



July 9th, 2010

China Changan Automobile Group and PSA Peugeot Citroën sign contract for automotive Joint Venture in China

- **Development of ranges of light commercial vehicles and passenger cars**
- **Launch of the Citroën DS line in China and introduction of a new brand**
- **Initial investment of RMB 8.4 billion (935 millions €*)**
- **Initial annual production capacity of 200,000 vehicles and engines at the Shenzhen plant**
- **R&D centre and development of vehicles powered by new energy sources**

Xu Bin, President of China South Industries Group Corporation, Changan's main shareholder, and Philippe Varin, Chairman of the PSA Peugeot Citroën Managing Board, have signed a contract to create an equally owned joint venture. The contract was signed on July 9 in Paris at a ceremony attended by Wu Bangguo, Chairman of the Standing Committee of the National People's Congress, Bernard Accoyer, President of the National Assembly of France and Gao Hucheng, Vice Minister of Commerce of the People's Republic of China

Pooling the expertise of two industry leaders, one Chinese and the other European, the joint venture will produce and market light commercial vehicles and passenger car line-ups in China. The partners will initially focus on introducing the Citroën DS line in China and launching a dedicated new brand for the venture. The contract also allows for the joint venture to market, at a later date, further vehicles under the partners' other brands, Peugeot and Changan.

Based in Shenzhen, in Guangdong Province, the joint venture will have initial annual production capacity of 200,000 vehicles and engines : these will meet the highest environmental standards. It will operate two production lines, through the renovation of an existing line and the building of a new line. Each will produce a specific range of vehicles. The joint venture will also have an R&D centre.

The new company will be capitalised at RMB 4 billion, to be shared equally by the two partners, and backed by an initial investment of RMB 8.4 billion.

The first vehicle is scheduled to be launched in second-half 2012.

The joint venture remains subject to final approval by the relevant authorities.

* Change : 1 € = 9 RMB



About Changan Auto Group

China Changan Auto Group Co., Ltd (hereafter China Changan) is a major conglomerate that was created through the restructuring of the automotive businesses of China South Industries Group Corp (CSGC) and Aviation Industry Corporation of China (Avichina). Headquartered in Beijing, the group is 77% owned by CSGC and 23% by Avichina. China Changan currently comprises 21 automobile production companies, including a number of joint ventures such as Changan Ford Mazda and Changan Suzuki. It has annual production capacity of more than 2.2 million units, with product line-ups ranging from passenger cars to light commercial vehicles. China Changan is China's fourth largest automaker with nearly 1.87 million vehicles manufactured and sold in 2009. In first-half 2010, it produced and sold close to 1.27 million vehicles, ranking it third in the market. China Changan's target is to manufacture and sell 2.2 million vehicles this year.

PSA Peugeot Citroën

With 3,188,000 vehicles sold worldwide in 2009 (1,856,000 in S1 2010), PSA Peugeot Citroën is Europe's second-largest carmaker and the European leader in light commercial vehicles with a 22.7% market share. Backed by its two internationally recognised brands, Peugeot and Citroën, the Group has sales and/or manufacturing operations in 160 countries around the world. It employs 180,000 people.

PSA Peugeot Citroën already produces and sells motor vehicles in China through DPCA, a joint venture with the DFM Group. It also imports vehicles, maintains an R&D and design centre in Shanghai and operates through its other subsidiaries: Faurecia (automotive equipment), GEFCO (logistics), Banque PSA Finance and Peugeot Motocycles. PSA Peugeot Citroën employs more than 16,000 people in China, either directly or through its joint ventures.

With more than 272,000 vehicles sold in 2009 – a 52% year-on-year increase – China is now the Group's second-largest market. In first-half 2010, PSA Peugeot Citroën's sales in China rose to 176,000 vehicles, gaining 49% in a market up 27%.

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