

Description of the Peugeot S.A. share buyback program submitted for stockholder approval at the May 24, 2006 Annual Meeting

The following is a description of the purposes and terms of the Peugeot S.A. share buyback program submitted to stockholder approval at the May 24, 2006 Annual Meeting. This information is provided in compliance with articles 241-1 to 242-7 of AMF General Rules and Regulations and article L. 451-3 of the French Monetary and Financial Code.

➤ 1. DATE OF THE ANNUAL MEETING CALLED TO APPROVE THE NEW BUYBACK PROGRAM

May 24, 2006.

➤ 2. NUMBER OF SHARES AND PERCENTAGE OF ISSUED CAPITAL HELD BY THE ISSUER

As of March 31, 2006, there were 234,618,266 Peugeot S.A. shares outstanding, of which 5,572,773, or 2.38% of the total, were held by the Company.

➤ 3. INTENDED USE OF THE SHARES HELD DIRECTLY OR INDIRECTLY BY THE ISSUER

As of March 31, 2006, Peugeot S.A. owned a total of 5,572,773 of its own shares, of which 5,234,805 are being held for attribution on the exercise of stock options and 337,968 are scheduled to be cancelled.

➤ 4. INTENDED USE OF THE SHARES TO BE PURCHASED UNDER THE NEW PROGRAM

Shares bought back under the program may be used:

- to reduce the Company's issued capital,
- for attribution on the exercise of stock options granted to employees, executives or officers of the Company or any related entity,
- for attribution on redemption, conversion or exercise of share equivalents.

➤ 5. MAXIMUM PERCENTAGE OF ISSUED CAPITAL, MAXIMUM NUMBER OF SHARES AND CHARACTERISTICS OF THE SHARES

The maximum purchase price is set at €65.00 per share (ISIN: FR0000121501).

Subject to stockholder approval, up to 23,000,000 shares may be purchased under the program.

In compliance with the law, the Company may never directly or indirectly own more than 10% of issued capital.

As a result, based on the 234,618,266 shares outstanding at March 31, 2006, less the 5,572,773 shares held in treasury at that date, up to 17,889,053 shares, representing 7.62% of the capital, may be purchased. Based on the maximum price of €65.00 a share, this would represent a maximum investment of €1,163 million.

➤ 6. TERM OF THE NEW SHARE BUYBACK PROGRAM

Subject to stockholder approval, the shares may be bought back at any time during the eighteen months from the May 24, 2006 Annual Meeting, i.e. until November 24, 2007.

➤ 7. SHARE TRANSACTIONS UNDER THE PREVIOUS PROGRAM

Period from May 25, 2005 to March 31, 2006	Total transactions		Open positions as of March 31, 2006	
	Purchases	Sales/Transfers*	Open buy positions	Open sell positions
Number of shares	1,172,267	267,470		
Average exercise price	€39.01/share	€30.23/share	None	None
Amounts	€45,731,574	€8,085,546		

* Corresponding entirely to the exercise of 267,470 stock options.

This description has been filed with the AMF and may be freely consulted at the Company's headquarters:

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and on the websites of PSA Peugeot Citroën (www.psa-peugeot-citroen.com) and the AMF (www.amf-france.org).
It is also available on request.