

## PSA Peugeot Citroën: Third-Quarter 2014 Consolidated Revenues

## “Back in the Race” Plan well on track

## Unit sales up in the Third Quarter

- **Worldwide unit sales up 5.4%**, driven by strong increases in China (+44.4%) and Europe (+7%).
- **Automotive Division revenues of €8 billion**, supported by successful launches and a young 3.4 year average age of the range.
- **Automotive Division pro forma revenues<sup>1</sup> including sales in China, up strongly by 2.7% to €9.1 billion.**
- **All *Back in the Race* plan levers in action.**

In the third quarter of 2014, **sales of assembled vehicles** rose by 5.4% to 643,598 units from the prior-year period. Growth was significant in Europe (+7%) and very strong in Asia (+44.4%). Unit sales decreased in other regions, impacted in particular by a sharp decline in demand.

The **European** market expanded by 5.8% over the period, with certain countries experiencing strong growth (United Kingdom +7.6%, Spain +16.9%, Italy +5.3% and Germany +4.5%) and the French market that was almost stable (+0.5%).

In this environment, PSA Peugeot Citroën unit sales rose by 7% (o/w +8.7% in France) and market share of the Group in Europe held steady at 11.8%<sup>2</sup> (down 0.1 point) by the end of September compared to the prior-year period. The Group pursued its pricing power policy for the three brands, Peugeot, Citroën and DS.

In **Asia**, unit sales rose by a robust 44.4%, lifted by the recent launches of the Peugeot 301, 2008 and 408, the Citroën C-Elysée and C4L and the start-up of the DS brand with the DS 5, DS 5 LS and DS 6. The increase in unit sales greatly exceeded the market's growth of 8% in China, and the Group's market share widened by 0.7 point compared with the same period in 2013 to 4.4%<sup>2</sup>.

In **Latin America and Eurasia**, unit sales declined by 38.2% and 62.4%, respectively. The market in both regions contracted noticeably, by 10.4% and 23.8%. The Group pursued its *Back in the Race* action plans - in particular, these plans focus on rationalising fixed costs and adjusting the line-up - with the goal of returning to breakeven in 2017.

In the **Middle East and Africa** and the **India-Pacific** region, the decline in PSA Peugeot Citroën's key markets pushed down unit sales by 11.3% and 10.5%, respectively. These markets represent future opportunities for the Group.

**In the third quarter of 2014, Group revenues** totalled €12,296 million, a 1.6% rise over the prior-year period. **Automotive Division** revenues, excluding Chinese joint ventures contribution, edged back by 0.8% from third-quarter 2013 to €7,971 million, with revenues related to **new car activity** declining by 1.3% as the positive product mix and price effects only partially offset the negative volume and currency effects. **Pro forma Automotive Division revenues<sup>1</sup>** including our share in Chinese JVs amounted to €9,085 million, reflecting the very strong increase in revenues in China.

**Faurecia** reported revenues up 6.5%, to €4,386 million in the third quarter.

**Banque PSA Finance's** revenues are down 2% to €438 million in the third quarter.

**At 30 September 2014, total inventory**, including independent dealers, stood at 393,000 vehicles, down 15,000 units from the prior-year period. This performance confirms the Automotive Division's good inventory management.

<sup>1</sup> Automotive Division revenues including the contribution (50%) of Chinese joint ventures DPCA and CAPSA. Automotive Division revenues totalled €7,971 million at 30 September 2014, down 0.8% on the prior-year period.

<sup>2</sup> Market share for the nine months to 30 September 2014.

During the third quarter, **all Back in the Race action plan levers are in action**, with continued initiatives to reduce inventories and optimise working capital requirement, maintain Automotive Division CAPEX and R&D between 7 and 8% of revenues, differentiate the positioning the brands and improve their price positioning.

The Group is pursuing its global core model strategy, focusing on profitable growth worldwide, its positioning in attractive technologies. Competitiveness improves, notably in Europe, along with increased savings and improved product costs. Lastly, the partnership agreement between Banque PSA Finance and Santander is moving forward, with regulatory approvals ongoing. This partnership will help the Bank regain its competitiveness in Europe.

Commenting on the publication of the third-quarter results, Carlos Tavares, Chairman of the Managing Board, declared: *"I would like to thank all our employees for their deep commitment to the Back in the Race plan. All levers are now activated and first results are visible. Nonetheless, the road back to a full recovery is still long and we should remain collectively focused on execution"*.

## Outlook

In 2014, PSA Peugeot Citroën expects to see automotive demand increase by around 4 to 5 % in Europe and by approximately 10% in China, but decline by some 10% in Latin America and around 15% in Russia<sup>3</sup>.

It is aiming to deliver recurring positive Group operating free cash flow<sup>4</sup> by 2016 at the latest, and an aggregate €2 billion in Group operating free cash flow over the 2016-2018 period. It is also targeting an operating margin<sup>5</sup> of 2% in 2018 in the Automotive Division, with the objective of reaching 5% over the period of the next medium-term plan, covering 2019-2023.

## Contacts

Media Relations	Investor Relations
Jean-Baptiste Thomas jean-baptiste.thomas@mpsa.com +33 (0) 1 40 66 47 59	Carole Dupont-Pietri carole.dupont-pietri@mpsa.com +33 (0) 1 40 66 42 59
Pierre-Olivier Salmon pierreolivier.salmon@mpsa.com +33 (0) 1 40 66 49 94	Anne-Laure Desclèves annelaure.desclèves@mpsa.com +33 (0) 1 40 66 43 65
Caroline Brugier-Corbière caroline.brugier-corbiere@mpsa.com +33 (0) 1 40 66 58 54	Karine Douet karine.douet@mpsa.com +33 (0) 1 40 66 57 45

*PSA Peugeot Citroën will organise a conference call in English with Jean Baptiste de Chatillon, Chief Financial Officer, on Wednesday, 22 October 2014 at 8:30 am (Paris) / 7:30 am (London). To participate, please dial:*

*France: 01 70 77 09 42      UK: +44 (0) 203 367 94 54*

*You may also follow the conference call and download the presentation of third-quarter 2014 revenues on our website ([www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com), in the "Analysts/Investors" section)*

## Financial Calendar

- 18 February 2015: 2014 Annual Results
- 29 April 2015: First-quarter 2015 revenues

<sup>3</sup> This compares with an estimated increase of 3% in Europe at 31 July 2014 and estimated declines of 5% at 31 March 2014 and 10% at 30 June 2014 in Russia, and of 7% in Latin America at end-June.

<sup>4</sup> Free cash flow excluding exceptional and restructuring items.

<sup>5</sup> Recurring operating income/(loss) as a percentage of revenues

## Appendices

### Worldwide Automobile Sales – Q3 2014 an YTD September 2014 (cars and light commercial vehicles)

<b>Consolidated World Sales</b> in thousands of units		2013 Q3	2013 YTD Sept.	2014 Q3	2014 YTD Sept.	Δ 14/13 Q3	Δ 14/13 YTD Sept.
<b>China - South East Asia</b>	Peugeot	64,0	207,0	99,2	288,3	55,0%	39,3%
	Citroën	61,7	199,5	78,4	238,7	27,1%	19,6%
	DS	0,7	1,7	4,9	15,4	++	++
	<b>PSA</b>	126,4	<b>408,2</b>	182,6	<b>542,5</b>	44,4%	<b>32,9%</b>
<b>Eurasia</b>	Peugeot	10,3	30,5	3,7	18,9	-64,0%	-38,0%
	Citroën	8,1	23,9	3,2	14,6	-60,1%	-38,9%
	DS	0,4	1,3	0,1	0,7	-68,3%	-47,3%
	<b>PSA</b>	18,9	<b>55,7</b>	7,1	<b>34,2</b>	-62,4%	<b>-38,6%</b>
<b>Europe</b>	Peugeot	178,9	638,9	197,9	719,8	10,6%	12,7%
	Citroën	137,9	470,0	145,8	529,6	5,8%	12,7%
	DS	22,2	85,6	18,9	69,0	-14,9%	-19,4%
	<b>PSA</b>	<b>339,0</b>	<b>1 194,5</b>	<b>362,6</b>	<b>1 318,5</b>	7,0%	<b>10,4%</b>
<b>India - Pacific</b>	Peugeot	4,1	11,1	3,9	10,9	-5,2%	-2,0%
	Citroën	0,8	2,3	0,8	2,6	3,4%	11,6%
	DS	0,7	2,2	0,3	1,1	-58,8%	-47,2%
	<b>PSA</b>	5,6	<b>15,5</b>	5,0	<b>14,6</b>	-10,5%	<b>-6,2%</b>
<b>Latin America</b>	Peugeot	48,5	135,8	28,9	93,4	-40,4%	-31,2%
	Citroën	27,5	83,6	18,3	59,8	-33,3%	-28,5%
	DS	0,7	3,0	0,1	1,0	-82,1%	-67,8%
	<b>PSA</b>	<b>76,6</b>	<b>222,4</b>	47,4	<b>154,2</b>	-38,2%	<b>-30,7%</b>
<b>Middle East - Africa</b>	Peugeot	29,0	119,0	25,4	81,0	-12,7%	-32,0%
	Citroën	14,4	53,0	13,1	38,2	-8,6%	-27,9%
	DS	0,5	2,0	0,5	1,5	-7,0%	-26,7%
	<b>PSA</b>	<b>44,0</b>	<b>174,0</b>	39,0	<b>120,6</b>	-11,3%	<b>-30,7%</b>
<b>Total Assembled Vehicles</b>	Peugeot	334,7	1 142,3	358,9	1 212,3	7,2%	6,1%
	Citroën	250,4	832,3	259,8	883,5	3,8%	6,2%
	DS	25,3	95,8	24,9	88,7	-1,5%	-7,5%
	<b>PSA</b>	<b>610,4</b>	<b>2 070,5</b>	<b>643,6</b>	<b>2 184,5</b>	5,4%	5,5%

#### Estimated data.

Assembled vehicles, exc. CKD units

Europe = EU + EFTA + Albania + Bosnia + Croatia + Kosovo + Macedonia + Montenegro + Serbia

#### GROUP HIGHLIGHTS SINCE H1 2014

- July, 2<sup>nd</sup> 2014 - Dongfeng Peugeot Citroën Automobile (DPCA) Announces Plans to Build Fourth Car Plant
- July 3<sup>rd</sup> 2014 - Press release of the Supervisory Board
- July 10<sup>th</sup>, 2014 - Banque PSA Finance announces the Signing of a Framework Agreement with Santander
- July 16<sup>th</sup>, 2014 - PSA Peugeot Citroën and PAN Nigeria Limited sign an assembly and sale of cars agreement in Nigeria
- July 30<sup>th</sup> 2014 - "Back in the Race", the PSA Peugeot Citroën strategic plan, delivers its first results
- October 7<sup>th</sup>, 2014 – Peugeot Scooters presents its plan to revive the business and strengthen brand and products