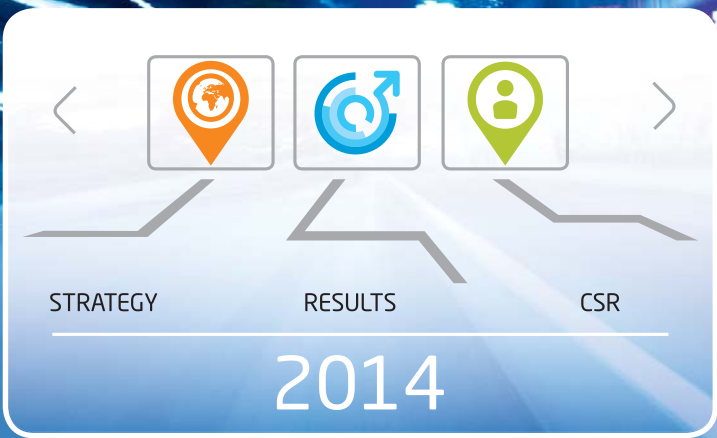
PSA PEUGEOT CITROËN

HALF-YEAR FINANCIAL REPORT



2014 Interim Financial Report

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I. MANAGEMENT AND SUPERVISORY BODIES at 30 June 2014

Supervisory Board

CHAIRMAN

Louis Gallois

VICE-CHAIRMEN

Bruno Bézard
Thierry Peugeot (permanent representative of Etablissements Peugeot Frères)
Xu Ping

MEMBERS OF THE SUPERVISORY BOARD

Patricia Barbizet
Pamela Knapp
Jean-François Kondratiuk (employee representative)
Liu Weidong
Robert Peugeot (permanent representative of FFP)
Henri Philippe Reichstul
Dominique Reiniche
Geoffroy Roux de Bézieux
Anne Valleron (employee shareholders' representative)
Florence Verzelen (permanent representative of SOGEPA)

ADVISOR

Jean-Philippe Peugeot

Managing Board

CHAIRMAN

Carlos Tavares

MEMBERS OF THE MANAGING BOARD

Jean-Baptiste Chasseloup de Chatillon
Grégoire Olivier
Jean-Christophe Quémard

Etablissements Peugeot Frères informed Peugeot S.A. of its decision to change its representative on the Supervisory Board: Ms Marie-Hélène Roncoroni replaced Mr Thierry Peugeot as a member of the Supervisory Board as of 3 July 2014 and as Vice-Chairman as of 29 July 2014. As proposed by Etablissements Peugeot Frères and FFP, the Supervisory Board appointed Mr Frédéric Banzet as a non-voting advisor as of 29 July 2014, replacing Mr Jean-Philippe Peugeot.

II. MANAGEMENT REPORT

1. RISK FACTORS AND UNCERTAINTIES

Main risk factors specific to the Group and its business

The PSA Peugeot Citroen Group pays close attention to ensuring that effective control is maintained over the risks associated with its various businesses. 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). The principal risk factors specific to the Group - which are described exhaustively on pages in the 2013 Registration Document (Chapter 4)[1] - include the following:

- **Operational risks**

These include: market cycle and country risks, new vehicle development, launch and marketing risks, customer and dealer risks, raw materials risks, supplier risks, industrial risks, environmental risks, workplace health and safety risks, risks associated with the cooperation agreements and information systems risks;

- **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, and Note 20 to the first-half 2014 financial statements, provide 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;

- **Risks relating to Banque PSA Finance's business**

These risks include risks related to the financial markets and Banque PSA Finance's status as a financial institution, as well as other operational risks and credit risks. (See Note 36 in the Notes to the consolidated financial statements at 31 December 2013);

For more details, please refer to the Bank's 2013 Annual Report, which can be downloaded from its website at www.banquepsafinance.com

- **Legal and contractual risks**

These risks include: legal and arbitration proceedings, legal risks associated with anti-competition litigation, regulatory risks, financial covenants, risks related to pension and other post-retirement benefit obligations, risks related to intellectual property rights, off-balance sheet commitments.

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[1] The original French version of the 2013 Registration Document was filed with the Autorité des Marches Financiers (AMF) on 2 April 2014 under number D. 14-0269, in accordance with the provisions of Article 212-13 of the General Regulation of the AMF.

2. THE GROUP'S OPERATIONS

2.1 First-half 2014 highlights

2.1.1 Presentation by Carlos Tavares of the “Back in the Race” Plan to step up the Group’s recovery

Carlos Tavares, Chairman of the PSA Peugeot Citroën Managing Board, presented on 14 April 2014 the 2014-2018 “Back in the Race” roadmap designed to accelerate the Group’s recovery, which is including three metrics:

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

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

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

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

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

- The Group’s line-ups will be gradually streamlined to 26 models by 2022. By focusing on a more compact range, PSA Peugeot Citroën will be able to improve market coverage and improve margins by targeting the most profitable segments,
- In addition, this will help to optimise the use of platforms and programmes around the world and to allocate R&D spend and capex more efficiently.

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

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

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

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

Continue to transform the corporate culture

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

2.1.2 A strengthening of the industrial and commercial partnership with Dongfeng Motor Group

On 19 February 2014, PSA Peugeot Citroën announced the strengthening of the industrial and commercial partnership with Dongfeng Motor Group. This strategic partnership covers three aspects:

• A joint commitment to propel (Dongfeng Peugeot Citroën Automobile) DPCA into a new phase of growth, with the objective of tripling its volumes to 1.5 million vehicles per annum by the 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 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.

The final agreements between PSA Peugeot Citroën and Dongfeng Motor Group were signed on 26 March 2014.

2.1.3 €3 billion in shares issued during the year

In addition to strengthening the industrial and commercial partnership with Dongfeng Motor Group, Peugeot S.A. carried out capital increases for a total of €3 billion, approved by the Shareholders' Meeting held on 25 April 2014, including:

- A reserved capital increase in the amount of €1,048 million, subscribed in equal parts on 29 April 2014 by DFG via Dongfeng Motor (Hong Kong) International Co., Limited ("DMHK") and the French State through SOGEPA, which led to the creation of 139,733,332 shares at a price of €7.5 per share;
- A share capital increase with preferential subscription rights in the amount of €1,953 million, open to all existing Peugeot S.A. shareholders, which led to the creation of 288,506,351 new shares at the unit price of €6.77;
- A bonus issue of equity warrants for existing Peugeot S.A. shareholders, on the basis of 1 warrant for each share held, and with a subscription ratio of 10 warrants for 3 new Peugeot S.A. shares. The warrants have a maturity of three years, and may be exercised from the second year. The subscription price per share is identical to that of the capital increase reserved for DFG and the French State, i.e. €7.5 per share. The Exercise Ratio was adjusted following the transaction of 14 May 2014, and is as follows: holders of warrants are from now on entitled to subscribe to 3.50 new shares through the exercise of 10 warrants for an aggregate amount of €22.50 (corresponding to an implied subscription price of €6.43 per new share).

Through the reserved capital increases and their participation in the transaction, DMHK and SOGEPA each invested approximately €800 million in PSA Peugeot Citroën and become PSA Peugeot Citroën key shareholders alongside FFP and Etablissements Peugeot Frères, which also subscribed for an amount of €142 million under the transaction. Following these transactions, DMHK, SOGEPA and FFP/Etablissements Peugeot Frères each hold a 14.1% stake in the share capital of Peugeot.

PSA Peugeot Citroën, DMHK, SOGEPA, FFP and Etablissements Peugeot Frères are bound by a lock-up on capital transactions subject to certain exceptions, during a period of 180 days after the settlement-delivery date of the transaction (23 May 2014).

As from 23 May 2014, the share capital of Peugeot is composed of 783,088,675 shares with a nominal value of €1 each.

Use of funds raised

The funds raised through those capital increases will primarily be used by PSA Peugeot Citroën to make key investments related to its "Back in the Race" strategic plan, in order to strengthen its competitiveness in Europe and its globalization strategy:

- transform PSA Peugeot Citroën's business model in Latin America and Russia, with the objective of returning to profit;
- develop CO2 technologies and advanced driver assistance systems on a par with the best available;
- invest to attain a competitive European industrial footprint;
- reduce net debt.

A capital increase reserved for employees will be offered in the course of H2 2014, in order to give them the opportunity to participate in the value creation potential of the Group.

2.1.4 BPF: Signature of a framework agreement with Santander Consumer Finance to create a European partnership that will reinforce its competitiveness

Following its announcement on 19 February 2014 of the start of exclusive negotiations, Banque PSA Finance and Santander Consumer Finance (Santander CF) announced that they had signed a framework agreement on 10 July. This agreement creates a partnership between the two groups in 11 countries in Europe.

This partnership between Banque PSA Finance, PSA Peugeot Citroën’s captive specialising in automotive finance, and Santander CF, the division of Banco Santander specialising in consumer finance, will take the form of joint ventures in most countries, or commercial agreements. The agreement will strengthen the competitiveness of the Group’s brands, improving their penetration of the auto financing market. It will perpetuate and bolster the activities of Banque PSA Finance thanks to competitive offers for PSA Peugeot Citroën’s brands and customers. The scope envisaged for the partnership covers approximately 90% of Banque PSA Finance’s current operations.

The partnership has received the approval of the works councils of PSA Peugeot Citroën and Banque PSA Finance. The establishment of the partnership remains subject to the approval of competition authorities and banking sector regulators in the main European countries. Subject to these reservations, the transaction should be finalised in 2015 or early 2016. The new partnership entities will be consolidated by the equity method by Banque PSA Finance. The partnership is expected to allow a flow of cash of approximately €1.5 billion to the Group’s industrial and commercial companies by 2018.

2.1.5 Signature of a €3-billion syndicated credit facility

On 8 April 2014, PSA Peugeot Citroën signed a new syndicated credit facility for the amount of €3.0 billion. It comprises a €2.0 billion five-year tranche and a €1.0 billion three-year tranche with two optional one-year extensions.

This credit facility replaced the €2.4 billion line of credit signed in July 2010, which matured up to July 2015.

Although amply oversubscribed, the total amount was deliberately capped at €3.0 billion.

The banks’ confidence in the manufacturing and sales partnership and in the proposed transactions presented by PSA Peugeot Citroën last 19 February was reflected in the participation of 25 banks from 11 countries, the highly competitive pricing and the duration of the line, which has not been offered on a Peugeot S.A. syndicated credit facility since March 2005, when it was rated investment grade.

In conjunction with the share and rights issues, the new facility is designed to strengthen the Group’s financial profile, robustness and financial security.

2.1.6 Increasing development in China

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

To support the strong growth in its unit sales, DPCA signed on 2 July an agreement with the city of Chengdu for the construction of its fourth production facility in China. Work will get underway in the second half of the year, with the first car scheduled to roll off the new assembly lines in late 2016.

With total capacity eventually reaching 300,000 vehicles a year, DPCA’s fourth plant will build Dongfeng Citroën, Dongfeng Peugeot and Fengshen-badged SUVs and MPVs.

DPCA's current production base comprises three plants in Wuhan, which are running on two shifts for a total potential capacity of 750,000 units a year. With the fourth plant, production capacity will be lifted to one million units a year in 2016.

The company's full-year objective for 2014 is to sell 700,000 vehicles in China.

The Group also successfully launched its DS line in China in 2013 with its partner Chang'an Automobile Group through its JV CAPSA, co-owned 50/50.

The agreements signed on 26 March 2014 have no impact on the DS line development plan in China, which is designed to maximise capacity utilization at the Shenzhen plant in 2018.

2.1.7 Improving the Jobs and Skills AlignmentSystem (DAEC) of the New Social Contract

On Wednesday, 25 June 2014, the six labour unions at PSA Peugeot Citroën, CFDT, CFE/CGC, CFTC, CGT, FO and GSEA, unanimously signed the agreement covering improvement of the Jobs and Skills AlignmentSystem (DAEC).

Internal mobility is encouraged, particularly through the "Top Competences" career reconversion programme.

For external mobility, new incentivising measures have been implemented. For the jobs and skills matching system relating to external mobility, employees that are in sensitive professions can expand their professional experience outside of the Group while benefiting from the severance benefit (ICL), to which the Group currently adds six months of salary. As part of Human Resources Planning and Development (GPEC), secure periods of mobility provide opportunities for employees in sensitive professions or for balancing the workforce, and based on the willingness of both the employee and the company to suspend their employment agreement, to join another company, with the possibility of returning within the next two years should the project not work out.

2.2 Business review

First-Half 2014 Highlights

- Worldwide sales up 5.5% to 1,541,000 units (see appendix for details).
- Strong growth in Europe, with unit sales up 11.7%, and in China/Southeast Asia, up 27.7%.
- 12.1% market share in Europe.
- Successful launches of the Peugeot 308, 2008 and 301 and the Citroën C4 Picasso and C-Elysée.
- Very good start for the Peugeot 108, the new Citroën C1 and the Citroën C4 CACTUS.
- Leadership in light commercial vehicles in Europe, with market share increasing to 21.2%.
- European leader in low-carbon vehicles, with average CO2 emissions of 111.8 g/km.

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

In a European passenger car and light commercial vehicle market up 6.6%, PSA Peugeot Citroën's unit sales rose 11.7% from the year-earlier period to 956,000 vehicles.

The Group's overall market share in Europe stood at 12.1% in the first half. The increase reflected growth in the French, Spanish and UK markets, as well as a more upward pricing policy for the brands, which were better positioned. The 10% increase in the light commercial vehicles market, which PSA Peugeot Citroën leads with a market share of 21.2%, also contributed to the Group's performance in the region.

In an environment of continued low demand in Europe, the Group's sales were lifted by its product dynamic and brand repositioning, which is producing encouraging results.

Brands' sales dynamic and improved competitiveness confirmed

- A year after the Peugeot 2008's market launch, production has already exceeded 164,500 units in Europe. Premium versions account for 65% of sales. To meet this strong demand, which confirms the relevance of the targeted product strategy, the Mulhouse facility has added a new shift to step up production. Nearly 116,000 orders have already been booked for the **new Peugeot 308**, voted Car of the Year in Europe, since it was launched in September 2013. This model illustrates Peugeot's commitment to meeting exacting standards, delivering an alluring product and creating an emotional connection. The new Peugeot 308 leads its segment in France, reflecting the quality of the Group's vehicles.

- The **new Citroën C4 Picasso**, launched just one year ago, has already achieved unit sales of 127,000. Top-of-the-range versions account for 64% of sales.

- The **DS brand** confirmed its success, with production of the **DS 3** passing the 300,000 mark in France. The brand has also strengthened its attractiveness, as seen in the positive response to the recently introduced DS 3 with new signature lighting.

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

- The **Peugeot 308 SW** has already made a very good showing, with more than 21,000 orders since its market introduction. The **Peugeot 108**, launched on 12 June with an upscale positioning, has enjoyed a similar positive trend, with more than 3,000 orders in the first month.

- The **Citroën C1** and the **Citroën C4 CACTUS,** which made their market debut in June 2014, have already been very well received by the international media. A total of 4,500 orders have already been booked for the Citroën C1 and 7,000 for the Citroën C4 CACTUS.

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

European leader in low-carbon vehicles, with CO_2 emissions of 111.8g/km.

With average CO_2 emissions of 111.8g/km as of 31 May 2014, PSA Peugeot Citroën has confirmed its position as European leader in low carbon vehicles and maintained its objectives. Vehicles emitting less than 111g of CO_2 per km account for more than 66% of the Group's registrations, representing a significant increase from 2013.

This reduction in CO_2 emissions has been made possible by the development of such innovative technologies as the new BlueHDi exhaust system, which has been gradually extended across the diesel line-up since September 2013. The new generation 3-cylinder EB PureTech petrol engine, introduced on Peugeot and Citroën vehicles in a naturally aspirated version followed by a turbo version, has also helped reduce CO_2 emissions by around 18% thanks to improved efficiency and the turbo version's ultra-precise direct injection.

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

China and Southeast Asia: uptrend accelerates

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

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

- **Dongfeng Peugeot's** sales rose 33%, with 183,400 units invoiced. The Peugeot 2008 launched on 17 April got off to an extremely fast start, with more than 11,100 units already invoiced at the end of June. The Peugeot 3008 pursued its strong growth, with units sold up 37% to 33,700. In addition, the Peugeot 301 confirmed its good trend since launch, with 36,700 units sold in the first half, and the Peugeot 308 remained a strong performer, with 44,200 units sold.

- **Dongfeng Citroën's** sales rose 16%, with 159,500 units invoiced. The new C-Elysée enjoyed very strong sales during the period, with 46,000 units invoiced at 30 June, while the C4L recorded a 75% increase in unit sales to 35,000.

- **CAPSA**, the joint venture between Changan and PSA Peugeot Citroën, achieved unit sales of nearly 10,000 over the first half of its first full year, thanks in particular to the performance of the DS 5 and DS 5LS, two models produced at the Shenzhen plant and launched in September 2013 and March 2014, respectively.

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

Latin America: priority on recovery and profitability

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

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

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

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

Eurasia: deployment of a sales recovery plan

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

India – Pacific: encouraging growth outlook

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

- The market for imported vehicles was up 8% over the period in Japan, despite a downward trend since the value added tax rate increased in April. The Peugeot 2008, which has proven very popular with customers since it was launched in February, helped fuel a 10% rise in Peugeot brand sales to more than 600 units.

- In a stable South Korean market, the newly arrived Citroën brand is on the offensive, buoyed by an excellent response to the C4 Picasso. Peugeot brand sales increased by 20% over the period and the end-of-June launch of the new Peugeot 308 should provide a lift in the second half.

- The launch of the new Peugeot 308 in Australia and New Zealand and the introduction of light commercial vehicles in New Zealand should have a positive impact on the Group's second-half performance in the region.

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

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

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

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

Sales outlook for the second half of 2014

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

The tighter pace of new launches should allow the Peugeot, Citroën and DS brands to improve their price positioning. The recent introductions of the Peugeot 108, Citroën C1, Citroën C4 CACTUS, combined with the upcoming launches of the new Peugeot 508 in Europe and the Premium DS 6WR SUV and the new Peugeot 408 in China, should support this strategy and strengthen the brands' sales performance worldwide.

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

2.3 Financial position and results

2.3.1 First-half 2014 revenue and income

The Group's financial statements at 30 June 2013 and at 31 December 2013, presented comparatively, have been restated relative to the previously-published accounts dealing mainly with the first application of the new IFRSs.

For more details, please refer to Note 3 appearing in the Notes to the consolidated financial statements at 30 June 2014.

2.3.1.1 Group revenue

The Group's operations are organised around three main segments:

- the Automotive Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot, Citroën and DS brands;
- the Automotive Equipment Division, corresponding to the Faurecia group specialising 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, Citroën and DS brands and wholesale financing to the two brands' dealer networks. Banque PSA Finance is classified as a financial institution.

The table below shows consolidated revenue by business.

(in million euros)	**30 June 2014**	**30 June 2013**	**%**
Automotive Division	18,610	18,740	-0.7%
Faurecia	9,328	9,265	0.7%
Banque PSA Finance	848	888	-4.5%
Other businesses and intersegment eliminations	(1,170)	(1,153)	-
TOTAL	**27,616**	**27,740**	**-0.4%**

Consolidated revenue does not include the contribution of the Chinese companies Dongfeng Peugeot Citroën Automobile (DPCA) and Changan PSA Automobile (CAPSA) that are jointly controlled on a 50/50 basis with our local partners and are therefore accounted for by the equity method.

In the first half of 2014, the revenue of the PSA Peugeot Citroën Group was stable at €27,616 million in comparison with €27,740 million in the first half of 2013.

The revenue of the Automotive Division was slightly down in comparison with the first half of 2013, at €18,610 million, since the product mix and price effects, while both positive, did not offset the very negative foreign exchange rate changes. Faurecia's revenue increased by €63 million and Banque PSA Finance (BPF) saw its revenue fall by €40 million. The performances of each business are commented on in section 2.3.1.3.

2.3.1.2 Group recurring operating income (loss)

The following table shows recurring operating income (loss) by business.

(in million euros)	**30 June 2014**	**30 June 2013**
Automotive Division	7	(538)
Faurecia	311	256
Banque PSA Finance	172	198
Other businesses and intersegment eliminations	(13)	(16)
TOTAL	**477**	**(100)**

The recurring operating income of the Group in the first half of 2014 amounted to €477 million, compared with a loss of €100 million in the first half of 2013. Faurecia's operating income rose 21.5% to €311 million. Where BPF is concerned, its net income was down by 13.1% at €172 million.

2.3.1.3 Analysis of revenue and recurring operating income by division

Automotive Division

(in million euros)	**30 June 2014**	**30 June 2013**
Sales and revenue	18,610	18,740
Recurring operating income (loss)	7	(538)
As a % of revenue	*0.0%*	*-2.9%*

Sales and revenue

In the first half, revenue of the Automotive Division amounted to €18,610 million, down by 0.7% in comparison with the first half of 2013.

Revenue from new vehicles amounted to €13,163 million, compared with €13,282 million in the first half of 2013, down by 0.9%. The product mix continues to be favourable at +3.5%, reflecting the success of new launches. The price effect was also favourable at +1.0% thanks to the Group's pricing policy. The volume effect was positive at 0.3%. These effects offset the foreign exchange effect which was sharply negative (-3.8%), reflecting in particular the unfavourable trend in the Argentinian peso and the Brazilian real, the country mix which is slightly unfavourable at -0.5% and the "other" effect at -1.4%, which is principally due to the inter-family mix of diesel and petrol engines.

Recurring operating income (loss)

The Automotive Division posted a recurring operating income of €7 million in the first half of 2014 versus a recurring operating loss of -€538 million in first-half 2013. The €545 million difference is associated with an unfavourable environment, for -€333 million, and with the Group's performance, for +€878 million.

The change in the Automotive Division's reported performance was due to the following factors:

Economic Environment

The deteriorating operating environment had a negative impact of €333 million on the recurring operating income:

- The foreign currency and non-recurring effects had a negative impact of €251 million, principally due to the appreciation of the euro against the Argentinian peso and the Brazilian real;
- Shrinking market demand had a negative impact of €49 million;
- Higher raw material costs and other external costs had a negative impact of €33 million.

Underlying Automotive Division performance

The Automotive Division's underlying performance had a positive impact of €878 million over the first half of 2014.

- The improvement in the product mix continued, with €230 million related in particular to recent launches.

- The price effect was positive, at €188 million, thanks to prices being maintained in Europe and increased in Latin America in order to compensate for the negative foreign exchange effect.
- The market share – country mix effect was positive at €14 million and the improvement in general and marketing expenses amounted to €64 million.
- Improvements continued to be made in production costs and other expenses, with €254 million in savings as well as savings in R&D expenses amounting to €65 million, including the positive impact of the exceptional impairment of Automotive Division assets recognised in 2013[2].

Faurecia

(in million euros)	**30 June 2014**	**30 June 2013**
Sales and revenue	9,328	9,265
Recurring operating income (loss)	311	256
As a % of revenue	*3.3%*	*2.8%*

Sales and revenue

Faurecia's total sales for the first half of 2014 stood at €9.33 billion, compared with €9.27 billion for the same period in 2013. Currency fluctuations had a negative impact on sales of 3.1%, amounting to €285 million, thus organic growth was 4.0% (at constant exchange rates and scope).

Product sales (parts and components delivered to automakers) totalled €7.09 billion, against €7.14 billion in the first half of 2013. Currency fluctuations had a negative impact of 3.1%, or €222 million, thus organic growth reached 2.9% (at constant exchange rates and scope).

Recurring operating income (loss)

The Group's operating income totaled €311 million, or 3.3% of total sales, compared with €256 million and 2.8% of total sales in the previous year. This improvement is the result of increased sales and greater industrial efficiency, with the variable costs margin rising 110 basis points.

Activity and results per region

Asia showed solid business growth during the first half of 2014 with total sales up by 22.1%, compared with a 5.3% increase in the region's automotive production. In Europe, Faurecia continued to make progress, with product sales up 6.7% when light vehicle production was up 5.0%.

Total sales[3], product sales and profitability for the first half of 2014 break down as follows:

- In Europe, total sales stood at €5.28 billion, a 5.2% increase, compared with €5.03 billion in the first half of 2013. Product sales totaled €4.12 billion, up 6.7% (€ 3.88 billion in the first half of 2013), rising at a faster pace than automotive production (up 5.0%). Through a combination of a lower cost base and higher sales, operating income rose 46% to €178 million, representing an operating margin of 3.4% of total sales up 100 basis points versus the first half of 2013 (2.4%).
- In North America, total sales fell 4.9% to €2.22 billion, compared to €2.46 billion in the first half of 2013. Product sales contracted by 9.5% to €1.70 billion, versus €2.00 billion a year earlier, while automotive production rose 4.2%. These contrasting trends in sales and automotive production are the result of automakers transitioning to new models and to an unfavorable client mix. This trend is expected to be reversed in the second half with sales up in the fourth quarter. The variable costs margin is improving, demonstrating a better industrial efficiency. Due to the volume drop, the operating income fell to €40 million, compared to €62 million in the first half of 2013, with an operating margin of 1.8%, versus 2.5% a year earlier.
- In Asia, total sales grew significantly (+22.1%), rising from €1.18 billion to €1.39 billion in the first half of 2014. Product sales stood at €933 million, up from €799 million in the first half of 2013: a 22.2% increase, compared with the 5.3% rise in automotive production. Sales in China reached €769 billion, up 22.9%: more than double the growth in automotive production (up 10.1%). Profitability in Asia improved sharply, with operating income rising to €118 million (8.5%), compared to €87 million (7.4%).

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[2] The exceptional impairment of assets recognised by the Automotive Division in 2013 (IAS 36) led to a reduction in depreciation expenses with a positive impact in the amount of €51 million recognised in production and procurement, R&D and production costs.

[3] Including sales of monoliths, development, tooling and prototypes.

- In South America and the rest of the world, total sales fell by 6.3% to €446 million, compared to €592 million in the first half of 2013. Product sales were hampered by a marked drop in automotive production (down 16.7% in South America) as well as by currency swings, which fell 18% against the euro. Under these difficult conditions, product sales declined 8.2% to reach €337 million, compared with €459 million in the first half of 2013. The dramatic deterioration in operating conditions led to declining profitability, with operating losses increasing from €15 million to €26 million.

Activity and results per activity

Steady growth in product sales was achieved at Interior Systems (6.2%), Emissions Control Technologies (6.1%) and Automotive Exteriors (3.7%). Profitability improved at all four activities, with an especially strong performance at Emissions Control Technologies, where the margin on product sales rose 260 basis points, from 4.5% to 7.1%.

- Total sales at Automotive Seating came to €2.63 billion, compared to €2.72 billion in the first half of 2013, a very slight contraction of 0.2%. Product sales fell 1.9%, from €2.59 billion in the first half of 2013 to €2.47 billion. Despite the downturn in sales, operating income stood at €107 million, with the operating margin rising from 3.9% to 4.1% of sales.

- Total sales at Emissions Control Technologies grew 7.5% to €3.33 billion, compared to €3.20 billion in the first half of 2013. Product sales rose from €1.70 billion to €1.72 billion, or 6.1%. Growth was especially strong in Asia (up 17%). Product sales for commercial vehicles posted a 29% increase and now account for just over 8% of the activity's business. The operating margin on product sales jumped 260 basis points, rising from 4.5% to 7.1% of product sales; this represents operating income of €122 million, versus €76 million in the first half of 2013. The operating margin as a percentage of total sales rose from 2.4% to 3.7%.

- Total sales at Interior Systems stood at €2.37 billion, compared to €2.36 billion in the first half of 2013, an increase of 4.6%. Product sales rose 6.2%, from €1.99 billion in the first half of 2013 to €2.02 billion. Growth was especially solid in Europe (+16%) and Asia (+62%). Product sales to Daimler and GM grew by 50% and 17% respectively. Profitability improved as operating income totaled €63 million, with an operating margin of 2.7%, compared with 2.5% in the first half of 2013 (€59 million).

- Total sales at Automotive Exteriors reached €1.00 billion, an increase of 2.4% over the first half of 2013 (€985 million). Product sales increased 3.7%, climbing from €860 million to €887 million. Operating income rose from €15 million to €18 million, representing an increase in the operating margin of 20 basis points, to 1.8% (versus 1.6% in the first half of 2013).

More detailed information about Faurecia is provided in its half-year report, which can be downloaded from its website at www.faurecia.com.

Banque PSA Finance

(in million euros)	**30 June 2014**	**30 June 2013**
Sales and revenue	848	888
Net banking revenue	426	458
Recurring operating income (loss)	**172**	**198**
As a % of revenue	*20.3%*	*22.3%*

Sales and revenue

Banque PSA Finance's revenue for first-half 2014 totalled €848 million, down 4.5% from the €888 million recorded in first-half 2013.

The penetration rate for new vehicles reached 27.3% in the first-half 2014, compared with a historic best performance of 28.4% in the first-half of 2013. Half of this result has been heavily impacted by Latin America, with the Argentinian crisis. The number of financing contracts for New Vehicles to end customers was down by 3.5%, amounting to 281,861 PSA files, compared with 292,125 in the first half of 2013.

As a result of significant variations linked to the country mix, a willingness to prioritize within this context, the gross margin level on unit production while retaining a selective policy in terms of risk, BPF recorded a fall of 4% in financing volumes for new and used vehicles to end customers in the first half of 2014, with 360,781 contracts, in comparison with 375,820 contracts in the first half of 2013.

New retail financing granted in the first half of 2014 totalled €3,867 million, down 0.7% from €3,893 million in the first half of 2013.

At 30 June 2014, the retail loan book stood at €15,594 million, down from €15,762 million at 30 June 2013.

The corporate dealer financing business saw a recovery, after a long period of contraction. This grew during the course of the first half-year and was not linked to an additional or modified financing offer. Against a background of a recovery in the market, the growth in the outstanding loans financed is naturally greater for vehicles then for replacement parts.

The outstanding loans from corporate dealer financing at the end of June 2014 amounted to €6,297 million, up by 13.5%.

In total, the outstanding loans for Banque PSA Finance were up by 2.7% at €21,891 million at 30 June 2014, compared with €21,312 million at the end of December 2013.

The margin from insurance and services (excluding the net cost of refinancing) amounted to €83 million in the first half of 2014, compared with €84 million at 30 June 2013.

The deposit collection activity in France is an undeniable success, with €1.3 billion of total outstandings at the end of June 2014 (including €45 million in respect of the DISTINGO "Fixed" term deposit account), with 34,387 customers (including 1,496 customers in respect of the DISTINGO "Fixed" term deposit account).

(in million euros)	**30 June 2014**	**31 December 2013**
Outstanding loans (including securitised loans) by customer segment		
• Corporate Dealers	6,297	5,550
• Retail and Corporate & Equivalent	15,594	15,762
TOTAL BANQUE PSA FINANCE*	**21,891**	**21,312**

(in million euros)	**30 June 2014**	**31 December 2013**
Outstanding loans (including securitised loans)		
• France	8,254	7,991
• Rest of Europe	12,259	11,789
• Rest of the world	1,378	1,532
TOTAL BANQUE PSA FINANCE	**21,891**	**21,312**

** Excluding the effect of remeasuring interest-rate instrument portfolios.*

Recurring operating income (loss)

Banque PSA Finance reported recurring operating income of €172 million at 30 June 2014 versus €198 million at 30 June 2013. This fall is the result of the reduction in Net Banking Revenue, offset in part by the significant fall in the cost of risk and the operating expenses over the period which remained relatively stable.

More detailed information about Banque PSA Finance is provided in the Bank's Interim Report which can be downloaded from its website at www.banquepsafinance.com

2.3.2 Other income statement items

2.3.2.1 Operating income (loss)

Non-recurring operating expenses amounted to €265 million in first-half 2014, compared with €208 million in the year-earlier period. They mainly include the restructuring costs of €245 million.

- The restructuring costs for the Automotive Division amounted to €208 million, including an additional charge to provisions of €163 million for France and an expense of €33 million for Latin America.
- Faurecia's restructuring costs amounted to €37 million, of which €32 million was for reorganisation costs.

The non-recurring operating income amounted to €165 million, compared with €241 million in the first half of 2013 and includes €83 million of reversals of provisions, particularly for onerous contracts, and €78 million of net gains on disposals of real estate assets.

For further information, please refer to Note 7 to the consolidated financial statements at 30 June 2014.

As a result of these factors, the Group ended the first-half of 2014 with a consolidated operating gain of €377 million, compared with a loss of €67 million for the same period of 2013.

(in million euros)	**30 June 2014**	**30 June 2013**
Automotive Division	(51)	(456)
Faurecia	266	215
Banque PSA Finance	170	198
Other Businesses and holding company	(8)	(24)
TOTAL PSA PEUGEOT CITROËN	**377**	**(67)**

2.3.2.2 Net financial income

Net financial income came to €344 million in 2014 compared with €245 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.

In the first half of 2013, the Group had recognised an exceptional capital gain of €89 million related to the disposal of shares in BNP Paribas. The financial expenses remained similar to those of the first half of 2013.

For more information, please refer to Note 8 to the consolidated financial statements at 30 June 2014.

2.3.2.3 Income taxes expense

Income taxes amounted to €183 million in first-half 2014, versus €207 million in the year-earlier period.

For more details, please refer to Note 9 to the consolidated financial statements at 30 June 2014.

2.3.2.4 Share in net earnings of companies at equity

The net income of companies accounted at equity was €108 million in first-half 2014, compared to €88 million in the year-earlier period and €2014 million for first-half 2013.

It mainly includes the contribution by DPCA (Dongfeng Peugeot Citroën Automobile) to the results for €110 million in the first half of 2014, compared with €96 million in the first half of 2013 (see Note 11.4). The contribution by CAPSA (Changan PSA Automobiles) to the Group's results was negative, at €15 million, compared with -€23 million in the first half of 2013.

For more information about the Group's share in the net earnings of companies at equity, please refer to Note 11.3 to the consolidated financial statements at 30 June 2014.

2.3.2.5 Consolidated profit (loss) from continuing operations

The net income from continuing operations was a loss of €42 million in the first half of 2014, compared with a loss of €431 million in the first half of 2013.

2.3.2.6 Consolidated profit (loss) for the period

The consolidated net income was a loss of €42 million in the first half of 2014, compared with a loss of €433 million in the first half of 2013.

2.3.2.7 Consolidated profit (loss) attributable to equity holders of the parent

The loss attributable to equity holders of the parent came to €114 million in first-half 2014, versus a loss of €471 million in the same period of 2013.

2.3.2.8 Basic earnings (loss)

The basic loss per share amounted to €0.25 compared with a basic loss per share of €1.38 in first-half 2013. The diluted loss per €1 par value share amounted to the same values as the basic loss.

Please refer to Note 10 of the consolidated financial statements at 30 June 2014.

2.4 Outlook

In 2014, PSA Peugeot Citroën expects to see automotive demand increase by around 3% in Europe and by around 10% in China, but decline by some 7% in Latin America and around 10% in Russia[4].

It is aiming to deliver recurring positive Group operating free cash flow by 2016 at the latest, and an aggregate €2 billion in Group operating free cash flow over the 2016-2018 period. It is also targeting an operating margin[5] of 2% in 2018 in the Automotive Division, with the objective of reaching 5% over the period of the next medium-term plan, covering 2019-2023.

[4] *Against a Russian market estimated at -5% at the end of March 2014*

[5] *Recurring operating income/(loss) as a percentage of revenues*

3. CASH AND CAPITAL RESOURCES

3.1 Equity

Consolidated equity amounted to €10,666 million at 30 June 2014, up on the €7,837 million recorded at the previous year-end. The difference arises mainly from the capital increases (see point 2.1.3.) of a net total of €2,937 million.

At 30 June 2014, the share capital comprised 783,088,675 shares each 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 the OCEANE bond issue of June 2009. No shares were bought back during the first half of 2014.

3.2 Net financial position of manufacturing and sales companies

The current and non-current financial liabilities of the manufacturing and sales companies amounted, at 30 June 2014, to €11,406 million, compared with €11,148 million at 31 December 2013. The financial assets of the manufacturing and sales companies amounted to €11,630 million at 30 June 2014, compared with €6,967 million at 31 December 2013; this increase arises in particular from the capital increases for an amount of €2,969 million.

The net financial position of the manufacturing and sales companies therefore amounted at 30 June 2014 to €224 million, compared with a net debt of €4,181 million at the end of December 2013 (see Note 20 of the consolidated financial statements at 30 June 2014). Faurecia's net debt represents €1,512 million, compared to €1,628 million at the end of 2013. The net financial position of the Automotive Division (manufacturing and sales companies apart from Faurecia) therefore amounts to €1,736 million at 30 June 2014, compared to a net debt of €2,553 million at 31 December 2013.

The free cash flow of the first half of 2014 amounts to €1,176 million (including the flows linked to restructurings for €283 million) and has increased in comparison to that of the first half of 2013 (€733 million).

The WCR has changed positively by €1,139 million, mainly due to good inventory management (+€346 million). Trade receivables changed by -€495 million over the half-year and trade payables by +€741 million. The change in income taxes and the other changes in the WCR are changed by +€122 and +€425 million respectively.

Capital expenditure and capitalised Research and Development expenses amounted, in the first half of 2014, to €1,159 million. Sales of real estate assets provided a cash contribution of €130 million in the first half of 2014.

Payments of dividends by the subsidiaries of the Group amounted to €228 million, including €224 million from BPF.

The capital increases represented a resource of €2,969 million in the first half of 2014, including €2,944 million from the capital increases in April and May, and €22 million from the sale of Faurecia shares received as dividend payment for 2013.

Free cash flow[6] amounted to €1,514 million. Operating free cash flow, excluding restructuring costs and non-recurrent items (disposal of real estate assets), amounted to €1,667 million.

3.3 Origin, amount and description of consolidated cash flows

3.3.1 Consolidated cash flows

For more information, please refer to the consolidated financial statements - Consolidated Statements of Cash Flows for the year ended 30 June 2014.

[6] *Free cash flow from the manufacturing and sales companies: since 2010, the dividends received from Banque PSA Finance have been included in the free cash flow". This is equal to: flows related to operations + flows related to capital expenditure + net dividends received from Group companies.*

3.3.2 Manufacturing and sales companies

The following table presents the manufacturing and sales companies' cash flows for the first half-years of 2014 and 2013:

	Manufacturing and sales companies	
(in million euros)	**30 June 2014**	**30 June 2013**
Net Profit	(145)	(577)
Funds from operations	1,176	733
Change in working capital	1,139	326
Net cash from (used in) operating activities	**2,315**	**1,059**
Net cash used in investing activities	**(1,029)**	**(1,342)**
Net cash from/(used in) financing activities	**2,921**	**2,823**
Effect of changes in exchange rates	16	(48)
Net increase (decrease) in cash and cash equivalents from continuing operations	**4,223**	**2,492**
Net cash from discontinued operations	-	(31)
Cash and cash equivalents at beginning of year	6,161	5,497
Net cash and cash equivalents at end of period	**10,384**	**7,958**

Cash flows from operating activities of manufacturing and sales companies

The funds from operations of the manufacturing and sales companies amounted to €1,176 million in the first half of 2014, compared with €733 million in the first half of 2013. It represents 4.4% of the revenue of the manufacturing and sales companies, compared with 2.7% in the first half of last year.

The change in the working capital requirement amounted to €1,139 million.

Consequently, the cash flows related to the operation of the manufacturing and sales companies represent a positive balance of €2,315 million, compared with €1,059 million in the first half of 2013.

The table below shows new vehicle inventory levels for the Group and in the independent dealer network:

(in thousands of new vehicles)	**30 June 2014**	**30 June 2013**	**30 June 2012**
The Group	170	216	225
Independent dealer network	236	220	243
TOTAL	**406**	**436**	**468**

The new vehicles inventory at 30 June 2014 totalled 406,000 vehicles, compared with 436,000 new vehicles in inventory at 30 June 2013.

Cash flows from manufacturing and sales company investment activities

The flows connected to investment in manufacturing and sales companies stand at €1,029 million at 30 June 2014, compared to €1,342 million at the end of June 2013. These investments, beyond those carried out by the Automotive Division, include investments made by Faurecia.

Cash flows from financing activities of manufacturing and sales companies

The flows from the financing activities of the manufacturing and sales companies total €2,921 million, as opposed to €2,823 million at 30 June 2013.

Net cash and cash equivalents at end of period - manufacturing and sales companies

Taking account of the operating, capital investment and financial transaction flows above and after recognising the effect of changes in exchange rates of €16 million, the net cash and cash equivalents at 30 June 2014 amounted to €10,384 million, compared with €7,958 million at 30 June 2013.

Liquidity reserves for the manufacturing and sales companies amounted to €15,024 million at 30 June 2014 versus €10,140 million at 30 June 2013, with €10,874 million in cash and current & non-current financial assets, and €4,150 million in undrawn lines of credit (see Note 20.4).

3.3.3. Net cash and cash equivalents at end of year - finance companies

At the end of June 2014, the cash and cash equivalents of Banque PSA Finance amounted to €1,830 million, compared with €2,296 million at the end of June 2013 (see note 16.2 to the consolidated financial statements at 30 June 2014).

3.4. Liquidity and funding

3.4.1. Manufacturing and sales companies

No transaction was carried out as of the end of June 2014 outside of the sale of receivables programme, described in Note 19.

Peugeot S.A. and GIE PSA Trésorerie also have a confirmed line of credit for €3,000 million, which matures in April 2019 for €2,000 million, leaving a balance of €1,000 million due in April 2017. This facility was undrawn at 30 June 2014 (see Note 20.3). At 30 June 2014, Faurecia had available undrawn confirmed credit lines which amounted to €1,150 million.

3.4.2. Banque PSA Finance

At June 30, 2014, 29% of the financing was provided by bank facilities, 30% by the capital markets, 27% by securitization transactions, 7% by “others financing” (including 5% from public origin), and 7% by the savings business launched in March 2013. At December 31, 2013, these sources provided 22%, 38%, 25%, 10% (from public origin), and 5% of our financing, respectively.

Financial security

At 30 June 2014, financial security amounted to €6,411 million, compared with €8,400 million at 31 December 2013 (see Note 21.3).

More detailed information about Banque PSA Finance is provided in the Bank's Interim Report which can be downloaded from its website at www.banquepsafinance.com

CONDENSED INTERIM **CONSOLIDATED FINANCIAL STATEMENTS**
For the six months ended 30 June 2014

PSA Peugeot Citroën Group

Contents

INTERIM CONSOLIDATED **STATEMENTS OF INCOME**

	First-half 2014			
(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Sales and revenue	**26,938**	**848**	**(170)**	**27,616**
Cost of goods and services sold	(22,583)	(475)	170	(22,888)
Selling, general and administrative expenses	(3,045)	(201)	-	(3,246)
Research and development expenses (Note 6)	(1,005)	-	-	(1,005)
Recurring operating income (loss)	**305**	**172**	**-**	**477**
Non-recurring operating income (Note 7)	165	-	-	165
Non-recurring operating expenses (Note 7)	(263)	(2)	-	(265)
Operating income (loss)	**207**	**170**	**-**	**377**
Interest income (Note 8)	45	-	-	45
Finance costs (Note 8)	(331)	-	-	(331)
Other financial income	48	-	-	48
Other financial expenses	(106)	-	-	(106)
Income (loss) before tax of fully consolidated companies	**(137)**	**170**	**-**	**33**
Income taxes (Note 9)	(111)	(72)	-	(183)
Share in net earnings of companies at equity (Note 11)	103	5	-	108
Consolidated profit (loss) from continuing operations	**(145)**	**103**	**-**	**(42)**
Attributable to equity holders of the parent	*(213)*	*97*	*2*	*(114)*
Discontinued operations				
Profit (loss) from discontinued operations	-	-	-	-
Consolidated profit (loss) for the period	**(145)**	**103**	**-**	**(42)**
Attributable to equity holders of the parent	*(213)*	*97*	*2*	*(114)*
Attributable to minority interests	*68*	*6*	*(2)*	*72*

(in euros)	
Basic earnings (loss) per €1 par value share (Note 10)	(0.25)
Diluted earnings (loss) per €1 par value share (Note 10)	(0.25)

First-half 2013				2013			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
26,993	**888**	**(141)**	**27,740**	**52,556**	**1,773**	**(310)**	**54,019**
(23,194)	(490)	141	(23,543)	(45,183)	(1,014)	310	(45,887)
(2,988)	(200)	-	(3,188)	(5,757)	(391)	-	(6,148)
(1,109)	-	-	(1,109)	(2,158)	-	-	(2,158)
(298)	**198**	**-**	**(100)**	**(542)**	**368**	**-**	**(174)**
241	-	-	241	413	-	-	413
(208)	-	-	(208)	(1,578)	-	-	(1,578)
(265)	**198**	**-**	**(67)**	**(1,707)**	**368**	**-**	**(1,339)**
116	-	-	116	138	-	-	138
(269)	-	-	(269)	(623)	-	-	(623)
27	-	-	27	65	-	-	65
(119)	-	-	(119)	(244)	-	-	(244)
(510)	**198**	**-**	**(312)**	**(2,371)**	**368**	**-**	**(2,003)**
(151)	(56)	-	(207)	(256)	(138)	-	(394)
84	4	-	88	165	8	-	173
(577)	**146**	**-**	**(431)**	**(2,462)**	**238**	**-**	**(2,224)**
(611)	*139*	*2*	*(470)*	*(2,554)*	*223*	*6*	*(2,325)*
(2)	-	-	(2)	(3)	-	-	(3)
(579)	**146**	**-**	**(433)**	**(2,465)**	**238**	**-**	**(2,227)**
(612)	*139*	*2*	*(471)*	*(2,556)*	*223*	*6*	*(2,327)*
33	*7*	*(2)*	*38*	*91*	*15*	*(6)*	*100*
			(1.38)				(6.80)
			(1.38)				(6.80)

INTERIM CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES RECOGNISED IN EQUITY

(in million euros)	First-half 2014 Before tax	Income tax benefit (expense)	After tax
Consolidated profit (loss) for the period	**141**	**(183)**	**(42)**
Items that may be recycled through profit or loss			
Fair value adjustments to cash flow hedges	52	(16)	36
- of which, reclassified to the income statement	*(19)*	*3*	*(16)*
- of which, recognised in equity during the period	*71*	*(19)*	*52*
Gains and losses from remeasurement at fair value of available-for-sale financial assets	-	-	-
- of which, reclassified to the income statement	-	-	-
- of which, recognised in equity during the period	-	-	-
Exchange differences on translating foreign operations	(38)		(38)
Total	**14**	**(16)**	**(2)**
Items that may not be recycled through profit or loss			
Actuarial gains and losses on pension obligations	(103)	26	(77)
Income and expenses recognised in equity, net	**(89)**	**10**	**(79)**
- of which, companies at equity	*(19)*	-	*(19)*
Total recognised income and expenses, net	**52**	**(173)**	**(121)**
- of which, attributable to equity holders of the parent			*(180)*
- of which, attributable to minority interests			*59*

Income and expenses recognised in equity correspond to all changes in equity resulting from transactions with third parties other than shareholders.

First-half 2013			2013		
Before tax	Income tax benefit (expense)	After tax	Before tax	Income tax benefit (expense)	After tax
(226)	**(207)**	**(433)**	**(1,833)**	**(394)**	**(2,227)**
(50)	16	(34)	(48)	18	(30)
(29)	*7*	*(22)*	*(49)*	*13*	*(36)*
(21)	*9*	*(12)*	*1*	*5*	*6*
(83)	3	(80)	(83)	3	(80)
-	-	-	-	-	-
(83)	*3*	*(80)*	*(83)*	*3*	*(80)*
(107)		(107)	(365)		(365)
(240)	**19**	**(221)**	**(496)**	**21**	**(475)**
29	(3)	26	204	(51)	153
(211)	**16**	**(195)**	**(292)**	**(30)**	**(322)**
25	-	*25*	*(22)*	-	*(22)*
(437)	**(191)**	**(628)**	**(2,125)**	**(424)**	**(2,549)**
		(672)			*(2,630)*
		44			*81*

INTERIM CONSOLIDATED BALANCE SHEETS

ASSETS

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
	30 June 2014			
Continuing operations				
Goodwill	1,487	77	-	1,564
Intangible assets	4,118	66	-	4,184
Property, plant and equipment	11,567	16	-	11,583
Investments in companies at equity (Note 11)	1,241	87	-	1,328
Investments in non-consolidated companies	23	9	-	32
Other non-current financial assets (Note 12)	691	43	-	734
Other non-current assets (Note 13)	689	6	(1)	694
Deferred tax assets	533	45	-	578
Total non-current assets	**20,349**	**349**	**(1)**	**20,697**
Operating assets				
Loans and receivables - finance companies (Note 14)	-	21,920	(35)	21,885
Short-term investments - finance companies	-	826	-	826
Inventories (Note 15)	5,202	-	-	5,202
Trade receivables - manufacturing and sales companies	2,193	-	(273)	1,920
Current taxes	142	29	(12)	159
Other receivables	1,742	726	(145)	2,323
	9,279	**23,501**	**(465)**	**32,315**
Current financial assets (Note 12)	**512**	**-**	**(400)**	**112**
Cash and cash equivalents (Note 16)	**10,427**	**1,830**	**(342)**	**11,915**
Total current assets	**20,218**	**25,331**	**(1,207)**	**44,342**
Total assets of continuing operations	**40,567**	**25,680**	**(1,208)**	**65,039**
Total assets held for sale	**12**	**-**	**-**	**12**
Total assets	**40,579**	**25,680**	**(1,208)**	**65,051**

EQUITY AND LIABILITIES

(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
	30 June 2014			
Equity				
Share capital				783
Treasury stock				(292)
Retained earnings and other accumulated equity, excluding minority interests				9,122
Minority interests				1,053
Total equity				**10,666**
Continuing operations				
Non-current financial liabilities (Note 19)	7,341	-	-	7,341
Other non-current liabilities	3,733	-	(1)	3,732
Non-current provisions (Note 18)	1,274	17	-	1,291
Deferred tax liabilities	524	332	-	856
Total non-current liabilities	**12,872**	**349**	**(1)**	**13,220**
Operating liabilities				
Financing liabilities (Note 21)	-	21,077	(747)	20,330
Current provisions (Note 18)	2,546	96	-	2,642
Trade payables	8,818	-	(13)	8,805
Current taxes	223	56	(12)	267
Other payables	4,569	922	(413)	5,078
	16,156	**22,151**	**(1,185)**	**37,122**
Current financial liabilities (Note 19)	**4,065**	**-**	**(22)**	**4,043**
Total current liabilities	**20,221**	**22,151**	**(1,207)**	**41,165**
Total liabilities of continuing operations	**33,093**	**22,500**	**(1,208)**	**54,385**
Total liabilities related to assets held for sale	**-**	**-**	**-**	**-**
Total equity and liabilities				**65,051**

(in million euros)	31 December 2013 Manufacturing and sales companies	Finance companies	Eliminations	Total
Continuing operations				
Goodwill	1,484	77	-	1,561
Intangible assets	3,958	70	-	4,028
Property, plant and equipment	11,236	17	-	11,253
Investments in companies at equity (Note 11)	1,292	83	-	1,375
Investments in non-consolidated companies	22	10	-	32
Other non-current financial assets (Note 12)	641	53	-	694
Other non-current assets (Note 13)	598	5	(1)	602
Deferred tax assets	478	74	-	552
Total non-current assets	**19,709**	**389**	**(1)**	**20,097**
Operating assets				
Loans and receivables - finance companies (Note 14)	-	21,335	(55)	21,280
Short-term investments - finance companies	-	829	-	829
Inventories (Note 15)	5,588	-	-	5,588
Trade receivables - manufacturing and sales companies	1,790	-	(156)	1,634
Current taxes	161	43	(16)	188
Other receivables	1,659	657	(131)	2,185
	9,198	**22,864**	**(358)**	**31,704**
Current financial assets (Note 12)	**141**	**-**	**-**	**141**
Cash and cash equivalents (Note 16)	**6,185**	**1,804**	**(210)**	**7,779**
Total current assets	**15,524**	**24,668**	**(568)**	**39,624**
Total assets of continuing operations	**35,233**	**25,057**	**(569)**	**59,721**
Total assets held for sale	**43**	**-**	**-**	**43**
Total assets	**35,276**	**25,057**	**(569)**	**59,764**

(in million euros)	31 December 2013 Manufacturing and sales companies	Finance companies	Eliminations	Total
Equity				
Share capital				355
Treasury stock				(351)
Retained earnings and other accumulated equity, excluding minority interests				6,823
Minority interests				1,010
Total equity				**7,837**
Continuing operations				
Non-current financial liabilities (Note 19)	7,956	-	-	7,956
Other non-current liabilities	3,045	-	(1)	3,044
Non-current provisions (Note 18)	1,128	16	-	1,144
Deferred tax liabilities	493	348	-	841
Total non-current liabilities	**12,622**	**364**	**(1)**	**12,985**
Operating liabilities				
Financing liabilities (Note 21)	-	20,444	(216)	20,228
Current provisions (Note 18)	2,568	89	-	2,657
Trade payables	8,108	-	(12)	8,096
Current taxes	117	44	(16)	145
Other payables	4,124	824	(281)	4,667
	14,917	**21,401**	**(525)**	**35,793**
Current financial liabilities (Note 19)	**3,192**	**-**	**(43)**	**3,149**
Total current liabilities	**18,109**	**21,401**	**(568)**	**38,942**
Total liabilities of continuing operations	**30,731**	**21,765**	**(569)**	**51,927**
Total liabilities related to assets held for sale	**-**	**-**	**-**	**-**
Total equity and liabilities				**59,764**

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	First-half 2014			
(in million euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Consolidated profit (loss) from continuing operations	**(145)**	**103**	**-**	**(42)**
Adjustments for non-cash items:				
• Depreciation, amortisation and impairment	1,172	11	-	1,183
• Provisions	(39)	7	-	(32)
• Changes in deferred tax	(25)	14	-	(11)
• (Gains) losses on disposals and other	(25)	-	-	(25)
Share in net (earnings) losses of companies at equity, net of dividends received	36	(5)	-	31
Revaluation adjustments taken to equity and hedges of debt	60	-	-	60
Change in carrying amount of leased vehicles	142	-	-	142
Funds from operations	**1,176**	**130**	**-**	**1,306**
Changes in working capital (Note 22)	1,139	123	(550)	712
Net cash from (used in) operating activities	**2,315**	**253**	**(550)**	**2,018**
Proceeds from disposals of shares in consolidated companies and of investments in non-consolidated companies	-	-	-	-
Acquisitions of shares in consolidated companies and of investments in non-consolidated companies	(3)	-	-	(3)
Proceeds from disposals of property, plant and equipment and of intangible assets	142	4	-	146
Investments in property, plant and equipment	(568)	(5)	-	(573)
Investments in intangible assets	(542)	(4)	-	(546)
Change in amounts payable on fixed assets	(64)	-	-	(64)
Other	6	-	-	6
Net cash from (used in) investing activities	**(1,029)**	**(5)**	**-**	**(1,034)**
Dividends paid:				
• Intragroup	228	(228)	-	-
• To minority shareholders of subsidiaries	(26)	-	-	(26)
Proceeds from issuance of shares	2,969	-	-	2,969
(Purchases) sales of treasury stock	24	-	-	24
Changes in other financial assets and liabilities (Note 22)	(274)	-	420	146
Net cash from (used in) financing activities	**2,921**	**(228)**	**420**	**3,113**
Effect of changes in exchange rates	16	6	(2)	20
Net increase (decrease) in cash and cash equivalents from continuing operations	**4,223**	**26**	**(132)**	**4,117**
Net cash from discontinued operations	-	-	-	-
Net cash and cash equivalents at beginning of period	**6,161**	**1,804**	**(210)**	**7,755**
Net cash and cash equivalents of continuing operations at end of period (Note 22)	**10,384**	**1,830**	**(342)**	**11,872**

First-half 2013				2013			
Manufacturing and sales companies	Finance companies	Eliminations	**Total**	Manufacturing and sales companies	Finance companies	Eliminations	**Total**
(577)	**146**	**-**	**(431)**	**(2,462)**	**238**	**-**	**(2,224)**
1,279	10	-	1,289	3,535	28	-	3,563
(211)	6	-	(205)	(360)	14	-	(346)
82	(13)	-	69	46	15	-	61
(143)	-	-	(143)	(36)	-	-	(36)
48	(4)	-	44	(33)	(8)	-	(41)
142	-	-	142	119	-	-	119
113	-	-	113	(37)	-	-	(37)
733	**145**	**-**	**878**	**772**	**287**	**-**	**1,059**
326	783	(12)	1,097	441	182	64	687
1,059	**928**	**(12)**	**1,975**	**1,213**	**469**	**64**	**1,746**
(11)	-	-	(11)	(9)	-	-	(9)
(74)	-	-	(74)	(90)	(30)	-	(120)
173	4	-	177	183	8	-	191
(769)	(7)	-	(776)	(1,480)	(12)	-	(1,492)
(526)	(4)	-	(530)	(1,002)	(7)	-	(1,009)
(111)	-	-	(111)	(123)	-	-	(123)
(24)	-	-	(24)	46	(1)	-	45
(1,342)	**(7)**	**-**	**(1,349)**	**(2,475)**	**(42)**	**-**	**(2,517)**
286	(286)	-	-	286	(286)	-	-
(26)	-	-	(26)	(48)	-	-	(48)
3	-	-	3	10	-	-	10
-	-	-	-	-	-	-	-
2,560	-	(56)	2,504	1,811	-	-	1,811
2,823	**(286)**	**(56)**	**2,481**	**2,059**	**(286)**	**-**	**1,773**
(48)	(8)	3	(53)	(92)	(6)	5	(93)
2,492	**627**	**(65)**	**3,054**	**705**	**135**	**69**	**909**
(31)	-	-	(31)	(41)	-	-	(41)
5,497	**1,669**	**(279)**	**6,887**	**5,497**	**1,669**	**(279)**	**6,887**
7,958	**2,296**	**(344)**	**9,910**	**6,161**	**1,804**	**(210)**	**7,755**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				Revaluations - excluding minority interests						
(in million euros)	Share capital	Treasury stock	Retained earnings excluding revaluations	Cash flow hedges	Available-for-sale financial assets	Actuarial gains and losses on pension obligations	Translation adjust-ments	**Attributable to equity holders of the parent**	Minority interests	**Total equity**
At 31 December 2012	**355**	**(351)**	**9,597**	**(42)**	**80**	**(310)**	**138**	**9,467**	**700**	**10,167**
First adoption of IFRS 11	-	-	(55)	-	-	(8)	-	(63)	84	21
First adoption of IFRIC 21	-	-	40	-	-	-	-	40	3	43
At 31 January 2013	**355**	**(351)**	**9,582**	**(42)**	**80**	**(318)**	**138**	**9,444**	**787**	**10,231**
Income and expenses recognised directly in equity for the period	-	-	(471)	(32)	(80)	21	(110)	(672)	44	(628)
Effect of changes in scope of consolidation and other	-	-	(5)	-	-	-	-	(5)	2	(3)
Issuance of shares	-	-	(23)	-	-	-	-	(23)	20	(3)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(30)	(30)
At 30 June 2013	**355**	**(351)**	**9,083**	**(74)**	**-**	**(297)**	**28**	**8,744**	**823**	**9,567**
Income and expenses recognised directly in equity for the period	-	-	(1,856)	-	-	124	(226)	(1,958)	37	(1,921)
Measurement of stock options and performance share grants	-	-	1	-	-	-	-	1	1	2
Effect of changes in scope of consolidation and other	-	-	7	-	-	4	-	11	(24)	(13)
Issuance of shares	-	-	29	-	-	-	-	29	192	221
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(19)	(19)
At 31 December 2013	**355**	**(351)**	**7,264**	**(74)**	**-**	**(169)**	**(198)**	**6,827**	**1,010**	**7,837**
Income and expenses recognised directly in equity for the period	-	-	(114)	36	-	(67)	(35)	(180)	59	(121)
Measurement of stock options and performance share grants	-	-	2	-	-	-	-	2	-	2
Effect of changes in scope of consolidation and other	-	-	3	-	-	-	-	3	8	11
Issuance of shares	428	-	2,509	-	-	-	-	2,937	17	2,954
Purchases and sales of treasury stock	-	59	(35)	-	-	-	-	24	-	24
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(41)	(41)
At 30 June 2014	**783**	**(292)**	**9,629**	**(38)**	**-**	**(236)**	**(233)**	**9,613**	**1,053**	**10,666**

NOTES TO THE **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Six months ended 30 June 2014

General Information

Statements of Income

Balance Sheets - Assets

Balance Sheets - Equity and Liabilities

Additional information

Preliminary note

The interim consolidated financial statements for the six months ended 30 June 2014 and related notes were approved by the Managing Board of Peugeot S.A. on 22 July 2014 with the exception of note 24 which takes into account events that occurred in the period up to the 29 July 2014.

NOTE 1 - HIGHLIGHTS OF FIRST-HALF 2014

STRENGTHENING OF THE PARTNERSHIP WITH DONGFENG MOTOR GROUP AND €3 BILLION IN CAPITAL INCREASES

On 26 March 2014, the Group signed the final agreement with Dongfeng Motor Group (DFG), the French State and the Peugeot family group on the following major operations aimed at improving its competitiveness, furthering its strategy of globalisation and penetration of emerging markets, and reinforcing its financial strength.

The operations consist of:

1. The strengthening and deepening of the existing industrial and commercial partnership with 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.

   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 by 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 sales of vehicles branded Peugeot, Citroën and Feng Shen (DPCA's own brand) in Southeast Asia and possibly in other emerging markets.

2. Two capital increases in a total amount of €3 billion approved by the Shareholders' Meeting of 25 April 2014, including:
   - A reserved €1,048 million capital increase subscribed by DFG via Dongfeng Motor (Hong Kong) International Co., Limited ("DMHK") and the French State through SOGEPA, on an equal basis, at a subscription price of €7.50 per share;
   - A capital increase with preferential subscription rights in the amount of €1,953 million, open to all shareholders of Peugeot S.A. Settlement-delivery took place on 23 May 2014,
   - Prior to the capital increases, a bonus issue of equity warrants for existing Peugeot S.A. shareholders, on the basis of one warrant for each share held, and with a subscription ratio of ten warrants for three new Peugeot S.A. shares. The warrants have a maturity of three years, and may be exercised from the second year. The subscription price per share is identical to that of the capital increase reserved for DFM and the French State, i.e. €7.5 per share.

   Through these capital increases, DFG and the French State have each invested approximately €800 million in PSA Peugeot Citroën, and have become key shareholders alongside the Peugeot family, which also subscribed in the amount of €142 million. Following these transactions, these three shareholders each hold identical interests of 14.1% in the capital of Peugeot S.A., and each have two seats on the Supervisory Board.

RENEWAL OF A €3 BILLION SYNDICATED CREDIT FACILITY

On 8 April 2014, PSA Peugeot Citroën signed a new €3 billion syndicated credit facility comprising a €2.0 billion tranche maturing in five years and a €1.0 billion tranche maturing in three years with two optional one-year extensions.

This credit facility replaces the €2.4 billion line of credit arranged in July 2010 maturing in July 2015.

Coupled with the capital increases, this transaction further reinforces the Group's financial profile, strength and security.

SIGNATURE OF A FRAMEWORK AGREEMENT BETWEEN BANQUE PSA FINANCE AND SANTANDER CONSUMER FINANCE

Following their entry into exclusive negotiations on 19 February 2014, Banque PSA Finance and Santander Consumer Finance (Santander CF) announced on 10 July the signing of a binding framework agreement on the establishment of a partnership covering 11 European countries.

This partnership between Banque PSA Finance, the automotive finance company of PSA Peugeot Citroën, and Santander CF, the division of Banco Santander specialising in consumer finance, will take the form of dedicated local partnerships in most countries, or, in some jurisdictions, commercial agreements. The partnership would enhance commercial capabilities for PSA Peugeot Citroën's brands enabling them to increase their penetration of the car finance market. It would also create a sustainable and dynamic captive financing activity with competitive offers dedicated to PSA Peugeot Citroën's brands and customers. The contemplated scope of the transaction would cover approximately 90% of Banque PSA Finance's current activities.

The partnership has received the approval of the works councils of PSA Peugeot Citroën and Banque PSA Finance. The establishment of the partnership remains subject to the approval of competition authorities and banking regulatory authorities in the main European countries. Subject to these reservations, the transaction should be finalised in 2015 or early 2016. The new partnership entities will be consolidated by the equity method by Banque PSA Finance. This partnership should result in a positive cash impact of up to €1.5bn for the Group's industrial and commercial companies by 2018.

NOTE 2 - ACCOUNTING POLICIES

2.1. GENERAL ACCOUNTING PRINCIPLES

The interim consolidated financial statements for the six months ended 30 June 2014 have been prepared in accordance with *IAS 34 – Interim Financial Reporting*, which provides for the presentation of a selected number of explanatory notes. These condensed interim consolidated financial statements should be read and understood in conjunction with the 2013 consolidated financial statements.

The interim consolidated financial statements for the period ended 30 June 2014 for the PSA Peugeot Citroën Group have been prepared using the same accounting policies as those used for the financial year ended 31 December 2013, with the exception of new standards mandatory in the European Union from 1 January 2014 and the early adoption of IFRIC 21 (see below). The Group's consolidated financial statements for the year ended 31 December 2013 and for the half-year ended 30 June 2014 were prepared in accordance with International Financial Reporting Standards (IFRS), adopted for use in the European Union.

This interim financial consolidated statements also comply with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee interpretations, inasmuch as the provision of IAS 39 unadopted by the European Union does not affect the PSA Peugeot group's financial statements.

New compulsory standards and interpretations		First application in the EU for annual periods beginning on or after:	Impacts
IFRS 10	"*Consolidated Financial Statements*"		
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	01/01/2014	See Note 3
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 impact
Amendment to IAS 32	*" Offsetting Financial Assets and Financial Liabilities "*	01/01/2014	Without material impact
Amendment to IAS 36	*" Recoverable Amount Disclosures for Non-Financial Assets "*	01/01/2014	Without material impact
Amendment to IAS 39	*" Novation of Derivatives and Continuation of Hedge Accounting"*	01/01/2014	Without material impact

New text adopted by the European Union and applicable as of 1 January 2014		First application mandatory 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.	01/01/2015	See Note 3

New standards and interpretations not yet adopted by the European Union		First application in the EU for annual periods beginning on or after:	
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
IFRS 15	*« Revenue Recognition »*	Not adopted	Impacts currently being analysed
Amendment to IFRS 11	*«Accounting for Acquisitions of Interests in Joint Operations »*	Not adopted	Impacts currently being analysed
Amendments to IAS 16 and IAS 38	*« Clarification on Acceptable Methods of Depreciation and Amortisation »*	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

2.2. 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 interim consolidated financial statements for the six months ended 30 June 2014, 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 7);
- Provision for onerous contracts entered into pursuant to cooperation agreements (see Note 7);
- Deferred tax assets (see Note 9);
- Loans and receivables of the Finance Companies (see Note 14).

The use of estimates and assumptions is also crucial for the following item:

- Pension obligations (see Note 18);
- Provisions (particularly vehicle warranty provisions, restructuring provisions, claims and litigation) (see Note 18);
- The recoverable amount of inventories and other receivables (see Note 15);
- Sales incentives.

NOTE 3 - CHANGES TO FINANCIAL STATEMENTS PREVIOUSLY REPORTED

The Group's financial statements at 30 June 2013 and 31 December 2013, presented comparatively, have been restated as explained below, relative to the financial statements previously reported.

3.1. IFRS 10 AND IFRS 11

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. Partnerships that only give control over the net assets of the partnership entity, classified as joint ventures, are consolidated by 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 are consolidated by the equity method.
- the companies classified as joint operations are Toyota Peugeot Citroën Automobile (TPCA), Sevel SpA and PCMA Rus Automotiv (PCMAR).
  TPCA and Sevel SpA were previously 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 new standards have the primary effect of requiring the recognition among assets on the consolidated balance sheet of the Group's share of the carrying amount of the fixed assets of subsidiaries classified as joint operations and its share of their debt among liabilities. At 1 January 2013, the main impact was a €227 million increase in the Group's net debt, including the net debt of €188 million of Française de Mécanqiue, classified as a joint operation before the acquisition of exclusive control by the Group.
Due to the takeover of Française de Mécanique at the end of 2013, its debt has been included in the Group's net debt at 31 December 2013. At that date, the impact of the application of the new standards was therefore limited to a €33 million increase in net debt.

3.2. INTERPRETATION OF IFRIC 21 — LEVIES CHARGED BY PUBLIC AUTHORITIES

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government or similar bodies. Changes to previously reported consolidated financial statements mainly concern France and, more specifically, the Social Solidarity Contribution on Companies (C3S) and property tax.

The C3S, which was previously recognised in line with the constitution of revenue during a given year, is now recognised on 1 January of the subsequent year. Equity at 1 January 2013 has therefore been increased by €41 million.

Property tax, which was previously recognised on a straight-line basis during a given year, is now recognized on 1 January of the year.

Accordingly, the results for the first half of 2013 include an additional expense of €60 million recognised in Recurring Operating Income, or €49 million in net income, Group share. The effect on full-year net income is immaterial.

The IFRIC 21 restatement has no impact on cash flows.

3.3. RESEARCH AND DEVELOPMENT EXPENSES

Development costs incurred on vehicles after the start of series production, previously recognised in selling, general and administrative expenses, are now included in research and development expenses. The reclassification amounted to €139 million in the six months to 30 June 2013 and €277 million in the year ended 31 December 2013.

3.4. RESTATEMENT OF FINANCIAL STATEMENTS

The impacts on the 2013 financial statements of these adjustments are shown in the tables below:

Statement of income

(in million euros)	30 June 2013 reported in July 2013	30 June 2013 restated, reported in July 2014	30 June 2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Continuing operations					
Sales and revenue	**27,710**	**27,740**	**30**	**30**	-
Recurring operating income (loss)	**(65)**	**(100)**	**(35)**	**25**	**(60)**
Operating income (loss)	**(35)**	**(67)**	**(32)**	**28**	**(60)**
Income (loss) before tax of fully consolidated companies	**(281)**	**(312)**	**(31)**	**29**	**(60)**
Consolidated profit (loss) from continuing operations	**(396)**	**(431)**	**(35)**	**15**	**(50)**
Discontinued operations					
Profit (loss) from discontinued operations	(2)	(2)	-	-	-
Consolidated profit (loss) for the period	**(398)**	**(433)**	**(35)**	**15**	**(50)**
Attributable to equity holders of the parent	*(426)*	*(471)*	*(45)*	*4*	*(49)*
Attributable to minority interests	*28*	*38*	*10*	*11*	*(1)*

(in million euros)	2013 reported in February 2014	2013 restated, reported in July 2014	30 June 2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Continuing operations					
Sales and revenue	**54,090**	**54,019**	**(71)**	**(71)**	-
Recurring operating income (loss)	**(177)**	**(174)**	**3**	**4**	**(1)**
Operating income (loss)	**(1,346)**	**(1,339)**	**7**	**8**	**(1)**
Income (loss) before tax of fully consolidated companies	**(2,004)**	**(2,003)**	**1**	**2**	**(1)**
Consolidated profit (loss) from continuing operations	**(2,215)**	**(2,224)**	**(9)**	**(8)**	**(1)**
Discontinued operations					
Profit (loss) from discontinued operations	(3)	(3)	-	-	-
Consolidated profit (loss) for the period	**(2,218)**	**(2,227)**	**(9)**	**(8)**	**(1)**
Attributable to equity holders of the parent	*(2,317)*	*(2,327)*	*(10)*	*(9)*	*(1)*
Attributable to minority interests	*99*	*100*	*1*	*1*	*-*

Balance sheets - Assets

(in million euros)	31 December 2013 reported in February 2014	31 December 2013 restated, reported in July 2014	2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Continuing operations					
Total non-current assets	**19,971**	**20,097**	**126**	**130**	**(4)**
Operating assets	**31,754**	**31,704**	**(50)**	**(50)**	**-**
Current financial assets	**141**	**141**	**-**	**-**	**-**
Cash and cash equivalents	**7,755**	**7,779**	**24**	**24**	**-**
Total current assets	**39,650**	**39,624**	**(26)**	**(26)**	**-**
Total assets of continuing operations	**59,621**	**59,721**	**100**	**104**	**(4)**
Total assets held for sale	**43**	**43**	**-**	**-**	**-**
Total assets	**59,664**	**59,764**	**100**	**104**	**(4)**

Balance sheets – Equity and liabilities

(in million euros)	31 December 2013 reported in February 2014	31 December 2013 restated, reported in July 2014	2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Equity					
Total equity	**7,791**	**7,837**	**46**	**5**	**41**
Total non-current liabilities	**13,030**	**12,985**	**(45)**	**(60)**	**15**
Operating liabilities	**35,847**	**35,793**	**(54)**	**6**	**(60)**
Current financial liabilities	**2,996**	**3,149**	**153**	**153**	**-**
Total current liabilities	**38,843**	**38,942**	**99**	**159**	**(60)**
Total liabilities of continuing operations	**51,873**	**51,927**	**54**	**99**	**(45)**
Total liabilities related to assets held for sale	**-**	**-**	**-**	**-**	**-**
Total equity and liabilities	**59,664**	**59,764**	**100**	**104**	**(4)**

Statement of cash flows

(in million euros)	30 June 2013 reported in July 2013	30 June 2013 restated, reported in July 2014	2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Funds from operations	**869**	**878**	**9**	**69**	**(60)**
Changes in working capital	1,017	1,097	80	20	60
Net cash from (used in) operating activities	**1,886**	**1,975**	**89**	**89**	**-**
Net cash from (used in) investing activities	**(1,314)**	**(1,349)**	**(35)**	**(35)**	**-**
Net cash from (used in) financing activities	**2,562**	**2,481**	**(81)**	**(81)**	**-**
Effect of changes in exchange rates	(53)	(53)	-	-	-
Net increase (decrease) in cash and cash equivalents from continuing operations	**3,081**	**3,054**	**(27)**	**(27)**	**-**
Net cash from discontinued operations	(31)	(31)	-	-	-
Net cash and cash equivalents at beginning of period	**6,789**	**6,887**	**98**	**98**	**-**
Net cash and cash equivalents of continuing operations at end of period	**9,839**	**9,910**	**71**	**71**	**-**

(in million euros)	2013 reported in February 2014	2013 restated, reported in July 2014	2013 Impact	Of which IFRS 10,11 & 12	Of which IFRIC 21
Funds from operations	**987**	**1,059**	**72**	**73**	**(1)**
Changes in working capital	643	687	44	43	1
Net cash from (used in) operating activities	**1,630**	**1,746**	**116**	**116**	**-**
Net cash from (used in) investing activities	**(2,473)**	**(2,517)**	**(44)**	**(44)**	**-**
Net cash from (used in) financing activities	**1,918**	**1,773**	**(145)**	**(145)**	**-**
Effect of changes in exchange rates	(92)	(93)	(1)	(1)	-
Net increase (decrease) in cash and cash equivalents from continuing operations	**983**	**909**	**(74)**	**(74)**	**-**
Net cash from discontinued operations	(41)	(41)	-	-	-
Net cash and cash equivalents at beginning of period	**6,789**	**6,887**	**98**	**98**	**-**
Net cash and cash equivalents of continuing operations at end of period	**7,731**	**7,755**	**24**	**24**	**-**

NOTE 4 - COMPOSITION OF THE GROUP

The Group consists of the Peugeot S.A. holding company, listed on Euronext, and its affiliates. Significant subsidiaries are consolidated in accordance with Note 2.1 to the 2013 financial statements.

The Group's operations are organised around three main segments:

- The Automotive Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot, Citroën and DS brands. It mainly comprises wholly owned subsidiaries, as well as jointly controlled subsidiaries for the production of vehicles or subassemblies in Europe and for industrial and commercial activities in China. These jointly controlled subsidiaries are consolidated in accordance with IFRS 11 (see Note 2.1);
- The Automotive Equipment Division, corresponding to the Faurecia group comprising Interior Systems, Automotive Seating, Automotive Exteriors and Emissions Control Technologies. Faurecia is listed on Euronext. Peugeot S.A. holds 51.1% of Faurecia's capital and 67.3% of its voting rights;
- The Finance Division, corresponding to the Banque PSA Finance group, which provides retail financing to customers of the Peugeot, Citroën and DS brands and wholesale financing to the two brands' dealer networks. Banque PSA Finance is classified as a financial institution. Banque PSA Finance and virtually all its subsidiaries are wholly owned by the Group.
  On 10 July 2014, Banque PSA Finance and Santander Consumer Finance signed a framework agreement on the establishment of a partnership (see Note 1).

The Group's other activities are housed under "Other businesses", which notably includes the Peugeot S.A. holding company, Peugeot Motocycles and a minority stake in Gefco consolidated by the equity method.
Changes in the scope of consolidation during the first half of 2014 did not have a material impact on the consolidated financial statements, either individually or in the aggregate.

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 Group's main performance indicator is recurring operating income.
The Group's business segments are defined in Note 4.

First-half 2014 *(in million euros)*	Automotive	Automotive equipment	Finance companies	Other businesses	Eliminations and reconciliations	Total
Sales and revenue						
- third parties	18,610	8,271	678	57	-	**27,616**
- intragroup, intersegment	-	1,057	170	48	(1,275)	**-**
Total	**18,610**	**9,328**	**848**	**105**	**(1,275)**	**27,616**
Recurring operating income (loss)	**7**	**311**	**172**	**(12)**	**(1)**	**477**
Non-recurring operating income	160	2	-	3	-	**165**
Restructuring costs	(208)	(37)	(2)	2	-	**(245)**
Impairment losses on CGUs, onerous contracts and other (Note 7)	(10)	-	-	-	-	**(10)**
Other non-recurring operating income and (expenses), net	-	(10)	-	-	-	**(10)**
Operating income (loss)	**(51)**	**266**	**170**	**(7)**	**(1)**	**377**
Net financial income (expense)		**(104)**	**-**		**(240)**	**(344)**
Income taxes		(45)	(72)		(66)	**(183)**
Share in net earnings of companies at equity	96	(1)	5	8		**108**
Consolidated profit (loss) from continuing operations		116	103			(42)
Profit (loss) from discontinued operations	-	-	-	-		-
Consolidated profit (loss) for the period		**116**	**103**			**(42)**
Capital expenditure [(1)]	**712**	**398**	**9**	**-**		**1,119**

[(1)] *Includes investments in property, plant and equipment, and invesments in intangible assets (excluding sales with a buyback commitment).*

In first-half 2014, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €426 million. Net provision expense (cost of risk) for the period amounted to €53 million.

First-half 2013 *(in million euros)*	Automotive	Automotive equipment	Finance companies	Other businesses	Eliminations and reconciliations	Total
Sales and revenue						
- third parties	18,740	8,204	747	49	-	**27,740**
- intragroup, intersegment	-	1,061	141	43	(1,245)	**-**
Total	**18,740**	**9,265**	**888**	**92**	**(1,245)**	**27,740**
Recurring operating income (loss)	**(538)**	**256**	**198**	**(14)**	**(2)**	**(100)**
Non-recurring operating income	241	-	-	-	-	**241**
Restructuring costs	(89)	(39)	-	(6)	-	**(134)**
Impairment losses on CGUs, onerous contracts and other (Note 7)	(70)	-	-	(2)	-	**(72)**
Other non-recurring operating income and (expenses), net	-	(2)	-	-	-	**(2)**
Operating income (loss)	**(456)**	**215**	**198**	**(22)**	**(2)**	**(67)**
Net financial income (expense)		**(114)**	**-**		**(131)**	**(245)**
Income taxes		(44)	(56)		(107)	**(207)**
Share in net earnings of companies at equity	74	5	4	5		**88**
Consolidated profit (loss) from continuing operations		62	146			(431)
Profit (loss) from discontinued operations	-	(2)	-	-		(2)
Consolidated profit (loss) for the period		**60**	**146**			**(433)**
Capital expenditure [(1)]	**928**	**365**	**11**	**2**		**1,306**

[(1)] *Includes investments in property, plant and equipment, and invesments in intangible assets (excluding sales with a buyback commitment).*

In first-half 2013, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €458 million. Net provision expense (cost of risk) for the period amounted to €60 million.

2013 *(in million euros)*	Automotive	Automotive equipment	Finance companies	Other businesses	Eliminations and reconciliations	Total
Sales and revenue						
- third parties	36,414	16,042	1,463	100	-	**54,019**
- intragroup, intersegment	1	1,987	310	92	(2,390)	**-**
Total	**36,415**	**18,029**	**1,773**	**192**	**(2,390)**	**54,019**
Recurring operating income (loss)	**(1,039)**	**538**	**368**	**(42)**	**1**	**(174)**
Non-recurring operating income	396	5	-	12	-	**413**
Restructuring costs	(369)	(91)	-	(4)	-	**(464)**
Impairment losses on CGUs, onerous contracts and other (Note 7)	(1,092)	-	-	(1)	-	**(1,093)**
Other non-recurring operating income and (expenses), net	-	(21)	-	-	-	**(21)**
Operating income (loss)	**(2,104)**	**431**	**368**	**(35)**	**1**	**(1,339)**
Net financial income (expense)		**(234)**	**-**		**(430)**	**(664)**
Income taxes		(65)	(138)		(191)	**(394)**
Share in net earnings of companies at equity	140	14	8	12	(1)	**173**
Consolidated profit (loss) from continuing operations		146	238			(2,224)
Profit (loss) from discontinued operations	-	(3)	-	-		(3)
Consolidated profit (loss) for the period		**143**	**238**			**(2,227)**
Capital expenditure [(1)]	**1,705**	**775**	**19**	**2**		**2,501**

[(1)] *Includes investments in property, plant and equipment, and invesments in intangible assets (excluding sales with a buyback commitment).*

In 2013, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €891 million. Net provision expense (cost of risk) for the period amounted to €131 million.

NOTE 6 - RESEARCH AND DEVELOPMENT EXPENSES

Amounts relating to the first half and to the whole year 2013 reflect the changes described in Note 3.3.

(in million euros)	**First-half 2014**	First-half 2013	2013
Total expenditure	(1,109)	(1,179)	(2,239)
Capitalised development expenditure [(1)]	464	433	835
Non-capitalised expenditure	**(645)**	**(746)**	**(1,404)**
Amortisation of capitalised development expenditure	(360)	(363)	(754)
Total	**(1,005)**	**(1,109)**	**(2,158)**

[(1)] *Capitalised development expenditure shown above does not include borrowing costs capitalised in application of IAS 23 (Revised).*

NOTE 7 - NON-RECURRING OPERATING INCOME AND EXPENSES

The main items of non-recurring operating income and expenses are as follows:

(in million euros)	**First-half 2014**	First-half 2013	2013
Net gains on disposals of real estate assets	78	2	28
Reversal of impairment loss on CGUs, provisions for onerous contracts and other income of the Automotive Division (Note 7.1)	83	237	366
Other non-recurring operating income	4	2	19
Total non-recurring operating income	**165**	**241**	**413**
Impairment loss on CGUs and provisions for onerous contracts and other expenses of the Automotive Division (note 7.1)	(10)	(70)	(1,092)
Impairment loss on Faurecia CGUs and other Faurecia assets (Note 7.2)	-	-	-
Impairment loss on Other businesses CGUs	-	(2)	(1)
Restructuring costs (Note 7.3)	(245)	(134)	(464)
Other non-recurring operating expenses	(10)	(2)	(21)
Total non-recurring operating expenses	**(265)**	**(208)**	**(1,578)**

7.1. IMPAIRMENT LOSS ON CGUS AND PROVISIONS FOR ONEROUS CONTRACTS AND OTHER INCOME AND EXPENSES OF THE AUTOMOTIVE DIVISION

The Automotive Division CGU and each Vehicle CGU were tested for impairment as of December 2013. Monitoring of impairment testing was performed in preparing the financial statements for the six months to 30 June 2014.

Automotive Division CGU

Impairment testing at 31 December 2013 had led to the recognition of impairment losses in the amount of €1,009 million on plants in Latin America and Russia, in addition to the overall impairment loss of €3,009 million recorded in 2012. Impairment tests were conducted based on the December 2013 data from the Medium Term Plan (MTP 2014-2018).

Vehicle CGUs and other automotive assets

Concerning the assets allocated to Vehicle CGUs, the updated impairment tests did not indicate the need to change previously recognised impairment amounts.

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.

Updated information relating to volume and margin estimates for these vehicles and projected exchange rates for the yen and other purchasing currencies led the reversal of a provision for loss on onerous contracts of €55 million in the half-year, due essentially to the significant depreciation of the yen.

A 5% increase or decrease in the projected yen/euro exchange rate in the test would have the effect of increasing the reversal for the period by €8 million or reducing it by €40 million.

Other reversals of provisions and income were recognised in the amount of €28 million, making a total of €83 million including the €55 million reversal for onerous contracts.

7.2. IMPAIRMENT LOSS ON FAURECIA GROUP CGUS AND OTHER ASSETS

Faurecia Group CGUs and the Faurecia CGU in the PSA Peugeot Citroën Group accounts

There were no indications that these CGUs might be impaired at 30 June 2014 and therefore no impairment tests were performed at that date.

7.3. RESTRUCTURING COSTS

In the firtst-half 2014, restructuring costs concern mainly the Automotive and Equipment Divisions.

Automotive Division

Automotive Division restructuring costs amounted to €208 million. They mainly include a €163 million additional provision in Europe and €33 million restructuring costs in Latin America. In Europe, this addition is mainly related to the New Social Contract.

Provisions for the current restructuring plans, mainly in Europe, amounted to €612 million at 30 June 2014 (€633 million at 31 December 2013). Expenditure for first-half 2014 covered by reversals of provisions totalled €191 million.

Automotive Equipment Division (Faurecia Group)

Faurecia Group restructuring costs totalled €37 million in first-half 2014, including €32 million for workforce.

NOTE 8 - FINANCE COSTS

(in million euros)	**First-half 2014**	First-half 2013	2013
• Interest on borrowings	(314)	(324)	(681)
• Interest on bank overdrafts	(22)	(17)	(37)
• Interest on finance lease liabilities	(5)	(7)	(12)
• Foreign exchange gain (loss) on financial transactions	(23)	(3)	(22)
Other	(4)	(3)	(6)
Finance costs incurred	(368)	(354)	(758)
Of which Automotive Division and Other Businesses	*(276)*	*(250)*	*(544)*
Capitalised borrowing Costs	37	85	135
Total	**(331)**	**(269)**	**(623)**

Finance costs incurred, net of interest income

(in million euros)	**First-half 2014**	First-half 2013	2013
Finance costs incurred	(368)	(354)	(758)
Of which Automotive Division and Other Businesses	*(276)*	*(250)*	*(544)*
Interest income	45	116	138
Of which Automotive Division and Other Businesses [1]	*42*	*111*	*128*
Total	**(323)**	**(238)**	**(620)**
Of which Automotive Division and Other Businesses [1]	*(234)*	*(139)*	*(416)*

[1] *Of which €89 million of gain on disposal of 4 004 695 BNPPARIBAS shares in fisrt-half 2013 .*

NOTE 9 - INCOME TAXES

Income taxes for the half-year period are calculated on the basis of pre-tax profit by tax jurisdiction, multiplied by the estimated effective tax rate for the full year. The tax impacts of specific transactions are recorded in the period during which the transactions occur.
For the French tax group, the deferred tax assets on deficits of €42 million generated by tax losses for the half-year of €122 million were recognized in respect of the share corresponding to the deferred tax liabilities, in the amount of €23 million. The total deferred tax assets on unrecognised French deficits represented €3,355 million at 30 June 2014. The tax loss carryforwards for the French tax group as at 31 December 2013 amounted to €10,475 million.

The theoretical tax expense can be reconciled to the tax expense reported in the consolidated income statement as follows:

(in million euros)	**First-half 2014**	First-half 2013	2013
Income (loss) before tax of fully-consolidated companies	**33**	**(312)**	**(2,003)**
French statutory income tax rate for the period	*38.0%*	*36.1%*	*38.0%*
Theoretical tax expense for the period based on the French statutory income tax rate	**(13)**	**113**	**761**
• Permanent differences	(8)	27	72
• Income taxable at reduced rates	-	23	14
• Tax credits	13	51	57
• Profit in France not subject to the surtax	(5)	(8)	(75)
• Effect of differences in foreign tax rates and other	(4)	(7)	(1)
Income tax expense before impairment losses on the French tax group	**(17)**	**199**	**828**
Effective tax rate applicable to the Group	***NS***	*NS*	*NS*
• Unrecognised deferred tax assets on losses generated in the period	(128)	(371)	(746)
• Impairment losses on the Peugeot S.A. French tax group	-	-	(80)
• Other impairment losses	(38)	(35)	(396)
Income tax expense	**(183)**	**(207)**	**(394)**
Of which current taxes	**(186)**	**(137)**	**(328)**
Of which deferred taxes	**3**	**(70)**	**(66)**

NOTE 10 - 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:

10.1. 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 stock.

	First-half 2014	First-half 2013	2013
Consolidated basic earnings of continuing operations - attributable to equity holders of the parent *(in million euros)*	(114)	(470)	(2,325)
Consolidated profit (loss) attributable to equity holders *(in million euros)*	(114)	(471)	(2,327)
Average number of €1 par value shares outstanding	452,235,111	342,051,814	342,051,814
Basic earnings per €1 par value share of continuing operations - attributable to equity holders of the parent (in euros)	***-0.25***	*-1.38*	*-6.79*
Basic earnings (loss) per €1 par value share (in euros)	***-0.25***	*-1.38*	*-6.80*

10.2. DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by the treasury stock method which consists of taking into account the equity warrants, the shares that could be purchased with the proceeds from the exercise of stock options, performance share grants and the conversion of dilutive Oceane convertible bonds. The following table shows the effects of the calculation:

A. Effect on the average number of shares

	First-half 2014	First-half 2013	2013
Average number of €1 par value shares outstanding	452,235,111	342,051,814	342,051,814
Dilutive effect, calculated by the treasury stock method, of:			
- Equity warrants	11,908,650	-	-
- Stock option plans	-	-	-
- Outstanding Oceane convertible bonds	-	-	-
Dilutive effect of Peugeot S.A. performance share grants	-	-	-
Diluted average number of shares	**464,143,761**	**342,051,814**	**342,051,814**

In light of the average Peugeot S.A. share price during the period, the Peugeot S.A. Oceane convertible bonds and the stock option plans had no dilutive effect on the average number of shares for the period.

B. Effect of Faurecia Oceane bond conversions, stock options and performance share grants on consolidated profit attributable to equity holders of the parent

	First-half 2014	First-half 2013	2013
Consolidated profit (loss) attributable to equity holders of the parent *(in million euros)*	(114)	(471)	(2,327)
Dilutive effect of Faurecia Oceane bond conversions, stock options and performance share grants	-	-	-
Consolidated profit (loss) after Faurecia dilution	**(114)**	**(471)**	**(2,327)**
Diluted earnings (loss) attributable to equity holders of the parent per €1 par value share (in euros)	***-0.25***	*-1.38*	*-6.80*

The Faurecia Oceane bonds, stock options 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.

NOTE 11 - INVESTMENTS IN COMPANIES AT EQUITY

Companies accounted for by the equity method include joint ventures within the meaning of IFRS 11, namely DPCA and CAPSA in China, as well as companies over which the Group has significant influence, mainly Gefco S.A.

11.1. CHANGES IN THE CARRYING VALUE OF INVESTMENTS IN COMPANIES AT EQUITY

(in million euros)	**30 June 2014**	31 December 2013
At beginning of period	**1,375**	**1,320**
Dividends and profit transfers	(139)	(133)
Share of net earnings	108	173
Newly consolidated companies	-	-
Capital increase (reduction)	-	42
Changes in scope of consolidation and other	2	(5)
Translation adjustment	(18)	(22)
At period-end	**1,328**	**1,375**
Of which		
• Dongfeng Peugeot Citroën Automobile goodwill	70	72
• Gefco subgroup goodwill	57	57

11.2. SHARE IN NET ASSETS OF COMPANIES AT EQUITY

(in million euros)	Latest % interest	**30 June 2014**	31 December 2013
Dongfeng cooperation agreement: Dongfeng Peugeot Citroën Automobile [(1)]	50 %	858	884
Changan cooperation agreement: Changan PSA Automobiles Co., Ltd	50 %	145	163
Other	34 %	10	8
Automotive Division		1,013	1,055
Automotive Equipment Division		66	84
Other Businesses: Gefco [(1)]	25 %	154	148
Manufacturing and Sales Companies		**1,233**	**1,287**
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	50 %	87	83
Finance Companies		**87**	**83**
Total		**1,320**	**1,370**

[(1)] *Including goodwill*

The Group's share of the net assets of companies at equity comprises €1,328 million related to companies with a positive net worth, reported under "Investments in companies at equity", less €8 million for companies with a negative net worth, reported under "Non-current provisions".

11.3. SHARE IN NET EARNINGS OF COMPANIES AT EQUITY

(in million euros)	Latest % interest	30 June 2014	30 June 2013	31 December 2013
Dongfeng cooperation agreement: Dongfeng Peugeot Citroën Automobile [(1)]	50 %	110	96	187
Changan cooperation agreement: Changan PSA Automobiles Co., Ltd	50 %	(15)	(23)	(49)
Other	34 %	1	1	1
Automotive Division		96	74	139
Automotive Equipment Division		(1)	5	14
Other Businesses: Gefco [(1)]	25 %	8	5	12
Manufacturing and Sales Companies		**103**	**84**	**165**
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	50 %	5	4	8
Finance Companies		**5**	**4**	**8**
Total		**108**	**88**	**173**

(1) *Including goodwill*

11.4. KEY FINANCIAL DATA OF COMPANIES ACCOUNTED AT EQUITY

1. Detailed information on the main companies accounted at equity

Dongfeng Cooperation Agreement

PSA Peugeot Citroen and Dongfeng Motor Group own a joint venture known as Dongfeng Peugeot Citroën Automobile (DPCA), based in Wuhan, subject to joint control and classified for accounting purposes as a joint venture. It manufactures and markets motor vehicles under the Dongfeng Peugeot and Dongfeng Citroën brands in China.

As part of the March 2014 agreement, it was decided to strenghten the partnership (see Note 1).

Earnings items at 100% in millions of euros

	Dongfeng Peugeot Citroën Automobile		
(in million euros)	**30 June 2014**	30 June 2013	31 December 2013
Sales and revenue	3,960	3,487	7,034
Recurring operating income (loss)	276	226	439
Operating income (loss)	281	204	420
Of which depreciation and impairment	*(121)*	*(200)*	*(299)*
Net financial income (loss)	28	55	74
Income taxes	(89)	(67)	(120)
Profit (loss) from continuing operations	220	192	374
Profit (loss) from discontinued operations	-	-	-
Profit (loss) of the period	220	192	374
Group's share in the profit (loss) of the period (Share in net earnings of companies at equity)	110	96	187
Income and expenses recognised in equity, net	-	-	-
Other information			
Net dividend received from the joint venture(s) by the PSA Peugeot Citroën group	121	112	112

Earnings items at 100% in millions of yuans

	Dongfeng Peugeot Citroën Automobile		
(in million yuans)	**30 June 2014**	30 June 2013	31 December 2013
Sales and revenue	33,491	28,322	57,447
Recurring operating income (loss)	2,326	1,809	3,593
Operating income (loss)	2,373	1,661	3,433
Of which depreciation and impairment	*(1,018)*	*(1,629)*	*(2,443)*
Net financial income (loss)	237	445	605
Income taxes	(754)	(548)	(980)
Profit (loss) from continuing operations	1,856	1,558	3,058
Profit (loss) from discontinued operations	-	-	-
Profit (loss) of the period	1,856	1,558	3,058

Balance sheet items at 100% in millions of euros

	Dongfeng Peugeot Citroën Automobile	
(in million euros)	**30 June 2014**	31 December 2013
Assets		
Non-current assets	2,365	2,356
Current assets	3,164	2,589
Of which cash and cash equivalents	*1,475*	*830*
Liabilities		
Non-current liabilities (excluding equity)	218	188
Of which non-current financial liabilities	*218*	*188*
Current liabilities	3,735	3,133
Of which current financial liabilities	*361*	*226*
Equity	1,576	1,624

Transition table		
Equity	1,576	1,624
% of interest	50%	50%
Group's share in equity	788	812
Goodwill	70	72
Investments in company at equity	858	884

Balance sheet items at 100% in millions of yuans

	Dongfeng Peugeot Citroën Automobile	
(in million yuans)	**30 June 2014**	31 December 2013
Assets		
Non-current assets	20,036	19,668
Current assets	26,800	21,616
Of which cash and cash equivalents	*12,491*	*6,932*
Liabilities		
Non-current liabilities (excluding equity)	1,849	1,567
Of which non-current financial liabilities	*1,849*	*1,567*
Current liabilities	31,637	26,159
Of which current financial liabilities	*3,058*	*1,885*
Equity	13,350	13,558

Changan Agreement

Since 2011, PSA Peugeot Citroën and Changan have owned a joint venture known as Changan PSA Automobile (CAPSA), based in Shenzhen, subject to joint control and classified for accounting purposes as a joint venture. It manufactures and markets motor vehicles under the DS brand in China.
The newly built plant began production in 2013.

Earnings items at 100% in millions of euros

	Changan PSA Automobiles Co., Ltd (CAPSA)	
(in million euros)	**30 June 2014**	30 June 2013
Sales and revenue	176	3
Recurring operating income (loss)	(34)	(46)
Profit (loss) of the period	(31)	(46)
(Share in net earnings of companies at equity)	(15)	(23)
Income and expenses recognised in equity, net	-	-
Other information		
Net dividend received from the joint venture(s) by the PSA Peugeot Citroën group	-	-

NOTE 12 - CURRENT AND NON-CURRENT FINANCIAL ASSETS

	30 June 2014		31 December 2013	
(in million euros)	Non-current	Current	Non-current	Current
Loans and receivables	353	111	328	132
Financial assets classified as "at fair value through profit or loss"	361	-	356	-
Derivative instruments	20	1	10	9
Total financial assets, net	**734**	**112**	**694**	**141**

NOTE 13 - OTHER NON-CURRENT ASSETS

(in million euros)	**30 June 2014**	31 December 2013
Excess of payments to external funds over pension obligations	306	261
Units in the FMEA funds (1)	63	64
Derivative instruments (2)	1	-
Guarantee deposits and other	324	277
Total	**694**	**602**

(1) *This is a non-current asset measured at fair value, level 3 inputs.*

(2) *Corresponding to the non-current portion of derivative instruments hedging commodity risks.*

NOTE 14 - LOANS AND RECEIVABLES – FINANCE COMPANIES

(in million euros)	**30 June 2014**	31 December 2013
Retail, Corporate and Equivalent		
Credit sales	8,758	8,863
Long-term leases	4,701	4,681
Leases subject to buyback commitments	1,996	2,039
Other receivables	126	133
Ordinary accounts and other	13	46
Total net Retail, Corporate and Equivalent	**15,594**	**15,762**
Corporate Dealers		
Wholesale Finance Receivables	5,201	4,495
Other receivables	741	725
Ordinary accounts and other	355	330
Total net Corporate Dealers	**6,297**	**5,550**
Remeasurement of interest rate hedged portfolios	29	23
Eliminations	(35)	(55)
Total	**21,885**	**21,280**

The fair value of financing loans and receivables amounts to €21,824 million at 30 June 2014 (€21,234 million at 31 December 2013).

Retail, Corporate and Equivalent finance receivables at 30 June 2014 include €8,730 million in securitised finance receivables that were still carried on the balance sheet at the period-end (€8,788 million at 31 December 2013).

Liabilities corresponding to securities issued by securitisation funds are shown in Note 21 "Financing liabilities - finance companies".

NOTE 15 - INVENTORIES

(in million euros)	**30 June 2014**	30 June 2013	31 December 2013
Raw materials and supplies	727	815	761
Semi-finished products and work-in-progress	1,039	1,207	987
Goods for resale and used vehicles	610	819	1,027
Finished products and replacement parts	2,826	3,439	2,813
Total	**5,202**	**6,280**	**5,588**
- of which at cost	5,661	6,809	6,170
- of which allowances	(459)	(529)	(582)

NOTE 16 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

16.1. MANUFACTURING AND SALES COMPANIES

(in million euros)	**30 June 2014**	31 December 2013
Mutual fund units and money market securities	8,591	4,914
Cash and current account balances	1,836	1,271
Total - manufacturing and sales companies	**10,427**	**6,185**
o/w deposits with finance companies	*(342)*	*(210)*
Total	**10,085**	**5,975**

Cash includes the proceeds from borowings arranged to meet the future financing needs (see Note 21.1).
At 31 June 2014, cash equivalents mainly included money market funds for €6 302 million, and bank deposits and money market notes for €1 871 million.
All of these instruments comply with the Committee of European Securities Regulators' (CESR) definition of Short-Term Money Market Funds.

16.2. FINANCE COMPANIES

(in million euros)	**30 June 2014**	31 December 2013
Ordinary accounts in debit [(1)]	824	779
Cash receivables for securities to be delivered	300	-
• Central banks and post office banks (deposits)	41	463
• Loans and advances at overnight rates	1	362
• Term loans	650	-
• Mutual funds	14	200
Liquidity reserve	706	1,025
Total	**1,830**	**1,804**

[(1)] *Including the last direct debits on customer accounts for the period.*

NOTE 17 - SHARE CAPITAL

17.1. ANALYSIS OF SHARE CAPITAL AND CHANGES DURING THE PERIOD

Rights issues

On 29 April 2014, Peugeot S.A. conducted a reserved capital increase in the amount of €1,048 million, subscribed in equal parts by Dongfeng Motor Group (DFG) via Dongfeng Motor (Hong Kong) International Co., Limited ("DMHK") and the French State through SOGEPA at a price of €7.5 per share, resulting in the issuance of 139,733,332 new shares. The share premium recognised as such amounted to €908 million.

On 23 May 2014, Peugeot conducted a capital increase with preferential subscription rights in the amount of €1,953 million at a price of €6.77 per share, open to all shareholders of Peugeot S.A. and giving rise to the issuance of 288,506,351 new shares. The share premium recognised as such amounted to €1,665 million.

The costs associated with these two transactions amounted to €64 million, and were deducted from share premiums.

Through these capital increases, in a total net amount of 2,937 million, DFG and the French State have each invested approximately €800 million in PSA Peugeot Citroën, and have become key shareholders alongside the Peugeot family, which also subscribed in the amount of €142 million. Following these transactions, these three shareholders each hold identical interests of 14.1% in the capital of Peugeot S.A., and each have two seats on the Supervisory Board.

(in euros)	**First-half 2014**	2013
Share capital at beginning of period	354,848,992	354,848,992
Rights issue	428,239,683	-
Shares issued on conversion of Ocean bonds	-	-
Share capital at end of period	**783,088,675**	**354,848,992**

On 29 April 2014, a bonus issue of 342,060,365 equity warrants was carried out for existing Peugeot S.A. shareholders, on the basis of one warrant for each share held, and with a subscription ratio of ten warrants for three new Peugeot S.A. shares at a strike price of €7.5 per share. The warrants mature after three years, and may be exercised from the second year, with a strike price equal to the subscription price of the reserved capital increase in favour of DFG and the French State. This allocation did not have an immediate effect on the Group's equity. On the basis of the new 3.5 exercise ratio pursuant to the rights issues that occurred during the first half of 2014, the maximum amount of the capital increase liable to arise from this issue is €770 million for 119,721,128 new shares.

Situation at 30 June 2014

Share capital amounted to €783,088,675 at 30 June 2014, divided into 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. Pursuant to Article 11 of the Articles of Association revised at the Shareholders' Meeting of 25 April 2014, shares registered in the name of the same holder for at least two years carry double voting rights. However, the Peugeot family has waived its entitlement to benefit from this article for a period of two years, and accordingly has the same number of voting rights as DFG and the French State.

17.2. TREASURY STOCK

From time to time, the Group may use the buyback authorisations given at Shareholders' Meetings to purchase Peugeot S.A. shares into treasury. No shares were bought back during the first half of 2014.
At the time of the unreserved capital increase of 23 May 2014, the Group sold the subscription rights attached to treasury shares for €24 million. The proceeds of this sale have been recognised directly in equity.

Changes in treasury stock are presented in the following table:

(number of shares)	First-half 2014	2013
At beginning of period	**12,788,627**	**12,788,628**
Conversion of Oceane bonds	-	(1)
At end of period	**12,788,627**	**12,788,627**
• Shares held for allocation on conversion of 23 June 2009 Oceane bonds	9,421,687	9,421,687
• Shares held for allocation on exercise of outstanding stock options [1]	3,247,920	3,259,035
• Unallocated shares	119,020	107,905

[1] Pursuant the adjustment of the number of stock options due to the capital increases in the first-half 2014, the Managing Board has decided on 17 July 2014 to allocate the 119,020 unallocated shares as well as 888,060 shares from the allocation on conversion of 23 June 2009 Oceane bonds to the allocation on exercise of outstanding stock options, i.e. 1,007,080 shares.

NOTE 18 - CURRENT AND NON-CURRENT PROVISIONS

18.1. NON-CURRENT PROVISIONS

(in million euros)	First-half 2014	2013
At beginning of period	**1,144**	**1,283**
Movements taken to profit or loss		
Additions	69	167
Releases (utilisations)	(55)	(105)
Releases (unused provisions)	(7)	(84)
	7	**(22)**
Other movements		
Translation adjustment	-	(14)
Directly recognised in equity during the period	121	(148)
Change in scope of consolidation and other	19	45
At end of period	**1,291**	**1,144**
of which provisions for pensions	1,128	990

PENSION OBLIGATIONS AND SIMILAR

A. Assumptions

The rates used to calculate the Group's pension obligation on the balance sheet date are as follows:

		Euro zone	United Kingdom
Discount rate			
	June 2014	**2.50%**	**4.25%**
	December 2013	3.25%	4.50%
	June 2013	3.20%	4.60%
Inflation rate			
	June 2014	**1.80%**	**3.15%**
	December 2013	1.80%	3.20%
	June 2013	1.80%	3.20%

B. Breakdown of balance sheet items at 30 June 2014

(in million euros)	30 June 2014				31 December 2013			
	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Present value of projected benefit obligation	**(1,729)**	**(1,974)**	**(674)**	**(4,377)**	**(1,629)**	**(1,838)**	**(655)**	**(4,122)**
Fair value of external funds	1,028	2,251	314	3,593	1,030	2,067	307	3,404
Net (liability) asset before minimum funding requirement (IFRIC 14)	**(701)**	**277**	**(360)**	**(784)**	**(599)**	**229**	**(348)**	**(718)**
Minimum funding requirement liability (IFRIC 14)	-	(38)	-	(38)	-	(11)	-	(11)
Net (liability) asset recognised in the balance sheet	**(701)**	**239**	**(360)**	**(822)**	**(599)**	**218**	**(348)**	**(729)**
Of which, liability	(709)	(58)	(361)	(1,128)	(607)	(34)	(349)	(990)
Of which, asset	8	297	1	306	8	252	1	261
Actuarial gains and losses and past service costs recognised directly in equity (before deferred taxes)	(91)	(10)	-	(101)	106	65	34	205

18.2. CURRENT PROVISIONS

A. Analysis by type

(in million euros)	**30 June 2014**	31 December 2013
Warranties	756	709
Commercial and tax claims and litigation	510	465
Restructuring plans	713	752
Long-term contract losses	171	258
Sales with a buyback commitment	157	176
Other	335	297
Total	**2,642**	**2,657**

B. Movements for the period

(in million euros)	**First-half 2014**	2013
At beginning of period	**2,657**	**3,070**
Movements taken to profit or loss		
Additions	646	1,379
Releases (utilisations)	(567)	(1,272)
Releases (unused provisions)	(118)	(431)
	(39)	**(324)**
Other movements		
Translation adjustment	24	(91)
Change in scope of consolidation and other	-	2
At end of period	**2,642**	**2,657**

NOTE 19 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES – MANUFACTURING AND SALES COMPANIES

(in million euros)	Carrying amount at 30 June 2014 Amortised cost or fair value		Carrying amount at 31 December 2013 Amortised cost or fair value	
	Non-current	Current	Non-current	Current
Convertible bonds [1]	752	17	737	21
Other bonds	4,838	1,328	5,301	834
Employee profit-sharing fund	2	1	3	1
Finance lease liabilities	190	58	210	70
Other long-term borrowings	1,559	869	1,700	723
Other short-term financing and overdraft facilities	-	1,766	-	1,500
Derivative instruments	-	4	5	-
Total financial liabilities	**7,341**	**4,043**	**7,956**	**3,149**

[1] The amortised cost of Oceane convertible bonds corresponds to the debt component. The equity component - corresponding to the conversion option - is recognized separately in equity. Following the fisrt-half rights issues, the conversion / exchange ratio is carried to 1.57 Peugeot share for 1 OCEANE.

The difference between the carrying amount and the fair value of current and non-current financial liabilities from manufacturing and sales companies is not material.

SALES OF RECEIVABLES

The Automotive Division and Faurecia meet part of their financing needs by selling receivables to financial institutions. The sold receivables are derecognised when they meet the criteria specified under IAS 39.

(in million euros)	30 June 2014			31 December 2013		
	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	**2,194**			**1,911**		
- of which Faurecia group	*1,016*			*803*		
Receivables sold to non-Group financial institutions	**1,624**	271	1,353	**1,235**	321	914
- of which Faurecia group	*528*	*130*	*398*	*379*	*154*	*225*
Financed portion [1]	***1,450***	*97*	*1,353*	***1,140***	*226*	*914*
- of which Faurecia group	*495*	*97*	*398*	*363*	*138*	*225*
Portion not financed (including guarantee deposit)	***174***	*174*		***95***	*95*	
- of which Faurecia group	*33*	*33*		*16*	*16*	

[1] The financed portion of the receivables corresponds to the portion that gives rise to a cash inflow.

Furthermore, Peugeot S.A. sold and derecognised in the first half of 2014 a portion of a claim on the French State under the tax credit for competitiveness and employment (*crédit d'impôt pour la compétitivité et l'emploi* – CICE), in a total amount of €64 million. The cash proceeds received in the six months to 30 June 2014 amounted to €60 million.

Besides, Peugeot S.A. and Faurecia sold and derecognised their 2013 French research tax credits, for a total of €102 million. The cash proceeds received at 30 June 2014 amounted to €97 million.
The sale of receivables constitutes usual short-term financing.

No transaction was carried out in June 2014 outside of the sale of receivables programme.

NOTE 20 - NET FINANCIAL POSITION (NET DEBT) OF THE 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 Group's liquidity position (see Note 20.4).

20.1. COMPOSITION OF NET FINANCIAL POSITION / (NET DEBT)

(in million euros)	**30 June 2014**	31 December 2013
Financial assets and liabilities of the manufacturing and sales companies		
Cash and cash equivalents	10,427	6,185
Other non-current financial assets	691	641
Current financial assets	512	141
Non-current financial liabilities	(7,341)	(7,956)
Current financial liabilities	(4,065)	(3,192)
(Net debt) / Net financial position of the manufacturing and sales companies	**224**	**(4,181)**
Of which external loans and borrowings	(496)	(4,348)
Of which financial assets and liabilities with finance companies	720	167
Automotive Division and other activities	***1,736***	***(2,552)***

20.2. CHANGE IN NET DEBT

The manufacturing and sales companies reduced their net debt over the period through the conjunction of two measures:

- Peugeot S.A. rights issues in a total amount of €2,969 million;
- Net cash from operating activities exceeding the cash used in investing activities.

Net cash from operating activities for the first half totaled positive €2,315 million, representing funds from operations of €1,176 million plus the positive impact of a €1,139 million decrease in working capital.

Changes in working capital are discussed in Note 22.2.

Investments for the period in property, plant and equipment and intangible assets amounted to €1,032 million. Other financing needs for the period stood at €23 million.

Other cash inflows for the period were as follows:

- Banque PSA Finance dividend of €224 million and PSA Assurance dividend of €4 million;
- The sale of preferential subscription rights attached to treasury shares for €24 million.

These various cash inflows and outflows have resulted in a reduction in net debt of €4,481 million.

Hence:

- Cash reserves amounted to €10,427 million at 30 June 2014 versus €6,185 million at 31 December 2013. Current financial assets amounted to €512 million at 30 June 2014 versus €141 million at 31 December 2013. Cash reserves are invested in risk-free financial instruments issued by blue chip financial institutions;
- Net debt before cash and cash equivalents decreased by €274 million, due in the main to:
- New borrowings in the amount of €101 million;
- A reduction in short-term investments in the amount of €378 million;
- A decrease in short-term financing in the amount of €236 million;
- Loan repayments in the amount of €210 million (see Notes 19.1. and 22.4).

20.3. 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 2019:

(in million euros)	**30 June 2014**	31 December 2013
Peugeot S.A. and GIE PSA Trésorerie	3,000	2,400
Faurecia	1,150	1,150
Undrawn confirmed lines of credit	**4,150**	**3,550**

Following the renegotiation in April 2014, a €2,000 million tranche of the Peugeot S.A. and GIE PSA Trésorerie facility now matures in April 2019. The balance of €1,000 million matures in April 2017, with two optional one-year extensions. This credit facility was undrawn at 30 June 2014.

This facility is subject to the respect of:

- a net debt position of the manufacturing and sales companies on Group's equity lower than one;
- a total net debt lower than €6 billion.

The net debt of manufacturing and sales companies is defined and disclosed in Note 20.1. The Group's equity is that listed under "Total Equity" in liabilities.

Faurecia's additional borrowing capacity, other than through Peugeot SA, results from a €1,150 million syndicated line of credit that was not drawn down at 30 June 2014:

- €36 million expiring in December 2014;
- €1,114 million expiring in December 2016.

20.4. FINANCIAL SECURITY

Financial security is made up of available cash, other readily available financial assets and undrawn credit lines.

€12 million (€19 million at 31 December 2013) and €435 million (€386 million at 31 December 2013) in current and non-current financial assets respectively were included in the calculation of financial security, representing a total of €447 million (€405 million at 31 December 2013).

(in million euros)	**30 June 2014**	31 December 2013
Cash and cash equivalents (Note 16.1)	10,427	6,185
Current & non current financial assets (Note 20.1)	447	405
Total	**10,874**	**6,590**
Lines of credit (undrawn) – excluding Faurecia (Note 20.3)	3,000	2,400
Lines of credit (undrawn) – Faurecia (Note 20.3)	1,150	1,150
Total financial security	**15,024**	**10,140**
Of which Faurecia	*2,224*	*1,911*

The financial security exceeds all currently anticipated financing needs for the manufacturing and sales companies over the coming twelve months.

NOTE 21 - FINANCING LIABILITIES – FINANCE COMPANIES

21.1. FINANCING LIABILITIES

(in million euros)	**30 June 2014**	31 December 2013
Securities issued by securitisation funds	6,276	5,057
Other debt securities	5,392	7,677
Bank borrowings	6,995	6,264
	18,663	**18,998**
Customer deposits	2,414	1,446
	21,077	**20,444**
Amounts due to Group manufacturing and sales companies	*(747)*	*(216)*
Total	**20,330**	**20,228**

The fair value of financing liabilities amounted to €20,573 million at 30 June 2014 (versus €20,361 million at 31 December 2013).

Banque PSA Finance kept up its borrowings from the European Central Bank (ECB) under its long-term refinancing operation (LTRO). At 30 June 2014, borrowings amounted to €700 million. In the same time, short-term borrowings from the ECB totaled to €350 million.

21.2. CREDIT LINES

(in million euros)	**30 June 2014**	31 December 2013
Undrawn confirmed lines of credit	**5,700**	**7,006**

In order of drawdown, the credit lines are:

- €1,100 million undrawn from the €4,099 million syndicated term loan, comprising mainly long-term financing commitments received;
- €1,171 million in undrawn revolving bilateral lines of credit for €1,965 million, comprising mainly long-term financing commitments received;
- €213 million in undrawn bank lines of credit;
- the following back-up syndicated credit facilities totalling €3,216 million:
    - €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.

21.3. FINANCIAL SECURITY

The financial security of Banque PSA Finance is made up of its liquidity reserve (see Note 16.2), confirmed, undrawn lines of credit (revolving bilateral lines and syndicated back-up facilities with a banking pool), and collateral available from the European Central Bank (ECB).

(in million euros)	**30 June 2014**	31 December 2013
Liquidity reserve	706	1,025
Lines of credit (confirmed and undrawn)	5,700	7,006
Available collateral with the ECB	5	369
Total financial security	**6,411**	**8,400**

21.4. LIQUIDITY RISK MANAGEMENT

Banque PSA Finance constantly endeavours to strike the best possible balance between securing liquidity, which is an ongoing priority, and optimising its refinancing costs.

Refinancing is arranged with maturities that comfortably cover the maturities of the retail financing portfolio. The average maturity of medium and long-term financing raised in 2014 is some 2.6 years.

Banque PSA Finance aims to maintain a certain level of financial security (see Note 21.3) covering at least six months' financing needs. The six-month target corresponds to the results of a stress test assuming continued financing of projected new lending without recourse to the financial markets. Financial security at 30 June 2014 amounted to €6,411 million.

Bank facilities, combined with the securitisation and collateral activities and bonds issued under an EMTN programme, satisfy the refinancing needs of Banque PSA Finance for at least the coming twelve months.

NOTE 22 - NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

22.1. ANALYSIS OF NET CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENTS OF CASH FLOWS

(in million euros)	**30 June 2014**	30 June 2013	31 December 2013
Cash and cash equivalents	10,427	8,141	6,185
Payments issued [(1)]	(43)	(183)	(24)
Net cash and cash equivalents - manufacturing and sales companies	**10,384**	**7,958**	**6,161**
Net cash and cash equivalents - finance companies	**1,830**	**2,296**	**1,804**
Elimination of intragroup transactions	*(342)*	*(344)*	*(210)*
Total	**11,872**	**9,910**	**7,755**

[(1)] *This item corresponds to payments issued but not yet debited on bank statements.*

22.2. CASH FLOWS FROM OPERATING ACTIVITIES OF THE MANUFACTURING AND SALES COMPANIES

(in million euros)	**First-half 2014**	First-half 2013	2013
(Increase) decrease in inventories	346	(150)	374
(Increase) decrease in trade receivables	(495)	(740)	63
Increase (decrease) in trade payables	741	978	29
Change in income taxes	122	(126)	(75)
Other changes	425	364	50
	1,139	**326**	**441**
Net cash flows with Group finance companies	126	*71*	*(33)*
Total	**1,265**	**397**	**408**

Sales of receivables to external financial institutions

(in million euros)	**First-half 2014**	First-half 2013	2013
Receivables sold and derecognised	1,353	957	914
- of which Faurecia group	*398*	*255*	*225*
Receivables sold but not derecognised	271	264	321
- of which Faurecia group	*130*	*144*	*154*

22.3. CASH FLOWS FROM OPERATING ACTIVITIES OF THE FINANCE COMPANIES

(in million euros)	**First-half 2014**	First-half 2013	2013
(Increase) decrease in finance receivables	(450)	458	1,404
(Increase) decrease in short-term investments	15	43	20
Increase (decrease) in financing liabilities	521	228	(1,302)
Change in income taxes	27	28	11
Other changes	10	26	49
	123	**783**	**182**
Net cash flows with Group manufacturing and sales companies	(676)	*(83)*	*97*
Total	**(553)**	**700**	**279**

22.4. ANALYSIS OF THE CHANGE IN OTHER FINANCIAL ASSETS AND LIABILITIES - MANUFACTURING AND SALES COMPANIES

(in million euros)	**First-half 2014**	First-half 2013	2013
Increase in borrowings	101	1,414	2,564
Repayment of borrowings and conversion of bonds	(210)	(596)	(2,194)
(Increase) decrease in non-current financial assets	(23)	17	(62)
(Increase) decrease in current financial assets	(378)	1,297	1,342
Increase (decrease) in current financial liabilities	236	428	161
	(274)	**2,560**	**1,811**
Net cash flows with Group finance companies	420	*(56)*	-
Total	**146**	**2,504**	**1,811**

NOTE 23 - OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

There have been no further material changes in off-balance sheet items and contingent liabilities since 31 December 2013, except for the following point concerning Faurecia.

The European Commission and the US Department of Justice anti-trust authorities have launched on March 25, 2014 investigations into certain suppliers of emissions control systems. Faurecia is one of the companies being investigated. Faurecia is cooperating with the investigators. At present, the company has no information justifying the creation of reserves on that matter.

NOTE 24 - SUBSEQUENT EVENTS

SIGNATURE OF A FRAMEWORK AGREEMENT BETWEEN BANQUE PSA FINANCE AND SANTANDER CONSUMER FINANCE

Following their entry into exclusive negotiations on 19 February 2014, Banque PSA Finance and Santander Consumer Finance announced on 10 July the signing of a framework agreement on the establishment of a partnership (see Note 1).

IV- STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2014 INTERIM FINANCIAL REPORT

Person Responsible for the 2014 Interim Financial Report

Mr Carlos Tavares

Chairman of the Managing Board

Peugeot S.A.

Statement by the Person Responsible for the 2014 Interim Financial Report

"I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the past six-month period included in the interim financial report have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of Peugeot S.A. and the companies in the consolidated group, and that the interim management report on pages 3 to 19 includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the main related-party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year."

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

Phone: 00 33 (0)1 40 66 42 59

V - STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION FOR 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L. 451-1-2 III of French monetary and financial code ("*Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Peugeot S.A., for the period from January 1 to June 30, 2014,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the managing board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to note 3 to the condensed half-yearly consolidated financial statements which sets out the impacts of:

- the first application of IFRS 10 and 11 on consolidated financial statements and joint arrangements;
- the early adoption of IFRIC 21 on levies charged by public authorities.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, July 30, 2014

The statutory auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Jean-Louis Simon	Jérôme de Pastors	Marc Stoessel	Christian Mouillon

PSA Peugeot Citroën: Consolidated World Sales H1 2014, H1 2013 & H1 2012

	PSA REGION	BRANDS	06 months 12	06 months 13	06 months 14		
			Units	Units	Units	%	%Chg
BU	China & SE Asia	AP	107 139	142 987	189 108	12,27%	32,26%
		AC	105 743	137 868	160 315	10,40%	16,28%
		DS	192	957	10 482	0,68%	++
		PSA	**213 074**	**281 812**	**359 905**	**23,35%**	**27,71%**
	Eurasia	AP	25 569	20 246	15 229	0,99%	-24,78%
		AC	18 065	15 740	11 329	0,74%	-28,02%
		DS	1 518	907	570	0,04%	-37,16%
		PSA	**45 152**	**36 893**	**27 128**	**1,76%**	**-26,47%**
	Europe	AP	525 356	460 031	521 986	33,87%	13,47%
		AC	393 920	332 113	383 801	24,90%	15,56%
		DS	61 445	63 374	50 056	3,25%	-21,01%
		PSA	**980 721**	**855 518**	**955 843**	**62,02%**	**11,73%**
	India & Pacific	AP	8 121	6 971	6 965	0,45%	-0,09%
		AC	2 340	1 519	1 759	0,11%	15,80%
		DS	1 463	1 476	857	0,06%	-41,94%
		PSA	**11 924**	**9 966**	**9 581**	**0,62%**	**-3,86%**
	Latam	AP	76 177	87 313	64 454	4,18%	-26,18%
		AC	43 806	56 155	41 478	2,69%	-26,14%
		DS	1 487	2 368	856	0,06%	-63,85%
		PSA	**121 470**	**145 836**	**106 788**	**6,93%**	**-26,78%**
	MEAF	AP	69 763	90 012	55 625	3,61%	-38,20%
		AC	32 150	38 576	25 053	1,63%	-35,06%
		DS	2 009	1 466	968	0,06%	-33,97%
		PSA	**103 922**	**130 054**	**81 646**	**5,30%**	**-37,22%**
	Total	AP	812 125	807 560	853 367	55,37%	5,67%
		AC	596 024	581 971	623 735	40,47%	7,18%
		DS	68 114	70 548	63 789	4,14%	-9,58%
		PSA	**1 476 263**	**1 460 079**	**1 540 091**	**99,99%**	**5,53%**
CKD	China & SE Asia	AP	1 344	587	192	0,01%	-67,29%
		PSA	**1 344**	**587**	**192**	**0,01%**	**-67,29%**
	MEAF	AP	141 769				
		PSA	**141 769**				
	Total	AP	143 113	587	192	0,01%	-67,29%
		PSA	**143 113**	**587**	**192**	**0,01%**	**-67,29%**
BU + CKD		AP	955 238	808 147	853 559	55,39%	5,62%
		AC	596 024	581 971	623 735	40,47%	7,18%
		DS	68 114	70 548	63 789	4,14%	-9,58%
		PSA	**1 619 376**	**1 460 666**	**1 541 083**	**100,00%**	**5,51%**

PSA Peugeot Citroën Group – Worldwide consolidated sales per model

PC & LCV	YTD June 2014	YTD June 2013	Variation
Peugeot Brand			
iOn	300	100	++
107	20 800	32 800	-36,64%
108	4 300	0	0,00%
206	20 600	45 400	-54,53%
207	12 500	40 400	-69,16%
208	177 300	178 800	-0,88%
2008	95 400	17 600	++
301	58 100	37 400	55,49%
307	3 500	9 700	-63,67%
308	142 300	116 000	22,75%
408	37 700	43 500	-13,44%
3008	83 500	73 700	13,36%
4007	0	700	-97,88%
4008	4 200	4 200	1,13%
508	40 700	50 300	-19,21%
5008	20 900	24 800	-15,67%
807	1 200	1 700	-30,18%
RCZ	4 200	5 300	-20,11%
Bipper	9 300	12 200	-23,97%
Partner	73 400	73 600	-0,33%
Expert	15 600	12 700	23,32%
Boxer	27 800	27 400	1,70%
TOTAL	**853 600**	**808 100**	**5,62%**
Citroën Brand			
C-Zero	500	100	++
C1	25 700	35 100	-26,83%
C2	0	6 100	--
C3	106 400	82 600	28,70%
C3 Picasso	39 800	49 800	-20,08%
ZX	15 200	35 600	-57,40%
C-Elysée	59 600	22 800	++
C4 Cactus	7 600	0	0,00%
C4	137 500	143 800	-4,44%
C4 Picasso	69 200	45 600	51,89%
C4 Aircross	8 400	6 800	23,19%
C-Crosser	0	100	--
C5	28 700	33 200	-13,39%
C8	1 300	1 500	-16,91%
Nemo	8 900	10 100	-12,38%
Berlingo	76 500	73 300	4,32%
Jumpy	14 500	12 900	11,68%
Jumper	24 100	22 300	8,13%
TOTAL	**623 700**	**582 000**	**7,18%**
DS Brand			
DS3	32 700	39 700	-17,66%
DS4	13 400	17 900	-25,06%
DS5	17 700	12 900	36,59%
TOTAL	**63 800**	**70 500**	**-9,58%**
PSA Peugeot Citroën	**1 541 100**	**1 460 700**	**5,51%**

PC registrations on European markets

	YTD June 2014	YTD June 2013
	Volume	Volume
FRANCE	958 800	931 500
GERMANY	1 538 300	1 502 600
AUSTRIA	166 600	171 200
BELUX	315 000	316 300
DANEMARK	98 600	91 800
SPAIN	454 900	386 400
FINLAND	59 100	56 500
GREECE	37 500	30 400
IRELAND	65 700	53 300
ISLAND	6 300	4 800
ITALY	756 800	732 200
NORWAY	72 400	70 600
NETHERLANDS	199 200	211 000
PORTUGAL	75 800	55 000
UNITED KINGDOM	1 287 300	1 163 600
SWEDEN	151 700	128 900
SWITZERLAND	149 900	157 100
TOTAL EUROPE 18	**6 393 900**	**6 063 100**
CROATIA	21 000	15 400
HONGARY	33 000	27 200
POLAND	173 600	147 300
CZECH REPUBLIC	94 100	80 800
SLOVAK REPUBLIC	36 000	32 000
SLOVENIA	28 600	28 600
TOTAL PECO	**386 300**	**331 200**
BALTIC STATES	24 200	21 500
BULGARIA + ROUMANIA	42 000	34 200
MALTA + CYPRUS	7 500	6 500
TOTAL EUROPE 30	**6 853 900**	**6 456 500**

LCV registrations on European markets

	YTD June 2014	YTD June 2013
	Volume	Volume
FRANCE	190 800	188 400
GERMANY	109 300	101 900
AUSTRIA	15 900	15 400
BELUX	34 500	35 400
DANEMARK	13 800	11 700
SPAIN	56 800	40 900
FINLAND	5 800	5 800
GREECE	2 400	1 800
IRELAND	9 400	6 900
ISLAND	500	300
ITALY	59 000	51 700
NORWAY	15 200	16 700
NETHERLANDS	29 000	28 600
PORTUGAL	11 900	7 500
UNITED KINGDOM	159 800	136 900
SWEDEN	20 800	18 400
SWITZERLAND	17 000	17 200
TOTAL EUROPE 18	**752 000**	**685 300**
CROATIA	3 200	2 500
HONGARY	7 100	4 800
POLAND	22 800	19 900
CZECH REPUBLIC	6 100	5 200
SLOVAK REPUBLIC	2 500	2 400
SLOVENIA	3 600	2 900
TOTAL PECO	**45 300**	**37 700**
BALTIC STATES	3 900	3 400
BULGARIA + ROUMANIA	7 100	6 400
MALTA + CYPRUS	800	800
TOTAL EUROPE 30	**809 100**	**733 600**

PC + LCV registrations on European markets

	YTD June 2014 Volume	YTD June 2013 Volume
FRANCE	1 149 600	1 119 900
GERMANY	1 647 500	1 604 500
AUSTRIA	182 500	186 600
BELUX	349 500	351 700
DANEMARK	112 400	103 500
SPAIN	511 700	427 200
FINLAND	65 000	62 200
GREECE	39 900	32 100
IRELAND	75 100	60 100
ISLAND	6 800	5 100
ITALY	815 800	783 900
NORWAY	87 600	87 300
NETHERLANDS	228 300	239 600
PORTUGAL	87 700	62 500
UNITED KINGDOM	1 447 100	1 300 500
SWEDEN	172 600	147 300
SWITZERLAND	166 900	174 200
TOTAL EUROPE 18	**7 145 900**	**6 748 400**
CROATIA	24 200	17 900
HONGARY	40 100	31 900
POLAND	196 400	167 200
CZECH REPUBLIC	100 200	86 000
SLOVAK REPUBLIC	38 500	34 500
SLOVENIA	32 200	31 500
TOTAL PECO	**431 600**	**368 900**
BALTIC STATES	28 100	24 900
BULGARIA + ROUMANIA	49 100	40 600
MALTA + CYPRUS	8 400	7 300
TOTAL EUROPE 30	**7 663 000**	**7 190 100**

PSA Peugeot Citroën Group registrations on PC European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	288 700	30,1%	275 700	29,6%
GERMANY	55 900	3,6%	54 200	3,6%
AUSTRIA	10 000	6,0%	9 500	5,5%
BELUX	45 500	14,4%	45 800	14,5%
DANEMARK	16 700	17,0%	12 000	13,1%
SPAIN	63 600	14,0%	55 900	14,5%
FINLAND	2 600	4,5%	2 700	4,8%
GREECE	2 700	7,1%	2 800	9,3%
IRELAND	3 000	4,5%	2 600	4,9%
ISLAND	100	2,1%	100	1,5%
ITALY	72 400	9,6%	69 000	9,4%
NORWAY	4 700	6,4%	4 200	5,9%
NETHERLANDS	24 300	12,2%	26 900	12,7%
PORTUGAL	10 900	14,3%	7 700	14,1%
UNITED KINGDOM	101 500	7,9%	99 000	8,5%
SWEDEN	6 100	4,0%	6 400	5,0%
SWITZERLAND	11 000	7,4%	11 600	7,4%
TOTAL EUROPE 18	**719 800**	**11,3%**	**686 200**	**11,3%**
CROATIA	2 700	12,7%	2 100	13,7%
HONGARY	2 200	6,6%	1 900	6,9%
POLAND	13 500	7,8%	10 800	7,4%
CZECH REPUBLIC	7 000	7,4%	7 000	8,7%
SLOVAK REPUBLIC	3 700	10,2%	3 500	10,9%
SLOVENIA	4 100	14,4%	4 000	14,1%
TOTAL PECO	**33 100**	**8,6%**	**29 400**	**8,9%**
BALTIC STATES	1 800	7,5%	1 700	7,9%
BULGARIA + ROUMANIA	1 600	3,9%	1 500	4,4%
MALTA + CYPRUS	700	9,2%	600	9,2%
TOTAL EUROPE 30	**757 000**	**11,0%**	**719 400**	**11,1%**

PSA Peugeot Citroën Group registrations on LCV European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	64 000	33,5%	63 500	33,7%
GERMANY	9 300	8,5%	10 200	10,0%
AUSTRIA	1 400	9,1%	1 600	10,3%
BELUX	8 900	25,8%	9 000	25,5%
DANEMARK	1 700	12,5%	1 500	12,5%
SPAIN	19 200	33,8%	13 300	32,5%
FINLAND	300	4,4%	400	6,1%
GREECE	200	8,3%	200	9,2%
IRELAND	1 000	11,0%	800	11,3%
ISLAND	0	9,6%	0	5,5%
ITALY	8 900	15,2%	7 900	15,3%
NORWAY	2 200	14,2%	2 500	15,1%
NETHERLANDS	4 500	15,7%	4 800	16,8%
PORTUGAL	3 100	25,6%	2 100	27,8%
UNITED KINGDOM	30 300	19,0%	21 300	15,6%
SWEDEN	2 700	13,1%	2 500	13,4%
SWITZERLAND	1 900	11,2%	2 100	12,3%
TOTAL EUROPE 18	**159 800**	**21,2%**	**143 600**	**20,9%**
CROATIA	900	28,5%	600	25,8%
HONGARY	1 400	19,8%	900	18,5%
POLAND	3 900	17,2%	4 200	21,0%
CZECH REPUBLIC	1 200	19,7%	900	17,9%
SLOVAK REPUBLIC	800	31,3%	700	29,3%
SLOVENIA	1 500	40,7%	1 200	41,3%
TOTAL PECO	**9 700**	**21,4%**	**8 500**	**22,7%**
BALTIC STATES	800	21,1%	900	26,4%
BULGARIA + ROUMANIA	1 000	13,9%	1 200	19,0%
MALTA + CYPRUS	200	19,9%	100	18,4%
TOTAL EUROPE 30	**171 400**	**21,2%**	**154 400**	**21,0%**

PSA Peugeot Citroën Group registrations on PC & LCV European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	352 800	30,7%	339 200	30,3%
GERMANY	65 200	4,0%	64 300	4,0%
AUSTRIA	11 500	6,3%	11 100	5,9%
BELUX	54 400	15,6%	54 900	15,6%
DANEMARK	18 500	16,4%	13 500	13,0%
SPAIN	82 800	16,2%	69 200	16,2%
FINLAND	2 900	4,5%	3 100	4,9%
GREECE	2 900	7,2%	3 000	9,3%
IRELAND	4 000	5,4%	3 400	5,7%
ISLAND	200	2,6%	100	1,7%
ITALY	81 300	10,0%	76 900	9,8%
NORWAY	6 800	7,8%	6 700	7,7%
NETHERLANDS	28 900	12,7%	31 700	13,2%
PORTUGAL	13 900	15,9%	9 800	15,7%
UNITED KINGDOM	131 900	9,1%	120 400	9,3%
SWEDEN	8 800	5,1%	8 900	6,0%
SWITZERLAND	12 900	7,8%	13 700	7,9%
TOTAL EUROPE 18	**879 600**	**12,3%**	**829 800**	**12,3%**
CROATIA	3 600	14,8%	2 700	15,4%
HONGARY	3 600	8,9%	2 800	8,7%
POLAND	17 400	8,9%	15 000	9,0%
CZECH REPUBLIC	8 200	8,1%	8 000	9,3%
SLOVAK REPUBLIC	4 500	11,6%	4 200	12,2%
SLOVENIA	5 600	17,3%	5 200	16,6%
TOTAL PECO	**42 700**	**9,9%**	**37 900**	**10,3%**
BALTIC STATES	2 600	9,4%	2 600	10,5%
BULGARIA + ROUMANIA	2 600	5,4%	2 700	6,7%
MALTA + CYPRUS	900	10,2%	700	10,2%
TOTAL EUROPE 30	**928 500**	**12,1%**	**873 800**	**12,2%**

Peugeot Brand registrations on PC & VUL European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	193 500	16,8%	183 700	16,4%
GERMANY	32 500	2,0%	32 700	2,0%
AUSTRIA	6 600	3,6%	6 300	3,4%
BELUX	28 700	8,2%	28 100	8,0%
DANEMARK	11 100	9,9%	7 000	6,7%
SPAIN	42 600	8,3%	37 300	8,7%
FINLAND	1 500	2,3%	1 500	2,4%
GREECE	900	2,3%	1 000	3,2%
IRELAND	2 500	3,4%	2 000	3,3%
ISLAND	100	1,3%	0	0,5%
ITALY	45 300	5,6%	38 900	5,0%
NORWAY	4 600	5,2%	4 100	4,7%
NETHERLANDS	17 700	7,8%	19 500	8,1%
PORTUGAL	8 200	9,4%	5 900	9,5%
UNITED KINGDOM	73 700	5,1%	66 300	5,1%
SWEDEN	4 700	2,7%	5 500	3,8%
SWITZERLAND	6 400	3,8%	7 100	4,1%
TOTAL EUROPE 18	**480 600**	**6,7%**	**446 900**	**6,6%**
CROATIA	1 900	7,6%	1 500	8,2%
HONGARY	1 900	4,7%	1 500	4,6%
POLAND	9 700	5,0%	9 200	5,5%
CZECH REPUBLIC	4 500	4,5%	4 300	5,0%
SLOVAK REPUBLIC	2 600	6,7%	2 300	6,5%
SLOVENIA	3 100	9,6%	3 000	9,4%
TOTAL PECO	**23 700**	**5,5%**	**21 600**	**5,8%**
BALTIC STATES	1 600	5,8%	1 600	6,5%
BULGARIA + ROUMANIA	1 700	3,5%	1 700	4,1%
MALTA + CYPRUS	700	7,9%	600	8,3%
TOTAL EUROPE 30	**508 300**	**6,6%**	**472 400**	**6,6%**

Citroën Brand registrations on PC & VUL European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	140 300	12,2%	130 000	11,6%
GERMANY	28 400	1,7%	26 300	1,6%
AUSTRIA	4 600	2,5%	4 300	2,3%
BELUX	23 400	6,7%	23 400	6,6%
DANEMARK	7 000	6,3%	6 000	5,8%
SPAIN	37 500	7,3%	29 300	6,9%
FINLAND	1 300	2,1%	1 400	2,3%
GREECE	1 900	4,7%	1 800	5,5%
IRELAND	1 400	1,9%	1 300	2,1%
ISLAND	100	1,3%	100	1,2%
ITALY	33 200	4,1%	32 800	4,2%
NORWAY	2 100	2,4%	2 200	2,5%
NETHERLANDS	9 800	4,3%	9 600	4,0%
PORTUGAL	5 400	6,2%	3 600	5,8%
UNITED KINGDOM	44 800	3,1%	38 900	3,0%
SWEDEN	4 000	2,3%	3 200	2,1%
SWITZERLAND	5 500	3,3%	5 500	3,2%
TOTAL EUROPE 18	**350 900**	**4,9%**	**319 500**	**4,7%**
CROATIA	1 700	7,0%	1 200	7,0%
HONGARY	1 500	3,6%	1 200	3,6%
POLAND	7 200	3,6%	5 300	3,2%
CZECH REPUBLIC	3 400	3,4%	3 500	4,0%
SLOVAK REPUBLIC	1 800	4,6%	1 900	5,5%
SLOVENIA	2 200	6,8%	1 900	6,2%
TOTAL PECO	**17 700**	**4,1%**	**15 000**	**4,1%**
BALTIC STATES	1 000	3,4%	900	3,7%
BULGARIA + ROUMANIA	800	1,7%	1 000	2,6%
MALTA + CYPRUS	200	2,2%	100	1,7%
TOTAL EUROPE 30	**370 600**	**4,8%**	**336 600**	**4,7%**

DS Brand registrations on PC & VUL European market

	YTD June 2014		YTD June 2013	
	Volume	Market share (%)	Volume	Market share (%)
FRANCE	18 900	1,6%	25 500	2,3%
GERMANY	4 300	0,3%	5 300	0,3%
AUSTRIA	300	0,2%	500	0,3%
BELUX	2 400	0,7%	3 400	1,0%
DANEMARK	300	0,3%	500	0,5%
SPAIN	2 700	0,5%	2 600	0,6%
FINLAND	100	0,1%	200	0,3%
GREECE	100	0,3%	200	0,5%
IRELAND	100	0,1%	100	0,2%
ITALY	2 800	0,3%	5 200	0,7%
NORWAY	100	0,2%	400	0,5%
NETHERLANDS	1 300	0,6%	2 700	1,1%
PORTUGAL	300	0,3%	200	0,4%
UNITED KINGDOM	13 300	0,9%	15 200	1,2%
SWEDEN	100	0,1%	200	0,1%
SWITZERLAND	1 000	0,6%	1 100	0,6%
TOTAL EUROPE 18	**48 100**	**0,7%**	**63 300**	**0,9%**
CROATIA	0	0,1%	0	0,2%
HONGARY	200	0,6%	100	0,4%
POLAND	500	0,3%	600	0,3%
CZECH REPUBLIC	200	0,2%	200	0,3%
SLOVAK REPUBLIC	100	0,2%	0	0,1%
SLOVENIA	300	0,8%	300	1,0%
TOTAL PECO	**1 300**	**0,3%**	**1 300**	**0,4%**
BALTIC STATES	0	0,1%	100	0,2%
BULGARIA + ROUMANIA	100	0,2%	0	0,0%
MALTA + CYPRUS	0	0,2%	0	0,1%
TOTAL EUROPE 30	**49 600**	**0,6%**	**64 700**	**0,9%**

PSA Peugeot Citroën Group – Production per model

PC & LCV	YTD June 2014	YTD June 2013
Peugeot Brand		
iOn	300	100
107	20 000	34 200
108	6 700	
206	16 900	42 000
207	11 700	39 300
208	178 500	183 600
2008	97 600	19 300
301	57 600	42 000
307	3 100	9 300
308	140 200	117 600
408	33 500	46 600
3008	84 500	75 100
4008	3 900	2 900
508	40 300	48 800
5008	20 800	25 800
807	1 600	1 800
RCZ	4 000	4 600
Bipper	9 600	12 500
Partner	74 400	79 200
Expert	16 300	12 900
Boxer	27 600	27 500
TOTAL	**849 200**	**825 200**
Citroën Brand		
C-Zero	300	100
C1	27 200	36 900
C2	0	6 800
C3	107 300	86 500
C3 Picasso	39 500	52 300
ZX	14 600	34 100
C-Elysée	57 500	25 800
C4 Cactus	9 800	
C4	139 600	142 300
C4 Picasso	66 800	48 900
C4 Aircross	7 700	4 200
C5	31 200	33 300
C8	1 500	1 600
Nemo	8 700	9 900
Berlingo	77 400	75 800
Jumpy	14 900	13 400
Jumper	25 400	21 800
TOTAL	**629 500**	**593 900**
DS Brand		
DS3	32 400	41 900
DS4	12 800	18 800
DS5	19 000	12 600
TOTAL	**64 200**	**73 300**
PSA Peugeot Citroën	**1 543 000**	**1 492 400**

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PSA PEUGEOT CITROËN

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