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**Changan PSA Automobile Co., Ltd joint venture receives approval of
China's National Development and Reform Commission**

The creation of Changan PSA Automobile Co., Ltd (CAPSA), a joint venture between China Changan Automobile Group and PSA Peugeot Citroën, has been approved by China's National Development and Reform Commission (NDRC) on July 12, 2011.

NDRC's approval signals the operational launch of the joint venture, which has capital of RMB 4 billion equally divided between the two partners. The total initial investment amounts to RMB 8.4 billion (€935 million), out of which RMB 4bn of equity.

The joint venture will combine the expertise of two industry leaders, Chinese and European, to manufacture and distribute passenger and light commercial vehicle ranges in China. The new entity will initially focus on introducing the Citroën DS line in China, as well as launching a dedicated JV new brand. The contract, signed in July 2010, also provides for the joint venture to market other vehicles under the partners' Peugeot and Changan brands.

With operations in Shenzhen, in Guangdong Province, the joint venture will have initial annual production capacity of 200,000 vehicles and engines, complying with the highest environmental standards. It will have two production lines – an existing line that will be renovated and a second one to be built. Each will produce a specific range of vehicles. The joint venture will also have an R&D centre.

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