



20
14 ANNUAL
MEETING
April 25th



PSA PEUGEOT CITROËN



Advisory vote on the compensation of the executive directors as at 31 December 2013

Elements of compensation due for 2013

No element of compensation other than those indicated below:

Managing Board	Annual base salary	Incentive bonus	Expatriation allowance	Company car	Supplementary pension benefits
Philippe VARIN	€1,300,000	€0	€0	€2,904	yes
Jean-Baptiste de CHATILLON	€618,000	€0	€0	€2,904	yes
Grégoire OLIVIER	€618,000	€0	€309,000	€2,904	yes
Jean-Christophe QUEMARD	€618,000	€0	€0	€2,904	yes

Carlos Tavares joined the Managing Board with the same compensation conditions as Philippe Varin



FINANCIAL RESULTS

Jean-Baptiste de Chatillon
CFO and Member of the Managing Board

- ▶ Group Recurring Operating Income: -€177m, with -€1,042m on Automotive division
- ▶ Operational Free Cash-Flow* at -€426m
- ▶ Reinforcement of major partnership with Dongfeng Motor
- ▶ €3bn capital increase
- ▶ Long term strategic partnership between Banque PSA Finance and Santander
- ▶ Renewal of Revolving Credit Facility

* Free cash flow without restructuring and exceptional

- ▶ Group ROI of -€177m, up €383m vs 2012 despite tough market conditions
- ▶ Net result: -€2,317m after impairment IAS 36

<i>In million euros</i>	2012*	2013	Change
Revenues	55,446	54,090	-2.4%
Recurring operating income	(560)	(177)	383
% of revenues	-1.0%	-0.3%	+0.7 pt
Non-recurring operating income (and expenses)	(4,122)	(1,169)	2,953
Operating income	(4,682)	(1,346)	3,336
Net financial income (expenses)	(430)	(658)	(228)
Income taxes	(774)	(387)	387
Share in net earnings of companies at equity	160	176	16
Net income, Group share	(5,008)	(2,317)	2,691
Earnings per share (in euros)	(15.59)	(6.77)	

* Gefco: restated with IFRS 5 compliance, Gefco held as discontinued activities

Q1 2014 Revenues : €13.3bn

<i>In million euros</i>	Q1 2013*	Q1 2014	Change
Automotive	8,747	8,925	2.0%
Faurecia	4,369	4,518	3.4%
Banque PSA Finance	451	418	-7.4%
Other business and intra-company eliminations	(524)	(574)	-9.5%
Total revenues	13,043	13,287	1.9%

* IFRS11: 2013 restated €18m on Group revenues o/w €25m on Automotive division revenues

Group: recurring operating income

- ▶ Group ROI: -€177m in 2013, up €383m vs 2012, with -€1,042m on Automotive division, **improving by €454m vs 2012**

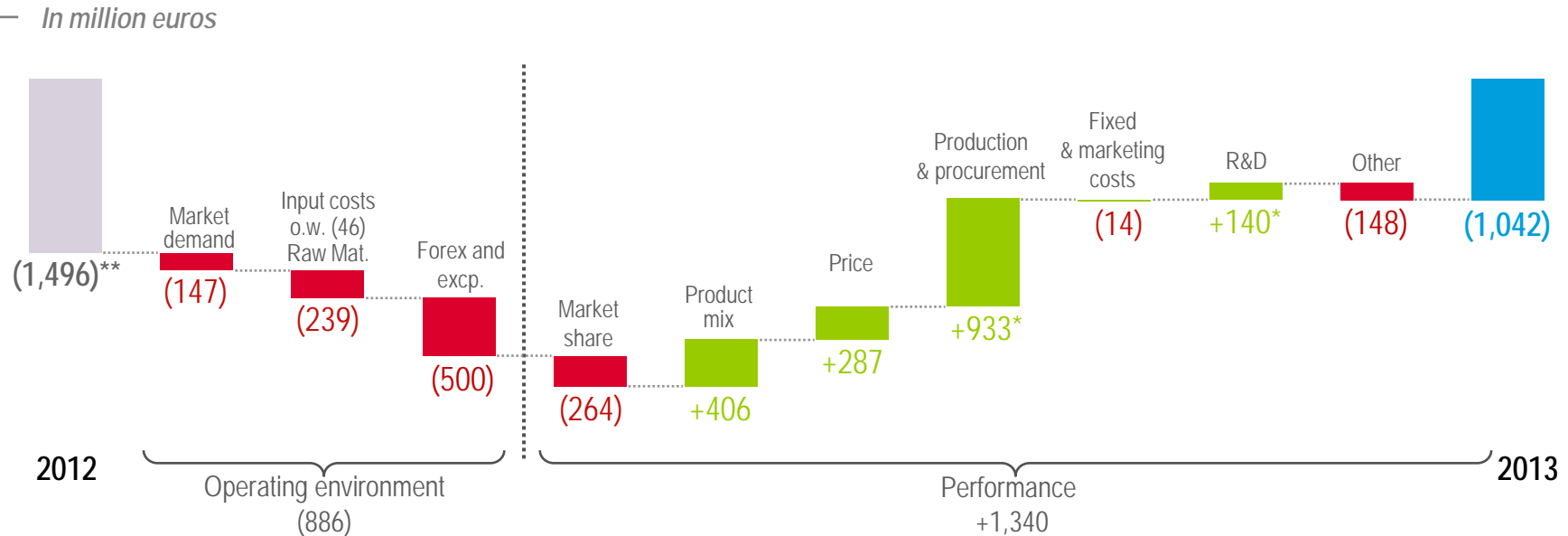
<i>In million euros</i>	2012*	2013	Variation
Automotive**	(1,496)	(1,042)	454
% of revenues	-3.9%	-2.9%	
Faurecia	516	538	22
% of revenues	3.0%	3.0%	
Banque PSA Finance	391	368	(23)
% of revenues	20.5%	20.8%	
Other business and eliminations	29	(41)	(70)
% of revenues	-	-	
PSA Peugeot Citroën**	(560)	(177)	383
% of revenues	-1.0%	-0.3%	

* Gefco: restated with IFRS 5 compliance, Gefco held as discontinued activities

** Including €595m due to 2012 IAS 36 impact

Automotive: recurring operating income analysis

- ▶ Strong performance of product mix, pricing policy and significant cost reduction
- ▶ Significant negative impact of Forex



* IAS 36 on Automotive division impact: +€595m on 2013 registered on Production & procurement and R&D and input costs

** IAS 19R: 2012 restated +€16m on Automotive division ROI

Faurecia: recurring operating income

- ROI at €538m in 2013, **up 4.5%** vs 2012

<i>In million euros</i>	2012**	2013	Variation
Revenues	17,365	18,029	664
Recurring operating income	516	538	22
% of revenues	3.0%	3.0%	
Non-recurring operating income (and expenses)	(88)	(107)	(19)
Operating income	428	431	3
Net financial income (expenses)	(197)	(234)	(37)
Consolidated net income for the period	185	143	(42)
% of revenues	1.1%	0.8%	
Free Cash-Flow	(539)	(144)	683
Net financial position*	(1,892)	(1,629)	263

* End of period

** IAS 19R: 2012 restated €16m on Group ROI o/w €2m on Faurecia

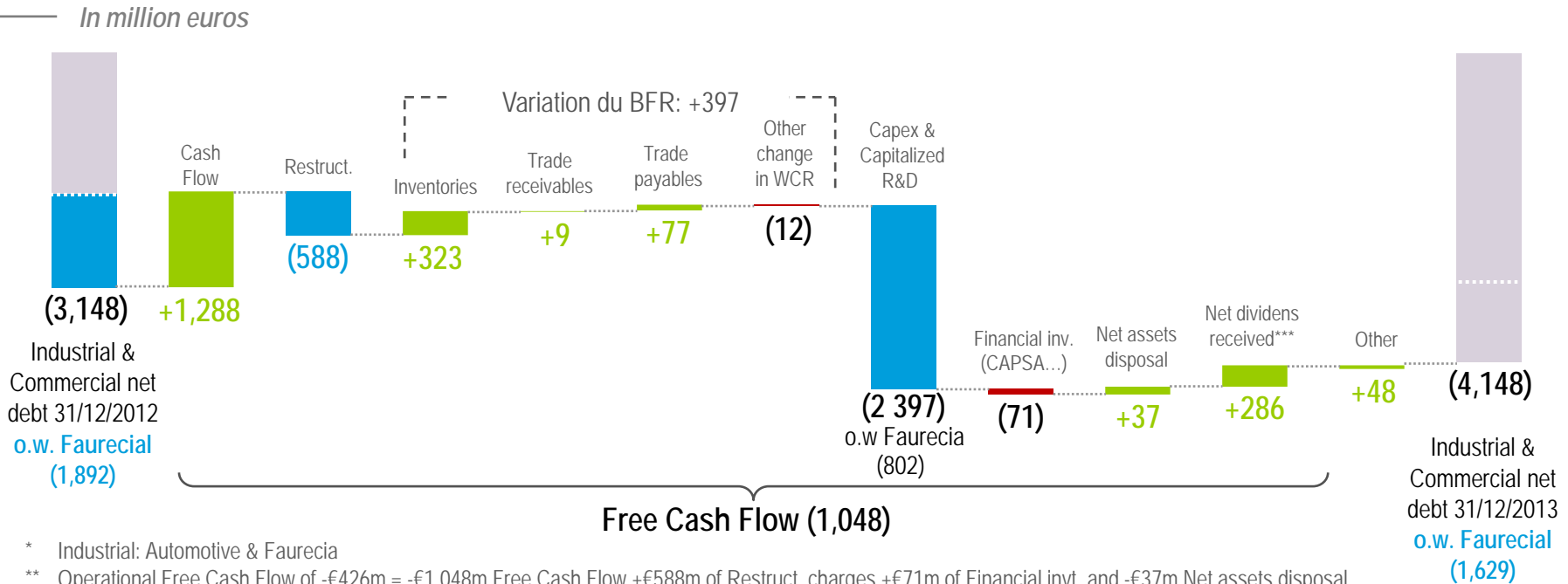
- ▶ Penetration rate maintained at a high level (29.1%)
- ▶ Profitability hit by higher cost of funding
- ▶ Launch of a “term deposit account” in France in a context of a confirmed success of “Distingo” online retail savings after 12 months activity

<i>In million euros</i>	2012	2013	Variation
Revenues	1,910	1,773	-7.2%
Net banking revenue	1,075	891	-17.1%
Cost of risk (in % of average loans)	-1.23%	-0.61%	+0.62 pt
Recurring operating income	391	368	-5.9%
Penetration rate	29.8%	29.1%	-0.7pt
Number of new contracts (lease and financing)	805,143	731,003	-9.2%
Total outstanding loans*	23.1bn	21.3bn	-7.6%

* End of period

Net debt and cash flow analysis*

- Operational Free Cash consumption** strongly reduced at -€426m vs -€3bn in 2012



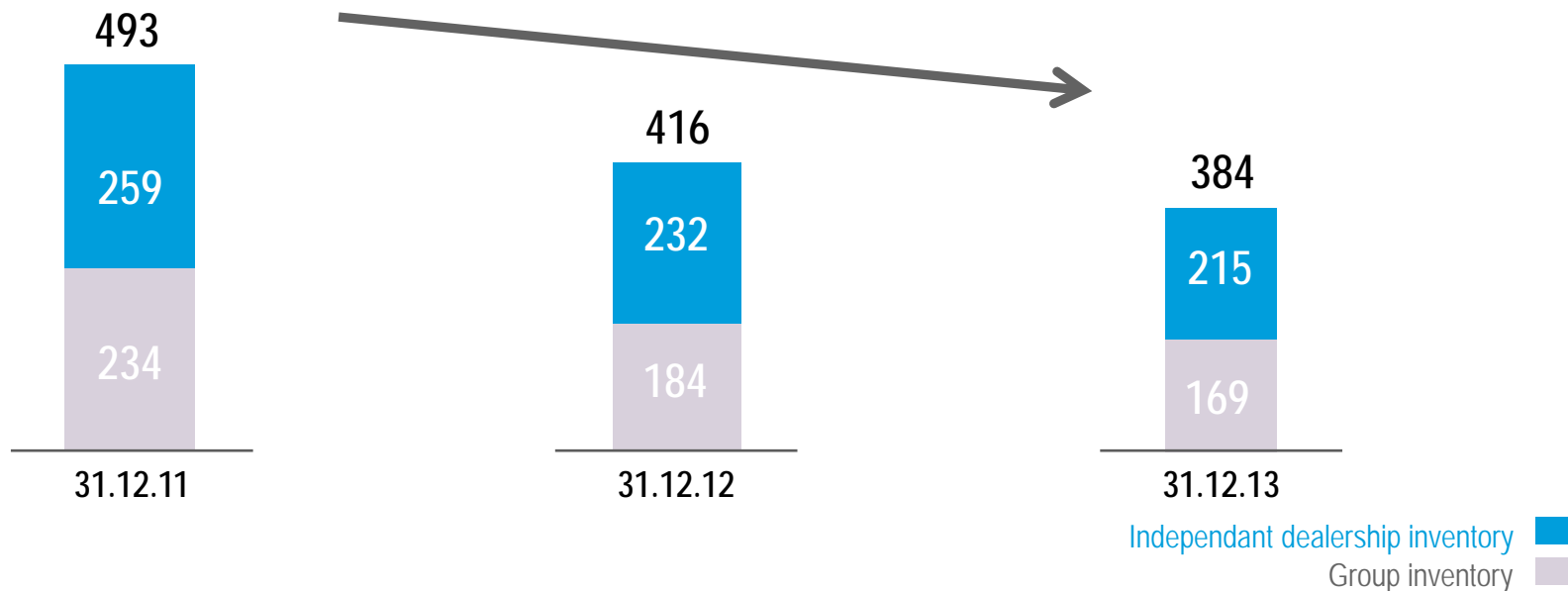
* Industrial: Automotive & Faurecia

** Operational Free Cash Flow of -€426m = -€1,048m Free Cash Flow +€588m of Restruct. charges +€71m of Financial invt. and -€37m Net assets disposal

*** From Group companies

- Inventories down 32k vehicles vs 2012 and 62 days* of sales

In thousands of new vehicles



* World figures, based on forward 3 months delivery expectations, excluding China

▶ 2014 Markets assumptions

- Europe: c.+3%
- Chine: c.+10%
- Latin America: -7%
- Russia: -5%

▶ Updated outlook: sustainable cash generation

- Positive Group operational free cash flow* by 2016 at the latest
- €2bn positive Group cumulated operational free cash flow over 2016-2018
- Reach 2% operating margin** in 2018 for the automotive business, targeting 5% within the timing of the next mid-term plan 2019-2023

* Free cash flow without restructuring and exceptional

** ROI Relative to Revenues

Major strategic partnership with Dongfeng Motor

20 years partnership enters a new phase

- ▶ Reinforce the competitiveness of DPCA: **1.5m vehicles** per year by early 2020s
- ▶ Creation of a **joint R&D center** in China
- ▶ Creation of an **export JV** for ASEAN countries
- c. **€400m synergies** for PSA Peugeot Citroën by early 2020s
- ▶ Capture **further opportunities** in global fast-growing markets

Long term partnership with Santander

A global partnership between Banque PSA Finance and the largest bank in the Eurozone

- ▶ Creation under way of a 50/50 partnership to develop future loans portfolio of Banque PSA Finance, expected start of the business mid-2015*
 - Accelerate the **dispense from the use of the French State guarantee**
 - Enhance **captive cost of funding** and **profitability**
 - A **strengthened commercial tool** for the Brands
 - Potential **cash upstreamed up to €1.5bn** by 2018 for the Group

* Subject to execution of definitive legal documentation and regulatory approval

Strengthened balance sheet

A strategic €3.0bn capital increase

Reserved Capital Increase

▶ **€1.05bn reserved capital increase subscribed by Dongfeng and the French State**

- Subscription price per share: €7.5
- Equal subscription by Dongfeng and the French State (€0.5bn / €0.5bn)
- Proforma ownership of 14% for each of Dongfeng and the French State

Rights Issue

▶ **€1.95bn rights issue**

- Firm commitment from Dongfeng and the French State to subscribe their prorata share (€0.6bn)
- Firm commitment from FFP/ EPF to invest so that proforma holding equals Dongfeng and the French State (c.14%)
- Remainder €1.4bn fully underwritten by a syndicate of banks

▶ **Terms of the rights issue to be determined by the Managing board of PSA**

- Delegation to be granted by PSA shareholders' EGM

Warrants

▶ **Free distribution of warrants to PSA's current shareholders (excluding Dongfeng and the French State): 1 warrant for 1 share**

- Exercise price: €7.5, in line with the Reserved Capital Increase subscription price
- Quantum: 3 newly issued shares for the exercise of 10 warrants
- Maturity: 3 years, 1-year non-exercise period

▶ **Exercise proceeds of c.€0.8bn for PSA**

Success of the €3bn RCF (Revolving Credit Facility) extension

- ▶ Signature of a **€3.0 billion** syndicated credit facility
 - €2.0 billion five-year tranche
 - €1.0 billion three-year tranche with two optional one-year extensions
- ▶ Operation subject to the **completion of capital increase**
- ▶ Commitment of **23 banks** demonstrating confidence on PSA's strategy

Use of proceeds

- ▶ Transform PSA business model in **Latin America** and **Russia**
- ▶ Develop best-in-class **CO₂** and Advanced Driver Assistance System (**ADAS**) technologies
- ▶ Invest for a **competitive European footprint**
- ▶ Reduce **net debt**

Strong foundations for the future

▶ Secure future for the Group

- €3bn recapitalization to finance an ambitious plan, improving PSA financial and credit profile
- Renewal of RCF for €3bn strengthening financial security for the next 5 years

▶ Taking advantage of warrants, an attractive financial tool

- Option to invest on same terms than Dongfeng and the French State
- Get incremental share in value creation from day 1

▶ Reaping synergies and growth options

- Dongfeng Partnership getting synergies of €400m run-rate at PSA level by early 2020s
- Capturing China growth opportunity with first class local partner and supporting profitable expansion into other fast growing markets

PSA PEUGEOT CITROËN



BACK
IN THE RACE

OPERATIONAL
FRAMEWORK
FOR A TURNAROUND
APRIL 25th, 2014





A PROFITABLE GLOBAL CARMAKER WITH A FRENCH HERITAGE

Main targets

- Strengthen the acceleration of PSA's transformation, with a strong profit focus and competitive mindset
- Ensure recurrent positive Group operational free cash flow* in 2016 at the latest and €2 bn cumulated operational free cash flow over 2016-2018
- Reach 2% operating margin** in 2018 at the latest for the automotive business, targeting 5% within the timing of the next mid-term plan (2019-2023)

A company project

- 12 working groups made proposals contributing to the project
- 120 managers working on it since January 2014
- 260 action plans already on-going

**Free cash flow without restructuring and exceptional*

***ROI Relative to Revenues*



4 business objectives

1. Further differentiate brands and improve net pricing
2. Focus on a global core model strategy
3. Ensure profitable growth worldwide
4. Enhance core competitiveness, including Europe

 Move the Group's culture towards a fully profit-oriented global mindset 



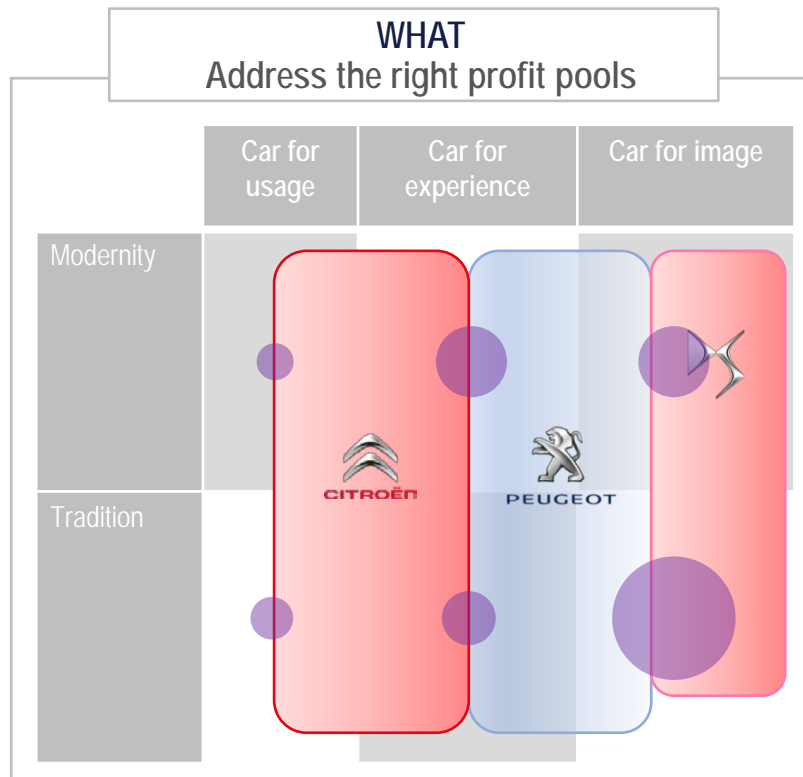
1. *Further differentiate brands and improve net pricing*

PSA PEUGEOT CITROËN 

- Ingrain brands' positioning in the market
- Accelerate DS development as an autonomous premium brand
- Improve net price positioning of our brands vs benchmarks

1. Further differentiate brands and improve net pricing

DS, Peugeot, Citroën brand positioning



● Segment profit pool



1. Further differentiate brands and improve net pricing DS, Peugeot, Citroën brand positioning

WHAT



Accelerate DS development as a premium brand



Peugeot net pricing leap as a high-end generalist



Citroën: Design to value :

HOW

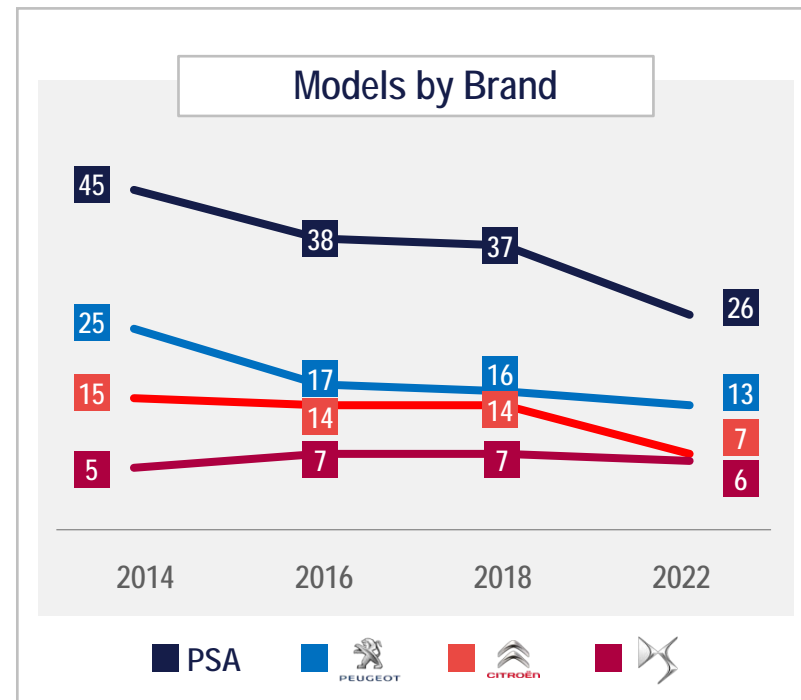
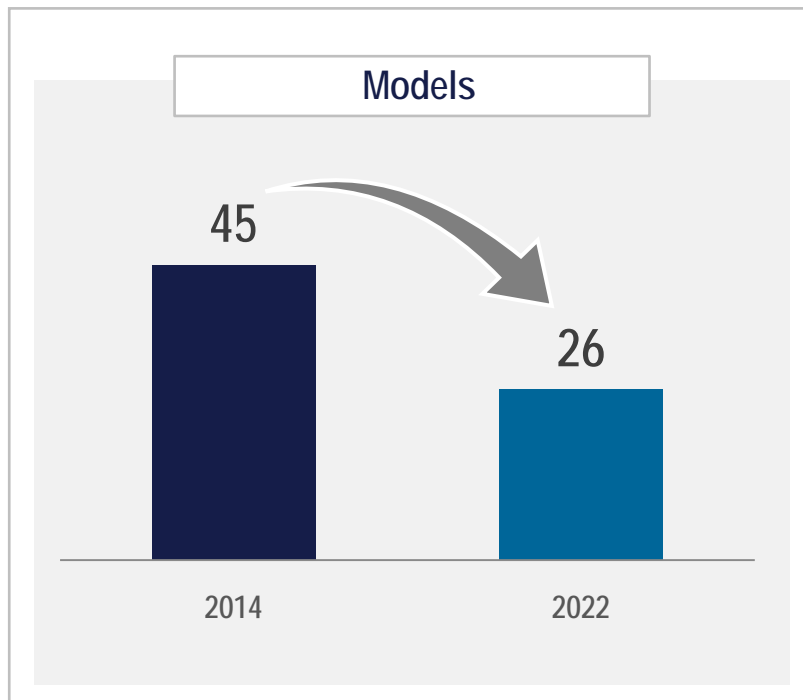
- **DS:** A dedicated product and marketing organization focused on DS target group's expectations, including high product and service quality level
- **Peugeot:** Pursue efforts on product and service quality: roll out of new 308 quality standards for all new models, 'excellent outlet' program
- **Citroën:** Focus on product features and innovations valued by customers
 - e.g. C4 Cactus in-roof airbag allowing new interior design, airbumps, touchscreen



2. *Focus on a global core model strategy*

- Focused core model strategy addressing most profitable market segments
- Rationalize platforms and programs portfolio
- Enhance R&D and CAPEX efficiency and further develop cooperations

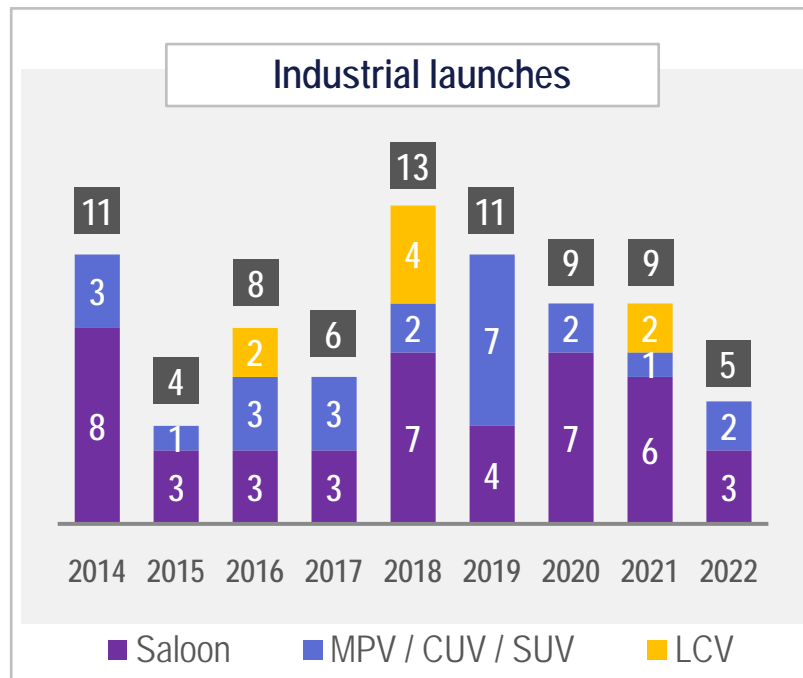
2. Focus on a global core model strategy Product proliferation aggressively reduced by 2022



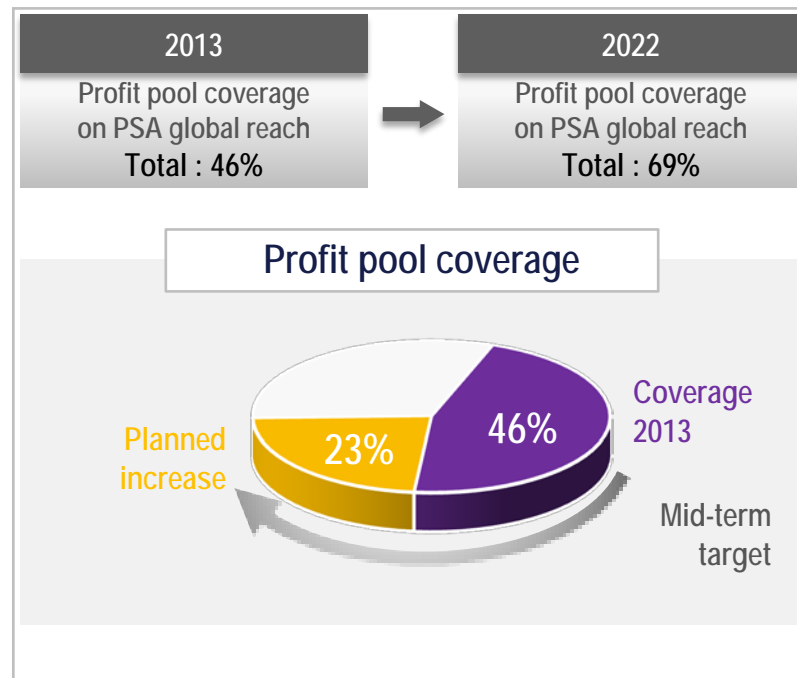
Passenger Car (PC) Offers (excluding LCV)
Excluding non-PSA platforms and Fengshen

2. Focus on a global core model strategy

Sustained launching activity



Excluding Mid-life
Excluding Fengshen range



Passenger Car Offers - Launches China, Europe & Latin America
Excluding Fengshen range

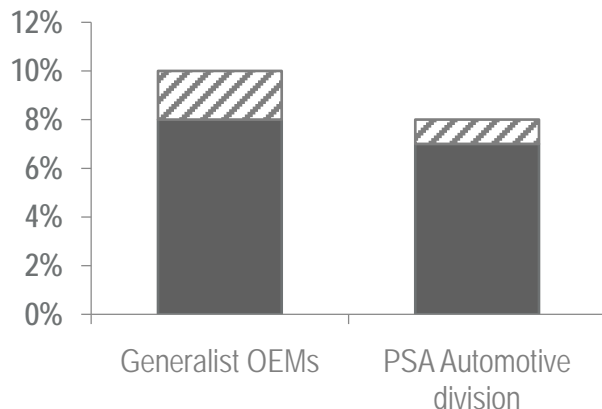
2. Focus on a global core model strategy

More efficient R&D and CAPEX

WHAT

Current R&D and CAPEX level between 8 and 10% of revenues for generalist OEMs

Maintain Automotive division level between 7 and 8% of revenues



HOW

Core model strategy and R&D efficiency levers

- Renewed cooperations kilo units per year
 - GM Alliance: 3 joint programs 700
 - TOYOTA: A segment + D-LCV 450
 - FIAT: E-LCV 100
 - FORD: Diesel engine 2 300
 - ca. €100M yearly synergies
- Dongfeng synergies:
 - Joint R&D center
 - DFM branded cars fitted with PSA technology
 - ca. €100M yearly R&D cost savings by early 2020s out of €400M synergies
- From 45 models to 26 core models by 2022
 - ca. €300M yearly cost savings
- Effective outsourcing up to 20% of R&D efforts
 - ca. €100M yearly cost savings

3. *Ensure profitable growth worldwide*

- Reinforce regional organization
- Improve European profitability
- Implement turnaround in Russia
- Change business model in Latin America
- Reinforce development in China
- Trigger development in “next BRIC” markets with a reinforced regional sourcing

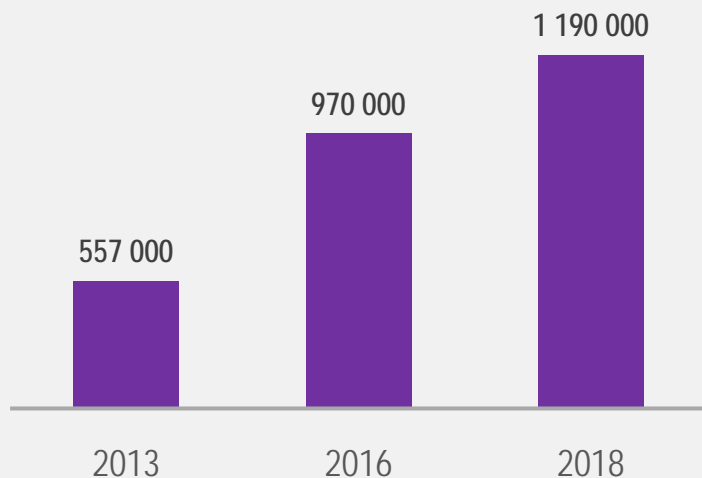


For all: implement core model strategy with appropriate localization

3. Ensure profitable growth worldwide Reinforce development in China

WHAT

Volumes* 2015-2018



* Volumes DPCA (including Fengshen) + CAPSA

HOW

DPCA:

- Appropriate product range including DFM-Fengshen development
- Accelerate IP sharing to generate more cash through royalties and dividends for PSA
- Accelerate commercial development with fast-growing network: > 1M Peugeot and Citroën veh. by 2020*
- Larger supplier base and sourcing (4th plant), supporting at least current margin levels

CAPSA:

- Continuous investment in DS development

* Excluding Fengshen volumes

4. Enhance core competitiveness, including Europe

- Continue to reduce Group break-even point and fixed costs
- Accelerate the improvement of working cap requirements
- Develop cost competitive European industrial base
- Strengthen financing arm with envisaged Santander partnership*

**Subject to signing of binding documentation and regulatory clearances*



4. Enhance core competitiveness, including Europe Reduce Group break-even point

The Group sold 2.8 M assembled cars in 2013, meaning 2.3 M units excluding China
In 2013, break-even point = 2.6 M (excluding China)

On the base of 2013 actual figures, break-even point at 2 Million cars as a goal
would be reached for instance with the combination of:

€ 250 M reduction
of fixed costs



4% improvement
of product costs

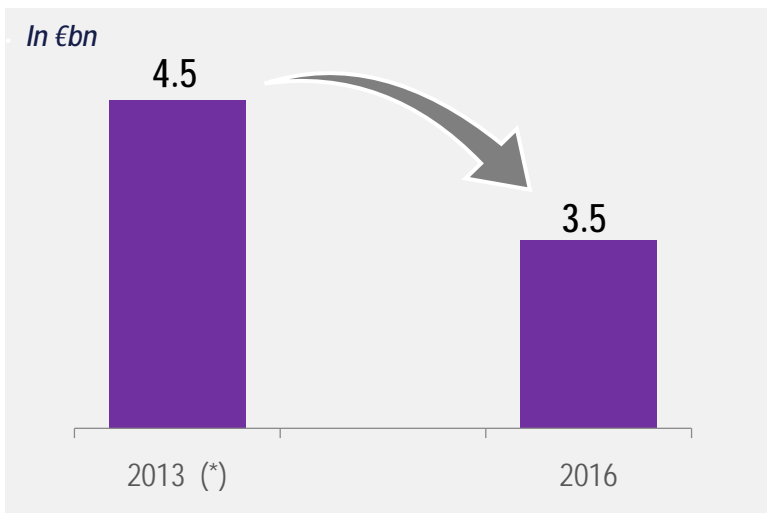


2% improvement
of pricing power

4. Enhance core competitiveness, including Europe Accelerate the improvement of working cap requirements

WHAT

Reduction of Automotive division inventory's structural needs



(*) restated IFRS11

HOW

- Core model strategy
- Local integration
- Supply chain optimization
- Local actions to reduce inventories
- 'Cash is king' culture

4. Enhance core competitiveness, including Europe *Develop cost competitive European industrial base*

WHAT

- Secure cost competitiveness of industrial footprint thanks to New Social Contract
- Social agreements in European countries for flexibility and competitiveness as per New Social Contract
- Aggressive cost-cutting plan including more competitive parts sourcing to secure competitiveness of West European plants

HOW

- Accelerate improvement of our plants' industrial performance: **"excellent extended plant"**
- **Rightsizing and modernization** of French industrial capacities
- Industrial utilization rate: **115% harbour rate** by 2022
- **Landed cost reduction:** €600 2012-2014 (product mix neutral internal measure)
-€500 2015-2018 (including €6 regulation impact)
- Double **low-cost parts sourcing** from 20% to 40% 2013-2020



Framework for a turnaround: key points

1

Further differentiate brands and improve net pricing

- Reduced pricing gap vs selected benchmark by 2020
- Half of the objective achieved by 2016

2

Focus on a global core model strategy

- From 45 to 26 models by 2022
- Reduced to 38 models by 2016

3

Ensure profitable growth worldwide

- Leveraging Asian growth with strengthened DFM partnership: 970,000 veh. by 2016
- Latin America and Russia break-even by 2017 at the latest

4

Enhance competitiveness, including Europe

- Total wages cost < 12.5% revenues by 2016
- Utilization rate Europe 115% by 2022
- Target: €500 reduction in total product costs, 2015-2018
- Reduction of working cap by €1bn by 2016



RESOLUTIONS

- ▶ Approval of the financial statements of the Company for the year ended 31 December 2013

- ▶ Approval of the consolidated financial statements of the Group for the year ended 31 December 2013

- ▶ Appropriation of profit for the year ended 31 December 2013

- ▶ Approval of related party agreements entered into in connection with the loans granted by the European Investment Bank

Fifth resolution

- ▶ Approval of pension benefit commitments given to members of the Managing Board

- ▶ Re-election of Mr Louis GALLOIS as member of the Supervisory Board

- ▶ Election of Mr XU Ping as member of the Supervisory Board

Eighth resolution

- ▶ Election of Mr LIU Weidong as member of the Supervisory Board

- ▶ Election of Mr Bruno BÉZARD as member of the Supervisory Board

- ▶ Election of SOGEPA as member of the Supervisory Board

Eleventh resolution

- ▶ Election of FFP as member of the Supervisory Board

- ▶ Election of ÉTABLISSEMENTS PEUGEOT FRÈRES as member of the Supervisory Board

Thirteenth resolution

- ▶ Advisory vote on the compensation of the Chairman of the Managing Board (Mr Philippe VARIN) for the year ended 31 December 2013

Fourteenth resolution

- ▶ Advisory vote on the compensation of the other members of the Managing Board (Mr Jean-Baptiste DE CHATILLON, Mr Grégoire OLIVIER, Mr Jean-Christophe QUÉMARD, Mr Guillaume FAURY and Mr Frédéric SAINT-GEOURS) for the year ended 31 December 2013

Fifteenth resolution

- ▶ Authorisation for the Managing Board to buy back up to 10% of the share capital of the Company

- ▶ 9-month authorisation for the Managing Board to issue and allocate free equity warrants to Company shareholders with a view to a share capital increase of a maximum aggregate par value of €106,454,698

Seventeenth resolution

- ▶ 9-month authorisation for the Managing Board to issue, with cancellation of the existing shareholders' preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to €69,866,666 to DONGFENG MOTOR (HONG KONG) INTERNATIONAL CO., LIMITED

Eighteenth resolution

- ▶ 9-month authorisation for the Managing Board to issue, with cancellation of the existing shareholders' preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to €69,866,666 to SOGEPA

Nineteenth resolution

- ▶ 9-month authorisation for the Managing Board to issue, with existing shareholders retaining their preferential subscription rights, ordinary shares of the Company with an aggregate par value of up to 2 billion euros, without exceeding an aggregate issue amount, including premiums, of 2 billion euros

- ▶ Adjustment to the cap set in paragraph II of the sixth resolution of the Annual Shareholders' Meeting of 3 June 2009 (maximum amount of capital increase in case of OCEANE 2009 conversion)

Twenty-first resolution

- ▶ 26-month authorisation for the Managing Board to carry out one or more employee share issue(s), with cancellation of existing shareholders' preferential subscription rights, with a view to a share capital increase of a maximum aggregate par value of €3,5 million

Twenty-second resolution

- ▶ Amendment to Article 10-I of the bylaws to provide for the election of one or more Supervisory Board members representing employees, in accordance with the French Employment Protection Act dated 14 June 2013 and corresponding amendments

Twenty-third resolution

- ▶ Amendment to Article 9-IV of the Company's bylaws relating to Managing Board decisions that require the prior approval of the Supervisory Board

Twenty-fourth resolution

- ▶ Amendment to Article 10-V of the Company's bylaws concerning the Supervisory Board's powers to remove members of the Managing Board

Twenty-fifth resolution

- ▶ Amendment to Article 10-IV of the Company's bylaws concerning Supervisory Board meetings

Twenty-sixth resolution

- ▶ Amendment to Article 11 of the Company's bylaws concerning the time period required to acquire double voting rights

Twenty-seventh resolution

- ▶ Powers to carry out legal formalities



Q&A
