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**PSA Peugeot Citroën seizes the initiative in Africa and the Middle East and signs a manufacturing agreement with the Kingdom of Morocco.**

- **€557 million in capital expenditure allocated to Morocco project**
- **Vehicle production to be aligned with the region's needs as of 2019**
- **Gradual ramp-up of production to support PSA Peugeot Citroën's business growth in the Africa-Middle East region**

Under the Chairmanship of His Majesty the King, Mohammed VI, King of Morocco, Carlos Tavares, Chairman of the Managing Board of PSA Peugeot Citroën and Moulay Hafid Elalamy, the Kingdom of Morocco's Minister for Industry, Trade, Investment and the Digital Economy signed an agreement at the Royal Palace in Rabat to build a plant in the commune of Ameur Sefia in Kenitra province, which will begin producing B and C segment engines and vehicles as from 2019, in order to meet the needs of the region and of Moroccan customers. Starting out with an initial production capacity of 90,000 engines and vehicles, the plant will ultimately raise output to 200,000 units in line with future market demand.

This plan will leverage the competitive supplier base in Morocco, which will benefit from the plant's gradual ramp-up of production, as well as the development of engineering operations required for the project. With a local content rate of 60% at the launch date ultimately rising to 80%, local automotive equipment suppliers are set to enjoy very sharp business growth.

The agreement rounds out the existing manufacturing facilities in Nigeria and those being negotiated in Iran, and allows the Group to lay the foundations today for its ambition of selling one million vehicles in the Africa-Middle East region by 2025. Africa and the Middle East are among the Group's historic markets, particularly for Peugeot, which is a well-established brand in the region. The Group boasts a strong foothold in certain markets (it is ranked first in Tunisia and second in Morocco), while Peugeot is the number two vehicle manufacturer in Algeria.

The regional strategy focuses on gradually expanding vehicle production capacity in the heart of the region to serve the Group's customers across the Africa-Middle East markets, where potential production volume is estimated to reach eight million vehicles by 2025.

Under this plan, the Africa-Middle East region will become PSA Peugeot Citroën's third largest profitable growth market.

Commenting on this new agreement, Carlos Tavares, Chairman of the Managing Board, said: "Africa and the Middle East are among PSA's historic markets and we must make this region a key driver of international growth as part of our Back in the Race plan. The agreement signed today with the Kingdom of Morocco will allow us to increase our production capacity in the heart of the region in order to achieve our goal of selling one million vehicles by 2025."

Moulay Hafid Elalamy, the Kingdom of Morocco's Minister for Industry, Trade, Investment and the Digital Economy said: "This capital spending project demonstrates once again the merits of Morocco's policy of fostering investment by the leading global manufacturers and puts Morocco at the centre of Africa's growing automotive industry, thanks to an established automotive ecosystem that combines all of the necessary skills in terms of manufacturing, engineering and sourcing."

#### **About PSA Peugeot Citroën**

*With its three world-renowned brands, Peugeot, Citroën and DS, PSA Peugeot Citroën sold 3 million vehicles worldwide in 2014. The second largest carmaker in Europe, PSA Peugeot Citroën recorded sales and revenue of €54 billion in 2014. The Group confirms its position of European leader in terms of CO<sub>2</sub> emissions, with an average of 110.3 grams of CO<sub>2</sub>/km in 2014. PSA Peugeot Citroën has sales operations in 160 countries. It is also involved in financing activities (Banque PSA Finance) and automotive equipment (Faurecia).*

*For more information, please visit [www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com)*

#### **Contacts:**

<b>Media Relations</b>		<b>Investor Relations</b>	
Jean-Baptiste Thomas	+33 6 78 15 84 59	Frédéric Brunet	+33 1 40 66 42 59
<a href="mailto:jean-baptiste.thomas@mpsa.com">jean-baptiste.thomas@mpsa.com</a>		<a href="mailto:frederic.brunet@mpsa.com">frederic.brunet@mpsa.com</a>	
Pierre-Olivier Salmon	+33 6 76 86 45 48	Karine Douet	+33 1 40 66 57 45
<a href="mailto:pierreolivier.salmon@mpsa.com">pierreolivier.salmon@mpsa.com</a>		<a href="mailto:karine.douet@mpsa.com">karine.douet@mpsa.com</a>	
Alain Le Gouguec	+33 6 42 59 27 84	Magalie Durreche	+33 1 40 66 48 27
<a href="mailto:alain.legouguec@mpsa.com">alain.legouguec@mpsa.com</a>		<a href="mailto:Magalie.durreche@mpsa.com">Magalie.durreche@mpsa.com</a>	