

PEUGEOT CONTINUES ITS GLOBAL EXPANSION AND ANNOUNCES ITS NEW INDUSTRIAL FACILITY IN INDIA

- **Peugeot and the State of Gujarat sign State Support Agreement (SSA) for a fully integrated manufacturing unit, engine and gearbox plant in Sanand near Ahmedabad.**
- **The Group plans to invest around Rs. 4,000 crores (approximately 650 M€)**
- **Peugeot and the Government of Gujarat intend to create an Automotive Skills Development Institute (ASDI).**

GANDHINAGAR, GUJARAT, INDIA – PARIS, FRANCE - September 1st 2011

On the auspicious occasion of the *Ganesh Chaturthi* (The festival of Ganesh, the Indian God of wisdom, prosperity and good fortune), The Honourable Chief Minister of Gujarat, Shri Narendra Modi, and Mr. Philippe Varin, Chairman of the Managing Board of PSA Peugeot Citroën, presided over a ceremony to mark the signature of a SSA between Peugeot and the State of Gujarat.

Under the framework of this agreement, Peugeot plans to invest 4,000 crores (approximately 650M€) on a 600 acre site in the heart of the rapidly developing Sanand automotive cluster in Western India. Peugeot will build a cutting edge vehicle manufacturing facility integrating body paint and assembly operations with an initial capacity of 170 000 vehicles per year with options for further expansion. Additionally, an engine and gearbox plant using the latest and most advanced power train technologies, which the Group is reputed for, will help constitute a fully fledged modern industrial automotive facility. This investment will directly add up to 5,000 new jobs to the automobile hub and also create further economic and employment opportunities through an extensive supplier park adjacent to the site to provide the company with necessary parts and services. The first locally produced Peugeot car is expected in 2014.

During the signature ceremony, the Honourable Chief Minister of Gujarat, Shri Narendra Modi, declared:

“We assure all support to Peugeot for fast track implementation of the Project”

Mr. Philippe Varin said:

“We are proud to announce this new milestone in Peugeot’s continued global expansion and to have chosen to grow our Indian roots in the State of Gujarat. We view India as one of the most important and dynamic markets in the world, with forecasts of it becoming the third largest automotive market by 2020. Gujarat offers a proactive business friendly environment, excellent infrastructure and is geographically well-positioned to cater to passenger car markets across India”.

The intention to create an Automotive Skills Development Institute (ASDI) in partnership with the Government of Gujarat has also been announced.

This initiative reinforces Peugeot’s commitment to deliver a globally consistent level of high quality production, products and services to its customers and will contribute to the development of highly skilled automotive manpower in the region.

India is a key priority for the Group. This investment emphasises the brand's long term vision to offer its customers and dealers a wide range of products progressively introduced and well adapted to the market. Peugeot will strengthen its identity and its "MOTION&EMOTION" signature while launching a carefully targeted sets of models which are adapted to Indian market needs and tastes. Peugeot will be present at the Delhi Auto Expo taking place in January 2012.

PEUGEOT: AN INTERNATIONAL, MODERN AND INNOVATIVE BRAND BELONGING TO A GLOBAL AUTOMOTIVE GROUP

Peugeot is the leading French car brand in the world and belongs to PSA Peugeot Citroën Group, which is Europe's second largest car manufacturer and the leader in the European LCV market with sales and revenue of more than €56.1 billion and over 205 000 employees in 2010. .

Over the first half of the year, Peugeot sales outside Europe strongly increased especially in Asia (+18%), Russia (+58%) and Latin America (+19%).

With increasing sales in all markets both in 2010 (2 142 000 vehicles) and for the first half of 2011 (1 091 000 vehicles), Peugeot has achieved historical record sales, despite adverse global economic conditions.

With its arrival in the Indian market, Peugeot adds a new milestone to its successful development.

Building on its 200 years of industrial experience, Peugeot will bring to the Indian market its deep engineering expertise and innovation. Peugeot is a reference brand, acclaimed worldwide for its elegant design, exceptional road handling and advanced diesel technology – it is the first brand in the world to launch a diesel hybrid. In addition, Peugeot has created popular niche vehicles such as its praised Coupe – Cabriolets line-up and the RCZ sports-coupé. The brand is also present in high-end car racing activities such as the 24 hours of Le Mans.

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