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June 26th 2009

**Issue by Peugeot S.A. of bonds convertible into and/or exchangeable
for new or existing shares (OCEANE)
for an amount of €500 million which may be increased up to a
maximum of €575 million**

Final terms

Peugeot S.A. (the "Company") launched on June 23, 2009 an offering of bonds convertible into and/or exchangeable for new or existing shares of Peugeot S.A. due January 1st, 2016 (the "Bonds") for an amount of €500 million. The amount may be increased up to a maximum of €575 million in the event that the over-allotment option granted to the Joint Lead Managers and Joint Bookrunners is exercised in full.

The Bonds were 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 par value of the Bonds has been set at € 25.10 per Bond, representing an issue premium of 33.14% over Peugeot S.A.'s reference share price on Euronext Paris¹.

The Bonds will bear interest at an annual nominal rate of 4.45%², 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 S.A. subject to certain conditions.

The annual gross yield to maturity of the Bonds is 4.50% (in the absence of a conversion or exchange for shares and early redemption).

The global nominal amount of the bonds is €499,999,981.80, represented by 19,920,318 bonds, which may be increased up to a maximum of €574,999,961.50,

¹ The reference share price is €18.8523 (the volume-weighted average price (VWAP) of Peugeot S.A.'s shares quoted on Euronext Paris from the opening of trading on June 26th 2009 until 12 noon (Paris time) the same day).

² The yield is based on the 6.5 years linearly interpolated mid swap rate (3.214%) based on the 6 and 7 year mid swap rates on Bloomberg EUSA6 Index and EUSA7 Index pages at 5:40 pm (Paris time) on June 25, 2009.

represented by 22,908,365 bonds, in the event that the over-allotment option granted to the Joint Lead Managers and Joint Bookrunners is exercised in full.

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

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

During the priority subscription period, Peugeot S.A.'s shareholders subscribed for an amount of approximately €65.5 million, representing approximately 13.1% of the total initial size, including approximately €57.5 million subscribed by the Foncière Financière et de Participation (or 11.5% of the total issue size).

The capital resulting from this issue will provide the general financing needs of the Group PSA Peugeot Citroën as well as enable the Group PSA Peugeot Citroën to finance its existing and future development projects in the automobile business. In this difficult environment, the Group PSA Peugeot Citroën intends to pursue its investments and spending plans to develop strategic products (Peugeot 508 in the second half of 2009, a three cylinder, one liter 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 (which corresponds to a 2001 bond issue of approximately €1.6 billion).

The principal risk factors specific to the Group PSA Peugeot Citroën are described on pages 15 *et seq.* of the Registration Document (Chapter 4) filed with the *Autorité des marchés financiers* on April 24th, 2009 under N° D.09-0309 and include, in particular:

- Risks related to the Group's markets and business, in particular: market cycle and country risks (the automobile market may be subject to cyclical fluctuations that may have a negative impact on Group earnings), new vehicle development, launch and marketing risks, Customer and Dealer Risk, Raw Materials Risk, Supplier Risk, Risks Specific to Faurecia;
- Industrial and environmental risks: an incident at one of the Group's manufacturing facilities may compromise the production and marketing of vehicles, leading to several hundred million euros of losses;
- Banque PSA Finance risk exposures, in particular: Banque PSA Finance financing risks, credit risk, liquidity and credit rating risks;
- Financial market risks: the Group is exposed to exchange rate risks and to interest rate risks as well as other market risks related in particular to fluctuations in the equity markets. The Group is also exposed to counterparty and liquidity risks;
- Legal and contractual risks.

Peugeot S.A.'s shares are listed on Euronext Paris market (Compartiment A). Peugeot S.A. is a member of the CAC 40 index and is entitled to the Deferred Settlement Service (*Service de Règlement 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 are acting 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, 22nd 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 S.A. (www.psa-peugeot-citroen.com) and the AMF (www.amf-france.org).

The prospectus consists of Peugeot S.A.'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 S.A. draws the attention of investors to the risks mentioned in chapter 4 of the *document de référence* and in chapter 2 of the *note d'opération*.

Indicative Timetable

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

Characteristics of the offering

Issuer	Peugeot S.A. (the “Issuer”)
Issue Size and gross proceeds	€499,999,981.80 that may be increased to a maximum amount of €574,999,961.50 in the event of the exercise in full of the over-allotment option of 15% of the initial amount
Net proceeds	Approximately €491.6 million that may be increased to a maximum amount of approximately €565.4 million in the event of the exercise in full of the over-allotment option
Number of Bonds to be issued	19,920,318 Bonds, that may be increased to 22,908,365 Bonds (in the event of the exercise in full of the over-allotment option)
Nominal value of the Bond	€25.10 per Bond, including an issue premium of 33.14% over the Reference Share Price
Reference Share Price	VWAP of the Issuer’s shares on Euronext Paris from the start of trading on 26 June 2009 until 12 noon (Paris time)
Issue Price	€25.10, i.e. 100% of par value
Preferential subscription rights	No
Priority subscription period	Shareholders were able to subscribe for this issue on a priority basis, from June 23, 2009 to June 25, 2009 (inclusive), in proportion to their shareholdings in the Company
Private placement	In France and outside of France on June 23, 2009, with the exception of the United States of America, Canada, Japan and Australia
Public offering	In France from June 23 to June 25, 2009 inclusive
Principal shareholders’ intention to subscribe	Foncière Financière et de Participation, which holds 51,792,738 of the Company’s shares as of this date, representing 22.13% of the Company’s share capital and 32.79% of the Company’s voting rights, has subscribed for this issue, within the framework of the priority subscription period, in an amount of €57.5 million
Issue Date/Settlement Date	Expected to be July 1 st , 2009
Annual gross yield to maturity of the Bonds	4.50% (in the absence of a conversion or exchange for shares and early redemption)
Listing of the Bonds	Expected to be July 1 st , 2009 under ISIN code FR0010773226 on the Euronext Paris market
Global Coordinator	Société Générale Corporate & Investment Banking
Joint Lead Managers and Joint Bookrunners	CALYON, Citigroup Global Markets Limited, HSBC, Société Générale Corporate & Investment Banking
Co-Bookrunners	BNP Paribas and Lazard-NATIXIS
Underwriting	This offering will be underwritten by CALYON, Citigroup Global

Markets Limited, HSBC France and Société Générale as Joint Lead Managers and Joint Bookrunners, and BNP Paribas and Lazard-NATIXIS as Co-Bookrunners, pursuant to the terms of an underwriting agreement that will be entered into with the Company on June 26, 2009

Stabilization	Société Générale Corporate & Investment Banking
Lock-up commitments	Commitment expiring 90 calendar days after the settlement and delivery date of the offering for the Company and for the Peugeot Family Group, subject to certain exceptions

Characteristics of the Bonds

Ranking	The Bonds and interest thereon constitute unsecured, direct, general, unconditional, unsubordinated and unguaranteed commitments of the Company
Negative pledge applicable to the Bonds	Solely in the case of security interests granted for the benefit of holders of other bonds issued by the Company
Annual interest	The Bonds will bear interest at an annual nominal rate of 4.45%, payable semi-annually in arrears on January 1st and July 1st of each year, starting on January 1st, 2010, (or on the following business day if such date is not a business day) (each, an "Interest Payment Date"), i.e. €0.558475 per semester
Term of the Bonds	6 years and 184 days
Redemption at maturity	In full, on January 1, 2016 (or on the following business day if such date is not a business day) at par
Early redemption at the Company's option	At the Company's option: <ul style="list-style-type: none">• at any time for all or part of the Bonds by repurchasing Bonds either on- or off-market or by means of public tender or exchange offers;• at any time for all of the Bonds, from January 1, 2013 until the maturity date of the Bonds, for a price equal to the par value of the Bonds plus the interest accrued, if the arithmetic average, calculated over a period of 10 consecutive trading days from among the 20 that precede the publication of the notice of such early redemption, of the product of the opening prices of the Company's shares and the Conversion/Exchange Ratio in effect on such date exceeds 130% of the par value of the Bonds;• at any time for all of the Bonds, at par plus interest accrued, if the number of outstanding Bonds is less than 10% of the number of Bonds issued
Early redemption at the Bondholders' option	The Representative of the Body of Bondholders (<i>Représentant de la Masse</i>) may, upon decision of the general meeting of Bondholders, make all of the Bonds redeemable at a price equal to par plus interest accrued from the last Interest Payment Date (or, if applicable, since the Issue Date), if certain events occur

Early redemption at the Bondholders' option in the event of a change of control	In the case of a change of control of the Company, any Bondholder may, at its option, request the early redemption in cash of all or part of the Bonds at a price equal to par plus interest accrued from the last Interest Payment Date preceding the early redemption date (or, if applicable, since the Issue Date) until the effective redemption date
Conversion/Exchange Right	<p>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/Exchange Period</p> <p>The Issuer may elect to deliver new or existing Shares or a combination thereof</p>
Conversion/Exchange Period	At any time from July 1 st ,2009 until the seventh business day (inclusive) preceding the maturity date or the relevant early redemption date as the case may be, at the ratio of 1 Share per Bond (subject to customary adjustment provisions)
Dividend entitlement of the shares issued or deliverable following conversion and/or exchange of the Bonds	<p>Rights attached to new shares issued upon conversion:</p> <ul style="list-style-type: none">entitled to dividends from the first day of the fiscal year containing the exercise date of the conversion/exchange right <p>Rights attached to existing shares delivered upon exchange:</p> <ul style="list-style-type: none">currently entitled to dividends
Applicable Law	French law

DISCLAIMER

No communication and no information in respect of the offering by Peugeot S.A. 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 S.A. 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 and 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 have first been carried out in accordance with a private placement. The offer has been made to the public exclusively in France.

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.

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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 June 29th, 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.

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