



## Peugeot S.A.

(A *société anonyme* established under the laws of the Republic of France)

**€750,000,000**

**8.375 per cent. Notes due 15 July 2014**

**Issue Price: 99.018 per cent.**

The €750,000,000 8.375 per cent notes due 15 July 2014 (the **Notes**) of Peugeot S.A. (the **Issuer**) will be issued outside the Republic of France on 15 July 2009 (the **Issue Date**).

Each Note bears interest on its principal amount from, and including 15 July 2009 to, but excluding, 15 July 2014 at the rate of 8.375 per cent. per annum payable annually in arrear on 15 July in each year commencing on 15 July 2010.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed in full at their principal amount on 15 July 2014. The Issuer may, and in certain circumstances shall, redeem the Notes, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the Notes – Redemption and Purchase" herein).

If a Put Event occurs, each Noteholder will have the option to require the Issuer to redeem or repurchase all or part of the Notes held by such Noteholder on the Put Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption or repurchase at the option of the Noteholders in case of Change of Control".

Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the **Luxembourg Act**) on prospectuses for securities, for the approval of this document as a prospectus for offers of the Notes for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) and for the purposes of the Luxembourg Act. Upon such approval, application will be made for (i) a certificate of approval under Article 18 of the Prospectus Directive as implemented in the Grand Duchy of Luxembourg to be issued by the CSSF to the competent authority in each of Belgium, Germany, the Netherlands and United Kingdom, and (ii) the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market which is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank SA/N.V. (**Euroclear**). The Notes will on the Issue Date be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title" below) including the depositary banks for Euroclear and Clearstream, Luxembourg.

The Notes will be issued in dematerialised bearer form in the denomination of €1,000 each. The Notes will at all times be represented in book-entry form (*dématérialisé*) in the books of the Account Holders in compliance with Articles L.211-3, L.211-4, L.211-16 and R.211-1 of the French *Code monétaire et financier*. No physical document of title will be issued in respect of the Notes.

The Notes have been assigned a rating of BBB- (credit watch negative) by Standard & Poor's Ratings Services and Baa3 (negative outlook) by Moody's Investors Service Limited. A rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. See **Risk Factors on page 12 of this Prospectus for certain information relevant to an investment in the Notes.**

### JOINT-LEAD MANAGERS

**BNP PARIBAS**

**DEUTSCHE BANK**

**NATIXIS**

### CO-LEAD MANAGERS

**MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC**

**COMMERZBANK CORPORATES & MARKETS**

The date of this Prospectus is 10 July 2009.

*This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of the Prospectus Directive and the Luxembourg Act on prospectuses for securities dated 10 July 2005 implementing the Prospectus Directive in Luxembourg.*

*The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information with respect to the Issuer and its consolidated subsidiaries (**filiales consolidées**) taken as a whole (the **Group**) and the Notes which is material in the context of the issue and offering of the Notes; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions or intentions expressed in this Prospectus with regard to the Issuer and the Group are honestly held or made, have been reached after considering all relevant circumstances and are based on reasonable assumptions; there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and the offering of the Notes, make any statement in this Prospectus misleading in any material respect; and all reasonable enquiries have been made to ascertain and verify the foregoing. The Issuer accepts responsibility accordingly.*

*This Prospectus may only be used for the purposes for which it has been issued.*

*This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes in jurisdictions in which no offer, solicitation or invitation is permitted. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions, including Belgium, Germany, the Republic of France, the Netherlands, United Kingdom and the United States, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.*

*Information contained in this Prospectus which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.*

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)).*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.*

*In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes.*

**See "Risk factors" for certain information relevant to an investment in the Notes.**

*In this Prospectus, references to "euro", "EURO", "Euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to "\$", "U.S.\$", "USD" and "U.S. dollars" are to United States dollars, references to "cents" are to United States cents, references to "yen", "JPY" and "¥" are to Japanese yen, references to "sterling", "GBP" and "£" are to pounds sterling and references to "CHF" are to Swiss francs.*

***IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.***

### **FORWARD-LOOKING STATEMENTS**

**This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.**

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## **PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS**

The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, confirms that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Peugeot S.A.  
75, avenue de la Grande Armée  
75016 Paris  
France

Duly represented by: Mr. Philippe VARIN  
*Président du Directoire*

## SUMMARY

*This summary must be read as an introduction to this Prospectus. Any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (the EEA) no civil liability will attach to any Responsible Persons in any such Member State in respect of this Summary unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the EEA, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

In this Prospectus, the terms “Peugeot S.A.” and “Company” refer to the company Peugeot S.A. The terms “PSA Peugeot Citroën” and the “Group” refer to the Company and all of its consolidated subsidiaries.

### A. INFORMATION RELATING TO THE ISSUER

#### **Corporate name, business sector and nationality**

Peugeot S.A., a French *société anonyme* with a management and supervisory board.

Sectoral Classification: “Consumer goods” 3000 sector, “Automobiles and equipment manufacturers” 3300, “Automobiles and equipment manufacturers” 3350, “Automobiles” 3353 of the ICB sectoral classification.

#### **Description of business**

PSA Peugeot Citroën is a world-class European automobile manufacturer whose two brands, Peugeot and Citroën, offer innovative, stylistically differentiated model line-ups. With marketing operations in 150 countries, the Group generates more than one third of its sales outside Western Europe. It is actively expanding its production base near its priority markets, with manufacturing facilities in Latin America, China and soon in Russia.

In addition to its automobile manufacturing business and in order to continue its growth, the Group benefits from an organization resting in particular on the following companies:

- Faurecia, a 70.86 per cent. owned subsidiary, is an automotive equipment manufacturer operating worldwide;
- Gefco, a wholly-owned subsidiary, is one of the world’s leading logistics specialists;
- Banque PSA Finance, a wholly-owned subsidiary, supplies financing worldwide for car buyers and Peugeot and Citroën car dealers.
- Peugeot Motorcycles (PMTC), a wholly-owned subsidiary, offers a full range of single and multi-speed scooters and mopeds.

The business activities of Peugeot S.A. are described in detail in chapter 6 of the Registration Document 2008.

## Selected financial information

This financial information is extracted from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2008 and 2007.

### Consolidated income statement

| <i>(in millions of euros)</i>                       | 2008                              |                   |             |              | 2007                              |                   |             |             |
|---|-----------------------------------|-------------------|-------------|--------------|-----------------------------------|-------------------|-------------|-------------|
|   | Manufacturing and sales companies | Finance companies | Adjustments | TOTAL        | Manufacturing and sales companies | Finance companies | Adjustments | TOTAL       |
| Sales and revenue                                   | 52,705                            | 2,088             | (437)       | 54,356       | 57,132                            | 1,999             | (455)       | 58,676      |
| Recurring operating income                          | (7)                               | 557               | -           | 550          | 1,144                             | 608               | -           | 1,752       |
| Non-recurring operating income and (expenses)       | (916)                             | (1)               | -           | (917)        | (632)                             | -                 | -           | (632)       |
| Operating income                                    | (923)                             | 556               | -           | (367)        | 512                               | 608               | -           | 1,120       |
| Consolidated profit (loss) for the year             | (858)                             | 358               | -           | (500)        | 405                               | 421               | -           | 826         |
| <i>Attributable to equity holders of the parent</i> | <i>(699)</i>                      | <i>356</i>        | <i>-</i>    | <i>(343)</i> | <i>467</i>                        | <i>418</i>        | <i>-</i>    | <i>885</i>  |
| <i>Attributable to minority interests</i>           | <i>(159)</i>                      | <i>2</i>          | <i>-</i>    | <i>(157)</i> | <i>(62)</i>                       | <i>3</i>          | <i>-</i>    | <i>(59)</i> |
| <b><i>(in euros)</i></b>                            |                                   |                   |             |              |                                   |                   |             |             |
| Basic earnings per €1 par value share               |                                   |                   |             | (1.51)       |                                   |                   |             | 3.88        |
| Diluted earnings per €1 par value share             |                                   |                   |             | (1.51)       |                                   |                   |             | 3.86        |

### Consolidated balance sheets

| <i>(in millions of euros)</i>       | December 31, 2008                 |                   |              |               | December 31, 2007                 |                   |              |               |
|-------------------------------------|-----------------------------------|-------------------|--------------|---------------|-----------------------------------|-------------------|--------------|---------------|
|                                     | Manufacturing and sales companies | Finance companies | Adjustments  | TOTAL         | Manufacturing and sales companies | Finance companies | Adjustments  | TOTAL         |
| <b>Assets</b>                       |                                   |                   |              |               |                                   |                   |              |               |
| Total non-current assets            | 21,610                            | 361               | (25)         | 21,946        | 22,472                            | 313               | -            | 22,785        |
| Total current assets                | 14,399                            | 26,020            | (645)        | 39,774        | 18,389                            | 28,455            | (654)        | 46,190        |
| <b>TOTAL ASSETS</b>                 | <b>36,009</b>                     | <b>26,381</b>     | <b>(670)</b> | <b>61,720</b> | <b>40,861</b>                     | <b>28,768</b>     | <b>(654)</b> | <b>68,975</b> |
| <b>Equity and Liabilities</b>       |                                   |                   |              |               |                                   |                   |              |               |
| <i>(in millions of euros)</i>       |                                   |                   |              |               |                                   |                   |              |               |
| Total equity                        |                                   |                   |              | 13,277        |                                   |                   |              | 14,555        |
| Total non-current liabilities       | 9,481                             | 474               | -            | 9,955         | 9,978                             | 388               | -            | 10,366        |
| Total current liabilities           | 16,170                            | 22,988            | (670)        | 38,488        | 19,222                            | 25,486            | (654)        | 44,054        |
| <b>TOTAL EQUITY AND LIABILITIES</b> |                                   |                   |              | <b>61,720</b> |                                   |                   |              | <b>68,975</b> |

### Quarterly sales and revenue at 31 March 2009 and 2008:

| <b>(in millions of euros) (unaudited)</b>          | <b>Q1 2008</b> | <b>Q1 2009</b> | <b>% Change</b> |
|--|----------------|----------------|-----------------|
| Automobile   | 11,269         | 8,678          | -23.0%          |
| Faurecia   | 3,245          | 2,008          | -38.1%          |
| GEFCO  | 925            | 664            | -28.2%          |
| Banque PSA Finance                                 | 524            | 462            | -11.8%          |
| Inter-operational adjustments and other activities | (1,346)        | (839)          |                 |
| PSA Peugeot Citroën                                | 14,615         | 10,973         | -24.9%          |

### Principal risk factors relating to the Company and to its business

The principal risk factors specific to the Group are described on pages 15 *et seq.* of the Registration Document 2008 (Chapter 4) and include, in particular:

- Risks related to the Group's markets and business, in particular: market cycle and country risks (the automobile market may be subject to cyclical fluctuations that may have a negative impact on Group earnings), new vehicle development, launch and marketing risks, Customer and Dealer Risk, Raw Materials Risk, Supplier Risk, Risks Specific to Faurecia;
- Industrial and environmental risks: an incident at one of the Group's manufacturing facilities may compromise the production and marketing of vehicles, leading to several hundred million euros of losses;
- Banque PSA Finance risk exposures, in particular: Banque PSA Finance financing risks, credit risk, liquidity and credit rating risks;
- Financial market risks: the Group is exposed to exchange rate risks and to interest rate risks as well as other market risks related in particular to fluctuations in the equity markets. The Group is also exposed to counterparty and liquidity risks;
- Legal and contractual risks.

### **Recent trends in financial results and outlook**

A large number of government-backed scrappage schemes have had an impact in Germany and several other European countries, where they have had a favourable effect on local market volumes. While the European market is still down in 2009, the Group's best current estimate now indicates approximately a 12 per cent. decline in unit sales, rather than the previously forecast 20 per cent for 2009 as compared to 2008. In this environment, the market segment mix is however shifting sharply to smaller models which generally have smaller margins, while promotional activity is becoming more aggressive.

In addition, a number of uncertainties remain:

- Whether or not government support programmes will be pursued in 2010. If not, fourth-quarter production will be scaled back.
- The amount of sales and marketing resources to be committed to maintain the two brands' market share.
- The support that the Group may have to provide for suppliers.
- Exchange rates, raw materials prices and other external factors.

Considering the current market situation and uncertainties (as described in the Update RD 2008), scenarios used for the financial forecasts and conservative financing management indicate a current operating income (loss) forecast for the Group for 2009 between €(1,000) million and €(2,000) million.

In March 2009, the Company obtained a €3-billion long-term loan from the French State. In April 2009, the Company obtained a €400-million four-year bullet loan from the European Investment Bank (EIB). On 23 June 2009, Peugeot S.A. launched an offering of bonds due 1 January 2016, convertible into and/or exchangeable for new or existing shares (OCEANE) for an amount of €575 million.

The Group believes that it is not exposed to any liquidity risks over the next twelve months as any liquidity needs have been met by the loans granted by the French State and the EIB and by the proceeds of the OCEANE.

On 25 June 2009, Standard & Poor's Ratings Services placed its 'BBB-/A-3' long- and short-term corporate credit ratings on French automotive manufacturer Peugeot S.A. (PSA) on CreditWatch with negative implications

## B. INFORMATION RELATING TO THE ISSUE

|  |   |
|--|---|
| <b>Risk Factors (Notes)</b>                    | There are certain factors which are material for the purposes of assessing the market risks associated with the Notes. These are set out under " <i>Risk Factors</i> " below and include certain factors affecting the value and trading price of the Notes, certain considerations regarding the redemption risk, the credit rating risks, the volatility risks of the trading market for the Notes, the market value of the Notes, the exchange rate risks, a change of law or an absence of legal or tax advice. |
| <b>Joint Lead Managers</b>                     | BNP Paribas<br><br>Deutsche Bank AG, London Branch<br><br>Natixis   |
| <b>Co-Lead Managers</b>                        | Mitsubishi UFJ Securities International plc<br><br>Commerzbank Aktiengesellschaft   |
| <b>Fiscal Agent and Principal Paying Agent</b> | BNP Paribas Securities Services   |
| <b>The Notes</b>                               | Euro 750,000,000 8.375 per cent. Notes due 15 July 2014.  |
| <b>Issue Price</b>                             | In respect of any Note, 99.018 per cent. of the nominal amount of such Note.  |
| <b>Issue Date</b>                              | 15 July 2009.   |
| <b>Use of Proceeds</b>                         | General financing needs of the Group as more fully described in the <i>Use of Proceeds</i> section of this Prospectus.  |
| <b>Form of Notes</b>                           | Notes will be issued in book-entry dematerialised bearer form.  |
| <b>Interest</b>                                | Each Note will bear interest on its principal amount from, and including, 15 July 2009 to, but excluding, 15 July 2014 at the rate of 8.375 per cent. per annum payable annually in arrear on 15 July in each year, commencing on 15 July 2010.   |
| <b>Denominations of Notes</b>                  | The Notes will be offered and sold, and may only be transferred, in nominal amounts of €1,000.  |
| <b>Taxation</b>                                | As the Notes constitute <i>obligations</i> under French law, payments of interest and other similar revenues to non-French resident Noteholders under the Notes benefit from the exemption from withholding tax set out under Article 125 A III of the French <i>Code général des impôts</i> , as provided by Article 131 <i>quater</i> of the French <i>Code général des impôts</i> (see Condition 7 ( <i>Taxation</i> ) of the Terms and Conditions of the Notes).  |

Accordingly, such payments do not give the right to any tax credit from any French source.

Investors should carefully review the "Taxation" section of this Prospectus. Each prospective holder or beneficial owner of Notes should consult its tax adviser as to the tax consequences in Belgium, Germany, Republic of France, the Grand Duchy of Luxembourg, the Netherlands and the United Kingdom (as applicable) of any investment in or ownership and disposition of the Notes.

#### **Status of the Notes**

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with any other present or future, unsecured and unsubordinated obligations of the Issuer from time to time outstanding without preference or priority by reason of date of issue, currency of payment or otherwise.

#### **Negative Pledge**

The terms of the Notes contain a negative pledge provision as described under Condition 3 (*Negative Pledge*) of the Terms and Conditions of the Notes.

#### **Change of Control**

The terms of the Notes provide the Noteholders with an option to redeem the Notes prior to their Maturity Date in the event of a Change of Control as set out in Condition 5.1(c) (*Redemption and Purchase – Redemption or repurchase at the option of the Noteholders in case of Change of Control*) of the Terms and Conditions of the Notes.

#### **Events of Default**

The terms of the Notes contain event of default provisions as described under Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes.

#### **Rating**

The Notes have been assigned a rating of BBB- (credit watch negative) by Standard & Poor's Ratings Services and Baa3 (negative outlook) by Moody's Investors Service Limited. A rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

#### **Listing and admission to trading**

Application has been made to the CSSF in its capacity as competent authority under the Luxembourg Act on prospectuses for securities, for the approval of this document as a prospectus for offers of the Notes for the purposes of Article 5.3 of the Prospectus Directive and for the purposes of the Luxembourg Act. Upon such approval, application will be made for (i) a certificate of approval under Article 18 of the Prospectus Directive as implemented in the Grand Duchy of Luxembourg to be

issued by the CSSF to the competent authority in each of Belgium, Germany, the Netherlands and United Kingdom, and (ii) the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market.

**Governing Law**

The Notes will be governed by, and construed in accordance with, French law.

**Selling Restrictions and Public Offer**

There are restrictions on the sale of Notes and the distribution of offering material — see "*Subscription and Sale*" below.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Many of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### RISK FACTORS RELATING TO THE ISSUER

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes include (i) Market and Business Risks; (ii) Industrial and Environmental Risks; (iii) Finance Risk Exposures; (iv) Financial Market Risks and (v) Legal and Contractual Risks. For further details, see pages 15 to 26 of the 2008 *Document de Référence* of the Issuer (English version) the French version of which was filed with the French *Autorité des marchés financiers* under number D.09-0309 on 24 April 2009 and which is incorporated by reference into this Prospectus.

#### French Insolvency Law

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in case of the opening in France of a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Euro Medium Term Notes programme) and regardless of their governing law.

The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable in these circumstances.

## **RISK FACTORS RELATING TO THE NOTES**

### **Investors**

Prospective investors should be experienced with respect to transactions on capital markets and notes and should understand the risks of transactions involving the Notes.

They should reach an investment decision only after careful consideration of the information set forth in the Prospectus and general information relating to the Notes.

Potential investors should ensure that they have sufficient financial resources to bear the risks of purchase of the Notes.

Each potential investor should have sufficient knowledge of the nature of the Notes, the merits and risks of investing in the relevant Notes and verifying the suitability of such investment in light of its particular financial situation.

Each potential investor should have access to, and knowledge of, appropriate analytical tools to evaluate legal, fiscal, accounting and regulatory aspects of the purchase of the Notes.

Each potential investor should be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Certain potential investors are subject to restricting investment regulation. These potential investors should consult their legal counsel in order to determine whether investment in the Notes is authorised by law, whether such investment is compatible with their other borrowings and whether other selling restrictions are applicable to them.

### **Redemption risk**

The Notes may be redeemed in whole (but not in part) at the option of the Issuer at any time for certain taxation reasons.

In certain circumstances, the Issuer will be required to redeem the Notes (in whole but not in part) for taxation reasons.

See Condition 5 (*Redemption and Purchase*) of the Terms and Conditions of the Notes.

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at the same rate of return as that provided by their investment in the Notes.

### **Credit Ratings may not reflect all risks**

The Notes have been assigned a rating of BBB- (credit watch negative) by Standard & Poor's Ratings Services and Baa3 (negative outlook) by Moody's Investors Service Limited. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### **The trading market for the Notes may be volatile and may be adversely impacted by many events**

The market for debt securities is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

### **An active trading market for the Notes may not develop**

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy back the Notes (which shall then be cancelled) and to issue further notes to be assimilated (*assimilables*) with the Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

### **Market Value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Group (including the Issuer) taken as a whole and a number of additional factors, including but not limited to, market interest and yield rates and the time remaining to the maturity date. The value of the Notes depends upon a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### **Exchange Rate**

Prospective investors in the Notes should be aware that an investment in the Notes may involve exchange rate risks. The Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction and/or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

### **Change of Law**

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

### **No Legal and Tax Advice**

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

**Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.**

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Prospectus:

- (1) The 2007 Registration Document of the Issuer (English version) a French version of which was filed with the French *Autorité des marchés financiers* under number D.08-0281 on 23 April 2008 including the audited statutory annual and consolidated financial statements of the Issuer for the year ended 31 December 2007 except that the statements by M. Christian Streiff on page 298 referring to the *lettre de fin de travaux* of the statutory auditors shall not be deemed to be incorporated herein (**Registration Document 2007** or **RD 2007**);
- (2) The 2008 Registration Document of the Issuer (English version) a French version of which was filed with the French *Autorité des marchés financiers* under number D.09-0309 on 24 April 2009 including the audited statutory annual and consolidated financial statements of the Issuer for the year ended 31 December 2008 except that the statements by M. Roland Vardanega on page 6 referring to the *lettre de fin de travaux* of the statutory auditors shall not be deemed to be incorporated herein (**Registration Document 2008** or **RD 2008**);
- (3) The Update of the 2008 Registration Document of the Issuer (English version) a French version of which was filed with the French *Autorité des marchés financiers* under number D.09-0309-A01 on 22 June 2009 except that the statements by M. Philippe Varin on page 4 referring to the *lettre de fin de travaux* of the statutory auditors shall not be deemed to be incorporated herein (**Update RD 2008**);

Copies of documents incorporated by reference in this Prospectus can be obtained free of charge from the principal office of the Issuer and from the specified offices of the Listing Agent for the time being in Luxembourg. The Prospectus will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the Issuer's website ([www.psa-peugeot-citroen.com](http://www.psa-peugeot-citroen.com)).

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Any information not listed in the cross reference list above but included in the documents incorporated by reference is given for information purposes only.

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes (the **Terms and Conditions**) will be as follows:

The issue outside the Republic of France of the Euro 750,000,000 8.375 fixed rate Notes due 15 July 2014 (the **Notes**) of Peugeot SA (the **Issuer**) has been authorised by a resolution of the *Conseil de Surveillance* (Supervisory Board) of the Issuer dated 17 June 2009, a resolution of the *Directoire* (Management Board) of the Issuer dated 1<sup>st</sup> July 2009 and a decision of Mr Frédéric SAINT-GEOURS, in his capacity as member of the Management Board, dated 8 July 2009.

An agency agreement (the **Agency Agreement**) dated 10 July 2009 has been agreed between the Issuer, BNP Paribas Securities Services, as fiscal agent and principal paying agent (the **Fiscal Agent** and the **Paying Agent** which expressions shall where the context so admits, include the Fiscal Agent and the Paying Agent and any successors for the time being of respectively the Fiscal Agent and the Paying Agent) and BNP Paribas Securities Services, Luxembourg branch, as Luxembourg listing agent (the **Listing Agent**) in relation to the Notes. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Paying Agent. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. FORM, DENOMINATION AND TITLE

The Notes will be issued in book-entry dematerialised bearer form (*au porteur*) in the denomination of Euro 1,000 and will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the relevant Euroclear France Account Holders (as defined below) entitled to hold directly or indirectly accounts with Euroclear France, including the depositary banks of Euroclear Bank SA/NV (**Euroclear**) and of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and therefore no physical document of title (including "*certificats représentatifs*" pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. Title to the Notes will be evidenced in accordance with Articles L.211-3, L.211-4, L.211-16 and R.211-1 of the French *Code monétaire et financier*.

For the purpose of these Terms and Conditions **Euroclear France Account Holders** shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France and include the depositary banks of Euroclear and of Clearstream, Luxembourg.

### 2. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)), unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with any other present or future, unsecured and unsubordinated obligations of the Issuer from time to time outstanding without preference or priority by reason of date of issue, currency of payment or otherwise.

### 3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist and will procure that none of the Principal Subsidiaries (as defined below) will create or permit to subsist any mortgage, charge, pledge or other security interest upon any of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) incurred or guaranteed by it (whether before or after the issue of the Notes) unless the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purposes of these Conditions,

**Principal Subsidiary** means at any time, any Subsidiary (as defined below) of the Issuer (a) whose total assets or sales and revenue (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or consolidated sales and revenue, as the case may be) attributable to the Issuer represent more than 10 per cent. of the total consolidated assets or the consolidated sales and revenue of the Issuer, all as calculated by reference to the then latest audited accounts (or audited consolidated accounts as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries, or (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, and "Principal Subsidiaries" shall be construed accordingly.

**Relevant Indebtedness** means any indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which are, are to be, or are capable of being, quoted, listed, or ordinarily traded on any stock exchange, or on any over-the-counter securities market or other securities market.

**Subsidiary** means, with respect to any person at any particular time, any entity which is then directly or indirectly controlled (within the meaning of Article L.233-3 of the French *Code de commerce*), or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by such person and/or one or more of its Subsidiaries.

#### 4. INTEREST

- (a) Each Note bears interest on its principal amount from, and including, 15 July 2009 (the **Interest Commencement Date**) to, but excluding, 15 July 2014 at the rate of 8.375 per cent. per annum, payable annually in arrear on 15 July in each year (each an **Interest Payment Date**) commencing on 15 July 2010.
- (b) Each Note will cease to bear interest from the due date for redemption unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event such Note shall continue to bear interest in accordance with this Condition (both before and after judgment) on the principal amount of such Note until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day five days after the Fiscal Agent has notified the Noteholders of receipt of all sums due in respect of all the Notes up to that fifth day.
- (c) Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

For the purpose of this Condition 4, **Interest Period** means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

#### 5. REDEMPTION AND PURCHASE

The Notes may not be redeemed prior to 15 July 2014, except for taxation reasons, following a Change of Control or following an Event of Default in each case as provided below.

## 5.1 Redemption

### (a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed in full at their principal amount on 15 July 2014.

### (b) *Redemption for Taxation Reasons*

- (i) If at any time, by reason of a change in French law, or any change in the official application or interpretation of such law, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as described in Condition 7 (*Taxation*), the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay additional amounts as described in Condition 7 (*Taxation*), and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as described in Condition 7 (*Taxation*), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, and upon giving not less than seven (7) days' prior notice to the Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with interest accrued to the date fixed for redemption on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

### (c) *Redemption or repurchase at the option of the Noteholders in case of Change of Control*

If a Put Event (as defined below) occurs, each Noteholder will have the option to require the Issuer to redeem or repurchase all or part of the Notes held by such Noteholder on the Put Date (as defined below) at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase. Such option (the **Put Option in case of Change of Control**) shall operate as set out below.

#### (A) A **Put Event** will be deemed to occur if:

- (i) Any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Persons**) acquires directly or indirectly more than 50 per cent. of the total voting rights or of the issued ordinary share capital of the Issuer (or any successor entity), (any such event being a **Change of Control** except in the case of Permitted Restructuring); and
- (ii) on the date notified to the Noteholders by the Issuer in accordance with Condition 10 (*Notices*) (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the Change of Control; and (y) the date of the earliest Relevant Contemplated Change of

Control Announcement; either the Notes or the senior unsecured long-term debt of the Issuer carries from any of Moody's Investors Service Limited (**Moody's**), or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**) or any of their respective successors to the rating business thereof, or any other rating agency (each a **Substitute Rating Agency**) of international standing (each, a **Rating Agency**), in each case at the express request of the Issuer for the purposes of obtaining a credit rating:

- (x) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is, within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not, within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
- (y) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency;

provided that, for the avoidance of doubt,

1. any such decision of the relevant Rating Agency referred to in (x) or (y) above shall not be deemed to have occurred in respect of a particular Change of Control if such Rating Agency does not publicly announce or confirm that such decision was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; and
  2. if at the time of the occurrence of a Change of Control neither the Notes nor the senior unsecured long-term debt of the Issuer is rated by a Rating Agency, and no Rating Agency assigns within the Change of Control Period an investment grade rating to the Notes, a Put Event will be deemed to have occurred.
- (B) Promptly upon the Issuer becoming aware that a Put Event has occurred the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 10 (*Notices*) specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the option contained in this Condition.
- (C) To exercise the Put Option in case of Change of Control to require redemption or repurchase of the Notes, any Noteholder must transfer or cause to be transferred the Notes to be so redeemed or repurchased to the account of the Paying Agent and deliver to the Issuer a duly completed redemption or repurchase notice in writing (a **Change of Control Put Notice**), in which such Noteholder will specify a bank account to which payment is to be made under this paragraph, within the period (the **Put Period**) of 60 days after a Put Event Notice is given (except where (i) the Noteholder gives the Issuer written notice of the occurrence of a Put Event of which it is aware and (ii) the Issuer fails to give a Put Event Notice to the Noteholders by close of business of the third Business Day after the receipt of such notice from the

Noteholder, in which case the Put Period will start from such third Business Day and will end on the day falling 60 days thereafter).

A Change of Control Put Notice once given shall be irrevocable. The Issuer shall redeem or repurchase the Notes in respect of which the Put Option in case of Change of Control has been validly exercised as provided above and subject to the transfer of the Notes, on the date which is the fifth Business Day following the end of the Put Period (the **Put Date**). Payment in respect of such Notes will be made by transfer to the bank account specified in the Change of Control Put Notice.

(D) For the purposes of this Condition:

**Change of Control Period** means the period commencing on the Relevant Announcement Date, and ending 180 days (inclusive) after the occurrence of the relevant Change of Control (or such longer period for which the Notes or the senior unsecured long-term debt of the Issuer are under consideration (such consideration having been announced publicly within the period ending 120 days after the occurrence of the relevant Change of Control) for rating review or, as the case may be, rating by, a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

**Permitted Restructuring** means any event which would constitute a Change of Control of the Issuer pursuant to which Change of Control is obtained by the Principal Shareholders or by persons controlled within the meaning of Article L.233-3 of the French *Code de commerce* by the Principal Shareholders;

**Principal Shareholders** means Etablissements Peugeot Frères, La Française de Participations Financières; Foncière Financière et de Participations and Comtoise de Participation and their respective successors; and

**Relevant Contemplated Change of Control Announcement** means any public announcement or statement by the Issuer or any Relevant Person thereto relating to any Change of Control being contemplated.

(d) *Notice of redemption*

All Notes in respect of which any notice of redemption is given by the Issuer under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

## 5.2 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise at any price.

## 5.3 Cancellation

All Notes which are redeemed or purchased by or on behalf of the Issuer pursuant to paragraph 5.1(a), (b)(i), (b)(ii), (c) or 5.2 of this Condition 5 will be cancelled and accordingly may not be reissued or sold.

## 6. PAYMENTS

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in Euro by transfer to an account denominated in Euro (or any other account to which Euro may be credited or transferred).

Such payments shall be made for the benefit of the Noteholders to the Euroclear France Account Holders.

All payments validly made to such Euroclear France Account Holders will be an effective discharge of the Issuer in respect of such payment.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the Paying Agent, the relevant Euroclear France Account Holder or, as the case may be, the person shown in the records of Euroclear France, Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders in respect of such payments.

(b) *Payments on Business Days*

If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment. For the purposes of this paragraph (b) **Business Day** means any day, not being a Saturday or a Sunday, which is a **TARGET Settlement Day** and on which Euroclear France is open. **TARGET Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is operating.

(c) *Fiscal Agent and Paying Agent*

The name of the initial Fiscal Agent and Paying Agent are as follows:

BNP Paribas Securities Services  
Immeuble Tolbiac  
25, quai Panhard et Levassor  
75013 Paris

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent and/or Paying Agent or approve any change in the office through which the Fiscal Agent or Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the applicable rules of that stock exchange so require, a Paying Agent (which may be the Fiscal Agent) having a specified office in Luxembourg or authorised to act as paying agent in Luxembourg. Notice of any change of Fiscal Agent and/or Paying Agent or of any change in its office will be published in accordance with Condition 10 (*Notices*).

## 7. TAXATION

### (a) *Tax Exemption*

The Notes being *obligations* under French law will be deemed to be issued outside the Republic of France in accordance with Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998 as supplemented by rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009 of the French tax authorities and, accordingly, under current French law, interest and other revenues in respect of the Notes will benefit from the exemption from deduction of tax at source on account of French taxes provided by Article 131 *quater* of the French *Code général des impôts*. Accordingly, such payments will not give the right to any tax credit from any French source.

### (b) *Additional Amounts*

If French law should require that any payment of principal or interest in respect of the Notes be subject to withholding for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any authority therein or thereof having power to tax (together, **taxes**), the Issuer will, to the extent then permitted by law, pay such additional amounts as may be necessary in order that the Noteholders, after such deduction or withholding, receive the full amount provided in such Notes to be then due and payable; provided, however that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a Noteholder or a beneficial owner (*ayant droit*):

- (i) who is liable for such taxes in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or
- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) who would be able to avoid such withholding or deduction by requesting payment under the relevant Note to another Paying Agent in a member State of the European Union.

## 8. EVENTS OF DEFAULT

If any of the following events (each an **Event of Default**) shall occur:

- (a) default in any payment when due of interest on any of the Notes, and the continuance of any such default for a period of seven (7) days thereafter; or
- (b) default in the performance of, or compliance with, any other obligation of the Issuer under the Notes, if such default shall not have been remedied within 20 days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 9(b) (*Representation of the Noteholders – Legal Personality*)); or
- (c) if any other present or future indebtedness for borrowed monies or guarantee thereof (including contingent obligations) of the Issuer or any Principal Subsidiary (as defined in Condition 3 (*Negative Pledge*)) in excess of Euro 15,000,000 or its equivalent in any other currency, individually or in the aggregate, shall become due and payable prior to its originally stated maturity as a result of a default thereunder, or any such indebtedness or guarantee thereof (including contingent obligations) of the Issuer or any Principal Subsidiary shall not be paid when due or, as the case may be, within any applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or guarantee thereof (including contingent obligations) of the Issuer or any Principal Subsidiary which shall not be honoured when due and called upon; or

- (d) if the Issuer or any Principal Subsidiary is dissolved or liquidated, or is merged or consolidated into another company or entity unless (i) the pro-forma balance sheet of the legal entity surviving such merger or consolidation shows, as at the date of such merger or consolidation, a shareholders' equity equivalent to or greater than that of the merged or consolidated entity on the day before the date of such merger or consolidation and (ii), as regards the Issuer only, the legal entity surviving such merger or consolidation is a corporation established in a member country of the European Community, Switzerland or in the United States of America and expressly assumes all the obligations of the Issuer under the Notes and has obtained all necessary authorisation therefor, and (iii) notice of such merger or consolidation shall have been given to the Noteholders as provided under Condition 10 (*Notices*) below not later than the effective date thereof; or
- (e) if the Issuer or any of its Principal Subsidiaries established in France (i) becomes insolvent or (ii) applies for or is subject to the appointment of a *mandataire ad hoc* under French bankruptcy law or (iii) has entered into a voluntary arrangement with its creditors (*procédure de conciliation ou procédure de sauvegarde*) or (iv) is subject to a judgment rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole or part of the business (*cession totale ou partielle de l'entreprise*) or (v) is subject to any analogous proceedings under any applicable law; or
- (f) any Principal Subsidiary of the Issuer not established in France is adjudicated or found bankrupt or insolvent or stops or threatens to stop payment or is found unable to pay its debts or any order is made by any competent court or administrative agency for, or a resolution is passed by it for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to it or any event occurs which under the law of any relevant jurisdiction has an analogous or equivalent effect;

then any Noteholder may, by notice in writing to the Issuer and the Fiscal Agent before all continuing Events of Default shall have been remedied, cause the Notes held by such Noteholder to become immediately due and payable whereupon they shall become immediately due and payable at their principal amount together with any accrued interest thereon. The occurrence of any Event of Default must be notified by or on behalf of the Issuer to the Noteholders by a publication in accordance with the provisions of Condition 10 (*Notices*).

## 9. REPRESENTATION OF THE NOTEHOLDERS

### (a) *The Masse*

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

In accordance with Article L.228-90 of the French *Code de commerce*, the Masse will be governed by the provisions of the French *Code de commerce* applicable to the Masse (with the exception of the provisions of Articles L.228-48, L.228-59, the second sentence of L.228-65-II, L.228-71, R.228-63, R.228-67 and R.228-69 thereof) subject to the following provisions:

### (b) *Legal Personality*

The Masse will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

(c) *Representative*

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer; the members of its *Directoire* (Management Board), its *Directeurs Généraux* (general managers), its statutory auditors, its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least 10 per cent. of the share capital of the Issuer or of which the Issuer possesses at least 10 per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers, members of their board of directors, management board or supervisory board, their statutory auditors, and their ascendants, descendants and spouses;
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The Representative shall be:

Alice Bonardi  
BNP Paribas  
3 rue Taitbout  
75009 Paris

The Alternate Representative shall be:

Anne Besson-Imbert  
BNP Paribas  
10 Harewood Avenue  
London NW1 6AA

In the event of death, incompatibility, resignation or revocation of the Representatives, a substitute representative will be elected by a meeting of the general meeting of Noteholders.

The Representative shall not be entitled to any remuneration.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Paying Agent.

(d) *Powers of the Representative*

The Representative shall, in the absence of any decision to the contrary of the general meeting of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, in order to be valid, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

(e) *General Meetings of Noteholders*

General meetings of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the outstanding principal amount of the Notes may address to the Issuer a demand for convocation of the general meeting; if such general meeting has not been convened within two months from such

demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general meeting will be published as provided under Condition 10 (*Notices*) not less than fifteen calendar days prior to the date of the general meeting.

Each Noteholder has the right to participate in meetings of the Masse in person or by proxy. Each Note carries the right to one vote.

(f) *Powers of General Meetings*

A general meeting is empowered to deliberate on the fixing of the remuneration, dismissal or replacement of the Representative and may also act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A general meeting may further deliberate on any proposal relating to the modification of the Conditions, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares of the Issuer or any other entity.

Meetings of a general meeting may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of zero hour, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general meeting.

(g) *Notice of Decisions*

Decisions of the general meeting must be published in accordance with the provisions set out in Condition 10 (*Notices*) not more than 90 calendar days from the date of the meeting thereof.

(h) *Information to the Noteholders*

Each Noteholder or representative thereof will have the right, during the fifteen calendar days period preceding the holding of each meeting of a general meeting, to consult or make a copy of the text of the resolutions which will be proposed, and of the reports which will be presented at the general meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of the general meeting.

(i) *Expenses*

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved

upon by a general meeting of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

#### **10. NOTICES**

Any notice to the Noteholders will be valid if delivered to Euroclear France, Euroclear and Clearstream, Luxembourg for so long as the Notes are cleared through such clearing systems, except that, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that stock exchange so require, such notice shall also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or, at the option of the Issuer, in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable, notice shall be validly given if published in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

#### **11. PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

#### **12. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders issue further Notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further Notes and the Notes shall carry rights identical in all respects (or in all respects save for the amount, the issue price and date of the first payment of interest thereon) and that the terms of such further Notes shall provide for such assimilation.

In the event of such assimilation, the Noteholders and the holders of such further notes will be grouped together in a single masse for the defence of their common interests.

#### **13. GOVERNING LAW AND JURISDICTION**

The Notes and the Agency Agreement are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the jurisdiction of the competent courts in Paris.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes are estimated to be approximately € 739,447,500 and will be used for the general financing needs of the Group. They will also enable the Group to finance its existing and future development projects in the automobile business. In this difficult environment, the Group intends to pursue its investments and spending plans to develop strategic products (Peugeot 5008 in the second half of 2009, a three-cylinder, one-litre petrol engine on the Trémery site) and innovative solutions in terms of technology (engine efficiency, hybrid technology and electric motors) as well as to continue its geographic expansion (in particular the construction sites in Kaluga, Russia and Wuhan, China). The capital will also strengthen the Group's financial structure and extend the maturity profile of its debt, noting that no significant repayment maturity date exists prior to 2011 (which corresponds to a 2001 bond issue of approximately €1.6 billion).

## **DESCRIPTION OF THE ISSUER**

Please refer to the section *Documents Incorporated by Reference* on pages 15 to 18 of this Prospectus.

## RECENT DEVELOPMENTS

### 1. SELECTED FINANCIAL INFORMATION

This financial information is extracted from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2008 and 2007.

#### 1.1 Consolidated income statement

| <i>(in millions of euros)</i>                       | 2008                              |                   |             |              | 2007                              |                   |             |             |
|---|-----------------------------------|-------------------|-------------|--------------|-----------------------------------|-------------------|-------------|-------------|
|   | Manufacturing and sales companies | Finance companies | Adjustments | TOTAL        | Manufacturing and sales companies | Finance companies | Adjustments | TOTAL       |
| Sales and revenue                                   | 52,705                            | 2,088             | (437)       | 54,356       | 57,132                            | 1,999             | (455)       | 58,676      |
| Recurring operating income                          | (7)                               | 557               | -           | 550          | 1,144                             | 608               | -           | 1,752       |
| Non-recurring operating income and (expenses)       | (916)                             | (1)               | -           | (917)        | (632)                             | -                 | -           | (632)       |
| Operating income                                    | (923)                             | 556               | -           | (367)        | 512                               | 608               | -           | 1,120       |
| Consolidated profit (loss) for the year             | (858)                             | 358               | -           | (500)        | 405                               | 421               | -           | 826         |
| <i>Attributable to equity holders of the parent</i> | <i>(699)</i>                      | <i>356</i>        | <i>-</i>    | <i>(343)</i> | <i>467</i>                        | <i>418</i>        | <i>-</i>    | <i>885</i>  |
| <i>Attributable to minority interests</i>           | <i>(159)</i>                      | <i>2</i>          | <i>-</i>    | <i>(157)</i> | <i>(62)</i>                       | <i>3</i>          | <i>-</i>    | <i>(59)</i> |
| <b><i>(in euros)</i></b>                            |                                   |                   |             |              |                                   |                   |             |             |
| Basic earnings per €1 par value share               |                                   |                   |             | (1.51)       |                                   |                   |             | 3.88        |
| Diluted earnings per €1 par value share             |                                   |                   |             | (1.51)       |                                   |                   |             | 3.86        |

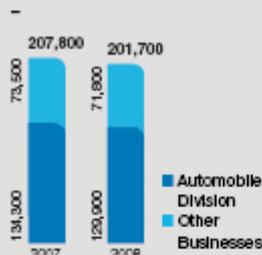
#### 1.2 Consolidated balance sheets

| <i>(in millions of euros)</i> | December 31, 2008                 |                   |              |               | December 31, 2007                 |                   |              |               |
|-------------------------------|-----------------------------------|-------------------|--------------|---------------|-----------------------------------|-------------------|--------------|---------------|
|                               | Manufacturing and sales companies | Finance companies | Adjustments  | TOTAL         | Manufacturing and sales companies | Finance companies | Adjustments  | TOTAL         |
| <b>Assets</b>                 |                                   |                   |              |               |                                   |                   |              |               |
| Total non-current assets      | 21,610                            | 361               | (25)         | 21,946        | 22,472                            | 313               | -            | 22,785        |
| Total current assets          | 14,399                            | 26,020            | (645)        | 39,774        | 18,389                            | 28,455            | (654)        | 46,190        |
| <b>TOTAL ASSETS</b>           | <b>36,009</b>                     | <b>26,381</b>     | <b>(670)</b> | <b>61,720</b> | <b>40,861</b>                     | <b>28,768</b>     | <b>(654)</b> | <b>68,975</b> |

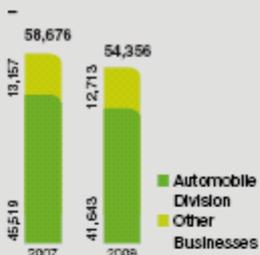
#### 1.3 Quarterly sales and revenues at 31 March 2009 and 2008:

| <b>(in millions of euros) (unaudited)</b>          | <b>Q1 2008</b> | <b>Q1 2009</b> | <b>% Change</b> |
|--|----------------|----------------|-----------------|
| Automobile   | 11,269         | 8,678          | -23.0%          |
| Faurecia   | 3,245          | 2,008          | -38.1%          |
| GEFCO  | 925            | 664            | -28.2%          |
| Banque PSA Finance                                 | 524            | 462            | -11.8%          |
| Inter-operational adjustments and other activities | (1,346)        | (839)          |                 |
| <b>PSA Peugeot Citroën</b>                         | <b>14,615</b>  | <b>10,973</b>  | <b>-24.9%</b>   |

**NUMBER OF EMPLOYEES**  
(AS OF 31 DECEMBER)



**REVENUES**  
(IN € MILLIONS)



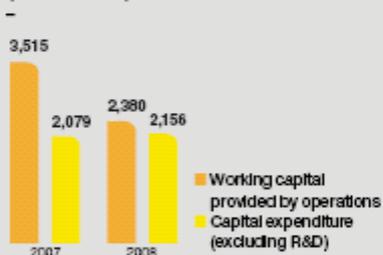
**RECURRING OPERATING INCOME**  
(IN € MILLIONS)

|                     | 2007  | 2008  |
|---------------------|-------|-------|
| Automobile Division | 858   | (225) |
| Other Businesses    | 894   | 775   |
| <b>Total</b>        |       |       |
| PSA Peugeot Citroën | 1,752 | 550   |

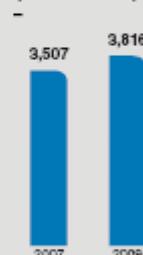
**PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**  
(IN € MILLIONS)



**WORKING CAPITAL PROVIDED BY OPERATIONS AND CAPITAL EXPENDITURE (EXCLUDING R&D)**  
(manufacturing and sales companies)  
(IN € MILLIONS)



**AUTOMOBILE DIVISION CAPITAL EXPENDITURE AND R&D EXPENSE**  
(IN € MILLIONS)



**BALANCE SHEET STRUCTURE**  
(IN € MILLIONS)

|   | 2007   | 2008    |
|---|--------|---------|
| Equity  | 14,555 | 13,277  |
| Net financial position of the manufacturing and sales companies | 1,404  | (2,906) |

**WORLDWIDE SALES OF LOW CO<sub>2</sub> EMISSION VEHICLES**

|   | 2008 Sales |
|---|------------|
| Vehicles emitting less than 140 grams of CO <sub>2</sub> per km | 1,161,000  |
| Vehicles emitting less than 130 grams of CO <sub>2</sub> per km | 921,000    |
| Vehicles emitting less than 120 grams of CO <sub>2</sub> per km | 673,000    |

## 2. RECENT DEVELOPMENTS

On 23 June 2009, Peugeot S.A. launched an offering of bonds due 1 January 2016, convertible into and/or exchangeable for new or existing shares (OCEANE) for an amount of €575 million.

On 25 June 2009, Standard & Poor's Ratings Services placed its 'BBB-/A-3' long- and short-term corporate credit ratings on French automotive manufacturer Peugeot S.A. (PSA) on CreditWatch with negative implications.

## TAXATION

*The statements herein regarding taxation are based on the laws in force in Belgium, the Grand Duchy of Luxembourg, Germany, the Netherlands, the Republic of France and/or United Kingdom as the case may be as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the tax consequences Belgium, Germany, the Grand Duchy of Luxembourg, the Netherlands, the Republic of France and United Kingdom (as applicable) of any investment in, or ownership and disposition of, the Notes.*

### 1. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the European Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

### 2. BELGIAN TAXATION

*The following summary describes the principal Belgian withholding tax considerations with respect to the holding of the Notes obtained by an investor following this offer in Belgium.*

*This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. In some cases, different rules may be applicable. Furthermore, the tax rules may be amended in the future, possibly with retrospective effect, and the interpretation of the tax rules may change.*

*This summary is based on the Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in Belgium, without prejudice to any amendments introduced at a later date, even if implemented with retrospective effect.*

*Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account their own specific circumstances.*

## 2.1 Belgian Income Tax

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial issue price upon redemption or purchase by the Issuer.

### (a) Belgian resident individuals

Individuals who are Noteholders and who are Belgian residents for tax purposes, i.e. who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), are subject to the following tax treatment with respect to the Notes in Belgium. Other rules may be applicable in special situations, in particular when individuals resident in Belgium acquire the Notes for professional purposes or when their transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

If the interest is paid outside of Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15 per cent. (plus local surcharges).

If the Notes qualify as fixed income securities for the purposes of article 2, §1,8° of the Belgian Income Tax Code (ITC), in the event of a transfer of the Notes between two interest payment dates, income equal to the accrued interest corresponding to the detention period must be declared and income tax at a flat rate of 15 per cent. plus local surcharges will be due if no Belgian withholding tax has been levied on that amount.

Capital gains realised on the sale of the Notes to a party other than the Issuer, except in respect of that part of the sale price attributable to the pro rata interest component, are in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The investor must declare the interest as moveable income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 15 per cent. (plus the applicable local surcharge), unless it can be demonstrated that such income will be subject to Belgian withholding tax upon maturity.

Capital losses on the Notes are generally not tax deductible.

### (b) Belgian companies

Companies that are Belgian residents for tax purposes, i.e. that are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting/Impôt des sociétés*") are subject to the following tax treatment with respect to the Notes in Belgium.

Interest received by Belgian companies on the Notes and capital gains realised on the Notes will form part of the company's taxable basis and thus be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the Notes made through a paying agent in Belgium will generally be subject to a 15 per cent. Belgian withholding tax, but can under certain circumstances be exempt from withholding tax, provided formalities are complied with.

For zero or capitalization bonds, no exemption will apply, unless the Belgian company and the Issuer are associated companies within the meaning of article 105,6° RD/ITC.

Belgian companies are in principle entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

(c) Other Belgian legal entities subject to the legal entities income tax

Legal entities Noteholders that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*") are subject to the following tax treatment with respect to the Notes in Belgium.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the payment of the 15 per cent. withholding tax.

If the Notes qualify as fixed income securities for the purposes of article 2, §1,8° of the ITC, in the event of a transfer of the Notes between two interest payment dates, Belgian legal entities have to pay a 15 per cent. withholding tax on the accrued interest corresponding to the detention period.

Capital gains realised on the sale of the Notes to a party other than the Issuer, are in principle tax exempt, except in respect of that part of the sale price attributable to the pro rata interest component. Such interest is subject to withholding tax, currently at the rate of 15 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

## **2.2 Tax on stock exchange transactions**

The acquisition of the Notes upon their issuance is not subject to the tax on stock exchange transactions.

The sale and acquisition of the Notes on the secondary market is subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.07 per cent. on each sale and acquisition separately, with a maximum of € 500.00 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents.

## **2.3 Tax on the physical delivery of bearer securities**

The physical delivery of bearer securities is subject to a 0.6 per cent. tax on physical delivery if such delivery is subsequent to (i) the secondary market acquisition for consideration through an Authorised Offeror, (ii) the transformation from registered into bearer form, or (iii) the release from deposit with a credit institution, stockbroker, company for asset management or the Interprofessional Securities Depository and Giro Bank ("*Interprofessionele Effectendeposito- en Girokas* or *Caisse Interprofessionnelle de Dépôts et de Virements de Titres*"). There is an exemption available in respect of the physical delivery of bearer securities to certain Authorised Offerors.

## **3. FRENCH TAXATION**

### **3.1 Savings Directive**

The Savings Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## 3.2 French taxation

Under the current practice of the French tax authorities (Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998 as supplemented by rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009 of the French tax authorities), as the Notes constitute *obligations* under French law, payments of interest and other similar revenues to non-French resident Noteholders under Notes benefit from the tax exemption at source on interest set out under Article 125 A III of the French *Code général des impôts*, as provided for in Article 131 *quater* of the French *Code général des impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

## 4. GERMAN TAXATION

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

***Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and each country of which they are residents.***

### 4.1 Tax Residents

Withholding tax on interest payments, accrued interest and capital gains from the disposal, redemption, repayment or assignment of Notes, will be levied at a rate of 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.), provided that the Notes have been held in a custodial account with the same Disbursing Agent (which term shall also include a German securities trading company or securities trading bank) since the time of their acquisition. If the German Noteholder is subject to church tax, upon application a church tax surcharge will also be withheld.

To the extent the Notes have not been kept in a custodial account with the Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment withholding applies at a rate of 26.375 per cent. (including solidarity surcharge) to 30 per cent. of the disposal proceeds, unless it has been notified of the actual acquisition costs of the Notes by the previous German Disbursing Agent or by a statement of a bank or financial services institution within the EEA.

However, no withholding tax will apply to gains from the disposal of Notes held by a corporation while ongoing payments, such as interest payments under a coupon, are subject to withholding tax.

The personal income tax liability of a German Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in case of Notes kept in custody abroad, the German Noteholder must report his income and capital gains derived from the Notes on his tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). Further, a German Noteholder may request that all investment income of a given year is taxed at his lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax will not settle the personal or corporate income tax liability. The German Noteholder will have to report income and related expenses on his tax return and the balance will be taxed at the German Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the German Noteholder.

- (a) Exemption from withholding tax and solidarity surcharge

In general, no withholding tax will be levied if the Noteholder is an individual (i) whose Notes do not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property; and (ii) who filed an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income and all taxable investment income from capital investments derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

#### **4.2 Non-residents**

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder; or (ii) the interest income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and Notes are held in a custodial account with a Disbursing Agent withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Note are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply as explained above under "*Tax Residents*". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

#### **4.3 Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Notes are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

#### **4.4 Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

#### **4.5 Savings Directive**

By legislative regulations dated 26 January 2004 the Federal Government enacted provisions implementing the Savings Directive into German law. These provisions apply from 1 July 2005.

### **5. LUXEMBOURG TAXATION**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

## 5.1 Withholding Tax

### (a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and from 1 July 2011, it will be levied at a rate of 35 per cent.. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

### (b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## 6. NETHERLANDS TAXATION

### 6.1 General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations thereof. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (a) holders of Notes holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Notes holds a substantial interest in the Issuer, if such holder of Notes, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (b) investment institutions (*fiscale beleggingsinstellingen*) and exempt investment institutions (*vrijgestelde fiscale beleggingsinstellingen*); and
- (c) pension funds or other entities that are exempt from Netherlands corporate income tax.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

## **6.2 Netherlands Withholding tax**

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## **6.3 Netherlands Corporate and individual income tax**

If a holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of its enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (up to a maximum rate of 25.5 per cent.).

If an individual holder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates of the Netherlands income tax act 2001 (up to a maximum rate of 52 per cent.), if:

- (a) the holder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4 per cent. of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4 per cent. will be taxed at a rate of 30 per cent.

#### **6.4 Netherlands Gift and Inheritance taxes**

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the 10 years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands at any time during the 12 months preceding the time of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

#### **6.5 Netherlands Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of the cash payment made under the Notes, or in respect of a transfer of Notes.

#### **6.6 Other Netherlands taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **7. UNITED KINGDOM TAXATION**

*The following comments are of a general nature, apply only to persons who are the beneficial owners of Notes and are a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.*

Payments of interest on the Notes may be made without withholding on account of United Kingdom income tax.

Noteholders may wish to note that, in certain circumstances, HM Revenue & Customs (**HMRC**) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on redemption of Certificates which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on redemption of deeply discounted securities where such amounts are paid on or before 5 April 2009. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

**All prospective Noteholders should seek independent advice as to their tax positions.**

## SUBSCRIPTION AND SALE

BNP Paribas, Deutsche Bank AG, London Branch and Natixis (the **Joint Lead Managers**) and Mitsubishi UFJ Securities International plc and Commerzbank Aktiengesellschaft (the **Co-Lead Managers**, together with the Joint Lead Managers, the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 10 July 2009, jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 99.018 per cent., of their principal amount, less a commission of 0.425 per cent. of the total principal amount of the Notes. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

### 1. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Manager has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State, other than the offers contemplated in the Prospectus in Belgium, Germany, the Netherlands and the United Kingdom from the time the Prospectus has been approved by the CSSF in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in Belgium, Germany, the Netherlands and the United Kingdom, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iii) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers; or
- (iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided that* no such offer of Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### 2. UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to the extent permitted by the Subscription Agreement.

Each Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation of or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

### **3. UNITED KINGDOM**

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **4. FRANCE**

Each of the Managers has represented and agreed that:

*Offer to the public in France:*

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the Autorité des marchés financiers (**AMF**) of the approval of the Prospectus by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the Règlement général of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Prospectus; or

*Private placement in France:*

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### **5. GENERAL**

Except as provided above, no action has been or will be taken in any country or any jurisdiction by any Manager or the Issuer that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each Manager has represented and agreed that it will, to the best of its knowledge and belief, comply with all applicable laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material relating to the Notes, in all cases at its own expense, and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of any Notes under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sale or deliveries.

Other persons into whose hands this Prospectus comes are required by the Issuer and each Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish the Prospectus or any related offering or publicity material, in all cases at their own expense.

## GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange.
2. The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number of 043984128 and Euroclear France with the International Securities Identification Number (ISIN) FR0010780452. The address of Euroclear France is 155, rue de Réaumur, 75081 Paris Cedex 02 France.
3. Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2008 and there has been no material adverse change in the prospects of the Issuer since 31 December 2008.
4. Save as disclosed in this Prospectus, neither the Issuer nor any member of the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer and/or the Group.
5. The issue of the Notes was authorised pursuant to a resolution of the *Conseil de Surveillance* (Supervisory Board) of the Issuer dated 17 June 2009, a resolution of the *Directoire* (Management Board) of the Issuer dated 1<sup>st</sup> July 2009 and a decision of Mr Frédéric SAINT-GEOURS, in his capacity as member of the Management Board, dated 8 July 2009.
6. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
7. At the date of this Prospectus, there are no conflicts of interest material to the issue or offer of the Notes between the duties of the members of the *Directoire* (Management Board) and their private interests and/or their other duties. In addition, at the date of this Prospectus, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
8. Copies of the latest annual report of the Issuer, including its consolidated accounts may be obtained without charge from the specified offices for the time being of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
9. For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Listing Agent:
  - (i) this Prospectus;
  - (ii) the *statuts* of the Issuer;
  - (iii) the audited consolidated financial statements of the Issuer for the fiscal year ended 31 December 2008;
  - (iv) the audited consolidated financial statements of the Issuer for the fiscal year ended 31 December 2007;
  - (v) the most recently published audited annual consolidated financial statements and unaudited semi-annual consolidated financial statements and quarterly results of the Issuer; and
  - (vi) the Agency Agreement.

The Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

10. The statutory auditors of the Issuer are PricewaterhouseCoopers Audit, 63 rue de Villiers, 92200 Neuilly sur Seine, and Mazars, Tour Exaltis 61 rue Henri Regnault, 92400 Courbevoie (both entities duly authorised as *Commissaires aux Comptes* and are members of the *compagnie régionale des commissaires aux comptes de Versailles*) and they have audited and rendered unqualified audit reports on the Issuer's consolidated financial statements for the fiscal years ended 31 December 2007 and 31 December 2008. The audit report relating to the financial statements for the year ended 31 December 2008 specifies that, without qualifying the opinion, the auditors draw attention to Note 2 to the consolidated financial statements listing the reclassifications recorded in the consolidated income statement between Sales and revenue, Cost of goods and services sold and Selling, general and administrative expenses. This change in accounting presentation has no impact on consolidated profit or equity reported in prior years.
11. On the basis of the issue price of the Notes of 99.018 per cent. of their nominal amount, the yield of the Notes is 8.625 per cent. It is not an indication of future yield.

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*To the Issuer as to French law*

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