



Interim report

**2007**



## Supervisory Board

**Thierry Peugeot**  
Chairman

**Jean-Philippe Peugeot**  
Vice-Chairman

**Marc Friedel**  
**Jean-Louis Masurel**  
**Jean-Paul Parayre**  
**Robert Peugeot**  
**Henri Philippe Reichstul**  
**Marie-Hélène Roncoroni**  
**Geoffroy Roux de Bézieux**  
**Ernest-Antoine Seillière**  
**Jean-Louis Silvant**  
**Joseph F. Toot Jr.**

**Bertrand Peugeot**  
**Roland Peugeot**  
**François Michelin**  
Advisors to the Supervisory Board

## Statutory Auditors

**PricewaterhouseCoopers Audit**

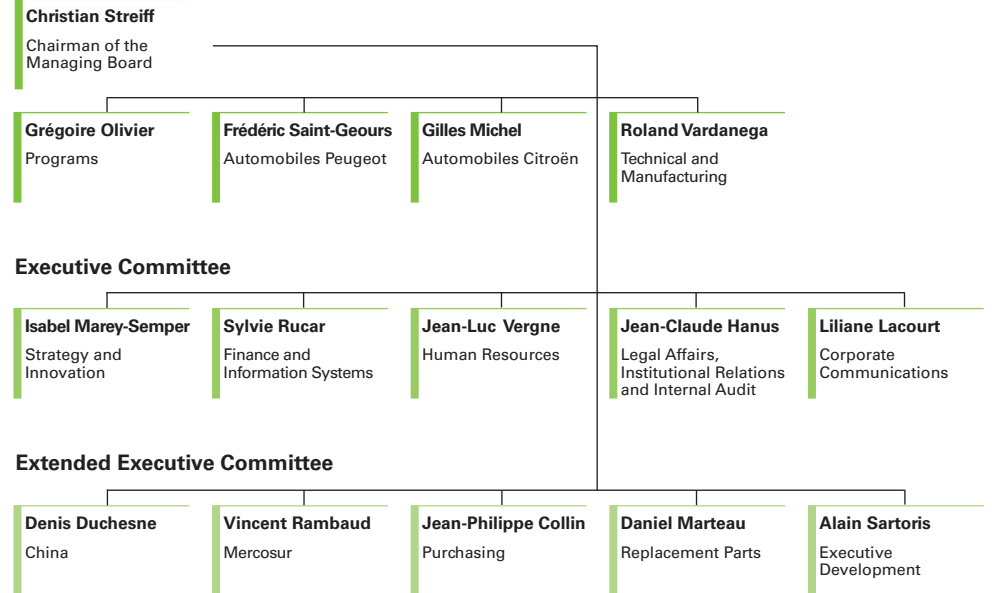
**Mazars & Guérard**

## Auxiliary Auditors

**Yves Nicolas**

**Patrick de Cambourg**

## Managing Board



PSA Peugeot Citroën is a world-class automobile manufacturer, supported by two broadline marques and the expertise of its employees.

With operations in 150 countries, the Group is actively expanding its sales in new, fast-growing markets and today, nearly one third of its business is generated outside Western Europe.

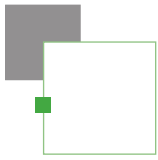
As a responsible global corporate citizen, PSA Peugeot Citroën constantly innovates in the areas of safety and environmental protection to develop and produce cars that meet the expectations of Peugeot and Citroën customers around the world.

Its efficient manufacturing base and unique strategy of forging targeted cooperation agreements with other carmakers enable the Group to optimize capital spending and adapt production volumes while expanding its model lineups. It also takes an active, innovative approach to employee relations in all its units, in France and around the world.

PSA Peugeot Citroën also encompasses the Banque PSA Finance, group of automotive finance companies, Faurecia, an automotive equipment manufacturer and Gefco, a transportation and logistics company.

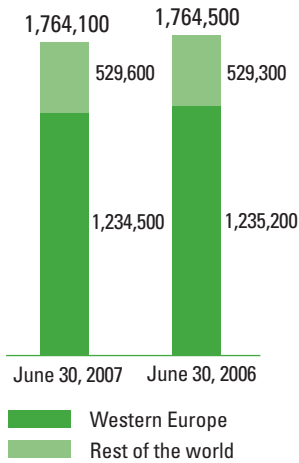
## Contents

■ Key Figures	2
■ Message from the Chairman of the Managing Board	3
■ Management Report	4
■ Statistics	10
■ Consolidated Financial Statements	17
■ Notes to the Consolidated Financial Statements	25
■ Auditor's Report	44

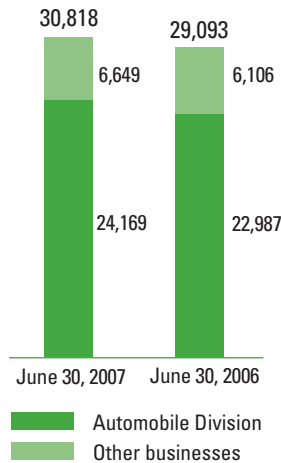


# Key Figures

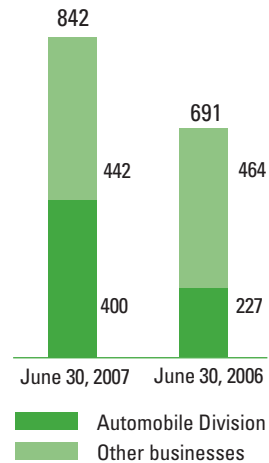
**Worldwide sales**  
(in units)



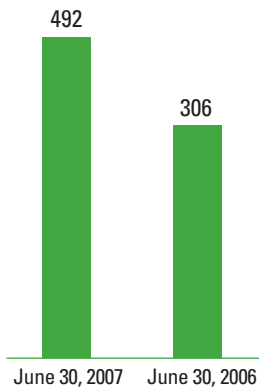
**Sales and revenue**  
(in millions of euros)



**Recurring operating income**  
(in millions of euros)



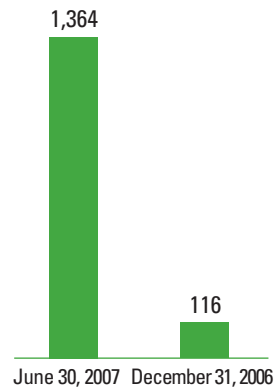
**Net income**  
(in millions of euros)

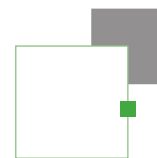


**Working capital provided from operations and capital expenditure**  
(manufacturing and sales companies)  
(in millions of euros)



**Net financial position of the manufacturing and sales companies**  
(in millions of euros)





## Message from the Chairman of the Managing Board

First-half 2007 saw an improvement in PSA Peugeot Citroën's performance.

Recurring operating income increased despite a slight decline in the European automobile market, an increase in the euro against the yen and an aggressively competitive marketplace. The two marques improved their sales performance, particularly in Europe where their market share rebounded slightly to 14.2% from 14.0% in the first half of 2006 and 13.7% in the second. Consolidated recurring operating income increased to €842 million from €691 million in first-half 2006 and €428 million in the second half, representing 2.7% of sales and revenue, versus 2.4% and 1.6% respectively. The improvement was led by the Group's robust marketing performance, which resulted in higher unit sales, higher average prices and a favorable change in the product mix during the period.

The first half also saw a further reduction in costs. Improved purchasing productivity had a €271 million favorable impact, reflecting productivity gains by existing suppliers and the benefits of sourcing products from a wider range of countries. Increased plant efficiency generated production cost savings of €86 million. An ambitious program to reduce corporate overheads has been launched, with the aim of cutting these costs by 30% over the period to 2010. It includes the voluntary departure incentive plan deployed in June, which will reduce headcount by 4,800 people.

The Group also made faster improvements in quality, with first-half indicators in line with the target of halving the number and cost of quality incidents by 2010. To enhance the impact of these improvements, a plan was introduced to increase the number, reliability and performance of pre-launch road tests. A new quality management system will be rolled out to all of the plants during the second half, and a more proactive approach will be taken to managing supplier quality issues.

The new Peugeot and Citroën models have built a strong franchise. The Peugeot 207 line, introduced in the spring of 2006, has been extended with CC, RC and SW versions and is ranked no. 1 in the compact segment. Now available in both 5 and 7-seat versions, the Citroën C4 Picasso – along with the Citroën Xsara Picasso – led a nearly 60% increase in Citroën's unit sales of mid-size MPVs during the period.

The two major challenges for the second half of the year are to continue to successfully launch new models and to accelerate the drive towards greater competitiveness.

Since July, Peugeot and Citroën have expanded their line-up with the introduction of the Citroën C-Crosser and the Peugeot 4007, two environmentally-friendly SUVs that have been favorably received by dealers and the automobile press. In September, the Peugeot 308 will refresh the marque's offer in the compact sedan segment, which is a major market in Europe. In addition, during the second half, Peugeot will introduce a new model in China, while Citroën will launch the C4 Pallas in the Mercosur region.

The Group is continuing to assertively ramp up implementation of CAP 2010, the program launched in February to drive business growth and improve competitiveness through more cross-functionality, more outreach and faster response. Some 150 action plans have been defined and are being implemented on schedule, under the close supervision of senior management.

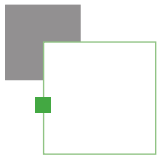
The primary key to winning back market share lies in improving service and product quality, and a number of practical initiatives are underway to position Peugeot and Citroën among Europe's top five carmakers in terms of quality.

The vehicle project development process has been extensively overhauled, with the introduction of four standard development models to replace the single model previously applied to every project. This initiative has cut the development cycle by a third. At the same time, a pilot project has been launched for the development of a highly innovative new vehicle concept that will establish an even more ambitious benchmark in terms of time to market.

"Faster" and "less expensive" are the watchwords governing the entire engineering process. The manufacturing efficiency goals established in the 2003 Convergence plan have been made more challenging and their deadlines have been brought forward by a year. The Group is now aiming to improve purchasing productivity by 6% a year, compared with just over 4% currently. Rapid cuts in supply chain costs and the related assets are also planned, along with a 30% reduction in corporate fixed costs and overheads. Similar competitiveness plans are underway in the Mercosur countries and China.

The dedication and skill of all our employees in pursuing these goals should drive a modest increase in second-half sales and revenue compared with the same period of 2006 and lift recurring operating margin to over 2%.

Christian Streiff



# Management report

## Business review

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The Western European automobile market remained highly competitive in the first six months of 2007, with demand declining by 0.7% compared with the year-earlier period to 9,004,900 cars and light commercial vehicles. The German market fell by 8.2%, dragged down by the January increase in the VAT rate, the French market declined by 1.9% and the Spanish market contracted 1.2%. On the upside, demand grew 4.9% in Italy, while the UK market ended the period up 2.0%.

Markets were also mixed in Central and Eastern Europe, with Hungary declining by 11.5% but Poland and the Czech Republic expanding by 26.2% and 10.1%. Demand in Turkey declined by 28.3%. Automobile markets in Latin America continued to enjoy double-digit growth, with gains of 25.7% in Brazil and 21.5% in Argentina. Demand also continued to expand quickly in China, rising 26.4% over the period.

In this environment, global sales by PSA Peugeot Citroën were stable at 1,764,100 cars and light commercial vehicles, versus 1,764,500 in first-half 2006. Citroën sales were unchanged at 764,200 units, while Peugeot sales came to 999,900 units versus 1,000,500 a year earlier.

In Western Europe, sales eased back 0.1% to 1,234,500 units, including 643,000 Peugeots (up 0.3%) and 591,500 Citroëns (down 0.5%). Peugeot and Citroën registrations amounted to 1,274,500 cars and light commercial vehicles, compared with 1,265,600 in first-half 2006. Led by the positive contribution from the Peugeot 207 and the Citroën C4 Picasso, the Group's market share widened to 14.2% (7.5% for Peugeot and 6.7% for Citroën), from 14.0% in first-half 2006 and 13.7% in second-half 2006.

In France, the Group consolidated its market leadership with 417,000 registrations for a 31.6% share, versus 418,400 registrations and 31.1% in the prior-year period. In Spain, the Group enjoyed gains in both market share, to 20.1% from 19.6%, and registrations, to 199,800 units. In the United Kingdom, registrations rose 2.9% to 151,700, helping to improve market share to 10.5% from 10.4% in first-half 2006. Registrations in Italy increased 11.8% to 157,100, widening market share to 10.3% from 9.6% a year earlier. Positions slipped slightly in Germany, to a market share of 5.6% and 93,800 registrations, from 5.8% and 106,700 units in first-half 2006.

Outside Western Europe, sales of assembled vehicles rose by 7.2% in the first half, to 436,600 units. Nevertheless, total sales including CKD units were down 0.1% to 529,600 units, of which 356,900 Peugeots (down 0.8%) and 172,700 Citroëns (up 1.8%). These sales represented 30.0% of the Group total, the same as in first-half 2006. Sales of CKD units in first-half 2007, primarily to the Group's manufacturing partners in Iran, declined to 93,000 from 122,000 a year earlier.

In Central and Eastern Europe, sales rose 21.2% to 108,300 units. Overall market share in the six following Central European countries (Poland, Hungary, the Czech Republic, Slovenia, Croatia and Slovakia) improved to 12.0% from 11.3% in first-half 2006, with 59,200 registrations in aggregate markets up 8.6% for the period.

In Latin America, new model launches drove a 13.9% increase in sales to 118,900 units. Unit sales rose by 12.0% to 55,400 in Brazil, for a market share of 5.4%, and by 18.1% to 38,400 in Argentina, where market share expanded to 15.2% from 14.8% a year earlier.

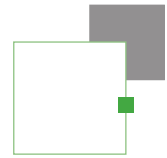
In China, Dongfeng Peugeot Citroën Automobile (DPCA) reported a 2.4% increase in sales, to 102,600 units from 100,200, and a market share of 4.0%. The company's model line-up was expanded in late 2006, with the launch of the Citroën C2, and production capacity is now being increased to bring it in line with the Group's potential in China.

During the first half, Peugeot and Citroën both benefited from the initial positive impact of the new models introduced since autumn 2006.

Launched in April 2006, the Peugeot 207 line was enhanced with the coupé-cabriolet version rolled out in February, the RC sports model in March and the SW version in July. 267,700 units were sold during the period. The Peugeot 206, which is now being marketed mainly outside Europe, sold 158,700 units. Aggregate sales of the 206 and 207 ended the period up 12.0%.

Sales of the Citroën C1 and Peugeot 107 rose by 8.6% to 106,300 units, while the Peugeot 307 demonstrated firm resistance ahead of the September launch of the Peugeot 308, with sales contracting 8.1% to 220,300 units. 76,200 Peugeot 407 units were sold during the period.





The Citroën C4 Picasso maintained the momentum enjoyed since the launch of the 7-seat version in October 2006 and the 5-seat version in February of this year, with first-half sales totaling 92,100 units. To increase C4 Picasso assembly capacity, production of the Xsara Picasso will be transferred to the Rennes plant in October. Now representing Citroën's entry-level offer in the mid-sized MPV segment, the Xsara Picasso sold 70,900 units during the period.

Sales of the Citroën C2, C3 and C3 Pluriel came to 195,400 units, while sales of the Citroën C4 sedan and coupé stood at 130,300 units. The C4 notchback is now being manufactured and sold in Argentina. Sales of the Citroën Berlingo and Peugeot Partner rose 2.5% to 185,400 units, from 181,000 in first-half 2006.

Light commercial vehicle sales rose an aggregate 7.7% to 223,100 units, including 111,900 Peugeots (up 8.3%) and 111,200 Citroëns (up 7.0%). The Group is the leading player in this market in Europe, a position that has been consolidated by the January launch of the new Citroën Dispatch and Peugeot Expert.

Consolidated sales and revenue rose 5.9% to €30,818 million, reflecting increases of 6.5% in the first quarter (to €14,874 million) and 5.4% in the second quarter (to €15,944 million).

Automobile Division sales came to €24,169 million versus €22,987 million in first-half 2006. Growth in unit sales of assembled vehicles had a 1.6% favorable impact excluding China (operations in China are accounted for by the equity method). Changes in exchange rates had a 0.3% negative impact, while the net price effect was a positive 1.4%. Although changes in geographic mix had a 0.4% negative impact, changes in product mix had a 2.2% positive impact that was mainly due to the contribution over the full six-month period of the Peugeot 207 and to growing sales of the 7-seat Citroën C4 Picasso introduced in late 2006.

Banque PSA Finance reported revenue – mainly corresponding to gross interest income – of €975 million, up 13.4% over first-half 2006. The Bank turned in a resilient performance, with strong business growth outside Western Europe offsetting the effects of the increasingly hostile competitive environment caused by higher interest rates. Retail financing was provided for 443,700 vehicles, up 1.7% over first-half 2006, with a 0.8% decline in Western Europe and a 61.1% increase in the Bank's other host countries. New vehicle financing was up 0.9% at 343,000 units. In all, Banque PSA Finance financed

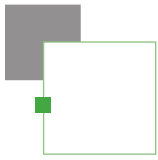
25.2% of the Peugeots and Citroëns sold in the Bank's host countries, versus 25.9% in first-half 2006. The aggregate amount of new vehicle financing extended during the period rose 1.7%, in line with the increase in average loan size, to €4,026 million. The volume of used vehicle financing grew 4.8% to 100,700 units. Aggregate new and used vehicle retail financing extended during the period came to €4,785 million versus €4,670 million in first-half 2006. The retail loan book at June 30, 2007 stood at €17,861 million versus €17,278 million a year earlier, an increase of 3.4%. Outstanding wholesale loans at the same date came to €5,643 million versus €5,519 million. The total Banque PSA Finance loan book rose 3.1% over the twelve-month period, to €23,504 million from €22,797 million.

Sales of insurance, maintenance services, extended warranties and other financing-related services contributed €76 million to revenue, an increase of 21%.

Gefco revenue totaled €1,797 million, up 8.4% over first-half 2006. Revenue from services performed for other Group companies was 8.2% higher, while external revenue increased 8.7% to €701 million. Network (part and full-load transportation) revenue rose 6.9% to €889 million, including 5.7% growth in external revenue, led by rapid advances in Southern Europe (Spain, Portugal and Italy), Central and Eastern Europe (Czech Republic, Slovakia, Poland and Russia) and the Mercosur countries. Automotive (vehicle preparation and distribution) revenue was 13% higher at €689 million, reflecting the return to growth in PSA Peugeot Citroën sales in Europe. External revenue grew 26%, driven by the ramp-up of vehicle distribution contracts, particularly in Russia. Supply (logistics and sea and air freight) revenue rose 6.0% to €221 million, led by growth in overseas markets and increased services to non-Group customers.

Faurecia sales rose 8.9% to €6,512 million. Sales to other Group companies were up 9.6% and external sales were 8.7% higher, at €5,090 million. On a like-for-like basis – excluding the effect of changes in exchange rates, the prices of precious metals used in the manufacture of exhaust systems and the scope of consolidation – the increase was 7.7%, reflecting a return to growth in Europe and strong performances outside Europe, particularly in North America and Asia.

Car seat sales totaled €2,682 million, up 8.1% on a reported basis and 8.6% at constant exchange rates. The many new model launches in North America drove up sales in this market by a very strong 58.6%.



Sales of other interior modules rose 0.5% (1.7% at constant exchange rates) to €1,800 million. The 3.4% decline in Europe was more than offset by sharp rises in Asia (up 39.3%) and North America (up 36.2%), on the back of new model launches.

Exhaust system sales continued to expand rapidly, rising 15.0% to €1,548 million. Excluding catalytic converters

and the currency effect, the increase was 13.8%, reflecting favorable developments in all host countries.

Front-end sales, including the contribution of France's Cadence Innovation, totaled €482 million, up 19.8% at constant exchange rates.

## Recurring operating income

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First-half 2007 recurring operating income came to €842 million, representing 2.7% of sales and revenue.

Automobile Division recurring operating income amounted to €400 million compared with €227 million in the year-earlier period, representing 1.7% of sales and revenue versus 1.0%.

The net improvement in Automobile Division recurring operating income can be explained as follows:

- Higher sales volumes, particularly of assembled vehicles, had a €49 million favorable impact.
- Changes in geographic mix had a €45 million negative impact, reflecting the higher contribution of markets outside Europe – particularly the Mercosur countries – to the Division's total sales.
- Changes in product mix added €96 million, reflecting line-up renewals, including the introduction of the Peugeot 207 and the Citroën C4 Picasso, and the new light commercial vehicle ranges (Peugeot Expert/Citroën Dispatch and Peugeot Boxer/Citroën Relay).
- The price effect – including not only changes in list prices, but also the impact of promotional offers and changes in standard equipment levels – was a positive €56 million, attributable to the renewal of the product line-up.
- At €192 million, the negative impact of higher raw materials costs was greater than expected based on price levels at the start of the year.
- Improved purchasing productivity had a €271 million favorable impact, reflecting productivity gains by existing suppliers and the benefits of sourcing products from a wider range of countries.

- Increased plant efficiency generated production cost savings of €86 million.

- General and administrative expenses were €87 million lower than in first-half 2006, reflecting the initial effects of the measures decided at the start of the year.

- Changes in exchange rates had a €36 million negative impact. This was mainly due to the weakening of the US dollar, the South African rand and the Swiss franc against the euro, which was only partly offset by the stronger British pound.

- Personnel costs were €121 million higher.

- Other items had a net negative impact of €78 million, corresponding primarily to lower capitalized development costs and increased amortization of costs capitalized in prior years.

Banque PSA Finance's recurring operating income rose 2.7% to €301 million from €293 million in first-half 2006. This represented 2.6% of average net loans, down slightly on the year-earlier period.

These changes can be explained as follows:

- The increase in average net loans had a €26 million positive impact.

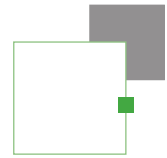
- The lending margin on existing loans declined slightly, with a negative impact of €12 million.

- The higher credit loss ratio had a small negative impact of €3 million.

- The effect of higher market interest rates on items measured at fair value had a €4 million negative impact.

Gefco's recurring operating income declined to €76 million, or 4.2% of revenue, from €80 million or 4.8% in first-half 2006, as the increase in transportation costs due to higher fuel prices and vehicle shortages exceeded the positive impact of the additional revenue generated by the growing internationalization of customer operations.





Faurecia's recurring operating income stood at €63 million, or 1.0% of sales, versus €85 million or 1.4% in first-half 2006. The sharp improvement compared with the €16 million negative margin reported in the second half of last year was attributable to business growth and improved manufacturing performance,

which offset heavy losses from operations in North America.

Aggregate recurring operating income in the other businesses represented €5 million.

## Net profit

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Other income and expenses represented net expense of €291 million in first-half 2007 compared with net expense of €275 million in the year-earlier period. The first-half 2007 figure includes €216 million in write-downs of certain Automobile Division assets following the downgrading of sales forecasts for two automobile programs, €120 million in restructuring provisions related to the voluntary departure of some 4,800 employees and €30 million in rationalization costs at Faurecia, partly offset by an €84 million gain on the sale of real estate at the Ryton plant.

Finance costs were entirely offset by interest income in first-half 2007. Finance costs, net for the year-earlier period came to €14 million.

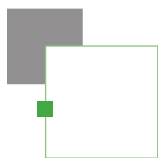
Profit before tax of fully consolidated companies amounted to €551 million versus €402 million in first-half 2006. Estimated current and deferred taxes came to €91 million compared with €125 million, representing 16.5% of profit before tax versus 31.1%.

Companies at equity made a positive contribution of €23 million compared with €21 million in first-half 2006.

The first-half 2007 figure includes the Group's €11 million share in the profits of Toyota Peugeot Citroën Automobiles (TPCA), whose plant in Kolin (Czech Republic) is now operating at normal capacity. Dongfeng Peugeot Citroën Automobile (DPCA) also made a positive contribution. DPCA's unit sales rose strongly during the period, leading to a 5.3% increase in revenue to CNY 9,612 million. The company's recurring operating income came to CNY 404 million, versus CNY 490 million in first-half 2006, while its pre-tax profit, after finance costs and exchange gains and losses, amounted to CNY 508 million compared with CNY 191 million. After taking into account consolidation adjustments and the elimination of intra-group transactions, DPCA contributed €24 million to consolidated profit in first-half 2007, up from €5 million in the year-earlier period.

In all, after deducting minority interests of €9 million, net profit attributable to equity holders of the parent came in at €492 million, compared with €306 million in first-half 2006.

Earnings per share stood at €2.15 versus €1.34.



## Financial position

Net cash from operating activities of the manufacturing and sales companies rose 44.9% to €2,754 million in first-half 2007 from €1,900 million in the year-earlier period.

Working capital provided by operations of the manufacturing and sales companies totaled €1,830 million compared with €1,605 million in first-half 2006, and represented 6.1% of sales, versus 5.6%.

Working capital requirement of the manufacturing and sales companies fell by €924 million, on the back of a €295 million decline in first-half 2006.

The change in working capital requirement in first-half 2007 reflects an €853 million increase in trade receivables (€557 million for the Automobile Division, €243 million for Faurecia and €41 million for Gefco), and a €1,481 million increase in trade payables (€1,070 million for the Automobile Division, €343 million for Faurecia and €87 million for Gefco). The increase in trade receivables was consistent with the growth in sales, while that of trade payables was consistent with production volumes.

Inventories were €432 million higher, including increases of €37 million for Faurecia and €440 million for the Automobile Division.

### New vehicle inventories (excluding joint ventures)

<i>(in units)</i>	June 30, 2006	December 31, 2006	June 30, 2007
Manufacturer	254,000	228,000	268,000
Captive dealer network	61,000	59,000	61,000
<b>Group total</b>	<b>315,000</b>	<b>287,000</b>	<b>329,000</b>
Independent dealerships	277,000	283,000	291,000
<b>Total</b>	<b>592,000</b>	<b>570,000</b>	<b>620,000</b>

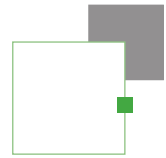
Gross capital expenditure amounted to €953 million, representing less than the €1,097 million spent in first-half 2006.

Additions to intangible assets, in the amount of €387 million versus €463 million, consist mainly of product development costs capitalized in accordance with IFRS for €373 million (€287 million for the Automobile Division and €86 million for Faurecia) versus €451 million (€347 million for the Automobile Division and €104 million for Faurecia) in first-half 2006.

In all, net cash used in investing activities came to €1,370 million versus €1,609 million in first-half 2006. The manufacturing and sales companies generated free cash flow of €1,384 million, up from €291 million in the year-earlier period.

Cash flows from financing activities of the manufacturing and sales companies consisted mainly of 2006 dividends of €309 million paid to Peugeot S.A. stockholders in May 2007 and of €8 million paid to minority stockholders of subsidiaries. The total also includes – in intragroup transactions – the 2006 dividend paid by Banque PSA Finance to Peugeot S.A. in the amount of €157 million, representing 39.8% of the Bank's consolidated net profit for 2006. No shares were bought back in first-half 2007. At the end of the period, the Group held 5,649,485 shares in treasury, corresponding to 2.41% of the capital. The total breaks down as 5,193,017 shares held for allocation on exercise of stock options and 456,468 shares bought back with a view to being canceled.

Based on these movements, as of June 30, 2007, the net financial position of the manufacturing and sales companies amounted to €1,364 million compared with €116 million at December 31, 2006 and €488 million at June 30, 2006.



## Outlook for 2007

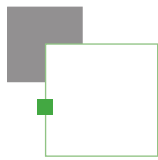
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In Western Europe, the Group expects to see continued improvement led by demand for the Peugeot 207 hatchback and CC, the C4 Picasso and Grand C4 Picasso and by the forthcoming launch of the Peugeot 4007, 308 and 207 SW and the Citroën C-Crosser.

Outside Western Europe, where the market environment should remain generally favourable, PSA Peugeot Citroën will continue to enjoy profitable sales growth, thanks to the expansion of the model line-up.

This environment will enable the Group to further optimize prices, volumes and the product mix in Western Europe and to consolidate profitable growth in other markets.

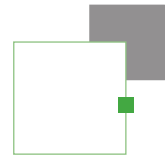
Thanks to the launch of new models in the highest margin segments, despite the continued strengthening of the euro and steadily higher raw materials costs, second-half sales and revenue should be slightly up on the year-earlier period while second-half recurring operating income should exceed 2.0% of sales and revenue.



# Statistics

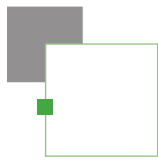
## PSA Peugeot Citroën Group – Passenger car registrations in Europe by country

	June 30, 2007		June 30, 2006	
	Units	Market share (%)	Units	Market share (%)
France	336,000	31.1	339,500	30.6
Austria	15,000	9.1	14,600	8.6
Belgium-Luxembourg	64,900	19.2	72,400	20.3
Denmark	15,700	20.7	15,100	18.5
Finland	7,400	9.5	7,700	8.9
Germany	84,200	5.3	99,900	5.8
Greece	16,000	10.1	15,200	10.0
Iceland	200	2.4	400	3.8
Ireland	8,000	5.2	8,700	6.0
Italy	146,200	10.3	132,500	10.0
Netherlands	37,400	12.7	34,600	12.1
Norway	5,800	8.8	4,500	8.5
Portugal	18,400	17.2	18,100	16.5
Spain	157,600	18.5	155,700	18.0
Sweden	13,800	9.1	12,500	8.7
Switzerland	13,300	9.2	13,200	9.1
United Kingdom	130,900	10.3	125,900	10.1
<b>Total Western Europe (18 countries)</b>	<b>1,070,800</b>	<b>13.5</b>	<b>1,070,500</b>	<b>13.3</b>



**PSA Peugeot Citroën Group – Light commercial vehicle registrations in Europe by country**

	June 30, 2007		June 30, 2006	
	Units	Market share (%)	Units	Market share (%)
France	80,900	33.9	78,900	33.5
Austria	1,700	10.3	1,700	11.1
Belgium-Luxembourg	10,300	25.1	9,800	26.0
Denmark	3,700	10.8	3,700	11.5
Finland	700	6.7	1,000	11.4
Germany	9,600	8.9	6,600	6.7
Greece	400	3.5	500	4.1
Iceland	100	3.5	100	3.2
Ireland	2,100	6.5	2,700	9.1
Italy	10,900	9.4	7,900	6.0
Netherlands	4,600	10.2	3,700	10.0
Norway	2,900	13.1	2,500	12.3
Portugal	7,900	19.8	7,600	23.2
Spain	42,300	29.3	41,900	29.3
Sweden	3,000	13.6	3,200	16.1
Switzerland	1,900	14.6	1,600	12.9
United Kingdom	20,800	11.9	21,700	12.6
<b>Total Western Europe (18 countries)</b>	<b>203,800</b>	<b>19.0</b>	<b>195,100</b>	<b>18.7</b>



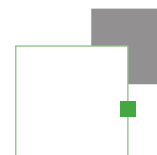
**PSA Peugeot Citroën Group – Passenger car and light commercial vehicle registrations in Europe by country**

	June 30, 2007		June 30, 2006	
	Units	Market share (%)	Units	Market share (%)
France	417,000	31.6	418,400	31.2
Austria	16,700	9.2	16,400	8.9
Belgium-Luxembourg	75,300	19.9	82,100	20.9
Denmark	19,400	17.6	18,800	16.5
Finland	8,100	9.2	8,800	9.2
Germany	93,800	5.6	106,500	5.8
Greece	16,400	9.6	15,800	9.5
Iceland	200	2.6	500	3.7
Ireland	10,100	5.4	11,300	6.5
Italy	157,100	10.3	140,400	9.6
Netherlands	41,900	12.4	38,300	11.8
Norway	8,700	9.9	7,000	9.5
Portugal	26,300	17.9	25,700	18.0
Spain	199,800	20.1	197,600	19.6
Sweden	16,800	9.7	15,700	9.6
Switzerland	15,200	9.6	14,800	9.4
United Kingdom	151,700	10.5	147,500	10.4
<b>Total Western Europe (18 countries)</b>	<b>1,274,500</b>	<b>14.2</b>	<b>1,265,600</b>	<b>14.0</b>

**Workforce**

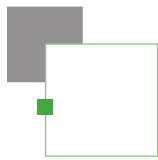
	June 30, 2007	December 31, 2006
<b>Automobile Division</b>	<b>136,900</b>	<b>139,500</b>
Of which:		
- France	93,800	96,000
- Other countries	43,100	43,500
<b>Banque PSA Finance</b>	<b>2,300</b>	<b>2,400</b>
<b>Gefco</b>	<b>10,200</b>	<b>9,900</b>
<b>Faurecia</b>	<b>57,900</b>	<b>57,800</b>
<b>Other businesses and holding company</b>	<b>2,000</b>	<b>2,100</b>
<b>Total PSA PEUGEOT CITROËN</b>	<b>209,300</b>	<b>211,700</b>
Of which:		
- France	119,000	121,900
- Other countries	90,300	89,800





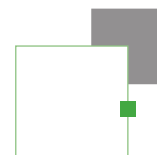
## PSA Peugeot Citroën Group – Worldwide sales

<i>(passenger cars and light commercial vehicles)</i>	June 30, 2007	June 30, 2006
<b>Western Europe</b>		
France:		
Peugeot	220,800	223,000
Citroën	174,100	178,000
<b>PSA PEUGEOT CITROËN</b>	<b>394,900</b>	<b>401,000</b>
Other Western European countries:		
Peugeot	422,100	417,800
Citroën	417,500	416,400
<b>PSA Peugeot Citroën</b>	<b>839,600</b>	<b>834,200</b>
<b>Total Western Europe:</b>		
Peugeot	642,900	640,800
Citroën	591,600	594,400
<b>PSA Peugeot Citroën</b>	<b>1,234,500</b>	<b>1,235,200</b>
<b>Rest of the world</b>		
Central Europe:		
Peugeot	63,300	49,700
Citroën	45,000	39,700
<b>PSA Peugeot Citroën</b>	<b>108,300</b>	<b>89,400</b>
Africa & Middle East:		
Peugeot	135,000	165,500
Citroën	25,700	30,600
<b>PSA Peugeot Citroën</b>	<b>160,700</b>	<b>196,100</b>
The Americas:		
Peugeot	89,100	77,800
Citroën	35,300	31,700
<b>PSA Peugeot Citroën</b>	<b>124,400</b>	<b>109,500</b>
Asia-Pacific:		
Peugeot	57,500	54,600
Citroën	63,400	64,500
<b>PSA Peugeot Citroën</b>	<b>120,900</b>	<b>119,100</b>
Others:		
Peugeot	12,000	12,100
Citroën	3,200	3,100
<b>PSA Peugeot Citroën</b>	<b>15,200</b>	<b>15,200</b>
<b>Total sales, rest of the world</b>		
Peugeot	357,000	359,700
Citroën	172,600	169,600
<b>PSA Peugeot Citroën</b>	<b>529,600</b>	<b>529,300</b>
<b>Total worldwide sales</b>		
Peugeot	999,900	1,000,500
Citroën	764,200	764,000
<b>Total PSA Peugeot Citroën</b>	<b>1,764,100</b>	<b>1,764,500</b>



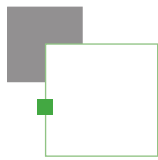
## PSA Peugeot Citroën Group – Worldwide sales by model

<i>(passenger cars and light commercial vehicles)</i>	June 30, 2007	June 30, 2006
<b>Peugeot Marque</b>		
107	54,600	50,700
1007	11,200	21,400
206	158,700	293,200
207	267,700	87,700
307	220,300	239,700
405	61,100	68,400
407	76,200	100,100
607	4,300	5,800
807	11,500	13,600
Expert	20,400	18,200
Partner	85,100	77,100
Boxer	25,900	22,700
Other	2,900	1,900
<b>Total</b>	<b>999,900</b>	<b>1,000,500</b>
of which diesel-powered versions	483,500	466,900
	48.4%	46.7%
of which passenger cars	888,000	897,200
of which light commercial vehicles	111,900	103,300
<b>Citroën Marque</b>		
C1	51,700	47,200
C2	52,700	60,800
C3	142,700	159,800
ZX	28,400	54,800
Xsara	70,900	103,500
C4	222,400	127,600
C5	29,300	41,600
Xantia	5,300	6,100
C6	4,200	3,400
C8	7,500	12,100
Jumpy	19,200	18,300
Berlingo	100,300	103,800
Jumper	28,800	23,500
Other	800	1,500
<b>Total</b>	<b>764,200</b>	<b>764,000</b>
of which diesel-powered versions	435,000	407,000
	56.9%	53.3%
of which passenger cars	653,000	660,100
of which light commercial vehicles	111,200	103,900
<b>Total PSA Peugeot Citroën Group</b>	<b>1,764,100</b>	<b>1,764,500</b>
of which diesel-powered versions	918,500	873,900
	52.1%	49.5%
of which passenger cars	1,541,000	1,557,300
of which light commercial vehicles	223,100	207,200



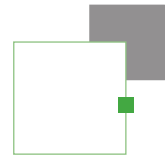
## PSA Peugeot Citroën Group – Sales outside Western Europe by country

<i>(passenger cars and light commercial vehicles)</i>	<b>June 30, 2007</b>	June 30, 2006
<b>Central Europe</b>	<b>108,300</b>	<b>89,400</b>
Poland	22,600	17,000
Russia	16,700	13,100
Romania	12,200	8,800
Hungary	8,400	9,100
Czech Republic	10,300	8,500
Croatia	7,400	7,200
Slovenia	6,800	5,700
Slovakia	6,100	5,300
Others	17,800	14,700
<b>Africa &amp; Middle East</b>	<b>160,700</b>	<b>196,100</b>
Iran	87,200	114,100
Turkey	14,700	22,300
Algeria	11,700	8,800
Morocco	10,300	8,300
Nigeria	6,000	5,600
Others	30,800	37,000
<b>The Americas</b>	<b>124,400</b>	<b>109,500</b>
Brazil	55,400	49,500
Argentina	38,400	32,500
Chile	8,800	8,600
Mexico	7,400	7,100
Others	14,400	11,800
<b>Asia - Pacific</b>	<b>120,900</b>	<b>119,100</b>
China	102,600	100,200
Japan	5,900	6,600
Australia	6,500	4,600
Others	5,900	7,700



## PSA Peugeot Citroën Group – Production by model

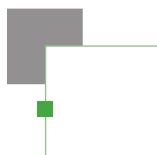
<i>(passenger cars and light commercial vehicles)</i>	June 30, 2007	June 30, 2006
<b>Peugeot Marque</b>		
107	54,800	53,000
1007	6,100	15,800
206	163,700	287,600
207	283,800	110,600
307	226,800	229,900
405	78,800	80,700
407	77,500	86,900
607	3,500	5,500
807	12,500	13,700
4007	3,600	-
Expert	21,200	19,100
Partner	88,800	78,000
Boxer	25,000	25,000
Other	3,100	1,800
<b>Total</b>	<b>1,049,200</b>	<b>1,007,600</b>
of which diesel-powered versions	502,600	457,000
of which passenger cars	934,500	906,400
of which light commercial vehicles	114,700	101,200
<b>Citroën Marque</b>		
C1	51,200	53,000
C2	57,300	63,500
C3	142,200	157,600
C4	243,300	127,900
ZX	36,600	58,800
Xsara	64,900	106,100
Xantia	5,100	6,400
C5	33,800	44,000
C6	6,300	3,700
C8	6,800	12,100
C-Crosser	3,600	-
Jumpy	18,100	20,300
Berlingo	98,700	108,500
Jumper	29,500	25,400
Other	200	-
<b>Total</b>	<b>797,600</b>	<b>787,300</b>
of which diesel-powered version	451,700	420,200
of which passenger cars	687,300	678,000
of which light commercial vehicles	110,300	109,300
<b>Total PSA Peugeot Citroën</b>	<b>1,846,800</b>	<b>1,794,900</b>
of which diesel-powered version	954,300	877,200
of which passenger cars	1,621,800	1,584,400
of which light commercial vehicles	225,000	210,500



# PSA Peugeot Citroën Group

## Interim Consolidated Financial Statements for the six months ended June 30, 2007

■ Interim Consolidated Statements of Income	18
■ Interim Consolidated Balance Sheets	20
■ Interim Consolidated Statements of Cash Flows	22
■ Interim Consolidated Statements of Changes in Equity	24
■ Notes to the Interim Consolidated Financial Statements	25

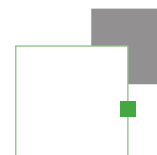


## Interim Consolidated **Statements of Income**

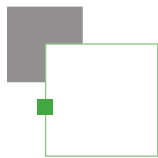
	<b>Six months ended June 30, 2007</b>			
<i>(in millions of euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Sales and revenue</b>	<b>30,056</b>	<b>975</b>	<b>(213)</b>	<b>30,818</b>
Cost of goods and services sold	(24,335)	(509)	213	(24,631)
Selling, general and administrative expenses	(4,148)	(165)	-	(4,313)
Research and development expenses (note 5)	(1,032)	-	-	(1,032)
<b>Recurring operating income (note 1)</b>	<b>541</b>	<b>301</b>	<b>-</b>	<b>842</b>
Other income and (expenses), net (note 6)	(290)	(1)	-	(291)
Interest income*	143	-	-	143
Finance costs*	(143)	-	-	(143)
<b>Income before tax of fully consolidated companies</b>	<b>251</b>	<b>300</b>	<b>-</b>	<b>551</b>
Income taxes (note 7)	10	(101)	-	(91)
Share in net earnings of companies at equity (note 9.3)	23	-	-	23
<b>Consolidated profit (loss) for the period</b>	<b>284</b>	<b>199</b>	<b>-</b>	<b>483</b>
Attributable to equity holders of the parent	294	198	-	492
Attributable to minority interests	(10)	1	-	(9)
<i>(in euros)</i>				
Basic earnings per €1 par value share (note 8)				2.15
Diluted earnings per €1 par value share (note 8)				2.15

\* Finance costs and interest income on interest rate swaps are stated at their net value.





Six months ended June 30, 2006				Year ended December 31, 2006			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>28,405</b>	<b>860</b>	<b>(172)</b>	<b>29,093</b>	<b>55,198</b>	<b>1,761</b>	<b>(365)</b>	<b>56,594</b>
(23,039)	(403)	172	(23,270)	(44,774)	(836)	365	(45,245)
(4,012)	(164)	-	(4,176)	(7,912)	(321)	-	(8,233)
(956)	-	-	(956)	(1,997)	-	-	(1,997)
<b>398</b>	<b>293</b>	<b>-</b>	<b>691</b>	<b>515</b>	<b>604</b>	<b>-</b>	<b>1,119</b>
(275)	-	-	(275)	(854)	(1)	-	(855)
90	-	-	90	195	-	-	195
(104)	-	-	(104)	(253)	-	-	(253)
<b>109</b>	<b>293</b>	<b>-</b>	<b>402</b>	<b>(397)</b>	<b>603</b>	<b>-</b>	<b>206</b>
(24)	(101)	-	(125)	49	(205)	-	(156)
21	-	-	21	20	-	-	20
<b>106</b>	<b>192</b>	<b>-</b>	<b>298</b>	<b>(328)</b>	<b>398</b>	<b>-</b>	<b>70</b>
116	190	-	306	(211)	394	-	183
(10)	2	-	(8)	(117)	4	-	(113)
			1.34				0.80
			1.33				0.80

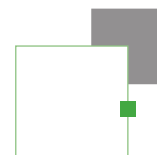


## Interim Consolidated Balance Sheets - Assets

<i>(in millions of euros)</i>	Six months ended June 30, 2007			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
Goodwill	1,548	75	-	1,623
Intangible assets	3,952	91	-	4,043
Property, plant and equipment	15,323	46	-	15,369
Investments in companies at equity (note 9)	659	12	-	671
Investments in non-consolidated companies	43	-	-	43
Other non-current financial assets (note 10.1)	1,319	47	-	1,366
Other non-current assets	98	1	-	99
Deferred tax assets	504	53	-	557
<b>Total non-current assets</b>	<b>23,446</b>	<b>325</b>	<b>-</b>	<b>23,771</b>
<b>Operating assets</b>				
Loans and receivables – finance companies (note 11)	-	23,379	(202)	23,177
Short-term investments – finance companies	-	3,000	-	3,000
Inventories	7,346	-	-	7,346
Trade receivables – manufacturing and sales companies	3,882	-	(265)	3,617
Current taxes	186	52	(20)	218
Other receivables (note 12)	1,837	761	(73)	2,525
	<b>13,251</b>	<b>27,192</b>	<b>(560)</b>	<b>39,883</b>
<b>Current financial assets (note 10.2)</b>	<b>870</b>	<b>-</b>	<b>-</b>	<b>870</b>
<b>Cash and cash equivalents</b>	<b>8,223</b>	<b>730</b>	<b>(303)</b>	<b>8,650</b>
<b>Total current assets</b>	<b>22,344</b>	<b>27,922</b>	<b>(863)</b>	<b>49,403</b>
<b>Total assets</b>	<b>45,790</b>	<b>28,247</b>	<b>(863)</b>	<b>73,174</b>

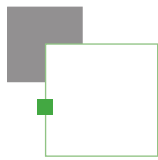
## Interim Consolidated Balance Sheets - Equity and liabilities

<i>(in millions of euros)</i>	Six months ended June 30, 2007			
	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Equity</b>				
Share capital				235
Treasury stock (note 13)				(229)
Retained earnings and other accumulated equity, excluding minority interests				14,007
Minority interests				376
<b>Total equity</b>				<b>14,389</b>
Non-current financial liabilities (note 15)	3,795	-	-	3,795
Other non-current liabilities	3,310	1	-	3,311
Non-current provisions (note 14.1)	1,240	23	-	1,263
Deferred tax liabilities	1,792	360	-	2,152
<b>Total non-current liabilities</b>	<b>10,137</b>	<b>384</b>	<b>-</b>	<b>10,521</b>
<b>Operating liabilities</b>				
Financing liabilities	-	24,133	(303)	23,830
Current provisions (note 14.2)	2,099	36	-	2,135
Trade payables	11,953	-	(31)	11,922
Current taxes	141	88	(20)	209
Other payables (note 16)	4,538	886	(338)	5,086
	<b>18,731</b>	<b>25,143</b>	<b>(692)</b>	<b>43,182</b>
<b>Current financial liabilities (note 15)</b>	<b>5,253</b>	<b>-</b>	<b>(171)</b>	<b>5,082</b>
<b>Total current liabilities</b>	<b>23,984</b>	<b>25,143</b>	<b>(863)</b>	<b>48,264</b>
<b>Total equity and liabilities</b>				<b>73,174</b>



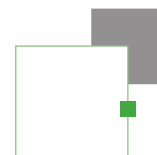
Six months ended June 30, 2006				Year ended December 31, 2006			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
1,673	75	-	1,748	1,547	75	-	1,622
4,008	81	-	4,089	3,947	87	-	4,034
15,364	47	-	15,411	15,221	47	-	15,268
630	-	-	630	628	12	-	640
48	14	-	62	53	-	-	53
1,712	46	-	1,758	1,321	47	-	1,368
92	-	-	92	96	1	-	97
606	41	-	647	499	36	-	535
<b>24,133</b>	<b>304</b>	-	<b>24,437</b>	<b>23,312</b>	<b>305</b>	-	<b>23,617</b>
-	22,708	(120)	22,588	-	22,802	(99)	22,703
-	2,607	-	2,607	-	2,818	-	2,818
6,978	-	-	6,978	6,826	-	-	6,826
3,953	-	(223)	3,730	3,043	-	(193)	2,850
125	64	(27)	162	210	29	(26)	213
1,854	621	(60)	2,415	1,719	617	(68)	2,268
<b>12,910</b>	<b>26,000</b>	<b>(430)</b>	<b>38,480</b>	<b>11,798</b>	<b>26,266</b>	<b>(386)</b>	<b>37,678</b>
<b>1,393</b>	-	-	<b>1,393</b>	<b>1,132</b>	-	-	<b>1,132</b>
<b>4,121</b>	<b>755</b>	<b>(296)</b>	<b>4,580</b>	<b>6,339</b>	<b>620</b>	<b>(292)</b>	<b>6,667</b>
<b>18,424</b>	<b>26,755</b>	<b>(726)</b>	<b>44,453</b>	<b>19,269</b>	<b>26,886</b>	<b>(678)</b>	<b>45,477</b>
<b>42,557</b>	<b>27,059</b>	<b>(726)</b>	<b>68,890</b>	<b>42,581</b>	<b>27,191</b>	<b>(678)</b>	<b>69,094</b>

Six months ended June 30, 2006				Year ended December 31, 2006			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
			235				235
			(216)				(261)
			13,817				13,744
			516				388
			<b>14,352</b>				<b>14,106</b>
3,916	-	-	3,916	4,125	-	-	4,125
3,062	1	-	3,063	2,759	-	-	2,759
1,458	20	-	1,478	1,383	23	-	1,406
2,086	314	-	2,400	1,854	329	-	2,183
<b>10,522</b>	<b>335</b>	-	<b>10,857</b>	<b>10,121</b>	<b>352</b>	-	<b>10,473</b>
-	23,219	(214)	23,005	-	23,259	(215)	23,044
1,745	44	-	1,789	1,747	38	-	1,785
10,925	-	(24)	10,901	10,481	-	(25)	10,456
134	99	(27)	206	152	43	(26)	169
4,524	895	(283)	5,136	4,075	847	(261)	4,661
<b>17,328</b>	<b>24,257</b>	<b>(548)</b>	<b>41,037</b>	<b>16,455</b>	<b>24,187</b>	<b>(527)</b>	<b>40,115</b>
<b>2,822</b>	-	<b>(178)</b>	<b>2,644</b>	<b>4,551</b>	-	<b>(151)</b>	<b>4,400</b>
<b>20,150</b>	<b>24,257</b>	<b>(726)</b>	<b>43,681</b>	<b>21,006</b>	<b>24,187</b>	<b>(678)</b>	<b>44,515</b>
			<b>68,890</b>				<b>69,094</b>

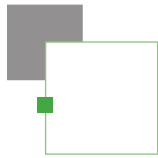


# Interim Consolidated **Statements of Cash Flows**

	<b>Six months ended June 30, 2007</b>			
<i>(in millions of euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>Consolidated profit (loss) for the period</b>	<b>284</b>	<b>199</b>	-	<b>483</b>
Adjustments for:				
- Depreciation, amortization and impairment	1,874	6	-	1,880
- Non-current provisions	(139)	1	-	(138)
- Changes in deferred tax	(83)	5	-	(78)
- (Gains) losses on disposals and other	(85)	-	-	(85)
Share in net earnings of companies at equity, net of dividends received	(23)	-	-	(23)
Revaluation adjustments taken to equity and hedges of debt	2	2	-	4
<b>Working capital</b>	<b>1,830</b>	<b>213</b>	-	<b>2,043</b>
Changes in operating assets and liabilities (note 17)	924	63	9	996
<b>Net cash from (used in) operating activities</b>	<b>2,754</b>	<b>276</b>	<b>9</b>	<b>3,039</b>
Proceeds from disposals of shares in consolidated companies	-	-	-	-
Proceeds from disposals of investments in non-consolidated companies	10	-	-	10
Acquisitions of shares in consolidated companies	-	-	-	-
Investments in non-consolidated companies	(2)	-	-	(2)
Proceeds from disposals of property, plant and equipment	114	4	-	118
Proceeds from disposals of intangible assets	5	-	-	5
Investments in property, plant and equipment	(953)	(6)	-	(959)
Investments in intangible assets	(387)	(8)	-	(395)
Changes in amounts payable on fixed assets	(93)	-	-	(93)
Other	(64)	-	-	(64)
<b>Net cash from (used in) investing activities</b>	<b>(1,370)</b>	<b>(10)</b>	-	<b>(1,380)</b>
Dividends paid:				
- To Peugeot S.A. shareholders	(309)	-	-	(309)
- Intragroup	157	(157)	-	-
- To minority shareholders of subsidiaries	(8)	-	-	(8)
(Purchases) sales of treasury stock	36	-	-	36
Changes in other financial assets and liabilities	289	-	(22)	267
Other	-	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>165</b>	<b>(157)</b>	<b>(22)</b>	<b>(14)</b>
Effect of changes in exchange rates	29	1	2	32
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,578</b>	<b>110</b>	<b>(11)</b>	<b>1,677</b>
Net cash and cash equivalents at beginning of period	4,308	620	(292)	4,636
<b>Net cash and cash equivalents at end of period</b>	<b>5,886</b>	<b>730</b>	<b>(303)</b>	<b>6,313</b>



Six months ended June 30, 2006				Year ended December 31, 2006			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
<b>106</b>	<b>192</b>	-	<b>298</b>	<b>(328)</b>	<b>398</b>	-	<b>70</b>
1,645	6	-	1,651	3,686	12	-	3,698
(54)	-	-	(54)	(148)	(1)	-	(149)
(34)	8	-	(26)	(139)	29	-	(110)
(52)	-	-	(52)	(54)	2	-	(52)
(20)	-	-	(20)	(17)	-	-	(17)
14	(10)	-	4	11	4	-	15
<b>1,605</b>	<b>196</b>	-	<b>1,801</b>	<b>3,011</b>	<b>444</b>	-	<b>3,455</b>
295	112	(17)	390	424	(234)	(37)	153
<b>1,900</b>	<b>308</b>	<b>(17)</b>	<b>2,191</b>	<b>3,435</b>	<b>210</b>	<b>(37)</b>	<b>3,608</b>
2	-	-	2	2	-	-	2
-	-	-	-	-	-	-	-
-	-	-	-	(1)	-	-	(1)
(8)	(13)	-	(21)	(19)	(13)	-	(32)
103	4	-	107	155	6	-	161
3	4	-	7	3	-	-	3
(1,097)	(6)	-	(1,103)	(2,520)	(11)	-	(2,531)
(463)	(10)	-	(473)	(937)	(16)	-	(953)
(161)	-	-	(161)	(101)	-	-	(101)
12	-	-	12	(54)	-	-	(54)
<b>(1,609)</b>	<b>(21)</b>	-	<b>(1,630)</b>	<b>(3,472)</b>	<b>(34)</b>	-	<b>(3,506)</b>
(309)	-	-	(309)	(309)	-	-	(309)
161	(161)	-	-	161	(161)	-	-
(5)	(2)	-	(7)	(6)	(32)	-	(38)
-	-	-	-	(39)	-	-	(39)
(273)	-	(50)	(323)	205	-	(23)	182
-	-	-	-	-	-	-	-
<b>(426)</b>	<b>(163)</b>	<b>(50)</b>	<b>(639)</b>	<b>12</b>	<b>(193)</b>	<b>(23)</b>	<b>(204)</b>
(32)	(4)	1	(35)	45	2	(2)	45
<b>(167)</b>	<b>120</b>	<b>(66)</b>	<b>(113)</b>	<b>20</b>	<b>(15)</b>	<b>(62)</b>	<b>(57)</b>
4,288	635	(230)	4,693	4,288	635	(230)	4,693
<b>4,121</b>	<b>755</b>	<b>(296)</b>	<b>4,580</b>	<b>4,308</b>	<b>620</b>	<b>(292)</b>	<b>4,636</b>

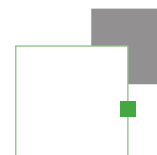


# Interim Consolidated Statements of Changes in Equity

<i>(in millions of euros)</i>	Equity	Minority interests	Share capital	Treasury stock	Retained earnings and other accumulated equity, excluding minority interests	Revaluations – excluding minority interests			
						Retained earnings, excluding minority interests	Cash flow hedges	“Available-for-sale” securities	Translation adjustment
<b>At December 31, 2005</b>	<b>14,406</b>	<b>542</b>	<b>235</b>	<b>(220)</b>	<b>13,849</b>	<b>13,493</b>	<b>5</b>	<b>174</b>	<b>177</b>
Change in accounting policy (note 2)	40	-	-	-	40	34	-	-	6
<b>At January 1, 2006</b>	<b>14,446</b>	<b>542</b>	<b>235</b>	<b>(220)</b>	<b>13,889</b>	<b>13,527</b>	<b>5</b>	<b>174</b>	<b>183</b>
Consolidated profit (loss) for the period	298	(8)	-	-	306	306	-	-	-
Revaluations taken to profit or loss	(19)	-	-	-	(19)	-	-	(19)	-
Revaluations taken to equity	(67)	(11)	-	-	(56)	6	28	22	(112)
Stock options	5	-	-	-	5	5	-	-	-
<b>Comprehensive income*</b>					<b>236</b>				
Effect of changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Treasury stock (note 13)	5	-	-	4	1	1	-	-	-
Dividends paid (€1.35 per €1 par value share)	(316)	(7)	-	-	(309)	(309)	-	-	-
<b>At June 30, 2006</b>	<b>14,352</b>	<b>516</b>	<b>235</b>	<b>(216)</b>	<b>13,817</b>	<b>13,536</b>	<b>33</b>	<b>177</b>	<b>71</b>
Consolidated profit (loss) for the period	(228)	(105)	-	-	(123)	(123)	-	-	-
Revaluations taken to profit or loss	-	-	-	-	-	-	-	-	-
Revaluations taken to equity	47	5	-	-	42	(4)	(1)	42	5
Stock options	7	-	-	-	7	7	-	-	-
<b>Comprehensive income*</b>					<b>(74)</b>				
Effect of changes in scope of consolidation	3	3	-	-	-	-	-	-	-
Treasury stock (note 13)	(44)	-	-	(45)	1	1	-	-	-
Dividends paid and capital redemption	(31)	(31)	-	-	-	-	-	-	-
<b>At December 31, 2006</b>	<b>14,106</b>	<b>388</b>	<b>235</b>	<b>(261)</b>	<b>13,744</b>	<b>13,417</b>	<b>32</b>	<b>219</b>	<b>76</b>
Consolidated profit (loss) for the period	483	(9)	-	-	492	492	-	-	-
Revaluations taken to profit or loss	-	-	-	-	-	-	-	-	-
Revaluations taken to equity	71	-	-	-	71	(5)	19	15	42
Stock options	5	-	-	-	5	5	-	-	-
<b>Comprehensive income*</b>					<b>568</b>				
Effect of changes in scope of consolidation	5	5	-	-	-	-	-	-	-
Treasury stock (note 13)	36	-	-	32	4	4	-	-	-
Dividends paid (€1.35 per €1 par value share)	(317)	(8)	-	-	(309)	(309)	-	-	-
<b>At June 30, 2007</b>	<b>14,389</b>	<b>376</b>	<b>235</b>	<b>(229)</b>	<b>14,007</b>	<b>13,604</b>	<b>51</b>	<b>234</b>	<b>118</b>

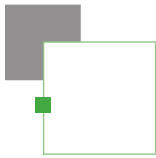
\* Comprehensive income includes all changes in equity resulting from transactions with non-shareholder third parties.





## Notes to the **Interim Consolidated Financial Statements** for the six months ended June 30, 2007

■ General Information _____	Note 1 – Accounting policies .....	26
	Note 2 – Adjustments to the reported financial statements .....	26
	Note 3 – Scope of consolidation .....	27
	Note 4 – Segment information .....	28
■ Statements of Income _____	Note 5 – Research and development costs .....	31
	Note 6 – Other income and (expenses), net .....	31
	Note 7 – Income taxes .....	33
	Note 8 – Earnings per share .....	33
■ Balance Sheets – Assets _____	Note 9 – Investments in companies at equity .....	34
	Note 10 – Current and non-current financial assets .....	37
	Note 11 – Loans and receivables – finance companies .....	38
	Note 12 – Other receivables .....	39
■ Balance Sheets – Equity and Liabilities _____	Note 13 – Share buyback programs .....	39
	Note 14 – Current and non-current provisions .....	40
	Note 15 – Current and non-current financial liabilities – manufacturing and sales companies .....	41
	Note 16 – Other payables .....	41
■ Additional Information _____	Note 17 – Changes in operating assets and liabilities .....	42
	Note 18 – Net financial position of manufacturing and sales companies .....	43
	Note 19 – Off-balance sheet commitments .....	43
	Note 20 – Contingent liabilities .....	43
	Note 21 – Subsequent events .....	43



## Note 1 ■ Accounting policies

The interim consolidated financial statements of the PSA Peugeot Citroën Group for the six months ended June 30, 2007 have been prepared using the same accounting policies as those used to prepare the consolidated financial statements for the year ended December 31, 2006.

The Group's consolidated financial statements for the year ended December 31, 2006 were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union.

The new accounting standards whose application is mandatory for the Group in 2007 (the amendment to IAS 1 and IFRS 7) only concern disclosures required regarding financial instruments and equity. The anticipated impact on the notes to the consolidated financial statements for the year ending December 31, 2007 is discussed in the 2006 consolidated financial statements.

None of the new standards and interpretations due to come into force as of 2008 have been adopted by the European Union. These standards and interpretations have not been early-adopted by the Group.

The interim consolidated financial statements for the six months ended June 30, 2007 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 2006 consolidated financial statements.

The interim consolidated financial statements and accompanying notes for the six months ended June 30, 2007 were authorized for issue by the Managing Board of Peugeot S.A. on July 23, 2007.

### Recurring operating income

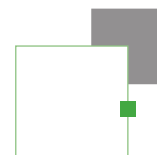
The Group uses recurring operating income (previously called "operating margin") as its main business performance indicator. Recurring operating income is equal to profit before:

- other income and expenses, which consist mainly of:
  - restructuring and early-termination plan costs,
  - interest cost related to pension obligations and the expected return on the corresponding external funds,
  - the ineffective portion of the change in fair value on currency hedges of forecast commercial transactions to be carried out by the manufacturing and sales companies,
  - profits and losses and movements on provisions covering highly unusual events;
- interest income including the impact of interest rate and currency hedges;
- finance costs including the impact of interest rate and currency hedges;
- current and deferred taxes;
- share in net earnings of companies at equity.

## Note 2 ■ Adjustments to the reported financial statements

Dongfeng Peugeot Citroën Automobile has opted to apply the Accounting Standard for Business Enterprises (ASBE) for its statutory financial statements as from 2007. The work carried out in preparation for the first-time application of this body of standards, which are highly comparable with IFRS, led Dongfeng Peugeot Citroën Automobile to make certain adjustments to the restatements applied to reconcile its statutory financial statements with the restated IFRS financial statements used by the PSA Peugeot Citroën Group to prepare its consolidated financial statements.

In comparison with the reported consolidated financial statements, the impact of these adjustments is a €40 million increase in shareholders' equity at January 1, 2006, and increases in the share in net earnings of companies at equity of €3 million and €7 million, respectively, for the six months ended June 30, 2006 and the year ended December 31, 2006. Basic earnings per share increase by €0.02 at June 30, 2006 and by €0.03 at December 31, 2006.



## Note 3 ■ Scope of consolidation

### 3.1. Number of consolidated companies

#### A. Number of companies consolidated at period-end

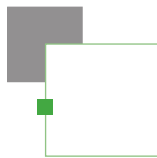
	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Subsidiaries</b>			
Manufacturing and sales companies	290	296	288
Finance companies	35	32	34
	<b>325</b>	<b>328</b>	<b>322</b>
<b>Companies at equity</b>			
Manufacturing and sales companies	34	33	33
Finance companies	1	-	1
	<b>35</b>	<b>33</b>	<b>34</b>
<b>Consolidated companies at end of period</b>	<b>360</b>	<b>361</b>	<b>356</b>

#### B. Changes during the period

	June 30, 2007
<b>Consolidated companies at beginning of period</b>	<b>356</b>
Newly consolidated companies:	
- Automotive equipment companies	3
- Transportation and Logistics companies	3
- Other manufacturing and sales companies	2
- Finance companies	2
Merged companies and other	(6)
<b>Consolidated companies at end of period</b>	<b>360</b>

### 3.2. Main changes in the scope of consolidation in 2007

No material changes in the scope of consolidation occurred during the first half of 2007.

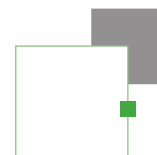


## Note 4 ■ Segment information

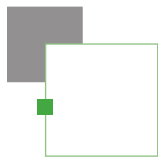
In accordance with IAS 14 – Segment Information, the Group’s primary reporting format is organized by business segment, in line with its organizational and management structure.

Business segments are detailed in the notes to the 2006 consolidated financial statements.

<b>June 30, 2007</b> <i>(in millions of euros)</i>	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations	Total
<b>Sales and revenue</b>							
- third parties	24,146	5,090	701	762	119	-	30,818
- intragroup, intersegment	23	1,422	1,096	213	126	(2,880)	-
<b>Total</b>	<b>24,169</b>	<b>6,512</b>	<b>1,797</b>	<b>975</b>	<b>245</b>	<b>(2,880)</b>	<b>30,818</b>
<b>Recurring operating income</b>	<b>400</b>	<b>63</b>	<b>76</b>	<b>301</b>	<b>5</b>	<b>(3)</b>	<b>842</b>
<b>Segment profit (loss)</b>	<b>154</b>	<b>24</b>	<b>74</b>	<b>301</b>	<b>5</b>	<b>(3)</b>	<b>555</b>
Share in net earnings of companies at equity	22	1	-	-	-	-	23
Other financial income and (expenses), net	-	-	-	-	-	-	(4)
Net financial income (expense)	-	-	-	-	-	-	-
Income taxes	-	-	-	-	-	-	(91)
<b>Consolidated profit (loss) for the period</b>							<b>483</b>
<b>Segment assets at end of period</b>	<b>26,988</b>	<b>6,705</b>	<b>1,296</b>	<b>27,401</b>	<b>322</b>	<b>(1,866)</b>	<b>60,846</b>
Investments in companies at equity	605	51	3	12	-	-	671
Investments in non-consolidated companies	-	-	-	-	-	-	43
Financial assets	-	-	-	-	-	-	10,839
Tax assets	-	-	-	-	-	-	775
<b>Total segment assets at end of period</b>							<b>73,174</b>
<b>Segment equity and liabilities at end of period</b>	<b>19,643</b>	<b>3,699</b>	<b>865</b>	<b>25,080</b>	<b>258</b>	<b>(1,998)</b>	<b>47,547</b>
Long-term debt	-	-	-	-	-	-	8,877
Tax liabilities	-	-	-	-	-	-	2,361
Equity	-	-	-	-	-	-	14,389
<b>Total segment equity and liabilities at end of period</b>							<b>73,174</b>
<b>Capital expenditure (excluding sales with a buyback commitment)</b>	<b>1,089</b>	<b>224</b>	<b>24</b>	<b>3</b>	<b>14</b>	<b>-</b>	<b>1,354</b>
<b>Depreciation and amortization</b>	<b>(1,385)</b>	<b>(242)</b>	<b>(27)</b>	<b>(6)</b>	<b>(4)</b>	<b>-</b>	<b>(1,664)</b>
<b>Impairment losses</b>	<b>(216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(216)</b>



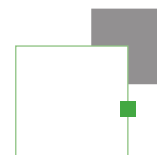
<b>June 30, 2006</b> <i>(in millions of euros)</i>	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations	Total
<b>Sales and revenue</b>							
- third parties	22,927	4,683	645	688	150	-	29,093
- intragroup, intersegment	60	1,297	1,013	172	184	(2,726)	-
<b>Total</b>	<b>22,987</b>	<b>5,980</b>	<b>1,658</b>	<b>860</b>	<b>334</b>	<b>(2,726)</b>	<b>29,093</b>
<b>Recurring operating income</b>	<b>227</b>	<b>85</b>	<b>80</b>	<b>293</b>	<b>(2)</b>	<b>8</b>	<b>691</b>
<b>Segment profit (loss)</b>	<b>39</b>	<b>(2)</b>	<b>78</b>	<b>293</b>	<b>(2)</b>	<b>8</b>	<b>414</b>
Share in net earnings of companies at equity	17	4	-	-	-	-	21
Other financial income and (expenses), net	-	-	-	-	-	-	2
Net financial income (expense)	-	-	-	-	-	-	(14)
Income taxes	-	-	-	-	-	-	(125)
<b>Consolidated profit (loss) for the period</b>							<b>298</b>
<b>Segment assets at end of period</b>	<b>26,688</b>	<b>6,867</b>	<b>1,196</b>	<b>26,186</b>	<b>443</b>	<b>(1,676)</b>	<b>59,704</b>
Investments in companies at equity	587	39	4	-	-	-	630
Investments in non-consolidated companies	-	-	-	-	-	-	62
Financial assets	-	-	-	-	-	-	7,685
Tax assets	-	-	-	-	-	-	809
<b>Total segment assets at end of period</b>							<b>68,890</b>
<b>Segment equity and liabilities at end of period</b>	<b>18,288</b>	<b>3,518</b>	<b>816</b>	<b>24,178</b>	<b>366</b>	<b>(1,794)</b>	<b>45,372</b>
Long-term debt	-	-	-	-	-	-	6,560
Tax liabilities	-	-	-	-	-	-	2,606
Equity	-	-	-	-	-	-	14,352
<b>Total segment equity and liabilities at end of period</b>							<b>68,890</b>
<b>Capital expenditure (excluding sales with a buyback commitment)</b>	<b>1,277</b>	<b>243</b>	<b>28</b>	<b>16</b>	<b>12</b>	<b>-</b>	<b>1,576</b>
<b>Depreciation and amortization</b>	<b>(1,299)</b>	<b>(244)</b>	<b>(23)</b>	<b>(6)</b>	<b>(8)</b>	<b>-</b>	<b>(1,580)</b>
<b>Impairment losses</b>	<b>(71)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71)</b>



## Interim Consolidated Financial Statements

Notes to the Interim Consolidated Financial Statements

<b>December 31, 2006</b> <i>(in millions of euros)</i>	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations	Total
<b>Sales and revenue</b>							
- third parties	44,444	9,199	1,272	1,396	283	-	56,594
- intragroup, intersegment	122	2,450	1,973	365	370	(5,280)	-
<b>Total</b>	<b>44,566</b>	<b>11,649</b>	<b>3,245</b>	<b>1,761</b>	<b>653</b>	<b>(5,280)</b>	<b>56,594</b>
<b>Recurring operating income</b>	<b>267</b>	<b>69</b>	<b>151</b>	<b>604</b>	<b>17</b>	<b>11</b>	<b>1,119</b>
<b>Segment profit (loss)</b>	<b>(130)</b>	<b>(317)</b>	<b>154</b>	<b>603</b>	<b>(33)</b>	<b>11</b>	<b>288</b>
Share in net earnings of companies at equity	16	4	-	-	-	-	20
Other financial income and (expenses), net	-	-	-	-	-	-	(24)
Net financial income (expense)	-	-	-	-	-	-	(58)
Income taxes	-	-	-	-	-	-	(156)
<b>Consolidated profit (loss) for the period</b>							<b>70</b>
<b>Segment assets at end of period</b>	<b>25,842</b>	<b>6,339</b>	<b>1,140</b>	<b>26,493</b>	<b>375</b>	<b>(1,656)</b>	<b>58,533</b>
Investments in companies at equity	585	40	3	12	-	-	640
Investments in non-consolidated companies	-	-	-	-	-	-	53
Financial assets	-	-	-	-	-	-	9,120
Tax assets	-	-	-	-	-	-	748
<b>Total segment assets at end of period</b>							<b>69,094</b>
<b>Segment equity and liabilities at end of period</b>	<b>17,363</b>	<b>3,279</b>	<b>757</b>	<b>24,167</b>	<b>342</b>	<b>(1,797)</b>	<b>44,111</b>
Long-term debt	-	-	-	-	-	-	8,525
Tax liabilities	-	-	-	-	-	-	2,352
Equity	-	-	-	-	-	-	14,106
<b>Total segment equity and liabilities at end of period</b>							<b>69,094</b>
<b>Capital expenditure (excluding sales with a buyback commitment)</b>	<b>2,852</b>	<b>515</b>	<b>70</b>	<b>27</b>	<b>20</b>	<b>-</b>	<b>3,484</b>
<b>Depreciation and amortization</b>	<b>(2,547)</b>	<b>(530)</b>	<b>(54)</b>	<b>(12)</b>	<b>(15)</b>	<b>-</b>	<b>(3,158)</b>
<b>Impairment losses</b>	<b>(265)</b>	<b>(234)</b>	<b>-</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>(540)</b>



## Note 5 ■ Research and development costs

### 5.1. Impact of capitalization on the statement of income

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Total expenditure	(1,045)	(1,073)	(2,175)
Capitalized development expenditure	373	451	882
<b>Non-capitalized expenses</b>	<b>(672)</b>	<b>(622)</b>	<b>(1,293)</b>
Amortization of capitalized development expenditure	(360)	(334)	(704)
<b>Total</b>	<b>(1,032)</b>	<b>(956)</b>	<b>(1,997)</b>

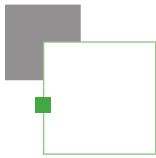
### 5.2. Impact of capitalization on the statement of cash flows

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Impact on profit	13	117	178
Impact on amortization	(360)	(334)	(704)
<b>Impact on working capital</b>	<b>373</b>	<b>451</b>	<b>882</b>
<b>Impact on net cash used in investing activities</b>	<b>(373)</b>	<b>(451)</b>	<b>(882)</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Note 6 ■ Other income and (expenses), net

Other income and expenses include the following amounts:

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Impairment loss taken on Automobile CGUs (note 6.1)	(216)	-	(194)
Impairment loss taken on Faurecia group CGUs and other Faurecia group assets (note 6.2)	-	-	(234)
Impairment loss taken on CGUs from other businesses	-	-	(41)
Restructuring costs (note 6.3)	(164)	(342)	(429)
Interest cost on pension obligations	(100)	(92)	(186)
Expected return on external pension funds	95	91	188
Change in the ineffective portion of foreign currency options	(6)	(22)	(43)
Proceeds from disposals of property (note 6.4)	93	65	93
Other	7	25	(9)
<b>Total</b>	<b>(291)</b>	<b>(275)</b>	<b>(855)</b>



### **6.1. Impairment loss taken on Automobile CGUs**

At end-2006, impairment losses were taken on two Automobile CGUs in an amount of €194 million.

A decrease in volumes on these two CGUs during first-half 2007 led the Group to perform further impairment tests.

Value in use is determined in accordance with the method described in the notes to the 2006 consolidated financial statements, and is based on the latest projections from the 2008-2011 Medium-Term Plan and an unchanged discount rate of 8%.

The impairment tests led the Group to record a full write-off of fixed assets related to these two CGUs, in a total additional amount of €216 million.

### **6.2. Impairment loss taken on Faurecia group CGUs**

At end-2006, impairment losses were taken on Faurecia group CGUs in an amount of €234 million, mostly relating to the Vehicle Interior business.

No further indication of impairment was identified at June 30, 2007 and new impairment tests will be carried out on these CGUs in the second half of 2007.

### **6.3. Restructuring costs**

#### **Automobile Division**

On May 9, 2007, management presented its workforce adjustment plan to Peugeot Citroën Automobiles' Central Works Committee. The plan is designed to adapt the Group to its changing economic environment and offers voluntary departure incentives over the period June 1, 2007 to December 13, 2007.

The Group estimates the net cost of the plan, which concerns 4,800 employees, at €120 million. This amount was recognized in full at June 30, 2007.

The estimated net cost corresponds to termination payments amounting to €192 million as well as €8 million in ancillary expenses, and takes account of an €80 million reversal of provisions for pension obligations.

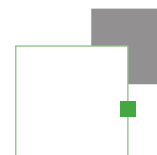
#### **Faurecia group**

Restructuring costs attributable to the Faurecia group amount to €30 million in first-half 2007, and concern 730 employees.

### **6.4. Proceeds from disposals of property**

In the first half of 2007, proceeds from disposals of property include net gains of €84 million from the sale by Peugeot Citroën Automobiles UK of a site in Ryton (UK).





## Note 7 ■ 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 following table reconciles the theoretical tax payable at the current tax rate in France to the Group effective tax expense in the statement of income:

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Income before tax of fully consolidated companies</b>	<b>551</b>	<b>402</b>	<b>206</b>
<i>French current income tax rate</i>	<i>34.4%</i>	<i>34.4%</i>	<i>34.4%</i>
<b>Theoretical tax expense for the period based on the French current income tax rate</b>	<b>(190)</b>	<b>(138)</b>	<b>(71)</b>
Permanent differences	29	11	(6)
Income taxable at reduced rates	26	25	52
Tax credits	28	24	76
Effect of differences in foreign tax rates and other	60	26	12
Unrecognized deferred tax assets and impairment losses	(44)	(73)	(219)
<b>Income taxes</b>	<b>(91)</b>	<b>(125)</b>	<b>(156)</b>

At June 30, 2007, permanent differences include the positive impact of the tax treatment applying to the capital gain recorded on the sale of the Ryton site (note 6.4).

Unrecognized deferred tax assets and impairment losses essentially concern the Faurecia group.

## Note 8 ■ Earnings per share

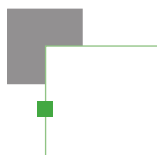
Earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The average number of shares outstanding is calculated by taking into account the number of shares issued and canceled during the period and the number of shares held in treasury stock.

The dilutive effect of stock options is calculated using the "treasury stock" method, as follows:

	June 30, 2007	June 30, 2006	Dec. 31, 2006
Average number of €1 par value shares outstanding	228,571,417	229,081,391	228,662,232
Dilutive effect of stock options, calculated using the "treasury stock" method	749,769	539,137	399,015
<b>Diluted average number of shares</b>	<b>229,321,186</b>	<b>229,620,528</b>	<b>229,061,247</b>

In view of the terms of the stock option plans and Peugeot S.A.'s average share price, only plans implemented from 1999 through 2004 have a dilutive impact in 2007. In 2006, only the plans implemented from 1999 through 2003 were dilutive.



## Note 9 ■ Investments in companies at equity

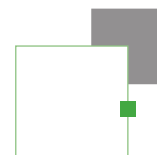
Most companies accounted for by the equity method are manufacturing and sales companies that manufacture automotive parts and components or complete vehicles.

### 9.1. Changes in the carrying value of investments in companies at equity

<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
<b>Opening balance</b>	<b>640</b>	<b>636</b>	<b>636</b>
Dividends and profit transfers	-	(1)	(3)
Share of net earnings	23	21	20
Newly consolidated companies:			
- Dongfeng Peugeot Citroën Automobile Finance Company	-	-	12
- Faurecia group companies	9	1	3
Capital increase	-	-	1
Disposals	-	-	(3)
Translation adjustment	(1)	(27)	(26)
<b>Closing balance</b>	<b>671</b>	<b>630</b>	<b>640</b>

### 9.2. Share in net assets

<i>(in millions of euros)</i>	Latest % interest	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
<b>Renault cooperation agreement</b>				
Française de Mécanique	50%	22	56	49
Société de Transmissions Automatiques	20%	3	3	3
<b>Fiat cooperation agreement</b>				
Sevelnord	50%	66	69	62
Giesevel	50%	17	14	15
Sevelind	50%	18	13	16
Sevel SpA	50%	92	90	86
<b>Toyota cooperation agreement</b>				
Toyota Peugeot Citroën Automobiles	50%	127	116	118
<b>Dongfeng cooperation agreement</b>				
Dongfeng Peugeot Citroën Automobile (note 2)	50%	253	221	229
Dongfeng Peugeot Citroën Automobile Finance Company	25%	12	-	12
<b>Other</b>				
Siemens Automotiv Hydraulics	5%	-	-	-
Stafim	34%	7	6	7
Gefco Tunisia	50%	-	-	-
Gefco China	50%	3	3	3
Faurecia group companies		51	39	40
<b>Total</b>		<b>671</b>	<b>630</b>	<b>640</b>



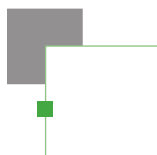
### 9.3. Share in net earnings

<i>(in millions of euros)</i>	Latest % interest	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Renault cooperation agreement</b>				
Française de Mécanique	50%	(27)	(2)	(9)
Société de Transmissions Automatiques	20%	-	-	-
<b>Fiat cooperation agreement</b>				
Sevelnord	50%	4	7	-
Giesevel	50%	2	2	3
Sevelind	50%	2	7	10
Sevel SpA	50%	6	(17)	(21)
<b>Toyota cooperation agreement</b>				
Toyota Peugeot Citroën Automobiles	50%	11	17	13
<b>Dongfeng cooperation agreement</b>				
Dongfeng Peugeot Citroën Automobile (note 2)	50%	24	5	18
Dongfeng Peugeot Citroën Automobile Finance Company	25%	-	-	-
<b>Other</b>				
Siemens Automotiv Hydraulics	5%	-	(2)	1
Stafim	34%	-	-	1
Gefco Tunisia	50%	-	-	-
Gefco China	50%	-	-	-
Faurecia group companies		1	4	4
<b>Total</b>		<b>23</b>	<b>21</b>	<b>20</b>

### 9.4. Key financial data

#### A. Aggregate data

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Property, plant and equipment</b>	<b>1,521</b>	<b>1,528</b>	<b>1,577</b>
<b>Working capital</b>	<b>67</b>	<b>(19)</b>	<b>(28)</b>
Long- and medium-term debt	(457)	(654)	(625)
Other financial items	(498)	(213)	(322)
<b>Net financial position</b>	<b>(955)</b>	<b>(867)</b>	<b>(947)</b>
<b>Investments in property, plant and equipment</b>	<b>119</b>	<b>189</b>	<b>293</b>



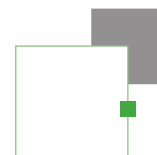
## B. Key financial data by company

### (a) Property, plant and equipment

<i>(in millions of euros)</i>	Latest % interest	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Renault cooperation agreement</b>				
Française de Mécanique	50%	106	146	138
Société de Transmissions Automatiques	20%	5	6	6
<b>Fiat cooperation agreement</b>				
Sevelnord	50%	229	206	231
Giesevel	50%	29	31	30
Sevelind	50%	23	30	25
Sevel SpA	50%	369	307	380
<b>Toyota cooperation agreement</b>				
Toyota Peugeot Citroën Automobiles	50%	236	249	249
<b>Dongfeng cooperation agreement</b>				
Dongfeng Peugeot Citroën Automobile	50%	488	511	481
Dongfeng Peugeot Citroën Automobile Finance Company	25%	-	-	-
<b>Other</b>				
Siemens Automotiv Hydraulics	5%	-	7	-
Stafim	34%	2	2	2
Gefco Tunisia	50%	-	-	-
Gefco China	50%	2	1	2
Faurecia group companies		32	32	33
<b>Total</b>		<b>1,521</b>	<b>1,528</b>	<b>1,577</b>

### (b) Net financial position

<i>(in millions of euros)</i>	Latest % interest	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Renault cooperation agreement</b>				
Française de Mécanique	50%	(65)	(87)	(92)
Société de Transmissions Automatiques	20%	(6)	(5)	(6)
<b>Fiat cooperation agreement</b>				
Sevelnord	50%	(139)	(78)	(102)
Giesevel	50%	(8)	(17)	(10)
Sevelind	50%	1	(14)	2
Sevel SpA	50%	(273)	(210)	(280)
<b>Toyota cooperation agreement</b>				
Toyota Peugeot Citroën Automobiles	50%	(155)	(122)	(116)
<b>Dongfeng cooperation agreement</b>				
Dongfeng Peugeot Citroën Automobile	50%	(330)	(333)	(340)
Dongfeng Peugeot Citroën Automobile Finance Company	25%	-	-	-
<b>Other</b>				
Siemens Automotiv Hydraulics	5%	-	(6)	-
Stafim	34%	7	8	7
Gefco Tunisia	50%	1	-	-
Gefco China	50%	-	1	1
Faurecia group companies		12	(4)	(11)
<b>Total</b>		<b>(955)</b>	<b>(867)</b>	<b>(947)</b>



## Note 10 ■ Current and non-current financial assets

### 10.1. Non-current financial assets

<i>(in millions of euros)</i>	Investments				Total
	Loans and receivables	Classified as "available for sale"	"Accounted for using the fair value option"	Derivative instruments	
<b>June 30, 2007</b>					
<b>Cost</b>					
<b>Opening balance</b>	<b>216</b>	<b>283</b>	<b>797</b>	<b>165</b>	<b>1,461</b>
Purchases/additions	-	-	174	62	236
Disposals	-	-	(17)	(2)	(19)
Remeasurement	-	20	4	(115)	(91)
Transfers to current financial assets <sup>(1)</sup>	(5)	-	(117)	-	(122)
Translation adjustment and changes in scope of consolidation	-	-	(4)	-	(4)
<b>Closing balance</b>	<b>211</b>	<b>303</b>	<b>837</b>	<b>110</b>	<b>1,461</b>
<b>Allowances</b>					
<b>Opening balance</b>	<b>(93)</b>	-	-	-	<b>(93)</b>
Net charge for the period	(2)	-	-	-	(2)
<b>Closing balance</b>	<b>(95)</b>	-	-	-	<b>(95)</b>
Carrying amount at beginning of period	123	283	797	165	1,368
<b>Carrying amount end of period</b>	<b>116</b>	<b>303</b>	<b>837</b>	<b>110</b>	<b>1,366</b>

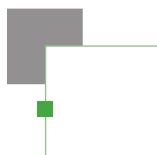
(1) Investments accounted for using the fair value option transferred to current financial assets correspond to money market securities with maturities of less than one year at June 30, 2007.

The carrying amount of available-for-sale securities includes an unrealized gain of €238 million at June 30, 2007 (€218 million at January 1, 2007).

### 10.2. Current financial assets

<i>(in millions of euros)</i>	Investments				Total
	Loans and receivables	Classified as "available for sale"	"Accounted for using the fair value option"	Derivative instruments	
<b>June 30, 2007</b>					
<b>Opening balance</b>	<b>171</b>	-	<b>918</b>	<b>43</b>	<b>1,132</b>
Purchases/additions	46	-	-	-	46
Disposals	(58)	-	(382)	-	(440)
Remeasurement	-	-	1	10	11
Transfers from non-current financial assets <sup>(1)</sup>	5	-	117	-	122
Translation adjustment and changes in scope of consolidation	(1)	-	-	-	(1)
<b>Closing balance</b>	<b>163</b>	-	<b>654</b>	<b>53</b>	<b>870</b>

(1) Investments accounted for using the fair value option transferred from non-current financial assets correspond to money market securities with maturities of less than one year at June 30, 2007.



## Note 11 ■ Loans and receivables – finance companies

<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
<b>Loans and receivables outstanding</b>			
Credit sales	10,903	10,882	10,694
Long-term leases	3,795	3,393	3,525
Leases subject to buyback commitments	2,277	2,206	2,236
Other receivables	736	688	685
Ordinary accounts	122	129	116
Receivables at amortized cost	93	63	66
Leasing deposits	(65)	(83)	(73)
<b>Total loans and receivables outstanding</b>	<b>17,861</b>	<b>17,278</b>	<b>17,249</b>
<b>Wholesale finance receivables outstanding</b>			
Wholesale finance receivables	5,745	5,601	5,727
Wholesale financing deposits <sup>(1)</sup>	(102)	(82)	(77)
<b>Total wholesale finance receivables outstanding</b>	<b>5,643</b>	<b>5,519</b>	<b>5,650</b>
Remeasurement of interest rate hedged portfolios	(125)	(89)	(97)
Eliminations	(202)	(120)	(99)
<b>Total</b>	<b>23,177</b>	<b>22,588</b>	<b>22,703</b>

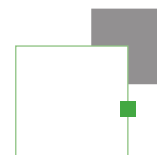
*(1) In the reported financial statements at December 31, 2006 and June 30, 2006, guarantee deposits placed in escrow and paid by dealers in respect of financed vehicles were included in "Financing liabilities". These liabilities are now recorded in "Loans and receivables - finance companies" in a negative amount of €77 million at December 31, 2006, and €82 million at June 30, 2006.*

On January 29, 2007, Crédipar sold €1,250 million in automobile lease finance receivables to compartment 2007-1 of the Auto ABS fund.

The compartments of the fund qualify as special purpose entities and are fully consolidated as the revenues and residual obligations attributable to the subsidiaries of the Banque PSA Finance group represent substantially all of the risks (essentially the credit risk) and rewards of ownership (the operating income generated by the SPEs).

Retail and lease finance receivables include €3,252 million in securitized finance receivables that are still carried on the balance sheet at June 30, 2007.

Liabilities corresponding to securities issued by securitization funds are recorded in "Financing liabilities" in an amount of €3,543 million.



## Note 12 ■ Other receivables

### 12.1. Manufacturing and sales companies

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Prepaid and recoverable taxes other than income tax	1,034	1,081	1,038
Employee-related receivables	118	141	103
Due from suppliers	216	167	194
Derivative instruments <sup>(1)</sup>	20	31	13
Prepaid expenses	136	125	82
Miscellaneous other receivables	313	309	289
<b>Total</b>	<b>1,837</b>	<b>1,854</b>	<b>1,719</b>

*(1) This item corresponds to the fair value of instruments purchased by the Group to hedge currency risks on current or forecast operating receivables and payables.*

### 12.2. Finance companies

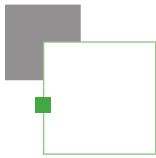
<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Prepaid and recoverable taxes other than income tax	44	50	32
Derivative instruments <sup>(1)</sup>	308	268	236
Prepaid expenses	131	133	87
Miscellaneous other receivables	278	170	262
<b>Total</b>	<b>761</b>	<b>621</b>	<b>617</b>

*(1) This item corresponds to the fair value of instruments purchased by the Group essentially to hedge interest rate risks on finance receivables and financing liabilities.*

## Note 13 ■ Share buyback programs

<i>(number of shares)</i>	Authorizations	Transactions		
		June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Opening balance</b>		<b>6,534,475</b>	<b>5,612,693</b>	<b>5,612,693</b>
<b>Share buybacks</b>				
AGM of May 25, 2005	24,000,000	-	-	-
AGM of May 24, 2006	23,000,000	-	-	1,100,000
AGM of May 23, 2007	16,000,000	-	-	-
<b>Share cancellations</b>				
AGM of May 25, 2005	10% of capital	-	-	-
AGM of May 23, 2007	10% of capital	-	-	-
<b>Share sales</b>				
On exercise of stock options		(884,990)	(153,183)	(178,218)
<b>Closing balance</b>		<b>5,649,485</b>	<b>5,459,510</b>	<b>6,534,475</b>
Shares held for allocation on exercise of stock options		5,193,017	5,121,542	6,078,007
Shares held for cancellation		456,468	337,968	456,468

The Extraordinary General Meeting of May 23, 2007 authorized the Managing Board to grant Group management and certain employees stock options in Peugeot S.A. shares acquired through a buyback, up to an aggregate ceiling of 2,500,000 shares.



## Note 14 ■ Current and non-current provisions

### 14.1. Changes in non-current provisions

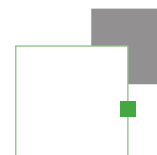
<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
<b>Opening balance</b>	<b>1,406</b>	<b>1,544</b>	<b>1,544</b>
<b>Movements taken to profit or loss</b>			
Charges	55	64	121
Releases (utilizations)	(110)	(109)	(227)
Releases (surplus provisions)	(86)	(15)	(37)
	<b>(141)</b>	<b>(60)</b>	<b>(143)</b>
<b>Other movements</b>			
Translation adjustment	(2)	(9)	7
Change in scope of consolidation and other	-	3	(2)
<b>Closing balance</b>	<b>1,263</b>	<b>1,478</b>	<b>1,406</b>
o/w provision for pensions and other post-employment benefit obligations	958	1,100	1,063

At June 30, 2007, releases of surplus provisions include a write-back of €80 million in connection with the workforce adjustment plan described in note 6.3.

### 14.2. Changes in current provisions

<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
<b>Opening balance</b>	<b>1,785</b>	<b>1,635</b>	<b>1,635</b>
<b>Movements taken to profit or loss</b>			
Charges	1,033	828	1,436
Releases (utilizations)	(681)	(608)	(1,186)
Releases (surplus provisions)	(10)	(41)	(78)
	<b>342</b>	<b>179</b>	<b>172</b>
<b>Other movements</b>			
Translation adjustment	-	(15)	(6)
Change in scope of consolidation and other	8	(10)	(16)
<b>Closing balance</b>	<b>2,135</b>	<b>1,789</b>	<b>1,785</b>
o/w standard warranty provision	1,016	878	901





## Note 15 ■ Current and non-current financial liabilities – manufacturing and sales companies

<i>(in millions of euros)</i>	June 30, 2007		June 30, 2006		December 31, 2006	
	At amortized cost or fair value		At amortized cost or fair value		At amortized cost or fair value	
	Non-current	Current	Non-current	Current	Non-current	Current
Bonds	2,520	-	2,614	-	2,573	-
Employee profit-sharing fund	33	43	72	42	73	41
Finance lease liabilities	320	61	275	48	318	48
Other long-term debt	917	290	934	61	1,147	283
Other short-term financing and overdraft facilities	-	4,667	-	2,455	-	4,024
Derivative instruments	5	21	21	38	14	4
<b>Total financial liabilities</b>	<b>3,795</b>	<b>5,082</b>	<b>3,916</b>	<b>2,644</b>	<b>4,125</b>	<b>4,400</b>

## Note 16 ■ Other payables

### 16.1. Manufacturing and sales companies

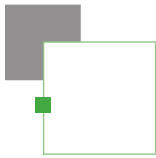
<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Taxes payable (other than income taxes)	1,090	1,178	934
Personnel related payables	1,265	1,258	996
Payroll taxes	599	596	590
Payable on fixed asset purchases	333	367	426
Customer prepayments	440	462	370
Derivative instruments <sup>(1)</sup>	14	10	2
Deferred income	358	337	335
Miscellaneous other payables	439	316	422
<b>Total</b>	<b>4,538</b>	<b>4,524</b>	<b>4,075</b>

<sup>(1)</sup> This item corresponds to the fair value of instruments purchased by the Group to hedge currency risks on current or forecast operating receivables and payables.

### 16.2. Finance companies

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Personnel related payables and payroll taxes	58	59	52
Derivative instruments <sup>(1)</sup>	228	177	211
Deferred income and accrued expenses	298	492	313
Miscellaneous other payables	302	167	271
<b>Total</b>	<b>886</b>	<b>895</b>	<b>847</b>

<sup>(1)</sup> This item corresponds to the fair value of instruments purchased by the Group to hedge interest rate risks on finance receivables and financing liabilities.



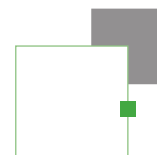
## Note 17 ■ Changes in operating assets and liabilities

### 17.1. Manufacturing and sales companies

<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
(Increase) decrease in inventories	(483)	(161)	(16)
(Increase) decrease in trade receivables	(853)	(913)	2
Increase (decrease) in trade payables	1,481	771	310
Change in current allowances and provisions	344	186	185
Change in income taxes	31	90	25
Other changes	404	322	(82)
	<b>924</b>	<b>295</b>	<b>424</b>
<i>Net flows with Group finance companies</i>	50	2	(5)
<b>Total</b>	<b>974</b>	<b>297</b>	<b>419</b>

### 17.2. Finances companies

<i>(in millions of euros)</i>	<b>June 30, 2007</b>	June 30, 2006	Dec. 31, 2006
(Increase) decrease in finance receivables	(456)	(443)	(464)
(Increase) decrease in short-term investments	(181)	125	(53)
Increase (decrease) in financing liabilities	756	347	368
Change in current allowances and provisions	(2)	(7)	(12)
Change in income taxes	22	(25)	(46)
Other changes	(76)	115	(27)
	<b>63</b>	<b>112</b>	<b>(234)</b>
<i>Net flows with Group manufacturing and sales companies</i>	(41)	(19)	(32)
<b>Total</b>	<b>22</b>	<b>93</b>	<b>(266)</b>



## Note 18 ■ Net financial position of manufacturing and sales companies

<i>(in millions of euros)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
<b>Financial assets and liabilities of manufacturing and sales companies</b>			
Cash and cash equivalents	8,223	4,121	6,339
Other non-current financial assets	1,319	1,712	1,321
Current financial assets	870	1,393	1,132
Non-current financial liabilities	(3,795)	(3,916)	(4,125)
Current financial liabilities	(5,253)	(2,822)	(4,551)
<b>Net financial position of manufacturing and sales companies</b>	<b>1,364</b>	<b>488</b>	<b>116</b>
o/w external loans and borrowings	1,232	370	(25)
o/w financial assets and liabilities with finance companies	132	118	141

## Note 19 ■ Off-balance sheet commitments

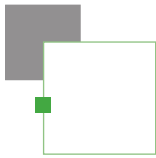
No significant changes in off-balance sheet commitments have occurred since December 31, 2006.

## Note 20 ■ Contingent liabilities

No significant changes in contingent liabilities have occurred since December 31, 2006.

## Note 21 ■ Subsequent events

No significant events have occurred since June 30, 2007.



# Statutory Auditors' review report on interim consolidated financial information for the six months ended June 30, 2007

*This is a free translation into English of the Statutory Auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers.*

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

To the shareholders,

In our capacity as Statutory Auditors of the Company and as required by Article L. 232-7 of the French Commercial Code (*Code de commerce*), we have performed a review of the accompanying condensed interim consolidated financial statements of Peugeot S.A. for the period from January 1 to June 30, 2007, and of the information contained in the management report.

These condensed interim consolidated financial statements are the responsibility of the Managing Board. Our responsibility, based on our review, is to report our conclusions concerning these interim consolidated financial statements.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – the International Financial Reporting Standard adopted in the European Union for Interim Financial Reporting.

In accordance with professional standards applied in France, we have also reviewed the information given in the management report accompanying the condensed interim consolidated financial statements that were the subject of our review.

We have no comments to make as to its fair presentation and its conformity with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, July 24, 2007

The Statutory Auditors

Mazars & Guérard  
Thierry de Bailliencourt

PricewaterhouseCoopers Audit  
Pierre Riou

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Governed by a Managing Board and a Supervisory Board

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