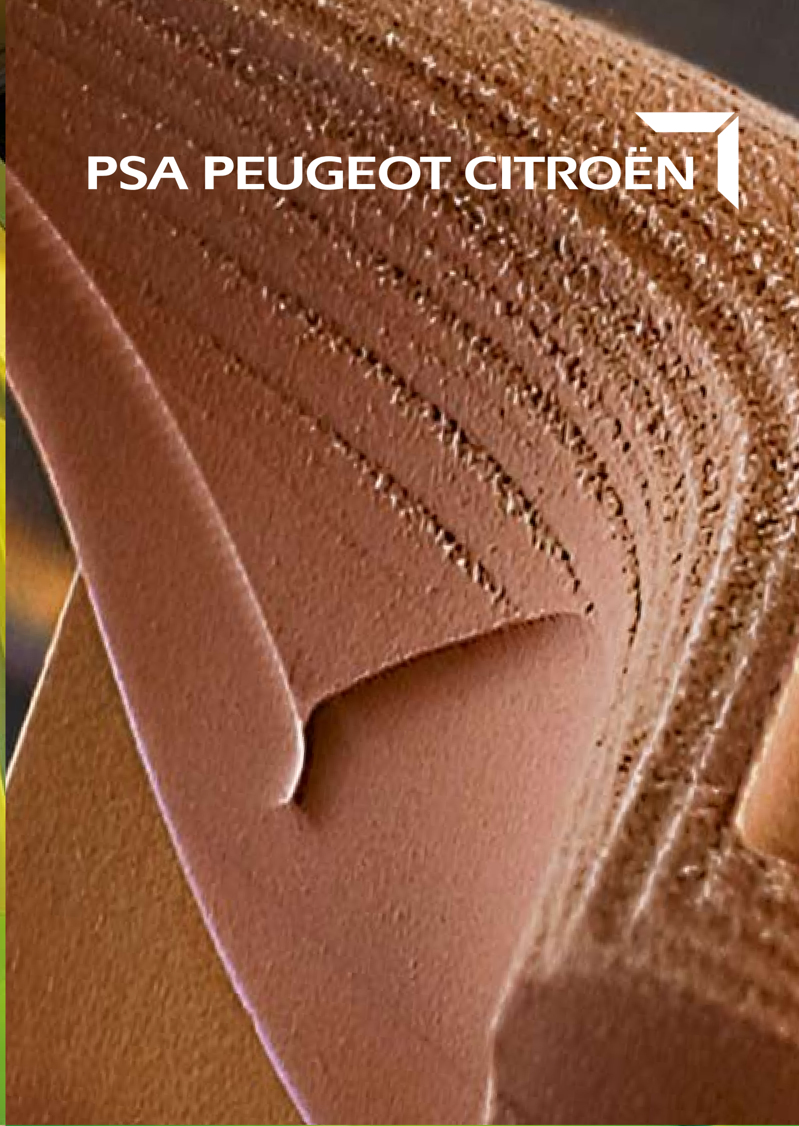

PSA PEUGEOT CITROËN

HALF-YEAR FINANCIAL REPORT
2009

CONTENTS

I – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Supervisory Board

Thierry Peugeot, **Chairman**

Jean-Philippe Peugeot, **Vice-Chairman**
Jean-Louis Silvant, **Vice-Chairman**

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

François Michelin, **Advisor to the Supervisory Board**
Roland Peugeot, **Advisor to the Supervisory Board**

The Executive Committee

Members of the Managing Board
Philippe Varin, Chairman
Jean-Marc Gales, Sales, Marketing & After Sales
Guillaume Faury, Manufacturing and Engineering
Grégoire Olivier, Automotive Programmes & Automotive Strategy
Frédéric Saint-Geours, Finance and Strategic Development

Jean-Claude Hanus, Corporate Secretary
Denis Martin, Human Resources
Jean-Christophe Quémard, Procurement

II – FIRST HALF MANAGEMENT REPORT

1. RISK FACTORS AND UNCERTAINTIES

Principal risk factors specific to the Group and its business

The principal risk factors specific to the Group – which are described on pages 15 *et seq.* of the 2008 Registration Document (Chapter 4) as well as in the Update to the 2008 Registration Document dated 22 June 2009[1] – include:

- **Risks related to the Group's markets and business,** in particular: market cycle and country risks (the automotive market may be subject to cyclical fluctuations that may have a negative impact on Group earnings), new vehicle development, launch and marketing risks, customer and dealer risk, raw materials risk, supplier risk and risks specific to Faurecia.
- **Industrial and environmental risks**: an incident at one of the Group's manufacturing facilities could compromise the production and marketing of vehicles.
- **Banque PSA Finance risk exposures**, in particular: financing-related risks for Banque PSA Finance, credit risk, liquidity and credit rating risks.
- **Financial market risks**: the Group is exposed to exchange rate risks and interest rate risks as well as other market risks related in particular to fluctuations in the equity markets. The Group is also exposed to counterparty and liquidity risks.
- **Legal and contractual risks.**

[1] The original French version of the 2008 Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) on 24 April 2009 under number D.09-0309, in accordance with the provisions of Article 212-13 of the General Regulations of the AMF. An update to the 2008 Registration Document was filed with the AMF on 22 June 2009 under number D.09-0309-A01, in accordance with Article 212-13 of the AMF's General Regulations.

2. THE GROUP'S OPERATIONS IN FIRST-HALF 2009

2.1 BUSINESS OVERVIEW

The first half of 2009 saw a sharp decline in automobile markets worldwide, with Europe* down 14.2%, Russia down 49% and Latin America down 12.6%. There were a few exceptions to the rule, including France, down just 4.1%, Germany up 22.5%, China (passenger cars) up 18.4% and Brazil up 4.1%.

Quarter-on-quarter, however, automobile markets in Europe improved during the period, contracting just 9.3% in the second quarter versus 19.5% in the first, thanks to the scrappage incentives introduced in 13 European countries.

In this context, with worldwide sales of assembled and CKD vehicles amounting to 1,586,900 for the first half of 2009 (650,100 Citroën and 936,800 Peugeot) compared with 1,844,700 for the same period in 2008, PSA Peugeot Citroën sales declined 14%.

Sales of assembled vehicles fell 17.5% to 1,385,600 units (642,500 Citroën and 743,100 Peugeot) while sales of CKD units increased by a sharp 21.7% to 201,300 versus 165,400 in first-half 2008, thanks to strong demand for the Peugeot brand.

** Europe = European Union + European Free Trade Association + Croatia*

SIGNIFICANT EVENTS BY REGION (registrations)

Market share in Europe remains stable

In a European car and light commercial vehicle market that declined by 14.2% in the first half, registrations of PSA Peugeot Citroën vehicles contracted 14.7% to 1,113,100 units (528,700 Citroën and 584,400 Peugeot). The Group's share of the European market remained stable at 13.6%, but represented a 0.3 point increase over the second half of 2008.

Market share was strengthened both in France, by 1.0 point, and Germany, by 0.7 points, compared with first-half 2008. In France, the Group consolidated its position as the country's leading car manufacturer, recording 433,400 registrations for a 32.7% market share, versus

31.8% in the prior-year period. In Germany, market share also increased significantly, to 6.4% from 5.7%, fuelled by a 36.8% jump in registrations to a total of 137,600 units.

In Italy, registrations amounted to 122,300 units, in a market down 12.2%, and market share remained stable at 10%.

Conversely, the Group lost market share in Spain and the United Kingdom, with decreases of 0.8 and 0.6 point respectively. In Spain, registrations dropped 42.3% to 92,100 units, in line with the overall 39.8% decline in the market. In the United Kingdom, the unfavourable pound-euro exchange rate forced the Group to pursue its strategy of limiting the adverse impact on sales. In a market that lost 28.1% overall, registrations fell 32.7% to 94,100 units, for a market share of 9.2% versus 9.8% in the first six months of 2008.

First-half 2009 was shaped by the scrappage incentives gradually introduced in 13 countries across Europe – covering around 90% of the car market in volume terms – which lifted demand in the second quarter, particularly in France and Germany. While the European car market was down a sharp 17.4% in first-quarter 2009, thanks to these incentives the decline was limited to 5.4% in the second quarter, for an overall drop of 11.3% in the first half.

In a European light commercial vehicle market down 35.7%, PSA Peugeot Citroën consolidated its leadership by increasing its market share to 22% from 19.2% in first-half 2008, thanks to the success of its new models.

Sales outside Europe accounted for 34% of the total

Outside Europe, sales of assembled vehicles and CKD units contracted by 2.8% to 534,900 units, but represented 34% of worldwide sales.

Latin America: mixed performance and slight decline in market share

Group sales declined by 20.8% in Latin America, in a market down by 12.6%. Robust demand in the Brazilian market, which grew 4.1%, was not enough to offset sharp declines in the rest of the region, particularly in Argentina where unit sales fell 16.4%. As a result, the Group's market share contracted to 5.4% from 5.6%.

China: unit sales up 14.1%

A total of 118,500 vehicles were sold in first-half 2009 in China. The 14.1% increase was driven by the success of recently launched models – the Peugeot 207 hatchback and saloon, and Citroën's C-Quatre and C-Elysée.

Russia: increase in market share

In a market down a massive 49%, the Group successfully limited the decline in its unit sales to 6%, increasing its market share by 1.4 points to 3.1%.

Solid performance from new models in the first half and major launches in the coming months

The decline in unit sales reflected the overall downturn in the global automobile market as well as the impact of inventory drawdowns. Nevertheless, the Peugeot 107, 206 and 207 and the Citroën C1 and C3 models benefited from the increased demand for low-carbon compacts. The Citroën C5 also enjoyed strong sales during the period.

The first half of 2009 also saw the successful launch of three new models in Europe:

- The Citroën C3 Picasso, Citroën's original new compact MPV, has proved extremely popular since its launch, with more than 36,000 sales worldwide in just three and a half months.

- The innovative Peugeot 3008, Peugeot's first crossover, significantly outperformed expectations in its first two months on the market, with 15,900 units sold in nine countries.

- Peugeot's new entry-level model, the Peugeot 206+, is perfectly suited to the current economic climate and has been selling extremely well since its launch in March (49,000 orders).

Despite the depth of the crisis, PSA Peugeot Citroën has continued building its businesses for the future. Its model line-up is well positioned to meet the changing needs of consumers, who increasingly prefer smaller, more fuel-efficient cars with low CO_2 emissions.

The second half of the year will be shaped by two significant events: the arrival of the Peugeot 5008 will give Peugeot an entry into the mid-range MPV segment and the new Citroën C3 will refresh Citroën's offer in the compact sedan segment, a major market for the Group.

Lastly, Citroën successfully introduced its new "Creative Technologie" brand image and announced the early 2010 launch of its new distinctive new DS range.

OPERATING STATISTICS

PSA Peugeot Citroën
Global First-half Car and LCV sales for 2008 and 2009

		Jan to June 2009	Jan to June 2008	% change
Europe*	Peugeot	548,300	684,200	- 19.9%
	Citroën	503,700	610,100	- 17.4%
	Total PSA	1,052,000	1,294,300	- 18.7%
Russia	Peugeot	16,300	22,300	- 27.0%
	Citroën	6,800	3,700	+ 85.8%
	Total PSA	23,100	26,000	- 11.0%
Latin America	Peugeot	68,300	87,800	- 22.2%
	Citroën	44,000	54,100	- 18.6%
	Total PSA	112,300	141,900	- 20.8%
China	Peugeot	52,300	49,600	+ 5.3%
	Citroën	66,200	54,200	+ 22.2%
	Total PSA	118,500	103,800	+ 14.1%
Rest of the World	Peugeot	57,900	79,400	- 27.1%
	Citroën	21,800	33,900	- 35.7%
	Total PSA	79,700	113,300	- 29.7%
Total assembled vehicles	Peugeot	743,100	923,300	- 19.5%
	Citroën	642,500	756,000	- 15.0%
	Total PSA	**1,385,600**	**1,679,300**	**- 17.5%**
CKD units	Peugeot	193,700	156,100	+ 24.1%
	Citroën	7,600	9,200	- 17.4%
	Total PSA	**201,300**	**165,300**	**+ 21.8%**
Total units	Peugeot	936,800	1,079,500	- 13.2%
	Citroën	650,100	765,200	- 15.1%
	Total PSA	**1,844,700**	**1,586,900**	**- 14.0%**

** Europe = European Union + European Free Trade Association + Croatia*

PSA Peugeot Citroën Group
Worldwide sales by model

(passenger cars and light commercial vehicles)	Jan to June 2009	Jan to June 2008	Variation
Peugeot			
107	65,100	56,400	+15.4%
1007	2,900	7,700	-63.0%
206	179,400	154,700	+15.9%
207	208,800	276,100	-24.4%
307	44,000	99,400	-55.7%
308	131,300	150,800	-12.9%
3008	15,900		
405	150,700	117,100	+28.7%
406	0	1,400	nm
407	22,800	49,100	-53.5%
607	1,000	2,300	-58.2%
807	4,300	8,500	-49.2%
4007	5,800	8,100	-28.4%
Expert	12,100	21,600	-44.0%
Partner	63,500	79,900	-20.6%
Boxer	14,400	32,100	-55.2%
Bipper	14,800	14,300	+4.1%
Total	**936,800**	**1,079,500**	**-13.2%**
Citroën			
C1	64,200	57,200	+12.2%
C2	22,900	39,000	-41.3%
C3	110,000	141,100	-22.0%
C3 Picasso	36,400		
ZX	39,700	35,500	+11.7%
Xsara Picasso	27,500	45,300	-39.3%
C4	90,100	116,000	-22.3%
C4 Picasso	72,700	119,000	-38.9%
Xantia	6,000	7,300	-18.4%
C5	43,500	35,000	+24.1%
C6	900,000	1,700	-49.3%
C8	3,100	5,100	-39.3%
C-Crosser	5,700	6,900	-18.1%
Jumpy	11,000	22,200	-50.3%
Berlingo	80,700	86,700	-7.0%
Jumper	15,500	31,000	-49.9%
Nemo	20,200	16,200	25.1%
Total	**650,100**	**765,200**	**-15,1%**
Total PSA Peugeot Citroën	**1,586,900**	**1,844,700**	**-14,0%**

PASSENGER CAR REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009	Jan. to June 2008
	Units	Units
France	1,131,300	1,128,900
Austria	166,000	168,700
Belgium - Luxemburg	298,700	360,600
Bulgaria	12,900	22,500
Croatia	25,400	49,300
Czech Republic	85,500	94,500
Denmark	51,600	85,600
Estonia	5,700	15,200
Finland	51,900	88,100
Germany	2,059,400	1,633,200
Greece	112,800	158,600
Hungary	39,800	82,300
Iceland	1,300	7,100
Ireland	46,800	124,000
Italy	1,128,300	1,263,400
Latvia	3,100	11,800
Lithuania	4,300	13,400
Netherlands	221,900	300,100
Norway	41,700	61,600
Poland	168,900	168,600
Portugal	73,100	114,400
Romania	71,200	145,000
Slovakia	41,300	34,900
Slovenia	30,800	41,000
Spain	433,100	702,400
Sweden	102,800	139,500
Switzerland	133,600	152,900
United Kingdom	925,000	1,247,500
TOTAL EUROPE 30	**7,468,200**	**8,415,000**

LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009	Jan. to June 2008
	Units	Units
France	192,400	251,500
Austria	13,100	18,400
Belgium-Luxemburg	33,200	42,300
Bulgaria	2,500	6,000
Croatia	2,700	5,000
Czech Republic	6,500	10,400
Denmark	7,600	19,800
Estonia	700	1,700
Finland	5,700	10,100
Germany	84,400	117,000
Greece	7,500	12,100
Hungary	6,400	10,700
Iceland	100	1,000
Ireland	6,100	24,800
Italy	91,800	126,500
Latvia	300	1,300
Lithuania	500	2,000
Netherlands	32,000	51,800
Norway	11,600	19,800
Poland	22,500	30,900
Portugal	17,600	28,700
Romania	7,000	23,500
Slovakia	6,900	13,400
Slovenia	2,100	3,900
Spain	53,200	105,800
Sweden	13,600	21,600
Switzerland	12,300	14,600
United Kingdom	97,000	174,800
TOTAL EUROPE 30	**737,300**	**1,149,500**

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE

Country	Jan. to June 2009	Jan. to June 2008
	Units	Units
France	1,323,700	1,380,400
Austria	179,000	187,000
Belgium-Luxemburg	331,900	402,900
Bulgaria	15,400	28,600
Croatia	28,100	54,400
Czech Republic	92,000	104,900
Denmark	59,200	105,400
Estonia	6,400	16,900
Finland	57,700	98,100
Germany	2,143,800	1,750,100
Greece	120,300	170,700
Hungary	46,100	93,000
Iceland	1,400	8,100
Ireland	52,900	148,800
Italy	1,220,200	1,389,800
Latvia	3,400	13,100
Lithuania	4,900	15,400
Netherlands	253,900	351,900
Norway	53,300	81,400
Poland	191,300	199,500
Portugal	90,700	143,100
Romania	78,200	168,500
Slovakia	48,200	48,200
Slovenia	32,900	44,900
Spain	486,300	808,100
Sweden	116,400	161,100
Switzerland	146,000	167,500
United Kingdom	1,021,900	1,422,200
TOTAL EUROPE 30	**8,205,400**	**9,564,500**

PSA PEUGEOT CITROËN GROUP -
PASSENGER CAR REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	364,600	32.2	353,200	31.3
Austria	14,700	8.8	14,900	8.8
Belgium-Luxemburg	55,800	18.7	66,700	18.5
Bulgaria	1,500	11.9	2,100	9.1
Croatia	3,400	13.4	6,400	12.9
Czech Republic	7,000	8.2	9,300	9.9
Denmark	9,800	19.0	16,300	19.0
Estonia	700	11.8	1,400	9.4
Finland	3,200	6.2	6,600	7.5
Germany	127,900	6.2	89,700	5.5
Greece	7,200	6.4	12,700	8.0
Hungary	2,200	5.6	5,500	6.7
Iceland		0.2	200	2.2
Ireland	2,400	5.1	6,000	4.8
Italy	109,300	9.7	127,900	10.1
Latvia	100	2.6	600	5.2
Lithuania	200	5.5	1,100	8.4
Netherlands	28,800	13.0	39,400	13.1
Norway	3,000	7.2	4,300	7.0
Poland	11,400	6.8	16,700	9.9
Portugal	9,600	13.2	16,300	14.3
Romania	3,400	4.7	7,300	5.1
Slovakia	6,700	16.2	4,300	12.4
Slovenia	4,100	13.2	5,800	14.2
Spain	75,100	17.3	128,600	18.3
Sweden	6,300	6.1	10,800	7.7
Switzerland	12,000	9.0	12,900	8.4
United Kingdom	80,400	8.7	117,400	9.4
TOTAL EUROPE 30	**950,700**	**12.7**	**1,084,400**	**12.9**

PSA PEUGEOT CITROËN GROUP - LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	68,800	35.8	85,500	34.0
Austria	1,800	14.0	2,200	12.1
Belgium-Luxemburg	9,900	29.8	11,700	27.7
Bulgaria	1,000	38.6	1,600	26.5
Croatia	600	23.5	1,300	25.7
Czech Republic	1,200	18.0	1,700	16.1
Denmark	1,100	14.9	2,800	13.9
Estonia	300	39.9	400	24.7
Finland	300	5.8	700	6.6
Germany	9,600	11.4	10,800	9.2
Greece	300	4.3	600	5.0
Hungary	900	14.3	1,800	16.8
Iceland		2.1		3.5
Ireland	700	10.7	1,600	6.5
Italy	13,000	14.1	13,100	10.3
Latvia		7.9	200	18.8
Lithuania		4.6	400	17.8
Netherlands	4,000	12.6	5,700	11.0
Norway	2,000	17.6	2,700	13.4
Poland	3,800	17.1	5,700	18.3
Portugal	4,800	27.5	6,000	20.7
Romania	700	10.2	2,400	10.2
Slovakia	1,300	18.4	2,300	17.4
Slovenia	700	34.1	1,200	30.4
Spain	17,100	32.1	31,100	29.4
Sweden	2,300	17.0	3,100	14.4
Switzerland	2,200	18.1	2,300	15.6
United Kingdom	13,700	14.2	22,400	12.8
TOTAL EUROPE 30	**162,300**	**22.0**	**221,100**	**19.2**

PSA PEUGEOT CITROËN GROUP -
PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	433,400	32.7	438,700	31.8
Austria	16,500	9.2	17,100	9.2
Belgium-Luxemburg	65,700	19.8	78,500	19.5
Bulgaria	2,500	16.2	3,700	12.8
Croatia	4,100	14.4	7,700	14.1
Czech Republic	8,200	8.9	11,000	10.5
Denmark	10,900	18.5	19,000	18.1
Estonia	0,900	14.7	1,800	10.9
Finland	3,600	6.2	7,300	7.4
Germany	137,600	6.4	100,500	5.7
Greece	7,500	6.2	13,300	7.8
Hungary	3,100	6.8	7,300	7.9
Iceland		0.4	0,200	2.4
Ireland	3,000	5.7	7,600	5.1
Italy	122,300	10.0	141,000	10.1
Latvia	0,100	3.1	0,900	6.5
Lithuania	0,300	5.4	1,500	9.7
Netherlands	32,800	12.9	45,100	12.8
Norway	5,100	9.5	6,900	8.5
Poland	15,300	8.0	22,300	11.2
Portugal	14,500	16.0	22,300	15.6
Romania	4,100	5.2	9,700	5.8
Slovakia	7,900	16.5	6,700	13.8
Slovenia	4,800	14.5	7,000	15.6
Spain	92,100	18.9	159,700	19.8
Sweden	8,600	7.4	13,900	8.6
Switzerland	14,200	9.7	15,200	9.0
United Kingdom	94,100	9.2	139,800	9.8
TOTAL EUROPE 30	**1,113,100**	**13.6**	**1,305,500**	**13.6**

CITROËN MARQUE
PASSENGER CAR REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	175,900	15.6	158,200	14.0
Austria	6,400	3.8	6,700	4.0
Belgium-Luxemburg	28,200	9.4	31,500	8.7
Bulgaria	700	5.1	800	3.6
Croatia	1,300	5.3	2,800	5.6
Czech Republic	3,500	4.1	4,900	5.2
Denmark	4,000	7.8	6,900	8.0
Estonia	400	6.8	1,000	6.7
Finland	1,300	2.4	3,100	3.5
Germany	53,300	2.6	38,200	2.3
Greece	3,200	2.8	6,000	3.8
Hungary	900	2.2	2,400	2.9
Iceland	-	-	100	1.3
Ireland	700	1.5	1,900	1.5
Italy	55,700	4.9	69,700	5.5
Latvia	100	1.8	500	4.1
Lithuania	200	3.7	500	3.7
Netherlands	11,600	5.2	14,500	4.8
Norway	900	2.2	1,000	1.7
Poland	5,000	3.0	8,000	4.7
Portugal	4,800	6.5	7,700	6.8
Romania	1,100	1.6	1,400	0.9
Slovakia	3,000	7.2	2,000	5.7
Slovenia	2,300	7.3	3,000	7.3
Spain	39,400	9.1	62,800	8.9
Sweden	2,400	2.3	3,700	2.6
Switzerland	5,700	4.3	5,300	3.5
United Kingdom	31,300	3.4	46,200	3.7
TOTAL EUROPE 30	**443,000**	**5.9**	**490,500**	**5.8**

CITROËN MARQUE
LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	35,000	18.2	40,900	16.3
Austria	900	6.8	1,200	6.6
Belgium-Luxemburg	5,500	16.5	6,400	15.1
Bulgaria	500	21.2	700	12.1
Croatia	400	15.1	800	14.9
Czech Republic	500	8.0	800	7.5
Denmark	500	6.8	1,600	7.9
Estonia	100	22.0	300	17.2
Finland	200	3.4	400	3.7
Germany	5,700	6.8	6,800	5.8
Greece	200	3.1	400	3.6
Hungary	400	6.5	700	6.8
Iceland		0.7		1.9
Ireland	300	5.6	900	3.7
Italy	6,800	7.4	6,900	5.5
Latvia		5.5	200	14.2
Lithuania		2.4	200	9.6
Netherlands	1,800	5.8	2,700	5.3
Norway	900	8.2	1,300	6.5
Poland	1,800	8.2	2,800	9.2
Portugal	2,700	15.3	3,100	10.9
Romania	200	2.6	700	2.9
Slovakia	600	9.2	1,200	8.6
Slovenia	400	18.0	500	13.9
Spain	10,200	19.1	17,800	16.8
Sweden	1,100	8.1	1,500	7.1
Switzerland	1,400	11.5	1,400	9.4
United Kingdom	7,200	7.5	12,600	7.2
TOTAL EUROPE 30	**85,700**	**11.6**	**114,900**	**10.0**

CITROËN MARQUE
PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	211,000	15.9	199,100	14.4
Austria	7,300	4.1	7,900	4.2
Belgium-Luxemburg	33,700	10.1	37,900	9.4
Bulgaria	1,200	7.7	1,600	5.4
Croatia	1,800	6.2	3,500	6.4
Czech Republic	4,000	4.4	5,700	5.4
Denmark	4,500	7.7	8,400	8.0
Estonia	500	8.4	1,300	7.8
Finland	1,400	2.5	3,400	3.5
Germany	59,000	2.8	44,900	2.6
Greece	3,400	2.8	6,500	3.8
Hungary	1,300	2.8	3,100	3.3
Iceland		0.1	100	1.4
Ireland	1,000	1.9	2,800	1.9
Italy	62,500	5.1	76,600	5.5
Latvia	100	2.1	700	5.1
Lithuania	200	3.6	700	4.5
Netherlands	13,400	5.3	17,300	4.9
Norway	1,900	3.5	2,300	2.9
Poland	6,900	3.6	10,800	5.4
Portugal	7,500	8.2	10,900	7.6
Romania	1,300	1.7	2,100	1.2
Slovakia	3,600	7.5	3,100	6.5
Slovenia	2,600	8.0	3,600	7.9
Spain	49,500	10.2	80,600	10.0
Sweden	3,500	3.0	5,200	3.2
Switzerland	7,200	4.9	6,700	4.0
United Kingdom	38,500	3.8	58,800	4.1
TOTAL EUROPE 30	**528,700**	**6.4**	**605,500**	**6.3**

PEUGEOT MARQUE
PASSENGER CAR REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	188,700	16.7	195,100	17.3
Austria	8,300	5.0	8,200	4.9
Belgium-Luxemburg	27,600	9.2	35,300	9.8
Bulgaria	900	6.9	1,200	5.5
Croatia	2,100	8.1	3,600	7.3
Czech Republic	3,500	4.1	4,400	4.7
Denmark	5,800	11.2	9,400	11.0
Estonia	300	4.9	400	2.6
Finland	2,000	3.8	3,600	4.0
Germany	74,600	3.6	51,600	3.2
Greece	4,000	3.5	6,700	4.2
Hungary	1,300	3.4	3,100	3.8
Iceland		0.2	100	0.9
Ireland	1,700	3.6	4,000	3.3
Italy	53,600	4.8	58,200	4.6
Latvia		0.9	100	1.1
Lithuania	100	1.8	600	4.7
Netherlands	17,200	7.7	24,800	8.3
Norway	2,100	5.0	3,200	5.3
Poland	6,400	3.8	8,600	5.1
Portugal	4,900	6.7	8,600	7.5
Romania	2,200	3.1	6,000	4.1
Slovakia	3,700	9.0	2,400	6.8
Slovenia	1,800	5.9	2,800	6.8
Spain	35,700	8.2	65,800	9.4
Sweden	3,900	3.8	7,100	5.1
Switzerland	6,300	4.7	7,600	5.0
United Kingdom	49,100	5.3	71,300	5.7
TOTAL EUROPE 30	**507,700**	**6.8**	**593,800**	**7.1**

PEUGEOT MARQUE
LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	33,800	17.5	44,500	17.7
Austria	900	7.2	1,000	5.5
Belgium-Luxemburg	4,400	13.3	5,300	12.6
Bulgaria	400	17.4	900	14.3
Croatia	200	8.4	500	10.8
Czech Republic	700	10.0	900	8.6
Denmark	600	8.1	1,200	6.0
Estonia	100	17.9	100	7.4
Finland	100	2.4	300	2.9
Germany	3,900	4.7	4,100	3.5
Greece	100	1.2	200	1.4
Hungary	500	7.8	1,100	10.0
Iceland		1.4		1.6
Ireland	300	5.1	700	2.9
Italy	6,200	6.7	6,100	4.8
Latvia		2.4	100	4.6
Lithuania		2.2	200	8.2
Netherlands	2,200	6.8	3,000	5.7
Norway	1,100	9.4	1,400	6.9
Poland	2,000	8.9	2,800	9.2
Portugal	2,100	12.1	2,800	9.9
Romania	500	7.5	1,700	7.2
Slovakia	600	9.1	1,200	8.8
Slovenia	300	16.1	600	16.5
Spain	6,900	13.0	13,300	12.6
Sweden	1,200	9.0	1,600	7.3
Switzerland	800	6.6	900	6.1
United Kingdom	6,500	6.7	9,700	5.6
TOTAL EUROPE 30	**76,700**	**10.4**	**106,200**	**9.2**

PEUGEOT MARQUE
PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE REGISTRATIONS IN EUROPE BY COUNTRY

Country	Jan. to June 2009		Jan. to June 2008	
	Units	Market share (%)	Units	Market share (%)
France	222,400	16.8	239,600	17.4
Austria	9,300	5.2	9,300	4.9
Belgique-Luxembourg	32,000	9.6	40,600	10.1
Bulgaria	1,300	8.6	2,100	7.4
Croatia	2,300	8.2	4,200	7.7
Czech Republic	4,200	4.6	5,300	5.1
Denmark	6,400	10.8	10,600	10.1
Estonia	400	6.3	500	3.1
Finland	2,100	3.7	3,800	3.9
Germany	78,500	3.7	55,600	3.2
Greece	4,100	3.4	6,900	4.0
Hungary	1,800	4.0	4,200	4.5
Iceland		0.4	100	1.0
Ireland	2,000	3.8	4,800	3.2
Italy	59,800	4.9	64,400	4.6
Latvia		1,0	200	1.4
Lithuania	100	1.8	800	5.2
Netherlands	19,400	7.6	27,800	7.9
Norway	3,200	6.0	4,600	5.7
Poland	8,400	4.4	11,500	5.8
Portugal	7,000	7.7	11,400	8.0
Romania	2,800	3.5	7,700	4.5
Slovakia	4,300	9.0	3,500	7.3
Slovenia	2,100	6.5	3,500	7.7
Spain	42,600	8.8	79,100	9.8
Sweden	5,100	4.4	87,000	5.4
Switzerland	7,100	4.8	8,500	5.1
United Kingdom	55,600	5.4	81,000	5.7
TOTAL EUROPE 30	**584,400**	**7.1**	**700,000**	**7.3**

2.2 OPERATING AND FINANCIAL REVIEW

GROUP OPERATING RESULTS FOR FIRST-HALF 2009

- **Group Revenue**

The following table shows consolidated revenue by business in first-half 2009 and 2008.

(in millions of euros)	**First-half 2009**	**First-half 2008**
Automotive Division	18,658	23,258
Faurecia	4,380	6,601
Gefco	1,395	1,904
Banque PSA Finance	915	1,059
Intersegment eliminations and other businesses	(1,851)	(2,756)
TOTAL	**23,497**	**30,066**

In the first half of 2009, consolidated revenue fell by 21.8% to €23,497 million from €30,066 million in the prior-year period. By quarter, revenue declined 24.9% to €10,973 million in the first quarter and by 18.9% to €12,524 million in the second. These first-half 2009 results reflect the breadth and depth of the crisis that has hit the worldwide automotive industry.

- **Group Recurring Operating Income (Loss)**

(in millions of euros)	**First-half 2009**	**First-half 2008**
Automotive Division	(904)	633
Faurecia	(187)	90
Gefco	7	79
Banque PSA Finance	244	308
Intersegment eliminations and other businesses	14	5
TOTAL	(826)	1,115

The Group ended the period with a recurring operating loss of €826 million versus recurring operating income of €1,115 million in the first half of 2008, representing a negative 3.5% of revenue compared with a positive 3.7%. This adverse swing stemmed primarily from the impact of the collapse in global automotive markets and the subsequent reduction in the Group's unit sales.

- **Revenue and Recurring Operating Income (Loss) by Division**

AUTOMOTIVE DIVISION

(in millions of euros)	First-half 2009	First-half 2008
Revenue	18,658	23,258
Recurring operating income (loss)	(904)	633
Recurring operating margin	- 4.8%	2.7%

Automotive Division revenue totalled €18,658 million in the first half, a 19.8% decline that was primarily attributable to the contraction in business volumes resulting from the depressed market conditions.

New vehicle revenue dropped 22.6%, mainly due to the combined negative impacts of lower unit sales (-19.6%), a shift in the product mix towards more compact vehicles (-2.6%) and adverse exchange rates (-1.8%), which were partially offset by the positive 1.1% effect of a favourable country mix.

The recurring operating loss came to €904 million, representing a negative 4.8% of sales, compared with recurring operating income of €633 million, or a positive 2.7% of sales, in the first six months of 2008. The first-half 2009 figure reflects the sharp deterioration in global automotive markets. Factors related to the economic environment had a negative €1,576 million impact. Aggressive competition, coupled with the cost of the marketing resources deployed to encourage inventory reduction, drove down net prices, resulting in a €303 million negative impact. However, this was offset by the Group's performance and the €342 million in costs savings generated during the period.

Details of the economic factors that contributed to the Automotive Division's recurring operating loss are as follows:

- The downturn in the worldwide automotive markets had a €1,270 million negative effect.

  The country and product family mix contributed €59 million to the loss, mainly due to the shift toward compact cars.

  Currency fluctuations had a €229 million adverse impact, chiefly reflecting the fall in the British pound against the euro and, to a lesser extent, the drop in the Polish zloty, Russian ruble and Brazilian real.

  Payroll, raw materials and other costs increased by €18 million.

Performance factors that helped to narrow the Automotive Division's recurring operating loss were as follows:

- Ongoing cost-cutting drive reduced overheads, fixed costs and warranty costs by an aggregate €119 million.
- Savings generated in production and purchasing had a €93 million positive impact and R&D savings contributed €86 million.

FAURECIA

(in millions of euros)	**First-half 2009**	**First-half 2008**
Revenue	4,380	6,601
Recurring operating income (loss)	(187)	90
Recurring operating margin	-4.3%	1.4%

Faurecia's consolidated sales slumped 33.6% to €4,380 million in first-half 2009, in the wake of massive scalebacks in carmaker output. Excluding monoliths – which form part of the Exhaust Systems business – sales were down 29.9% at constant exchange rates. Business troughed in February before recovering in the second quarter when the contraction in sales slowed to 24.9% excluding monoliths and at constant exchange rates. All of Faurecia's geographic regions – barring North America – were able to stem the fall-off in the second three months of the year.

Faurecia ended the period with a recurring operating loss of €187 million, representing a negative 4.3% of sales, versus €90 million in recurring operating income or a positive 1.4% of sales in the year-earlier period. The decline mainly reflected the drop in unit sales, which had a €683 million adverse impact. However, around 60% of this effect (€406 million) was offset by savings generated by the "Challenge 2009" plan. From €160 million in the first three months, the recurring operating loss narrowed considerably to €27 million in the second quarter. As part of the "Challenge 2009" plan, Faurecia also secured its requisite financing during the first-half.

By business segment, Interior Modules reported a €167.3 million recurring operating loss (representing a negative 5.4% of sales), compared with income of €6.8 million in first-half 2008 (0.1% of sales). The recurring operating loss for the Other Modules segment was €20 million, or a negative 1.6% of sales, versus income of €83.5 million in the first six months of 2008 (4.1% of sales).

GEFCO

(in millions of euros)	**First-half 2009**	**First-half 2008**
Revenue	1,395	1,904
Recurring operating income	7	79
Recurring operating margin	0.5%	4.1%

Gefco revenue fell 26.7% to €1,395 million as the economic slowdown reduced the logistics needs across its customer network. Revenue declined in line with customer markets.

Recurring operating income came to €7 million for the period, representing 0.5% of revenue versus 4.1% in first-half 2008. Better cost control thanks to the “Force 10” plan, as well as the swiftly deployed action plans, enabled the company to partially offset the negative effect of rising costs.

BANQUE PSA FINANCE

(in millions of euros)	**First-half 2009**	**First-half 2008**
Revenue	915	1,059
Net banking income	470	504
Recurring operating income	244	308
Recurring operating margin	26.7%	29.1%

Banque PSA Finance reported revenue of €915 million for the first half of 2009, down 13.6% on the first six months of 2008. During the period, the Bank once again improved its marketing performance, increasing its market share by 2.3 points to 27.8%, while at the same time strengthening its risk acceptance procedures across all of its markets.

Recurring operating income came to €244 million, versus €308 million in the first six months of 2008. The main factors behind for this decrease are as follows:

- A 6.8% decrease in net banking revenue to €470 million, reflecting (i) a negative €8 million currency impact and (ii) a €12 million non-recurring expense recorded during the period. Adjusted for these two items the decline in net banking revenue was 2.7%. The remainder of the decrease was attributable to a reduction in total outstanding loans (€4 million), a slight contraction in overall margins (€5 million) and a decline in margins on sales of services (€4 million).

- A €23 million rise in the cost of risk, which totalled €59 million or 0.53% of average net loans. Despite the slight increase from 0.42% at 31 December 2008, this level is still extremely satisfactory. In a difficult macro-economic environment, Banque PSA Finance has been able to control its cost of risk thanks to extensive programs to strengthen the collection process and tighten credit risk acceptance procedures.

OTHER INCOME STATEMENT ITEMS

- **Operating income (loss)**

Non-recurring operating income and expenses represented a net expense of €506 million for the period, compared with a net expense of €86 million for first-half 2008. Costs relating to restructuring plans amounted to €294 million and asset write-downs corresponded to an expense of €217 million.

For further details, please refer to Note 7 in the notes to the Interim Consolidated Financial Statements at 30 June 2009.

Consequently, the Group ended the period with an operating loss of €1,332 million compared with operating income of €1,029 million in first-half 2008.

(in millions of euros)	**First-half 2009**	**First-half 2008**
Automotive Division	(1,326)	575
Faurecia	(256)	63
Gefco	(8)	78
Banque PSA Finance	244	308
Other businesses and holding company	14	5
TOTAL PSA PEUGEOT CITROËN	**(1,332)**	**1,029**

- **Net Financial Income (Expense)**

This item – which includes interest income from loans and on cash and cash equivalents, as well as finance costs and other financial income and expense - amounted to a net expense of €226 million in the first six months of 2009 versus a net expense of €70 million in the year-earlier period. This significant rise was due to the following factors:

- A €47 million increase in finance costs due to the generally higher cost of obtaining financing.

- A decrease in average outstanding loans as well as lower yields on investments, with proceeds from marketable securities totalling €34 million versus €161 million in first-half 2008.
- An €18 million decrease in other financial income and expenses – which corresponded to a net expense of €56 million compared with €74 million – mainly due to the expected return on pension plan financial assets.

- **Income Taxes**

The losses recorded at Group level led to the recognition of a €470 million deferred tax asset.

For further details, please refer to Note 8 to the Interim Consolidated Financial Statements at 30 June 2009.

- **Share in Net Earnings of Companies at Equity**

In first-half 2009, the combined contribution of companies at equity was a net profit of €24 million, versus a net profit of €65 million in the first six months of 2008. The main entities concerned are Dongfeng Peugeot Citroën Automobile (DPCA) and joint ventures with other carmakers (Fiat, Toyota and Renault) organised as separate entities.

DPCA's contribution to consolidated profit amounted to €9 million in first-half 2009 compared with €23 million in first-half 2008.

Toyota Peugeot Citroën Automobiles (TPCA) contributed €17 million to consolidated profit versus €23 million in the equivalent period of 2008.

Following the collapse of the light commercial vehicle market, the contribution of companies resulting from the partnership with Fiat, such as Sevelnord and Sevel S.p.A, was a negative €5 million compared with a positive €17 million in first-half 2008.

For further information about the Group's share in the net earnings of companies at equity, please refer to Note 10.3 to the Interim Consolidated Financial Statements at 30 June 2009.

- **Consolidated Profit (Loss) for the Period**

The Group ended the period with a consolidated loss of €1,064 million, against profit of €731 million in first-half 2008.

- **Consolidated Profit (Loss) Attributable to Equity Holders of the Parent**

The loss attributable to equity holders of the parent stood at €962 million versus profit of €733 million for the six months ended 30 June 2008.

- **Earnings (loss) per share**

The loss per share was €4.24 in first-half 2009, compared with earnings per share of €3.21 for the year-earlier period.

2.3 CASH AND CAPITAL RESOURCES

INFORMATION ON THE GROUP'S CAPITAL RESOURCES

- **Manufacturing and Sales Companies**

Total assets of the manufacturing and sales companies amounted to €39,107 million at 30 June 2009 compared with €36,016 million at 31 December 2008. The main movements during the period were as follows:

- A decrease in inventories to €5,765 million from €7,757 million (see Note 14 to the Interim Consolidated Financial Statements at 30 June 2009).
- A rise in cash and cash equivalents to €6,801 million from €2,040 million at 31 December 2008, reflecting the measures undertaken to strengthen the liquidity of the manufacturing and sales companies.

- **Finance Companies**

At €26,099 million, total assets of the Group's finance companies at the period-end were on a par with the €26,381 million reported at 31 December 2008. The increase in Banque PSA Finance's business volumes, as illustrated by the rise in its market share to 27.8%, pushed up outstanding loans and receivables to €23,388 million from €22,495 million at end-2008, but this effect was offset by a €605 million decrease in cash and cash equivalents.

▪ Consolidated Net Financial Position and Net Debt Ratio

The net financial position of the manufacturing and sales companies at 30 June 2009 represented net debt of €2,003 million compared with net debt of €2,906 million at 31 December 2008 (see Note 20 to the Interim Consolidated Financial Statements at 30 June 2009). This improvement reflects:

- Positive free cash flow generation (€467 million).
- Dividends received from Banque PSA Finance (€143 million).
- The portion of the Faurecia rights issue taken up by minority shareholders (€133 million).
- The equity component – corresponding to the conversion option – of the OCEANE convertible bonds (€125 million).

The net debt to equity ratio was 15.9% at 30 June 2009.

▪ Equity

Total equity amounted to €12,600 million at 30 June 2009 compared with €13,259 million at 31 December 2008. The decrease was chiefly due to the impact on retained earnings of the €1,064 million consolidated loss for the period, which was partly offset by:

- The equity component of the OCEANE convertible bonds – corresponding to the conversion option – which had a positive €82 million net-of-tax impact (see Note 17.2 to the Interim Consolidated Financial Statements at 30 June 2009).
- The portion of the Faurecia rights issue taken up by minority shareholders (€133 million).
- The €138 million positive impact of exchange differences on translating foreign operations.

At 30 June 2009, the Company's share capital was made up of 234,048,798 shares with a par value of one euro each. At the period-end the Group held 7,188,214 shares in treasury to cover outstanding stock option plans. The Group did not carry out any share buybacks during the period under review.

SOURCES, AMOUNTS AND DESCRIPTION OF CONSOLIDATED CASH FLOWS

- **Consolidated Statement of Cash Flows**

For detailed information, please refer to the Interim Consolidated Statements of Cash Flows in the Interim Consolidated Financial Statements at 30 June 2009.

- **Statement of Cash Flows of Manufacturing and Sales Companies**

The following table presents the manufacturing and sales companies' cash flows for the six months ended 30 June 2009 and 30 June 2008:

(in millions of euros)	**Manufacturing and Sales Companies**	
	First-half 2009	**First-half 2008**
Net profit (loss)	**(1,240)**	**527**
Working capital provided by operations	(205)	2,115
Changes in operating assets and liabilities	2,332	(417)
Net cash from (used in) operating activities	2,127	1,698
Net cash from (used in) in investing activities	(1,660)	(1,564)
Net cash from (used in) financing activities	4,230	(4)
Effect of changes in exchange rates	49	(2)
Net increase (decrease) in cash and cash equivalents	**4,746**	**128**
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,763	5,271

- **Cash Flows from Operating Activities of Manufacturing and Sales Companies**

Working capital provided by the manufacturing and sales companies totalled a negative €205 million in first-half 2009 compared with a positive €2,115 million in the first six months of 2008. The generation of working capital was very limited in the first half due to the collapse in the automotive markets and the subsequent nearly 20% drop in invoicing compared with the first half of 2008. The working capital requirement for manufacturing and sales companies dropped by €2,332 million, compared with a €417 million increase in first-half 2008. This change reflected several factors: (i) ongoing measures to reduce new and used vehicle inventories, which had soared with the fall-off in worldwide automobile demand; (ii) a less pronounced decline in trade payables due to the upswing in production in the second quarter, which offset the impact of shorter supplier payment times; (iii) the effect of the upturn in the second quarter on other receivables and payables (payable and recoverable taxes, employee-related receivables and payables, and payable and recoverable payroll taxes); and (iv) the rise in current provisions.

Consequently, net cash from operating activities reported by the manufacturing and sales companies came to €2,127 million in first-half 2009.

The table below provides the new vehicle inventory levels for the Group and in the independent dealership network:

(in thousands of new vehicles)	**30 June 2009**	**30 June 2008**	**31 Dec 2008**
Group inventory	232	366	367
Independent dealership inventory	199	301	261
Total	**431**	**667**	**628**

Reducing inventory was a key priority in first-half 2009. Following the measures taken to scale back output – which fell by 32% during the period – inventories declined by 35% on the first six months of 2008 and 31% compared with 31 December 2008, to end the period at 431,000 units. The Group also continued to implement its strategy of reducing inventory in the independent dealer network, which represented 199,000 units at 30 June 2009, down 24% on 31 December 2008.

- **Cash Flows from Investing Activities of Manufacturing and Sales Companies**

Net cash used in investing activities of manufacturing and sales companies increased to €1,660 million in first-half 2009 from €1,564 million in the first six months of 2008. This increase is explained by the higher pace of product development as well as the rise in overall capital expenditure. Capital expenditure totalled €947 million and capitalized development expenditure came to €599 million (see Note 6 to the Interim Consolidated Financial Statements at 30 June 2009).

Gross R&D expenses rose 4.9%, to €1,173 million to drive the momentum of new vehicle launches. The increase in capitalized development expenditure illustrates the achievement of productivity gains.

- **Cash Flows from Financing Activities of Manufacturing and Sales Companies**

Net cash from financing activities of manufacturing and sales companies totalled €4,230 million in the six months ended 30 June 2009. Following the loans received from the French State and the EIB, changes in financial assets and liabilities of the manufacturing and sales companies represented a cash inflow of €3,819 million compared with €174 million in first-half 2008.

- **Net Cash and Cash Equivalents of Manufacturing and Sales Companies at the Period-End**

The net increase in cash and cash equivalents of the manufacturing and sales companies came to €4,746 million in first-half 2009 versus €128 million in the same period of 2008.

Net cash and cash equivalents in the cash flow statement at the period-end totalled €6,763 million, compared with €2,017 million at 31 December 2008.

- **Net Cash and Cash Equivalents of Finance Companies at the Period-End**

The finance companies consumed €515 million in cash in their operating activities in first-half 2009, whereas they generated €236 million in the first six months of 2008. Banque PSA Finance ended the period with net cash and cash equivalents of €675 million, compared with €1,280 million at 31 December 2008.

LIQUIDITY AND FUNDING

- **Manufacturing and Sales Companies**

The Group's manufacturing and sales companies ended first-half 2009 with cash and cash equivalents significantly higher than at 31 December 2008. Working capital requirement decreased by €2,332 million during the period compared with a €417 million increase in first-half 2008.

At 30 June 2009, the manufacturing and sales companies had €2.4 billion of undrawn confirmed credit lines maturing in 2011.

In light of the current economic environment, during the first half of 2009 the Group kept up its proactive refinancing strategy and conservative liquidity management policy, in order to meet its general financing needs, particularly the financing of current and future growth projects.

In March 2009, Peugeot S.A. obtained a €3 billion 5-year loan from the French State. Subsequently, in April 2009 it obtained a €400 million 4-year bullet loan from the European Investment Bank (EIB).

On 23 June 2009 Peugeot S.A. issued €575 million worth of Oceane bonds convertible or exchangeable for new or existing shares. The value of the conversion option attached to the bonds is being carried in equity for a pre-tax amount of €125 million net of the allocated portion of issue costs until the bonds are converted, exchanged or redeemed, unless there is a change in the bonds' estimated life. The net of tax impact on equity is €82 million.

Subsequently, on 10 July 2009 Peugeot S.A. issued €750 million worth of 5-year bonds to strengthen the Group's cash position and extend the average life of its debt.

Thanks to these two transactions the Group has refinanced the €1.5 billion in bonds issued in 2001 and maturing in 2011.

For further details please refer to Note 17.2 to the Interim Consolidated Financial Statements at 30 June 2009.

- **Banque PSA Finance**

At 30 June 2009, 32% of Banque PSA Finance's financing was provided by bank facilities, 40% by the capital markets, 21% by loan securitisations, and 7% by public financing, such as from the SFEF and the ECB.

Issues under the Banque PSA Finance EMTN programme were once again possible in the first half of 2009 and the Bank launched two separate €750 million EMTN issues during the period, with maturities of 18 and 36 months.

In April 2009 an internal securitisation transaction was carried out in relation to finance receivables held by Banque PSA Finance's Spanish branch. The item "Bank borrowings" in the consolidated financial statements includes an amount of €678 million corresponding to repo transactions with the European Central Bank (ECB) relating to this securitisation.

During the first half of 2009 the Bank received an additional €186 million in financing from Société de Financement de l'Economie Française, the institution set up by the French State to inject cash into the economy, raising the total amount received from this organisation to €632 million. It also obtained a €177 million loan in Spain under the "VIVE" electrical vehicle development plan.

In a subsequent event, on 10 July, Banque PSA Finance arranged a two-year, €1,510 million syndicated line of credit with a banking group and obtained a three-year, £420 million variable rate loan.

Liquidity Reserves

During the period under review Banque PSA Finance once again sought to strike an appropriate balance between paying the higher financing costs generated by widening credit spreads and safeguarding its liquidity position.

At 30 June 2009, 73% of financing had an initial maturity of twelve months or more (versus 75% at 31 December 2008), representing continued solid coverage of potential liquidity risk.

The maturities of refinancing comfortably exceed the maturities of the retail financing loan book.

In addition to these borrowings, the Bank has €6 billion worth of undrawn syndicated lines of credit consisting of three €2 billion backup facilities obtained from two syndicates of leading banks and maturing in July 2010, June 2012 and June 2014.

In all, the Bank has access to sufficient financing to cover around six months' worth of wholesale and retail loan originations, based on a constant loan book.

Liquidity reserves were reduced during first-half 2009 without jeopardising Banque PSA Finance's overall cash position. This was undertaken (i) in order to reduce the impact of the negative carry, since the high cost of liquidity exceeds the extremely low yields on investments and (ii) in view of the safeguard created through the syndicated lines of credit.

For more detailed information please refer to the document entitled "Highlights at 30 June 2009" on Banque PSA Finance's website at www.banquepsafinance.com.

3. RELATED PARTY TRANSACTIONS

The nature of related party transactions and their financial implications over the last three years are detailed in Note 41 to the 2008 Consolidated Financial Statements. Related parties primarily include companies in which the Group holds interests of between 20% and 50% through cooperation agreements, particularly with Renault, Fiat, Toyota and Dongfeng and over which PSA Peugeot Citroën has significant influence and which are therefore accounted for by the equity method. The majority are manufacturing and sales companies whose purpose is to produce either equipment and parts for car manufacturing or fully assembled vehicles. Related party transactions are carried out on arm's length terms.

In the first half of 2009, there were no material changes in the nature, scale or scope of related party transactions compared with the disclosures made at year-end 2008.

There are no material transactions with any member of the administrative, supervisory and management bodies or any shareholder that owns over 5% of Peugeot S.A.'s capital.

4. 2009 TRENDS AND EARNINGS OUTLOOK

The Group expects the European automotive market to decline by around 12% in 2009, with a 7% drop in the second half, and to start its recovery toward the end of 2010. The European market share for the second half of 2009 is expected to increase to above 14%, supported by the continued momentum of new model launches.

In the context of an environment remaining difficult, the Group expects to record a recurring operating loss of between 1 and 2 billion euros for the full year and the positive Free Cash Flow of the first half should be more than offset in the second half.

Contents

PSA PEUGEOT CITROËN Group

Interim Consolidated Financial Statements
for the six months ended June 30, 2009

INTERIM CONSOLIDATED **STATEMENTS OF INCOME**

	Six months ended June 30, 2009			
(in millions of euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Sales and revenue	**22 720**	**915**	**(138)**	**23 497**
Cost of goods and services sold	(19 886)	(505)	138	(20 253)
Selling, general and administrative expenses	(2 968)	(166)	-	(3 134)
Research and development expenses (note 6)	(936)	-	-	(936)
Recurring operating income (loss)	**(1 070)**	**244**	**-**	**(826)**
Non-recurring operating income and (expenses) (note 7)	(506)	-	-	(506)
Operating income	**(1 576)**	**244**	**-**	**(1 332)**
Interest income	34	-	-	34
Finance costs	(204)	-	-	(204)
Other financial income and (expenses), net	(55)	(1)	-	(56)
Income (loss) before tax of fully consolidated companies	**(1 801)**	**243**	**-**	**(1 558)**
Income taxes (note 8)	537	(67)	-	470
Share in net earnings of companies at equity (note 10.3)	24	-	-	24
Consolidated profit (loss) for the period	**(1 240)**	**176**	**-**	**(1 064)**
Attributable to equity holders of the parent	*(1 137)*	*175*	-	*(962)*
Attributable to minority interests	*(103)*	*1*	-	*(102)*

(in euros)	
Basic earnings (loss) per €1 par value share (note 9)	(4,24)
Diluted earnings (loss) per €1 par value share (note 9)	(4,24)

Six months ended June 30, 2008				Twelve months ended December 31, 2008			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
29 237	**1 059**	**(230)**	**30 066**	**52 705**	**2 088**	**(437)**	**54 356**
(24 030)	(588)	230	(24 388)	(44 146)	(1 211)	437	(44 920)
(3 375)	(163)	-	(3 538)	(6 548)	(320)	-	(6 868)
(1 025)	-	-	(1 025)	(2 045)	-	-	(2 045)
807	**308**	**-**	**1 115**	**(34)**	**557**	**-**	**523**
(86)	-	-	(86)	(916)	(1)	-	(917)
721	**308**	**-**	**1 029**	**(950)**	**556**	**-**	**(394)**
161	-	-	161	247	-	-	247
(157)	-	-	(157)	(343)	-	-	(343)
(73)	(1)	-	(74)	(189)	(1)	-	(190)
652	**307**	**-**	**959**	**(1 235)**	**555**	**-**	**(680)**
(190)	(103)	-	(293)	300	(197)	-	103
65	-	-	65	57	-	-	57
527	**204**	**-**	**731**	**(878)**	**358**	**-**	**(520)**
530	203	-	733	(719)	356	-	(363)
(3)	1	-	(2)	(159)	2	-	(157)
			3,21				(1,59)
			3,21				(1,59)

INTERIM CONSOLIDATED **STATEMENT OF INCOME AND EXPENSES FOR THE PERIOD**

(in millions of euros)	Six months ended June 30, 2009		
	Before tax	Income tax benefit (expense)	After tax
Consolidated profit (loss) for the period	**(1 532)**	**468**	**(1 064)**
Fair value adjustments to cash flow hedges	(26)	9	(17)
- of which, fair value adjustments recognised in consolidated profit (loss)			*(6)*
Fair value adjustments to available-for-sale financial assets	56	(1)	55
- of which, fair value adjustments recognised in consolidated profit (loss)			-
Exchange differences on translating foreign operations	138	-	138
Income (expenses) directly recognised in equity for the period [1]	**168**	**8**	**176**
Total income (expenses) recognised in equity for the period	**(1 364)**	**476**	**(888)**
Attributable to equity holders of the parent			*(785)*
Attributable to minority interests			*(103)*

[1] Income (expenses) directly recognised in equity for the period correspond to the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.

	Six months ended June 30, 2008			**Twelve months ended December 31, 2008**		
	Before tax	Income tax benefit (expense)	After tax	Before tax	Income tax benefit (expense)	After tax
	1 037	**(306)**	**731**	**(609)**	**89**	**(520)**
	5	-	5	(38)	5	(33)
			(58)			*(60)*
	(57)	1	(56)	(150)	2	(148)
			-			-
	38	-	38	(214)	-	(214)
	(14)	**1**	**(13)**	**(402)**	**7**	**(395)**
	1 023	**(305)**	**718**	**(1 011)**	**96**	**(915)**
			714			*(751)*
			4			*(164)*

INTERIM CONSOLIDATED BALANCE SHEETS – **ASSETS**

(in millions of euros)	Manufacturing and sales companies	**June 30, 2009** Finance companies	Eliminations	Total
Goodwill	1 237	75	-	1 312
Intangible assets	4 326	96	-	4 422
Property, plant and equipment	14 056	40	-	14 096
Investments in companies at equity (note 10)	743	14	-	757
Investments in non-consolidated companies	46	3	-	49
Other non-current financial assets (note 11)	820	47	(25)	842
Other non-current assets	195	1	-	196
Deferred tax assets	459	128	-	587
Total non-current assets	**21 882**	**404**	**(25)**	**22 261**
Operating assets				
Loans and receivables - finance companies (note 13)	-	23 388	(208)	23 180
Short-term investments - finance companies	-	671	-	671
Inventories (note 14)	5 765	-	-	5 765
Trade receivables - manufacturing and sales companies	2 400	-	(187)	2 213
Current taxes	223	23	(36)	210
Other receivables	1 644	938	(129)	2 453
	10 032	**25 020**	**(560)**	**34 492**
Current financial assets (note 11)	**392**	**-**	**(63)**	**329**
Cash and cash equivalents	**6 801**	**675**	**(405)**	**7 071**
Total current assets	**17 225**	**25 695**	**(1 028)**	**41 892**
Total assets	**39 107**	**26 099**	**(1 053)**	**64 153**

INTERIM CONSOLIDATED BALANCE SHEETS – **EQUITY AND LIABILITIES**

(in millions of euros)	Manufacturing and sales companies	**June 30, 2009** Finance companies	Eliminations	Total
Equity				
Share capital				234
Treasury stock (note 15)				(303)
Retained earnings and other accumulated equity, excluding minority interests				12 500
Minority interests				169
Total equity				**12 600**
Non-current financial liabilities (note 17)	7 982	-	-	7 982
Other non-current liabilities	2 889	-	-	2 889
Non-current provisions (note 16)	899	24	-	923
Deferred tax liabilities	873	492	-	1 365
Total non-current liabilities	**12 643**	**516**	**-**	**13 159**
Operating liabilities				
Financing liabilities (note 18)	-	21 179	(493)	20 686
Current provisions (note 16)	2 525	31	-	2 556
Trade payables	8 091	-	(9)	8 082
Current taxes	60	33	(36)	57
Other payables	4 187	1 307	(316)	5 178
	14 863	**22 550**	**(854)**	**36 559**
Current financial liabilities (note 17)	**2 034**	**-**	**(199)**	**1 835**
Total current liabilities	**16 897**	**22 550**	**(1 053)**	**38 394**
Total equity and liabilities				**64 153**

(in millions of euros)	Manufacturing and sales companies	December 31, 2008 Finance companies	Eliminations	Total
Goodwill	1 237	75	-	1 312
Intangible assets	4 061	96	-	4 157
Property, plant and equipment	14 064	41	-	14 105
Investments in companies at equity (note 10)	732	14	-	746
Investments in non-consolidated companies	48	13	-	61
Other non-current financial assets (note 11)	848	46	(25)	869
Other non-current assets	152	1	-	153
Deferred tax assets	475	75	-	550
Total non-current assets	**21 617**	**361**	**(25)**	**21 953**
Operating assets				
Loans and receivables - finance companies (note 13)	-	22 495	(136)	22 359
Short-term investments - finance companies	-	1 182	-	1 182
Inventories (note 14)	7 757	-	-	7 757
Trade receivables - manufacturing and sales companies	2 001	-	(146)	1 855
Current taxes	189	35	(17)	207
Other receivables	1 897	1 028	(256)	2 669
	11 844	**24 740**	**(555)**	**36 029**
Current financial assets (note 11)	**515**	**-**	**-**	**515**
Cash and cash equivalents	**2 040**	**1 280**	**(90)**	**3 230**
Total current assets	**14 399**	**26 020**	**(645)**	**39 774**
Total assets	**36 016**	**26 381**	**(670)**	**61 727**

(in millions of euros)	Manufacturing and sales companies	December 31, 2008 Finance companies	Eliminations	Total
Equity				
Share capital				234
Treasury stock (note 15)				(303)
Retained earnings and other accumulated equity, excluding minority interests				13 194
Minority interests				134
Total equity				**13 259**
Non-current financial liabilities (note 17)	4 491	-	-	4 491
Other non-current liabilities	2 793	-	-	2 793
Non-current provisions (note 16)	901	24	-	925
Deferred tax liabilities	1 321	450	-	1 771
Total non-current liabilities	**9 506**	**474**	**-**	**9 980**
Operating liabilities				
Financing liabilities (note 18)	-	21 864	(118)	21 746
Current provisions (note 16)	2 053	27	-	2 080
Trade payables	8 428	-	(11)	8 417
Current taxes	76	27	(17)	86
Other payables	3 795	1 070	(399)	4 466
	14 352	**22 988**	**(545)**	**36 795**
Current financial liabilities (note 17)	**1 818**	**-**	**(125)**	**1 693**
Total current liabilities	**16 170**	**22 988**	**(670)**	**38 488**
Total equity and liabilities				**61 727**

INTERIM CONSOLIDATED **STATEMENTS OF CASH FLOWS**

	Six months ended June 30, 2009			
(in millions of euros)	Manufacturing and sales companies	Finance companies	Eliminations	Total
Consolidated profit (loss) for the period	**(1 240)**	**176**	**-**	**(1 064)**
Adjustments for:				
- Depreciation, amortization and impairment	1 683	7	-	1 690
- Non-current provisions	(40)	-	-	(40)
- Changes in deferred tax	(454)	(12)	-	(466)
- (Gains) losses on disposals and other	22	-	-	22
Share in net (earnings) losses of companies at equity, net of dividends received	1	-	-	1
Revaluation adjustments taken to equity and hedges of debt	41	-	-	41
Change in carrying amount of leased vehicles [(1)]	(218)	-	-	(218)
Working capital provided by operations	**(205)**	**171**	**-**	**(34)**
Changes in operating assets and liabilities (note 19)	2 332	(686)	(305)	1 341
Net cash from (used in) operating activities	**2 127**	**(515)**	**(305)**	**1 307**
Proceeds from disposals of shares in consolidated companies	-	-	-	-
Proceeds from disposals of investments in non-consolidated companies	1	-	-	1
Acquisitions of shares in consolidated companies	-	-	-	-
Investments in non-consolidated companies	(2)	-	-	(2)
Proceeds from disposals of property, plant and equipment	44	7	-	51
Proceeds from disposals of intangible assets	1	-	-	1
Investments in property, plant and equipment	(947)	(8)	-	(955)
Investments in intangible assets	(628)	(5)	-	(633)
Change in amounts payable on fixed assets	(97)	-	-	(97)
Other	(32)	9	-	(23)
Net cash from (used in) investing activities	**(1 660)**	**3**	**-**	**(1 657)**
Dividends paid:				
- To Peugeot S.A. shareholders	-	-	-	-
- Intragroup	143	(143)	-	-
- To minority shareholders of subsidiaries	(5)	-	-	(5)
(Purchases) sales of treasury stock	-	-	-	-
Changes in other financial assets and liabilities	3 819	-	(10)	3 809
Other [(2)]	273	-	-	273
Net cash from (used in) financing activities	**4 230**	**(143)**	**(10)**	**4 077**
Effect of changes in exchange rates	49	50	-	99
Net increase (decrease) in cash and cash equivalents	**4 746**	**(605)**	**(315)**	**3 826**
Net cash and cash equivalents at beginning of period	2 017	1 280	(90)	3 207
Net cash and cash equivalents at end of period (note 19.1)	**6 763**	**675**	**(405)**	**7 033**

[(1)] Change in the carrying amount of leased vehicles reclassified from "investing activities" to "operating activities" in line with the 2008 Annual Improvements to IFRSs (see note 1).

[(2)] Including the equity component of Oceane bonds (conversion option) for €125 million (see note 17.2) and minority interests in the Faurecia share issue for €133 million (see note 4).

Six months ended June 30, 2008				Twelve months ended December 31, 2008			
Manufacturing and sales companies	Finance companies	Eliminations	Total	Manufacturing and sales companies	Finance companies	Eliminations	Total
527	**204**	**-**	**731**	**(878)**	**358**	**-**	**(520)**
1 664	7	-	1 671	3 664	15	-	3 679
(43)	-	-	(43)	(105)	1	-	(104)
53	27	-	80	(455)	63	-	(392)
(10)	-	-	(10)	124	-	-	124
(45)	-	-	(45)	(37)	-	-	(37)
12	-	-	12	70	-	-	70
(43)	-	-	(43)	(44)	-	-	(44)
2 115	**238**	**-**	**2 353**	**2 339**	**437**	**-**	**2 776**
(417)	(2)	(35)	(454)	(2 924)	153	16	(2 755)
1 698	**236**	**(35)**	**1 899**	**(585)**	**590**	**16**	**21**
-	-	-	-	-	-	-	-
1	-	-	1	-	-	-	-
-	-	-	-	(2)	-	-	(2)
(4)	(9)	-	(13)	(25)	(12)	-	(37)
34	5	-	39	69	10	-	79
-	-	-	-	9	-	-	9
(1 022)	(7)	-	(1 029)	(2 080)	(14)	-	(2 094)
(481)	(4)	-	(485)	(1 069)	(11)	-	(1 080)
(50)	-	-	(50)	(1)	-	-	(1)
(42)	5	-	(37)	(78)	5	-	(73)
(1 564)	**(10)**	**-**	**(1 574)**	**(3 177)**	**(22)**	**-**	**(3 199)**
(342)	-	-	(342)	(342)	-	-	(342)
168	(168)	-	-	168	(168)	-	-
(5)	(2)	-	(7)	(17)	(2)	-	(19)
1	-	-	1	(43)	-	-	(43)
174	-	(63)	111	929	-	42	971
-	3	-	3	-	3	-	3
(4)	**(167)**	**(63)**	**(234)**	**695**	**(167)**	**42**	**570**
(2)	(12)	-	(14)	(59)	(64)	1	(122)
128	**47**	**(98)**	**77**	**(3 126)**	**337**	**59**	**(2 730)**
5 143	943	(149)	5 937	5 143	943	(149)	5 937
5 271	**990**	**(247)**	**6 014**	**2 017**	**1 280**	**(90)**	**3 207**

INTERIM CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY**

(in millions of euros)	Share capital	Treasury stock	Retained earnings excluding revaluations	Revaluations - excluding minority: Cash flow hedges	Revaluations - excluding minority: Available-for-sale financial assets	Revaluations - excluding minority: Translation adjustments	**Equity attributable to equity holders of the parent**	Minority interests	**Total equity**
At December 31, 2007	**234**	**(271)**	**13 985**	**43**	**188**	**66**	**14 245**	**310**	**14 555**
Total income (expenses) recognised in equity for the period	-	-	733	2	(56)	35	714	4	718
Measurement of stock options	-	-	6	-	-	-	6	-	6
Effect of changes in scope of consolidation and other	-	-	-	-	-	-	-	6	6
Purchases and sales of treasury stock	-	1	-	-	-	-	1	-	1
Dividends paid	-	-	(342)	-	-	-	(342)	(7)	(349)
At June 30, 2008	**234**	**(270)**	**14 382**	**45**	**132**	**101**	**14 624**	**313**	**14 937**
Total income (expenses) recognised in equity for the period [(1)]	-	-	(1 096)	(28)	(92)	(249)	(1 465)	(168)	(1 633)
Measurement of stock options	-	-	10	-	-	-	10	1	11
Effect of changes in scope of consolidation and other	-	-	-	-	-	-	-	-	-
Purchases and sales of treasury stock	-	(33)	(11)	-	-	-	(44)	-	(44)
Dividends paid	-	-	-	-	-	-	-	(12)	(12)
At December 31, 2008 [(1)]	**234**	**(303)**	**13 285**	**17**	**40**	**(148)**	**13 125**	**134**	**13 259**
Total income (expenses) recognised in equity for the period	-	-	(962)	(17)	55	139	(785)	(103)	(888)
Measurement of stock options	-	-	4	-	-	-	4	-	4
Effect of changes in scope of consolidation and other [(2)]	-	-	5	-	-	-	5	143	148
Purchases and sales of treasury stock	-	-	-	-	-	-	-	-	-
Equity component (conversion option) of Oceane bonds (note 17)	-	-	82	-	-	-	82	-	82
Dividends paid	-	-	-	-	-	-	-	(5)	(5)
At June 30, 2009	**234**	**(303)**	**12 414**	**-**	**95**	**(9)**	**12 431**	**169**	**12 600**

[(1)] *Adjusted for the retrospective application of IFRIC 14 (see note 2)*

[(2)] *Including minority interests in the Faurecia share issue for €133 million (see note 4)*

NOTES TO THE **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Six months ended June 30, 2009

NOTE 1 - ACCOUNTING POLICIES

Except as described below and in note 2, the interim consolidated financial statements for the six months ended June 30, 2009 have been prepared using the same accounting policies as those used to prepare the consolidated financial statements for the year ended December 31, 2008.

The Group's consolidated financial statements for the year ended December 31, 2008 were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union.

Application of the following new and revised standards is mandatory in the European Union from January 1, 2009:
• *IFRS 8 - Operating Segments:* The Group early adopted this standard in 2007.
• *IAS 23 (revised) - Borrowing Costs,* which requires borrowing costs related to qualifying assets (defined as assets that take a substantial period of time to get ready for their intended use or sale) to be capitalized as part of the cost of the asset. Applicable prospectively, the revised standard has a positive impact on finance costs and net profit in 2009 and will subsequently have a gradual negative impact on recurring operating profit as the capitalized costs are amortised. The effect of the first-time adoption of IAS 23 (revised) was a €10 million reduction in finance costs for first-half 2009.
• *IAS 1 (revised) - Presentation of Financial Statements,* which requires the presentation of comprehensive income either in one statement or two statements. The Group has chosen the latter option and will continue presenting an income statement in the same way as in the past, along with a statement of "income and expenses recognized for the period". The new presentation has been applied for the first time for the six months ended June 30, 2009.
• *IFRIC 14: IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction,* which applies to defined benefit plans with a minimum funding requirement and plans with a funding surplus (excess of plan assets over Projected Benefit Obligation). It is applicable from January 1, 2009 to all periods presented (see note 2.2).
• *2008 Annual Improvements to IFRSs*: in May 2008, the IASB published 35 amendments to 20 standards, generally applicable from January 1, 2009. The only material impact of these amendments on the Group accounts was a reclassification in the Consolidated Cash Flow Statements of cash flows related to leased vehicles (see note 2.3).

The Group is not concerned by the other standards, revised standards or interpretations adopted by the European Union and mandatory applicable from January 1, 2009.

IFRS 3 (revised) - Business Combinations and *IAS 27 (revised) - Consolidated and Separate Financial Statements* were adopted by the European Union during the first half of 2009. They were not early adopted by the Group for the preparation of the interim financial statements. The two revised standards modify the accounting treatment of business combinations and changes in percentage interests in subsidiaries. They are applicable by the Group at the latest January 1, 2010.

The interim consolidated financial statements for the six months ended June 30, 2009 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 2008 consolidated financial statements.

The interim consolidated financial statements and accompanying notes for the six months ended June 30, 2009 were authorized for issue by the Managing Board of Peugeot S.A. on July 21, 2009.

NOTE 2 - ADJUSTMENTS TO FINANCIAL INFORMATION REPORTED IN PRIOR PERIODS

2.1. SALES AND REVENUE

The accounting presentation of certain components of "Sales and revenue", "Cost of goods and services sold" and "Selling, general and administrative expenses" has been revised in line with the principles described in note 2 to the Consolidated Financial Statements for the year ended December 31, 2008.

The effect of these reclassifications is presented below:

(in millions of euros)	First-half 2008 published in July 2008			**First-half 2008 adjusted** published in July 2009	
	Manufacturing and sales companies	Group	Reclassifications	Manufacturing and sales companies	Group
Sales and revenue	30 470	31 299	(1 233)	29 237	30 066
Cost of goods and services sold	(24 598)	(24 956)	568	(24 030)	(24 388)
Selling, general and administrative expenses	(4 040)	(4 203)	665	(3 375)	(3 538)
Research and development expenses	(1 025)	(1 025)	-	(1 025)	(1 025)
Recurring operating income	**807**	**1 115**	-	**807**	**1 115**
Consolidated operating margin as a % of sales and revenue		*3,6%*			*3,7%*

Adjusted as explained above, Automobile Division sales for first-half 2008 amounted to €23,258 million compared with €24,502 million as originally published. The Division's adjusted operating margin came to 2.7% versus 2.6% as originally published.

2.2. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS: PROVISION FOR MINIMUM FUNDING REQUIREMENTS (IFRIC 14)

IFRIC 14: *IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (see note 1) - is applicable from January 1, 2009 and to all earlier periods presented. The Group did not have to recognise any additional liability under IFRIC 14 before 2008; consequently, the 2007 financial statements have not been adjusted.

However, the Group is required to recognise an additional liability as from the second half of 2008 in respect of the minimum funding requirement for the defined benefit plans of its UK subsidiaries, as these companies do not have an unconditional right to a refund of any plan surplus.
The effect of recognising this additional liability is a €20 million reduction in net profit for the second half of 2008, corresponding to €27 million in additional employee benefits expenses and a €7 million reduction in income tax expense.

(in millions of euros)	2008 published in February 2009 (before IFRIC 14 adjustment)			**2008 adjusted** published in July 2009 (after IFRIC 14 adjustment)	
	Manufacturing and sales companies	Group	IFRIC 14 Adjustment	Manufacturing and sales companies	Group
Selling, general and administrative expenses	(6 521)	(6 841)	(27)	(6 548)	(6 868)
Recurring operating income (loss)	**(7)**	**(6 841)**	(27)	**(6 548)**	**(6 868)**
Consolidated operating margin as a % of sales and revenue					
Net profit (loss)	**(858)**	**(500)**	(20)	**(878)**	**(520)**
Net profit (loss) attributable to equity holders of the parent	**(699)**	**(343)**	(20)	**(719)**	**(363)**
Earnings (loss) per €1 par value share		*-1,51*			*-1,59*

In addition, non-current provisions in the Consolidated Balance Sheet at December 31, 2008 increased by €25 million, including a €2 million translation adjustment.
In first-half 2009, the only effect of applying IFRIC 14 is a €4 million increase in provisions due to translation adjustments, as the underlying provision will be adjusted only at the end of the year when the Group's employee benefit obligations will be remeasured.

2.3. RECLASSIFICATION OF CASH FLOWS FROM LEASED VEHICLES

An amendment made under the 2008 Annual Improvements to IFRSs led to the reclassification in the consolidated cash flow statement under cash flows from operating activities of cash flows related to leases (leased vehicles and vehicles sold with a buyback commitment). In previous periods, these cash flows were classified under investing activities.

NOTE 3 - SCOPE OF CONSOLIDATION

There were no material changes in the scope of consolidation in the first half of 2009.

NOTE 4 - FAURECIA SHARE ISSUE

During the second quarter of 2009, Faurecia carried out a €455 million share issue for cash, underwritten by Peugeot S.A. in the amount of €322 million and by minority shareholders for €133 million. After the issue, Peugeot S.A.'s interest in Faurecia was unchanged at 70.86%.

At the level of the PSA Peugeot Citroën Group, the issue led to an increase in cash and cash equivalents for an amount corresponding to the value of the shares purchased by minority shareholders, a corresponding increase in minority interests being recorded in equity. The share issuance costs of €8 million (€6 million excluding minority interests) have been recognised in the income statement under "Other financial income and expenses, net".

NOTE 5 - SEGMENT INFORMATION

In accordance with IFRS 8 – Operating Segments, segment information is presented in line with the indicators used internally by management to measure the performance of the Group's different business segments. The Group's main performance indicator is recurring operating income.
The Group's business segments are defined in the notes to the 2008 Consolidated Financial Statements.

The Group lauched the insurance business at the beginning of 2009. This business is not yet material and is therefore included within the "Finance Companies" segment.

5.1. SEGMENT INFORMATION

June 30, 2009 *(in millions of euros)*	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
Sales and revenue							
- third parties	18 651	3 461	521	777	87	-	**23 497**
- intragroup, intersegment	7	919	874	138	43	(1 981)	**-**
Total	**18 658**	**4 380**	**1 395**	**915**	**130**	**(1 981)**	**23 497**
Recurring operating income (loss)	**(904)**	**(187)**	**7**	**244**	**7**	**7**	**(826)**
Restructuring costs	(206)	(72)	(16)	-	-	-	**(294)**
Impairment losses on CGUs (note 7)	(217)	-	-	-	-	-	**(217)**
Other non-recurring operating income and (expenses)	1	3	1	-	-	-	**5**
Operating income (loss)	**(1 326)**	**(256)**	**(8)**	**244**	**7**	**7**	**(1 332)**
Net financial income (expense)		**(97)**		**(1)**		**(128)**	**(226)**
Income taxes		(11)		(67)		548	**470**
Share in net earnings of companies at equity	21	3	-	-	-	-	**24**
Consolidated profit (loss) for the period		**(361)**		**176**			**(1 064)**
Segment assets	27 810	4 965	1 105	26 099	(1 976)	(1 370)	56 633
- of which investments in companies at equity	*720*	*18*	*-*	*14*	*5*	*-*	*757*
Segment liabilities	(17 755)	(2 898)	(791)	(23 066)	1 110	1 664	(41 736)
Capital employed (note 21)	**10 055**	**2 067**	**314**	**3 033**	**(866)**	**294**	**14 897**
Capital expenditure (excluding sales with a buyback commitment)	**1 424**	**142**	**8**	**13**	**1**		**1 588**

June 30, 2008 *(in millions of euros)*	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
Sales and revenue							
- third parties	23 246	5 168	713	829	110	-	**30 066**
- intragroup, intersegment	12	1 433	1 191	230	141	(3 007)	**-**
Total	**23 258**	**6 601**	**1 904**	**1 059**	**251**	**(3 007)**	**30 066**
Recurring operating income (loss)	**633**	**90**	**79**	**308**	**9**	**(4)**	**1 115**
Restructuring costs	(61)	(31)	(1)	-	(1)	-	**(94)**
Impairment losses on CGUs (note 7)	-	-	-	-	(1)	-	**(1)**
Other non-recurring operating income and (expenses)	3	4	-	-	2	-	**9**
Operating income (loss)	**575**	**63**	**78**	**308**	**9**	**(4)**	**1 029**
Net financial income (expense)		**(48)**		**(1)**		**(21)**	**(70)**
Income taxes		(39)		(103)		(151)	**(293)**
Share in net earnings of companies at equity	61	5	-	-	(1)	-	**65**
Consolidated profit (loss) for the period		**(19)**		**204**			**731**
Segment assets	29 712	6 538	1 367	28 733	(843)	(2 083)	63 424
- of which investments in companies at equity	*746*	*35*	*3*	*12*	*6*	*-*	*802*
Segment liabilities	(21 560)	(3 714)	(990)	(25 812)	249	2 125	(49 702)
Capital employed (note 21)	**8 152**	**2 824**	**377**	**2 921**	**(594)**	**42**	**13 722**
Capital expenditure (excluding sales with a buyback commitment)	**1 245**	**238**	**19**	**11**	**1**		**1 514**

December 31, 2008 *(in millions of euros)*	Automobile	Automotive Equipment	Transportation and Logistics	Finance companies	Other	Eliminations and reconciliations	Total
Sales and revenue							
- third parties	41 621	9 532	1 365	1 651	187	-	**54 356**
- intragroup, intersegment	22	2 479	2 171	437	89	(5 198)	**-**
Total	**41 643**	**12 011**	**3 536**	**2 088**	**276**	**(5 198)**	**54 356**
Recurring operating income (loss)	**(251)**	**91**	**126**	**557**	**3**	**(3)**	**523**
Restructuring costs [1]	(335)	(166)	(1)	-	(10)	-	**(512)**
Impairment losses on CGUs (note 7)	(138)	(265)	-	-	(2)	-	**(405)**
Other non-recurring operating income and (expenses)	13	(13)	1	(1)	-	-	**-**
Operating income (loss)	**(711)**	**(353)**	**126**	**556**	**(9)**	**(3)**	**(394)**
Net financial income (expense)		**(195)**		**(1)**		**(90)**	**(286)**
Income taxes		(29)		(197)		329	**103**
Share in net earnings of companies at equity	53	8	(2)	-	(2)	-	**57**
Consolidated profit (loss) for the period		**(569)**		**358**			**(520)**
Segment assets	28 617	5 185	1 053	26 381	(1 218)	(1 579)	58 439
- of which investments in companies at equity	*686*	*40*	*1*	*14*	*5*	*-*	*746*
Segment liabilities	(17 211)	(2 940)	(730)	(23 462)	490	1 569	(42 284)
Capital employed (note 21)	**11 406**	**2 245**	**323**	**2 919**	**(728)**	**(10)**	**16 155**
Capital expenditure (excluding sales with a buyback commitment)	**2 620**	**483**	**45**	**25**	**1**		**3 174**

[1] *Automobile Division and Automotive Equipment Division restructuring costs include asset impairments of €79 million and €3 million respectively.*

In second-half 2008, following an internal reorganization, plant and equipment design operations were reclassified from "Other businesses" to the Automobile Division. The effect of this change on Automobile Division segment information is not material.

5.2. RECONCILIATION TO THE CONSOLIDATED BALANCE SHEET

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec 31, 2008
Segment assets at the period-end	**56 633**	**63 424**	**58 439**
Other non-current financial assets	795	835	823
Current financial assets	329	1 290	515
Cash and cash equivalents [1]	6 396	5 062	1 950
Assets reported in the consolidated balance sheet	**64 153**	**70 611**	**61 727**
Segment liabilities at the period-end	**41 736**	**49 702**	**42 284**
Equity	12 600	14 937	13 259
Non-current financial liabilities	7 982	4 073	4 491
Current financial liabilities [1]	1 835	1 899	1 693
Equity and liabilities reported in the consolidated balance sheet	**64 153**	**70 611**	**61 727**

[1] *Including eliminations*

NOTE 6 - RESEARCH AND DEVELOPMENT EXPENSES

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec 31, 2008
Total expenditure	(1 173)	(1 118)	(2 372)
Capitalized development expenditure	599	464	1 065
Non-capitalized expenditure	**(574)**	**(654)**	**(1 307)**
Amortization of capitalized development expenditure	(362)	(371)	(738)
Total	**(936)**	**(1 025)**	**(2 045)**

NOTE 7 - NON-RECURRING OPERATING INCOME AND (EXPENSES)

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

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec 31, 2008
Impairment loss on Automobile Division CGUs (note 7.1)	(217)	-	(138)
Impairment loss on Faurecia group CGUs and other Faurecia group assets (note 7.2)	-	-	(268)
Provisions for contingencies and charges (Faurecia group)	-	1	(2)
Impairment loss on Other businesses CGUs	-	(1)	(2)
Restructuring costs (note 7.3)	(294)	(94)	(512)
Net gains on disposals of property	9	7	7
Other	(4)	1	(2)
Total	**(506)**	**(86)**	**(917)**

7.1. IMPAIRMENT LOSS ON AUTOMOBILE DIVISION CGUs

As of December 31, 2008, impairment tests led to write-downs of two vehicle CGUs, for a total of €138 million. New impairment tests performed at end-June 2009 led to the recognition in the income statement of additional expenses of €217 million. This amount corresponds to the full write-down of the two CGUs for €101 million and a €116 million provision for penalties for failure to fulfil minimum purchase commitments. The impairment is due to a downward adjustment of volumes and margins on the models concerned.

7.2. IMPAIRMENT LOSS ON FAURECIA GROUP CGUs AND OTHER ASSETS

Faurecia Group CGUs

In 2008, impairment tests led to asset write-downs of €268 million. At end-June 2009, further impairment tests were performed based on 2009-2013 business plan projections, as revised to reflect the latest 2009 budget assumptions. The volume assumptions used in the business plan are based on external information sources which point to a gradual recovery starting in 2010. In line with the recommendations of an independent expert, the weighted average cost of capital used to discount cash flows was increased to 9% from 8.6% at 31 December 2008.

The end-June 2009 impairment test confirmed that the carrying amount of goodwill was at least equal to its recoverable amount.

The sensitivity of the impairment test to changes in the assumptions used at end-June 2009 to determine the value in use of the CGUs to which goodwill have been allocated is illustrated in the table below:

(in millions of euros)	Test margin [(1)]	Discount rate applied to cash flows + 0.5%	Perpetual growth rate - 0.5%	Terminal recurring operating margin - 0.5%
Automotive Seating	662	(140)	(110)	(159)
Exhaust Systems	299	(55)	(44)	(78)
Front-Ends	74	(16)	(12)	(33)

[(1)] *Test margin = value in use - carrying amount*

Taken individually, the declines in values in use that would result from the above simulations would not affect the amount at which the goodwill allocated to the CGUs is carried in the balance sheet.

Faurecia CGU in the accounts of PSA Peugeot Citroën

Faurecia goodwill carried in the PSA Peugeot Citroën consolidated balance sheet was tested for impairment based on the Group's share in the sum of the discounted cash flows generated by Faurecia's businesses. This amount was greater than the carrying amount of the goodwill and therefore no impairment loss was recognized.

The sensitivity of the impairment test to changes in the assumptions used to determine the value in use of Faurecia goodwill at end-June 2009 is illustrated in the table below:

(in millions of euros)	Test margin [1]	Discount rate applied to cash flows + 0.5%	Perpetual growth rate - 0.5%	Terminal recurring operating margin - 0.5%
	805	(184)	(145)	(259)

[1] *Test margin = value in use - carrying amount*

Taken individually, the declines in values in use that would result from the above simulations would not affect the amount at which the goodwill is carried in the balance sheet.

7.3. RESTRUCTURING COSTS

Automobile Division

Automobile Division restructuring costs amounted to €206 million in first-half 2009, including the following items:

In France:

The 2009 workforce streamlining plan (PREC) was presented to the Central Works Committee on December 2, 2008, at a time of severe crisis and sharply falling markets. The estimated net cost of the plan recognised in the financial statements at December 31, 2008 amounted to €105 million, corresponding to the departure of 3,630 employees. At June 30, 2009, the cost estimates were adjusted along with the estimate of the number of employees concerned (4,191 employees having signed up to or agreed to sign up the plan) leading to the recognition of additional costs of €75 million.

On June 25, 2009, Group management announced to the Central Works Council that the worforce streamlining plan was being extended until March 31, 2010, particularly for skilled workers and employees at the Rennes plant which has been particularly badly hit by the fall in demand for high-end models. The estimated net cost recognised in the financial statements at June 30, 2009 amounted to €49 million, corresponding to the voluntary departure of 1,500 employees.

In addition, production shutdown and site closure costs of €12 million were recognised at June 30, 2009.

In Europe and the Mercosur countries:

The cost of workforce reduction measures in other European countries and the Mercosur countries amounted to €67 million in first-half 2009.

Automotive Equipment Division (Faurecia group)

Faurecia group restructuring costs totalled €72 million in first-half 2009, including €69 million for workforce reduction measures involving 2,551 employees.

Transport and Logistics Division

Gefco group restructuring costs amounted to €16 million in first-half 2009, including €12 million in workforce reduction costs.

NOTE 8 - INCOME TAXES

Income taxes for the period are calculated on the basis of pre-tax profit by tax jurisdiction, multiplied by the estimated effective tax rate for the full year. The tax impacts of specific transactions are recorded in the period during which the transactions occur.

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

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec. 31, 2008
Income (loss) before tax of fully-consolidated companies	**(1 558)**	**959**	**(680)**
French statutory income tax rate for the period	*34.4%*	*34.4%*	*34.4%*
Theoretical tax benefit (expense) for the period based on the French statutory income tax rate	**536**	**(330)**	**232**
Permanent differences	(10)	17	(68)
Income taxable at reduced rates	19	25	39
Tax credits	10	10	29
Effect of differences in foreign tax rates and other	12	25	10
Unrecognized deferred tax assets and impairment losses	(97)	(40)	(139)
Income tax benefit (expense)	**470**	**(293)**	**103**
Effective tax rate applicable to the Group	***30,2%***	*30,6%*	*15,1%*

Permanent differences in 2008 include the negative impact of impairment losses recognized on goodwill allocated to the Faurecia CGUs, which had no tax effect.
Unrecognized deferred tax assets and impairment losses mainly concern the Faurecia group.

NOTE 9 - EARNINGS (LOSS) 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 cancelled during the period and the number of shares held in treasury stock. The dilutive effect of stock options and the conversion of Oceane bonds (see note 17) is calculated using the "treasury stock" method, as follows:

	June 30, 2009	June 30, 2008	Dec. 31, 2008
Average number of €1 par value shares outstanding	226 860 584	228 200 751	227 614 235
Dilutive effect of stock options, calculated using the "treasury stock" method	-	140 968	-
Dilutive effect of Oceane bond conversions	-	N/A	N/A
Diluted average number of shares	**226 860 584**	**228 341 719**	**227 614 235**

Earnings per share are presented at the foot of the Consolidated Income Statement.

In view of the terms of the stock option plans and the average Peugeot S.A. share price, none of the plans had a dilutive impact in first-half 2009.
Similarly, the Oceane bonds did not have a dilutive impact due to the bonds' terms and the average Peugeot S.A. share price

	June 30, 2009	June 30, 2008	Dec. 31, 2008
Dilutive plans	None	2000 & 2003	None

NOTE 10 - 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.

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

(in millions of euros)	**June 30, 2009**	Dec.31, 2008
At beginning of period	**746**	**737**
Dividends and profit transfers	(25)	(20)
Share of net earnings	24	57
Newly consolidated companies	-	7
Capital increase (reduction)	-	(68)
Disposals (1)	(1)	7
Translation adjustment	13	26
At period-end	**757**	**746**
o/w Dongfeng Peugeot Citroën Automobile goodwill	63	62

(1) Disposals at June 30, 2009 concerned Gefco China which is now fully-consolidated

10.2. SHARE IN NET ASSETS OF COMPANIES AT EQUITY

(in millions of euros)	Latest % interest	**June 30, 2009**	Dec.31, 2008
Renault cooperation agreement			
Française de Mécanique	50 %	21	21
Société de Transmissions Automatiques	20 %	3	3
Fiat cooperation agreement			
Sevelnord	50 %	83	88
Gisevel	50 %	24	22
Sevelind	50 %	17	19
Sevel SpA	50 %	93	94
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50 %	110	85
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile (1)	50 %	361	347
Dongfeng Peugeot Citroën Automobile Finance Company	25 %	14	14
Other			
Other excluding Faurecia		13	13
Faurecia associates		18	40
Total		**757**	**746**

(1) *Including Dongfeng Peugeot Citroën Automobile goodwill in the amount of €63 million*

10.3. SHARE IN NET EARNINGS OF COMPANIES AT EQUITY

(in millions of euros)	Latest % interest	**June 30, 2009**	Dec.31, 2008
Renault cooperation agreement			
Française de Mécanique	50 %	-	(2)
Société de Transmissions Automatiques	20 %	-	-
Fiat cooperation agreement			
Sevelnord	50 %	(5)	15
Gisevel	50 %	2	4
Sevelind	50 %	(1)	(1)
Sevel SpA	50 %	(1)	(1)
Toyota cooperation agreement			
Toyota Peugeot Citroën Automobiles	50 %	17	29
Dongfeng cooperation agreement			
Dongfeng Peugeot Citroën Automobile	50 %	9	8
Dongfeng Peugeot Citroën Automobile Finance Company	25 %	-	-
Other			
Other excluding Faurecia		-	(3)
Faurecia associates		3	8
Total		**24**	**57**

NOTE 11 - CURRENT AND NON-CURRENT FINANCIAL ASSETS

(in millions of euros)	June 30, 2009 Non-current	June 30, 2009 Current	Dec. 31, 2008 Non-current	Dec. 31, 2008 Current
Loans and receivables	120	213	126	242
Investments classified as "available-for-sale"	163	-	104	-
Investments "accounted for using the fair value option"	364	25	416	249
Derivative instruments	195	91	223	24
Total financial assets, net	**842**	**329**	**869**	**515**

The carrying amount of "available-for-sale" securities includes unrealized gains of €96 million at June 30, 2009 (€40 million at January 1, 2009).

NOTE 12 - OTHER NON-CURRENT ASSETS

(in millions of euros)	June 30, 2009	Dec. 31, 2008
Excess of payments to external funds over pension obligations	2	2
Guarantee deposits and other	194	151
Total	**196**	**153**

"Guarantee deposits and other" include units in "Fonds de Modernisation des Equipementiers Automobiles" for €18 million at June 30, 2009. The Group is committed to investing a total of €200 million in this "FCPR" fund, which has been set up to support automotive equipment manufacturers. The units have been classified as "available-for-sale" in accordance with IAS 39 and are therefore measured at fair value. They are reported as non-current assets because of the lock-up applicable to the Group's investment in the fund.

NOTE 13 - LOANS AND RECEIVABLES FINANCE COMPANIES

(in millions of euros)	June 30, 2009	Dec. 31, 2008
Net loans and receivables outstanding		
Credit sales	9 975	9 646
Long-term leases	4 834	4 600
Leases subject to buyback commitments	2 680	2 591
Other receivables	807	842
Guarantee deposits on leases	(56)	(59)
Total net loans and receivables outstanding	**18 240**	**17 620**
Net wholesale finance receivables outstanding		
Wholesale finance receivables	4 693	4 427
Guarantee deposits on wholesale finance receivables	(48)	(57)
Total net wholesale finance receivables outstanding	**4 645**	**4 370**
Ordinary accounts	175	188
Items included in the amortised cost of retail and lease finance receivables	45	105
Fair value adjustments to portfolios hedged against interest rate risk	283	212
Eliminations	(208)	(136)
Total	**23 180**	**22 359**

Retail and lease finance receivables represent loans made by finance companies to Peugeot and Citroën customers for the purchase or lease of cars.

Wholesale finance receivables represent amounts due to Peugeot and Citroën by their dealer networks and certain European importers which have been transferred to the Group finance companies, and working capital loans made by the finance companies to the dealer networks.

Retail and lease finance receivables include €5,182 million in securitized finance receivables that were still carried on the balance sheet at the period-end (€4,312 million at December 31, 2008). The Banque PSA Finance group carried out several securitization transactions through the French Auto ABS umbrella fund (FCC) set up in June 2001 and the Italian Auto ABS S.r.l. fund set up in July 2007. On July 30, 2008, Banque PSA Finance's German branch sold €1 billion worth of finance receivables to the 2008-1 compartment of Auto ABS. Auto ABS 2008-1 issued €970 million worth of AAA/Aaa-rated preferred bonds and €30 million worth of A/Aa3-rated subordinated bonds, with the German branch's retained interest amounting to €10,000.

On April 21, 2009, Banque PSA Finance's Spanish branch sold €1,180 million worth of finance receivables to the 2009-1 compartment of Auto ABS. Auto ABS 2009-1 issued €1,050 million worth of AAA-rated preferred bonds, €83 million worth of A-rated subordinated bonds and €47 million worth of B-rated subordinated bonds, all of which were purchased by Banque PSA Finance. The preferred bonds were subsequently given as collateral for repo transactions with the European Central Bank for €678 million net of a €372 million discount.

Liabilities corresponding to securities issued by securitization funds are shown in note 18.

NOTE 14 - INVENTORIES

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec. 31, 2008
Raw materials and supplies	571	730	653
Semi-finished products and work-in-progress	812	893	630
Goods for resale and used vehicles	912	1 228	1 702
Finished products and replacement parts	3 470	5 054	4 772
Total carrying amount	**5 765**	**7 905**	**7 757**
- of which cost	6 366	8 377	8 433
- of which impairment	(601)	(472)	(676)

NOTE 15 - SHARE CAPITAL AND SHARE BUYBACK PROGRAMS

	Authorized	Transactions	
(number of shares)		**June 30, 2009**	Dec. 31, 2008
At beginning of period		**7 188 214**	**6 097 714**
Share buybacks			
AGM of May 28, 2008	17 000 000	-	1 345 000
AGM of June 3, 2009	16 000 000	-	N/A
Share cancellations			
AGM of May 28, 2008	10% of capital	-	(231 500)
AGM of June 3, 2009	10% of capital	-	N/A
Share sales			
On exercise of stock options		-	(23 000)
At end of period		**7 188 214**	**7 188 214**
Shares held for allocation on exercise of outstanding options		5 908 907	6 527 907
Shares held for allocation on exercise of future options		1 279 307	660 307

Share capital at June 30, 2009 was represented by 234,048,798 ordinary shares with a par value of €1 each.

In order to allocate financial resources in priority to the Group's development and to strengthening its cash position, no dividend was paid for 2008.

NOTE 16 - CURRENT AND NON-CURRENT PROVISIONS

16.1. NON-CURRENT PROVISIONS

(in millions of euros)	June 30, 2009	Dec. 31, 2008
At beginning of period	**925**	**1 132**
Movements taken to profit or loss		
Additions	76	156
Releases (utilisations)	(100)	(226)
Releases (surplus provisions)	(13)	(54)
	(37)	**(124)**
Other movements		
Translation adjustment	34	(89)
Change in scope of consolidation and other	1	6
At end of period	**923**	**925**
of which provisions for pensions	736	724

16.2. CURRENT PROVISIONS

(in millions of euros)	June 30, 2009	Dec. 31, 2008
At beginning of period	**2 080**	**2 161**
Movements taken to profit or loss		
Additions	1 040	1 470
Releases (utilisations)	(523)	(1 041)
Releases (surplus provisions)	(79)	(424)
	438	**5**
Other movements		
Translation adjustment	38	(88)
Change in scope of consolidation and other	-	2
At end of period	**2 556**	**2 080**
of which warranty provisions	919	939

An amount of €63 million was released from warranty provisions during the period following a reduction in observed warranty costs.

NOTE 17 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES MANUFACTURING AND SALES COMPANIES

17.1. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	June 30, 2009 Amortised cost or fair value		Dec. 31, 2008 Amortised cost or fair value	
(in millions of euros)	Non-current	Current	Non-current	Current
Bonds	2 293	395	2 651	-
Convertible bonds [(1)]	442	-	-	-
Employee profit-sharing fund	19	8	23	6
Finance lease liabilities	341	70	347	83
Other long-term debt	4 877	114	1 470	183
Other short-term financing and overdraft facilities	-	1 221	-	1 392
Derivative instruments	10	27	-	29
Total financial liabilities	**7 982**	**1 835**	**4 491**	**1 693**

[(1)] *The amortised cost of Oceane convertible bonds corresponds to the debt component. The equity component - corresponding to the conversion option - is recognized separately in equity.*

Changes in current and non-current financial liabilities of manufacturing and sales companies correspond to the repayment of two loans for approximately €220 million and to the refinancing transactions described in note 17.2 for €4 billion.

17.2. REFINANCING TRANSACTIONS

During the first half of 2009, the Group kept up its proactive refinancing strategy and conservative liquidity policy, in order to meet its general financing needs, particularly the financing of current and future growth projects:

- French State loan

In March 2009, Peugeot S.A. obtained a €3 billion 5-year loan from the French State. The funds were released at the end of April. The interest rate is indexed to the Group's profitability, as follows:

- If ROI margin (1) is between 0% and 3%, the interest rate will be between 6% and 7.75%
- If ROI margin (1) is between 3% and 5.50%, the interest rate will be between 7.75% and 9%

with a minimum rate of 6% and a maximum rate of 9%.

(1) ROI margin = Recurring operating income as a percentage of sales and revenue

The loan is repayable in full on the fifth anniversary of the date when the funds were released, but may be repaid in part or in full at the Group's discretion at any time as from the end of April 2011. In the case of early repayment, the interest rate will be recalculated to provide the French State with a minimum yield of 6% for each of the first two years, plus 4 bps on May 1, 2011 and the first day of each subsequent calendar month. The Group's commitments in relation to this loan are described in note 43 to the Consolidated Financial Statements for the year ended December 31, 2008. The interest rate risk on the loan has not been specifically hedged.

- EIB loan

In April 2009, Peugeot Citroën Automobiles S.A. obtained a €400 million 4-year bullet loan from the European Investment Bank (EIB). Interest on the loan is based on the 3-month Euribor plus 179 bps. At June 30, 2009 the government bonds (OATs) given by Peugeot S.A. as collateral for all EIB loans to Group companies had a market value of €160 million. In addition, 4,695,000 Faurecia shares held by Peugeot S.A. were pledged to the EIB as security for the loans. The interest rate risk on the new EIB loan has not been specifically hedged.

This new loan is at a reduced rate of interest. The difference between the market rate of interest for an equivalent loan at the inception date and the rate granted by the EIB has been recognised as a government grant in accordance with IAS 20. The grant was originally valued at €38 million and was recorded as a deduction from the capitalized development costs financed by the loan. It is being amortised on a straight-line basis over the life of the underlying projects. The loan is measured at amortised cost, in the amount of €362 million at June 30, 2009. The effective interest rate is estimated at 5.90%.

- Convertible bond issue (OCEANE)

On June 23, 2009, Peugeot S.A. issued €575 million worth of Oceane bonds convertible or exchangeable for new or existing shares. The 22,908,365 bonds due January 1, 2016 were issued at a price of €25.10 per bond and pay interest at an annual nominal rate of 4.45%. They are convertible at any time from 1 July 2009 at the bond holders' discretion on the basis of one share per bond. They may be redeemed by Peugeot S.A. on or after January 1, 2013 at par plus accrued interest if the Peugeot S.A. share price exceeds 1.3 times the bonds' face value.

In accordance with IAS 39, the debt and equity components of the bonds are recorded separately at their respective fair values, as follows:
- The debt component is measured based on the market interest rate for equivalent bonds without a conversion option. It is accounted for at amortised cost for an amount of €442 million, net of the allocated portion of issue costs. The estimated effective interest rate is 9.5%.
- The equity component, corresponding to the conversion option, is measured as the difference between the total fair value of the bonds and the fair value of the debt component. It is being carried in equity for an amount of €125 million net of the allocated portion of issue costs until the bonds are converted, exchanged or redeemed, unless there is a change in the bonds' estimated life. The net of tax impact on equity is €82 million.

The bonds have been recorded at the transaction date in accordance with Group accounting policies and the proceeds receivable at June 30, 2009 have therefore been recorded in "Cash and cash equivalents".

As explained in note 9, the Oceane issue did not have any dilutive impact at June 30, 2009 due to the bonds' terms and the average Peugeot S.A. share price.

- Faurecia syndicated loan

In addition to carrying out the share issue mentioned in note 4, during the first half of 2009 Faurecia renegotiated its €1,170 million syndicated bank loan in order to align the covenants with its financial position, and also obtained an additional €213 million line of credit that can be used to retire the November 2010 bonds if appropriate.

		For info.	**New covenants**			
		Dec. 31, 2008	Dec. 31, 2009	June 30, 2010	Dec. 31, 2010	June 30, 2011
Ratio						
Adjusted net debt* / EBITDA**	maximum	3,50	4,75	4,50	4,00	3,50
EBITDA** / finance costs, net	minimum	4,50	4,00	4,00	4,25	4,50

Adjusted net debt: consolidated net debt adjusted for certain commitments defined in the loan agreement (mortgages, debt guarantees).*

*EBITDA**: Earnings Before Interest, Tax, Depreciation and Amortisation*

Subsequent event

- Peugeot S.A. bond issue

On July 10, 2009, Peugeot S.A. issued €750 million worth of 5-year 8.375% bonds, to strengthen the Group's cash position and extend the average life of its debt. Delivery and settlement of the bonds took place on July 15.

NOTE 18 - FINANCING LIABILITIES - FINANCE COMPANIES

18.1. FINANCING LIABILITIES

(in millions of euros)	**June 30, 2009**	Dec. 31, 2008
Securities issued by securitization funds	4 267	4 561
Other bond debt	413	413
Other debt securities	7 835	8 049
Bank borrowings	8 104	8 549
	20 619	**21 572**
Customer deposits	560	292
	21 179	**21 864**
Amounts due to Group manufacturing and sales companies	*(493)*	*(118)*
Total	**20 686**	**21 746**

18.2. REFINANCING TRANSACTIONS

- Securitization transaction

"Bank borrowings" include an amount of €678 million corresponding to repo transactions with the European Central Bank (ECB) that are secured by bonds issued under a securitization transaction carried out by the Spanish branch of Banque PSA Finance on April 21, 2009 (see note 12).

- Fixed rate EMTN issue by Banque PSA Finance

In April and May 2009 Banque PSA Finance carried out two €750 million EMTN issues, one at 8.50% due 2012 and the other at 6.375% due November 2010. "Other debt securities" were stable at June 30, 2009 compared with December 31, 2008, as repayments of EMTNs and certificates of deposit that matured during the period were offset by these two new issues.

- SFEF loan

Banque PSA Finance received several long-term loans from "Société de Financement de l'Economie Française" (SFEF) pursuant to the measures to finance the economy introduced in France's amended Finance Act no.2008-1061 of October 16, 2008. The loans total €632 million and are for periods ranging from 2 to 5 years. The fixed interest rates have been swapped for variable rates.

- ICO loan

The Spanish branch of Banque PSA Finance received a €177 million 5-year loan from "Instituto de Crédito Oficial" (ICO) under the Vehiculo Innovador Vehicule Electrico (VIVE) electrical vehicle development plan.

Subsequent events

On July 10, Banque PSA Finance obtained a €1,510 million syndicated line of credit from a group of banks, expiring in July 2011, and a GBP 420 million 3-year variable rate loan.

NOTE 19 - NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec. 31, 2008
Cash and cash equivalents	6 801	5 310	2 040
Payments issued [(1)]	(38)	(39)	(23)
Net cash and cash equivalents - manufacturing and sales companies	**6 763**	**5 271**	**2 017**
Net cash and cash equivalents - finance companies	**675**	**990**	**1 280**
Elimination of intragroup transactions [(2)]	*(405)*	*(247)*	*(90)*
Total	**7 033**	**6 014**	**3 207**

[(1)] This item corresponds to payments issued but not yet debited on bank statements due to a non-working day for the banks. The matching entry is an increase in cash and cash equivalents under assets.

[(2)] The elimination of intragroup transactions concerns the transfer of Automobile Division receivables to the finance companies on the last day of the month. The corresponding cash flows are recognized by the Automobile Division on the day of transfer and by the finance company on the following day.

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

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec. 31, 2008
(Increase) decrease in inventories	2 053	(993)	(1 076)
(Increase) decrease in trade receivables	(341)	(711)	804
Increase (decrease) in trade payables	(378)	1 142	(2 015)
Change in current allowances and provisions	436	(29)	3
Change in income taxes	(52)	46	(97)
Other changes	614	128	(543)
	2 332	**(417)**	**(2 924)**
Net cash flows with Group finance companies	*211*	*126*	*(123)*
Total	**2 543**	**(291)**	**(3 047)**

19.3. CASH FLOWS FROM OPERATING ACTIVITIES OF THE FINANCE COMPANIES

(in millions of euros)	**June 30, 2009**	June 30, 2008	Dec. 31, 2008
Increase (decrease) in finance receivables	(485)	(961)	66
Increase (decrease) in short-term investments	521	986	2 196
(Increase) decrease in financing liabilities	(1 066)	(174)	(2 115)
Change in current allowances and provisions	2	2	2
Change in income taxes	18	3	(28)
Other changes	324	142	32
	(686)	**(2)**	**153**
Net cash flows with Group manufacturing and sales companies	*(516)*	*(161)*	*139*
Total	**(1 202)**	**(163)**	**292**

NOTE 20 - NET FINANCIAL POSITION OF THE MANUFACTURING AND SALES COMPANIES

(in millions of euros)	**June 30, 2009**	Dec. 31, 2008
Financial assets and liabilities of manufacturing and sales companies		
Cash and cash equivalents	6 801	2 040
Other non-current financial assets	820	848
Current financial assets	392	515
Non-current financial liabilities	(7 982)	(4 491)
Current financial liabilities	(2 034)	(1 818)
Net financial position of manufacturing and sales companies	**(2 003)**	**(2 906)**
o/w external loans and borrowings	(2 297)	(2 896)
o/w financial assets and liabilities with finance companies	294	(10)

New debt was taken on in first-half 2009 to meet the Group's future financing needs (see note 17.2). The proceeds from these borrowings and the free cash flow generated during the period were invested in retail certificates of deposit with maturities of less than three months issued by leading banks.

NOTE 21 - CAPITAL EMPLOYED

Capital employed corresponds to the operating assets or liabilities employed by the Group. The definition of capital employed depends on whether it relates to manufacturing and sales companies or finance companies.

Capital employed is defined as representing:

- All non-financial assets, net of non-financial liabilities, of the manufacturing and sales companies, as reported in the consolidated balance sheet.
- The net assets of the finance companies.

Based on the above definition, capital employed breaks down as follows:

(in millions of euros)	**June 30, 2009**	Dec. 31, 2008
Goodwill	1 237	1 237
Intangible assets	4 326	4 061
Property, plant and equipment	14 056	14 064
Investments in companies at equity	743	732
Investments in non-consolidated companies	46	48
Other non-current assets	195	152
Deferred tax assets	459	475
Inventories	5 765	7 757
Trade receivables - manufacturing and sales companies	2 400	2 001
Current tax assets	223	189
Other receivables	1 644	1 897
Other non-current liabilities	(2 889)	(2 793)
Non-current provisions	(899)	(901)
Deferred tax liabilities	(873)	(1 321)
Current provisions	(2 525)	(2 053)
Trade payables	(8 091)	(8 428)
Current taxes payable	(60)	(76)
Other payables	(4 187)	(3 795)
Net assets of the finance companies	3 033	2 919
Accounts between the manufacturing and sales companies and the finance companies	294	(10)
Total	**14 897**	**16 155**

NOTE 22 - MARKET RISKS

Changes in market risks are discussed in the "Recurring Operating Income" section of the interim management report.

NOTE 23 - OFF-BALANCE SHEET COMMITMENTS

The only material change in off-balance sheet commitments since 31 December 2008 concerns the Group's commitment to invest a total of €200 million in the "Fonds de Modernisation des Equipementiers Automobiles".

NOTE 24 - SUBSEQUENT EVENTS

Apart from the refinancing transactions discussed in notes 17.2 and 18.2, no events occurred between June 30, 2009 and the meeting of the Supervisory Board on July 28, 2009 to review the interim consolidated financial statements that could have a material impact on economic decisions made on the basis of these financial statements.

IV– STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT 2009

Person Responsible for the Half-Year Financial Report 2009

Name and position

Philippe Varin

Chairman of the Managing Board

Peugeot S.A.

Statement by the Person Responsible for the Half-Year Financial Report 2009

"I hereby declare that, to the best of my knowledge, the summary interim consolidated financial statements for the past six-month period included in the interim financial report have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of Peugeot S.A. and the companies in the consolidates group, and that the interim management report on pages 3 to 34 includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the main related-party transactions and a discussion of the principal risks and uncertainties for the remaining six months of the year."

Philippe Varin

Chairman of the Managing Board of Peugeot S.A.

Person Responsible for Financial Information

James Palmer
Investor Relations Officer
Phone: +33 (0)1 40 66 54 59

V – STATUTORY AUDITORS' REVIEW REPORT ON THE 2009 HALF-YEAR FINANCIAL INFORMATION

(Period from January 1, 2009 to June 30, 2009)

This is a free translation into English of the Statutory Auditors' review report issued in French 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.

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Peugeot SA, for the six months ended June 30, 2008,
- the verification of information contained in the interim management report.

These condensed interim consolidated financial statements are prepared under the responsibility of the Managing Board and using accounting estimates made in light of the current economic and financial crisis affecting the automotive industry and characterized by the difficulty in assessing the economic outlook. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

Without qualifying the above conclusion, we draw your attention to the accounting changes disclosed in Note 1 (new accounting principles applied prospectively as from January 1, 2009) and in Note 2 (adjustments to financial information reported in prior periods) to the financial statements.

2. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, July 28, 2009

The Statutory Auditors

French original signed by

MAZARS	**PRICEWATERHOUSECOOPERS AUDIT**
Loïc Wallaert	Pierre Riou

COVER PHOTOS

COVER PHOTO EXPLANATION

Interior of the
Citroën Hypnos
concept car

Milling a component of the
Citroën Grand C4 Picasso
mock-up

Peugeot Boxer
taillight

Peugeot 207
front wing

PSA PEUGEOT CITROËN

PEUGEOT S.A.

Incorporated in France with issued capital of €234,048,798
Governed by a Managing Board and a Supervisory Board

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