

Paris, 21 June 2016

PSA Group enters new phase in Iran with its Iran Khodro partnership

On Tuesday 21 June 2016, the PSA Group and Iran Khodro signed the final joint venture agreement to produce latest-generation vehicles in Iran.

The agreement not only marks the beginning of a new chapter in the two partners' history but will also open up new possibilities for customers in Iran, who will be offered vehicles built to the highest comfort, safety and environmental standards in this long-standing Peugeot market.

Commenting on the agreement, Jean-Christophe Quémard, Executive Vice-President, Middle East & Africa, said: "Today marks a crucial milestone in our project with Iran Khodro. The two partners conducted discussions as announced during President Hassan Rouhani's visit to Paris in January 2016. I am proud to be bringing the best in PSA Group technology to our Iranian customers."

This 50/50 joint venture is expected to invest up to €400 million over the next five years in manufacturing and R&D capacity. This investment will contribute to the development of a competitive manufacturing base for producing, launching and marketing Peugeot 208, 2008 and 301 models, fitted with latest-generation engines.

The agreement provides for:

- The creation of a joint venture on an industrial site in Tehran to produce new latest-generation Peugeot vehicles, on a platform that will also be used by Iran Khodro to develop its own vehicles.
- The capacity to export joint-venture products across the region.
- The restoration of contractual relations for the production of Peugeot-branded vehicles currently sold in Iran.

The first vehicles will roll off the production line at the Tehran plant in the second half of 2017.

The Iranian market reached a peak of 1.6 million vehicles in 2011. It should quickly regain this level and reach 2 million vehicles a year by 2022. Current estimates put the number of Peugeot cars on the road in Iran at more than 4 million.

Iran is a key component of PSA's development strategy in the Middle East & Africa region, which is the PSA Group's third-fastest growing international market.

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About PSA Group

With its three world-renowned brands, Peugeot, Citroën and DS, the PSA Group sold 3 million vehicles worldwide in 2015. Second largest carmaker in Europe, the PSA Group recorded sales and revenue of €54 billion in 2015. The Group confirms its position as European leader in terms of CO₂ emissions, with an average of 104.4 grams of CO₂/km in 2015. With a fleet of 1.8 million connected vehicles on the road worldwide, the Group is on the cutting edge of innovation in this field, and is expanding its services as a mobility provider. It is also involved in financing activities (Banque PSA Finance) and automotive equipment (Faurecia).

For more information, please visit groupe-psa.com/en