

# 2012

HALF-YEAR  
FINANCIAL REPORT





# 2012 Interim Financial Report

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# I. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

## Supervisory Board

### CHAIRMAN

Thierry Peugeot

### VICE-CHAIRMEN

Jean-Philippe Peugeot  
Jean-Louis Silvant

### MEMBERS OF THE SUPERVISORY BOARD

Marc Friedel  
Pamela Knapp  
Jean-Paul Parayre  
Robert Peugeot  
Thierry Pilenko  
Henri Philippe Reichstul  
Dominique Reiniche  
Marie-Hélène Roncoroni  
Geoffroy Roux de Bézieux  
Ernest-Antoine Seillière  
Joseph F. Toot Jr

### ADVISORS TO THE SUPERVISORY BOARD

François Michelin  
Roland Peugeot

## Managing Board

### CHAIRMAN

Philippe Varin

### MEMBERS OF THE MANAGING BOARD

Jean-Baptiste de Chatillon  
Guillaume Faury  
Grégoire Olivier  
Jean-Christophe Quémard  
Frédéric Saint-Geours

## II. INTERIM MANAGEMENT REPORT

### 1. RISK FACTORS AND UNCERTAINTIES

#### Main risk factors specific to the Group and its business

The principal risk factors specific to the Group - which are described on pages 13 *et seq.* of the 2011 Registration Document (Chapter 4)<sup>1</sup> – include the following:

- **Operational risks**, such as 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 exchange rate risks, interest rate risks and other market risks related in particular to fluctuations in the equity markets. It is also exposed to counterparty and liquidity risks, as well as to the risk of raw material price volatility (the Group's financial position is discussed in Chapter 3 - Cash and Capital Resources).
- **Environmental risks**: an incident at one of the Group's manufacturing facilities may compromise the production and marketing of vehicles, leading to several hundred million euros of losses.
- **Banque PSA Finance risk exposures**, in particular: risks related to the financial markets and the Bank's status as a financial institution, as well as other risks.
- **Legal and contractual risks**, in particular: risks arising from legal and arbitration proceedings, financial covenants, pension and other post-retirement benefit obligations, intellectual property and on- and off-balance sheet commitments given in connection with the Group's cooperation agreements.

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<sup>1</sup> The original French version of the 2011 Registration Document was filed with the Autorité des Marchés Financiers (AMF) on 5 March 2012 under number D.12-0128, in accordance with the provisions of Article 212-13 of the General Regulations of the AMF.

## 2. THE GROUP'S OPERATIONS IN FIRST-HALF 2012

### 2.1. First-Half 2012 Highlights

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#### 2.1.1. Alliance with General Motors

General Motors and PSA Peugeot Citroën announced on 29 February 2012 the creation of a long-term and broad-scale global strategic alliance that will leverage the combined strengths and capabilities of the two companies, contribute to the profitability of both partners and strongly improve their competitiveness in Europe.

The alliance is structured around two main pillars: the sharing of vehicle platforms, components and modules; and the creation of a global purchasing joint venture for the sourcing of commodities, components and other goods and services from suppliers, with combined annual purchasing volumes of approximately \$125 billion. Each company will continue to market and sell its vehicles independently and on a competitive basis.

Beyond these pillars, the alliance creates a flexible foundation that allows the companies to pursue other areas of cooperation.

Under the terms of the agreement, GM and PSA Peugeot Citroën will share selected platforms, modules and components on a worldwide basis, in order to achieve cost savings, gain efficiencies, leverage volumes and advanced technologies, and reduce emissions. Sharing of platforms not only enables global applications, it also permits both companies to execute Europe-specific programs with scale and in a cost effective manner.

Initially, GM and PSA Peugeot Citroën intend to focus on small and mid-size passenger cars, MPVs and crossovers. The companies will also consider developing a new common platform for low emission vehicles. The first vehicle on a common platform is expected to be launched by 2016.

This alliance enhances but does not replace either company's ongoing independent efforts to return their European operations to sustainable profitability.

The purchasing cooperation defined in the agreement allows the companies to act as one global purchasing organization when it comes to sourcing commodities, components and services from suppliers, taking full advantage of their joint expertise, volume, platforms and standardized parts. Combining GM's robust global processes and organizational structure with best practices from PSA Peugeot Citroën will bring significant value and efficiencies to the purchasing operations at both companies.

Additionally, the alliance is exploring areas for further cooperation, such as integrated logistics and transportation. To this end, GM established a strategic, commercial cooperation with Gefco, an integrated logistics services company and subsidiary of PSA Peugeot Citroën, whereby Gefco would provide logistics services to GM in Europe and Russia. (see point 2.1.3.)

The total synergies expected from the alliance are estimated at approximately USD 2 billion annually within about five years. The synergies will largely coincide with new vehicle programs, with limited benefit expected in the first two years. It is expected the synergies will be shared about evenly between the two companies.

The alliance is supervised by a global steering committee that includes an equal number of 5 senior leader representatives from both companies. It will have strategic managerial oversight of all activities that are currently part of the alliance and any exploration of other potential areas of cooperation.

#### 2.1.2. Capital increase

In connection with the alliance, PSA Peugeot Citroën announced the launch of an approximately €1 billion capital increase with preferential subscription rights for shareholders of PSA Peugeot Citroën, underwritten by a syndicate of banks and including an investment from the Peugeot Family Group, as a sign of their confidence in the success of the alliance. As part of the agreement, which includes no specific provision regarding the governance of PSA Peugeot Citroën, GM acquired a 7% equity stake in PSA Peugeot Citroën through the acquisition and exercise of the Peugeot Family Group's remaining preferential subscription rights and the acquisition of treasury shares sold by PSA Peugeot Citroën, making it the second largest shareholder behind the Peugeot Family Group.

The proceeds from the capital increase will be used principally to fund strategic investments related to projects that are core to the global strategic Alliance with General Motors. These investments will be used to finance the projects related to the sharing of vehicle platforms, components and modules, which will generate design and purchasing costs synergies. The proceeds from the capital increase will also make it possible to extend the Alliance to other areas of cooperation beyond the two initial pillars.

The share capital increase with preferential subscription rights launched by PSA Peugeot Citroën on 6 March 2012 has been successfully concluded. The final gross proceeds amount to €999,013,089, corresponding to the issue of 120,799,648 new shares. Total subscription orders amounted to approximately €1.78 billion, representing a subscription ratio of 178%:

- 119,101,968 new shares were subscribed by irrevocable entitlement (à titre irréductible), representing approximately 98.6% of the total number of new shares;

- 96,431,058 new shares were requested on a basis subject to reduction (à titre réductible), and will, as a result, only be satisfied in part, in the amount of 1,697,680 new shares.

Following the capital increase with preferential subscription rights, the Peugeot Family Group remains PSA Peugeot Citroën's major shareholder with 25.2% of the capital and 37.9% of the exercisable voting rights. The Peugeot Family Group exercised 32,875,655 preferential subscription rights, representing 45.4% of its rights, for a total amount of approximately €140 million.

### **2.1.3. Logistics cooperation agreement between General Motors and PSA Peugeot Citroën**

As a first result of their global Alliance, General Motors and PSA Peugeot Citroën announced on 2 July 2012 the signature of an exclusive, long-term agreement to transfer the majority of GM's logistics business in Europe to Gefco, a wholly-owned subsidiary of PSA Peugeot Citroën and established leader in automotive and industrial logistics in Europe and beyond.

The agreement will concern the majority of the Opel/Vauxhall, Chevrolet and Cadillac logistics activities in Europe (including Russia) and includes services such as equipment and component deliveries to manufacturing plants, delivery of finished vehicles to dealerships and the transport of aftersales spare parts to distribution centres.

One of the largest logistics agreements in the European automotive industry to date, this move will allow GM to achieve cost savings and focus its internal resources on its core automotive business.

The new logistics agreement between GM and Gefco will take effect in 2013.

### **2.1.4. 2012 cash management plan**

With costs down €503 million in the first half, the Group is on track to meet its target of reducing purchasing and fixed costs by €1 billion.

Asset sales in an amount of €788 million were carried out in the first half as part of the €1.5 billion asset disposal programme planned for 2012.

- Car rental firm Citer SA and its Spanish subsidiary Atesa were sold to Enterprise Holdings for €448 million as part of PSA Peugeot Citroën's strategy to optimise its portfolio and allocate resources to developing its core business. The transaction helped reduce the Group's net borrowings.
- Divestment of real estate assets brought in €340 million and included the sale of the Group's head office building to a subsidiary of Ivanhoé Cambridge, the real estate arm of Caisse de dépôt et placement du Québec, for €245.5 million; the sale of the Citroën showroom on the Champs Elysées in Paris and the sale of property assets in Melun.

The Group will continue its assets disposal program in the second half, including notably the opening of the capital of Gefco.

Inventories have been brought back down to their 2010 level, in line with objectives.

The Group has postponed or cancelled some projects as a result of its decision to reduce R&D investments and spending and give priority to certain other investments in a difficult environment. Capital expenditure and R&D spending came to €2 billion in the first half. This high level corresponded to a peak in capital expenditure, reflecting capacity extension at Kaluga in Russia, Porto Real in Brazil and in China, the development of three-cylinder petrol engines and product development. The reduction in Automotive Division capital expenditure will be minimal in 2012.

The merger of the two brands' back office operations in Europe has generated the initial synergy expected from the new organization of sales and marketing and brand operations.

### **2.1.5. Rebound 2015 plan**

In response to the durable fall off of demand in Europe, a plan of €1.5 billion in 2015 was presented today. This plan is over and above the measures of costs reduction and cash management implemented at the beginning of 2012 which will continue. It will lead to breakeven<sup>2</sup> in operational free cash flow by end 2014. This plan includes:

- €600 million from reorganizing the French production base and dimensioning the structural costs of the Group, as announced on 12 July. This project is based on ceasing production at the Aulnay plant, the adjustment of the production facilities in Rennes, revitalizing of the sites of Aulnay and Rennes, and the redeployment of the corporate overheads;
- €550 million reduction in capital expenditure, following the ramp up capacities in Russia, Latin America and China. This reduction will already be significant in 2013;

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<sup>2</sup> In current market conditions, e.g. European market and pricing environment stabilized at 2012 level, a 13% market share in Europe, the assumption that the increase of input costs would equal the impact of production and procurement.

- Optimising product cost, including the Alliance with General Motors, for €350 million. Half of these gains will come from the Alliance initial purchasing synergies and the other half from action plans to reduce design and production unit costs.

These measures will contribute to restore the Automotive Division's performance, by increasing capacity utilisation in Europe and reducing the cost base in Europe, ahead of the full effects of the Alliance with General Motors. They will be supported by the continuing upscaling of the brands and by the drive towards increased globalization, with newly installed production capacities.

## 2.2. Business Review

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### First-Half 2012 Highlights

- Sales of new vehicles and CKD units at 1,619,000 units
- Sales of new vehicles down 10.7%
- Sales of CKD units down 31.1%
- 12.9% market share in Europe\*
- Increase in the proportion of sales outside Europe to 39%
- Steady growth in the share of Premium vehicles\*\* in the sales mix, to 19%
- Successful launch of the Peugeot 208 and 4008 and of the Citroën DS5 and C4 AirCross
- World premiere launch of four diesel hybrids: the Peugeot 3008 HYbrid4, 508 RXH and 508 HYbrid4 and the Citroën DS5 HYbrid4
- European leader in carbon reduction in the first quarter, with average CO<sub>2</sub> emissions across the range of 125.5 g/km.

Global automobile markets rose by an aggregate 7% in the first half of 2012, led by growth of 14.4% both in the Asian and Russian markets. The Chinese passenger car market rose by 6.8% over the period.

In Europe, where the economic environment was very weak, demand for cars and light commercial vehicles declined by a steep 7.2%. The fall-off varied considerably by country:

- Down 21.5% in Italy
- Down 13.3% in France
- Down 10.2% in Spain
- Up 0.6% in Germany
- Up 1.4% in the United Kingdom
- Down 1.6% in Central and Eastern Europe

The European market was down by 10% for PSA Peugeot Citroën, due to the unfavourable country mix.

In this environment, worldwide sales of PSA Peugeot Citroën assembled vehicles and CKD units declined by 13% to 1,619,000 units in first-half 2012.

Of these, 1,476,000 were assembled vehicles (down 10.7%) and 143,000 were CKD units (down 31.1%). The increased sanctions against Iran made it impossible to finance Iran-bound sales of CKD units, which led the Group to suspend these sales during the first half, in compliance with international regulations.

### 12.9% market share in Europe

The European car and light commercial vehicle market fell back 7.2% in the first half, with declines of 6.7% in the car segment and of 11.8% in light commercial vehicles. In this environment, registrations of PSA Peugeot Citroën vehicles contracted by 13.6% to 994,000 units, for a 12.9% share of the market, versus 13.9% in first-half 2011. However, this share represented a 0.2 point improvement from the 12.7% reported in second-half 2011, when demand was no longer stimulated by scrappage incentives in France and certain other European countries.

The Group remains adversely impacted by an unfavourable market mix, with the most promising markets for the Peugeot and Citroën brands (France, Spain and Italy) all suffering from deep recession. Excluding the effect of changes in the country mix over the period, market share in first-half 2012 would have stood at 13.3%.

However, the Group's market share improved in several of its leading markets, rising to 17.7% from 17.5% in Spain, to 9.3% from 9.2% in the United Kingdom and to 10.2% from 9.8% in Italy. The Group maintained its leadership in light commercial vehicles, with a market share of 20.8%.

\* Europe = EU, EFTA and Croatia

\*\* Premium vehicles offer a level of driving pleasure, safety, quality of finish, connectivity and comfort that serves as a benchmark in their segment. They include distinctive models from the A, B and C segments (Peugeot 207CC, 308CC, RCZ, 3008 and 4008; Citroën DS3, DS4 and C4 AirCross) and models from the D and E segments (Peugeot 508, 407 and 4007; Citroën C5, C6, C-Crosser and DS5).



### **Successful model launches**

**Peugeot 208:** Europe-wide, the new Peugeot 208 had already booked nearly 72,000 orders by the end of June, even though it is being introduced in a limited number of countries and the eagerly awaited three-cylinder petrol engines – potentially representing 40% of sales – will not be available until July (for the 1.2-litre version) and October (for the 1.0-litre). The model's trim level mix is higher than expected, with level 2 (Active) and 3 (Allure) accounting for more than 90% of orders and level 3 and 3+ (Feline) for 42%.

**DS line:** Thanks to the Citroën DS5's contribution, the DS line represented 15% of orders in Europe in the first half, as well as 10% of Citroën's global sales, versus 7% in the year-earlier period.

### **Sustained globalisation of the sales base**

Sales outside Europe accounted for 39% of the first-half consolidated total, compared with 29% in first-half 2008, 33% in first-half 2009, 35% in first-half 2010 and 38% in first-half 2011.

### **China: another period of robust growth**

In a local car market up by 6.8%, PSA Peugeot Citroën's sales rose by 7.5% to 209,200 units, thanks in particular to strong demand for the Peugeot 308 and Citroën C4. Market share stood at 3.4% for the period. On 28 June, the Citroën DS line was introduced by CAPSA, the Group's second joint venture in China.

### **Latin America: headwinds**

The Brazilian market, which is suffering from both the global economic crisis and a slowdown in domestic consumer spending, ended the first half down 0.3%. This unfavourable environment caused a decline in Group results across Latin America. Performance was also impacted by capital projects to add new capacity at the Porto Real plant and by the increase in Brazil's IPI sales tax on imported vehicles. Lastly, volume growth was dampened by the impending renewal of the Group's line-up in the B segment, the largest in the South American market.

Against this backdrop, the Group sold 122,000 vehicles in the region in the first half, down 21.1%. The outlook in Brazil seems to be improving in the second half, thanks to government support measures and the successful launch of the Peugeot 308 last March. This dynamic will be further enhanced by the forthcoming introduction of the Citroën C3 in August.

### **Russia: gathering momentum**

In a market up 14.4% in the first half, Group sales rose by 14.7% to 41,000 units, helping to lift market share by 0.1 point to 2.8%. In the light commercial vehicle market, sales soared 61% year-on-year to 6,086 units, increasing market share by three points to 8.7% and making the Group the leader in the import segment.

Since the beginning of the year, the Group has unveiled five new models in Russia, the Peugeot 508 and 4008 and the Citroën C4 AirCross, DS4 and DS5. In addition, with Peugeot's Kaluga plant now ramped-up to full production since 4 July, the Peugeot 408, the first model to be entirely built in Russia, will be launched in July.

### **Continued growth in Premium vehicle sales**

In all of its growth regions, PSA Peugeot Citroën's strategy is designed to move the Peugeot and Citroën brands upmarket more quickly.

This process continued apace in the first half of 2012, driving a further increase in the proportion of Premium vehicle sales, to 19% of the total versus 17% in first-half 2011.

In addition, the sales mix continued to improve, with the C and D segments accounting for 45% of interim sales, compared with 42% in first-half 2011. Sales in the A and B segments declined to 38% of the consolidated total from 40% in first-half 2011.

### **Technological and environmental leadership**

In first-quarter 2012, PSA Peugeot Citroën was the European leader in carbon reduction, with average emissions across the range of 125.5g CO<sub>2</sub>/km.

In the first quarter, Group vehicles emitting less than 110g CO<sub>2</sub>/km accounted for 33.1% of total sales versus 29.3% in first-half 2011, while vehicles emitting less than 121g CO<sub>2</sub>/km rose to 47.4% of total sales from 44.1% in the prior-year period.

The Group confirmed its commitment to innovation with the world premiere in the first half of four diesel hybrids equipped with HYbrid4 technology: the Peugeot 3008 HYbrid4 launched in late February, which accounted for 8% of total Peugeot 3008 unit sales; the Citroën DS5 HYbrid4 introduced in March, which represented 20% of total Citroën DS5 unit sales; and more recently the Peugeot 508 RXH and 508 HYbrid4.

In addition, for the sixth year in a row, PSA Peugeot Citroën's 1.6-litre, four-cylinder, direct-injection turbo petrol engine, developed in cooperation with BMW Group, was honoured with the 2012 International Engine of the Year Award in the 1.4 to 1.8-litre category, presented by *Engine Technology International*. The 1.6-litre version caps an entire family of engines, equipped with the latest technologies, that improves fuel efficiency and reduces emissions by around 10% compared with the previous generation.

In a further demonstration of its technological leadership, PSA Peugeot Citroën was once again France's leading patent filer for the fifth straight year, with 1,237 patent applications published in 2011.

Lastly, beginning in July, the new Peugeot 208 will be fitted with the new generation three-cylinder petrol engine produced at the Trémery plant. The 1.0-litre VTI version delivers 68 hp, while offering higher efficiency, optimised fuel consumption and emissions of just 99g CO<sub>2</sub>/km. The 1.2-litre VTI version offers 82 hp and just 104g CO<sub>2</sub>/km.

## 2.3. Financial Position and Results

### 2.3.1. First-Half 2012 Revenue and Income

#### 2.3.1.1. Revenue

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

- The Automotive Division, covering the design, manufacture and sale of passenger cars and light commercial vehicles under the Peugeot and Citroën brands.
- The Automotive Equipment Division, corresponding to the Faurecia group and comprising Interior Systems, Automotive Seating, Automotive Exteriors and Emissions Control Technologies.
- The Transportation and Logistics Division, corresponding to the Gefco group and comprising logistics and vehicle and goods transportation.
- The Finance Division, corresponding to Banque PSA Finance, which provides retail financing to Peugeot and Citroën customers and wholesale financing to the two brands' dealer networks.
- Other Businesses, which include the operations of Peugeot S.A., the Group's holding company, and Peugeot Motorcycles.

The following table shows consolidated revenue by business in first-half 2012 and 2011.

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>	<b>% change</b>
Automotive Division	20,203	22,585	-10.5%
Faurecia	8,765	8,150	+ 7.5%
Gefco	1,881	2,017	- 6.7%
Banque PSA Finance	979	942	+ 3.9%
Other Businesses and intersegment eliminations	(2,275)	(2,559)	-
<b>TOTAL</b>	<b>29,553</b>	<b>31,135</b>	<b>- 5.1%</b>

Consolidated revenue does not include the contribution of our Chinese company, Dongfeng Peugeot Citroën Automobile (DPCA), as it is jointly controlled on a 50/50 basis with our local partner and is therefore accounted for by the equity method.

Consolidated revenue declined by 5.1% in first-half 2012 to €29,553 million from €31,135 million in the year earlier period.

The Automotive Division and Gefco reported decreases of €2,382 million and €136 million, respectively, reflecting lower sales volumes in Europe. Faurecia's revenue increased by €615 million, while that of Banque PSA Finance rose by €37 million. The performances of each business are discussed in section 2.3.1.3.

The table below shows consolidated revenue by region, based on the location of the customer.

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Consolidated revenue	29,553	31,135
<b>Net contribution to consolidated revenue by region</b>		
Europe	70.9%	75.2%
Russia	3.4%	2.3%
Asia	5.5%	4.2%
Latin America	8.3%	8.5%
Rest of the world	11.9%	9.7%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

### 2.3.1.2. Recurring Operating Income

The following table shows recurring operating income (loss) by business for first-half 2012 and 2011.

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Automotive Division	(662)	405
Faurecia	303	340
Gefco	63	143
Banque PSA Finance	271	274
Other Businesses and intersegment eliminations	29	(5)
<b>TOTAL</b>	<b>4</b>	<b>1,157</b>

The Group reported recurring operating income of €4 million in first-half 2012, compared with €1,157 million in the same period of 2011. The decline stems primarily from the Automotive Division's worsening performance, with a recurring operating loss of €662 million that reflects lower demand in Europe, contracting unit sales and heavy price pressure.

Following the renegotiation of pricing clauses in its long-term contract with the Automotive Division effective 1 January 2012, Gefco's recurring operating income for the first half came to €63 million.

### 2.3.1.3. Analysis of Revenue and Recurring Operating Income by Division

#### Automotive Division

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Revenue	20,203	22,585
Recurring operating income/(loss)	(662)	405
<i>As a % of revenue</i>	<i>-3.3%</i>	<i>1.8%</i>

#### **Sales and revenue**

In first-half 2012, the world's automotive markets expanded by an aggregate 7%, led by strong demand in Asia and Russia—both up 14.4%— and by 1.9% growth in Latin America. The passenger car market in China was up 6.8% over the period.

In a European market shaped by an extremely deteriorated environment, overall demand contracted by 7%. Performances varied widely by country, with the market up 1% in Germany and the United Kingdom, but down 13% in France, 10% in Spain, 21% in Italy and 2% in Central and Eastern Europe.

With its strong presence in Europe – particularly France, Spain and Italy – PSA Peugeot Citroën experienced a 13% decline in global unit sales, to 1,619 million assembled vehicles and CKD units.

During the first half, unit sales decreased by 15.2% in Europe and by 9.3% in the rest of the world. Sales outside Europe accounted for 39% of the total versus 38% in the year-earlier period.

Unit sales of assembled vehicles were down 13.1% excluding China (operations in China are accounted for by the equity method). Sales of CKD units were down 31.1%. The increased sanctions against Iran made it impossible to finance Iran-bound sales of CKD units, which led the Group to suspend these sales in compliance with international regulations in February 2012.

Against the backdrop of a 7% decline in the European market, Automotive Division revenue was down 10.5% from first-half 2011 to €20,203 million.

Revenue from new vehicles declined by 12.9% to €14,778 million from €16,968 million in first-half 2011 impacted by the steep 13% contraction in volumes and by a negative 1.6% price effect over the period. A favourable 3.5% product mix effect, after an already strong 7% in the first half of 2011, was not enough to offset these factors. Currency effect was slightly favourable over the first half (+0.4%).

The Group's market share in Europe narrowed by one point to 12.9% from 13.9% in first-half 2011, when demand was stimulated by scrappage incentives. However, this represented a 0.2-point improvement from the 12.7% reported in second-half 2011. This performance was attributable, to a large extent, to an unfavourable market mix, with the most promising markets for the Peugeot and Citroën brands (France, Spain and Italy) all suffering from deep recession.

The proportion of sales made outside Europe continued to expand, rising to 39% of the total during the period.

- The Chinese passenger car market grew by 6.8% in first-half 2012. The Group harnessed this growth, thanks in particular to strong demand for the Peugeot 308 and 508 and the Citroën C4. Supported by expanding distribution networks, the Group sold a total of 209,200 vehicles in China during the period, an increase of 7.5%. Its market share stood at 3.4%.
- The Russian market continued to expand rapidly in first-half 2012. A total of 1.41 million vehicles were sold, 14.4% more than in first-half 2011. The 41,000 vehicles sold by PSA Peugeot Citroën represented an increase of 14.7%, in line with market growth. The Group's market share widened by 0.1 point to 2.8%, buoyed by the success of the Peugeot 308 and Citroën C4.
- The Latin American market grew by 1.9% in the first half, with Brazil down 0.3% and Argentina up 4.1%. Performance was impacted by technical difficulties at the Porto Real plant following capacity extension work and by the increase in Brazil's IPI sales tax on imported vehicles. In addition, volume growth was dampened by the renewal of the B segment line-up. Against this backdrop, the Group sold 122,000 vehicles in the region in the first half, down 21.1%. Market share narrowed to 5.1% from 5.9% in the year-earlier period. The Porto Real plant is now fully operational and launches will continue in the second half.

In this difficult environment, the Group maintained the steady pace of new model launches and made further advances in the strategy of moving the model range mix up market. The product mix confirmed the steady move upmarket by the Peugeot and Citroën brands in 2012, with the launches of the Peugeot 208, the Citroën DS5, SUVs and four hybrid vehicles completing the offer. As a result, the proportion of Premium vehicle sales rose to 19% of the total versus 17% in first-half 2011, with the C and D segments accounting for 45% compared with 42% in the prior-year period.

## Recurring operating income/(loss)

The Automotive Division posted a recurring operating loss of €662 million in the first half of 2012 versus recurring operating income of €405 million in first-half 2011. The unfavourable operating environment accounted for €588 million of the decline, while the Group's underlying performance accounted for €479 million.

The change in the Automotive Division's reported performance compared with first-half 2011 was due to the following factors:

### Operating environment

The worsening operating environment had a negative impact of €588 million.

- Shrinking market demand had a negative impact of €444 million.
- Higher raw materials costs (up €124 million) and other external costs had a negative impact of €294 million.
- Exceptional items (including the impact of Fukushima) and changes in exchange rates had a positive effect of €150 million. The currency effect primarily reflects the fall in the euro against the British pound (for €56 million), the Algerian dinar (for €18 million), the Swiss franc and the Russian rouble.

### Underlying Automotive Division performance

The Automotive Division's underlying performance had a negative impact of €479 million during the period.

The Group met its cost reduction targets, with €503 million in savings by mid-year, putting it on track to achieve its full-year objective of €1,000 million in savings.

The Group is continuing to improve its product mix, whose €155 million gain built on a historically high first-half 2011 shaped by the end of scrappage incentives and the early-year model launches.

However, these positive effects did not fully offset the negative €415 million impact of losing share in the deeply depressed European markets, nor the heavy €734 million impact from price pressure, with in particular customer givebacks ahead of new launches.

## Faurecia

<i>(in millions of euros)</i>	First-half 2012	First-half 2011
Revenue	8,765	8,150
Recurring operating income	303	340
As a % of revenue	+3.5%	+4.2%

## Revenue

Faurecia's consolidated revenue totalled €8,765 million in first-half 2012 versus €8,150 million in the prior-year period, an increase of 6.3% supported by growth in North America and Asia.

Monolith sales totalled 1,413.3 million euros (+6.4%), up 3.8% (at constant exchange rates) on the same period in 2011.

Billing of development, tooling and prototyping costs and other services amounted to 601.4 million euros, up 21.9% (20.2% at constant exchange rates and scope) compared with the first half of 2011. This increase reflects the significant development generated by the new contracts acquired last year and during the first half of 2012.

Product sales, including deliveries of parts and components to automakers, totalled 6,752.9 million euros, up 6.6% (2.6% at constant exchange rates and scope) compared with the first half of 2011.

Product sales by region for the first half of 2012:

- Outside Europe, they are up 29% and account for 41% of the Group's sales.

- In North America, they amounted to 1,694.3 million euros (representing over 25% of total product sales for the first time), an increase of 38.5% or 21.8% at constant exchange rates and scope.
- In South America, product sales stood at 316.8 million euros (4.7% of total product sales), unchanged with respect to the first half of 2011 (+0.1%) or an increase of 4.4% at constant exchange rates and scope, versus a 10% drop in production.
- In Asia, product sales increased by 28.2% (16.9% at constant exchange rates and scope) to 650.7 million euros (9.6% of total product sales), of which 14.3% in China and 21.0% in Korea, versus a 5.2% increase in production (excluding Japanese automakers).
- In other countries, product sales totalled 95.9 million euros, slightly down by 0.2% in raw data or 5.2% on a comparable basis.

In Europe<sup>3</sup>, product sales stand at 3,995.3 million euros, down 4.6% (5.2% at constant exchange rates and scope) in line with Faurecia forecasts announced in February. The downturn in European production (excluding Japanese automakers) in the first half, estimated at 6% (source IHS Automotive, July 2012) should also be considered to put this figure into perspective. In Europe, 49% of Faurecia's product sales were posted with German automakers (Volkswagen, BMW, Daimler and Porsche), representing growth of 4 percentage points compared with the same period in 2011.

Product sales by Business Group:

- Emissions Control Technologies  
Product sales reached 1,659.8 million euros, up 14.0% and 10.7% at constant exchange rates, driven by significant growth in North America (+16% like-for-like) and in Asia (+21% like-for-like), while sales of exhaust systems for commercial vehicles were up 82% over the period.
- Interior Systems  
Product sales reached 1,733.7 million euros, up 9.5% and 3.5% at constant exchange rates and scope as a result of rapid growth in North America (+45% declared and +21% like-for-like).
- Automotive Seating  
Product sales amounted to 2,558.1 million euros, up 4.4% and were stable (-0.1%) at constant exchange rates and scope. The drop in European sales was countered by growth outside Europe.
- Automotive Exteriors  
Product sales reached 801.3 million euros, up 5.3% at constant exchange rates and scope. This business began its international development in 2012 and currently carries out 95% of its business in Europe. It is developing this year in North America with the new Belvidere plant (Illinois, USA), and in South America with three plants under construction.

<sup>3</sup> Following Russia's integration in 2012 into the Europe category (previously in "other countries") the H1 2011 figures for Europe were restated to ensure comparability.

## Recurring operating income

Operating income in the first half of 2012 amounted to 302.5 million euros, compared with 340.0 million euros posted in the same period in 2011. This represents 3.5% of total sales, compared with 4.2% in the first half of 2011.

The variation in operating income is the result of uneven developments in key regional markets:

- In Europe, automobile production contracted by 6%, and Faurecia product sales are down 5%. Operating income was impacted negatively by 48.4 million euros.
- In North America, the strong growth related to the launch of several new contracts has generated an upturn in operating income amounting to 14.1 million euros.
- China and Korea continue to drive strong growth in Asia. An upturn of 13.8 million euros was generated in operating income.
- Finally, other regions, mainly South America, saw substantial variations in automobile production. This had a negative impact of 17.0 million euros on the operating income.

## Gefco

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Revenue	1,881	2,017
Recurring operating income	63	143
<i>As a % of revenue</i>	<b>3.3%</b>	<b>7.1%</b>

## Revenue

Gefco's revenue declined by 6.7% overall in first-half 2012 to €1,881 million. Revenue from services performed for PSA Peugeot Citroën was down 13%, at €1,109 million, while revenue from services sold to external customers was 3.9% higher at €772 million. Business volumes suffered from the slowdown in automobile sales in Europe.

## Recurring operating income

Recurring operating income stood at €63 million for the period, down €80 million from first-half 2011, reflecting the impact of the renewed pricing clauses in the long-term contract with the Automotive Division since 1 January 2012 and lower business volumes.

Recurring operating margin stood at 3.3% versus 7.1% in first-half 2011.

Gefco signed a logistics cooperation agreement with General Motors on 2 July 2012 (see paragraph 2.1.3;).

## Banque PSA Finance

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Revenue	979	942
Net banking revenue	542	524
<b>Recurring operating income</b>	<b>271</b>	<b>274</b>
<i>As a % of revenue</i>	<b>27.7%</b>	<b>29.1%</b>

## Revenue

In a challenging economic environment, Banque PSA Finance delivered a healthy marketing and financial performance thanks to the quality and robustness of its business model.

The Bank saw its penetration rate among the Group's customers rise by 1.7 points during first-half 2012 to a historic high of 28.1%, confirming its role in actively supporting the carmakers' sales. Developing synergies with the brands' marketing organizations is an essential factor in the Bank's sales strategy.

A total of 413,531 new and used vehicles were financed during the period, a decline of 6.8% compared with first-half 2011 that reflected lower registrations across the Bank's markets.

A growing proportion of the Bank's revenue is generated outside Europe, with solid contributions from Brazil, Argentina and Russia. Markets outside Europe accounted for 19.4% of new vehicle financing volumes versus 18% the year before.

New retail financing extended in first-half 2012 totalled €4,327 million, a decrease of 6.2% from €4,612 million in first-half 2011 that reflects the end of scrappage incentives at the end of first-quarter 2011 and the unfavourable economic environment's front-line impact on consumers. New financing for corporate fleet customers increased by 5.4% in the first half of 2012.

As of 30 June 2012, the retail loan book stood at €17,448 million versus €17,474 million at 31 December 2011.

The wholesale loan book at 30 June 2012 came to €7,300 million, up 6.8% from €6,840 million at 31 December 2011.

Total outstanding retail and wholesale loans stood at €24,748 million at 30 June 2012 compared with €24,314 million at year-end 2011, an increase of 1.8%.

The penetration rate for services and insurance offerings rose during the period, with 1.67 service/insurance contracts sold for every financing contract in first-half 2012 versus 1.66 in first-half 2011.

Banque PSA Finance's revenue for the period totalled €979 million, up 3.9% from €942 million in first-half 2011.

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>31 December 2011</b>
<b>Outstanding loans (including securitised loans) by customer segment</b>		
• Corporate Dealers	7,300	6,840
• Retail and Corporate & Equivalent	17,448	17,474
<b>TOTAL BANQUE PSA FINANCE*</b>	<b>24,748</b>	<b>24,314</b>

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>31 December 2011</b>
<b>Outstanding loans (including securitized loans)</b>		
• France	9,368	8,868
• Rest of Europe	13,518	13,473
• Rest of the world	1,862	1,973
<b>TOTAL BANQUE PSA FINANCE</b>	<b>24,748</b>	<b>23,314</b>

\* Excluding the effect of remeasuring portfolios of interest-rate instruments.

## Recurring operating income

Banque PSA Finance reported recurring operating income of €271 million in first-half 2012 versus €274 million in the prior-year period.

Compared with first-half 2011:

- Net banking revenue rose 3.4% to a new record high of €542 million from €524 million at 30 June 2011, despite the slowdown in Automotive Division sales. This growth primarily reflects the carefully managed increase in Corporate Dealer loans, with an 8.6% improvement.
- Net provision expense stood at €79 million, or 0.65% of average net loans outstanding versus €54 million (0.45%) in first-half 2011, primarily for the Retail segment and the Corporate Dealers. Provision expense in the Retail segment amounted to €71 million at 30 June 2012 compared with €55 million a year earlier, primarily due to adjustments of depreciation rates. Provision expense in the Corporate Dealers segment rose to €6 million at 30 June 2012 from €0 million at 30 June 2011, reflecting additional provisions for impairment in Spain and Hungary.
- General operating expenses declined to €192 million in first-half 2012 from €196 million in the prior-year period, reflecting a €2 million reduction in IT expense and a €3 million decrease in tax expense.

Thanks to the success of several refinancing transactions, the Bank has a considerable €8,300 million in liquidity reserves, in line with its strategy of constantly maintaining a more than six-month margin of security. Since 1 January 2012, it has access to €700 million in LTRO financing, as well as a diversified array of financing sources. The Bank is still pursuing a dynamic refinancing programme, with the support of its banking pool and the will to increase loan securitisation from 14% to c. 30%.

*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](http://www.banquepsafinance.com).*

## 2.3.2. Other Income Statement Items

### 2.3.2.1. Operating Income

Non-recurring operating expenses amounted to €687 million in first-half 2012, compared with €43 million in the year-earlier period.

- Impairment losses on CGUs and other assets and provisions for Automotive Division onerous contracts totalled €612 million, primarily for provisions for inventory in Iran and the writedown of assets at the Aulnay plant and of yen-denominated contracts for vehicles produced in cooperation.
- Restructuring costs came to €62 million in the first half, of which €43 million concerned Faurecia and €18 million the Automotive Division. The latter corresponded to the updated provisions on the two plans implemented in France in 2010 and 2011, as well as the competitiveness plans undertaken in Europe in 2011. The former included €42 million for employee separations covering 535 people. Provisions related to the new restructuring measures will be recognised in second-half 2012 results, with the full impact in 2013, with an amount of around €500-600 million.

Non-recurring operating income was €267 million, compared with €13 million in the year-earlier period, consisting of gains on disposals of real estate. In early 2012, the Group announced an asset disposal plan concerning the sales of Citer, an equity interest in Gefco and a variety of real estate assets.

This programme gave rise to a €238 million capital gain on the sale of the Group's head office building in Paris.

For more information, please refer to the notes to the consolidated financial statements for the six months ended 30 June 2012 (Note 7 – Non-recurring Income and Expenses).

As a result of these factors, the Group ended the first-half of 2012 with a consolidated operating loss of €416 million, compared with operating income of €1,127 million for the same period of 2011.

<i>(in millions of euros)</i>	<b>First-half 2012</b>	<b>First-half 2011</b>
Automotive Division	(1,278)	418
Faurecia	266	307
Gefco	62	128
Banque PSA Finance	271	274
Other Businesses and holding company	263	0
<b>TOTAL PSA PEUGEOT CITROËN</b>	<b>(416)</b>	<b>1,127</b>

### 2.3.2.2. Net financial income

This item, corresponding to interest income from loans, investments and cash equivalents, less finance costs, plus or minus financial income and expenses, represented net expense of €264 million in first-half 2012, versus net expense of €132 million for the year-earlier period.

The increase reflected the increase in finance costs following repayment of the loan from the French State in 2011, which generated a €73 million exceptional expense reversal in the first-half of the year. Finance costs were also impacted by the €25 million in costs related to the two new bond issues of €500 million in September 2011 and of €600 million in April 2012.

### 2.3.2.3. Income Taxes

Current taxes amounted to €110 million in first-half 2012, versus €208 million in the year-earlier period. Tax losses over the period drove a €422 million increase in deferred tax assets on tax loss carryforwards, which was not recognized.

For more information, please refer to the consolidated financial statements for the six months ended 30 June 2012 (Note 8 – Income Taxes).

### 2.3.2.4. Share in Net Earnings of Companies at Equity

In first-half 2012, the combined contribution of companies at equity was a net profit of €47 million versus €117 million the year before. The main entities concerned are Dongfeng Peugeot Citroën Automobile (DPCA) and the joint ventures with other carmakers (Fiat, Toyota, BMW and Renault) that are organised as separate entities. This item was impacted by the impairment losses recognised on the joint venture with BMW in hybrid vehicle components.

DPCA contributed €71 million to consolidated profit for the period, while Toyota Peugeot Citroën Automobiles contributed €12 million, compared with €21 million a year earlier. The joint ventures with Fiat contributed a €6 million loss versus a €2 million loss in first-half 2011.



For more information about the Group's share in the net earnings of companies at equity, please refer to the notes to the consolidated financial statements for the six months ended 30 June 2012 (Note 10 – Investments in Companies at Equity).

#### **2.3.2.5. Consolidated profit/(loss)**

The Group reported a consolidated loss of €745 million for the six months ended 30 June 2012, compared with a profit of €904 million for first-half 2011.

#### **2.3.2.6. Consolidated profit attributable to equity holders of the parent**

The loss attributable to equity holders of the parent came to €819 million in first-half 2012, versus a profit of €806 million in the same period of 2011.

#### **2.3.2.7. Earnings per Share**

The basic loss per share amounted to €2.73 compared with basic earnings per share of €3.55 in first-half 2011. The diluted loss per share amounted to €2.74 compared with diluted earnings per share of €3.47 in first-half 2011.

Please refer to the notes to the consolidated financial statements for the six months ended 30 June 2012 (Note 9 – Earnings per Share).

### **2.4. Outlook**

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In this environment, the Europe 30 automotive market should contract further, by c. -8% while the other key markets will grow: by c. 7% in China, c. 2% in Latin America and c. 9% in Russia.<sup>4</sup>

At the end of 2012, the Group expects to stabilize net debt around its June 2012 level, driven by the €1bn cost reduction plan, assets disposal program including the opening of the capital of Gefco, and the inventories back to 2010 level.

In 2013, the rate of operational cash consumption should be reduced by half.

The Group is pursuing its strategy of brand upscaling, with the successful launches of four hybrid vehicles, the Peugeot 208, and the roll out of the DS range in China, Russia and Latin America. Its globalization strategy is materializing through the capacity investment peak in 2011, is being continued in 2012. This strategy will be reinforced by the Alliance with General Motors.

## **3. CASH AND CAPITAL RESOURCES**

### **3.1. Equity**

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Total equity increased to €14,796 million at 30 June 2012 from €14,494 million as of 31 December 2011, primarily reflecting the proceeds from the capital increase (€967 million) and the sale of preferential subscription rights on the financial market (€35 million) and treasury shares to General Motors (€54 million), which reduced the €718 million in profit and tax-related expenses charged against equity.

At 30 June 2012, the share capital comprised 354,848,992 shares with a par value of one euro each. The increase compared with the number of shares outstanding at 31 December 2011 resulted from the issuance of 120,799,648 new shares as part of the capital increase. At the period-end, the Group held 12,788,629 shares in treasury for the purpose of allocation (i) to a future liquidity contract, (ii) on conversion of June 2009 Oceane convertible bonds, and (iii) to cover outstanding stock option plans. No shares were bought back during the first half of 2012. On the other hand, 4,398,821 treasury shares were sold to General Motors as part of the strategic alliance with the US carmaker.

For more details concerning the capital increase, please refer to paragraph 2.1.2 above.

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<sup>4</sup> Compared with the market assumptions announced in February 2012, contraction of around -5% in Europe, and a growth of around 7% in China, 6% in Latin America and 5% in Russia.

## 3.2. Net Financial Position of the Manufacturing and Sales Companies

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Consolidated current and non-current financial liabilities of the manufacturing and sales companies amounted to €11,396 million at 30 June 2012, compared with €9,849 million at 31 December 2011 (see Note 17 to the consolidated financial statements for the six months ended 30 June 2012). The increase primarily reflected the €600 million bond issue by Peugeot S.A. and the two bond issues by Faurecia, in the amounts of €140 million and €250 million (see Note 17.3 to the consolidated financial statements for the six months ended 30 June 2012). Financial assets of the manufacturing and sales companies rose to €8,951 million at 30 June 2012, from €6,490 million at 31 December 2011, due to net impact of the capital increase (€967 million), the disposal of assets (€797 million), the sale of preferential subscription rights on the financial market (€35 million), the sale of treasury shares to General Motors (€54 million) and the increase in debt (€1,456 million).

As a result, the net financial position of the manufacturing and sales companies represented net debt of €2,445 million at 30 June 2012, down from €3,359 million in net debt at 31 December 2011 (see Note 17 to the consolidated financial statements for the six months ended 30 June 2012).

Funds from operations totalled €1,184 million in the first half, down from €1,920 million in first-half 2011 due to the Automotive Division's underperformance during the period.

The €317 million negative change in working capital reflected the disciplined management of inventory, which declined by €79 million since 31 December 2011, reaching June 2010 levels. Trade receivables declined by €1,109 million, in line with seasonal trends in the car hire business. Trade payables rose by only €356 million over the period, and were lower than normal due to the production cutbacks in May and June. Other changes in working capital increased by €515 million over the period.

Capital expenditure and capitalised research and development costs amounted to €1,994 million, in a commitment to supporting the increase in production capacity in Russia, China and Latin America, as well as the Group's expansion in Europe and globally and the products' process. The Group also invested €195 million to acquire financial assets, primarily in the CAPSA joint venture in China.

Banque PSA Finance paid a total dividend of €533 million, including an exceptional dividend in an amount of €360 million.

The sale of real estate assets brought in €340 million in cash proceeds.

Free cash flow<sup>5</sup> ended the first half at a negative €449 million, versus a negative €178 million a year earlier. In the Automotive Division, free cash flow amounted to a negative €244 million for the period, but would have been positive excluding inventory adjustments in May and June with the production scalebacks.

The sale of Citer for €448 million, the €967 million in proceeds from the capital increase and the €89 million from the sale of preferential subscription rights on the financial market and from the sale of treasury shares to General Motors helped to reduce net debt to €2,445 million as of 30 June 2012.

The net debt-to-equity ratio stood at 16.5% at 30 June 2012 versus 23.0% at year-end 2011.

## 3.3. Origin, Amount and Description of Consolidated Cash Flows

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### 3.3.1. Consolidated Cash Flows

For more information, please refer to the consolidated financial statements – Consolidated Statements of Cash Flows for the six months ended 30 June 2012.

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<sup>5</sup> *Free cash flow = Net cash from operating activities – net cash used in investing activities + net dividends received from Group companies. Since 2010, the manufacturing and sales companies' free cash flow includes dividends received from Banque PSA Finance.*

### 3.3.2. Manufacturing and Sales Companies

The following table presents the manufacturing and sales companies' cash flows for the first six months of 2012 and 2011:

<i>(in millions of euros)</i>	<b>Manufacturing and Sales Companies</b>	
	<b>First-half 2012</b>	<b>First-half 2011</b>
Consolidated profit/(loss)	(944)	725
Funds from operations	1,184	1,920
Change in working capital	(317)	(412)
<b>Net cash from operating activities</b>	<b>867</b>	<b>1,508</b>
<b>Net cash used in investing activities</b>	<b>(1,849)</b>	<b>(1,686)</b>
<b>Net cash from/(used in) financing activities</b>	<b>3,614</b>	<b>(1,774)</b>
Effect of changes in exchange rates	19	(56)
<b>Net increase/(decrease) in cash and cash equivalents from continuing operations</b>	<b>2,651</b>	<b>(2,008)</b>
Net cash from discontinued operations	22	-
Net cash and cash equivalents at beginning of period	4,764	9,253
Net cash and cash equivalents at end of period	7,437	7,245

#### Cash Flows From Operating Activities of Manufacturing and Sales Companies

Funds from operations of the manufacturing and sales companies came to €1,184 million in first-half 2012, compared with €1,920 million in the year-earlier period, and represented 4.1% of their revenue versus 6.3%. The generation of funds from operations was adversely affected by the Automotive Division's weaker performance during the period. See section 2.3.1.3. Automotive Division, above.

The €317 million negative change in working capital mainly reflected the €1,109 million increase in receivables.

In all, these developments led to a decline in net cash from operating activities of the manufacturing and sales companies to €867 million from €1,508 million in first-half 2011.

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

<i>(in thousands of new vehicles)</i>	<b>30 June 2012</b>	<b>30 June 2011</b>	<b>30 June 2010</b>
The Group	225	308	269
Independent dealer network	243	237	213
<b>TOTAL</b>	<b>468</b>	<b>545</b>	<b>482</b>

The 468,000 new vehicles in inventory at 30 June 2012 represented the equivalent of 72 days' sales,<sup>6</sup> in line with the announced objective. At 30 June 2011, there were 545,000 new vehicles in inventory, representing 76 days' sales. Inventory was down by 25,000 units from 31 December 2011.

#### Cash Flows Used In Investing Activities of Manufacturing and Sales Companies

Net cash used in investing activities of the manufacturing and sales companies amounted to €1,849 million in first-half 2012 compared with €1,686 million in the year-earlier period. This net figure included the investment of €195 million, primarily in the CAPSA joint venture in China, and €340 million in proceeds from the sale of real estate assets. Capitalised development costs amounted to €589 million versus €584 million in first-half 2011 (see Note 6 to the consolidated financial statements for the six months ended 30 June 2012).

<sup>6</sup> Days' sales in inventory at period-end, based on projected sales over the next three months.

## Cash Flows From Financing Activities of Manufacturing and Sales Companies

The financing activities of the manufacturing and sales companies generated a net cash inflow of €3,614 million, as opposed to a net outflow of €1,774 million in first-half 2011, reflecting the following factors:

- Changes in other financial assets and liabilities represented a net cash inflow of €2,059 million, corresponding mainly to the €1,110 million increase in Peugeot S.A. and Faurecia loan financing and the €448 million in proceeds from the disposal of Citer.
- €967 million in proceeds from the capital increase.
- €533 million in dividends from Banque PSA Finance.
- €89 million in proceeds from the sale of treasury shares and preferential subscription rights to General Motors.

## Net Cash and Cash Equivalents at End of Period – Manufacturing and Sales Companies

After taking into account the €19 million positive effect of changes in exchange rates, the cash flows from or used in the operating, investing and financing activities discussed above led to an increase in cash and cash equivalents to €7,437 million at 30 June 2012 from €7,245 million a year earlier.

The liquidity reserves of the manufacturing and sales companies amounted to €12,081 million at 30 June 2012, versus €9,550 million at 31 December 2011, with €8,951 million in cash, current and non-current financial assets and €3.1 billion in undrawn lines of credit, after the capital increase, the bond issue, the exceptional BPF dividend and proceeds from asset disposals.

### 3.3.3. Net Cash and Cash Equivalents at End of Year – Finance Companies

Banque PSA Finance generated net cash from operating activities of €210 million at 30 June 2012 versus €528 million in first-half 2011.

At 30 June 2012, the Bank had cash and cash equivalents of €827 million (see Note 19 to the consolidated financial statements for the six months ended 30 June 2012).

## 3.4. Liquidity and Funding

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### 3.4.1. Manufacturing and Sales Companies

In the prevailing economic environment, the Group kept up its proactive refinancing strategy and conservative liquidity policy in order to meet its general financing needs, particularly the financing of current and future growth projects. This strategy enabled the Group to refinance its 2013 debt maturities on favourable terms. The refinancing transactions strengthened the balance sheet by extending the average life of debt,

Refinancing transactions carried out during the first half were as follows:

- On 11 April 2012, Peugeot S.A. issued €600 million of 5.625% bonds due July 2017.
- On 21 February 2012, Faurecia carried out a €140-million tap on its €350-million issue of 9.375% senior notes due December 2016.
- On 3 May 2012, Faurecia issued €250 million of 8.75% senior notes due June 2019.

In addition, the Group has undrawn confirmed lines of credit amounting to €2,400 million for Peugeot S.A. and €730 million for Faurecia at 30 June 2012. The expiry date for 93% of the €2,400 million line has been pushed back by one year, from July 2014 to July 2015.

### 3.4.2. Banque PSA Finance

At 30 June 2012, 17% of Banque PSA Finance's funding was provided by bank facilities, 61% by the capital markets, 14% by loan securitizations placed on the financial markets and 8% by public sources (such as SFEF and the European Central Bank). At 31 December 2011, the proportions were 19%, 59%, 18% and 4% respectively.

All of the drawn-down and revolving bilateral lines of credit were rolled over on expiry, thereby enabling the Bank to maintain a high level of bank financing. At 30 June 2012, drawdowns on the Bank's lines of credit amounted to €3,836 million, down from €4,058 million at 31 December 2011 due to the Bank's assertive capital market activities during the first half, which lessened the need to draw down the revolving lines.

Borrowings under short and medium-term capital markets programmes increased to €13,439 million at 30 June 2012 from €12,926 million at 31 December 2011.

Responding to market demand for medium-term paper, Banque PSA Finance carried out two EMTN issues and two private placements in the first half of 2012. In June, as part of the continued drive to diversify its sources of financing, the Bank successfully placed its first Swiss-franc denominated bond issue, raising CHF 225 million (€188 million at date of issue). In all, the issues represented an aggregate €1,528 million with an average maturity of around three years. Upon completion, EMTN outstandings stood at €9,554 million at 30 June 2012, versus €9,172 million at 31 December 2011.

Banque PSA Finance responded to the European Central Bank's Long-Term Refinancing Operation on 28 February 2012, receiving €700 million in three-year loans. It still has €304.6 million in unused eligible collateral for short-term ECB financing. Through a factoring operation on its corporate dealers portfolio in Italy, Banque PSA Finance refinanced €90 million at June 30, 2012. The outstanding amount of securitizations and structured financings was at €3,139 million at 30 June 2012 versus €3,963 million at 31 December 2011. All of the securitization transactions and structured financings are fully consolidated and carried on balance sheet.

### Liquidity reserves

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

At 30 June 2012, 79% of refinancing had an initial maturity of twelve months or more (versus 80% at end-2012), ensuring continued solid coverage of potential liquidity risk.

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 2012 is 2.8 years. Banque PSA Finance seeks to continuously maintain a certain degree of security through its cash reserves and undrawn lines of credit, so as to be able to cover at least six months of refinancing needs.

At 30 June 2012, the liquidity reserve stood at €355 million and the Bank held undrawn, confirmed credit facilities in an amount of €8,065 million, of which €5,755 million in syndicated loans.

In the event of a change in the Bank's credit rating, the financial terms and conditions on some of these lines could be amended, but their amount cannot be reduced.

In addition, if its long and short-term ratings were to be downgraded, Banque PSA Finance would still be in a position to cover its refinancing needs for the next twelve months at least by increasing its external securitization programmes, with a portfolio of securitizable auto loans representing a refinancing of some 3 000 million, and by refinancing at short notice its receivables with the Central Bank.

The syndicated lines of credit, which expire in June 2013 (€1,755 million), June 2014 (€2,000 million) and December 2014 (€2,000 million), were obtained from syndicates of leading banks and were not drawn down at 30 June 2012.

These facilities do not require BFP to comply with any financial ratios or other financial covenants, other than the customary negative pledge, cross default and similar clauses. They provide that the Bank must repay the credit facilities if Peugeot S.A. does not directly or indirectly own a majority of its outstanding shares.

## 4. RELATED PARTY TRANSACTIONS

The nature of related party transactions and their financial implications over the last two years are detailed in Note 42 to the 2010 Consolidated Financial Statements. Related parties primarily include companies in which the Group holds interests of between 20% and 50% through cooperation agreements – particularly with Renault, Fiat, Toyota and Dongfeng – and over which PSA Peugeot Citroën has significant influence, which are therefore accounted for by the equity method. Most are manufacturing and sales companies that manufacture automotive parts and components or complete vehicles. Transactions with companies at equity are billed on arm's length terms.

In the first half of 2011, there were no material changes in the nature, scale or scope of related party transactions compared with the disclosures made at year-end 2010.

There are no material transactions with any member of the administrative, supervisory and management bodies or any shareholder that owns over 10% of Peugeot S.A.'s capital.

# III- CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

**PSA Peugeot Citroën Group**

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# INTERIM CONSOLIDATED STATEMENTS OF INCOME

First-half 2012

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Continuing operations</b>				
<b>Sales and revenue</b>	<b>28 740</b>	<b>979</b>	<b>(166)</b>	<b>29 553</b>
Cost of goods and services sold	(24 655)	(515)	166	(25 004)
Selling, general and administrative expenses	(3 282)	(193)	-	(3 475)
Research and development expenses (Note 6)	(1 070)	-	-	(1 070)
<b>Recurring operating income (loss)</b>	<b>(267)</b>	<b>271</b>	<b>-</b>	<b>4</b>
Non-recurring operating income (Note 7)	267	-	-	267
Non-recurring operating expenses (Note 7)	(687)	-	-	(687)
<b>Operating income (loss)</b>	<b>(687)</b>	<b>271</b>	<b>-</b>	<b>(416)</b>
Interest income	31	-	-	31
Finance costs	(199)	-	-	(199)
Other financial income	109	2	-	111
Other financial expenses	(205)	(2)	-	(207)
<b>Income (loss) before tax of fully consolidated companies</b>	<b>(951)</b>	<b>271</b>	<b>-</b>	<b>(680)</b>
Income taxes (Note 8)	(35)	(75)	-	(110)
Share in net earnings of companies at equity (Note 10)	42	5	-	47
<b>Consolidated profit (loss) from continuing operations</b>	<b>(944)</b>	<b>201</b>	<b>-</b>	<b>(743)</b>
<b>Discontinued operations</b>				
<b>Profit (loss) from discontinued operations</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>
<b>Consolidated profit (loss) for the period</b>	<b>(946)</b>	<b>201</b>	<b>-</b>	<b>(745)</b>
<i>Attributable to equity holders of the parent</i>	<i>(1 016)</i>	<i>195</i>	<i>2</i>	<i>(819)</i>
<i>Attributable to minority interests</i>	<i>70</i>	<i>6</i>	<i>(2)</i>	<i>74</i>
<i>(in euros)</i>				
Basic earnings (loss) per €1 par value share (Note 9)				(2.73)
Diluted earnings (loss) per €1 par value share (Note 9)				(2.74)



First-half 2011				2011			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>30 347</b>	<b>942</b>	<b>(154)</b>	<b>31 135</b>	<b>58 329</b>	<b>1 902</b>	<b>(319)</b>	<b>59 912</b>
(24 973)	(472)	154	(25 291)	(49 018)	(985)	319	(49 684)
(3 426)	(196)	-	(3 622)	(6 376)	(385)	-	(6 761)
(1 065)	-	-	(1 065)	(2 152)	-	-	(2 152)
<b>883</b>	<b>274</b>	<b>-</b>	<b>1 157</b>	<b>783</b>	<b>532</b>	<b>-</b>	<b>1 315</b>
13	-	-	13	46	-	-	46
(43)	-	-	(43)	(463)	-	-	(463)
<b>853</b>	<b>274</b>	<b>-</b>	<b>1 127</b>	<b>366</b>	<b>532</b>	<b>-</b>	<b>898</b>
62	-	-	62	114	-	-	114
(148)	-	-	(148)	(331)	-	-	(331)
104	1	-	105	214	2	-	216
(150)	(1)	-	(151)	(330)	(3)	-	(333)
<b>721</b>	<b>274</b>	<b>-</b>	<b>995</b>	<b>33</b>	<b>531</b>	<b>-</b>	<b>564</b>
(112)	(96)	-	(208)	227	(180)	-	47
116	1	-	117	170	3	-	173
<b>725</b>	<b>179</b>	<b>-</b>	<b>904</b>	<b>430</b>	<b>354</b>	<b>-</b>	<b>784</b>
-	-	-	-	-	-	-	-
<b>725</b>	<b>179</b>	<b>-</b>	<b>904</b>	<b>430</b>	<b>354</b>	<b>-</b>	<b>784</b>
629	175	2	806	238	345	5	588
96	4	(2)	98	192	9	(5)	196
			3.55				2.64
			3.47				2.56

## INTERIM CONSOLIDATED STATEMENTS OF **INCOME AND EXPENSES** **RECOGNISED DIRECTLY IN EQUITY**

<i>(in million euros)</i>	<b>First-half 2012</b>		
	Before tax	Income tax benefit (expense)	After tax
<b>Consolidated profit (loss) for the period</b>	<b>(635)</b>	<b>(110)</b>	<b>(745)</b>
Fair value adjustments to cash flow hedges	(5)	5	-
- of which, reclassified to the income statement	22	(3)	19
- of which, recognised in equity during the period	(27)	8	(19)
Gains and losses from remeasurement at fair value of available-for-sale financial assets	1	-	1
- of which, reclassified to the income statement	2	-	2
- of which, recognised in equity during the period	(1)	-	(1)
Exchange differences on translating foreign operations	26	-	26
<b>Income and expenses recognised directly in equity, net</b>	<b>22</b>	<b>5</b>	<b>27</b>
- of which, companies at equity	19	-	19
<b>Total recognised income and expenses, net</b>	<b>(613)</b>	<b>(105)</b>	<b>(718)</b>
- of which, attributable to equity holders of the parent			(802)
- of which, attributable to minority interests			84

<b>First-half 2011</b>			<b>2011</b>		
Before tax	Income tax benefit (expense)	After tax	Before tax	Income tax benefit (expense)	After tax
<b>1 112</b>	<b>(208)</b>	<b>904</b>	<b>737</b>	<b>47</b>	<b>784</b>
(38)	15	(23)	(128)	42	(86)
(22)	8	(14)	(34)	12	(22)
(16)	7	(9)	(94)	30	(64)
22	-	22	(68)	-	(68)
-	-	-	-	-	-
22	-	22	(68)	-	(68)
(140)	-	(140)	10	-	10
<b>(156)</b>	<b>15</b>	<b>(141)</b>	<b>(186)</b>	<b>42</b>	<b>(144)</b>
(45)	-	(45)	98	-	98
<b>956</b>	<b>(193)</b>	<b>763</b>	<b>551</b>	<b>89</b>	<b>640</b>
		679			444
		84			196

# INTERIM CONSOLIDATED BALANCE SHEETS – ASSETS

30 June 2012

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Continuing operations</b>				
Goodwill	1 518	77	-	1 595
Intangible assets	5 509	90	-	5 599
Property, plant and equipment	14 477	15	-	14 492
Investments in companies at equity (Note 10)	1 369	68	-	1 437
Investments in non-consolidated companies	80	3	-	83
Other non-current financial assets (Note 11)	830	48	-	878
Other non-current assets (Note 12)	485	7	-	492
Deferred tax assets	1 466	78	-	1 544
<b>Total non-current assets</b>	<b>25 734</b>	<b>386</b>	<b>-</b>	<b>26 120</b>
<b>Operating assets</b>				
Loans and receivables - finance companies (Note 13)	-	24 845	(183)	24 662
Short-term investments - finance companies	-	797	-	797
Inventories (Note 14)	6 716	-	-	6 716
Trade receivables - manufacturing and sales companies	3 412	-	(284)	3 128
Current taxes	161	25	(37)	149
Other receivables	1 876	1 139	(123)	2 892
	<b>12 165</b>	<b>26 806</b>	<b>(627)</b>	<b>38 344</b>
<b>Current financial assets (Note 11)</b>	<b>561</b>	<b>-</b>	<b>-</b>	<b>561</b>
<b>Cash and cash equivalents</b>	<b>7 560</b>	<b>827</b>	<b>(327)</b>	<b>8 060</b>
<b>Total current assets</b>	<b>20 286</b>	<b>27 633</b>	<b>(954)</b>	<b>46 965</b>
<b>Total assets of continuing operations</b>	<b>46 020</b>	<b>28 019</b>	<b>(954)</b>	<b>73 085</b>
<b>Total assets held for sale</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>
<b>Total assets</b>	<b>46 080</b>	<b>28 019</b>	<b>(954)</b>	<b>73 145</b>

# INTERIM CONSOLIDATED BALANCE SHEETS – EQUITY AND LIABILITIES

30 June 2012

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Equity</b>				
Share capital				355
Treasury stock				(351)
Retained earnings and other accumulated equity, excluding minority interests				14 082
Minority interests				710
<b>Total equity</b>				<b>14 796</b>
<b>Continuing operations</b>				
Non-current financial liabilities (Note 17)	8 738	-	-	8 738
Other non-current liabilities	3 852	-	-	3 852
Non-current provisions (Note 16)	711	15	-	726
Deferred tax liabilities	992	337	-	1 329
<b>Total non-current liabilities</b>	<b>14 293</b>	<b>352</b>	<b>-</b>	<b>14 645</b>
<b>Operating liabilities</b>				
Financing liabilities (Note 18)	-	22 886	(330)	22 556
Current provisions (Note 16)	2 459	63	-	2 522
Trade payables	9 965	-	(14)	9 951
Current taxes	142	60	(37)	165
Other payables	5 063	1 297	(404)	5 956
	<b>17 629</b>	<b>24 306</b>	<b>(785)</b>	<b>41 150</b>
<b>Current financial liabilities (Note 17)</b>	<b>2 658</b>	<b>-</b>	<b>(169)</b>	<b>2 489</b>
<b>Total current liabilities</b>	<b>20 287</b>	<b>24 306</b>	<b>(954)</b>	<b>43 639</b>
<b>Total liabilities of continuing operations</b>	<b>34 580</b>	<b>24 658</b>	<b>(954)</b>	<b>73 080</b>
<b>Total liabilities related to assets held for sale</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>65</b>
<b>Total equity and liabilities</b>				<b>73 145</b>

## 31 December 2011

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Continuing operations</b>				
Goodwill	1 505	77	-	1 582
Intangible assets	5 378	91	-	5 469
Property, plant and equipment	14 059	15	-	14 074
Investments in companies at equity (Note 10)	1 410	62	-	1 472
Investments in non-consolidated companies	84	2	-	86
Other non-current financial assets (Note 11)	1 035	51	(25)	1 061
Other non-current assets (Note 12)	445	7	-	452
Deferred tax assets	1 370	62	-	1 432
<b>Total non-current assets</b>	<b>25 286</b>	<b>367</b>	<b>(25)</b>	<b>25 628</b>
<b>Operating assets</b>				
Loans and receivables - finance companies (Note 13)	-	24 387	(80)	24 307
Short-term investments - finance companies	-	877	-	877
Inventories (Note 14)	6 609	-	-	6 609
Trade receivables - manufacturing and sales companies	2 387	-	(167)	2 220
Current taxes	164	8	(2)	170
Other receivables	1 935	1 005	(145)	2 795
	<b>11 095</b>	<b>26 277</b>	<b>(394)</b>	<b>36 978</b>
<b>Current financial assets (Note 11)</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>265</b>
<b>Cash and cash equivalents</b>	<b>5 190</b>	<b>1 154</b>	<b>(224)</b>	<b>6 120</b>
<b>Total current assets</b>	<b>16 550</b>	<b>27 431</b>	<b>(618)</b>	<b>43 363</b>
<b>Total assets of continuing operations</b>	<b>41 836</b>	<b>27 798</b>	<b>(643)</b>	<b>68 991</b>
<b>Total assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>41 836</b>	<b>27 798</b>	<b>(643)</b>	<b>68 991</b>

## 31 December 2011

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Equity</b>				
Share capital				234
Treasury stock				(502)
Retained earnings and other accumulated equity, excluding minority interests				14 104
Minority interests				658
<b>Total equity</b>				<b>14 494</b>
<b>Continuing operations</b>				
Non-current financial liabilities (Note 17)	7 639	-	-	7 639
Other non-current liabilities	2 865	-	-	2 865
Non-current provisions (Note 16)	696	16	-	712
Deferred tax liabilities	984	353	-	1 337
<b>Total non-current liabilities</b>	<b>12 184</b>	<b>369</b>	<b>-</b>	<b>12 553</b>
<b>Operating liabilities</b>				
Financing liabilities (Note 18)	-	22 543	(257)	22 286
Current provisions (Note 16)	2 242	57	-	2 299
Trade payables	9 675	-	(10)	9 665
Current taxes	88	34	(2)	120
Other payables	4 634	1 104	(304)	5 434
	<b>16 639</b>	<b>23 738</b>	<b>(573)</b>	<b>39 804</b>
<b>Current financial liabilities (Note 17)</b>	<b>2 210</b>	<b>-</b>	<b>(70)</b>	<b>2 140</b>
<b>Total current liabilities</b>	<b>18 849</b>	<b>23 738</b>	<b>(643)</b>	<b>41 944</b>
<b>Total liabilities of continuing operations</b>	<b>31 033</b>	<b>24 107</b>	<b>(643)</b>	<b>68 991</b>
<b>Total liabilities related to assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>				<b>68 991</b>

# INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

First-half 2012

<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Consolidated profit (loss) from continuing operations</b>	<b>(944)</b>	<b>201</b>	-	<b>(743)</b>
Adjustments for:				
- Depreciation, amortisation and impairment	1 738	8	-	1 746
- Provisions	208	5	-	213
- Changes in deferred tax	(104)	(32)	-	(136)
- (Gains) losses on disposals and other	(205)	-	-	(205)
Share in net (earnings) losses of companies at equity, net of dividends received	83	(4)	-	79
Revaluation adjustments taken to equity and hedges of debt	160	-	-	160
Change in carrying amount of leased vehicles	248	-	-	248
<b>Funds from operations</b>	<b>1 184</b>	<b>178</b>	-	<b>1 362</b>
Changes in working capital (Note 19) <sup>(1)</sup>	(317)	32	18	(267)
<b>Net cash from (used in) operating activities</b>	<b>867</b>	<b>210</b>	<b>18</b>	<b>1 095</b>
Proceeds from disposals of shares in consolidated companies	-	-	-	-
Proceeds from disposals of investments in non-consolidated companies	-	-	-	-
Acquisitions of shares in consolidated companies	(266)	-	-	(266)
Investments in non-consolidated companies	(1)	-	-	(1)
Proceeds from disposals of property, plant and equipment	359	4	-	363
Proceeds from disposals of intangible assets	3	-	-	3
Investments in property, plant and equipment	(1 221)	(6)	-	(1 227)
Investments in intangible assets	(689)	(4)	-	(693)
Change in amounts payable on fixed assets	(1)	-	-	(1)
Other	(33)	-	1	(32)
<b>Net cash from (used in) investing activities</b>	<b>(1 849)</b>	<b>(6)</b>	<b>1</b>	<b>(1 854)</b>
Dividends paid:				
- To Peugeot S.A. shareholders	-	-	-	-
- Intragroup	533	(533)	-	-
- To minority shareholders of subsidiaries	(34)	-	-	(34)
Proceeds from issuance of shares	967	-	-	967
(Purchases) sales of treasury stock	89	-	-	89
Changes in other financial assets and liabilities (Note 19)	2 059	-	(123)	1 936
Other	-	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>3 614</b>	<b>(533)</b>	<b>(123)</b>	<b>2 958</b>
Effect of changes in exchange rates	19	2	1	22
<b>Net increase (decrease) in cash and cash equivalents from continuing operations</b>	<b>2 651</b>	<b>(327)</b>	<b>(103)</b>	<b>2 221</b>
Net cash from discontinued operations	22	-	-	22
<b>Net cash and cash equivalents at beginning of period</b>	<b>4 764</b>	<b>1 154</b>	<b>(224)</b>	<b>5 694</b>
<b>Net cash and cash equivalents of continuing operations at end of period (Note 19)</b>	<b>7 437</b>	<b>827</b>	<b>(327)</b>	<b>7 937</b>

First-half 2011				2011			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
725	179	-	904	430	354	-	784
1 497	8	-	1 505	3 020	17	-	3 037
(82)	5	-	(77)	(205)	10	-	(195)
(38)	(20)	-	(58)	(419)	(39)	-	(458)
11	-	-	11	14	-	-	14
(16)	(1)	-	(17)	(67)	(3)	-	(70)
(89)	-	-	(89)	(136)	-	-	(136)
(88)	-	-	(88)	(41)	-	-	(41)
<b>1 920</b>	<b>171</b>	<b>-</b>	<b>2 091</b>	<b>2 596</b>	<b>339</b>	<b>-</b>	<b>2 935</b>
(412)	357	(153)	(208)	(684)	(322)	(177)	(1 183)
<b>1 508</b>	<b>528</b>	<b>(153)</b>	<b>1 883</b>	<b>1 912</b>	<b>17</b>	<b>(177)</b>	<b>1 752</b>
-	-	-	-	1	-	-	1
-	-	-	-	1	-	-	1
(55)	-	-	(55)	(97)	-	-	(97)
(31)	-	-	(31)	(36)	-	-	(36)
37	3	-	40	84	7	-	91
2	-	-	2	9	-	-	9
(952)	(7)	-	(959)	(2 239)	(14)	-	(2 253)
(663)	(6)	-	(669)	(1 426)	(12)	-	(1 438)
22	-	-	22	87	-	-	87
(46)	-	-	(46)	(97)	-	-	(97)
<b>(1 686)</b>	<b>(10)</b>	<b>-</b>	<b>(1 696)</b>	<b>(3 713)</b>	<b>(19)</b>	<b>-</b>	<b>(3 732)</b>
(250)	-	-	(250)	(250)	-	-	(250)
-	-	-	-	155	(155)	-	-
(24)	-	-	(24)	(37)	(3)	-	(40)
-	-	-	-	1	-	-	1
-	-	-	-	(199)	-	-	(199)
(1 500)	-	(29)	(1 529)	(2 361)	-	78	(2 283)
-	-	-	-	-	-	-	-
<b>(1 774)</b>	<b>-</b>	<b>(29)</b>	<b>(1 803)</b>	<b>(2 691)</b>	<b>(158)</b>	<b>78</b>	<b>(2 771)</b>
(56)	(5)	-	(61)	3	(2)	2	3
<b>(2 008)</b>	<b>513</b>	<b>(182)</b>	<b>(1 677)</b>	<b>(4 489)</b>	<b>(162)</b>	<b>(97)</b>	<b>(4 748)</b>
-	-	-	-	-	-	-	-
<b>9 253</b>	<b>1 316</b>	<b>(127)</b>	<b>10 442</b>	<b>9 253</b>	<b>1 316</b>	<b>(127)</b>	<b>10 442</b>
<b>7 245</b>	<b>1 829</b>	<b>(309)</b>	<b>8 765</b>	<b>4 764</b>	<b>1 154</b>	<b>(224)</b>	<b>5 694</b>

<sup>(1)</sup> Changes in working capital of the finance companies in first-half 2011 are shown in the above table in the amount of €357 million and not €109 million as originally reported. The €248 million difference corresponds to mutual fund units previously reported as "Short-term investments - Finance companies" that have been reclassified as "Cash and cash equivalents".

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in million euros)</i>	Revaluations - excluding minority interests						Attributable to equity holders of the parent	Minority interests	Total equity
	Share capital	Treasury stock	Retained earnings excluding revaluations	Cash flow hedges	Available-for-sale financial assets	Translation adjustments			
<b>At 31 December 2010</b>	<b>234</b>	<b>(303)</b>	<b>13 499</b>	<b>44</b>	<b>100</b>	<b>254</b>	<b>13 828</b>	<b>475</b>	<b>14 303</b>
Income and expenses recognised directly in equity for the period	-	-	806	(26)	22	(123)	679	84	763
Measurement of stock options and performance share grants	-	-	6	-	-	-	6	2	8
Effect of changes in scope of consolidation and other	-	-	4	-	-	-	4	16	20
Purchases and sales of treasury stock	-	-	-	-	-	-	-	-	-
Equity component (conversion option) of Oceane bonds	-	-	-	-	-	-	-	-	-
Dividends paid by Peugeot S.A. <sup>(1)</sup>	-	-	(250)	-	-	-	(250)	-	(250)
Dividends paid by other Group companies	-	-	-	-	-	-	-	(39)	(39)
<b>At 30 June 2011</b>	<b>234</b>	<b>(303)</b>	<b>14 065</b>	<b>18</b>	<b>122</b>	<b>131</b>	<b>14 267</b>	<b>538</b>	<b>14 805</b>
Income and expenses recognised directly in equity for the period	-	-	(218)	(58)	(90)	131	(235)	112	(123)
Measurement of stock options and performance share grants	-	-	5	-	-	-	5	2	7
Minority shareholder puts	-	-	-	-	-	-	-	9	9
Effect of changes in scope of consolidation and other	-	-	(6)	-	-	-	(6)	(3)	(9)
Purchases and sales of treasury stock	-	(199)	4	-	-	-	(195)	3	(192)
Equity component (conversion option) of Oceane bonds	-	-	-	-	-	-	-	-	-
Dividends paid by Peugeot S.A.	-	-	-	-	-	-	-	-	-
Dividends paid by other Group companies	-	-	-	-	-	-	-	(3)	(3)
<b>At 31 December 2011</b>	<b>234</b>	<b>(502)</b>	<b>13 850</b>	<b>(40)</b>	<b>32</b>	<b>262</b>	<b>13 836</b>	<b>658</b>	<b>14 494</b>
Income and expenses recognised directly in equity for the period	-	-	(819)	(4)	1	20	(802)	84	(718)
Measurement of stock options and performance share grants	-	-	(1)	-	-	-	(1)	2	1
Minority shareholder puts	-	-	-	-	-	-	-	2	2
Effect of changes in scope of consolidation and other	-	-	(2)	-	-	-	(2)	2	-
Issuance of shares (Note 15.1)	121	-	845	-	-	-	966	-	966
Purchases and sales of treasury stock	-	151	(62)	-	-	-	89	-	89
Equity component (conversion option) of Oceane bonds	-	-	-	-	-	-	-	-	-
Dividends paid by Peugeot S.A.	-	-	-	-	-	-	-	-	-
Dividends paid by other Group companies	-	-	-	-	-	-	-	(38)	(38)
<b>At 30 June 2012</b>	<b>355</b>	<b>(351)</b>	<b>13 811</b>	<b>(44)</b>	<b>33</b>	<b>282</b>	<b>14 086</b>	<b>710</b>	<b>14 796</b>

<sup>(1)</sup> The Annual General Meeting on 31 May 2011 approved the payment of a dividend of €1.10 per share. The dividend was paid to shareholders on 7 June 2011.



# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Six months ended 30 June 2012

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## Preliminary note

The interim consolidated financial statements for the six months ended 30 June 2012 and related notes were approved by the Managing Board of Peugeot S.A. on 19 July 2012 with the exception of note 21 which takes into account events that occurred in the period up to the Supervisory Board meeting on 24 July 2012.

## NOTE 1 - ACCOUNTING POLICIES

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The interim consolidated financial statements for the six months ended 30 June 2012 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 2011 consolidated financial statements.

The interim consolidated financial statements for the six months ended 30 June 2012 have been prepared using the same accounting policies as those used to prepare the consolidated financial statements for the year ended 31 December 2011. The Group's consolidated financial statements for the year ended 31 December 2011 were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union.

In first-half 2012 the Group adopted the amendment to *IFRS 7 - Financial Instruments: Disclosures - Transfers of Financial Assets*, that was adopted for use in the European Union in 2011 and whose application is compulsory in financial periods beginning on 1 January 2012.

All the Standards and Interpretations published by IASB and IFRIC, whose application is compulsory in financial periods beginning on or after 1 January 2012 have been adopted for use and are mandatory in the European Union, except for IAS 39, which has been only partially adopted for use in the European Union. There are no items in the PSA Peugeot Citroën Group's financial statements that would be affected by the unadopted provisions of this standard.

New or revised standards and interpretations applicable in financial periods beginning on or after 1 January 2012 that have not yet been adopted for use in the European Union are not applicable by the Group. Consequently, the interim consolidated financial statements have been prepared in accordance with all the Standards and Interpretations published by the IASB whose application was compulsory in 2012.

The following amendments to existing standards were adopted for use in the European Union during the first half of 2012:

- Amendment to *IAS 19 - Employee Benefits*, whose application will be compulsory in financial periods beginning on or after 1 January 2013 (see Note 1 to the consolidated financial statements for the year ended 31 December 2011).

- Amendment to *IAS 1 - Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* whose application will be compulsory in financial periods beginning on or after 1 July 2012, i.e. in the case of the Group, as from the 2013 fiscal year. This amendment stipulates that the statement of income and expenses recognised directly in equity should include separate subtotals for elements which may be "recycled" and elements that will not.

The potential impact of the main standards and interpretations published by the IASB and IFRIC that are applicable after 2012 and had not yet been adopted for use in the European Union at the balance sheet date is currently being assessed.

The assets concerned by a disposal programme have been analysed based on *IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations*. These transactions are described in Note 3 - Asset disposals.

## NOTE 2 - USE OF ESTIMATES AND ASSUMPTIONS

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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. 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 2012, 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 8).

## NOTE 3 - ASSET DISPOSALS

The asset disposals' plan announced at the beginning of 2012 has been launched and the following transactions had been completed:

- Sale of the car rental business in France and Spain, conducted by Citer and its subsidiaries, leading to a €448 million reduction in Group debt.
- Sale of several properties in France, including the Peugeot SA headquarters and Citroën showroom in Paris. Together, the transactions generated proceeds of €272 million, capital gains of €253 million and a cash inflow of €349 million, of which €77 million from the sale-and-leaseback of the Citroën showroom, qualified as a finance lease, which continues to be carried in assets in the consolidated balance sheet with a financial liability recognised for the same amount.

The sale of other real estate assets in Europe has been agreed, with the transactions due to be completed in the second half. All of these assets have been reclassified as "Assets held for sale" in the interim balance sheet.

Concerning the proposed opening for Gefco's capital, discussions are in progress with several potential investors. The Group considered that these discussions were not sufficiently advanced to justify the application of IFRS 5 at 30 June 2012. Consequently, these assets were not reclassified as "Assets held for sale" at that date.

On 1 June, Faurecia purchased Automotive Components Holdings, LLC's interior systems business, based in Saline (United States).

The transaction also included cockpit assembly operations that are intended to be sold to Detroit Manufacturing Systems (DMS), which is 45%-owned by Faurecia, in exchange for shares. As a result, these operations are presented as "Assets held for sale" in the balance sheet at 30 June 2012, in accordance with IFRS 5.

## NOTE 4 - SCOPE OF CONSOLIDATION

Changes in the number of consolidated companies in first-half 2012 were as follows:

	First-half 2012
<b>Consolidated companies at 1 January 2012</b>	<b>455</b>
Newly-consolidated companies:	15
- <i>Automotive companies</i>	1
- <i>Automotive equipment companies</i>	12
- <i>Transportation and logistics companies</i>	2
- <i>Finance and insurance companies</i>	-
Companies sold or removed from the scope of consolidation	(4)
Merged companies and other	(5)
<b>Consolidated companies at 30 June 2012</b>	<b>461</b>

Changes in the scope of consolidation during first-half 2012 did not have a material impact on the consolidated financial statements, either individually or in the aggregate, except for the following disposal:

### Disposal of the Citer car rental business

On 1 February 2012, the Group sold to Enterprise Holdings its car rental business conducted in France and Spain by Citer and its subsidiaries.

The transaction led to a €448 million reduction in consolidated net debt.

It did not have any material impact on the consolidated loss for the period or on consolidated equity.

## 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 the notes to the 2011 consolidated financial statements.

<b>First-half 2012</b> <i>(in million euros)</i>	Automotive	Automotive equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
<b>Sales and revenue</b>							
- third parties	20 174	7 735	772	813	59	-	<b>29 553</b>
- intragroup, intersegment	29	1 030	1 109	166	52	(2 386)	-
<b>Total</b>	<b>20 203</b>	<b>8 765</b>	<b>1 881</b>	<b>979</b>	<b>111</b>	<b>(2 386)</b>	<b>29 553</b>
<b>Recurring operating income (loss)</b>	<b>(662)</b>	<b>303</b>	<b>63</b>	<b>271</b>	<b>29</b>	-	<b>4</b>
Non-recurring operating income	14	14	-	-	239	-	<b>267</b>
Restructuring costs	(18)	(43)	(1)	-	-	-	<b>(62)</b>
Impairment losses on CGUs and onerous contracts (Note 7)	(612)	-	-	-	(5)	-	<b>(617)</b>
Other non-recurring operating income and (expenses), net	-	(8)	-	-	-	-	<b>(8)</b>
<b>Operating income (loss)</b>	<b>(1 278)</b>	<b>266</b>	<b>62</b>	<b>271</b>	<b>263</b>	-	<b>(416)</b>
<b>Net financial income (expense)</b>		<b>(89)</b>		-		<b>(175)</b>	<b>(264)</b>
Income taxes		(48)		(75)		13	<b>(110)</b>
Share in net earnings of companies at equity	28	14	-	5	-	-	<b>47</b>
Consolidated profit (loss) from continuing operations		143		201			<b>(743)</b>
Profit (loss) from discontinued operations		(2)		-			<b>(2)</b>
<b>Consolidated profit (loss) for the period</b>		<b>141</b>		<b>201</b>			<b>(745)</b>
<b>Capital expenditure <sup>(1)</sup></b>	<b>1 538</b>	<b>348</b>	<b>19</b>	<b>10</b>	<b>5</b>		<b>1 920</b>

<sup>(1)</sup> Excluding sales with a buyback commitment

In first-half 2012, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €542 million. Net provision expense (cost of risk) for the period amounted to €79 million.

The Transportation and Logistics segment contributed €40 million to consolidated profit for the period.

<b>First-half 2011</b> <i>(in million euros)</i>	Automotive	Automotive equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
<b>Sales and revenue</b>							
- third parties	22 559	6 973	743	788	72	-	<b>31 135</b>
- intragroup, intersegment	26	1 177	1 274	154	42	(2 673)	-
<b>Total</b>	<b>22 585</b>	<b>8 150</b>	<b>2 017</b>	<b>942</b>	<b>114</b>	<b>(2 673)</b>	<b>31 135</b>
<b>Recurring operating income (loss)</b>	<b>405</b>	<b>340</b>	<b>143</b>	<b>274</b>	<b>5</b>	<b>(10)</b>	<b>1 157</b>
Non-recurring operating income	13	-	-	-	-	-	<b>13</b>
Restructuring costs	1	(32)	(15)	-	-	6	<b>(40)</b>
Impairment losses on CGUs and onerous contracts (Note 7)	-	-	-	-	(2)	-	<b>(2)</b>
Other non-recurring operating income and (expenses), net	(1)	(1)	-	-	1	-	<b>(1)</b>
<b>Operating income (loss)</b>	<b>418</b>	<b>307</b>	<b>128</b>	<b>274</b>	<b>4</b>	<b>(4)</b>	<b>1 127</b>
<b>Net financial income (expense)</b>		<b>(55)</b>		-		<b>(77)</b>	<b>(132)</b>
Income taxes		(61)		(96)		(51)	<b>(208)</b>
Share in net earnings of companies at equity	99	16	-	1	1	-	<b>117</b>
Consolidated profit (loss) from continuing operations		207		179			<b>904</b>
Profit (loss) from discontinued operations		-		-			-
<b>Consolidated profit (loss) for the period</b>		<b>207</b>		<b>179</b>			<b>904</b>
<b>Capital expenditure <sup>(1)</sup></b>	<b>1 313</b>	<b>275</b>	<b>25</b>	<b>13</b>	<b>2</b>		<b>1 628</b>

<sup>(1)</sup> Excluding sales with a buyback commitment

In first-half 2011, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €524 million. Net provision expense (cost of risk) for the period amounted to €53 million.

The Transportation and Logistics segment contributed €85 million to consolidated profit for the period.

2011 (in million euros)	Automotive	Automotive equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
<b>Sales and revenue</b>							
- third parties	42 662	14 092	1 451	1 583	124	-	<b>59 912</b>
- intragroup, intersegment	48	2 098	2 331	319	86	(4 882)	-
<b>Total</b>	<b>42 710</b>	<b>16 190</b>	<b>3 782</b>	<b>1 902</b>	<b>210</b>	<b>(4 882)</b>	<b>59 912</b>
<b>Recurring operating income (loss)</b>	<b>(92)</b>	<b>651</b>	<b>223</b>	<b>532</b>	<b>7</b>	<b>(6)</b>	<b>1 315</b>
Non-recurring operating income	46	-	-	-	-	-	<b>46</b>
Restructuring costs	(247)	(56)	-	-	(7)	-	<b>(310)</b>
Impairment losses on CGUs and onerous contracts (Note 7)	(146)	-	-	-	(5)	-	<b>(151)</b>
Other non-recurring operating income and (expenses), net	-	(2)	-	-	-	-	<b>(2)</b>
<b>Operating income (loss)</b>	<b>(439)</b>	<b>593</b>	<b>223</b>	<b>532</b>	<b>(5)</b>	<b>(6)</b>	<b>898</b>
<b>Net financial income (expense)</b>		<b>(118)</b>		<b>(1)</b>		<b>(215)</b>	<b>(334)</b>
Income taxes		(96)		(180)		323	<b>47</b>
Share in net earnings of companies at equity	141	34	1	3	(6)	-	<b>173</b>
Consolidated profit (loss) from continuing operations		413		354			<b>784</b>
Profit (loss) from discontinued operations		-		-			-
<b>Consolidated profit (loss) for the period</b>		<b>413</b>		<b>354</b>			<b>784</b>
<b>Capital expenditure <sup>(1)</sup></b>	<b>2 971</b>	<b>629</b>	<b>59</b>	<b>26</b>	<b>6</b>		<b>3 691</b>

<sup>(1)</sup> Excluding sales with a buyback commitment

In 2011, Banque PSA Finance (Finance Companies segment) reported net banking revenue of €1,032 million. Net provision expense (cost of risk) for the period amounted to €115 million.

The Transportation and Logistics segment contributed €151 million to consolidated profit for the year.

## NOTE 6 - RESEARCH AND DEVELOPMENT EXPENSES

(in million euros)	First-half 2012	First-half 2011	2011
Total expenditure	(1 206)	(1 221)	(2 535)
Capitalised development expenditure <sup>(1)</sup>	589	584	1 227
<b>Non-capitalised expenditure</b>	<b>(617)</b>	<b>(637)</b>	<b>(1 308)</b>
Amortisation of capitalised development expenditure	(453)	(428)	(844)
<b>Total</b>	<b>(1 070)</b>	<b>(1 065)</b>	<b>(2 152)</b>

<sup>(1)</sup> 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:

<i>(in million euros)</i>	First-half 2012	First-half 2011	2011
Net gains on disposals of real estate assets (Note 3)	253	12	40
Other non-recurring operating income	14	1	6
<b>Total non-recurring operating income</b>	<b>267</b>	<b>13</b>	<b>46</b>
Impairment loss on Automotive Division CGUs and other assets and provisions for Automotive Division onerous contracts (note 7.1)	(612)	-	(146)
Impairment loss on Faurecia CGUs and other Faurecia assets (Note 7.2)	-	-	-
Impairment loss on Other businesses CGUs	(5)	(2)	(5)
Restructuring costs (Note 7.3)	(62)	(40)	(310)
Other non-recurring operating expenses	(8)	(1)	(2)
<b>Total non-recurring operating expenses</b>	<b>(687)</b>	<b>(43)</b>	<b>(463)</b>

### 7.1. IMPAIRMENT LOSS ON AUTOMOTIVE DIVISION CGUs AND OTHER ASSETS AND PROVISIONS FOR AUTOMOTIVE DIVISION ONEROUS CONTRACTS

The results of the impairment tests performed at 31 December 2011 on the assets of the Automotive Division CGU and each Vehicle CGU were updated at 30 June 2012. The 31 December 2011 tests were based on the projections included in the December 2011 Medium-Term Plan covering the period 2012-2016.

#### Automotive Division CGU

Impairment tests at 30 June 2012 on the Automotive Division CGU were based on new projections for the period 2012 to 2020. An eight-year projection period was used to take into account forecast changes in automotive markets during the current crisis and in the post-crisis period, as well as the expected effects of the alliance with General Motors.

Market projections correspond to the latest independent forecasts published by IHS Global Insight. Concerning the alliance with General Motors, the projections reflect the revised schedule of new vehicle launches, as well as the expected synergies in the areas of purchasing and capital expenditure. The alliance will mainly impact cash flows for the final years of the projection period and the terminal value which accounts for the major part of the total value. The discount rate applied was unchanged at 8.5%, which is within the reference range for the sector. The terminal value was calculated using a 1% growth rate to perpetuity.

These approaches are based on the Group's best estimates in an uncertain economic environment. The estimates will be updated and refined in the second half. The impairment tests show that the value of the Automotive Division's assets will be recovered through future cash flows. However, the difference between the two amounts is nevertheless small and would be negative if (i) the discount rate were to be increased by 0.5 point, (ii) the growth rate to perpetuity were to be reduced to 0.5% per year or (iii) recurring profit were to represent less than 0.5% of revenue in the reference year used to calculate terminal value.

#### Vehicle CGUs and other automotive assets

Concerning the assets allocated to Vehicle CGUs, except for the Vehicle CGUs referred to below, impairment tests at 30 June 2012 showed that the value of the assets would be recovered through future cash flows.

Following the decision of the June 2012 meeting of the Supervisory Board to present a plan to halt operations of a facility, it was considered for these tests that the Aulnay plant should no longer be included in the overall cash flow analyses but should be tested separately. Based on the test results, the plant's manufacturing assets, excluding the land and certain tooling, were written down for an amount of €127 million.

For the Vehicle CGUs corresponding to vehicles produced under cooperation agreements, in addition to testing of assets for impairment, provisions were recorded for any projected losses arising from purchase commitments.

Updated information about volumes and margins for these vehicles and projected exchange rates for the yen and other purchasing currencies led to the assets being written down by a further €161 million at 30 June 2012 and to the recognition of an additional €215 million worth of provisions for losses on onerous contracts.

A 5% increase or decrease in the projected yen/euro exchange rate would have the effect of reducing the charge for the period by €116 million or increasing it by €162 million.

In addition, other assets were written down by €109 million during the period.

## 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 2012 and therefore no impairment tests were performed at that date.

## 7.3. RESTRUCTURING COSTS

The costs reported in the income statement and the related staff numbers concern adjustments to provisions for the various restructuring plans other than reversals to cover severance costs for employees who left during the period.

### Automotive Division

Automotive Division restructuring costs amounted to €18 million in first-half 2012, corresponding mainly to updating adjustments to provisions for the two plans set up in France in 2010 and 2011 and the competitiveness plans launched in Europe in 2011.

The French plans, which were set up pursuant to the Human Resources Planning and Development Agreement, were covered by a €266 million provision at 31 December 2011. Of this amount, €48 million was utilised during first-half 2012.

The competitiveness plans in Europe were covered by provisions totalling €45 million at 31 December 2011. Implementation of the plans led to €3 million being released from these provisions during first-half 2012.

The new plans to be implemented as part of the reorganisation programme will be presented to the Central Works Council on 25 July. They will be provided for in the second half of 2012 and are described in Note 21 - Subsequent events.

### Automotive Equipment Division (Faurecia Group)

Faurecia Group restructuring costs totalled €43 million in first-half 2012, including €42 million for workforce reduction measures involving 535 employees.

## NOTE 8 - INCOME TAXES

Income taxes for the 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.

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

<i>(in million euros)</i>	First-half 2012	First-half 2011	2011
<b>Income (loss) before tax of fully-consolidated companies</b>	<b>(680)</b>	<b>995</b>	<b>564</b>
<i>French statutory income tax rate for the period</i>	36.1%	34.4%	36.1%
<b>Theoretical tax expense for the period based on the French statutory income tax rate</b>	<b>245</b>	<b>(343)</b>	<b>(204)</b>
Permanent differences	2	3	1
Income taxable at reduced rates	24	21	61
Tax credits	14	52	110
French-source income taxed at 34.43%	(16)		(26)
Effect of differences in foreign tax rates and other	45	51	63
Unrecognised deferred tax assets and impairment losses	(424)	8	42
<b>Income tax expense</b>	<b>(110)</b>	<b>(208)</b>	<b>47</b>
<i>Effective tax rate applicable to the Group</i>	<b>-16.2%</b>	20.9%	-8.4%

No deferred tax asset was recognised for the tax loss carryforwards generated during the period by the French tax group. The unrecognised deferred tax asset amounted to €422 million.

At 30 June 2012, recognised deferred tax assets amounted to €1,544 million and deferred tax liabilities to €1,329 million, representing a net deferred tax asset of €215 million (31 December 2011: €95 million).



## NOTE 9 - 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:

### 9.1. 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 2012	First-half 2011	2011
Consolidated profit (loss) attributable to equity holders ( <i>in million euros</i> )	(819)	806	588
Average number of €1 par value shares outstanding	300 318 991	226 861 801	222 761 913
<b>Basic earnings (loss) per €1 par value share (<i>in euros</i>)</b>	<b>(2.73)</b>	<b>3.55</b>	<b>2.64</b>

The increase in the average number of shares in first-half 2012 was due to the Peugeot S.A. rights issue (see Note 15).

### 9.2. DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by the treasury stock method which consists of taking into account 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 2012	First-half 2011	2011
Average number of €1 par value shares outstanding	300 318 991	226 861 801	222 761 913
Dilutive effect, calculated by the treasury stock method, of:			
- Stock option plans	-	-	-
- Outstanding Oceane convertible bonds	-	3 323 721	-
Dilutive effect of Peugeot S.A. performance share grants	-	-	-
<b>Diluted average number of shares</b>	<b>300 318 991</b>	<b>230 185 522</b>	<b>222 761 913</b>

In light of the average Peugeot S.A. share price during the period, the Peugeot S.A. Oceane convertible bonds, the 2010 performance shares 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 2012	First-half 2011	2011
Consolidated profit (loss) attributable to equity holders of the parent ( <i>in million euros</i> )	(819)	806	588
Dilutive effect of Faurecia Oceane bond conversions, stock options and performance share grants	(3)	(7)	(17)
<b>Consolidated profit (loss) after Faurecia dilution</b>	<b>(822)</b>	<b>799</b>	<b>571</b>
<b>Diluted earnings (loss) attributable to equity holders of the parent per €1 par value share (<i>in euros</i>)</b>	<b>(2.74)</b>	<b>3.47</b>	<b>2.56</b>

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 10 - INVESTMENTS IN COMPANIES AT EQUITY

Most companies accounted for by the equity method are joint ventures set up under development or manufacturing cooperation agreements.

### 10.1. CHANGES IN THE CARRYING VALUE OF INVESTMENTS IN COMPANIES AT EQUITY

<i>(in million euros)</i>	<b>30 June 2012</b>	31 Dec. 2011
<b>At beginning of period</b>	<b>1 472</b>	<b>1 056</b>
Dividends and profit transfers	(126)	(103)
Share of net earnings <sup>(1)</sup>	47	173
Newly consolidated companies	3	249
Capital increase (reduction)	23	-
Changes in scope of consolidation and other	(1)	(1)
Translation adjustment	19	98
<b>At period-end</b>	<b>1 437</b>	<b>1 472</b>
Of which		
• Dongfeng Peugeot Citroën Automobile goodwill	75	73
• Dongfeng Peugeot Citroën Automobile Finance Company Ltd goodwill	7	7
• Mercurio subgroup goodwill	2	2

<sup>(1)</sup> Including the impairment loss recognised on BMW Peugeot Citroën Electrification BV shares and the joint venture's loss for the period for a total of €35 million.

### 10.2. SHARE IN NET ASSETS OF COMPANIES AT EQUITY

<i>(in million euros)</i>	Latest % interest	<b>30 June 2012</b>	31 Dec. 2011
<b>Renault cooperation agreement</b>			
Française de Mécanique	50 %	13	15
Société de Transmissions Automatiques	20 %	2	2
<b>Fiat cooperation agreement</b>			
Sevelnord	50 %	96	97
Gisevel	50 %	-	-
Sevelind	50 %	7	8
Sevel SpA	50 %	67	71
<b>BMW cooperation agreement</b>			
BMW Peugeot Citroën Electrification BV	50 %	-	13
<b>Toyota cooperation agreement</b>			
Toyota Peugeot Citroën Automobiles	50 %	138	132
<b>Dongfeng cooperation agreement</b>			
Dongfeng Peugeot Citroën Automobile <sup>(1)</sup>	50 %	743	752
Dongfeng Peugeot Citroën Automobile Finance Company Ltd <sup>(1)</sup>	75 %	68	62
<b>Changan cooperation agreement</b>			
Changan PSA Automobiles Co., Ltd (CAPSA) <sup>(2)</sup>	50 %	225	234
<b>Other</b>			
Other excluding Faurecia <sup>(1)</sup>		15	14
Faurecia's companies at equity		57	65
<b>Total</b>		<b>1 431</b>	<b>1 465</b>

<sup>(1)</sup> Including goodwill

<sup>(2)</sup> In first-half 2012, the Group paid up €171 million worth of CAPSA shares subscribed prior to 31 December 2011.

The Group's share of the net assets of companies at equity comprises €1,437 million related to companies with a positive net worth, reported under "Investments in companies at equity", less €6 million for companies with a negative net worth, reported under "Non-current provisions".

In June 2012, the Group announced that it planned to withdraw from the BMW Peugeot Electrification BV joint venture. As a result of this decision, the shares in the joint venture were written down in full at 30 June 2012.

### 10.3. SHARE IN NET EARNINGS OF COMPANIES AT EQUITY

<i>(in million euros)</i>	Latest % interest	First-half 2012	First-half 2011	2011
<b>Renault cooperation agreement</b>				
Française de Mécanique	50 %	(1)	(2)	(3)
Société de Transmissions Automatiques	20 %	-	-	-
<b>Fiat cooperation agreement</b>				
Sevelnord	50 %	(1)	2	(1)
Gisevel	50 %	-	-	-
Sevelind	50 %	(1)	(1)	(2)
Sevel SpA	50 %	(4)	(3)	-
<b>BMW cooperation agreement</b>				
BMW Peugeot Citroën Electrification BV	50 %	(35)	-	-
<b>Toyota cooperation agreement</b>				
Toyota Peugeot Citroën Automobiles	50 %	12	21	8
<b>Dongfeng cooperation agreement</b>				
Dongfeng Peugeot Citroën Automobile <sup>(1)</sup>	50 %	71	83	150
Dongfeng Peugeot Citroën Automobile Finance Company Ltd	75 %	4	2	3
<b>Changan cooperation agreement</b>				
Changan PSA Automobiles Co., Ltd (CAPSA)	50 %	(13)	-	(11)
<b>Other</b>				
Other excluding Faurecia		1	(1)	(5)
Faurecia's companies at equity		14	16	34
<b>Total</b>		<b>47</b>	<b>117</b>	<b>173</b>

<sup>(1)</sup> Dongfeng Peugeot Citroën Automobiles qualifies for a tax incentive until 31 December 2012 that had the effect of reducing the effective tax rate paid by the company for first-half 2012 to 11% of pre-tax profit.

### NOTE 11 - CURRENT AND NON-CURRENT FINANCIAL ASSETS

<i>(in million euros)</i>	30 June 2012		31 Dec. 2011	
	Non-current	Current	Non-current	Current
Loans and receivables	165	256	157	238
Financial assets classified as "available-for-sale"	122	-	122	-
Financial assets classified as "at fair value through profit or loss"	296	274	547	-
Derivative instruments	295	31	235	27
<b>Total financial assets, net</b>	<b>878</b>	<b>561</b>	<b>1 061</b>	<b>265</b>

The carrying amount of financial assets classified as "available-for-sale" at 30 June 2012 includes positive fair value adjustments of €34 million (€35 million at 1 January 2012), recorded directly in equity.

## NOTE 12 - OTHER NON-CURRENT ASSETS

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
Excess of payments to external funds over pension obligations	130	76
Units in the FMEA funds	84	105
Guarantee deposits and other	278	271
<b>Total</b>	<b>492</b>	<b>452</b>

The Group is committed to investing a total of €197 million in the two "Fonds de Modernisation des Equipementiers Automobiles" (FMEA - tier 1 and tier 2), which has been set up to support automotive equipment manufacturers. The units purchased to date have been classified as "available-for-sale" in accordance with IAS 39 and are therefore measured at fair value. They are reported as non-current assets because of the lock-up applicable to the Group's investment in the fund.

In light of the difficulties experienced by automotive equipment manufacturers in the first half of 2012, the FMEA units were written down by €32 million at 30 June 2012 based on the value published by the fund manager, Caisse des Dépôts et Consignations.

The Group considers that an impairment lasting more than three years qualifies as "prolonged". As it believes that this will be the case for the FMEA units, the impairment loss was recognised through profit and loss.

## NOTE 13 - LOANS AND RECEIVABLES - FINANCE COMPANIES

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
<b>Retail, Corporate and Equivalent</b>		
Credit sales	10 153	10 171
Long-term leases	4 684	4 727
Leases subject to buyback commitments	2 335	2 301
Other receivables	172	183
Ordinary accounts and other	104	92
<b>Total net Retail, Corporate and Equivalent</b>	<b>17 448</b>	<b>17 474</b>
<b>Corporate Dealers</b>		
Wholesale Finance Receivables	6 190	5 879
Other receivables	717	627
Other	393	334
<b>Total net Corporate Dealers</b>	<b>7 300</b>	<b>6 840</b>
Remeasurement of interest rate hedged portfolios	97	73
Eliminations	(183)	(80)
<b>Total</b>	<b>24 662</b>	<b>24 307</b>

Retail, Corporate and Equivalent finance receivables at 30 June 2012 include €3,240 million in securitised finance receivables that were still carried on the balance sheet at the period-end (€4,008 million at 31 December 2011).

Liabilities corresponding to securities issued by securitisation funds are shown in Note 18 "Financing liabilities - finance companies".

## NOTE 14 - INVENTORIES

<i>(in million euros)</i>	30 June 2012	30 June 2011	31 Dec. 2011
Raw materials and supplies	830	778	707
Semi-finished products and work-in-progress	1 237	963	918
Goods for resale and used vehicles	797	746	1 059
Finished products and replacement parts	3 852	4 595	3 925
<b>Total</b>	<b>6 716</b>	<b>7 082</b>	<b>6 609</b>
- of which at cost	7 327	7 525	7 193
- of which allowances	(611)	(443)	(584)

## NOTE 15 - SHARE CAPITAL AND SHARE BUYBACK PROGRAMMES

### 15.1. ANALYSIS OF SHARE CAPITAL AND CHANGES DURING THE PERIOD

Share capital at 30 June 2012 amounted to €354,848,992, represented by ordinary shares with a par value of €1 each, all fully paid. Shares may be held in registered or bearer form, at the shareholder's discretion. In accordance with article 11 of the bylaws, shares registered in the name of the same holder for at least four years carry double voting rights.

#### Rights issue

On 6 March 2012, Peugeot S.A. completed a €999 million rights issue, leading to the issuance of 120,799,648 shares with a par value of €1. The total premium amounted to €878 million, before deducting related costs of €33 million, of which €32 million had been paid out as of 30 June 2012.

Following the rights issue, the Peugeot family remained PSA Peugeot Citroën's leading shareholder with 25.2% of the capital and 37.9% of exercisable voting rights. The family purchased 32,875,655 shares through the rights issue, representing an investment of approximately €140 million.

Pursuant to its strategic alliance with the Group, General Motors became PSA Peugeot Citroën's second largest shareholder with 7.0% of the capital obtained by purchasing and exercising pre-emptive subscription rights sold by Peugeot SA and the Peugeot family group, and by purchasing 4,398,821 treasury shares sold by Peugeot SA.

In all, Peugeot SA sold €81 million worth of treasury shares to General Motors and 70 million pre-emptive subscription rights on the market. The sale proceeds, in the amount of €151 million, were recognised directly in equity.

Under the terms of the agreement between General Motors and Peugeot SA, General Motors has given an undertaking not to raise its interest in Peugeot SA before 2022.

<i>(in euros)</i>	First-half 2012	2011
Share capital at beginning of period	234 049 344	234 049 225
Rights issue	120 799 648	
Shares issued on conversion of Ocean bonds	-	119
<b>Share capital at end of period</b>	<b>354 848 992</b>	<b>234 049 344</b>

### 15.2. 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 2012 but the Group sold 4,398,821 treasury shares to General Motors.

Changes in treasury stock are presented in the following table:

<i>(number of shares)</i>	Authorisations	Transactions	
		First-half 2012	2011
<b>At beginning of period</b>		<b>17 187 450</b>	<b>7 187 450</b>
<b>Share buybacks</b>			
AGM of 31 May 2011	16 000 000	-	10 000 000
AGM of 25 April 2012	22 696 289	-	n/a
<b>Share cancellations</b>			
AGM of 31 May 2011	10% du capital	-	-
AGM of 25 April 2012 <sup>(1)</sup>	10% du capital	(4 398 821)	n/a
<b>Share sales</b>			
On exercise of stock options		-	-
<b>At end of period</b>		<b>12 788 629</b>	<b>17 187 450</b>
• Shares held for allocation to a future liquidity contract		300 000	300 000
• Shares held for allocation on conversion of 23 June 2009 Oceane bonds		6 997 819	10 908 807
• Shares held for allocation on exercise of outstanding stock options		5 490 810	4 698 000
• Shares held for allocation on exercise of future stock options		-	462 543
• Shares held for performance share plans		-	807 900
• Unallocated shares		-	10 200

<sup>(1)</sup> Treasury shares sold to General Motors

Share capital at 30 June 2012 was represented by 354,848,992 ordinary shares with a par value of €1 each.

## NOTE 16 - CURRENT AND NON-CURRENT PROVISIONS

### 16.1. NON-CURRENT PROVISIONS

<i>(in million euros)</i>	First-half 2012	2011
<b>At beginning of period</b>	<b>712</b>	<b>727</b>
<b>Movements taken to profit or loss</b>		
Additions	72	180
Releases (utilisations)	(39)	(78)
Releases (unused provisions)	(5)	(45)
	<b>28</b>	<b>57</b>
<b>Other movements</b>		
Translation adjustment	1	(1)
Change in scope of consolidation and other	(15)	(71)
<b>At end of period</b>	<b>726</b>	<b>712</b>
of which provisions for pensions	591	557

### 16.2. CURRENT PROVISIONS

#### A. Analysis by type

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
Warranties	688	698
Commercial and tax claims and litigation	489	460
Restructuring plans	404	448
Long-term contract losses	481	322
Sales with a buyback commitment	177	133
Other	283	238
<b>Total</b>	<b>2 522</b>	<b>2 299</b>

#### B. Movements for the period

<i>(in million euros)</i>	First-half 2012	2011
<b>At beginning of period</b>	<b>2 299</b>	<b>2 464</b>
<b>Movements taken to profit or loss</b>		
Additions	772	1 369
Releases (utilisations)	(461)	(1 071)
Releases (unused provisions)	(74)	(457)
	<b>237</b>	<b>(159)</b>
<b>Other movements</b>		
Translation adjustment	(11)	(19)
Change in scope of consolidation and other	(3)	13
<b>At end of period</b>	<b>2 522</b>	<b>2 299</b>
of which provisions for warranties	688	698

## NOTE 17 - NET FINANCIAL POSITION OF THE MANUFACTURING AND SALES COMPANIES

### 17.1. ANALYSIS

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
<b>Financial assets and liabilities of the manufacturing and sales companies</b>		
Cash and cash equivalents	7 560	5 190
Other non-current financial assets	830	1 035
Current financial assets	561	265
Non-current financial liabilities	(8 738)	(7 639)
Current financial liabilities	(2 658)	(2 210)
<b>Net financial position of the manufacturing and sales companies</b>	<b>(2 445)</b>	<b>(3 359)</b>
Of which external loans and borrowings	(2 603)	(3 538)
Of which financial assets and liabilities with finance companies	158	179

The reduction in net debt in first-half 2012 reflects a €573 million increase in net cash (see Note 17.2), a €448 million contribution in cash derived from the sale of Citer and its subsidiaries, and €-129 million in non-monetary changes generated during the period.

### 17.2. CHANGE IN NET DEBT

Net cash from operating activities in first-half 2012 amounted to €867 million, representing funds from operations of €1,184 million less the negative impact of a €317 million increase in working capital. Changes in working capital are discussed in Note 19.2.

Investments for the period in property, plant and equipment and intangible assets amounted to €1,911 million. Other financing needs for the period stood at €334 million and also concerned mainly investing activities.

Cash inflows for the period were as follows:

- €810 million in proceeds from asset disposals (see the main operations described in Note 3)
- €967 million net proceeds from the rights issue (see Note 15)
- €533 million dividend from BPF including an extra dividend of €360 million
- €54 million from the sale of treasury shares to General Motors and €35 million from the sale of pre-emptive subscription rights on the market (see Note 15)
- €573 million reduction in net debt.

In first-half 2012, the Group kept up the proactive refinancing strategy and conservative liquidity policy described in Note 35.F to the 2011 consolidated financial statements.

Several bond issues were carried out during the period, raising a total of €990 million. See Note 17.3 for details.

Cash reserves stood at a high €7,560 million at 30 June 2012 versus €5,190 million at 31 December 2011. These reserves are invested in risk-free financial instruments issued by blue chip financial institutions.

Borrowing rights under confirmed bank lines of credit were increased slightly to further improve the Group's liquidity position. These lines of credit and their expiry dates are as follows:

#### Lines of credit

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
Peugeot S.A. and GIE PSA Trésorerie <sup>(1)</sup>	2 400	2 400
Faurecia <sup>(2)</sup>	730	660
<b>Undrawn confirmed lines of credit</b>	<b>3 130</b>	<b>3 060</b>

<sup>(1)</sup> This €2,400 million line of credit was originally due to expire in July 2014. As of 30 June 2012, it comprises a €175 million tranche expiring in July 2014 and a €2,225 million tranche extended to July 2015. This facility, which is subject to the respect of a net debt position of the manufacturing and sales companies on equity lower than one, was not drawn down at the period-end.

<sup>(2)</sup> Faurecia's additional borrowing capacity, other than through Peugeot SA, results from a €1,150 million syndicated line of credit that was not fully drawn down at 30 June 2012:

- €270 million was undrawn on a €690 million tranche expiring in November 2014
- A €460 million tranche expiring in November 2016 was also undrawn.

At 30 June 2012, the manufacturing and sales companies' cash and cash equivalents of €7,560 million and the €3,130 million in unused drawing rights on lines of credit more than covered their currently forecasted financing needs for the next twelve months.

## 17.3. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

<i>(in million euros)</i>	30 June 2012		31 Dec. 2011	
	Amortised cost or fair value		Amortised cost or fair value	
	Non-current	Current	Non-current	Current
Convertible bonds <sup>(1)</sup>	691	18	679	13
Other bonds	5 456	155	4 413	79
Employee profit-sharing fund	19	4	17	4
Finance lease liabilities	290	129	242	155
Other long-term debt	2 275	624	2 282	228
Other short-term financing and overdraft facilities	-	1 552	-	1 655
Derivative instruments	7	7	6	6
<b>Total financial liabilities</b>	<b>8 738</b>	<b>2 489</b>	<b>7 639</b>	<b>2 140</b>

<sup>(1)</sup> 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.

Transactions in first-half 2012 included the following:

On 11 April 2012, Peugeot S.A. issued €600 million worth of 5.625% bonds due July 2017.

On 21 February 2012, Faurecia increased its €350 million 9.375% bond issue due December 2016 that was carried out on 3 November 2011, through a €140 million tap issue.

On 3 May 2012, Faurecia issued €250 million worth of 8.75% bonds due June 2019.

## NOTE 18 - FINANCING LIABILITIES - FINANCE COMPANIES

### 18.1. FINANCING LIABILITIES

<i>(in million euros)</i>	30 June 2012	31 Dec. 2011
Securities issued by securitisation funds	3 139	3 963
Other bond debt	413	413
Other debt securities	13 247	12 690
Bank borrowings	5 503	4 995
	<b>22 302</b>	<b>22 061</b>
Customer deposits	584	482
	<b>22 886</b>	<b>22 543</b>
<i>Amounts due to Group manufacturing and sales companies</i>	<i>(330)</i>	<i>(257)</i>
<b>Total</b>	<b>22 556</b>	<b>22 286</b>

### 18.2. LIQUIDITY RISK MANAGEMENT

Banque PSA Finance endeavours to maintain a certain level of financial security by having access at all times to cash reserves and undrawn lines of credit covering at least six months' financing needs. The 6-month target corresponds to the results of a stress test assuming continued financing of projected new lending without recourse to the financial markets.

At 30 June 2012, the liquidity reserve amounted to €355 million. Banque PSA Finance has €8,065 million worth of undrawn committed credit facilities, including syndicated lines of credit amounting to €5,755 million.

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. In addition, if its long and short-term ratings were to be downgraded, Banque PSA Finance would still be in a position to cover its refinancing needs for the next twelve months at least by increasing its external securitisation programmes, with a portfolio of securitizable auto loans representing a refinancing of some €3 000 million, and by refinancing at short notice its receivables with the Central Bank.



## Lines of credit

<i>(in million euros)</i>	<b>30 June 2012</b>	31 Dec. 2011
<b>Undrawn confirmed lines of credit <sup>(1)</sup></b>	<b>8 065</b>	<b>7 955</b>

<sup>(1)</sup> Of which the following loans and facilities, with bilateral credit lines and the €923 million loan to be drawn down first:

- €1,284 million undrawn on long-term bilateral back-up lines of credit, out of a total available amount of €1,710 million
- €923 million undrawn on a line of credit expiring in January 2013
- €1,755 million expiring in May 2013
- €2,000 million expiring in June 2014
- €2,000 million expiring in December 2014.

None of these lines of credit are subject to any particular drawing restrictions as a result of a change in Banque PSA Finance's rating.

## Refinancing transactions

During first-half 2012, Banque PSA Finance carried out several EMTN issues as follows:

- In January, €700 million at 6% due July 2014
- In June, CHF 225 million at 3.25% due September 2015
- In June, €600 million at 4.875% due September 2015.

During the first-half of 2012, Banque PSA Finance borrowed €800 million from the European Central Bank (ECB), especially under the ECB's long-term refinancing operation (LTRO).

## NOTE 19 - NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

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

<i>(in million euros)</i>	<b>30 June 2012</b>	30 June 2011	31 Dec. 2011
Cash and cash equivalents	7 560	7 306	5 190
Payments issued <sup>(1)</sup>	(123)	(61)	(426)
<b>Net cash and cash equivalents - manufacturing and sales companies</b>	<b>7 437</b>	<b>7 245</b>	<b>4 764</b>
<b>Net cash and cash equivalents - finance companies</b>	<b>827</b>	<b>1 829</b>	<b>1 154</b>
<i>Elimination of intragroup transactions</i>	(327)	(309)	(224)
<b>Total</b>	<b>7 937</b>	<b>8 765</b>	<b>5 694</b>

<sup>(1)</sup> This item corresponds to payments issued but not yet debited on bank statements.

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

<i>(in million euros)</i>	<b>First-half 2012</b>	First-half 2011	2011
(Increase) decrease in inventories	(79)	(1 176)	(661)
(Increase) decrease in trade receivables	(1 109)	(1 126)	(319)
Increase (decrease) in trade payables	356	1 454	97
Change in income taxes	53	126	12
Other changes	462	310	187
	<b>(317)</b>	<b>(412)</b>	<b>(684)</b>
<i>Net cash flows with Group finance companies</i>	39	264	(3)
<b>Total</b>	<b>(278)</b>	<b>(148)</b>	<b>(687)</b>

The increase in trade receivables in first-half 2012 was primarily due to growth in amounts receivable from car rental companies, mainly by the Peugeot brand, and higher trade receivables at Faurecia.

The limited growth in trade payables during the period was mainly due to the reduction in manufacturing output at the Group's plants.

### Sales of receivables to external financial institutions

<i>(in million euros)</i>	First-half 2012	First-half 2011	2011
Receivables sold and derecognised	517	378	530
- of which Faurecia group	214	172	261
Receivables sold but not derecognised	194	217	161
- of which Faurecia group	114	167	102

### 19.3. CASH FLOWS FROM OPERATING ACTIVITIES OF THE FINANCE COMPANIES

<i>(in million euros)</i>	First-half 2012	First-half 2011	2011
Increase (decrease) in finance receivables	(414)	(880)	(976)
Increase (decrease) in short-term investments	71	130	(85)
(Increase) decrease in financing liabilities	307	1 256	915
Change in income taxes	10	(9)	(8)
Other changes	58	(140)	(168)
	<b>32</b>	<b>357</b>	<b>(322)</b>
<i>Net cash flows with Group manufacturing and sales companies</i>	(21)	(417)	(174)
<b>Total</b>	<b>11</b>	<b>(60)</b>	<b>(496)</b>

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

<i>(in million euros)</i>	First-half 2012	First-half 2011	2011
Increase in borrowings	1 632	681	2 223
Repayment of borrowings and conversion of bonds	(297)	(2 252)	(4 439)
(Increase) decrease in non-current financial assets	1	(207)	(237)
(Increase) decrease in current financial assets	428	30	35
Increase (decrease) in current financial liabilities	295	248	57
	<b>2 059</b>	<b>(1 500)</b>	<b>(2 361)</b>
<i>Net cash flows with Group finance companies</i>	(123)	(29)	78
<b>Total</b>	<b>1 936</b>	<b>(1 529)</b>	<b>(2 283)</b>

## **NOTE 20 - OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES**

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There have been no further material changes in off-balance sheet items and contingent liabilities since 31 December 2011.

## **NOTE 21 - SUBSEQUENT EVENTS**

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### **PROJECT TO REORGANISE THE FRENCH PRODUCTION BASE AND REDEPLOY THE WORKFORCE**

In response to the fall-off in demand in Europe, on 12 July 2012 the Group presented a plan to reorganise the production base and redeploy the workforce. The main measures are as follows:

#### **Halting of production at the Aulnay facility in 2014**

The Group is committed to offering all 3,000 Aulnay employees a solution to their employment problem. The process should enable the identification of 1,500 inplacement positions. Outplacement programmes would also offer 1 500 employees job opportunities outside the Group. An exceptional revitalisation plan to convert the facility to manufacturing or automotive-related activities will be implemented in association with all of the stakeholders concerned.

#### **Adjustment of production facilities at Rennes**

This reorganisation would lead to a workforce redeployment involving 1,400 jobs out of a total 5,600 employees. The Group will implement the necessary support measures, so as to arrange an appropriate placement solution for each of the employees concerned, either within the Group or outside the Group in the local employment area.

#### **Aligning the corporate organisation**

The Group has to continue reducing costs and improving its operating efficiency, which should lead to the reduction of 3,600 jobs across all of its facilities in France. Employees will be offered the possibility of participating in a voluntary redundancy plan.

All of these measures will be presented to employee representatives for information and consultation. The related cost is currently estimated at €500 to €600 million. These costs do not include investment and operating losses directly related to restructuring. However, this estimate may be revised depending on the discussions engaged in the information and negotiation process.

The corresponding provisions will be recorded in the second-half accounts. Financing of the measures will be spread over the life of the plan which is expected to be completed in 2014.

### **SEVELNORD**

In early July 2012, Fiat Group Automobiles (FGA) and PSA Peugeot Citroën (PSA) announced that they were pursuing discussions about the future of their Sevelnord joint venture, following the May 2011 announcement that their cooperation agreement would not be renewed beyond 2017.

A proposed agreement for the transfer of FGA's interest in Sevelnord to PSA Peugeot Citroën no later than 31 December 2012 was presented to the Sevelnord and Peugeot S.A. Works Councils on 11 July 2012. Under the terms of this agreement, Sevelnord will continue to manufacture light commercial vehicles for the two groups until the new Euro 6 emissions standards come into effect at the end of 2016.

The two parties hope to reach a final agreement before the end of the year.

The other cooperation agreements between FGA and PSA Peugeot Citroën are not affected. In particular, the Sevel joint arrangement in Val di Sangro in Italy will continue its operations pursuant to the contracts currently in force.

### **SALE OF AUTOMOTIVE DEALERSHIP PREMISES**

On 10 July 2012, the Group sold a package of real estate assets in France for €175 million.

#### **NEW COOPERATION AGREEMENT WITH TOYOTA**

On 23 July 2012, Toyota Motor Europe and PSA Peugeot Citroën have announced a new agreement on light commercial vehicles for the European market. Under the plan, PSA Peugeot Citroën is to supply Toyota with light commercial vehicles for sale in Europe under the Toyota brand.

As a first step, starting in the second quarter of 2013, PSA Peugeot Citroën will supply Medium Size Vans derived from its existing vehicles Peugeot Expert and Citroën Jumpy.

The agreement also includes collaboration on next generation vehicles which are to be produced by PSA Peugeot Citroën. The collaboration is expected to last beyond 2020.

Under the plan, Toyota Motor Europe is to participate in the development and industrial investment costs for the next generation product. There are no plans for the two companies to enter into capital tie-ups or joint production.

## **IV- STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2012 INTERIM FINANCIAL REPORT**

### **Person Responsible for the 2012 Interim Financial Report**

Philippe Varin

Chairman of the Managing Board

Peugeot S.A.

### **Statement by the Person Responsible for the 2012 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 21 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."

Philippe Varin

Chairman of the Peugeot S.A. Managing Board

### **Person Responsible for Financial Information**

Carole Dupont Pietri

Investor Relations Officer

Phone: 01 40 66 42 59

## **V- Statutory Auditors' Review Report on the First Half-yearly Financial Information for 2012**

**Period from January 1 to June, 30, 2012**

*This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.*

*This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.*

*This report also includes information relating to the specific verification of information given in the Group's interim management report.*

### **PEUGEOT S.A.**

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' meeting and in accordance with the requirements of article L.451-1-2 III of the 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 2012, for the period from January 1, 2012 to June 30, 2012, and
- the verification of the information contained in the interim 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 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, given the context of the Group's economic and financial environment, its alliance with General Motors and the restructuring plans announced, we draw your attention to the following notes of the financial statements:

- note 2 on significant estimates and assumptions which specifies the accounts for which estimates and assumptions used are particularly sensitive;
- note 7.1 which sets out the assumptions and conclusions of the impairment test on the assets of the automotive segment;
- notes 17.1 and 18.2 which set out the Group's and Banque PSA Finance's liquidity position.

## **2. Specific verification**

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

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

Courbevoie and Paris-La-Défense, July 25, 2012

The statutory auditors

*French original signed by*

MAZARS

ERNST & YOUNG et Autres

Loïc Wallaert

Jean-Louis-Simon Marc Stoessel

Christian Mouillon

## PSA Peugeot Citroën: Consolidated World Sales H1 2011 & H1 2012 (PC + LCV)

		H1 2011	H1 2012
<b>Europa*</b>	Peugeot	616 000	525 000
	Citroën	540 000	455 000
	<b>Total PSA</b>	<b>1 156 000</b>	<b>980 000</b>
<b>Russia</b>	Peugeot	22 000	23 000
	Citroën	13 000	18 000
	<b>Total PSA</b>	<b>35 000</b>	<b>41 000</b>
<b>Latin America</b>	Peugeot	90 000	76 000
	Citroën	65 000	45 000
	<b>Total PSA</b>	<b>154 000</b>	<b>122 000</b>
<b>China</b>	Peugeot	81 000	104 000
	Citroën	114 000	106 000
	<b>Total PSA</b>	<b>195 000</b>	<b>209 000</b>
<b>Rest of the World</b>	Peugeot	74 000	84 000
	Citroën	37 000	40 000
	<b>Total PSA</b>	<b>111 000</b>	<b>124 000</b>
<b>Total Assembled Vehicles (AV)</b>	<b>Peugeot</b>	<b>883 000</b>	<b>812 000</b>
	<b>Citroën</b>	<b>769 000</b>	<b>664 000</b>
	<b>Total PSA</b>	<b>1 652 000</b>	<b>1 476 000</b>
<b>CKD</b>	Peugeot	208 000	143 000
	Citroën	0	0
	<b>Total PSA</b>	<b>208 000</b>	<b>143 000</b>
<b>Total AV + CKD</b>	<b>Peugeot</b>	<b>1 091 000</b>	<b>955 000</b>
	<b>Citroën</b>	<b>769 000</b>	<b>664 000</b>
	<b>Total PSA</b>	<b>1 860 000</b>	<b>1 619 000</b>

\* Europe : EU + EFTA + Croatia



## PSA Peugeot Citroën Group – Worldwide consolidated sales per model

PC & LCV	YTD June 2012	YTD June 2011	Variation
<b>Marque Peugeot</b>			
iOn	900	1 400	-39 5%
107	44 900	51 000	-11 9%
206	115 900	235 700	-50 8%
207	107 700	166 300	-35 2%
208	75 000	100	++
307	50 700	33 300	52 3%
308	106 200	109 400	-2 9%
408	33 200	36 100	-8 1%
508	68 900	56 700	21 5%
3008	62 000	73 800	-16 0%
5008	31 500	41 700	-24 5%
405	110 600	115 300	- 4 1%
407	100	2 300	--
807	2 900	3 700	-21 5 %
4007	2 000	3 800	-48 4%
4008	4 200	-	++
RCZ	6 800	10 700	-35 8%
Bipper	14 600	19 900	-27 0%
Partner	75 600	86 100	-12 2%
Expert	14 900	16 800	-10 9%
Boxer	26 600	26 700	-0 3%
<b>TOTAL</b>	<b>955 200</b>	<b>1 090 800</b>	<b>-12 4%</b>
<b>Marque Citroën</b>			
C-Zero	1 200	1 200	2 1%
C1	37 600	50 200	-25 2%
C2	6 900	4 800	43 2%
DS3	35 800	41 400	-13 6%
C3	122 600	143 500	-14 6%
C3 Picasso	41 500	57 100	-27 3%
ZX	30 000	32 700	-8 3%
Xsara Picasso	2 900	5 000	-42 4%
C4	132 500	144 000	-8 0%
C4 Picasso	46 800	66 100	-29 3%
DS4	17 900	9 300	93 4%
C5	38 900	56 200	-30 8%
DS5	14 400	400	++
C6	400	600	-29 5%
C8	2 300	3 200	-28 2%
C-Crosser	2 300	3 600	-36 1%
C4 Aircross	7 000	-	++
Nemo	14 600	20 800	-29 8%
Berlingo	73 200	88 000	-16 8%
Jumpy	13 300	16 000	-16 9%
Jumper	22 100	23 900	-7 6%
<b>TOTAL</b>	<b>664 200</b>	<b>769 100</b>	<b>-13 6%</b>
<b>TOTAL PSA Peugeot Citroën</b>	<b>1 619 400</b>	<b>1 859 900</b>	<b>-12 9%</b>

## PC registrations on European markets

	YTD June 2012	YTD June 2011
	Volume	Volume
FRANCE	1 049 000	1 225 100
GERMANY	1 634 400	1 622 600
AUSTRIA	187 100	187 600
BELUX	313 800	355 000
DANEMARK	83 300	87 200
SPAIN	406 100	442 200
FINLAND	64 700	69 200
GREECE	32 400	55 300
IRELAND	66 700	77 100
ISLAND	4 900	3 100
ITALY	813 400	1 012 100
NORWAY	69 400	68 500
NETHERLANDS	332 000	328 800
PORTUGAL	53 400	91 900
UNITED KINGDOM	1 057 700	1 029 600
SWEDEN	142 600	157 100
SWITZERLAND	176 500	157 700
<b>TOTAL EUROPE 18</b>	<b>6 487 400</b>	<b>6 970 100</b>
CROATIA	20 100	23 000
HONGARY	27 700	23 100
POLAND	147 900	151 300
CZECH REPUBLIC	93 200	87 700
SLOVAK REPUBLIC	34 000	34 000
SLOVENIA	29 000	33 900
<b>TOTAL PECO</b>	<b>351 900</b>	<b>353 100</b>
BALTIC STATES	22 000	20 200
BULGARIA + ROUMANIA	46 200	52 000
MALTA + CYPRUS	9 600	11 600
<b>TOTAL EUROPE 30</b>	<b>6 917 100</b>	<b>7 407 000</b>

## LCV registrations on European markets

	YTD June 2012	YTD June 2011
	Volume	Volume
FRANCE	207 500	224 300
GERMANY	112 000	112 900
AUSTRIA	16 900	16 400
BELUX	34 800	39 700
DANEMARK	11 900	11 000
SPAIN	42 500	57 300
FINLAND	6 900	7 200
GREECE	1 900	3 700
IRELAND	7 800	8 200
ISLAND	200	100
ITALY	64 100	101 600
NORWAY	16 600	17 800
NETHERLANDS	34 000	33 700
PORTUGAL	7 800	17 300
UNITED KINGDOM	124 900	136 600
SWEDEN	20 400	23 100
SWITZERLAND	17 200	15 800
<b>TOTAL EUROPE 18</b>	<b>727 400</b>	<b>826 800</b>
CROATIA	1 900	1 900
HONGARY	5 600	4 800
POLAND	21 100	22 000
CZECH REPUBLIC	6 800	6 600
SLOVAK REPUBLIC	2 800	2 900
SLOVENIA	3 100	3 000
<b>TOTAL PECO</b>	<b>41 300</b>	<b>41 400</b>
BALTIC STATES	3 300	2 700
BULGARIA + ROUMANIA	6 700	7 100
MALTA + CYPRUS	1 000	1 500
<b>TOTAL EUROPE 30</b>	<b>779 700</b>	<b>879 500</b>

## PC + LCV registrations on European markets

	YTD June 2012	YTD June 2011
	Volume	Volume
FRANCE	1 256 500	1 449 400
GERMANY	1 746 400	1 735 500
AUSTRIA	203 900	203 900
BELUX	348 600	394 700
DANEMARK	95 200	98 200
SPAIN	448 600	499 500
FINLAND	71 600	76 500
GREECE	34 300	59 000
IRELAND	74 500	85 300
ISLAND	5 100	3 200
ITALY	877 600	1 113 700
NORWAY	85 900	86 300
NETHERLANDS	366 000	362 500
PORTUGAL	61 200	109 200
UNITED KINGDOM	1 185 500	1 166 300
SWEDEN	163 000	180 200
SWITZERLAND	193 700	173 500
<b>TOTAL EUROPE 18</b>	<b>7 214 800</b>	<b>7 796 900</b>
CROATIA	22 000	24 900
HONGARY	33 300	27 900
POLAND	169 000	173 300
CZECH REPUBLIC	100 100	94 300
SLOVAK REPUBLIC	36 800	37 000
SLOVENIA	32 100	37 000
<b>TOTAL PECO</b>	<b>393 300</b>	<b>394 500</b>
BALTIC STATES	25 300	22 900
BULGARIA + ROUMANIA	52 900	59 100
MALTA + CYPRUS	10 500	13 100
<b>TOTAL EUROPE 30</b>	<b>7 696 800</b>	<b>8 286 400</b>

## PSA Peugeot Citroën Group registrations on PC European market

	YTD June 2012		YTD June 2011	
	Volume	Part de marché (%)	Volume	Part de marché (%)
FRANCE	321 000	30,6%	409 400	33,4%
GERMANY	75 600	4,6%	80 600	5,0%
AUSTRIA	14 700	7,9%	16 200	8,6%
BELUX	49 200	15,7%	56 600	16,0%
DANEMARK	15 200	18,2%	14 500	16,6%
SPAIN	65 100	16,0%	67 300	15,2%
FINLAND	3 700	5,8%	4 300	6,2%
GREECE	3 500	10,7%	4 300	8,0%
IRELAND	2 900	4,4%	3 500	4,6%
ISLAND	141	2,9%	-	1%
ITALY	80 200	9,9%	94 100	9,3%
NORWAY	4 800	7,0%	5 700	8,4%
NETHERLANDS	41 200	12,4%	45 500	13,8%
PORTUGAL	7 500	14,0%	13 600	14,9%
UNITED KINGDOM	89 800	8,5%	87 300	8,5%
SWEDEN	8 400	5,9%	8 100	5,1%
SWITZERLAND	13 500	7,7%	14 100	9,0%
<b>TOTAL EUROPE 18</b>	<b>796 400</b>	<b>12,3%</b>	<b>925 100</b>	<b>13,3%</b>
CROATIA	3 300	16,2%	3 200	13,8%
HONGARY	1 200	4,5%	1 500	6,6%
POLAND	11 600	7,9%	11 900	7,9%
CZECH REPUBLIC	6 500	7,0%	6 600	7,5%
SLOVAK REPUBLIC	3 000	8,7%	3 600	10,6%
SLOVENIA	3 900	13,4%	4 800	14,1%
<b>TOTAL PECO</b>	<b>29 500</b>	<b>8,4%</b>	<b>31 600</b>	<b>9,0%</b>
BALTIC STATES	2 100	9,7%	2 200	11,0%
BULGARIA + ROUMANIA	2 400	5,2%	2 800	4,5%
MALTA + CYPRUS	600	5,8%	800	6,7%
<b>TOTAL EUROPE 30</b>	<b>831 000</b>	<b>12,0%</b>	<b>962 500</b>	<b>13,0%</b>

## PSA Peugeot Citroën Group registrations on LCV European market

	YTD June 2012		YTD June 2011	
	Volume	Part de marché (%)	Volume	Part de marché (%)
FRANCE	68 000	32,8%	76 600	34,1%
GERMANY	11 000	9,8%	11 300	10,0%
AUSTRIA	1 800	10,7%	1 900	11,8%
BELUX	8 800	25,3%	10200	25,6%
DANEMARK	1 500	13,0%	1 300	11,7%
SPAIN	14 400	33,9%	19900	34,8%
FINLAND	400	6,0%	400	6,0%
GREECE	100	7,6%	300	9,3%
IRELAND	800	10,7%	800	10,0%
ISLAND	4	1,9%	-	-
ITALY	9 000	14,1%	14 200	13,9%
NORWAY	2 500	14,8%	2 900	16,2%
NETHERLANDS	5 200	15,2%	4 300	12,9%
PORTUGAL	2 200	28,2%	5 100	29,6%
UNITED KINGDOM	20 000	16,0%	19 600	14,4%
SWEDEN	3 300	16,3%	3 500	14,9%
SWITZERLAND	2 200	12,6%	2 100	13,2%
<b>TOTAL EUROPE 18</b>	<b>151 300</b>	<b>20,8%</b>	<b>174 400</b>	<b>21,1%</b>
CROATIA	500	25,9%	500	26,8%
HONGARY	1 000	17,5%	800	17,2%
POLAND	4 000	19,0%	5 500	25,2%
CZECH REPUBLIC	1 200	17,8%	1 600	23,5%
SLOVAK REPUBLIC	900	31,2%	1000	33,1%
SLOVENIA	1 200	38,2%	1200	40,7%
<b>TOTAL PECO</b>	<b>8 700</b>	<b>21,2%</b>	<b>10 700</b>	<b>25,8%</b>
BALTIC STATES	7 00	22,2%	600	23,8%
BULGARIA + ROUMANIA	1 000	14,9%	1 200	15,4%
MALTA + CYPRUS	200	18,0%	200	11,1%
<b>TOTAL EUROPE 30</b>	<b>161 900</b>	<b>20,8%</b>	<b>187 100</b>	<b>21,3%</b>

## PSA Peugeot Citroën Group registrations on PC & LCV European market

	YTD June 2012		YTD June 2011	
	Volume	Part de marché (%)	Volume	Part de marché (%)
FRANCE	388 900	31,0%	485 900	33,5%
GERMANY	86 600	5,0%	91 900	5,3%
AUSTRIA	16 500	8,1%	18 100	8,9%
BELUX	58 000	16,6%	66 800	16,9%
DANEMARK	16 700	17,5%	15 800	16,1%
SPAIN	79 500	17,7%	87 200	17,5%
FINLAND	4 100	5,8%	4 700	6,2%
GREECE	3 600	10,5%	4 600	7,9%
IRELAND	3 700	5,0%	4 300	5,1%
ISLAND	100	2,9%	-	0,9%
ITALY	89 200	10,2%	108 200	9,7%
NORWAY	7 300	8,5%	8 600	10,0%
NETHERLANDS	46 300	12,7%	49 800	13,8%
PORTUGAL	9 700	15,8%	18 800	17,2%
UNITED KINGDOM	109 800	9,3%	106 900	9,2%
SWEDEN	11 700	7,2%	11 500	6,4%
SWITZERLAND	15 700	8,1%	16 200	9,3%
<b>TOTAL EUROPE 18</b>	<b>947 600</b>	<b>13,1%</b>	<b>1 074 700</b>	<b>14,3%</b>
CROATIA	3 800	17,0%	3 700	14,8%
HONGARY	2 200	6,7%	2 300	8,4%
POLAND	15 600	9,2%	17 500	10,1%
CZECH REPUBLIC	7 700	7,7%	8 200	8,6%
SLOVAK REPUBLIC	3 800	10,4%	4 600	12,4%
SLOVENIA	5 100	15,8%	6 000	16,3%
<b>TOTAL PECO</b>	<b>38 200</b>	<b>9,7%</b>	<b>42 300</b>	<b>10,7%</b>
BALTIC STATES	2 800	11,3%	2 800	12,2%
BULGARIA + ROUMANIA	3 400	6,4%	4 000	5,7%
MALTA + CYPRUS	700	7,0%	1 000	7,5%
<b>TOTAL EUROPE 30</b>	<b>992 900</b>	<b>12,9%</b>	<b>1 149 600</b>	<b>13,9%</b>

## Marque Peugeot registrations on PC & VUL European market

	YTD June 2012		YTD June 2011	
	Volume	Part de marché (%)	Volume	Part de marché (%)
FRANCE	204 200	16,3%	258 500	17,8%
GERMANY	45 600	2,6%	50 100	2,9%
AUSTRIA	9 000	4,4%	10 300	5,0%
BELUX	29 100	8,4%	34 800	8,8%
DANEMARK	9 200	9,6%	8 600	8,8%
SPAIN	39 000	8,7%	42 700	8,6%
FINLAND	2 200	3,0%	2 600	3,4%
GREECE	1 400	4,2%	2 300	3,9%
IRELAND	2 300	3,1%	2 900	3,4%
ISLAND	100	1,5%	-	0,2%
ITALY	42 700	4,9%	52 500	4,7%
NORWAY	4 400	5,1%	5 500	6,3%
NETHERLANDS	28 300	7,7%	30 500	8,4%
PORTUGAL	5 800	9,4%	10 100	9,2%
UNITED KINGDOM	63 100	5,3%	61 800	5,3%
SWEDEN	7 300	4,5%	6 400	3,6%
SWITZERLAND	8 000	4,1%	8 300	4,8%
<b>TOTAL EUROPE 18</b>	<b>501 800</b>	<b>7,0%</b>	<b>587 900</b>	<b>7,5%</b>
CROATIA	1 900	8,8%	2 000	8,0%
HONGARY	1 200	3,6%	1 300	4,7%
POLAND	8 400	5,0%	9 000	5,2%
CZECH REPUBLIC	4300	4,3%	4 600	4,8%
SLOVAK REPUBLIC	2 300	6,3%	2 600	7,0%
SLOVENIA	2 900	9,0%	3 400	9,1%
<b>TOTAL PECO</b>	<b>21 000</b>	<b>5,3%</b>	<b>22 800</b>	<b>5,8%</b>
BALTIC STATES	2 000	8,0%	1 900	8,4%
BULGARIA + ROUMANIA	2 100	4,0%	2 400	3,3%
MALTA + CYPRUS	500	5,0%	800	5,7%
<b>TOTAL EUROPE 30</b>	<b>527 500</b>	<b>6,9%</b>	<b>615 900</b>	<b>7,4%</b>



## Marque Citroën registrations on PC & VUL European market

	YTD June 2012		YTD June 2011	
	Volume	Part de marché (%)	Volume	Part de marché (%)
FRANCE	184 700	14,7%	227 400	15,7%
GERMANY	40 900	2,3%	41 800	2,4%
AUSTRIA	7 600	3,7%	7 800	3,8%
BELUX	28 900	8,3%	32 000	8,1%
DANEMARK	7 500	7,9%	7 100	7,3%
SPAIN	40 400	9,0%	44 500	8,9%
FINLAND	2 000	2,7%	2 200	2,8%
GREECE	2 200	6,3%	2 300	4,0%
IRELAND	1 400	1,9%	1 400	1,7%
ISLAND	100	1,4%	-	0,7%
ITALY	46 400	5,3%	55 700	5,0%
NORWAY	2 900	3,4%	3 100	3,7%
NETHERLANDS	18 000	4,9%	19 300	5,3%
PORTUGAL	3 900	6,3%	8 700	8,0%
UNITED KINGDOM	46 700	3,9%	45 100	3,9%
SWEDEN	4 400	2,7%	5 100	2,8%
SWITZERLAND	7 700	4,0%	8 000	4,6%
<b>TOTAL EUROPE 18</b>	<b>445 900</b>	<b>6,2%</b>	<b>511 600</b>	<b>6,6%</b>
CROATIA	1 800	8,2%	1 700	6,8%
HONGARY	1 000	3,1%	1000	3,7%
POLAND	7 200	4,3%	8 500	4,9%
CZECH REPUBLIC	3 400	3,4%	3 600	3,8%
SLOVAK REPUBLIC	1 500	4,1%	2 000	5,3%
SLOVENIA	2 200	6,8%	2 700	7,2%
<b>TOTAL PECO</b>	<b>17 200</b>	<b>4,4%</b>	<b>19 400</b>	<b>4,9%</b>
BALTIC STATES	800	3,3%	900	3,8%
BULGARIA + ROUMANIA	1 300	2,4%	1 600	2,4%
MALTA + CYPRUS	200	2,0%	200	1,7%
<b>TOTAL EUROPE 30</b>	<b>465 400</b>	<b>6,0%</b>	<b>533 700</b>	<b>6,4%</b>

PSA Peugeot Citroën Group – Production per model

PC & LCV	YTD June 2012	YTD June 2011
<b>Marque Peugeot</b>		
iOn	1 800	1 600
107	44 500	54 200
206	106 000	260 900
207	99 700	192 600
208	90 000	-
307	51 100	28 900
308	92 600	112 800
3008	59 200	79 800
5008	28 900	46 300
405	107 900	118 000
407	-	600
408	45 400	39 500
508	66 000	64 000
807	3 000	3 900
4007	2 300	4 100
4008	7 000	-
RCZ	5 600	11 400
Bipper	12 700	22 400
Partner	72 900	92 900
Expert	14 700	18 000
Boxer	26 000	29 500
<b>TOTAL</b>	<b>937 300</b>	<b>1 161 900</b>
<b>Marque Citroën</b>		
C-Zero	1 800	1 700
C1	38 200	58 200
C2	7 100	4 700
DS3	36 600	42 600
C3	168 400	211 400
ZX	29 200	33 000
Xsara	1 800	4 800
C4	179 200	210 500
DS4	15 600	13 600
C5	36 000	58 700
DS5	16 800	-
C6	700	600
C8	2 300	3 600
C-Crosser	2 300	4 300
C4-Aircross	11 300	-
Nemo	14 100	20 500
Berlingo	71 500	95 400
Jumpy	12 400	16 700
Jumper	22 100	26 700
<b>TOTAL</b>	<b>667 700</b>	<b>807 600</b>
<b>PSA Peugeot Citroën</b>	<b>1 605 000</b>	<b>1 969 500</b>

**PEUGEOT S.A.**

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