

PSA Group and SAIPA signed for Citroën a framework agreement in Iran

PSA Group and SAIPA, Citroën's historic partner in Iran since 1966, have signed a framework agreement to create a joint-venture to produce and sell Citroën vehicles in Iran.

This 50/50 joint venture lays the foundations for a strategic partnership between the two companies. It will cover the entire value chain, from the design stage right through to vehicle marketing. Manufacturing will take place at the Kashan plant in Iran, which will be 50%-owned by PSA Group.

The joint venture will invest more than €300 million in manufacturing and R&D capacity over the next five years. The agreement will be backed up by technology transfers and a significant level of local content. It will take effect following the signature of the definitive agreement, scheduled for late 2016.

The end of the ramp-up of the first Citroën vehicle will be reached in 2018 in Kashan plant.

Present in Iran since 1966, the Citroën brand will be staging its comeback in the country with the launch of three vehicles specifically designed for the local market. Citroën models will be sold throughout the country via a network dedicated exclusively to the brand.

Commenting on the new agreement, Carlos Tavares, Chairman of the PSA Group Managing Board, said: "This agreement opens up a new chapter in our history of cooperation with SAIPA. Our aim is to provide our Iranian customers with modern vehicles that meet the highest comfort, safety and technology standards."

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About PSA Group

With its three world-renowned brands, Peugeot, Citroën and DS, the PSA Group sold 3 million vehicles worldwide in 2015. Second largest carmaker in Europe, the PSA Group recorded sales and revenue of €54 billion in 2015. The Group confirms its position of European leader in terms of CO₂ emissions, with an average of 104.4 grams of CO₂/km in 2015. With a fleet of 1.8 million connected vehicles on the road worldwide, the Group is on the cutting edge of innovation in this field, and is expanding its services as a mobility provider. It is also involved in financing activities (Banque PSA Finance) and automotive equipment (Faurecia). For more information, please visit groupe-psa.com/en

About SAIPA

Founded in 1966, SAIPA is the second-largest car manufacturer in the MENA region and one of the 20 largest automakers worldwide. With a 40% market share in Iran, the company exports its products to 21 countries, leveraging manufacturing facilities across 4 continents.