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PSA and GM report progress on Strategic Alliance implementation

- **Confirm continued cooperation for two products based on PSA platforms in B-MPV and C-CUV segments**
- **Add a new generation B-segment light commercial vehicle cooperation**
- **Announce balanced cross vehicle manufacturing**
- **Proceed with purchasing collaboration and confirm early favorable results**
- **After detailed evaluation, the collaboration on a B segment platform and associated small petrol engine is dropped from consideration**

Paris/Russelsheim. PSA Peugeot Citroen (PSA) and General Motors (GM) today announced further steps in their strategic Alliance. The Alliance remains structured around the main pillars of joint programs, purchasing, and logistics, focused on Europe and is extended into cross manufacturing.

The two groups confirm the continued cooperation for two products based on PSA platforms – the B-MPV (multi-purpose vehicle) and C-CUV (crossover-utility vehicle) programs. Additionally, the partners will cooperate on new generation products in the light commercial vehicle B-segment, which are based on a PSA new generation platform. The first vehicles from the Alliance are expected to launch starting in 2016.

In addition, the parties will balance manufacturing – with each company producing one vehicle for the other. As announced in October, B-MPVs from both companies will be built in the GM España plant in Zaragoza. Today the partners announced they will build their future C-CUVs in the French PSA plant in Sochaux.



“The Alliance between PSA and GM is based on a balanced approach. The vehicles of both manufacturers will be highly differentiated and fully consistent with their respective brand characteristics,” said Dr. Karl-Thomas Neumann, GM Executive Vice President and President, Europe. “The partners are now focused on execution of the Alliance while remaining open to new opportunities.”

“These announcements show that the Alliance continues to progress and is a key component of the Group’s turnaround plans in Europe,” said Philippe Varin, Chairman of the Managing Board of PSA Peugeot Citroën.

The updated synergies expected from the Alliance are estimated at approximately \$1.2 billion by 2018. The synergies will be shared about evenly between the two companies.

GM and PSA also agreed to amend certain other terms of the Alliance. They will simplify the joint governance of the Alliance and remove as a ground for terminating the Alliance the failure to achieve a minimum number of cooperation programs within a specific time. They will also provide for a waiver of GM’s right to terminate the Alliance under certain conditions in the event certain parties take a stake in PSA, in which case such parties would support the Alliance and GM would vote any PSA shares it would then hold in favor of any such transaction.

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