This press release and the information contained herein do not constitute an offer to sell or subscribe, nor the solicitation of an order to purchase or subscribe, securities in the United States or any other jurisdiction. The Bonds and the shares into which they may be converted or exchanged may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Peugeot SA does not intend to register any portion of the planned offer of securities in the United States or to conduct a public offering of securities in the United States.

PSA PEUGEOT CITROËN

June 23rd 2009

Peugeot SA launches an offering of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for an amount of approximately €500 million which may be increased up to a maximum of approximately €575 million, due January 1st, 2016

Peugeot SA (the “Company”) is launching today an offering of bonds convertible into and/or exchangeable for new or existing shares of Peugeot SA due January 1st, 2016 (the “Bonds”). The offering size will be approximately €500 million and may be increased up to a maximum of approximately €575 million in the event that the over-allotment option granted to the Joint Lead Managers and Joint Bookrunners is exercised in full at the latest on June 29th, 2009.

The funds resulting from this issue will provide the general financing needs of the Group as well as enable the Group to finance its existing and future development projects in the automobile business. In this difficult environment, the Group intends to pursue its investments and spending plans to develop strategic products (Peugeot 5008 in the second half of 2009, three-cylinder 1-litre petrol engine at the Trémery site) and innovative solutions in terms of technology (engine efficiency, hybrid technology and electric motors) as well as to continue its geographic expansion (in particular the construction sites in Kaluga, Russia and Wuhan, China). The funds will also strengthen the Group’s financial structure and extend the maturity profile of its debt, noting that no significant repayment maturity date exists prior to 2011 corresponding to a bond issued in 2001 of an amount of approximately €1.6 billion.

Since the last press release dated 22 April 2009, a large number of government-backed scrappage schemes have had an impact in Germany and several other European countries, where they have had a favourable effect on local market volumes. While the European market is still down on 2008, the Group’s best current estimate is for a decline of around approximately 12% decline in unit sales, rather than the previously forecast 20%. In this environment, the market segment mix is however shifting sharply to smaller models which generally have smaller margins, and where promotional activity has become more aggressive.

In addition, a number of uncertainties remain:

- Whether or not government support programmes will be pursued in 2010. If not, fourth-quarter production will be scaled back.
- The amount of sales and marketing resources to be committed to maintain the two brands' market share.
- The support that the Group may have to provide for suppliers.
- Exchange rates, raw materials prices and other external factors.

Based on these uncertainties and current market conditions as described in the update of the *document de reference* filed with the AMF on June 22nd, 2009, the scenarios used for financial forecasts and the conservative management of Group financing indicate a consolidated recurring operating loss for 2009 of between €1 billion and €2 billion.

In March 2009, Peugeot S.A. obtained a €3 billion long-term loan from the French State.

In April 2009, Peugeot Citroën Automobiles S.A. obtained a €400 million four-year loan from the European Investment Bank.

The Group believes that it is not exposed to any liquidity risks over the next twelve months, as any liquidity needs have been met by the loans granted by the French State and the EIB.

Nevertheless, as part of the Group's proactive refinancing strategy and conservative liquidity policy, and given recent improvements in the capital markets, the Group is also considering an issue of new notes or bonds, depending on market conditions.

The par value of the Bonds will correspond to an issue premium of between 33% and 38% over Peugeot SA's reference share price on Euronext Paris[1].

The Bonds will bear interest at an annual nominal rate comprised between (RR[2]+0.50%) and (RR+1.25%), payable semi-annually in arrears on January 1 and July 1 of each year (or on the following business day if such date is not a business day). The Bonds will mature and be redeemed at par on January 1st, 2016. The Bonds may be redeemed early at the option of Peugeot SA subject to certain conditions.

The determination of the final terms of the issue is expected to take place on June 26th, 2009.

The conversion / exchange ratio of the Bonds will be one new or existing Peugeot SA share per Bond (subject to potential later adjustments).

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[1] The reference share price will be the volume-weighted average price (VWAP) of Peugeot SA's shares quoted on Euronext Paris from the opening of trading on June 26th 2009 until 12 noon (Paris time) the same day.

[2] "RR", or Reference Rate, will be equal to the 6.5 year linearly interpolated mid swap rate based on the 6 and 7 year euro mid swap rates as they will appear on Bloomberg EUSA6 Index and EUSA7 Index pages on June 25, 2009 at 5:40 p.m. (Paris time).

Peugeot SA shareholders as of June 22nd, 2009 will be entitled to subscribe to the offer during a priority period of three trading days *(*the *délai de priorité)*, from June 23rd, 2009 to June 25th, 2009 inclusive (subject to the applicable selling restrictions). Each shareholder may submit a subscription order in euros for a maximum amount corresponding to (i) € 500 million multiplied by (ii) the number of Issuer shares that the shareholder holds and divided by (iii) 234,048,798 (the number of shares that comprise the Issuer's share capital).

The *Foncière, Financière et de Participation* company (FFP), which currently holds 51,792,738 shares of the Company, representing 22.13% of the capital and 32.79% of the voting rights of the Company, has agreed to subscribe to this offering is an amount of between €50 and €57.5 million during the priority period.

The Bonds will be offered through a public offering in France from June 23rd, 2009 to June 25th, 2009 at 5 p.m. (Paris time) inclusive as well as through a private placement on June 23rd, 2009 in France and outside of France with the exception of the United States of America, Canada, Australia and Japan.

The expected date of issue and settlement and delivery of the Bonds is July 1st, 2009.

Peugeot SA's share is listed on Euronext Paris market (Compartiment A), is a member of the CAC 40 index and is entitled to the Deferred Settlement Service (*Service de Réglement Différé* or SRD).

ISIN code : FR 0000121501

Website : www.psa-peugeot-citroen.com

This issue is lead-managed by a banking syndicate. Société Générale Corporate and Investment Banking is acting as Global Coordinator, Joint Lead Manager and Joint Bookrunner, and CALYON, Citi and HSBC as Joint Lead Managers and Joint Bookrunners.

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AVAILABILITY OF THE PROSPECTUS

A prospectus in the French language approved by the *Autorité des marchés financiers* (AMF) under N° 09-197 on June,22 nd 2009 is available free of charge at the registered office of the Company, 75, avenue de la Grande Armée, *75116 Paris, France* as well as on the websites of Peugeot SA (www.psa-peugeot-citroen.com) and the AMF (www.amf-france.org).

The prospectus consists of Peugeot SA's *document de référence*, filed with the AMF on April 24th, 2009 under N° D.09-0309, an update of the *document de référence* filed with the AMF on June,22nd 2009 under N° D. 09-0309-A01 and a *note d'opération* which includes the prospectus summary.

Peugeot SA draws the attention of investors to the risks mentioned in chapter 4 of the *document de reference* in chapter 2 of the *note d'opération.*

Indicative Timetable

Indicative timetable of the issuance

June 22, 2009	Granting of the approval (visa) on the Prospectus by the AMF
June 23, 2009	Press release by the Company announcing the launch and the indicative terms of the Bond issuance Beginning of bookbuilding related to the Private Placement Beginning of the priority subscription period for shareholders Beginning of the Public Offering End of bookbuilding related to the Private Placement
June 25, 2009	End of the priority subscription period for shareholders End of the Public Offering
June 26, 2009	Determination of the final terms of the Bonds Press release by the Company announcing the final terms of the issuance
June 29, 2009	Deadline for exercise of over-allotment option If applicable, press release by the Company announcing the final issue size after exercise of the over-allotment option Notice of listing published by Euronext Paris
July 1, 2009	Settlement and delivery of the Bonds Admission of the Bonds to trading on Euronext Paris

Principal terms and conditions of the Bonds

Issuer	Peugeot S.A. (the "Issuer")
Issuer Legal Status:	French limited liability company (*société anonyme*)
Securities	"OCEANE" bonds convertible into new Shares and/or exchangeable for existing Shares of the Issuer (the "Bonds")
Issue type	Combined "Euromarket" private placement, with simultaneous three-day public offering in France and simultaneous three-day priority subscription period (*délai de priorité*) for existing shareholders
Issuer Rating	BBB-/Baa3/BB+
Underlying Shares	Existing and/or new ordinary shares of the Issuer (the "Shares") (ISIN: FR0000121501 / Bloomberg:UG FP / Reuters: PEUP.PA)
Status of the Bonds	Senior, unsecured
Currency	EUR
Issue Size	Approximately EUR 500 million
Greenshoe Option	The Issuer has granted the Joint Bookrunners an over-allotment option of up to approximately EUR 75 million (i.e. up to 15% of the Issue Size) exercisable by the Joint Bookrunners until two days prior to the Settlement Date
Maximum Size	Approximately EUR 575 million
Issue Date/Settlement Date	July 1st, 2009
Maturity	January 1st, 2016 (6.5 years)
Issue Price	100% of par value
Redemption Price	At par
Conversion/Exchange Premium	Between 33% and 38% over the Reference Share Price
Reference Share Price	The VWAP of the Shares between 9:00 a.m. (Paris time) and 12:00 noon (Paris time) on June 26, 2009
Conversion/Exchange Price	TBA
Coupon	Between (RR + 0.50%) and (RR + 1.25%) (where "RR" is the Reference Rate equal to the 6.5 year linearly interpolated mid swap rate based on the 6 and 7 year mid swap rates as they will appear on Bloomberg EUSA6 Index and EUSA7 Index pages at 5:40 p.m. (Paris time) on June 25, 2009) per annum, payable semi-annually in arrears on January 1st and July 1st of each year, commencing on January 1st, 2010
Issuer Soft Call	The Issuer may, at any time from January 1st, 2013 until the Maturity Date, subject to a minimum 30 calendar day's notice redeem all outstanding Bonds at par (plus accrued interest), if the arithmetic average, calculated over a period of 10 consecutive trading days among the 20 consecutive trading days preceding the date of

	publication of the notice concerning such early redemption, of the product of the opening price of Shares and the Conversion/Exchange Ratio in effect on each date is greater than 130% of the par value of a Bond
Clean-up Call	The Issuer may redeem all, but not part, of the Bonds at par (plus accrued interest) at any time, if less than 10% of the Bonds remain outstanding, subject to 30 calendar days prior notice
Repurchase by the Issuer	Possible, at any time, for all or part of the outstanding Bonds without limitation as to price or quantity, by repurchasing Bonds either on- or off-market or by means of public tender or exchange offers
Bondholder Put	None, except in the event of a Change of Control (as defined below of the Issuer. In the event of a Change of Control, any Bondholder may request during the Early Redemption Period (as defined below) that all or part of its Bonds be redeemed at par plus accrued interest. In the event of a Change of Control, the Issuer shall inform Bondholders, at the latest within the 30 calendar days following the effective Change of Control, by means of a notice published in a financial newspaper with national circulation in France as well as in a notice to be issued by Euronext Paris. These publications shall indicate (i) the date set for the early redemption which must be between the 25th and the 30th business day following the publication date of the notice in a financial newspaper with national circulation in France, (ii) the redemption amount and (iii) the period, of at least 15 business days, during which the early redemption requests for the Bonds and the corresponding Bonds must be received by the Centralizing Agent.
Denomination	Equal to Conversion / Exchange Price
Negative Pledge	Yes, in respect of security interests granted for the benefit of holders of other bonds issued by the Issuer and subject to certain exceptions as further described in the Prospectus.
Events of Default	Standard, see Prospectus
Cross-Default	Yes, subject to € 15 million threshold
Tax Call / Gross up	None
Conversion/Exchange Right	The Bondholders may request that the Bonds be converted and/or exchanged into Shares of the Issuer at the Conversion/Exchange Ratio during the Conversion Period The Issuer may elect to deliver new or existing Shares or a combination thereof
Conversion/Exchange Period	At any time from the Settlement Date (i.e. July 1st,2009) until the seventh business day (inclusive) preceding the maturity date or the relevant early redemption date as the case may be
Conversion/Exchange Ratio	One Share per Bond (subject to customary adjustment provisions)
Settlement upon Conversion/Exchange	Convertible into new Shares and/or exchangeable for existing Shares

Number of Shares calculated on the basis of the aggregate number of Bonds presented multiplied by the applicable Conversion/Exchange Ratio

Anti-dilution Protection

Subsequent to any one of the following transactions which the Issuer may carry out after the Issue Date:

- financial transactions with listed preferential subscription rights;
- the free distribution of shares to shareholders, reverse share split or share split;
- the capitalization of reserves, profits or premiums through an increase in the par value of shares;
- the distribution of reserves, in cash or in kind, or premiums;
- the free distribution to the Issuer's shareholders of any security other than the Issuer's shares;
- a merger (absorption or fusion) or spin-off (scission);
- a repurchase by the Issuer of its own shares at a price higher than the market price;
- a change in profit distribution and/or the creation of preferred shares;
- the redemption of share capital; or
- distribution of a dividend surplus (see below "Dividend Protection")

the rights of Bondholders will be maintained until the delivery date (excluded) by means of an adjustment to the Conversion/Exchange Ratio, in accordance with the provisions set out in the Prospectus

Dividend Protection

Bondholders will be protected against the portion of dividends or distributions in excess of the Threshold Amount:

Dividend or Distribution the record date for which falls within the financial year ending on :	Threshold Amount of Dividend Distributed per Share:
December 31, 2009	€ 0
December 31, 2010	€ 0
December 31, 2011	€ 0.64
December 31, 2012	€ 0.64
December 31, 2013	€ 0.64
December 31, 2014	€ 0.64
December 31, 2015	€ 0.64

Change of Control

"Change of Control" will mean the fact for one or more individual(s) or legal entity or entities, acting alone or in concert, other than a legal entity controlled by the members of the Peugeot Family Group, of acquiring the control of the Issuer, it being specified that the notion of "control" will mean, for the purpose of this definition, the fact of holding (directly or indirectly through the intermediary of companies themselves controlled by the individual(s) or legal entity or entities concerned) (x) the majority of voting rights attached to the Issuer shares or (y) the majority of the Issuer's share capital.

The "Peugeot Family Group" refers to the legal entities and individuals currently associated with the companies comprising the Peugeot family group (as defined in the Registration Document, page 178) as well as individuals, their descendents or relatives.

Takeover protection	In the event of a public offer which may lead to a Change of Control (as defined above), Conversion/Exchange Ratio ratchet based on the number of days remaining until maturity, with a temporary adjustment to the Conversion/Exchange Ratio as follows: NCER = CER x [1 + Bond Issue Premium x (D / DT)] where: • NCER will mean the new Conversion/Exchange Ratio during the Adjustment Period in the event of a Public Offering; • CER will mean the Conversion/Exchange Ratio in effect before the Offering Opening Date; • Bond Issue Premium will mean the premium, expressed as a percentage showing the par per unit of the Bonds compared to the reference price of the Issuer's shares used at the time the final terms of the Bonds were determined; • D will mean the exact number of days left to run between the Offering Opening Date (inclusive) and the maturity date of the Bonds (excluded); and • DT will mean the exact number of days between the Bond Issue Date (inclusive) and the maturity date of the Bonds (excluded), i.e., 2,375 days. The adjustment of the Conversion/Exchange Ratio indicated above will benefit only those Bondholders who will exercise their Conversion/Exchange Right, between (and including): (A) the first day on which the Issuer shares may be contributed to the offering (the "Offering Opening Date"), and (B) (i) if the offering is unconditional, the date that will be 10 business days after the last day during which the Issuer shares may be contributed to the offering or, if the offer is reopened, the date that is five business days after the reopening date of the offer; (ii) if the offer is conditional, (x) if the French *Autorité des marchés financiers* (the "AMF") (or its successor) declares that the offer is successful, the date that will be 10 business days after the publication by the latter of the result of the offer or, if the offer is reopened, the date that is five business days after the reopening date of the offer, or (y) if the AMF (or its successor) declares that the Offering is unsuccessful, the date of publication by the latter of the result of the offering; or (iii) if the initiator of the offer waives the offering, the date on which such waiver is published.
Dividend Entitlement	No dividend entitlement prior to exercise of Conversion / Exchange Rights New Shares issued upon conversion carry rights to dividends paid in respect of the fiscal year in which the Conversion Rights are exercised and thereafter Existing Shares delivered upon exchange carry rights to dividends paid following the date of delivery provided that in the case where the Shares go ex-dividend between the Exercise Date and the delivery date, Bondholders will not be entitled to such dividend and will have no right to compensation therefor
Form	French-law dematerialised Bonds

Priority subscription period	Three trading days, from June 23, 2009 to June 25, 2009 inclusive for shareholders of the Issuer whose shares are registered on their securities account at the close of business on June 22, 2009. Each shareholder may submit a subscription order in euros for a maximum amount corresponding to (i) € 500 million multiplied by (ii) the number of Issuer shares that the shareholder holds and divided by (iii) 234,048,798 (the number of shares that comprise the Issuer's share capital).
Principal shareholder's intention to subscribe	Foncière Financière et de Participation company (FFP), which holds 51,792,738 of the Issuer's shares as of this date, representing 22.13% of the capital and 32.79% of the voting rights of the Issuer, has agreed to file, within the framework of the priority period, an order to subscribe the issuance of the Bonds between €50 and €57.5 million
Applicable Law	French law
Listing of the Bonds	Application will be made to list the Bonds on Euronext Paris
Listing of the Shares	Euronext Paris
Clearance	Euroclear France / Euroclear Bank / Clearstream Luxembourg
Clearing Codes	ISIN: FR0010773226 Common Code: TBA
Lock-up	90 days for the Issuer and for Peugeot Family Group, subject to certain exceptions
Selling Restrictions	US (not Rule 144A eligible / Reg S only / Cat 1 / TEFRA rules do not apply) / Canada / Japan / Australia / General Your attention is drawn to the selling restrictions in the offering documentation
Global Coordinator	Société Générale Corporate & Investment Banking
Joint Bookrunners	CALYON, Citigroup Global Markets Limited, HSBC, Société Générale Corporate & Investment Banking
Stabilization	Société Générale Corporate & Investment Banking
Paying Agent and Conversion Agent	Société Générale Securities Services
Settlement Agent	Société Générale Securities Services
Use of Proceeds	The capital resulting from this issue will provide the general financing needs of the Group as well as enable the Group to finance its existing and future development projects in the automobile business. In this difficult environment, the Group intends to pursue its investments and spending plans to develop strategic products (Peugeot 508 in the second half of 2009, three-cylinder 1-litre petrol engine at the Trémery site) and innovative solutions in terms of technology (engine efficiency, hybrid technology and electric motors) as well as to continue its geographic expansion (in particular the construction sites in Kaluga, Russia and Wuhan, China). The capital will also strengthen the Group's financial structure and extend the maturity profile of its debt, noting that no significant repayment maturity date exists prior to 2011 (2001 bond of an amount of approximately €1.6 billion).

DISCLAIMER

No communication and no information in respect of the offering by Peugeot SA of bonds convertible into and/or exchangeable for new or existing shares (the "Bonds") may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction outside France where such steps would be required. The offering or subscription of the Bonds may be subject to specific legal or regulatory restrictions in certain jurisdictions. Peugeot SA takes no responsibility for any violation of any such restrictions by any person.

This announcement is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament ant the Council of November 4, 2003 (as implemented in each member State of the European Economic Area, the "Prospectus Directive").

This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer.

The offer and sale of the Bonds in France will first be carried out in accordance with a private placement. The offer will be made to the public in France only after the granting of the "visa" by the AMF on the prospectus.

With respect to the member States of the European Economic Area, other than France, which have implemented the Prospectus Directive (each, a "relevant member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any relevant member State. As a result, the Bonds may only be offered in relevant member States:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to place securities;

(b) to any legal entity which has two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43 million; and (3) an annual net turnover of more than € 50 million, as per its last annual or consolidated accounts;

(c) in any other circumstances, not requiring the issuer to publish a prospectus as provided under article 3(2) of the Prospectus Directive.

For purposes of this paragraph, the expression an "offer to the public" of Bonds in each Member State having transposed the Prospectus Directive means the communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offer of Bonds and the Bonds to be offered to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

With respect to the United Kingdom, this press release is for distribution only to persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial promotion) Order 2005, (iii) are "high net worth entities" and other persons, to whom this Prospectus may be legally distributed within the meaning of Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iv) are any other person to whom this document may be communicated under applicable law (all such persons together being referred to as "Qualified Persons"). The Bonds and new or existing shares received upon conversion or exchange of the Bonds (the "Securities") are intended only for Qualified Persons, and no invitation, offer or agreements to subscribe, purchase or otherwise acquire such Securities may be proposed or concluded other than with Qualified Persons. Any person other than a Qualified Person may not act or rely on this press release or any provision thereof.

This press release is not a prospectus which has been approved by the Financial Services Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

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Société Générale, acting as stabilizing manager (or any other affiliated institution) will have the ability, but not the obligation, as from the moment on which the final terms of the Bonds and the offering become public, i.e., on June 26th, 2009, to intervene, so as to stabilize the market for the Bonds and possibly the shares of the Company, in accordance with applicable legislation, and in particular Regulation (EC) No. 2273/2003 of the Commission dated December 22, 2003. If implemented, such stabilization activities may be suspended at any time and will end on June29th, 2009. Such transactions are intended to stabilize the price of the Bonds and/or shares of the Company. Such transactions could affect the price of the Bonds and/or shares of the Company and could result in such prices being higher than those that might otherwise prevail.

The distribution of this press release in certain countries may constitute a breach of applicable law. The information contained in this press release does not constitute an offer of securities for sale in the United States, Canada, Japan or Australia.

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