years		30-39		40-49		≥ 50		Total	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Automotive Division	2,817	10,194	6,836	26,407	5,585	26,403	4,975	25,678	20,213	88,682
o/w PCA France	*802*	*2,871*	*2,989*	*13,231*	*3,343*	*17,111*	*3,666*	*17,252*	*10,800*	*50,465*
Banque PSA Finance	329	174	516	409	358	404	283	328	1,486	1,315
Faurecia	6,376	17,742	6,972	17,799	5,381	14,647	3,251	9,827	21,980	60,015
Other businesses	42	144	100	404	181	1,429	175	719	498	2,696
TOTAL	**9,564**	**28,254**	**14,424**	**45,019**	**11,505**	**42,883**	**8,684**	**36,552**	**44,177**	**152,708**

SEPARATIONS G.2B

SEPARATIONS OF EMPLOYEES ON PERMANENT CONTRACTS BY REGION

(Consolidated Group, at 31 December 2013)

Automotive Division	France	Rest of Europe	Rest of the world	Total
Resignations	660	1,281	1,595	3,536
o/w PCA France	*394*	*0*	*0*	*394*
Dismissals	697	458	126	1,281
o/w PCA France	*478*	*0*	*0*	*478*
Redundancies	3,400	277	1	3,678
o/w PCA France	*2,945*	*0*	*0*	*2,945*
Retirement, death or other	1,367	623	54	2,044
o/w PCA France	*1,070*	*0*	*0*	*1,070*
TOTAL	**6,124**	**2,639**	**1,776**	**10,539**
Separation rate, Automobile	8.96%	10.87%	15.2%	10.1%
o/w PCA Separation rate	*8.1%*	*0%*	*0%*	*8.1%*

BPF	France	Rest of Europe	Rest of the world	Total
Resignations	18	77	26	121
Dismissals	6	23	2	31
Redundancies	1	3	0	4
Retirement, death or other	17	25	1	43
TOTAL	**42**	**128**	**28**	**199**
Separation rate	5.4%	8.4%	9.8%	7.7%

Faurecia	France	Rest of Europe	Rest of the world	Total
Resignations	152	1,756	2,772	4,680
Dismissals	352	1,037	3,841	5,230
Redundancies	84	927	326	1,337
Retirement, death or other	123	170	94	387
TOTAL	**711**	**3,890**	**7,033**	**11,634**
Separation rate	5.9%	12.7%	21.6%	15.5%

Other businesses	France	Rest of Europe	Rest of the world	Total
Resignations	46	2	0	48
Dismissals	31	1	0	32
Redundancies	142	0	0	142
Retirement, death or other	44	0	0	44
TOTAL	**263**	**3**	**0**	**266**
Separation rate	8.8%	8.1%	0%	8.8%

In 2013, the Group recorded 22,638 separations. This gives a separation rate of 12.2%.

The percentage of separations is calculated using all permanent contract departures during the year (resignations, redundancies, dismissals and other separations: retirement, death, etc.). Total workforce on permanent contracts at the Group at 31 December 2013.

HIRINGS G.2A

HIRINGS ON PERMANENT CONTRACTS (INCLUDES TRANSFERS FROM TEMPORARY AND FIXED TERM TO PERMANENT CONTRACTS)

(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**534**	**1,269**	**1 1,007**	**2,810**
	2012	1,139	3,705	1,234	6,078
	2011	4,739	2,050	2,087	8,876
o/w PCA France	***2013***	***64***	***0***	***0***	***64***
	2012	552	0	0	552
	2011	*NA*	*NA*	*NA*	*NA*
BBPF	**2013**	**11**	**100**	**202**	**313**
	2012	48	104	21	173
	2011	60	167	43	270
Faurecia	**2013**	**201**	**4,459**	**9,937**	**14,597**
	2012	1,328	4,561	11,220	17,109
	2011	490	3,198	9,369	13,057
Other businesses	**2013**	**3**	**0**	**0**	**3**
	2012	17	4	0	21
	2011	38	5	0	43
TOTAL	**2013**	**749**	**5,828**	**11,146**	**17,723**
	2012	2,532	8,374	12,475	23,381
	2011	5,327	5,420	11,499	22,246

In 2013, the Group recruited 17,723 employees. 82% of these hirings took place at Faurecia.

96% of these hirings were for the Group's international business.

EMPLOYEES HIRED ON PERMANENT CONTRACTS BY SOCIO-PROFESSIONAL CATEGORY

(Consolidated Group, at 31 December 2013)

	France			Rest of Europe			Rest of the world			Total		
	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers	Operators and administrative employees	Technicians and supervisors	Managers
Automotive Division	**238**	**251**	**45**	**729**	**415**	**125**	**630**	**306**	**71**	**1,579**	**972**	**241**
o/w PCA France	*19*	*11*	*34*	*0*	*0*	*0*	*0*	*0*	*0*	*19*	*11*	*34*
Banque PSA Finance	1	9	1	27	59	14	0	168	34	28	236	49
Faurecia	23	20	158	3,476	573	410	7,553	889	1,495	11,052	1,482	2,063
Other businesses	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**
TOTAL	**262**	**280**	**207**	**4,232**	**1,047**	**549**	**8,183**	**1,363**	**1,600**	**12,677**	**2,690**	**2,356**

72% of permanent contract hirings were for operators and administrative employees, 15% were technicians and supervisors and 13% were managers.

The percentage of permanent contract hirings (permanent contract hirings/total permanent contract workforce) was 9.6% in 2013.

The recruitment percentage is calculated by taking all permanent contract hirings for the year as a percentage of the total Group workforce on permanent contracts at 31 December.

EMPLOYEES HIRED ON FIXED-TERM CONTRACTS
(Consolidated Group, at 31 December 2013)

	France	Rest of Europe	Rest of the world	Total
Automotive Division	**461**	**2,426**	**80**	**2,967**
o/w PCA France	*391*	*0*	*0*	*391*
BPF	63	80	3	146
Faurecia	438	3,448	4,849	8,735
Other businesses	**1**	**1**	**0**	**2**
TOTAL	**963**	**5,955**	**4,932**	**11,850**

17.1.2. ORGANISATION OF WORKING HOURS G.4

In every host country, working hours are consistently equal to or less than the legal workweek or industry practices.

STEPS TO PRESERVE EMPLOYMENT

Use of short-time work can be an alternative to unemployment and redundancies. In 2013, it was an important vehicle for the Group to avoid job losses during a period of recession in the European automotive market, whilst developing employees' skills and protecting the future. This way of adjusting resources, which protects employment, was used in various European countries, including France.

Short-time work (APLD) agreements were signed with the French government to make it possible to maintain a guaranteed gross salary payment on non-working days until June 2013, when the French Employment Protection Act, came into force.

SHORT-TIME WORKING
(Consolidated Group, at 31 December)

		Total
Automotive Division	**2013**	**5,734,951**
	2012	7,093,162
	2011	2,656,547
o/w PCA France	***2013***	***4,411,327***
	2012	*5,313,938*
	2011	*NA*
BPF	**2013**	**0**
	2012	208
	2011	0
Faurecia	**2013**	**1,455,766**
	2012	1,328,034
	2011	NA
Other businesses	**2013**	**0**
	2012	15,279
	2011	0
TOTAL	**2013**	**7,190,717**
	2012	8,436,683
	2011	NA

OVERTIME

(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**297,386**	**751,877**	**1,036,474**	**2,085,737**
	2012	368,951	697,341	588,819	1,655,111
	2011	691,586	689,844	1,070,666	2,452,096
o/w PCA France	***2013***	***295,818***	***0***	***0***	***295,818***
	2012	*262,978*	*0*	*0*	*262,978*
	2011	*NA*	*NA*	*NA*	*NA*
Banque PSA Finance	**2013**	**13,716**	**16,717**	**1,012**	**31,445**
	2012	19,230	36,143	0	55,373
	2011	19,415	37,455	27	56,897
Faurecia	**2013**	**217,253**	**1,991,106**	**7,896,369**	**10,104,728**
	2012	144,366	1,809,622	7,618,538	9,572,526
	2011	NA	NA	NA	NA
Other businesses	**2013**	**13,260**	**0**	**0**	**13,260**
	2012	12,176	0	0	12,176
	2011	10,643	0	0	10,643
TOTAL	**2013**	**541,615**	**2,759,700**	**8,933,855**	**12,235,170**
	2012	544,723	2,543,106	8,207,357	11,295,186
	2011	NA	NA	NA	NA

Working hours are determined on an annual or multi-year basis.

Changes in overtime in the Automotive Division are due to the launch of new vehicles, mainly in Latin America.

ACHIEVING A HEALTHY WORK-LIFE BALANCE

Achieving a good work-life balance is a performance factor and prevents work-related stress. That is why the Group places a strong emphasis on offering individual arrangements to employees, such as agreeing to requests to work part-time or, where possible, teleworking.

FULL-TIME EMPLOYEES

In every host country, working hours are consistently equal to or less than the legal workweek or industry practices.

PART-TIME EMPLOYEES

Part-time employees are defined as employees who work fewer hours per week or fewer average hours over a period of up to one year than a comparable full-time employee.

Requests for part-time work are approved whenever possible, with individualised solutions that align employee needs with efficient team performance. Part-time schedules also take into account legal and medical considerations.

NUMBER OF PART-TIME EMPLOYEES ON PERMANENT OR FIXED-TERM CONTRACTS
(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**2,230**	**6,696**	**2**	**8,928**
	2012	2,293	6,966	6	9,265
	2011	2,180	2,800	18	4,998
o/w PCA France	*2013*	*2,082*	*0*	*0*	*2,082*
	2012	*2,135*	*0*	*0*	*2,135*
	2011	*NA*	*NA*	*NA*	*NA*
Banque PSA Finance	**2013**	**55**	**296**	**0**	**351**
	2012	45	309	0	354
	2011	44	302	0	346
Faurecia	**2013**	**614**	**938**	**0**	**1,552**
	2012	1,208	1,596	0	2,804
	2011	NA	NA	NA	NA
Other businesses	**2013**	**80**	**5**	**0**	**85**
	2012	104	5	0	109
	2011	66	5	0	71
TOTAL	**2013**	**2,979**	**7,935**	**2**	**10,916**
	2012	3,650	8,876	6	12,552
	2011	NA	NA	NA	NA

At 31 December 2013, the Group had 10,916 part-time employees worldwide (5,106 half-time), 44% of these were women and 56% were men.

MATERNITY, PATERNITY AND PARENTAL LEAVE

Maternity and paternity leaves are recognised in accordance with local legislation and comply with legally prescribed length-of-leave periods. Parental leave enables employees in certain countries to take time off work to raise their young children.

NUMBER OF EMPLOYEES ON MATERNITY, PATERNITY AND PARENTAL LEAVE BY SOCIO-PROFESSIONAL CATEGORY
(Consolidated Group, at 31 December 2013)

	Maternity leave				Paternity leave				Parental leave			
	Operators and administrative employees	Technicians and supervisors	Managers	Total	Operators and administrative employees	Technicians and supervisors	Managers	Total	Operators and administrative employees	Technicians and supervisors	Managers	Total
Automotive Division	**441**	**343**	**295**	**1,079**	**1,804**	**517**	**481**	**2,802**	**240**	**181**	**131**	**552**
o/w PCA France	*203*	*112*	*223*	*538*	*1,050*	*305*	*396*	*1,751*	*185*	*49*	*95*	*329*
Banque PSA Finance	0	82	19	101	0	16	11	27	0	74	12	86
Faurecia	690	181	211	1,082	838	180	311	1,329	306	114	100	520
Other businesses	**1**	**2**	**10**	**13**	**34**	**10**	**7**	**51**	**3**	**1**	**0**	**4**
TOTAL	**1,132**	**608**	**535**	**2,275**	**2,676**	**723**	**810**	**4,209**	**549**	**370**	**243**	**1,162**

In 2013, there were 2,275 periods of maternity leave, 4,209 periods of paternity leave and 1,162 periods of parental leave.

ABSENTEEISM AND ITS CAUSES G.5

In total, there were 11,846,712 hours of paid absence excluding holidays, including 9,352,452 hours of sick leave, 795,047 hours of maternity absences, 437,708 hours of absence as a result of accidents and 1,261,505 hours for other reasons.

In 2013, based on the 365 million hours worked, absenteeism due to sickness stood at around 2.4%.

HOURS OF PAID ABSENCE EXCLUDING HOLIDAYS

(Consolidated Group, at 31 December)

		France		Rest of Europe		Rest of the world		Total	
		Sick leave	Other paid leave	Sick leave	Other paid leave	Sick leave	Other paid leave	Sick leave	Other paid leave
Automotive Division	**2013**	**3,923,779**	**738,208**	**1,243,554**	**867,931**	**783,307**	**161,205**	**5,950,640**	**1,767,344**
	2012	3,757,531	1,350,693	1,359,880	598,152	526,339	207,497	5,643,750	2,156,342
	2011	3,542,970	551,324	1,360,849	683,650	976,272	835,882	5,880,091	2,070,857
o/w PCA France	*2013*	*2,889,232*	*350,571*	*0*	*0*	*0*	*0*	*2,889,232*	*350,571*
	2012	*2,806,074*	*1,126,492*	*0*	*0*	*0*	*0*	*2,806,074*	*1,126,492*
	2011	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Banque PSA Finance	**2013**	**15,818**	**10,451**	**80,632**	**51,636**	**1,367**	**2,938**	**97,817**	**65,025**
	2012	15,601	6,227	73,733	72,790	1,211	2,124	90,545	81,141
	2011	24,003	7,606	72,053	55,855	246	2,039	96,302	65,499
Faurecia	**2013**	**628,025**	**41,837**	**1,791,819**	**190,635**	**722,213**	**412,781**	**3,142,057**	**645,253**
	2012	583,963	41,546	1,658,180	145,804	568,350	452,004	2,810,493	639,354
	2011	NA	NA	NA	NA	NA	NA	NA	NA
Other businesses	**2013**	**159,472**	**15,170**	**2,464**	**1,468**	**0**	**0**	**161,936**	**16,638**
	2012	133,658	17,065	1,696	816	0	0	135,354	17,881
	2011	60,482	5,649	1,978	308	0	0	62,460	5,957
TOTAL	**2013**	**4,727,096**	**805,667**	**3,118,469**	**1,111,670**	**1,506,887**	**576,924**	**9,352,452**	**2,494,261**
	2012	4,490,753	1,415,531	3,093,489	817,562	1,095,900	661,625	8,680,142	2,894,718
	2011	NA	NA	NA	NA	NA	NA	NA	NA

17.1.3. DEVELOPING AUTOMOTIVE EXPERTISE AT PSA PEUGEOT CITROËN: MANAGEMENT BY BUSINESS LINES AND PROFESSIONS

The job families and professions approach developed by the Group is central to the Group's human resources development policy in the medium and long terms. It identifies career itineraries that can take employees from their current position to the jobs of tomorrow.

Job families are cross-functional skills communities that encompass all the professions focused on the same ultimate work objective. The 20 business lines map out the 114 Group professions. From these follow skills development programmes, skills acquisition procedures, career paths leading to qualifications and their associated links between professions and business lines, mobility and guidance on expertise.

As a guarantee of excellence, all professional training courses are certified by PSA Peugeot Citroën University according to a structured audit path.

The job family process helps employees set career objectives and prepare for mobility, while enabling managers to provide effective support. It allows the Group to foresee strategic changes in the skills base, identify the capabilities it will need in the future and prepare transitions to help avoid dismissals or problems.

The business lines and professions thus encouraged at the Group show the Group's ability to retain and grow its automotive expertise.

17.2. > DEVELOPING HUMAN RESOURCES

The Group's globalisation has resulted in increased talent and skills, in all their diversity, with increasingly international teams and managers and HR processes that are increasingly decentralised.

the Group is structured into 20 business lines and 114 professions across the organisations, based on shared skills, tools and processes, and is resolutely international. This organisation according to business lines and professions responds to the needs of employees, managers and divisions in terms of skills and career development.

The human resources development policy, which was renewed in June 2010 and rolled out worldwide, aims to:

- promote the career development of all employees and make managers responsible for developing their teams;
- improve competitiveness and support the Group's internationalisation by building employee loyalty and attracting the best talent;
- deliver professional training to employees, bringing them to the highest skill levels;
- support employees during change.

This policy is based on seven principles and 10 systems.

These systems are standardised, equipped appropriately and regularly evaluated within the HR community *via* a road map detailing the stages of maturity. These systems are: career plans, developing managerial skills, supporting employees, the performance review system, qualifying career paths, the training offer, training certification, internal mobility, the talent pool and the replacement plan, the Group's employment plan.

The human resources development policy
1. Each Group employee is an active participant in his or her career development
2. Each manager is responsible for the development of his or her team
3. Every employee has an annual performance review
4. Career paths are defined by job family, through each family's profession
5. Training is a major investment for the Company and for each employee
6. Job mobility allows interested employees to expand their career horizons and develop their skills
7. The Group manages jobs responsibly

17.2.1. EMPLOYEE COMMITMENT AND MOTIVATION

In September 2013, the Group launched "Team Connect", an in-house survey to gain a deeper insight into employee commitment in order to make progress *via* specific, targeted action plans. The individual and collective commitment of employees is perceived as a key way of meeting challenges and attaining the Group's objectives under these action plans.

The survey was conducted outside France (excluding joint ventures) and over the entire Banque PSA Finance scope (including France) covering all employees (workers, technicians and supervisors, managers). In total, over 40,000 employees in 34 countries were able to give their opinions on the Group, its strengths, its weaknesses and areas for progress, either online or *via* a paper questionnaire (plants, retail, etc.). It is the first time that the Group has a common methodology for all of its business segments or sites/countries where it is present.

The survey, which is available in 20 languages, has 67 questions on motivation and context, to assess the level of commitment and analyse employees' perceptions on 14 dimensions.

The participation rate was 78% of employees who received the survey. The results were forwarded to the relevant managers in December 2013 after being presented to the members of the Executive Committee. Around 700 managers received a results report on their team's situation. A minimum of 20 respondents is required to produce a report and ensure that responses remain confidential. The results were then presented to the teams by the managers, who produce and implement relevant, specific progress plans with their teams in order to move forward as of 2014 on all dimensions regarding employee commitment and motivation.

17.2.2. RETAINING AND ATTRACTING TALENT

Attracting and recruiting the talent the Group needs is a real strategic challenge, despite the slowdown in hirings in 2013, particularly in France, where only rare or expert profiles were required. The Employer Brand, the Group's identity as an employer, is a decisive driver to support these hirings and cultivate the Group's image among candidates and more generally, students.

For the Group, developing its Employer Brand is both an internal and an external task, covering maintaining skills and attracting new talent.

In 2013, the Group strengthened its social media presence to create greater proximity with its hiring targets (young graduates and students). This strategy is an attempt to increase the Group's visibility, display its diverse range of professions and the range of entry points for young people (placements, apprenticeships, international corporate volunteering programmes) and career opportunities.

Actions promoting proximity and discussion took place among young people and teaching staff, using a network of very active and motivated "campus partners". This involved participation in forums, organising visits to Group sites, participation in teaching within target higher education partner establishments and placements within the Company for lecturers.

For the Group, combating gender stereotypes and opening up the Company to the diversity of candidates should be included in career guidance from a very young age. In partnership with the "Elles bougent" association, and with the help of an in-house female sponsor network, the Group has improved its actions to communicate with and support young women interested in technical careers. Examples include a competition which was organised to select the best project on the theme "Imagine the car of 2050".

STRATEGIC PARTNERSHIPS WITH ACADEMIC INSTITUTIONS

PSA University has joined forces with internationally reputed colleges (in engineering, business and the humanities, etc.) to attract a diverse range of talent. The "Extended University" concept is based on lasting relationships with schools and universities and the implementation of shared laboratories (in particular, the "StelLabs" programme), and teaching or research chairs.

The PSA University currently partners 30 colleges worldwide. The Group has academic partnerships in Brazil (São Paulo and Rio Universities), in China (Peking and Shanghai Universities) and in the United States (with GeorgiaTech in Atlanta).

Faced with economic, technological, environmental and societal challenges to which the automotive industry must constantly adapt, our partnerships, mainly in the area of research into future technologies, are the main ways to promote scientific exchange between lecturers-researchers, the Group's engineers and the students from the thirty science, technology or management higher education institutions on three continents (Europe, Asia, America). They are offered placements or study for their degrees and doctorates within the Group's establishments or laboratories.

17.2.3. PROMOTING INDIVIDUAL AND COLLECTIVE DEVELOPMENT G.11A

The human resources development policy is implemented *via* the following processes and tools:

THE TALENT REVIEW

The Talent Review aims to develop talent, make strategic succession plans secure and anticipate individual career management. It takes place every year (May to September) and involves the managers of the 54,000 Group managers and technicians/supervisors. During this annual managerial exercise, the career and mobility prospects of every employee are reviewed.

Strengthened by its global network of 250 Human Resources Business Partners (HRBPs), the Group performs the Talent Review process globally every year as a proactive exercise to manage individual employment, and identify and develop talent.

TARGETED DEVELOPMENT TOOLS TO HELP DEVELOP TALENT AND LEADERSHIP

Since 2010, the Group has been rolling out targeted leadership development tools with its executive and upper managers as well as promising talent, with a 360° system around a behavioural skills referential, a mentoring and co-development programme and the implementation of a network of in-house coaches. These development tools are fully rolled out in-house thanks to "facilitators" who are specially trained in these tools.

Development 360°: since 2011, over 1,100 executive managers, senior managers and managers have benefited from this Development 360° system. Built around the Group's behavioural skills referential (strategic vision, focus on results, knowledge of the business environment and segment, change management, cooperation and influence, team leadership, skills development, ethical behaviour). In 2013, this system was opened up for the first time to employees other than executive and senior managers, being extended to promising talent and managers with heavy responsibilities.

The objective of this programme is to offer a tool which prepares and supports managers in their career *via* a specific personal development plan. It makes it possible to boost skills effectively and simply and to support managers in their responsibilities. In addition, it strengthens the Company values of personal commitment, cross-functionality and value creation.

Mentoring: for the first time, a unified and standardised mentoring system was rolled out in all Group divisions. For its first year of application, 60 mentee and mentor pairs were formed thanks to the support of 17 "mentoring facilitators". HR professionals have been trained in the mentoring system to objectivise the need expressed by mentees to form mentee – mentor pairs and support them throughout their mentoring exercise.

The methodology used depends on the needs of the mentee to build an individual and effective mentoring process. Depending on need and by defining the objective, the mentee is put in contact with the mentor, who helps them with any work-related questions they may have thanks to their experience and by thinking about these experiences during the mentoring process. This process benefits both the mentee and the mentor, who both develop and strengthen their professional position.

Co-development: 103 Group managers took part in a co-development workshop in 2013, which included 53 senior managers and 31 Human Resources Business Partners (HRBPs). A co-development workshop has around 8 participants and a specially-trained coach, usually an in-house coach. A co-development process is spread out over about eight months in one co-development session of four hours per month. It uses specific questioning techniques so that participants can not only discuss problematic work situations, but also, crucially, to learn from others. The results of these co-development workshops have been very positive, particularly thanks to the acquisition of new forms of collaborative and cooperative working.

The network of in-house coaches: the Group has opted to rely heavily on in-house professionals for the development and support of its managers and talent. Since 2012, a network of 10 in-house coaches has been set up. They spend part of their working time on this activity. Thanks to this unique system, it has been possible to hold co-development workshops and individual and team coaching. Brought together by a dedicated Code of Ethics and a tripartite agreement between human resources, the coaches and their department, the coaches provide quality coaching while maintaining full professionalism. In total, 24 individual and team coaching sessions took place in 2013, as well as co-development workshops led mostly by in-house coaches.

MANAGER SUPPORT PLAN

The manager support plan is an initiative taken in 2013, in a difficult managerial context, to provide managers with specific tools to respond to social and managerial situations, make use of their skills and help them to progress.

The Group rolled out a support plan, *via* a dedicated intranet space called the "manager area", for the Group's 10,000 managers all over the world. This plan has four aspects:

- privileged, easy access to important information about the Group;
- an e-learning training offer dedicated to management issues: There is an e-learning session for each broad management theme, as well as short video sessions called "management 15 minutes" which make them more aware of everyday management situations;
- a self-evaluation questionnaire gives managers the option to assess their managerial practices and, if applicable, to begin progress actions. Managers can also use this self-evaluation tool for team-building with their team members;
- practical information sheets and human resources workshops on specific HR issues give managers quick and easy access to human resources management matters.

17.2.4. PSA UNIVERSITY: BOOSTING SKILLS G.11A G.12 G.11B

THE PURPOSE OF PSA UNIVERSITY G.11A

PSA University's purpose is to circulate knowledge, know-how and behaviours which reflect the Group's values, strategy and vision all over the world. Since it was founded in April 2010, the University has introduced a variety of curricula designed to fulfil this mission by offering employees the tools to acquire excellent general, technical and managerial skills. The job families and professions approach (described in section 17.1.3) guarantees the completeness, relevance with regard to the needs and the international deployment of the training courses by certifying them.

The training offered by PSA University was adapted in 2013 to support the Group in a challenging economic environment. In this difficult environment, priority was given to boosting the skills of plant floor managers, continuing to build and roll out the training offer for the Group's professions and keeping employees in work.

The University has also made an important commitment to e-learning. This remote learning technology *via* the internet has been quickly rolled out in the Group, in close partnership with the IT Department, to offer employees all over the world a shared body of knowledge, know-how and values which fit the Group's globalisation ambition.

The success of remote training has been proven (over 25,000 totally or partially remote training sessions took place in 2013), particularly on basic finance and business administration, languages, electricians' certification, an awareness-raising programme on intercultural sensitivity and training in office IT tools.

To achieve the Group's ambition to become a global player, PSA University has an innovative range of online training modules for learning seven different languages on its Intranet, CAMPUS WEB. The aim of this training is to support employees in the Group's international dynamic, according to their different needs, either by acquiring a basic knowledge of the partner's language, applying for international projects, evaluating and perfecting their language skills, in summary, to maintain and increase their employability. This self-service language training is designed for all employees at all levels. It is a unique opportunity to receive training in the language(s) of their choice and learn at their own pace.

THE MANAGEMENT SCHOOL, PROMOTING EXCELLENCE IN LOCAL MANAGEMENT

Attached to PSA University, the management school offers a range of training modules to meet the requirements of the Group's situation and the urgent needs of managers. Developing leadership and leading change are integral parts of the management training.

Since 2013, PSA University, which is involved in the Manager Support Plan, launched a range of 16 e-learning modules on management skills and day-to-day efficiency.

The range of face-to-face training opportunities available in 2013 included:

- the "Managing in Challenging Times" programme: This programme, which lasts for three days over three months, is aimed at first-time managers and all those in a difficult situation, for whom a simple and pragmatic approach would allow them to find the confidence and resources to resolve management issues they come up against on a day-to-day basis.

  In 2013, 25 sessions of this programme were organised in France, two in Argentina, two in Brazil, two in China, two in the United Kingdom and two in Russia, covering a total of 730 people;
- the "Leading my basic production unit/production unit" programme: This four week training is aimed at new unit managers (RUs) Group managers (RGs) and manufacturing floor managers and is intended to provide skills and basic mastery of the profession and the tools necessary to manage a basic production unit (UEP).

  In 2013, 330 employees, 200 of whom are located outside France, followed this programme.

A UNIVERSITY TO MAINTAIN THE GROUP'S EMPLOYEES IN WORK

Top Compétences was launched in 2012 and is a system to promote internal mobility, designed to better meet the Group's competitiveness and skills redeployment needs. It has opened up new opportunities for career reconversion thanks to an increased emphasis on individual training; almost 1,100 employees have been able to benefit from the opportunity to learn a new profession within the Group.

There is a dedicated budget to finance the training necessary for career reconversion within the Group.

In addition, to prepare employees who are struggling the most to deal with their career changes, the University has entered into a partnership with the French Adult Professional Training association (AFPA). A programme to improve general education has also been rolled out, lasting between 70 hours and 280 hours for around 200 employees.

Finally, to meet the needs of employees interested in external mobility, several initiatives were taken.

A support system *via* training of employees with an individual career reconversion plan has been built up, based on the skills of a nationwide training provider.

At the Aulnay-sous-Bois and Rennes sites, career transition centres have been set up. These centres work in partnership with companies offering local jobs. They build and deliver training programmes which allow Group employees to access the jobs offered by these partners (see section 17.1).

MEASURING THE GROWTH IN SKILLS

The system for evaluating the investment in training is based on several complementary systems.

First of all, a system for validating training knowledge is combined with training actions.

An assessment system is then applied and used systematically. In all cases, recipients are asked to rate their training *via* a questionnaire at the end of the session. The results of these evaluations are sent to the content designers and the training logistics teams. For the most important training actions, a satisfaction questionnaire is completed by the training recipient and their line manager 45 days after the end of the training.

Considering that it is better to measure the rise in skills as a result of the training than to measure satisfaction at the end of the training, the PSA University uses a system to certify its training. The business line committees and the professional referents confer to grant the certification based on a system of evaluating skills within the profession.

Training is linked to the 114 Group professions. In coordination with all the professional referents, the PSA University helps formalise the frame of reference for technical skills and builds the associated training courses. Certification on the basis of an audit that assesses five criteria to certify the maturity and consistency of the courses.

At the end of 2013, over the 114 Group professions, 102 training courses have been granted certification. Group profession training courses now undergo the certification process as a matter of course.

EMPLOYMENT OF YOUNG PEOPLE

Under the responsibility of the Group University, the PSA Peugeot Citroën private technical school is the result of a partnership between the Group and the French state education system. Over 600 young students, professors and science and industrial technology/economics and management inspectors are involved and benefit each year from this system.

All key players from the automotive business line now emphasise the need to promote the integration of young people into the workforce by supporting technological challenges in the automotive industry of the future, therefore updating degrees and adapting educational content to the new technical requirements.

To do this, the University relies on the expertise of the French vocational teaching system. Since 2001, a multi-year framework agreement has linked the Group to vocational teaching institutions with various specialist areas, either for our plants and development centres or for the Peugeot and Citroën brands and their networks. In France, the Group now works with 60 educational establishments to transfer this professional know-how.

Training in automotive service and after-sales professions clearly illustrate this system. Established for young people studying for the "Professional Automotive Maintenance Baccalauréat", "Professional Body Structure Repair Baccalauréat" and "Senior Automotive After-sales Technician Diploma", this system, which prepares young people for work, is based on voluntary establishments meeting a need expressed by the Peugeot and Citroën business departments, for their own network or for dealer networks. 128 hours of additional training modules are delivered and young people also do eight weeks of additional work-based training with case studies and practical work using the methods and tools recommended by the Group.

Specific mentoring is given by a referent lecturer and a workplace mentor to support them throughout their training with professional guidance and help their academic success. The results obtained were 15% to 20% higher than the national average for the diplomas in question. Workplace integration is also improved. A regional "skills" manager is responsible for this programme, and also for its links with independent companies in the commercial network.

Convinced that female representation in the sales and after-sales reception professions has a positive impact on business performance, the Company also seeks to attract and train more young women to these roles. The intake of the six sales schools in France comprises 15 to 20% young women every year, in partnership with the French Association for Automotive Training (GNFA).

Strengthened by this experience, the Group has built relationships with the academic world far beyond France. In collaboration with local education partners and the French state education system, the Group is implementing training centres for the networks of the Peugeot and Citroën brands in the countries where it has a strong presence. This particularly applies to China (with BVCES), Brazil (with SENAI) and Chile (with INACAP) to train teachers, trainers, employees and future Group employees, in the industry professions and business.

FAURECIA'S TRAINING POLICY

For Faurecia, training is a key tool in implementing a real continuous improvement approach. Training plans are focused on improving results. Practical and in-house training courses are favoured.

The priorities defined in training plans enable the achievement of targets set for different operating units. These priorities are organised around the following topics:

- improving plant performance (safety, quality, costs and deadlines) and ensuring optimal production start-up;
- enhancing the attractiveness of customer offerings;
- increasing technological expertise in products and processes;
- improving employee skills-acquisition, encouraging the career development and improving their employability;
- developing managerial skills;
- anticipating and managing identified skills requirements over the medium term;
- using shared working methods to improve efficiency;
- developing the ability to work in an international environment.

In 2013, close to 1.7 million hours of training was provided at Group level, a 4.5% increase on the previous year. 90.3% of employees took part in a training course, with an average duration of 22 hours.

FAURECIA UNIVERSITY: TRAINING AND DEVELOPMENT FOR FAURECIA ENGINEERS AND MANAGERS

In 2013, Faurecia University delivered 163 training sessions compared to 106 in 2012. In total, 2,487 people from 20 countries took part in these Group programmes.

Faurecia University was given a governing body to boost the involvement of top management in defining the corporate training priorities and procedures. Executive Committee members sit on the "*Faurecia University Advisory Board*". It met twice in 2013. It worked on the organisation, priorities for 2013, and the resources allocated.

"Faurecia University North America" and "Faurecia University Asia" were set up in the last quarter of 2013. These two universities have their own resources and their main aim is to provide corporate training which most closely meets the needs expressed by the management in these two regions. These two regional universities are able to build specific training modules. The creation of regional governance bodies has reinforced the local nature of the universities.

Six training modules in the Faurecia Excellence System were included in the catalogue for Faurecia University to improve the ability to deliver this training ("Speed up flows and levelling", "Management control", "Equipment care induction", "Equipment design", "FES overview" and "FES Advanced"). A new intercultural training programme was launched in 2013: "US intercultural awareness" was added to the Chinese and Russian modules. Finally, an "Annual Performance Development Review" training module was launched at the end of 2013 to support the rollout of a new approach to managing performance within Senior Management.

HOURS OF TRAINING

(Consolidated Group, at 31 December)

		Total hours of training *(in thousands)*			Average hours of training per employee		
		France	Europe excl. France	Rest of the world	France	Europe excl. France	Rest of the world
Automotive Division	**2013**	**1,258**	**614**	**210**	**18.1**	**22.4**	**17.6**
	2012	1,374	850	233	18.1	29.7	18.4
o/w PCA France	***2013***	***1,179***	***0***	***0***	***19.2***	***0***	***0***
	2012	*1,276*	*0*	*0*	*19.1*	*0*	*0*
Banque PSA Finance	**2013**	**13**	**23**	**4**	**16.1**	**13.7**	**12.4**
	2012	15	29	4	18.3	17.4	34.5
Faurecia	**2013**	**222**	**645**	**827**	**17.6**	**19.2**	**23.1**
	2012	208	658	754	15.8	19.8	21.9
Other businesses	**2013**	**8**	**0**	**0**	**2.4**	**0**	**0**
	2012	81	2	0	24	4	0
TOTAL	**2013**	**1,501**	**1,281**	**1,041**	**17.4**	**20.5**	**21.6**
	2012	1,678	1,539	991	18	24.2	21

AVERAGE HOURS OF TRAINING PER EMPLOYEE, BY SOCIO-PROFESSIONAL CATEGORY AND GENDER **G.12**

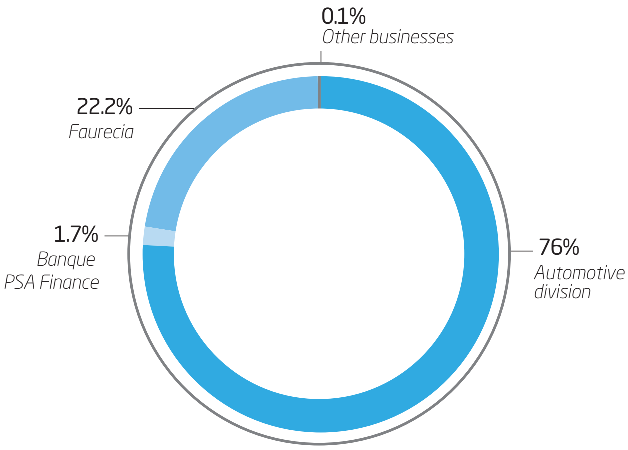
(Consolidated Group, at 31 December 2013)

	Operators and administrative employees			Technicians and supervisors			Managers			Total		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Automotive Division	24	21	22	12	17	16	16	16	16	18	19	19
o/w PCA France	*22*	*23*	*22*	*10*	*15*	*16*	*14*	*15*	*15*	*17*	*20*	*19*
Banque PSA Finance	0	0	0	13	17	13	19	17	17	14	14	14
Faurecia	17	17	17	21	30	24	30	30	30	20	21	21
Other businesses	1	1	1	2	9	3	30	9	9	3	2	21
AVERAGE	**20**	**19**	**19**	**15**	**22**	**18**	**22**	**22**	**22**	**19**	**20**	**19**

In 2013, almost 5,500 training courses were provided across the Group. Each employee received an average of 19 hours of training in 2013, with 145,908 employees attending at least one training course during the year. The more than 3.8 million hours of training delivered throughout the Group represented an outlay of over €110 million.

TRAINING EXPENDITURE BY DIVISION **G.12**

(Consolidated Group, at 31 December 2013)



** PCA represents 66.6% of Automotive Division expenditure.*

17.2.5. MANAGING PERFORMANCE AND DEVELOPMENT

THE PERFORMANCE REVIEW, A DRIVER FOR PERFORMANCE AND INDIVIDUAL AND COLLECTIVE DEVELOPMENT G.11B

The annual performance review is a managerial strategy which is fundamental to performance and development. With its three parts – evaluation, objectives, growth perspectives and personal development – the performance review is an important time for recognition, evaluating the contributions of each employee and for boosting performance.

The performance system focuses on three main annual processes: as part of the Medium-Term Plan (PMT), each department (entity of excellence) describes and anticipates changes and challenges for the next three years. This exercise takes place in June and July every year. The objectives contracts then describe the objectives for the coming year for each Group department and entity, in a top down formation. This process takes place every year from September to December. Finally, during the performance review, the collective Company objectives are transposed into individual objectives, called Annual Performance Objectives. During the performance review between the manager and the employee (manager, technician or supervisor), three to five annual individual performance objectives are set using the objectives contract of the entity to which the employee belongs.

Thanks to the HR process which has been unified since 2011/2012 for all 54,000 Group managers, technicians and supervisors, the transposition of the Company objectives, *via* objectives contracts, into Annual Performance Objectives *via* the performance review ensures their correct alignment and collective performance.

In addition to setting objectives, the performance review has three essential parts:

- an evaluation of the overall management of the function comprising the technical and behavioural management of the function, evaluation of the measurement of the annual performance results for the past year;
- setting Annual Performance Objectives for the coming year and selecting at least two behavioural skills from among the seven in the Group's frame of reference (strategic vision, focus on results, knowledge of the environment and the business segment, change management, cooperation and influence, team leadership and skills development), and identifying a progress action for each of these skills;
- the outlook for personal evolution and development, by expressing the employee's mobility interests and drawing up a Personal Development Plan.

In 2013, 97% of managers, technicians and supervisors all over the world underwent a performance review. For two years, a dedicated career management programme called "Global HR careers" has been used for the reviews. This Information System also allows each of the users to update their CVs (internal and external career history, language knowledge and training) and include technical knowledge, self-assessed from a catalogue of 330 technical skills.

PERCENTAGE OF EMPLOYEES WHO HAD A PERFORMANCE REVIEW (IN LINE WITH THE REPORTING PERIOD)

(Consolidated Group, excluding Faurecia, at 31 December 2013)

	France				Rest of Europe				Rest of the world				Total			
	Operators and administrative employees	Technicians and supervisors	Managers	Total	Operators and administrative employees	Technicians and supervisors	Managers	Total	Operators and administrative employees	Technicians and supervisors	Managers	Total	Operators and administrative employees	Technicians and supervisors	Managers	Total
Automotive Division	81%	96.1%	98.2%	92.7%	69%	95.7%	98%	78.4%	29%	96.9%	99%	56.5%	60.9%	97%	98%	85%
o/w PCA France	*89.7%*	*98.6%*	*98.3%*	*94.1%*	*	*	*	*	*	*	*	*	*89.7%*	*98.6%*	*98%*	*94%*
Banque PSA Finance	*	99.5%	99.1%	99.3%	*	98.9%	99%	98.9%	*	100%	100%	100%	*	99%	99%	99%
Other businesses	71%	96.5%	95.9%	84.8%	*	0%	40%	79.3%	*	*	*	*	79.7%	96%	96%	85%
TOTAL	**80.7%**	**96.2%**	**82.9%**	**92.4%**	**69%**	**96.2%**	**98%**	**79.3%**	**29%**	**96.9%**	**99%**	**56.8%**	**57.1%**	**97%**	**98%**	**86%**

* *No performance review carried out as there are no staff in these categories.*

17.3. > THE PATH OF SOCIAL DIALOGUE TO INVIGORATE "THE NEW PSA"

The Group has chosen to achieve its transformation plans through social dialogue. The Group uses the information and participation of employees and works to involve all managers and staff representatives. Considering the human and social dimension is at the core of the Group's strategy.

At the core of this policy is constant, on-going dialogue with employee representatives and the favoured contractual approach. This was particularly challenging in 2013 in a particularly delicate economic and social context. It was through negotiation and the conclusion of an agreement signed on 29 April 2013 that the measures to support the industrial reorganisation plan were defined in France, particularly the stoppage of production at the Aulnay-sous-Bois site. This is also the spirit of the "New Social Contract" concluded on 24 October 2013 which gives a new "industrial and social route map" for the next three years, focused on four areas: sharing strategic vision, securing employment, the Generation Contract and developing competitiveness, preserving the strong industrial and R&D bases and the interests of the employees. In all countries, the different Group subsidiaries have used social dialogue to look for solutions which fit economic and social challenges, preserving the essential interests of employees.

THE SYSTEM FOR MANAGING SOCIAL RELATIONS

Structured around six commitments and 14 standards, PSA Peugeot Citroën's employee relations policies are designed to support a harmonious working environment in every plant and facility. In particular, systems are in place to proactively foresee and manage the employee relations aspects of all of the developments that impact the Group, while strengthening social cohesion within the organisation. Based on an annual self-assessment, each unit measures the progress made on each standard and leads action plans to promote the achievements in the social area.

The system for managing social relations
1. The Group respects and is committed to promoting the principles of the Universal Declaration of Human Rights and the International Labor Organization
2. Working processes and standards meet current labour regulations
3. The Group's social dialogue is based on independent trade unions and employee representatives
4. Contractual agreements combine the Company's operational efficiency with the satisfaction and commitment of employees, strengthening internal social cohesion
5. Social dialogue, based on respect and responsibility, takes place daily by managers within the work units
6. Social policy in all subsidiaries is assessed regularly

Organisation of the employee representative bodies is one of the fourteen requirements of the SMRS. Social dialogue is structured around a formal social agenda for each dialogue body. It is based on an events calendar which makes it possible to anticipate and support changes. Monitoring of the application and assessments of Company agreements take place regularly in central and local commissions.

17.3.1. THE GLOBAL FRAMEWORK AGREEMENT ON CORPORATE SOCIAL RESPONSIBILITY, THE BASIS FOR INTERNATIONAL SOCIAL DIALOGUE G.6 G.7 G.15 G.16 G.17 G.18 G.19 G.40 G.42

In 2003, the Group formalised its CSR commitment by signing up to the Global Compact. This voluntary initiative, which seeks to include sustainable development principles in the Company's strategy and business, promotes fruitful dialogue with the different stakeholders, and marks an essential stage in rolling out the Group's responsible development approach.

Three years later, the Group wanted to demonstrate the full depth of its commitment and decided to get a wide range of stakeholders involved in the process on an international level. With over 90 trade unions all over the world, IndustriAll Global Union (ex International Organisations of Metal Workers' Federation – FIOM) and IndustriAll Europe (ex European Metallurgists' Federation – FEM), the Group signed its first global framework agreement on corporate social responsibility on 1 March 2006. After four years of application, the Agreement was renewed in 2010. Dedicating a new Chapter to safeguarding the environment and strengthening social commitment.

The purpose of the Group's global framework agreement is to take all Group entities forward in terms of social responsibility. It promotes consideration of society's increasing social and environmental requirements as regards companies.

It engages the Group to respect and promote the fundamental human rights expressed in the Universal Declaration of Human Rights and to apply the best human resources management and development practices. It also commits the Group to sharing its standards with its partners, suppliers and independent dealers.

The Agreement is structured around five main areas of application:

- respecting fundamental human rights;
- managing and developing our human resources;
- sharing social responsibility practices with stakeholders;
- helping to foster economic and social development in our host communities;
- safeguarding the environment.

The Agreement's five areas of application have been expressed in 15 commitments that are enabling every unit, regardless of size or host country, to implement the underlying principles.

The Global Framework Agreement's 15 Commitments
1. Avoid complicity in human rights abuses
2. Uphold freedom of association and the effective recognition of the right to collective bargaining
3. Effectively abolish child labour
4. Eliminate discrimination in respect of employment and occupation
5. Anti-corruption
6. Focus on safety, working conditions and health
7. Develop the skills of the future through continual training
8. Provide employees with the means to participate
9. Advance planning for changes to professional and job profiles
10. Remuneration practices
11. Ensure social protection
12. Negotiate organisation of work and scheduling
13. Share social responsibility practices with suppliers, subcontractors, production partners and dealers
14. Take into account the impact of the Company's business in its host communities
15. Preserve the environment

Every year, the subsidiaries implement three action plans to improve their consideration of the agreement commitments. In 2013, 273 action plans were defined in the 104 Group subsidiaries based in 32 countries on four continents.

Self-evaluation takes place every three years for each subsidiary, most recently in 2012. In addition, an annual audit takes place (see section 17.5.2).

THE EXTENDED EUROPEAN GROUP WORKS COUNCIL, REPRESENTING ALL EMPLOYEES

Set up in 1996, the European Works Council is a body for dialogue and discussion between management and employee representatives. Dealing with the Group's strategy, results and outlook, this body allows the general management to understand the concerns, expectations and suggestions of employees, but also to build the partnerships necessary to carry out large cross-functional projects.

During its annual plenary meeting, the Group's European Works Council is expanded into a Global Council, with delegates from Argentina, Brazil and Russia.

In 2013, the European Works Council and its Liaison Committee of officers met twice. As every year, a review of the Global Framework Agreement's application was prepared for the plenary meeting.

THE INTERNATIONAL JOINT UNION-MANAGEMENT STRATEGY COMMITTEE, SUPPORTING DIALOGUE AND DISCUSSION

This Committee is a body for dialogue and discussion involving more employee representatives and involving them earlier on in the Group's strategy. The French representative organisations and the main trade unions of the non-French European companies IG Metall, T&GWU, SIT-FSI, UGT and CC-OO) are represented on the Committee

To strengthen social dialogue and share the Company's vision, priorities and projects, the remit of this Committee was extended in 2013 according to the procedures set out in the "New Social Contract".

FAURECIA'S EUROPEAN WORKS COUNCIL

The European Works Council, a major player in economic and social dialogue, is one of Faurecia's principal forums for discussing its strategy, results and outlook with employee representatives.

The last agreement by the European Works Council, valid for four years, was unanimously signed on 10 January 2012. This new agreement granted elected representatives additional resources and new rights (such as an increase in the number of hours credited to members of the Council's Board and access to translators at the Council Board meeting at which the annual results are presented).

The European Works Council met in a plenary session on 5 and 6 May 2013; the council office, made up of representatives of the six major countries in terms of workforce (*i.e.* France, the Czech Republic and Poland) met three times during the year.

In accordance with the terms of the agreement signed in January 2012, the last session was held in Poland, on 20 November 2013. During this meeting, members were able to visit the plant and the research and development centre of the Grojec site (Automotive Seating). These visits were an opportunity to discuss initiatives in the domains of the Faurecia Excellence System and more particularly the involvement of the employees.

17.3.2. A NEW SOCIAL CONTRACT, TO HELP THE COMPANY'S RECOVER G.7

In 2013, 98 company agreements were concluded, 61 of which were international. They relate to various matters: organisation of working hours, salaries, workforce and skills planning, employment and working conditions, diversity and social cohesion, etc. All of the agreements were approved by a large majority.

Worldwide, 90.2% of Group employees are covered by a collective bargaining agreement.

Started in France on 29 May 2013, an extensive negotiation cycle conducted over 13 meetings led to the signing by four out of six trade unions on 24 October 2013 of an agreement with a wide scope of application showing the ability to reconcile the Company's economic and social priorities. This "New Social Contract" focuses on four main aspects:

- greater involvement by employees and their representatives in the Group's strategic vision and in each department's and site's forward-looking projects;
- a new approach that secures jobs while carrying out collective transformations, particularly those targeting improvements in the utilisation rate of our plants;
- the implementatio of a PSA Generation Contract, combining job retention leave for older employees with work-study hiring of over 2,000 young people;
- competitiveness and flexibility measures, including the moderation of wage costs, without cutting the remuneration paid, in order to maintain strong bases in western Europe

The Group's other industrial and sales companies, in France or internationally, involve employees in decision-making affecting Group recovery measures *via* intense social dialogue.

The agreements signed in this regard have in common the pursuit of a better performance by optimising the use of resources and the commitment of employees to the Group's objectives.

Agreements of this kind were signed for the Madrid and Vigo (Spain) plants. The objective of the negotiation started in late 2013 at the Mangualde (Portugal) site was to increase flexibility while making the Social Responsibility approach more dynamic. Another example, in France, in the context of a slump in sales in an automotive market in crisis, Peugeot and Citroën sales subsidiaries negotiated agreements which, by greater flexibility and cost control, boosted performance to remain competitive and thereby limited the negative effects of the economic situation on employment by preserving competitiveness.

The social dialogue policy implemented at **Faurecia** led in 2013, to the signing of 361 establishment or company agreements, in 21 countries, 170 in France, 81 in Germany, 37 in Brazil, 16 in Spain, 10 in Mexico, 8 in Tunisia and 7 in Uruguay. 24% of these agreements were on wages and other forms of compensation, 16% on discretionary and non-discretionary profit-sharing, 24% on working conditions and 4% on the drive for competitiveness and/or performance. More specifically on this last issue, during 2013, negotiations were successfully carried out at a number of sites where the pursuit of competitiveness was indispensable to maintaining the business or obtaining new programmes, avoiding the implementation of new industrial redeployment strategies.

17.4. > WORKPLACE HEALTH AND SAFETY IS OUR TOP PRIORITY

The Group saw further improvements in workplace health and safety in 2013. The total lost-time incident frequency rate (including temporary employees) as of 31 December 2013 was 1.19, reflecting a continuous improvement process for workplace health and safety. The 40% improvement in safety performance in 2013 compared with 2012 shows the efficiency of the Workplace Health and Safety Management System introduced in the Group four years ago.

17.4.1. WORKPLACE HEALTH AND SAFETY MANAGEMENT SYSTEM G.8

The Group's health and safety policy is supported by the Workplace Health and Safety Management System (SMST). This management method is based on six founding principles and 22 requirements which define the points of vigilance and control: it is the health and safety referential applicable to all Group entities and subsidiaries.

The Health and Safety Management System
1. Executive management involvement
2. Structured leadership
3. Clearly established and applied standards
4. Defined roles
5. Effective alert systems
6. Effective monitoring and improvement resources

The Workplace Health and Safety Management System is now operational at all Group units. An extensive programme is also underway at all units to help managers apply the approach on a daily basis using a Workplace Health and Safety Management System "roadmap". This roadmap includes five essential steps leading to a mature process and lasting change: raise awareness, change mind-sets, change behaviours, change habits and corporate culture. This road map is based on best practice and makes it possible to assess the results.

The management principles of this system are applied in Europe, Latin America and China. This management system is adapted to all Group business and the specific legislation of the different countries.

Three years after implementation, the Workplace Health and Safety Management System has demonstrated its effectiveness. It has made a clear contribution to results achieved and is moving the entire Group towards health and safety excellence, both incrementally and in a structured manner.

In addition to cross-functional training to help managers acquire the knowledge they need to deploy the Workplace Health and Safety Management System, health and safety audits are carried out to ensure that the principles are effectively applied.

The Industrial Hygiene, Safety and Working Conditions Committees in France and similar committees in other countries are involved in regulating all aspects of the system.

Due to the high number of establishments, the commercial network has set up a SMST relay structure to bring the Group's prevention principles as close as possible to management and employees. This relay network ensures employee training, the use of management tools and assistance from management. The network has a structured leadership so that best practice and prevention tools can be discussed.

AN INNOVATIVE TRAINING CONCEPT: THE S-BOX

The S-Box or Safety Box was an initiative of the Vigo (Spain) site. Through different media (notices, videos, soundtracks, games, quizzes etc.) ten participants per session interact with the activities offered. This type of training boosts the comprehension of interns and improves their active engagement in terms of prevention.

The five main objectives are:

- make all Group employees aware of safety;
- interactively transfer the Group's instructions in this area;
- make employees aware of the importance of safety measures;
- show the Group's concern for the safety of its employees;
- ensure all employees commit to safety.

This S-Box concept was also developed for the activities carried out by external companies. Started in 2012, the S-Box was rolled out in 2013 in all of the Group's industrial establishments. In total, over 70,000 people followed this awareness-raising programme by making a specific commitment to prevention.

17.4.1.1. FIVE PRIORITY COMMITMENTS

Preventing Musculoskeletal Disorders

Preventing musculoskeletal disorders (MSDs) is a key workplace health and safety policy priority for the Group. MSDs are a leading cause of work-related injuries in the automobile industry. As MSDs have very different causes which interact with each other, simultaneous monitoring of physical (posture, effort, angulation of upper limb joints) and non-physical (e.g. organisation of activity – in terms of duration and frequency of work, mental strain – information processing, relations with colleagues or line managers, feeling of operators – recognition and motivation) factors is necessary. To address the complex interplay among all these factors, the Group has developed a structured programme to analyse why MSDs occur and find solutions for preventing them.

In 2011, the Group carried out a review of workstations that require repetitive movement at all manufacturing sites. Based on seven factors taken from the Ergonomics Management System (EMaS), this assessment identified the risk level for each profession and detected factors with the greatest potential to cause MSDs. Every year, action plans are defined and implemented in all of the Group's plants. The initiatives are conducted by multi-disciplinary teams made up of occupational physicians, safety engineers and technicians, ergonomists and managers.

In addition, the strategy to deal with discomfort in non-repetitive work stations which started in 2012 continued in 2013. It will be rolled out across all Group sites in 2014.

To allow closer surveillance of how MSDs appear, the Group decided, in the "New Social Contract", to monitor the exposure of operators to vibratory risk (local or full body) which is an aggravating factor for MSD risk and posture stress to more closely monitor back stress and improve the "Work Alerts" (ALT) process so that warning signs for MSD can be better detected.

At the same time, the Group continues to act on work stations: at all industrial sites, the priority is to lessen the physical and posture strain by reducing the number of "heavy" work stations. From 2005 to the end of 2013, the proportion of "heavy" work stations fell from 18% to 8 %, while "light" work stations rose from 37% to 57%. It is the Group's ambition to make further progress in this area and reach a level of 58% "light" work stations in 2014.

Chemical Risks

Chemical risks are a major focus of the preventive measures the Group has taken to manage health and safety. They concern not only risks related to the use of products and substances but also those related to the pollutants generated by certain processes.

The Group uses more than 6,000 chemical products and substances at its R&D and manufacturing sites and more than 1,500 in its sales companies. Some are classified as hazardous and may be used only under very specific conditions to avoid any risk. Instruction notices for all hazardous chemicals are posted at the relevant workstations. They are approved in accordance with PSA Peugeot Citroën's protocol, whether for the Manufacturing, Technical-Industrial Innovation or Sales businesses.

With respect to air quality monitoring, the Group's objective is for all companies to have an air quality monitoring plan for their manufacturing, R&D and sales activities.

Moreover, the most hazardous products are rigorously monitored from a medical standpoint.

Psychosocial Risks

Preventing psychosocial risks (PSR) and, more generally, promoting well-being in the workplace are not only critical to keeping employees healthy and safe at work but also have a direct impact on the Company's performance.

Some international studies have shown that people suffering from long-term "hyper-stress" are on average 30% less efficient. The last survey conducted within the Group in March 2012 (French sites) revealed that 7.6% of employees are experiencing hyper-stress. Above and beyond the health and safety considerations, this presents a considerable performance challenge.

Starting in 2007, the Group decided to look at stress head on and to recognise psychosocial risks as job-related risks.

A company-wide agreement was signed in October 2009 to implement a psychosocial risk prevention plan in all countries and all divisions.

In 2013, a specific roadmap to prevent this risk was rolled out to help establishments and management apply the Health and Safety at Work Management System (SMST) to raise awareness on the matter and change behaviour. A monitoring and leadership initiative as well as a network of correspondents, around 50 people, (site HR, occupational physicians, social workers, safety engineers) representing each site and division were implemented to support them in the prevention initiative.

Now there are responses for each risk factor identified within the Group.

Preventing road Risks

As a carmaker, the Group naturally puts a high priority on road safety. In collaboration with employee representatives, in 2010 the Group renewed a professional road risk prevention charter setting out the principles to be respected. This charter, circulated to all employees, indicates the rules for using vehicles for professional purposes or when travelling to and from work.

To increase compliance with safety guidelines during test drives conducted during the vehicle design phase, the Group has created an Intranet site where all the relevant guidelines and processes can be found in one place. Driving requirements have been tightened and the employees in question have undergone theoretical and practical training to make sure they understand and can implement the appropriate road safety principles.

Work Station Safety: "STOP" Audits

The preventive observation safety at work (STOP) programme has been in place at the Group's Industrial sites since 2009. This programme trains managers, giving them the ability to detect high risk situations or dangerous behaviour. During the programme, managers are made aware of how to speak to the employee to have a positive discussion about prevention. This programme aims achieve progress for both the manager and the employee. The employee ultimately agrees to continue applying the preventive behaviour where he or she can and to make progress in their weaker areas.

Faurecia's Safety Commitment

Faurecia is also committed to enhancing occupational safety and working conditions and has consistently reduced the number of work-related accidents since 2003. To speed up this trend, in 2010, Faurecia launched a Breakthrough Safety Plan. In two years, this plan enabled Faurecia to achieve the highly ambitious objective of reducing the frequency of work-related accidents with lost time per million working hours by one third.

In 2013, the Faurecia Group met its objectives for lost-time incidents, *i.e.* a number of workplace accidents involving a Faurecia employee or temporary employees and causing stoppage of work per million hours worked equal to 0.5 (indicator quartered since 2009). This shows that Faurecia is now among the best industrial companies in the world.

At 88% of the units (including acquisitions in 2011) across 255 consolidated internal sites no lost-time incidents were recorded and progress of 32 points was made compared to 2009.

The purpose of the "safety rupture plan" is to reduce workplace accidents and the number of HSE (Health, Safety, Environment) serious alerts following workplace accidents by training in different mandatory rules and auditing the application of these rules.

Faurecia has defined 13 mandatory personal safety-related HSE rules. These rules have been deployed at all Faurecia sites. Applying these 13 rules has made it possible to significantly reduce the number of serious HSE alerts and to achieve the accident reduction objective.

In addition to the 13 mandatory HSE rules, Faurecia defined three rules on personal protection equipment for all Group sites. The application of these rules and their monitoring *via* Faurecia Excellence System production audits is speeding up the rate of reduction of work-related accidents not resulting in lost time.

17.4.1.2. AN ACTIVE COMMITMENT TO HEALTH

Good health is essential to sustaining the performance of human resources and business operations. For the Group, health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

Its policy aims to keep all employees healthy.

17.4.2. IMPROVING WELL-BEING AND QUALITY OF LIFE AT WORK

17.4.2.1. IMPROVING WORKING CONDITIONS

In 2012, a pilot study on teleworking was conducted in France, in association with employee representatives, to observe the impact of teleworking on employee well-being, working relations and operating efficiency.

One hundred employees volunteered to pilot teleworking for one or two days a week. At the end of the period, the volunteers and their managers gave their feedback highlighting their satisfaction with this new approach to organising working hours and its conditions. The telecommuters reported less fatigue and stress caused by transport to and from work, a positive impact on work-life balance and improved concentration and efficiency.

In response to the success of this experiment, this measure was included in the "quality working life" section of the "New Social Contract". Teleworking, a managerial tool which improves departmental operating procedures by boosting employee motivation and commitment will be accessible to employees, technicians and supervisors (France scope) who have worked for at least 12 months at the Company starting in January 2014.

This agreement offers teleworking possibilities adapted to the most commonly encountered situations within the Company. This also makes it possible to monitor employee well-being and prevent teleworkers becoming isolated.

Weekly teleworking will allow employees to work at home one or two days a week. It helps achieve a better work-life balance and gives managers more visibility in managing their organisation. Teleworking for exceptional events is also possible for one-off, unforeseeable situations or emergencies (bad weather, pandemics, transport strikes, etc.).

Roll out at establishment level will start on 1 January 2014, starting with tertiary and technical establishments.

Regardless of their area of activity, all subsidiaries, dealerships and sites focus on creating a pleasant and safe working environment. the Group strives to implement optimum arrangements, such as working and rest areas *via* an implantation charter defining the relevant criteria (luminosity, office surface area, toilets, meeting rooms, etc.) or site traffic plans.

To achieve a better work-life balance, multiple services are offered to employees: company concierge services, travel agents, bus services, carpooling intranet sites, administrative support, etc. By becoming a founding member of the French Labour Ministry's "Day-care and Businesses" initiative, the Group enhanced its commitment to helping employees find good childcare solutions. In 2013, almost 163 places were offered in France.

Community life is encouraged: over 80 sporting, cultural and charity associations are very active.

17.4.2.2. FOSTERING EMPLOYABILITY FOR EVERYONE

The Company is responsible for providing employees with positions aligned with their skills and capabilities. As part of its social responsibility commitment, the Group introduced an employability management system in 2010 covering all production facilities.

The Group enhances employability with a focus on four areas:

- supporting employees who have restricted abilities;
- identifying and monitoring positions adapted to people with certain limitations;
- making any necessary adjustment;
- anticipating changes in the structure of the workforce.

17.4.3. THE RESULTS IN TERMS OF WORKPLACE ACCIDENTS AND OCCUPATIONAL ILLNESSES G.10

Progress was made in 2013 at all Group departments and in all businesses. The total management lost-time incident frequency rate was 1.19 compared with 1.99 in 2012 (2.42 in 2011 and 3.87 in 2010). These results reflect safe practices by both permanent and temporary employees. As of 31 December 2013 the lost-time incident frequency rate [(1)] for Group employees showed continued improvement, standing at 1.16, compared with 1.78 in 2012, and the rate for temporary employees declined to 1.97 in 2013 from 6.2 in 2012.

THE ONLY ACCEPTABLE TARGET IS ZERO ACCIDENT AND ZERO HIGH-RISK SITUATIONS

The Group believes that the only acceptable goal is an accident-free work environment and that no real progress can be achieved without ensuring employees' safety.

For 2014, the Group has set itself the target of a Management lost-time incident frequency rate of one point over the whole year. This target has already been achieved in 17 facilities in France, Latin America, Slovakia , Spain and Portugal.

TOTAL LOST-TIME INCIDENT FREQUENCY RATE

(Consolidated Group, excluding Faurecia, at 31 December)

	Total lost-time incident frequency rate (LTIFR)	
	2012	**2013**
Automotive Division	1.81	1.17
o/w PCA France	*1.69*	*1.62*
Banque PSA Finance	0.22	0.60
Other businesses	2.42	1.20
TOTAL	**1.78**	**1.16**

Faurecia met its lost-time incident targets in 2013, *i.e.* 0.5. Of 255 internal consolidated sites, 88% of units had no lost-time incidents.

TOTAL MANAGEMENT LOST-TIME INCIDENT FREQUENCY RATE

(Consolidated Group, excluding Faurecia, at 31 December)

	Total lost-time incident frequency rate (Management FR)	
	2012	**2013**
Automotive Division	2.02	1.20
o/w PCA France	*2.04*	*1.64*
Banque PSA Finance	0.22	0.59
Other businesses	2.31	1.17
TOTAL	**1.99**	**1.19**

Management lost-time incident frequency rate including Group employees and temporary employees.

(1) Frequency rate (also called TF1) is the number of workplace accidents multiplied by 1 million, divided by the number of hours worked.

SAFETY RESULTS

(2013, Consolidated Group, excluding Faurecia)

	France		Europe excl. France		Rest of the world		Total	
	Frequency rate (1)	Severity rate (2)	Frequency rate	Severity rate	Frequency rate	Severity rate	Frequency rate	Severity rate
Automotive Division	1.61	0.22	0.51	0.03	0.22	0.03	1.17	0.15
o/w PCA France	*1.62*	*0.24*	*0*	*0*	*0*	*0*	*1.62*	*0.24*
Banque PSA Finance	0	0	0.97	0.01	0	0	0.60	0.01
Other businesses	1.20	0.12	0	0	0	0	1.20	0.12
TOTAL	**1.56**	**0.21**	**0.54**	**0.03**	**0.21**	**0.03**	**1.16**	**0.14**

(1) Frequency rate (also called TF1) is the number of workplace accidents multiplied by 1 million, divided by the number of hours worked.
(2) The severity rate corresponds to the number of consecutive days lost to accidents, multiplied by one thousand, and divided by the number of hours worked.

Faurecia's plants also use an accident severity indicator which includes lost time related to accidents. In 2013, the severity rate was 0.03, corresponding to 5,774 lost calendar days and 172 million hours worked.

OCCUPATIONAL ILLNESSES

(Consolidated Group, at 31 December 2013)

The priority focus is on job-related diseases, which are covered by active prevention programmes in every plant and facility. This led to a reduction in occupational illnesses in 2013.

	MSDs*	Carrying heavy loads	Occupational illnesses after exposure to asbestos	Noise-related hearing loss	Other	Total
Automotive Division	240	14	19	13	12	298
o/w PCA France	222	14	15	12	9	272
Banque PSA Finance	0	0	0	0	0	0
Faurecia	256	0	1	0	40	297
Other businesses	0	0	0	0	0	0
TOTAL	**496**	**14**	**20**	**13**	**52**	**595**

* *Musculoskeletal disorders of the upper limbs*

In 2013, Group units (including Faurecia) declared occupational illnesses for 595 employees (678 in 2012).

17.4.4. AGREEMENTS AND MIXED HEALTH AND SAFETY COMMISSIONS G.9

JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES – PERCENTAGE OF EMPLOYEES REPRESENTED

In most host countries, joint management-worker organisations are in charge of monitoring the application of employee health and safety practices. The following table provides examples of the Health and Safety Committees comprising both managers and employees in a number of countries.

Country	Organisation	Membership
South Africa	Professional Health and Safety Committee	Employer representatives Employee representatives
Algeria	Joint Health and Safety Commission	Employer representatives Employee representatives Occupational physicians
France	Safety and Health Committee	Employer representatives Employee representatives Occupational physicians Safety manager External consultant
Argentina	Health Committee	Employer representatives Employee representatives Occupational physicians
	Health, Safety and Ergonomics Committee	Employee representatives Employer representatives
France	Health and Safety Committee	Employer representatives
	Workplace Safety Central Committee	Employee representatives Employer representative Occupational physician
	Central Working Committee on public Safety	Employer representatives Employee representative Safety engineer Safety manager Occupational physicians
France	Prevention and Workplace Protection Committee	Prevention consultant Employer representatives Employee representatives
Brazil	Internal Accident Prevention Commission	Employee representatives Employer representatives
Chile	Joint Health and Safety Committee	Employee representatives Employer representatives
France	Industrial Hygiene and Safety Committee	Employee representatives Employer representatives
France/Denmark/Japan/France/the Netherlands/Russia/Sweden/Norway/ Turkey	Safety and Health Committee	Employee representatives Employer representatives
France	Health, Safety and Working Conditions Committee	Employer representatives Employee representatives Occupational physicians Safety manager Union representatives Representative of the regional health insurance fund
France	Prevention and Protection Services	Employer representatives Employee representatives Medical officer Prevention and Protection Services Manager
Morocco	Industrial Hygiene and Safety Committee	Employer representatives Employee representatives Occupational physicians
France	Industrial Hygiene and Safety Committee	Employee representatives Health and safety manager Employer representatives Occupational physicians
France/Romania	Health and Safety Committee	Employee representatives Employer representatives Health and safety officer
Slovakia	Working Conditions Committee	Employee representatives Employer representatives Production centre Chief Executive
Slovenia	Health and Safety Committee	Members of the Executive Committee

More than 85.2% of Group employees (excluding Faurecia) are represented by Joint Management-Worker Health and Safety Committees.

HEALTH AND SAFETY AGREEMENTS

The Group is committed to implementing the best workplace health and safety standards and practices and has made health and safety a top priority. This commitment is expressed in the workplace health and safety policy, as well as in several national company agreements.

Each year, health and safety agreements are signed in the countries where the Group is present. In 2013, 15 health and safety agreements were signed.

17.5. > WIDELY SHARED SOCIAL RESPONSIBILITY COMMITMENTS G.15

17.5.1. GENDER WORKPLACE EQUALITY G.13

A RECOGNISED COMMITMENT

For many years, the Group has pursued an assertive policy of promoting gender balance and gender equality in its workforce. Building on an initial agreement signed in 2003 and renewed in 2007, a greatly expanded agreement to encourage gender equality and the development of jobs for women was signed in France with all of the unions in February 2011. It has three main aspects: promote the integration of women in a sector seen as masculine, ensure professional equality within the Company and improve access by women to senior management positions. It also includes two Chapters concerning communication and the Company's support for working parents.

The Group was the first "Professional equality" certified company in 2005. Renewal of the label in 2008 and in 2011 attests to our sustained progress in achieving gender equality and offers an encouragement to pursue efforts in this area.

In 2011, the globalisation of this commitment reached a real milestone when the Group earned the first certification awarded under the Gender Equality European Standard for its operations in France, Spain, Italy and Belgium.

HIRING MORE WOMEN AND DEVELOPING GENDER DIVERSITY IN THE PROFESSIONS

A diverse workforce promotes synergy, social balance and business efficiency. Despite initial training business lines with traditionally fewer women in the technical areas and the Automotive Division, more women are working at the Group. This change is linked to changes in the labour market and the various actions taken, especially the improvement in working conditions.

Since 2002, the percentage of women employees has risen from 17.6% to 22.4% in 2013. The Group intends to sustain this increase and make its jobs and professions more open to women.

GUARANTEEING EQUAL PAY AND CAREER DEVELOPMENT

In all job categories, men and women are guaranteed the same job classifications and salary levels when they are hired.

Promotional changes (changes in coefficient, category, access to a higher level of responsibility, etc.) are based only on the skills used and the results without considering other features, in accordance with the Company agreement on diversity and social cohesion (signed in 2004, renewed in 2008 and 2011). This practice ensures equal treatment for employees, with the possibility of salary adjustments if variances are identified.

ENCOURAGING GENDER DIVERSITY IN MANAGEMENT

True gender diversity means that women should have access to the same career paths and opportunities as men, notably as concerns positions of responsibility.

For this reason, the same criteria for detecting high potential individuals are applied to both women and men. These criteria do not take age and seniority into account so that women who take maternity leave are not disadvantaged. They are based solely on capabilities, effectiveness and performance.

As of 31 December 2013, the Group's executive and senior management teams included 87 women and 731 men, for a rate of 10.6% women versus 5% in 2008. The objective from 2020 is to increase the proportion of women senior managers and directors to 20%, *i.e.* a proportion above the current representation of women in the Group.

Within the Group, a women's network was set up in spring 2010. The "Women Engaged for PSA Peugeot Citroën" network has 170 women managers from all Group divisions.

In particular, it is actively helping to increase the number of senior women executives by developing resources to identify and support women to have the ambition, potential and desire to serve as senior managers and executives.

PARENTAL LEAVE INTERVIEW TO BETTER DEAL WITH PARENTHOOD

The Group confirmed the importance it places on hiring more women and on workplace gender equality by including, in the new agreement signed in France in 2011, specific measures acknowledging the needs of working parents to enable them to achieve the best possible work-life balance.

Since October 2012, the Group has offered all employees in France (Women and Men) affected by parental leave (maternity, adoption, parental) two interviews: before and after leave. These interviews, with their line manager, help plan the future (any mobility wishes, training needs, change of working schedule, etc.) and review the current position in conjunction with a performance review (advancement of the role, prepare for period of absence, etc.).

GENDER EQUALITY IN THE WORKPLACE

PSA Peugeot Citroën's commitments to gender equality are expressed in the 12 November 2003 agreement on gender equality and employment for women, which was renewed in 2007 and early 2011. As a result, 2002 has been chosen as the reference year.

NUMBER OF FEMALE EMPLOYEES ON PERMANENT OR FIXED-TERM CONTRACTS

(Consolidated Group, at 31 December 2013)

	Operators and administrative employees	Technicians and supervisors	Managers	Total
Automotive Division	8,826	7,266	4,121	20,213
o/w PCA France	*5,534*	*2,450*	*2,816*	*10,800*
Banque PSA Finance	0	1,206	280	1,486
Faurecia	15,358	3,299	3,323	21,980
Other businesses	200	142	156	498
TOTAL	**24,384**	**11,913**	**7,880**	**44,177**

CHANGE IN THE PERCENTAGE OF WOMEN EMPLOYEES ON PERMANENT AND FIXED-TERM CONTRACTS

(Consolidated Group, at 31 December)

% women in the workforce	2011	2012	2013
Automotive Division	18.1%	18.3%	18.6%
o/w PCA France	*17.5%*	*17.5%*	*17.6%*
Banque PSA Finance	53.4%	53.3%	53.1%
Faurecia	26%	26.5%	26.8%
Other businesses	34%	16.7 %	15.6%
TOTAL	**21.5 %**	**22%**	**22.4%**

Women account for 20.5% of engineers and managers, 27.9% of technicians and supervisors and 21.1% of operators and administrative employees.

PERCENTAGE OF FEMALE MANAGERS ON PERMANENT OR FIXED-TERM CONTRACTS BY AGE GROUP

(Consolidated Group, at 31 December 2013)

	< 30 years		30-39		40-49		≥50		Total	
	Number of women managers	% of women managers	Number of women managers	% of women managers	Number of women managers	% of women managers	Number of women managers	% of women managers	Number of women managers	% of women managers
Automotive Division	362	31%	1,696	25.5%	1,398	17.4%	665	12.3%	4,121	19.4%
o/w PCA France	*236*	*28.2%*	*1,058*	*25.4%*	*1,013*	*18.2%*	*509*	*13.5%*	*2,816*	*19.7%*
Banque PSA Finance	12	42.9%	85	35%	113	34.8%	70	28.3%	280	33.2%
Faurecia	869	26.6%	1,406	24.9%	758	16.9%	290	12.3%	3,323	21%
Other businesses	11	44%	52	45.6%	52	24.9%	41	23.6%	156	29.9%
TOTAL	**1,254**	**27.9%**	**3,239**	**25.6%**	**2,321**	**17.8%**	**1,066**	**13%**	**7,880**	**20.5%**

The percentage of women managers for the Group as a whole is 20.5%.

Women accounted for 27.9% of managers under 30 years and 13% of managers over 50 years.

DIVERSITY IN SENIOR MANAGEMENT

(Consolidated Group, excluding Faurecia, situation at 31 December 2013)

	30-39		40-49		≥ 50		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Automotive Division	19	9	257	42	307	21	583	72
o/w PCA France	*9*	*7*	*188*	*32*	*239*	*15*	*436*	*54*
Banque PSA Finance	0	0	6	1	5	1	11	2
Other businesses	1	1	16	3	19	2	36	6
TOTAL	**20**	**10**	**279**	**46**	**331**	**24**	**630**	**80**

"Senior managers" include the senior managers in charge of adapting and implementing the Group's strategy, policies and programmes. It does not include members of the Executive Committee or senior executives.

In 2013, the rate of women senior managers was 11.3%.

17.5.2. PROMOTING DIVERSITY FOR SOCIAL COHESION AND PERFORMANCE

By signing precursor agreements with social organisations, the Group has made a public commitment and taken action to promote diversity, supporting its stakeholders and employees in this dynamic.

An agreement on diversity and social cohesion entered into from 8 September 2004, renewed on 29 November 2011, is the basis of the Group's policy to promote diversity among employees, equal opportunities and the prevention of discrimination, a major part of its social policy and an asset for innovation, creativity and dealing with change. This agreement affirms the Company's desire to:

- have the best skills, to help the Group achieve success;
- better reflect society and its environment, which facilitates customer understanding and satisfaction.

PSA Peugeot Citroën also fights against all forms of discrimination and intolerance towards difference, considering that capabilities are the key factor in hiring and career development.

Promoting diversity therefore means recruiting, bringing together and nurturing the brightest talent, regardless of national origin, gender, lifestyle, sexual orientation, age, marital status, pregnancy or parenthood, genetic characteristics, real or supposed belonging or not belonging to an ethnic group, nation or race, political opinion, union activity, religious convictions, physical appearance, name, pre-existing health conditions or disability. The Group respects privacy.

By diversifying its hiring channels (building partnerships with education systems and state employment services, online hirings, spontaneous applications), the Group improves the diversity of employment and skills. Furthermore, it works to ensure that no stages are discriminatory, and selects candidates objectively using tools such as the guide of best practice for recruiters, anonymous CVs, simulation recruitment method (MRS) and training in preventing discrimination.

In 2009, the Group was among the first French companies to obtain the Diversity label in recognition of the Group's human resources policy and best practice in promoting diversity, equal opportunity and preventing discrimination. This label is awarded after a demanding certification process conducted by AFNOR Certification *via* an on-site audit. It was renewed in 2012. In 2013, an additional Internal Audit to apply commitments and processes defined by the Company was implemented: five establishments were audited. The recommendations following these audits were returned to the management of these establishments and the employee representatives.

In France and Spain, joint labour-management diversity and equal opportunity oversight committees have been created to monitor effective application of the agreements. They are responsible for ensuring that commitments are met and for analysing measures taken locally.

In September 2013, an assessment of diversity and its promotion in the Company took place. The study was carried out by an academic, a Business School professor. It sought to identify the perceptions of the different stakeholders and employee categories in relation to policies and practices on managing diversity in the Company. It also aimed to evaluate changes over time and obtain a compared analysis with other European companies. In addition to the inventory, it flags up points for vigilance and makes recommendations. The Company showed its willingness for its practices to be examined by independent experts.

THE WORLDWIDE DIVERSITY COMMITMENT

In 2010, the Group formalised its actions in favour of diversity in the Worldwide Diversity Commitment, which is shared across the Group and applicable in every host country.

Integrated into the PSA Peugeot Citroën Excellence System, the Worldwide Diversity Commitment comprises seven founding principles that provide an overall view of diversity and its challenges:

- formalise, implement and lead the Worldwide Diversity Commitment within the subsidiaries;

- inform employees;
- raise awareness and train Group employees in managing diversity;
- secure and objectify the human resource management process;
- encourage diversity, a source of synergy, social balance and business efficiency;
- diagnose, assessing and improve the implementation of the Worldwide Diversity Commitment;
- promote the Worldwide Diversity Commitment outside the Company.

This commitment aims to improve the consideration of diversity in the Group, help employees to work together, with their differences and help the subsidiaries to make progress in implementing and promoting diversity.

Every year, subsidiaries identify priority action plans. Self-assessment takes place every year to evaluate the progress made.

The results of these action plans are presented to trade unions or employee representatives who give their opinion on the self-assessment by the subsidiary as well as the action plans implemented and the attainment of results.

TOP TEN NATIONALITIES OTHER THAN FRENCH

(Consolidated Group, excluding Faurecia, at 31 December 2013 – percentage of total workforce)

	Automotive Division	o/w PCA	Banque PSA Finance	Other businesses	Total	%
Spain	11,823	*180*	270	7	12,100	10.50%
Brazil	4,956	*30*	238	0	5,194	4.50%
Argentina	4,805	*18*	0	0	4,805	4.20%
Slovakia	3,006	*14*	15	0	3,021	2.60%
United Kingdom	2,325	*43*	254	4	2,583	2.20%
Germany	2,271	*41*	255	22	2,548	2.20%
Russia	2,475	*13*	59	1	2,535	2.20%
Portugal	2,034	*454*	56	9	2,099	1.80%
Italy	1,117	*215*	198	28	1,343	1.20%
Morocco	957	*907*	0	6	963	0.80%
TOTAL	**35,769**	**1,915**	**1,345**	**77**	**37,191**	**32.40%**

The top ten nationalities other than French represented in the workforce accounted for 32.40% of the Group total (excluding Faurecia).

The Group (excluding Faurecia) has over 44,238 non-French employees, *i.e.* 39% of employees.

The Group's workforce represents 124 nationalities.

ENCOURAGING THE TRANSFER OF SKILLS FROM OLDER TO YOUNGER WORKERS

Keeping older employees (23% of the Group's workforce) in work and motivated is one of the Company's corporate social responsibility commitments. The aim is to ensure equal opportunity and fair treatment for all, including seniors. In January 2010, in France, the Group signed a seniors agreement, which was assessed in June 2013 by the employee representative signatories.

As part of the negotiations surrounding the Generation Contract included in the "New Social Contract", an intergenerational assessment showed real advances in considering older employees within the Company. The measures included in the Generation Contract seek to consolidate the place of older employees in the Company, to better consider their experience as an advantage for the Group's success and to consider the coexistence of the generations and knowledge transfer as an asset for social cohesion and economic efficiency.

EMPLOYING YOUNG PEOPLE

In 2013, as part of its programme to bring young people into the workforce, the Group welcomed 2,199 interns and 5,168 work-study programme participants (including skills-acquisition and apprenticeship contracts).

The programme is designed to maintain a well-balanced age pyramid and ensure the training of its youngest employees and the transfer of knowledge and expertise between generations. In selecting candidates and training courses, the Group also draws on its 'job family and professions' work and the results of the Professions Observatory. PSA Peugeot Citroën gives many young people a chance to discover first-hand the jobs in the automotive industry and to share in the values of a large manufacturing Group.

INTERNSHIPS AND SKILL-ACQUISITION, APPRENTICESHIPS AND WORK-STUDY CONTRACTS BY GENDER

(Consolidated Group, at 31 December 2013)

	Interns		Skill-acquisition contracts		Apprenticeship contracts		Work-study contracts		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Automotive Division	296	245	176	68	1,218	422	966	321	2,656	1,056
o/w PCA France	*42*	*14*	*110*	*51*	*922*	*402*	*570*	*252*	*1,644*	*719*
Banque PSA Finance	15	18	11	26	0	1	13	35	39	80
Faurecia	1,105	513	75	73	156	82	884	322	2,220	990
Other businesses	6	1	29	22	75	19	138	36	248	78
TOTAL	**1,422**	**777**	**291**	**189**	**1,449**	**524**	**2,001**	**714**	**5,163**	**2,204**

HIRING AND INTEGRATING DISABLED WORKERS G.14 G.37

In 2011, the Group and five trade unions signed the 4th social and professional inclusion agreement for people with disabilities. This agreement opens new areas of action and identifies ways to improve by boosting employee diversity in the Company, equal opportunities and changing mindsets for a better workplace integration of these people generally excluded from the workplace.

Four major points:

- improve the workplace inclusion of people with disabilities;
- promote recognition of disabled status:by direct personal aids (adaptation of vehicle, equipment);
- improve accessibility for disabled workers: by assessing and monitoring changes in accessibility at each of our facilities;
- maintaining a voluntary purchasing policy with the "protected" sector: our Group is the leading buyer in France from the protected sector, spending €31 million between six associations representing just over 1,631 people employed.

DISABLED EMPLOYEES

(Consolidated Group, at 31 December)

		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**6,696**	**477**	**40**	**7,213**
	2012	5,393	532	44	5,969
	2011	5,096	538	47	5,681
o/w PCA France	***2013***	***6,198***	***0***	***0***	***6,198***
	2012	*4,940*	*0*	*0*	*4,940*
	2011	*NA*	*NA*	*NA*	*NA*
BPF	**2013**	**14**	**24**	**0**	**38**
	2012	13	25	0	38
	2011	8	23	0	31
Faurecia	**2013**	**1,122**	**1,250**	**162**	**2,534**
	2012	1,060	1,228	124	2,412
	2011	NA	NA	NA	NA
Other businesses	**2013**	**302**	**1**	**0**	**303**
	2012	6	1	0	7
	2011	8	1	0	9
TOTAL	**2013**	**8,134**	**1,752**	**202**	**10,088**
	2012	6,472	1,786	168	8,426
	2011	NA	NA	NA	NA

Worldwide, the Group has 10,088 disabled employees. The term disabled employee is defined by various local laws.

The Group is committed to hiring and retaining disabled employees. In the Group's Automotive Division in France, 9.4% of employees are classified as disabled (including sheltered workers under contract), above the mandatory national rate of 6%.

80% of disabled employees are workers and employees, 14% are technicians or supervisors and 5% are managers.

In France, expenditure on integrating disabled staff was close to €4 million.

A POLICY TO FIGHT OTHER FORMS OF DISCRIMINATION G.15

Preventing Workplace Harassment, Discrimination and Violence G.15

The Group condemns all infringements of respect for individual rights and dignity, verbal or physical abuse, harassment, workplace violence and discrimination. This type of behaviour is liable to sanctions and specific measures have been prepared in every country to prevent it. Employees are regularly informed about these policies and a large number of managers have participated in sensitivity campaigns.

Employees who are victims or witnesses to cases of workplace harassment, discrimination or violence may report it to human resources or, in the event of difficulty, use the traditional channels. They may anonymously alert a specific person in charge of diversity and/or harassment issues.

Employees may also use the "harassment" and "diversity" email addresses to report a problem. This prompts the HR function to launch an internal investigation.

A standard tracking procedure aligned with the local legal framework has been introduced in every host country. When a problem is identified, the information is reported to human resources and a review is conducted. In 2013, for example, 70 complaints alleging workplace harassment, discrimination or violence were reported to the Group's Human Resources Department.

23% of claims are still being investigated by the relevant Human Resources Departments or by an external authority. Of the settled complaints, 61% were not proven and 20% led to a sanction against the person(s) responsible.

MAKE ALL EMPLOYEES AWARE OF BULLYING

As part of the agreement on diversity and social cohesion, senior management and employee representatives wanted to raise employee awareness of the problem of moral harassment.

In 2012, an e-learning module was rolled out among Group employees in France.

The module uses interactive role-playing exercises to help employees define and identify bullying and moral harassment, anticipate situations at risk, and prevent and manage harassment situations.

At the end of 2013, 5,600 people had taken this e-learning module.

ENSURING RESPECT FOR HUMAN RIGHTS G.16 G.17 G.18 G.19 G.40

The Group is committed to growth founded on socially-responsible principles and practices, consistently applied in every host country and business around the world.

In 2003, the Group pledged to uphold and promote the ten principles of the United Nations Global Compact, an agreement inspired by the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. The Group promotes the respect of human rights in every host country, even in regions where such respect is not always forthcoming. The Group's policies demonstrate that it is deeply committed to the Universal Declaration of Human Rights. This commitment is expressed to the public on corporate website and to employees around the world on the human resources Intranet site, with a direct link to the Universal Declaration of Human Rights on the UN website.

Moreover, the Group actively supports employee freedom of association and representation around the world and is committed to respecting the independence and pluralism of trade unions. Active, on-going social dialogue is maintained with union representatives in every host country.

TRAINING ON HUMAN RIGHTS POLICIES AND PROCEDURES

(Group, excluding Faurecia, situation in 2013)

Areas	Number of hours	Number of employees
Equal opportunity, diversity, anti-discrimination training	9,869	1,573
Compliance with internal rules, Global Agreement, data privacy guidelines, etc.	22,555	7,961
Code of Ethics	884	1,843
Corruption, conflicts of interest, etc.	2,097	854
TOTAL	**35,405**	**12,231**

In 2013, some 12,231 Group employees participated in dedicated training in Human Rights policies and procedures.

This training may be on areas very specific to the employee's role. Examples include: "anti-money laundering" training to avoid money laundering, fraud, and finance for terrorism activities, is compulsory for all finance employees. Others, concerning Human Rights and antidiscrimination practices, are specifically intended for managers and recruiters. Still others were presented in the form of a module in a more general programme, such as orientation training for young hires.

SOCIAL AUDITING ON A GLOBAL SCALE

On an international scale, the Group's social policy is regularly monitored. The Group sees the social audit as a control tool to continuously improve processes, to ensure the application of the Group's social policy. These audits are designed to ensure compliance with legal and regulatory requirements, contractual commitments and our social responsibility principles.

In 2013, the application of the Global Framework Agreement on Social Responsibility was audited in the Group's four German and two Turkish subsidiaries. Audits on the application of the agreement on diversity and social cohesion in the Company are performed based on an audit grid. These audits lead to recommendations in light of the context and specificities of each subsidiary.

In 2013, 21 facilities (plants, branches and technical centres) were audited for application of the Workplace Health and Safety Management System, supplementing the local audits covering all subsidiaries.

As a socially responsible company, the Group shares its social requirements with suppliers. Since 2010, 46 social and environmental audits have been performed at tier 1 to tier 3 suppliers identified as potentially at risk, as part of the deployment of the Purchasing Department's sustainable development action plan. These audits, conducted by an independent external body, lead to the implementation of corrective action plans if discrepancies are noted.

UPHOLDING FUNDAMENTAL HUMAN RIGHTS AT FAURECIA

In 2004, Faurecia signed the United Nations Global Compact. In doing so, it made a commitment to respect and promote, in its business practices, a set of values and principles derived from international legislation and conventions on Human Rights, labour standards and the environment. In 2007, new developments, new demands from clients, as well as new policies on corporate social responsibility and sustainable development led Faurecia to revise its Code of Ethics to comply with the ILO's core conventions.

ABOLISHING CHILD LABOUR

Faurecia complies with national laws and regulations on child labour. It will not employ children under the age of sixteen, under any circumstances, and complies with the provisions of the ILO regarding the health, safety and morality of young people aged between fifteen and eighteen. Faurecia ensures that its suppliers and partners adopt the same standards.

ELIMINATING ALL FORMS OF FORCED LABOUR

Faurecia is committed to ensuring the freedom of choice in employment and to eliminating all forms of forced and compulsory labour. Faurecia ensures that its suppliers and partners adopt the same standards.

FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Faurecia recognises the existence of trade unions worldwide and the right of workers to form the union organisation of their choice and/or to organise workers' representation in accordance with the laws and regulations in force. It undertakes to protect union members and leaders and not to make any discrimination based on the offices held.

Faurecia is also committed to promoting a policy of consultation and negotiation. Given its decentralised legal and managerial structure, this policy is implemented through collective bargaining agreements signed with the sites, on the one hand, and companies, on the other.

ELIMINATING DISCRIMINATION IN TERMS OF HIRING AND OCCUPATION

In its recruitment actions and career management, Faurecia undertakes not to make any discrimination, in particular on the basis of age, gender, skin colour, nationality, religion, health or disability, sexual orientation, political or philosophical opinions or trade union allegiances. All employees have the right to work in a healthy environment, free from any form of hostility or harassment qualified as unlawful under the regulations and practices in force in the countries where Faurecia conducts its business.

In particular, Faurecia forbids any unlawful conduct construed as sexual or moral harassment, including in the absence of any hierarchical or subordination relationship.

17.6. > POLICY OF OVERALL REMUNERATION G.3

The Group endeavours to maintain its employees' purchasing power, reward performance, offer compensation that is competitive with market practices and give employees a stake in the value they help to create. This Group's remuneration policy has the same objectives in every host country.

The crisis shaking the automotive industry on European markets and the challenges of a competitive market faced by the Group led to specific negotiations with employee representatives to implement wage moderation, which was necessary for the Group's recovery. It maintained its payroll budget throughout the world and individual merit raises implemented were, as a priority, oriented towards rewarding performances, enhanced skills and supporting a higher level of responsibilities.

In 2013, 29 wage agreements were signed by employee representatives in Austria, Germany, Argentina and France.

FAIR COMPENSATION BASED ON COMPETITIVENESS AND PERFORMANCE

The Group continued the gradual extension of a corporate variable compensation, or bonus, system for executive managers worldwide, with the following objectives:

- to recognise executive managers' contribution to achieving individual and collective operating targets that contribute to the Group's performance;
- to strengthen the culture of value creation in the Company;
- to gradually align the bonus policy for managers with market practices in their countries.

An additional 2,000 executive managers were eligible for the Group Bonus, under the corporate bonus system for management personnel, bringing the number of eligible employees in 2013 to 15,000, which is more than 65% of managers worldwide.

In 2013, to address the commercial challenges in Europe, a bonus system was specifically established for 1,500 European managers in commercial functions managing dealer networks. It aims at motivating the employees by compensating them for their performance every quarter. By being more responsive, this system is designed to better adapt to the challenges of managing sales performance.

The Group also wanted to continue and improve communication with managers on the bonus policy and the levels of responsibilities held. Communication means were made available to the Group's senior management to accompany individual information.

In addition, exceptional bonuses were paid in recognition of the specific characteristics of certain jobs (motor sport, style, inventors, vehicle projects) in accordance with regulations and under centralised control.

TOTAL PAYROLL AND DEVELOPMENTS

(Consolidated Group, excluding Faurecia, at 31 December)

DEVELOPMENTS IN TOTAL PAYROLL BY GEOGRAPHICAL ZONE AND DIVISION

(in thousands of euros)		France	Rest of Europe	Rest of the world	Total
Automotive Division	**2013**	**3,923,718**	**1,061,588**	**520,711**	**5,506,017**
	2012	4,225,516	1,063,984	480,567	5,769,066
	2011	4,375,199	1,130,883	414,535	5,920,616
o/w PCA France	***2013***	***3,531,123***	***582,411***	***424,013***	***4,537,547***
	2012	*3,780,424*	*529,506*	*388,397*	*4,698,327*
	2011	*3,886,511*	*473,106*	*376,066*	*4,735,684*
BPF	**2013**	**51,014**	**85,695**	**10,005**	**146,715**
	2012	50,126	89,188	7,917	147,231
	2011	49,426	85,881	6,550	141,856
Other businesses	**2013**	**82,032**	**5,108**	**0**	**87,140**
	2012	81,287	5,694	0	86,981
	2011	96,652	5,448	0	103,354
TOTAL	**2013**	**4,056,764**	**1,152,391**	**530,717**	**5,739,872**
	2012	4,355,929	1,158,866	488,484	6,003,279
	2011	4,521,277	1,222,212	421,085	6,164,574

In 2013, total payroll costs (excluding Faurecia) came to €4,149,638 thousand, while related payroll taxes amounted to €1,590,234 thousand.

FAURECIA: CHANGES IN COMPENSATION AND BENEFITS

Total compensation paid, inclusive of payroll taxes, rose by 1.9% for the Group as a whole: €2,986.1 million in 2013 compared to €2,929.9 million in 2012. At the same time, the number of employees increased by 1.4%.

The Group complies with the minimum wage legislation applicable in each country. In most countries, negotiations take place in relation to compensation. En 2013, 85 agreements were concluded on wage/bonus/compensation packages and 59 on profit-sharing/non-discretionary profit-sharing.

A system of variable compensation, based essentially on the performance of operating units, applies in a uniform manner in all countries in which Faurecia operates. At end-2013, some 3,600 managers benefited from this, out of a total of 15,380 managers.

Compensation practices for engineers and managers were analysed in the main countries, in order to support the annual salary review process.

GROUP MINIMUM WAGE VERSUS LOCAL STATUTORY MINIMUM WAGE, BY COUNTRY G.34

(Base 100 = Consolidated Group, excluding Faurecia, in 2013)

Country	Ratio	Local statutory minimum wage
Germany	100	Local legal minimum wage
Argentina	155	Local legal minimum wage
Austria	100	Local legal minimum wage
Belgium	115	Guaranteed average minimum monthly income
Brazil	200	Local legal minimum wage
China	100	Regional minimum wage (Shanghai)
Spain	143	Local legal minimum wage
France	125	Local legal minimum wage
Italy	103	Local legal minimum wage
Netherlands	119	Local legal minimum wage (for people over 23)
Poland	125	Local legal minimum wage
Portugal	127	Local legal minimum wage
United Kingdom	100	Local legal minimum wage
Russia	424	Regional legal minimum wage
Slovakia	188	Local legal minimum wage
Switzerland	N/R	No legal minimum wage; no industry agreements
Turkey	100	Local legal minimum wage

Information is reported for countries representative of the Group's organisation (excluding Faurecia), where there are more than 300 employees.

The ratio is calculated based on each country's statutory minimum wage (when one exists), without considering any regional variations.

EMPLOYEE BENEFITS OVERALL COMPENSATION AND SOCIAL RESPONSIBILITY

Employee benefits in the various host countries supplement the Group's compensation policy in an "overall remuneration" approach designed to meet the challenges of offering competitive and motivating compensation while meeting the Group's social responsibility commitments. For example, the Group is committed to providing major risks and life coverage for all employees worldwide.

Since 2011, the Group has arranged a worldwide partnership with an insurance company to improve healthcare, death and disability cover, in line with local practices, and optimise costs, benefiting both the Group and its employees.

In France, a single harmonised health insurance system for all employee categories was implemented in 2012, following the agreement signed with trade unions in 2011. The Group funds a significant part, and increased it in July 2013. The health insurance supplements the Company's death and disability cover, in place in accordance with the collective agreement of 2009, and which has also been harmonised for all employee categories.

GROUP EMPLOYEE PROFIT-SHARING AGREEMENTS

In order to give employees a share in the Group's results, plans linked to the Group's operating income and other non-financial criteria (quality, security, etc.) were introduced for all employees worldwide.

Thus, the arrangements for the three-year discretionary and non-discretionary profit-sharing agreements set up in France in 2010 gave employees a stake in the Group's 2012 results, in terms of quality (manufacturing and customer service), employee safety (workplace accident frequency rate) and financial criteria (recurring operating income and free cash flow).

In France, three-year discretionary and non-discretionary profit-sharing agreements for 2013-2015 were negotiated in 2013. Employees are given a share of the profits, if the Company's strategic objectives (economic, quality, safety) and the Group's operating income objectives are met.

At the international level, the Group's employees continue to benefit from the international non-discretionary profit-sharing arrangements, which are also linked to the Group's results.

DISCRETIONARY AND NON-DISCRETIONARY PROFIT-SHARING

(Consolidated Group, excluding Faurecia, at 31 December)

(in thousands of euros)	2011	2012	2013
Automotive Division	46,303	26,708	4,911
o/w PCA France	*39,118*	*22,137*	***1,510***
Banque PSA Finance	839	623	22
Other businesses	3,642	1,367	5,092

EMPLOYEE SAVINGS PLANS (PEAG, PED AND PEP)

To give employees a stake in their Company's growth, a variety of corporate savings plans have been set up. In France, employees have the opportunity to invest in the "Group employees' fund", while in Germany, Spain, Portugal and the United Kingdom, they can select from a variety of investment vehicles depending on local legislation.

In France, the corporate savings plan comprises three components:

- the savings plan with investment in Group shares(investment with a lock-in period of five years, except in the case of specific early release);
- the diversified savings plan (investment with a lock-in period of five years, except in the case of specific early release): allows employees to invest in different investment vehicles (monetary, bonds, shares) with a varied risk/return ratio depending on the investment vehicles. It offers an alternative to the savings plan with investment in Group shares;
- the long-term insurance-based saving plan (long-term investment with the option of early release in specific cases) allows preparation for long-term projects.

Plan entitlements are granted according to the same terms and conditions to both full-time and part-time employees, adjusted for hours worked in the case of part-time workers. Subject to seniority conditions, employees on fixed-term contracts are also entitled to join the plan.

The share of Group equity held by employees through these profit-sharing plans, based on matching contributions from the employer for every employee contribution, is greater than 3%. Thus, with effect from 2013, an employee shareholder representative was elected by the FCP Supervisory Board from the employee shareholders to join the Group Supervisory Board.

EMPLOYEE SAVINGS PLANS (PEAG, PED AND PEP)

(Consolidated Group, excluding Faurecia)

	Employee contributions from 01/01 to 31/12 *(in million euros)*	Employer contributions from 01/01 to 31/12 *(in million euros)*	Number of employees investing* from 01/01 to 31/12
Automotive Division	9.34	5.21	9,610
o/w PCA France	*8.82*	*4.89*	*8,977*
Banque PSA Finance	0.15	0.09	129
Other businesses	0.33	0.18	296
TOTAL	**9.83**	**5.47**	**10,035**

* *Reinvestment of discretionary profit-shares, non-discretionary profit-shares and voluntary contributions.*

The Group paid more than €5.47 million in matching contributions into the local employee savings plans in 2013.

INTERNATIONAL EMPLOYEE SAVINGS PLAN

(Consolidated Group, excluding Faurecia, at 31 December 2013)

	Employee contributions *(in million euros)*	Employer contributions *(in million euros)*	Number of participants (monthly average*)
United Kingdom	0.76	0.39	7,144
Spain	0.10	0.05	717
Germany	0.13	0.07	326
Portugal	0.00	0.00	71
TOTAL	**0.99**	**0.52**	**8,258**

* *An employee may make payments over several months and is therefore included several times. To arrive at a more accurate representation, a monthly average was calculated.*

PREPARING RETIREMENT BENEFITS FOR THE FUTURE OF EMPLOYEES

To help employees prepare for the future, supplemental defined-contribution retirement plans are being set up in all countries where they are necessary to offset insufficient mandatory pension schemes and market practices. Such plans have already been introduced in Germany, Brazil, Spain, France, Japan, the Netherlands, the Czech Republic, Slovakia and the United Kingdom.

Managed by joint labour management commissions, in line with local practices, these systems are designed to provide beneficiaries with supplemental retirement income and harmonise retirement benefits in the various subsidiaries in each country, where possible.

In 2013, specific studies were also initiated in four countries (Germany, Argentina, Belgium and the Netherlands) so as to continue harmonising the plans in the country and working towards the optimisation of existing schemes, taking into account the regulatory environment and practices of the country.

CORPORATE SAVINGS PLAN, DISCRETIONARY AND NON-DISCRETIONARY PROFIT-SHARING IN FAURECIA

Corporate Savings Plan in France

In France, Faurecia has set up a number of schemes to enable employees to build up savings.

Since 2004, employees have access to a Group Employee Savings Plan, funded by amounts allocated under discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions.

Thirteen funds are offered, including the Faurecia Actionnariat corporate mutual fund, exclusively invested in Group shares. At end-2013, total funds managed in the employee savings plan (PEG) stood at €34.8 million, of which 24% invested in Faurecia Actionnariat (2,427 employees).

Employees now also have access to the Group Pension Savings Plan, set up in late 2012. Like the employee savings plan, payments into the Group pension savings plan can be made from discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions.

A defined-contribution plan for managers was also set up in 2006, opened to voluntary contributions by employees in 2013. Over €64,2 million is managed under these pension savings schemes.

Discretionary Profit-Sharing in France

Under most of Faurecia's French companies, discretionary profit-sharing agreements define the calculation of discretionary profit-sharing on the basis of two types of indicators:

- financial indicators at Company level. This part accounts for about 40% of the overall payout and is calculated annually;
- operational performance indicators calculated at site level and selected from among Faurecia Excellence System indicators. This part accounts for about 60% of the overall payout and is calculated half-yearly.

Under these agreements, the payout is capped at 6% of payroll – although in exceptional cases it may be raised to 8% if objectives are exceeded – and is allocated partly in proportion to salary and partly applied on a uniform basis depending on hours worked.

In 2013, €16.5 million was paid out to employees under the discretionary profit-sharing scheme, of which €2.7 million was invested in Group Employee Savings Plans in France (PEG or PERCO).

Non-Discretionary Profit-Sharing in France

Most of the non-discretionary profit-sharing agreements of the Group's various French companies stipulate that employee profit-sharing calculated in accordance with the legal formula must be allocated among employees in proportion to their salary for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may paid directly to employees who so request or be held in an inaccessible special-purpose account or invested in the corporate mutual funds set up in connection with the Group Employee Savings Plan (PEG) or the Group Pension Savings Plan (PERCO).

In 2013, €9,5 million was paid out to employees under the non-discretionary profit-sharing scheme, of which €3.0 million was invested in the Group Employee Savings Plans in France (PEG or PERCO).

Performance-Based Stock Option and Share Grant Plans

Faurecia has set up a performance-based share grant plan to motivate and retain senior management. This programme comes under a grant procedure determined at the Board meeting of 17 December 2009. Thus, in financial year 2013, the Annual Shareholders' Meeting of 30 May 2013 authorised the Board of Directors to grant free company shares up to a limit of 2,500,000 Company shares. Based on this authorisation, the Board of Directors set up a performance-based free share grant plan on 24 July 2013 with 266 beneficiaries for a maximum of 1,215,500 shares. There are two types of performance conditions, one internal based on the Group's net income before tax in 2015, the other external which compares the growth in Faurecia's earnings per share between 2015 and 2012 to that of a reference group. The Board of Directors also approved an equivalent cash plan for six beneficiaries in Russia and China.

As of 31 December 2013, a total of 1,113,600 stock options were outstanding and 2,501,300 performance shares were likely to be granted up to July 2017, subject to the achievement of related performance and presence conditions.

17.7. > STOCK OPTION PLANS AND FREE ALLOCATION OF SHARES

17.7.1. ALLOCATION POLICY

See Chapter 15.1 above and 21.1.4 after.

17.7.2. STOCK OPTION PLANS

See Chapter 15.1 above and 21.1.4 after.

17.7.3. PERFORMANCE SHARES

See Chapter 15.1 above and 21.1.4 after.

For more information, refer to Notes 26.3 and 26.4 accompanying the 2013 consolidated financial statements.

17.8. > EMPLOYEE SHAREHOLDING

17.8.1. THE GROUP EMPLOYEE SAVINGS PLAN

In many host countries, PSA Peugeot Citroën offers a variety of savings schemes that enable employees to invest, by making voluntary contributions and investing their individual discretionary and/or non-discretionary profit-sharing awards.

17.8.2. EMPLOYEE OWNERSHIP OF COMPANY STOCK

PERCENTAGE OF THE CAPITAL HELD BY EMPLOYEES THROUGH EMPLOYEE SHAREHOLDING PLANS WORLDWIDE

(France, Germany, Spain, United Kingdom, Portugal)

	2013	2012	2011
Percentage	3.57	3.23*	3.26

* *This percentage is 3.03% for the scope defined by Article L. 225-102 of the French Commercial Code.*

More than 40,000 employees or former employees of the Group are Peugeot S.A. shareholders.

On the recommendation of the Managing Board and Supervisory Board, the Shareholder's Meeting of 24 April 2013 approved the appointment of an employee representative as member of the Supervisory Board for a two year term, in order to more closely associate employees with the Group's strategic direction and governance, and in order to avoid conflict with the future legal framework on employee representation. This new approach came into force in June 2013. It will be proposed to the Annual Shareholders' Meeting on 25 April 2014 that the Articles of association be changed in order to establish the arrangements for employee representation defined in the new legislative provisions (See section 21.4 p. 434).

As employee shareholding had exceeded the 3% threshold at the end of 2012, the Supervisory Board's proposition that a member representing employee shareholders be appointed to the Supervisory Board, was approved by the Shareholders' Meeting of 24 April 2013. This member was nominated by the Supervisory Boards of the corporate mutual funds (FCPE) invested in Peugeot S.A. shares.

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MAJOR SHAREHOLDERS

18.1. > DISTRIBUTION OF THE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2013

	31 december 2013				31 december 2012				31 december 2011			
Main identified shareholders (1)	Number of shares	% interest	% exercisable voting rights	% theoretical voting rights	Number of shares	% interest	% exercisable voting rights	% theoretical voting rights	Number of shares	% interest	% exercisable voting rights	% theoretical voting rights
Établissements Peugeot Frères (2)	22,312,608	6.29	9.93	9.63	22,312,608	6.29	9.93	9.64	19,115,760	8.17	13.11	12.38
FFP (3)	67,372,689	18.99	27.96	27.13	67,372,689	18.99	27.97	27.14	53,363,574	22.80	35.20	33.24
Maillot I (4)	164	0.00	0.00	0.00	164	0.00	0.00	0.00	100	0.00	0.00	0.00
Sub-total EPF/FFP/Maillot I	89,685,461	25.27	37.89	36.77	89,685,461	25.27	37.91	36.78	72,479,434	30.97	48.31	45.62
Other individual shareholders (5)	48,453,904	13.65	11.71	11.36	60,246,343	16.98	14.75	14.31	16,783,757	7.17	5.97	5.64
GM Automotive Holdings SL	-	-	-	-	24,839,429	7.00	5.96	5.78	-	-	-	-
Employees	12,664,902	3.57	4.50	4.37	11,452,869	3.23	3.98	3.86	7,638,100	3.26	4.54	4.29
Other French institutions	46,048,734	12.98	11.04	10.71	52,236,259	14.72	12.52	12.15	43,346,051	18.52	14.86	14.03
Other foreign institutions	145,207,364	40.92	34.86	33.82	103,600,004	29.20	24.88	24.14	76,614,552	32.73	26.32	24.86
Treasury shares	12,788,627	3.60	-	2.97	12,788,628	3.60	-	2.98	17,187,450	7.34	-	5.56
TOTAL	**354,848,992**	**100**	**100**	**100**	**354,848,992**	**100**	**100**	**100**	**234,049,344**	**100**	**100**	**100**

(1) Source Euroclear TPI 31 December 2013 and Nasdaq OMX.
(2) EPF (Etablissements Peugeot Frères) is a family holding company with maximum stake held by individual members of the Peugeot family.
(3) FFP is controlled by Etablissements Peugeot Frères.
(4) Maillot I is controlled by EPF.
(5) Shares held in individual securities accounts and others (by difference) .

As of 31 December 2013, the EPF/FFP and Maillot I companies acting in concert owned 25.27% of the Company's outstanding shares and 37.89% of exercisable voting rights.

In December 2013, General Motors sold its 7% stake in the capital. Furthermore, as part of the development of the Alliance, GM waived its right to terminate the Alliance under certain conditions in the event certain parties take a stake in Peugeot S.A., provided that these parties support the Alliance.

Following the December 2011 decision of the Supervisory Board to create a Shareholders' Consultative Committee, as a way to continue the policy in place with regard to individual shareholders, the Group launched its Shareholders Consultative Committee at the Shareholders' Meeting in 2012. This Committee is truly consultative and is given a variety of assignments, primarily including communicating the desires of the Group's individual shareholders as a class, forwarding suggestions to promote the Group among individual shareholders and helping to design ways of communicating with shareholders. Twelve members were chosen with the goal in mind of reflecting the diversity of the Group's shareholders and providing a balanced representation of PSA Peugeot Citroën individual shareholders in terms of age, gender, geographical area, etc. In accordance with the internal rules of the Committee, the terms of office of four of its twelve members were renewed at the end of 2013.

Accordingly, the PSA Peugeot Citroën shareholders club, created in 2010, already has 3,300 members at 31 december 2013.

DISTRIBUTION OF THEORETICAL VOTING RIGHTS AT 31 DECEMBER 2013

In compliance with Article 223-11 of the AMF General Rules and Regulations, the following chart analyses potential voting rights outstanding, which include rights attached to shares held in treasury. These potential voting rights are the ones used in determining when statutory disclosure thresholds have been exceeded.

IDENTITY OF SHAREHOLDERS (ARTICLE 7 OF THE ARTICLES OF ASSOCIATION)

The Company is entitled, under the applicable laws and regulations, to request information on the identity of the holders of securities granting immediate or future voting rights at its Shareholders' Meetings and the number of voting rights held.

BUYBACK OF SHARES

At 31 December 2013 Peugeot SA held 12,788,627 treasury shares, representing 3.60% of share capital. At 31 December 2013, these shares were allocated for the following purposes:

- 9,421,687 for allocation on conversion of OCEANE bonds dated 23 June 2009;
- 3,259,035 to cover outstanding stock option plans.
- 107,905 excess shares to be allocated.

The Group may use the buyback authorisation given at the 24 April 2013 Shareholders' Meeting to purchase Peugeot S.A. shares into treasury. Any use of this authorisation by the Managing Board would require the prior approval of the French government, pursuant to the undertakings given by the Group in connection with the support granted by the French government in the form of guarantees for certain market issues of debt securities to be carried out by Banque PSA Finance. The Group bought back no shares in 2013.

For more information, please refer to Note 26 to the 2013 consolidated financial statements.

SHARE CANCELLATIONS

No shares were cancelled in 2013.

18.2. > DIFFERENT VOTING RIGHTS

Fully-paid up shares registered in the name of the same holder for at least four years shall carry double voting rights at Shareholders' Meetings.

The number of years the shares had to be held to qualify for double voting rights was raised from two to four at the Extraordinary Meeting of Shareholders on 29 June 1987. In the event of a capital increase through the capitalisation of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights. In accordance with the law, double voting rights will be lost if the shares are converted into bearer form or transferred to another shareholder, unless the transfer takes place due to an inheritance, the liquidation of a marital estate or a gift to a spouse or heir.

As announced on 19 February 2014, and subject to a favourable vote by the Extraordinary Shareholders' Meeting of Peugeot S.A. for 2014, the statutory holding period for double voting rights would be reduced from four to two years for all shareholders and FFP/EPF would undertake to neutralise the impact of their double voting rights for a period of two years with immediate effect.

18.3. > INFORMATION ON OWNERSHIP OF THE COMPANY'S SHARE CAPITAL

OTHER SHAREHOLDERS

There are no shareholders' pacts.

To the best of Peugeot S.A.'s knowledge, no shareholder other than the ones listed in the table below directly or indirectly own more than 5% of the Company's issued capital or voting rights.

The Company's share capital is controlled as described above. However, the Company considers that there is no risk that such control may be abused.

Measures have been implemented to ensure that the reference shareholder (FFP and its majority shareholder Établissements Peugeot Frères) will not abuse its power during votes of the Supervisory Board, including the presence of independent members on the Board and its committees, and the presence of one Senior Independent Supervisory Board Member (see developments regarding the composition of the Supervisory Board in Chapter 16 of this Registration Document).

As part of the major transactions announced on 19 February 2014 by the Group (see Chapter 22 of this Registration Document), final documentation including a shareholders' agreement should enter into force during the performance of said transactions, planned for after the Company's Annual Shareholders' Meeting. In any case, it should be noted that DongfengMotor Group, the French Government and FFP/Établissements Peugeot Frères would not act in concert with respect to Peugeot S.A. in the event of the performance of these transactions.

18.4. > CHANGE OF OWNERSHIP

There are no shareholders' pacts in force among the companies making up the Peugeot family group. However, these companies have signed a lock-up agreement concerning their Peugeot S.A. shares, in accordance with Articles 787-B and 885-I bis of the French General Tax Code.

The Company has been informed that the companies of the Peugeot family Group, consisting primarily of Établissements Peugeot Frères, FFP, have signed on 11 June and 19 December 2012 new lock-up agreements with respect to the Peugeot S.A. shares owned by them and by other family shareholders connected with them. These lock-up agreements hold for two years and were entered into pursuant to Article 787 B of the French General Tax Code and cover 23.19% of share capital as at this date. These lock-up agreements do not confer any priority selling rights on the parties. Detailed information about the lock-up agreements currently in effect is given on the following page of the Group's website: http://www.psa-peugeot-citroen.com/en/analysts-and-investors/regulated-information.

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RELATED PARTY TRANSACTIONS

See Note 38 to the 2013 consolidated financial statements in Chapter 20.3.7 below.

In addition, the Special Report of Statutory Auditors on related party agreements and commitments is presented below.

> STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Peugeot S.A., we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the principal terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R. 225-58 of the French Commercial Code ("*Code de commerce*"), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is our responsibility to report to the shareholders the information pursuant to Article R. 225-58 of the Code de commerce relating to agreements and commitments previously approved by the Shareholders' Meeting during the year.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING 2013

In accordance with Article L. 225-88 of the *Code de commerce*, we were informed of the following agreement authorized by the Supervisory Board of Peugeot S.A.

1.1. Agreement between Peugeot S.A. and Board of Directors

1.1.1. PENSION COMMITMENTS MADE IN FAVOR OF BOARD OF DIRECTORS' MEMBERS (COMMITMENTS AUTHORIZED DURING THE YEAR AND MODIFIED BEGINNING OF YEAR 2014)

On March 12, 2013, the Supervisory Board nominates a new Board of Directors and approved the commitments relating to the supplementary defined benefits pension plan for Messrs Varin, Chasseloup de Chatillon, Olivier and Quémard as follows:

- Messrs Varin, Olivier and Quémard continued to benefit from the supplementary defined benefit pension plan, under its terms issued before January 1, 2010;
- Mr Chasseloup de Chatillon was intended to benefit from the supplementary defined benefit pension plan pension plan, under its terms issued before January 1, 2010.

The contractual terms of this supplementary defined benefit pension plan were subsequently modified on January 1, 2014. As the new terms are fully replacing the previous one, the Supervisory Board approved on January 19, 2014 the commitments of the new supplementary defined benefit pension plan for Messrs Varin, Tavares, Chasseloup de Chatillon, Olivier and Quémard.

Under the new terms of this supplementary defined benefit pension plan, Board of Directors' members may pretend to a supplementary pension reaching 1% of their reference salary for each year working within the Group. This percentage will be increased to 3.5% for each year participating into the pension plan (except for the years when certain performance conditions are not met in respect of which this percentage would be reduced to 2.5%). In any case, the pension supplement generated by the plan cannot exceed 30% of the reference salary, defined as the average of the fixed remuneration of the last three years of activity, increased by a percentage equal to the average ratio of variable / fixed salary earnings in the last eight years of service.

Two cumulative conditions are requested to pretend to this pension plan: to hold for at least years an executive director position under the terms of plan (or during the last five years immediately before retire), and to leave the Group claiming the rights to retire.

Directors concerned at the time of approval of the Convention: Messrs Varin, Olivier, Quémard and Chasseloup de Chatillon.

Directors concerned at the date of this report: Messrs Varin, Tavares, Chasseloup de Chatillon, Olivier and Quémard.

1.2. Agreement between Entities with Common Directors

1.2.1. SURETY AND GUARANTEE GRANTED TO THE EUROPEAN INVESTMENT BANK ("EIB") IN CONNECTION WITH THE €250 MILLION, €200 MILLION AND €125 MILLION LOANS GRANTED TO PEUGEOT CITROËN AUTOMOBILES S.A. ("PCA") RESPECTIVELY IN 2007, 2010 AND 2011

On February 12, 2013, the Supervisory Board authorized a surety agreement with the EIB in connection with €250 million, €200 million and €125 million loans granted to PCA respectively in 2007, 2010 and 2011.

Under this agreement, your company has set up a collateral account in favour of the EIB, up to an initial amount equal to €132 million (€115 million at December 31, 2013), to guarantee the reimbursement by PCA of the loans to the bank.

No fee was invoiced by Peugeot S.A. in respect of this agreement in 2013.

Common directors at the signing date of the agreement: Messrs Varin, Faury and Chasseloup de Chatillon.

Common director at the date of this report: Mr Varin.

1.2.2. SURETY AND GUARANTEE GRANTED TO THE EUROPEAN INVESTMENT BANK ("EIB") IN CONNECTION WITH THE €300 MILLION LOAN GRANTED TO PEUGEOT CITROËN AUTOMOBILES S.A. ("PCA") IN 2013

On July 30, 2013 and October 22, 2013, the Supervisory Board authorized a surety agreement and an agreement to pledge securities with the EIB in connection with the €300 million loan granted by the EIB to PCA.

Under these agreements, Peugeot S.A. granted a joint and several guarantee to the EIB on behalf of its subsidiary PCA, covering all amounts including principal, interest and any ancillary sums due by PCA under the EIB loan. It also undertook to pledge securities to the EIB as guarantee for PCA's payment and repayment obligations, covering 20% of 110% of the amount outstanding under the loan.

In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €33,000.

Common directors at the signing date of the agreement: Messrs Varin, Faury and Chasseloup de Chatillon.

Common director at the date of this report: Mr Varin.

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS AND CONTINUED OVER THE CURRENT YEAR

In accordance with Article R. 225-57 of the *Code de commerce*, we were informed that the following agreements and commitments approved by your Shareholders' Meeting in previous years remained in force during the past year.

2.1. Agreement between Entities with Common Directors

2.1.1. SURETY AND GUARANTEE GRANTED TO THE EUROPEAN INVESTMENT BANK ("EIB") IN CONNECTION WITH THE €400 MILLION LOAN GRANTED TO PEUGEOT CITROËN AUTOMOBILES S.A. ("PCA") IN 2009

On February 10, 2009, the Supervisory Board authorized a surety agreement and an agreement to pledge securities with the EIB in connection with the €400 million loan granted by the EIB to PCA for a maximum term of seven years. This loan was fully reimbursed by PCA in April 2013.

Under these agreements, Peugeot S.A. granted a joint and several guarantee to the EIB on behalf of its subsidiary PCA, covering all amounts including principal, interest and any ancillary sums due by PCA under the EIB loan. It also undertook to pledge securities to the EIB as guarantee for PCA's payment and repayment obligations, covering 20% of 110% of the amount outstanding under the loan.

An annual guarantee fee of 0.12% is invoiced by Peugeot S.A. to PCA in consideration for the joint and several guarantee granted. In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €151,000.

Common directors at the signing date of the agreement: Messrs Streiff, Olivier and Vardanega.

Common director at the date of this report: Mr Varin.

2.1.2. SURETY AND GUARANTEE GRANTED TO THE EUROPEAN INVESTMENT BANK ("EIB") IN CONNECTION WITH THE €200 MILLION LOAN GRANTED TO PEUGEOT CITROËN AUTOMOBILES S.A. ("PCA") IN AUGUST 2010

On July 27, 2010, the Supervisory Board of Peugeot S.A. authorized a surety agreement with the EIB in connection with its €200 million loan granted to PCA for a maximum term of seven years. This loan was partially reimbursed of €40 million on July 15, 2013.

Under this agreement, Peugeot S.A. granted a joint and several guarantee to the EIB on behalf of its subsidiary PCA, covering all amounts including principal, interest and any ancillary sums due by PCA under the EIB loan.

An annual guarantee fee of 0.12% is invoiced by Peugeot S.A. to PCA in consideration for the joint and several guarantee granted. In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €218,000.

Common directors at the signing date of the agreement: Messrs Varin, Faury and Saint-Geours.

Common director at the date of this report: Mr Varin.

2.1.3. SURETY AND GUARANTEE GRANTED TO THE EUROPEAN INVESTMENT BANK ("EIB") IN CONNECTION WITH THE €125 MILLION LOAN GRANTED TO PEUGEOT CITROËN AUTOMOBILES S.A. ("PCA") IN NOVEMBER 2011

On July 26, 2011, the Supervisory Board of Peugeot S.A. authorized a surety agreement to pledge securities with the EIB in connection with the €125 million loan granted by the EIB to PCA. This loan has been partially reimbursed of €25 million on December 9, 2013.

Under this agreement, Peugeot S.A. granted a joint and several guarantee to the EIB on behalf of its subsidiary PCA, covering all amounts including principal, interest and any ancillary sums due by PCA under the EIB loan.

An annual guarantee fee of 0.12% is invoiced by Peugeot S.A. to PCA in consideration for the joint and several guarantee granted. In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €158,000.

Common directors at the signing date of the agreement: Messrs Varin, Faury and Saint-Geours.

Common director at the date of this report: Mr Varin.

2.1.4. SHARE OF GROUP GENERAL AND ADMINISTRATIVE EXPENSES

In 2013, a total amount of €93,024,360 was received by Peugeot S.A. in respect of subsidiaries' share of Group general and administrative expenses.

Common directors in 2013:

- *for Peugeot Citroën SA ("PCA"): Messrs Varin, Faury and Chasseloup de Chatillon;*
- *for Automobiles Peugeot S.A. ("AP"): Messrs Saint-Geours and Chasseloup de Chatillon;*
- *for Automobiles Citroën SA ("AC"): Messrs Saint-Geours and Chasseloup de Chatillon;*
- *for Banque PSA Finance ("BPF"): Messrs Varin and Saint-Geours.*

Common directors at the date of this report:

- *for PCA: Mr Varin;*
- *for AP: Mr Chasseloup de Chatillon;*
- *for AC: Mr Chasseloup de Chatillon;*
- *for BPF: Messrs Varin and Chasseloup de Chatillon.*

2.1.5. AGREEMENTS CONCLUDED IN THE CONTEXT OF THE DISPOSAL OF THE SHARES IN GEFCO S.A.

In the context of the disposal of 75% of the shares and voting rights in GEFCO S.A. to JSC Russian Railways ("RZD"), the Supervisory Board of Peugeot S.A. authorized on December 28, 2012, the following agreements:

1. The "Transition Services Agreement" was signed on December 20, 2012 between Peugeot S.A. and GEFCO and relates to the ongoing of mutual services for a period of six to twelve months, with a potential additional period of six months. This agreement aims to ensure for both Peugeot S.A. and GEFCO a good transition following the disposal to RZD.

The provided services relate to legal, purchasing, human resources, real estate and IT assistance.

Depending on their nature, invoicing are based on an average hourly rate plus a 5% margin or on the same basis of the current price between the parties as at the signing date of the "Share Purchase Agreement" with RZD.

In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €368,173.

Common directors at the signing date of the agreement: Messrs Varin and Chasseloup de Chatillon.

Common directors at the date of this report: Messrs Thierry Peugeot and Chasseloup de Chatillon

2. The "Shareholder Loan Agreement" was signed on December 18, 2012 between Peugeot S.A. and GEFCO. This agreement provisionally provides GEFCO with a credit facility taking the form of a shareholder loan.

This credit facility amounts to a maximum of €350 million and has to be reimbursed no later than June 30, 2013. In 2013 this credit facility was consumed up to €320 million and then fully reimbursed on May 17, 2013. Interest rate is based on Euribor 1 month plus 6% on an annual basis.

In 2013, the fee invoiced by Peugeot S.A. in respect of this agreement amounts to €6,593,458.

Common directors at the signing date of the agreement: Messrs Varin and Chasseloup de Chatillon.

3. Three agreements were signed on December, 18, 2012 by Peugeot S.A.:
   - a "Delegation Agreement" between Automobiles Citröen ("AC") and GEFCO,
   - a "Delegation Agreement" between Automobiles Peugeot ("AP") and GEFCO,
   - a "Delegation Agreement" between Peugeot Citröen Automobiles ("PCA") and GEFCO.

The aim of these agreements is to secure the rights of Peugeot S.A. regarding the credit facility as described in the Note 2 above. Therefore, in the event a default by GEFCO in respect of the repayment to Peugeot S.A. of the credit facility, AC, AP and PCA may be asked to pay to Peugeot S.A. the amounts payable to GEFCO in respect of the logistic service agreement signed between AC, AP, PCA and GEFCO, up to the amount of the credit facility.

Common directors at the signing date of the agreement:

- *for PCA: Messrs Varin, Faury and Chasseloup de Chatillon;*
- *for AP: Messrs Saint-Geours and Chasseloup de Chatillon;*
- *for AC: Messrs Saint-Geours and Chasseloup de Chatillon;*
- *for GEFCO: Messrs Varin and Chasseloup de Chatillon.*

2.1.6. CASH COLLATERAL TO SECURE THE PAYMENT OBLIGATIONS OF AUTOMOBILES PEUGEOT ("AP"), AUTOMOBILES CITROËN ("AC") ET PEUGEOT CITROËN AUTOMOBILES ("PCA")

On December 18, 2012, the Supervisory Board authorized a cash collateral to secure the payment obligations of AP, AC and PCA.

In the context of a sale of receivables program arranged by Crédit Agricole Corporate and Investissement Bank in which PCA, AP and AC participated, Peugeot S.A. provided a cash collateral in favor of Ester Finance Titrisation, dealer of the receivables, in order to secure the payment obligations of PCA, AP and AC in respect of the program documentation.

For that purpose, the "Cash Collateral Agreement" was signed on December 20, 2012 between Peugeot S.A., Crédit Agricole Corporate and Investment Bank and Ester Finance Titrisation.

The cash collateral amounted to €30 million as at January 2, 2013 and was increased to €42 million as at January 30, 2013. It was then increased to €47.7 million as at January 6, 2014.

From 2013, Peugeot S.A. will invoice a 0.12% fee of the amount of the cash collateral equally shared between AP, AC and PCA. In 2013, Peugeot S.A. invoiced €16,262 to each of the three entities (AP, AC and PCA).

Common directors at the signing date of the agreement: Messrs Varin, Faury, Chasseloup de Chatillon and Saint-Geours.

Common directors at the signing date of this report:

- *for PCA: Mr Varin;*
- *for AP and AC: Mr Chasseloup de Chatillon.*

Courbevoie and Paris-La Défense, March 27, 2014

The Statutory Auditors

French original signed by

MAZARS		**ERNST & YOUNG et Autres**	
Loïc Wallaert	Jean-Louis Simon	Christian Mouillon	Marc Stoessel

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FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

20.1. > HISTORICAL FINANCIAL INFORMATION

In compliance with Article 28 of EC regulation No. 809/2004, the following information is incorporated by reference in the Registration Document:

FOR FINANCIAL YEAR 2012

Required disclosures in the Report of the Managing Board appearing on page 480, the consolidated financial statements are presented on pages 276 to 386 and the corresponding Auditors' Report is presented on pages 274 and 275 of the 2012 Registration Document filed with the *Autorité des Marchés Financiers* on 28 March 2013 under No. D. 13-0239.

FOR FINANCIAL YEAR 2011

Required disclosures in the Report of the Managing Board appearing on page 402, the consolidated financial statements are presented on pages 226 to 333 and the corresponding Auditors' Report is presented on pages 224 and 225 of the 2011 Registration Document filed with the *Autorité des Marchés Financiers* on 5 March 2012 under No D. 12-0128.

CONSOLIDATED STATEMENT OF INCOME FOR 2011

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Sales and revenue	**56,926**	**1,902**	**(319)**	**58,509**
Recurring operating income (loss)	561	532	-	1,093
Non-recurring operating income and (expenses)	(417)	-	-	(417)
Operating income (loss)	**144**	**532**	**-**	**676**
Consolidated profit (loss) for the year	430	354	-	784
Attributable to equity holders of the parent	*238*	*345*	*5*	*588*
Attributable to minority interests	*192*	*9*	*(5)*	*196*
Basic earnings (loss) per share of €1 *(in euros)*				2.64

2011 CONSOLIDATED BALANCE SHEET

Assets

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Total non-current assets	25,286	367	(25)	25,628
Total current assets	16,550	27,431	(618)	43,363
Total assets held for sale	0	0	0	0
TOTAL ASSETS	**41,836**	**27,798**	**(643)**	**68,991**

Liabilities & Equity

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Total equity				14,494
Total non-current liabilities	12,184	369	-	12,553
Total current liabilities	18,849	23,738	(643)	41,944
Total liabilities held for sale	0	0	0	0
TOTAL EQUITY AND LIABILITIES				**68,991**

2011 CONSOLIDATED CASH FLOW STATEMENTS

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Consolidated profit (loss) from continuing operations	280	354	-	634
Funds from operations	2,395	339	-	2,734
Net cash from (used in) operating activities	**1,717**	**17**	**(179)**	**1,555**
Net cash used in investing activities	**(3,635)**	**(19)**	**-**	**(3,654)**
Net cash from/(used in) financing activities	**(2,663)**	**(158)**	**78**	**(2,743)**
Effect of changes in exchange rates	5	(2)	2	5
Increase (Decrease) in cash	(4,576)	(162)	(99)	(4,837)
Net cash and cash equivalents at beginning of year	9,253	1,316	(127)	10,442
NET CLOSING CASH POSITION	**4,962**	**1,154**	**(223)**	**5,623**

20.2. > *PRO FORMA* FINANCIAL INFORMATION

Not applicable.

20.3. > CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013

20.3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' Report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Peugeot S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Managing Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, given the context of the Group's economic and financial environment as described in the Group's management report, we draw your attention to the following notes to the consolidated financial statements:

- Note 2.4 on significant estimates and assumptions which specifies the accounts for which estimates and assumptions used are particularly sensitive;
- Note 9.1 on the impairment test on the assets of the automotive segment which leads to the recognition of an impairment for an amount of €1,009 million. This note indicates that the tests have been performed based on a medium-term plan for which the funding arrangements had not been finalized as at 31 December 2013. It further indicates that the Group is confident in its ability to implement the corresponding funding;
- Note 40 on subsequent events. It indicates, in particular, that the Managing Board and the Supervisory Board decided, on 18 February 2014, to submit a capital increase of €3 billion to the next Shareholders' Meeting. It specifies that this capital increase is aimed at financing among others the current medium-term plan of the Group and revitalizing its development;
- Note 36 which sets out the Group's and Banque PSA Finance's liquidity position;
- Note 3 which sets out the impact of the first application of IAS 19 (revised) concerning employee benefits.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- the preparation of the consolidated financial statements requires your company to make estimates and assumptions regarding the valuation of certain assets, liabilities, income and expenses, the most significant of which are outlined in Note 2.4 to the consolidated financial statements "Accounting principles – Use of Estimates and Assumptions." For all of these matters, we examined the appropriateness of the accounting rules and methods used and the information given in the notes to the financial statements. In addition, we examined the consistency of the assumptions used, their translation into figures, and the available documentation, and on that basis we assessed the reasonableness of the estimates made;
- note 2.15 to the consolidated financial statements "Accounting Principles – Impairment of Long-Lived Assets" describes the accounting methods and assumptions used for impairment tests. According to Note 9.1 – "Impairment Loss on Automotive Division CGUs and Provisions for Automotive Division Onerous Contracts", impairment tests led to the recognition of an impairment on the Latin American and Russian plants for €1,009 million. We verified that the impairment tests were carried out correctly, we verified the reasonableness of the underlying estimates and assumptions, we reviewed the calculations which led to the recognition of the impairment and we verified that the notes mentioned above provide relevant information. We also examined the funding arrangements for the medium-term plan contemplated by management and described in Note 40 – "Subsequent events";
- as indicated in Note 2.19 – "Accounting Principles – Deferred Taxes", deferred tax assets and liabilities are accounted for in the statement of financial position as set forth in Note 12 – "Income tax". This note indicates amongst other things that, in the absence of any prospect of recovery within the medium-term plan period, tax-loss carry forwards relating to the French tax consolidation generated over the year have not been recognized. We examined the Group's tax forecasts, deferred tax assets and liabilities timelines and the consistency of overall assumptions used for this depreciation;
- within the context of our assessment of the continuity of the Company as a going concern, we made an in-depth review of the liquidity position of the Group and of Banque PSA Finance detailed in Note 31 – "Current And Non-Current Financial Liabilities – Manufacturing And Sales Companies", Note 32 – "Financing Liabilities – Finance Companies" and Note 36.1 A – "Management of Financial Risks – Financial Risk Management Policy – Liquidity Risk". We notably reviewed the cash flow forecasts, the debt schedules, the covenants applicable to them, and the provisions relating to the State guarantee for the refinancing of Banque PSA Finance.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Paris-La Défense, 19 February 2014

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Jean-Louis Simon	Christian Mouillon	Marc Stoessel

20.3.2. CONSOLIDATED STATEMENTS OF INCOME

(in million euros)	2013			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Sales and revenue (Note 6)	**52,627**	**1,773**	**(310)**	**54,090**
Cost of goods and services sold	(45,260)	(1,014)	310	(45,964)
Selling, general and administrative expenses	(6,027)	(391)	-	(6,418)
Research and development expenses (Note 8)	(1,885)	-	-	(1,885)
Recurring operating income (loss)	**(545)**	**368**	-	**(177)**
Non-recurring operating income (Note 9)	413	-	-	413
Non-recurring operating expenses (Note 9)	(1,582)	-	-	(1,582)
Operating income (loss)	**(1,714)**	**368**	-	**(1,346)**
Interest income	138	-	-	138
Finance costs (Note 10)	(624)	-	-	(624)
Other financial income (Note 11)	71	-	-	71
Other financial expenses (Note 11)	(243)	-	-	(243)
Income (loss) before tax of fully consolidated companies	**(2,372)**	**368**	-	**(2,004)**
Current taxes	(198)	(123)	-	(321)
Deferred taxes	(51)	(15)	-	(66)
Income taxes (Note 12)	**(249)**	**(138)**	-	**(387)**
Share in net earnings of companies at equity (Note 16)	168	8	-	176
Consolidated profit (loss) from continuing operations	**(2,453)**	**238**	-	**(2,215)**
Attributable to equity holders of the parent	*(2,544)*	*223*	*6*	*(2,315)*
Discontinued operations				
Profit (loss) from discontinued operations	**(3)**	-	-	**(3)**
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(2,456)**	**238**	-	**(2,218)**
Attributable to equity holders of the parent	*(2,546)*	*223*	*6*	*(2,317)*
Attributable to minority interests	*90*	*15*	*(6)*	*99*

(in euros)	
Basic earnings per €1 par value share of continuing operations - attributable to equity holders of the parent (Note 13)	(6.76)
Basic earnings per €1 par value share - attributable to equity holders of the parent (Note 13)	(6.77)
Diluted earnings per €1 par value share of continuing operations - attributable to equity holders of the parent (Note 13)	(6.76)
Diluted earnings per €1 par value share - attributable to equity holders of the parent (Note 13)	(6.77)

(in million euros)	2012			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Sales and revenue (Note 6)	**53,860**	**1,910**	**(324)**	**55,446**
Cost of goods and services sold	(46,781)	(1,125)	324	(47,582)
Selling, general and administrative expenses	(5,983)	(394)	-	(6,377)
Research and development expenses (Note 8)	(2,047)	-	-	(2,047)
Recurring operating income (loss)	**(951)**	**391**	**-**	**(560)**
Non-recurring operating income (Note 9)	406	-	-	406
Non-recurring operating expenses (Note 9)	(4,527)	(1)	-	(4,528)
Operating income (loss)	**(5,072)**	**390**	**-**	**(4,682)**
Interest income	72	-	-	72
Finance costs (Note 10)	(442)	-	-	(442)
Other financial income (Note 11)	172	-	-	172
Other financial expenses (Note 11)	(232)	-	-	(232)
Income (loss) before tax of fully consolidated companies	**(5,502)**	**390**	**-**	**(5,112)**
Current taxes	(251)	(138)	-	(389)
Deferred taxes	(419)	34	-	(385)
Income taxes (Note 12)	**(670)**	**(104)**	**-**	**(774)**
Share in net earnings of companies at equity (Note 16)	153	7	-	160
Consolidated profit (loss) from continuing operations	**(6,019)**	**293**	**-**	**(5,726)**
Attributable to equity holders of the parent	*(6,106)*	*281*	*5*	*(5,820)*
Discontinued operations				
Profit (loss) from discontinued operations	**803**	**-**	**-**	**803**
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**(5,216)**	**293**	**-**	**(4,923)**
Attributable to equity holders of the parent	*(5,294)*	*281*	*5*	*(5,008)*
Attributable to minority interests	*78*	*12*	*(5)*	*85*

(in euros)	
Basic earnings per €1 par value share of continuing operations - attributable to equity holders of the parent (Note 13)	(18.12)
Basic earnings per €1 par value share - attributable to equity holders of the parent (Note 13)	(15.59)
Diluted earnings per €1 par value share of continuing operations - attributable to equity holders of the parent (Note 13)	(18.13)
Diluted earnings per €1 par value share - attributable to equity holders of the parent (Note 13)	(15.60)

20.3.3. CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES RECOGNISED IN EQUITY

	2013		
(in million euros)	Before tax	Income tax benefit (expense)	After tax
Consolidated profit (loss) for the period	**(1,831)**	**(387)**	**(2,218)**
Items that may be recycled through profit or loss			
Fair value adjustments to cash flow hedges	(48)	18	(30)
> of which, reclassified to the income statement	(57)	13	(44)
> of which, recognised in equity during the period	9	5	14
Gains and losses from remeasurement at fair value of available-for-sale financial assets	(83)	3	(80)
> of which, reclassified to the income statement	-	-	-
> of which, recognised in equity during the period	(83)	3	(80)
Exchange differences on translating foreign operations	(371)	-	(371)
> of which, reclassified to the income statement	-	-	-
> of which direct valuation by shareholders' equity	(371)	-	(371)
TOTAL	**(502)**	**21**	**(481)**
Items that may not be recycled through profit or loss			
Actuarial gains and losses on pension obligations	207	(54)	153
Income and expenses recognised in equity, net	**(295)**	**(33)**	**(328)**
> of which, companies at equity	(35)	-	(35)
TOTAL RECOGNISED INCOME AND EXPENSES, NET	**(2,126)**	**(420)**	**(2,546)**
> of which, attributable to equity holders of the parent			(2,620)
> of which, attributable to minority interests			74

Income and expenses recognised in equity correspond to all changes in equity resulting from transactions with third parties other than shareholders.

(in million euros)	2012		
	Before tax	Income tax benefit (expense)	After tax
Consolidated profit (loss) for the period	**(4,149)**	**(774)**	**(4,923)**
Items that may be recycled through profit or loss			
Fair value adjustments to cash flow hedges	(2)	3	1
> of which, reclassified to the income statement	42	(6)	36
> of which, recognised in equity during the period	(44)	9	(35)
Gains and losses from remeasurement at fair value of available-for-sale financial assets	50	(2)	48
> of which, reclassified to the income statement	2	-	2
> of which, recognised in equity during the period	48	(2)	46
Exchange differences on translating foreign operations	(132)	-	(132)
> of which, reclassified to the income statement	-	-	-
> of which, recognised in equity during the period	(132)	-	(132)
TOTAL	**(84)**	**1**	**(83)**
Items that may not be recycled through profit or loss			
Actuarial gains and losses on pension obligations	(363)	99	(264)
Income and expenses recognised in equity, net	**(447)**	**100**	**(347)**
> of which, companies at equity	(19)	-	(19)
TOTAL RECOGNISED INCOME AND EXPENSES, NET	**(4,596)**	**(674)**	**(5,270)**
> of which, attributable to equity holders of the parent			(5,331)
> of which, attributable to minority interests			61

20.3.4. CONSOLIDATED BALANCE SHEETS

ASSETS

(in million euros)	31 December 2013			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Goodwill (Note 14)	1,484	77	-	1,561
Intangible assets (Note 14)	3,962	70	-	4,032
Property, plant and equipment (Note 15)	10,898	17	-	10,915
Investments in companies at equity (Note 16)	1,490	83	-	1,573
Investments in non-consolidated companies	22	10	-	32
Other non-current financial assets (Note 17)	670	53	-	723
Other non-current assets (Note 18)	598	5	(1)	602
Deferred tax assets (Note 12)	459	74	-	533
Total non-current assets	**19,583**	**389**	**(1)**	**19,971**
Operating assets				
Loans and receivables - Finance companies (Note 19)	-	21,335	(55)	21,280
Short-term investments -Finance companies (Note 20)	-	829	-	829
Inventories (Note 21)	5,626	-	-	5,626
Trade receivables - manufacturing and sales companies (Note 22)	1,821	-	(156)	1,665
Current taxes (Note 12)	161	43	(16)	188
Other receivables (Note 23)	1,640	657	(131)	2,166
	9,248	**22,864**	**(358)**	**31,754**
Current financial assets (Note 24)	**141**	**-**	**-**	**141**
Cash and cash equivalents (Note 25)	**6,161**	**1,804**	**(210)**	**7,755**
Total current assets	**15,550**	**24,668**	**(568)**	**39,650**
Total assets of continuing operations	**35,133**	**25,057**	**(569)**	**59,621**
Total assets held for sale	**43**	**-**	**-**	**43**
TOTAL ASSETS	**35,176**	**25,057**	**(569)**	**59,664**

EQUITY AND LIABILITIES

Equity (Note 26)				
Share capital				355
Treasury shares				(351)
Retained earnings and other accumulated equity, excluding minority interests				6,878
Minority interests				909
Total equity				**7,791**
Continuing operations				
Non-current financial liabilities (Note 29)	8,081	-	-	8,081
Other non-current liabilities (Note 30)	3,045	-	(1)	3,044
Non-current provisions (Note 27)	1,067	16	-	1,083
Deferred tax liabilities (Note 12)	475	347	-	822
Total non-current liabilities	**12,668**	**363**	**(1)**	**13,030**
Operating liabilities				
Financing liabilities (Note 32)	-	20,444	(216)	20,228
Current provisions (Note 27)	2,564	89	-	2,653
Trade payables	8,177	-	(12)	8,165
Current taxes (Note 12)	116	44	(16)	144
Other payables (Note 33)	4,110	828	(281)	4,657
	14,967	**21,405**	**(525)**	**35,847**
Current financial liabilities (Note 29)	**3,039**	**-**	**(43)**	**2,996**
Total current liabilities	**18,006**	**21,405**	**(568)**	**38,843**
Total liabilities of continuing operations[(1)]	**30,674**	**21,768**	**(569)**	**51,873**
Total liabilities related to assets held for sale	**-**	**-**	**-**	**-**
TOTAL EQUITY AND LIABILITIES				**59,664**

(1) Excluding equity.

ASSETS

(in million euros)	31 December 2012			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Goodwill (Note 14)	1,487	77	-	1,564
Intangible assets (Note 14)	4,047	86	-	4,133
Property, plant and equipment (Note 15)	12,423	15	-	12,438
Investments in companies at equity (Note 16)	1,490	46	-	1,536
Investments in non-consolidated companies	50	12	-	62
Other non-current financial assets (Note 17)	664	108	-	772
Other non-current assets (Note 18)	511	3	-	514
Deferred tax assets (Note 12)	536	77	-	613
Total non-current assets	**21,208**	**424**	**-**	**21,632**
Operating assets				
Loans and receivables - Finance companies (Note 19)	-	23,146	(51)	23,095
Short-term investments - Finance companies (Note 20)	-	867	-	867
Inventories (Note 21)	6,193	-	-	6,193
Trade receivables - manufacturing and sales companies (Note 22)	2,014	-	(187)	1,827
Current taxes (Note 12)	105	62	(17)	150
Other receivables (Note 23)	1,966	955	(122)	2,799
	10,278	**25,030**	**(377)**	**34,931**
Current financial assets (Note 24)	**1,501**	**-**	**-**	**1,501**
Cash and cash equivalents (Note 25)	**5,421**	**1,669**	**(279)**	**6,811**
Total current assets	**17,200**	**26,699**	**(656)**	**43,243**
Total assets of continuing operations	**38,408**	**27,123**	**(656)**	**64,875**
Total assets held for sale	**9**	**-**	**-**	**9**
TOTAL ASSETS	**38,417**	**27,123**	**(656)**	**64,884**

EQUITY AND LIABILITIES

Equity (Note 26)				
Share capital				355
Treasury shares				(351)
Retained earnings and other accumulated equity, excluding minority interests				9,463
Minority interests				700
Total equity				**10,167**
Continuing operations				
Non-current financial liabilities (Note 29)	7,828	-	-	7,828
Other non-current liabilities (Note 30)	3,184	-	-	3,184
Non-current provisions (Note 27)	1,163	19	-	1,182
Deferred tax liabilities (Note 12)	475	326	-	801
Total non-current liabilities	**12,650**	**345**	**-**	**12,995**
Operating liabilities				
Financing liabilities (Note 32)	-	22,140	(279)	21,861
Current provisions (Note 27)	2,988	76	-	3,064
Trade payables	8,472	-	(9)	8,463
Current taxes (Note 12)	130	54	(17)	167
Other payables (Note 33)	4,475	1,091	(309)	5,257
	16,065	**23,361**	**(614)**	**38,812**
Current financial liabilities (Note 29)	**2,906**	**-**	**(42)**	**2,864**
Total current liabilities	**18,971**	**23,361**	**(656)**	**41,676**
Total liabilities of continuing operations (1)	**31,621**	**23,706**	**(656)**	**54,671**
Total liabilities related to assets held for sale	**46**	**-**	**-**	**46**
TOTAL EQUITY AND LIABILITIES				**64,884**

(1) Excluding equity.

20.3.5. CONSOLIDATED STATEMENTS OF CASH FLOWS

	2013			
(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Consolidated profit (loss) from continuing operations	**(2,453)**	**238**	**-**	**(2,215)**
Adjustments for non-cash items:				
> Depreciation, amortisation and impairment (Note 34.4)	3,458	28	-	3,486
> Provisions	(368)	14	-	(354)
> Changes in deferred tax	46	15	-	61
> (Gains) losses on disposals and other	(39)	-	-	(39)
Share in net (earnings) losses of companies at equity, net of dividends received	(36)	(8)	-	(44)
Revaluation adjustments taken to equity and hedges of debt	129	-	-	129
Change in carrying amount of leased vehicles	(37)	-	-	(37)
Funds from operations (1)	**700**	**287**	**-**	**987**
Changes in working capital (Note 34.2)	397	182	64	643
Net cash from (used in) operating activities	**1,097**	**469**	**64**	**1,630**
Proceeds from disposals of shares in consolidated companies and of investments in non-consolidated companies	(9)	-	-	(9)
Capital increase and acquisitions of consolidated companies and equity interests (2)	(90)	(30)	-	(120)
Proceeds from disposals of property, plant and equipment and of intangible assets	182	8	-	190
Investments in property, plant and equipment	(1,385)	(12)	-	(1,397)
Investments in intangible assets	(1,002)	(7)	-	(1,009)
Change in amounts payable on fixed assets	(173)	-	-	(173)
Other	46	(1)	-	45
Net cash from (used in) investing activities	**(2,431)**	**(42)**	**-**	**(2,473)**
Dividends paid:				
> Intragroup	286	(286)	-	-
> To minority shareholders of subsidiaries	(48)	-	-	(48)
Dividends received from GEFCO S.A.	-	-	-	-
Proceeds from issuance of shares	10	-	-	10
(Purchases) sales of Treasury shares	-	-	-	-
Changes in other financial assets and liabilities (Note 31.2)	1,956	-	-	1,956
Net cash from (used in) financing activities	**2,204**	**(286)**	**-**	**1,918**
Effect of changes in exchange rates	(91)	(6)	5	(92)
Net increase (decrease) in cash and cash equivalents from continuing operations	**779**	**135**	**69**	**983**
Net cash from discontinued operations	(41)	-	-	(41)
Net cash and cash equivalents at beginning of period	5,399	1,669	(279)	6,789
NET CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF PERIOD (NOTE 34.1)	**6,137**	**1,804**	**(210)**	**7,731**

(1) Interest received and paid by the manufacturing and sales companies is presented in Note 34.5 Income tax paid (net of refunds) during the year is presented in Note 12.3.
(2) Of which €17 million in acquisitions in 2013 (€104 million in 2012).

(in million euros)	2012			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Consolidated profit (loss) from continuing operations	**(6,019)**	**293**	**-**	**(5,726)**
Adjustments for non-cash items:				
> Depreciation, amortisation and impairment (Note 34.4)	6,098	18	-	6,116
> Provisions	687	20	-	707
> Changes in deferred tax	422	(35)	-	387
> (Gains) losses on disposals and other	(312)	1	-	(311)
Share in net (earnings) losses of companies at equity, net of dividends received	(29)	(7)	-	(36)
Revaluation adjustments taken to equity and hedges of debt	154	-	-	154
Change in carrying amount of leased vehicles	32	-	-	32
Funds from operations[1]	**1,033**	**290**	**-**	**1,323**
Changes in working capital (Note 34.2)	(602)	760	(64)	94
Net cash from (used in) operating activities	**431**	**1,050**	**(64)**	**1,417**
Proceeds from disposals of shares in consolidated companies and of investments in non-consolidated companies	830	21	-	851
Capital increase and acquisitions of consolidated companies and equity interests[2]	(292)	(10)	-	(302)
Proceeds from disposals of property, plant and equipment and of intangible assets	678	7	-	685
Investments in property, plant and equipment	(2,267)	(12)	-	(2,279)
Investments in intangible assets	(1,442)	(8)	-	(1,450)
Change in amounts payable on fixed assets	40	-	-	40
Other	3	1	3	7
Net cash from (used in) investing activities	**(2,450)**	**(1)**	**3**	**(2,448)**
Dividends paid:				
> Intragroup	532	(532)	-	-
> To minority shareholders of subsidiaries	(37)	-	-	(37)
Dividends received from GEFCO S.A.	100	-	-	100
Proceeds from issuance of shares	1,028	-	-	1,028
(Purchases) sales of Treasury shares	89	-	-	89
Changes in other financial assets and liabilities (Note 31.2)	675	-	4	679
Net cash from (used in) financing activities	**2,387**	**(532)**	**4**	**1,859**
Effect of changes in exchange rates	(6)	(2)	2	(6)
Net increase (decrease) in cash and cash equivalents from continuing operations	**362**	**515**	**(55)**	**822**
Net cash from discontinued operations	345	-	(1)	344
Net cash and cash equivalents at beginning of period	4,692	1,154	(223)	5,623
NET CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF PERIOD (NOTE 34.1)	**5,399**	**1,669**	**(279)**	**6,789**

(1) Interest received and paid by the manufacturing and sales companies is presented in Note 34.5 Income tax paid (net of refunds) during the year is presented in Note 12.3.
(2) Of which €104 million in acquisitions in 2012 (€95 million in 2011).

20.3.6. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

				Revaluations - excluding minority interests						
(in million euros)	Share capital	Treasury shares	Retained earnings excluding revaluations	Cash flow hedges	Available-for-sale financial assets	Actuarial gains and losses on pension obligations	Translation adjust-ments	Equity -Attributable to equity holders of the parent	Equity -Minority interests	Total equity
At 31 December 2011	**234**	**(502)**	**13,850**	**(40)**	**32**	**-**	**262**	**13,836**	**658**	**14,494**
First adoption of IAS 19R	-	-	(48)	-	-	(64)	(1)	(113)	(17)	(130)
At 1 January 2012	**234**	**(502)**	**13,802**	**(40)**	**32**	**(64)**	**261**	**13,723**	**641**	**14,364**
Income and expenses recognised in equity for the period	-	-	(5,008)	(2)	48	(246)	(123)	(5,331)	61	(5,270)
Measurement of stock-options and performance share grants	-	-	(5)	-	-	-	-	(5)	(1)	(6)
Minority shareholder puts	-	-	-	-	-	-	-	-	15	15
Effect of changes in scope of consolidation and other	-	-	(5)	-	-	-	-	(5)	10	5
Issuance of shares	121	-	845	-	-	-	-	966	-	966
Purchases and sales of Treasury shares	-	151	(62)	-	-	-	-	89	-	89
Equity component (conversion option) of OCEANE bonds	-	-	30	-	-	-	-	30	22	52
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(48)	(48)
At 31 December 2012	**355**	**(351)**	**9,597**	**(42)**	**80**	**(310)**	**138**	**9,467**	**700**	**10,167**
Income and expenses recognised in equity for the period	-	-	(2,317)	(32)	(80)	145	(336)	(2,620)	74	(2,546)
Measurement of stock-options and performance share grants	-	-	1	-	-	-	-	1	1	2
Minority shareholder puts	-	-	-	-	-	-	-	-	6	6
Effect of changes in scope of consolidation and other	-	-	(6)	-	-	5	-	(1)	(12)	(13)
Issuance of shares[1]	-	-	35	-	-	-	-	35	189	224
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(49)	(49)
AT 31 DECEMBER 2013	**355**	**(351)**	**7,310**	**(74)**	**-**	**(160)**	**(198)**	**6,882**	**909**	**7,791**

(1) This item essentially concerns the increase in Faurecia's shareholders' equity resulting from the early repayment of the 2015 OCEANE.

20.3.7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 2013

CONTENTS

PRELIMINARY NOTE

the consolidated financial statements for 2013 including explanatory notes were approved for issue by the Managing Board of Peugeot S.A. on 11 February 2014, with Note 40 taking into account events that occurred in the period up to the Supervisory Board meeting on 18 February 2014.

NOTE 1 SIGNIFICANT EVENTS

1.1. ALLIANCE WITH GENERAL MOTORS

PSA Peugeot Citroën (PSA) and General Motors (GM) announced further steps in their strategic Alliance in December 2013. The Alliance remains structured around the main pillars of joint programmes, purchasing, and logistics, focused on Europe and is extended into cross manufacturing.

The two groups confirmed their continued cooperation for the development of two vehicles on PSA Peugeot Citroën platforms. The partners will also cooperate to develop a new light commercial vehicle based on the new-generation PSA platform. The first vehicles from the Alliance are expected to launch starting in 2016. In addition, the two groups will share the manufacturing of these vehicles equally.

GM and PSA Peugeot Citroën also amended certain other terms of the Alliance. They will simplify the joint governance of the Alliance and have removed as a ground for terminating the Alliance the failure to achieve a minimum number of cooperation programmes. GM also waived its right to terminate the Alliance, under certain conditions, in the event of certain other investors acquiring interests in Peugeot S.A., provided that these parties support the Alliance. Following the change in the Alliance, GM sold its 7% stake in Peugeot S.A.'s share capital.

1.2. PSA PEUGEOT CITROËN'S NEW SOCIAL CONTRACT

Following a meeting of the Central Works Council, the New Social Contract was signed on 24 October 2013. The agreement is designed to involve employees in the Group's recovery and to maintain PSA Peugeot Citroën's industrial and technological base in France, while preserving employees' basic interests.

The New Social Contract focuses on four main pathways:

- greater involvement by employees and their representatives in the Group's strategic vision and in each department's and site's forward-looking projects;
- a new approach that secures jobs while carrying out collective transformations, particularly to improve the utilization rate of our plants;
- deployment of a PSA Peugeot Citroën intergenerational contract that provides for senior leave and the hiring, under work-study schemes, of young people;
- flexibility and wage moderation measures (with no decline in remuneration paid). The New Social Contract also gives employees a stake in the Company's recovery through an improved discretionary profit sharing agreement and an additional profit-sharing payment (discretionary or non-discretionary) in early 2015.

Annual expenses related to the New Social Contract are disclosed in Note 9.3.

1.3. NEW FINANCING AND FRENCH STATE GUARANTEE

The Group undertook several financing transactions during the year.

For the Automotive Division, these transactions chiefly comprised two bond issues by Peugeot S.A. in a total amount of €1.6 billion, and a new loan of €300 million from the European Investment Bank (EIB).

Faurecia also reconstituted its entire syndicated loan by repaying sums drawn in a total amount of €300 million (see Note 31.3).

Banque PSA Finance issued a €1.2 billion bond and carried out eight securitisation transactions.

Bond issues carried out by Banque PSA Finance since 2013 benefit from a first-demand guarantee from the French State within the framework of the authorisation granted by the European Commission, capped at a total principal amount of €7 billion (see Note 36.1.A. (b)).

To complement its sources of funding, in March 2013 Banque PSA Finance launched a savings account targeting individual customers in France under the name Distingo. Deposits totalled €955 million as of 31 December 2013.

Banque PSA Finance also renewed its bank facilities in 2013 (see Note 36.1.A. (b)).

1.4. IMPAIRMENT LOSSES ON AUTOMOTIVE DIVISION ASSETS

In accordance with accounting standard IAS 36, PSA Peugeot Citroën recorded an impairment loss on its Automotive Division assets in Russia and Latin America, notably reflecting a context of deteriorating automotive markets and fluctuations in exchange rates in those areas. The impairment charge totalled €1,009 million (see Note 9.1).

NOTE 2 ACCOUNTING POLICIES

The PSA Peugeot Citroën Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union on 31 December 2013, the balance sheet date[1].

International Financial Reporting Standards include IFRSs and IASs (International Accounting Standards) and the related interpretations as prepared by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

All IFRS standards and interpretations published by the IASB and the IFRS Interpretation Committee whose application is compulsory in financial years beginning on or after 1 January 2013 have been adopted for use and are compulsory in the European Union, except for :

- IAS 39 which has only been partially adopted for use in the European Union. There are no items in the PSA Peugeot Citroën Group's financial statements that would be affected by the unadopted provisions of this standard;
- IFRS 10, 11 and 12, and amendments to IAS 27, 28 and 31, for which the European Union has deferred compulsory application until 1 January 2014, with the possibility of early application. The Group has not opted for early application of these standards. The impact of the new standards is described below.

New compulsory standards and interpretations		First application in the EU for annual periods beginning on or after:	Impacts
Amendment to IAS 19	*"Employee Benefits"*	01/01/2013	See Note 2.21
IFRS 13	*"Fair Value Measurement"* This standard provides guidance on determining fair value when the application is required or permitted by another IFRS	01/01/2013	Without material impact
Amendment to IAS 1	*"Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income".* This standard has resulted in the separation of non-recyclable items within income and expense being recognised in equity.	01/07/2012	See Consolidated Statement of Income and Expenses Recognised in Equity
Amendment to IFRS 7	*"Disclosures - Offsetting Financial Assets and Financial Liabilities".* This standard mainly concerns margin call agreements on OTC derivatives held by Finance companies.	01/01/2013	Without material impact

The other texts that became mandatory on 1 January 2013 have no impact.

New standards and interpretations compulsory on or after 1 January 2014, and not early adopted		First application in the EU for annual periods beginning on or after:	Impacts
IFRS 10	*"Consolidated Financial Statements"*	01/01/2014 (1)	See below
IFRS 11	*"Joint Arrangements"*		
IFRS 12	*"Disclosure of Interests in Other Entities"*		
Amendment to IFRS 10, IFRS 11 and IFRS 12	*"IFRS 10, IFRS 11, IFRS 12: Transition Guidance"*		
IAS 27	*"Separate Financial Statements "*		
IAS 28	*"Investments in Associates and Joint Ventures"*		
Amendment to IFRS 10, IFRS 12 and IAS 27	*"Investment Entities "*	01/01/2014	Without material impact
Amendment to IAS 32	*"Offsetting Financial Assets and Financial Liabilities"*	01/01/2014	Impacts currently being analysed
Amendement to IAS 36	*"Recoverable Amount Disclosures for Non-Financial Assets"*	01/01/2014	Impacts currently being analysed
Amendement to IAS 39	*"Novation of Derivatives and Continuation of Hedge Accounting"*	01/01/2014	Impacts currently being analysed

(1) The IASB first application date is 1 January 2013.

(1) The International Financial Reporting Standards adopted for use in the European Union can be downloaded from the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en. htm).

New standards and interpretations not yet adopted by the European Union		First application in the EU for annual periods beginning on or after:	Impacts
IFRIC 21	*"Levies"* This text specifies the date on which the taxes charged by government authorities must be provisioned.	Not adopted	Impacts currently being analysed
Amendement to IAS 19	*"Defined Benefit Plans: Employee Contributions"*	Not adopted	Impacts currently being analysed
IFRS 9	*Financial instruments – "Classification and Measurement" and "Hedge accounting".* These texts materialise two out of three phases of the revision of IAS 39 *Financial instruments.*	Not adopted	Impacts currently being analysed
	"Annual improvement 2010-2012"	Not adopted	Impacts currently being analysed
	"Annual improvement 2011-2013"	Not adopted	Impacts currently being analysed

Impact of the application of IFRS 10 and IFRS 11 from 1 January 2014

IFRS 11 states that joint arrangements classified as joint operations must be recognised based on the proportion of assets, liabilities, revenue and expenses controlled by the Group. A joint operation may be conducted under a contractual arrangement or through a jointly controlled entity. Joint arrangements that are qualified as joint ventures because the parties have rights to the net assets of the arrangement will be accounted for using the equity method. IFRS 10 redefines exclusive control on the basis of substantive rights.

In practice:

- the main companies under joint control classified as joint ventures are DPCA and CAPSA. They will continue to be consolidated by the equity method;
- the companies classified as joint operations at 31 December 2013 are Toyota Peugeot Citroën Automobile, Sevel SpA and PCMA Automotive Rus, as well as Française de Mécanique prior to its takeover (see Note 4). TPCA and Sevel SpA are currently consolidated by the equity method. In view of the rights held by the Group in the event of a conflict between shareholders, PCMAR was deemed to be controlled in application of the previous standards and therefore fully consolidated. With regard to IFRS 10, these rights are no longer deemed to provide exclusive control.

The main impact of the new standards will be the recognition of the Group share of the carrying amount of the relevant subsidiaries' assets in assets on the consolidated balance sheet and that of the Group share of their debt among liabilities. The main impact will be, on 1 January 2013, an increase of €227 million in the net debt of the Group, consolidating the net debt of the *Française de Mécanique* company for €188 million. In view of the takeover of *Française de Mécanique*, its debt is included in the Group's net debt at 31 December 2013. At that date, the impact of the application of these new standards was therefore limited to an increase of €33 million.

2.1. CONSOLIDATION

A. Consolidation methods

The generic name PSA Peugeot Citroën refers to the Group of companies of which Peugeot S.A. is the parent.

The financial statements of Peugeot S.A. and companies in which Peugeot S.A. directly or indirectly exercises exclusive control are fully consolidated.

Companies in which Peugeot S.A. directly or indirectly exercises joint control or significant influence over operating and financial policies are included in the consolidated financial statements using the equity method.

Certain companies meeting the above criteria have not been consolidated because they do not meet any of the following minimum requirements:

- revenue in excess of €50 million;
- total assets in excess of €20 million;
- total debt in excess of €5 million.

Investments in these companies are recorded under "Investments in non-consolidated companies" in accordance with the general accounting principles described in Note 2.16.B(2). Their consolidation would not have a material impact on the consolidated financial statements.

All significant intragroup transactions and internal margins are eliminated in consolidation.

The Group attributes the profit or loss of a subsidiary between the parent and minority interests based on their respective ownership interests. As a result, if there is no agreement committing the parent to absorbing the losses of the subsidiary, minority interests may be negative.

B. Changes in scope of consolidation resulting in exclusive control

Business combinations occurring after 1 January 2010 are accounted for using the acquisition method, in accordance with *IFRS 3 (Revised) – Business Combinations.*

The identifiable assets acquired and liabilities and contingent liabilities assumed are measured at acquisition-date fair value, provided that they meet the accounting criteria of IFRS 3 (revised). The residual goodwill represents anticipated post-acquisition cash flows due to synergies in addition to the assets and liabilities recognised on initial consolidation. Acquisition-related costs are recognised as expenses in the period in which the costs are incurred.

In the event of a price adjustment in the 12 months following the acquisition date, the provisional initial assessment is adjusted against goodwill. Any subsequent adjustment is recognised as debt or credit against profit or loss.

C. Other changes in scope of consolidation

Puttable financial instruments – corresponding to put options granted to minority shareholders – are recognised as debt in accordance with the principles described in Note 2.16.E.

Following any change in ownership interest that results in the loss of control of an entity, the initial interest is remeasured at fair value and the gain or loss is recognised in non-recurring operating income or expense (if material).

Changes in ownership interests that do not result in a loss of control of the subsidiary are accounted for as equity transactions (transactions with owners in their capacity as owners) and therefore lead to equity, including transaction costs, being reallocated between the parent and the minority interests.

2.2. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

A. Standard method

The Group's functional currency is the euro (€), which is also the presentation currency in the consolidated financial statements. The functional currency of most foreign subsidiaries is their local currency, corresponding to the currency in which the majority of their transactions are denominated. The balance sheets of these subsidiaries are translated at the year- end exchange rate and their income statements are translated on a monthly basis at the average exchange rate for each month. Gains and losses resulting from the translation of financial statements of foreign subsidiaries are recorded in equity under "Translation reserve". Goodwill arising on the acquisition of these subsidiaries is measured in their functional currency.

B. Specific method

Certain subsidiaries outside the euro zone carry out most of their transactions in euros or US dollars, which is accordingly recognised as their functional currency. Non-monetary items in these subsidiaries' accounts are translated at the historical exchange rate and monetary items at the year-end rate. The resulting translation gains and losses are recognised directly in profit or loss.

2.3. TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are measured and recognised in accordance with *IAS 21 – the Effects of Changes in Foreign Exchange Rates*. In compliance with this standard, transactions in foreign currencies are translated into the subsidiary's functional currency at the exchange rate on the transaction date.

At each balance sheet date, monetary items are translated at the closing rate and the resulting exchange difference is recognised in profit or loss, as follows:

- in recurring operating income, for commercial transactions carried out by all Group companies and for financing transactions carried out by the Banque PSA Finance Group;
- in interest income or finance costs for financial transactions carried out by the manufacturing and sales companies.

2.4. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions in order to determine the reported amounts of certain assets, liabilities, income and expense items, as well as certain amounts disclosed in the notes to the financial statements relating to contingent assets and liabilities.

The estimates and assumptions used are those deemed by management to be the most pertinent and accurate in view of the Group's circumstances and past experience. To reduce uncertainty, estimates and assumptions are reviewed periodically.

Nevertheless, given the uncertainty inherent in any projections, actual results may differ from initial estimates.

For the preparation of the 2013 annual financial statements, special attention was paid to the following items which are particularly exposed to estimation uncertainty in a crisis environment:

- the recoverable amount of Automotive Division intangible assets and property, plant and equipment (see Note 9.1);
- provision for onerous contracts entered into pursuant to cooperation agreements (see Note 9.1);
- deferred tax assets (see Note 12);
- receivables – Finance companies (see Note 19).

The use of estimates and assumptions is also crucial for the following item:

- pension obligations (see Note 28);
- provisions (particularly vehicle warranty provisions, restructuring provisions, claims and litigation) (see Note 27 and Note 9.3);
- the recoverable amount of inventories and other receivables (see Note 21 and Note 22);
- the fair value of derivative financial instruments (see Note 35);
- sales incentives (see Note 2.6).

2.5. REVENUE

A. Manufacturing and sales companies

(A) AUTOMOTIVE DIVISION

Sales and revenue of the manufacturing and sales companies include mainly revenues from the sale and leasing of vehicles and the sale of other goods and services.

In accordance with *IAS 18 – Revenue,* new vehicle sales are recognised on the date the risks and rewards of ownership are transferred. This generally corresponds to the date when the vehicles are made available to non-group dealers or the delivery date, in the case of direct sales.

Sales at cost of items purchased on behalf of other parties and sales to subcontractors of raw materials, parts and mechanical sub-assemblies that are intended to be bought back at cost are not included in revenue.

Sales of new vehicles with a buyback commitment are not recognised at the time of delivery but accounted for as operating leases when it is probable that the vehicle will be bought back. This principle applies:

- whatever the duration of the buyback commitment;
- for both direct sales and sales financed by Banque PSA Finance and its subsidiaries.

The difference between the sale price and the buyback price is recognised as rental revenue on a straight-line basis over the duration of the buyback commitment. The vehicle is initially recognised at production cost in property, plant and equipment. Depreciation expense is calculated over the term of the lease by the straight-line method, on the basis of the vehicle's cost less its estimated residual value, representing the anticipated resale price on the used vehicle market. Any additional gain made on the final sale of the vehicle is recognised in the period in which it is sold on the used vehicle market. If the net difference is a loss, an allowance is booked when the buyback contract is signed.

(B) AUTOMOTIVE EQUIPMENT DIVISION

The Automotive Equipment Division performs development work and manufactures or purchases specific tooling to produce parts or modules for programmes covered by specific customer orders.

The revenue recognition criteria provided for in IAS 18 are not met in cases where development and tooling costs are paid in proportion to parts delivered to the customer, with their full recovery being subject to an unguaranteed minimum level of orders placed by the customer. Under such circumstances, development work and tooling cannot be considered as having being sold. The development costs are recognised in intangible assets (see Note 2.13.A) and tooling in property, plant and equipment (see Note 2.14.A).

If the contract includes a payment guarantee, the development and tooling costs are recognised in inventories and work-in-progress. The corresponding revenue is recognised when the customer signs off on each technical phase.

B. Finance companies

The Group's Finance companies provide wholesale financing to dealer networks and retail financing to customers. Financing may take the form of conventional loans, finance leases, buyback contracts or long-term leasing. The different forms of financing are treated as lending transactions and are recognised in the balance sheet in the amount of the Banque PSA Finance Group's net financial commitment (see Note 2.16.B). Sales financing revenues are recorded using the yield-to-maturity method, so as to recognise a constant rate of interest over the life of the loan.

2.6. SALES INCENTIVES

The cost of current and future sales incentive programmes is accrued on the basis of historical costs for the previous three months, determined country by country, and charged against profit for the period in which the corresponding sales are recognised. In cases where the cost of the programme varies according to sales, it is deducted from revenue.

The Group's incentive programmes include retail financing granted at a significant discount to market interest rates. The corresponding cost is recognised at the time of the sale.

2.7. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses correspond to general administrative expenses, indirect selling expenses and warranty costs.

Warranties

A provision is recorded to cover the estimated cost of vehicle and spare parts warranties at the time of sale to independent dealer networks or end-customers. Revenues from the sale of extended warranties or maintenance contracts are recognised over the period during which the service is provided.

2.8. RESEARCH AND DEVELOPMENT EXPENDITURE

Under *IAS 38 – Intangible Assets,* research expenditure is recognised as an expense, while development expenditure is recognised as an intangible asset when certain conditions are met (see Note 2.13.A).

In accordance with this standard, all research costs and all development expenditure other than that described in Note 2.13.A are recognised as an expense for the period in which they are incurred, as is the amortisation of capitalised development costs (see Note 8).

2.9. OPERATING INCOME (LOSS)

Operating income corresponds to profit before net financial income or expense, current and deferred taxes and the Group's share in the net earnings of companies at equity.

The Group uses recurring operating income as its main business performance indicator. Recurring operating income corresponds to operating income before other non-recurring income and expenses, defined as material items of income and expense that are unusual in nature or infrequent in occurrence whose inclusion in operating income creates a distorted view of the Group's underlying performance.

In practice, other non-recurring operating income and expenses consist mainly of the following items which are described in the notes to the financial statements where appropriate (see Note 9):

- restructuring and early-termination plan costs;
- impairment losses (and subsequent adjustments) recognised on (i) non-current assets following impairment tests performed on the cash-generating units (CGUs) to which they belong, and (ii) the corresponding onerous contracts;
- gains on disposals of real estate and impairment of real estate held for sale.

2.10. SHARE IN EARNINGS OF COMPANIES AT EQUITY

The share in earnings of companies at equity represents the Group's share of the earnings of those companies, plus any impairment of investments in companies at equity.

Gains on disposals of investments in companies at equity are recorded in operating income.

2.11. BORROWING COSTS

Effective from 1 January 2009, borrowing costs that are directly attributable to the acquisition, construction or production of an item of property, plant and equipment or an intangible asset that takes at least twelve months to get ready for its intended use are capitalised as part of the cost of that asset (the "qualifying asset"). Group inventories do not meet the definition of qualifying assets under *IAS 23 – Borrowing Costs* and their carrying amount does not therefore include any borrowing costs.

When funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation corresponds to the actual borrowing costs incurred during the period less any investment income on the temporary investment of any borrowed funds not yet used.

When funds borrowed for general corporate purposes are used to obtain a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate equal to the weighted average borrowing costs for the period of the operating segment that obtains the qualifying asset.

2.12. GOODWILL

In accordance with *IAS 36 – Impairment of Assets,* goodwill is not amortised but tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired (see Note 2.15).

Goodwill attributable to acquisitions of associates and joint arrangements is the excess of the cost of shares, including directly attributable acquisition costs, over the Group's equity in the acquisition-date fair value of the identifiable assets and liabilities acquired. It is included in "Investments in companies at equity" and tested for impairment at the level of the associate or joint arrangement concerned.

2.13. INTANGIBLE ASSETS

A. Research and development expenditure

Under *IAS 38 – Intangible Assets,* development expenditure is recognised as an intangible asset if the entity can demonstrate in particular:

- its intention to complete the intangible asset and use or sell it, as well as the availability of adequate technical, financial and other resources for this purpose;
- that it is probable that the future economic benefits attributable to the development expenditure will flow to the entity;
- that the cost of the asset can be measured reliably.

Capitalised development costs include related borrowing costs (see Note 2.11).

(a) AUTOMOTIVE DIVISION

Development expenditure on vehicles and mechanical sub-assemblies (engines and gearboxes) incurred between the project launch (corresponding to the styling decision for vehicles) and the start-up of pre-series production is recognised in intangible assets. It is amortised from the start-of-production date over the asset's useful life, representing up to seven years for vehicles and ten years for mechanical sub-assemblies and modules. The capitalised amount mainly comprises payroll costs of personnel directly assigned to the project, the cost of prototypes and the cost of external services related to the project. No overheads or indirect costs are included, such as rent, building depreciation and information system utilisation costs. The capitalised amount also includes the portion of qualifying development expenditure incurred by the Group under cooperation agreements that is not billed to the partner. Generally, development costs billed to the Group by its partners under cooperation agreements are also capitalised, unless they relate to a project with milestones and are incurred after the final capitalisation milestone. All development expenditure incurred to develop mechanical sub-assemblies compliant with new emissions standards is monitored on a project-by-project basis and is also capitalised.

(b) AUTOMOTIVE EQUIPMENT DIVISION

Development work is undertaken for all programmes covered by specific customer orders. Where development costs are paid in proportion to parts delivered to the customer, with their full recovery being subject to an unguaranteed minimum level of orders placed by the customer, the costs incurred during the period between the customer's acceptance of the commercial offer and the start-of-production date of the parts or modules are recognised in intangible assets. The intangible asset is amortised based on the quantity of parts delivered to the customer, provided that accumulated amortisation at each year-end does not represent less than the amount that would be recognised if the asset were amortised on a straight- line basis over five years. If the contract includes a payment guarantee, the development expenditure is recognised in inventories and work-in-progress.

Other research and development expenditure is recognised as an expense for the period in which it is incurred (see Note 2.8).

B. Other internally-developed or purchased intangible assets

The portion of development costs relating to software for internal use that corresponds to directly attributable internal or external costs necessary to create the software or improve its performance is recognised as an intangible asset when it is probable that these costs will generate future economic benefits. The capitalised costs are amortised over the estimated useful life of the software, ranging from four to twelve years. Other software acquisition and development costs are expensed as incurred.

Other intangible assets (consisting principally of patents and trademarks) are amortised on a straight- line basis over the estimated period of benefit, not to exceed twenty years.

2.14. PROPERTY, PLANT AND EQUIPMENT

A. Cost

In accordance with *IAS 16 – Property, Plant and Equipment,* property, plant and equipment are stated at acquisition or production cost. They are not revalued.

Capitalised costs include the portion of specific tooling expenses incurred by the Group under cooperation agreements that is not billed to its partners. All specific tooling expenditure billed to the Group by its partners under cooperation agreements is also capitalised.

The cost of items of property, plant and equipment that take at least twelve months to get ready for their intended use includes related borrowing costs (see Note 2.11).

Government grants are recognised as a reduction in the cost of the corresponding assets.

Maintenance costs are expensed as incurred.

Leased assets include vehicles leased to retail customers by the Group's leasing companies and vehicles sold with a buyback commitment, which are recognised according to the method described in Note 2.5.A.

Assets acquired under finance leases, as defined in *IAS 17 – Leases,* are recognised at an amount equal to the present value of the future lease payments, or to the fair value of the leased property, whichever is lower. A financial liability is recognised in the same amount. The assets are depreciated by applying the method and rates indicated below.

B. Depreciation

(a) STANDARD METHOD

Depreciation is calculated on a straight-line basis to write off the acquisition or production cost of the assets, less any residual value, over their estimated useful lives. Property, plant and equipment generally have no residual value, except for rental vehicles. The main useful lives of property, plant and equipment are as follows:

(in years)	
Buildings	20 - 30
Plant and equipment	4 - 16
Computer equipment	3 - 4
Vehicles and handling equipment	4 - 7
Fixtures and fittings	10 - 20

(b) SPECIFIC TOOLING

In the Automotive Division, specific tooling is depreciated over the estimated lives of the corresponding models, which are generally shorter than the useful lives of the tooling concerned due to the frequency of model changes.

In the Automotive Equipment Division, specific tooling is depreciated based on the quantity of parts delivered to the customer, provided that accumulated depreciation at each year-end does not represent less than the amount that would be recognised if the asset were depreciated on a straight-line basis over five years.

The estimated useful lives of property, plant and equipment are reviewed periodically, particularly whenever a decision is made to halt production of a vehicle or mechanical sub-assembly.

2.15. IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with *IAS 36 – Impairment of Assets,* the recoverable amount of property, plant and equipment and intangible assets is tested for impairment at each balance sheet date, whenever events or changes in circumstances indicate that it might be impaired. The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. The impairment test usually consists of estimating the asset's value in use. Value in use is measured as the net present value of estimated future cash flows. Assets with indefinite useful lives, i.e. mainly goodwill, are tested for impairment at least once a year.

The tests are performed at the level of cash generating unit (CGU) to which the assets belong. CGUs are defined as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If a CGU's recoverable amount is less than its carrying amount, an impairment loss is recognised in profit or loss and, to the extent possible, as an adjustment to the carrying amount of any goodwill allocated to the CGU.

The Automotive Division comprises a number of Vehicle CGUs, each corresponding to a vehicle model. The assets included in a Vehicle CGU consist of tooling and other specific plant and equipment used to manufacture the model, as well as capitalised model development expenditure (see Note 2.13.A(a)). The Automotive Division CGU consists of the Vehicle CGUs and all other fixed assets, including goodwill.

In the Automotive Equipment Division, each CGU corresponds to a programme and comprises all customer contract-related intangible assets (corresponding to capitalised development costs) and property, plant and equipment. These CGUs are combined in Business Units (Automotive Seating, Interior Systems, Automotive Exteriors and Emissions Control Technologies) to which support assets and goodwill are allocated. The Automotive Equipment Division CGU comprises the assets of the CGUs in the above four Business Units and the Faurecia goodwill recognised in the PSA Peugeot Citroën Group's consolidated financial statements.

Within the Banque PSA Finance Group, fixed assets used in a given country constitute a homogeneous group of assets (CGU).

2.16. FINANCIAL ASSETS AND LIABILITIES

A. Definitions

Under IAS 39, financial assets include loans and receivables, available-for-sale financial assets and financial assets at fair value through profit or loss (including financial assets designated upon initial recognition as being at fair value through profit or loss) (See Note 35).

Financial liabilities as defined by IAS 39 comprise financial liabilities at amortised cost (see details of the items in Note 35).

Financial assets and liabilities with maturities of more than one year at the balance sheet date are classified as non-current. All other assets and liabilities are reported as current.

As allowed under IAS 39, the Group has chosen to recognise financial assets and liabilities at the transaction date. Consequently, when the transaction (or commitment) date is different from the settlement date, the securities to be delivered or received are recognised on the transaction date.

B. Recognition and measurement of financial assets

(1) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Manufacturing and sales companies

These assets are recognised in the balance sheet at fair value. Any change in their fair value is recognised in profit or loss for the period.

This mainly covers marketable securities and cash investments not meeting the criteria for classification as cash equivalents.

Cash primarily represents cash in bank current accounts, and excludes bank overdrafts. Cash equivalents consist primarily of cash investments and negotiable debt securities that are readily convertible to known amounts of cash, subject to an insignificant risk of change in value and held in order to meet short-term cash commitments (Note 25).

(b) Short-term investments – Finance companies

Marketable securities are carried at amortised cost or under the fair value option if they benefit from interest rate hedges. Changes in the fair value of the hedged securities are recognized directly in profit or loss, together with the offsetting change fair value of the economic hedges.

(2) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are securities that are not intended to be held to maturity and that are not classified either as financial assets at fair value through profit or loss or as loans and receivables. They may be held on a lasting basis or sold in the short term.

Available-for-sale financial assets are recognised in the balance sheet at fair value. Gains and losses arising from remeasurement at fair value are recognised directly in equity. Only impairment losses reflecting a prolonged or significant decline in fair value are recognised in the income statement.

The Group uses the following criteria to assess whether it is prolonged or significant: an impairment loss is systematically recognised in profit or loss where the value falls by over 50% compared to the acquisition cost or over a minimum of three years. Furthermore, a special line-by-line analysis is carried out where the value falls over 30% compared to the acquisition cost or within a minimum of 1 year.

Assets classified as "available-for-sale" are described in Note 35.

(3) LOANS AND RECEIVABLES

(a) Loans and receivables – Finance companies

Loans and receivables reported in the balance sheet correspond to Banque PSA Finance's net financial commitment in respect of the loans and receivables. Consequently, their carrying amount includes the outstanding principal and accrued interest plus the following items (before the effect of hedge accounting):

- commissions paid to referral agents as well as directly attributable administrative expenses incurred with third parties on inception of loans and receivables, which are added to the outstanding principal;
- contributions received from the brands, which are deducted from the outstanding principal;
- unamortised loan set-up costs, which are deducted from the outstanding principal;
- deposits received at the inception of finance leases, which are deducted from the amount financed.

Interest income is allocated by the effective interest method, with the effective interest rate being the rate that exactly discounts estimated future cash receipts through the expected life of the loan.

Loans and receivables are generally hedged against interest rate risks, with the hedged portion of the loan remeasured at fair value in accordance with hedge accounting principles. Gains and losses arising from remeasurement at fair value are recognised in profit or loss and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument. (see Note 2.16.D).

Loans and receivables are tested for impairment when a loss event occurs, corresponding in practice to default on a single instalment. Impairment is measured by comparing the carrying amount of the loan or receivable to the present value of estimated future cash flows discounted at the effective interest rate.

For retail loans and receivables:

- an impairment loss is recognised on sound loans when the borrower defaults on a single instalment. Impairment is assessed based on the probability of the outstanding loan being classified as non-performing and on the discounted average loss ratio;
- impairment losses on non-performing loans are determined based on the average loss ratio discounted at the loans' effective interest rate, which is used to calculate provisions for credit losses on non-performing and doubtful loans.

For other loans and receivables (consisting mainly of wholesale loans), provisions for known credit risks are determined on a case-by-case basis, when the first instalment is missed or at the latest when the loan is reclassified as non-performing. Reclassification occurs when at least one instalment is over 91 days past due, or within a maximum of 451 days if it can be demonstrated that there is no counterparty risk. In the case of an aggravated risk, the loan may be reclassified as non-performing before the 91-day period has expired.

(b) Loans and receivables of the manufacturing and sales companies

"Loans and receivables" are carried at amortised cost measured using the effective interest method.

They mainly comprise trade receivables (Note 22 and section 2.18), other receivables (Note 23) and other loans and deposits.

C. Recognition and measurement of financial liabilities

Borrowings and other financial liabilities are generally stated at amortised cost measured using the effective interest method.

Items hedged by interest rate swaps are accounted for using fair value hedge accounting. The hedged portion of the financial liability is remeasured at fair value, with changes in fair value attributable to the hedged risk taken to profit or loss and offset by the loss or gain arising from remeasurement at fair value of the hedging instrument.

The OCEANE convertible bonds issued by the Group are recognised and measured as follows:

- the debt component is recognised in liabilities at amortised cost, determined using the market interest rate for debt securities with similar characteristics but without the conversion feature. The carrying amount is stated net of a proportionate share of the debt issuance costs;
- the conversion option is recognised in equity for an amount equal to the difference between the total issue proceeds and the value of the debt component. The carrying amount is stated net of a proportionate share of the debt issuance costs and corresponding deferred taxes.

The conversion option is recognised in equity because the conversion ratio is fixed (i.e. bond holders will receive a fixed number of shares in exchange for a fixed amount of bonds). It is not subsequently remeasured at fair value, unless there is a change in the bonds' estimated life. It will, however, be adjusted, for all conversions of bonds. A deferred tax liability calculated on the gross value of the conversion option is also recognised in equity.

The government loans at below-market interest rates obtained by the Group are adjusted when the effect is material. The adjustment consists of calculating the loans' amortised cost by multiplying future cash flows on the loans by an effective interest rate based on market rates. The subsidy corresponding to the below-market interest rate is recognised in accordance with IAS 20 as related either to assets (see Note 2.14.A) or to income, depending on the purpose for which the funds are used.

D. Recognition and measurement of derivative instruments

Derivative instruments are stated at fair value.

They may be classified as hedging instruments if:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedge is demonstrated at inception and in each financial reporting period for which the hedge is designated.

The Group uses two hedging relationships:

- *fair value hedges:*

  the hedged portion of the asset or liability is recognised in the balance sheet and measured at fair value. Gains and losses arising from remeasurement at fair value are recognised in profit or loss, and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument;
- *cash flow hedges:*

  the effective portion of the gain or loss arising from remeasurement at fair value of the hedging instrument is recognised directly in equity, since the gain or loss arising from remeasurement at fair value of the hedged portion of the underlying future transaction is not recognised in the balance sheet. The ineffective portion is recognised in profit or loss. Cumulative gains and losses recognised in equity are reclassified to profit or loss when the hedged item affects profit or loss. The effective portion of the gain or loss arising from remeasurement at fair value of hedges of raw materials purchases does not affect the value at which the raw materials are recognised in inventory.

The Group implements currency hedges to protect against changes in the value of receivables and payables denominated in foreign currencies. Despite being effective, they do not qualify as hedges under IFRS in the absence of documentation. However, this has no effect on the Group's operating income or net financial income. Change in the fair value of these derivatives is recorded in the income statement, offsetting the change in receivables and payables denominated in foreign currencies, recognised in profit or loss.

E. Commitments to purchase minority interests

In accordance with IAS 32, put options granted to minority shareholders of subsidiaries are recognised in the balance sheet under "Non-current financial liabilities" with an offsetting adjustment to equity. The adjustment is recorded as a deduction from minority interests to the extent possible, with any excess deducted from equity attributable to equity holders of the parent. The liability is remeasured at the present value of the redemption amount at each period-end.

2.17. INVENTORIES

Inventories are stated at the lower of cost and net realisable value, in accordance with *IAS 2 - Inventories*.

Cost is determined by the first-in-first-out (FIFO) method and includes all direct and indirect variable production expenses, plus fixed production expenses based on the normal capacity of the production facility. As inventories do not take a substantial period of time to get ready for sale, their cost does not include any borrowing costs.

The net realisable value of inventories intended to be sold corresponds to their selling price, as estimated based on market conditions and any relevant external information sources, less the estimated costs necessary to complete the sale (such as variable direct selling expenses, refurbishment costs not billed to customers for used vehicles and other goods).

The Automotive Equipment Division performs development work and manufactures or purchases specific tooling to produce parts or modules for programmes covered by specific customer orders. When the contract includes a payment guarantee, the development costs are recognised in inventories and work-in-progress and the corresponding revenue is recognised when the customer signs off on each technical phase.

2.18. TRADE RECEIVABLES

A provision for impairment is recorded on the manufacturing and sales companies' trade receivables if the Group believes that there is a risk that the receivables will not be recovered. Indications of probable impairment include the existence of unresolved claims or litigation, the age of the receivables and the obligor's significant financial difficulties.

In accordance with IAS 39, the Group derecognises receivables for which the contractual rights to receive the cash flows have been transferred along with substantially all of the risks and rewards of ownership. In analysing the transfer of risks, dilution risk is not included inasmuch as it has been defined and correctly segregated notably from the risk of late payment. Transferred receivables are not derecognised when the default risk is retained by the Group. Costs incurred in transferring a receivable are recognised in financial expense.

This rule also applies to Automotive Division receivables sold to Group Finance companies, in the analyses by operating segment.

2.19. DEFERRED TAXES

In accordance with *IAS 12 - Income Taxes,* deferred taxes are calculated for all temporary differences between the tax base of assets and liabilities and their carrying amount. Deferred tax liabilities are systematically recognised, while deferred tax assets are recognised only when there is a reasonable expectation that they will be recovered.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and companies at equity, except to the extent that both of the following conditions are satisfied:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

In practice:

- for subsidiaries, a deferred tax liability is recognised only in respect of distribution taxes on dividends that will be paid by the subsidiary in the following year by decision of the Group;
- for companies at equity, a deferred tax liability on dividend distributions is recognised for all differences between the tax base of the shares and their carrying amount;
- current tax benefits generated by intragroup provisions and sales are not cancelled by recognising deferred tax liabilities, except when the difference is considered to be temporary, for example, when the Group plans to divest the subsidiary.

2.20. PROVISIONS

In accordance with *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets,* a provision is recognised when, at the balance sheet date, the Group has a present obligation towards a third party, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and no inflow of resources of an equivalent amount is expected. Provisions for restructuring costs are recognised only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan. Provisions are discounted only when the effect is material. In this case, the discount rate is based on a risk-free rate.

2.21. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In addition to pension benefits paid in accordance with the laws and regulations of the countries in which they operate, Group companies are liable for the payment of supplementary pensions and retirement benefits (see Note 28.1). These benefits are paid under defined contribution and defined benefit plans.

The payments made under defined contribution plans are in full discharge of the Group's liability and are recognised as an expense for the period.

In accordance with *IAS 19 - Employee Benefits,* obligations under defined benefit plans are measured by independent actuaries using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, which is then discounted to present value. The calculations mainly take into account:

- an assumption concerning the expected retirement date;
- an appropriate discount rate;
- an inflation rate;
- assumptions concerning future salary levels and staff turnover rates.

The projected benefit obligation is measured twice a year for the main plans, at mid-year and at year-end, and every three years for the other plans, except when more frequent valuations are necessary to take into account changes in actuarial assumptions or significant changes in demographic statistics.

Changes in actuarial assumptions and experience adjustments - corresponding to the effects of differences between previous actuarial assumptions and what has actually occurred - give rise to actuarial gains and losses. These actuarial gains and losses are recorded under "income (expense) recognised directly in equity", and are not recyclable in the income statement.

In the event of change in the benefits conferred by a pension plan, the effects of changes taking place after 1 January 2012 are recognised in full in the income statement of the period in which they are incurred, in "operating income".

As a result, for each defined benefit plan, the Group records a provision in an amount equal to the projected benefit obligation less the fair value of the plan assets.

The purpose of external funds is to cover the total projected benefit obligation. In some cases the amount of these external funds exceeds the recognised portion of the projected benefit obligation. This leads to the recognition of a non-current asset.

In the case of plans that are subject to a minimum funding requirement under the law or the plan rules, if the Group does not have an unconditional right to a refund of a surplus within the meaning of IFRIC 14, this affects the asset ceiling. Regardless of whether the plan has a deficit or a surplus, a liability is recognised for the portion of the present value of the minimum funding in respect of services already received that, once paid and after covering the shortfall resulting from applying IAS 19, would generate a surplus in excess of the asset ceiling determined in accordance with IAS 19.

The net cost of defined benefit pension plans for the period therefore corresponds to the sum of the following:

- the service cost (recognised in "Recurring operating income");
- the accretion expense of the net commitment of the return on plan hedging assets (in financial income and expense). These two components (accretion and return on assets) are determined based on the discount rate of commitments;
- any adjustment to the IFRIC 14 minimum funding requirement liability (recognised in "Non-recurring operating income or expense").

Other employee benefit obligations recognised in the balance sheet concern:

- long-service awards payable by French and foreign subsidiaries;
- healthcare costs paid by certain subsidiaries in the United States.

2.22. OPTIONS TO PURCHASE EXISTING OR NEWLY ISSUED SHARES AT AN AGREED PRICE AND PERFORMANCE SHARE GRANTS

Stock-options and performance shares are granted to Group management and certain employees under equity-settled share-based payment plans. These plans are recognised in accordance with *IFRS 2 Share-based Payment*.

2.23. TREASURY SHARES

All Peugeot S.A. shares held by the Group are recorded at cost as a deduction from equity. Proceeds from sales of Treasury shares are taken to equity, so that any disposal gains or losses have no impact on profit.

2.24. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset or disposal group (operations) is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale and its sale must be highly probable.

Assets held for sale and discontinued operations are measured at the lower of the carrying amount and the estimated selling price, less costs to sell. Such non-current assets are no longer depreciated from the date on which these assets or disposal group are considered by the Group to satisfy the criteria for classification as held for sale.

Such assets and related liabilities are presented on separate headings under other Group assets and liabilities: "Assets held for sale and discontinued operations" and "Liabilities related to assets held for sale and discontinued operations".

The items in the income statement, statement of cash flows and other comprehensive income relating to assets held for sale are presented separately in the consolidated financial statements for all periods presented.

2.25. CONSOLIDATED STATEMENT OF CASH FLOWS

The statement of cash flows is partitioned into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities depending on the nature of the transactions.

The Group's main choices as regards presentation were as follows:

- interest flows were kept under cash flows from operating activities;
- payments received in connection with grants were allocated by function to cash flows from investing activities or cash flows from operating activities depending on the nature of the grant;
- the conversion options of convertible bonds (involving both optional and mandatory conversion) are presented on a capital increase line under cash flows from financing activities;
- voluntary contributions paid into pension funds are recognised under cash flows from operating activities;
- payments made on the deferred portion of a fixed asset purchase are presented under cash flows from investing activities for the period ("Change in amounts payable on fixed assets");
- tax payments are classified under cash flows from operating activities.

NOTE 3 CHANGES TO FINANCIAL STATEMENTS PREVIOUSLY REPORTED

The Group's financial statements at 31 December 2012, presented comparatively, have been restated as explained below, relative to the financial statements previously reported.

3.1. AMENDMENT TO IAS 19 EMPLOYEE BENEFITS

The amendment to IAS 19 Employee Benefits is compulsory for financial years commencing on 1 January 2013 and retroactively for financial years presented previously. Accordingly, the summary statements for the 2012 financial year and the first half of 2012 have been restated. The main impacts on the 2012 consolidated financial statements are:

- balance sheet:
  - reduction in equity,
  - increase in non-current provisions,
  - reduction in deferred tax liabilities,
  - increase in deferred tax assets;
- income statement:
  - cancellation of amortisation of actuarial gains and losses previously recognised in recurring operating income,
  - use of a standard rate to calculate the return on hedging assets instead of an expected rate.

The main impact on the consolidated financial statements at 1 January 2012 is a reduction in equity in the amount of €130 million, stemming primarily from an increase in the pension provision of €183 million, net of deferred taxes. The impact at 31 December 2012 is a €390 million reduction in equity and a €536 million increase in pension provisions (see Note 3.2 on restatement of the 2012 consolidated financial statements).

3.2. RESTATEMENT OF FINANCIAL STATEMENTS

The impacts on the 2012 financial statements of this adjustment are shown in the tables below:

STATEMENT OF INCOME

(in million euros)	2012 reported in February 2013	2012 Impact as at 31 December 2013	2012 impact
Continuing operations			
Sales and revenue	**55,446**	**55,446**	**-**
Recurring operating income (loss)	**(576)**	**(560)**	**16**
Operating income (loss)	**(4,698)**	**(4,682)**	**16**
Income (loss) before tax of fully consolidated companies	**(5,116)**	**(5,112)**	**4**
Consolidated profit (loss) from continuing operations	**(5,728)**	**(5,726)**	**2**
Discontinued operations			
Profit (loss) from discontinued operations	**803**	**803**	**-**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	**(4,925)**	**(4,923)**	**2**
Atributable to equity holders of the parent	*(5,010)*	*(5,008)*	*2*
Atributable to equity minority interests	*85*	*85*	*-*

BALANCE SHEETS

(in million euros)	31 December 2012 reported in February 2013	31 December 2012 Impact as at 31 December 2013	2012 impact
Assets			
Total non-current assets	**21,597**	**21,632**	**35**
Of which:			
Other non-current assets	518	514	(4)
Deferred tax assets	574	613	39
TOTAL ASSETS	**64,849**	**64,884**	**35**
Equity and liabilities			
Total equity	**10,557**	**10,167**	**(390)**
Total non-current liabilities	**12,570**	**12,995**	**425**
Of which:			
Non-current provisions	646	1,182	536
Deferred tax liabilities	912	801	(111)
TOTAL EQUITY AND LIABILITIES	**64,849**	**64,884**	**35**

NOTE 4 SCOPE OF CONSOLIDATION

	31 December 2013	31 December 2012
Fully consolidated companies		
Manufacturing and sales companies	321	318
Finance companies	50	45
	371	**363**
Companies at equity		
Manufacturing and sales companies	43	47
Finance companies	1	1
	44	**48**
CONSOLIDATED COMPANIES AT 31 DECEMBER 2013	**415**	**411**

There was no significant change in the scope of consolidation in 2013, aside from the full takeover of *Française de Mécanique*.

The Group owns 51.7% of Faurecia's capital and 68% of the voting rights due to the existence of shares with double voting rights. If all of the dilutive instruments issued by Faurecia were to be exchanged for shares, this would have no impact on the Group's exclusive control.

NOTE 5 SEGMENT INFORMATION

In accordance with IFRS 8 Operating Segments, segment information is presented in line with the indicators used internally by management to measure the performance of the Group's different business segments. The disclosures below are derived from the internal reporting system and have been prepared in accordance with the IFRSs adopted by the European Union. The Group's main performance indicator is recurring operating income.

5.1. BUSINESS SEGMENTS

The Group's operations are organised around four main segments:

- the Automotive Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot and Citroën brands;
- the Automotive Equipment Division, corresponding to the Faurecia group comprising Interior Systems, Automotive Seating, Automotive Exteriors and Emissions Control Technologies;
- the Finance Division, corresponding to the Banque PSA Finance group, which provides retail financing to customers of the Peugeot and Citroën brands and wholesale financing to the two brands' dealer networks;
- other Businesses, which include the operations of Peugeot S.A., the Group's holding company, and Peugeot Motocycles. The equity-accounted earnings of the GEFCO Group are included among these businesses.

The balances for each segment shown in the table below are on a stand-alone basis. Faurecia and Banque PSA Finance publish consolidated financial statements and segment information for these two businesses is therefore presented down to the level of net profit. For the other segments, as cash positions and taxes are managed jointly in some countries, only operating income and share in net earnings of companies at equity are presented by segment. All intersegment balance sheet items and transactions are eliminated and, for the purposes of reconciliation with the Group's financial statements, are shown under the heading "Eliminations and reconciliations" together with unallocated amounts.

All intersegment commercial transactions are carried out on an arm's length basis on the same terms and conditions as those applicable to the supply of goods and services to third parties.

	2013					
(in million euros)	Automotive	Automotive equipment	Finance companies	Other	Eliminations and reconciliations	Total
Sales and revenue						
> third parties	36,460	16,067	1,463	100	-	54,090
> intragroup, intersegment	1	1,962	310	92	(2,365)	-
Total	**36,461**	**18,029**	**1,773**	**192**	**(2,365)**	**54,090**
Recurring operating income (loss)	**(1,042)**	**538**	**368**	**(42)**	**1**	**(177)**
Non-recurring operating income	396	5	-	12	-	413
Restructuring costs	(365)	(91)	-	(4)	-	(460)
Impairment of CGUs, provisions for onerous contracts and other	(1,100)	-	-	(1)	-	(1,101)
Other non-recurring operating income and (expenses), net	-	(21)	-	-	-	(21)
Operating income (loss)	**(2,111)**	**431**	**368**	**(35)**	**1**	**(1,346)**
Interest income		9	-		129	138
Finance costs		(208)	-		(416)	(624)
Other financial income		4	-		67	71
Other financial expenses		(39)	-		(204)	(243)
Net financial income (expense)	-	**(234)**	-	-	**(424)**	**(658)**
Income taxes expense		(65)	(138)		(184)	(387)
Share in net earnings of companies at equity	142	14	8	12	-	176
Consolidated profit (loss) from continuing operations		**146**	**238**			**(2,215)**
Profit (loss) from discontinued operations	-	**(3)**	-	-	-	**(3)**
Consolidated profit (loss) for the period		**143**	**238**			**(2,218)**
Capital expenditure (excluding sales with a buyback commitment)	**1,610**	**775**	**19**	**2**		**2,406**
Depreciation and amortisation	**(1,849)**	**(533)**	**(26)**	**1**		**(2,407)**

In 2013, Banque PSA Finance (Finance companies segment) reported net banking revenue of €891 million. Net provision expense (cost of risk) for the year amounted to €131 million.

(in million euros)	2012					
	Automotive	Automotive equipment	Finance companies	Other	Eliminations and reconciliations	Total
Sales and revenue						
> third parties	38,295	15,460	1,586	105	-	55,446
> intragroup, intersegment	4	1,905	324	97	(2,330)	-
Total	**38,299**	**17,365**	**1,910**	**202**	**(2,330)**	**55,446**
Recurring operating income (loss)	**(1,496)**	**516**	**391**	**27**	**2**	**(560)**
Non-recurring operating income	155	15	-	236	-	406
Restructuring costs	(440)	(84)	-	(4)	-	(528)
Impairment of CGUs, provisions for onerous contracts and other	(3,971)	-	-	(9)	-	(3,980)
Other non-recurring operating income and (expenses), net	-	(19)	(1)	-	-	(20)
Operating income (loss)	**(5,752)**	**428**	**390**	**250**	**2**	**(4,682)**
Interest income		10	-		62	72
Finance costs		(183)	-		(259)	(442)
Other financial income		3	-		169	172
Other financial expenses		(27)	-		(205)	(232)
Net financial income (expense)	**-**	**(197)**	**-**	**-**	**(233)**	**(430)**
Income taxes expense		(67)	(104)		(603)	(774)
Share in net earnings of companies at equity	129	24	7	-	-	160
Consolidated profit (loss) from continuing operations		**188**	**293**			**(5,726)**
Profit (loss) from discontinued operations [(1)]	**8**	**(3)**	**-**	**798**		**803**
Consolidated profit (loss) for the period		**185**	**293**			**(4,923)**
Capital expenditure (excluding sales with a buyback commitment)	**2,886**	**813**	**20**	**10**		**3,729**
Depreciation and amortisation	**(2,370)**	**(498)**	**(18)**	**-**		**(2,886)**

(1) Excluding Automotive Equipement, relates to the Transportation and Logistics business segment.

In 2012, Banque PSA Finance (Finance companies segment) reported net banking revenue of €1,075 million. Net provision expense (cost of risk) for the year amounted to €290 million.

5.2. GEOGRAPHICAL SEGMENTS

In the table below, sales and revenue are presented by destination of products sold, and investments and assets by geographic location of the subsidiary concerned.

(in million euros)	2013					
	Europe	Russia	Asia	Latin America	Rest of the World	Total
Sales and revenue	35,597	1,806	4,110	5,442	7,135	54,090
Non-current assets (excluding deferred tax assets and financial instruments)	13,701	175	332	430	650	15,288

(in million euros)	2012					
	Europe	Russia	Asia	Latin America	Rest of the World	Total
Sales and revenue	37,761	1,778	3,416	5,308	7,183	55,446
Non-current assets (excluding deferred tax assets and financial instruments)	14,201	480	280	1,508	466	16,935

NOTE 6 SALES AND REVENUE

(in million euros)	2013	2012
Sales of vehicles and other goods	51,248	52,442
Service revenues	1,379	1,418
Financial services revenue	1,463	1,586
TOTAL	**54,090**	**55,446**

Sales of goods consist mainly of sales of vehicles and automobile parts, sub-assemblies and components.

Service revenues primarily comprise auto repairs and servicing by captive dealers, and vehicle leasing services as described in Note 15.2.

Financial services revenue corresponds for the most part to interest income, insurance premiums and other gross revenues.

NOTE 7 RECURRING OPERATING EXPENSES ANALYSED BY NATURE

Broken down by type, operating expenses include staff costs and the depreciation or amortisation of intangible assets and property, plant and equipment, explained below. Other recurring operating expenses are analysed by each division at its own appropriate level with the result that they cannot be presented on a consistent basis at Group level.

PERSONNEL COSTS

Group personnel costs are as follows:

(in million euros)	2013	2012
Automotive Division	(5,506)	(5,769)
Automotive Equipment Division	(2,986)	(2,929)
Finance companies	(147)	(147)
Other businesses	(87)	(87)
TOTAL	**(8,726)**	**(8,932)**

The Competitiveness and Employment Tax Credit (CICE) established in 2013 has been deducted from personnel expenses in the amount of €72 million.

Details of pension costs are disclosed in Note 28.7.

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense included in recurring operating income breaks down as follows:

(in million euros)	2013	2012
Automotive Division	(758)	(936)
Automotive Equipment Division	(86)	(78)
Finance companies	(517)	(640)
Other businesses	(1,046)	(1,232)
TOTAL	**(2,407)**	**(2,886)**

NOTE 8 RESEARCH AND DEVELOPMENT EXPENSES

(in million euros)	2013	2012
Total expenditure	(1,966)	(2,373)
Capitalised development expenditure[1]	835	1,262
Non-capitalised expenditure	**(1,131)**	**(1,111)**
Amortisation of capitalised development expenditure (Note 14.1)	(754)	(936)
TOTAL	**(1,885)**	**(2,047)**

(1) In addition to this expenditure, borrowing costs are capitalised pursuant to IAS 23 "Borrowing Costs" (Revised) (see Note 14.1).

The amounts presented in the above table are stated net of research funding received by the Group.

NOTE 9 NON-RECURRING OPERATING INCOME AND EXPENSES

(in million euros)	2013	2012
Net gains on disposals of real estate assets	28	389
Reversal of impairment loss on Automotive Division CGUs and other assets and provisions for Automotive Division onerous contracts (Note 9.1)	366	1
Other non-recurring operating income	19	16
TOTAL NON-RECURRING OPERATING INCOME	**413**	**406**
Impairment loss on Automotive Division CGUs and other assets and provisions for Automotive Division onerous contracts (Note 9.1)	(1,100)	(3,971)
Impairment loss on Faurecia CGUs and other Faurecia assets (Note 9.2)	-	-
Impairment loss on Other businesses CGUs	(1)	(9)
Restructuring costs (Note 9.3)	(460)	(528)
Other non-recurring operating expenses	(21)	(20)
TOTAL NON-RECURRING OPERATING EXPENSES	**(1,582)**	**(4,528)**

9.1. IMPAIRMENT TEST ON AUTOMOTIVE DIVISION CGUS AND PROVISIONS FOR AUTOMOTIVE DIVISION ONEROUS CONTRACTS

The results of the impairment tests on the assets of the Automotive Division CGU and each Vehicle CGU were updated at 31 December 2013. These tests are based on the Group's best estimates in what is an uncertain economic environment.

Automotive Division CGU

In view of the changes observed in the second half of 2013, the Group updated the projections used for testing the impairment of the Automotive Division CGU in December 2013. Testing was based on the most recent medium-term plan (MTP), covering the years 2014-2018.

The automotive market forecasts used are the Group's most recent estimates, which are based on external forecasts. The MTP's exchange rate assumptions were reviewed on the basis of major trends in the second half of 2013. Forecast synergies with General Motors were updated to reflect changes in the agreements.

Together, these parameters pointed to signs of impairment losses on plants in Latin America and Russia, and specific impairment tests were therefore carried out on these.

The estimate of annual recurring operating income used to determine the terminal value was also updated. It is based on an estimate of the operating margin achievable in the medium term, in light of the various actions planned by the Group. The terminal value is based on a perpetual growth rate of 1%, unchanged compared with the previous tests.

The after-tax discount rate applied was 9.5% for 2014-2018 and 10.5% for the terminal value. These rates are unchanged compared with those used for the periods ended 31 December 2012 and 30 June 2013, and are consistent with industry benchmarks.

Specific tests performed on plants in Latin America and Russia led to the recognition of a total impairment charge of €1,009 million, recorded in non-current operating income (loss). It relates to intangible assets in the amount of €205 million, and property, plant and equipment in the amount of €804 million. Testing of the Automotive Division CGU as a whole did not result in the recognition of changes in value other than those relating to these plants in fiscal 2013. As of 31 December 2013, taking into account impairment recognised previously, net impairment charges totalled €4,713 million. As such, the carrying amount of the intangible assets and property, plant and equipment of the Automotive Division was €12,145 million.

The sensitivity to changes in the main assumptions is as follows: impairment would increase by €443 million with a 0.5% higher discount rate, €335 million with a perpetual growth rate limited to 0.5%, €1,067 million as a result of a 0.5% reduction in the operating margin in the reference year used to calculate the terminal value and €1,239 million if these three factors were combined.

The impairment tests were carried out on the basis of a medium-term plan for which the financing terms were not definitively agreed at 31 December 2013. The Group is confident of its ability to put the corresponding financing in place.

Vehicle CGUs and other automotive assets

In addition to the impairment of €1,009 million described previously, the other impairment losses on Vehicle CGUs and the provisions for onerous contracts of the Automotive Division totalled €91 million.

Concerning the assets allocated to Vehicle CGUs, except for the Vehicle CGUs referred to below, impairment tests at 31 December 2013 did not identify any impairment losses other than those found in the course of the aforementioned test.

For the Vehicle CGUs corresponding to vehicles produced under cooperation agreements, in addition to testing of assets for impairment, provisions for long-term contract losses were recorded for any projected losses arising from purchase commitments.

The updating of data relating to volumes and margins for these vehicles as well as forecast currency exchange rates for purchasing currencies, led to a reversal of the provision for losses on onerous contracts amounting to €201 million over the year, due in particular to the depreciation of the yen against the euro.

A +/-5% increase or decrease in the projected yen/euro exchange rate would have the effect of reducing the charge for the year by €26 million or increasing it by €49 million.

Other reversals of provisions and income were recognised in the amount of €165 million, i.e. a total of €366 million including the reversal of the €201 million provision for loss on onerous contracts.

9.2. IMPAIRMENT TEST ON FAURECIA GROUP CGUS AND OTHER ASSETS

Faurecia Group CGUs

The carrying amount of each group of assets was compared with the higher of its fair value and value in use. Value in use is defined as the present value of estimated future cash flows expected to be generated by each cash-generating unit based on the latest projections from the Medium-Term Plan (2014-2017 plan for 2013 impairment tests, as revised at end-2013 based on the latest 2014 budget assumptions). The volume assumptions used to prepare the 2014-2017 Medium-Term Plan were based on external data.

The main assumption affecting value in use is the level of recurring operating income, particularly for the calculation of terminal value. 2017 margin was projected at 4.9%.

The calculation was performed by extrapolating to perpetuity projected cash flows for the last year of the Medium-Term Plan (2017) using a growth rate of 1.5% identical to the rate applied in the impairment tests carried out in the two previous years.

Future cash flows were discounted at an unchanged after-tax rate of 9.5%.

The test performed at end-2013 confirmed that the goodwill allocated to the four CGUs was fairly stated in the balance sheet. The balance sheet values are presented in the table below:

(in million euros)	2013	2012
Automotive Seating	793	792
Emissions Control Technologies	333	339
Automotive Exteriors	125	123
Interior Systems	46	46
TOTAL	**1,297**	**1,300**

The sensitivity of the impairment test to changes in the assumptions used to determine at end-2013 the value in use of the CGUs accounting for the bulk of goodwill is illustrated in the table below:

(in million euros)	Test margin(1)	Discount rate applied to cash flows +50 bps	Perpetual growth rate -50 bps	Terminal recurring operating margin -50 bps	Previous three factors combined
Automotive Seating	1,564	(197)	(161)	(247)	(552)
Interior Systems	771	(108)	(89)	(148)	(315)
Emissions Control Technologies	1,341	(154)	(126)	(248)	(479)
Automotive Exteriors	394	(46)	(37)	(62)	(133)

(1) Test margin = value in use – carrying amount.

The declines in values in use that would result from each of the above simulations and the three factors combined would not affect the amount at which the goodwill allocated to the CGUs is carried in the balance sheet.

Faurecia CGU in the accounts of PSA Peugeot Citroën

Faurecia goodwill was tested for impairment at end-2013 based on the PSA Peugeot Citroën Group's share in the sum of the discounted cash flows, net of capital employed including related goodwill, generated by Faurecia's businesses as determined based on the above assumptions.

Following the conversion of OCEANE convertible bonds during the year, the Group's interest in Faurecia was 51.7% as of 31 December 2013. The test carried out at end-2013 made it possible to confirm the carrying amount of the goodwill allocated to this CGU. The balance sheet value is presented in Note 14.2.

The sensitivity of the impairment test to changes in the assumptions used to determine the value in use of Faurecia goodwill at end-2013 is illustrated in the table below:

(in million euros)	Test margin[1]	Discount rate applied to cash flows +50 bps	Perpetual growth rate -50 bps	Terminal recurring operating margin -50 bps	Previous three factors combined
	1,917	(261)	(213)	(364)	(764)

(1) Test margin = value in use – carrying amount.

The declines in values in use that would result from each of the above simulations and the three factors combined would not affect the amount at which the Faurecia goodwill is carried in the balance sheet.

The stock market value of the Faurecia shares held by Peugeot S.A. at 31 December 2013 was €1,756 million, representing the price that would be paid in a transaction between minority shareholders not leading to the acquisition of control.

The Group's share of Faurecia's net assets in the consolidated balance sheet is valued at €935 million (including the goodwill recognised by Peugeot S.A. at that date). In light of these values no impairment loss was recognised on the Faurecia goodwill at 31 December 2013.

9.3. RESTRUCTURING COSTS

Restructuring costs consist mainly of workforce reductions.

(in million euros)	2013	2012
Automotive Division	(365)	(440)
Automotive Equipment Division	(91)	(84)
Finance companies	-	-
Other businesses	(4)	(4)
TOTAL	**(460)**	**(528)**

Automotive Division

Automotive Division restructuring costs amounted to €365 million. For France, they mainly include:

- €177 million in additional expenses for the restructuring of the Automotive Division's French production base and the redeployment the workforce, together with the support mechanisms offered to employees;
- €140 million in new provisions under the measures announced at the Central Works Council Meeting of 5 December 2013, within the framework of the New Social Contract. Charges for the year relate mainly to persons eligible for the older employees plan as of 31 December 2013.

Automotive Equipment Division (Faurecia group)

In 2013, Faurecia group restructuring costs totalled €91 million, including €84 million in provisions for redundancy costs, mainly in France, Germany and Spain.

NOTE 10 FINANCE COSTS

Interest on other borrowings corresponds to interest accrued according to the method set out in Note 2.16.C.

(in million euros)	2013	2012
Interest on borrowings[1]	(549)	(374)
Interest on bank overdrafts	(35)	(30)
Interest on finance lease liabilities	(12)	(15)
Foreign exchange gain (loss) on financial transactions	(22)	(16)
Other	(6)	(7)
TOTAL	**(624)**	**(442)**

(1) Interest on borrowings does not include €135 million in borrowing costs capitalised in 2013 in accordance with IAS 23 – "Borrowing Costs" (€180 million in 2012).

NOTE 11 OTHER FINANCIAL INCOME AND EXPENSES

(in million euros)	2013	2012
Expected return on pension funds	11	10
Other financial income	60	162
FINANCIAL INCOME	**71**	**172**
Interest cost on employee benefit obligations	(37)	(37)
Ineffective portion of the change in fair value of financial instruments	(9)	5
Other financial expenses	(197)	(200)
FINANCIAL EXPENSES	**(243)**	**(232)**

NOTE 12 INCOME TAXES

12.1. INCOME TAXES OF FULLY-CONSOLIDATED COMPANIES

(in million euros)	2013	2012
Current taxes		
Corporate income taxes	(321)	(389)
Deferred taxes		
Deferred taxes arising in the year	102	1,549
Impairment losses on deferred tax assets	(168)	(1,934)
TOTAL	**(387)**	**(774)**

A. Current taxes

Current taxes represent the amounts paid or currently due to the tax authorities for the year, calculated in accordance with the tax regulations and rates in effect in the various countries.

In France, Peugeot S.A. and its French subsidiaries that are at least 95%-owned maintained their election to determine French income taxes on a consolidated basis in accordance with Article 223 A of the French Tax Code.

The Group has also elected to file a consolidated tax return in other countries that have Group relief schemes.

B. Tax rate in France

The French statutory income tax rate is 34.43%, including supplementary contributions.

The Amending Finance Act of 29 December 2013 raising this tax rate to 38% applies up to December 2015. The cap on offsetting tax loss carryforwards against taxable profit for the year is maintained at 50% in 2013.

At 31 December 2013, deferred tax liabilities falling due in 2014 and 2015, and deferred tax assets for tax loss carryforwards available for offsetting against these liabilities (subject to the 50% cap) were remeasured at the new rate. The impact is not material.

C. Impairment losses on deferred taxes

Deferred taxes are determined as described in Note 2.19. Deferred taxes were tested for impairment on the basis of five-year tax estimates, consistent with the impairment testing of the Automotive Division CGU.

At 31 December 2012, given that it was unlikely they would be recovered by the Peugeot S.A. French tax group within this timeframe:

- €1,902 million in the deferred taxes assets corresponding to tax loss carryforwards that cannot be offset more than 50% against deferred tax liabilities was impaired;
- €1,023 million in deferred tax liabilities were reclassified to the income statement as a result of the impairment loss recorded on the Automotive Division CGU.

The net impact on income of these two items is €879 million.

At 31 December 2013 based on the update of the impairment test, the €746 million in additional losses generated during the year were not recognised in income. In addition, the deferred tax assets booked in the opening balance sheet have been impaired by €80 million, in view of the change in the net deferred tax liabilities.

12.2. RECONCILIATION BETWEEN THEORETICAL INCOME TAX IN FRANCE AND INCOME TAX IN THE CONSOLIDATED STATEMENT OF INCOME

(in million euros)	2013	2012
Income (loss) before tax of fully-consolidated companies	(2,004)	(5,112)
French statutory income tax rate for the period	*38.0%*	*36.1%*
Theoretical tax expense for the period based on the French statutory income tax rate	**762**	**1,845**
Tax effect of the following items :		
> Permanent differences	77	(28)
> Income taxable at reduced rates	14	34
> Tax credits	57	10
> Profit in France not subject to the surtax	(75)	(93)
> Effect of differences in foreign tax rates and other	-	(32)
Income tax before impairment losses on the French tax group	**835**	**1,736**
Effective tax rate applicable to the Group	*41.7%*	*34.0%*
> Assets on French tax consolidation deficits of Peugeot S.A. generated during the year and not recognised	(746)	(576)
> Impairment losses on the Peugeot S.A. French tax group	(80)	(1,902)
> Other impairment losses	(396)	(32)
INCOME TAX EXPENSE	**(387)**	**(774)**

Tax credits include research tax credits that do not meet the definition of government grants.

12.3. CHANGE IN TAX ITEMS ON THE BALANCE SHEET

A. Analysis by nature

(in million euros)	2013	2012
Current Taxes		
Assets	188	150
Liabilities	(144)	(167)
	44	**(17)**
Deffered Taxes		
Assets before offsetting of French tax group loss	*836*	*964*
Offsetting of French tax group loss	*(303)*	*(351)*
Net assets	533	613
Liabilities	(822)	(801)
	(289)	**(188)**

B. Movements for the year

(in million euros)	2013	2012
Current taxes		
At beginning of period	**(17)**	**50**
Expense	(321)	(389)
Equity	-	-
Payments	388	320
Translation adjustments and other charges	(6)	2
At end of period	**44**	**(17)**
Deffered Taxes		
At beginning of period	**(188)**	**148**
Expense	(77)	(385)
Equity	(33)	-
Translation adjustments and other charges	9	49
AT END OF PERIOD	**(289)**	**(188)**

12.4. DEFERRED TAX ASSETS AND LIABILITIES

(in million euros)	2013	2012
Tax credits	**-**	**4**
Deferred tax assets on tax loss carryforwards		
Gross[1]	4,697	3,822
> Valuation allowances (Note 12.1.C)	(2,084)	(1,975)
> Previously unrecognised deferred tax assets [2]	(2,141)	(1,309)
> Deferred tax asset offset (French tax group) [3]	(282)	(362)
> Other deferred tax assets offset	(35)	(56)
Total deferred tax assets on tax loss carryforwards	**155**	**120**
Other deferred tax assets	**378**	**489**
DEFERRED TAX ASSETS	**533**	**613**
Deferred tax liabilities before offsetting [4]	(1,104)	(1,163)
Deferred tax liabilities offset (French tax group) [3]	282	362
DEFERRED TAX LIABILITIES	**(822)**	**(801)**

(1) The gross amount of deferred tax assets corresponding to tax loss carryforwards represents all deferred tax assets corresponding to tax losses that can be carried forward, regardless of whether they were recognised on the balance sheet at 31 December 2013.

(2) Of the impaired unrecognised deferred tax assets, €759 million (€701 million at 31 December 2012) to Faurecia, and €1,354 million related to the French tax group (€608 million at 31 December 2012), including €32 million recognised directly in equity.

(3) Offsetting consists of presenting on the face of the balance sheet the net deferred tax position of the French tax group, with deferred tax assets covered by deferred tax liabilities, taking into account the legal restrictions on the use of tax loss carryforwards (see Note 12.1).

(4) The main temporary differences that generate deferred tax liabilities arise from the capitalisation of development costs and differences in amortisation or depreciation methods or periods.

NOTE 13 EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are presented at the foot of the income statement. They are calculated as follows:

13.1. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The average number of shares outstanding is calculated by taking into account the number of shares issued and cancelled during the period and changes in the number of shares held in Treasury shares.

	2013	2012
Consolidated basic earnings of continuing operations - attributable to equity holders of the parent *(in million euros)*	(2,315)	(5,820)
Consolidated basic earnings - attributable to equity holders of the parent *(in million euros)*	(2,317)	(5,008)
Average number of €1 par value shares outstanding	342,051,814	321,185,403
Basic earnings per €1 par value share of continuing operations - attributable to equity holders of the parent *(in euros)*	**(6.76)**	**(18.12)**
BASIC EARNINGS PER €1 PAR VALUE SHARE *(in euros)*	**(6.77)**	**(15.59)**

13.2. DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by the Treasury shares method. This consists of taking into account the exercise of stock-options, performance share grants to employees and the conversion of OCEANE convertible bonds when it is not accretive.

There were no dilutive potential shares in 2012 or 2013 resulting from the Peugeot S.A. OCEANE convertible bonds, the 2010 performance share plan or the stock-option plans.

The following table shows the effects of the calculation:

A. Effect on the average number of shares

	2013	2012
Average number of €1 par value shares outstanding	342,051,814	321,185,403
Dilutive effect, calculated by the Treasury shares method, of:		
> Stock-option plans (Note 26.3)	-	-
> Outstanding OCEANE convertible bonds (Note 29.2)	-	-
DILUTED AVERAGE NUMBER OF SHARES	**342,051,814**	**321,185,403**

B. Effect of Faurecia dilution on consolidated earnings of continuing operations – attributable to equity holders of the parent

(in million euros)	2013	2012
Consolidated profit (loss) from continuing operations – attributable to equity holders of the parent	(2,315)	(5,820)
Dilutive effect of Faurecia OCEANE bond conversions, stock-options and performance share grants	-	(2)
CONSOLIDATED PROFIT (LOSS) FROM CONTINUING OPERATIONS (AFTER FAURECIA DILUTION EFFECT)	**(2,315)**	**(5,822)**
Diluted earnings of continuing operations – attributable to equity holders of the parent per €1 par value share *(in euros)*	(6.76)	(18.13)

C. Effect of Faurecia dilution on consolidated earnings – attributable to equity holders of the parent

(in million euros)	2013	2012
Consolidated profit (loss) attributable to equity holders of the parent	(2,317)	(5,008)
Dilutive effect of Faurecia OCEANE bond conversions, stock-options and performance share grants	-	(2)
CONSOLIDATED PROFIT (LOSS) AFTER FAURECIA DILUTION	**(2,317)**	**(5,010)**
Diluted earnings attributable to equity holders of the parent per €1 par value share *(in euros)*	(6.77)	(15.60)

The Faurecia OCEANE convertible bonds issued in September 2012 and performance share grants have a potential impact on the total number of Faurecia shares outstanding without affecting the number of shares held by the PSA Peugeot Citroën Group. Consequently, they have a dilutive effect on consolidated profit attributable to the PSA Peugeot Citroën Group.

The conversion of the November 2009 OCEANE convertible bond in December 2013 had no impact on basic earnings per share in 2013.

The Faurecia stock-options are anti-dilutive in 2012 and 2013 due to the plans' terms.

NOTE 14 GOODWILL AND INTANGIBLE ASSETS

14.1. CHANGE IN CARRYING AMOUNT

(in million euros)	31 December 2013			
	Goodwill	Development expenditure	Software and other	Intangible assets
At beginning of period	**1,564**	**3,757**	**376**	**4,133**
Purchases/additions (1)	-	928	79	1,007
Amortisation for the year	-	(758)	(86)	(844)
Impairment losses (2)	-	(200)	(4)	(204)
Disposals	-	(55)	(13)	(68)
Change in scope of consolidation and other	4	17	23	40
Translation adjustment	(7)	(30)	(2)	(32)
AT PERIOD-END	**1,561**	**3,659**	**373**	**4,032**

(1) Including borrowing costs of €93 million capitalised in accordance with IAS 23 (Revised) – "Borrowing Costs" (see Note 2.11).
(2) Of which €227 million in impairment losses on other assets of the Automotive Division CGU (see Note 9.1).

(in million euros)	31 December 2012			
	Goodwill	Development expenditure	Software and other	Intangible assets
At beginning of period	**1,582**	**4,958**	**511**	**5,469**
Purchases/additions (1)	-	1,370	89	1,459
Amortisation for the year	-	(936)	(78)	(1,014)
Impairment losses (2)	(10)	(1,593)	(84)	(1,677)
Disposals	-	-	(8)	(8)
Change in scope of consolidation and other (3)	(8)	(11)	(55)	(66)
Translation adjustment	-	(31)	1	(30)
AT PERIOD-END	**1,564**	**3,757**	**376**	**4,133**

(1) Including borrowing costs of €111 million capitalised in accordance with IAS 23 (Revised) – "Borrowings Costs" (see Note 2.11).
(2) Including €10 million on goodwill and €1,642 million in impairment losses on other assets of the Automotive Division CGU.
(3) Including €(48) million in goodwill and €(78) in software & other of the GEFCO group reclassified under discontinued operations pursuant to IFRS 5.

14.2. BREAKDOWN OF GOODWILL

(in million euros)	2013	2012
Net		
Faurecia CGU	187	187
Faurecia CGUs	1,297	1,300
Banque PSA Finance CGU	77	77
TOTAL	**1,561**	**1,564**

Impairment tests on goodwill allocated to the Automotive Equipment CGUs are discussed in Note 9.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

15.1. BREAKDOWN OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment can be analysed as follows:

	31 December 2013						
(in million euros)	Land and buildings	Plant and equipment	Leased vehicles(3)	Vehicles and handling equipment	Fixtures, fittings and other	Assets under construction	Total
Net							
At beginning of period	**2,935**	**4,966**	**2,587**	**30**	**297**	**1,623**	**12,438**
Purchases/additions (1)	66	485	-	22	26	830	1,429
Depreciation for the year	(247)	(1,254)	9	(8)	(63)	-	(1,563)
Impairment losses (2)	(241)	(630)	-	(2)	(32)	(44)	(949)
Disposals	(35)	(16)	-	(13)	(3)	-	(67)
Transfers and reclassifications	32	1,072	-	-	50	(1,154)	-
Change in scope of consolidation and other (3)	15	379	(208)	1	34	(427)	(206)
Translation adjustment	(42)	(88)	(7)	-	(6)	(24)	(167)
AT PERIOD-END	**2,483**	**4,914**	**2,381**	**30**	**303**	**804**	**10,915**
Gross value	*7,110*	*30,232*	*2,818*	*108*	*945*	*846*	*42,059*
Accumulated depreciation and impairment	*(4,627)*	*(25,318)*	*(437)*	*(78)*	*(642)*	*(42)*	*(31,144)*

(1) Including property, plant and equipment acquired under finance leases for €32 million. Borrowing costs capitalised in accordance with IAS 23 (Revised) – "Borrowing Costs" amounted to €42 million (see Note 2.11).
(2) Of which €907 million in impairment losses on other assets of the Automotive Division CGU (see Note 9.1).
(3) "Change in scope of consolidation and other" movements in "Leased vehicles" includes net changes for the year (additions less disposals).

	31 December 2012						
(in million euros)	Land and buildings	Plant and equipment	Leased vehicles(3)	Vehicles and handling equipment	Fixtures, fittings and other	Assets under construction	Total
Net							
At beginning of period	**3,133**	**6,101**	**2,693**	**99**	**273**	**1,775**	**14,074**
Purchases/additions (1)	268	687	-	11	59	1,361	2,386
Depreciation for the year	(264)	(1,531)	(14)	(7)	(56)	-	(1,872)
Impairment losses (2)	*(66)*	*(1,523)*	-	-	*(2)*	*(2)*	*(1,593)*
Disposals	(237)	(21)	-	(9)	(8)	-	(275)
Transfers and reclassifications	62	1,032	-	5	36	(1,135)	-
Change in scope of consolidation and other (3)	63	293	(101)	(69)	(3)	(370)	(187)
Translation adjustment	(24)	(72)	9	-	(2)	(6)	(95)
AT PERIOD-END	**2,935**	**4,966**	**2,587**	**30**	**297**	**1,623**	**12,438**
Gross value	*7,133*	*30,166*	*3,015*	*109*	*853*	*1,625*	*42,901*
Accumulated depreciation and impairment	*(4,198)*	*(25,200)*	*(428)*	*(79)*	*(556)*	*(2)*	*(30,463)*

(1) Including property, plant and equipment acquired under finance leases for €108 million. Borrowing costs capitalised in accordance with IAS 23 (Revised) – "Borrowing Costs" amounted to €69 million (see Note 2.11).
(2) Including €1,357 million in impairment losses on assets of the Automotive Division CGU.
(3) "Change in scope of consolidation and other" movements in "Leased vehicles" includes net changes for the year (additions less disposals).

15.2. LEASED VEHICLES

Leased vehicles include vehicles leased under short-term leases to retail customers by the Group's companies and vehicles sold with a buyback commitment, which are recognised according to the method described in Note 2.5.A.(A).

They break down as follows:

(in million euros)	2013	2012
Vehicles sold with a buyback commitment	2,374	2,547
Vehicles under short-term leases	7	40
TOTAL, NET	**2,381**	**2,587**

NOTE 16 INVESTMENTS IN COMPANIES AT EQUITY

These are companies that are between 20%- and 50%-owned, in which PSA Peugeot Citroën exercises significant influence or joint control (see Note 2.1.A). Most are manufacturing and sales companies that manufacture automotive parts and components or complete vehicles, or provide transportation and logistics services.

16.1. CHANGES IN THE CARRYING AMOUNT OF INVESTMENTS IN COMPANIES AT EQUITY

(in million euros)	2013	2012
At beginning of period	**1,536**	**1,472**
Dividends and profit transfers [(1)]	(133)	(124)
Share of net earnings	176	160
Newly consolidated companies	-	18
Capital increase (reduction)	42	22
Changes in scope of consolidation and other	(13)	7
Translation adjustment	(35)	(19)
AT PERIOD-END	**1,573**	**1,536**
Of which Dongfeng Peugeot Citroën Automobile goodwill	72	73
Of which Dongfeng Peugeot Citroën Automobile Finance Company Ltd goodwill	5	5
Of which GEFCO goodwill	57	57

(1) Dividends and profit transfers in 2013 included €112 million in net dividends paid to the Group by DPCA, of which €11 million withheld.

16.2. SHARE IN NET ASSETS OF COMPANIES AT EQUITY

(in million euros)	Latest % interest	31 December 2013	31 December 2012
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile (1)	50%	884	822
Dongfeng Peugeot Citroën Automobile Finance Company Ltd (1)	50%	83	45
Changan cooperation agreement			
Changan PSA Automobiles Co., Ltd (CAPSA)	50%	163	214
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50%	127	136
Fiat cooperation agreement			
Sevel SpA	50%	70	71
Renault cooperation agreement			
Française de Mécanique	50%	-	10
Société de Transmissions Automatiques	20%	-	2
Other			
GEFCO group companies (1)		148	141
Faurecia companies at equity		84	78
Other excluding Faurecia and GEFCO		9	10
TOTAL		**1,568**	**1,529**

(1) Including goodwill (see Note 16.1).

The share in net assets of companies at equity breaks down into €1,573 million (€1,536 million at 31 December 2012) for companies with positive net equity, reported under "Investments in companies at equity" less €5 million (€7 million at 31 December 2012) for companies with negative net equity, reported under "Non-current provisions".

16.3. SHARE IN NET EARNINGS OF COMPANIES AT EQUITY

(in million euros)	Latest % interest	2013	2012
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile	50%	187	171
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	50%	8	7
Changan cooperation agreement			
Changan PSA Automobiles Co., Ltd (CAPSA)	50%	(49)	(18)
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50%	4	15
Fiat cooperation agreement			
Sevelind	50%	-	(1)
Sevel SpA	50%	2	-
Renault cooperation agreement			
Française de Mécanique	50%	(3)	(5)
Société de Transmissions Automatiques	20%	-	-
BMW cooperation agreement			
BMW Peugeot Citroën Electrification BV	0%	-	(35)
Other			
GEFCO group companies		12	-
Faurecia companies at equity		14	24
Other excluding Faurecia and GEFCO		1	2
TOTAL		**176**	**160**

16.4. KEY FINANCIAL DATA OF COMPANIES AT EQUITY – ATTRIBUTABLE TO THE GROUP

A. Aggregate data

(in million euros)	31 December 2013	31 December 2012
Property, plant and equipment	1,697	1,640
Working capital [1]	(899)	(565)
Other capital employed [2]	646	534
Capital employed	**1,444**	**1,609**
Long and medium-term debt	(337)	(151)
Other financial items	461	71
Net financial position	**124**	**(80)**
TOTAL EQUITY (NOTE 16.2)	**1,568**	**1,529**
Capital expenditure	**445**	**408**

(1) Changan PSA Automobiles Co., Ltd's capital was not fully paid up at 31 December 2012. The portion not paid up (€75 million) was included in working capital. This amount has been paid to CAPSA in 2013.

(2) At 31 December 2013, the main balance sheet items included in "Other capital employed" concern intangible assets for €561 million (€517 million at 31 December 2012) and provisions for €100 million (€118 million at 31 December 2012).

B. Key financial data by Company

(a) CAPITAL EMPLOYED

(in million euros)	Latest % interest	31 December 2013	31 December 2012
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile	50%	508	634
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	50%	83	45
Changan cooperation agreement			
Changan PSA Automobiles Co., Ltd (CAPSA)	50%	289	252
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50%	158	154
Fiat cooperation agreement			
Sevel SpA	50%	181	207
Renault cooperation agreement			
Française de Mécanique	50%	-	93
Société de Transmissions Automatiques	20%	-	1
Other			
GEFCO group companies		177	169
Faurecia companies at equity		49	52
Other excluding Faurecia and GEFCO		(1)	2
TOTAL		**1,444**	**1,609**

(b) NET FINANCIAL POSITION

(in million euros)	Latest % interest	31 December 2013	31 December 2012
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile	50%	376	188
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	50%	-	-
Changan cooperation agreement			
Changan PSA Automobiles Co., Ltd (CAPSA)	50%	(126)	(38)
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50%	(31)	(18)
Fiat cooperation agreement			
Sevel SpA	50%	(111)	(136)
Renault cooperation agreement			
Française de Mécanique	50%	-	(83)
Société de Transmissions Automatiques	20%	-	1
Other			
GEFCO group companies		(29)	(28)
Faurecia companies at equity		35	26
Other excluding Faurecia and GEFCO		10	8
TOTAL		**124**	**(80)**

16.5. ADDITIONAL INFORMATION ON DONGFENG PEUGEOT CITROËN AUTOMOBILE

Key financial data for Dongfeng Peugeot Citroën Automobile on a full basis under IFRS are provided in the table below:

(in million euros)	31 December 2013	31 December 2012
Sales and revenue	7,034	5,222
Recurring operating income (loss)	439	285
Profit (loss) for the year	375	343
Total assets	4,945	4,095
Net financial position	752	376
Dividends received by the PSA Peugeot Citroën Group	112	94
Withholding tax on dividends received	11	10

(in million yuans)	31 December 2013	31 December 2012
Sales and revenue	57,447	42,358
Recurring operating income (loss)	3,621	2,312
Profit (loss) for the year	3,057	2,781
Total assets	41,284	33,663
Net financial position	6,280	3,080
Dividends received by the PSA Peugeot Citroën Group	906	776
Withholding tax on dividends received	91	78

16.6. RELATED PARTY TRANSACTIONS – COMPANIES AT EQUITY

Transactions with companies at equity are billed on arm's length terms.

Receivables and payables with companies at equity are as follows:

(in million euros)	31 December 2013	31 December 2012
Long-term loans	-	57
Short-term loans	-	333
Trade receivables	263	282
Trade payables	(703)	(1,041)

Sale and purchase transactions carried out by the consolidated Group with companies at equity are as follows:

(in million euros)	2013	2012
Sales (1)	1,489	1,137
Purchases (2)	(4,539)	(3,473)

(1) Of which €1,226 million in sales to Dongfeng Peugeot Citroën Automobile in 2013 (€858 million in 2012).
(2) Of which €25 million in purchases from Dongfeng Peugeot Citroën Automobile in 2013 (€31 million in 2012).

NOTE 17 OTHER NON-CURRENT FINANCIAL ASSETS

The recognition and measurement principles applicable to loans and receivables, short-term investments classified as "available-for-sale financial assets", short-term investments classified as "financial assets at fair value through profit or loss" and derivatives are described in Note 2.16.B.

	31 December 2013				
		Financial assets classified as			
(in millions of euros)	Loans and receivables	"Available-for-sale"	"At fair value through profit or loss"	Derivative instruments	Total
Gross					
At beginning of period	**344**	**171**	**374**	**-**	**889**
Purchases/additions	188	-	55	-	243
Disposals	(27)	(88)	(68)	-	(183)
Remeasurement at fair value	-	(83)	4	17	(62)
Transfers to current financial assets	(10)	-	-	-	(10)
Translation adjustment and changes in scope of consolidation	(16)	-	(9)	(2)	(27)
At period-end	**479**	**-**	**356**	**15**	**850**
Provisions					
At beginning of period	**(117)**	**-**	**-**	**-**	**(117)**
Net charge for the year	(5)	-	-	-	(5)
Translation adjustment and changes in scope of consolidation	(5)	-	-	-	(5)
At period-end	**(127)**	**-**	**-**	**-**	**(127)**
Carrying amount at 1 January	227	171	374	-	772
CARRYING AMOUNT AT 31 DECEMBER	**352**	**-**	**356**	**15**	**723**

Financial assets classified as "available for sale" at 31 December 2012 concerned BNP Paribas shares sold by the Group on 14 March 2013 for a total of €177 million. This transaction generated a pre-tax gain of €89 million, taking into account the reclassification of changes in fair value previously classified under Income and expenses recognised in equity.

Changes in current financial assets are due in particular to a change in the structure of investments in favour of short-term financial instruments (initially less than three months), classified as cash.

(in millions of euros)	31 December 2012				
	Financial assets classified as				
	Loans and receivables	"Available-for-sale"	"At fair value through profit or loss"	Derivative instruments	Total
Gross					
At beginning of period	**272**	**122**	**547**	**235**	**1,176**
Purchases/additions	95	5	63	-	163
Disposals	(2)	(4)	(6)	(304)	(316)
Remeasurement at fair value	-	48	12	69	129
Transfers to current financial assets(1)	(19)	-	(239)	-	(258)
Translation adjustment and changes in scope of consolidation	(2)	-	(3)	-	(5)
At period-end	**344**	**171**	**374**	**-**	**889**
Provisions					
At beginning of period	**(115)**	**-**	**-**	**-**	**(115)**
Net charge for the year	(2)	-	-	-	(2)
Translation adjustment and changes in scope of consolidation	-	-	-	-	-
At period-end	**(117)**	**-**	**-**	**-**	**(117)**
Carrying amount at 1 January	157	122	547	235	1,061
CARRYING AMOUNT AT 31 DECEMBER	**227**	**171**	**374**	**-**	**772**

(1) Financial assets classified as "at fair value through profit or loss" transferred to current financial assets correspond to money market securities with maturities of less than one year at 31 December 2012.

The carrying amount of available-for-sale financial assets included an unrealised gain of €83 million at the balance sheet date (€35 million at 1 January).

NOTE 18 OTHER NON-CURRENT ASSETS

(in million euros)	31 December 2013	31 December 2012
Excess of payments to external funds over pension obligations (Note 28)	261	150
Units in the FMEA funds	64	74
Derivative instruments(1)	-	2
Guarantee deposits and other	277	288
TOTAL	**602**	**514**

(1) Corresponding to the non-current portion of derivative instruments hedging commodity risks.

The Group has invested in the two *Fonds de Modernisation des Equipementiers Automobiles* (FMEA – tier 1 and tier 2). The Group has committed €204 million to these two funds, €125 million of which has been paid to date. These units have been classified as "available-for-sale" in accordance with IAS 39 and are therefore measured at fair value (see Note 2.16.B (2)). They are reported as non-current assets because of the lock-up applicable to the Group's investment.

In light of the difficulties experienced by automotive equipment manufacturers, the FMEA units were written down by €52 million at 31 December 2013 based on the valuation published by the fund manager, Caisse des Dépôts et Consignations.

The Group considers that an impairment loss lasting more than three years qualifies as "prolonged" (see Note 2.16.(B) (2)). As it believes that this will be the case for the FMEA units, the impairment loss was recognised through profit and loss.

NOTE 19 LOANS AND RECEIVABLES – FINANCE COMPANIES

The recognition and measurement principles are described in Note 2.16.B (3)(a).

19.1. ANALYSIS

(in million euros)	31 December 2013	31 December 2012
"Retail, Corporate and Equivalent"		
Credit sales	8,863	9,777
Long-term leases	4,681	4,703
Leases subject to buyback commitments	2,039	2,280
Other receivables	133	152
Ordinary accounts and other	46	95
Total net "Retail, Corporate and Equivalent"	**15,762**	**17,007**
Corporate Dealers		
Wholesale finance receivables	4,495	5,007
Other receivables	725	733
Other	330	314
Total net "Corporate Dealers"	**5,550**	**6,054**
Remeasurement of interest rate hedged portfolios	23	85
Eliminations	(55)	(51)
TOTAL	**21,280**	**23,095**

The fair value of the loans and receivables of Finance companies was €21,234 million as of 31 December 2013 (€22,896 million as of 31 December 2012).

Retail, Corporate and Equivalent finance receivables represent loans provided by the Finance companies to Peugeot and Citroën customers to purchase or lease vehicles.

Wholesale finance receivables represent amounts due to Peugeot and Citroën by their dealer networks and certain European importers which have been transferred to Group Finance companies, and working capital loans provided by the Finance companies to the dealer networks.

Retail, Corporate and Equivalent finance receivables included €8,788 million in securitised automotive receivables that were still carried on the balance sheet at 31 December 2013 (€6,742 million at 31 December 2012).

The Banque PSA Finance Group carried out several securitisation transactions in 2013 through special purpose entities.

On 9 April 2013, the subsidiary Sofira sold €818 million in wholesale finance receivables to Auto ABS DFP Master Compartment France 2013, for €808 million after haircut. The fund issued €550 million worth of Aaa/AAA-rated A bonds, €30 million of Aaa/AAA-rated S bonds and €228 million of B bonds.

On 4 May 2013, the German branch of Banque PSA Finance assigned receivables in an amount of €478 million relating to future payments on long-term leasing contracts to FCT Auto ABS 2013-1. The fund issued €362 million worth of AAA/Aaa-rated A bonds and €116 million of B bonds.

On 7 June 2013, the subsidiary Crédipar assigned €495 million in automobile finance receivables to FCT Auto ABS 2013-2. The fund issued €450 million worth of AAA/Aaa-rated A bonds, €20 million of A+/A2-rated B mezzanine bonds and €25 million of C bonds.

In October 2013, the German branch of Banque PSA Finance assigned receivables in the amount of €20 million relating to future payments on long-term leasing contracts to FCT Auto ABS German Lease Master. The fund issued €14 million worth of AAA/Aaa-rated A bonds and €6 million of B bonds. Concurrently, the subsidiary Crédipar assigned receivables in the amount of €735 million relating to future payments on long-term leasing contracts to FCT Auto ABS2 2013-A. The fund issued €522 million worth of Aaa/AAA-rated A bonds, €52 million of A2/A-rated B bonds and €162 million of C bonds.

In November 2013, the German branch sold €302 million of wholesale finance receivables for €297 million after haircut to FCT Auto ABS DFP Master Compartment Germany 2013. The fund issued €189 million worth of Aaa/AAA-rated A bonds and €108 million of B bonds. It also assigned €230 million in automobile finance receivables to FCT Auto ABS German Loans Master. The fund issued €196 million worth of AAA/Aaa-rated A bonds and €34 million of B bonds.

In November 2013, the Swiss subsidiary assigned receivables in a total amount of €245 million relating to future payments on long-term leasing contracts to Auto ABS Swiss Leases 2013 GmbH. The fund issued €196 million worth of A bonds and a subordinate certificate in the amount of €49 million subscribed by the Swiss subsidiary.

The Banque PSA Finance subsidiaries and branches have rights to obtain the majority of benefits of the special purpose entities and are exposed to risks incident to these entities' activities. Therefore, the special purpose entities are fully consolidated.

Liabilities corresponding to securities issued by securitisation funds are shown in Note 32 "Financing liabilities – Finance companies".

19.2. AUTOMOTIVE DIVISION SALES OF RECEIVABLES

The following table shows outstanding Automotive Division receivables sold to the Finance companies for which the Automotive Division pays the financing cost:

(in million euros)	31 December 2013	31 December 2012
	3,260	3,600

19.3. MATURITIES OF LOANS AND RECEIVABLES

	31 December 2013					
(in million euros)	Credit sales	Leases with a buyback commitment	Long-term leases	Wholesale finance receivables	Other [1]	Total
Unallocated	432	153	178	183	303	1,249
Less than three months	966	189	683	3,467	153	5,458
Three to six months	800	170	527	705	59	2,261
Six months to one year	1,737	318	974	222	168	3,419
Two to five years	5,212	1,344	2,601	11	371	9,539
Beyond five years	89	5	-	-	63	157
Total gross loans and receivables outstanding	**9,236**	**2,179**	**4,963**	**4,588**	**1,117**	**22,083**
Guarantee deposits on leases	-	-	(64)	(72)	-	(136)
Allowances	(348)	(96)	(96)	(21)	(74)	(635)
TOTAL NET LOANS AND RECEIVABLES OUTSTANDING	**8,888**	**2,083**	**4,803**	**4,495**	**1,043**	**21,312**

(1) Other receivables include "ordinary accounts" and "items taken into account in amortised cost calculations".

	31 December 2012					
(in million euros)	Credit sales	Leases with a buyback commitment	Long-term leases	Wholesale finance receivables	Other [1]	Total
Unallocated	478	151	177	200	354	1,360
Less than three months	1,048	204	604	3,969	148	5,973
Three to six months	918	185	507	575	80	2,265
Six months to one year	1,902	361	900	347	131	3,641
Two to five years	5,558	1,507	2,821	14	383	10,283
Beyond five years	292	5	1	-	77	375
Total gross loans and receivables outstanding	**10,196**	**2,413**	**5,010**	**5,105**	**1,173**	**23,897**
Guarantee deposits on leases	-	-	(135)	(74)	-	(209)
Allowances	(375)	(86)	(93)	(24)	(49)	(627)
TOTAL NET LOANS AND RECEIVABLES OUTSTANDING	**9,821**	**2,327**	**4,782**	**5,007**	**1,124**	**23,061**

(1) Other receivables include "ordinary accounts" and "items taken into account in amortised cost calculations".

19.4. ALLOWANCES FOR CREDIT LOSSES

A. Net retail, corporate and equivalent loans and receivables outstanding

(in million euros)	31 December 2013	31 December 2012
Performing loans with no past due balances	15,051	16,207
Performing loans with past due balances	631	698
Non-performing loans	668	706
Total gross Retail, Corporate and Equivalent loans and receivables outstanding	**16,350**	**17,611**
Items taken into account in amortised cost calculations	**45**	**92**
Guarantee deposits	**(63)**	**(115)**
Allowances for performing loans with past due balances	*(43)*	*(47)*
Allowances for non-performing loans	*(527)*	*(534)*
Allowances	**(570)**	**(581)**
TOTAL NET RETAIL, CORPORATE AND EQUIVALENT LOANS AND RECEIVABLES OUTSTANDING	**15,762**	**17,007**
Allowances booked during the period	(147)	(276)
Allowances released during the period (utilisations)	151	108

B. Net corporate dealer loans and receivables outstanding

(in million euros)	31 December 2013	31 December 2012
Performing loans with no past due balances	5,438	5,912
Performing loans with past due balances	10	40
Non-performing loans	250	264
Total gross Corporate Dealer loans and receivables outstanding	**5,698**	**6,216**
Items taken into account in amortised cost calculations	**(10)**	**(10)**
Guarantee deposits	**(73)**	**(94)**
Allowances	**(65)**	**(58)**
TOTAL NET CORPORATE DEALER LOANS AND RECEIVABLES OUTSTANDING	**5,550**	**6,054**
Allowances booked during the period	(29)	(35)
Allowances released during the period (utilisations)	22	15

NOTE 20 SHORT-TERM INVESTMENTS – FINANCE COMPANIES

The recognition and measurement principles applicable to short-term investments of the Finance companies are described in Note 2.16.B (1)(b).

Short-term investments consist primarily of certificates of deposit held by the securitisation funds.

NOTE 21 INVENTORIES

	31 December 2013			31 December 2012		
	Gross	Allowance	Net	Gross	Allowance	Net
Raw materials and supplies	995	(167)	828	955	(165)	790
Semi-finished products and work-in-progress	984	(22)	962	1,049	(24)	1,025
Goods for resale and used vehicles	1,248	(215)	1,033	1,356	(208)	1,148
Finished products and replacement parts	2,978	(175)	2,803	3,478	(248)	3,230
TOTAL	**6,205**	**(579)**	**5,626**	**6,838**	**(645)**	**6,193**

NOTE 22 TRADE RECEIVABLES – MANUFACTURING AND SALES COMPANIES

(in million euros)	31 December 2013	31 December 2012
Trade receivables	1,964	2,166
Allowances for doubtful accounts	(143)	(152)
Total – manufacturing and sales companies	**1,821**	**2,014**
Elimination of transactions with the Finance companies	(156)	(187)
TOTAL	**1,665**	**1,827**

This item does not include dealer receivables transferred to the Finance companies, which are reported in the consolidated balance sheet under "Loans and receivables – Finance companies" (see Note 19.2).

At 31 December 2013, receivables totalling €928 million sold under the programmes described in Note 29.6 had been derecognised in line with the principles set out in Note 2.18. A further €327 million worth of sold receivables were not derecognised. In cases where financing has been received in respect of the sold receivables, a debt is recognised for an amount equal to the sale proceeds.

NOTE 23 OTHER RECEIVABLES

23.1. MANUFACTURING AND SALES COMPANIES

(in million euros)	31 December 2013	31 December 2012
State, regional and local taxes excluding income tax [(1)]	*966*	*1,210*
Personnel-related payables	46	50
Due from suppliers	194	245
Derivative instruments	51	65
Prepaid expenses	212	200
Miscellaneous other receivables	171	196
TOTAL	**1,640**	**1,966**

(1) In 2013, the Group sold €105 million worth of 2012 French research tax credits (see Note 29.6).

23.2. FINANCE COMPANIES

(in million euros)	31 December 2013	31 December 2012
Taxes payable other than income taxes	47	65
Derivative instruments (1)	92	329
Deferred income and accrued expenses	183	257
Miscellaneous other receivables	335	304
TOTAL	**657**	**955**

(1) This item corresponds to the fair value of instruments purchased by the Group to primarily hedge interest rate risks on financing liabilities and receivables.

NOTE 24 CURRENT FINANCIAL ASSETS

The recognition and measurement principles applicable to current financial assets are described in Note 2.16.B for loans and receivables, for financial assets at "fair value through profit or loss", and Note 2.16.D for derivative instruments.

	2013			
(in millions euros)	Loans and receivables	Financial assets classified as "at fair value through profit or loss"	Derivative instruments	Total
At beginning of period	**812**	**688**	**1**	**1,501**
Purchases/additions	125	-	-	125
Disposals	(801)	(683)	-	(1,484)
Remeasurement at fair value	(1)	-	8	7
Transfers (see Note 17)	10	-	-	10
Translation adjustment and changes in scope of consolidation	(13)	(5)	-	(18)
AT PERIOD-END	**132**	**-**	**9**	**141**
Manufacturing and sales companies				*141*

	2012			
(in millions euros)	Loans and receivables	Financial assets classified as "at fair value through profit or loss"	Derivative instruments	Total
At beginning of period	**238**	**-**	**27**	**265**
Purchases/additions	794	475	-	1,269
Disposals	(679)	(84)	-	(763)
Remeasurement at fair value	-	-	(26)	(26)
Transfers (see Note 17) (1)	15	297	-	312
Translation adjustment and changes in scope of consolidation	444	-	-	444
AT PERIOD-END	**812**	**688**	**1**	**1,501**
Manufacturing and sales companies				*1,501*

(1) Transfers of financial assets classified as at "fair value through profit or loss", corresponding to short-term investments with maturities of under one year.

Loans and receivables include €475 million in debt securities issued with an original maturity of four months, and with a residual maturity of two months at 31 December 2012.

NOTE 25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined in Note 2.16.B (1)(a) and include:

25.1. MANUFACTURING AND SALES COMPANIES

(in million euros)	31 December 2013	31 December 2012
Mutual fund units and money market securities	4,914	4,137
Cash and current account balances	1,247	1,284
Total - manufacturing and sales companies	**6,161**	**5,421**
Of which deposits with Finance companies	*(210)*	*(279)*
TOTAL	**5,951**	**5,142**

Cash includes the proceeds from borrowings arranged to meet future financing needs.

At 31 December 2013, cash equivalents mainly included money market funds for €3,271 million, bank deposits and overnight money market notes in the amount of €1,383 million and certificates of deposit for €50 million.

All of these instruments comply with the "Committee of European Securities Regulators" (CESR) definition of Short-Term Money Market Funds.

25.2. FINANCE COMPANIES

(in million euros)	31 December 2013	31 December 2012
Ordinary accounts in debit (1)	779	603
> Central banks and post office banks (deposits)	463	15
> Loans and advances at overnight rates	362	402
> Mutual funds	200	649
Liquidity reserve	1,025	1,066
TOTAL	**1,804**	**1,669**

(1) Including the last direct debits on customer accounts for the period.

Cash and cash equivalents include Banque PSA Finance's liquidity reserve, which amounted to €1,025 million at 31 December 2013 (€1,066 million at 31 December 2012), comprising €200 million invested in mutual funds (€649 million at 31 December 2012), €362 million in interbank loans (€402 million at 31 December 2012) and €463 million in central bank deposits (€15 million at 31 December 2012).

NOTE 26 EQUITY

26.1. CAPITAL MANAGEMENT POLICY

The capital management policy relates to equity as defined under IFRS. It is designed to optimise the Group's cost of capital and ensure that it has secure long-term capital resources. Managing capital essentially involves deciding the level of capital to be held currently or in the future and setting dividend policies.

Equity breaks down into portions attributable to minority interests and to equity holders of the parent company.

Equity attributable to equity holders of the parent is equal to the share capital of Peugeot S.A. less any Treasury shares, plus reserves and retained earnings of the Group's various businesses.

Minority interests mainly represent non-Group shareholders of Faurecia. Equity attributable to minority interests varies in line with changes in the Faurecia group's consolidated equity (in particular net earnings and change in translation reserves) and - exceptionally - in the event of a sale, purchase or any other equity transaction carried out by Peugeot S.A. in respect of Faurecia.

There are no financial covenants based on consolidated equity. The drawdown on the confirmed credit facilities of Peugeot S.A. and GIE PSA Trésorerie is subject to compliance with an equity-based financial ratio (see Note 31.3).

Banque PSA Finance complies with the capital adequacy ratio and other capital requirements imposed under banking regulations.

Peugeot S.A. shares are held in treasury for the following purposes:

- to allot shares in connection with equity transactions;
- to award shares to employees, directors and officers of the Company or of companies or groupings that are affiliated with it when the stock-options are exercised;
- to reduce the Company's share capital.

Furthermore, the Group may carry out capital increases when holders of Peugeot S.A. OCEANE bonds present their bonds for conversion. (See Note 26.2). There was no capital increase as a result of the conversion of OCEANE bonds in 2013.

26.2. ANALYSIS OF SHARE CAPITAL AND CHANGES IN THE YEAR

The share capital amounted to €354,848,992 at 31 December 2013, represented by shares with a par value of €1 each. It is fully paid-up. Shares may be held in registered or bearer form, at the shareholder's discretion. In accordance with Article 11 of the bylaws, shares registered in the name of the same holder for at least four years carry double voting rights.

ANALYSIS OF SHARE CAPITAL AND CHANGES IN THE YEAR

(in euros)	31 December 2013	31 December 2012
Share capital at beginning of period	354,848,992	234,049,344
Rights issue	-	120,799,648
Shares issued on conversion of OCEANE bonds	-	-
SHARE CAPITAL AT END OF PERIOD	**354,848,992**	**354,848,992**

At 31 December 2013, the Peugeot family group held 25.5% of Peugeot S.A.'s shares and 38.1% of the voting rights at Shareholders Meetings. After taking account of the dilutive effect of potential shares represented by stock-options, the family group's share of voting rights stands at 37.0%.

In December 2013, General Motors sold its 7% equity stake. As part of the change in the Alliance, GM also waived its right to terminate the Alliance, under certain conditions, in the event of certain other investors acquiring interests in Peugeot S.A., provided that these parties support the Alliance.

26.3. EMPLOYEE STOCK-OPTIONS

A. Plan characteristics

No plan was awarded between 2009 and 2013. Former plans awarded each year between 1999 and 2008 to certain employees, directors and officers of the Company and its subsidiaries, allowing them to purchase shares at a specified price, have the following characteristics:

	Date of Managing Board decision	Vesting date	Last exercise date	Number of initial grantees	Exercise price in euros	Number of options granted
2005 Plan	23/08/2005	23/08/2008	22/08/2013	169	44.76	953,000
2006 Plan	23/08/2006	23/08/2009	22/08/2014	92	35.16	983,500
2007 Plan	22/08/2007	22/08/2010	21/08/2015	169	51.65	1,155,000
2008 Plan	22/08/2008	22/08/2011	19/08/2016	194	28.27	1,345,000

On 31 December 2013, the share price was €9.44.

B. Changes in the number of options outstanding

Changes in the number of options outstanding under these plans (exercisable for €1 par value shares) are shown below:

(number of options)	2013	2012
Total at 1 January	**4,371,970**	**4,698,000**
Adjustment to the number of options granted as a result of the capital increase	-	797,810
Options granted	-	-
Options exercised	-	-
Cancelled options	(107,905)	(56,800)
Expired options	(1,005,030)	(1,067,040)
TOTAL AT 31 DECEMBER	**3,259,035**	**4,371,970**
Of which exercisable options	3,259,035	4,371,970

Options outstanding at the year-end are as follows:

(number of options)	31 December 2013	31 December 2012
2005 Plan	-	1,005,030
2006 Plan	994,500	1,003,615
2007 Plan	1,029,015	1,067,625
2008 Plan	1,235,520	1,295,700
TOTAL AT 31 DECEMBER	**3,259,035**	**4,371,970**

C. Weighted average value of options and underlying shares

	2013		2012	
(in euros)	Exercise price	Share price	Exercise price	Share price
Value at 1 January	**39.4**		**46.3**	
New options	-		39.6	
Options granted	-	-	-	-
Options exercised	-	-	-	-
Cancelled options	37.0	37.0	37.4	25.3
Expired options	44.8	37.1	40.7	24.3
VALUE AT 31 DECEMBER	**37.8**		**39.4**	

D. Personnel costs arising from stock-option plans

In line with the principles described in Note 2.22, the Peugeot S.A. and Faurecia stock-option plans did not generate any personnel costs.

26.4. PERFORMANCE SHARE PLANS

Peugeot S.A. performance share plan

No performance share plans are currently in force at Peugeot S.A.

Faurecia performance share plan

In 2010, Faurecia established a performance share plan for executives of Group companies. These shares are subject to service and performance conditions.

The amount recognised in income for the period is a prior expense of €2.1 million (compared with a reversal of prior expenses of €2.7 million in 2012).

The details of performance share plans are provided in the following table:

	Maximum number of performance shares due if:	
(number of shares)	objective achieved	objective exceeded
Date of Managing Board decision:		
23/07/2012	736,500	957,450
24/07/2013	911,000	1,184,300

Following the achievement of the performance target of the first plan (Board meeting of 23 June 2010), 478,400 shares were granted, leaving 241,800 still to be granted. The performance target in the third plan established by the Board on 25 July 2011 was not achieved.

26.5. PEUGEOT S.A. SHARES

The Group may use the buyback authorisations given at Shareholders' Meetings to buy back Peugeot S.A. shares. No shares were bought back in 2012 and 2013.

Changes in Treasury shares are presented in the following table:

A. Number of shares held

	2013	2012
(number of shares)	Transactions	Transactions
At beginning of period	**12,788,628**	**17,187,450**
Share sales [1]	**-**	**(4,398,821)**
On exercise of stock-options	**-**	**-**
Conversion of OCEANE bonds	**(1)**	**(1)**
AT PERIOD-END	**12,788,627**	**12,788,628**
Allocation		
> Shares held for allocation to a future liquidity contract	-	300,000
> Shares held for allocation on conversion of 23 June 2009 OCEANE bonds	9,421,687	8,064,858
> Shares held for allocation on exercise of outstanding stock-options (Note 26.3.B)	3,259,035	4,371,970
> Unallocated shares	107,905	51,800
	12,788,627	**12,788,628**

(1) Treasury shares sold to General Motors.

No purchases or cancellations of shares were made in 2012 or 2013.

B. Change in value

(in million euros)	2013	2012
At beginning of period	**(351)**	**(502)**
Sale of shares to General Motors net of the preferential subscription rights purchased	-	81
Preferential subscription rights sold on the market	-	70
AT PERIOD-END	**(351)**	**(351)**
Average price per share in euros	27.42	

The purchase price of treasury shares is deducted from equity (see Note 2.23).

The share price on 31 December 2013 was €9.44.

26.6. RESERVES AND RETAINED EARNINGS, EXCLUDING MINORITY INTERESTS

Reserves and retained earnings, including profit for the year, can be analysed as follows:

(in million euros)	31 December 2013	31 December 2012
Peugeot S.A. legal reserve	31	28
Other Peugeot S.A. statutory reserves and retained earnings	8,474	8,023
Reserves and retained earnings of subsidiaries, excluding minority interests	(1,627)	1,412
TOTAL	**6,878**	**9,463**

Other Peugeot S.A. statutory reserves and retained earnings include:

(in million euros)	31 December 2013	31 December 2012
Reserves available for distribution:		
> Without any additional corporate tax being due	7,406	6,955
> after deduction of additional tax [1]	1,068	1,068
TOTAL	**8,474**	**8,023**
Tax on distributed earnings	**198**	**169**

(1) Corresponding to the portion of the long-term capital gains reserve that remains subject to additional tax.

26.7. MINORITY INTERESTS

Minority interests correspond mainly to the interests of other shareholders of Faurecia.

NOTE 27 CURRENT AND NON-CURRENT PROVISIONS

27.1. NON-CURRENT PROVISIONS

A. Analysis by type

(in million euros)	31 December 2013	31 December 2012
Pensions (Note 28.6)	954	1,040
Other employee benefit obligations	113	124
Other	16	18
TOTAL	**1,083**	**1,182**

B. Movements for the year

(in million euros)	2013	2012
At beginning of period	**1,182**	**972**
Movements taken to profit or loss		
Additions	160	150
Releases (utilisations)	(98)	(145)
Releases (unused provisions)	(84)	(106)
	(22)	**(101)**
Other changes		
Translation adjustment	(13)	(2)
Recognised in equity during the period.	(147)	294
Change in scope of consolidation and other	83	19
AT PERIOD-END	**1,083**	**1,182**

Provision releases mainly concern pensions. These reversals of pension provisions relate mainly to staff whose departure is expected under workforce adjustment mechanisms (see Note 9.3).

27.2. CURRENT PROVISIONS

A. Analysis by type

(in million euros)	31 December 2013	31 December 2012
Warranties	709	689
Commercial and tax claims and litigation	465	443
Restructuring plans	752	847
Long-term contract losses	258	587
Sales with a buyback commitment	176	194
Other	293	304
TOTAL	**2,653**	**3,064**

The provision for warranties mainly concerns sales of new vehicles, where the contractual obligations generally cover two years.

It corresponds to the expected cost of warranty claims related to vehicles and replacement parts. The amount expected to be recovered from suppliers is recognised as an asset, under "Miscellaneous other receivables" (Note 23).

Provisions for tax claims concern a number of claims primarily outside France.

B. Movements for the year

(in million euros)	2013	2012
At beginning of period	**3,064**	**2,299**
Movements taken to profit or loss		
Additions (1)	1,358	2,112
Releases (utilisations)	(1,271)	(1,134)
Releases (unused provisions) (2)	(431)	(170)
	(344)	**808**
Other changes		
Translation adjustment	(91)	(38)
Change in scope of consolidation and other	24	(5)
AT PERIOD-END	**2,653**	**3,064**

(1) The main additions for restructuring plans in 2013 are discussed in Note 9.3.
(2) The decline in warranty costs resulting from improvements to vehicle quality led to a €71 million reduction in the related provisions in 2013 (€71 million reduction in 2012).

NOTE 28 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

28.1. PLAN DESCRIPTIONS

Group employees in certain countries are entitled to supplementary pension benefits payable annually to retirees, or retirement bonuses representing one-off payments made at the time of retirement. These benefits are paid under defined contribution and defined benefit plans. The Group's only obligation under defined contribution plans is to pay fixed contributions into the fund concerned. The payments are recognised in income for the year. Payments under defined benefit plans concern primarily France and the United Kingdom.

In France, the existing defined benefit plans concern:

- the retirement bonuses provided for by collective bargaining agreements;
- the portion of the top-hat pension scheme for engineers and management personnel that was not transferred to an external fund in 2002 and guarantees an aggregate replacement rate from all plans of up to 60% of the employee's final salary (currently covering 2,700 retired employees);
- the pension plan set up by the former subsidiary of the Chrysler Group in France (Talbot), which was closed to new entrants in 1981 and covers 17,700 retired employees at end-2013;
- the closed Citroën supplementary plan (ACC) that covered 6,600 retired employees at end-2013.

Members of the managing bodies benefit from a supplementary pension plan, subject to two conditions: firstly, to have held office as a member of managing bodies for a minimum term; secondly, to end their career as employees of the Company. This plan, whose rules have been amended with effect from 1 January 2014, provides a supplementary pension representing a maximum of 30% of the reference compensation, determined on the basis of the average fixed compensation of the last three years of activity before retirement, plus a percentage equal to the average of the ratios of variable compensation to fixed compensation for the eight years of activity before retirement.

In the United Kingdom, the Group has four trustee-administered defined benefit plans. These plans have been closed to new entrants since May 2002. At 31 December 2013, 20,700 beneficiaries were covered by these plans, including 900 active employees, 8,100 former employees not yet retired and 11,700 retired employees. The plans guarantee a replacement rate of up to 66% of the employee's final salary.

The supplementary pension plan for Faurecia Group executives in France comprises :

- a non-contributory defined contribution plan for which contribution rates are based on salary bands A and B;
- a supplementary defined benefit plan based on salary band C;
- a supplementary pension scheme closed in 2005, guaranteeing a pension based on the beneficiary's salary and covering 450 potential beneficiaries.

28.2. ASSUMPTIONS

	Euro zone	United-Kingdom
Discount Rate		
2013	**3.25%**	**4.50%**
2012	3.00%	4.25%
Inflation Rate		
2013	**1.80%**	**3.20%**
2012	1.80%	2.70%
Average Duration *(in years)*		
2013	**11**	**15**
2012	11	15

At each period-end, the discount rate is determined based on the most representative returns on prime corporate bonds with a life that approximates the duration of the benefit obligation.

Prime corporate bonds are defined as bonds awarded one of the top two ratings by a recognised rating agency (for example, bonds rated AA or AAA by Moody's or Standard & Poor's).

The assumptions regarding future salary increases take into account inflation and forecast individual pay rises in each country. The assumption for French plans is inflation plus 1.0% in 2013, and inflation plus 0.5% for subsequent years. The assumption for UK plans is inflation plus 1%.

Mortality and staff turnover assumptions are based on the specific economic conditions of each host country.

Sensitivity of assumptions: a 0.25-point increase or decrease in the discount rate and in the inflation rate in France or the UK would lead to the following increases or decreases in projected benefit obligations:

	Discount rate +0.25PT	Inflation rate +0.25PT
France	-2.47%	3.03%
United Kingdom	-3.31%	2.86%

A 1-point increase or decrease in the expected return on external funds would have led to an increase or decrease in the investment income recognised in 2013 of €11 million for French plans and €19 million for UK plans.

In 2012, the Group arranged an interest rate swap for the United Kingdom within the pension fund, making it possible to vary hedging assets in response to changes in the liability at the discount rate.

28.3. INFORMATIONS ON EXTERNAL FUNDS

The projected benefit obligation is partially covered by dedicated external funds.

The breakdown of external funds is as follows:

	31 December 2013		31 December 2012	
	Equities	Bonds	Equities	Bonds
France	10%	90%	20%	80%
United Kingdom	40%	60%	40%	60%

The fair value of shares and bonds was at level 1 in 2013 and 2012 (see Note 35.2).

In 2013, the actual return on external funds managed by the Group in France and by the pension trusts in the United Kingdom was +3.3% for the French funds and +10.3% for the UK funds. In France, equity funds consist of DJ Eurostoxx index tracker funds and international index tracker funds, while bond funds are invested in prime European government bonds and in European corporate bonds rated A or higher.

In the United Kingdom, 60% of the equity portfolio is invested in funds that track the main UK, European, US and Japanese stock market indices. The remaining 40% are actively managed and invested in UK stocks. Half of the bond portfolio is comprised of inflation-linked government bonds denominated in pounds sterling. The other half is comprised mainly of corporate bonds rated A or higher.

In France, the Group is free to decide the amount of its contributions to the external funds. At 31 December 2013, no decision had been made as to the amount of contributions to be paid in 2014.

In 2013, no contribution was paid to the external fund for the top-hat pension plan for Peugeot S.A. senior executives.

In the United Kingdom, the Group's annual contribution amounted to £53 million (€63 million) in 2013. It is estimated at £54 million (€65 million) for 2014, although this sum may change in light of the negotiations planned for 2014.

28.4. IMPACT OF THE APPLICATION OF THE AMENDEMENT TO IAS 19 APPLICABLE TO PREVIOUSLY PUBLISHED DATA

	31 December 2012 IAS 19R				31 December 2012 IAS 19			
(in million euros)	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Present value of projected benefit obligation	**(1,747)**	**(1,782)**	**(654)**	**(4,183)**	**(1,747)**	**(1,782)**	**(654)**	**(4,183)**
Fair value of external funds	1,107	1,893	305	3,305	1,107	1,893	305	3,305
Plan surplus (deficit)	**(640)**	**111**	**(349)**	**(878)**	**(640)**	**111**	**(349)**	**(878)**
Unrecognised actuarial gains and (losses)	-	-	-	-	319	36	122	477
Unrecognised past service cost	-	-	-	-	58	-	-	58
NET (LIABILITY) ASSET RECOGNISED IN THE BALANCE SHEET BEFORE MINIMUM FUNDING REQUIREMENT (IFRIC 14)	**(640)**	**111**	**(349)**	**(878)**	**(263)**	**147**	**(227)**	**(343)**
Minimum funding requirement liability (IFRIC 14)	-	(12)	-	(12)	-	(12)	-	(12)
NET (LIABILITY) ASSET RECOGNISED IN THE BALANCE SHEET	**(640)**	**99**	**(349)**	**(890)**	**(263)**	**135**	**(227)**	**(355)**
Of which, liability	(641)	(50)	(349)	(1,040)	(264)	(18)	(227)	(509)
Of which, asset	1	149	-	150	1	153	-	154
Actuarial gains and losses and past service costs recognised in equity (before deferred taxes)	377	36	122	535				
Actuarial gains and losses and past service costs recognised in equity (after deferred taxes)	265	19	101	385				

28.5. MOVEMENT FOR THE YEAR

EXCLUDING MINIMUM FUNDING REQUIREMENT (IFRIC 14)

(in million euros)	2013				2012			
	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Projected benefit obligation								
At beginning of period: Present value	**(1,747)**	**(1,782)**	**(654)**	**(4,183)**	**(1,587)**	**(1,621)**	**(579)**	**(3,787)**
Service cost	(84)	(14)	(20)	(118)	(50)	(15)	(18)	(83)
Interest cost	(54)	(73)	(19)	(146)	(70)	(80)	(24)	(174)
Benefit payments for the year	134	48	30	212	96	71	31	198
Unrecognised actuarial gains and (losses):				-				-
> amount	80	(17)	30	93	(252)	(101)	(98)	(451)
> *as a % of projected benefit obligation*	*4.6%*	*1.0%*	*4.6%*	*2.2%*	*15.9%*	*6.2%*	*16.9%*	*11.9%*
Past service cost	-	-	2	2	-	-	-	-
Translation adjustment	-	35	12	47	-	(38)	2	(36)
Effect of changes in scope of consolidation and other	(38)	(35)	(1)	(74)	17	2	26	45
Effect of curtailments and settlements	80	-	1	81	99	-	6	105
AT PERIOD-END: PRESENT VALUE	**(1,629)**	**(1,838)**	**(619)**	**(4,086)**	**(1,747)**	**(1,782)**	**(654)**	**(4,183)**
External fund								
At beginning of period: Fair value	**1,107**	**1,893**	**305**	**3,305**	**1,101**	**1,735**	**301**	**3,137**
Normative return on external funds	32	78	10	120	47	87	13	147
Actuarial gains and (losses):				-				-
> amount	26	82	3	111	55	18	1	74
> *as a % of projected benefit obligation*	*2.3%*	*4.3%*	*1.0%*	*3.4%*	*5.0%*	*1.0%*	*0.3%*	*2.4%*
Translation adjustment	-	(36)	(3)	(39)	-	40	-	40
Employer contributions	4	63	15	82	3	82	21	106
Benefit payments for the year	(139)	(48)	(23)	(210)	(92)	(71)	(21)	(184)
Effect of changes in scope of consolidation and other	-	35	-	35	(7)	2	(8)	(13)
Effect of curtailments and settlements	-	-	-	-	-	-	(2)	(2)
AT PERIOD-END: FAIR VALUE	**1,030**	**2,067**	**307**	**3,404**	**1,107**	**1,893**	**305**	**3,305**

28.6. RECONCILIATION OF BALANCE SHEET ITEMS

(in million euros)	31 December 2013				31 December 2012			
	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Present value of projected benefit obligation	**(1,629)**	**(1,838)**	**(619)**	**(4,086)**	**(1,747)**	**(1,782)**	**(654)**	**(4,183)**
Fair value of external funds	1,030	2,067	307	3,404	1,107	1,893	305	3,305
NET (LIABILITY) ASSET RECOGNISED IN THE BALANCE SHEET BEFORE MINIMUM FUNDING REQUIREMENT (IFRIC 14)	**(599)**	**229**	**(312)**	**(682)**	**(640)**	**111**	**(349)**	**(878)**
Minimum funding requirement liability (IFRIC 14)	-	(11)	-	(11)	-	(12)	-	(12)
NET (LIABILITY) ASSET RECOGNISED IN THE BALANCE SHEET	**(599)**	**218**	**(312)**	**(693)**	**(640)**	**99**	**(349)**	**(890)**
Of which, liability (Note 27.A)	(607)	(34)	(313)	(954)	(641)	(50)	(349)	(1,040)
Of which, asset	8	252	1	261	1	149	-	150
Of which, unfunded plans	*1.0%*	*0.0%*	*5.9%*	*1.3%*	*1,1%*	*0,0%*	*6,0%*	*1,4%*

The projected benefit obligation of French companies includes benefit obligations in respect of supplementary pensions owed to members of the managing bodies (described in Note 39), which were revised in the amount of €27 million starting in December 2013. This amount does not include the additional 30% contribution due above the threshold pursuant to Article L. 137-11 of the French Social Security Code (provisioned in the amount of €2 million). In addition, commitments in respect of retirement benefits for members of managing bodies are provisioned in the amount of €1 million. The service cost for these two plans, excluding the impact of the revision of December 2013, was €9 million in fiscal 2013.

28.7. EXPENSES RECOGNISED IN THE INCOME STATEMENT

These expenses are recorded as follows:

- service cost is recorded under "Selling, general and administrative expenses";
- the impact of restructuring and changes in the minimum funding requirement liability recognised in accordance with IFRIC 14 (see Note 2.21) are reported under "Non-recurring operating income" or "Non-recurring operating expenses";
- interest cost and the expected return on external funds are recorded under "Financial expenses" and "Financial income" respectively.

Pension expenses break down as follows:

(in million euros)	2013				2012			
	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Service cost	(84)	(14)	(20)	(118)	(50)	(15)	(18)	(83)
Interest cost	(54)	(73)	(19)	(146)	(70)	(80)	(24)	(174)
Normative return on external funds	32	78	10	120	47	87	13	147
Past service cost	-	-	2	2	-	-	-	-
Effect of curtailments and settlements	80	-	1	81	99	-	4	103
Total (before minimum funding requirement liability)	**(26)**	**(9)**	**(26)**	**(61)**	**26**	**(8)**	**(25)**	**(7)**
Change in minimum funding requirement liability (IFRIC 14)	-	-	-	-	-	(12)	-	(12)
TOTAL	**(26)**	**(9)**	**(26)**	**(61)**	**26**	**(20)**	**(25)**	**(19)**

NOTE 29 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES – MANUFACTURING AND SALES COMPANIES

The recognition and measurement principles applicable to borrowings and other financial liabilities, excluding derivatives, are described in Note 2.16.C. Derivatives are accounted for as set out in Note 2.16.D.

	Carrying amount at 31 December 2013		Carrying amount at 31 December 2012	
	Amortised cost or fair value		Amortised cost or fair value	
(in million euros)	Non-current	Current	Non-current	Current
Convertible bonds[(1)]	737	21	907	15
Other bonds	5,301	834	4,616	960
Employee profit-sharing fund	3	1	4	2
Finance lease liabilities	194	61	243	90
Other long-term borrowings	1,841	744	2,037	719
Other short-term financing and overdraft facilities	-	1,335	-	1,072
Derivative instruments	5	-	21	6
TOTAL FINANCIAL LIABILITIES	**8,081**	**2,996**	**7,828**	**2,864**

(1) The amortised cost of OCEANE convertible bonds corresponds to the debt component. The equity component – corresponding to the conversion option – is recognised separately in equity.

29.1. MAIN FINANCING TRANSACTIONS DURING THE YEAR

The financial risk management policy is set out in Note 36.1.

The main transactions during the year were as follows:

Bond issues by manufacturing and sales companies (excluding Faurecia)

On 28 February 2013, Peugeot S.A. issued a €1 billion 7.375% bond maturing in March 2018.

On 24 April 2013, Peugeot Citroën Automobiles repaid at maturity the €400 million loan granted by the European Investment Bank (EIB).

Peugeot Citroën do Brasil subscribed new loans during the year, primarily from Banco Nacional Do Desinvolvimento (BNDES), in a total amount of €186 million.

In September 2013, Peugeot S.A. made partial redemptions in a total amount of €300 million:

- €82 million on the €750 million bond maturing in July 2014;
- €40 million on the €500 million bond maturing in June 2015;
- €75 million on the €500 million bond maturing in October 2013; and
- €103 million on the €500 million bond maturing in March 2016.

In September 2013, Peugeot S.A. issued a €600 million 6.5% bond maturing in January 2019.

In October 2013, Peugeot S.A. made two bond redemptions in a total amount of €775 million.

In December 2013, the Group concluded with the EIB a loan of €300 million maturing in December 2018, with an annual interest rate of 2.283%.

Peugeot S.A. syndicated credit facility

On 9 July 2010, Peugeot S. A rolled over in advance a €2,400 million three-year syndicated revolving credit facility (with two extensions of one year at the banks' option) with a group of 21 banks.

In July 2011, a first one-year extension was accepted by the banks, to July 2014.

In July 2012, PSA Peugeot Citroën obtained a second one-year extension to July 2015 for a €2,225 million tranche, with the remainder still due July 2014.

Faurecia syndicated credit facility

In December 2011, Faurecia obtained a new €1,150 million syndicated credit facility. The facility comprises a €690 million tranche expiring in November 2014 with a two-year extension option and a €460 million tranche expiring in December 2016.

Following the exercise of the two extension options, the first tranche is now split into a €36 million tranche maturing in December 2014 and a €654 million tranche maturing in December 2016. As of 31 December 2013, Faurecia had not drawn on any of its syndicated loan facilities.

29.2. CHARACTERISTICS OF THE PEUGEOT S.A. AND FAURECIA OCEANE CONVERTIBLE BONDS

OCEANE Peugeot S.A.

On 23 June 2009, Peugeot S.A. issued €575 million worth of OCEANE bonds convertible or exchangeable for new or existing shares, i.e. €25.10 per share. The 22,908,365 bonds are due 1 January 2016 and pay interest at an annual nominal rate of 4.45%.

At 31 December 2013, 1,312 bonds had been converted. At inception, the debt component of the OCEANE convertible bonds amounted to €441 million and the equity component to €125 million. The conversion ratio is 1 OCEANE bond for 1.2 shares.

OCEANE Faurecia

OCEANE 2015

On 26 November 2009, Faurecia issued €211 million worth of OCEANE bonds convertible or exchangeable for new or existing shares, i.e. €18.69 per share. The 11,306,058 bonds are due 1 January 2015 and pay interest at an annual nominal rate of 4.50%.

On 30 November 2013, Faurecia announced its decision to redeem early the bonds issued on 26 November 2009, convertible into new shares or exchangeable for existing shares. There were 11,304,290 outstanding bonds as of 31 October 2013.

Bondholders opted almost unanimously to convert their bonds into Faurecia shares: 11,284,793 bonds, or 99.83% of the total outstanding number, will be converted into 11,736,190 new Faurecia shares.

This prepayment at the initiative of Faurecia allowed the group to strengthen its capital base and reduce its net debt by €213 million.

Following the transaction, finalised on 30 December 2013, the total number of Faurecia shares outstanding was 122,588,135, putting Peugeot S.A.'s stake at 51.7%.

OCEANE 2018

On 18 September 2012, Faurecia issued €250 million worth of OCEANE bonds convertible or exchangeable for new or existing shares, i.e. €19.48 per share. The 12,833,675 bonds are due on 1 January 2018 and pay interest at an annual nominal rate of 3.25%.

At 31 December 2012, no bond had been converted. At inception, the debt component of the OCEANE convertible bonds amounted to €198 million and the equity component to €47 million. The conversion ratio is 1 OCEANE bond for 1 share.

29.3. CHARACTERISTICS OF BONDS AND OTHER BORROWINGS

(in million euros)	Carrying amount at 31 December 2013			
	Non-current	Current	Issuing currency	Due
Manufacturing and sales companies (excl. Faurecia)				
2009 convertible bond issue - €575m	525	13	EUR	Q1/2016
Faurecia				
2012 convertible bond issue - €250m	210	8	EUR	Q1/2018
2012 redeemable bond issue - €9m	2	-	EUR	Q4/2016
TOTAL CONVERTIBLE BOND ISSUES	**737**	**21**		
Manufacturing and sales companies (excl. Faurecia)				
2003 bond issue - €600m	883	10	EUR	Q3/2033
2009 bond issue - €668m	-	693	EUR	Q3/2014
2010 bond issue - €460m	459	13	EUR	Q2/2015
2010 bond issue - €500m	497	5	EUR	Q4/2016
2011 bond issue - €150m	150	1	EUR	Q4/2016
2011 bond issue - €397m	396	21	EUR	Q1/2016
2012 bond issue - €600m	596	16	EUR	Q3/2017
2013 bond issue - €1.000m	990	61	EUR	Q1/2018
2013 bond issue - €600m	592	11	EUR	Q1/2019
Faurecia				
2011 bond issue - €490m	490	2	EUR	Q4/2016
2012 bond issue - €250m	248	1	EUR	Q2/2019
TOTAL BOND ISSUES	**5,301**	**834**		
Manufacturing and sales companies (excl. Faurecia) - euro-denominated loans				
EIB loan (1)- €250m	-	250	EUR	Q4/2014
EIB loan (1)- €200m	116	43	EUR	Q3/2017
EIB loan (1)- €65m	35	13	EUR	Q4/2017
EIB loan (1)- €300m	221	60	EUR	2014 to 2018
FDES loan (1) - Zero coupon	24	-	EUR	Q1/2020
Borrowings - Spain	250	-	EUR	2015 to 2026
Borrowings - Russia	206	55	EUR	2017 to 2019
Other borrowings	43	-		
Manufacturing and sales companies (excl. Faurecia) - foreign currency loans				
Borrowings - Brazil	454	109	BRL	2014 to 2024
Borrowings - Russia	74	32	RUB	2016 to 2019
Other borrowings	97	55	nc	nc
Faurecia				
Other borrowings	321	127	EUR	nc
TOTAL OTHER LONG-TERM BORROWINGS	**1,841**	**744**		

(1) EIB: European Investment Bank; FDES: French social and economic development fund.

29.4. CHARACTERISTICS OF OTHER SHORT-TERM FINANCING AND OVERDRAFT FACILITIES

(in million euros)	Issuing currency	Carrying amount at 31 December 2013	Carrying amount at 31 December 2012
Commercial paper	EUR	334	224
Short-term loans	N/A	506	402
Bank overdrafts	N/A	438	392
Payments issued (1)	N/A	24	22
Factoring liabilities on assets that have not been derecognised	N/A	33	32
TOTAL		**1,335**	**1,072**

(1) This item corresponds to payments issued but not yet debited from the bank accounts, as the due date was not a bank business day.

29.5. FINANCE LEASE LIABILITIES

The present value of future payments under finance leases reported in "Other borrowings" can be analysed as follows by maturity:

(in million euros)	31 December 2013	31 December 2012
2013	-	105
2014	73	43
2015	52	42
2016	15	13
2017	12	12
2018	9	12
2019	9	-
Subsequent years	112	129
	282	**356**
Less interest portion	(27)	(23)
PRESENT VALUE OF FUTURE LEASE PAYMENTS	**255**	**333**
Of which short-term	61	90
Of which long-term	194	243

29.6. FINANCING BY THE ASSIGNMENT OF RECEIVABLES

The Automotive Division and Faurecia meet part of their financing needs by selling receivables to financial institutions (see Note 22).

The sold receivables are derecognised when they meet the criteria specified in IFRS (see Note 2.18).

	31 December 2013			31 December 2012		
(in million euros)	Total receivables sold to non-Group financial institutions	Portion sold but not derecognised	Portion sold and derecognised	Total receivables sold to non-Group financial institutions	Portion sold but not derecognised	Portion sold and derecognised
Maximum authorised facilities	**1,911**			**1,501**		
> *of which Faurecia Group*	*803*			*710*		
Receivables sold to non-Group financial institutions	**1,255**	327	928	**864**	186	678
> *of which Faurecia Group*	*379*	*154*	*225*	*282*	*105*	*177*
Financed portion [(1)]	***1,154***	*226*	*928*	***799***	*121*	*678*
> *of which Faurecia Group*	*363*	*138*	*225*	*266*	*89*	*177*
Portion not financed (including guarantee deposit)	***101***	*101*		***65***	*65*	
> *of which Faurecia Group*	*16*	*16*		*16*	*16*	

(1) The financed portion of the receivables corresponds to the portion that gives rise to a cash inflow.

In 2013, Peugeot S.A. and Faurecia sold and derecognised their 2012 French research tax credits for a total of €105 million. The cash proceeds received at 31 December 2013 amounted to €98 million.

The sale of receivables constitutes usual short-term financing.

No transaction was carried out in December 2013 outside of the sale of receivables programme.

NOTE 30 OTHER NON-CURRENT LIABILITIES

(in million euros)	31 December 2013	31 December 2012
Liabilities related to vehicles sold with a buyback commitment (Note 2.5.A(a))	2,913	3,166
Other	131	18
TOTAL	**3,044**	**3,184**

NOTE 31 NET FINANCIAL POSITION OF MANUFACTURING AND SALES COMPANIES

Net debt of the manufacturing and sales companies is a financial indicator not defined by IFRS. According to the Group's definition, it is equal to the financial liabilities net of financial assets used as collateral, or that may be utilised to redeem these liabilities, as well as those assigned to specific expenses of the manufacturing and sales companies. This definition remains unchanged from the date of first adoption of IFRS in the Group. The share of these financial assets not readily available is not taken into consideration in the financial security of the manufacturing and sales companies (see Note 31.4).

31.1. COMPOSITION OF NET DEBT

(in million euros)	31 December 2013	31 December 2012
Financial assets and liabilities of the manufacturing and sales companies		
Non-current financial liabilities	(8,081)	(7,828)
Current financial liabilities	(3,039)	(2,906)
Other non-current financial assets	670	664
Current financial assets	141	1,501
Cash and cash equivalents	6,161	5,421
(NET DEBT) NET FINANCIAL POSITION OF THE MANUFACTURING AND SALES COMPANIES	**(4,148)**	**(3,148)**
Of which external loans and borrowings	(4,315)	(3,385)
Of which financial assets and liabilities with Finance companies	167	237

31.2. CHANGE IN NET DEBT

In 2013, the Group kept up the proactive refinancing strategy and conservative liquidity policy described in Note 36.1.A.

Net cash from operating activities for the year totalled positive €1,097 million, representing funds from operations of €700 million and the positive impact of a €397 million increase in working capital. Changes in working capital are discussed in Note 34.2.

Investments for the year in property, plant and equipment and intangible assets, net of disposals, amounted to €2,378 million. Other financing needs stood at €101 million for the year and concerned primarily paying up the residual capital of CAPSA in the amount of €71 million.

Cash inflows for the year were as follows:

- €281 million in dividends from Banque PSA Finance, and €5 million in dividends from PSA Assurance;
- €10 million capital increase subscribed in Faurecia's subsidiaries by minority shareholders;
- €1,086 million increase in net debt.

Hence:

- cash reserves amounted to €6,661 million at 31 December 2013 versus €5,421 million at 31 December 2012. Current financial assets amounted to €141 million at 31 December 2013 versus €1,501 million at 31 December 2012. Changes in current financial assets are due in particular to a change in the structure of investments. Cash reserves are invested in risk-free financial instruments issued by blue chip financial institutions;
- net debt before cash and cash equivalents increased by €1,956 million, due in the main to:
  - new borrowings in the amount of €2,556 million,
  - a reduction in short-term investments in the amount of €1,359 million,
  - a rise in short-term financing in the amount of €251 million,
  - loan repayments in the amount of €2,199 million, notably €775 million in maturing debt for Peugeot S.A., €400 million from the EIB and €300 million in partial redemptions (see Note 29.1).

The change in other financial assets and liabilities is described in the table below:

(in million euros)	2013	2012
Increase in borrowings	2,556	1,943
Repayment of borrowings and conversion of bonds	(2,199)	(599)
(Increase) decrease in non-current financial assets	(11)	187
(Increase) decrease in current financial assets	1,359	(505)
Increase (decrease) in current financial liabilities	251	(351)
	1,956	**675**
Net cash flows with Group Finance companies	*-*	*4*
TOTAL	**1,956**	**679**

Furthermore, the non-cash changes represented a decrease of €86 million in the net debt of the Group. They essentially concern the early repayment of Faurecia's 2015 OCEANE (see Note 29.2) and the recognition of the net debt of Française de Mécanique as a result of the Group's takeover on 31 December 2013 (see Note 4).

31.3. SYNDICATED LINES OF CREDIT

The Group's manufacturing and sales companies have the following additional borrowing capacity under revolving lines of credit expiring at various dates through to 2016:

(in million euros)	31 December 2013	31 December 2012
Peugeot S.A. and GIE PSA Trésorerie	2,400	2,400
Faurecia	1,150	850
UNDRAWN CONFIRMED LINES OF CREDIT	**3,550**	**3,250**

This €2,400 million line of credit of Peugoet S.A. and GIE PSA Trésorerie is due to expire in July 2015 for €2,225 million. The €175 million tranche is expiring in July 2014. This facility, which is subject to the respect of a net debt position of the manufacturing and sales companies on Group's equity lower than one, was not drawn down at the period-end.

The net debt of manufacturing and sales companies is defined and disclosed in Note 31.1. The Group's equity is that listed under "Total Equity" in liabilities. As of 31 December 2013, this ratio was 0.53.

Faurecia's additional borrowing capacity, other than through Peugeot S.A., results from a €1,150 million syndicated line of credit that was not drawn down at end-2013:

- a €36 million tranche expiring in December 2014;
- a €654 million tranche expiring in December 2016 after the exercise of the two extension options;
- a €460 million tranche expiring in December 2016.

31.4. LIQUIDITY RESERVES

Financial security is made up of available cash, other readily available financial assets and undrawn credit lines.

€19 million (€1,353 million at 31 December 2012) and €391 million (€550 million at 31 December 2012) in current and non-current financial assets respectively were included in the calculation of financial security, representing a total of €410 million (€1,903 million at 31 December 2012).

(in million euros)	31 December 2013	31 December 2012
Cash and cash equivalents (Note 25.1)	6,161	5,421
Current & non current financial assets	410	1,903
Total	**6,571**	**7,324**
Lines of credit (undrawn) - excluding Faurecia (Note 31.3)	2,400	2,400
Lines of credit (undrawn) - Faurecia (Note 31.3)	1,150	850
TOTAL FINANCIAL SECURITY	**10,121**	**10,574**
of which Faurecia	*1,911*	*1,530*

NOTE 32 FINANCING LIABILITIES – FINANCE COMPANIES

Financing liabilities are accounted for as described in Note 2.16.C.

(in million euros)	31 December 2013	31 December 2012
Bond debt	-	413
Securities issued by securitisation funds (Note 32.1)	5,057	4,246
Other debt securities (Note 32.2)	7,677	8,891
Bank borrowings (Note 32.3)	6,264	8,103
	18,998	**21,653**
Customer deposits (Note 32.4)	1,446	487
	20,444	**22,140**
Amounts due to Group manufacturing and sales companies	*(216)*	*(279)*
TOTAL	**20,228**	**21,861**

32.1. BONDS ISSUED BY SECURISATION FUNDS

Banque PSA Finance derives part of its financing from securitisation transactions, mainly involving pools of automobile loans. The new securitisation transactions carried out in 2013 with external investors are described in Note 19 "Loans and receivables – Finance companies".

These transactions are reported under "Bonds issued by securitisation funds" for €5,057 million at 31 December 2013 (€4,246 million at 31 December 2012).

32.2. OTHER DEBT SECURITIES

"Other debt securities" consist mainly of EMTN/BMTNs for €7,183 million (€8,099 million at 31 December 2012) and certificates of deposit and commercial paper for €64 million (€147 million at 31 December 2012).

On 25 March 2013, Banque PSA Finance issued a fixed-rate bond maturing in April 2016 for €1.2 billion, with a coupon of 0.625%.

The bond was issued in the context of the European Commission's authorisation to use the French State's guarantee (cf. Note 36.1.A(b)).

32.3. BANK BORROWINGS

In 2013, Banque PSA Finance borrowed from the European Central Bank (ECB) under its long-term refinancing operation (LTRO). At 31 December 2013, this amounted to €1,700 million.

A bank loan collateralised by Belgian credit sale receivables was implemented in April 2013, generating net funding of €92 million at inception.

As of 31 December 2013, a total of €397 million had been drawn on the syndicated credit facility of €1,584 million.

32.4. CUSTOMER DEPOSITS

In March 2013, the Distingo interest-bearing passbook savings account was introduced for private customers in France. The total funds for these accounts at 31 December 2013 were €955 million out of total amounts owed to customers of €1,446 million repayable at any time.

32.5. ANALYSIS BY MATURITY

(in million euros)	31 December 2013				
	Bonds	Bonds issued by securitisation funds	Other debt securities	Bank borrowings	Total
Less than three months	-	432	929	1,833	3,194
Three months to one year	-	1,209	1,912	1,564	4,685
Two to five years	-	3,416	4,655	2,867	10,938
Beyond five years	-	-	181	-	181
TOTAL	**-**	**5,057**	**7,677**	**6,264**	**18,998**

(in million euros)	31 December 2012				
	Bonds	Bonds issued by securitisation funds	Other debt securities	Bank borrowings	Total
Less than three months	-	555	1,321	5,142	7,018
Three months to one year	413	465	1,450	1,074	3,402
Two to five years	-	3,226	5,930	1,887	11,043
Beyond five years	-	-	190	-	190
TOTAL	**413**	**4,246**	**8,891**	**8,103**	**21,653**

32.6. ANALYSIS BY REPAYMENT CURRENCY

All bonds are mainly repayable in euros. Other financial liabilities can be analysed as follows by repayment currency:

(in million euros)	31 December 2013			31 December 2012		
	Other debt securities	Bank borrowings	Total	Other debt securities	Bank borrowings	Total
EUR	9,965	5,428	15,393	10,885	7,065	17,950
GBP	881	322	1,203	899	302	1,201
USD	907	-	907	947	-	947
JPY	-	-	-	44	-	44
BRL	538	188	726	540	320	860
CHF	379	2	381	186	2	188
CZK	-	-	-	-	58	58
Other	64	324	388	49	356	405
Other currencies	2,769	836	3,605	2,665	1,038	3,703
TOTAL	**12,734**	**6,264**	**18,998**	**13,550**	**8,103**	**21,653**

Liabilities consisting of debt securities include bonds, securities issued as part of securitization transactions and other debt securities.

32.7. CREDIT LINES

(in million euros)	31 December 2013	31 December 2012
Undrawn confirmed lines of credit	7,006	6,726

In order of drawdown, the credit lines are:

- €2,299 million undrawn from the €4,099 million syndicated term loan, comprising mainly long-term financing commitments received;
- €1,187 million in undrawn revolving bilateral lines of credit for €1,584 million, comprising mainly long-term financing commitments received;
- €120 million in undrawn bank lines of credit;
- the following syndicated back-up credit facilities totalling €3,400 million:
  - €184 million expiring in June 2014,
  - €70 million expiring in December 2014,
  - €136 million expiring in December 2015,
  - €1,216 million expiring in January 2016,
  - €1,794 million expiring in December 2016.

A change in the Banque PSA Finance's rating could lead to an adjustment of the financial terms of some of these credit lines, but their amount would not be reduced.

32.8. FINANCIAL SECURITY

(in million euros)	31 December 2013	31 December 2012
Liquidity reserve (Note 25.2)	1,025	1,066
Lines of credit (confirmed and undrawn)	7,006	6,726
Available collateral with the ECB	369	441
TOTAL FINANCIAL SECURITY	**8,400**	**8,233**

NOTE 33 OTHER PAYABLES

33.1. MANUFACTURING AND SALES COMPANIES

(in million euros)	31 December 2013	31 December 2012
Taxes payable other than income taxes	662	706
Personnel-related payables	955	961
Payroll taxes	430	454
Payable on fixed asset purchases	240	421
Customer prepayments	700	747
Derivative instruments (1)	113	71
Deferred income	572	638
Miscellaneous other payables	438	477
TOTAL	**4,110**	**4,475**

(1) This item corresponds to the fair value of instruments purchased by the Group to hedge currency risks on current or forecast operating receivables and payables. These instruments are analysed by maturity in Note 36, "Management of financial risks".

33.2. FINANCE COMPANIES

(in million euros)	31 December 2013	31 December 2012
Personnel-related payables and payroll taxes	117	118
Derivative instruments (1)	65	116
Deferred income and accrued expenses	253	465
Miscellaneous other payables	393	392
TOTAL	**828**	**1,091**

(1) This item corresponds to the fair value of instruments purchased by the Group to hedge interest rate risks on financing liabilities and receivables. These instruments are analysed by maturity in Note 36, "Management of financial risks".

NOTE 34 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

34.1. ANALYSIS OF NET CASH AND CASH EQUIVALENT REPORTED IN THE STATEMENTS OF CASH FLOWS

(in million euros)	31 December 2013	31 December 2012
Cash and cash equivalents (Note 25.1)	6,161	5,421
Payments issued (Note 29.4)	(24)	(22)
Net cash and cash equivalents - manufacturing and sales companies	**6,137**	**5,399**
Net cash and cash equivalents - Finance companies (Note 25.2)	**1,804**	**1,669**
Elimination of intragroup transactions	*(210)*	*(279)*
TOTAL	**7,731**	**6,789**

34.2. ANALYSIS OF THE CHANGE IN WORKING CAPITAL

A. Manufacturing and sales companies

(in million euros)	2013	2012
(Increase) decrease in inventories	323	339
(Increase) decrease in trade receivables [1]	9	(9)
Increase (decrease) in trade payables	77	(835)
Change in income taxes	(77)	102
Other changes	65	(199)
	397	**(602)**
Net cash flows with Group Finance companies	*(33)*	*(92)*
TOTAL	**364**	**(694)**

(1) Including a €928 million decrease in receivables related to sales of receivables to non-Group financial institutions (€678 million in 2012). (See Note 22).

B. Finance companies

(in million euros)	2013	2012
Increase (decrease) in finance receivables	1,404	1,151
Increase (decrease) in short-term investments	20	(64)
(Increase) decrease in financing liabilities	(1,302)	(322)
Change in income taxes	11	(33)
Other changes	49	28
	182	**760**
Net cash flows with Group manufacturing and sales companies	*97*	*28*
TOTAL	**279**	**788**

34.3. ANALYSIS OF THE CHANGE IN BALANCE SHEET ITEMS OF MANUFACTURING AND SALES COMPANIES

	2013						
(in million euros)	At 1 January	Cash flows from operating activities	Cash flows from investing activities	Changes in scope of consolidation and other	Translation adjustment	Revaluations taken to equity	At 31 December
Inventories	(6,193)	323	-	(40)	284	-	(5,626)
Trade receivables [(1)]	(2,014)	9	-	(11)	195	-	(1,821)
Trade payables	8,472	63	-	(60)	(298)	-	8,177
Income taxes	25	(77)	-	(1)	8	-	(45)
Other receivables	(1,966)	270	-	(16)	69	3	(1,640)
Other payables	4,475	(145)	(175)	48	(139)	46	4,110
	2,799	**443**	**(175)**	**(80)**	**119**	**49**	**3,155**
Net cash flows with Group Finance companies	*45*	*(33)*	-	-	*1*	-	*13*
TOTAL	**2,844**	**410**	**(175)**	**(80)**	**120**	**49**	**3,168**

(1) Including a €250 million decrease in receivables related to sales of receivables to non-Group financial institutions (see Note 22).

The change in working capital in the consolidated statement of cash flows at 31 December 2013 (€397 million positive effect) corresponds to cash flows from operating activities (€443 million positive effect), exchange differences (€121 million negative effect) and other movements (€75 million positive effect) including the impact of the payment for the investment in Changan PSA Automobiles Co. Ltd. recognised in 2012, having no impact on the statement of cash flows.

Cash flows from operating activities of manufacturing and sales companies	**443**
Exchange differences	*(121)*
Other changes	*75*
CHANGE IN WORKING CAPITAL IN THE STATEMENT OF CASH FLOWS	**397**

34.4. NET CHARGES TO DEPRECIATION, AMORTISATION AND IMPAIRMENT IN THE STATEMENT OF CASH FLOWS

(in million euros)	2013	2012
Depreciation and amortisation expense (Note 7)	(2,407)	(2,886)
Impairment of:		
> goodwill (Note 14.1)	-	(10)
> capitalised development costs (Note 14.1)	(177)	(1,593)
> intangible assets (Note 14.1)	(2)	(84)
> property, plant and equipment (Note 15)	(850)	(1,593)
Negative goodwill recognised on a bargain purchase (Note 9)	(17)	67
Other	(33)	(17)
TOTAL	**(3,486)**	**(6,116)**

34.5. INTEREST RECEIVED AND PAID BY THE MANUFACTURING AND SALES COMPANIES

Interest received and paid by manufacturing and sales companies is included in working capital provided by operations, and is as follows:

(in million euros)	2013	2012
Interest received	38	51
Interest paid	(602)	(474)
NET INTEREST RECEIVED (PAID)	**(564)**	**(423)**

NOTE 35 FINANCIAL INSTRUMENTS

35.1. FINANCIAL INSTRUMENTS REPORTED IN THE BALANCE SHEET

	31 December 2013		Analysis by class of instrument				
(in million euros)	Carrying amount	Fair value	Instruments at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Borrowings at amortised cost	Derivative instruments
Investments in non-consolidated companies	32	32	-	32	-	-	-
Other non-current financial assets	723	723	356	-	352	-	15
Other non-current assets (1)	341	341	-	67	274	-	-
Loans and receivables - Finance companies	21,280	21,234	-	-	21,280	-	-
Short-term investments - Finance companies	829	829	829	-	-	-	-
Trade receivables - manufacturing and sales companies	1,665	1,665	-	-	1,665	-	-
Other receivables	2,166	2,166	-	-	2,031	-	135
Current financial assets	141	141	-	-	132	-	9
Cash and cash equivalents	7,755	7,755	7,755	-	-	-	-
ASSETS	**34,932**	**34,886**	**8,940**	**99**	**25,734**	**-**	**159**
Non-current financial liabilities (2)	8,081	8,313	-	-	105	7,971	5
Other non-current liabilities	131	131	-	-	112	-	19
Financing liabilities - Finance companies	20,228	20,361	-	-	-	20,228	-
Trade payables	8,165	8,165	-	-	8,165	-	-
Other payables	4,657	4,657	-	-	4,486	-	171
Current financial liabilities	2,996	2,996	-	-	-	2,996	-
LIABILITIES	**44,258**	**44,623**	**-**	**-**	**12,868**	**31,195**	**195**

(1) Other non-current assets exclude the amount of pension plan surpluses (see Note 28.6), which are not financial assets as defined by IAS 39.

(2) The fair values of the OCEANE convertible bonds respectively issued by Peugeot S.A. (€577 million) and Faurecia (€398 million) correspond to their quoted market prices at the balance sheet date and therefore include both the debt component measured at amortised cost and the equity component represented by the conversion option.

(in million euros)	31 December 2012 Carrying amount	Fair value	Analysis by class of instrument: Instruments at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Borrowings at amortised cost	Derivative instruments
Investments in non-consolidated companies	62	62	-	62	-	-	-
Other non-current financial assets	772	772	374	171	227	-	-
Other non-current assets [(1)]	364	364	0	79	283	-	2
Loans and receivables - Finance companies	23,095	22,896	-	-	23,095	-	-
Short-term investments - Finance companies	867	867	867	-	-	-	-
Trade receivables - manufacturing and sales companies	1,827	1,827	-	-	1,827	-	-
Other receivables	2,799	2,799	-	-	2,419	-	380
Current financial assets	1,501	1,501	688	-	812	-	1
Cash and cash equivalents	6,811	6,811	6,811	-	-	-	-
ASSETS	**38,098**	**37,899**	**8,740**	**312**	**28,663**	**-**	**383**
Non-current financial liabilities [(2)]	*7,828*	*7,708*	-	-	*85*	*7,722*	*21*
Other non-current liabilities	18	18	-	-	6	-	12
Financing liabilities - Finance companies	21,861	22,410	-	-	-	21,861	-
Trade payables	8,463	8,463	-	-	8,463	-	-
Other payables	5,257	5,257	-	-	5,085	-	172
Current financial liabilities	2,864	2,892	-	-	-	2,858	6
LIABILITIES	**46,291**	**46,748**	**-**	**-**	**13,639**	**32,441**	**211**

(1) Other non-current assets exclude the amount of pension plan surpluses (see Note 28.6), which are not financial assets as defined by IAS 39.

(2) The fair values of the OCEANE convertible bonds respectively issued by Peugeot S.A. (€602 million) and Faurecia (€468 million) correspond to their quoted market prices at the balance sheet date and therefore include both the debt component measured at amortised cost and the equity component represented by the conversion option.

The fair value of financial instruments held by the Group is calculated whenever it can be estimated reliably on the basis of market data for assets considering that they are not intended to be sold. The fair value of financial instruments traded on an active market is based on the market price at the balance sheet date. The market price used for financial assets held by the Group is the bid price on the market at the measurement date.

The main valuation methods applied are as follows:

Financial assets classified as "at fair value through profit or loss" and "derivative instruments"

- The fair value of "cash and cash equivalents" is equivalent to their carrying amount, in view of their very short maturities.
- Other items recognised at fair value through profit or loss and derivative interest rate and currency hedging instruments are measured by using a valuation technique that benchmarks interbank rates (such as Euribor, etc.) and daily foreign exchange rates set by the European Central Bank. Derivative commodity hedging instruments are valued by external experts. All the financial instruments in this category are financial assets and liabilities designated at fair value through profit or loss on initial recognition in accordance with the criteria set out in Note 2.16.

Financial assets classified as "available for sale"

- "Investments in non-consolidated companies" are stated at fair value in the balance sheet, in accordance with IAS 39. They are carried on the balance sheet at their acquisition cost, which the Group considers to be representative of fair value, except in cases of impairment (see Note 2.16.B (2)).
- For Other non-current financial assets classified as available-for-sale, fair value corresponds to their quoted market price at the balance sheet
- "Other non-current assets" classified as "available-for-sale" correspond to units in Fonds de Modernisation des Équipementiers Automobiles (FMEA). FMEA is a fund to support automotive equipment manufacturers set up at the French government's initiative under France's Automotive Industry Pact signed on 9 February 2009. The units are measured at fair value. This corresponds to their net asset value at the balance sheet date. This net asset value reflects the fair value of the investments made by the fund.

Financial assets and liabilities classified as "loans and receivables and other liabilities"

- "Loans and receivables - Finance companies" are stated at amortised cost measured using the effective interest method. They are generally hedged against interest rate risks. The hedged portion is remeasured at fair value in accordance with hedge accounting principles. The margin on the outstanding principal is thus excluded from the remeasurement. The fair value presented above is estimated by discounting future cash flows at the rate applicable to similar loans granted at the balance sheet date.

- The fair value of "Trade receivables - manufacturing and sales companies", "Other receivables", "Trade payables" and "Other payables" is considered as being equivalent to their carrying amount, after deducting accumulated impairment if any (Note 2.18), due to their very short maturities.
- The fair value of other financial assets and liabilities classified in "Loans and receivables and other liabilities" also corresponds to the carrying amount.

Financial liabilities classified as "at amortised cost"

- "Non-current financial liabilities", "Current financial liabilities" and "Financing liabilities – Finance companies" are stated at amortised cost measured using the effective interest method. Financial liabilities hedged by interest rate swaps are accounted for in accordance with hedge accounting principles. The portion affected by changes in interest rates is remeasured at fair value. The fair value of financial liabilities presented above is determined by taking into account market data and the Group's estimated credit risk at the balance sheet date.

35.2. INFORMATION ABOUT FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	31 December 2013			31 December 2012		
(in million euros)	Derivative instruments	Instruments at fair value through profit or loss	Available-for sale financial assets	Derivative instruments	Instruments at fair value through profit or loss	Available-for sale financial assets
Level 1 fair value inputs: quoted prices in active markets						
Other non-current financial assets	-	305	-	-	263	171
Current financial assets	-	-	-	-	213	-
Cash and cash equivalents	-	6 205	-	-	5 539	-
Level 2 fair value inputs: based on observable market data						
Other non-current financial assets	15	51	-	-	111	-
Other non-current assets	-	-	-	2	-	-
Short-term investments - Finance companies	-	829	-	-	867	-
Other receivables	135	-	-	380	-	-
Actifs financiers courants	9	-	-	1	475	-
Cash and cash equivalents [(1)]	-	1 550	-	-	1 272	-
Level 3 fair value inputs: not based on observable market data						
Investments in non-consolidated companies	-	-	32	-	-	62
Other non-current assets	-	-	67	-	-	79
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**159**	**8 940**	**99**	**383**	**8 740**	**312**

(1) Corresponding to traditional instruments for investing available cash such as certificates of deposit, commercial paper and money market notes.

The change in level 3 fair value does not contain any material items.

(in million euros)	31 December 2013			31 December 2012		
	Derivative instruments	Instruments at fair value through profit or loss	Available-for sale financial assets	Derivative instruments	Instruments at fair value through profit or loss	Available-for sale financial assets
Level 1 fair value inputs: quoted prices in active markets						
Level 2 fair value inputs: based on observable market data						
Non-current financial liabilities	(5)	-	-	(21)	-	-
Other non-current liabilities	(19)	-	-	(12)	-	-
Other payables	(171)	-	-	(172)	-	-
Current financial liabilities	-	-	-	(6)	-	-
Level 3 fair value inputs: not based on observable market data						
Non-current financial liabilities (1)	-	-	(105)	-	-	(85)
Total financial liabilities measured at fair value	**(195)**	**-**	**(105)**	**(211)**	**-**	**(85)**

(1) The change in "Non-current financial assets" as measured based on Level 3 fair value imputs is recognised in "Income and expenses recognised in equity, net".

35.3. INFORMATION ABOUT FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

(in million euros)	31 December 2013		Fair value level		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
ASSETS					
Loans and receivables - Finance companies	21,280	21,234	-	-	21,234
LIABILITIES					
Non-current financial liabilities	8,076	8,308	6,452	1,856	-
Financing liabilities - Finance companies	18,988	19,121	12,739	-	6,382
Current financial liabilities	2,996	2,996	850	2,146	-

(in million euros)	31 December 2012		Fair value level		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
ASSETS					
Loans and receivables - Finance companies	23,095	22,896	-	-	22,896
LIABILITIES					
Non-current financial liabilities	7,807	7,687	5,569	2,118	-
Financing liabilities - Finance companies	21,650	22,199	14,016	-	8,183
Current financial liabilities	2,858	2,886	984	1,902	-

35.4. EFFECT OF FINANCIAL INSTRUMENTS ON PROFIT OR LOSS

(in million euros)	2013 Income Statement Impact	Analysis by class of instrument: Instruments at fair value through profit or loss	Available-for sale financial assets	Loans, receivables and other liabilities	Borrowings at amortised cost	Derivative instruments
Manufacturing and sales companies						
Total interest income	19	-	-	19	-	-
Total interest expense	(596)	-	-	-	(596)	-
Remeasurement (1)	(33)	119	-	(8)	(3)	(141)
Disposal gains and dividends	(212)	-	1	(213)	-	-
Net impairment	(35)	-	(38)	3	-	-
Total - manufacturing and sales companies	**(857)**	**119**	**(37)**	**(199)**	**(599)**	**(141)**
Finance companies						
Total interest income	1,477	-	-	1,477	-	-
Total interest expense	(675)	-	-	-	(675)	-
Remeasurement (1)	36	12	-	(62)	120	(34)
Net impairment	(131)	-	-	(131)	-	-
Total - Finance companies	**707**	**12**	**-**	**1,284**	**(555)**	**(34)**
NET GAIN (LOSS)	**(150)**	**131**	**(37)**	**1,085**	**(1,154)**	**(175)**

(1) For instruments classified as "at fair value through profit or loss", remeasurement includes interest and dividends received.

(in million euros)	2012 Income Statement Impact	Analysis by class of instrument: Instruments at fair value through profit or loss	Available-for sale financial assets	Loans, receivables and other liabilities	Borrowings at amortised cost	Derivative instruments
Manufacturing and sales companies						
Total interest income	9	-	-	9	-	-
Total interest expense	(419)	-	-	-	(419)	-
Remeasurement (1)	(22)	65	-	(6)	6	(87)
Disposal gains and dividends	(205)	-	5	(210)	-	-
Net impairment	(36)	-	(4)	(32)	-	-
Total - manufacturing and sales companies	**(673)**	**65**	**1**	**(239)**	**(413)**	**(87)**
Finance companies						
Total interest income	1,608	-	-	1,608	-	-
Total interest expense	(702)	-	-	-	(702)	-
Remeasurement (1)	61	19	-	12	(42)	72
Net impairment	(290)	-	-	(290)	-	-
Total - Finance companies	**677**	**19**	**-**	**1,330**	**(744)**	**72**
NET GAIN (LOSS)	**4**	**84**	**1**	**1,091**	**(1,157)**	**(15)**

(1) For instruments classified as "at fair value through profit or loss", remeasurement includes interest and dividends received.

In the case of the Finance companies, the total net gain or loss on financial assets and liabilities, as defined in IAS 39, is recognised in recurring operating income.

NOTE 36 MANAGEMENT OF FINANCIAL RISKS

36.1. FINANCIAL RISK MANAGEMENT POLICY

In the course of its business, PSA Peugeot Citroën is exposed to liquidity risks, as well as interest rate, counterparty, currency and other market risks arising, in particular, from changes in commodity prices and equity prices.

A. Liquidity risk

(A) MANAGEMENT OF LIQUIDITY RISK: MANUFACTURING AND SALES COMPANIES

In the prevailing economic environment, the Group continued with its diversified, proactive financing strategy and conservative liquidity policy in order to meet its general financing needs, particularly the financing of its business and of its development projects. The financing strategy is defined by the Managing Board, and implemented under the direction of the Chief Financial Officer with the Corporate Finance & Treasury Department and submitted to the Supervisory Board's Finance and Audit Committee. The Group's cash forecasts, financing needs and interest income and expenses, as well as the level of liquidity reserves are reviewed at monthly meetings of the treasury and foreign exchange committee chaired by the Chief Financial Officer. The financing plan is implemented by the Corporate Finance & Treasury Department.

Pursuant to this policy, the Group:

- issues bonds under an EMTN programme;
- has recourse to bank borrowings in France and abroad;
- sells receivables;
- arranges confirmed lines of credit for its financial security;
- and, where necessary, issues convertible bonds.

The Group could also raise funds by a capital increase.

This financing policy allows it to seize market opportunities to pre-finance itself and to thereby optimise its financial security.

At 31 December 2013, the net debt of the manufacturing and sales companies was €4,148 million compared to €3,148 million at 31 December 2012. The breakdown of the net debt can be found in Note 31.1, and changes thereto in Note 31.2. The repayment schedule of financial liabilities is set out in the table below. In June 2010, Peugeot S.A. put in place a €5 billion EMTN programme, €3,707 million of which had been drawn down at end-December 2013.

At 31 December 2013, the Group had liquidity reserves of €10,121 million (see Note 31.4) compared to €10,574 million at end-December 2012.

It covers all currently anticipated financing needs for the manufacturing and sales companies over the coming 12 months.

Contractual repayment schedule of financial liabilities and derivative instruments: manufacturing and sales companies

The following table shows undiscounted cash flows from financial liabilities and derivative instruments. They include principal repayments as well as future contractual interest payments. Foreign currency cash flows and variable or indexed cash flows have been determined on the basis of market data at the year-end.

			Undiscounted contractual cash flows				
(in million euros)	Assets	Liabilities	0-3 months	3-6 months	6-12 months	2-5 years	> 5 years
Financial liabilities							
Bonds - principal repayments							
Manufacturing and sales companies - excluding Faurecia		(5,756)	-	-	(668)	(3,682)	(1,200)
Faurecia		(950)	-	-	-	(749)	(250)
Other long-term debt - principal repayments							
Manufacturing and sales companies - excluding Faurecia		(2,073)	-	-	(597)	(1,252)	(284)
Faurecia		(448)	(127)	-	-	(293)	(28)
Total bonds and other borrowings							
Manufacturing and sales companies - excluding Faurecia		(7,829)	-	-	(1,265)	(4,934)	(1,484)
Faurecia		(1,398)	(127)	-	-	(1,042)	(278)
Bond interest							
Manufacturing and sales companies - excluding Faurecia		(176)	(121)	(26)	(172)	(907)	(579)
Faurecia		(11)	(8)	(34)	(34)	(224)	-
Interest on other long-term debt							
Manufacturing and sales companies - excluding Faurecia		(64)	(3)	(18)	(35)	(29)	-
Faurecia		-	-	-	-	-	-
Total interest on bonds and other borrowings							
Manufacturing and sales companies - excluding Faurecia		(240)	(124)	(44)	(207)	(936)	(579)
Faurecia		(11)	(8)	(34)	(34)	(224)	-
Other short-term debt		(1,378)	(1,378)	-	-	-	-
Finance lease liabilities		(255)	-	-	(61)	(88)	(121)
Employee profit-sharing fund		**(4)**	-	-	**(1)**	**(3)**	-
Derivative instruments							
Derivative instruments							
> of which fair value hedges	-	-	-	-	-	-	-
> of which cash flow hedges	-	(5)	-	-	-	(1)	-
> of which trading instruments (1)	-	-	-	-	-	-	-
Currency derivatives							
> of which fair value hedges	12	(8)	-	-	-	-	-
> of which cash flow hedges	41	(1)	9	4	4	3	9
> of which trading instruments (2)	13	(50)	5	(10)	(6)	(12)	-
Commodity derivatives							
> of which fair value hedges	-	-	-	-	-	-	-
> of which cash flow hedges	1	(73)	(1)	(13)	(19)	(23)	-
> of which trading instruments	-	-	-	-	-	-	-
TOTAL	**67**	**(11,252)**	**(1,624)**	**(97)**	**(1,589)**	**(7,260)**	**(2,453)**

(1) *Interest rate trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. This item corresponds to the fair value of economic hedges of borrowings or investments.*

(2) *Currency trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. As IAS 21 requires receivables and payables denominated in foreign currencies to be systematically remeasured at the closing exchange rate with any gains or losses taken to income, the Group has elected not to designate these receivables and payables as part of a documented hedging relationship, although their impact on income is the same.*

Contractual repayment schedule of long-term borrowings (principal)

(in million euros)	2014	2015	2016	2017	2018	2 to 5 years	> 5 years	Total
Long-term borrowings excluding Faurecia	1,265	935	1,986	839	1,156	4,916	1,484	7,665
Long-term borrowings Faurecia	127	90	616	56	280	1,042	278	1,447
TOTAL LONG-TERM BORROWINGS OF MANUFACTURING AND SALES COMPANIES	**1,392**	**1,025**	**2,602**	**895**	**1,436**	**5,958**	**1,762**	**9,112**

Covenants

None of the borrowings of the manufacturing and sales companies excluding Faurecia are subject to specific acceleration clauses based on minimum credit ratings. In some cases, the borrowings of manufacturing and sales companies are subject to clauses whereby the borrower gives the lenders certain guarantees that are commonly required within the automotive industry.

They include:

- negative pledge clauses whereby the borrower undertakes not to grant any collateral "negative pledge" to any third parties. These clauses nevertheless carry certain exceptions;
- "material adverse changes" clauses, which apply in the event of a major negative change in economic conditions;
- "*pari passu*" clauses, which ensure that lenders enjoy at least the same treatment as other creditors;
- "cross-default" clauses, whereby if one loan goes into default other loans become repayable immediately;
- clauses whereby the borrower undertakes to provide regular information to the lenders;
- clauses whereby the borrower undertakes to comply with applicable legislation;
- change of control clauses.

In addition, EIB loans are dependent on the Group carrying out the projects being financed and, in some cases, require the Group to pledge a minimum amount of financial assets.

The OCEANE convertible bonds are subject to standard clauses, such as the requirement to maintain a listing for Peugeot S.A. shares.

All of these clauses were complied with in 2013.

The drawdown of this syndicated credit facility is subject to keeping the net debt-to-equity Ratio of the Group's manufacturing and sales companies below one. The net debt of manufacturing and sales companies is defined and disclosed in Note 31.1. The Group's equity is that listed under "Total Equity" in liabilities.

The €1,150 million syndicated line of credit arranged in December 2011 by Faurecia contains covenants setting limits on debt and requiring Faurecia to comply with certain financial Ratios. Updates on these Ratios are provided every six months. All of the covenants were complied with at 31 December 2013.

The ratios are as follows:

Ratio		
Adjusted net debt(1) / EBITDA(2)	maximum	2.50
Interest cover (EBITDA(2) / net finance costs)	minimum	4.50

(1) Consolidated net debt.
(2) EBITDA: Faurecia's Earnings Before Interest, Tax, Depreciation and Amortisation for the last 12 months.

The OCEANE convertible bonds are subject to standard clauses, such as the requirement to maintain a listing for Faurecia shares.

(B) MANAGEMENT OF LIQUIDITY RISK: FINANCE COMPANIES

The financing strategy of Banque PSA Finance is defined under the direction of the governing bodies of Banque PSA Finance.

Banque PSA Finance's capital structure and equity Ratio comply with the latest regulatory requirements, reflecting the quality of the bank's assets.

Its financing is ensured by a broad range of liquidity sources, matching of maturities of assets and liabilities, and hedging all of its exposure to currency and interest rate risks.

Refinancing is arranged with maturities that comfortably cover the maturities of the retail financing portfolio. In addition to the financing that has been drawn down, undrawn lines of credit amounting to €7,006 million of which €3,400 million syndicated credit facility have been arranged with syndicates of leading banks, expiring at five different dates through 2016. The bank also has undrawn bilateral lines of credit amounting to €1,187 million as well as liquidity reserves totalling €1,025 million at 31 December 2013, of which €451 million of high quality liquid assets.

In all, as in prior years, these facilities are sufficient to cover over six months of loan origination at constant sales levels.

Financing strategy put in place in 2012

In March 2013, Banque PSA Finance launched a savings account targeting individual customers in France under the Distingo name. Deposits totalled €995 million as of 31 December 2013. Banque PSA Finance had increased recourse to securitisation and to ECB financing totalling €4,612 million and €1,700 million respectively in 2013, compared to with €3,714 million and 2,900 million respectively in 2012.

Against this background, the following agreements have been put in place.

€7 billion guarantee from the French State

Under Article 85 of the Amending Finance Act of 29 December 2012, the Minister for the Economy is authorised to provide a State guarantee for a fee for securities issued between 1 January 2013 and 31 December 2016 by Banque PSA Finance in order to enable it to refinance itself. It is a guarantee for a maximum of €7 billion in capital, and does not represent a transfer of funds from the French State to Banque PSA Finance. It is only in the event of Banque PSA Finance defaulting that the Bank's counterparties could ask the State to honour the guarantee.

An initial guarantee agreement for an amount of €1,200 million has been signed on 5 March 2013 after reception of the temporary authorization from the European Commission under state rescue aid rules on 12 February 2013. On this basis, on 25 March 2013 Banque PSA Finance issued a €1,200 million bond maturing in April 2016.

The final approval of the European Commission on the French State guarantee in favour of Banque PSA Finance was obtained on 30 July 2013. Under the terms of the agreement, The French State has made a certain number of undertakings to the European Commission, which will remain in effect until 15 December 2015. Key aspects of these undertakings include a commitment relative to the Group's return to viability, pursuant to which PSA Peugeot Citroën would be obliged to take appropriate measures to reduce net debt if it were to exceed a given threshold, and a commitment to seek the prior approval of the European Commission to make acquisitions in excess of €100 million *per annum*.

A second guarantee agreement corresponding to the remaining €5,800 million tranche was signed on 28 October 2013 between the French State, Peugeot S.A. and Banque PSA Finance. A five-member guarantee monitoring committee, comprising representatives of the French State and the PSA Peugeot Citroën Group, will oversee the implementation of the guarantee.

Renewal of bank facilities

On 11 January 2013, Banque PSA Finance signed a new five-year €4,009 million syndicated line of credit, involving 19 banks in eight different countries.

As part of the restructuring and extension of its backup facilities, Banque PSA Finance also agreed that day the extension of a €1,200 million revolving line of credit, that will now expire in January 2016. Furthermore, Banque PSA Finance exercised its option to extend the €2,000 million syndicated line of credit, arranged in December 2011 and expiring in December 2014, with €1,800 million now expiring in December 2015, and the remainder expiring in December 2014. In December 2013, Banque PSA Finance received a second extension of one year of its syndicated loan maturing in December 2015, extending maturity to December 2016. The initial amount of €1,784 million was raised to €1,794 million.

These agreements contain acceleration clauses on top of the pre-existing covenants: a prohibition on providing PSA Peugeot Citroën with more than €500 million in financing, a Common Equity Tier One Ratio of at least 11% and the need to retain the French State guarantee for bond issues from 2013 to 2015.

Finally, Banque PSA Finance also obtained in 2013 commitments to renew the bulk of the bilateral bank facilities for a total amount exceeding of €1,000 million.

The renewal of these bank facilities, combined with the securitisation drive undertaken in 2013 and the final approval of the guarantee from the French State, satisfy the refinancing needs of Banque PSA Finance for at least the coming twelve months.

Contractual cash flows: Finance companies

Liquidity risk is analysed based on the contractual timing of cash inflows and outflows from detailed asset and liability items, determined by reference to the remaining period to maturity used to calculate Banque PSA Finance's consolidated liquidity Ratio. As a result, the future contractual interest payments are not included in the schedule. The derivative instruments used to hedge contractual future interest payments are not analysed by period.

Banque PSA Finance *(in million euros)*	31/12/2013	Not analysed	0-3 months	3-6 months	6-12 months	2-5 years	> 5 years
Assets							
Cash	1,804	-	1,804	-	-	-	-
Short-term investments - Finance companies	829	39	785	-	-	5	-
Derivative instruments (1)	92	92	-	-	-	-	-
Other non-current financial assets	53	5	-	-	-	48	-
Loans and receivables - Finance companies	21,335	501	5,458	2,261	3,419	9,539	157
TOTAL CASH FLOWS FROM ASSETS	**24,113**	**637**	**8,047**	**2,261**	**3,419**	**9,592**	**157**
Liabilities							
Derivative instruments (1)	65	65	-	-	-	-	-
Financing liabilities	20,444	8	4,600	2,315	2,398	10,940	183
TOTAL CASH FLOWS FROM LIABILITIES	**20,509**	**73**	**4,600**	**2,315**	**2,398**	**10,940**	**183**

(1) Intercompany loans and borrowings with manufacturing and sales companies are mainly short-term.

Covenants

The loan agreements signed by Banque PSA Finance, mainly in connection with issues of debt securities, include the customary acceleration clauses requiring the group to give certain covenants to lenders. They include:

- "negative pledge" clauses whereby the borrower undertakes not to grant any collateral to any third parties. These clauses nevertheless comprise exceptions allowing the Group to carry out securitisation programmes or to give assets as collateral;
- "material adverse changes" clauses, which apply in the event of a major negative change in economic and financial conditions;
- "*pari passu*" clauses, which ensure that lenders enjoy at least the same treatment as the borrower's other creditors;

- "cross-default" clauses, whereby if one loan goes into default, all other loans from the same lender automatically become repayable immediately;
- clauses whereby the borrower undertakes to provide regular information to the lenders;
- clauses whereby the borrower undertakes to comply with applicable legislation;
- clauses whereby no change in control of the company is authorised.

Many of Banque PSA Finance's agreements include four specific acceleration clauses requiring it to maintain a banking licence and to thereby comply with the capital Ratios applicable to all French banks. And, from 2013, the need to retain the optional guarantee from the French State for bond issues and a Common Equity Tier One Ratio of at least 11%.

All applicable clauses were complied with in 2013.

B. Interest rate risks

(A) MANAGEMENT OF INTEREST RATE RISKS: MANUFACTURING AND SALES COMPANIES

Trade receivables and payables are due within one year and their value is not affected by the level of interest rates.

Cash reserves and short-term financing needs of manufacturing and sales companies - excluding Automotive Equipment companies - are mainly centralised at the level of GIE PSA Trésorerie, which invests net cash reserves on the financial markets. These short-term instruments are indexed to variable rates.

The gross borrowings of manufacturing and sales companies - excluding Automotive Equipment companies - consist mainly of fixed- and adjustable-rate long-term loans. New borrowings obtained since 2009 have been kept at fixed rate in order to retain the benefit of record low fixed interest rates. The GIE's bond maturing in 2033 had initially been converted to variable rate by means of derivatives qualifying for hedge accounting under IFRS. This hedging was terminated in November 2012.

The proportion of the manufacturing and sales companies' borrowings - excluding Automotive Equipment companies - at variable rates of interest is now 11%, based on the principal borrowed.

Faurecia independently manages its interest rate risk on a centralised basis. This is organised by Faurecia's Finance and Treasury Department, which reports to its Executive Management. Hedging decisions are made by a Market Risk Committee that meets on a monthly basis. Issues of conventional and convertible bonds in 2012 were at fixed rate, increasing the proportion of fixed-rate debt compared to the previous year. Nevertheless, with a significant portion of the debt (syndicated line of credit, short-term borrowings, commercial paper) being variable rate, the hedging policy aims to limit the effect on Faurecia's profit of an increase in short-term rates. This hedging is mainly implemented through the use of interest rate swaps, primarily in euros. Substantially all variable rate interest payable in 2013 and 2014 is hedged, and to a lesser extent in 2015.

Some of Faurecia's derivative instruments have qualified for hedge accounting under IAS 39 since 2008. The other derivative instruments purchased by Faurecia represent economic hedges of interest rate risks on borrowings but do not meet the criteria in IAS 39 for the application of hedge accounting.

Faurecia is the only entity that holds cash flow hedges of interest rate risks.

The net interest rate position of manufacturing and sales companies is as follows:

		31 December 2013			
(in million euros)		Intraday to 1 year	2 to 5 years	Beyond 5 years	Total
Total assets	Fixed rate	924	202	296	1,422
	Variable rate	5,370	24	2	5,396
Total liabilities	Fixed rate	(1,201)	(4,645)	(2,502)	(8,348)
	Variable rate	(2,400)	(6)	-	(2,406)
NET POSITION BEFORE HEDGING	**FIXED RATE**	**(277)**	**(4,443)**	**(2,206)**	**(6,926)**
	VARIABLE RATE	**2,970**	**18**	**2**	**2,990**
Derivative financial instruments	Fixed rate	-	(583)	(139)	(722)
	Variable rate	252	470	-	722
NET POSITION AFTER HEDGING	**FIXED RATE**	**(277)**	**(5,026)**	**(2,345)**	**(7,648)**
	VARIABLE RATE	**3,222**	**488**	**2**	**3,712**

(in million euros)		31 December 2012			
		Intraday to 1 year	2 to 5 years	Beyond 5 years	Total
Total assets	Fixed rate	1,074	100	177	1,351
	Variable rate	5,859	-	-	5,859
Total liabilities	Fixed rate	(1,246)	(4,615)	(1,810)	(7,671)
	Variable rate	(2,618)	(1)	-	(2,619)
NET POSITION BEFORE HEDGING	**FIXED RATE**	**(172)**	**(4,515)**	**(1,633)**	**(6,320)**
	VARIABLE RATE	**3,241**	**(1)**	**-**	**3,240**
Derivative financial instruments	Fixed rate	(223)	(567)	(166)	(956)
	Variable rate	223	567	166	956
NET POSITION AFTER HEDGING	**FIXED RATE**	**(395)**	**(5,082)**	**(1,799)**	**(7,276)**
	VARIABLE RATE	**3,464**	**566**	**166**	**4,196**

(B) MANAGEMENT OF INTEREST RATE RISKS: FINANCE COMPANIES

Banque PSA Finance's fixed-rate loans to customers of the Automotive Division are refinanced mainly through adjustable rate borrowings. Banque PSA Finance's policy aims to offset the impact of changes in interest rates using appropriate financial instruments to match interest rates on the loans and the related refinancing.

Implementation of this strategy is overseen by the Bank's Refinancing Committee and led by Corporate Treasury. Interest rate risks on outstanding loans are attenuated through an assertive hedging policy, with a 3% ceiling on unhedged exposures (by country and by half-yearly maturity band) arising from the difficulty of precisely matching loan balances with the notional amounts of derivatives.

Concerning assets, fixed rate instalment loans are hedged by interest rate swaps that are purchased on the market as soon as the financing is granted. In practice, the swaps are purchased at ten-day intervals. Wholesale financing is granted at rates based on short-term market rates, while the liquidity reserve is invested at the same rates.

Concerning liabilities, all new interest-bearing debt is converted to a rate based on a three-month benchmark using appropriate hedging instruments. Refinancing costs for new retail loans may be capped through the occasional use of options. Given the historically low interest rates and the lack of consensus as to rate rises over the coming year, no optional hedging was put in place in 2012 for Banque PSA Finance.

The net interest rate position of Finance companies is as follows:

(in million euros)		31 December 2013			
		Intraday to 1 year	2 to 5 years	Beyond 5 years	Total
Total assets	Fixed rate	6,400	9,686	-	16,086
	Variable rate	7,912	-	-	7,912
Total liabilities	Fixed rate	(2,159)	(4,932)	(181)	(7,272)
	Variable rate	(12,653)	-	-	(12,653)
NET POSITION BEFORE HEDGING	**FIXED RATE**	**4,241**	**4,754**	**(181)**	**8,814**
	VARIABLE RATE	**(4,741)**	**-**	**-**	**(4,741)**
Derivative financial instruments	Fixed rate	(4,025)	(999)	181	(4,843)
	Variable rate	4,922	292	-	5,214
NET POSITION AFTER HEDGING	**FIXED RATE**	**216**	**3,755**	**-**	**3,971**
	VARIABLE RATE	**181**	**292**	**-**	**473**

(in million euros)		31 December 2012			
		Intraday to 1 year	2 to 5 years	Beyond 5 years	Total
	Fixed rate	7,074	10,395	-	17,469
Total assets	Variable rate	8,236	-	-	8,236
	Fixed rate	(2,181)	(5,561)	(178)	(7,920)
Total liabilities	Variable rate	(13,395)	(23)	-	(13,418)
	FIXED RATE	**4,893**	**4,834**	**(178)**	**9,549**
NET POSITION BEFORE HEDGING	**VARIABLE RATE**	**(5,159)**	**(23)**	**-**	**(5,182)**
	Fixed rate	(3,732)	(462)	178	(4,016)
Derivative financial instruments	Variable rate	4,375	23	-	4,398
	FIXED RATE	**1,161**	**4,372**	**-**	**5,533**
NET POSITION AFTER HEDGING	**VARIABLE RATE**	**(784)**	**-**	**-**	**(784)**

Sensitivity tests show that an increase or a decrease by 1% in average interest rates would have had an impact on income before tax of less than €2 million in 2013 (€4 million in 2012).

C. Counterparty and credit risks

(A) COUNTERPARTY RISK: MANUFACTURING AND SALES COMPANIES

The Automotive Division places significant emphasis on guaranteeing the security of payments for the goods and services delivered to customers. Relations with Peugeot and Citroën dealers are managed within the framework of the Banque PSA Finance sales financing system described below. Payments from other customers are secured by arrangements with leading counterparties that are validated by the Group Treasury Committee.

At Faurecia, the main counterparties are leading carmakers whose creditworthiness is tracked customer-by-customer.

Other counterparty risks concern investments of available cash and transactions involving currency, interest rate and commodity derivatives. These two types of transactions are carried out solely with leading financial partners approved by the Group Treasury Committee. The related counterparty risks are managed through a system of exposure limits by amount and by commitment duration. The limits are determined according to a range of criteria including the results of specific financial analyses by counterparty, the counterparty's credit rating and the amount of its equity capital.

Available cash is invested either in money market securities issued by approved counterparties, or in mutual funds or deposit accounts. The bulk of money market securities in the portfolio are issued by leading banks and the remainder by non-financial sector issuers. Mutual funds are selected according to guidelines specifying minimum fund credit ratings and maximum maturities of underlying assets. In addition, the amount invested in each fund is capped based on the fund's total managed assets.

Derivatives transactions are governed by standard ISDA or Federation Bancaire Française (FBF) agreements and contracts with the most frequently used counterparties provide for weekly margin calls.

(B) CREDIT AND COUNTERPARTY RISKS: FINANCE COMPANIES

Banque PSA Finance's exposure to credit risk corresponds to the risk of losses due to borrower default or borrower failure to fulfil their contractual obligations. The counterparties concerned are Peugeot and Citroën dealers and the dealers' retail customers. In the event of default, Banque PSA Finance generally has the right to repossess the vehicle and sell it on the used vehicle market. The risk that the vehicle's selling price on the used vehicle market will be less than the outstanding debt is taken into account in determining the amount of the related impairment (see Note 1.16.B).

Wholesale lending decisions for fleet customers and dealers are made based on a detailed risk assessment in accordance with strict rules on lending limits, either by the local Banque PSA Finance Credit Committees, or by the group Credit Committee. The level of credit lines is dependent on the item to be financed, the client's risk rating and lastly the general level of risk borne by the approving Credit Committee.

Banque PSA Finance's Corporate Lending Department is responsible for controlling the credit risk of these activities throughout the credit cycle. It uses Basel II-compliant credit scoring systems. The systems are tested regularly to ensure that they are reliable. They contribute to determining commitment levels and lending limits, and to defining detailed management and control rules. Their effectiveness is underpinned by high quality credit analyses performed by local units and headquarters teams, as well as by warning systems designed to ensure that incurred risks are identified and dealt with on a timely basis.

Retail loan acceptance processes are based on a local credit scoring system that is managed and overseen by a dedicated expert unit at the Bank's headquarters. To enhance its effectiveness, the scoring system is adapted according to the specific characteristics of each local market. The headquarters-based credit risk control unit regularly assesses the credit scoring system's effectiveness, working closely with the French and international operating units that perform regular reviews of requests, acceptances and payment incidents. For partnership subsidiaries, customer selection is the responsibility of the partner which uses the decision-making tools that it has developed. Nevertheless, teams at Banque PSA Finances's headquarters monitor the level of risk of requests and acceptance closely on an on-going basis, as well as the characteristics of files with past due instalments.

A dedicated headquarters-based collections unit leads the activities of all the Finance companies in this area, manages their shared collection systems and coordinates the results. It also oversees two collection call centres.

The following table presents the ageing analysis of sound Finance company loans with past due instalments that have not been written down:

AGEING ANALYSIS OF SOUND LOANS WITH PAST DUE INSTALMENTS THAT HAVE NOT BEEN WRITTEN DOWN

(in million euros)	31 December 2013	31 December 2012
Up to 90 days past due	293	319
90 to 180 days past due	1	2
180 days to 1 year past due	1	1
More than 1 year past due	1	1
TOTAL	**296**	**323**

Loans to corporate dealers and corporate and equivalent financing for which one or more instalments are more than 90 days past due (or 270 days for loans to local administrations) are not classified as non-performing when non-payment is due to an incident or a claim and is not related to the borrower's ability to pay.

Concerning concentration of credit risks, Banque PSA Finance continually monitors its largest exposures to ensure that they remain at reasonable levels and do not exceed the limits set in banking regulations. The Bank's ten largest weighted exposures other than with PSA Peugeot Citroën Group entities amounted to €2,057 million compared to €2,110 million in 2013.

As Banque PSA Finance is structurally in a net borrower position, its exposure to other financial counterparties is limited to the investment of funds corresponding to the liquidity reserve and of any excess cash; and the use of derivatives (swaps and options) to hedge currency and interest rate risks.

Available cash is invested in money market securities issued by leading banks, in deposit accounts with leading banks or in mutual funds offering a capital guarantee and a guaranteed yield.

Financial analyses are performed to ensure that each counterparty operates on a sustainable basis and has adequate capital resources. The results of the analysis are used to award an internal rating to the counterparty and to set acceptable exposure limits. These limits are defined by type of transaction (investments and derivatives), and cover both amounts and durations. Utilisation of these limits is assessed and checked daily. Derivatives transactions are governed by standard ISDA or FBF agreements and contracts with the most frequently used counterparties provide for weekly margin calls. Derivative contracts are entered into solely with counterparties rated A or higher.

D. Currency risk

(A) MANAGEMENT OF CURRENCY RISK: MANUFACTURING AND SALES COMPANIES

The manufacturing and sales companies manage their foreign exchange positions on transactions denominated in foreign currencies with the objective of hedging the risk of fluctuations in exchange rates. Automotive Division currency risks are managed centrally, for the most part by PSA International S.A. (PSAI) under the supervision of Executive Management. All products used by PSAI are standard products covered by International Swaps and Derivatives Association (ISDA) master agreements.

The goal is to minimise Automotive Division exchange differences by systematically hedging as soon as the foreign currency invoice is booked.

At Group level, currency risks are managed by requiring manufacturing companies to bill sales companies in the latter's local currency (except in rare cases or where this is not allowed under local regulations). Currency risks on these intragroup billings are also hedged using forward foreign exchange contracts. In most cases, foreign currency intragroup loans of Automotive Division companies are also hedged.

A new foreign currency policy includes the hedging of future flows for the Automotive Division. It consists of hedging the main net exposures to G10 currencies. These hedges are underpinned by governance rules and a strict decision-making process. They are classified as cash flow hedges under IAS 39. The maximum horizon for these hedges is two years. The hedging Ratios depend on the maturity.

At 31 December 2013, the Automotive Division had cash flow hedges on the following currencies: GBP, JPY, CHF, SEK and NOK.

The Group does not hedge its net investment in foreign operations.

PSAI also carries out proprietary transactions involving currency instruments. These transactions are subject to very strict exposure limits and are closely monitored on a continuous basis. They are the only non-hedging transactions carried out by companies in the PSA Peugeot Citroën Group and have a very limited impact on consolidated profit.

The historical Value at Risk (VaR) method is used to identify and manage market risks. The historical VaR uses volatilities and exchange rates for the various currencies since the beginning of 2008. VaR represents the maximum possible loss on the portfolio, based on the confidence level. The confidence levels measured are 95% and 99%. For both of these confidence levels, applying historical VaR to the portfolio at 31 December 2013 would not have had a material impact on Group earnings. This method assumes that future VaR will follow the same trend as historical VaR. It does not provide an indication of the losses that would be incurred under an extreme stress scenario.

Faurecia manages the currency risks incurred by its subsidiaries on commercial transactions principally through forward purchase and sale contracts or options, and foreign currency financing. Future transactions are hedged on the basis of cash flow forecasts drawn up during the budgeting process and approved by management. The derivative instruments used to hedge these future transactions qualify for cash flow hedge accounting, insofar a hedging relationship exists under IAS 39 standard. Subsidiaries located outside the euro zone receive intragroup loans in their functional currency. These loans are refinanced in euros, and the related currency risk is hedged by swaps.

Net position of the manufacturing and sales companies in the main currencies (open positions at 31 December)

The net position of the manufacturing and sales companies in the main foreign currencies is as follows:

	31 December 2013								
(in million euros)	GBP	JPY	USD	PLN	CHF	RUB	CZK	Other	Total
Total assets	221	79	622	47	23	103	116	232	1,443
Total liabilities	(112)	(74)	(3)	(12)	-	(276)	(139)	(8)	(624)
Future transactions (1)	312	2	92	(104)	163	42	(51)	137	593
Exposure to fixed charge coverage commitments	-	(321)	-	-	-	-	-	-	(321)
NET POSITION BEFORE HEDGING	**421**	**(314)**	**711**	**(69)**	**186**	**(131)**	**(74)**	**361**	**1,412**
Derivative financial instruments	(430)	185	(632)	63	(186)	167	35	(350)	(1,148)
NET POSITION AFTER HEDGING	**(9)**	**(129)**	**79**	**(6)**	**-**	**36**	**(39)**	**11**	**264**

(1) This item mainly includes hedges of Faurecia's exposure on forecast transactions for the next six months.

	31 December 2012								
(in million euros)	GBP	JPY	USD	PLN	CHF	RUB	CZK	Other	Total
Total assets	262	68	644	31	22	196	127	350	1,700
Total liabilities	(161)	(124)	(2)	(18)	-	(298)	(145)	(81)	(829)
Future transactions (1)	73	(8)	37	(55)	134	-	(27)	70	224
Exposure to fixed charge coverage commitments	-	(509)	-	-	-	-	-	-	(509)
NET POSITION BEFORE HEDGING	**174**	**(573)**	**679**	**(42)**	**156**	**(102)**	**(45)**	**339**	**586**
Derivative financial instruments	(184)	224	(635)	21	(156)	99	23	(411)	(1,019)
NET POSITION AFTER HEDGING	**(10)**	**(349)**	**44**	**(21)**	**-**	**(3)**	**(22)**	**(72)**	**(433)**

(1) This item mainly includes hedges of Faurecia's exposure on forecast transactions for the next six months.

A 5% increase or decrease in the year-end exchange rate of the main currencies in which the manufacturing and sales companies had open balance sheet positions at 31 December 2013 (see table below) would have the following direct impact on income before tax and equity:

(in million euros)	PLN/EUR	CZK/EUR	JPY/EUR	USD/CAD	USD/EUR	USD/DZD	JPY/RUB	Other
Hypothetical fluctuation against the euro	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Impact on income before tax	1	1	-	5	1	2	-	1
Impact on equity	5	1	6	-	1	-	-	-

The following table shows the net position of the manufacturing and sales companies in the main foreign currencies versus the other currencies:

	31 December 2013							
(in million euros)	RUB/ UAH	USD/ CAD	USD/ BRL	USD/ ARS	USD/ DZD	UAH/ USD	RUB/ USD	JPY/ RUB
Total assets	-	98	62	69	-	-	-	-
Total liabilities	(1)	-	(166)	(137)	(45)	(17)	-	(3)
Future transactions (1)	-	(15)	-	-	-	-	-	-
NET POSITION BEFORE HEDGING	**(1)**	**83**	**(104)**	**(68)**	**(45)**	**(17)**	**-**	**(3)**
Derivative financial instruments	-	(85)	99	73	-	-	-	-
NET POSITION AFTER HEDGING	**(1)**	**(2)**	**(5)**	**5**	**(45)**	**(17)**	**-**	**(3)**

(1) This item mainly includes hedges of Faurecia's exposure on forecast transactions for the next six months.

	31 December 2012							
(in million euros)	RUB/ UAH	USD/ CAD	USD/ BRL	USD/ ARS	USD/ DZD	UAH/ USD	RUB/ USD	JPY/ RUB
Total assets	-	84	37	92	-	-	-	-
Total liabilities	(2)	-	(52)	(87)	(162)	(12)	(2)	(63)
Future transactions (1)	-	(19)	-	-	-	-	-	-
NET POSITION BEFORE HEDGING	**(2)**	**65**	**(15)**	**5**	**(162)**	**(12)**	**(2)**	**(63)**
Derivative financial instruments	-	(65)	15	-	-	-	-	-
NET POSITION AFTER HEDGING	**(2)**	**-**	**-**	**5**	**(162)**	**(12)**	**(2)**	**(63)**

(1) This item mainly includes hedges of Faurecia's exposure on forecast transactions for the next six months.

(B) MANAGEMENT OF CURRENCY RISK: FINANCE COMPANIES

Group policy consists of not entering into any operational currency positions. Liabilities are matched with assets in the same currency, entity-by-entity, using appropriate financial instruments. The hedging is achieved using cross currency swaps, currency swaps and forward foreign exchange contracts.

The Group does not hedge its net investment in foreign operations.

The net position of the Finance companies in the main foreign currencies is as follows:

	31 December 2013								
(in million euros)	GBP	HUF	PLN	CHF	RUB	CZK	USD	Other	Total
Total assets	2,735	10	119	205	63	50	10	54	3,246
Total liabilities	(1,278)	-	-	(234)	-	-	(916)	(113)	(2,541)
NET POSITION BEFORE HEDGING	**1,457**	**10**	**119**	**(29)**	**63**	**50**	**(906)**	**(59)**	**705**
Derivative financial instruments	(1,457)	(10)	(119)	29	(63)	(50)	906	59	(705)
NET POSITION AFTER HEDGING	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	31 December 2012								
(in million euros)	GBP	JPY	PLN	CHF	RUB	CZK	USD	Other	Total
Total assets	2,341	-	146	363	153	70	-	103	3,176
Total liabilities	(1,087)	(44)	-	(188)	-	(54)	(947)	(60)	(2,380)
NET POSITION BEFORE HEDGING	**1,254**	**(44)**	**146**	**175**	**153**	**16**	**(947)**	**43**	**796**
Derivative financial instruments	(1,254)	44	(146)	(175)	(153)	(16)	947	(42)	(795)
NET POSITION AFTER HEDGING	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**

In view of the Group's hedging policy, a change in exchange rates at the level of the Finance companies would not have any material impact on consolidated profit or equity.

E. Commodity risk

The Automotive Division's exposure to commodity risks is tracked jointly by the Purchasing Department and PSA International S.A. (PSAI) which is responsible for hedging the Group's currency and commodity risks, while Faurecia's risks are managed independently. The Automotive Division's commodity risks are reviewed at quarterly intervals by a Metals Committee chaired by the Group's Chief Financial Officer. This Committee monitors hedging gains and losses, reviews each commodity that may have a material impact on the Group's operating income and sets hedging targets in terms of volumes and prices over periods of up to three years. Cash flow hedges are used only when they qualify for hedge accounting under IAS 39.

The production costs of the Automotive Division and Faurecia are exposed to the risk of changes in certain raw materials prices, either as a result of their direct purchases or indirectly through the impact of these changes on their suppliers' costs. These raw materials are either industrial products such as steel and plastics whose prices and related adjustments are negotiated between buyers and vendors, or commodities traded on organised markets, such as aluminium, copper, lead or precious metals, for which the transaction price is determined by direct reference to the prices quoted on the commodity market.

Part of the Automotive Division's exposure to fluctuations in commodity prices is hedged using derivative instruments traded on regulated markets. The aim of these hedges is to minimize the impact of changes in commodity prices on physical deliveries for the Group's production needs. In 2013, hedging volumes were lower than in previous years with hedging extending to the first half of 2016.

In 2013, commodity hedges concerned purchases of aluminium, copper, lead, platinum, palladium and rhodium.

For the Automotive Division, in the event of a 28% rise (fall) in base metal prices (aluminium, copper and lead) and a 19% rise (fall) in precious metal prices (platinum, palladium and rhodium), the impact of the commodity hedges held at 31 December 2013 would have been a €83 million increase (decrease) in consolidated equity at 31 December 2013 (versus €133 million at 31 December 2012). As all commodity hedges qualified as cash flow hedges under IAS 39, changes in the fair value of these instruments resulting from changes in the prices of the hedged commodities would not have had any impact on 2013 profit.

The commodity price trend assumptions were determined based on the average historical and implicit volatilities observed on the relevant commodity markets in the reporting year.

Faurecia's sales contracts with customers do not include any indexation clause based on commodity prices. The risk of an unfavourable change in commodity prices is attenuated through a policy of regular price negotiations with customers and tight inventory management. Faurecia does not use derivative instruments to hedge its commodity and energy purchases.

36.2. HEDGING INSTRUMENTS: MANUFACTURING AND SALES COMPANIES

The various types of hedging instrument used and their accounting treatment are described in Note 2.16.D.

A. Details of values of hedging instruments and notional amounts hedged: manufacturing and sales companies

	31 December 2013					
	Carrying amount		Notional amount	Maturity		
(in million euros)	Assets	Liabilities		< 1 year	2 to 5 years	> 5 years
Currency risk						
Fair value hedges:						
> Forward foreign exchange contracts	3	-	73	73	-	-
> Currency options	-	(8)	74	74	-	-
> Currency swaps	6	-	665	665	-	-
> Cross-currency swaps	3	-	36	36	-	-
Cash flow hedges:						
> Forward foreign exchange contracts	26	(1)	252	252	-	-
> Cross-currency swaps	15	-	261	-	150	111
> Currency options	-	-	391	374	17	-
Trading instruments (1)	*13*	*(50)*	*6,928*	*6,773*	*155*	-
Of which Intragroup	-	-				
Total currency risks	**66**	**(59)**	**8,680**	**8,247**	**322**	**111**
Interest rate risk						
Fair value hedges:						
> Interest rate swaps	-	-	-	-	-	-
Cash flow hedges:						
> Interest rate options	-	(5)	522	-	470	52
> Cross-currency swaps	-	-	-	-	-	-
Trading instruments (2)	-	-	-	-	-	-
Of which Intragroup	-	-				
Total interest rate risks	**-**	**(5)**	**522**	**-**	**470**	**52**
Commodity risk						
Cash flow hedges:						
> Swaps	1	(73)	421	246	175	-
Total commodity risks	**1**	**(73)**	**421**	**246**	**175**	**-**
TOTAL	**67**	**(137)**	**9,623**	**8,493**	**967**	**163**
Of which:						
TOTAL FAIR VALUE HEDGES	**12**	**(8)**	**848**	**848**	**-**	**-**
TOTAL CASH FLOW HEDGES	**42**	**(79)**	**1,847**	**872**	**812**	**163**

(1) *Currency trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. As IAS 21 requires receivables and payables denominated in foreign currencies to be systematically remeasured at the closing exchange rate with any gains or losses taken to income, the Group has elected not to designate these receivables and payables as part of a documented hedging relationship, although their impact on income is the same.*

(2) *Interest rate trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. This item corresponds to the fair value of economic hedges of borrowings or investments.*

Hedging instruments that are not subject to compensation clauses in case of default by either party do not represent a significant amount for the Automotive Division.

	31 December 2012					
	Carrying amount		Notional amount	Maturity		
(in million euros)	Assets	Liabilities		< 1 year	2 to 5 years	> 5 years
Currency risk						
Fair value hedges:						
> Forward foreign exchange contracts	-	-	6	6	-	-
> Currency options	-	(3)	61	61	-	-
> Currency swaps	1	(3)	756	756	-	-
Cash flow hedges:						
> Forward foreign exchange contracts	10	(1)	283	283	-	-
> Cross-currency swaps	-	(11)	298	-	188	110
> Currency options	-	-	258	254	4	-
Trading instruments (1)	51	(26)	7,019	6,988	31	-
Of which Intragroup	-	-				
Total currency risks	**62**	**(44)**	**8,681**	**8,348**	**223**	**110**
Interest rate risk						
Fair value hedges:						
> Interest rate swaps	-	-	-	-	-	-
Cash flow hedges:						
> Interest rate options	-	(13)	700	223	420	57
> Cross-currency swaps	-	-	-	-	-	-
Trading instruments (2)	-	-	-	-	-	-
Of which Intragroup	-	-				
Total interest rate risks	**-**	**(13)**	**700**	**223**	**420**	**57**
Commodity risk						
Cash flow hedges:						
> Swaps	6	(45)	516	297	219	-
Total commodity risks	**6**	**(45)**	**516**	**297**	**219**	**-**
TOTAL	**68**	**(102)**	**9,897**	**8,868**	**862**	**167**
Of which:						
TOTAL FAIR VALUE HEDGES	**1**	**(6)**	**823**	**823**	**-**	**-**
TOTAL CASH FLOW HEDGES	**16**	**(70)**	**2,055**	**1,057**	**831**	**167**

(1) *Currency trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. As IAS 21 requires receivables and payables denominated in foreign currencies to be systematically remeasured at the closing exchange rate with any gains or losses taken to income, the Group has elected not to designate these receivables and payables as part of a documented hedging relationship, although their impact on income is the same.*

(2) *Interest rate trading instruments: derivative instruments not qualifying for hedge accounting under IAS 39. This item corresponds to the fair value of economic hedges of borrowings or investments.*

B. Impact of hedging instruments on income and equity: manufacturing and sales companies

(A) IMPACT OF CASH FLOW HEDGES

(in million euros)	2013	2012
Change in effective portion recognised in equity	-	(33)
Change in ineffective portion recognised in profit or loss	(2)	3
Effective portion reclassified to the income statement under "Cost of goods and services sold"	25	(41)
Effective portion reclassified to the income statement under "Finance costs"	28	(8)
Effective portion reclassified to the income statement under "Other financial income and expenses"	-	-

(B) IMPACT OF FAIR VALUE HEDGES

(in million euros)	2013	2012
Gains and losses on hedged borrowings recognised in profit or loss	-	(63)
Change in ineffective portion recognised in profit or loss	(7)	2
Gains and losses on hedges of borrowings recognised in profit or loss	-	63
NET IMPACT ON INCOME	**(7)**	**2**

The "Net gain (loss) on hedges of borrowings" presented in Note 10 also includes gains and losses on economic hedges that do not qualify for hedge accounting under IAS 39.

36.3. HEDGING INSTRUMENTS: FINANCE COMPANIES

The different types of hedges and their accounting treatment are described in Note 2.16.D.

A. Details of values of hedging instruments and notional amounts hedged: finance companies

Offsetting notional amounts have been netted to make the financial statements easier to read. However, separate disclosures are made at the foot of the page.

	31 December 2013					
	Carrying amount		Notional amount	Maturity		
(in million euros)	Assets	Liabilities		< 1 year	2 to 5 years	> 5 years
Currency risk						
Fair value hedges:						
> Currency swaps	35	(3)	2,679	2,679	-	-
Interest rate risk						
Fair value hedges:						
> Swaps on borrowings	3	-	150	100	50	-
> Swaps on EMTN/BMTN issues	108	(3)	6,793	2,018	4,594	181
> Swaps on EMTN issues at variable rate	-	-	-	-	-	-
> Swaps on bonds [(1)]	17	(17)	-	-	-	-
> Swaps on certificates of deposit	-	-	-	-	-	-
> Swaps on other debt securities	-	-	-	-	-	-
> Swaps on retail financing	7	(21)	11,400	5,793	5,607	-
> Accrued income/expenses on swaps	(81)	(18)	-	-	-	-
Cash flow hedges:						
> Swaps	-	-	67	31	36	-
Trading instruments	3	(3)	372	368	4	-
TOTAL	**92**	**(65)**	**21,461**	**10,989**	**10,291**	**181**
Of which Intragroup	-	(7)				
TOTAL FAIR VALUE HEDGES	**89**	**(62)**	**21,022**	**10,590**	**10,251**	**181**
TOTAL CASH FLOW HEDGES	**-**	**-**	**67**	**31**	**36**	**-**

(1) This item includes €3,778 million in swaps acquired as hedges that represent closed positions in the consolidated financial statements.

(in million euros)	31 December 2012					
	Carrying amount		Notional amount	Maturity		
	Assets	Liabilities		< 1 year	2 to 5 years	> 5 years
Currency risk						
Fair value hedges:						
> Currency swaps	83	-	2,777	2,777	-	-
Interest rate risk						
Fair value hedges:						
> Swaps on borrowings	8	-	255	100	155	-
> Swaps on EMTN/BMTN issues	214	(2)	7,633	2,048	5,407	178
> Swaps on bonds [1]	18	(18)	-	-	-	-
> Swaps on certificates of deposit	-	-	17	17	-	-
> Swaps on other debt securities	1	-	16	16	-	-
> Swaps on retail financing	2	(79)	11,894	5,871	6,023	-
> Accrued income/expenses on swaps	1	(15)	-	-	-	-
Cash flow hedges:						
> Swaptions	-	-	42	19	23	-
Trading instruments	2	(2)	382	382	-	-
TOTAL	**329**	**(116)**	**23,016**	**11,230**	**11,608**	**178**
Of which Intragroup	*14*	*(6)*				
TOTAL FAIR VALUE HEDGES	**327**	**(114)**	**22,592**	**10,829**	**11,585**	**178**
TOTAL CASH FLOW HEDGES	**-**	**-**	**42**	**19**	**23**	**-**

(1) This item includes €3,714 million in swaps acquired as hedges that represent closed positions in the consolidated financial statements.

B. Impact of hedging instruments on income and equity: finance companies

(A) IMPACT OF CASH FLOW HEDGES

(in million euros)	2013	2012
Change in effective portion recognised in equity	-	-
Change in ineffective portion recognised in profit or loss	-	-
Effective portion reclassified to the income statement under "Cost of goods and services sold"	4	7

(B) IMPACT OF FAIR VALUE HEDGES

(in million euros)	2013	2012
Gains and losses on hedged customer loans recognised in profit or loss	(48)	12
Gains and losses on hedges of customer loans recognised in profit or loss	49	(12)
NET IMPACT ON INCOME	**1**	**-**
Gains and losses on remeasurement of financial liabilities recognised in profit or loss	99	(42)
Gains and losses on remeasurement of hedges of financial liabilities recognised in profit	(101)	49
NET IMPACT ON INCOME	**(2)**	**7**

NOTE 37 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

Off-balance sheet commitments given in the normal course of business were as follows at 31 December 2013:

(en millions d'euros)	31 December 2013	31 December 2012
Manufacturing and sales companies		
Financing commitments (Note 37.1)		
Guarantees given	304	201
Pledged or mortgaged assets	497	921
Operating commitments (Note 37.2)		
Capital commitments for the acquisition of non-current assets	408	879
Orders for research and development work	16	34
Financing commitments	-	30
Minimum purchase commitments	285	170
Non-cancellable lease commitments	1 462	1 018
	2 972	**3 253**
Finance companies		
Financing commitments to customers	1 257	1 426
Guarantees given on behalf of customers and financial institutions (1)	3 268	5 508
	4 525	**6 934**

(1) This item primarily includes receivables given as collateral as follows:
- *€2,957 million to the European Central Bank for €700 million in long-term refinancing and €1,000 million in short-term refinancing;*
- *€165 million to Société de Financement de l'Economie Française (SFEF) for €105 million in refinancing;*
- *€72 million to CA-CIB and Société Générale;*
- *€61 million to Mediobanca.*

37.1. FINANCING-RELATED COMMITMENTS

Pledged or mortgaged assets

This item includes the French government bonds (OATs) given as collateral for loans from the European Investment Bank (EIB).

The following table analyses pledged and mortgaged assets by commitment period:

PERIODS

(in million euros)	31 December 2013	31 December 2012
2013	-	101
2014	414	270
2015	16	10
2016	14	2
2017	11	1
2018	16	-
2019	-	-
Subsequent years	26	537
TOTAL PLEDGED OR MORTGAGED ASSETS	**497**	**921**
Total assets	59,664	64,884
Percentage of total assets	0.8%	1.4%

37.2. OPERATIONS-RELATED COMMITMENTS

Minimum purchase commitments

In order to speed up its growth and reduce costs, the Group has entered into cooperation agreements with other carmakers for the joint development and/or manufacture of mechanical sub-assemblies or vehicles. These joint arrangements enable the partners to share project costs, delivering economies of scale that translate into competitive advantage.

Under the terms of these agreements, the Group is committed to financing investment in research and development and specific tooling and to taking delivery of a minimum quantity of products manufactured by the joint arrangements. If it fails to honour this minimum purchase commitment, it will be required to pay a penalty designed to cover the related production costs borne by the partner.

Any adverse consequences of these commitments are reflected in the consolidated financial statements as soon as they are considered probable, in the form of asset impairments or, if necessary, provisions for contingencies.

For contracts where the products are manufactured by the Group's partner, capacity reservation fees are accounted for as off- balance sheet commitments net of any provisions.

Capital commitments for the acquisition of non-current assets

This item corresponds mainly to commitments to purchase property, plant and equipment. It also includes the Group's commitment towards the two Fonds de Modernisation des Équipementiers Automobiles (FMEA - tier 1 and tier 2), two funds set up to support automotive equipment manufacturers. The Group's total commitment to FMEA amounted to €204 million. At 31 December 2013, the Group had already paid €125 million into this fund.

Non-cancellable lease commitments

PERIODS

(in million euros)	31 December 2013	31 December 2012
2013	-	187
2014	261	157
2015	215	132
2016	186	113
2017	154	88
2018	135	70
2019	119	-
Subsequent years	392	271
TOTAL NON-CANCELLABLE LEASE COMMITMENTS	**1,462**	**1,018**

Non-cancellable leases are entered into in the normal course of business and consist mainly of leases on commercial property and vehicles. The lease terms reflect local practices in each country.

37.3. CONTINGENT LIABILITIES

The Group is involved in claims and litigation arising in the normal course of business. Based on the information currently available, the outcome of this litigation is not expected to result in an outflow of economic resources without anything in return.

37.4. COMMITMENTS CONNECTED WITH THE GEFCO GROUP

Representations and warranties were made to JSC Russian Railways (RZD) as part of its acquisition of the GEFCO Group from PSA Peugeot Citroën. At 31 December 2013, the Group had not identified any material risks associated with these representations and warranties.

Under the logistics and transportation service agreements entered into by the PSA Peugeot Citroën and GEFCO groups, the Group gave guarantees regarding the satisfactory performance of the logistics contracts and a five-year exclusivity clause. At 31 December 2013, the Group had not identified any material risks associated with these representations and warranties.

NOTE 38 RELATED PARTY TRANSACTIONS

Related parties are companies subject to significant influence consolidated by the equity method, members of the managing bodies and shareholders holding more than 10% of Peugeot S.A. capital.

Transactions with companies accounted for by the equity method are disclosed in Note 16.6. Other than these transactions, there were no significant transactions with other related parties.

NOTE 39 MANAGEMENT COMPENSATION

(in million euros)	2013	2012
Compensation paid to:		
> Members of management bodies	6.9	6.6
> Members of the Supervisory Board	1.4	1.5
Total management compensation	**8.3**	**8.1**
Stock-option and performance share costs (Note 2.22)	-	-
TOTAL	**8.3**	**8.1**

The Group is managed by the Managing Board.

The Group's management bodies correspond to the Executive Committee, which includes the members of the Managing Board and other members of executive management.

The compensation details provided in the table above do not include payroll taxes. The Managing Board members will not receive their 2013 bonuses.

The following table presents details of Peugeot S.A. performance shares awarded to members of the management bodies in 2010 and outstanding Peugeot S.A. stock-options granted to members of the management bodies in the years prior to 2013:

(number of options)	2013	2012
Stock-options held at 31 December.	272,610	395,460

Members of the Group's management bodies benefit from a supplementary pension plan described in Note 28.1, amendments to which were taken into account at the 2013 year-end.

Members of the Group's management bodies are not entitled to any long-term benefits apart from pension benefits and the performance shares under the plans referred to above, or any other forms of share-based payments or any compensation for loss of office.

NOTE 40 SUBSEQUENT EVENTS

The Group will announce on 19 February 2014, with three specific press releases, major projects of operations to this effect:

The first press release is related to the reinforcement of the industrial and commercial partnership with Dongfeng Motor Group, a €3 billion capital increase, with the attribution of free equity warrants to existing shareholders of Peugeot S.A.

These major projects of operations are aimed at improving the competitiveness of the Group, accelerating its globalisation and emerging markets expansion strategy, while reinforcing its financial strength.

The operations would consist of:

1. The strengthening and deepening of the existing industrial and commercial partnership with Dongfeng Motor Group ("DFG"), China's second largest carmaker, in order to capitalise on the Group's current success in the world's largest automobile market, which is now the primary source of growth for the automotive industry;
2. A €3 billion capital increase including:
   - a reserved €1,048 million capital increase subscribed by DFG and the French State, on an equal basis, at a subscription price of €7.50 per share;
   - a c. €1.95 billion rights issue open to all Peugeot S.A. shareholders (including DFG and the French State), and underwritten by a syndicate of banks for the shares not subscribed by DFG, the French State and FFP/EPF;
   - prior to capital increase, an attribution of free equity warrants to existing Peugeot S.A. shareholders, with one warrant granted by existing share, based on an subscription Ratio of 10 warrants for 3 new Peugeot S.A. shares. The warrants could be exercised over three years, and would be exercisable from the 2nd year, with a strike price equal to the subscription price of the reserved capital increase in favour of DFG and the French State, *i.e.* €7.5 per share;
3. A capital increase reserved for employees will be offered to them in the course of 2014, in order to give them the opportunity to participate in the value creation potential of the Group.

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 Peugeot S.A. shareholders due to take place in the second quarter 2014.

These operations are aimed at financing among others the current medium-term plan of the Group and revitalizing its development.

The second press release is related to the renewal of an amount of €2.7 billion syndicated credit facility, constitutive of confirmed line of credit. It would comprise a €2.0 billion five-year tranche and a €0.7 billion three-year tranche with two optional one-year extensions.

It would replace the €2.4 billion line of credit set up in July 2010 and maturing in July 2014 for €0.2 billion and July 2015 for €2.2 billion. The new line would be subject to the completion of the €3 billion capital increase announced here.

The third press release announces the entrance in exclusive negotiations to form a partnership in financing activities between Banque PSA Finance and Santander Consumer Finance.

The partnership with the Consumer Finance Division of Santander, the largest bank in the Eurozone by market capitalisation, would result in the creation of local partnerships, each 50/50 owned by Banque PSA Finance and Santander Consumer Finance, across PSA Peugeot Citroën's main European markets. This partnership would create a competitive, sustainable and dynamic captive financing activity dedicated to Group brands. This partnership would not need the French State guarantee for the funding of its activities. The contemplated perimeter of the transaction would cover approximately 90% of Banque PSA Finance's current activities.

The entering into the agreements to implement this partnership is subject to the finalization of the relevant agreements and the prior information and consultation of the relevant employee representative bodies, and including the approval of the competent banking authorities in the main European countries. The closing of the transaction would then be expected to occur in H2 2015.

The details of the terms of these operations and their potential consequences for the Group are given in the specific press releases.

NOTE 41 FEES PAID TO THE AUDITORS

(in million euros)	Mazars		Ernst & Young		PricewaterhouseCoopers	
	2013	2012	2013	2012	2013	2012
Audit						
Statutory and contractual audit services						
> Peugeot S.A.	0.2	0.3	0.3	0.4	-	-
> Fully-consolidated subsidiaries	2.7	2.6	8.8	9.0	2.9	3.2
o/w France	*1.4*	*1.4*	*2.6*	*2.7*	*0.8*	*1.0*
o/w International	*1.3*	*1.2*	*6.2*	*6.3*	*2.1*	*2.2*
Audit-related services						
> Peugeot S.A.	-	-	-	-	-	-
> Fully-consolidated subsidiaries	0.1	0.1	0.1	0.1	-	-
o/w France	*0.1*	*0.1*	*0.1*	*0.1*	-	-
o/w International	-	-	-	-	-	-
Sub-total	**3.0**	**3.0**	**9.2**	**9.5**	**2.9**	**3.2**
o/w Faurecia	-	-	4.8	4.8	2.9	3.2
Excluding Faurecia	3.0	3.0	4.4	4.7	-	-
	100%	*100%*	*99%*	*98%*	*97%*	*97%*
Other services provided to subsidiaries						
Legal and tax services	-	-	0.1	0.2	0.1	0.1
Other	-	-	-	-	-	-
Sub-total	**-**	**-**	**0.1**	**0.2**	**0.1**	**0.1**
o/w Faurecia	-	-	-	-	-	-
Excluding Faurecia	-	-	0.1	0.2	0.1	0.1
			1%	*2%*	*3%*	*3%*
TOTAL	**3.0**	**3.0**	**9.3**	**9.7**	**3.0**	**3.3**
o/w Faurecia	-	-	4.8	4.8	2.9	3.2
Excluding Faurecia	3.0	3.0	4.5	4.9	0.1	0.1

Faurecia's Statutory Auditors are Ernst & Young and PricewaterhouseCoopers.

NOTE 42 CONSOLIDATED COMPANIES AT 31 DECEMBER 2013

Company	Country	F/E	% interest
HOLDING COMPANY AND OTHER			
Peugeot S.A.	France	I	100
D.J. 06	France	I	100
Émotion	France	I	100
Financière Pergolèse	France	I	100
G.I.E. PSA Trésorerie	France	I	100
Grande Armée Participations	France	I	100
Peugeot Motocycles	France	I	100
Peugeot Motocycles Deutschland GmbH	Germany	I	100
Peugeot Motocycles Italia S.p.A.	Italy	I	100
Société Anonyme de Réassurance Luxembourgeoise - SARAL	Luxembourg	I	100
PSA International S.A.	Switzerland	I	100
Jinan Quigqi Peugeot Motorcycles	China	E	50
GEFCO	France	E	25
AUTOMOTIVE DIVISION			
Peugeot Algérie S.p.A.	Algeria	I	100
CISA	Argentina	I	100
Peugeot Citroën Argentina S.A.	Argentina	I	100
Citroën Osterreich GmbH	Austria	I	100
Peugeot Austria GmbH	Austria	I	100
Peugeot Wien GmbH	Austria	I	100
Citroën Belux S.A. - NV	Belgium	I	100
Peugeot Belgique Luxembourg S.A.	Belgium	I	100
S.A. Peugeot Distribution Service N.V.	Belgium	I	100
Citroën do Brasil	Brazil	I	100
PCI do Brasil Ltda	Brazil	I	100
Peugeot Citroën Comercial Exportadora	Brazil	I	100
Peugeot Citroën do Brasil Automoveis Ltda	Brazil	I	100
Automotores Franco Chilena S.A.	Chile	I	100
Peugeot Chile	Chile	I	97
PCA (China) Automotive Drive Co	China	I	100
Citroën - Hrvatska d.o.o.	Croatia	I	100
Peugeot Hrvatska d.o.o.	Croatia	I	100
Citroën Ceska Republica s.r.o.	Czech Republic	I	100
PCA Logistika CZ	Czech Republic	I	100
Peugeot Ceska Republica s.r.o.	Czech Republic	I	100
Citroën Danmark A/S	Denmark	I	100
Automobiles Citroën	France	I	100
Automobiles Peugeot	France	I	100
Centrauto	France	I	100
Citroën Argenteuil	France	I	100

Company	Country	F/E	% interest
Citroën Champ de Mars	France	I	100
Citroën Dunkerque	France	I	100
Citroën Orléans	France	I	100
Épinettes	France	I	100
Française de Mécanique	France	I	100
G.I.E. PSA Peugeot Citroën	France	I	100
Gisevel	France	I	100
Grands Garages du Limousin	France	I	100
Mécanique et Environnement	France	I	100
Peugeot Citroën Aulnay S.N.C.	France	I	100
Peugeot Citroën Automobiles S.A.	France	I	100
Peugeot Citroën Mécanique du Grand Est S.N.C.	France	I	100
Peugeot Citroën Mécanique du Nord-Ouest S.N.C.	France	I	100
Peugeot Citroën Mulhouse S.N.C.	France	I	100
Peugeot Citroën Poissy S.N.C.	France	I	100
Peugeot Citroën Rennes S.N.C.	France	I	100
Peugeot Citroën Sochaux S.N.C.	France	I	100
Peugeot Média Production	France	I	100
Peugeot Moteur et Systèmes	France	I	100
Peugeot Neuilly Victor Hugo	France	I	100
Peugeot Saint Denis Automobiles	France	I	100
Pieces et Entretien Automobile Bordelais	France	I	100
Prince S.A.	France	I	100
Process Conception Ingénierie S.A.	France	I	100
Retail France	France	I	100
Sabrié	France	I	100
Sevelind	France	I	100
SNC PC.PR	France	I	100
Société Commerciale Automobile	France	I	100
Société Commerciale Citroën	France	I	100
Société de Construction d'Équipements de Mécanisations et de machines - SCEMM	France	I	100
Société de Pièces et Services Automobile de l'Ouest	France	I	100
Société Européenne de Véhicules Légers du Nord - Sevelnord	France	I	100
Société Industrielle Automobile de Champagne - Ardennes	France	I	100
Société Industrielle Automobile de Provence	France	I	100
Société Lilloise de Services et De Distribution de Pieces de Rechange	France	I	100
Société Lyonnaise de Pieces et Services Automobile	France	I	100
Société Mécanique Automobile de l'Est	France	I	100
Société Nouvelle Armand Escalier	France	I	100
Sté CLE Distribution Pièces de Rechange - SCPR	France	I	100
Technoboost	France	I	60
BMW Peugeot Citroën Electrification SAS	Germany	I	100
Citroën Commerce GmbH	Germany	I	100
Citroën Deutschland AG	Germany	I	100

Company	Country	F/E	% interest
Peugeot Deutschland GmbH	Germany	I	100
Peugeot Nordhessen GmbH	Germany	I	100
PSA Services Deutschland GmbH	Germany	I	100
Citroën Hungaria Kft	Hungary	I	100
Peugeot Hungaria Kft	Hungary	I	100
Citroën Motors Irlande LTD	Ireland	I	100
Citroën Italia S.p.A.	Italy	I	100
Peugeot Automobili Italia S.p.A.	Italy	I	100
Peugeot Gianicolo S.p.A.	Italy	I	100
Peugeot Milan	Italy	I	100
PSA Services SRL	Italy	I	100
Peugeot Citroën Japan KK Co Ltd	Japan	I	100
Peugeot Tokyo	Japan	I	100
Peugeot Mexico S.A.de CV	Mexico	I	100
Servicios Auto. Franco Mexicana	Mexico	I	100
Citroën Norge A/S	Norway	I	100
Citroën Polska S.p.z.o.o.	Poland	I	100
Peugeot Polska S.p.z.o.o.	Poland	I	100
Automoveis Citroën S.A.	Portugal	I	100
Peugeot Citroën Automoveis	Portugal	I	99
Peugeot Portugal Automoveis Distribucao	Portugal	I	100
Peugeot Portugal Automoveis S.A.	Portugal	I	100
Citroën Romania Srl	Romania	I	100
PCMA Automotiv RUS	Russia	I	70
Peugeot Citroën RUS	Russia	I	100
Citroën Slovakia s.r.o.	Slovakia	I	100
PCA Slovakia s.r.o.	Slovakia	I	100
Peugeot Slovakia s.r.o.	Slovakia	I	100
PSA Service Centre Europe	Slovakia	I	100
Citroën Slovenija d.o.o.	Slovenia	I	100
Peugeot Slovenija d.o.o. P.Z.D.A.	Slovenia	I	100
Peugeot Motors South Africa Ltd	South Africa	I	100
Automoviles Citroën Espana	Spain	I	100
Comercial Citroën S.A.	Spain	I	97
Garaje Eloy Granollers S.A.	Spain	I	99
Hispanomocion S.A.	Spain	I	100
Motor Talavera	Spain	I	99
Peugeot Citroën Automoviles Espana S.A.	Spain	I	100
Peugeot Espana S.A.	Spain	I	100
Rafael Ferriol S.A.	Spain	I	99
Citroën Sverige AB	Sweden	I	100
Citroën (Suisse) S.A.	Switzerland	I	100
Lowen Garage AG	Switzerland	I	97
Peugeot (Suisse) S.A.	Switzerland	I	100

Company	Country	F/E	% interest
Peugeot Citroën Gestion International	Switzerland	I	100
Citroën Nederland B.V.	The Netherlands	I	100
PCMA Holding	The Netherlands	I	70
Peugeot Nederland N.V.	The Netherlands	I	100
Peugeot Otomotiv Pazarlama As - POPAS	Turkey	I	100
Tekoto Motorlu Tastlar Ankara	Turkey	I	100
Tekoto Motorlu Tastlar Bursa	Turkey	I	100
Tekoto Motorlu Tastlar Istanbul	Turkey	I	100
Peugeot Citroën Ukraine	Ukraine	I	100
Aston Line Motors Ltd	United Kingdom	I	100
Boomcite Ltd	United Kingdom	I	100
Citroën U.K.Ltd	United Kingdom	I	100
Economydrive Cars	United Kingdom	I	100
Melvin Motors (Bishopbriggs) Ltd	United Kingdom	I	100
Peugeot Citroën Automobiles UK	United Kingdom	I	100
Peugeot Motor Company PLC	United Kingdom	I	100
Robins & Day Ltd	United Kingdom	I	100
Rootes Ltd	United Kingdom	I	100
Warwick Wright Motors Chiswick Ltd	United Kingdom	I	100
Changan PSA Automobiles Co, Ltd (CPSA)	China	E	50
Dongfeng Peugeot Citroën Automobiles Co, Ltd	China	E	50
Wuhan Shelong Hongtai Automotive Co, Ltd	China	E	10
Toyota Peugeot Citroën Automobiles Czech s.r.o.	Czech Republic	E	50
Societa Europea Veicoli Leggeri - SEVEL S.p.A.	Italy	E	50
STAFIM	Tunisia	E	34
STAFIM - GROS	Tunisia	E	34
AUTOMOTIVE EQUIPMENT DIVISION			
Faurecia	France	I	57
Faurecia Argentina S.A.	Argentina	I	57
Faurecia Exteriors Argentina	Argentina	I	57
Faurecia Sistemas De Escape Argentina S.A.	Argentina	I	57
Faurecia Industrie N.V.	Belgium	I	57
Société Internationale de Participations	Belgium	I	57
Faurecia Automotive do Brasil LTDA	Brazil	I	57
Faurecia Sistemas de Escapamento do Brasil LTDA	Brazil	I	57
Faurecia Automotive Seating Canada LTD	Canada	I	57
Faurecia Emissions Control Technologies Canada LTD	Canada	I	57
Changchun Faurecia Xuang Interior Systems Company Limited	China	I	34
Changchun Faurecia Xuyang Automotive Seat Co., LTD (CFXAS)	China	I	34
Chengdu Faurecia. Limin Interior & Exterior Systems	China	I	29
Chongqing Guangneng Faurecia Interior Syst	China	I	29
Cummings Beijing	China	I	57
Faurecia (Changchun) Automotive Systems Co., LTD	China	I	57
Faurecia (China) Holding Co. LTD	China	I	57

Company	Country	F/E	% interest
Faurecia (Guangzhou) Automotive Systems Co., LTD	China	I	57
Faurecia (Nanjing) Automotive Systems Co., LTD	China	I	57
Faurecia (Qingdao) Exhaust Systems Co, Ltd	China	I	57
Faurecia (Shanghai) Automotive Systems Co., LTD	China	I	57
Faurecia (Shenyang) Automotive Systems Co., LTD	China	I	57
Faurecia (Wuhan) Automotive Components Systems Co., LTD	China	I	57
Faurecia (Wuhan) Automotive Seating Co., LTD	China	I	57
Faurecia (Wuhu) Exhaust Systems Co, LTD	China	I	57
Faurecia (Wuxi) Seating Components Co., LTD	China	I	57
Faurecia (Yancheng) Automotive Systems Co LTD	China	I	57
Faurecia Emissions Control Technologies (Ningbo Hangzhou Bay New District) Co. LTD	China	I	38
Faurecia Emissions Control Technologies Development (Shanghai) Company LTD	China	I	57
Faurecia Emissions Control Technologies Foshan Company Limited	China	I	29
Faurecia Emissions Control Technologies, (Chongqing) Co., Ltd	China	I	41
Faurecia EMISSIONS CONTROL TECHNOLOGIES, (Shanghai) Co., Ltd	China	I	57
Faurecia Emissions Control Technologies, (Yantai) Co., Ltd	China	I	57
Faurecia Emissions Control Technologies, Chengdu	China	I	57
Faurecia Exhaust Systems Changchun Co., LTD	China	I	29
Faurecia- GSK (Wuhan) Automotive Seating Co., LTD	China	I	29
Faurecia HONGHU EXHAUST SYSTEMS SHANGHAI, Co. Ltd (ex SHEESC)	China	I	29
Faurecia NHK (Xiangyang) Automotive Seating Co., LTD	China	I	29
Faurecia Tongda Exhaust System (Wuhan) Co., LTD	China	I	29
Foshan Faurecia Xuyang Interior Systems Company Limited	China	I	34
Nanchang	China	I	29
Ningbo	China	I	52
Faurecia Automotive Czech Republic, s.r.o.	Czech Republic	I	57
Faurecia Components Pisek s.r.o.	Czech Republic	I	57
Faurecia Emissions Control Technologies, Mlada Boleslav, s.r.o.	Czech Republic	I	57
Faurecia Exhaust Systems s.r.o.	Czech Republic	I	57
Faurecia Interior Systems Bohemia s.r.o.	Czech Republic	I	57
Automotive Sandouville	France	I	57
EAK - Composants pour l'Automobile (EAK SAS)	France	I	29
EAK - Composants pour l'Automobile (EAK SNC)	France	I	29
ECSA - Études et Construction de Sieges pour l'Automobile	France	I	57
Faurecia ADP Holding	France	I	34
Faurecia Automotive Holdings	France	I	57
Faurecia Automotive Industrie	France	I	57
Faurecia Automotives Composites	France	I	57
Faurecia Bloc Avant	France	I	57
Faurecia Exhaust International	France	I	57
Faurecia Industries	France	I	57
Faurecia Intérieur Industrie	France	I	57
Faurecia Intérieur Mornac	France	I	57
Faurecia Intérieur Saint Quentin	France	I	57

Company	Country	F/E	% interest
Faurecia Investments	France	I	57
Faurecia Services Groupe	France	I	57
Faurecia Sieges d'Automobiles	France	I	57
Faurecia Systèmes d'Échappement	France	I	57
Faurecia-Metalloprodukcia Holding	France	I	34
Financière Faurecia	France	I	57
Hambach Automotive Exteriors SAS	France	I	57
Siebret	France	I	57
Siedoubs	France	I	57
Sielest	France	I	57
Siemar	France	I	57
Sienor	France	I	57
Sieto	France	I	57
Sotexo	France	I	57
Trecia	France	I	57
Faurecia Abgastechnik GmbH	Germany	I	57
Faurecia Angell-Demmel GmbH	Germany	I	57
Faurecia Automotive GmbH	Germany	I	57
Faurecia Autositze GmbH	Germany	I	57
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	I	57
Faurecia Emissions Control Technologies, Germany GmbH	Germany	I	57
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	I	57
Faurecia Exteriors GmbH	Germany	I	57
Faurecia Innenraum Systeme GmbH	Germany	I	57
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	I	57
EMCON Technologies Kft	Hungary	I	57
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	I	57
Faurecia Automotive Seating India Private Limited	India	I	57
Faurecia Emissions Control Technologies India	India	I	57
Faurecia Emissions Control Technologies, India Private Limited	India	I	42
Faurecia Technology Center India PVT Ltd	India	I	57
Faurecia Emissions Control Technologies, Italy SRL	Italy	I	57
Faurecia Howa Interior's	Japan	I	29
Faurecia Japan K.K.	Japan	I	57
Faurecia AST Luxembourg S.A	Luxembourg	I	57
Faurecia Hicom Emissions Control Technologies	Malaya	I	37
ET Mexico Holdings I, S. de R.L.de C.V.	Mexico	I	57
ET Mexico Holdings II, S. de R.L.de C.V.	Mexico	I	57
Exhaust Services Mexicana, S.A. de C.V.	Mexico	I	57
Faurecia Exhaust Mexicana, S.A. de C.V.	Mexico	I	57
Faurecia Sistemas Automotrices De Mexico, S.A. de C.V. (ex Faurecia Duroplast Mexico, S.A. DE C.V.)	Mexico	I	57
Servicios Corporativos de Personal Especializado, S.A. DE C.V.	Mexico	I	57
Faurecia Équipements Automobiles Maroc	Morocco	I	57
Faurecia Automotive Polska Spolka Akcyjna	Poland	I	57

Company	Country	F/E	% interest
Faurecia Gorzow Spolka Akcyjna	Poland	I	57
Faurecia Grojec R&D Center Spolka Akcyjna	Poland	I	57
Faurecia Legnica Spolka Akcyjna	Poland	I	57
Faurecia Walbrzych Spolka Akcyjna	Poland	I	57
EDA - Estofagem De Assentos, LDA,	Portugal	I	57
Faurecia - Assentos de Automovel, LIMITADA	Portugal	I	57
Faurecia - Sistemas De Escape Portugal, LDA	Portugal	I	57
Faurecia Sistemas de Interior de Portugal. Componentes para Automoveis S.A. (Ex SAI Portugal)	Portugal	I	57
Sasal	Portugal	I	57
Euro Auto Plastic Systems S.R.L.	Romania	I	29
Faurecia Seating Talmaciu S.R.L.	Romania	I	57
Ooo Faurecia ADP	Russia	I	34
Ooo Faurecia Automotive Development	Russia	I	57
Ooo Faurecia Metalloprodukcia Exhaust Systems	Russia	I	34
Faurecia SLOVAKIA s.r.o.	Slovakia	I	57
Emission Control Technologies Holdings S.A. (Pty) Ltd	South Africa	I	57
Emission Control Technologies S.A. (CapeTown) (Pty) Ltd	South Africa	I	57
Emission Control Technologies S.A. (Ga-Rankuwa) (Pty) Ltd	South Africa	I	57
Faurecia Exhaust Systems South Africa LTD	South Africa	I	57
Faurecia Interior Systems Pretoria (PTY) LTD	South Africa	I	57
Faurecia Interior Systems South Africa (PTY) LTD	South Africa	I	57
Faurecia Automotive Systems Korea LTD	South Korea	I	57
Faurecia Emissions Control Systems Korea (ex Daeki)	South Korea	I	57
Faurecia Jit and Sequencing Korea	South Korea	I	57
Faurecia Shin Sung Co. LTD	South Korea	I	57
Faurecia Trim Korea LTD	South Korea	I	57
Asientos de Castilla Leon, S.A.	Spain	I	57
Asientos de Galicia, S.L.	Spain	I	57
Asientos del Norte, S.A.	Spain	I	57
Faurecia Asientos para Automovil España, S.A.	Spain	I	57
Faurecia Automotive España, S.L.	Spain	I	57
Faurecia Automotive Exteriors Espana, S.A. (Ex Plastal Spain S.A.)	Spain	I	57
Faurecia Emissions Control Technologies, Pampelona, S.L.	Spain	I	57
Faurecia Interior Systems España, S.A.	Spain	I	57
Faurecia Interior Systems Salc España, S.L.	Spain	I	57
Faurecia Sistemas De Escape España, S.A.	Spain	I	57
Incalplas, S.L.	Spain	I	57
Industrias Cousin Freres, S.L.	Spain	I	29
Tecnoconfort	Spain	I	29
Valencia Modulos De Puerta, S.L.	Spain	I	57
Faurecia Exhaust Systems AB	Sweden	I	57
Faurecia Interior Systems Sweden AB	Sweden	I	57
United Parts Exhaust Systems AB	Sweden	I	57
Faurecia & Summit Interior Systems	Thailand	I	29

Company	Country	F/E	% interest
Faurecia Emissions Control Technologies, Thailand Co., Ltd	Thailand	I	57
Faurecia Interior Systems Thailand Co., LTD.	Thailand	I	57
ET Dutch Holding BV	The Netherlands	I	57
ET Dutch Holding II BV	The Netherlands	I	57
ET Dutch Holdings Cooperatie U.A.	The Netherlands	I	57
Faurecia Automotive Seating B.V.	The Netherlands	I	57
Faurecia Emissions Control Technologies, Netherlands B.V.	The Netherlands	I	57
Faurecia Netherlands Holding B.V.	The Netherlands	I	57
Faurecia Informatique Tunisie	Tunisia	I	57
Société Tunisienne d'Équipements d'Automobile	Tunisia	I	57
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	I	57
Faurecia Automotive SeatinG UK Limited	United Kingdom	I	57
Faurecia Emissions Control Technologies, UK Limited	United Kingdom	I	57
Faurecia Midlands Limited	United Kingdom	I	57
SAI Automotive Fradley LTD	United Kingdom	I	57
SAI Automotive Washington Limited	United Kingdom	I	57
Faurecia Automotive del Uruguay	Uruguay	I	57
Faurecia Automotive Seating, LLC	USA	I	57
Faurecia Emissions Control Technologies, USA, LLC	USA	I	57
Faurecia Exhaust Systems, INC.	USA	I	57
Faurecia Interior Systems Saline LLC	USA	I	57
Faurecia Interior Systems, Inc.	USA	I	57
Faurecia Interiors Louisville, LLC	USA	I	57
Faurecia Interiors Systems Holding	USA	I	57
Faurecia Madison Automotive Seating Inc	USA	I	57
Faurecia North America Holdings LLC	USA	I	57
Faurecia USA Holdings, Inc.	USA	I	57
FNK North America	USA	I	57
SAS Automotriz Argentina S.A. (dormant company)	Argentina	E	29
SAS Automotive N.V.	Belgium	E	29
SAS Automotive Do Brasil Ltda	Brazil	E	29
Changchun Faurecia Xuyang Automotive Components Technologies R&D Company Limited	China	E	26
Changchun Huaxiang F.A. Plastic	China	E	29
Dongguan CSM Faurecia Automotive Systems Company Limited	China	E	29
Jinan Faurecia Limin Interior & Exterior Systems Co.	China	E	29
Lanzhou Faurecia Limin Interior & Exterior Systems Co.	China	E	29
SAS (Wuhu) Automotive Systems Co. Ltd, Wuhu City, China	China	E	29
Xiangtan Faurecia. Limin Interior & Exterior Systems	China	E	29
Zeijiang Faurecia. Limin Interior & Exterior Systems	China	E	29
SAS Autosystemtechnik s.r.o.	Czech Republic	E	29
AMMINEX Emissions Systems APS	France	E	24
Changchun Xuyang Faurecia Acoustics & Soft Trim Co.LTD	France	E	23
Cockpit Automotive Systems Douai SNC	France	E	29
SAS Automotive France	France	E	29

Company	Country	F/E	% interest
SAS Autosystemtechnik GmbH und Co. KG	Germany	E	29
SAS Autosystemtechnik Verwaltungs GmbH	Germany	E	29
Faurecia-NHK Co., Ltd	Japan	E	29
SAS Automotive Systems & Services, S.A. DE C.V.	Mexico	E	29
SAS Automotive Systems S.A. de C.V.	Mexico	E	29
SAS Autosystemtechnik de Portugal, Unipessoal, Lda.	Portugal	E	29
Vanpro Assentos Limitada	Portugal	E	29
SAS Automotive s.r.o	Slovakia	E	29
AD Tech Co Ltd	South Korea	E	29
Kwang Jin Faurecia Co. Limited	South Korea	E	29
Componentes De Vehiculos De Galicia, S.A.	Spain	E	29
Copo Iberica, S.A.	Spain	E	29
SAS Autosystemstechnick, S.A.	Spain	E	29
Orcia Otomotiv Yan Sanayi Ve Ticaret Anonim Sirketi	Turkey	E	29
SAS Otosistem Teknik Ticaret ve Limited Sirketi	Turkey	E	29
Teknik Malzeme Ticaret Ve Sanayi A.S.	Turkey	E	29
Faurecia JV in Detroit	USA	E	26
SAS Automotive USA, Inc.	USA	E	29
FINANCE AND INSURANCE COMPANIES			
BPF Algérie	Algeria	I	100
PSA Finance Argentina S.A.	Argentina	I	50
PSA Finance Belux	Belgium	I	100
Banco PSA Finance Brasil S.A.	Brazil	I	100
Fonds d'Investissement en Droits de Créances	Brazil	I	100
PSA Finance Arrendamiento Comercial	Brazil	I	100
PSA Financial Doo	Croatia	I	100
PSA Finance Ceska Republika s.r.o.	Czech Republic	I	100
Banque PSA Finance	France	I	100
BPF - Auto ABS FCT2 2013-A (Fonds A)	France	I	100
BPF - FCT Auto ABS - Compartiment 2012-3	France	I	100
BPF - FCT Auto ABS - Compartiment 2012-7	France	I	100
BPF - FCT Auto ABS - Compartiment 2013-2	France	I	100
Compagnie Générale de Crédit aux Particuliers - CREDIPAR	France	I	100
Compagnie pour la Location de Véhicules - CLV	France	I	100
FCC Auto ABS - Compartiment 2011.01	France	I	100
FCC Auto ABS - Compartiment 2012-01	France	I	100
FCC Auto ABS - Compartiment 2012-02	France	I	100
FCT Auto ABS - Compartiment 2010-1	France	I	100
PSA Assurances SAS	France	I	100
Société Financière de Banque - SOFIB	France	I	100
SOFIRA - Société de Financement des Réseaux Automobiles	France	I	100
BPF - Auto ABS DFT Master Compartment Germany 2013	Germany	I	100
BPF - Auto ABS German Lease Master	Germany	I	100
BPF - Auto ABS German Loans Master	Germany	I	100

Company	Country	F/E	% interest
BPF - FCT Auto ABS - Compartiment 2013-1	Germany	I	100
FCT Auto ABS German loans - Compartiment 2011-2	Germany	I	100
PSA Finance Hungaria Rt	Hungary	I	100
PSA Factor Italia S.p.A.	Italy	I	100
PSA Renting Italia S.p.A.	Italy	I	100
PSA Finance SCS	Luxembourg	I	100
PSA Insurance LTD	Malta	I	100
PSA Life Insurance LTD	Malta	I	100
PSA Services LTD	Malta	I	100
BPF Mexico S.A. DE CV	Mexico	I	100
PSA Finance Polska	Poland	I	100
PSA Gestao Comercio e Aluger De Veiculos	Portugal	I	100
Bank PSA Finance RUS	Russia	I	100
PSA Finance Slovakia s.r.o.	Slovakia	I	100
BPF Financiranje D.o.o.	Slovenia	I	50
BPF - FCT Auto ABS - Compartiment 2012-5	Spain	I	100
BPF - Auto ABS Swiss Lease 2013 GmbH	Switzerland	I	100
PSA Finance Suisse S.A.	Switzerland	I	100
Peugeot Finance International N.V.	The Netherlands	I	100
PSA Finance Nederland B.V.	The Netherlands	I	100
PSA Financial Holding B.V.	The Netherlands	I	100
BPF Pazarlama A.H.A.S.	Turkey	I	100
BPF - Auto ABS UK Loans PLC - Compartiment 2012-5	United Kingdom	I	100
PSA Wholesale Ltd	United Kingdom	I	100
Vernon Wholesale Investments CO Ltd	United Kingdom	I	100
Dongfeng Peugeot Citroën Automobile Finance Company	China	E	50
Of which 12.5% through Dongfeng Peugeot Citroën Automobile			

20.4. > PEUGEOT S.A. FINANCIAL STATEMENTS AT 31 DECEMBER 2013

In compliance with Article 28 of EC regulation No. 809/2004, the following information is incorporated by reference in the Registration Document:

FOR FINANCIAL YEAR 2012

Required disclosures in the Report of the Managing Board appearing on page 480, the annual financial statements are presented on pages 392 to 418 and the corresponding Auditors' Report is presented on pages 388 and 389 of the 2012 Registration Document filed with the *Autorité des Marchés Financiers* on 28 March 2013 under No. D 13-0239.

FOR FINANCIAL YEAR 2011

Required disclosures in the Report of the Managing Board appearing on page 402, the annual financial statements are presented on pages 336 to 365 and the corresponding Auditors' Report is presented on pages 334 and 335 of the 2011 Registration Document filed with the *Autorité des Marchés Financiers* on 5 March 2012 under No. D. 12-0128.

20.4.1. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' Report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Management Report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying financial statements of Peugeot S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Managing Board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

At each balance sheet date, your company determines the value in use of its "Shares in subsidiaries and affiliates" and "Other investments" according to the methods described in notes 1C and 1D to the financial statements, and sets aside a provision for impairment when the carrying amount exceeds the value in use, as specified in notes 5 and 7 to the financial statement. As part of our assessment of the accounting principles applied and of significant estimates made to prepare the financial statements, we verified the appropriateness of the accounting methods described in the notes to the financial statement and correct application thereof, as well as of the reasonableness of the underlying estimates.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Managing Board and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Courbevoie and Paris-La Défense, March 27, 2014

The Statutory Auditors

French original signed by

MAZARS		**ERNST & YOUNG et Autres**	
Loïc Wallaert	Jean-Louis Simon	Christian Mouillon	Marc Stoessel

20.4.2. COMMENTS ON THE FINANCIAL STATEMENTS AND BALANCE SHEET OF PEUGEOT S.A.

As the parent company of the PSA Peugeot Citroën Group, Peugeot S.A. does not carry out any manufacturing or sales activities. It performs senior management, oversight and supervisory functions for Group companies and provides services for which it receives a flat fee.

Peugeot S.A.'s assets mainly correspond to:

- equity investments in direct subsidiaries;
- the proceeds from borrowings that are lent to GIE PSA Trésorerie to meet the Automotive Division subsidiaries' financing needs;
- per own shares, that are recorded in non-current assets ("Other investments") or in current assets ("Marketable securities") depending on the purpose for which they are being held.

Peugeot S.A. is also head of a tax group set up with its more than 95%-owned subsidiaries in France.

RESULTS

Operating results

Operating income – which primarily comprises management fees received from the main subsidiaries as well as rental income – amounted to €132 million in 2013, versus €109 million in 2012.

The management fees are calculated as a percentage of the operating divisions' revenue and cover the operating expenses incurred by the Company for its corporate functions and amounted to €93 million versus €97 million in 2012. These fees are invoiced to direct Peugeot S.A. subsidiaries based on the consolidated revenue of the division concerned.

Operating expenses amounted to €142 million in 2013, versus €124 million in 2012, and mainly corresponded to payroll costs and other purchases and external charges.

Thus, the Company ended the year with negative net operating income of €10 million, compared with a negative net operating income of €15 million in 2012.

Net financial income (expense)

Financial income consists largely of income from shares in subsidiaries and affiliates.

Income from investments in subsidiaries and affiliates amounted to €657 million, versus €1,442 million in 2012. The figure includes mainly the dividends of Peugeot S.A. subsidiaries.

Other Financial Income was €9 million versus €12 million in 2012, due to lower interest rates on short-term investments. Financial provision reversals and expense transfers totalled €110 million versus €157 million in 2012.

Financial expense for depreciation, amortisation and provisions amounted to €83 million versus €3,271 million in 2012. These consisted largely of impairment loss on shares, which is detailed in Note 5.B. to the yearly financial statements.

Interest expense amounted to €345 million versus €272 million in 2012.

After taking these items into account, net financial income for the year was positive at €348 million versus a loss of (€1,933) million in 2012.

Non-recurring income (expense)

In 2013, the Company reported net non-recurring income of €17 million (see Note 22), essentially from the reversal of provisions for tax risks

Net Profit

Taking into account the net income tax benefit of €99 million, determined in accordance with the rules governing the tax consolidation of Peugeot S.A. and its 95% or more controlled subsidiaries, Peugeot S.A. reported €454 million in net profit for 2012, compared with €61 million for 2012.

BALANCE SHEET

Assets

Shares in and advances to subsidiaries and affiliates make up the majority of the Company's non-current assets.

After deducting provisions, the gross value of shares in subsidiaries and affiliates was €12,786 million at 31 December 2013, unchanged from 2012. Impairments of investments in subsidiaries and affiliates totalled €3,769 million at 31 December 2013 versus €3,780 million in 2012. These movements are described in Note 5.B to the Company financial statements.

After deducting provisions, the net value of shares in subsidiaries and affiliates was €9,017 million at 31 December 2013 (€9,007 million at 31 December 2012).

Advances to subsidiaries and affiliates amounted to €5,117 million net of provisions versus €4,856 million at end of 2012. (see Note 6).

Current assets primarily correspond to (i) cash equivalents for €936 million at 31 December 2013 against -€386 million at 31 December 2012 (see Note 12 to the Company financial statements) and (ii) marketable securities (including treasury shares) which totalled €122 million net of provisions at 31 December 2013 (see Note 10). The 12,788,627 treasury shares in the portfolio at 31 December 2013 include 3,259,035 shares reserved for stock option plans, 9,421,687 shares to cover the convertible bond issue (OCEANE) of 23 June 2009 and a residual 107,905 unallocated shares.

Liabilities & Equity

Shareholders' equity at 31 December 2013 was €10,173 million versus €9,719 million at 31 December 2012. In view of Group earnings in 2013 and in order to give priority to allocating financial resources to the Group's development, the Supervisory Board approved the Managing Board's proposal to not pay a dividend for 2012. The Managing Board's proposal to not pay a dividend for 2013.

During 2013, Peugeot S.A. did not buy back any of its own shares. No stock options were granted in 2013 and no options were exercised (see Note 11.C.). Similarly, no performance shares were granted during the year (see Note 11.B.). Provisions for contingencies and charges totalled €223 million at 31 December 2013 versus €146 million in 2012. More detailed information can be found in Note 13 to the financial statements.

Long- and short-term debt came to €5,123 million versus €4,566 million in 2012. In order to meet its general financing needs in the current economic environment, including the financing of current operations and projects for future growth, the Group has maintained its policy of proactive and diversified financing, and of conservative cash management. On 26 February 2013, Peugeot S.A. issued €1 billion worth of 7.375% bonds due March 2018 On 19 September 2013, Peugeot S.A. issued €600 million worth of 6.5% bonds due July 2019. On 10 September 2013 Peugeot S.A. effected a partial buyback of bonds for €300 million. On 28 October 2013 Peugeot S.A. redeemed bonds issued in October 2010 in the amounts of €500 million and €350 million, which had matured (see Note 16).

Of the €82 million due to suppliers of fixed assets, €77 million corresponds to the uncalled portion of the commitment to the FMEA fund set up to support automotive equipment suppliers (see Note 17).

In as much as Peugeot S.A. is a holding company, the trade payables are not significant. Trade payables and related accounts amounted to €31 million.

Peugeot S.A. settles payments to suppliers 30 days end of month from invoice date, in compliance with the provisions of France's LME Act.

Breakdown by Schedule of Payments to Suppliers

At 31 December 2013, payments due to suppliers represented €31.0 million and broke down as follows in the financial statements:

- trade payables and related accounts recorded under liabilities: €31.0 million;
- less: deferred expenses included in this item: €29.1 million;

i.e.: €1.9 million.

This amount is payable according to the following schedule:

	Due		0 to 30 days		30 to 60 days		over 60 days		Total	
(in thousands of euros)	31/12/2013	31/12/2012	2013	2012	2013	2012	2013	2012	2013	2012
Supplier invoices										
From third parties	9	107	3	1	-	3	1	3	13	114
The Group	1,858	769	-	-	-	-	-	-	1,858	769
TOTAL - PEUGEOT S.A.	**1,867**	**876**	**3**	**1**	**-**	**3**	**1**	**3**	**1,871**	**883**

For information on events subsequent to the balance sheet, please refer to Note 30 to the Company financial statements.

20.4.3. INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

(in million euros)	2013	2012
Operating income	132.0	109.3
Operating expenses	(142.4)	(124.3)
Net operating income (expense) (Note 20)	**(10.4)**	**(15.0)**
Investment income	657.1	1,442.0
Other financial income	9.0	11.8
Financial provision reversals and expense transfers	109.8	156.5
Financial income	**775.9**	**1,610.3**
Charges to financial provisions	(82.6)	(3,271.2)
Other financial expenses	(345.4)	(271.8)
Financial expenses	**(428.0)**	**(3,543.0)**
Net financial income (expense)	**347.9**	**(1,932.7)**
Recurring income before tax	**337.5**	**(1,947.7)**
On management transactions	1.6	11.8
On capital transactions	0.2	853.8
Non-recurring provision reversals and expense transfers	41.0	2.0
Non-recurring income	**42.8**	**867.6**
On management transactions	(5.0)	-
On capital transactions	(15.2)	(141.5)
Non-recurring charges to provisions and expense transfers	(5.5)	(1.3)
Non-recurring expenses	**(25.7)**	**(142.8)**
Net non-recurring income (expense) (Note 22)	**17.1**	**724.8**
Employee profit-sharing	**-**	**-**
Income tax benefit (Note 23)	99.0	1,284.1
NET PROFIT FOR THE YEAR	**453.6**	**61.2**

20.4.4. CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(in million euros)	2013	2012
Net profit for the year	**453.6**	**61.2**
Net change in provisions	(61.6)	1,927.8
Net gains (losses) on disposals of fixed assets	15.0	(713.5)
Funds from operations	**407.0**	**1,275.5**
Change in working capital requirement	(79.2)	149.4
Net cash from operating activities	**327.8**	**1,424.9**
(Acquisitions)/disposals of intangible assets and property and equipment	-	-
Proceeds from disposals of investments in non-consolidated companies	0.2	800.0
Purchases of shares in subsidiaries and affiliates	-	(3,899.8)
Net cash used in investing activities	**0.2**	**(3,099.8)**
Dividends paid	-	-
Capital increase	-	977.6
(Purchases)/sales of Peugeot S.A. shares (Note 7)	-	86.4
Increase/(decrease) in other long-term debt (Note 16)	525.0	600.0
(Increase)/decrease in long-term loans and receivables (Note 17)	(205.0)	(950.2)
Change in other financial assets and liabilities	(75.2)	31.2
Net cash from/(used in) financing activities	**244.8**	**745.0**
Net decrease in cash and cash equivalents	**572.8**	**(929.9)**
Cash and cash equivalents at beginning of period	357.3	1,287.2
Cash and cash equivalents at end of period	**930.1**	**357.3**
Breakdown of cash and cash equivalents at end of period	-	-
Cash equivalents (Note 12)	935.9	385.6
Cash	0.1	-
Bank overdrafts	(5.9)	(28.3)
TOTAL	**930.1**	**357.3**

20.4.5. BALANCE SHEETS AT 31 DECEMBER 2013

ASSETS

(in million euros)	31/12/2013			31/12/2012
	Gross value	Depreciation, amortization and impairment	Net	Net
Intangible assets	**0.1**	-	**0.1**	**0.1**
Propertç plant and equipment (Note 4)	**3.2**	**(3.2)**	-	-
Investments	-	-	-	-
Shares in subsidiaries and affiliates (Note 5)	12,786.4	(3,769.2)	9,017.2	9,006.7
Advances to subsidiaries and affiliates (Note 6)	5,116.6	-	5,116.6	4,856.1
Other investments (Note 7)	414.2	(174.7)	239.5	194.5
Long-term loans and receivables (Note 8)	165.6	(1.1)	164.5	31.7
	18,482.8	**(3,945.0)**	**14,537.8**	**14,089.0**
Total non-current assets (Note 3)	**18,486.1**	**(3,948.2)**	**14,537.9**	**14,089.1**
Current assets	-	-	-	-
Trade receivables	11.3	-	11.3	-
Other receivables and prepayments to suppliers (Note 9)	260.8	-	260.8	158.1
Marketable securities (Note 10)	213.7	(92.1)	121.6	161.9
Cash equivalents (Note 12)	935.9	-	935.9	385.6
Cash equivalents	0.1	-	0.1	-
Total current assets	**1,421.8**	**(92.1)**	**1,329.7**	**705.6**
Prepaid expenses	0.3	-	0.3	0.7
Bond redemption premiums	29.1	(15.2)	13.9	10.6
TOTAL ASSETS	**19,937.3**	**(4,055.5)**	**15,881.8**	**14,806.0**

LIABILITIES AND SHAREHOLDER'S EQUITY

(in million euros)	31/12/2013	31/12/2012
Shareholders' equity		
Share capital (Note 14)	354.8	354.8
Additional paid-in capital	856.8	856.8
Revaluation reserve	454.8	454.8
Other reserves		
Reserves and retained earnings	8,051.3	7,990.1
Net profit for the year	453.6	61.2
Untaxed provisions	1.2	1.0
Total equity (Note 15)	**10,172.5**	**9,718.7**
Provisions for contingencies and charges (Note 13)	222.6	145.8
Long- and short-term debt		
Bonds (Note 16)	5,094.6	4,535.4
Other long and short-term debt (Note 16)	28.7	30.7
	5,123.3	**4,566.1**
Trade payables		
Trade payables	31.0	35.7
Accrued taxes and payroll costs	75.7	15.7
	106.7	**51.4**
Due to suppliers of fixed assets (Note 7)	**81.6**	**82.6**
Other liabilities	**160.9**	**230.2**
Total liabilities	**5,472.5**	**4,930.3**
Deferred income	**14.2**	**11.2**
TOTAL LIABILITIES & EQUITY	**15,881.8**	**14,806.0**

20.4.6. NOTES TO PEUGEOT S.A. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

CONTENTS

APPENDIX

The following disclosures constitute the notes to the balance sheet at 31 December 2013, before appropriation of net profit for the year, which shows total assets of €15,881.8 million and to the income statement for the year then ended, which shows net profit of €453.6 million.

The financial statements cover the twelve-month period from 1 January to 31 December 2013.

Notes are an integral part of the financial statements. All amounts are in millions of euros unless otherwise specified.

The financial statements for 2013 including explanatory notes were approved for issue by the Managing Board of Peugeot S.A. on 11 February 2014 with the Note 30, taking into account events that occurred in the period up to the Supervisory Board Meeting on 18 February 2014.

These financial statements are included in the consolidated financial statements of the PSA Peugeot Citroën Group.

NOTE 1 ACCOUNTING POLICIES AND METHODS

General accounting principles intended to provide a true and fair view of the business have been applied, including the principle of prudence and the following basic assumptions:

- the going concern;
- the continuity of accounting methods from one year to the next;
- segregation of accounting periods;
- and in accordance with the general rules for the preparation and presentation of annual financial statements (PCG 99-03 amended by the rulings of the French Accounting Committee, the *Comité de la Réglementation Comptable*).

Items recorded in the accounts are stated in accordance with the historical cost convention.

The main accounting policies applied are as follows:

A. INTANGIBLE ASSETS

This item consists of the Panhard and Panhard & Levassor brands, which are stated at acquisition cost. The brands are not amortised.

B. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost, including incidental expenses but excluding transaction costs. As an exception to this principle, assets acquired before 31 December 1976 that were included in the legal revaluation are stated at valuation. These assets are fully amortised using the straight-line method over an estimated useful life of 10 years.

C. SHARES IN SUBSIDIARIES AND AFFILIATES

Since 2007, the cost of shares in subsidiaries and affiliates includes transaction costs.

In prior years, these investments were stated at purchase cost excluding transaction costs, except for investments acquired before 31 December 1976 that were included in the legal revaluation.

Investments in subsidiaries are estimated at their value in use, generally based on the economic value of the consolidated shareholders' equity of the business they represent, or, where this is not available, on the share of equity calculated in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

In the case of a prolonged decline in the value in use of an investment to below cost, a provision is recorded for the difference.

If an investment has a negative value in use and circumstances warrant it, a provision for contingencies is booked.

If sold, shares are valued using weighted average cost (WAC).

D. OTHER INVESTMENTS

Treasury shares

Peugeot S.A. shares held for the purpose of setting up a future liquidity agreement and shares held for allocation on the conversion of OCEANE bonds are recorded at cost under "Other investments".

A provision for impairment is recorded at the year-end if the carrying amount of the shares exceeds their value in use.

Units in FCPR investment funds

Units in FCPR investment funds are recorded in "Other investments" in full for the amount booked under "Due to suppliers of fixed assets". The liability is gradually cancelled as payments are made. If the units' net asset value is below cost, a provision is recorded.

E. LOANS AND RECEIVABLES

Loans and receivables are stated at their nominal amount. A provision is booked to cover any probable losses.

F. MARKETABLE SECURITIES

Treasury shares

Peugeot S.A. shares held for allocation on exercise of stock-options are recorded in "Marketable securities" at acquisition cost.

The shares are allocated to separate sub-categories based on an assessment of the probability of the options being exercised.

When it is probable that the options will be exercised, a provision for charges is recorded in liabilities if the exercise price is less than the shares' carrying amount. The probability of options being exercised is assessed separately for each individual plan, taking into account the plan's terms and conditions. Any provisions are recorded on a straight-line basis over the option's vesting period. The charge is recognised in the income statement under "Payroll costs" by recording an expense transfer.

When it is not probable that options will be exercised or performance shares allocated at the end of the vesting period, the Peugeot S.A. shares concerned are measured at the lower of cost and market.

These accounting policies comply with PCG 99-03, as amended by standard CRC 2008-15 of 4 December 2008 issued by the "Comité de la Réglementation Comptable".

Other marketable securities

Other marketable securities consist of money market securities purchased under resale agreements. Interest income on these securities is recognised in "Financial income." No impairment provisions are recorded for these securities due to the fact that there are no tangible indicators for measuring the probability of the transferor defaulting and the nature of the resale agreements, under which a firm commitment is made to repurchase the securities on an agreed date at a set price.

G. UNTAXED PROVISIONS

Untaxed provisions primarily concern reinvested capital gains on sales of shares in subsidiaries and affiliates qualifying for rollover relief under former Article 40 of France's Tax Code.

H. BORROWINGS

Borrowings are stated at their nominal amount. Debt issuance costs are not capitalised but are expensed in full in the period when they are incurred.

When the face value of non-convertible bonds is higher than the amount received by Peugeot S.A., the discount is amortised over the life of the bond.

OCEANE bonds are convertible bonds that give the holder the right to exchange them for Company shares, which may be new issues or existing shares purchased on the market, at the issuer's discretion. They are initially recognised under "Bonds" for their face value. The liability is decreased by the face value of bonds converted during the year, with the difference between the face value of the converted bonds and the par value of the corresponding shares recognised as a conversion premium.

I. RETIREMENT COMMITMENTS

Company employees are entitled to length-of-service awards payable on retirement and supplementary pension benefits under defined contribution or defined benefit plans.

The Company has not elected to recognise its retirement obligations in the balance sheet. These obligations are measured by independent actuaries and disclosed in the notes to the financial statements (see Note 25).

J. INCOME TAXES

On 1 January 2010, Peugeot S.A. and its over 95%-owned subsidiaries in France renewed their election to file a consolidated tax return, in accordance with Article 223A of France's Tax Code.

The effects of Group relief recorded in the Company's income statement comprise:

- the total income corresponding to the sum of the tax due by profitable subsidiaries;
- the net tax expense or tax benefit resulting from setting off the taxable profits and losses of the companies in the tax group;
- the income corresponding to any repayments from profitable subsidiaries to which tax savings were transferred in prior periods;
- any adjustments of income tax expense for prior periods;
- charges to the provision for tax savings to be transferred to loss-making subsidiaries;
- charges to provisions for contingencies set up to cover the estimated net income tax expense that may be due following periodic tax audits of subsidiaries in the tax group.

K. CHANGES IN MEASUREMENT METHOD

There were no changes in measurement method during the year.

NOTE 2 SIGNIFICANT EVENTS

ALLIANCE WITH GENERAL MOTORS

PSA Peugeot Citroën (PSA) and General Motors (GM) announced further steps in their strategic Alliance in December 2013. The Alliance remains structured around the main pillars of joint programs, purchasing, and logistics, focused on Europe and is extended into cross manufacturing.

GM and PSA Peugeot Citroën also amended certain other terms of the Alliance. They will simplify the joint governance of the Alliance and have removed as a ground for terminating the Alliance the failure to achieve a minimum number of cooperation programmes. GM also waived its right to terminate the Alliance, under certain conditions, in the event of certain other investors acquiring interests in Peugeot S.A., provided that these parties support the Alliance. Following the change in the Alliance, GM sold its 7% stake in Peugeot S.A.'s share capital.

FRENCH STATE GUARANTEE FOR BANQUE PSA FINANCE FINANCING

Bond issues carried out by Banque PSA Finance since 2013 benefit from a first-demand guarantee from the French State within the framework of the authorisation granted by the European Commission, capped at a total principal amount of €7 billion (see Note 16).

ESTABLISHMENT OF A VAT CONSOLIDATION REGIME

Peugeot S.A., the parent company of the Group, has opted for the consolidation of VAT payments, as referred to in Articles 1693b *et seq.* of the French Tax Code. This option was taken for an initial period of three years, from 1 January 2013 to 31 December 2015.

The companies Peugeot Citroën Automobiles S.A., SNC Aulnay, SNC Poissy, SNC Rennes, SNC Mulhouse, SNC Sochaux, SNC MNO, SNC PCME, SNC PCPR, SMAE, SCA, SCC, Automobiles Peugeot, Automobiles Citroën and PCI, members of the consolidated Group, have agreed to the establishment of the regime, and authorised the "parent company", Peugeot S.A., to be solely liable for VAT and other similar taxes, levies and charges declared in the annex to the declaration referred to in 2 of Article 287 of the French Tax Code, effective from the financial year beginning 1 January 2013.

NOTE 3 FIXED ASSETS AT 31 DECEMBER 2013

NON-CURRENT FINANCIAL ASSETS

(in million euros)	Invested entities (Note 5)	Loans & advances to loans (Note 6)	Other long-term investments (Note 7)	Long-term loans & receivables (Note 8)
Cost at 1 January 2013	12,786.4	4,856.1	375.2	32.8
> Additions	-	1,664.1	44.0	150.5
> Disposals	-	(1,403.6)	(5.0)	(17.7)
Cost at 31 December 2013	**12,786.4**	**5,116.6**	**414.2**	**165.6**
Historical cost excluding revaluations (1)	*12,316.4*	*5,116.6*	414.2	*165.6*
Impairment at 1 January 2013	(3,779.7)	-	(180.7)	(1.1)
> Additions	-	-	(44.6)	(1.1)
> Reversals	10.5	-	50.6	-
> Other changes	-	-	-	-
Provisions for impairment at 31 December 2013	**(3,769.2)**	-	**(174.7)**	**(1.1)**
NET COST AT 31 DECEMBER 2013	**9,017.2**	**5,116.6**	**239.5**	**164.5**

(1) 1976 legal revaluation.

NOTE 4 TANGIBLE AND INTANGIBLE FIXED ASSETS

No additions to or removals of property, plant and equipment or intangible assets were conducted in fiscal 2013.

NOTE 5 SHARES IN SUBSIDIARIES AND AFFILIATES

A. GROSS VALUES

On 20 December 2012 Peugeot S.A. sold 75% of its equity investment in the GEFCO subsidiary for €800.0 million. The shares sold were carried on the balance sheet at €24.3 million. The transaction created a gross capital gain of €775.7 million and a gain of €756.2 million net of costs. The transaction left Peugeot S.A. with a 25% investment worth €8.1 million.

B. CARRYING VALUES

1) Automotive division

Peugeot S.A. owns automotive subsidiaries through four central companies, namely PCA, Automobiles PEUGEOT, Automobiles CITROËN and Process Conception Ingénierie, which are inseparable. The shares taken altogether had a gross value of €9,783.5 million at 31 December 2013.

At 31 December 2013, the carrying amount of these investments, *i.e.* €6,625.4 million net, was compared with the cumulative economic value of Automobile Division activities outside China and activities in China.

As this estimate of the cumulative economic value was not less than the carrying amount of the securities, no additional provision was recorded.

2) Faurecia

At 31 December 2013 the cost value of Peugeot S.A.'s investment in Faurecia was €1,586 million.

In December 2013, Faurecia redeemed early its OCEANE convertible bond maturing in 2015, and carried out a cash capital increase to remit securities to the holders who had requested conversion. Following this transaction, the percentage interest held by Peugeot S.A. in Faurecia's share capital was 51.7%.

In December 2013, these shares were tested for impairment based on a forecast of future cash flows. No impairment was recognised at that date as the value of the shares far exceeded their carrying amount. The stock market value of the Faurecia shares held by Peugeot S.A. at 31 December 2013 was €1,756 million. This represented the share price paid in transactions between minority shareholders not leading to control.

3) Grande Armée participations

Financial assets classified as "available for sale" at 31 December 2012 concerned BNP Paribas shares sold by the Group on 14 March 2013 for a total of €177 million.

At 31 December 2013, the value of the investment in this subsidiary was assessed on the basis of its adjusted equity. A reversal of impairment loss in the amount of €9.4 million was recorded, bringing the impairment of the investment down to €257.2 million, with a dividend of €44.6 million collected from this subsidiary. Total income before tax for the year was €54.0 million.

4) Peugeot Motocycles

The investment, in Peugeot Motocycles had been fully written down at 31 December 2013. Moreover, an additional provision for contingencies in the amount of €35.1 million was recorded (see Note 13), bringing the total provision to €71.7 million.

C. PLEDGED SECURITIES

Securities are lodged with the European Investment Bank as collateral for loans granted to Peugeot S.A. subsidiaries.

At 31 December 2013, 3,045,000 Faurecia shares had been pledged for this purpose.

NOTE 6 LOANS AND ADVANCES TO INVESTED ENTITIES

A. GIE PSA TRÉSORERIE

The main transactions during the year were as follows:

- 5-year loan totalling €1,000 million, which corresponds to a bond issued by Peugeot S.A. on 6 March 2013. This loan carries an initial fixed interest rate of 7.375%. If the bonds are bought back or redeemed prior to maturity, GIE PSA Trésorerie will be required to repay the loan;
- 5-year-and-4-month loan totalling €600 million, which corresponds to a bond issued by Peugeot S.A. on 19 September 2013. This loan carries an initial fixed interest rate of 6.50%. If the bonds are bought back or redeemed prior to maturity, GIE PSA Trésorerie will be required to repay the loan;
- reimbursement of €75 million of loans in a total amount of €850 million maturing on 28 October 2013 paying interest at an initial fixed rate of 4%, which include the loan of €500 million issued on 28 October 2010 and an additional €350 million loan issued on 28 January 2011;
- reimbursement of €82.2 million of a €750 million loan maturing on 15 July 2014 paying interest at a nominal rate of 8.375%;
- reimbursement of €40 million of a €500 million loan maturing on 29 June 2015 paying interest at a nominal rate of 5.625%;
- reimbursement of €102.8 million of a €500 million loan maturing on 30 March 2016 paying interest at a nominal rate of 6.875%.

Transactions in 2012:

5.25-year €600 million loan, corresponding to the bond issue carried out by Peugeot S.A. in April 2012. This loan pays an initial fixed interest rate of 5.625%. If the bonds are bought back or redeemed prior to maturity, GIE PSA Trésorerie will be required to repay the loan.

B. OTHER LOANS

Reimbursement by GEFCO S.A. of the loan of €320 million granted on 18 December 2012.

At 31 December 2013, accrued interest recognised on all loans made by Peugeot S.A. amounted to €166.7 million.

NOTE 7 OTHER LONG-TERM INVESTMENTS

As stated in Note 11, Peugeot S.A. treasury shares are allocated by the Managing Board. Depending how they are allocated, these shares are classified either as "Other long-term investments" or as "Marketable securities" (see Note 10.A).

Other investments *(in million euros)*	**Treasury shares (Note 7.A)**	**Other Shares (Note 7.B)**	**Balance as of 31/12/2013**
Cost at 1 January 2013	181.9	193.3	375.2
> Additions	44.0	-	44.0
> Disposals	(4.8)	(0.2)	(5.0)
Cost at 31 December 2013	**221.1**	**193.1**	**414.2**
Impairment at 1 January 2013	(138.7)	(42.0)	(180.7)
> Additions	(34.8)	(9.8)	(44.6)
> Reversals	50.6	-	50.6
Provisions for impairment at 31 December 2013	**(122.9)**	**(51.8)**	**(174.7)**
NET COST AT 31 DECEMBER 2013	**98.2**	**141.3**	**239.5**

A. PEUGEOT S.A. SHARES

Changes in treasury shares classified as "other long-term investments":

	Hedge of a future liquidity contract		Hedge of convertible bonds from the 2009 issue	
(in million euros)	Number	Gross	Number	Gross
Total at 1 January 2013	**300,000**	**4.7**	**8,064,858**	**177.2**
> Capital increase: sales of pre-emptive subscription rights	-	-	-	
> Shares sold	-	-		
> Shares reclassified: change of category [1]	(300,000)	(4.7)	1,356,830	43.9
> Shares covering bond conversions	-	-	(1)	-
TOTAL AT 31 DECEMBER 2013	**-**	**-**	**9,421,687**	**221.1**
Impairment at 1 January 2013		**(3.2)**		**(135.5)**
> Provisions				(34.9)
> Shares reclassified into other categories: net value reclassification	-	2.8	-	
> Reversals [2]	-	0.4		47.5
PROVISIONS FOR IMPAIRMENT AT 31 DECEMBER 2013		**-**	**-**	**(122.9)**

(1) Re-categorisations decided by the Managing Board.
(2) Reversal of an impairment loss recognised on the basis of the average closing price during December 2013, i.e. €10.421 per share.

B. UNITS IN FCPR INVESTMENT FUNDS

Peugeot S.A. holds units in France's Fonds de Modernisation des Équipementiers Automobiles (FMEA), a private equity fund set up by the French government as part of the Automobile Pact signed on 9 February 2009. These units are measured at value in use, which corresponds to their market value at the balance sheet date. The market value reflects the value in use of the investments made by the fund. Value in use is considered as being equal to cost in the first twelve months following acquisition, except for any adjustments that may be necessary due to unfavourable subsequent events. After the first twelve months, value in use is estimated using earnings multiples.

At 31 December 2013 the cost value of monies already called and paid into the Fund was €64.2 million. As a result, during the year, an additional €9.8 million impairment was recognised on FMEA securities, bringing the total amount to €51.8 million at year end.

FMEA units not yet called at 31 December 2013 amounted to €77.1 million. The liability is carried in the balance sheet under "Due to suppliers of fixed assets" (see Note 1.D).

These units are governed by the tax rules relating to FCPR investment funds, with the result that long-term capital gains on the units will be taxed at a reduced rate.

NOTE 8 LONG-TERM LOANS AND RECEIVABLES

The deposit of €30 million made by Peugeot S.A. on 20 December 2012, pursuant to the programme of securitisation of the Group's trade receivables, was increased by €12 million in January 2013 and by €5.7 million in December 2013, bringing the total to €47.7 million at 31 December 2013.

This item is capped at €250 million.

NOTE 9 OTHER RECEIVABLES AND PREPAYMENTS TO SUPPLIERS

(in million euros)	31/12/2013	31/12/2012
Recoverable taxes [1]	171.2	124.0
Shareholder advances [2]	88.5	32.9
Other	1.1	1.2
TOTAL	**260.8**	**158.1**

(1) Of which receivables from the State as research Tax Credits in the amount of €73.6 million and Competitiveness and Employment Tax Credit (CICE) in the amount of €64 million.
(2) Of which receivables related to the December VAT consolidation in the amount of €71.1 million.

NOTE 10 MARKETABLE SECURITIES

(in million euros)	Treasury shares (Note 10.A)	Other marketable securities (Note 10.B)	Balance as of 31/12/2013
Cost at 1 January 2013	166.4	139.0	305.4
> additions	-	69.5	69.5
> disposals	(39.2)	(122.0)	(161.2)
Cost at 31 December 2013	**127.2**	**86.5**	**213.7**
Impairment at 1 January 2013	(143.5)	-	(143.5)
> additions	-	-	-
> reversals	51.4	-	51.4
Provisions for impairment at 31 December 2013	**(92.1)**	-	**(92.1)**
NET COST AT 31 DECEMBER 2013	**35.1**	**86.5**	**121.6**

A. PEUGEOT S.A. SHARES

Changes in treasury shares classified as "marketable securities":

	Hedge of stock-option plans		Other allocations	
(in million euros)	Number	Gross	Number	Gross
Total at 1 January 2013	**4,371,970**	**164.5**	**51,800**	**1.9**
> Capital increase: sales of pre-emptive subscription rights	-	-	-	-
> Shares sold	-	-	-	-
> Shares reclassified: change of category [1]	1,112,935	(41.3)	56,105	2.1
TOTAL AT 31 DECEMBER 2013	**3,259,035**	**123.2**	**107,905**	**4.0**
Impairment at 1 January 2013	-	**(141.9)**	-	**(1.6)**
> Provisions	-	-	-	-
> Reversals	-	17.7	-	-
> Re-categorisation	-	35.0	-	(1.3)
PROVISIONS FOR IMPAIRMENT AT 31 DECEMBER 2013	**-**	**(89.2)**	**-**	**(2.9)**

(1) Re-categorisations decided by the Managing Board.

B. OTHER MARKETABLE SECURITIES

Most of the OAT debt securities held by Peugeot S.A. are purchased under resale agreements and lodged with the European Investment Bank as collateral for loans made by the bank to Group subsidiaries.

These resale agreements (for renewable three-month periods) are included in "Other marketable securities" in an amount of €86.5 million at 31 December 2013.

NOTE 11 TREASURY SHARES, PERFORMANCE SHARE PLAN AND STOCK-OPTION PLANS

A. PEUGEOT S.A. SHARES

At 31 December 2013

At year-end, Peugeot S.A. held 12,788,627 securities, acquired at a total cost of €348.3 million. These securities break down into the following two categories, based on the purpose for which they were acquired:

(in million euros)	Number of shares	Gross Value	Impairment	Net Value
"Other long-term investments" (Note 7)				
Shares held for allocation on conversion of the OCEANE bonds issued on 23/06/2009	9,421,687	221.1	(122.9)	98.2
Shares held for the purpose of setting up a future liquidity contract	-	-	-	-
Sub-total "Other investments"	**9,421,687**	**221.1**	**(122.9)**	**98.2**
"Other marketable securities" (Note 10)				
Shares held for allocation on exercise of stock-options	3,259,035	123.2	(89.2)	34.0
Other allocations	107,905	4.0	(2.9)	1.1
Sub-total "Marketable securities"	**3,366,940**	**127.2**	**(92.1)**	**35.1**
TOTAL AT 31 DECEMBER	**12,788,627**	**348.3**	**(215.0)**	**133.3**

The application of valuation methods specific to each category of shares as described in Notes 1.D and 1.F resulted in a reversal of impairment in the amont of €67.1 million for the 2013 year, which was a net reversal of €15.8 million in other investments and a net reversal of €51.3 million in marketable securities.

Following these reversals recorded during the year, total impairment recognised on Peugeot S.A. shares held by the Company amounted to €215.0 million at 31 December 2013 versus €282.1 million at 31 December 2012.

B. PERFORMANCE SHARE PLAN

No performance share plans are currently in force at Peugeot S.A.

The Peugeot S.A. Managing Board had decided to use the authorisation given at the Extraordinary Shareholders' Meeting of 2 June 2010 to set up a performance share plan on 21 September 2010. At 31 December 2012 these performance conditions had not been met and so warranted no awards of performance shares to the grantees. The rights attached to them were therefore cancelled.

C. STOCK-OPTION PLANS

No stock-option plans were set up during 2013 and no options were exercised.

The characteristics of the Company's stock-option plans are presented below:

	Date of Managing Board decision	Vesting date	Last exercise date	Number of initial grantees	Exercise price *(in euros)*	Number of options granted
2005 Plan	23/08/2005	23/08/2008	22/08/2013	169	44.76	953,000
2006 Plan	23/08/2006	23/08/2009	22/08/2014	92	35.16	983,500
2007 Plan	22/08/2007	22/08/2010	21/08/2015	169	51.65	1,155,000
2008 Plan	20/08/2008	22/08/2011	19/08/2016	194	28.27	1,345,000

One of the vesting conditions of the stock-options is generally the grantee's continued presence within the Company at the vesting date.

Changes in the number of options outstanding under these plans (exercisable for €1 par value shares) are shown below:

(number of options)	31/12/2013	31/12/2012
Total at 1 January	**4,371,970**	**4,698,000**
Adjusted number of options granted following the capital increase (1)	-	797,810
Options granted	-	-
Options exercised	-	-
Cancelled options	(107,905)	(56,800)
Expired options	(1,005,030)	(1,067,040)
TOTAL AT 31 DECEMBER	**3,259,035**	**4,371,970**
o/w exercisable options	3,259,035	4,371,970

(1) In compliance with Articles R. 228-91 para. 1° a) and R. 225-140 of the French Commercial Code.

NOTE 12 CASH AND CASH EQUIVALENTS

Cash equivalents correspond to cash advances made to GIE PSA Trésorerie, manager of the cash pool for the Group's manufacturing and sales companies. The funds are immediately available to meet the Company's day-to-day cash needs and bear interest at a rate based on the average monthly EONIA.

The cash advances are used by GIE PSA Trésorerie to meet the short-term financing needs of Group subsidiaries. External investments consist of units in money market funds with a capital guarantee and a guaranteed yield, retail certificates of deposit and money market notes at overnight rates.

At 31 December 2013, advances to GIE PSA Trésorerie totalled €935.9 million, and interest payable amounted to €0.1 million.

NOTE 13 PROVISIONS RECOGNISED AT 31 DECEMBER 2013

Type of provisions *(in million euros)*	At 1 January	Charges for the year	Used in the year	Reversals for the year	Other movements	At 31 December
Provisions						
Provisions for tax risks [(1)]	107.4	76.8	(20.0)	(21.0)	-	143.2
Other provisions for contingencies and charges [(2)]	38.4	41.3	-	(0.3)	-	79.4
	145.8	**118.1**	**(20.0)**	**(21.3)**	**-**	**222.6**
Provisions for impairment of investments						
Shares in subsidiaries and affiliates (Note 5.B)	3,779.7	-	-	(10.5)	-	3,769.2
Advances to subsidiaries and affiliates (Note 6)	-	-	-	-	-	-
Other investments (Note 7)	180.7	44.6	(50.6)	-	-	174.7
Loans	1.1	-	-	-	-	1.1
	3,961.5	**44.6**	**(50.6)**	**(10.5)**	**-**	**3,945.0**
Provisions for impairment of current assets						
Marketable securities (Note 10.A)	143.5	-	-	(51.4)	-	92.1
Bond redemption premiums	9.6	5.6	-	-	-	15.2
TOTAL	**4,260.4**	**168.3**	**(70.6)**	**(83.2)**	**-**	**4,274.9**
Movements classified under:						
> operations		1.3	-	(0.2)	-	
> financing		85.4	(50.6)	(62.0)	-	
> non-recurring		25.6	-	-	-	
> income tax (Note 23)		56.0	(20.0)	(21.0)	-	

(1) *The provision for tax risks concerning the SCC/FF litigation recorded following the appeal of the tax administration in the amount of €74.9 million. Provision reversals relate to foreign tax credit risk for which the statute of limitations applies.*

(2) *Provisions recognised included in the item "Other provisions" mainly relate to the provision for contingencies on the Peugeot Motocycles subsidiary in the amount of €35.1 million, representing impairment of €71.7 million at 31 December 2013.*

NOTE 14 SHARE CAPITAL

(number of shares)	31/12/2013	31/12/2012
At 1 January	**354,848,992**	**234,049,344**
Shares issued during the year	-	120,799,648
AT 31 DECEMBER	**354,848,992**	**354,848,992**

CAPITAL INCREASE

In 2013 the sole conversion request was satisfied by the allocation of an existing share.

On 6 March 2012 Peugeot S.A. launched a cash-based capital increase with pre-emptive subscription rights. The final gross proceeds amounted to €999.0 million corresponding to the issue of 120,799,648 new shares at a par value of €1.

In December 2013, General Motors sold its 7% equity stake. As part of the change in the Alliance, GM also waived its right to terminate the Alliance, under certain conditions, in the event of certain other investors acquiring interests in Peugeot S.A., provided that these parties support the Alliance.

At 31 December 2013, the Peugeot family group held 25.5% of Peugeot S.A.'s shares and 38.1% of the voting rights at Shareholders' Meetings. After taking account of the dilutive effect of potential shares represented by stock-options, the family group's share of voting rights stands at 37.0%.

SITUATION AT 31 DECEMBER 2013

At 31 December 2013, the Company's share capital comprised 354,848,992 ordinary shares with a par value of one euro each, all fully paid.

Fully-paid shares registered in the name of the same holder for at least four years carry double voting rights. At 31 December 2013 a total of 75,015,432 shares carried double voting rights.

NOTE 15 CHANGES IN EQUITY

(in million euros)	31/12/2012	Appropriation voted at AGM 24/04/2013	Other movements for the year	31/12/2013
Share capital	**354.8**	-	-	**354.8**
Additional paid-in capital	**856.8**	-	-	**856.8**
Revaluation reserve (1)				
Investments in non-consolidated companies	454.8	-	-	454.8
	454.8	-	-	**454.8**
Reserves and retained earnings				
Legal reserve	27.8	3.1	-	30.9
Long-term capital gains reserve	1,068.5	-	-	1,068.5
Other reserves	4,751.4	-	-	4,751.4
Retained earnings	2,142.3	58.1	-	2,200.4
	7,990.0	**61.2**	-	**8,051.2**
Net profit for the year	**61.2**	(61.2)	453.6	**453.6**
Untaxed provisions	**1.0**	-	0.2	**1.2**
TOTAL	**9,718.7**	-	**453.8**	**10,172.5**

(1) 1976 legal revaluation.

NOTE 16 LONG-AND SHORT-TERM DEBT

(in million euros)	31/12/2013	31/12/2012
Other bond debt	5,094,6	4,535,4
Other long- and short-term debt	28,7	30,7
TOTAL	**5,123,3**	**4,566,1**

In the prevailing economic environment, the Group continued with its diversified, proactive financing strategy and conservative liquidity policy in order to meet its general financing needs, particularly the financing of its business and of its development projects.

Pursuant to this policy, Peugeot S.A. issues bonds under an EMTN programme, arranges confirmed lines of credit for its financial security and, when called for, undertakes a capital increase and issues convertible bonds.

Peugeot S.A. and GIE PSA Trésorerie have access to a €2,400 million confirmed line of credit originally expiring in July 2013 that was initially extended in July 2011 by one year to July 2014. In July 2012, Peugeot S.A. obtained a second one-year extension to July 2015 for a €2,225 million tranche. It was undrawn at 31 December 2013.

The drawdown of this facility is subject to keeping the net debt-to-equity Ratio of the Group's manufacturing and sales companies below one.

€7 BILLION GUARANTEE FROM THE FRENCH STATE

Under Article 85 of the Amending Finance Act of 29 December 2012, the Minister for the Economy is authorised to provide a State guarantee for a fee for securities issued between 1 January 2013 and 31 December 2016 by Banque PSA Finance in order to enable it to refinance itself. It is a guarantee for a maximum of €7 billion in capital, and does not represent a transfer of funds from the French State to Banque PSA Finance. It is only in the event of Banque PSA Finance defaulting that the Bank's counterparties could ask the State to honour the guarantee.

An initial guarantee agreement for an amount of €1,200 million has been signed on 5 March 2013 after reception of the temporary authorization from the European Commission under state rescue aid rules on 11 February 2013.

A second guarantee agreement corresponding to the remaining €5,800 million tranche was signed on 28 October 2013 between the French State, Peugeot S.A. and Banque PSA Finance. A five-member guarantee monitoring committee, comprising representatives of the French State and the PSA Peugeot Citroën Group, will oversee the implementation of the guarantee.

PEUGEOT S.A. BOND ISSUES

The main transactions during the year were as follows:

- on 28 February 2013, Peugeot S.A. issued a €1 billion 7.375% bond maturing in March 2018;
- on 10 September 2013, Peugeot S.A. made partial redemptions in a total amount of €300 million;
- on 19 September 2013, Peugeot S.A. issued a €600 million 6.5% bond maturing in January 2019;
- on 28 October 2013, Peugeot S.A. redeemed bonds issued in October 2010 in amounts of €500 million and €350 million, which had matured.

BREAKDOWN OF BONDS BY MATURITY

(in million euros)	2014	2015	2016	2017	2018	2019	Total at 31/12/2013
Other bonds	668.0	460.0	1,047.0	600.0	1,000.0	600.0	4,375.0
Convertible bonds	-	575.0	-	-	-	-	575.0
TOTAL	**668.0**	**1,035.0**	**1,047.0**	**600.0**	**1,000.0**	**600.0**	**4,950.0**

TERMS OF THE OCEANE ISSUE

On 23 June 2009, Peugeot S.A. issued €575 million worth of OCEANE Bonds convertible or exchangeable for new or existing shares. The 22,908,365 bonds are due 1 January 2016 and pay interest at an annual nominal rate of 4.45%.

At 31 December 2013, 1,312 bonds had been converted, just one of which was converted during 2013.

At the same date accrued interest recognised on these bonds amounted to €166.7 million.

NOTE 17 MATURITIES OF RECEIVABLES AND PAYABLES AT 31 DECEMBER 2013

Receivables *(in million euros)*	**Total**	**Due within one year**	**Due beyond one year**
Advances to subsidiaries and affiliates	5,116.6	694.0	4,422.6
Loans [(1)]	165.6	-	165.6
Non-current assets	**5,282.2**	**694.0**	**4,588.2**
Trade receivables	11.3	11.3	-
Other receivables and prepayments to suppliers			
> Income tax prepayments	-	-	-
> Subsidiaries	88.5	88.5	-
> Other	172.3	172.3	-
Total	260.8	260.8	-
Cash and cash equivalents	935.9	935.9	-
Current assets	**1,208.0**	**1,208.0**	-
Prepaid expenses	0.3	0.3	-
TOTAL	**6,490.5**	**1,902.3**	**4,588.2**

(1) Surety deposit on the securitisation of the Group's commercial paper and 1% construction loan.
See Note 13 for information on asset impairment.

Payables *(in million euros)*	**Total**	**Due within one year**	**Due beyond one year**
Long- and short-term debt	5,123.3	700.7	4,422.6
Trade payables	106.7	106.7	-
Due to suppliers of fixed assets	81.6	77.1	4.5
Shareholder advances	160.6	160.6	-
Other	0.3	0.3	-
Other liabilities	160.9	160.9	-
TOTAL LIABILITIES	**5,472.5**	**1,045.4**	**4,427.1**
Deferred income	14.2	4.0	10.2

At 31 December 2013, the Company had no liabilities due beyond five years.

The amount reported under "Due to suppliers of fixed assets" includes €77.1 million in capital commitments to the FMEA that had not been called at 31 December 2013.

Deferred income corresponds to bond redemption premiums, which are being billed over the life of the debt.

NOTE 18 ACCRUED INCOME AND EXPENSES

Accrued income and expenses included in other balance sheet items are as follows:

(in million euros)	31/12/2013	31/12/2012
Accrued income		
Advances to subsidiaries and affiliates	166.7	111.1
Trade receivables	9.3	-
Other receivables and prepayments to suppliers	1.1	1.1
Marketable securities	0.3	-
Cash equivalents	0.1	-
TOTAL	**177.5**	**112.2**

(in million euros)	31/12/2013	31/12/2012
Accrued expenses		
Long- and short-term debt	166.6	110.4
Trade payables	29.2	34.7
Accrued taxes and payroll costs	13.5	10.5
Other liabilities	-	-
Cash equivalents	0.8	0.4
TOTAL	**210.1**	**156.0**

NOTE 19 ITEMS REFERRING TO RELATED PARTIES AND ASSOCIATED COMPANIES

(in million euros)	Related party transactions [1]
Balance sheet items	
Assets	
Shares in subsidiaries and affiliates (Note 5)	12,786.4
Advances to subsidiaries and affiliates (Note 6)	5,116.6
Trade receivables	11.3
Other receivables and prepayments to suppliers	88.5
Cash equivalents (Note 12)	935.9
Liabilities & Equity	
Long- and short-term debt	
Trade payables	2.0
Due to suppliers of fixed assets	4.5
Other liabilities	160.6
Income statement items	
Financial expenses	0.8
Impairment on equity investments: expenses (Note 5)	-
Investment income	334.1
Impairment of investments and in loans and advances to subsidiaries and affiliates: reversals (Notes 5 & 6)	10.5
Other financial income	331.8

(1) Companies consolidated in the consolidated financial statements of the PSA Peugeot Citroën Group, including those accounted for by the equity method.

Transactions with other related parties are not material.

NOTE 20 BREAKDOWN OF OPERATING INCOME AND EXPENSE

(in million euros)	31/12/2013	31/12/2012
Revenue (Note 21)	130.7	101.8
Other income	0.1	-
Expense transfers	1.0	0.3
Reversals of provisions for contingencies and charges	0.2	7.2
Operating income	**132.0**	**109.3**
Other purchases and external charges [(1)]	(84.2)	(75.2)
Taxes other than on income	(5.1)	(4.5)
Wages and salaries	(35.8)	(31.1)
Payroll taxes	(14.4)	(11.2)
Other expenses	(1.6)	(1.6)
Additions to provisions for contingencies and charges	(1.3)	(0.7)
Operating expenses	**(142.4)**	**(124.3)**
NET OPERATING INCOME	**(10.4)**	**(15.0)**

(1) Peugeot S.A. signed a lease on the building at 75 avenue de la Grande-Armée in Paris, after selling it in 2011. In 2013, the yearly rent amounted to €15.5 million. Commissions and brokerage fees on bond issuance increased by €22.3 million following transactions on borrowings

NOTE 21 REVENUE

Revenue breaks down as follows:

A. BY BUSINESS SEGMENT

(in million euros)	31/12/2013	31/12/2012
Service revenues [(1)]	122.2	94.0
Rental income	8.5	7.8
TOTAL	**130.7**	**101.8**

(1) Services consist primarily of participation in study costs, Group management and operational expenses billed by the parent company to its subsidiaries in the amount of €93.1 million, and borrowing costs rebilled to GIE PSA Trésorerie in the amount of €28.1 million.

B. BY GEOGRAPHICAL SEGMENT

Substantially all of the Company's revenue is generated in France.

NOTE 22 BREAKDOWN OF NON-RECURRING INCOME AND EXPENSE

(in million euros)	31/12/2013	31/12/2012
Net gains on property disposals	-	-
Net gains on treasury share disposals	-	53.8
Net gains on disposals of shares in subsidiaries and affiliates (Note 5)	0.2	800.0
Reversals of provisions for claims and litigation and tax audits	41.0	2.0
Reversal of revaluation reserve (Note 15)	-	11.8
Other	1.6	-
Non-recurring income	**42.8**	**867.6**
Fines relating to claims and litigation and tax audits (1)	(4.1)	(2.1)
Carrying amount of divested assets	-	-
Carrying amount of divested shares in subsidiaries and affiliates (Note 5)	(15.2)	(24.3)
Carrying amount of divested treasury shares	-	(81.1)
Net income from sale of pre-emptive subscription rights	-	(34.9)
Other (2)	(6.4)	(0.4)
Non-recurring expenses	**(25.7)**	**(142.8)**
NET NON-RECURRING INCOME (EXPENSE)	**17.1**	**724.8**

(1) In 2013, penalties resulting from disputes and tax audits mainly concerned unfavourable rulings handed down in relation to the "TSDI" case, in the amount of €3.7 million.
(2) Relates primarily to restructuring expenses.

NOTE 23 INCOME TAXES

In view of the Group's tax regime (see Note 1.J), tax income and expense recognised in profit and loss are as follows:

(in million euros)	31/12/2013	31/12/2012
Tax payable to Peugeot S.A. by profitable members of the tax group (1)	(31.3)	9.8
Return by profitable members of the tax group of tax savings previously transferred by Peugeot S.A. grantees	2.0	29.9
Group relief	143.4	83.6
Adjustments for tax expense (2)	61.2	(9.4)
Change in provision for tax savings to be transferred to loss-making subsidiaries	-	1,256.2
Change in provision for tax risks (Note 13)	(76.3)	(86.0)
NET INCOME TAX BENEFIT	**99.0**	**1,284.1**

(1) In 2013, the tax due to Peugeot S.A. from consolidated subsidiaries was a negative amount of €31.3 million, in accordance with the rules governing tax consolidation and the allocation of tax credits.
(2) Tax adjustments relate mainly to the reimbursement received pursuant to the ruling issued on the "SCC/FF" case in the amount of €74.9 million.

In 2013, the overall income of the Group as consolidated entity for tax purposes was a loss of €2,187.1 million at the standard tax rate, and a profit of €66.0 million at the reduced rate. As a result of the loss, the surtax did not apply. In 2013 the tax group had unused tax loss carryforwards totalling €10,499.0 million.

Dividends received by Peugeot S.A. during the period were not subject to the new supplemental corporate income tax contribution called for by the second Amending Finance Act of 2013.

NOTE 24 FINANCIAL COMMITMENTS

(in million euros)	31/12/2013	31/12/2012
Commitments received		
Syndicated line of credit (1)	2,400.0	2,400.0
Bank guarantee	3.9	20.0
Income tax reallocations (2)	527.2	533.1
TOTAL	**2,931.1**	**2,953.1**
Commitments given		
Guarantees for loans obtained by:		
> Peugeot S.A. subsidiaries (3)	1,923.1	2,157.8
> Other companies	-	-
Other commitments given on behalf of:		
> Peugeot S.A. subsidiaries (4)	593.2	650.5
TOTAL	**2,516.3**	**2,808.3**
Commitments received from and given to related parties are as follows:		
> Commitments received	531.1	553.1
> Commitments given	2,516.3	2,808.3

Commitments received include:

(1) rollover of the Peugeot S.A. line of credit. On 9 July 2010, Peugeot S.A. rolled over in advance a €2,400 million three-year syndicated revolving credit facility (with two extensions of one year at the banks' option) with a group of 21 banks. In July 2011, a first one-year extension was accepted by the banks, to July 2014. A second one-year extension on €2,225 million made it possible to postpone the maturity to July 2015, while €175 million would still reach maturity on July 2014;

(2) allocations to certain subsidiaries of income tax previously paid by Peugeot S.A., which these subsidiaries have undertaken to repay to Peugeot S.A. when they return to profit.

Commitments given include;

(3) for €600 million in guarantees made by Peugeot S.A. in 2011 as part of a €600 million bond issue by GIE PSA Trésorerie maturing September 2033. The other guarantees mostly concern loans obtained by subsidiaries from the European Investment Bank and the EBRD;

for €464 million in guarantees given in 2012 by Peugeot S.A. as part of the debt incurred by PCMA Russie;

(4) for €290.3 million, the equivalent of outstanding loans by Banque PSA Finance to Group subsidiaries at 31 December 2013, that Peugeot S.A. is committed to repaying in the event of default by the subsidiaries concerned:

for €132.9 million the letters of intent signed by Peugeot S.A. in 2013 to guarantee the rental payments due under the leases signed by France and UK Retail.

€7 billion guarantee from the French State

The final approval of the European Commission on the French State guarantee in favour of Banque PSA Finance was obtained on 30 July 2013. Under the terms of the agreement, The French State has made a certain number of undertakings to the European Commission, which will remain in effect until 15 December 2015. Key aspects of these undertakings include a commitment relative to the Group's return to viability, pursuant to which PSA Peugeot Citroën would be obliged to take appropriate measures to reduce net debt if it were to exceed a given threshold, and a commitment to seek the prior approval of the European Commission to make acquisitions in excess of €100 million per annum.

NOTE 25 PENSION OBLIGATIONS

Peugeot S.A. employees are entitled to supplementary pension benefits payable annually to retirees, or retirement bonuses representing one-off payments made at the time of retirement. These benefits are paid under defined contribution and defined benefit plans.

The existing defined benefit plans concern the retirement bonuses provided for by collective bargaining agreements and the portion of the top-hat pension scheme for engineers and management personnel that was not transferred to an external fund in 2002 and guarantees an aggregate replacement rate from all plans of up to 60% of the employee's final salary.

Members of the managing bodies benefit from a supplementary pension plan, subject to two conditions: firstly, to have held office as a member of managing bodies for a minimum term; secondly, to end their career as employees of the Company.

This plan, whose rules have been amended with effect from 1 January 2014, provides a supplementary pension representing a maximum of 30% of the reference compensation, determined on the basis of the average fixed compensation of the last three years of activity before retirement, plus a percentage equal to the average of the Ratios of variable compensation to fixed compensation for the eight years of activity before retirement.

At 31 December 2013, the projected benefit obligation amounted to €100.5 million, including benefit obligations towards members of the management bodies, which were revised in the amount of €27.0 million starting in December 2013. This amount does not include the additional 30% contribution due above the threshold pursuant to Article L. 137-11 of the French Social Security Code (provisioned in the amount of €2 million). In addition, commitments in respect of retirement benefits for members of managing bodies are provisioned in the amount of €1 million.

The obligation is partly funded by external funds in the amount of €46.1 million. No provision has been recorded for the unfunded portion.

NOTE 26 UNRECOGNISED DEFERRED TAXES

Unrecognised deferred taxes arising from timing differences between the recognition of income and expenses for financial reporting and tax purposes represented a net asset of €209.9 million at 31 December 2013.

Under France's amended 2004 Finance Act (Act No. 2004-1485 dated 30 December 2004) companies were given the option of transferring reinvested long-term capital gains taxed at a reduced rate to distributable reserves without paying the difference between the reduced tax rate and the standard rate, in exchange for a 2.5% exit tax. This option concerned the portion of the long-term capital gains reserve in excess of €200 million, and the transfer had to be carried out before 31 December 2006. Peugeot S.A. decided not to take up this opportunity. At 31 December 2013, the long-term capital gains reserve potentially subject to additional tax amounted to €1,068.5 million.

NOTE 27 MANAGEMENT COMPENSATION

(in million euros)	31/12/2013	31/12/2012
Compensation paid to:		
> Members of management bodies	6.9	6.6
> Members of the Supervisory Board	1.4	1.5
TOTAL MANAGEMENT COMPENSATION	**8.3**	**8.1**

The Group is managed by the Managing Board.

The Group's management bodies correspond to the Executive Committee, which includes the members of the Managing Board and other members of Executive Management.

The compensation details provided in the table above do not include payroll taxes. The Managing Board members will not receive their 2013 bonuses.

The following table presents details of Peugeot S.A. performance shares awarded to members of the management bodies in 2010 and outstanding Peugeot S.A. stock-options granted to members of the management bodies in the years prior to 2013:

(number of options)	31/12/2013	31/12/2012
Stock-options held at 31 December	272,610	395,460

Members of the Group's managing bodies benefit from a supplementary pension plan described in Note 25, amendments to which were taken into account at the 2013 year-end.

Members of the Group's management bodies are not entitled to any long-term benefits apart from pension benefits and the performance shares under the plans referred to above, or any other forms of share-based payments or any compensation for loss of office.

NOTE 28 AVERAGE WORKFORCE

(number of employees)	31/12/2013	31/12/2012
Managers	271.0	280.0
Other	53.0	61.0
TOTAL	**324.0**	**341.0**

NOTE 29 INDIVIDUAL ENTITLEMENT TO TRAINING

In line with the French Training Act (Act No. 2004391) of 4 May 2004, employees are entitled to at least 20 hours' personal training per calendar year, which can be carried forward for up to six years. At the end of the six-year period, if the training entitlement is not used it is capped going forward at 120 hours.

In June 2005 Peugeot S.A. signed an agreement on career-long training in order to be consistent with the agreement signed on 15 April 2005 by Peugeot Citroën Automobiles S.A. In line with the law, each employee is awarded an annual training credit equal to 20 hours. The training rights accumulated since 1999 under earlier schemes have been maintained and the cap on the training entitlement that may be carried forward has been raised to 150 hours. Employees may attend training courses during their working hours, provided that this does not disrupt the organisation of their unit.

At 31 December 2013, training credits totalling 40,696 hours were available.

No accrual was booked in this respect at 31 December 2013, in line with opinion No. 2004-F issued on 13 October 2004 by the Conseil National de la Comptabilité urgent issues task force.

NOTE 30 SUBSEQUENT EVENTS

The Group will announce on 19 February 2014, with three specific press releases, major projects of operations to this effect:

The first press release is related to the reinforcement of the industrial and commercial partnership with Dongfeng Motor Group, a €3 billion capital increase, with the attribution of free equity warrants to existing shareholders of Peugeot S.A.

These major projects of operations are aimed at improving the competitiveness of the Group, accelerating its globalisation and emerging markets expansion strategy, while reinforcing its financial strength.

The operations would consist of:

1. the strengthening and deepening of the existing industrial and commercial partnership with Dongfeng Motor Group ("DFG"), China's second largest carmaker, in order to capitalise on the Group's current success in the world's largest automobile market, which is now the primary source of growth for the automotive industry;
2. a €3 billion capital increase including:
   - a reserved €1,048 million capital increase subscribed by DFG and the French State, on an equal basis, at a subscription price of €7.50 per share,
   - a c. €1.95 billion rights issue open to all Peugeot S.A. shareholders (including DFG and the French State), and underwritten by a syndicate of banks for the shares not subscribed by DFG, the French State and FFP/EPF,
   - prior to capital increase, an attribution of free equity warrants to existing Peugeot S.A. shareholders, with one warrant granted by existing share, based on an subscription Ratio of 10 warrants for 3 new Peugeot S.A. shares. The warrants could be exercised over three years, and would be exercisable from the 2nd year, with a strike price equal to the subscription price of the reserved capital increase in favour of DFG and the French State, *i.e.* €7.5 per share;
3. a capital increase reserved for employees will be offered to them in the course of 2014, in order to give them the opportunity to participate in the value creation potential of the Group.

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 Peugeot S.A. shareholders due to take place in the second quarter 2014.

These operations are aimed at financing among others the current medium-term plan of the Group and revitalizing its development.

The second press release is related to the renewal of an amount of €2.7 billion syndicated credit facility, constitutive of confirmed line of credit. It would comprise a €2.0 billion five-year tranche and a €0.7 billion three-year tranche with two optional one-year extensions. It would replace the €2.4 billion line of credit set up in July 2010 and maturing in July 2014 for €0.2 billion and July 2015 for €2.2 billion. The new line would be subject to the completion of the €3 billion capital increase announced here.

The third press release announces the entrance in exclusive negotiations to form a partnership in financing activities between Banque PSA Finance and Santander Consumer Finance.

The partnership with the Consumer Finance Division of Santander, the largest bank in the Eurozone by market capitalisation, would result in the creation of local partnerships, each 50/50 owned by Banque PSA Finance and Santander Consumer Finance, across PSA Peugeot Citroën's main European markets. This partnership would create a competitive, sustainable and dynamic captive financing activity dedicated to Group brands. This partnership would not need the French State guarantee for the funding of its activities. The contemplated perimeter of the transaction would cover approximately 90% of Banque PSA Finance's current activities.

The entering into the agreements to implement this partnership is subject to the finalization of the relevant agreements and the prior information and consultation of the relevant employee representative bodies, and including the approval of the competent banking authorities in the main European countries. The closing of the transaction would then be expected to occur in H2 2015.

The details of the terms of these operations and their potential consequences for the Group are given in the specific press releases.

NOTE 31 SUBSIDIARIES AND EQUITY INVESTMENTS AT 31 DECEMBER 2013

Company or Group *(in thousands of euros or of national currencies)*		Share	Shareholders' equity other than capital	Share of equity held (as a percent)
I - Detailed information regarding securities with a gross value over 1% of share capital				
A - Subsidiaries (at least 50%-owned)				
Peugeot Citroën Automobiles S.A. route de Gisy, 78 Vélizy		300,177	(3,351,086)	100.00
Faurecia 2, rue Hennape, 92 Nanterre		858,117	1,620,271	51.70
Grande Armée Participations 75 avenue de la Grande-Armée, Paris 16e		60,435	91,376	100.00
Banque PSA Finance 75 avenue de la Grande-Armée, Paris 16e		177,408	1,734,461	74.93
Automobiles Citroën 12, rue Fructidor, Paris 17e		159,000	(250,271)	100.00
Automobiles Peugeot 75 avenue de la Grande-Armée, Paris 16e		172,712	(23,124)	100.00
Process Conception Ingénierie 9, ave du Maréchal Juin, 92 Meudon la Forêt		22,954	23,400	84.54
DJ58 75, av de la Grande Armée - Paris 16e		245,001	174	100.00
Peugeot Motocycles rue du 17 Novembre - 25 Mandeure		7,142	(51,157)	100.00
GEFCO 77 à 81, rue des Lilas d'Espagne, Courbevoie (Hauts de Seine)		8,000	203,254	24.96
PSA International S.A. 62 quai Gustave Ador, 1207 Genève (Suisse)	CHF	5,979	223,682	-
	EUR	4,870	182,211	99.93
Société Anonyme de Réassurance Luxembourgeoise 6 B Route de Trêves L2633 Senningerberg - Luxembourg		10,500	22	100.00
B - Affiliates (10 to 50%-owned)				
PSA Assurances SAS		25,740	53,079	10.00
II - General information regarding the other securities with a gross value that does not exceed 1% of share capital				
A - Subsidiaries not listed in I:				
a) French subsidiaries (total)		-	-	-
b) Foreign subsidiaries (total)		-	-	-
B - Affiliates not listed in I:				
a) French companies (total)		-	-	-
b) Foreign companies (total)		-	-	-

Book value of shares held							
Gross	Net	Unpaid loans and advances from the Company	Amount of deposits and endorsements given by the Company	Revenues excluding sales taxes of the past financial year	Profi t (loss) for the last reporting period	Dividends received by the Company during the period	Observations
8,506,955	5,478,953	-	952,241	48,801,985	(2,759,002)	-	
1,585,955	1,585,955	-	-	203,478	99,066	-	
408,923	151,692	-	-	-	85,280	44,635	
380,084	380,084	-	290,262	3,410,165	237,805	210,192	
625,654	625,654	-	19,425	7,369,218	(260,371)	4,500	
480,545	480,545	-	19,425	10,527,898	(54,967)	41,869	
170,304	40,270	-	-	79,656	4,244	2,786	
245,001	245,001	-	-	-	76	-	
353,964	-	-	-	97,612	(29,085)	-	
8,094	8,094	-	-	2,161,872	59,638	-	
-	-	-	-	32,578	23,379	-	1 EUR = 1,2276 CHF
6,844	6,844	-	-	26,538	19,044	25,204	
11,267	11,267	-	-	-	-	-	
2,574	2,574	-	-	333	44,262	4,826	
15	15	-	600,000	-	-	-	
10	10	-	-	-	-	44	
				-	-		
-	-	-	-	-	-	-	
250	250	-	-	-	-	-	

20.4.7. CORPORATE FINANCIAL RESULTS FOR THE PAST FIVE YEARS

(in euros)	2013	2012	2011	2010	2009
I - Financial position at 31 December					
a - Share capital	354,848,992	354,848,992	234,049,344	234,049,225	234,049,142
b - Shares outstanding	354,848,992	354,848,992	234,049,344	234,049,225	234,049,142
II - Results of operations					
a - Net revenues	796,836,770	1,555,591,599	816,142,657	618,615,747	706,891,796
b - Income before tax, employee profit-sharing, depreciation, amortisation and provisions	293,062,589	1,884,037,150	663,823,877	199,298,390	393,686,214
d - Employee profit-sharing (charge for the year)	-	-	-	-	-
d - Income tax [(1)]	98,941,511	1,284,142,729	45,029,722	180,892,567	468,411,28
e - Income after tax, employee profit-sharing, depreciation, amortisation and provisions	453,603,708	61,213,741	444,119,935	647,883,601	537,011,853
f - **Dividends**				**249,547,952**	
III - Per share data					
a - Income after tax and employee profit-sharing before depreciation, amortisation and provisions	1.10	8.93	3.03	1.62	1.88
b - Income after tax, employee profit-sharing, depreciation, amortisation and provisions	1.28	0.17	1.90	2.77	2.29
c - Dividend per share:					
> Dividend paid	-	-	-	1.07	-
> Tax already paid (tax credit)[(2)]	-	-	-	-	-
= Total revenue	-	-	-	-	-
IV - Employees					
a - Average number of employees	324	341	344	336	334
b - Total payroll	32,337,988	33,613,058	40,951,996	33,214,427	35,889,698
c - Total benefits (social security, other social benefits, etc.).	14,424,534	11,183,125	17,307,884	16,148,312	15,272,699

(1) Since 1 January 1990, in compliance with Article 223-A et seq. of the French Tax Code, a consolidated tax return has been filed by the Company and its French subsidiaries that are at least 95% owned. The income tax charge includes current taxes for the year and movements in provisions for deferred taxes.

(2) Beginning with dividends received in 2005, the tax credit has been replaced with tax relief.

20.5. > AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

20.5.1. STATUTORY AUDITORS' REPORTS

Please refer to the Statutory Auditors' Reports on the consolidated financial statements and the Company financial statements for the year ended 31 December 2013 in sections 20.3.1 and 20.4.1 above respectively.

20.6. > DATE OF LATEST FINANCIAL INFORMATION

31 December 2013.

20.7. > INTERIM AND OTHER FINANCIAL INFORMATION

Not applicable.

20.8. > DIVIDEND POLICY

	2009	2010	2011	2012	2013
Dividend per share					
Net	-	€1.10	-	-	- *
Tax credit	n/a	- **	n/a	n/a	n/a
Total revenue	n/a	- **	n/a	n/a	n/a

* *Subject to shareholder approval at the 25 April 2014 Annual Shareholders' Meeting.*

** *Beginning with the 2004 dividend received in 2005, the tax credit has been replaced, under certain conditions, by tax relief.*

The PSA Peugeot Citroën Group pays a dividend, with the Supervisory Board's approval, when this is reasonable considering the Group's performance and the objective of securing an improvement in its underlying profitability.

Furthermore, in October 2012, it was decided that the Company would not pay dividends while the French State guarantee is in place.

In view of Group earnings in 2013, and in order to give priority to allocating financial resources to the Group's development, the Supervisory Board approved the Managing Board's proposal to not pay a dividend for 2013. The non-payment of dividend will be proposed to the Annual Shareholders' Meeting of 25 April 2014.

20.9. > LEGAL AND ARBITRATION PROCEEDINGS

Please refer to section 4.4 of this Registration Document.

20.10. > SIGNIFICANT CHANGE IN THE COMPANY'S FINANCIAL OR TRADING POSITION AND TREND

Please refer to section 12 and 13, to Note 40 to the consolidated financial statements concerning subsequent events (see section 20.3.7 above) and to Note 30 to the Company financial statements.

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ADDITIONAL INFORMATION

21.1. > SHARE CAPITAL

21.1.1. SHARE CAPITAL AT 31 DECEMBER 2013

The issued capital amounted to €354,848,992 at 31 December 2013. It was divided into 354,848,992 shares with a par value of €1, all fully paid-up and of the same class. The shares are held in registered or bearer form, at the shareholder's choosing. As previously reported, at 31 December 2012, the issued capital amounted to €354,848,992, divided into 354,848,992 shares with a par value of €1.

21.1.2. SHARES NOT REPRESENTING CAPITAL

Not applicable.

21.1.3. SHARES HELD BY THE ISSUER

A total of 12,788,627 shares with a par value of €1 were held in treasury as of 31 December 2013, representing 3.60% of the capital.

21.1.4. SHARES OF COMMON STOCK, SHARE EQUIVALENTS, OPTIONS TO PURCHASE NEW SHARES OF COMMON STOCK AND STOCK GRANTS

Share equivalents are options to purchase existing shares, which are granted solely to employees.

These options were granted to executives and senior managers, including Managing Board members, in 2008 and preceding years. No stock options were granted from 2009 to 2013.

A total of 3,259,035 options were outstanding at 31 December 2013. Shares may be issued from time to time when holders of Peugeot S.A. OCEANE bonds present their bonds for conversion (see Note 26.2 to the 2013 consolidated financial statements). There was no capital increase as a result of the conversion of OCEANE bonds in 2013. On 29 March 2012, Peugeot S.A. carried out a cash-based capital increase (rights issue) with preferential subscription rights. On 21 September 2010, the Peugeot S.A. Managing Board decided to use the authorisation given at the Extraordinary Shareholders' Meeting of 2 June 2010 to set up a performance share plan based on the cumulative performance for 2010, 2011 and 2012. The first performance share plan was set up in 2010, under which no performance shares were granted to members of the Managing Board, as the combined conditions had not been met, in accordance with the commitments given by the Group in application of the regulations governing agreements with companies that have received exceptional State aid. The extension of this authorisation given to grant existing shares or shares to be issued subject to performance conditions was approved by the Extraordinary Shareholders' Meeting of 24 April 2013. No performance shares were awarded during the financial year ended 31 December 2013.

For more information, refer to Notes 26.3 and 26.4 accompanying the consolidated financial statements at 31 December 2013.

21.1.5. AUTHORISATIONS IN EFFECT

The following financial authorisations have been granted by shareholders to the Managing Board.

In accordance with the Articles of association, any corporate actions or bond issues must be submitted to the Supervisory Board for prior approval.

SUMMARY STATEMENT OF FINANCIAL AUTHORISATIONS IN EFFECT AT 31 DECEMBER 2013

	Authorisation	Validity	Granted	Used	Expires
1 - Annual Shareholders Meeting					
Buyback of shares *(15th resolution)*	> acquisition of up to 22,696,271 shares bid in relation to the company's share is in progress > maximum purchase price: €15	18 months	24 April 2013	none	24 October 2014
2 - Extraordinary Shareholders Meeting					
Authorisation to issue securities conferring the right to acquire equity with preferential subscription rights, including capital increases, either directly or indirectly, by capitalising reserves, retained earnings, additional paid-in capital or other eligible items *(18th resolution)*	> aggregate nominal total amount of capital increase not to exceed €177,424,496 > aggregate nominal total amount of debt securities to be issued not to exceed €1.5 billion	26 months	24 April 2013	none	24 June 2015
Authorisation to issue securities conferring the right to acquire equity directly or indirectly without pre-emptive subscription rights, through a public offering or private placement. *(19th and 20th resolutions)*	> aggregate nominal total amount of capital increase not to exceed €70,969,799 > aggregate nominal total amount of debt securities to be issued not to exceed €600 million	26 months	24 April 2013	none	24 June 2015
Increase in the amount of securities offered with or without PSR for issues that are oversubscribed *(21st resolution)*	> authorisation to increase the number of securities offered under any issues decided pursuant to the 18th, 19th and 20th resolutions approved at the Annual Shareholders' Meeting of 24 April 2013, provided that the ceilings specified in the resolutions and 15% of the initial issue are not exceeded.	26 months	24 April 2013	none	24 June 2015
Issuance of securities providing access to debt securities, which do not result in capital increase *(22nd resolution)*	> aggregate nominal amount of securities entitling the owner to be granted the allotment of debt securities not to exceed €1 billion	26 months	24 April 2013	none	24 June 2015
Authorisation to carry out an employee share issue without PSR *(23rd resolution)*	> aggregate nominal total amount of capital increase not to exceed €15 million, to be deducted from the €177,424,496 million ceiling specified above	26 months	24 April 2013	none	24 June 2015
Issuance of stock warrants while a takeover bid in relation to the Company's shares is in progress *(24th resolution)*	> capital increase resulting from the exercise of warrants not to exceed €260 million	18 months	24 April 2013	none	24 October 2014

PSR: preferential subscription right.

SUMMARY STATEMENT OF FINANCIAL AUTHORISATIONS THAT EXPIRED IN 2013

	Authorisation	Validity	Granted	Used	Expires
1 - Annual Shareholders' Meeting					
Buyback of shares *(10th resolution)*	Acquisition of up to 22,696,289 shares Maximum purchase price: €30	18 months	25 April 2012	none	31 November 2013
2 - Extraordinary Shareholders' Meeting					
Authorisation to issue securities conferring the right to acquire equity directly or indirectly with pre-emptive subscription rights *(15th resolution)*	> aggregate par value of shares not to exceed €400 million > aggregate nominal amount of debt securities not to exceed €1,500 million	26 months	31 May 2011	use of up to €120,799,648 par value at the time of the capital increase of 29 March 2012	31 July 2013
Authorisation to issue securities conferring the right to acquire equity directly or indirectly without pre-emptive subscription rights, through a public offering or private placement. *(respectively, the 16th and 17th resolution)*	> aggregate par value of shares not to exceed €400 million > aggregate nominal amount of debt securities not to exceed €1,500 million	26 months	31 May 2011	none	31 July 2013
Increase in the amount of securities offered for issues that are oversubscribed *(18th resolution)*	> authorisation to increase the number of securities offered under any issues decided pursuant to the 15th, 16th and 17th resolutions approved at the Shareholders' Meeting of 31 May 2011, provided that the ceilings specified in the resolutions are not exceeded	26 months	31 May 2011	none	31 July 2013
Authorisation to carry out an employee share issue *(19th resolution)*	> aggregate par value of shares not to exceed €15 million, to be deducted from the €400 million ceiling specified above.	26 months	31 May 2011	none	31 July 2013

PSR: preferential subscription right.

21.1.6. DESCRIPTION OF BUYBACK PROGRAMME

At the Shareholders' Meeting on 24 April 2013, shareholders authorised a share buyback programme for the purpose of:

- reducing the Company's share capital through cancellation; or
- selling shares on the exercise of stock options granted to employees, executives or officers of the Company or any related entity as per legal and regulatory conditions; or
- attributing shares under a performance share plan for employees, executives or officers of the Company or any related entity as per legal and regulatory conditions; or
- undertaking transactions with employee shareholders restricted to members of a company savings plan, executed pursuant to Articles L. 3331-1 et seq. of the French Labour Code, by transferring shares previously acquired by the Company under this resolution, or against a bonus award of these shares as a matching contribution of Company shares and/or substituting for a discount;
- allocating shares when rights attaching to financial securities are exercised entitling the owner to be granted shares in the Company through conversion, redemption, exchange or in any other way; or
- maintaining a liquid market in the Company's shares through market-making transactions carried out by an independent investment services provider acting under a liquidity agreement that complies with a Code of Ethics approved by the *Autorité des Marchés Financiers*; or
- allocating shares (by way of payment, exchange or contribution) as part of an external growth transaction, merger, demerger or asset contribution, within the limits set forth in governing regulations.

In compliance with the law, the Company may never directly or indirectly own more than 10% of issued capital.

The authorisation covers a maximum number of 22,696,271 shares with a maximum purchase price of €15 per share and is given for an 18-month period, or until 24 October 2014. No shares were bought back in 2013.

Any use of this authorisation by the Managing Board would require the prior approval of the French government, pursuant to the undertakings given by the Group in connection with the support granted by the French government in the form of guarantees for certain issues of debt securities to be carried out by Banque PSA Finance.

The Shareholders' Meeting of 25 April 2014 will be asked to renew the authorisation regarding the repurchase programme on the terms presented in the 15th Resolution appearing in section 21.4 "Shareholders' Meeting" of this Registration Document.

In compliance with Article L. 225-209 of the French Commercial Code (Code de commerce) and Articles 241-1 to 242-7 of AMF General Rules and Regulations, information about all transactions must be made available under the "AMF regulated information" heading of the *www.psa-peugeot-citroen.com* website.

21.1.7. OPTIONS TO PURCHASE EXISTING SHARES OF COMMON STOCK

Every year from 1999 to 2008, the Managing Board granted options to certain employees, executives and corporate officers of the Company and its subsidiaries, allowing them to purchase existing shares of common stock at a specified price.

No plan was awarded between 2009 and 2013.

For a description of these plans, the number of options outstanding and the average weighted value of the options and underlying shares, please refer to Note 26.3 to the 2013 consolidated financial statements in section 20.3 above.

21.1.8. HISTORY OF THE SHARE CAPITAL

(in euros)	2013	2012	2011
Share capital at beginning of period	354,848,992	234,049,344	234,049,225
Capital increase	-	120,799,648	-
Shares issued on conversion of OCEANE bonds	-		119
Shares cancelled	-	-	-
SHARE CAPITAL AT END OF PERIOD	**354,848,992**	**354,848,992**	**234,049,344**

No other form of potential capital had been issued as of 31 December 2013.

21.1.9. CORPORATE FINANCIAL INSTRUMENT MARKETS

MARKETS IN WHICH THE PEUGEOT S.A. SHARE IS LISTED

The Peugeot S.A. share is listed on the NYSE Euronext Paris stock exchange, compartment A, where it is eligible for the deferred settlement system.

The share is also traded in London on the SEAQ International system and in the United States in the form of American Depositary Receipts (ADRs), traded on the New York over-the-counter market. Each share of common stock is represented by one ADR. The sponsored ADR programme ended on 18 February 2014.

PEUGEOT S.A. SHARE DATA SHEET

ISIN	**FR0000121501**
Markets	Eurolist continuous trading - NYSE Euronext Paris, Compartment A. Ticker UGFP (Bloomberg) Other markets: > United States: Traded as American Depositary Receipts (ADRs), with one ADR representing one share of common stock on OTCQX. Ticker PEUGY US; last date of listing: 18/02/2014; > Europe:: SEAQ International - London.
Listed in the major indexes	CAC Next 20 Index, SBF 120, CAC ALL-TRADABLE, CAC LARGE 60, Dow Jones Euro Stoxx Auto, Advanced Sustainable Performance Indices (ASPI), FTSE4Good
Share eligibility	Deferred settlement under the SDR System and inclusion in French PEA stock savings plans
Par value	€1
Shares outstanding at 31 December 2013	354,848,992
Price at 31 December 2013	€9.438
Stock market capitalisation at 31 December 2013	€3,349 billion

DETAILED STOCK MARKET INFORMATION

(Source: NYSE Euronext)

PRICE

	2013			2012			% change on 2013/2012 closing price
(in euros)	High	Low	31/12/2013	High	Low	31/12/2012	
Share	13.080	5.169	9.438	17.39	4.320	5.471	+72.5%
CAC 40 index	4,320.68	3,595.63	4,295.95	3,684.16	2,922.26	3,641.07	+18%

TRANSACTIONS

	2013		2012	
	Total	Daily average	Total	Daily average
Number of shares	1,256,313,276	4,926,718	1,406,566,645	5,494,401
Value (in million euros)	10,252.24	40.20	11,809.88	46.13

MARKET FOR THE PEUGEOT S.A. SHARE ON THE PARIS STOCK EXCHANGE (DEFERRED SETTLEMENT SERVICE)

	Share price *(in euros)*			Trading volumes		
	Low	High	Closing	By number of shares per month	Value per month *(in million euros)*	Daily average *(in thousands of euros)*
2012						
January	11.980	15.570	14.095	53,706,760	742.91	33,768.81
February	13.340	17.390	15.045	99,461,350	1,529.98	72,856.26
March	11.476	13.855	12.075	142,972,739	1,857.10	84,413.55
April	8.555	12.200	9.070	125,001,631	1,252.13	65,901.76
May	7.864	9.370	7.976	99,391,894	845.63	38,437.75
June	7.046	8.597	7.753	138,659,231	1,077.15	51,292.62
July	5.700	8.067	6.333	207,926,247	1,379.31	62,696.11
August	5.862	7.069	6.015	86,407,809	555.86	24,167.69
September	5.710	7.280	6.150	132,408,583	864.24	43,212.01
October	4.771	6.330	4.936	122,171,071	697.51	30,326.49
November	4.320	5.094	4.717	95,237,546	442.74	20,124.44
December	4.444	5.920	5.471	103,221,784	565.32	29,753.86
2013						
January	5.445	6.828	5.744	121,997,142	755.13	34,324.16
February	5.517	6.545	5.798	97,401,618	585.23	29,291.63
March	5.461	6.870	5.650	102,549,092	636.54	31,827.22
April	5.169	6.316	6.080	94,645,340	544.31	25,919.29
May	5.800	7.680	6.827	135,059,665	925.25	42,056.99
June	5.650	6.993	6.325	79,914,392	515.57	25,778.32
July	5.772	9.944	9.600	148,572,050	1,173.96	51,041.70
August	9.260	11.800	10.750	92,154,084	974.22	44,282.66
September	10.380	13.080	12.150	79,192,113	943.76	44,941.12
October	9.143	12.675	9.706	125,651,643	1,347.83	58,601.37
November	9.690	11.845	11.690	79,127,196	830.09	39,528.05
December	8.850	12.285	9.438	100,048,941	1,020.35	51,017.31
2014						
January	9.460	11.800	11.395	96,469,475	1,039.92	47,268.90
February	10.895	13.640	12.850	81,284,654	1,033.73	50,186.51

Source: NYSE Euronext Paris – March 2014

PEUGEOT S.A. AMERICAN DEPOSITARY RECEIPTS (ADR) TRADED ON THE US MARKET

	Share price *(in US dollars)*		Trading volumes	
	Low	High	Closing	Volume per month
2012				
January	15.76	20.19	18.32	208,503
February	18.46	21.45	20.22	141,519
March	16.03	20.7	16.15	145,358
April	11.47	15.6	12.05	87,201
May	9.9	12.11	9.9	190,971
June	9.02	10.53	9.84	53,308
July	7.27	9.7	7.75	170,823
August	7.15	8.54	7.6	94,624
September	7.39	9.55	7.96	96,474
October	6.61	8.11	6.61	55,997
November	5.62	6.49	6.2	90,886
December	5.9	7.85	7.45	81,923
2013				
January	7.35	8.88	7.79	39,522
February	7.17	8.64	7.62	196,671
March	7.27	8.69	7.27	52,477
April	6.92	8.15	8.12	76,155
May	7.79	9.81	8.87	363,240
June	7.65	9.18	8.32	30,862
July	8.03	12.75	12.75	149,365
August	12.79	15.38	14.19	651,628
September	14.06	17.22	16.47	109,344
October	12.82	17.08	13.17	672,294
November	13.35	16	16	637,322
December	12.4	16.85	13.09	345,303
2014				
January	13.19	16.1	15.49	319,991
February	14.93	17.53	17.53	93,933

Source: JP Morgan

COUPONS ELIGIBLE FOR PAYMENT

DIVIDENDS

	Number of shares	Par value	Coupon number	Payment date	Barred date	Dividend paid	Income taxes already paid to Treasury (tax credit)	Total income per share
Equities								
	234,618,266	€1.00	46	31 May 2006	31 May 2011	€1.35	*	*
	234,618,266	€1.00	47	30 May 2007	30 May 2012	€1.35	*	*
	234,280,298	€1.00	48	4 June 2008	4 June 2013	€1.50	*	*
	234,048,798	€1.00	-	n/a	n/a	-	n/a	n/a
	234,049,142	€1.00	-	n/a	n/a	-	n/a	n/a
	234,049,225	€1.00	49	7 June 2011	7 June 2016	€1.10	*	*
	234,049,344	€1.00	-	n/a	n/a	-	n/a	n/a
	354,848,992	€1.00	-	n/a	n/a	-	n/a	n/a
	354,848,992	€1.00	-	n/a	n/a	-	n/a	n/a

* *Beginning with dividends received in 2005, the tax credit has been replaced, under certain conditions, with tax relief.*

In view of Group earnings in 2013, and in order to give priority to allocating financial resources to the Group's development, the Supervisory Board approved the Managing Board's proposal to not pay a dividend for 2013. The non-payment of dividend will be proposed to the Shareholders' Meeting of 25 April 2014.

OTHER RIGHTS

	Number of shares	Par value	Coupon number	Ex-dividend date	Type of transaction
Share	18,479,370	FRF 70	26	15 July 1987	Right to allocation of bonus shares (one share for five existing shares)

21.2. > MEMORANDUM AND ARTICLES OF ASSOCIATION

21.2.1. CORPORATE PURPOSE

(Summary of Article 3 of the Articles of association)

The Company's purpose is to participate, directly or indirectly, in any and all industrial, commercial or financial activities, in France or abroad, related to:

- the manufacture, sale or repair of all forms of motor vehicles;
- the manufacture and sale of all steel products, tools and tooling;
- the manufacture and sale of all manufacturing, mechanical and electrical engineering equipment;
- the grant of short, medium and long-term consumer loans, the purchase and sale of all marketable securities and all financial and banking transactions;
- the provision of all transport and other services;
- the acquisition of all real property and property rights, by any appropriate means;

and generally to conduct any and all commercial, industrial, financial, securities or real estate transactions related directly or indirectly to any of the above purposes or any other purpose that contributes to the development of the Company's business.

21.2.2. PROVISIONS OF THE ARTICLES OF ASSOCIATION WITH RESPECT TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The organisation and procedures of the Managing Board and Supervisory Board are described in Articles 9 and 10 of the Articles of association.

The Company is managed by a Managing Board with at least two and no more than seven members.

21.2.3. RIGHTS, PREFERENCE AND RESTRICTIONS ATTACHED TO EXISTING SHARES

(Article 8 of the Articles of association)

In addition to the statutory voting rights attached to the shares, each share entitles its holder to a fractional share of the Company's profits and liquidation surplus equal to the fraction of the issued capital represented by the share.

All shares rank *pari passu* as regards taxation. As a result, they entitle their holders to the same net amount, based on their par value and cum-rights date, for any allocation or return of capital during the Company's life or its liquidation.

21.2.4. AMENDING SHAREHOLDER RIGHTS

(Excerpt from Article 7 of the Articles of association)

In addition to the statutory disclosures regarding the number of Company shares held, any individual or corporate shareholder that acquires or increases its direct or indirect interest in the Company's capital to more than 2%, as well as any additional 1% increase of the capital in excess of 2%, is required to disclose the total number of shares held. Said disclosure must be made within five full days of the date when the shares in excess of the relevant disclosure threshold are recorded in the shareholder's account. This requirement continues to apply to shareholders whose interest is in excess of the first statutory disclosure threshold of 5%.

At the request of one or more shareholders together holding at least 5% of the Company's capital, any undisclosed shares in excess of any of the above disclosure thresholds will be stripped of voting rights for a period of two years from the date at which the omission is remedied.

There are no other clauses in the Articles of association limiting voting rights.

21.2.5. SHAREHOLDERS' MEETINGS

(Summary of Article 11 of the Articles of association)

Shareholders' Meetings are held either at the Company's registered office or at any other location specified in the Notice of meeting, which is prepared in compliance with the applicable legislation.

Fully-paid up shares registered in the name of the same holder for at least four years shall carry double voting rights at Shareholders' Meetings.

Corporate shareholders shall be represented at Shareholders' Meetings by their legal representative or any other designated person.

Remote voting may be used at Shareholders' Meetings in accordance with the terms and conditions set down in the applicable laws and regulations.

Proxy and postal voting forms may be sent to the Company or the organiser of Shareholders' Meetings either in paper form or, by decision of the Managing Board published in the notice of meeting, by electronic communication, including via the Internet.

Postal votes will only be counted if the voting forms reach the Company at least three days before the Shareholders' Meeting. However, electronic voting forms may be received by the Company up until 3:00 p.m. (CET) on the day before the Shareholders' Meeting.

It is specified that electronic voting has not been implemented to date.

21.2.6. CHANGES IN THE SHARE CAPITAL

None.

21.2.7. CHANGE OF OWNERSHIP

See section 18.4 above for information concerning change of ownership.

21.2.8. DISCLOSURE THRESHOLDS

Information regarding disclosure thresholds is provided in sections 18.1 and 21.2.4 above.

21.2.9. PARENT COMPANY FINANCIAL STATEMENTS

(Summary of Article 12 of the Articles of association)

Each financial year shall cover a twelve-month period commencing on 1 January and ending on 31 December.

The distributable profit as defined by law is at the disposal of the Shareholders' Meeting. Apart from exceptions resulting from the law, the Shareholders' Meeting makes the final decision as to its appropriation.

21.3. > FEES PAID TO THE STATUTORY AUDITORS IN 2013 AND 2012

For information on fees paid to the Statutory Auditors, please refer to Note 41 to the 2013 consolidated financial statements in section 20.3.7 above.

21.4. > ANNUAL SHAREHOLDERS' MEETING OF 25 APRIL 2014

21.4.1. AGENDA

A/ ORDINARY RESOLUTIONS

- Approval of the financial statements of the Company for the year ended 31 December 2013;
- Approval of the consolidated financial statements of the Group for the year ended 31 December 2013;
- Appropriation of profit;
- Approval of related party agreements entered into in connection with the loans granted by the European Investment Bank;
- Approval of pension benefit commitments given to members of the Managing Board;
- Re-election of Mr Louis GALLOIS as member of the Supervisory Board;
- Election of Mr Xu PING as member of the Supervisory Board;
- Election of Mr Liu WEIDONG as member of the Supervisory Board;
- Election of Mr Bruno BÉZARD as member of the Supervisory Board;
- Election of SOGEPA as member of the Supervisory Board;
- Election of FFP as member of the Supervisory Board;
- Election of ÉTABLISSEMENTS PEUGEOT FRÈRES as member of the Supervisory Board;
- Advisory vote on the compensation of the Chairman of the Managing Board (Mr Philippe VARIN);
- Advisory vote on the compensation of the other members of the Managing Board (Mr Jean-Baptiste CHASSELOUP DE CHATILLON, Mr Grégoire OLIVIER, Mr Jean-Christophe QUÉMARD, Mr Frédéric SAINT-GEOURS and Mr Guillaume FAURY);
- Authorisation for the Managing Board to buy back up to 10% of the share capital of the Company.

B/ EXTRAORDINARY RESOLUTIONS

- Nine-month authorisation for the Managing Board to issue and allocate free equity warrants to Company shareholders with a view to a share capital increase of a maximum aggregate par value of one hundred and six million four hundred and fifty-four thousand six hundred and ninety-eight euros (€106,454,698);
- Nine-month authorisation for the Managing Board to issue, with cancellation of the existing shareholders' preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six euros (€69,866,666) to Dongfeng Motor (Hong Kong) International Co., Limited;
- Nine-month authorisation for the Managing Board to issue, with cancellation of the existing shareholders' preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six euros (€69,866,666) to SOGEPA;
- Nine-month authorisation for the Managing Board to issue, with existing shareholders retaining their preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to two billion euros (€2,000,000,000), without exceeding an aggregate issue amount, including premiums, of two billion euros (€2,000,000,000);
- Adjustment to the cap set in paragraph II of the sixth resolution of the Annual Shareholders' Meeting of 3 June 2009;
- Twenty-six month authorisation for the Managing Board to carry out one or more employee share issue(s), with cancellation of existing shareholders' preferential subscription rights, with a view to a share capital increase of a maximum aggregate par value of three million euros (€3,000,000);
- Amendment to Article 10-I of the bylaws to provide for the election of one or more Supervisory Board members representing employees, in accordance with the French Employment Protection Act dated 14 June 2013 and corresponding amendments;
- Amendment to Article 9-IV of the Company's bylaws relating to Managing Board decisions that require the prior approval of the Supervisory Board;
- Amendment to Article 10-V of the Company's bylaws concerning the Supervisory Board's powers to remove members of the Managing Board;
- Amendment to Article 10-IV of the Company's bylaws concerning Supervisory Board meetings;
- Amendment to Article 11 of the Company's bylaws concerning the time period required to acquire double voting rights;
- Powers to carry out legal formalities.

21.4.2. REPORT OF THE MANAGING BOARD ON THE RESOLUTIONS PRESENTED AT THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL' MEETING OF 25 APRIL 2014

Ladies and Gentlemen, Fellow Shareholders,

We have called this Combined Annual and Extraordinary Shareholders' Meeting so that you can vote on the proposed resolutions, whose purposes are presented below.

We remind you that the proxy information to be provided in the Annual Report and the Managing Board's report is included in the Registration Document for the year ended 31 December 2013 (the **"2013 Registration Document"**) that will be filed with the Autorité des Marchés Financiers (AMF) by Peugeot S.A. (the **"Company"**) and made available to shareholders in accordance with legal and regulatory requirements, notably on the Group's website (www.psa-peugeot-citroen.com). To find specific information, please refer to the cross-reference tables in the 2013 Registration Document, which provide the references of the relevant sections of the 2013 Registration Document.

On 19 February 2014, the Company announced a project to strengthen and deepen its existing industrial and commercial partnership with Dongfeng Motor Group and for Donfeng Motor Group Company Limited and the French State to acquire minority stakes in the Company's capital (the **"Operations Project"**). This project has already been unanimously approved by the Company's Supervisory Board.

As several of the resolutions described below require your approval to enable the Operations Project to go ahead, we also invite you to refer to Chapter 22 of the 2013 Registration Document which contains a presentation of the project.

ORDINARY RESOLUTIONS

I. Approval of the 2013 Financial Statements and Appropriation of profit

(First, second and third resolutions)

Shareholders will be invited to approve the financial statements of the Company (first resolution) and the consolidated financial statements of the Group (second resolution) for the year ended 31 December 2013, as presented.

The Company financial statements for 2013 show a net profit of €453,603,708.26 compared with a net profit of €61,213,741.24 for the previous year.

The consolidated financial statements show an attributable loss for the year of €2,317 million, versus a loss of €5,010 million for 2012.

Detailed information about the 2013 financial statements and the Group's business performance during the year is provided in the 2013 Registration Document that will be filed with the Autorité des Marchés Financiers (AMF) by Peugeot S.A. (the **"Company"**) and made available to shareholders in accordance with legal and regulatory requirements, notably on the Group's website (www.psa-peugeot-citroen.com).

The third resolution concerns the appropriation of the Company's net profit for 2013.

In view of (i) the Group's 2013 results, (ii) the requirement to increase the legal reserve to the level provided for in Article L. 232-10 of the French Commercial Code following the capital increase carried out on 29 March 2012, and (iii) the Company's policy of allocating financial resources primarily to supporting the business's development, the Managing Board recommends that there are no dividend distributions, that €4,601,848.20 be appropriated to the legal reserve and that the remaining profit for the financial year be appropriated to "Retained earnings", bringing the balance of the retained earnings account to €2,649,511,299.08.

No dividend was paid for 2011 or 2012 and a dividend of €1.10 per share was paid for 2010.

II. Approval of Related Party Agreements Entered into in 2013

(Fourth and fifth resolutions)

In the fourth resolution shareholders are being asked to approve the agreements that were entered into by the Company during 2013 concerning guarantees issued to the European Investment Bank (EIB), as follows:

- €132 million pledged cash account guaranteeing repayment by Peugeot Citroën Automobiles S.A. of loans granted by the EIB in 2007 (€250 million), 2010 (€200 million) and 2011 (€125 million).

  This pledge – which was documented in an agreement signed by the Company and the EIB on 29 May 2013 – was authorized by the Supervisory Board on 12 February 2013;
- joint and several guarantee issued to the EIB on behalf of Peugeot Citroën Automobiles S.A. (PCA), covering payment of the principal, interest and any ancillary sums due by PCA under a €300 million loan granted by the EIB in 2013; and pledge of securities covering 20% of 110% of the amount outstanding under the loan.

  The guarantee and pledge – which were documented in an agreement signed by the Company and the EIB on 28 November 2013 – were authorized by the Supervisory Board on 30 July 2013 (for the guarantee) and 22 October 2013 (for the pledge of securities).

The above agreements are being submitted for shareholder approval in accordance with Articles L. 225-86 *et seq.* of the French Commercial Code on related party agreements as the Company and Peugeot Citroën Automobiles S.A. have a number of executives in common.

The purpose of the fifth resolution is to invite shareholders to approve the related party commitments – as defined in the final paragraph of Article L. 225-90-1 of the Commercial Code – that were given by the Company during 2013 with respect to the Managing Board members, Mssrs Philippe Varin, Carlos Tavares, Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier and Jean-Christophe Quémard, concerning defined benefit supplementary pension benefits.

At its meeting on 12 March 2013, when the Supervisory Board appointed the new members of the Managing Board, it noted that:

- Mssrs Philippe Varin, Grégoire Olivier and Jean-Christophe Quémard would continue to participate in the defined benefit "top hat" pension plan based on the rules applicable prior to 1 January 2010; and
- Mr Jean-Baptiste Chasseloup de Chatillon would continue to participate in the defined benefit "top hat" pension plan based on the rules applicable as from 1 January 2010.

At the same meeting, the Supervisory Board authorized the Company to give commitments concerning this defined benefit pension plan with respect to Mssrs Philippe Varin, Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier and Jean-Christophe Quémard.

On 1 January 2014 new regulations were introduced for the "top-hat" pension plan, which supersede all of the previously applicable regulations. Consequently, at its 19 January 2014 meeting the Supervisory Board authorized the commitments given with respect to Mssrs Philippe Varin, Carlos Tavares, Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier and Jean-Christophe Quémard concerning the "top-hat" pension plan in its amended form subsequent to the introduction of these new regulations.

Under the new plan regulations introduced on 1 January 2014, the plan is open to members of the Managing Board and certain Group employees who serve or have served as senior executives of the Group and fulfil the conditions specified in the regulations. The supplementary pension benefits payable under the plan correspond to 1% of the participant's reference compensation per year of service with the Group, increased to 3.5% for each year of participation in the plan (except for years in which the conditions related to the Group's performance are not met, in which case the percentage is reduced to 2.5%). In all cases, the pension benefits payable under the plan may not exceed 30% of the participants' reference compensation, which is defined as the average of their base salary for the final three years with the Group plus a percentage equal to the average of the ratios of their incentive bonus/base salary for their final eight years with the Group.

To be entitled to these benefits, a participant must have served as a senior executive of the Group (as defined in the plan) for at least eight years (or for the five years immediately preceding retirement) and end his or her career with the Group.

This "top-hat" pension plan complies with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies in France (the AFEP-MEDEF Code).

The related-party agreements and commitments submitted for your approval in the above-mentioned resolutions are presented in detail in the Statutory Auditors' Special Report on related-party agreements and commitments included in the Notice of Meeting that can be downloaded from the Group's website (www.psa-peugeot-citroen.com).

III. Election and Re-election of Supervisory Board Members

(Sixth, seventh, eighth, ninth, tenth, eleventh and twelfth resolutions)

RE-ELECTION OF A MEMBER OF THE SUPERVISORY BOARD

(Sixth resolution)

As Mr Louis Gallois' term of office expires at the close of this Shareholders' Meeting, shareholders are asked, in the sixth resolution, and further to a proposal of the Supervisory Board, to re-elect Mr Louis Gallois as member of the Supervisory Board, for a period of four years expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

The Supervisory Board, based on the opinion issued by the Appointments and Governance Committee, considers that Mr Louis Gallois is independent within the meaning of the AFEP-MEDEF Code.

REORGANISATION OF THE COMPANY'S SUPERVISORY BOARD AS A RESULT OF THE OPERATIONS PROJECT

(Seventh, eighth, ninth, tenth, eleventh and twelfth resolutions)

As part of the Operations Project, certain changes to the Company's corporate governance structure – and particularly to the membership of the Supervisory Board – are being proposed in order to take into account the interests in the Company's capital to be acquired by Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited) and the French State (through SOGEPA).

If these changes are approved, following completion of the financial operations through which Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited) and the French State (through SOGEPA) would acquire a stake in the Company, the Supervisory Board would comprise six independent members (as recommended in the AFEP-MEDEF Code) and two representatives of each of (a) the Peugeot family group (Établissements Peugeot Frères and FFP), (b) Dongfeng Motor Group Company Limited, and (c) the French State. It would also include one member representing employee shareholders, in accordance with Article L. 225-71 of the French Commercial Code, and one member representing Group employees in general, in accordance with Article 10-I of the Company's bylaws (and – subject to adoption of the twenty-second resolution of this Meeting – following the appointment of the representative of employees on the Board by the process provided for in the new statutory regime, in accordance with the Employment Protection Act of 14 June 2013).

To permit these changes, Messrs Thierry Peugeot, Jean-Philippe Peugeot, Robert Peugeot, Thierry Pilenko, Jean-Louis Silvant and Mrs Marie-Hélène Roncoroni have informed the Board that they will step down from their positions as Supervisory Board members provided all of the following conditions precedent (the **"Conditions Precedent"**) are met:

- equity warrants have been duly allocated to the Company's shareholders as provided for in the sixteenth resolution of this Meeting;
- the issuance of shares to Dongfeng Motor (Hong Kong) International Co., Limited has been duly carried out as provided for in the seventeenth resolution of this Meeting; and
- the issuance of shares to SOGEPA has been duly carried out as provided for in the eighteenth resolution of this Meeting.

In addition, and independently of the Operations Project, Mr Jean-Paul Parayre has informed the Supervisory Board of his wish to resign from his corporate office at the close of this Shareholders' Meeting, in accordance with the deliberations of the Shareholders' Meeting of 31 May 2011 at which Mr Jean-Paul Parayre was re-elected.

In line with the proposed reorganisation of the Supervisory Board's membership, shareholders are invited to elect as Supervisory Board members Mr Xu Ping, CEO of Dongfeng Motor Corporation, and Mr Liu Weidong, Deputy General Manager of Dongfeng Motor Corporation, both nominated by Dongfeng Motor Group Company Limited (seventh and eighth resolutions), and SOGEPA and Mr Bruno Bézard, CEO of Public Finance (*Directeur général des finances publiques*), both nominated by the French State (it being noted that Mr Bruno Bézard shall be appointed as representative of the French State pursuant to Article 39 of the French law of 15 May 2001, the so-called "NRE law" (ninth and tenth resolutions), and FFP and Établissements Peugeot Frères, (eleventh and twelfth resolutions). In accordance with the Company's bylaws, each of these new Supervisory Board members would be elected for a four-year term, commencing on the date on which the conditions precedent are fulfilled and expiring at the close of the Annual Shareholders' Meeting to be called in 2018 to approve the 2017 financial statements. FFP would be represented by Mr Robert Peugeot and Établissements Peugeot Frères would be represented by Mr Thierry Peugeot.

These elections would, however, also be subject to the Conditions Precedent, and would only take effect once all of the Conditions Precedent had been met.

At the close of the Shareholders' Meeting of the Company, provided that Mr Louis Gallois has been appointed as member of the Supervisory Board and that the events referred to in the Conditions Precedent actually occur, it will be proposed that the Supervisory Board elect Mr Louis Gallois as Chairman of the Supervisory Board.

Biographical details of the persons standing for election or re-election to the Supervisory Board, as well as a list of the offices they currently hold, are presented in this Notice of Meeting brochure, which can be downloaded from the Shareholders section of the Group's website (www.psa-peugeot-citroen.com). Mr Louis Gallois has, moreover, indicated that he has resigned from his public office as Investment Commissioner (*Commissaire à l'Investissement*) with effect from 15 April 2014.

IV. Advisory vote on the compensation due or paid to each member of the Company's Managing Board for 2013

(Thirteenth and fourteenth resolutions)

The June 2013 revised version of the AFEP-MEDEF Code – to which the Company refers for corporate governance issues in application of Article L. 225-68 of the Commercial Code – recommends that shareholders issue a "Say on Pay" advisory vote on the following components of the compensation due or paid to executive directors (paragraph 24.3 of the Code):

- the salary;
- the annual bonus, and if applicable, the long-term incentive bonus, and the performance targets on which this or these bonuses are based;
- any exceptional compensation;
- stock options, performance shares and any other form of deferred compensation;
- any signing bonus or termination benefit;
- supplementary pension benefits;
- any other benefits.

Two separate resolutions are being put forward for shareholders to issue a positive advisory vote on the components of the compensation due or paid to the members of the Managing Board for 2013, in accordance with the above recommendation of the AFEP-MEDEF Code:

- one resolution (thirteenth resolution) concerning the components of the compensation due or paid to Mr Philippe Varin, Chairman of the Managing Board, for 2013, and
- one resolution (fourteenth resolution) concerning the components of the compensation due or paid to the other members of the Managing Board, namely Messrs Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier, Jean-Christophe Quémard, Guillaume Faury and Frédéric Saint-Geours, for 2013 (covering the period from 1st January 2013 to 1st April 2013 for Messrs Guillaume Faury and Frédéric Saint-Geours).

Details of the compensation due or paid for 2013 on which shareholders are asked to issue an advisory vote are set out below (refer also to Chapter 15 of the 2013 Registration Document which provides comprehensive information about each Managing Board member's compensation).

2013 COMPENSATION DUE OR PAID TO MR PHILIPPE VARIN, CHAIRMAN OF THE MANAGING BOARD

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€1,300,000	Gross salary set by the Supervisory Board on 18 December 2012 and maintained at the meeting held on 12 March 2013 when the new Managing Board was appointed, based on the recommendation of the Compensations Committee.
Annual bonus	N/A	Mr Philippe Varin waived his 2013 bonus.
Deferred compensation	N/A	Mr Philippe Varin does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Philippe Varin does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Philippe Varin was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Philippe Varin was not granted any stock options in 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Philippe Varin was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€2,904 (accounting valuation)	Company car
Signing bonus	N/A	Mr Philippe Varin is not eligible for any signing bonus.
Termination benefit	N/A	Mr Philippe Varin is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Philippe Varin is not eligible for a non-compete indemnity.
Supplementary pension benefits	No supplementary pension benefits were due or paid in 2013.	Mr Philippe Varin is eligible for pension benefits under a "top hat" defined benefit pension plan set up by the Group for members of the Managing Board and other senior executives, in accordance with the new plan regulations that came into force on 1 January 2014. The supplementary pension benefits payable under the plan correspond to 1% of the participant's reference compensation per year of service with the Group, increased to 3.5% for each year of participation in the plan (except for years in which the conditions related to the Group's performance are not met, in which case the percentage is reduced to 2.5%). These supplementary pension benefits are capped at 30% of the reference compensation. By way of illustration, based on Mr Varin's reference compensation calculated at end-2013, his pension would represent a replacement rate of approximately 14%. In accordance with the procedure applicable to related-party agreements and commitments, the commitment given to Mr Varin in respect of the benefits payable under this plan was authorized by the Supervisory Board on 19 January 2014 and is being submitted for shareholder approval at the 25 April 2014 Shareholders' Meeting.

2013 COMPENSATION DUE OR PAID TO MR JEAN-BAPTISTE CHASSELOUP DE CHATILLON, MEMBER OF THE MANAGING BOARD

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€618,000	Gross salary set by the Supervisory Board on 18 December 2012 and maintained at the meeting held on 12 March 2013 when the new Managing Board was appointed, based on the recommendation of the Compensations Committee.
Annual bonus	N/A	Mr Jean-Baptiste Chasseloup de Chatillon waived his 2013 bonus.
Deferred compensation	N/A	Mr Jean-Baptiste Chasseloup de Chatillon does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Jean-Baptiste Chasseloup de Chatillon does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Jean-Baptiste Chasseloup de Chatillon was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Jean-Baptiste Chasseloup de Chatillon was not granted any stock options for 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Jean-Baptiste Chasseloup de Chatillon was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€2,904 (accounting valuation)	Company car
Signing bonus	N/A	Mr Jean-Baptiste Chasseloup de Chatillon is not eligible for any signing bonus.
Termination benefit	N/A	Mr Jean-Baptiste Chasseloup de Chatillon is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Jean-Baptiste Chasseloup de Chatillon is not eligible for a non-compete indemnity.
Supplementary pension benefits	No supplementary pension benefits were due or paid in 2013.	Mr Jean-Baptiste Chasseloup de Chatillon is eligible for pension benefits under a "top hat" defined benefit pension plan set up by the Group for members of the Managing Board and other senior executives, in accordance with the new plan regulations that came into force on 1 January 2014. The supplementary pension benefits payable under the plan correspond to 1% of the participant's reference compensation per year of service with the Group, increased to 3.5% for each year of participation in the plan (except for years in which the conditions related to the Group's performance are not met, in which case the percentage is reduced to 2.5%). These supplementary pension benefits are capped at 30% of the reference compensation. By way of illustration, based on Mr Chasseloup de Chatillon's reference compensation calculated at end-2013, his pension would represent a replacement rate of approximately 29%. In accordance with the procedure applicable to related-party agreements and commitments, the commitment given to Mr Chasseloup de Chatillon in respect of the benefits payable under this plan was authorized by the Supervisory Board on 19 January 2014 and is being submitted for shareholder approval at the 25 April 2014 Shareholders' Meeting.

2013 COMPENSATION DUE OR PAID TO MR GRÉGOIRE OLIVIER, MEMBER OF THE MANAGING BOARD

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€618,000	Gross salary set by the Supervisory Board on 18 December 2012 and maintained at the meeting held on 12 March 2013 when the new Managing Board was appointed, based on the recommendation of the Compensations Committee.
Expatriation allowance	€309,000	Mr Grégoire Olivier is based in China.
Annual bonus	N/A	Mr Grégoire Olivier waived his 2013 bonus.
Deferred compensation	N/A	Mr Grégoire Olivier does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Grégoire Olivier does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Grégoire Olivier was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Grégoire Olivier was not granted any stock options in 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Grégoire Olivier was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€2,904 (accounting valuation)	Company car
Signing bonus	N/A	Mr Grégoire Olivier is not eligible for any signing bonus.
Termination benefit	N/A	Mr Grégoire Olivier is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Grégoire Olivier is not eligible for a non-compete indemnity.
Supplementary pension benefits	No supplementary pension benefits were due or paid in 2013.	Mr Grégoire Olivier is eligible for pension benefits under a "top hat" defined benefit pension plan set up by the Group for members of the Managing Board and other senior executives, in accordance with the new plan regulations that came into force on 1 vw January 2014. The supplementary pension benefits payable under the plan correspond to 1% of the participant's reference compensation per year of service with the Group, increased to 3.5% for each year of participation in the plan (except for years in which the conditions related to the Group's performance are not met, in which case the percentage is reduced to 2.5%). These supplementary pension benefits are capped at 30% of the reference compensation. By way of illustration, based on Mr Olivier's reference compensation calculated at end-2013, his pension would represent a replacement rate of approximately 24.5%. In accordance with the procedure applicable to related-party agreements and commitments, the commitment given to Mr Olivier in respect of the benefits payable under this plan was authorized by the Supervisory Board on 19 January 2014 and is being submitted for shareholder approval at the 25 April 2014 Shareholders' Meeting.

2013 COMPENSATION DUE OR PAID TO MR JEAN-CHRISTOPHE QUÉMARD, MEMBER OF THE MANAGING BOARD

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€618,000	Gross salary set by the Supervisory Board on 18 December 2012 and maintained at the meeting held on 12 March 2013 when the new Managing Board was appointed, based on the recommendation of the Compensations Committee.
Annual bonus	N/A	Mr Jean-Christophe Quémard waived his 2013 bonus.
Deferred compensation	N/A	Mr Jean-Christophe Quémard does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Jean-Christophe Quémard does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Jean-Christophe Quémard was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Jean-Christophe Quémard was not granted any stock options in 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Jean-Christophe Quémard was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€2,904 (accounting valuation)	Company car
Signing bonus	N/A	Mr Jean-Christophe Quémard is not eligible for any signing bonus.
Termination benefit	N/A	Mr Jean-Christophe Quémard is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Jean-Christophe Quémard is not eligible for a non-compete indemnity.
Supplementary pension benefits	No supplementary pension benefits were due or paid in 2013.	Mr Jean-Christophe Quémard is eligible for pension benefits under a "top hat" defined benefit pension plan set up by the Group for members of the Managing Board and other senior executives, in accordance with the new plan regulations that came into force on 1 January 2014. The supplementary pension benefits payable under the plan correspond to 1% of the participant's reference compensation per year of service with the Group, increased to 3.5% for each year of participation in the plan (except for years in which the conditions related to the Group's performance are not met, in which case the percentage is reduced to 2.5%). These supplementary pension benefits are capped at 30% of the reference compensation. By way of illustration, based on Mr Quémard's reference compensation calculated at end-2013, his pension would represent a replacement rate of approximately 30%. In accordance with the procedure applicable to related-party agreements and commitments, the commitment given to Mr Quémard in respect of the benefits payable under this plan was authorized by the Supervisory Board on 19 January 2014 and is being submitted for shareholder approval at the 25 April 2014 Shareholders' Meeting.

COMPENSATION DUE OR PAID TO MR GUILLAUME FAURY, MEMBER OF THE MANAGING BOARD FOR THE PERIOD TO 1 APRIL 2013

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€154 500	Gross salary set by the Supervisory Board on 18 December 2012, based on the recommendation of the Compensations Committee.
Annual bonus	N/A	Mr Guillaume Faury waived his 2013 bonus.
Deferred compensation	N/A	Mr Guillaume Faury does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Guillaume Faury does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Guillaume Faury was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Guillaume Faury was not granted any stock options in 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Guillaume Faury was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€726 (accounting valuation)	Company car
Termination benefit	N/A	Mr Guillaume Faury is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Guillaume Faury is not eligible for a non-compete indemnity.
Supplementary pension benefits	No supplementary pension benefits were due or paid in 2013.	Mr Faury left the Company on 1 April 2013 and at that date he did not fulfil the conditions of eligibility for benefits under the "top hat" supplementary pension plan.

COMPENSATION DUE OR PAID TO MR FRÉDÉRIC SAINT-GEOURS, MEMBER OF THE MANAGING BOARD FOR THE PERIOD TO 1 APRIL 2013

Type of compensation	Amounts or accounting value submitted to the advisory vote	Presentation
Salary	€154 500	Gross fixed compensation set by the Supervisory Board on 18 December 2012, based on the recommendation of the Compensations Committee.
Annual bonus	N/A	Mr Frédéric Saint-Geours waived his 2013 bonus.
Deferred compensation	N/A	Mr Frédéric Saint-Geours does not participate in any deferred compensation plan.
Long-term incentive bonus	N/A	Mr Frédéric Saint-Geours does not participate in any long-term incentive bonus plan.
Exceptional compensation	N/A	Mr Frédéric Saint-Geours was not awarded any exceptional compensation for 2013.
Stock options, performance shares and any other type of long-term compensation	Stock options = N/A	Mr Frédéric Saint-Geours was not granted any stock options in 2013.
	Performance shares = N/A Other long-term compensation = N/A	Mr Frédéric Saint-Geours was not awarded any performance shares or other long-term compensation in 2013.
Attendance fees	N/A	The members of the Managing Board are not paid attendance fees.
Fringe benefits	€726 (accounting valuation)	Company car
Termination benefit	N/A	Mr Frédéric Saint-Geours is not eligible for any termination benefit.
Non-compete indemnity	N/A	Mr Frédéric Saint-Geours is not eligible for a non-compete indemnity.
Supplementary pension benefits	N/A	Mr Frédéric Saint-Geours retired in 2013. He participates in the Group's "top-hat" supplementary pension plan under the regulations in force prior to 1 January 2014 and will receive supplementary pension benefits under this plan corresponding to 39.32% of his reference compensation. The commitment relating to the benefits payable to Mr Saint-Geours under this plan was approved in the fourth resolution of the 2 June 2010 Shareholders' Meeting.

V. Authorisation to Carry Out a Buyback Programme Capped at 10% of the Company's share capital

(Fifteenth resolution)

In the fifteenth resolution shareholders are invited to renew the authorisation to carry out a share buyback programme. The previous authorisation was given at the Shareholders' Meeting of 24 April 2013 and expires on 23 October 2014. It has not been used by the Managing Board.

Taking into account the 10% limit on the proportion of capital that may be held in treasury under French company law, the amount of Peugeot S.A.'s capital, and the 12,788,627 treasury shares held by the Company at 31 December 2013 (representing around 3.60% of the capital), in practice the Managing Board would be authorised to buy back up to 22,696,272 shares.

The maximum purchase price would be set at €20 per share and the total amount invested in the programme would not exceed €453,925,440.

The Managing Board would have to obtain the prior authorisation of the French State to use this authorisation, due to the undertakings given by the Group in exchange for French State's support in the form of guarantees for certain market issues of debt securities carried out by Banque PSA Finance.

Subject to obtaining this authorisation, the shares could be bought back by any appropriate method, on or off-market, in accordance with Article L. 225-209 of the Commercial Code and the rules issued by the French securities regulator, the AMF.

The authorisation could be used to buy back shares for cancellation in order to reduce the Company's capital; for allocation on exercise of stock options; for performance share plans; for employee savings plans; for allocation on redemption, conversion or exercise of securities carrying rights to shares; to maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment services provider; or for remittance in connection with external growth transactions, mergers, demergers or asset contributions.

The authorisation is being sought for a period of eighteen months as from this Meeting, i.e. until 24 October 2015.

EXTRAORDINARY RESOLUTIONS

VI. Financial Resolutions Related to the Operations Project

(Sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions)

GENERAL INFORMATION

The following operations are planned as part of the overall Operations Project:

i) Prior to carrying out the operations referred to in paragraphs ii) and iii) below, in order to enable the Company's shareholders to increase their exposure to the Group's value creation potential, the Company plans to issue free equity warrants to shareholders, on the basis of one (1) equity warrant per share (the "**Equity Warrant Allocation**").

   The Equity Warrant Allocation would be carried out before the Reserved Capital Increases and the Rights Issue as described in paragraphs ii) and iii) below and therefore no warrants would be allocated to either Dongfeng Motor (Hong Kong) International Co., Limited or SOGEPA.

   The equity warrants would be exercisable on the basis of three (3) new Peugeot S.A. shares for ten (10) warrants.

   The new shares allocated on exercise of the warrants would be issued at a price of €7.5 (seven euros and fifty cents), meaning that existing shareholders would be able to purchase new shares at the same price as those offered in the Reserved Capital Increases.

   The warrants would be tradable on the Euronext Paris market and would be exercisable between the first and third anniversaries of their admission to trading.

   If all of the warrants were to be exercised, this would ultimately provide fresh capital of around €770 million for the Company.

   The prospectus for the admission to trading of the shares issued under the Reserved Capital Increases described in point ii) below would also cover the issue of the equity warrants and their admission to trading on NYSE Euronext Paris.

ii) Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited) and the French State (through SOGEPA) would each acquire approximately €524 million worth of shares through a reserved capital increase (the "**Reserved Capital Increase(s)**"). Approximately 140 million ordinary shares would be issued through the two **Reserved Capital Increases**, at a price of €7.50 (seven euros and fifty cents) per share.

   Dongfeng Motor Group Company Limited would purchase the shares through Dongfeng Motor (Hong Kong) International Co., Limited, whose capital and voting rights are wholly owned by Dongfeng Motor Group Company Limited. Under the terms of the agreements described in Chapter 22 of the 2013 Registration Document, if any third party were to subsequently acquire any of the capital and voting rights of Dongfeng Motor (Hong Kong) International Co., Limited, it would not be able to exercise any direct influence over the Company's governance, and if Dongfeng Motor Group Company Limited were to relinquish control of Dongfeng Motor (Hong Kong) International Co., Limited, the Supervisory Board members representing Dongfeng Motor Group Company Limited would be required to step down from the Supervisory Board.

   The French State would purchase the shares through SOGEPA, a company whose share capital is wholly owned by the French State.

Following the Reserved Capital Increases, Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA would each hold approximately 14% of the Company's capital.

Prior to the Shareholders' Meeting a prospectus for the admission to trading of the new shares on NYSE Euronext Paris would be filed with the AMF and subsequently published.

The undertakings to purchase shares under the Reserved Capital Increases made by the French State (through SOGEPA) and Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited) are subject to the conditions precedent that an underwriting agreement is signed with a banking syndicate for the Rights Issue described in point iii) below, and that no material adverse changes occur affecting the Company, as described in Section 22 of the 2013 Registration Document;

iii) Following completion of the Reserved Capital Increases, the Company would carry out a share issue with preferential subscription rights for existing shareholders, representing a total of approximately €1,952 million (the **"Rights Issue"**).

A prospectus for the Rights Issue would be filed with the AMF and published after this Meeting. All shareholders would be eligible to exercise their preferential subscription rights (including Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA), on the basis of one right per share held.

Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited) and the French State (through SOGEPA) would each undertake to take up their post-Reserved Capital Increase share of the Rights Issue (corresponding to around €276 million worth of new shares each), thereby maintaining their respective interests in the Company's capital at approximately 14%.

The companies in the Peugeot family group (Établissements Peugeot Frères and FFP) would also participate in the Rights Issue so that their interest in the Company's capital matched that of Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA (i.e. approximately 14%).

The shares not taken up by Dongfeng Motor Group Company Limited (through Dongfeng Motor (Hong Kong) International Co., Limited), the French State (through SOGEPA), and the companies in the Peugeot family group (which would represent a maximum of €1.4 billion) are the purpose of a volume guarantee from a banking syndicate containing standard terms and conditions. This guarantee would be replaced by an underwriting agreement when the final terms of the Rights Issue are fixed (for a more detailed description of these guarantee agreements, see Chapter 22 of the 2013 Registration Document).

In the four resolutions set out below, the Managing Board is seeking the necessary authorisations to carry out the operations described above:

- issue and allocation of equity warrants (sixteenth resolution);
- Reserved Capital Increases, to be respectively taken up by Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA (seventeenth and eighteenth resolutions);
- Rights Issue (nineteenth resolution).

Although the operations would be carried out as soon as possible after the Meeting, the Managing Board is seeking authorisations that would be technically valid for a period of nine months.

Shareholders should note that the Operations Project forms one indivisible whole and that each of the four resolutions is contingent on the adoption of the other three as well as the adoption of the seventh, eighth, ninth, tenth, eleventh and twelfth resolutions also presented at this Meeting.

These four resolutions are also each contingent on the adoption at this Meeting of the twentieth resolution revising the cap set in the sixth resolution of the 3 June 2009 Shareholders' Meeting. This twentieth resolution is described below, together with the reasons why it has been presented by the Managing Board in addition to the four resolutions concerning the Operations Project.

In view of the above, none of the sixteenth to nineteenth resolutions could be adopted without all of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions also being adopted at this Meeting.

ISSUE AND ALLOCATION OF EQUITY WARRANTS

(Sixteenth resolution)

In the sixteenth resolution, the Managing Board is seeking an authorisation – which may be subdelegated – to issue and allocate to the Company's shareholders, free equity warrants on the basis of one Equity Warrant per Peugeot S.A. share.

The Equity Warrants would be exercisable for up to 106,454,698 (one hundred and six million four hundred and fifty-four thousand six hundred and ninety-eight) new ordinary shares of the Company with a par value of one euro (€1), on the basis of three (3) new shares for ten (10) equity warrants, representing a total capital increase of up to €106,454,698 (one hundred and six million four hundred and fifty-four thousand six hundred and ninety-eight euros). This amount would not include the par value of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of existing holders of securities or other rights exercisable for the Company's shares.

The €1 (one euro) par-value shares allocated on exercise of the equity warrants would be issued at a price of €7.50 (seven euros and fifty cents), corresponding to an issue premium of €6.50 (six euros and fifty cents) per share (without prejudice to any subsequent adjustments to be made in accordance with the applicable laws, regulations and contractual provisions in order to protect the rights of the equity warrant holders). Consequently the shares purchased on exercise of the equity warrants would be acquired at the same price as the shares offered in the Reserved Capital Increases to Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA pursuant to respectively the seventeenth and eighteenth resolutions presented to this Meeting.

The equity warrants would be exercisable at any time between the first and third anniversaries of their admission to trading on NYSE Euronext Paris. Shares purchased on exercise of the equity warrants would be paid up in cash.

This authorisation would automatically entail the waiver by shareholders of their preferential subscription rights to subscribe any shares to be issued on exercise of the equity warrants.

The cum-rights date of the new shares issued on exercise of the equity warrants would be first day of the financial year in which they are issued and the shares would be subject to all of the provisions of the Company's bylaws as well as all shareholder decisions as from that date.

The Managing Board is also seeking full powers – which may be subdelegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

- place on record the fulfilment of the conditions precedent referred to above;
- decide to issue the equity warrants or, if appropriate, postpone the issue. Determine the amounts, characteristics and issuance and other terms and conditions of the equity warrants, subject to the limits set out above. Determine – in accordance with the applicable laws – the terms and conditions under which the exercise of the equity warrants may be suspended;
- make any and all adjustments – including those resulting from the use of the authorisation sought in the nineteenth resolution – in order to comply with the corresponding provisions of any applicable laws, regulations and any contractual provisions, and determine the method to be used to ensure the protection of the rights of existing holders of securities or other rights exercisable for the Company's shares;
- if appropriate, charge the issuance costs of the shares issued upon exercise of the equity warrants against the related premium;
- place on record each capital increase resulting from the exercise of the equity warrants and amend the bylaws to reflect the new capital;
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the equity warrants issued pursuant to this authorisation and of the shares issued on exercise of the warrants and for the exercise of any related rights.

This authorisation is being sought for a period of nine months from the date of this Shareholders' Meeting.

This authorisation would be subject to the condition precedent of the adoption of the seventh, eighth, ninth, tenth, eleventh, twelfth, seventeenth, eighteenth, nineteenth and twentieth resolutions also presented at this Meeting.

RESERVED CAPITAL INCREASES FOR DONGFENG MOTOR (HONG KONG) INTERNATIONAL CO., LIMITED AND SOGEPA

(Seventeenth and eighteenth resolutions)

In the seventeenth and eighteenth resolutions, shareholders are invited to grant the Managing Board an authorisation – which may be subdelegated – to carry out two capital increases in an amount of €69,866,666 (sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six euros) each, by issuing 69,866,666 (sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six) shares new one euro (€1) par-value shares to each of Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA.

The new one euro (€1) par-value shares would be issued at a unit price of €7.50 (seven euros and fifty cents), which corresponds to an issue premium of €6.50 (six euros and fifty cents) per share.

The subscription price is the result of the negotiations held between the Company, Dongfeng Motor Group Company Limited and the French State in connection with the Operations Project. It should be considered in the light of the global economic equation of the transaction, and therefore in particular in the light of (i) the anticipated benefits from the strengthened partnership with Dongfeng Motor Group Company Limited, (ii) the value of the equity warrants allocated to the Company's shareholders but which will not be allocated to Dongfeng Motor Group Company Limited or the French State, and (iii) the Company's sustainability thanks to the contemplated share capital increases and the positive consequences on the value of its assets.

The deepened industrial and commercial partnership with Dongfeng Motor Group Company Limited would significantly increase the PSA Peugeot Citroën Group's presence in China, the largest automobile market in the world, and would accelerate its expansion into Southeast Asia, which would be in line with the Group's strategy for profitable globalisation. The anticipated synergies resulting from this partnership are expected to be in the region of €400 million per year for the Group by 2020. The equity warrants, having an exercise price of €7.50 (seven euros and fifty cents), which is the same as the subscription price for the Reserved Capital Increases, and being allocated free of charge to the Company's current shareholders, are of a significant value as compared with the current share price. These equity warrants would allow the current shareholders to benefit from the synergies of the industrial project, the Group's anticipated recovery and the corresponding value creation. Lastly, the share capital increases would allow the Company to implement its "Back in the Race" strategic plan and reap its full value. They would also strengthen PSA's balance sheet and enable it to envisage a mechanical reduction in its interest expense.

It should be noted that there have been many rumors about the Company and a strategic partnership and share capital increase, including, in June 2013 a rumor about possible discussions with Dongfeng Motor Group Company Limited or a reinforcement of the agreements with General Motors. While the Company's share price stayed within a range of €5.30 and €7.60 in the first half of 2013, it increased 77% between end-June 2013 and 17 January 2014 – the last trading day before issue of the press release confirming the discussions on the industrial project with Dongfeng Motor Group Company Limited and the contemplated share capital increases – against a rise in the Eurostoxx Auto & Parts index of 36% over the same period.

All of these analyses are confirmed by the independent expert's report referred to below, published in the prospectus relating to the Reserved Capital Increases and the issue and allocation of the equity warrants.

An independent firm – Ricol Lasteyrie – was asked by the Supervisory Board to issue an opinion on whether the Operations Project is in the best interests of the Company. This opinion was issued by Ricol Lasteyrie on 17 February 2014. Ricol Lasteyrie's conclusions – a copy of which will be appended to the prospectus for the Reserved Capital Increases and the issue and allocation of equity warrants – are as follows:

"Consequently, we consider that the Operations aimed at ensuring the Company's long-term future – which are described in the latest versions of the Framework Agreement and MoU dated 18 February 2014 and received by us in the evening of 17 February 2014 – are in the best interests of Peugeot S.A., i.e. in the best interests of the Company, its employees and its shareholders."

Shareholders are asked to waive their preferential subscription rights for these issues so that the entire amount of the capital increases can be reserved for Dongfeng Motor (Hong Kong) International Co., Limited (for the seventeenth resolution) and SOGEPA (for the eighteenth resolution).

Lastly, the Managing Board is also seeking full powers – which may be subdelegated in accordance with the law and the Company's bylaws – to use these authorisations and accordingly to:

- place on record the fulfilment of the conditions precedent referred to above;
- decide to carry out the share issues or, if appropriate, postpone the issues;
- determine – subject to the limits set out above – the amounts, characteristics and other terms and conditions of the issues, including the cum-rights date of the shares (which may be retroactive) and the method by which the shares will be paid up;
- if appropriate, charge the issuance costs of the shares against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level;
- receive the subscription price of the new shares and place on record their subscription and the ensuing capital increases and amend the bylaws to reflect the new capital;

- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the shares issued pursuant to this authorisation and for the exercise of any related rights.

These two authorisations would be given for a period of nine months from the date of this Shareholders' Meeting.

The adoption of each of these two resolutions would be subject to the condition precedent of the adoption of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, nineteenth and twentieth resolutions at this Meeting, as well as:

- for the seventeenth resolution concerning the Reserved Capital Increase in which the shares will be issued to Dongfeng Motor (Hong Kong) International Co., Limited, adoption of the eighteenth resolution; and
- for the eighteenth resolution concerning the Reserved Capital Increase in which the shares will be issued to SOGEPA, adoption of the seventeenth resolution.

Impact of the share issues on equity attributable to equity holders of the parent

For information purposes, the table below shows the impact that the issues of new shares under the Reserved Capital Increases would have on the per-share amount of equity attributable to equity holders of the parent *(calculations based on equity attributable to equity holders of the parent at 31 December 2013, as shown in the 2013 consolidated financial statements, and on the number of shares making up the Company's capital at that date, after deducting treasury shares).*

	Equity per share attributable to equity holders of the parent (in euros)	
	Basic	**Diluted (1)**
Before the issue of the 139,733,332 new shares	20.12	20.20
After the issue of the 139,733,332 new shares	16.46	16.74

(1) Assuming that all of the 3,259,035 outstanding stock options are exercised and that all of the 22,907,053 outstanding OCEANE bonds are converted or exchanged.

Impact of the share issues on shareholders' interests

For information purposes, the table below shows the impact that the issues of new shares would have on the interest of a shareholder holding 1% of the Company's capital prior to the issues who does not take part in the issues *(calculations based on the number of shares making up the Company's capital at 31 December 2013).*

	Shareholder's interest (%)	
	Basic	**Diluted (1)**
Before the issue of the 139,733,332 new shares	1.00%	0.92%
After the issue of the 139,733,332 new shares	0.72%	0.68%

(1) Assuming that all of the 3,259,035 outstanding stock options are exercised and that all of the 22,907,053 outstanding OCEANE bonds are converted.

Following the Reserved Capital Increases, Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA would each hold approximately 14% of the Company's capital.

RIGHTS

(Nineteenth resolution)

In the nineteenth resolution, shareholders are invited to grant the Managing Board an authorisation – which may be subdelegated – to issue shares with an aggregate par value of up to two billion euros (€2,000,000,000), at an aggregate issue price including premiums of up to two billion euros (€2,000,000,000). This cap would not include the par value of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of existing holders of securities or other rights exercisable for the Company's shares.

This authorisation would supersede the authorisation given to the Managing Board in the 18th resolution of the 24 April 2013 Shareholders' Meeting to issue – with preferential subscription rights for existing shareholders –shares and/or securities carrying rights to shares of the Company.

Shareholders should note the consequences of cancelling the above-mentioned 18th resolution on the ceilings applicable to share issues carried out without preferential subscription rights for existing shareholders pursuant to the authorisations granted to the Managing Board by the 24 April 2013 Shareholders' Meeting in the nineteenth resolution (issues carried out through a public offer) and the twentieth resolution (issues carried out through a private placement). Any issues of shares and/or securities carrying rights to shares that may be carried out pursuant to the 19th and 20th resolutions of the 24 April 2013 Shareholders' Meeting (i) would not be deducted from the cap provided for in this resolution, and (ii) would only be subject to the cap provided for in paragraph 5 of each of the said nineteenth and twentieth resolutions of the Shareholders' Meeting of 24 April 2013 (as the cap in paragraph 5 b) of those resolutions would no longer apply because the 18th resolution would no longer be valid). In practice the applicable cap would therefore represent an aggregate par value of €70,969,799 (20% of the Company's capital at 31 December 2013), corresponding to the cap applicable to both the nineteenth and twentieth resolutions of the 24 April 2013 Shareholders' Meeting.

Similarly, shareholders should note that any issues of debt securities that may be carried out pursuant to the 19th and 20th resolutions of the 24 April 2013 Shareholders' Meeting would only be subject to the caps provided for in paragraph 6 of each of the said 19th and 20th resolutions (as the cap in paragraph 6 b) of those resolutions would no longer apply because the 18th resolution would no longer be valid). In practice the applicable cap would therefore represent an aggregate nominal amount of €600,000,000, corresponding to the cap applicable to both the 19th and 20th resolutions of the 24 April 2013 Shareholders' Meeting.

If the Managing Board were to use this authorisation to carry out the Rights Issue:

a) existing shareholders would be granted preferential subscription rights to subscribe the shares, in proportion to the number of shares they own in the Company's capital, in accordance with conditions and limits set by the Managing Board;

b) the Managing Board would be able to grant shareholders additional reducible subscription rights to subscribe any shares not taken up by other shareholders, in which case such additional reducible subscription rights would also be exercisable in proportion to the existing interest in the Company's capital of the shareholders concerned;

c) in accordance with Article L. 225-134 of the French Commercial Code, if the issue was not taken up in full by shareholders exercising their preferential subscription rights as described above, the Managing Board would be able take one or more of the following courses of action, in the order of its choice: (i) freely allocate all of some of the unsubscribed shares among the investors of its choice, (ii) offer the unsubscribed shares for subscription by the public and/or (iii) limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up.

Lastly, the Managing Board is seeking full powers – which may be subdelegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

- place on record the fulfilment of the conditions precedent referred to above;
- decide to carry out the issue or, if appropriate, to postpone it;
- determine – subject to the limits set out above – the amounts, characteristics and other terms and conditions of the issue, including the cum-rights date of the shares (which may be retroactive) and the method by which the shares will be paid up;
- make any and all adjustments required to comply with the applicable laws, regulations and any contractual provisions, and determine the method to be used to ensure the protection of the rights of existing holders of securities or other rights exercisable for the Company's shares;
- if appropriate, charge the issuance costs of the shares against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level;
- place on record the capital increase and amend the bylaws to reflect the new capital;
- generally, enter into any and all agreements, take all appropriate steps and carry out all formavlities necessary for the issue, admission to trading and service of the shares issued pursuant to this authorisation and for the exercise of any related rights.

This authorisation would be given for a period of nine months from the date of this Meeting.

The adoption of this resolution would be subject to the condition precedent of the adoption of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, seventeenth, eighteenth and twentieth resolutions at this Meeting.

ADJUSTMENT TO THE CAP SET IN THE SIXTH RESOLUTION OF THE 3 JUNE 2009 SHAREHOLDERS' MEETING

(Twentieth resolution)

In 2009, the Company used the authorisation given in the sixth resolution of the 3 June 2009 Shareholders' Meeting to issue OCEANE bonds (bonds convertible and/or exchangeable for new or existing shares).

Paragraph II of the resolution states that the aggregate par value of shares issued to OCEANE bondholders may not result in the Company's share capital being raised to above €400,000,000 (four hundred million). However, if and when the authorisations sought in the sixteenth, seventeenth, eighteenth and nineteenth resolutions of this Meeting are used, the Company's capital would be increased to above the €400,000,000 (four hundred million) cap, making the €400,000,000 (four hundred million) cap inapplicable.

Consequently, the Managing Board is asking shareholders, in the twentieth resolution, to adjust how the cap specified in paragraph II of the sixth resolution of the 3 June 2009 Shareholders' Meeting is expressed.

This cap would henceforth be expressed, not by reference to the share capital, but by reference to a par-value amount of the share capital increases which may be carried out in order to honour requests for the conversion of OCEANE. The cap amount thus expressed would be €27,488,464 which corresponds to the maximum amount required to honour conversion requests on all of the OCEANE bonds issued in 2009 that are still outstanding at the date of this Meeting.

This €27,488,464 cap would not include the par value of any additional shares to be issued in respect of any adjustments to be made in accordance with the applicable laws, regulations and any contractual provisions to protect the rights of the holders of OCEANE bonds in circumstances where such adjustments are required, and notably as a result of the issues provided for in the sixteenth and nineteenth resolutions of this Meeting.

VII. Authorisation to Carry Out Employee Share Issues

(Twenty-first resolution)

Whenever shareholders are asked to give an authorisation to issue shares or securities carrying rights to shares – as is the case in the sixteenth, seventeenth, eighteenth and nineteenth resolutions – Article L. 225-129-6, paragraph 1, of the Commercial Code stipulates that a separate resolution must be presented authorising one or more employee share issues. This is the purpose of the twenty-first resolution. If this resolution is adopted, the Company intends to use the authorisation during 2014 in order to enable employees to participate in the Group's recovery.

Under this resolution, the Managing Board would be authorised to issue up to €3,500,000 (three million five hundred thousand euros) worth of shares to employees through one or several offers, representing approximately 1% of the Company's capital at 31 December 2013.

The shares would be offered to legally eligible employees and persons who are members of an employee stock ownership plan set up by the Company or any French or foreign related entities within the meaning of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code. If this resolution is adopted it would entail the waiver by shareholders of their preferential subscription right to subscribe the shares to be issued using the authorisation.

In accordance with Article L. 3332-19 of the Labour Code, the shares would not be offered at a price either (i) in excess of the average of the prices quoted for the Company's shares over the twenty trading days preceding the date of the Managing Board's decision setting the opening date of the subscription period, or (ii) at a discount to this average price greater than that authorised by Article L. 3332-19 of the Labour Code.

The Managing Board would also be able to use this authorisation to allocate free shares to the above-mentioned beneficiaries, as (i) an employer top-up payment made in accordance with the regulations of the employee stock ownership plans in place within the Group, and/or (ii) in place of a discount, provided that the monetary value of said free shares, calculated at the subscription price, does not exceed the caps set in the applicable law and regulations. If new shares were allocated for these purposes they would be paid up by capitalizing reserves, profit or additional paid-in capital.

The Managing Board would have full powers – which may be subdelegated in accordance with the applicable law and regulations – to use this authorisation although, in accordance with the Company's bylaws, it would have to obtain the prior approval of the Supervisory Board before carrying out any employee share issues.

The authorisation would be given for a period of twenty-six months and would supersede the authorisation given for the same purpose in the 23rd resolution of the 24 April 2013 Shareholders' Meeting, which has not been used by the Managing Board.

VIII. Amendments to the Company's bylaws

(Twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions)

AMENDMENT TO ARTICLE 10-I OF THE BYLAWS TO PROVIDE FOR THE APPOINTMENT OF ONE OR MORE SUPERVISORY BOARD MEMBERS REPRESENTING EMPLOYEES, IN ACCORDANCE WITH THE FRENCH EMPLOYMENT PROTECTION ACT DATED 14 JUNE 2013, AND CORRESPONDING AMENDMENTS

(Twenty-second resolution)

In the twenty-sixth resolution of the 24 April 2013 Shareholders' Meeting, the shareholders decided to amend Article 10-I of the Company's bylaws to provide for an employee representative to sit on the Supervisory Board in order to more closely involve employees in the process of defining the Group's corporate strategy, in line with the spirit of the national inter-professional agreement signed by employer and employee representatives in France in January 2013 as well as the French Employment Protection Bill.

The Employment Protection Act was passed into French law on 14 June 2013 and the Company now needs to amend its bylaws to include the process for appointing one or two members of the Supervisory Board representing employees as provided for in the Act. This new measure concerning employee representation will replace the provisions in the bylaws adopted pursuant to the aforementioned twenty-sixth resolution of the Shareholders Meeting of 24 April 2013.

Consequently, in the twenty-second resolution, shareholders are invited to amend Article 10-I of the bylaws (i) to provide for employees to be represented on the Supervisory Board in accordance with the 14 June 2013 Employment Protection Act, and (ii) by deleting the previous provisions that had been inserted by way of the twenty-sixth resolution of the 24 April 2013 Shareholders' Meeting. If these amendments are approved it will also be necessary to amend the numbering and references in Article 10-I of the bylaws.

The proposed new provisions of the bylaws would provide for one or more Supervisory Board members representing employees to be appointed by the Group's European Works Council. Following the consultation process required under French law, the Group's European Works Council issued a favourable opinion on the proposed appointment process on 12 March 2014.

In view of the above, Mr Jean-François Kondratiuk will resign from his office as member of the Supervisory Board representing employees, to which he was appointed by the Shareholders' Meeting of 24 April 2013 pursuant to the provisions of the bylaws adopted by that Shareholders Meeting on 24 April 2013 in the aforementioned twenty-sixth resolution. Mr Jean-François Kondratiuk's resignation will be effective by no later than the day before appointment of the employee representative under this new measure.

If the shareholders elect and re-elect the Supervisory Board members put forward at this Meeting, following completion of the Operations Project through which Dongfeng Motor (Hong Kong) International Co., Limited and SOGEPA will acquire interests in the Company, the Supervisory Board will have a total of twelve members (plus the member representing employee shareholders). Therefore, one Supervisory Board member representing employees will need to be appointed within six months of this Shareholders' Meeting, by the process set out in the Company's bylaws, as amended by the twenty-second resolution.

AMENDMENT TO ARTICLE 9-IV OF THE COMPANY'S BYLAWS CONCERNING MANAGING BOARD DECISIONS THAT REQUIRE THE PRIOR APPROVAL OF THE SUPERVISORY BOARD

(Twenty-third resolution)

The purpose of the twenty-third resolution is to amend Article 9-IV of the bylaws in order to remove the distinction between (i) actions taken by the Managing Board that require the prior approval of the Supervisory Board (paragraph a) of the current Article 9-IV), and (ii) actions taken by the Managing Board that require a unanimous decision by the Managing Board or, where a unanimous decision cannot be reached, the prior approval of the Supervisory Board (paragraph b) of the current Article 9-IV).

If this resolution is adopted all of the actions taken by the Managing Board that are currently listed separately in paragraphs a) and b) would be grouped together into a single list and all of the actions on this list would require the prior approval of the Supervisory Board.

This amendment is aimed at simplifying the wording of the bylaws and aligning their provisions with the actual practices of the Company's managing bodies because the actions listed in the current paragraph b) of Article 9-IV are already systematically submitted to the Supervisory Board for prior approval.

AMENDMENT TO ARTICLE 10-V OF THE COMPANY'S BYLAWS CONCERNING THE SUPERVISORY BOARD'S POWERS TO REMOVE MEMBERS OF THE MANAGING BOARD FROM OFFICE

(Twenty-fourth resolution)

In the twenty-fourth resolution shareholders are invited to amend the second sentence of Article 10-V of the bylaws concerning the Supervisory Board's power to remove members of the Managing Board from office. The proposed amendment involves changing the wording from "It may remove the members of the Managing Board from office" to "It may remove any member of the Managing Board from office".

The purpose of this amendment is to align the Company's bylaws with the applicable legal provisions.

AMENDMENTS TO THE BYLAWS REQUIRED AS A RESULT OF THE OPERATIONS PROJECT

(Twenty-fifth and twenty-sixth resolutions)

The Managing Board is also putting forward two resolutions concerning amendments to the Company's bylaws that are required as a result of the Operations Project:

- The first proposed amendment is to Article 10-IV of the bylaws in order to insert new provisions concerning Supervisory Board meetings (twenty-fifth resolution).

  This would involve adding, after the fourth paragraph, a stipulation that Supervisory Board meetings will be held and votes taken in accordance with the quorum and majority voting rules provided for by law and that in the event of a split vote, the Chairman of the meeting would not have a casting vote.
- The second proposed amendment is to Article 11 of the bylaws, in order to reduce the period required for acquiring double voting rights from four to two years (twenty-sixth resolution).

  The change would apply immediately so (i) fully paid shares that have been registered in the name of the same shareholder for at least two years at the effective date of the twenty-sixth resolution would carry double voting rights as from that date, and (ii) shares registered in the name of the same shareholder for less than two years at the effective date of the twenty-sixth resolution would carry double voting rights as soon as they have been held for the newly-applicable two-year period.

  This amendment would align the Company's bylaws with French Act dated 24 February 2014, which provides for double voting rights to be awarded automatically on all fully paid registered shares of a company whose shares are admitted to trading on a regulated market when said shares have been registered in the name of the same shareholder for a period of two years.

Each of these two resolutions would be subject to the following conditions precedent as well as the approval of the proposed amendments to the bylaws that would take effect when the conditions precedent are met:

- equity warrants have been duly allvocated to the Company's shareholders as provided for in the sixteenth resolution of this Meeting;
- the issuance of shares to Dongfeng Motor (Hong Kong) International Co., Limited has been duly carried out as provided for in the seventeenth resolution of this Meeting; and
- the issuance of shares to SOGEPA has been duly carried out as provided for in the eighteenth resolution of this Meeting.

XII. Powers to Carry out Legal Formalities

(Twenty-seventh resolution)

The twenty-seventh resolution is the standard resolution giving the necessary powers to carry out legal publication and other formalities.

* * *

Shareholders are invited to adopt those resolutions above that the Managing Board has recommended for approval.

The Managing Board

21.4.3. TEXT OF THE PROPOSED RESOLUTIONS

I. ORDINARY RESOLUTIONS

First resolution

APPROVAL OF THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2013

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, and having considered the annual financial statements, the Report of the Managing Board, the Report of the Supervisory Board and the Auditors' Report on the annual financial statements, approves the financial statements of the Company for the year ended 31 December 2013 as presented, as well as the transactions reflected in those financial statements or disclosed in those reports.

Second resolution

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2013

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, and having considered the consolidated financial statements, the Report of the Managing Board, the Report of the Supervisory Board and the Auditors' Report on the consolidated financial statements, approves the consolidated financial statements of the Group for the year ended 31 December 2013 as presented, as well as the transactions reflected in those consolidated financial statements or disclosed in those reports.

Third resolution

APPROPRIATION OF PROFIT

Based on the recommendation of the Managing Board, the Shareholders' Meeting resolves to appropriate the net profit for the year ended 31 December 2013 as follows:

- net profit for the year: €453,603,708.26;
- appropriated to the legal reserve: €4,601,848.20.

The remaining €449,001,860.06 will be appropriated to retained earnings, increasing the balance to €2,649,511,299.08.

The Shareholders' Meeting notes that no dividend was paid for 2012 and 2011 and that a dividend of €1.10 per share was paid for 2010.

Fourth resolution

APPROVAL OF RELATED PARTY AGREEMENTS ENTERED INTO IN CONNECTION WITH THE LOANS GRANTED BY THE EUROPEAN INVESTMENT BANK

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, and having heard the Auditors' Special Report drawn up in accordance with Article L 225-88 of the Commercial Code on related party agreements and commitments governed by Article L. 225-86 et seq. of said Code, approves the agreements described in section 1.2 of the Auditors' Special Report.

Fifth resolution

APPROVAL OF PENSION BENEFIT COMMITMENTS GIVEN TO MEMBERS OF THE MANAGING BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, and having heard the Auditors' Special Report drawn up in accordance with Article L. 225-88 of the Commercial Code on related party agreements and commitments governed by Article L. 225-86 et seq. of said Code, approves the pension benefit commitments given to members of the Managing Board, as described in section 1.1 of the Auditors' Special Report.

Sixth resolution

RE-ELECTION OF MR LOUIS GALLOIS AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, re-elects Louis Gallois as a member of the Supervisory Board for a period of four years expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Seventh resolution

ELECTION OF MR XU PING AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation of equity warrants to the Company's shareholders as provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to elect Mr Xu Ping as member of the Supervisory Board for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Eighth resolution

ELECTION OF MR LIU WEIDONG AS A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation to the Company's shareholders of the equity warrants provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to elect Mr Liu Weidong as member of the Supervisory Board, for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Ninth resolution

ELECTION OF MR BRUNO BEZARD AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation to the Company's shareholders of the equity warrants provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to elect Mr Bruno BEZARD as member of the Supervisory Board, for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017. Mr Bruno BEZARD is designated as representative of the French State in accordance with Article 139 of the law of 15 May 2001, the so-called "NRE law".

Tenth resolution

ELECTION OF SOGEPA AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation to the Company's shareholders of the equity warrants provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to elect the company SOGEPA, a *société anonyme* incorporated under the laws of France, registered with the Paris Companies Registry under number 318 186 756, and having its registered office at 56 rue de Lille, 75007 Paris, France, as member of the Supervisory Board, for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Eleventh resolution

ELECTION OF FFP AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation to the Company's shareholders of equity warrants provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to elect FFP, a société anonyme incorporated under the laws of France, registered with the Companies Registry of Paris under number 562 075 390, and having its registered office at 75 avenue de la Grande Armée, 75116 Paris, France, as member of the Supervisory Board for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Annual Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Twelfth resolution

ELECTION OF ÉTABLISSEMENTS PEUGEOT FRÈRES AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Ordinary General Meetings, resolves, subject to the following conditions precedent:

- allocation of equity warrants to the Company's shareholders as provided for in the sixteenth resolution of this Meeting;
- completion of the reserved capital increase to Dongfeng Motor (Hong Kong) International Co. Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the reserved capital increase to the French State provided for in the eighteenth resolution of this Meeting;

to elect ETABLISSEMENTS PEUGEOT FRERES, a société anonyme incorporated under the laws of France, registered with the Companies Registry of Paris under number 875 750 317, and having its registered office at 75 avenue de la Grande Armée, 75116 Paris, France, as member of the Supervisory Board for a period of four years (i) commencing on the date on which the aforementioned conditions precedent are fulfilled and (ii) expiring at the close of the Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017.

Thirteenth resolution

ADVISORY VOTE ON THE COMPENSATION OF THE CHAIRMAN OF THE MANAGING BOARD

(Mr Philippe Varin)

Having been consulted in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3) and voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, the Shareholders' Meeting issues a positive advisory vote on the compensation due or paid to Philippe Varin, Chairman of the Managing Board, for 2013 as presented in Section IV of the Managing Board's report on the resolutions presented at this Meeting.

Fourteenth resolution

ADVISORY VOTE ON THE COMPENSATION OF THE OTHER MEMBERS OF THE MANAGING BOARD

(Messrs Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier, Jean- Christophe Quémard, Frédéric Saint-Geours and Guillaume Faury)

Having been consulted in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3) and voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, the Shareholders' Meeting issues a positive advisory vote on the compensation due or paid to Mssrs Jean-Baptiste Chasseloup de Chatillon, Grégoire Olivier, Jean-Christophe Quémard, Frédéric Saint-Geours and Guillaume Faury, the members of the Supervisory Board, for 2013 as presented in Section IV of the Managing Board's report on the resolutions presented at this Meeting.

Fifteenth resolution

AUTHORISATION FOR THE MANAGING BOARD TO ALLOW THE COMPANY BUY BACK UP ITS SHARES TO 10% OF THE COMPANY'S SHARE CAPITAL

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Ordinary General Meetings, and having considered the Report of the Managing Board, resolves, in compliance with Articles L. 225-209 et seq. of the French Commercial Code:

1. Authorizes the Managing Board, with the right of delegation, to buy back – directly or through a representative – up to twenty-two million six hundred and ninety-six thousand and two hundred and seventy-two (22,696,272) Company shares, in one or several transactions on dates to be decided by the Managing Board, provided that this does not result in the Company holding over 10% of its capital at any time;
2. Resolves that the shares may be acquired or held in accordance with the applicable laws and regulations, for the following purposes:

a) for cancellation in order to reduce the Company's share capital,

b) for allocation on exercise of stock options granted to employees and/or officers of the Company or of any related entity and/or grouping, in accordance with the laws and regulations in force when the options are exercised,

c) for attribution of free shares to employees and/or officers of the Company or of any related entity or grouping, in accordance with the applicable laws and regulations,

d) for allocation to employees who are members of an employee savings plan, in transactions complying with Articles L. 3331-1 et seq. of the French Labour Code that involve the sale to employees of shares bought back by the Company under this resolution or that provide for the allocation of free shares in respect of a matching contribution to the plan by the Company and/or in place of the discount,

e) for remittance of shares on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company,

f) to maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment services provider acting under a liquidity contract that complies with a Code of Ethics approved by the Autorité des Marchés Financiers,

g) for delivery in payment, exchange or as a contribution in connection with an external growth transaction, a merger, demerger or asset contribution, within the limits specified in the applicable regulations;

3. Resolves that the shares may be purchased, sold or transferred by any appropriate method and at any time, except when a takeover bid for the Company is in progress, within the limits specified in the applicable regulations, on or off-market, including through block trades or the use of options and any and all other derivatives traded on a regulated market or over-the-counter;
4. Resolves that the maximum purchase price will be set at twenty (€20) per share, subject to any adjustments decided by the Managing Board in the case of any corporate actions, including any rights issue, any bonus share issue paid up by capitalizing reserves, retained earnings or additional paid-in-capital, or any stock-split or reverse stock-split. The maximum amount that may be invested in the buyback programme is set at four hundred and fifty-three million nine hundred and twenty-five thousand four hundred and forty euros (€453,925,440);
5. Resolves that the Managing Board will have full powers – which may be delegated as provided for by law – to use this authorisation, including to place any and all buy and sell orders on or off-market, enter into any and all contracts, draw up any and all documents, carry out any and all procedures, make any and all filings with any authorities or other bodies, allocate or re-allocate the purchased shares to the various purposes to the extent allowed by the applicable laws and regulations, and generally do whatever is necessary to implement the decisions made by the Managing Board pursuant to this authorisation;
6. Resolves that this authorisation is given for a period of eighteen months from the date of this Shareholders' Meeting and supersedes, as from the date of this Shareholders' Meeting, the authorisation for the same purpose given in the fifteenth resolution of the Combined Shareholders' Meeting of 24 April 2013.

B/ EXTRAORDINARY RESOLUTIONS

Sixteenth resolution

NINE-MONTH AUTHORISATION FOR THE MANAGING BOARD TO ISSUE AND ALLOCATE FREE EQUITY WARRANTS TO COMPANY SHAREHOLDERS WITH A VIEW TO A SHARE CAPITAL INCREASE OF A MAXIMUM AGGREGATE PAR VALUE OF ONE HUNDRED AND SIX MILLION FOUR HUNDRED AND FIFTY-FOUR THOUSAND SIX HUNDRED AND NINETY-EIGHT EUROS (€106,454,698)

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered (i) the Report of the Managing Board and (ii) the Auditors' Special Report, and in accordance with Articles L. 225-127 to L. 225-129-6, L. 228-91 and L. 228-92 and the other relevant provisions of the French Commercial Code:

1. Grants – subject to the condition precedent of the adoption by this Meeting of the seventh, eighth, ninth, tenth, eleventh, twelfth, seventeenth, eighteenth, nineteenth and twentieth resolutions – an authorisation to the Managing Board – which may be subdelegated in accordance with the law and the Company's bylaws – to issue equity warrants of the Company, and to allocate said warrants to shareholders without consideration, on the basis of one equity warrant per share. The number of Equity Warrants issued and the timing of the issue(s) – which may be carried out in France or abroad – will be determined at the Managing Board's discretion;
2. Resolves that the equity warrants will be exercisable for up to one hundred and six million four hundred and fifty-four thousand six hundred and ninety-eight (106,454,698) new ordinary shares of the Company with a par value of one euro (€1) each, on the basis of three (3) new shares for ten (10) warrants, representing a maximum total capital increase of one hundred and six million four hundred and fifty-four thousand six hundred and ninety-eight euros (€106,454,698). This amount does not include the par value of any additional shares to be issued in respect of any adjustments to be made in accordance with the applicable laws and regulations and any contractual adjustments to protect the rights of current or future holders of securities or other rights exercisable for the Company's shares;
3. Resolves that the new shares with a par value of €1 allocated on exercise of the warrants will be issued at a price of seven euros and fifty cents (€7.50), corresponding to an issue premium of six euros and fifty cents (€6.50) per share, without prejudice to any subsequent adjustments to be made in accordance with the applicable laws and regulations;
4. Resolves that the equity warrants may be exercised at any time during the period between (i) the first anniversary of their admission to trading on NYSE Euronext Paris, and (ii) the third anniversary date of their admission to trading on NYSE Euronext Paris, and that the shares issued on exercise of the equity warrants will be paid up in cash;
5. Acknowledges that this authorisation automatically entails the waiver by shareholders of their preferential subscription rights to subscribe for any shares to be issued on exercise of the equity warrants;
6. Resolves that the new shares issued on exercise of the equity warrants shall carry rights immediately with effect from the date on which they are issued and shall be subject to all of the provisions of the Company's bylaws as well as all shareholder decisions;
7. Grants the Managing Board full powers – which may be delegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

a) acknowledge fulfilment of the conditions precedent referred to in paragraph 1 of this resolution,

b) decide to issue the equity warrants or, if appropriate, postpone the issue,

c) determine the amounts, characteristics and other terms and conditions of the equity warrant issue, subject to the limits set out above,

d) determine – in accordance with the applicable laws – the terms and conditions under which the exercise of the equity warrants may be suspended,

e) make any and all adjustments – including those resulting from the use of the authorisation sought in the nineteenth resolution – in order to comply with the corresponding provisions of any applicable laws, regulations and any contractual provisions, and determine the method to be used to ensure the protection of the rights of existing holders of securities or other rights exercisable for the Company's shares,

f) if appropriate, charge the issuance costs of the equity warrants against the related premium,

g) acknowledge completion of each capital increase resulting from the exercise of the equity warrants and amend the bylaws to reflect the new capital,

h) generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the equity warrants issued pursuant to this authorisation and of the shares issued on exercise of the warrants and for the exercise of any related rights.

This authorisation is given for a period of nine months from the date of this Shareholders' Meeting.

Seventeenth resolution

NINE-MONTH AUTHORISATION FOR THE MANAGING BOARD TO ISSUE, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, ORDINARY SHARES OF THE COMPANY WITH AN AGGREGATE PAR VALUE OF UP TO SIXTY-NINE MILLION EIGHT HUNDRED AND SIXTY-SIX THOUSAND SIX HUNDRED AND SIXTY-SIX EUROS (€69,866,666) TO DONGFENG MOTOR (HONG KONG) INTERNATIONAL CO., LIMITED

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered (i) the Report of the Managing Board and (ii) the Auditors' Special Report, and in accordance with Articles L. 225-127 to L. 225-129-6 and L. 225-138 and other relevant provisions of the French Commercial Code:

1. Grants – subject to the condition precedent of the approval at this Meeting of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, eighteenth, nineteenth and twentieth resolutions – an authorisation to the Managing Board – which may be delegated in accordance with the law and the Company's bylaws – to issue ordinary shares of the Company to be paid up in cash. The number of shares issued and the timing of the issue(s) – which may be carried out in France or abroad – will be determined at the Managing Board's discretion;
2. Resolves that the aggregate par value of this share capital increase shall be in an amount of sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six euros (€69,866,666) through the issuance of sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six (69,866,666) new shares with a par value of one euro (€1) each;
3. Resolves that the new shares with a par value of one euro (€1) will be issued at a unit price of seven euros and fifty cents (€7.50), corresponding to an issue premium of six euros and fifty cents (€6.50) per share;
4. Resolves to waive the existing shareholders' preferential subscription rights to subscribe the shares to be issued pursuant to this authorisation so that all of the shares are offered exclusively to Dongfeng Motor (Hong Kong) International Co., Limited, a company limited by shares, incorporated under the laws of Hong Kong, having its registered office at 2/F, Kam Chung Comm Bldg, 19-21 Hennessy Road, Wanchai, Hong Kong, controlled by Dongfeng Motor Group Company Limited;

5. Grants the Managing Board full powers – which may be delegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

a) acknowledge fulfilment of the conditions precedent referred to in paragraph 1 of this resolution,

b) decide to carry out the capital increase or, if appropriate, postpone the issue,

c) determine – subject to the limits set out above – the amounts, characteristics and other terms and conditions of the issue, including the cum-rights date of the shares (which may be retroactive) and the method by which the shares will be paid up,

d) if appropriate, charge the capital increase of the shares against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level,

e) receive the subscription price of the new shares and acknowledge their subscription and the ensuing capital increase and amend the bylaws to reflect the new capital,

f) generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the shares issued pursuant to this authorisation and for the exercise of any related rights.

This authorisation is given for a period of nine months from the date of this Shareholders' Meeting.

Eighteenth resolution

NINE-MONTH AUTHORISATION FOR THE MANAGING BOARD TO ISSUE, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, ORDINARY SHARES OF THE COMPANY WITH AN AGGREGATE PAR VALUE OF UP TO SIXTY-NINE MILLION EIGHT HUNDRED AND SIXTY-SIX THOUSAND SIX HUNDRED AND SIXTY-SIX EUROS (€69,866,666)TO SOGEPA.

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered (i) the Report of the Managing Board and (ii) the Auditors' Special Report, in accordance with Articles L. 225-127 to L. 225-129-6 and L. 225-138 and other relevant provisions of the French Commercial Code:

1. Grants – subject to the condition precedent of the approval at this Meeting of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, seventeenth, nineteenth and twentieth resolutions – an authorisation to the Managing Board – which may be delegated in accordance with the law and the Company's bylaws – to issue ordinary shares of the Company to be paid up in cash. The number of shares issued and the timing of the issue(s) – which may be carried out in France or abroad – will be determined at the Managing Board's discretion;

2. Resolves that the aggregate par value of this share capital increase shall be in an amount of sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six euros (€69,866,666) through the issuance of sixty-nine million eight hundred and sixty-six thousand six hundred and sixty-six (69,866,666) new shares with a par value of one euro (€1) each;

3. Resolves that the new shares with a par value of one euro (€1) will be issued at a unit price of seven euros and fifty cents (€7.50), corresponding to an issue premium of six euros and fifty cents (€6.50) per share;

4. Resolves to cancel existing shareholders' preferential subscription rights to subscribe for the shares to be issued pursuant to this authorisation so that all of the shares are offered exclusively to SOGEPA, a société anonyme incorporated under the laws of France, registered with the Paris Companies Registry under number 318 186 756, having its registered office at 56 rue de Lille, 75007 Paris, France, and which is controlled by the French State;

5. Grants the Managing Board full powers – which may be delegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

a) acknowledge fulfilment of the conditions precedent referred to in paragraph 1 of this resolution,

b) decide to carry out the capital increase or, if appropriate, postpone the issue,

c) determine – subject to the limits set out above – the amounts, characteristics and other terms and conditions of the issue, including the cum-rights date of the shares (which may be retroactive) and the method by which the shares will be paid up,

d) if appropriate, charge the issuance costs of the shares against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level,

e) receive the subscription price of the new shares and acknowledge their subscription and the ensuing capital increase and amend the bylaws to reflect the new capital,

f) generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the shares issued pursuant to this authorisation and for the exercise of any related rights.

This authorisation is given for a period of nine months from the date of this Shareholders' Meeting.

Nineteenth resolution

NINE-MONTH AUTHORISATION FOR THE MANAGING BOARD TO ISSUE, WITH PREFERENTIAL SUBSCRIPTION RIGHTS, ORDINARY SHARES OF THE COMPANY WITH AN AGGREGATE PAR VALUE OF UP TO TWO BILLION EUROS (€2,000,000,000), WITHOUT EXCEEDING AN AGGREGATE ISSUE PRICE, INCLUDING PREMIUMS, OF TWO BILLION EUROS (€2,000,000,000)

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board, in accordance with Articles L. 225-127 to L. 225-129-6 and L. 225-132 to L. 225-134 and other relevant provisions of the French Commercial Code:

1. Grants – subject to the condition precedent of the approval at this Meeting of the seventh, eighth, ninth, tenth, eleventh, twelfth, sixteenth, seventeenth, eighteenth and twentieth resolutions- an authorisation to the Managing Board – which may be delegated in accordance with the law and the Company's bylaws – to issue ordinary shares of the Company for cash, on a single occasion. The number of shares issued and the timing of the issue – which may be carried out in France or abroad – will be determined at the Managing Board's discretion.

2. Resolves that the aggregate par value of the shares issued pursuant to this authorisation may not exceed two billion euros (€2,000,000,000), and the total proceeds from the issue (including premiums) may not exceed two billion euros (€2,000,000,000). This cap does not include the par value of any additional shares to be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of existing holders of securities or other rights exercisable for the Company's shares.

3. Resolves that any share issues carried out pursuant to the nineteenth and twentieth resolutions of the Shareholders' Meeting of 24 April 2013 will not be deducted from the cap set in paragraph 2 above, but will only be deducted from the caps provided for in paragraph 5 of the nineteenth resolution of the 24 April 2013 Meeting, except for paragraph 5 b), and paragraph 5 of the twentieth resolution of the 24 April 2013 Meeting, except for paragraph 5 b). The Shareholders' Meeting further resolves that any issues of debt securities carried out pursuant to the nineteenth and twentieth resolutions of the Shareholders' Meeting of 24 April 2013 will only be deducted from the caps provided for in paragraph 6 of the nineteenth resolution of the 24 April 2013 Meeting, except for paragraph 6 b), and paragraph 6 of the twentieth resolution of the 24 April 2013 Meeting, except for paragraph 6 b).
4. if this authorisation is used:

a) resolves that existing shareholders will be granted preferential subscription rights to the shares, in proportion to their existing interest in the Company's capital, in accordance with conditions and limits set by the Managing Board;

b) acknowledges that the Managing Board may grant shareholders additional reducible subscription rights to subscribe any shares not taken up by other shareholders, in which case such additional reducible subscription rights will also be exercisable in proportion to the existing interest in the Company's capital of the shareholders concerned;

c) resolves, in accordance with Article L. 225-134 of the French Commercial Code, that if an issue is not taken up in full by shareholders exercising their preferential subscription rights as described above, the Managing Board may take one or more of the following courses of action, in the order of its choice: (i) freely allocate all of some of the unsubscribed shares among the investors of its choice, (ii) offer the unsubscribed shares for subscription by the public and/or (iii) limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up.

5. Grants the Managing Board full powers – which may be delegated in accordance with the law and the Company's bylaws – to use this authorisation and accordingly to:

a) acknowledge fulfilment of the conditions precedent referred to in paragraph 1 of this resolution.

b) decide to carry out the capital increase or, if appropriate, to postpone it.

c) determine – subject to the limits set out above – the amounts, characteristics and other terms and conditions of the issue, including the cum-rights date of the shares (which may be retroactive) and the method by which the shares will be paid up.

d) make any and all adjustments required to comply with the applicable laws, regulations and any contractual provisions, and determine the method to be used to ensure the protection of the rights of existing holders of securities or other rights exercisable for the Company's shares.

e) if appropriate, charge the issuance costs of the capital increase against the related premium and deduct from the premium the amounts necessary to raise the legal reserve to the required level.

f) acknowledge completion of the capital increase and amend the bylaws to reflect the new capital.

g) generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, admission to trading and service of the shares issued pursuant to this authorisation and for the exercise of any related rights.

This authorisation is given for a period of nine months from the date of this Shareholders' Meeting and supersedes the unused portion of the authorisation for the same purpose given in the eighteenth resolution of the Combined Shareholders' Meeting of 24 April 2013.

Twentieth resolution

ADJUSTMENT TO THE CAP SET IN PARAGRAPH II OF THE SIXTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF 3 JUNE 2009

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board:

1. Notes that (i) paragraph II of the sixth resolution of the Shareholders' Meeting of 3 June 2009 states that the total amount of any capital increases carried out pursuant to that resolution may not result in the Company's share capital being raised to above four hundred million euros (€400,000,000), (ii) the Company used said resolution in 2009 to issue OCEANE bonds (bonds convertible and/or exchangeable for new or existing shares), and (iii) the use of the authorisations given in the sixteenth, seventeenth, eighteenth and nineteenth resolutions of this Shareholders' Meeting would result in the Company's capital exceeding the four hundred million euros (€400,000,000) cap authorised in paragraph II of the sixth resolution of the Shareholders' Meeting of 3 June 2009;
2. Therefore resolves to modify the cap set in paragraph II of the sixth resolution of the Shareholders' Meeting of 3 June 2009 and to set a cap of twenty-seven million four hundred and eighty-eight thousand four hundred and sixty-four (€27,488,464) on the aggregate par value of shares that may be issued to the holders of the OCEANE bonds issued in 2009 and still outstanding as of the date of this Meeting. This adjusted cap does not include the par value of any additional shares to be issued in respect of any adjustments to be made in accordance with the applicable laws, regulations and any contractual provisions to protect the rights of the holders of said OCEANE bonds in circumstances where such adjustments are required, and notably as a result of the issues provided for in the sixteenth and nineteenth resolutions of this Shareholders' Meeting.

Twenty-first resolution

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING BOARD TO CARRY OUT ONE OR MORE EMPLOYEE SHARE ISSUES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, WITH A VIEW TO A SHARE CAPITAL INCREASE OF A MAXIMUM AGGREGATE PAR VALUE OF THREE MILLION EUROS (€3,500,000)

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board and the Auditors' Special Report, in accordance with Articles L. 225-129-2, L. 225-129-6, L. 225-138 and L. 225-138-1 of the French Commercial Code and Article L. 3332-1 et seq. of the French Labour Code:

1. Authorizes the Managing Board with respect to article 9 of the Company's by laws to increase the Company's capital on one or several occasions, in accordance with Articles L. 3332-18 to L. 3332-20 of the Labour Code, by issuing ordinary shares to legally eligible employees and persons who are members of an employee stock ownership plan set up by the Company or any French or foreign related entities within the meaning of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code;
2. Resolves that no preference shares may be issued under this authorisation;

3. Resolves that the aggregate par value of shares issued under this authorisation may not exceed three million five hundred thousand euros (€3,500,000);
4. Resolves that the shareholders will not have preferential subscription rights on the shares issued under this authorisation, which will be offered – directly or through a corporate mutual fund or any other structure or entity permitted by the applicable laws and regulations – to legally eligible employees and persons who are members of an employee stock ownership plan set up by the Company or any French or foreign related entities within the meaning of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code;
5. Resolves that in accordance with Article L. 3332-19 of the Labour Code, the shares may not be offered at a price either (i) in excess of the average of the prices quoted for the Company's shares over the twenty trading days preceding the date of the Managing Board's decision setting the opening date of the subscription period, or (ii) at a discount to this average price of more than 20%. The Shareholders' Meeting expressly authorises the Management Board to reduce or cancel this discount if it deems fit, notably in order to satisfy local legal, regulatory and tax requirements in foreign countries;
6. Resolves, in accordance with Article L. 3332-21 of the Labour Code, the Managing Board may allocate existing or new shares to the above-mentioned beneficiaries, without consideration, (i) as an employer top-up payment made in accordance with the regulations of the employee stock ownership plans in place within the Group, and/or (ii) in place of a discount, provided that the monetary value of said free shares, calculated at the subscription price, does not exceed the caps set in Articles L. 3332-11 and L. 3332-19 of the Labour Code;
7. Grants the Managing Board full powers – which may be delegated in accordance with the applicable law and regulations – to use this authorisation and notably to:

i) determine the amount of any such share capital increase(s) within the above limit, as well as their timing and other terms and conditions,

ii) determine the issue price of the new shares in accordance with Article L. 3332-19 of the Labour Code, the method by which they will be paid up, the subscription period and the methods by which employees' subscription rights will be exercised,

iii) charge any and all costs and fees related to the issue(s) to the corresponding premiums and deduct from the premiums the amount required to raise the legal reserve to one-tenth of the new capital after each capital increase,

iv) make any and all adjustments required under the applicable laws and regulations,

v) in the event that new shares are allocated without consideration as provided for in point (6) above, determine the type and amount of reserves, profit or additional paid-in capital to be capitalized in order to pay up the shares,

vi) acknowledge completion of the capital increase(s), amend the bylaws to reflect the new capital, carry out all necessary formalities, directly or through a representative, and generally do whatever is required.

This authorisation is given for a period of twenty-six months from the date of this Meeting and supersedes the authorisation given for the same purpose in the twenty-third resolution of the Shareholders' Meeting of 24 April 2013.

Twenty-second resolution

AMENDMENT TO ARTICLE 10-I OF THE BYLAWS TO PROVIDE FOR THE APPOINTMENT/ELECTION OF ONE OR MORE SUPERVISORY BOARD MEMBERS REPRESENTING EMPLOYEES, IN ACCORDANCE WITH THE FRENCH EMPLOYMENT PROTECTION ACT DATED 14 JUNE 2013, AND CORRESPONDING AMENDMENTS

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, having considered the Report of the Managing Board and noted the favourable opinion issued by the European Works Council:

1. Resolves to amend Article 10-I of the Company's bylaws in order to (i) insert a new Article 10-I-B describing the process to be applied for the appointment of one or more Supervisory Board members representing employees, in accordance with the Employment Protection Act of 14 June 2013, (ii) delete the current second, third, fourth and fifth paragraphs of Article 10-I, and (iii) make the necessary adjustments to the numbering and references in the bylaws in order to take into account the insertion of the new Article 10-I-B;

2. Resolves that Article 10-I of the Company's bylaws will read as follows:

(former wording)	(new wording)
I - The Supervisory Board is composed of at least three and no more than fourteen members, elected for a four-year term expiring at the Annual Shareholders' Meeting held in the year in which the member's term expires. However, the term of the Supervisory Board members in office as of the Annual Shareholders' Meeting of 25 April 2012 is unchanged at six years.	I - Membership A) The Supervisory Board is composed of at least three and no more than fourteen members, elected for a four-year term expiring at the Annual Shareholders' Meeting held in the year in which the member's term expires. However, the term of the Supervisory Board members in office as of the Annual Shareholders' Meeting of 25 April 2012 is unchanged at six years.
One member of the Company's Supervisory Board shall be an employee of the Company or of a related entity within the meaning of Article L. 225-180 of the French Commercial Code, elected by shareholders in a General Meeting as an employee representative on the Supervisory Board.	*(deleted)*
Subject to the specific provisions below, the term of office of this employee representative on the Supervisory Board shall be governed by all of the provisions of the Company's bylaws as well as the laws and regulations applicable to all Supervisory Board members.	*(deleted)*
The employee representative of the Supervisory Board shall be elected for a two-year term.	*(deleted)*
Said term shall automatically expire if he or she ceases to be an employee of the Company or a related entity within the meaning of Article 225-180 of the Commercial Code.	*(deleted)*

(former wording)	(new wording)
	B) Supervisory Board member(s) representing employees
	(i) As provided for in Article L. 225-79-2 of the Commercial Code, the Supervisory Board shall include one or two member(s) representing employees, appointed by the Group's European Works Council in accordance with the terms set out below.
	(ii) If the Supervisory Board has twelve or fewer members, one Supervisory Board member representing employees shall be appointed by the Group's European Works Council, selected from among the persons holding an employment contract with the Company or one of its direct or indirect subsidiaries whose registered office is located in France. If the Supervisory Board has more than twelve members, a second Supervisory Board member representing employees shall be appointed by the Group's European Works Council, selected from among the persons holding an employment contract with the Company or one of its direct or indirect subsidiaries whose registered office is located either within or outside France. The number of Supervisory Board members taken into account to determine the required number of members representing employees shall be assessed at the date when the employee representative members are appointed. For the purposes of said assessment the following Supervisory Board members shall not be taken into account: (i) the member representing employee shareholders elected in accordance with Article 10-I C) below, (ii) any member already appointed to represent employees in accordance with this Article 10-I B). In order to be eligible to sit on the Supervisory Board, employees must have held an employment contract corresponding to actual employment for a period of at least two years prior to his or her appointment as a Board member. If the seat of an employee representative Board member falls vacant, his or her replacement shall be appointed in accordance with the same rules.
	(iii) Employee representatives on the Supervisory Board shall be appointed by the Group's European Works Council by a simple majority vote of the members present or represented at the meeting concerned. If two candidates receive the same number of votes and both cannot be appointed as members of the Supervisory Board due to the ceiling provided for in paragraph (i) above, the employee who has held an employment contract with the Company or one of its direct or indirect subsidiaries for the longest period of time shall be appointed.
	(iv) Any Supervisory Board member representing employees shall not be taken into account for the purpose of applying the floor and ceiling on the number of Supervisory Board members set in Article 10-I A) of these bylaws.
	(v) Supervisory Board members representing employees shall be appointed for a four-year term expiring at the close of the annual meeting of the full European Works Council held during the fourth year of their term. However, their appointment shall be automatically and immediately terminated if they cease to be an employee of the Company or of one of its direct or indirect subsidiaries. The provisions of Article 10-II of the bylaws concerning the number of shares that each Supervisory Board member is required to hold throughout their term of office shall not apply to the Supervisory Board member(s) representing employees. Said member(s) shall be governed by the provisions of the Company's bylaws and the laws and regulations applicable to all Supervisory Board members, subject to any specific legal provisions applicable to Board members representing employees and to the provisions of this Article 10-I B) of the bylaws.
	(vi) When two Supervisory Board members representing employees have been appointed and the total number of Supervisory Board members subsequently falls to below twelve, both employee representative Board members shall remain in office until their term expires. When one Supervisory Board member representing employees has been appointed and the total number of Supervisory Board members subsequently increases to more than twelve as a result of the election by shareholders of an additional member, a second Board member representing employees shall be appointed by the Group's European Works Council within 6 months of the shareholders' election of the additional Board member.

(former wording)	(new wording)
10.1) Supervisory Board member representing employee shareholders	C) Supervisory Board member representing employee shareholders
(i) If, at the end of a given financial year, the ownership interest held (as determined in accordance with Article L. 225-102 of the French Commercial Code) by employees of the Company and of related entities within the meaning of Article L. 225-180 of said Code represents over 3% of the Company's capital, a Supervisory Board member representing employee shareholders shall be elected by the Ordinary General Meeting in accordance with the applicable regulations and these bylaws. Nominations for this employee shareholder representative shall be put forward by the Supervisory Boards of the corporate mutual funds (FCPEs) that hold shares in the Company on behalf of employees and are governed by Article L. 214-40 of the French Monetary and Financial Code.	(i) If, at the end of a given financial year, the ownership interest held (as determined in accordance with Article L. 225-102 of the French Commercial Code) by employees of the Company and of related entities within the meaning of Article L. 225-180 of said Code represents over 3% of the Company's capital, a Supervisory Board member representing employee shareholders shall be elected by the Ordinary General Meeting in accordance with the applicable regulations and these bylaws. Nominations for this employee shareholder representative shall be put forward by the Supervisory Boards of the corporate mutual funds (FCPEs) that hold shares in the Company on behalf of employees and are governed by Article L. 214-165 of the French Monetary and Financial Code.
(ii) The candidate(s) nominated for election as the Supervisory Board member representing employee shareholders shall be selected as follows:	*(unchanged)*
a) All of the FCPE Supervisory Boards shall hold a special meeting and shall jointly nominate at least one and no more than three candidates for the position. Said candidate(s) shall be selected from among the members of the FCPE Supervisory Boards who represent employees holding FCPE units and who have put forward their candidature.	*(unchanged)*
b) At the above-mentioned special meeting, each member of the FCPE Supervisory Boards shall have one vote in the voting process for each declared candidate. The candidate(s) who receive(s) the largest number of votes cast - subject to a maximum of three candidates - shall be put forward at the Annual Shareholders' Meeting for election as the Supervisory Board member representing employee shareholders, provided that they receive at least the majority of the votes cast by the FCPE Supervisory Board members present or represented at the special meeting or casting a postal or electronic vote.	*(unchanged)*
c) If two declared candidates receive the same number of votes, and if putting both candidates forward for election would result in the maximum number of three nominations referred to in paragraph b) of point (ii) above being exceeded, the candidate with the longest seniority within the Group shall be nominated for election to the Supervisory Board, determined based on the signature date of their employment contract with the Company or with a related entity within the meaning of Article L. 225-180 of the Commercial Code.	*(unchanged)*
(iii) Prior to the nomination of candidates for the position as Supervisory Board member representing employee shareholders, the Chairman of the Managing Board - or a duly authorised representative - shall prepare a set of Candidate Nomination Regulations (the "Regulations"), which shall describe the timing and organisational framework for the nomination procedure described in point (ii) above.	*(unchanged)*
The Regulations shall be communicated to the members of the FCPE Supervisory Boards by any method - including, but not limited to, display in a public place and/or electronic communication - prior to the date on which the meeting of the FCPE Supervisory Boards is held in accordance with the procedure described in point (ii) above.	*(unchanged)*
(iv) The Supervisory Board member representing employee shareholders shall be elected by the Company's shareholders in an Ordinary General Meeting in accordance with the conditions applicable to all elections of Supervisory Board members. If more than one nomination is put forward in accordance with the provisions set out in point (ii) above, the Managing Board shall present the nominees in separate resolutions and may recommend that shareholders approve one of said resolutions. The nominee who receives the largest number of shareholder votes shall be elected as the member of the Company's Supervisory Board representing employee shareholders.	*(unchanged)*
Said Supervisory Board member shall not be taken into account for the purpose of the ceiling on the number of Supervisory Board members set in paragraph I of Article 10 of these bylaws.	Said Supervisory Board member shall not be taken into account for the purpose of the ceiling on the number of Supervisory Board members set in Article 10-1 A) of these bylaws.

(former wording)	(new wording)
(v) The duration of the term of office of the Supervisory Board member representing employee shareholders shall be the same as for other Supervisory Board members, as set in paragraph I of Article 10 of these bylaws.	(v) The duration of the term of office of the Supervisory Board member representing employee shareholders shall be the same as for other Supervisory Board members, as set in Article 10-I A) of these bylaws.
However, his or her term shall be automatically and immediately terminated if he or she ceases to be (i) an employee of the Company or of a related entity within the meaning of Article L. 225-180 of the Commercial Code, (ii) a member of an FCPE Supervisory Board, or (iii) an FCPE unit holder.	*(unchanged)*
If the seat of the Supervisory Board member representing employee shareholders falls vacant, a special meeting of all of the FCPE Supervisory Boards shall be held to select the nominees for his or her replacement, in accordance with the conditions set out in this Article 10.1 of the bylaws.	If the seat of the Supervisory Board member representing employee shareholders falls vacant, a special meeting of all of the FCPE Supervisory Boards shall be held to select the nominees for his or her replacement, in accordance with the conditions set out in this Article 10-I C) of the bylaws.
If the nomination(s) for the vacant seat is/are made at least three months before the next scheduled Ordinary General Meeting, the election of said replacement shall be put to the vote at that Meeting.	*(unchanged)*
If the nomination(s) for the vacant seat is/are made less than three months before the next scheduled Ordinary General Meeting, the election of said replacement shall be put to the vote at the following Ordinary General Meeting. However, if only one nominee for the replacement is selected by the FCPE Supervisory Boards, and if it is possible to fill the vacant seat by the Supervisory Board appointing a member and the shareholders subsequently ratifying the appointment, then the Supervisory Board may appoint said nominee subject to ratification at the next Ordinary General Meeting.	*(unchanged)*
For the period during which the seat of the Supervisory Board member representing employee shareholders is vacant, the Supervisory Board may hold meetings that will be deemed to be validly constituted.	*(unchanged)*
The provisions of paragraph II of Article 10 of the bylaws concerning the number of shares that each Supervisory Board member is required to hold throughout their term of office shall not apply to the Supervisory Board member representing employee shareholders.	The provisions of Article 10-II of the bylaws concerning the number of shares that each Supervisory Board member is required to hold throughout their term of office shall not apply to the Supervisory Board member representing employee shareholders.
The term of office of said member shall be governed by all of the provisions of the Company's bylaws as well as the laws and regulations applicable to all Supervisory Board members, subject to the specific provisions of this Article 10-2 of the bylaws.	The term of office of said member shall be governed by all of the provisions of the Company's bylaws as well as the laws and regulations applicable to all Supervisory Board members, subject to the specific provisions of this Article 10-I.C) of the bylaws.
(vi) The provisions of this Article 10.1 shall cease to apply if, at the end of a given financial year, the ownership interest held (as determined in accordance with Article L. 225-102 of the Commercial Code) by employees of the Company and of related entities within the meaning of Article L. 225-180 of said Code represents less than 3% of the Company's capital. In such a case, the Supervisory Board member representing employee shareholders shall remain in office until the expiry of his or her current term.	(vi) The provisions of this Article 10-I.C) shall cease to apply if, at the end of a given financial year, the ownership interest held (as determined in accordance with Article L. 225-102 of the Commercial Code) by employees of the Company and of related entities within the meaning of Article L. 225-180 of said Code represents less than 3% of the Company's capital. In such a case, the Supervisory Board member representing employee shareholders shall remain in office until the expiry of his or her current term.

Twenty-third resolution

AMENDMENT TO ARTICLE 9-IV OF THE COMPANY'S BYLAWS RELATING TO MANAGING BOARD DECISIONS THAT REQUIRE THE PRIOR APPROVAL OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board, resolves to amend Article 9-IV of the Company's bylaws as follows:

(former wording)	(new wording)
IV The Managing Board has the broadest powers to act in the Company's name in any and all circumstances within the limits of the corporate purpose, except for those matters that by law may only be dealt with by the Stockholders' Meeting or the Supervisory Board.	*(unchanged)*
The Managing Board may validly conduct business and make decisions only if a majority of its members are present or participate by some other means. Its decisions shall be adopted by a majority vote of the members participating in the meeting. Each member shall have a single vote. In case of a split decision, if the Managing Board has an even number of members, the Chairman shall have the casting vote.	*(unchanged)*
In addition to the legal requirement to submit certain transactions and decisions to the Supervisory Board for prior approval, the following restrictions apply for internal purposes only: a) The Managing Board may not carry out the following actions without prior approval from the Supervisory Board:	In addition to the legal requirement to submit certain transactions and decisions to the Supervisory Board for prior approval, internal restrictions apply to the following actions, which may not be carried out by the Managing Board without prior approval from the Supervisory Board:
> any and all capital increase paid up in cash or by capitalizing retained earnings and any and all capital reductions approved by the Shareholders' Meeting,	*(unchanged)*
> any and all issues of convertible or non-convertible bonds,	*(unchanged)*
> the signature of any and all merger agreements or agreements for the sale of a business,	*(unchanged)*
> the signature or termination of any manufacturing or sales agreements representing a future commitment for Peugeot S.A., with companies whose corporate purpose is similar or related to that of Peugeot S.A., and generally the execution of any major transaction which substantially alters the scope of the business or the balance sheet structure of the Company or the Group.	*(unchanged)*
b) The Managing Board may carry out the following actions only by unanimous decision of all of its members or, failing that, with the prior authorisation of the Supervisory Board:	*(deleted)*
> the purchase, exchange or sale - for cash or for shares - of any and all operating real estate and businesses in transactions representing an amount in excess of the ceiling set by the Supervisory Board,	*(unchanged)*
> the purchase, acquisition or sale of equity interests in any and all existing or future enterprises that represent - directly or indirectly - an immediate or future investment, expense, guarantee of debt or seller's warranty for an amount in excess of the ceiling established by the Supervisory Board,	*(unchanged)*
> the signature of loan agreements, other than for bond issues, for a period or an amount in excess of the limit set by the Supervisory Board.	*(unchanged)*
With the Supervisory Board's authorisation, the Managing Board may allocate management tasks among its members, provided that said allocation does not prevent the Managing Board from running the Company on a collective basis.	*(unchanged)*

Twenty-fourth resolution

AMENDMENT TO ARTICLE 10-V OF THE COMPANY'S BYLAWS CONCERNING THE SUPERVISORY BOARD'S POWERS TO REMOVE MEMBERS OF THE MANAGING BOARD FROM OFFICE

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Repv ort of the Managing Board, resolves to amend Article 10-V of the Company's bylaws as follows:

(former wording)	(new wording)
V - The Supervisory Board shall exercise ongoing control over the Managing Board's management of the Company. It may remove the members of the Managing Board from office.	V - The Supervisory Board shall exercise ongoing control over the Managing Board's management of the Company. It may remove any member of the Managing Board from office.

Twenty-fifth resolution

AMENDMENT TO ARTICLE 10-IV OF THE COMPANY'S BYLAWS CONCERNING SUPERVISORY BOARD MEETINGS

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board, resolves, subject to the following conditions precedent:

- allocation of equity warrants to the Company's shareholders as provided for in the sixteenth resolution of this Shareholders' Meeting;
- completion of the share issue to Dongfeng Motor (Hong Kong) International Co., Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the share issue to SOGEPA provided for in the eighteenth resolution of this Meeting;

to add the following provisions after the fourth paragraph of Article 10-IV of the Company's bylaws:

"Supervisory Board meetings shall be held and votes taken in accordance with the quorum and majority rules provided for by law. In the event of a split vote, the Chairman of the meeting shall not have a casting vote".

Twenty-sixth resolution

AMENDMENT TO ARTICLE 11 OF THE COMPANY'S BYLAWS CONCERNING THE TIME PERIOD REQUIRED TO ACQUIRE DOUBLE VOTING RIGHTS

The Shareholders' Meeting, voting in accordance with the quorum and majority voting conditions applicable to Extraordinary General Meetings, and having considered the Report of the Managing Board, resolves, subject to the following conditions precedent:

- allocation of equity warrants to the Company's shareholders as provided for in the sixteenth resolution of this Meeting;
- completion of the capital increase to Dongfeng Motor (Hong Kong) International Co., Limited provided for in the seventeenth resolution of this Meeting; and
- completion of the capital increase to SOGEPA provided for in the eighteenth resolution of this Meeting;

to amend the second paragraph of Article 11 of the Company's bylaws as set out below, with said amendment applying immediately to fully-paid shares that have been registered in the name of the same holder for at least two years as of the effective date of this resolution.

(former wording)	(new wording)
Fully-paid shares registered in the name of the same holder for at least four years shall carry double voting rights at Stockholders' Meetings. In the event of a capital increase through the capitalisation of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights provided that they are also registered.	Fully-paid shares registered in the name of the same holder for at least two years shall carry double voting rights at Stockholders' Meetings. In the event of a capital increase through the capitalisation of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights provided that they are also registered.

Twenty-seventh resolution

POWERS TO CARRY OUT LEGAL FORMALITIES

The Shareholders' Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this Shareholders' Meeting to carry out any and all filing and other formalities required by law.

22

MAJOR CONTRACTS

> A STRENGTHENING OF THE INDUSTRIAL AND COMMERCIAL PARTNERSHIP WITH DONGFENG MOTOR GROUP COMPANY LIMITED (DFG) AND ACQUISITION OF SIGNIFICANT MINORITY EQUITY INTERESTS BY DFG AND THE FRENCH STATE IN THE COMPANY'S CAPITAL

On 19 February 2014, the Company issued a press release (see chapter 12) announcing plans for major transactions to guarantee the Group's development and growth, including notably:

(i) the strengthening of the existing industrial and commercial partnership with DFG; and

(ii) capital increases of the Company for a total amount of €3 billion, accompanied by a free distribution of warrants ("*bons de souscription d'actions*", "**BSA**") to existing shareholders and a capital increase reserved for employees (to be proposed at a later date).

These major industrial and financial transactions should, in particular, permit the achievement of the following objectives (as outlined in the press release dated 19 February 2014):

- strengthening PSA Peugeot Citroën's footprint in China and South-East Asia and the realisation of industrial synergies with DFG of around €400 million per year for PSA Peugeot Citroën by 2020;
- accelerating the Group's international development by strengthening the industrial and commercial partnership with DFG;
- strengthening the competitive position of PSA Peugeot Citroën in Europe, in particular by boosting PSA Peugeot Citroën's development via the financing of a strategic investment programme and strengthening its balance sheet and liquidity, resulting in a strong decrease in financial expenses by the end of the plan.

The capital increases will also enhance PSA Peugeot Citroën's investment capacity, and fund the launch of investments that are critical to its new "Back in the Race" strategic plan, in order to strengthen its competitiveness in Europe and its globalization strategy:

- strengthening financial and balance sheet flexibility;
- development of a portfolio of competitive products and in depth localisation to restore profitability in Latin America and Russia;
- investment in new technologies, including the next generation of hybrid powertrains;
- investment in production tools:
  - New Social Contract commitment in Europe with €1.5 billion in capital expenditures in France,
  - extension of competitive manufacturing footprint for selected products and markets.

These transactions are subject to the completion of a number of conditions described below, including notably a favourable vote of the Extraordinary Shareholders' Meeting of the Company called for 25 April 2014 (the "**Shareholders' Meeting**") and the approval of Chinese and French regulatory bodies (see section 21.4).

All of the transactions described below gave rise to procedures for informing and consulting with the Group's competent employee representative bodies, which issued a favourable opinion on 18 February 2014.

22.1. THE STRENGTHENING OF THE EXISTING INDUSTRIAL AND COMMERCIAL PARTNERSHIP WITH DFG IN ASIA

On 26 March 2014, the Company and DFG signed a Framework Agreement whose primary purpose is to strengthen and deepen the industrial and commercial cooperation between the Company and DFG in DongFeng Peugeot Citroën Automobile Company Ltd ("**DPCA**"), the joint venture in which they each hold 50% of the capital.

The industrial plan defined by the parties within the Framework Agreement, on the basis of the partnership created more than 20 years ago, has three major pillars:

(i) A joint commitment to propel DPCA into a new phase of growth, with the objective of tripling its volumes by 2020 (*i.e.* 1.5 million vehicles manufactured and marketed per year), thanks to a reinforced product plan underpinned by:

- licensing of technologies developed by PSA Peugeot Citroën;
- the launch of two to three new models a year globally for the three brands (Peugeot, Citroën and DPCA's own brand).

(ii) The creation of a joint R&D centre, dedicated to the development of products and technologies for fast growing countries, including China:

- the R&D centre will complete PSA Peugeot Citroën's R&D footprint in Europe and Latin America;
- this agreement includes measures relating to the management of intellectual property, allowing PSA Peugeot Citroën to freely pursue the development of cooperation ventures with other carmakers. The licences granted by the company to DFG and DPCA relate to intellectual property for technologies (i) past and future held entirely by the Company and its subsidiaries or jointly developed with a supplier (excluding any technology developed in cooperation with another carmaker) and (ii) that have a sufficient level of maturity ("ready for mass production"). In addition, the Framework Agreement governs how DFG and DPCA can use them.

(iii) The creation of a new joint commercial venture to drive the sales of PSA Peugeot Citroën and DFG vehicles in Asia (excluding China) and possibly in other emerging markets. This is aimed at capturing the strong growth opportunities in the ASEAN economies and leveraging the similarities between the model line-ups marketed there and in China.

This reinforced partnership represents, under its current form, synergies estimated at around €400 million per year for PSA Peugeot Citroën by 2020 and could later be extended to other areas of collaboration. About two thirds of these synergies are related to an increase in volumes and increased royalties charged by the group, and the dividend from DPCA. A third of the synergies are related to savings and sharing of costs in research and development.

This agreement has no impact on the DS line development plan in China, which is designed to maximise capacity utilization at the Shenzhen plant (jointly owned with Changan through the joint-venture CAPSA) in 2018.

Moreover, the Framework Agreement will not jeopardise the Alliance with General Motors in Europe (see below, page 470).

The Framework Agreement stipulates that the articles relating to strategic cooperation are applicable for a period of ten years, which is renewable for the same period, unless terminated by either party upon six months' notice. However, each party may terminate the Framework Agreement in the event of a material breach of the terms of the Framework Agreement by the other party.

The application of the Framework Agreement is subject to the completion of two capital increases, reserved for each of DFG and the French State, as described below.

22.2. CAPITAL INCREASES OF THE COMPANY OF A TOTAL AMOUNT OF €3 BILLION, ACCOMPANIED BY A PRIOR FREE DISTRIBUTION OF BSA AND A CAPITAL INCREASE RESERVED FOR EMPLOYEES

In accordance with the Memorandum of Understanding signed on 18 February 2014, DFG, the French State, Etablissement Peugeot Frères and FFP ("**EPF/FFP**"), and the Company concluded a Master Agreement on 26 March 2014.

This agreement details the terms and conditions of the capital increase of the Company for a total amount of €3 billion and the free distribution of BSA.

The Master Agreement could be terminated until the signing by Dongfeng Motor (Hong Kong) International Co., Limited ("**DMHK"**), a company owned 100% by DFG at the date of the reserved capital increase, and SOGEPA of their undertakings to subscribe (which is scheduled for the day of the AMF's approval of the prospectus for the capital increase with preferential subscription rights) in the event of a material adverse change, i.e., any event, circumstance or change (or series of similar events, circumstances, or changes arising from the same factual circumstances) resulting in a material adverse impact on the financial position, shareholders' equity or results of operations of PSA and its subsidiaries (taken as a whole), but excluding any event, circumstance or change resulting from:

- general economic or financial conditions; or
- events affecting the industry in general; or
- any facts revealed to the public, DFG or the French State prior to 26 March 2014.

This clause may only be implemented by DFG and the French State, acting jointly and in good faith.

Under the terms of the Master Agreement, and subject to the favourable vote of the Company's shareholders during the Shareholders' Meeting[(1)], the approval of the Chinese and French regulatory bodies, and the other conditions mentioned above, the following transactions are scheduled to be carried out:

1. Both DFG and the French State shall simultaneously subscribe to a reserved capital increase in the amount of €524 million, share premium included (for a total amount of approximately €1,048 million, share premium included), at a subscription price of €7.50 per share, corresponding to the issuance of approximately 139.7 million ordinary shares. These transactions, which are proposed in two separate resolutions to the Shareholders' Meeting, would be decided by the Chairman of the Managing Board on delegation by the Managing Board (see section 21.4). The subscription to the capital increase reserved for DFG would be carried out through DMHK. The subscription to the capital increase reserved for the French State would be achieved through SOGEPA, which is wholly-owned by the French State.

   Under the terms of the Master Agreement, any third party who might at a later date come to hold a part of the capital and voting rights of DMHK, shall exercise no direct influence on the governance of the Company.

   DFG (through DMHK) and the French State (through SOGEPA) would each hold approximately 14% of the Company's capital upon completion of the reserved capital increase. The shares issued would be admitted to trading upon publication of a prospectus approved by the Autorité des Marchés Financiers ("**AMF**") before the Shareholders' Meeting. The completion of the reserved capital increases would be subject to the condition precedent of the signature by a banking syndicate of an underwriting agreement relating to the capital increases with preferential subscription rights, as described below.

(1) Dongfeng Motor Group Company Limited received authorisation from the Hong Kong Stock Exchange to subscribe, directly or indirectly, to the increase in the Company's capital, without the approval of a Shareholders' Meeting.

2. Following the completion of the reserved capital increases, the Company would conduct a capital increase of an amount of approximately €1,950 million, share premium included, with preferential subscription rights, open to all shareholders (including DMHK and SOGEPA), who would receive one preferential subscription right for each share held. This transaction would take place upon publication of a prospectus approved by the AMF after the Shareholders' Meeting.

   This transaction, which is proposed in a resolution to the Shareholders' Meeting, would be decided by the Chairman of the Managing Board on delegation from the Managing Board (see section 21.4).

   DFG (through DMHK) and the French State (through SOGEPA) would undertake to subscribe to the capital increase with preferential subscription rights for the amount of their investments (€276 million each, share premium included) and would thus each maintain a 14% interest in the Company's capital at the end of the transaction.

   EPF/FFP would also commit to subscribe to new shares as part of the capital increase with preferential subscription rights such that their combined interest in the Company equals the interest of DMHK and SOGEPA at the end of the transaction (*i.e.* approximately 14%).

   The remainder of the capital increase with preferential subscription rights not subscribed by DFG (through DMHK), the French State (through SOGEPA) and EPF/FFP (*i.e.* a maximum amount of approximately €1.4 billion, share premium included) is already subject to a volume put commitment by a banking syndicate.

   This volume put commitment contains a number of customary conditions precedent, including notably (i) compliance by DFG and the French State with their commitments made with the Company, to subscribe reserved capital increases, (ii) compliance by DFG, the French State and EPF/FFP with their commitments to subscribe the capital increase with preferential subscription rights, (iii) compliance by DFG, the French State and EPF/FFP with the lock-up undertaking made with the Company, (iv) compliance with an agreement between the banks and the Company concerning the launch and schedules of the capital increases, (v) obtaining the necessary administrative and/or regulatory authorizations and that of the Shareholders' Meeting, and (vi) the absence of a number of adverse events (particularly with respect to the economic or financial position of the Company and its subsidiaries) that may impact the success of the offer from the point of view of the banks.

   The capital increase with preferential subscription rights would be monitored by the same banking syndicate and would be part of an underwriting agreement signed after obtaining the AMF's approval for the prospectus for this capital increase. This underwriting agreement may not be terminated, except in the event of non-compliance by DMHK, SOGEPA or EPF/FFP with the terms and conditions of their undertakings to subscribe to the reserved capital increases and to the capital increase with preferential subscription rights and their lock-up undertakings vis-à-vis the Company or the non-completion of the reserved capital increase on the date following the AMF's approval of the prospectus relating to the capital increase with preferential subscription rights and signature of said contract.

   The shareholding structure that would result from the reserved capital increases and the capital increase with preferential subscription rights (based on the shareholding structure of the Company as at 31 December 2013) is presented below. The new structure (i) takes into account the commitment to neutralise the double voting rights held by EPF/FFP presented below and (ii) does not reflect the dilution of the equity held by DMHK and SOGEPA that would result following the exercise of BSA or the dilution of the equity held by EPF/FFP that would result because of their commitment not to acquire Company shares above the number of shares they would hold at the end of these transactions (including shares from the exercise of their BSA) (see below):

Shareholders	% capital	% of voting rights (1)
EPF/FFP	14.1%	14.2%
DMHK	14.1%	14.2%
SOGEPA	14.1%	14.2%
Other	57.7%	57.4%
Total	100%	100%
TOTAL	**100%**	**100%**

(1) Estimate subject to the setting of the conditions for the capital increase with preferential subscription rights and the Company share price on the date of setting the conditions of said rights issue..

3. Prior to the reserved capital increases and capital increase with preferential subscription rights, BSA would be freely distributed to Company shareholders who are registered as at the end of the trading day following the Shareholders' Meeting (*i.e.* excluding DMHK and SOGEPA), on the basis of one BSA for each share held. The characteristics of these BSA would be as follows:
   - the exercise of ten BSA would give the right to purchase three new shares;
   - this ratio will be adjusted in accordance with legal and regulatory provisions and contractual provisions following transactions performed by the Company from the date of issuance of the BSA until the maturity of the instrument (including the planned capital increase with preferential subscription rights or the payment of any dividend over the period), in order to maintain the rights of the holders of the BSA;
   - the subscription price of one new share for each BSA exercised would be €7.50 per share, share premium included, *i.e.* a price equal to the price of the capital increases reserved for DMHK and SOGEPA;
   - their maturity would be three years and the BSA would be exercisable from year-2. The BSA would be negotiable from the ex-dividend date on Euronext Paris;
   - proceeds from the exercise of all the BSA would represent approximately €770 million in potential additional resources for the Company;
   - the listing on the regulated market of Euronext Paris of the BSA would occur after the publication of a prospectus similar to the one for the listing of the shares as part of the reserved capital increases.

Following acquisition of an initial interest by DFG (through DMHK) and the French State (through SOGEPA), the Company's governance would change as described below.

A shareholders' agreement would be signed between DFG, DMHK, the French State, SOGEPA, EPF/FFP and the Company and would enter into force on the date of the effective completion of the capital increases reserved for DMHK and SOGEPA; this agreement would contain the following principles:

1- Governance
   - The Company's governance would comply with the AFEP/MEDEF Corporate governance code for listed companies.
   - The Company's Supervisory Board would comprise fourteen members, including: (i) six independent members, (ii) two persons nominated by each of DFG, the French State and EPF/FFP (the nominees proposed by the three shareholding parties would therefore together represent a minority within the Supervisory Board), and (iii) two directors representing respectively employees

and employee shareholders. DFG, the French State and EPF/FFP could each request the appointment of an observer who could attend meetings of the Supervisory Board but would not be allowed to vote. DFG, the French State and EPF/FFP would undertake to vote in the Shareholders' Meeting in favour of their respective candidates to maintain this minority representation on the Supervisory Board. In the event that DFG (and its affiliates), the French State (and its affiliates) or EPF/FFP (and their affiliates) should individually hold a number of Company shares representing at least 3% but less than 7% of the Company's capital (subsequent to the capital increase with preferential subscription rights), it could only propose one nominee for the Supervisory Board and would no longer be allowed to request the appointment of observer. DFG, the French State or EPF/FFP would no longer be entitled to representation on the Supervisory Board if they were to hold individually (including affiliates) a number of shares representing less than 3% of the Company's capital (subsequent to the capital increase with preferential subscription rights). With the exception of the commitments presented above and EPF/FFP's commitment described in the subsection below, the shareholders' agreement leaves each shareholder full freedom to exercise their voting rights;

- the statutory time limit for obtaining double voting rights would be reduced from four to two years for all of the shareholders, subject to the favourable vote of the Extraordinary Shareholders' Meeting, and EPF/FFP would undertake to neutralise the impact of their double voting rights for two years (or four years if the above reduction in the statutory time limit was not approved by the Shareholders' Meeting) as from completion of the capital increase with preferential subscription rights to the number of shares held upon completion of the capital increase with preferential subscription rights;
- the Supervisory Board would be chaired by an independent member;
- all of the decisions of the Supervisory Board would be passed by a simple majority, with no shareholder being entitled, through representatives, to veto rights on any decisions of the Company. In addition to the decisions subject to the prior approval of the Supervisory Board pursuant to the Articles of Association and applicable laws and regulations, the Supervisory Board's internal regulations would be amended to include (i) any proposed amendment to the Articles of Association (or any other decision with the purpose or effect of amending the Articles of Association) and (ii) the conclusion of any transaction agreement or any commitment as part of judicial or arbitration proceedings, exceeding the amounts to be determined by the Supervisory Board;
- an independent member would be designated Reference Independent Member, who, in the absence of the Chairman, would be responsible for convening the Board and directing its discussions, in accordance with the provisions of Article L. 225-81 of the French Commercial Code, and presiding over the Shareholders' Meeting in accordance with Article 11, paragraph 4 of the Articles of Association;
- one of the members of the Supervisory Board representing DFG, the French State and EPF/FFP, respectively, could be given the title of Vice-Chairman by the Supervisory Board;
- an Asia Business Development Committee would be established and chaired by a member proposed by DFG, EPF/FFP and SOGEPA, would undertake to support the nominee proposed by DFG as Chairman of this committee;
- the Nomination, Governance and Compensation Committee would be chaired by an independent member, the Financial and Audit Committee would be chaired by a member proposed by the French State and the Strategy Committee would be chaired by a member proposed by EPF/FFP.

2. Share purchases and sales

- DMHK (and DFG), SOGEPA (and the French State) and EPF/FFP would individually undertake not to acquire, directly or indirectly, alone or in concert with any third party (*i.e.* any person other than the above-mentioned parties and affiliates thereof), Company securities above the number of securities they would respectively hold at the end of these transactions, including securities from the exercise of BSA by EPF/FFP (with the understanding that the number of Company securities held by EPF/FFP for this commitment to a maximum limit does not include the equity warrants allocated to them by PSA). This ceiling may be adjusted in the case of subscriptions as of right to issues of shares with preferential subscription rights or priority rights, or distribution or allocation of bonus shares or equity securities). This individual ceiling obligation could be waived subject to obtaining the consent of each shareholder party to the shareholders' agreement, which individually represents at least 5% of the capital of the Company and of the Company's Supervisory Board. In this respect, the implementation of this clause results from an individual commitment by each of the three shareholders;
- the BSA that EPF/FFP would hold at the end of the free allocation would be subject to a lock-up undertaking for 100% during the first year and for 50% on or after the first anniversary of the date of issue until the second anniversary of the date of issue;
- DMHK, SOGEPA and EPF/FFP would be free to transfer all or part of their shares after a period of 180 days from the completion of the capital increase with preferential subscription rights. Prior to any transfer of shares on the market by these parties, the shareholder(s) concerned are required to inform the management of the Company and discuss it with them in order to limit the impact of such a transfer on the share price. Other than this requirement, DMHK, SOGEPA and EPF/FFP would not be subject to further constraints on to the transfer of their shares. There is no pre-emptive clause nor tag-along rights;
- the shareholders' agreement would be concluded for a period of ten years;
- No shareholder would act in concert with any other shareholder (or an affiliate thereof) with respect to the Company. This agreement, signed by each of the shareholders to protect its investment and own interests as a shareholder of the Company, would not aim to establish a common policy with regard to the Company within the meaning of Article L. 233-10 of the French Commercial Code. The Group's strategy will be determined by the Managing Board under the supervision of the Supervisory Board. The signing of the Framework Agreement with DFG strengthens the long-standing partnership between the two groups and in no case represents a shift in the strategy of PSA Peugeot-Citroën.

> PRESENTATION OF THE COMPANY'S CORPORATE GOVERNANCE AFTER THE ACQUISITION OF AN INITIAL INTEREST IN THE COMPANY BY DFG (THROUGH DMHK) AND THE FRENCH STATE (THROUGH SOGEPA)

Subject to (i) the effective allocation of BSA to the Company's shareholders proposed in the sixteenth resolution submitted to the Company's Shareholders' Meeting, (ii) the completion of the capital increase reserved for DMHK proposed in the seventeenth resolution, (iii) the completion of the capital increase reserved for SOGEPA proposed in the eighteenth resolution, and after the initial acquisition of an interest in the Company by DFG (through DMHK) and the French State (through SOGEPA), and (iv) resolutions relating to the composition of the Supervisory Board, the Company's governance would consist of:

COMPOSITION AND CHAIRMANSHIP OF THE SUPERVISORY BOARD

The Supervisory Board would be comprised of the following persons:

- Etablissements Peugeot Frères and FFP, represented by Thierry Peugeot and Robert Peugeot, respectively;
- Bruno Bézard and SOGEPA, nominees proposed by the French State;
- Xu Ping and Liu Weidong, nominees proposed by DMHK;
- Anne Valleron representing employee shareholders; and
- Patricia Barbizet, Pamela Knapp, Dominique Reiniche, Louis Gallois, Henri Philippe Reichstul and Geoffroy Roux de Bézieux, as independent members within the meaning of the AFEP-MEDEF Code.

At the end of the Company's Shareholders' Meeting, the Supervisory Board would be asked to appoint Louis Gallois as Chairman. In the event of a tie of votes within the Supervisory Board, the Chairman would not have any casting vote.

Under the new Articles of Association submitted to shareholders' approval in accordance with the Law of 14 June 2013, an employee representative on the Supervisory Board would be appointed by the Group's European Works Committee following the Company's Shareholders' Meeting.

REFERENCE INDEPENDENT MEMBER

The Reference Independent Member would be responsible, in the Chairman's absence, for convening the Board and monitoring its discussions, in accordance with the provisions of Article L. 225-81 of the French Commercial Code, and presiding over the Shareholders' Meeting in accordance with Article 11, paragraph 4 of the Articles of Association. In the event of a tie of votes, the Reference Independent Member would not have any casting vote.

The Reference Independent Member would be responsible for:

- calling and chairing meetings of the independent members of the Supervisory Board at least once a year;
- offering the Chairman of the Supervisory Board suggestions and recommendations concerning the Board's practices after consulting with the other Board members;
- informing the Chairman of the Board of any conflicts of interest he or she may have identified;
- taking note of the significant governance concerns of shareholders not represented on the Supervisory Board and ensuring that they are addressed;
- assisting in the oversight of the assessment of the Board's performance, in coordination with the Chairman of the Nomination, Governance and Compensation Committee; and
- reporting on the performance of his or her duties to the Supervisory Board and, where applicable, to the Annual Shareholders' Meeting.

OBSERVERS

Jean-Philippe Peugeot would be appointed as observer to the Supervisory Board for a period of four years ending at the close of the Ordinary Shareholders' Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board would include four committees:

- a Strategy Committee ;
- a Nomination, Governance and Compensation Committee;
- a Financial and Audit Committee; and
- the Asia Business Development Committee.

The Asia Business Development Committee would have the following features:

- the Committee's role would be to examine the Group's strategy and potential paths for growth on the Asian market. The Committee would propose broad guidelines for the Group's development in Asia to the Supervisory Board;
- the Committee would ensure that the strategy proposed and applied by the Managing Board fits with the Group's long-term vision for the Asian market as defined by the Supervisory Board. It would dedicate itself to monitoring the implementation of the strategic and industrial partnership agreement between the Group and the DFG;
- the Chairman of the Supervisory Board would refer all major projects concerning the Asian market to the Committee from their outset. It would be kept informed of the projects' content, especially their business approach and their development;
- in particular, the Committee would meet to discuss any project concerning the Asian market that falls within the scope of Article 9 of the Company's Articles of Association, whereby the Supervisory Board must approve in advance "the signature or termination of any manufacturing or sales agreements representing a future commitment for Peugeot S.A., with any companies whose corporate purpose is similar or related to that of Peugeot S.A. and generally the execution of any major transaction which substantially alters the scope of the business or the financial structure of the Company or the Group that it controls" by the Managing Board.

POWERS OF THE SUPERVISORY BOARD

The role of the Supervisory Board, which consists of defining the long-term vision that guides the Managing Board's decisions, would remain unchanged. The Supervisory Board would also ensure, in conjunction with the Chairmen of Board committees, coordination between the work of the various committees in accordance with the remit of each committee.

Pursuant to the Company's Articles of Association (simplification of which is proposed in the twenty-third resolution submitted to the Shareholders' Meeting, and subject to the adoption of this resolution), and the rules applicable to French public limited companies (*Sociétés Anonymes*) with a Managing Board and Supervisory Board, the Managing Board shall obtain the prior approval of the Supervisory Board to:

- conduct share issues (whether paid up in cash or by capitalising retained earnings) and capital reductions authorised by the Shareholders' Meeting;
- issue any and all ordinary or convertible bonds authorised by the Shareholders' Meeting;
- draft any merger agreements or agreements for the sale of a business;
- sign or terminate any manufacturing or sales agreements representing a future commitment for the Company with companies whose corporate purpose is similar or related to that of the Company and generally the execution of any major transaction which substantially alters the scope of the business or the balance sheet structure of the Company or the Group;
- conduct any purchase, sale, exchange or transfer of any and all operating real estate and businesses in transactions representing an amount in excess of the ceiling set by the Supervisory Board (currently €50 million);
- conduct any purchase, acquisition or sale of any equity interest in any and all existing or future enterprises directly or indirectly representing an immediate or future investment, expense, debt guarantee or seller's warranty involving an amount in excess of the ceiling set by the Supervisory Board (currently €50 million);
- sign loan agreements, other than for bond issues, for a period or an amount in excess of the limits set by the Supervisory Board (currently €100 million).

The Internal Rules of the Supervisory Board would also provide that such authorisation would be required for:

- any proposal to amend the Company's Articles of Association (or any other decision whose purpose or effect would be to amend the Articles of Association); and
- the conclusion of any transaction agreement or making of any commitment, in connection with a dispute or arbitration proceedings, exceeding the amounts determined by the Supervisory Board (this threshold would be set at €50 million).

> ALLIANCE CONTRACT WITH GENERAL MOTORS

In 2012, the Company and General Motors concluded a strategic alliance (the "Alliance") to put in place a cooperation agreement around two main pillars:

- the sharing of vehicle platforms, components and modules; the Company and General Motors will continue to market and sell their vehicles independently and on a competitive basis under their respective brands. Both intend however to share some of their platforms, modules and components in order to put together their development and production capacities; and
- the creation of a purchasing joint venture for products and services: the Company and General Motors intend to operate as a Europe-wide purchasing organisation, initially with respect to the sourcing of raw materials, components and other goods and services.

The Alliance covers additional areas of cooperation, such as logistic and freight. The Company and General Motors have notably put in place a strategic and commercial partnership between General Motors and GEFCO for the logistics services needs of General Motors in Europe and Russia. In this connection, the PSA Peugeot Citroën Automotive Division and General Motors Europe signed a logistical services contract with GEFCO on 2012. For further information, please refer to the paragraph below "Progress report on the General Motors Alliance".

In 2012, the Company and General Motors Holdings L.L.C. (a wholly owned subsidiary of General Motors Company) (hereinafter referred to as "General Motors") concluded a master agreement (the "Master Agreement") whose purpose is to (i) describe the principles and strategic objectives of the Alliance, (ii) organise the governance of the Alliance, (iii) plan the implementation of the Alliance through specific agreements and (iv) limit General Motors' acquisition of a stake in the share capital of the Company.

Pursuant to the terms of the Master Agreement, a steering committee, which gathers the representatives of both Groups, set up to (i) oversee the implementation of the Alliance and promote its balanced implementation for the benefit of the Company and General Motors, (ii) resolve any controversy or dispute arising out or in connection with the implementation of the Alliance, (iii) establish as deemed necessary operational committees to oversee the day-to-day operations and management of the Alliance, (iv) examine any potential new products, services, projects or areas of cooperation to be integrated within the scope of the Alliance.

In 2012, the Company and General Motors signed agreements to implement the Alliance:

- a master joint development agreement (the "Development Agreement");
- an agreement to establish a common purchasing platform (the "Joint Purchasing Agreement").

On 11 December 2013, the Company and General Motors signed the Heads of Terms ("Heads of Terms") reporting progress on the Alliance and consequently modifying the agreements concluded in this context (including the Master Agreement, the Development Agreement and the Joint Purchasing Agreement).

The Alliance was concluded in 2012 for a period of ten years and may be automatically renewed for three years periods. Each party may also terminate the Alliance if the other party fundamentally breaches its obligations, or in the event of a change of control of the other party (that is, if a third-party owns more than 30% of the total voting rights of one of the parties or has the contractual or statutory right to appoint the majority of the members of the Board of Directors of one of the parties), or if certain third-parties own more than 10% of the total voting rights of a party with the prior invitation of such party. The Development Agreement also stipulates termination cases for each programme, especially if either of the parties violates its obligations or if there is a major change affecting the total savings of the concerned project. In the Heads of Terms, General Motors gave up its right to terminate the Alliance in the context of the aforementioned equity investment by the French State and Dongfeng in the Company's capital.

On 12 December 2013, General Motors sold the stake in the Company's capital acquired in 2012 as part of the implementation of the Alliance (see Chapter 18).

Although General Motors sold its stake, the standstill undertakings granted by the latter ("**Standstill Undertakings**") as part of the Master Agreement, and particularly the undertaking not to purchase the Company's shares, continue to be applicable, subject to certain conditions and exceptions.

Other than the Standstill Undertakings, the Master Agreement makes no stipulations concerning the Company's governance and provides no veto right or special rights.

The Master Agreement does not stipulate any financial investment by the Company and/or General Motors as a result of the Alliance. Each programme must be subject to a specific decision and an implementing agreement.

The Alliance has no impact on the existing contracts with the operational partners of the Group in the car industry relating to on-going programmes. Furthermore, the Alliance and the reinforced partnership with Dongfeng are compatible, or even complementary.

PROGRESS REPORT ON THE GENERAL MOTORS ALLIANCE

Logistics cooperation between General Motors and PSA Peugeot Citroën

As an initial result of their global Alliance, on 2 July 2012, General Motors and PSA Peugeot Citroën announced the signature of a long-term logistics services agreement between General Motors and GEFCO, a company in which Peugeot S.A. owns a 25% stake and a recognised specialist in automotive and industrial logistics in Europe and beyond.

The agreement concerns the majority of Opel/Vauxhall, Chevrolet and Cadillac logistics activities in Europe (including Russia) and includes services such as equipment and component deliveries to manufacturing plants, delivery of finished vehicles to dealerships and the transport of after sales spare parts to distribution centres.

The new logistics agreement between GM and GEFCO came into effect in April 2013.

Purchasing joint venture

In application of the Joint Purchasing Agreement, a common purchasing organisation was created in Europe, which is supported by a joint venture. As of 31 December 2012, this entity has now been approved by the governing anti-trust authorities, and the joint purchasing organisation (JPO) is operational. A Purchasing Leadership Committee composed of members from both groups ensures the management of the JPO. The field of application of the cooperation may be extended, on a case by case basis, with the mutual agreement of the parties.

Joint platform and vehicle development projects

As indicated above, the Development Agreement was amended by the Heads of Terms in December 2013. The programmes that are part of the Alliance are described in chapter 12.

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INFORMATION FROM THIRD PARTIES, APPRAISERS' STATEMENTS AND STATEMENTS OF INTEREST

The Company has decided to seek an independent expert's opinion on the fair presentation of consolidated social, environmental and societal indicators included in the management report, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code. On 6 March 2014, Jonathan Goodman, Executive Vice-President, Corporate Communications of the PSA Peugeot Citroën Group appointed Grant Thornton as independent third-party expert. Grant Thornton submitted its expert report to the Company's Managing Board on 10 March 2014. The conclusions of this report are presented below.

> INDEPENDENT VERIFIER'S REPORT ON THE REVIEW OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

This is a free translation into English of the verifier's review report issued in the French language and is provided solely for the convenience of English speaking readers. The review report should be read in conjunction with, and construed in accordance with, French law and standards applicable in France.

Financial year ending 31 December 2013

To the Shareholders,

In our capacity as professional accountants identified as independent verifier, for which the accreditation is recognised by the COFRAC, we hereby report to you on the consolidated social, environmental and societal information published in the Management Report prepared for the year ended 31 December 2013 (hereinafter the "CSR information"), pursuant to Article L. 225-102-1 of the French Commercial Code (*Code du Commerce*).

Management's responsibility

The Executive Board is responsible for the preparation of the Management Report including the CSR information in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code presented as required by the company's internal reporting guidelines (the "reporting guidelines") and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements and by the Code of Ethics of our profession inserted in the 30 March 2012 decree specific to the activity of accountants. Furthermore, we have implemented a quality control system to ensure compliance with the Code of Ethics, professional standards and applicable laws and regulations.

Independent verifier's responsibility

It is our role, on the basis of our work:

- to attest whether the required CSR information is presented in the Management Report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of disclosure);
- to express limited assurance on the fact that, taken as a whole, the CSR information is presented fairly, in all material aspects, in accordance with the reporting guidelines (Assurance report).

Our work was conducted by a team of 7 people during the period of November 2013 to February 2014 for duration of approximately 12 weeks. We called upon the help of our CSR experts to complete this assignment.

1. ATTESTATION OF DISCLOSURE

We conducted our work in accordance with the professional guidelines and the legal order published on 13 May 2013 determining the methodology according to which the independent verifier conducts his mission:

- we met with the various managers and got acquainted with the direction the Company is taking in terms of sustainability, with regards to the social and environmental consequences of the company's business and its societal commitments and, where appropriate, the actions and programs that stem from it;
- we compared the CSR information presented in the Management Report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- in the event of omission of certain consolidated information, we have verified that explanations are provided in accordance with the third paragraph of Article R. 225-105-1 of the French Commercial Code;
- we verified that the CSR information covered consolidated scope, i.e. the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limit set forth in the methodology note presented in paragraph 5.3 and 17 of the management report.

Based on our work, we attest that the required Information is presented in the management report.

2. ASSURANCE REPORT

We conducted our work in accordance with the professional guidelines and the legal order published on 13 May 2013 determining the methodology according to which the independent verifier conducts his mission and in accordance with the International Standard on Assurance Engagement ISAE 3000.

We met approximately 10 times with the managers responsible for the preparation of the CSR information within the department in charge of the process of collection of the information and where appropriate we also met with those in charge of internal control and risk management procedures in order to:

- assess the appropriateness of the reporting standards with respect to its relevance, completeness, neutrality, clarity and reliability by taking into consideration, where applicable, the industry's best practices;
- verifify that the Company had set up a process for the collection, compilation, processing and control to ensure the completeness and consistency of the CSR information. We also familiarise ourselves with the internal control and risk management procedures relating to the compilation of the CSR information.

We determined the scope of the tests according to the nature and importance of the CSR information taking into consideration the characteristics of the company, its actions in respect to the social and environmental consequences of its activities, its direction as far as sustainability is concerned. We also determined tests according to the industry's best practices.

Concerning the qualitative consolidated information that we have considered the most significant [1]:

- for the consolidating entity and the sites, we reviewed the related documentary sources and conducted interviews to check the qualitative information (organisation, strategies, actions). We set up analytical procedures and verified the quantitative information using sampling techniques in order to check the consistency of the calculations and the consolidated information in order to reconcile the data with the information in the management report;
- we selected sites [2] based on their activity, their contribution to consolidated indicators, their location and risk analysis. We have conducted interviews to verify the proper application of procedures and set up tests using sampling techniques to verify the calculations performed and reconcile data with supporting evidence. The selected sample represents 19.7% of the workforce and between 26 and 49% of the quantitative environmental information tested.

As far as the other CSR information is concerned we have assessed its consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations given in the event of total or partial absence of information.

We believe that the sampling techniques and the sample sizes that we set up by exercising our professional judgment have allowed us to formulate a limited assurance conclusion; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, and because of other limits inherent to the functioning of any information system and internal control system, the risk of missing out a significant anomaly in the CSR information cannot be totally eliminated..

Conclusion

Based on our work we did not identify any significant misstatement likely to call into question the fact that the CSR information, as a whole, has been presented fairly, in accordance with the reporting standards.

Paris, on 10 March 2014

Grant Thornton

French member firm of Grant Thornton International

Gilles Hengoat
Partner
National Audit Director

Alban Audrain
Partner
Head of Corporate Social Responsibility

(1) Quantitative information: headcount and distribution of employees; hiring and dismissals; frequency and severity rate of accidents; number of training hours; water consumption, energy consumption; GHG emissions; emissions of organic compounds (VOCs), discharges in water of COD, TSS and BOD5 quantity of hazardous and non hazardous waste excluding metal waste.

Qualitative information on purchases, waste prevention and recycling of products reaching end of life, on measures taken to improve efficiency in the use of resources, on the fight against greenhouse effects, on information on CSR activities and patronage, on the measures taken againt corruption, on tertiary security staff, on mobility offer.

(2) Sites situated in Caen, Charleville, Poissy (support staff), Sevel Nord, Valenciennes, Vesoul, Vigo (Spain).

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DOCUMENTS AVAILABLE TO THE PUBLIC

24.1. > DOCUMENTS AVAILABLE TO THE PUBLIC

The following documents are available on the website of the Company (www.psa-peugeot-citroen.com):

- the present 2013 Registration Document filed with the *Autorité des Marchés Financiers* as an Annual Report;
- financial press releases;
- Articles of association of Peugeot S.A.;
- historical financial information for Peugeot S.A. and its subsidiaries;
- Full year results 2013 presentation.

Documents and information concerning the Company can be also requested at PSA Peugeot Citroën's registered office located at 75 avenue de la Grande-Armée, 75116 Paris.

24.2. > PUBLISHED PRESS RELEASES

LIST OF PRESS RELEASES

During 2013 and until the publication of the present document, the following press releases have been published on the Company's website (www.psa-peugeot-citroen.com).

01/04/2014	PSA Peugeot Citroën's Mulhouse Plant Increase Peugeot 2008 production and organises half night shift
31/03/2014	Appointment of Carlos Tavares as Chairman of the Managing Board
28/03/2014	Manufacturing component plant in Valenciennes: establishment of two teams to meet the demand for automatic gearboxes from the Chinese market
26/03/2014	Signing of the final agreements between PSA Peugeot Citroën, Dongfeng Motor Group, the French State and the family-owned companies Etablissement Peugeot Frères and FFP.
19/03/2014	Press release of the Supervisory Board of Peugeot S.A.
14/03/2014	Sochaux site: establishment of a night shift from 2 June 2014
06/03/2014	PSA Peugeot Citroën: PCA France 2014 pay round
25/02/2014	Jean-Paul Bailly Advisor to PSA Peugeot Citroën on the future plans for Aulnay-sous-Bois
19/02/2014	PSA Peugeot Citroën - Carlos Tavares
19/02/2014	PSA Peugeot Citroën announces major business and financial projects for the development and growth of the Group
19/02/2014	PSA Peugeot Citroën announced the renewal of its confirmed line of credit
19/02/2014	Banque PSA Finance and Santander CF in exclusive negotiations to form a European partnership
19/02/2014	Availability of the Annual Financial Report as at 31 December 2013
19/02/2014	Full-year results 2013
12/02/2014	The Group reported a trade surplus of €4.5 billion for France in 2013
06/02/2014	Group Communication
31/01/2014	Philippe Dorge's statement on Aulnay employees' redeployment plan
30/01/2014	Patrice Henri Duchêne appointed Managing Director of the PSA Peugeot Citroën Foundation
28/01/2014	DISTINGO passbook savings account continues to deliver outstanding performance with more than €950 million in customer deposits
27/01/2014	Two millions EP petrol engines produced by PSA Peugeot Citroën
20/01/2014	Group Confirmation - PSA Peugeot Citroën confirmed that negotiations already underway to strengthen its manufacturing and commercial partnership with Dongfeng Motor would be continued, and announced a plan to raise some €3 billion through a capital increase.
20/01/2014	PSA Peugeot Citroën: Worldwide sales of 2,819,000 units in 2013
09/01/2014	50,000 diesel hybrids marketed in Europe by PSA Peugeot Citroën
12/12/2013	PSA Peugeot Citroën's statement - PSA Peugeot Citroën takes note of the sale by GM of its stake in the Company, as well as the strong commitment reaffirmed by GM concerning the strategic Alliance.
12/12/2013	PSA Peugeot Citroën's statement
12/12/2013	Impact of changes in exchange rates and impairment charges on Automotive Division assets in Russia and Latin America
12/12/2013	PSA Peugeot Citroën and GM report progress on Strategic Alliance implementation
12/12/2013	PSA Peugeot Citroën confirms that it is reviewing potential projects with various partners
10/12/2013	Banque PSA Finance completes its first securitisation of Swiss leasing contracts
06/12/2013	Banque PSA Finance extends the maturity of a syndicated facility for €1.8 billion
02/12/2013	Banque PSA Finance launched a new Master structure on 28 November 2013
28/11/2013	A €90 million investment for a new C2 segment vehicle
27/11/2013	A clarification concerning the pension plan applicable to Philippe Varin
27/11/2013	Philippe Varin waives the current arrangements for his retirement benefits
26/11/2013	PSA Peugeot Citroën capital day
26/11/2013	Changes in the equity interests held by Renault and PSA Peugeot Citroën in Société de Transmissions Automatiques and Française de Mécanique
25/11/2013	Carlos Tavares nominated to the Managing Board of PSA Peugeot Citroën to succeed Philippe Varin

25/11/2013	PSA Banque, a bank serving the real economy, launches the website www.economiereelle.fr
15/11/2013	PSA Peugeot Citroën presents the initial results of the “Open Innovation” programme
07/11/2013	Banque PSA Finance issued Senior and Mezzanine ABS bonds on 31 October 2013
29/10/2013	PSA Peugeot Citroën inaugurates a new engine production line in France
29/10/2013	Banque PSA Finance launches a new Master structure on 24 October 2013
28/10/2013	The PSA Peugeot Citroën Foundation organises its first awards programme to recognise mobility projects
25/10/2013	Last car rolls off the production line at Aulnay
24/10/2013	OpEneR: PSA Peugeot Citroën & Bosch reveal two new functions
24/10/2013	PSA Peugeot Citroën: Signature of the “New Social Contract»
23/10/2013	Third-Quarter 2013 consolidated revenues - On-going implementation of the turnaround plan
14/10/2013	Press release of 14 October 2013
11/10/2013	New Social Contract - Meeting of 10 & 11 October
08/10/2013	European Investment Bank to provide PSA Peugeot Citroën with €300 million loan
02/10/2013	Successful bond issue by Banque PSA Finance in Argentina
01/10/2013	PSA Peugeot Citroën and General Motors agree on building B-MPVs in Zaragoza
01/10/2013	Mark Rollinger Appointed Group Chief Legal Officer
30/09/2013	PSA Peugeot Citroën inaugurates new plant in China and launches the locally produced DS5
25/09/2013	New Social Contract - meeting of 25 September
18/09/2013	New Social Contract - meeting of 18 September
11/09/2013	New Social Contract - meeting of 11 September
10/09/2013	PSA Peugeot Citroën continues to actively manage its debt with two simultaneous transactions
05/09/2013	PSA Peugeot Citroën launches Plein Phare, the informative blog on diesel
05/09/2013	New Social Contract - meeting of 5 September
04/09/2013	The Group launches a new family of diesel engines project at the Française de Mecanique plant
31/07/2013	Availability of the interim financial report at 30 June 2013
31/07/2013	First Half 2013 Results - Solid progress of turnaround plans
30/07/2013	Banque PSA Finance receives final European Commission authorization to use the French state’s guarantee
29/07/2013	Successful bond issue by Banque PSA Finance in Argentina
19/07/2013	New Social Contract - summary of proposals at 18 July 2013
16/07/2013	PSA Banque’s DISTINGO Passbook Savings Account a big hit with French savers
15/07/2013	New Social Contract - meeting of 12 July 2013
08/07/2013	PSA Peugeot Citroën successfully launches new models in the first half
05/07/2013	New Social Contract - meeting of 4 July 2013
04/07/2013	Partnership between the Group and the CEA on advanced automobile production systems
03/07/2013	RIVE 2013 - PSA Peugeot Citroën and Bosch are premiering OpEneR
01/07/2013	New Milestone in PSA Peugeot Citroën’s Development in China
27/06/2013	New Social Contract - meeting of 5 June 2013:
24/06/2013	Successful Sales of the Peugeot 2008 Lead Mulhouse Plant to Increase Production
20/06/2013	PSA Peugeot Citroën recognises 23 of its suppliers
20/06/2013	New Social Contract - meeting of 20 June 2013
19/06/2013	PSA Peugeot Citroën, Argentina’s leading car manufacturer, announces record sales
17/06/2013	PSA Peugeot Citroën grows twice as fast as the market in China
12/06/2013	New Social Contract - 3rd meeting
10/06/2013	PSA Peugeot Citroën wins three European innovation prizes for its Hybrid Air technology
07/06/2013	The Group and five academic partners create the Vibro-Acoustic-Tribology@Lyon competency centre
07/06/2013	Banque PSA Finance places a securitisation of French auto loans originated by Crédipar
06/06/2013	Info New Social Contract - 2nd meeting

05/06/2013	1.6-Litre Direct-Injection Turbo Petrol Engine wins award for the seventh consecutive year
29/05/2013	PSA Peugeot Citroën opens a cycle of negotiations to develop a new social contract
22/05/2013	PSA Peugeot Citroën announces its project to transfer the activities of its Meudon-la-Forêt site
22/05/2013	PSA Peugeot Citroën will begin a cycle of negotiations to create a new social contract
17/05/2013	PSA Peugeot Citroën management and CGT union sign agreement to end strike at Aulnay plant
15/05/2013	Successful bond issue by Banque PSA Finance in Argentina
14/05/2013	Six Peugeot and Citroën vehicles awarded Made in France label
03/05/2013	Banque PSA Finance placed its second securitisation of German auto lease receivables
29/04/2013	Measures to support employees affected by the PSA Peugeot Citroën industrial restructuring plan agreed to by the central Works Council
26/04/2013	Paris District Court Rules on PSA Peugeot Citroën's Redundancy Plan
24/04/2013	Annual Shareholders' Meeting of 24 April 2013
24/04/2013	First-Quarter 2013 Consolidated Revenues
19/04/2013	PSA Peugeot Citroën achieves a record first-quarter performance in China and pursues its strategy
17/04/2013	Yves Bonnefont appointed Executive Vice President of Citroën
10/04/2013	PSA Peugeot Citroën and France's National Adult Vocational Training Association
09/04/2013	PSA Peugeot Citroën's Equal Opportunity Employer label renewed
05/04/2013	PSA Peugeot Citroën France's leading patent filer for the sixth year in a row
28/03/2013	PSA Peugeot Citroën: publication of 2012 Registration Document
25/03/2013	Banque PSA Finance: €1.2 billion bond issue with French State guarantee
20/03/2013	Banque PSA Finance: Availability of the 4th supplement to the Base Prospectus of the EMTN Programme
14/03/2013	PSA Peugeot Citroën successfully completed the disposal of its stake in BNP Paribas for approximately €177m
14/03/2013	PSA Peugeot Citroën arranges the disposal of its stake in BNP Paribas
12/03/2013	A new Managing Board led by Philippe Varin
12/03/2013	Supervisory Board Meeting of 12 March 2013
12/03/2013	Philippe Varin sets up a leaner management team to lead the Group's recovery
07/03/2013	PSA Peugeot Citroën signs an agreement for local assembly in Kazakhstan
07/03/2013	With the DISTINGO passbook, Banque PSA Finance takes on a new savings product
28/02/2013	PSA Peugeot Citroën floats a billion euro bond issue
25/02/2013	Peugeot produces its 300,000th 208
22/02/2013	Pierre-Louis Colin Named Manager of service and parts
22/02/2013	New President appointed at Changan PSA Automobile Co., Ltd (capsa))
22/02/2013	Frédéric Fabre named general Manager of Peugeot Scooters (Peugeot Motocycles)
19/02/2013	The Foundation and Fare launch the Mouv'up! Programme to promote employment through mobility
13/02/2013	2012 Financial Results
12/02/2013	Confirmation of the appointment of Louis Gallois to the Peugeot S.A Supervisory Board
12/02/2013	Four labour unions (CFE/CGC, CFTC, FO AND SIA/GSEA) issue a favourable opinion on the draft agreement outlining support measures for employees at the Rennes and Aulnay sites
11/02/2013	Banque PSA Finance announces the temporary authorisation of the european Commission to apply the guarantee of the french State on new bond issues
07/02/2013	Result of asset valuation tests of the Automotive Division for FY2012
06/02/2013	Successful bond issue by Banque PSA Finance in Argentina
05/02/2013	PSA Peugeot Citroën receives award for environmental performance
31/01/2013	PSA Peugeot Citroën hails the responsible attitude taken by the CFE/CGC - CFTC - FO joint union
30/01/2013	PSA Peugeot Citroën Launches Production of the Peugeot 208 in Brazil
29/01/2013	PSA Peugeot Citroën industrial restructuring: the process has not been suspended
25/01/2013	BPF puts on secondary market ABS bonds backed by automobile loans

24/01/2013	GM and PSA Peugeot Citroën Provide Further Details of their Global Strategic Alliance
22/01/2013	Innovation day: PSA Peugeot Citroën presents major innovations for the car of the future
18/01/2013	Mobility and solidarity: the PSA Peugeot Citroën Foundation publishes its first Annual Report
14/01/2013	Banque PSA Finance announces the renewal of its bank facilities
09/01/2013	PSA Peugeot Citroën faces steeply declining european markets but makes progress internationally
08/01/2013	Banque PSA Finance successfully raises €3.1 billion of asset backed securities in 2012
07/01/2013	The new Peugeot 2008, a powerful symbol of PSA Peugeot Citroën's strategy

LIST OF DOCUMENTS PUBLISHED IN THE BALO

24 May 2013	Periodic publication - Annual financial statements
5 April 2013	Notice of meeting - Shareholders' Meeting (Notice of meeting)
18 March 2013	Notice of meeting - Shareholders' Meeting (Prior Notice of meeting)

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INFORMATION ON SHAREHOLDINGS

See Note 42 (List of consolidated companies) to the 2013 consolidated financial statements and Note 31 to the Peugeot S.A. 2013 financial statements.

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CROSS-REFERENCE TABLE

> CROSS-REFERENCE TABLE ON THE REPORT OF THE MANAGING BOARD

This Registration Document includes all of the information in the Report of the Managing Board of the PSA Peugeot Citroën Group as provided for in Articles L. 225-100 and L. 225-100-2 of the French Commercial Code.

The following table cross-refers each section of the Report of the Managing Board to the corresponding pages of the Registration Document.

> CROSS-REFERENCE TABLE WITH REQUIRED MATERIAL IN ARTICLE R. 225-105 OF THE FRENCH COMMERCIAL CODE (APPLICATION OF GRENELLE 2 LEGISLATION)

Expected by the decree	PSA Peugeot Citroën codification of the 42 topics of Grenelle 2	2013 Registration Document (relevant sections)	Reporting status
1° Personnel information			
a) Employment			
Total workforce	G.1a	17.1.1	
Employees by gender	G.1b	17.1.1	
Employees by age	G.1c	17.1.1	
Employees by geographical region	G.1d	17.1.1	
Hirings	G.2a	17.1.1	
Hirings	G.2b	17.1.1	
Compensation and changes it in	G.3	17.1.6	
b) Work arrangements			
Organisation of working hours	G.4	17.1.2	
Absenteeism	G.5	17.1.2	
c) Employee relations			
Organisation of employer-employee communications, especially procedures for informing, consulting and negotiating with personnel	G.6	17.3.1.	
Summary of labour agreements	G.7	17.3.1./17.3.2.	
d) Health and safety			
Health and safety conditions in the workplace	G.8	17.4.1	
Summary of agreements signed with unions or employee representatives regarding workplace health and safety	G.9	17.4.4	
Workplace accidents, particularly their frequency and severity, along with occupational diseases	G.10	17.4.3	
e) Training			
Policies put into practice with regard to training	G.11a	17.2.3./17.2.4	
Means put into practice with regard to training	G.11b	17.2.4./17.2.5	
Total number of hours of training	G.12	17.2.4	
f) Non-discrimination			
Measures taken to ensure equality between men and women	G.13	17.5.1	
Measures taken to ensure the hiring and integration of handicapped persons	G.14	17.5.2	
Anti-discrimination policy	G.15	17.1.1./17.5.2	
g) Promotion and observance of the core conventions of the International Labour Organisation relative			
To respect for freedom of association and the right to collective bargaining	G.16	17.3.1.	
To the elimination of discrimination in terms of hiring and occupation	G.17	17.3.1	
To the elimination of forced or obligatory labour	G.18	17.3.1	
The effective abolition of child labour	G.19	17.3.1	

Expected by the decree	PSA Peugeot Citroën codification of the 42 topics of Grenelle 2	2013 Registration Document (relevant sections)	Reporting status
2° Environmental information			
a) General environmental policy			
The organisation of the Company so as to take environmental questions into consideration	G.20	5.3.1/5.3.2/5.3.3.1	
Environmental assessment or certification initiatives	G.20	5.3.3.2	
Actions taken to train and inform employees about protection of the environment	G.21	5.3.3.3	
Resources committed to prevent environmental risks and pollution	G.22	5.3.2/5.3.2.1 5.3.2.1.2/5.3.2.1.3 5.3.2.2/5.33.4	
The amount of the provisions and warranties made for environmental risks, provided this information is not of a nature that might be seriously adverse to the Company in a current legal dispute.	G.23	5.3.3.4.3	
b) Pollution and waste management			
Measures to prevent, reduce or repair emissions into the air, water or ground that seriously affect the environment	G.24	5.3.2.2/5.3.2.3.2 5.3.3.3/5.3.3.4 5.3.3.4.2./5.3.4.2.	
Measures to prevent, recycle or eliminate waste	G.25	5.3.2.3.3/5.3.3.4.2 5.3.4.4	
The handling of sound pollution or any other form of pollution specific to an activity	G.26	5.3.3.4.2	
c) Sustainable use of resources			
Water consumption and sourcing in light of local constraints	G.27	5.3.4.2	
Consumption of raw materials and measures taken to use them more efficiently	G.28	5.3.2.3.1/5.3.4.3	
Consumption of energy, measures taken to improve energy efficiency and use of renewable energy	G.29	5.3.2.1.2/5.3.4.1	
Use of land	G.30	5.3.3.4.2	
d) Climate change			
Greenhouse gas emissions	G.31	5.3.2.1.1/5.3.4.1	
Adaptation to the consequences of climate change	G.32	5.3.2.1/5.3.2.1.2 5.3.2.4/5.3.4.1	
e) Protection of biodiversity			
Measures taken to preserve or develop biodiversity	G.33	5.3.3.4.2	

Expected by the decree	PSA Peugeot Citroën codification of the 42 topics of Grenelle 2	2013 Registration Document (relevant sections)	Reporting status
3° Information relating to corporate sustainability efforts			
a) Local, economic and social impact of the Company's business			
On employment and regional development	G.34	5.3.5.2.1/5.3.5.2.2 17.6	
On neighbouring or local residents	G.35	5.3.5.4	
b) Relationships maintained with equal employment opportunity groups, educational institutions, environmental protection groups, consumer groups and neighbouring communities			
How the Company communicates with these persons or groups	G.36	5.3.5.1	
Support, partnerships and philanthropy provided	G.37	5.3.5.2.2/5.3.5.4 17.5.2	
c) Subcontractors and suppliers			
Consideration given to social and environmental issues in purchasing policies	G.38	5.3.5.2.1	
The importance of subcontracting and the inclusion in subcontractor and supplier relationships of their social and environmental responsibility	G.39	5.3.5.2.1/5.3.5.2.3	
d) Fair operating practices			
Actions undertaken to prevent corruption	G.40	5.3.5.5	
Measures taken benefiting the health and safety of consumers	G.41	5.3.2.2/5.3.2.3.2 5.3.5.3	
e) other actions undertaken relating to this Article			
Measures taken in favour of human rights	G.42	5.3.5.2.3/17.3.1	

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Designed & published by Labrador +33 (0)1 53 06 30 80

PSA PEUGEOT CITROËN

Cover: Head-up display. Photo credit: F. Camuzat. Creation: **makheia** sequoia

PEUGEOT S.A.
Incorporated in France with issued capital of €354,848,992
Governed by a Managing Board and a Supervisory Board
Registered Office: 75, avenue de la Grande-Armée
75116 Paris – France
R.C.S. Paris B 552 100 554 – Siret 55 2 100 554 00021
Phone: + 33 (0)1 40 66 55 11 – Fax: + 33 (0)1 40 66 54 14
psa-peugeot-citroen.com