

Paris – 9 February 2009

PSA Peugeot Citroën welcomes the €3 billion loan from the French State

The PSA Peugeot Citroën Group welcomes the €3 billion loan from the French State, which will be used, in particular, to support the Group's programme to develop cleaner, more fuel efficient and more affordable vehicles.

Aware of its responsibilities and in the context of its commitment toward the Government, the Group will not close any of its French plants. Over the next two years, one or more new models will be launched at each of its five assembly units in France.

In the current circumstances, the Group will not implement any compulsory redundancy plans in France.

The Group is also actively supporting its automobile industry partners, by speeding up payments to suppliers in line with France's Economic Modernization Act, raising its contribution to the Automobile Industry Investment Fund from €100 million to €200 million, implementing the code of good practice and competitiveness developed jointly by the Committee of French Automobile Manufacturers (CCFA) and the Automobile Industry Suppliers' Liaison Committee (CLIFA), and negotiating a special agreement with Groupement de la Plasturgie, the body representing suppliers of plastic components, that takes into account the specific characteristics of this industry.

PSA Peugeot Citroën will continue to work in partnership with its suppliers to maintain its position as Europe's leading manufacturer of low-CO₂ vehicles. Its strategy in this area focuses on researching and developing cutting edge technologies such as Stop & Start, hybrid vehicles, plug-in hybrids and electric vehicles. To support this strategy, the Group is committed to maintaining its French R&D, engineering and testing facilities.

The Group will give priority to reinvesting its earnings in order to strengthen its capital base and maintain its pace of growth through increased capital expenditure.

Lastly, the Group has noted the decision announced by France's President to abolish local business tax in 2010 and will examine with the government and employee representatives, the best way of improving the underlying competitiveness of France's auto industry in order to improve its position within the European industry.