

Paris, 23 October 2013

**Third-Quarter 2013 Consolidated Revenues**
**On-going implementation of the turnaround plan**

Within a European market in process of stabilisation at a low level, the third quarter of 2013 for the group PSA Peugeot Citroën was impacted by the pricing policy, the interruption in Citroën C3 production and pressure on market shares in Europe. In addition, the Group was affected by a sharp deterioration of exchange rates.

In this challenging environment, the Group continued to implement its turnaround plan, with:

- The successful launches of the new Peugeot 308 and Citroën Grand C4 Picasso during the 3<sup>rd</sup> quarter, following those of the first-half (Peugeot 2008, 208 GTi and XY, 301 and the new Citroën C4 Picasso, C4 L, C-Elysée and DS3 Cabrio)
- Further progress in the globalisation strategy. Sales outside Europe accounted for 42% of total volumes at the end of September, with strong performance in China where sales were up 28%. However, the Brazilian and Russian markets remained under pressure, compounded by exchange rate variations
- Progress in the industrial and commercial restructuring plan covering 8,000 job positions in France is in line with objectives, with 6,650 applications submitted for an internal or external placement by end of September. The “New Social Contract”, which is in advanced stage of negotiation, will complete this restructuring plan, which aims to support the Group’s competitiveness of its French manufacturing base
- Implementation of the Alliance with GM:
  - first results of the Joint Purchase Organisation and the announcement of manufacturing of B-MPVs on a PSA Peugeot Citroën platform at the General Motors plant in Zaragoza, Spain
  - B-common platform project is under review

**Third-quarter 2013 revenues**

- Group revenues of €12.1 billion, down 3.7% compared with third quarter 2012
- Automotive Division revenues of €8.0 billion down 5.8% year-on-year, in a challenging operating environment with unfavourable exchange rates and European market mix
- Revenues up 0.8% at Faurecia to €4.1 billion and a 5.1% decline in revenues at Banque PSA Finance, reflecting lower European volumes

Consolidated revenues (in € millions)	Q3 2012 <sup>2</sup>	Q3 2013	% change	9 months 2012 <sup>(2)</sup>	9 months 2013	% change
Automotive Division	8,523	8,030	-5.8%	28,726	26,726	-7.0%
Faurecia	4,086	4,117	+0.8%	12,850	13,382	+4.1%
Banque PSA Finance	471	447	-5.1%	1,450	1,336	-7.9%
Other businesses and intersegment eliminations	(504)	(487)	-	(1,641)	(1,627)	-
<b>PSA Peugeot Citroën</b>	<b>12,576</b>	<b>12,107</b>	<b>-3.7%</b>	<b>41,386</b>	<b>39,817</b>	<b>-3.8%</b>

**Outlook for 2013**

<sup>1</sup> vs forecasts of a 5% decline in 30-country Europe, 10% growth in China, 2% growth in Latin America and a 5% fall in Russia announced in July 2013.

<sup>2</sup> restated with IFRS 5 compliance regarding Gefco disposal following final signature on 20 December 2012

The Group expects automotive markets to decline by some 4% in Europe in 2013; in China the market should grow by approximately 14% and by 2% in Latin America. Russia is expected to decline by 7%.<sup>1</sup>

In this environment, the Group confirms its objective to reduce its operational free cash flow<sup>3</sup> consumption at least by half in 2013 and confirms the announced trend of very significant reduction throughout 2014.

## AUTOMOTIVE DIVISION

Sales of assembled vehicles outside Europe accounted for 42% of total unit sales at the end of September 2013, compared with 36% in 2012.

Automotive Division revenues declined by 5.8% in the 3<sup>rd</sup> quarter 2013 to €8,030 million from €8,523 million in the 3<sup>rd</sup> quarter 2012. Worldwide sales of vehicles totalled 610,400 units in the third quarter, down 2.4% and 2,070,500 units in the first nine months, down 1.5% compared with the same period in 2012. This reflects volumes contractions in Europe, Brazil and Russia, partially offset by strong growth of volumes in China, Argentina and the Mediterranean basin.

Revenues from new vehicles sales amounted to €5,518 million compared with €6,125 million in third-quarter 2012. This 9.9% decline was primarily due to the sharp -7.3% drop in assembled vehicle sales outside China, reflecting an unfavourable market mix, the Group pricing policy and growing pressure on market shares from premium and low cost brands in Europe. It also reflects the -5.0% very negative currency effect, mainly attributable to the Russian rouble, Brazilian real, Argentine peso and British pound. The impact of changes in market mix was a negative by -0,3%.

Change in product mix by -0.3% in the third quarter is temporarily impacted by the replacement of the new Peugeot 308 and the progressive ramp up of the Peugeot 2008. Product mix increased by +0.4% by end of September and should also increase in the fourth quarter, particularly thanks to new product launches.

These adverse effects are partly offset by a +1.2% positive price effect, illustrating the Group policy, in a market context of increasingly aggressive competition.

New vehicle inventory amounted to 408,000 units at the end of September, down 63,000 from end of September 2012, in line with targets. The Group confirms a highly disciplined approach to inventory management.

In the third quarter, the Group launched two transactions. The first was a €600 million bond issue carried out on 10 September to coincide with the repayment of existing debt facilities, which generated net proceeds of €300 million and also extended to 2019 the maturities of facilities originally falling due in the next five years. The second transaction concerned the signature of a €300 million loan agreement with the European Investment Bank (EIB).

Capital expenditure continued to be focused on priority projects. Capital expenditure and capitalized R&D costs were down by €764 million in the first half of the year compared with the same period last year. This reduction will continue but at a slower pace in the second semester.

## GEOGRAPHICAL HIGHLIGHTS

### Europe

The European automotive markets grew by 2.5% in the third quarter of 2013, with wide country variations still apparent:

- The UK market grew by 12%, the Spanish market expanded by 9%, marking the end of several years of steep decline, and the markets in Central and Eastern Europe gained 6% overall during the quarter.
- By contrast, the Italian market contracted by 4% and the German and French markets decreased by 1%.

In this environment, the Group's market share in Europe narrowed to 11.9% in the first nine months compared to 12.7% in 2012, due to the Group pricing policy, to impact of interruptions in Citroën C3 production, as well as to

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<sup>3</sup> Free cash flow excluding restructuring and exceptional

continuous pressure from both premium and low cost brands that have benefitted from increasing market shares since 2007.

PSA Peugeot Citroën maintained its leadership in the light commercial vehicle market up by just 0.9% over the quarter, with a 20.8% share in the third quarter 2013 compared with 20.2% in 2012.

### **China**

Group sales in China increased by 28.5% over the first nine months, to 403,000 units and the market expanded by 17%.

The Group market share amounts to 3.7% by end of September 2013, reflecting expansion of the distribution network and the successful launches of the Peugeot 3008 and Citroën C4L, to be continued in the fourth quarter by the Peugeot 301 and the Citroën C-Elysée.

Following inauguration of the third manufacturing facility in Wuhan on 2 July, DPCA's production capacity would reach 750,000 units in 2015.

CAPSA, the second Chinese joint venture, has been selling the DS range since the beginning of the year and a new manufacturing facility was inaugurated with the joint venture partners in Shenzhen on 27 September, starting the local production of the DS5. By 2015 the Group's production capacity in China would represent 950,000 units.

### **Russia**

The Russian market continued to decrease, and contracted by 7.8% in the third quarter (-6.5% in nine months). In this declining market exposed to considerable competitive pressure, Group sales fell by 23.1% over nine months, representing a 2.3% market share at the end of September.

The negative change in the rouble exchange rate impacted Russian operating income.

### **Latin America**

Group sales in Latin America declined by 6.3% to 77,000 units in the third quarter, representing a 5.0% market share.

Sales for the first nine months rose by 9.4% to 222,400 units, representing a 5.0% market share.

In Argentina, the Group continued to expand its presence, launching the Peugeot 208 and Partner and the Citroën C3 and Berlingo. 38,500 units were sold in the third quarter, representing a 18% increase over the year-earlier period and a 16.0% market share. Sales for the first nine months represented 106,300 units.

The Brazilian market contracted by 10% in the third quarter and by 1% over the first nine months. Group sales in this market fell by a sharp 30% to 29,500 units in the third quarter (90,800 units sold for the first nine months). The negative variation in the real exchange rate had also a very significant impact on Brazil's operating income.

## **PRODUCT HIGHLIGHTS**

Worldwide sales of Peugeot 208 reach 253,000 units by end of September. Peugeot 208 is in the top 3 of B segment sedan in Europe. The strategy of taking the Brand upmarket had a positive impact on the product mix, with levels 3 and 4 now accounting for 30% of sales, supported by the recent range extensions with the launch of the GTi and XY versions of the Peugeot 208. The Peugeot 208 was launched during the first half of the year in Russia, Brazil and Argentina.

The Peugeot 2008 launched in May has been very well received, with 35,000 units registered and 54,400 units ordered at end-September, well ahead of objectives. To keep pace with the model's success, the Mulhouse plant has operated an additional shift since mid-September.

A total of 28,800 customers have already ordered the new five-seat and seven-seat Citroën C4 Picasso introduced in June and September respectively, with high trim level, above 60% of them choosing the 3+ versions.

The new Peugeot 308 was launched in September in France and in Germany, to coincide with the Frankfurt Motor Show. This is the second vehicle based on the new EMP2 platform. Weighing 140kg less than its predecessor and featuring the new Peugeot design, it will support the Group's aim of ranking among the three best-selling models in the segment. The Peugeot 308 will be gradually launched in other European markets by early 2014 then will be sold in Latin America, China and Russia.

The strategy to move the Peugeot and Citroën brands up market continued apace in the third quarter, with premium models accounting for 19% of consolidated sales at the end of September, versus 18% in the same period of 2012. The four diesel hybrid models (Peugeot 3008HY4, 508RXH, 508HY4 and Citroën DS5HY4) contribute to the Group's technological advance and reduction of average rate of CO2. They account for over 30% of Citroën DS5 sales, 16% of Peugeot 508 sales and more than 10% of Peugeot 3008 sales.

## GROUP HIGHLIGHTS

- The Group continues the negotiation of the “New Social Contract”, which will complete the current restructuring plan. Its objective is to support the Group's competitiveness of French manufacturing base. This negotiation is in final stages and will be presented to the Comité Central d'Entreprise on October, 24<sup>th</sup>. Four unions have announced their intention to sign this agreement.
- In the third quarter of 2013, PSA Peugeot Citroën and General Motors announced their project to manufacture the two groups' B-MPVs at the General Motors plant in Zaragoza, Spain, on a PSA Peugeot Citroën platform. This is the first project resulting from the global alliance signed in December 2012. The vehicles will come to market in late 2016. Projects are underway for the development of C-MPVs and cross-overs. The joint purchasing organisation has its first results, with savings of around €60 million this year.
- The project of development of a new joint platform for B segment models with GM is under review as well as the relevant terms of the development agreement. As a result, the announced mid-term synergies (\$1 billion for PSA) may be readjusted downwards. New initiatives are under consideration.

## FAURECIA

Faurecia reported revenues of €4,117 million for the third quarter of 2013, an increase of 0.8%. This increase is driven by revenues related to Monolith sales and to Development, Tooling & Prototype, with respectively +10.8% and 20.2%.,. Revenues from product sales were down 2.7% to 3,129.9 M€, with unfavourable change in exchange rates. These revenues were down 1.4% in Europe, 13.4% in North America, and rose by 21.4% in South America and by 4.4% in Asia.

## BANQUE PSA FINANCE

In a context of declining sales in Europe (-9.6% on markets where Banque PSA Finance operates), number of contracts represents 174,000 units, down -9.4%, as compared to third quarter 2012. Commercial performance remains very dynamic, with a 29.5% penetration rate on new vehicles, among the Group customer. Banque PSA Finance's revenues is at €447 million (-5.1%) in Q3, the loan book amounts to €21.4 billion at end of September, down -9.9% (-6.7% related to final client balance). Lastly, the success of Distingo passbook, which was launched in March 2013, is confirmed with a level of collected savings largely above targets. End of year outstanding objective should be achieved, or exceeded if momentum continues.

**Worldwide Automobile Sales – Third Quarter and First Nine Months (cars and light commercial vehicles)**

IN UNITS*		Q3 2012	Q3 2013	Variation	9 MONTHS 2012	9 MONTHS 2013	Variation
Europe**	AP	195 186	178 857	-8,4%	720 542	638 888	-11,3%
	AC	164 291	160 125	-2,5%	619 656	555 612	-10,3%
	<b>Total PSA</b>	<b>359 477</b>	<b>338 982</b>	<b>-5,7%</b>	<b>1 340 198</b>	<b>1 194 500</b>	<b>-10,9%</b>
Russia	AP	11 389	7 724	-32,2%	34 436	25 009	-27,4%
	AC	7 958	6 898	-13,3%	25 519	21 113	-17,3%
	<b>Total PSA</b>	<b>19 347</b>	<b>14 622</b>	<b>-24,4%</b>	<b>59 955</b>	<b>46 122</b>	<b>-23,1%</b>
Latin America	AP	49 978	48 457	-3,0%	126 155	135 770	7,6%
	AC	31 817	28 147	-11,5%	77 110	86 670	12,4%
	<b>Total PSA</b>	<b>81 795</b>	<b>76 604</b>	<b>-6,3%</b>	<b>203 265</b>	<b>222 440</b>	<b>9,4%</b>
China	AP	50 571	62 353	23,3%	154 106	202 202	31,2%
	AC	53 873	62 230	15,5%	159 447	200 596	25,8%
	<b>Total PSA</b>	<b>104 444</b>	<b>124 583</b>	<b>19,3%</b>	<b>313 553</b>	<b>402 798</b>	<b>28,5%</b>
Rest of the world	AP	39 603	37 355	-5,7%	123 613	140 437	13,6%
	AC	20 601	18 232	-11,5%	60 946	64 160	5,3%
	<b>Total PSA</b>	<b>60 204</b>	<b>55 587</b>	<b>-7,7%</b>	<b>184 559</b>	<b>204 597</b>	<b>10,9%</b>
<b>Total Assembled Vehicles</b>	AP	346 727	334 746	-3,5%	1 158 852	1 142 306	-1,4%
	AC	278 540	275 632	-1,0%	942 678	928 151	-1,5%
	<b>Total PSA</b>	<b>625 267</b>	<b>610 378</b>	<b>-2,4%</b>	<b>2 101 530</b>	<b>2 070 457</b>	<b>-1,5%</b>
CKD	AP	770	176	-	143 883	763	-
	AC	0	0	-	0	0	-
	<b>Total PSA</b>	<b>770</b>	<b>176</b>	<b>-</b>	<b>143 883</b>	<b>763</b>	<b>-</b>
<b>Total Assembled Vehicles + CKD</b>	AP	347 497	334 922	-3,6%	1 302 735	1 143 069	-12,3%
	AC	278 540	275 632	-1,0%	942 678	928 151	-1,5%
	<b>Total PSA</b>	<b>626 037</b>	<b>610 554</b>	<b>-2,5%</b>	<b>2 245 413</b>	<b>2 071 220</b>	<b>-7,8%</b>

\* Assembled vehicles and CKD units

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

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A conference call in English will be organised with Jean-Baptiste de Chatillon, Executive Vice President, Finance, on Wednesday, 23 October 2013 at 8:00 am (Paris)/7:00 am (London)  
To take part:

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You can also listen in on our website, where you will find the third quarter revenue presentation  
[www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com), Analyst/Investor section

**Financial Calendar:**

- 19 February 2014: 2013 annual results
- 30 April 2014: First-quarter 2014 revenue