



(incorporated under the laws of France as a *société anonyme, i.e.*, a public limited company)

**Bonds convertible into and/or exchangeable for new or existing shares of Peugeot
due January 1, 2016**

(Obligations à option de conversion et/ou d'échange en actions nouvelles ou existantes)

Peugeot S.A. (“**Peugeot**”) is offering up to approximately €500 million principal amount of bonds (the “**Bonds**”) convertible and/or exchangeable for new or existing shares of Peugeot (OCEANES) due January 1, 2016 subject to an increase to up to approximately €575 million principal amount pursuant to an over-allotment option granted to the Joint Lead Managers and Joint Bookrunners, acting on behalf of themselves and the other underwriters. The Bonds will be offered, without preferential subscription rights and with a priority subscription period, in a public offering in France and internationally in private placements in accordance with applicable regulations, outside of the United States, Canada, Australia and Japan.

The par value of the Bonds will include an issue premium of between 33% and 38% of the average volume-weighted daily trading reference price of Peugeot shares on Euronext Paris from the start of trading on June 26, 2009 until 12 noon (Paris time) on that same day.

Holder may exercise their right to convert or exchange their Bonds at their option at any time from July 1, 2009 until the seventh business day preceding the Bonds’ maturity or the relevant early redemption date. The initial Conversion/Exchange Ratio will be one share of Peugeot for one Bond, subject to adjustment upon the occurrence of certain events described herein.

The Bonds will mature on January 1, 2016. At maturity, Peugeot will redeem the Bonds at par. Peugeot may redeem all of the outstanding Bonds at its sole option at any time from January 1, 2013 until their maturity at par, plus interest accrued since the most recent interest payment date, upon 30 calendar days’ notice, if the arithmetic average (calculated over a period of 10 consecutive trading days from among the 20 consecutive days that precede the date of publication of the notice of such early redemption) of the product of the opening trading price of Peugeot’s shares on the Euronext Paris market and the Conversion/Exchange Ratio in effect on each date exceeds 130% of the principal amount of the Bonds. If less than 10% of the Bonds remain outstanding, Peugeot may also, at its sole option, at any time, subject to no less than 30 calendar days prior notice, redeem all of the outstanding Bonds at their principal amount plus interest accrued since the most recent interest payment date (or, as the case may be, since the issue date). All or part of the Bonds held by any Bondholder may be redeemed at the option of such Bondholder at their principal amount plus interest accrued since the last interest payment date (or, as the case may be, since the issue date) in the event of a change of control of Peugeot.

The Bonds will bear interest at an annual nominal rate between (RR+0.50)% and (RR+1.25)%, payable semi-annually in arrears on January 1 and July 1 of each year (or, if that date is not a business day, the next following business day), beginning on July 1, 2009. “**RR**” or the Reference Rate will be equal to the linearly interpolated mid swap rate based on the 6 year and 7 year mid swap rates as they will appear on Bloomberg EUSA6 Index and EUSA7 Index on June 25, 2009 at 5:40 p.m. (Paris time). For the period from July 1, 2009 to December 31, 2009 inclusive, interest calculated *pro rata temporis* will be payable on January 1, 2010 (or, if that date is not a business day, the next following business day).

Application has been made to list the Bonds on the Euronext Paris market with effect from July 1, 2009. Peugeot’s shares are listed on the Euronext Paris market (ISIN number FR0000121501).

The terms and conditions of the Bonds and information relating to Peugeot are set out in this International Offering Memorandum. This document should be read in conjunction with the English language version of the Reference Document and of the Update of the Reference Document incorporated by reference herein.

Investing in the Bonds involves risks. For a description of certain risks that you should consider before purchasing the Bonds, see Section 2 “Risk Factors relating to the Company and to the Transaction that could have a Material Impact on the Securities Offered” of the Note d’opération included in this International Offering Memorandum and Chapter 4 “Risk factors” of the Reference Document incorporated by reference herein.

The Bonds and the shares deliverable upon conversion or exchange of the Bonds, if any, have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws. Accordingly, the Bonds are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act.

A public offering is being made in France pursuant to a separate offering document prepared in accordance with French regulations. The private placement outside the United States, Canada, Australia and Japan, to which this International Offering Memorandum solely pertains, is separate from the public offering in France. This International Offering Memorandum has not been submitted to the clearance procedures of the French *Autorité des marchés financiers* and may not be used in connection with any offer to the public to purchase Bonds in France.

Delivery of the Bonds will be made to investors in French-law dematerialised book-entry form through Euroclear France, Euroclear Bank S.A./N.V. and/or Clearstream Banking S.A., Luxembourg, and is expected to occur on July 1, 2009, the settlement date of the Bonds.

Global Coordinator

Société Générale Corporate & Investment Banking

Joint Lead Managers and Joint Bookrunners

CALYON

Citi

HSBC

**Société Générale
Corporate & Investment Banking**

Co-Bookrunners

BNP Paribas

Lazard-NATIXIS

This International Offering Memorandum is dated June 22, 2009

NOTICES TO INVESTORS

This International Offering Memorandum is confidential and is being furnished in connection with a private placement in several jurisdictions outside the United States, Canada, Australia and Japan solely for the purpose of enabling a prospective investor to consider whether to acquire Bonds described herein. Any reproduction or distribution of this International Offering Memorandum, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Bonds is prohibited. Each person, by accepting delivery of this International Offering Memorandum, agrees to the foregoing.

The distribution of this International Offering Memorandum and the acquisition of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this International Offering Memorandum comes must inform themselves about and observe any such restrictions. For a description of certain restrictions on the acquisition of the Bonds, see Section 5.2 “Plan of distribution and allocation of the Bonds”. This International Offering Memorandum does not constitute an offer of, or an invitation to purchase, any Bonds in any jurisdiction in which such offer or invitation would be unlawful. No action has been taken in any jurisdiction other than France that could permit a public offering of the Bonds, or the circulation or distribution of the International Offering Memorandum or any other offering material, where action for such purpose is required.

This International Offering Memorandum has been prepared by Peugeot on the basis that any purchaser of the Bonds is a person or an entity having such knowledge and experience of financial matters as to be capable of evaluating the merits and risks of such purchase.

In making an investment decision regarding the Bonds, prospective investors must rely (and will be deemed to have solely relied) on their own examination of Peugeot and the terms of this offering, and conduct such independent investigation and analysis regarding Peugeot and the Bonds, as they deem appropriate to evaluate the merits and risks involved. Prospective investors should not treat the contents of this International Offering Memorandum as advice relating to legal, taxation or investment matters. Prospective investors should consult their own professional advisers as to legal, tax, business, financial and related aspects concerning the acquisition, holding or disposal of the Bonds. No person is authorised to give any information or to make any representation other than those contained in this International Offering Memorandum in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by Peugeot or any of the Underwriters (as defined under “Plan of Distribution” below) or any other person. Neither the delivery of this International Offering Memorandum nor any acquisition made in connection with this offering shall, at any time and under any circumstances, create any implication that there has been no change in the affairs of Peugeot or its subsidiaries since the date hereof or that the information contained in this International Offering Memorandum is correct as of any time subsequent to the date of this International Offering Memorandum or that there has been no change in Peugeot’s or its subsidiaries’ financial condition or affairs since the date of this International Offering Memorandum.

Neither Peugeot nor any of the Underwriters, nor any of its or their respective representatives are making any representations to prospective investors regarding the legality of an investment in the Bonds, or the accuracy or completeness of the information set out in this International Offering Memorandum, and nothing contained herein is or shall be relied upon as a promise or representation by any of the Underwriters, or any of its or their representatives as to the past or future. Each person who receives this International Offering Memorandum acknowledges that such person has not relied on any of the Underwriters or any of its or their respective representatives in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

THIS INTERNATIONAL OFFERING MEMORANDUM CONTAINS A NON-CERTIFIED, NON-BINDING ENGLISH TRANSLATION FOR INFORMATION PURPOSES ONLY OF THE TERMS AND CONDITIONS OF THE BONDS CONTAINED IN THE FRENCH PROSPECTUS (AS DEFINED UNDER “NOTICE TO PROSPECTIVE INVESTORS IN FRANCE”) AND INCORPORATES BY REFERENCE A NON-CERTIFIED ENGLISH TRANSLATION OF PEUGEOT’S REFERENCE DOCUMENT AND OF THE UPDATE OF THE REFERENCE DOCUMENT (AS DEFINED UNDER “NOTICE TO PROSPECTIVE INVESTORS IN FRANCE”). IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THIS TRANSLATION, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH VERSION OF SUCH TERMS AND CONDITIONS SHALL PREVAIL. NEITHER PEUGEOT NOR ANY OF THE UNDERWRITERS ASSUME ANY LIABILITY WITH RESPECT TO ANY SUCH AMBIGUITY OR CONFLICT RESULTING FROM TRANSLATING THESE DOCUMENTS FROM FRENCH TO ENGLISH.

Prospective investors should not assume that the information contained in this International Offering Memorandum is accurate as of any date other than the date on the front cover of this International Offering Memorandum. Prospective Investors should not assume that the information contained in the documents incorporated by reference in this International Offering Memorandum is accurate as of any date other than the respective dates of those documents. Peugeot's business, financial condition, results of operations and prospects may have changed since those dates.

In connection with this offering, Société Générale (or persons acting on its behalf) as stabilizing manager may effect transactions on the Bonds and/or the Shares with a view to supporting the price of the Bonds and/or Peugeot's shares at a level higher than that which might otherwise prevail for a limited period after the pricing date. However, there is no assurance that the stabilizing manager (or persons acting on its behalf) will undertake stabilizing action. Any stabilizing action may begin on the date of adequate public disclosure of the final terms of the offer of the Bonds and must end no later than June 29, 2009. Any stabilizing action will be undertaken in accordance with applicable laws and regulations.

In connection with the offering of the Bonds, each Underwriter and any of its affiliates each acting as an investor for its own account may take up Bonds and in that capacity may retain, purchase or sell Bonds or underlying shares for their own account and any other securities of Peugeot or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references in this document to the Bonds being offered or placed should be read as including any offering or placement of securities to each Underwriter and any of its respective affiliates acting in such capacity. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Underwriters are acting exclusively for Peugeot and no one else in connection with the offering of the Bonds. They will not regard any other person (whether or not a recipient of this International Offering Memorandum) as their client in relation to the offering of the Bonds. The Underwriters will not be responsible to anyone other than Peugeot for providing the protections afforded to their respective clients nor for giving advice in relation to the offering of the Bonds or any transaction or arrangement referred to herein.

Notice to Prospective Investors in the EEA

With respect to each member state of the European Economic Area (“**Member States**”) which has implemented Directive 2003/71/CE (together with any applicable implementing measures in any Member State, the “**Prospectus Directive**”) no action has been undertaken or will be undertaken, to make an offer of any Bonds to the public and require a prospectus to be produced in any Member State. Consequently, the Bonds may only be offered in these Member States if they are offered:

- (a) to legal entities authorised or regulated to operate in financial markets, or legal entities whose only activity is to invest in securities;
- (b) to legal entities which have two or more of the following criteria: (1) an average workforce of at least 250 employees in the last financial year (2) a total balance sheet in excess of €43 million and (3) an annual net turnover greater than €50 million, as set out in the last annual or consolidated financial accounts; or
- (c) in other cases where Peugeot does not need to produce a prospectus as set out in article 3(2) of the Prospectus Directive.

For the purposes of this clause, “Bonds offered to the public” means, in each Member State which has implemented the Prospectus Directive, any communication in any form and by any means, of sufficient information about the terms and conditions of the offer and the Bonds, so as to enable an investor to decide to buy or subscribe for the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. This selling restriction applies in addition to any other selling restrictions which may be applicable in the Member States who have implemented the Prospectus Directive.

This International Offering Memorandum has been prepared on the basis that all offers of the Bonds, other than the offer to the public in France contemplated in the French Prospectus once such French Prospectus has been approved by the competent authority in France and published in accordance with the Prospectus Directive as implemented in France, will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States, from the requirement to produce a prospectus for offers of the Bonds. Accordingly, any person making or intending to make any offer within the European Economic Area of the Bonds that are the subject of the placement contemplated in this International Offering Memorandum should only do so in circumstances in which no obligation arises for Peugeot or the Underwriters to produce a prospectus for such offer. Neither Peugeot, nor the Underwriters have authorised, nor do they authorise, the making of any offer of the Bonds through any financial intermediary, other than offers made by the Underwriters, which constitutes the final placement of the Bonds contemplated in this International Offering Memorandum.

Notice to Prospective Investors in France

This International Offering Memorandum has not been and will not be submitted to the clearance procedures of the *Autorité des marchés financiers* (the “**AMF**”), and accordingly may not be distributed to the public in France or used in connection with any offer to purchase or sell any of the Bonds to the public in France.

For the purpose of the offering in France, a *prospectus* (the “**French Prospectus**”) in the French language has been prepared consisting of (i) Peugeot’s reference document (*Document de référence*) for financial year 2008 filed with the AMF on April 24, 2009 under No. D.09-0309 (the “**Reference Document**”), (ii) an update of the Reference Document (*actualisation du Document de référence*) filed with the AMF on June 22, 2009 under No. D.09-0309-A01 (the “**Update of the Reference Document**”) and (iii) the Note d’opération (including a summary of the French Prospectus) relating to the Bonds which received *visa* No. 09-197 dated June 22, 2009 from the AMF and includes a section describing certain risk factors relating to Peugeot and the offering. Such French Prospectus is the only document by which offers to subscribe for Bonds may be made to the public in France.

Notice to Prospective Investors in the United States of America

The Bonds and the shares issuable upon conversion or deliverable upon exchange of the Bonds have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Bonds are being offered and sold outside of the United States in “offshore transactions” in reliance on Regulation S. Any person who subscribes or acquires Bonds will be deemed to have represented, warranted and agreed, by accepting delivery of this International Offering Memorandum or delivery of the Bonds, that it is subscribing or acquiring the Bonds in compliance with Rule 903 of Regulation S in an “offshore transaction” as defined in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds or the shares issuable upon conversion or deliverable upon exchange of the Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notice to Prospective Investors in the United Kingdom

Each intermediary selling the Bonds represents that:

- (a) it has not communicated nor caused to be communicated and will not communicate nor cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act (“**FSMA**”)) received by it in relation to the issue or sale of the Bonds, except in circumstances in which section 21(1) of the FSMA does not apply to Peugeot; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

The International Offering Memorandum is addressed to and intended for only (i) persons outside the United Kingdom, (ii) investment professionals under clause 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) persons as set out by clause 49 (2) (a) to (d) (high net worth companies, unincorporated associations, etc.) (the persons mentioned in paragraphs (i), (ii) and (iii) being “**Authorised Persons**”). The Bonds are only intended for Authorised Persons and all invitation, offer, underwriting agreement, purchase or acquisition of the Bonds may only be made with an Authorised Person. No persons apart from Authorised Persons may use, or make decisions based on, the International Offering Memorandum.

Notice to Prospective Investors in the Republic of Italy

No prospectus in relation to the Bonds has been registered in Italy with the *Comissione Nazionale per le Società e la Borsa* (“**CONSOB**”) as required by Legislative Decree no. 58 dated 24 February 1998, as modified (the “**Financial Services Legislation**”) and by CONSOB Regulation no.11971 dated 14 May 1999 as modified (the “**Issuer Regulation**”). Consequently, the Bonds cannot be and will not be, offered directly or indirectly by a public offer (*offerta al pubblico*) in Italy, and no copy of this International Offering Memorandum, nor any other document in relation to the Bonds can be or will be distributed in Italy, except pursuant to an applicable exemption.

The Bonds can only be offered, sold or transferred in Italy if copies of this International Offering Memorandum and any other document in relation to the Bonds are distributed or made available:

- (a) to qualified investors (*investitori qualificati*) as defined by 1. of article 2, paragraphs (e)(i) to (iii) of the Prospectus Directive;
- (b) in the conditions provided for by the applicable exemption regulating offers to the public under Article 100 of the Financial Services Legislation, and in particular paragraph 1 of the Issuer Regulation.

Furthermore, all offers, sales or transfers of Bonds in Italy, or any distribution of the International Offering Memorandum or any other document in relation to the Bonds as set out in paragraphs (a) and (b) above shall be made in conformity with all the applicable Italian financial and fiscal legislation and regulations in relation to exchange rate controls and any other applicable legal framework, and in particular, must be carried out by an investment company, a bank or a financial intermediary authorised to carry out such activities in Italy under the Financial Services Legislation, by the Legislative Decree no. 385 dated 1 September 1993 (the “**Banking Legislation**”), and by CONSOB Regulation no. 16190 dated 29 October 2007, as modified.

Any person acquiring Bonds through a public offer assumes all responsibility to ensure that the offer or the resale of the Bonds that he or she has acquired through the public offer is carried out in conformity with all applicable Italian legislation and regulation. Persons other than the intended recipients of the International Offering Memorandum who are resident or situated in Italy must not rely on the International Offering Memorandum or on its content.

Notice to Prospective Investors in Canada, Australia and Japan

The Bonds are not being offered or sold in Canada, Australia or Japan.

INDUSTRY AND MARKET DATA

This International Offering Memorandum contains or incorporates by reference information concerning the markets in which Peugeot operates. This information is taken in significant part from research carried out by external organisations. While such information is believed to be reliable, it has not been independently verified, and neither Peugeot nor the Underwriters, nor any of its or their respective representatives make any representation as to the accuracy of such information. Trends in Peugeot's business activities may differ from the market trends set forth in this International Offering Memorandum. Peugeot, the Underwriters, and any of its or their respective representatives undertake no obligation to update such information.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in or incorporated by reference into this International Offering Memorandum are not historical facts, but are statements of future expectations and other forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "expect", "may", "is expected to", "will", "will continue", "should", "would be", "seeks", "intends", "plans", "estimates" or "anticipates" or similar expressions or their negatives or other variations thereof, comparable terminology, or by discussions of strategy, plans or intentions. These statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. Important factors that could cause actual results to differ materially from Peugeot's expectations are discussed herein under the caption "Risk Factors".

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and Peugeot's actual financial condition, actual results of operations and cash flows, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained or incorporated by reference in this International Offering Memorandum. In addition, even if Peugeot's financial conditions, results of operations and cash flows, and the development of the industry in which it operates, are consistent with the forward-looking statements contained or incorporated by reference in this International Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive, and should be read in conjunction with other factors that are set forth or incorporated by reference in this International Offering Memorandum, including under the caption "Risk Factors" in Peugeot's reference document for the financial year 2008 incorporated by reference herein and under the caption "Risk Factors relating to the Company and to the Transactions that could have a Material Impact on the Securities Offered" in the accompanying Securities Note (as defined below). Accordingly, all forward-looking statements should be read evaluated with an understanding of their inherent uncertainty. Peugeot's forward-looking statements speak only as of the date on which they have been made.

Except as required by law or the rules of any stock exchange on which its securities are listed, Peugeot expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained or incorporated by reference in this International Offering Memorandum to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward-looking statements contained or incorporated by reference in this International Offering Memorandum is based. Peugeot operates in a very competitive and rapidly changing environment. New risks, uncertainties and other factors emerge from time to time and it is not possible for Peugeot to predict all such risks, nor can it assess the impact of all such risks on its business or the extent to which any risk, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements as a prediction or guarantee of actual results.

CERTAIN DEFINITIONS

Unless otherwise specified or the context otherwise requires, all references in this International Offering Memorandum to:

“Peugeot” or the “Company” are to Peugeot; and

the “Group” is to Peugeot and all of its subsidiaries.

Unless otherwise specified or the context otherwise requires, in this International Offering Memorandum all references to “€”, “Euro” or “euro” are to the single currency of the participating member states of the European Union which was introduced on January 1, 1999, references to the “U.S.” and to the “United States” are to the United States of America, and references to “\$”, “U.S. Dollars” are to the lawful currency of the United States

IMPORTANT INFORMATION ABOUT THIS INTERNATIONAL OFFERING MEMORANDUM

This International Offering Memorandum contains an English translation of the *Note d'opération* forming part of the French Prospectus approved by the French *Autorité des marchés financiers* under *visa* No. 09-197 dated June 22, 2009, excluding certain sections (the “**Securities Note**”). The Securities Note presented in this International Offering Memorandum excludes the sections set forth in the table below (the “**Excluded Securities Note Sections**”):

Page(s) in the Securities Note	Relevant Paragraph
Cover page	AMF <i>visa</i> together with the related textbox and reference to copies available
Page 29	Section 1.2 (Declaration of the person responsible for the French Prospectus)
Page 66	Section 7.3 (Information contained in the securities note reviewed by the Auditors)

Any references to the *Note d'opération* or the Securities Note shall be deemed to exclude the Excluded Securities Note Sections.

In addition, Peugeot has elected to incorporate by reference information into this International Offering Memorandum. The information incorporated by reference is deemed to be part of this International Offering Memorandum, except as described in the following sentence. Peugeot has incorporated by reference in this International Offering Memorandum:

- an English translation of Peugeot’s reference document (*Document de référence*) for the financial year 2008 filed with the AMF on 24 April under No. D.09-0309, excluding the sections set forth in the table below (the “**Excluded Reference Document Sections**”):

Page(s) in the Reference Document	Relevant Paragraph
Page 1	Text box relating to the filing of the Reference Document with the AMF.
Page 314	Declaration of the person responsible for Peugeot’s 2006 reference document filed with the AMF on 23 April 2007 under No. D.07-0375, which is incorporated by reference in the Reference Document.
Page 322	Declaration of the person responsible for Peugeot’s 2007 reference document filed with the AMF on 23 April 2008 under No. D.08-0281, which is incorporated by reference in the Reference Document.
Page 6	Declaration of the person responsible for the Reference Document

- an English translation of Peugeot’s update of the reference document (*Actualisation du Document de référence*) filed with the AMF on June 22, 2009 under No. D.09-0309-A01, excluding the sections set forth in the table below (the “**Excluded Update of the Reference Document Sections**”):

Page(s) in the Update of the Reference Document

Relevant Paragraph

Cover page	Text box relating to the filing of the Update of the Reference Document with the AMF.
Page 4	Declaration of the person responsible for the Update of the Reference Document
Page 14	Auditors' report on the profit forecasts

Any references to the *Document de référence* or Reference Document or to the *Actualisation du Document de référence* or Update of the Reference Document shall be deemed to exclude the Excluded Reference Document Sections or the Excluded Update of the Reference Document Sections, as the case may be.

Investors should not make an investment decision based on any information contained in the Excluded Securities Note Sections, Excluded Reference Document Sections or Excluded Update of the Reference Document Sections.

In the event of any ambiguity, discrepancy or conflict between corresponding statements or other items contained in this International Offering Memorandum and the terms and conditions of the Bonds, the relevant statements or items of the French version of such terms and conditions shall prevail. Neither Peugeot nor any of the Underwriters assume any liability with respect to any such ambiguity or conflict resulting from translating these documents from French to English.

Peugeot will provide without charge to each person to whom a copy of this International Offering Memorandum is delivered, on the written or oral request of any such person, a copy of the documents incorporated by reference. Requests should be directed to Peugeot, 75, avenue de la Grande Armée, 75116 Paris, France. The documents incorporated by reference are also available on Peugeot's website (www.psa-peugeot-citroen.com). Peugeot does not incorporate its website into this International Offering Memorandum.

CERTAIN TAX CONSIDERATIONS

Investors who are not fiscal residents of France and receive proceeds with respect to their holdings of Bonds may be subject to taxation, including withholding taxes, in certain circumstances. See Section 4.15 “Withholding tax for non-French tax residents in respect of the new Bonds” in the Securities Note included in this International Offering Memorandum.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the underwriting agreement to be entered into between the Company and Société Générale, CALYON, Citigroup Global Markets Limited, HSBC Bank plc and BNP Paribas and Lazard Frères Banque and NATIXIS (acting severally but not jointly, directly or indirectly through an affiliated intermediary, under the name “Lazard-NATIXIS”), (collectively referred to herein as the “**Underwriters**”) the Company will agree to sell to the Underwriters, and the Underwriters will agree to purchase from the Company, the entire nominal amount of the bonds.

Société Générale is acting as Global Coordinator, Joint Lead Manager and Joint Bookrunner in connection with the offering. CALYON, Citigroup Global Markets Limited and HSBC Bank plc are acting as Joint Lead Managers and Joint Bookrunners and BNP Paribas and Lazard-NATIXIS are acting as Co-Bookrunners in connection with the offering.

For the sole purpose of hedging potential over-allotments, the Company will grant to the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, an over-allotment option which, if it were to be exercised in its entirety, would require the Company to increase the nominal amount of the issuance by a maximum of 15% to a maximum nominal amount of €575 million. This over-allotment option is exercisable, at one time only, in whole or in part at the latest on June 29, 2009.

The underwriting agreement will provide that the obligation of the Underwriters to purchase the bonds will be subject to specified conditions, including the delivery of specified legal opinions as well as other conditions.

The Underwriters initially propose to offer the bonds at the issue price that appears on the cover of this International Offering Memorandum. After the initial offering, the Underwriters may change the offering price and any other selling terms. The Underwriters may offer and sell bonds through certain of their affiliates.

In the underwriting agreement, the Company will agree to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

The Company will agree, for a period of 90 calendar days from the date of the settlement and delivery of the offering, not to, without the prior written consent of the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, issue, offer or sale or contract to sell, directly or indirectly, any shares, preferred shares, bonds, or other securities giving the right by conversion, exchange, redemption, presentation of a debt security or any other manner to the allocation of securities issued or to be issued representing a share of the Company’s share capital or to a transaction in respect of equity securities having a similar economic effect subject to certain exceptions.

In addition, the Peugeot Family Group (as defined in Section 4.16.6 of the accompanying Securities Note) has agreed, for a period of 90 calendar days from the date of the settlement and delivery of the offering, not to, without the prior written consent of the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, issue, offer or sale or contract to sell, directly or indirectly, any shares, preferred shares, bonds, or other securities giving the right by conversion, exchange, redemption, presentation of a debt security or any other manner to the allocation of securities issued or to be issued representing a share of the Company’s share capital or to a transaction in respect of equity securities having a similar economic effect subject to certain exceptions.

The Underwriters (and/or certain of their affiliates) have performed various financial advisory, investment banking and commercial banking services from time to time for the Company and its affiliates. The Underwriters may, from time to time, continue to engage in transactions with and perform services for the Company in the ordinary course of business.

Société Générale (or any entity acting on its behalf), acting as stabilizing manager (the “**Stabilizing Manager**”) may carry out stabilization transactions in accordance with applicable legislation and regulations, in particular those of Regulation (EC) No. 2273/2003 of the European Commission dated December 22, 2003 relating to the terms and conditions for applying the Directive 2003/06/EC of the European Parliament and Council of January 28, 2003 on insider trading and market abuse (the

“**European Regulation**”). There is no guarantee that such transactions will be carried out and such transactions, if carried out, may be suspended at any time.

Stabilization transactions are engaged in to maintain the market price of the Bonds and/or shares of the Company. They may have an impact on the market price of the Bonds and/or shares of the Company and may result in the setting of a market price that is higher than what the price would be in the absence of such transactions. If implemented, such stabilization activities may be carried out at any time from the date on which the final terms of the Bonds and of the offering are revealed and must end no later than June 29, 2009.

The Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, will be entitled to terminate the underwriting agreement under certain circumstances. See Section 5.4.3.1 “Underwriting” in the Note d’opération included in this International Offering Memorandum.

SELLING RESTRICTIONS

You are referred to the information and limitations set forth under section 5.2 “Bond distribution and allocation scheme”.

LEGAL MATTERS

The validity of the Bonds offered hereby and certain legal matters pertaining to French law will be passed upon for the Company by Linklaters LLP, Paris, France and for the Underwriters by Shearman & Sterling LLP, Paris, France.

INDEPENDENT STATUTORY AUDITORS

The financial statements of the Company for the fiscal years ended December 31, 2006, 2007 and 2008 incorporated by reference in this International Offering Memorandum have been audited by Mazars and PricewaterhouseCoopers Audit, independent registered public accounting firms, as stated in their reports incorporated by reference herein.

In the event of any inconsistencies between this document and the corresponding text of the original French document (*note d'opération*), the text of the original French document shall govern.



PEUGEOT S.A.

A French *société anonyme* with a management and supervisory board and share capital of €234,048,798

Registered office: 75, avenue de la Grande Armée, 75116 Paris, France

Paris Trade and Company Registry Number: 552 100 554

SECURITIES NOTE

Made available to the public in connection with the issuance with a priority subscription period and listing on Euronext Paris of a debt of a nominal amount of approximately €500 million, that may be increased to a maximum nominal amount of approximately €575 million, represented by bonds that may be converted and/or exchanged for new or existing shares.

The Subscription Period will take place from June 23, 2009 to June 25, 2009 (inclusive).

[INTENTIONALLY OMITTED]

The prospectus (hereinafter referred to as the “**Prospectus**”) is comprised of:

- the registration document of Peugeot S.A. filed with the French *Autorité des marchés financiers* (French market authority, hereinafter referred to as the “**AMF**”) on April 24, 2009 under filing number D.09-0309 (hereinafter referred to as the “**Registration Document**”),
- the update to the registration document of Peugeot S.A. filed with the AMF on June 22, 2009 under filing number D.09-0309-A01 (hereinafter referred to as the “**Update**”),
- this securities note (hereinafter referred to as the “**Securities Note**”), and
- the summary of the Prospectus (included in this Securities Note).

Copies of the Prospectus are available free of charge from Peugeot S.A., 75, avenue de la Grande Armée, 75116 Paris, France. The Prospectus is also made available on Peugeot’s website (www.psa-peugeot-citroen.com) and from the financial institutions listed below.

Global Coordinator

Société Générale Corporate & Investment Banking

Joint Lead Managers and Joint Bookrunners

CALYON

Citi

HSBC

**Société Générale
Corporate &
Investment Banking**

Co-Bookrunners

BNP Paribas

Lazard-NATIXIS

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SUMMARY OF THE PROSPECTUS

Warning to the reader

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described herein should be based on a thorough review of the Prospectus. If a legal claim relating to the information included in this Prospectus is filed before a court, the investor may, according to the national laws of the relevant European Union member states or parties to the European Economic Area, be required to pay for the translation of the Prospectus prior to the commencement of the legal proceedings. The individuals who presented this summary, including, where relevant, its translation, are only liable if its contents are misleading, inaccurate or contradict the other sections of the Prospectus.

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 CONCERNING 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%-owned subsidiary, is an automotive equipment manufacturer operating worldwide;
- Geco, 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 (PMRC), 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.

Selected financial information audited in accordance with IFRS

Consolidated income statement

	2008				2007				2006			
<i>(in millions of euros)</i>	Manufacturing and sales companies	Finance companies	Adjustments	TOTAL	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	53,789	1,761	(365)	55,185
Recurring operating income	(7)	557	-	550	1,144	608	-	1,752	515	604	-	1,119
Non-recurring operating income and (expenses)	(916)	(1)	-	(917)	(632)	-	-	(632)	(808)	-	-	(808)
Operating income	(923)	556	-	(367)	512	608	-	1,120	(293)	604	-	311
Consolidated profit (loss) for the year	(858)	358	-	(500)	405	421	-	826	(328)	398	-	70
<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>(211)</i>	<i>394</i>	<i>-</i>	<i>183</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>	<i>(117)</i>	<i>4</i>	<i>-</i>	<i>(113)</i>
<i>(in euros)</i>												
Basic earnings per €1 par value share				(1.51)				3.88				0.80
Diluted earnings per €1 par value share				(1.51)				3.86				0.80

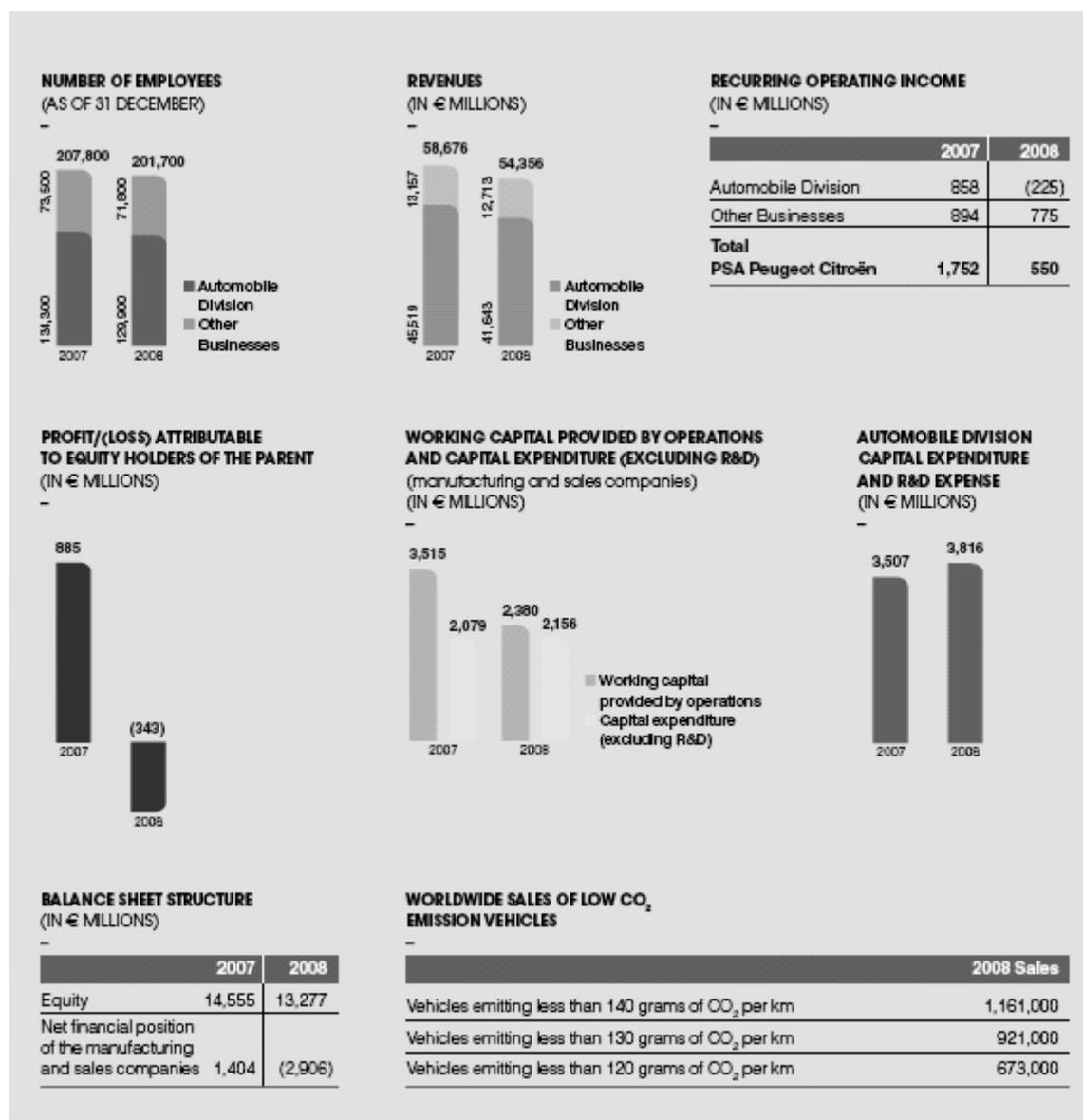
Consolidated balance sheets

	December 31, 2008				December 31, 2007				December 31, 2006			
<i>(in millions of euros)</i>	Manufacturing and sales companies	Finance companies	Adjustments	TOTAL	Manufacturing and sales companies	Finance companies	Adjustments	TOTAL	Manufacturing and sales companies	Finance companies	Adjustments	TOTAL
Assets												
Total non-current assets	21,610	361	(25)	21,946	22,472	313	-	22,785	23,312	305	-	23,617
Total current assets	14,399	26,020	(645)	39,774	18,389	28,455	(654)	46,190	19,269	26,886	(678)	45,477
TOTAL ASSETS	36,009	26,381	(670)	61,720	40,861	28,768	(654)	68,975	42,581	27,191	(678)	69,094
Equity and Liabilities												
Total equity				13,277				14,555				14,106
Total non-current liabilities	9,481	474	-	9,955	9,978	388	-	10,366	10,121	352	-	10,473
Total current liabilities	16,170	22,988	(670)	38,488	19,222	25,486	(654)	44,054	21,006	24,187	(678)	44,515

TOTAL EQUITY AND LIABILITIES	61,720	68,975	69,094
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Quarterly sales and revenues at March 31, 2009:

(in millions of euros)	Q1 2008	Q1 2009	% Change
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 (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 2008, the Group's best current estimate now indicates approximately a 12% decline in unit sales, rather than the previously forecast 20%. 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), 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).

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.

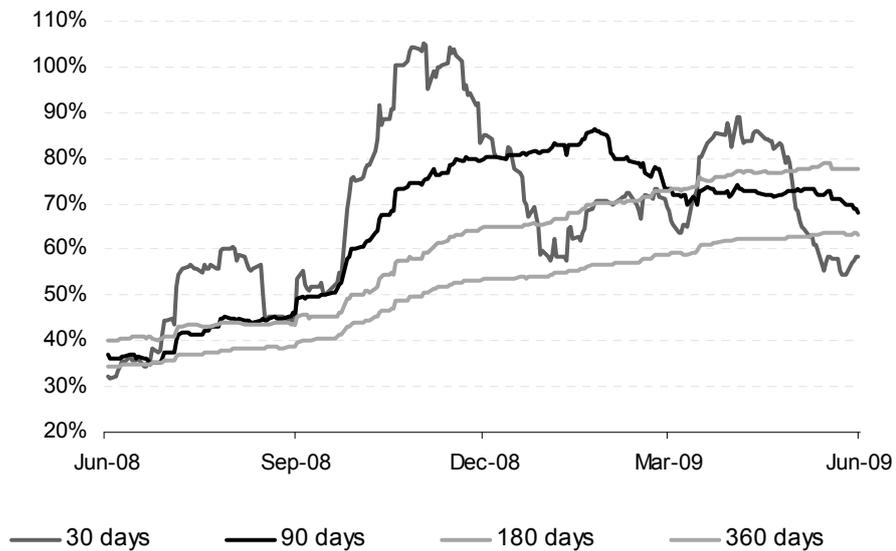
Nevertheless, as part of the Group's proactive refinancing strategy and conservative liquidity policy, and given recent improvements in the capital markets, the Group is also considering an issue of new notes or bonds, depending on market conditions.

Share price and volatility

The following graphs present changes in the Company's share price and volatility (30 days/ 100 days/ 6 months/ 1 year) over the last 12 months:



Source: Datastream



Source: Bloomberg

B. INFORMATION CONCERNING THE TRANSACTION

Key components of the offering

Reasons for the offering and use of proceeds

The capital resulting from this issue will provide for the general financing needs of the Group as well as 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 508 in the second half of 2009, a three-cylinder, one-liter 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).

Issue size and gross proceeds

Approximately €500 million that may be increased to a maximum amount of approximately €575 million in the event of the exercise in full of the over-allotment option of 15% of the initial amount.

Net proceeds

Approximately €491.6 million that may be increased to a maximum amount of approximately €565.4 million in the event of the exercise in full of the over-allotment option.

Number of Bonds

By way of illustration, on the basis of a price of €20.04 (the trading volume-weighted average price of the Company's shares on the Euronext Paris stock exchange from the beginning of trading on June 22, 2009 until 12 noon (Paris time)), the current issue will be made up of a number of bonds which may be converted and/or exchanged for new or existing shares (hereinafter referred to as the "**Bonds**") of between 18,076,645 and 18,754,689 Bonds, that may be increased to between 20,788,141 and 21,567,892 Bonds (in the event of the exercise in full of the over-allotment option).

Par value of each Bond

The par value of the Bonds representing an issue premium of between 33% and 38% over the trading volume-weighted average price of the Company's shares on the Euronext Paris stock exchange from the beginning of trading on June 26, 2009 until 12 noon (Paris time).

Preferential subscription rights

No.

Priority subscription period

Three trading days, from June 23, 2009 to June 25, 2009 inclusive for shareholders of the Company whose shares are registered on their securities account at the close of business on June 22, 2009. Each shareholder may submit a subscription order in euros for an amount corresponding to (i) 500 million multiplied by (ii) the number of Company shares that the shareholder holds (and that the shareholder is prepared to immobilize) and divided by (iii) 234,048,798 (the number of shares that comprise the

Company's share capital).

Private placement	In France and outside of France on June 23, 2009, with the exception of the United States of America, Canada, Japan and Australia.
Public offering	In France from June 23 to June 25, 2009 inclusive (hereinafter referred to as the " Public Offering ").
Principal shareholders' intention to subscribe	<p>Foncière Financière et de Participation, which holds 51,792,738 of the Company's shares as of this date, representing 22.13% of the Company's share capital and 32.79% of the Company's voting rights, has undertaken to file, within the framework of the priority subscription period, an order to subscribe the issuance of the Bonds between the amount of €50 million and €57.5 million. In addition, the Company has no knowledge of the intentions of other shareholders and/or directors and officers (<i>mandataires sociaux</i>) with respect to their participation in this issuance.</p> <p>The number of Bonds allocated to Foncière Financière et de Participation will be published by the Company when the terms and conditions are finalized, which is expected to be on June 26, 2009.</p>
Issue price	Bonds issued at par, payable in full on the settlement date.
Issue date, dividend entitlement date, and settlement date	The issue date for the Bonds is expected to be July 1, 2009 (the " Issue Date ").
Gross yield to maturity	It can not be calculated when the annual nominal interest rate is not known (the current value of the amounts to be paid by the Company could not be determined) and interest will be paid semi-annually. It will be close to and slightly higher than the annual nominal rate (in the absence of a conversion or exchange for shares and barring early redemption).
Rating of the issuance	No request for rating has been made.
Rating of the Company	On October 30, 2008, Moody's Investor Services placed the long-term A3 notes of Banque PSA Finance under surveillance and confirmed the short-term P-2 notes. On February 19, 2009, Moody's Investor Services lowered Peugeot S.A.'s long-term and short-term notes to Baa3/P-3 and changed the outlook from stable to negative. On March 6, 2009, Standard & Poor's lowered the long-term note of Banque PSA Finance to BBB and confirmed the short-term A-2 note. The outlook is negative. This decision follows the lowering on March 5, 2009 of Peugeot S.A.'s long-term and short-term notes to BBB-/A-3 with a negative outlook.
Listing of the Bonds	The Bonds are expected to be listed on July 1, 2009 under the ISIN number FR0010773226 on Euronext Paris.
Global Coordinator	Société Générale Corporate & Investment Banking
Joint Lead Managers and Joint	CALYON, Citigroup Global Markets Limited, HSBC

Bookrunners	France and Société Générale Corporate & Investment Banking.
Co-Bookrunners	BNP Paribas and Lazard-NATIXIS
Underwriting	Société Générale will lead a bank syndicate in underwriting the issue, pursuant to the terms of an underwriting agreement that will be entered into with the Company on June 26, 2009.
Stabilization	Possible.
Lock-up commitments	Commitment expiring 90 calendar days after the settlement and delivery date of the offering for the Company and for the Peugeot Family Group, subject to certain exceptions.
 Characteristics of the Bonds	
Ranking	The Bonds and interest thereon constitute unsecured, direct, general, unconditional, unsubordinated and unguaranteed commitments of the Company.
Negative pledge	Solely in the case of security interests granted for the benefit of holders of other bonds issued by the Company.
Annual interest	<p>The Bonds will bear interest at an annual nominal rate comprised between (RR + 0.50%) and (RR + 1.25%), payable semi-annually in arrears on January 1 and July 1 of each year (or on the following business day if such date is not a business day) (each, an “Interest Payment Date”).</p> <p>“RR” will be equal to the 6.5 year swap rate calculated on June 25, 2009 at 5:40 p.m. (Paris time) (see section 4.8 of this Securities Note).</p>
Term	6 years and 184 days.
Redemption at maturity	In full, on January 1, 2016 (or on the following business day if such date is not a business day) at par.
Early redemption at the Company’s option	<p>At the Company’s option:</p> <ul style="list-style-type: none"> • at any time for all or part of the Bonds by repurchasing Bonds either on- or off-market or by means of public tender or exchange offers; • at any time for all of the Bonds, from January 1, 2013 until the maturity date of the Bonds, (plus accrued interest) accrued, if the arithmetic average, calculated over a period of 10 consecutive trading days from among the 20 that precede the publication of the notice of such early redemption, the product of the opening prices of the Company’s shares and the Conversion/Exchange Ratio in effect on such date exceeds 130% of the par value of the Bonds. • at any time for all or part of the Bonds, at par plus interest accrued, if the number of outstanding Bonds is less than 10% of the number of Bonds issued.

Early redemption at the Bondholders' option	See section 4.9.4 of this Securities Note.
Early redemption at the Bondholders' option in the event of a change of control	See section 4.9.5 of this Securities Note.
Conversion/Exchange of Bonds for shares	<p>At any time from July 1, 2009 and until the seventh business day (inclusive) preceding the maturity date or the relevant early redemption date, the Bondholders may request the allocation of Company shares at the ratio of one share per one Bond, subject to adjustments (hereinafter referred to as the "Conversion/Exchange Ratio").</p> <p>The Company may elect to deliver new shares to be issued or existing shares or a combination of both.</p>
Dividend entitlement of the shares issued or deliverable following conversion and/or exchange of the Bonds	<p>Rights attached to new shares issued upon conversion:</p> <ul style="list-style-type: none"> • entitled to dividends from the first day of the fiscal year containing the exercise date of the conversion/exchange right. <p>Rights attached to existing shares delivered upon exchange:</p> <ul style="list-style-type: none"> • currently entitled to dividends.
Applicable law	French law.

Summary of the principal risk factors related to the Bonds

The risk factors related to the Bonds (summarized below) are detailed in Section 2 of this Securities Note. The Bonds are securities that are not necessarily suitable for all investors. The terms of the Bonds could be changed. It is not certain that a market will develop for the Bonds. The price of the Bonds will depend on numerous factors. The Bondholders benefit from limited anti-dilution protection. The Bonds' negative pledge clause allows the Company to freely dispose of its assets or grant security interests. A withholding tax may be imposed in respect of payments on the Bonds. The Bonds are covered by limited financial restrictions. The Company may not be able to repay the Bonds. Certain Bondholders may be exposed to exchange rate risk. The provisions applicable to Bonds may be discarded in the event of the application of the French law on collective proceedings to the Company.

C. DILUTION AND SHARE CAPITAL

As of December 31, 2008, the Company's total share capital amounted to €234,048,798 divided into 234,048,798 shares with a par value of €1 each.

Shareholders

Main shareholders

Capital and voting rights structure at December 31, 2008

Main identified shareholders ⁽¹⁾	December 31, 2008			
	Number of shares	% interest	% exercisable voting rights	% theoretical voting rights
Peugeot Family Group	70,908,498	30.30	45.10	44.04
of which Foncière, Financière et de Participation	51,792,738	22.13	32.79	32.02
Other Individual accounts	14,246,389	6.09	4.89	4.78

Main identified shareholders ⁽¹⁾	December 31, 2008			
PSA corporate mutual fund	6,468,981	2.76	3.80	3.71
Groupe BNP Paribas	2,641,800	1.13	1.77	1.73
Other French Institutional shareholders	55,383,993	23.66	18.56	18.12
Barclays Plc (total holding).....	5,574,298	2.38	1.87	1.82
Other Foreign Institutional shareholders	71,636,625	30.61	24.01	23.44
Treasury stock	7,188,214	3.07	-	2.35
TOTAL	234,048,798	100	100	100

⁽¹⁾ Sources: Euroclear France and Phoenix Investor Relations.

Dilution

By way of illustration, the impact of the issuance and of the conversion into new shares or the exchange into existing shares of all of the Bonds on the consolidated shareholders' equity per share attributable to the group, calculated as of December 31, 2008, would be as follows:

Calculations made based on assumptions detailed in section 8.11 of this Securities Note.

	Consolidated Shareholders' Equity per share (in euros)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Before issuance of the Bonds	57.9	56.3
After issuance and conversion or exchange of 18,754,689 Bonds into shares	55.5	55.3
After issuance and conversion or exchange of 21,567,892 Bonds into shares ⁽²⁾	55.2	55.0

(1) In the event of the exercise of all of the stock options (whether or not such stock options were exercisable).

(2) In the event of the exercise in full of the over-allotment option.

By way of illustration, the impact of the issuance and of the conversion into new shares of all of the Bonds on the equity interest of a shareholder holding 1% of the Company's share capital prior to the issue and not subscribing to the issue, calculated as of December 31, 2008, would be as follows:

Calculations made based on assumptions detailed in section 8.11 of this Securities Note.

	Holding of the Shareholder (%)
	Non-diluted basis
Before issuance of the Bonds	1%
After issuance and conversion of 18,754,689 Bonds into shares	0.93%
After issuance and conversion of 21,567,892 Bonds into shares ⁽¹⁾	0.92%

(1) In the event of the exercise in full of the over-allotment option.

D. PRACTICAL INFORMATION

Indicative timetable of the issuance

June 22, 2009	Granting of the approval (<i>visa</i>) on the Prospectus by the AMF
June 23, 2009	Press release by the Company announcing the launch and the indicative terms of the Bond issuance
	Beginning of bookbuilding related to the Private Placement
	Beginning of the priority subscription period for shareholders
	Beginning of the Public Offering
	End of bookbuilding related to the Private Placement
June 25, 2009	End of the priority subscription period for shareholders
	End of the Public Offering
June 26, 2009	Determination of the final terms of the Bonds
	Press release by the Company announcing the final terms of the issuance
June 29, 2009	Deadline for exercise of over-allotment option
	If applicable, press release by the Company announcing the final issue size after exercise of the over-allotment option
	Notice of listing published by Euronext Paris

July 1, 2009

Settlement and delivery of the Bonds

Admission of the Bonds to trading on Euronext Paris

Financial intermediary responsible for servicing the Bonds

The servicing of the Bonds will be provided by Société Générale Securities Services.

The centralization of the financial debt service will be carried out by Société Générale Securities Services.

Global Coordinator

Société Générale & Investment Banking

Joint Lead Managers and Joint Bookrunners; Co-Bookrunners

CALYON, Citi, HSBC and Société Générale Corporate & Investment Banking as Joint Lead Managers and Joint Bookrunners; BNP Paribas and Lazard-NATIXIS as Co-Bookrunners

Investor relations contact

James Palmer
Investor Relations Officer
75, avenue de la Grande Armée
75016 Paris
Tel.: +33 (1) 40 66 54 59
Fax: + 33 (1) 40 66 51 99
Email: james.palmer@mpsa.com

Documents available to the public

All legal documents can be consulted at the registered office of Peugeot S.A., 75, avenue de la Grande Armée, 75116 Paris, France.

Availability of the Prospectus

Copies of the Prospectus are available free of charge from Peugeot S.A., 75, avenue de la Grande Armée, 75116 Paris, France. The Prospectus is also made available on Peugeot's website (www.psa-peugeot-citroen.com) as well as on the AMF's website (www.amf-france.org) and from the financial institutions listed below: CALYON, Citi, HSBC, Société Générale Corporate & Investment Banking, BNP Paribas and Lazard-NATIXIS.

1 PERSONS RESPONSIBLE FOR THE PROSPECTUS

1.1 Person responsible for the Prospectus

Mr. Philippe Varin
Chairman of the Managing Board
Peugeot S.A.

1.2 Statement by the person responsible for the Prospectus

"I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus, to the best of my knowledge, conforms to the facts and contains no omission likely to affect the fairness of the presentation."

[INTENTIONALLY OMITTED]

Mr. Philippe Varin
Chairman of the Managing Board

1.3 Person responsible for investor relations

James Palmer
Investor Relations Officer
75, avenue de la Grande Armée
75016 Paris
Tel.: +33 (1) 40 66 54 59
Fax: + 33 (1) 40 66 51 99
Email: james.palmer@mpsa.com

1.4 Persons responsible for the audit of financial statements

- Statutory auditors

PricewaterhouseCoopers Audit

Pierre Riou
63, rue de Villiers
92200 Neuilly-sur-Seine

Mazars

Loïc Wallaert
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

- Alternate statutory auditors

Yves Nicolas

63, rue de Villiers
92200 Neuilly-sur-Seine

Patrick de Cambourg

Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

2 RISK FACTORS RELATING TO THE COMPANY AND TO THE TRANSACTION THAT COULD HAVE A MATERIAL IMPACT ON THE SECURITIES OFFERED

Before making any decision to invest in the bonds for conversion and/or exchange into ordinary new or existing shares (the “Bonds”), potential investors should carefully review all of the information contained in this Prospectus. Other risks and uncertainties of which the Company is not currently aware or which it currently considers remote could also affect its business. Potential investors are urged to conduct their own independent evaluation of all of the considerations relating to an investment in the Bonds and closely review the detailed information provided elsewhere in this Prospectus.

2.1 Risks relating to the Company

The risk factors relating to the Company and its business are described in Chapter 4 (pages 15 to 24) of the Registration Document. In addition to these risk factors, investors should, before making any decision to invest in the Bonds, review the risks factors relating to the Bonds described in section 2.2 below.

2.2 Risks relating to the Bonds

The Bonds are securities that are not necessarily suitable for all investors.

The Bonds are securities comprised of a bond component and an optional component relating to the issuer’s underlying shares. Investors must have sufficient knowledge and experience with respect to the financial market and business in order to assess the advantages and risks related to investing in the issuance of Bonds that may be converted into new shares and/or exchanged for existing shares, as well as an understanding of and access to analytical tools in order to assess these advantages and risks in light of their financial situation. Investors must be capable of understanding in which cases and conditions the conversion and/or exchange of the Bonds for new or existing shares of the issuer may be advantageous to them. The Bonds are unsuitable for investors who are not familiar with concepts such as redemption, events of default or other financial terms that apply to this type of financial security. Investors must also have adequate financial resources to bear the risks associated with an investment in Bonds.

The terms of the Bonds could be changed.

The terms and conditions of the Bonds are based on the laws in force on the date of this Prospectus.

Changes in legislation or regulations could result in modification of the terms and conditions of the Bonds, which could have an impact on their value.

No assurance can be given as to the impact of any possible change of such laws after the date of this Prospectus.

The general meeting of Bondholders’ may modify the terms of the Bonds with the consent of the Company, if a two-thirds majority of the Bondholders present or represented approves such modification. Any such approved modification will be binding on all of the Bondholders.

It is not certain that a market will develop for the Bonds.

An application has been made for admission of the Bonds to trading on Euronext Paris. However, there is no guarantee that an active trading market for the Bonds will develop or that Bondholders will be able to trade their Bonds on the secondary market. If such a market were to develop, the price of the Bonds could be subject to considerable volatility. If no such market were to develop, the liquidity and the price of the Bonds would be affected.

There is no obligation to create a market for the Bonds.

The price of the Bonds will depend on numerous factors.

The market value of the Bonds will depend on the price and volatility of the Company's shares, market interest rates, the Company's credit risk and changes in the market opinion regarding the Company, and the amount and regularity of dividend payments made by the Company. Therefore, a reduction of the market price and/or the volatility of the Company's shares, an increase in interest rate "spreads", any real or perceived changes in the Company's credit risk or an increase in dividend payments may adversely affect the market value of the Bonds.

The Bondholders benefit from limited anti-dilution protection.

The Conversion/Exchange Ratio applicable in the event of the conversion into new shares and/or exchange in existing shares of the Bonds will be adjusted only in the cases provided for in paragraph 4.16.6 "Maintenance of Bondholders' rights". In addition, the Conversion/Exchange Ratio will not be adjusted in all cases where an event relating to the Company or any other event that may have an impact on the value of the Company's shares or, more generally, may result in their dilution, in particular in the event of the issuance of securities without preferential subscription rights, the free allocation of Company shares to employees or the allocation of Company stock options. The events for which no adjustment is provided for could have a negative effect on the value of the Company's shares and, consequently, on that of the Bonds.

The Bonds' negative pledge clause allows the Company to freely dispose of its assets or grant security interests.

The Bonds and the interest thereon constitute unsecured, direct, general, unconditional, unsubordinated and unguaranteed debt securities of the Company, ranking equally among themselves and, subject to required legal exceptions, *pari passu* with all other present or future unsecured debt and guarantees of the Company. The servicing of the debt in terms of interest, principal, taxes, costs and other amounts in respect of the Bonds is not guaranteed or secured.

The Bonds' rank does not affect the Company's ability to freely dispose of its assets or grant security interests in respect of such assets in certain circumstances (see section 4.6 "Ranking of the Bonds").

A withholding tax may be imposed in respect of payments on the Bonds.

Neither interest nor principal payments in respect of the Bonds currently give rise to withholding taxes (see section 4.15 "Withholding tax for non-residents in respect of the Bonds"). If such withholding taxes were to be implemented in the future, the Company will not be required to pay additional amounts under the Bonds to offset such withholding taxes.

The Bonds are covered by limited financial restrictions.

The Company may issue other financial instruments, including other bonds, which may represent significant amounts, increase the Company's indebtedness and decrease the Company's credit rating. The terms and conditions of the Bonds do not require the Company to maintain any financial ratios or specific levels of shareholders' equity, revenues, cash flows or liquidity and, accordingly, do not offer the Bondholders protection in the event of a deterioration of the Company's financial condition.

The Company may not be able to repay the Bonds.

The Company may not be able to repay the Bonds upon maturity. The Company may also be required to repay all or part of the Bonds in the event of a default. If the Bondholders were to seek repayment of their Bonds following an event of default, the Company would not necessarily be able to pay the required amount in full. The Company's ability to repay the Bonds will depend on its financial condition at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the terms and conditions of new financing in place as of such date, which may replace, supplement or amend its existing or future indebtedness. The Company's failure to redeem the Bonds could constitute a case of default with regard to another debt.

Certain Bondholders may be exposed to exchange rate risk.

The Company will make all payments due under the Bonds in euros. Any Bondholder whose activities are conducted mainly in a currency other than the euro must take into consideration the risk of exchange rate fluctuation in relation to the euro as well as changes in exchange control regulations. An appreciation of the value of the currency of the Bondholder compared to the euro would decrease the value of the payments (interest, repayment) received for the Bonds in the Bondholder's currency and the market value of the Bonds, and therefore the returns on the Bonds for their holders.

Governments and monetary authorities could impose (as some have done in the past) exchange controls that could affect the applicable exchange rate. In such a case, Bondholders could receive lower principal or interest payments than expected, or none of these payments.

The provisions applicable to Bonds may be discarded in the event of the application of the French law on collective proceedings to the Company.

French law relating to companies in difficulty provides that, in the case of the opening of reorganization proceedings (*procédure de sauvegarde*) or bankruptcy proceedings for the Company, all creditors who own bonds issued in France or abroad (including Bondholders) are grouped together in a sole general meeting. The provisions relating to the representation of the Bonds are discarded inasmuch as they depart from the mandatory provisions of the law on companies in difficulty applicable in the context of such procedures.

These provisions provide that the sole general meeting ensure the defense of the creditors' (including the Bondholders) common interests and deliberate, if applicable, on the planned reorganization or bankruptcy proceedings. The sole general meeting may in particular (i) adopt a favorable position in respect of an increase in bondholders' charges (including the Bondholders) through the implementation of time-limits for payment and/or the granting of a whole or partial bond debt write-off, (ii) agree to differentiated treatment between bondholders (including the Bondholders) if the differences in situation justify it; and/or (iii) order a conversion of debt (including the Bondholders) into securities granting or that may grant access to the share capital.

The decisions of the sole general meeting are made with a majority of two-thirds the amount of the bonds held by the holders having voted, notwithstanding any clause to the contrary and independent of the law applicable to the issuance contract. No quorum requirements apply.

3 KEY INFORMATION

3.1 Interest of individuals and legal entities participating in the issue

CALYON, Citigroup Global Markets Limited, HSBC France, Société Générale, BNP Paribas, Lazard Frères Banque and NATIXIS, acting severally but not jointly, under the commercial name "Lazard-NATIXIS", companies of their group, and/or certain of their affiliates, within the meaning of US regulation, have provided and/or may in the future provide various banking, financial, investment, commercial or other services to the Company or to companies in its Group, to their shareholders or their directors and officers (*mandataires sociaux*), for which they have received or may receive compensation.

3.2 Purpose of the issuance and use of proceeds

The capital resulting from this issue will provide the general financing needs of the Group as well as 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 508 in the second half of 2009, a three cylinder, one liter petrol engine at 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).

4 INFORMATION RELATING TO THE FINANCIAL SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON EURONEXT PARIS

4.1 Type and class of the Bonds for which admission to trading is requested

The Bonds to be issued by the Company constitute securities that confer certain rights to receive shares of the Company within the meaning of articles L. 228-91 *et seq.* of the French Commercial Code (*Code de commerce*).

The Bonds are expected to be listed on Euronext Paris on July 1, 2009 under ISIN number FR0010773226. As of the date of this Securities Note, no listing on any other market has been requested, or is expected to be requested.

4.2 Par value of each Bond – Issue price of the Bonds

The unit value of the Bonds will represent an issue premium comprised between 33% and 38% over the trading volume-weighted average price of the Company's shares on the Euronext Paris stock exchange from the beginning of trading on 26, 2009 until 12 noon (see section 5.3 "Determination of the final terms of the Bonds and the offering").

The initial amount of the issue will be €500 million. In addition, for the sole purpose of hedging potential over-allotments, the Company granted to the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters (as defined in section 5.4.3.1 "Underwriting"), an over-allotment option which, if it were to be exercised in its entirety, would require the Company to increase the nominal amount of the issuance by a maximum of 15% to a maximum nominal amount of approximately €575 million.

This over-allotment option is exercisable, at one time only, in whole or in part at the latest on June 29, 2009.

4.3 Applicable law and courts having jurisdiction in the event of a dispute

The Bonds are governed by French law. The courts having jurisdiction in the event of a dispute are those where the registered office of the Company is located when the Company is the defendant and are designated according to the nature of the dispute, unless otherwise provided by the French Code of Civil Procedure (*Code de procédure civile*).

4.4 Form and method of registration in Bond accounts

The Bonds may be held in registered or bearer form, at the option of the Bondholders.

In accordance with Article L. 211-3 of the French Monetary and Financial Code (*Code monétaire et financier*), the Bonds are required to be registered in securities accounts held, as the case may be, by the Company or an authorized intermediary.

Consequently, the rights of the holders will be represented via a registration in securities accounts opened in their name in the registries of:

- Société Générale Securities Services, commissioned by the Company, for Bonds held in fully registered form (*forme nominative pure*);
- an authorized financial intermediary chosen by the Bondholder and Société Générale Securities Services, commissioned by the Company, for Bonds held in administered registered form (*forme nominative administrée*);
- an authorized financial intermediary chosen by the Bondholder for Bonds held in bearer form (*au porteur*).

In accordance with Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code, the Bonds are sent via a wire transfer from one account to another, and the transfer of ownership of the Bonds will occur upon their registration in the acquiror's securities account.

A request for the listing of the Bonds comprising the issue was made to Euroclear France. The latter will be responsible for the compensation of Bonds between entities managing the securities-accounts.

In addition, a request will also be made for the listing of the Bonds to Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* (Luxembourg).

Based on the indicative timetable, it is expected that the Bonds will be registered in securities accounts and tradable as of July 1, 2009, the settlement and delivery date of the Bonds.

4.5 Currency of the issue

The Bonds will be denominated in euros.

4.6 Ranking of the Bonds

4.6.1 Status

The Bonds and the interest thereon constitute unsecured, direct, general, unconditional, unsubordinated and unguaranteed debt securities of the Company, ranking equally among themselves and, subject to required legal exceptions, *pari passu* with all other present or future unsecured debt and guarantees of the Company.

The servicing of the debt in terms of interest, principal, taxes, costs and other amounts in respect of the Bonds is not guaranteed or secured.

4.6.2 Negative pledge

So long as any of the Bonds remain outstanding, the Company agrees that it will not, and must ensure that its Important Subsidiaries (as defined in section 4.9.4 "Early redemption upon event of default") will not, grant any mortgage (*hypothèque*) over its present or future real property assets or interests, nor any pledge (*nantissement*) on all or part of their goodwill (*fonds de commerce*) or other security interest, lien (*gage*) or pledge on all or part of their assets or income, present or future, for the benefit of holders of other bonds, issued or guaranteed by the Company without granting the same security and status to the Bonds, with the exception of the following security interests granted by Banque PSA Finance ("BPF"), as long as BPF is an Important Subsidiary:

- (a) any security interest granted by BPF on assets held in a trust by another party and that are used by this party only in order to guarantee BPF's payment obligations relating to the principal and/or interest due in respect of any bond issued by BPF that does not benefit from real securities (the "Bonds issued by BPF") in the case where this party has committed to bear the payment of the Bonds issued by BPF;
- (b) any security interest granted by BPF on assets or debt receivables of BPF, in order to refinance these assets and debt receivables and for which the risk (excluding the credit increase supplied by BPF in respect of these assets and debt receivables) of default on payment on these assets and debt receivables are not, as a result of this refinancing, borne by BPF;
- (c) any security interest granted by BPF on sums that result from the proceeds from BPF's bond issuance as long as (A) the depository of these sums agrees to a debt, of an amount at least equal to the deposit amount, to a company within the BPF Group (as defined below) and (B) the redemption date of this debt is not prior to the redemption date of the deposit.

For the purposes of this section, the BPF Group refers to BPF and its consolidated subsidiaries.

This undertaking is given only with respect to the issuances of bonds and does not in any way affect the right of the Company to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

4.6.3 Further issues

If the Company subsequently issues new bonds with rights identical in all respects to those of the Bonds (in all respects except with regard to the first related payment), the Company may, without the consent of the Bondholders and provided that the terms and conditions of such bonds so permit, consolidate the Bonds with those of any such subsequent issuances, thereby treating such bonds as the same issue for the purposes of financial agency services and trading. All of the holders would then be grouped into a single body (*masse*).

4.7 Rights and restrictions attached to the Bonds and terms of exercise of such rights

The Bonds accrue interest and will be redeemed at maturity or on the relevant early redemption date in accordance with the terms of section 4.9 (“Redemption date and terms of redemption of the Bonds”).

The Bonds are convertible and/or exchangeable for shares of the Company as described in section 4.16 below (“Right to the Allocation of Shares – Conversion into and/or exchange of Bonds for shares of the Company”).

The Bonds are not subject to any specific restrictions.

4.8 Nominal interest rate and provisions relating to accrued interest

The Bonds will accrue interest from and including the Issue Date (as such term is defined in section 4.13, “Expected issue date”) at a nominal annual rate comprised between (RR+0.50%) and (RR+1.25%) (in the absence of a conversion or exchange for shares and barring early redemption), payable in arrears on January 1 and July 1 of each year (or the following business day if such date is not a business day), beginning on January 1, 2010 (each an “**Interest Payment Date**”).

“RR”, or Reference Rate, will be equal to the 6.5 year linearly interpolated mid swap rate based on the 6 and 7 year euro mid swap rates as they will appear on Bloomberg EUSA6 Index and EUSA6 Index pages on June 25, 2009 at 5:40 p.m. (Paris time). It will be determined pursuant to the terms and conditions described in section 5.3 “Determination of the final terms of the Bonds and the offering”.

The semi-annual interest amount will be calculated by applying the nominal annual rate divided by 2 notwithstanding the number of days in each half year, to the nominal amount of Bonds. All interest payments relating to an interest period of less than half a year will be equal to the product of (a) the nominal annual interest rate and (b) the ratio between (x) the exact number of days elapsed since the last Interest Payment Date (or the Issue Date, as the case may be) and (y) the number of days between the next Interest Payment Date (excluded) and the anniversary of this last date (inclusive) of the previous year (i.e., 365 days or 366 days in the case of a leap year).

Subject to the provisions of section 4.16.5 “Rights of Bondholders to interest on the Bonds and rights to dividends and distribution of shares delivered”, interest will cease to accrue from the maturity date or the early redemption date of the Bonds.

Claims in respect of interest will become void five years from the maturity date.

4.9 Redemption date and terms of redemption of the Bonds

4.9.1 Redemption at maturity

Unless the Bonds have been the subject of an early redemption, exchange or conversion under the conditions set forth below, they will be redeemed in full at par on January 1, 2016 (or the following business day if such date is not a business day).

The term of the Bonds will therefore be 6 years 184 days from the Issue Date to the stated maturity date.

Claims in respect of principal will lapse ten years from the date of redemption or reimbursement.

4.9.2 Early redemption by repurchase or public tender or exchange offers

The Company may, at its option, redeem all or part of the Bonds, at any time, without limitation as to price or quantity, by repurchasing Bonds either on- or off-market or by means of public tender or exchange offers. Subject to section 4.9.3 (“Early redemption at the Company’s option”), any such redemption will not affect the normal schedule for the redemption of any outstanding Bonds. Any Bonds so acquired will be cancelled.

4.9.3 Early redemption at the Company’s option

1. The Company may, at its option, at any time from January 1, 2013 until the maturity date, subject to the minimum 30 calendar day prior notice described in section 4.9.6 (“Publication of information in the event of redemption at maturity or early redemption of the Bonds”), proceed with the early redemption of all of the outstanding Bonds, at par (plus interest accrued since the last Interest Payment Date), if the arithmetic average, calculated over a period of 10 consecutive trading days from among the 20 that precede the publication of the notice of such early redemption, of the products of the opening quoted prices of the Company’s shares on Euronext Paris and the Conversion/Exchange Ratio (as defined in section 4.16.3, “Exercise period and Conversion/Exchange Ratio”) in effect on each date, exceeds 130% of the par value of the Bonds.

A “**trading day**” will mean any business day on which Euronext Paris provides for shares to be listed on its market, other than a day on which such trading ceases prior to the usual closing time.

A “**business day**” will mean any day (other than a Saturday or Sunday) on which banks are open in Paris and on which Euroclear France operates.

2. The Company may, at its option, at any time, subject to the advance notice of at least 30 calendar days provided for in section 4.9.6 (“Publication of information in the event of redemption at maturity or early redemption of the Bonds”), redeem to par plus interest accrued since the last Interest Payment Date (or, as the case may be, since the Issue Date) all of the outstanding Bonds, if less than 10% of the issued Bonds remain outstanding.

3. In the cases described in paragraphs 1 and 2 above, the Bondholders will retain the ability to exercise their Conversion/Exchange Right as provided in section 4.16.3 “Exercise period and Conversion/Exchange Ratio” up to and including the seventh business day preceding the early redemption date.

4.9.4 Early redemption upon event of default

The Representative of the Body of Bondholders (*Représentant de la Masse*) (as defined in section 4.11.1 “Representation of the Bondholders”) may, upon decision of the general meeting of Bondholders, acting under conditions of quorum and majority provided for by law, by written notice sent to the Company, with a copy to the Centralizing Agent (as defined in section 5.4.2 “Intermediary responsible for the financial servicing and servicing of the Bonds”), make all of the Bonds redeemable at a price equal to par plus interest accrued from the last Interest Payment Date (or, if applicable, since the Issue Date), if any of the following events occur:

- (a) the Company defaults on the payment on the due date of any sums due in respect of any Bond and such default is not remedied within seven business days of such due date;
- (b) the Company fails to perform or observe any of its other obligations under the terms of the Bonds and such failure is not remedied within twenty business days of the written notice by the Company of this failure to perform or observe by the Representative of the Body of Bondholders;
- (c) the occurrence of a payment default in respect of any Indebtedness for Borrowed Money or guarantee of Indebtedness for Borrowed Money, current or future, of the Company or any Material Subsidiary, in excess of €15 million (or the equivalent in any other currency) on the relevant due date (taking into account any applicable grace periods);
- (d) acceleration from the occurrence of an event of default in respect of any Indebtedness for Borrowed Money of the Company or any other Material Subsidiary in an amount in excess of €15 million (or the equivalent in any other currency);

- (e) a judgment is delivered ordering the judicial liquidation (*liquidation judiciaire*) or the sale of all of the Company's assets, or the Company becomes subject to voluntary liquidation or dissolution, unless (i) such liquidation or dissolution has received the prior consent of the Body (*Masse*) of the Bondholders or (ii) the new entity assumes the obligations of the Company, or the Company is subject to a conciliation proceeding (*procédure de conciliation*) in accordance with articles L. 611-4 *et seq.* of the French Commercial Code, and is in a state of suspension of payments (*cessation de paiements*), or becomes subject to a reorganization procedure (*procédure de redressement*) or judicial liquidation;
- (f) the merger or the contribution of assets of the Company or of another company, unless (i) the pro forma balance sheet of the new entity resulting from the merger or the contribution of assets presents, at the date of the merger or of the contribution, a share capital equivalent to or greater than the company merged or absorbed the day preceding the merger or the contribution, (ii) the new entity resulting from the merger or resulting from the reorganization operation is a company incorporated in a member state of the European community, in Switzerland or in the United States of America and expressly bears all of the obligations of the Company in relation to the Bonds and has obtained all of the authorizations necessary in this regard, and (iii) the Company has duly informed the Bondholders of the merger or contribution before its effective date;
- (g) the ordinary shares of the Company are no longer listed on a market regulated within the meaning of Directive 2004/39/EC of April 21, 2004 relating to markets for financial instruments.

“**Indebtedness for Borrowed Money**” will mean any debt (including in connection with financial leases (*crédit-bail*)) arising from an obligation to repay moneys borrowed for a period of at least one year and having given rise to the establishment of a contract or other instrument, excluding supplier credits (*crédits-fournisseurs*) and loans granted by companies controlled by the Company.

“**Material Subsidiary**” will mean (a) any company fully consolidated by the Company (*par intégration globale*) and that represents more than 10% of the total consolidated revenues or assets of the Company and its consolidated subsidiaries during the last fiscal year or (b) any subsidiary to which are transferred all of the assets and commitments of a subsidiary that was, immediately before the transfer, a Material Subsidiary.

4.9.5 Early redemption at the option of the Bondholders in the case of a Change of Control of the Company

In the case of a Change of Control, as defined in section 4.16.6(c) (“Public offerings”), any Bondholder may, at its option, request the early redemption in cash of all or part of the Bonds owned by such Bondholder as provided below.

The Bonds will be redeemed at a price equal to par plus interest accrued from the last Interest Payment Date preceding the early redemption date (or, if applicable, from the Issue Date) until the effective redemption date.

The Company will inform the Bondholders of any Change of Control, at the latest within the 30 calendar days following the effective Change of Control, by means of a notice published in a financial newspaper with national circulation in France as well as in a notice to be issued by Euronext Paris.

These notices will state that Bondholders have the right to request the early redemption of their Bonds and will indicate (i) the date set for the early redemption which must be between the 25th and the 30th business day following the publication date of the notice in a financial newspaper with national circulation in France, (ii) the redemption amount and (iii) the period, of at least 15 business days, during which the early redemption requests for the Bonds and the corresponding Bonds must be received by the Centralizing Agent (as defined in section 5.4.2 “Intermediary responsible for the financial servicing and servicing of the Bonds”).

In order to obtain early redemption of their Bonds, Bondholders must request early redemption from the financial intermediary holding the Bondholder's securities account. Any redemption request will be irrevocable once received by the financial intermediary in question.

The requests and the corresponding Bonds must be received by the Centralizing Agent between the twentieth and the fifth business day preceding the early redemption date.

The date on which early redemption is requested will correspond to the business day during which the last of conditions (1) and (2) below is fulfilled, at the latest at 5:00 p.m., Paris time or the following business day if fulfilled after 5:00 p.m., Paris time:

(1) the Centralizing Agent will have received the redemption request transmitted by the financial intermediary in the books in which the Bonds are registered on account;

(2) the Bonds will have been transferred to the Centralizing Agent by the financial intermediary in question.

4.9.6 Publication of information in the event of redemption at maturity or early redemption of the Bonds

Information relating to the number of Bonds redeemed, converted or exchanged and the number of Bonds outstanding will be provided periodically to Euronext Paris for publication and may be obtained from the Company or from the financial institution serving in the capacity described in section 5.4.2 ("Intermediary responsible for the financial servicing and servicing of the Bonds").

Should the Company decide to redeem all of the Bonds upon or prior to maturity, a notice to that effect will be published in the *Journal Officiel* (so long as required by French law) and a financial newspaper with a national circulation in France, and a notice issued by NYSE Euronext no later than 30 calendar days prior to the effective possible redemption date.

4.9.7 Cancellation of Bonds

Bonds that have been redeemed at or prior to maturity, repurchased on- or off-market or by means of public tender or exchange offers and converted or exchanged Bonds, will be cancelled in accordance with French law.

4.10 Annual gross yield to maturity

The annual gross yield to maturity can not be calculated when the annual nominal interest rate is not known (the current value of the amounts to be paid by the Company could not be determined) and interest will be paid semi-annually. It will be close to and slightly higher than the annual nominal rate (in the absence of a conversion and/or exchange for shares and barring early redemption).

In the French bond market, the yield to maturity of a bond is the annual rate that, on a given date, at such rate and on a compound interest basis, equals the present value of all amounts payable and all amounts receivable from such bond (as defined by the Bond Standardization Committee (*Comité de normalisation obligataire*)).

4.11 Representation of the Bondholders

In accordance with article L. 228-103 of the French Commercial Code and to protect their common interests, Bondholders are treated as a collective body, which has the status of a legal entity.

A general meeting of Bondholders is required to authorize modifications to the terms and conditions of the Bonds and to vote on all decisions that require its approval under applicable law.

Under current law, each Bond carries the right to one vote; the general meeting of Bondholders may not validly rule unless the holders present or represented hold at least one-fourth of the Bonds carrying the voting rights at first calling and at least one-fifth at second calling. Decisions made at the general meeting of Bondholders are only valid if approved by a majority of two-thirds of the votes of the Bondholders present or represented.

Appointed Representative of the Body of Bondholders

In accordance with article L. 228-47 of the French Commercial Code, the designated appointed representative of the Body of Bondholders (hereinafter referred to as the “Representative of the Body of Bondholders”) will be:

Michael Maringe
15, Avenue Frochot
75009 Paris

The Representative of the Body of Bondholders will have the power, subject to any resolution to the contrary of the general meeting of Bondholders, to carry out on behalf of the body of Bondholders all acts of an administrative nature to protect the common interests of the Bondholders.

He will exercise his duties until his death, resignation, dismissal by the general meeting of Bondholders or if a conflict arises. His appointment will automatically end on the date of partial or total redemption of the Bonds, whether at or prior to maturity. This term will be automatically extended, where applicable, until the final resolution of any legal proceedings in which the Representative of the Body is involved and the enforcement of any judgments rendered or settlements made pursuant thereto.

Alternate Representative of the Body of Bondholders

The alternate Representative of the Body of Bondholders will be:

Pierre Troussel
31, Boulevard de le République
92370 Chaville

This representative may be called upon to replace the Representative of the Body of Bondholders if the latter is unable to fulfill his mandate.

General information

The Representative of the Body of Bondholders will be entitled to an annual compensation of €400, payable on December 31 (or the following business day) of each of the years from and including 2009 to and including 2015, provided that there are still Bonds outstanding at such time.

The Company will bear the cost of compensating the Representative of the Body of Bondholders as well as the expenses of calling and holding the general meeting of Bondholders, publishing its decisions, the fees relating to the appointment of the Representative of the Body of Bondholders under article L. 228-50 of the French Commercial Code, where applicable, and, more generally, all costs arising in connection with the administration and operation of the Body of Bondholders.

General meetings of Bondholders will be held at the registered office of the Company or any other place specified in the notice convening the meeting. Each Bondholder will have the right, during the 15-day period preceding said general meeting, to examine or make copies of the text of the proposed resolutions, as well as any reports to be presented to the general meeting of Bondholders, at the registered office or administrative headquarters of the Company or at such other place as may be specified in the notice convening the meeting, or to cause an agent to do the foregoing on its behalf.

In the event that subsequent issues of bonds give subscribers rights identical to those under the Bonds, and if the terms and conditions of such subsequent bonds so provide, the holders of all of such bonds will be grouped together in a single body.

4.12 Resolutions and decisions pursuant to which the Bonds are issued

4.12.1 Authorization given by the general shareholders’ meeting

The combined general shareholders’ meeting of the Company of June 3, 2009, adopted the following resolutions:

“Sixth resolution (Authorization for the Managing Board to issue shares and/or share equivalents giving direct or indirect access to the share capital with pre-emptive subscription rights) – The General Shareholders’ Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders’ meetings, having reviewed the report of the Managing Board and the special report of the Statutory Auditors, resolves, in accordance with the provisions in Articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

I. To give the Managing Board, under Article 9 of the bylaws, a twenty-six month authorization, with immediate effect, to increase the Company’s issued capital on one or several occasions by:

a. Issuing, in France or abroad, shares denominated in euros and/or securities denominated in euros or in foreign currencies conferring the right to acquire, directly or indirectly, immediately or in the future, Peugeot S.A. shares, and/or

b. Issuing bonus shares or raising the par value of existing shares, to be paid up by capitalizing profit, retained earnings or additional paid-in capital.

II. That the aggregate number of shares issued, immediately or in the future, pursuant to this authorization (including any shares issued to protect the rights of holders of existing securities) may not have the effect of increasing the issued capital – currently €234,048,798 – to more than €400,000,000, not including the value of any issue and/or redemption premiums.

III. That the aggregate nominal amount of debt securities conferring the right to equity issued pursuant to this authorization may not exceed €1,500,000,000.

IV. That stockholders shall be granted pre-emptive subscription rights to any securities issued pursuant to this authorization, in proportion to their existing interest in the issued capital.

V. That:

a. If the issue is not taken up in full by stockholders exercising their pre-emptive rights, all or some of the unsubscribed shares or other securities may be offered to the public.

b. In the case of a bonus share issue, rights to fractions of shares shall be non-transferable. The corresponding shares shall be sold and the proceeds from the sale allocated among the holders of said rights within 30 days of the date on which the whole number of shares allotted to them is recorded in their account.

c. In the case of issue of compound securities, stockholders shall not have any pre-emptive right to subscribe for the shares to be issued on conversion, redemption, exchange or exercise of the securities carrying a right to equity.

This authorization replaces the authorization to issue shares and share equivalents given to the Managing Board in the tenth resolution of the Extraordinary Meeting of May 23, 2007.”

“Seventh resolution (Authorization for the Managing Board to issue shares and/or share equivalents giving direct or indirect access to the share capital without pre-emptive subscription rights) – The General Shareholders’ Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders’ meetings, having reviewed the report of the Managing Board and the special report of the Statutory Auditors:

I. Authorizes the Managing Board, under Article 9 of the bylaws, to increase the Company’s issued capital on one or several occasions by issuing, in France or abroad, shares and/or other securities denominated in euros conferring the right to acquire, directly or indirectly, immediately or in the future, Peugeot S.A. shares. These issues may be carried out, at the Managing Board’s discretion, without existing stockholders being granted a pre-emptive subscription right, within the monetary limits set in paragraph II of the sixth resolution.

II. Resolves that the issues carried out pursuant to this authorization may take the form of (i) a public offer, or (ii) an offer governed by section II of Article L. 411-2 of the French Monetary and Financial

Code, subject to a ceiling representing 20% of the Company's capital per year. Both these forms of offer shall be subject to the conditions set out in Article L. 225-136 of the French Commercial Code.

III. Resolves that the aggregate nominal amount of debt securities conferring the right to equity issued pursuant to this authorization may not exceed €1,500,000,000 and that any such issues shall be included in the ceiling specified in paragraph III of the sixth resolution.

IV. Resolves that the Managing Board, at its discretion, may grant existing stockholders a priority right to subscribe for the new shares issued under this authorization, in application of Article L.225-135 of the French Commercial Code.

This authorization is given for a period of twenty-six months as from the date of this Meeting and replaces the authorization to issue shares and share equivalents given in the eleventh resolution of the Extraordinary Meeting of May 23, 2007.

The Extraordinary Meeting expressly waives stockholders' preemptive subscription rights in the event that the Managing Board decides to use this authorization, provided that the issue price of the shares created directly or on conversion, redemption, exchange or exercise of securities conferring a right to equity, is at least equal to the weighted average price quoted for Peugeot S.A. shares on the Paris Bourse over the three consecutive trading days preceding the date when the issue price is set, less a maximum discount of 5%."

"Eighth resolution (Authorization for the Managing Board to increase the amount of securities offered for issues that are oversubscribed) - The General Shareholders' Meeting, acting under the conditions of quorum and majority required for extraordinary shareholders' meetings, having reviewed the report of the Managing Board and the special report of the Statutory Auditors, authorizes the Managing Board to increase the number of securities offered under any issues decided pursuant to the sixth and seventh resolutions of this Meeting, in accordance with Article L. 225-135-1 of the French Commercial Code, provided that the additional securities are issued at the same price as for the original issue and the ceiling specified in the sixth and seventh resolutions is not exceeded.

This authorization is given for a period of twenty-six months as from the date of this Meeting and replaces the authorization given at the Extraordinary Meeting of May 23, 2007 to increase the amount of securities offered for issues that are oversubscribed."

4.12.2 Decision of the Managing Board and Chairman of the Managing Board

By virtue of the delegation of authority conferred by the combined general shareholders' meeting of June 3, 2009, the managing board meeting of June 22, 2009 decided, after taking note of the deliberations of the supervisory board meeting of June 17, 2009, on the issuance of bonds convertible into and/or exchangeable for new or existing shares up to a maximum amount of approximately €500 million that may be increased to approximately €575 million in the event that the over-allotment option is exercised in full, and to subdelegate to its Chairman all of the powers necessary to decide and carry out such issue and to set the issue price and the final terms and conditions thereof.

Acting pursuant to this sub-delegation granted by the managing board and the resolutions of the combined general shareholders' meeting of June 3, 2009, the Chairman of the Managing Board decided on June 22, 2009 to issue the Bonds under the terms and conditions set forth in this Securities Note.

4.13 Expected issue date

The Bonds are expected to be issued on July 1, 2009 (the "Issue Date").

This date is also the dividend entitlement and settlement date of the Bonds.

4.14 Restrictions on transferability of the Bonds

Subject to the selling restrictions mentioned in section 5.2 "Bond distribution and allocation scheme", there are no restrictions imposed by the terms and conditions of the Bonds relating to their transferability.

4.15 Withholding tax for non French tax residents in respect of the Bonds

i) French tax withholding

The following provisions summarize the French tax consequences under current French legislation likely to be applied to investors who are natural persons or corporations and who are not fiscal residents of France and who will receive proceeds with respect to their holding of the Bonds. the Bonds. Investors should nonetheless consult their own tax advisor with regard to the tax regulations applicable to their individual situation.

The proceeds of fixed-revenue investments for which the debtor is established or domiciled in France and paid to non French tax residents are in principle subject to a flat-rate withholding tax provided for in Article 125 A III of the French General Tax Code (*Code général des impôts*, or “CGI”).

As the Bonds are denominated in euros, they are considered realized outside of France for the application of the provisions of Article 131 (d) of the CGI, as interpreted by the French tax administration (see the *Bulletin Officiel des Impôts* No. 5 I-11-98 of September 30, 1998 and advance tax ruling No. 2007/59 of January 8, 2008). Consequently, the proceeds of the Bonds paid to individuals whose fiscal residence or whose registered office is outside of France are exempt from the withholding provided for in Article 125 A III of the CGI.

However, as a result of domestic French law, the fraction of the proceeds paid to a non French tax resident who is a Bondholder and also a shareholder of the Company (without having a relationship of dependence with the Company within the meaning of Article 39, 12° of the CGI) that is not deductible from the Company’s income (loss) in application of the provisions of Articles 39-1-3° of the CGI is, in principle, subject to a withholding rate of 25%. However, shareholders whose fiscal residence or registered office is located in a State related to France through an international tax agreement may, under certain conditions, benefit from a partial or total reduction in this withholding.

Under the assumption that the withholding would apply or in the event the French Republic should, in the future, implement withholding taxes on the revenues of bonds whose holders are not shareholders, the Company would not be obligated to pay additional amounts to offset such withholding tax.

Finally, the proceeds of the Bonds received by Non French tax residents will be exempt from social security withholdings provided for in Article 1600-0 C et seq. of the CGI.

ii) Withholding in the country of residence of the paying agent

On June 3, 2003, the European Union Council (the “**Council**”) adopted a new directive regarding the tax treatment of revenue from savings in the form of interest payments, amended on July 19, 2004 (the “**Directive**”), which was transposed into local French law as article 242 *ter* of the CGI. Subject to certain conditions being met (as provided for in article 17 of the Directive), it was planned that Member States must, as of July 1, 2005, implement a mechanism for the automatic transmission of information between European Union Member States concerning the payment of revenue qualified as interest as defined in the Directive (interest, premiums or other revenue from debt) carried out by a paying agent established in a Member State on behalf of an individual resident of another Member State (the “**Automatic Information Exchange**”).

To this end, the term “paying agent” has been defined broadly, and includes, in particular, all economic dealers responsible for the payment of revenue qualified as interest, as defined by the Directive, to the individual beneficiaries.

Nevertheless, during a transition period, certain Member States (Luxembourg, Belgium and Austria) will apply, not including exceptions, a withholding tax on revenue qualified as interest in accordance with the Directive paid to a beneficiary resident of another Member State, instead of implementing the Automatic Information Exchange in force in other Member States. The withholding rate was 15% until July 1, 2008, is currently 20% until July 1, 2011, and will be 35% until the end of this transition period.

This transition period will expire at the end of the first full fiscal year that follows the last of the following dates: (i) the date on which the agreements concluded between the European Union and

certain Third-party States (Switzerland, Liechtenstein, San Marino, Monaco and Andorra) enter into force, providing for an exchange of information upon request, as well as the application of a withholding tax at the above rate for the interest payments made by paying agents established in these States to their effective beneficiaries residing in the European Union (these non-Member States and territories dependent on or associated with the European Union have committed to apply measures similar to those provided for by the Directive), and (ii) the date on which the Council will have unanimously accepted that the United States of America commit to the exchange of information on request in the event of payments of revenue qualified as interest within the meaning of the Directive by paying agents established in their territory to effective beneficiaries residing within the European Union.

Finally, non French tax residents must also comply with the tax legislation in force in their State of residence, as possibly modified by the international tax agreement signed between France and that State.

4.16 Right to the Allocation of Shares - Conversion into and/or exchange of Bonds for shares of the Company

4.16.1 Nature of the conversion and/or exchange right

Bondholders will have the right, at any time from July 1, 2009, the Issue Date of the Bonds, up to and including the seventh business day preceding the maturity date or the relevant early redemption date set by the Company, to receive new and/or existing shares of the Company (the “**Conversion/Exchange Right**”), which will be offset against amounts owed under the Bonds, in accordance with the terms and conditions described below, and subject to the provisions of section 4.16.7 “Treatment of fractional entitlements”.

The Company may, at its option, deliver new and/or existing shares subject to, if applicable, the provisions below.

In the case where (i) it is necessary to adjust the Conversion/Exchange Right pursuant to section 4.16.6 below “Maintenance of Bondholders’ rights”, (ii) the Company has used, in its entirety, the authorization to issue equity securities on which the issuance of the Bonds is based and any other authorization with the same purpose likely to be approved at a later time by the shareholders that could be used to issue additional shares to Bondholders by requesting conversion or exchange, then the Company, will pay a cash amount to the Bondholders who have exercised their Conversion/Exchange Right, in respect only of the portion of the additional Conversion/Exchange Right corresponding to the relevant adjustment. Such amount will be determined by multiplying the volume-weighted average share price on Euronext Paris during the last three trading sessions preceding the Exercise Date of the Conversion/Exchange Right by the number (or fraction of such number) of additional shares to which each of the relevant Bondholders would be entitled following the relevant adjustment.

4.16.2 Suspension of the Conversion/Exchange Right

In the event of an increase in share capital, merger, spin-off or issuance of new capital stock or securities conferring rights to receive shares of the Company, or other financial transactions conferring preferential subscription rights or reserving a priority subscription period for the benefit of shareholders of the Company, the Company will be entitled to suspend the exercise of the Conversion/Exchange Right for a period not to exceed three months or such other period as may be established by applicable regulations. Any such suspension may not cause the holders of Bonds called for redemption to lose their Conversion/Exchange Right or the exercise period outlined in section 4.16.3 (“Exercise period and Conversion/Exchange Ratio”).

The Company’s decision to suspend the Conversion/Exchange Right of Bondholders will be published in a notice in the *Bulletin des Annonces légales obligatoires* (“**BALO**”). This notice will be published at least seven days prior to the date on which such suspension comes into effect and will indicate both the date on which the suspension comes into effect and the date on which the suspension will end. This information will also be published in a financial newspaper with general distribution in France, and in a notice to be issued by Euronext Paris.

4.16.3 Exercise period and Conversion/Exchange Ratio

The Bondholders may exercise their Conversion/Exchange Right at any time from July 1, 2009, the Issue Date, up to and including the seventh business day preceding the maturity date or the early redemption date, at the ratio, subject to section 4.16.6 “Maintenance of Bondholders’ rights” and section 4.16.7 “Treatment of fractional entitlements”, of one share of Peugeot S.A. with a par value of €1 for one Bond (the “**Conversion/Exchange Ratio**”).

With respect to Bonds redeemed at or prior to maturity, the Conversion/Exchange Right will expire at the end of the seventh business day prior to the date of redemption.

Any Bondholder who has not exercised its Conversion/Exchange Right prior to such date will receive an amount equal to the redemption price calculated in accordance with the provisions of section 4.9 “Redemption date and terms of redemption of the Bonds”.

4.16.4 Terms of exercise of the Conversion/Exchange Right

To exercise any Conversion/Exchange Right, Bondholders must make a request to the financial intermediary holding their Bonds in a securities account, which may not be revoked once it is received by the relevant financial intermediary.

The date of the request will be the business day during which the later of conditions (1) and (2) below occurs, at the latest at 5:00 p.m., Paris time or the following business day if such request occurs after 5:00 p.m., Paris time:

(1) the Centralizing Agent (as defined in section 5.4.2 “Intermediary responsible for the financial servicing and servicing of the Bonds”) will have received the exercise request transmitted by the financial intermediary in the books of which the Bonds are held in a securities account;

(2) the Bonds will have been transferred to the Centralizing Agent by the relevant financial intermediary.

Any request for the exercise of any Conversion/Exchange Right received by the Centralizing Agent in its role as centralizing agent during a calendar month (an “**Exercise Period**”) will take effect, subject to the provisions of section 4.16.6(c) “Public offerings” on the earlier of the following two dates (each an “**Exercise Date**”):

- the last business day of such calendar month;
- the seventh business day preceding the date set for redemption.

With respect to Bonds having the same Exercise Date, the Company will be entitled subject to, if applicable, the cash settlement provided for in section 4.16.1 “Nature of the conversion and/or exchange right”, at its option, to choose between:

- the conversion of Bonds into new shares;
- the exchange of Bonds for existing shares;
- the delivery of a combination of new shares and existing shares.

All Bondholders with Bonds having the same Exercise Date will be treated equally and will have their Bonds converted and/or exchanged, as applicable, in the same proportion, subject to rounding.

In certain cases described in section 4.16.1 “Nature of the conversion and/or exchange right”), instead of delivering new and/or existing shares, the Company may have the option to pay a cash amount corresponding to the fair market value of such shares.

Subject to the provisions of section 4.16.6(c) “Public offerings” Bondholders will receive delivery of shares no later than the seventh business day following the Exercise Date.

The Centralizing Agent will determine the number of shares to be delivered which, subject to section 4.16.7 “Treatment of fractional entitlements”, will be equal to, for each Bondholder, the product of the Conversion/Exchange Ratio in force on the Exercise Date and the number of Bonds transferred to the Centralizing Agent for which the Bondholder presented an exercise request.

In the event that a transaction constituting an adjustment (see section 4.16.6 “Maintenance of Bondholders’ rights”) occurs between the Exercise Date and the delivery date (inclusive) of the shares issued or redeemed upon exercise of the Conversion/Exchange Right, the Bondholders will have no right to participate subject to their adjustment right until the delivery date of the shares.

If an adjustment referred to in section 4.16.6 “Maintenance of Bondholders’ rights” occurs:

- on an Exercise Date or prior to such a date but is not taken into consideration in the Conversion/Exchange Ratio in force as at this Exercise Date; or
- between an Exercise Date and the delivery date (inclusive) of the shares;

the Company will proceed with, on the basis of the new Conversion/Exchange Ratio determined by the Centralizing Agent, the delivery of the number of additional shares, subject to section 4.16.7 “Treatment of fractional entitlements”.

4.16.5 Rights of Bondholders to interest on the Bonds and rights to dividends and distribution of shares delivered

In the event of the exercise of any Conversion/Exchange Right, no interest will be payable to Bondholders in respect of the period from the last Interest Payment Date (or, as the case may be, the Issue Date) up to the date on which the shares are delivered.

The rights to dividends and distributions attached to new shares issued upon conversion of the Bonds are set out in section 4.17.1(a) “New shares to be issued upon conversion”.

The rights to dividends and distributions attached to existing shares delivered upon exchange of the Bonds are set out in section 4.17.1(b) “Existing shares delivered upon exchange”.

4.16.6 Maintenance of Bondholders’ rights

(a) Consequences of the issue and undertakings of the Company

In accordance with the provisions of article L. 228-98 of the French Commercial Code,

- (i) the Company may, without requesting authorization from the general meeting of Bondholders, modify its structure or corporate purpose;
- (ii) the Company may, without requesting authorization from the general meeting of Bondholders, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any Bonds are outstanding, that it takes the necessary measures to preserve the Bondholders’ rights; and
- (iii) in the event of a reduction of the share capital resulting from losses and achieved by the decrease in the par value or of the number of shares comprising its share capital, the rights of the Bondholders will be reduced accordingly, as if they had exercised their Conversion/Exchange Right before the date such share capital reduction occurred.

In accordance with article R. 228-92 of the French Commercial Code, if the Company decides to issue, in any form whatsoever, new shares or securities giving access to the share capital with a preferential subscription right reserved for shareholders, to distribute reserves, in cash or in kind, and issue premiums or to change the distribution of its profits by creating preferential shares, it will inform (if so required by the regulations in force) the Bondholders by a notice published in the BALO.

(b) *Adjustments of the Conversion/Exchange Ratio in the event of certain financial transactions by the Company*

Subsequent to any one of the following transactions:

1. financial transactions with listed preferential subscription rights;
2. the free distribution of shares to shareholders, reverse share split or share split;
3. the capitalization of reserves, profits or premiums through an increase in the par value of shares;
4. the distribution of reserves, in cash or in kind, or premiums;
5. the free distribution to the Company's shareholders of any security other than the Company's shares;
6. a merger (*absorption* or *fusion*) or spin-off (*scission*);
7. a repurchase by the Company of its own shares at a price higher than the market price;
8. a change in profit distribution and/or the creation of preferred shares;
9. the redemption of share capital;
10. distribution of a dividend surplus;

which the Company may carry out after the Issue Date, of which the Record Date (as defined below) occurs before the delivery date of the shares issued or granted upon exercise of the Conversion/Exchange Right, the rights of Bondholders will be maintained until the delivery date (excluded), by means of an adjustment to the Conversion/Exchange Ratio, in accordance with the provisions set forth below.

The “**Record Date**” is the date on which the holding of Company shares is approved so as to determine to which shareholders a dividend, distribution or allocation, announced or voted on this date or announced or voted prior to this date, should be paid or delivered.

Such adjustment will be carried out so that, to the nearest hundredth of a share, the value of the shares that would have been delivered if the Conversion/Exchange Right had been exercised immediately before the completion of any of the transactions mentioned above, is equal to the value of the shares to be delivered upon the exercise of the Conversion/Exchange Right immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new Conversion/Exchange Ratio will be calculated to two decimal places by rounding to the nearest hundredth (with 0.005 being rounded upwards to the nearest hundredth, i.e., 0.01). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Conversion/Exchange Ratio. However, because the Conversion/Exchange Ratio may only result in the delivery of a whole number of shares, fractional entitlements will be treated as specified in section 4.16.7 “Treatment of fractional entitlements”.

1. In the event of a financial transaction conferring listed preferential subscription rights, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the share after detachment of preferential subscription rights} + \text{Value of the preferential subscription rights}}{\text{Value of the share after detachment of preferential subscription rights}}$$

Value of the share after detachment of preferential subscription rights

For the calculation of this ratio, the values of the share after detachment of the preferential subscription right and of the preferential subscription rights will be equal to the arithmetic average of their opening prices quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated market or on a similar market on which the Company shares or preferential subscription rights are listed) on each trading day included in the subscription period.

2. In the event of the distribution of free shares to all shareholders, reverse share split reverse share split, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Number of shares included in share capital after the transaction}}{\text{Number of shares included in share capital before the transaction}}$$

Number of shares included in share capital before the transaction

3. In the event of a share capital increase by capitalization of reserves, profits or premiums carried out by increase in the nominal value of the Company shares, the nominal value of the shares delivered to Bondholders exercising their Conversion/Exchange Right will be increased accordingly.
4. In the event of a distribution of reserves or premiums in cash or in kind, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the share before distribution}}{\text{Value of the share before distribution} - \text{Amount distributed per share or the value of the securities or assets distributed with respect to each share}}$$

Value of the share before distribution – Amount distributed per share or the value of the securities or assets distributed with respect to each share

For the calculation of this ratio:

- the value of the share before the distribution will be equal to the volume-weighted average price of the Company share quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three stock exchange trading days preceding the date on which the share are listed ex-distribution;
- if the distribution is made in kind:
 - in the event of redemption of financial securities already listed on a regulated market or similar market, the value of the financial securities redeemed will be determined according to the following:
 - in the event of the redemption of financial securities that have not already listed on a regulated market or similar market, the value of securities will be equal, the value of the financial securities redeemed will be equal to the volume-weighted average share price listed on the regulated market on the three trading days included within this period and during which said financial securities were listed; and
 - in the other cases (financial securities redeemed and not listed on a regulated market or a similar market or listed for fewer than three trading days within the period of ten trading days referred to above or asset distribution), the value of the financial securities or assets redeemed per share will be determined by an internationally recognized independent expert chosen by the Company.

5. In the event of a free distribution of securities other than shares of the Company above, the new Conversion/Exchange Ratio will be determined as follows:

- (a) if the right to the free allocation of financial securities is admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market) by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Value of the share ex-right to free allocation} + \text{Value of the free allocation right}}{\text{Value of the share ex-right to free allocation}}$$

For the calculation of this ratio:

- the value of the share ex-right to free allocation will be equal to the volume-weighted average of the prices listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the Company's share ex-right to free allocation is listed) of the share ex-right to free allocation during the first three trading days beginning on the date on which the Company shares are listed ex-right to free allocation.
- the value of the free allocation right will be determined as in the above paragraph. If the free allocation right is not listed during each of the three trading days, then its value will be determined by an internationally-recognized independent expert chosen by the Company.

- (b) if the right to free allocation of financial securities is not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market) by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Value of the share ex-right to free allocation} + \text{Value of the security or securities allocated with respect to each share}}{\text{Value of the share ex-right to free allocation}}$$

For the calculation of this ratio:

- the value of the share ex-right to free allocation will be determined as in paragraph (a) above.
- if the financial securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), within ten trading days beginning on the date on which the shares are listed ex-distribution, then the value of the security or securities allocated per share will be equal to the volume-weighted average of the prices of said financial securities recorded on Euronext Paris during the first three trading days included within this period during which said financial securities are listed. If the financial securities allocated are not listed on each of the three trading days, then the value of the security or securities allocated per share will be determined by an internationally-recognized independent expert chosen by the Company.

6. In the event that the Company is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or is spun-off (*scission*), the Bonds will be convertible and/or exchangeable into shares of the absorbing or new company or of the beneficiary companies of such spin-off.

The new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of

shares in the Company to the shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies will be substituted *ipso jure* for the Company with regard to its obligations towards the Bondholders.

7. In the event of a repurchase by the Company of its own shares at a price higher than the market price, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the repurchase and of the following ratio:

$$\frac{\text{Share value} \times (1 - \text{Pc}\%)}{\text{Share value} - (\text{Pc}\% \times \text{Repurchase price})}$$

For the calculation of this ratio:

- Share value will mean the volume-weighted average Company share price listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days preceding the repurchase (or the ability to repurchase);
 - Pc% will mean the percentage of capital repurchased; and
 - Repurchase price will mean the actual price at which any shares are repurchased.
8. In the event of the modification by the Company of the distribution of its profits and/or the creation of preferred shares, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the share before the change}}{\text{Value of the share before the change} - \text{Reduction per share of the right to profits}}$$

For the calculation of this ratio:

- the Value of the share before the change will be determined on the basis of the weighted average share price during the three trading days preceding the day of the change,
- the Reduction per share of the rights to profits will be determined by an internationally recognized independent expert chosen by the Company.

Notwithstanding the above, if said preferred shares are issued with shareholders' preferential subscription rights or by free allocation to shareholders of warrants for said preferred shares, the new Conversion/Exchange Ratio will be adjusted in accordance with paragraphs 1 or 5 above.

9. Share capital redemption

In the event of redemption of the share capital, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$\frac{\text{Value of the share before redemption}}{\text{Value of the share before the redemption} - \text{Amount of redemption per share}}$$

For the calculation of this ratio, the value of the share before redemption is equal to the volume-weighted average Company share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days preceding the date on which the share are listed ex-redemption.

10. Distribution of a dividend surplus

In the event of a Dividend Surplus (as defined below), the new Conversion/Exchange Ratio will be calculated as indicated below.

For the purposes of this paragraph 10., there will exist a “**Dividend Surplus**” when during the Company’s same fiscal period the Total Amount of Dividend Distributed per Share (as defined below) is greater than the Threshold Amount of Dividend Distributed per Share corresponding to said fiscal period and included in the table below.

The Dividend Surplus will be equal to the positive difference between the Total Amount of Dividend Distributed per Share during the Company’s same fiscal period and the Threshold Amount of Dividend Distributed per Share corresponding to said fiscal period.

The “**Reference Dividend**” is the dividend or distribution of which the Record Date (as defined below) occurs during a fiscal period and that results in the surpassing of the Threshold Amount of Dividend Distributed per Share corresponding to said fiscal period.

The “**Prior Dividends**” are the possible dividends or distributions of which the Record Dates occur prior to the Record Date of the Reference Dividend but that occur during the same fiscal period as that during which the Record Date of the Reference Dividend occurs.

The “**Additional Dividend**” corresponds to any dividend or distribution of which the Record Date occurs after the Record Date of the Reference Dividend but that occurs during the same fiscal period as that during which the Record Date of the Reference Dividend occurs.

The “**Total Amount of Dividend Distributed per Share**” refers to the sum of the Reference Dividend and possible Prior Dividends per share, of which the Record Dates occur during the same fiscal period.

The Reference Dividend, Prior Dividends and Additional Dividend correspond to any dividend or distribution per share paid in cash or in kind to shareholders, of which the Record Dates occur during the same fiscal period (before any possible levy in discharge and without taking into account possible applicable rebates) it being specified that (i) any dividend or distribution (or fraction of a dividend or distribution) leading to a change in the Conversion/Exchange Ratio due to paragraphs 1 through 10 (A) will not lead to a change as a result of this paragraph 10 (B) (ii) any interim payment of which the Record Date occurs during the fiscal period for which it is paid will be, for the application of this paragraph 10 (B), considered to have as Record Date the first day of the following fiscal period.

The “**Threshold Amount of Dividend Distributed per Share**” for each of the Company’s fiscal years until normal maturity of the Bonds is the following:

Dividend or Distribution the record date for which falls within the fiscal year ending on	Threshold Amount of Dividend Distributed per Share*
December 31, 2009	€0
December 31, 2010	€0
December 31, 2011	€0.64
December 31, 2012	€0.64
December 31, 2013	€0.64
December 31, 2014	€0.64
December 31, 2015	€0.64

** The above Threshold Amount of Dividend Distributed per Share will be adjusted inversely to the Conversion/Exchange Ratio in the event of a free share allocation to shareholders, division or regrouping of the Company’s shares. Consequently, in the event of a free share allocation to shareholders, division of par or regrouping of the Company’s shares, the unmatured Threshold Amount of Dividend Distributed per Share for the fiscal periods will be multiplied by the following ratio:*

Number of shares comprising the share capital before the transaction

Number of shares comprising the share capital after the transaction

In the event of a Dividend Surplus during the fiscal period, the new Conversion/Exchange Ratio will be calculated based on the following equation:

$$\text{NCER} = \text{CER} \times \frac{\text{SP} - \text{THADD}}{\text{SP} - \text{TADD}}$$

where:

- NCER will mean the new Conversion/Exchange Ratio;
- CER will mean the Conversion/Exchange Ratio previously in effect;
- TADD will mean the Total Amount of Dividend Distributed per Share for the fiscal period;
- THADD will mean the Threshold Amount of Dividend Distributed per Share for the fiscal period; and
- SP will mean the share price, defined as being equal to the volume-weighted average share price, quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed), during the three trading days preceding the trading day during which the Company share is listed for the first time ex-Reference Dividend,

it being specified that any Additional Dividend (less, if applicable, any fraction of a dividend or distribution resulting in the calculation of a new Conversion/Exchange Ratio in applicable of paragraphs 1 to 9 above) will result in a change in accordance with the following equation:

$$\text{NCER} = \text{CER} \times \frac{\text{SP}}{\text{SP} - \text{AD}}$$

where:

- NCER will mean the new Conversion/Exchange Ratio;
- CER will mean the Conversion/Exchange Ratio previously in effect;
- AD will mean any Additional Dividend for the fiscal period; and
- SP will mean the share price defined as being equal to the volume-weighted average share price, quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed), during the three trading days preceding the trading day during which the Company share is listed for the first time ex-Additional Dividend.

(c) **Public offerings**

Under current French law and regulations, any public tender, exchange offer, mixed public offering or other public offering by a third party in respect of the Company's shares also would be required to be made in respect of all securities giving access to the equity of or voting rights in the Company and therefore the Bonds described herein. Any such offer proposal and this Securities Note containing the terms and conditions of such offer, would be subject to prior review by the AMF, which would determine the admissibility of the offer based on the elements presented and in particular the assessment of the price of the offer.

In the event in which Company shares were to become the object of an offering (tender, exchange, combined, etc.) in accordance with applicable regulations according to the AMF and likely to cause a Change of Control (as defined below), the Conversion/Exchange Ratio will be subject to adjustment on a temporary basis according to the following formula (the result will be rounded pursuant to the terms and conditions provided for in section 4.16.6 (b) above):

$$\text{NCER} = \text{CER} \times [1 + \text{Bond Issue Premium} \times (\text{D}/\text{DT})]$$

where:

- NCER will mean the new Conversion/Exchange Ratio during the Adjustment Period in the event of a Public Offering (as defined below);
- CER will mean the Conversion/Exchange Ratio in effect before the Offer Opening Date;
- Bond Issue Premium will mean the premium, expressed as a percentage showing the par per unit of the Bonds compared to the reference price of the Company's shares used at the time the final terms of the Bonds were determined;
- D will mean the exact number of days left to run between the Offering Opening Date as defined below (inclusive) and January 1, 2016, the maturity date of the Bonds (excluded); and
- DT will mean the exact number of days between July 1, the Bond Issue Date (inclusive) and January 1, 2016, the maturity date of the Bonds (excluded), i.e., 2,375 days.

The adjustment of the Conversion/Exchange Ratio indicated above will benefit only those Bondholders who will exercise their Conversion/Exchange Right, between (and including):

- (A) the first day on which the Company shares may be contributed to the offering (the “**Offering Opening Date**”), and
- (B) (i) if the offering is unconditional, the date that will be 10 business days after the last day during which the Company shares may be contributed to the offering or, if the offer is reopened, the date that is five business days after the reopening date of the offer;

(ii) if the offer is conditional, (x) if the AMF (or its successor) declares that the offer is successful, the date that will be 10 business days after the publication by the latter of the result of the offer or, if the offer is reopened, the date that is five business days after the reopening date of the offer, or (y) if the AMF (or its successor) declares that the Offering is unsuccessful, the date of publication by the latter of the result of the offering; or

(iii) if the initiator of the offer waives the offering, the date on which such waiver is published.

This period will be referred to as the “Adjustment Period in case of Public Offering”.

For the purpose of this section 4.16.6(c), “Change of Control” and of section 4.9.5 “Early redemption at the option of the Bondholders in the case of a Change of Control of the Company” will mean the fact for one or more individual(s) or legal entity or entities, acting alone or in concert, other than a legal entity controlled by the members of the Peugeot Family Group, of acquiring the control of the Company, it being specified that the notion of “control” will mean, for the purpose of this definition, the fact of holding (directly or indirectly through the intermediary of companies themselves controlled by the individual(s) or legal entity or entities concerned) (x) the majority of voting rights attached to the Company shares or (y) the majority of the Company's share capital.

The “Peugeot Family Group” refers to the legal entities and individuals currently associated with the companies comprising the Peugeot family group (as defined in the Registration Document, page 178) as well as individuals, their descendents or relatives.

Delivery of shares resulting from the exercise of the Conversion/Exchange Right during the Adjustment Period in case of Public Offering

Notwithstanding the provisions of section 4.2.4 (“Terms of exercise of the Conversion/Exchange Right”), in the event of the exercise of the Conversion/Exchange Right during the Adjustment Period in case of Public Offering, the corresponding shares will be delivered within three business days of the receipt by the Centralizing Agent of the Conversion/Exchange Right exercise request and of the transfer of the corresponding Bonds.

4.16.7 Treatment of fractional entitlements

Each Bondholder exercising its rights in relation to the Bonds may receive a number of Company shares calculated by applying to the number of Bonds presented on a same Exercise Date the Conversion/Exchange Ratio.

If the number of shares thus calculated is not a whole number, the Bondholder(s) may request that the following be delivered to him or her [/them]:

- either the whole number of shares immediately below; in this case, the Bondholder will receive a sum equal to the product of the remaining fractional share and the value of the share, equal to the closing price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) on the trading day preceding the day on which the exercise request for the Conversion/Exchange Right was filed;

- or the whole number of shares immediately above, on the condition that a sum is paid to the Company that is equal to the value of the additional fraction of a share thus requested, evaluated on the bases provided for in the preceding paragraph.

In the event that the Bondholder does not specify the option that he or she wishes to use, he or she will be given the whole number of Company shares immediately below in addition to a supplement in cash as described above.

4.16.8 Notice to Bondholders in the event of an adjustment

In the event of an adjustment, the Company must notify the Bondholders as soon as possible by means of a notice published in a financial newspaper with general distribution in France. Such adjustment also will be subject to a notice issued by Euronext Paris.

Furthermore, the Company’s Managing Board will report the calculation and results of any adjustment in the annual report following this adjustment.

4.17 Shares delivered upon exercise of the Conversion/Exchange Right

4.17.1 Rights attached to the shares to be delivered

(a) New shares to be issued upon conversion

The new shares issued upon conversion of Bonds will be subject to all provisions of the Company’s by-laws (*statuts*) and will carry dividend rights from the first day of the fiscal year in which the Exercise Date of the Conversion/Exchange Right falls. Such shares will give holders the right, in respect of such fiscal year and subsequent fiscal years, to the same dividend (or interim dividend), on the basis of the same nominal value, as that paid in respect of other shares with equivalent dividend rights. As a result, they will be fully fungible with such shares from the trading day during which the existing shares will be traded ex-dividend in respect of the fiscal year preceding that containing the Exercise Date, or if no such dividend is paid, following the General Shareholders’ Meeting called to approve the financial statements for that year.

(b) Existing shares delivered upon exchange

Existing shares delivered following the exchange of Bonds will be existing ordinary shares carrying dividend rights and entitling their holders, from their delivery date, to all of the rights attached to such shares, provided that, in the event that rights to a dividend (or interim dividend) are separated from the shares between the Exercise Date of the Conversion/Exchange Right and the delivery date, Bondholders will not be entitled to such dividend (or this interim dividend) nor to any compensation therefor, subject to, if applicable, the right to a change provided for in section 4.16.6 “Maintenance of Bondholders’ rights”.

5 CONDITIONS OF THE OFFERING

5.1 Conditions of the offering, expected timetable and terms of subscription

5.1.1 Conditions of the offering

5.1.1.1 Priority subscription period – Private Placement – Public Offering

The issue of the Bonds will be carried out without preferential subscription rights for the shareholders. Shareholders of the Company expressly waived their preferential subscription rights attached to the Bonds during the extraordinary shareholders' meeting of June 3, 2009, in its seventh resolution.

Nevertheless, the shareholders of the Company will benefit from a priority subscription period during which they may subscribe to the Bonds in priority to other investors under the conditions set in section 5.1.3 "Priority subscription period".

If all of the Bonds are not subscribed through preferential subscriptions by shareholders, the unsubscribed Bonds will be, in the conditions set in section 5.1.3 (b) "Private Placement and Public Offering", offered to investors in a private placement and to the public in a public offering in France.

5.1.1.2 Intention of the principal shareholders

Foncière Financière et de Participation, which holds 51,792,738 of the Company's shares as of the date hereof, representing 22.13% of the Company's share capital and 32.79% of the Company's voting rights, agreed to submit, during the priority subscription period, an order to subscribe the issuance of the Bonds in the amount of between €50 million and €57.5 million.

The number of Bonds allocated to Foncière Financière et de Participation will be published by the Company when the terms and conditions are finalized, which is expected to be on June 26, 2009.

In addition, the Company has no knowledge of the intentions of other shareholders and/or directors and officers (*mandataires sociaux*) with respect to their participation in this issuance.

5.1.2 Amount of the issue – Par value per Bond – Number of Bonds issued

The debt covered by this Securities Note is for a nominal amount of approximately €500 million.

The par value of each Bond will represent an issue premium of between 33% and 38% over the trading volume-weighted average price of the Company's shares on the Euronext Paris stock exchange from the beginning of trading on June 26, 2009 until 12 noon (see section 5.3 "Determination of the final terms of the Bonds and the Offering").

In addition, with the sole purpose of hedging potential over-allotments, the Company granted to the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, an over-allotment option which, if it were to be exercised in its entirety, would require the Company to increase the nominal amount of the issuance by a maximum of 15% to bring the maximum nominal amount to approximately €575 million.

This over-allotment option is exercisable, at one time only, in whole or in part at the latest on June 29, 2009.

The Bonds will be issued at par, i.e., 100% of the par value payable in full on the Issue Date.

By way of illustration, on the basis of a price of €20.04 (the trading volume-weighted average price of the Company's shares on the Euronext Paris stock exchange from the beginning of trading on June 22, 2009 until 12 noon (Paris time)), this debt will be represented by a number of Bonds comprised between 18,076,645 and 18,754,689 Bonds, which may be increased to between 20,788,141 and 21,567,892 Bonds (in the event of the exercise in full of the over-allotment option).

The net proceeds of the issue that the Company will receive after deductions from the gross proceeds for payments due to the financial intermediaries, legal costs and administrative fees, will be approximately €491.6 million, which may be increased to a maximum amount of approximately €565.4 million in the event of the exercise in full of the over-allotment option of 15% of the initial amount.

The par value of each Bond, issue price, nominal rate, yield to maturity and redemption price at maturity of the Bonds in euros as well as the number of Bonds that may be issued (before and after exercise of the over-allotment option) will be determined at the end of the bookbuilding (see section 5.3 “Determination of the final terms of the Bonds and the Offering”), and will be included in the press release published by the Company on June 26, 2009.

5.1.3 Subscription period and procedures

(a) Priority subscription period

The shareholders of the Company benefit from a priority subscription period to subscribe as of irrevocable right (*à titre irréductible*) in respect of the initial amount of the issuance, i.e., 500 million. A subscription for excess shares (*à titre réductible*) is not planned in the context of the priority subscription period.

Each shareholder may subscribe in priority to the issuance during a period of three trading days, i.e., from June 23, 2009 to June 25, 2009 inclusive, up to the amount of his or her share in the Company’s share capital.

In practice, each shareholder may submit a subscription order in euros for an amount corresponding to (i) €500 million multiplied by (ii) the number of Company shares that the shareholder holds and divided by (iii) 234,048,798 (the number of shares that comprise the Company’s share capital).

For example, a shareholder holding 50 Company shares may submit a priority subscription order for a maximum amount of:

$$(500,000,000 \times 50) / 234,048,798 = \text{€}106.82$$

When the par value of each Bond is set, i.e., on June 26, 2009 (see section 5.1.2 “Amount of the issue – Par value per Bond – Number of Bonds issued”), the number of bonds allocated will be equal to the amount of each shareholder’s subscription order in the context of the priority subscription period divided by the par value of each Bond, this number being rounded down to the nearest whole number.

Any shareholder allocated by application of this rule the right to subscribe less than one Bond will have the right to subscribe one Bond.

The priority subscription period for the Bonds will only benefit shareholders of the Company whose shares are registered on their securities account at the close of business on June 22, 2009.

In order to subscribe in the priority subscription period, shareholders should contact their financial intermediaries and pay the subscription price. Subscriptions of shareholders whose securities are held in fully registered form will be received free of charge by Société Générale Securities Services – 32, rue du Camp-de-tir, BP 81236, 44312 Nantes Cedex 03.

The centralization of priority subscription orders will be performed by Société Générale.

(b) Private Placement and Public Offering

The Private Placement will occur on June 23, 2009.

The Public Offering will be open from June 23, 2009 to June 25, 2009 at 5:00 p.m. (Paris time) inclusive. Individuals who would like to submit subscription orders in the Public Offering should contact their financial intermediary.

Subscription orders must be made in euros.

The centralization of subscription orders received by financial intermediaries in connection with the Public Offering will be performed by Société Générale. The financial intermediaries must send such subscription orders to Société Générale. Subscription orders are irrevocable.

Indicative timetable of the issuance

June 22, 2009	Granting of the approval (<i>visa</i>) on the Prospectus by the AMF
June 23, 2009	Press release by the Company announcing the launch and the indicative terms of the Bond issuance
	Beginning of bookbuilding related to the Private Placement
	Beginning of the priority subscription period for shareholders
	Beginning of the Public Offering
	End of bookbuilding related to the Private Placement
June 25, 2009	End of the priority subscription period for shareholders
	End of the Public Offering
June 26, 2009	Determination of the final terms of the Bonds
	Press release by the Company announcing the final terms of the issuance
June 29, 2009	Deadline for exercise of over-allotment option
	If applicable, press release by the Company announcing the final issue size after exercise of the over-allotment option
	Notice of listing published by Euronext Paris

July 1, 2009

Settlement and delivery of the Bonds

Admission of the Bonds to trading on Euronext Paris

5.1.4 Possible reduction of subscription orders

(a) Priority subscription for shareholders

During the priority subscription period, the shareholders of the Company may subscribe as of irrevocable right (*à titre irréductible*) for Bonds pursuant to the terms and conditions provided for in section 5.1.3 (a) “Priority subscription period”. With the exception of applicable rounding, their orders may not be reduced.

(b) Private Placement and the Public Offering

Subscription orders in connection with the Private Placement and the subscription orders in connection with the Public Offering may be reduced in response to the amount of demand. Reductions will be made in accordance with established professional practices.

5.1.5 Minimum or maximum subscription amount

There is no minimum and/or maximum subscription amount.

5.1.6 Deadline and method of settlement and delivery of Bonds

The subscription price of the Bonds must be fully paid in cash.

The amounts paid for the subscriptions will be deposited with Société Générale.

The settlement and delivery of the Bonds will take place on the Issue Date, i.e. on July 1, 2009.

5.1.7 Procedure for publication of the results of the offering

The indicative timetable of the offering and the terms of publication of the results of the offering are set forth in section 5.1.3 (“Subscription period and procedures”).

5.1.8 Procedure of exercise of any preferential subscription right

The issuance of the Bonds will be carried out without preferential subscription rights.

However, the shareholders of the Company will benefit from a priority subscription period: the terms and conditions for the priority subscription are described in section 5.1.3 (a) “Priority subscription period”.

5.2 Bond distribution and allocation scheme

5.2.1 Categories of potential investors – selling restrictions applicable to the offering

In connection with the Private Placement, investors may place their orders in the bookbuilding (see sections 5.1.1.1 “Priority subscription period – Private Placement – Public Offering” and 5.1.3 (b) “Private Placement and Public Offering”).

In connection with the priority subscription, shareholders of the Company may subscribe Bonds pursuant to the terms and conditions provided for in section 5.1.3 (a) “Priority subscription period”.

In connection with the Public Offering, individuals may, at their option, submit subscription orders to their financial intermediary, pursuant to the terms and conditions provided for in section 5.1.3 (b) “Private Placement and Public Offering”.

The Bonds will be offered:

In France, to investors who are either individuals or legal entities (the “Public Offering”);

In France and outside of France, in a private placement in accordance with the applicable rules of each country in which the placement is made (the “Private Placement”). No placement may be made in the United States, Canada, Australia or Japan.

The distribution of the Prospectus, the offering or the sale or purchase of Bonds may, in some countries, be subject to specific regulations. Individuals or legal entities in possession of this Securities Note are required to inform themselves of and comply with any local restrictions.

Each shareholder of the Company who would like to participate in the offer must ensure that he or she does not violate the applicable local legislation.

Establishments responsible for the placement (as mentioned in section 5.4 below, “Placement and underwriting”) will comply with the laws and regulations in force in the countries where the Bonds will be offered, in particular the selling restrictions stated hereinafter.

Restrictions concerning the European Economic Area (other than France)

With respect to each Member State of the European Economic Area other than France (the “**Member States**”) and which has implemented the Directive 2003/71/CE (the “**Prospectus Directive**”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any of the Member States. As a result, the Bonds may only be offered in Member States only:

- (a) to legal entities which are authorized or approved as operators in the financial markets as well as to non authorized or non regulated entities whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million; and (3) an annual net turnover of more than €50 million, as shown in the Company’s last annual or consolidated accounts; or
- (c) in any other circumstances, not requiring the Company to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public of Bonds” in each of the Member States means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the securities to be offered, thereby enabling an investor to decide to purchase or subscribe the securities, as this definition was, if applicable, modified in the Member State in question.

These selling restrictions in respect of the Member States are in addition to any other selling restriction applicable in the Member States having implemented the Prospectus Directive.

Selling restrictions concerning the Republic of Italy

No prospectus in relation to the Bonds has been, or will be registered in Italy with the *Comissione Nazionale per le Società e la Borsa* (“**CONSOB**”) as required by Italian legislation on securities. Consequently, the Bonds cannot be and will not be, offered directly or indirectly by public offer (*offerta al pubblico*) in Italy, and no copy of this Prospectus, nor any other document in relation to the Bonds can be or will be distributed in Italy, except pursuant to an applicable exemption.

The Bonds can only be offered, sold or transferred in Italy if copies of this Prospectus and any other document in relation to the Bonds are distributed or made available;

- (b) to qualified investors (*investitori qualificati*) as defined by Article 100 of the Legislative Decree no. 58 dated 24 February 1998 as modified (the “**Financial Services Legislation**”), and by Article 34 *ter* of CONSOB Regulation no.11971 dated 14 May 1999 as modified (“**Regulation no. 11971**”); and
- (c) in the conditions provided for by the applicable exemption regulating offers to the public under Article 100 of the Financial Services Legislation, and in Article 34 *ter* of Regulation no. 11971.

Furthermore, and subject to what was mentioned above, all offers, sales or transfers of Bonds in Italy, or any distribution of the Prospectus or any other document in relation to the Bonds as set out in paragraphs (a) and (b) above shall be and will be made by an investment company, a bank or a financial intermediary authorised to carry out such activities in Italy under the Financial Services Legislation, by the Legislative Decree no. 385 dated 1 September 1993 (the “**Banking Legislation**”), and by CONSOB Regulation no. 16190 dated 29 October 2007, as modified.

Selling restrictions concerning the United States of America

The Bonds and, if any, the shares of the Company issuable upon conversion of the Bonds and/or deliverable in exchange for the Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold in the United States.

The Bonds are only being offered and sold outside of the United States to parties who are not U.S. Persons in the context of offshore transactions in accordance with Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer to sell or a sale of the Bonds or the shares of the Company issuable upon conversion of the Bonds and/or deliverable in exchange for the Bonds in the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if this offer to sell or sale is not carried out pursuant to an exemption from the registration requirements of the Securities Act.

Terms used in the three preceding paragraphs have the meanings given to them in Regulation S.

Placement restrictions concerning the United Kingdom

Each institution in charge of the placement has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated invitations or inducements 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 the Bonds, in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything that it has done or will do in relation to the Securities in the United Kingdom, from the United Kingdom or otherwise involving the United Kingdom.

This Prospectus is only directed at (i) persons or entities located outside the United Kingdom, (ii) investment professionals who fall within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) persons or entities falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the persons or entities mentioned in paragraphs (i), (ii) and (iii) are collectively referred to as “**Qualified Persons**”). The Bonds are directed only at Qualified Persons and no invitation, offer or agreements to subscribe, purchase or otherwise acquire the Bonds may be directed at or concluded with Qualified Persons. Any person or entity other than a Qualified Person may not act or rely on the Prospectus and the information therein.

Selling restrictions concerning Australia, Canada and Japan

The Bonds may not be offered, sold or acquired in Australia, Canada or Japan.

5.2.2 Notification of allocations

The Joint Lead Managers and Joint Bookrunners, in consultation with the Company, will allocate the Bonds offered.

Investors having placed orders within the framework of the Private Placement will be informed of their allocations by the Joint Lead Managers and Joint Bookrunners.

Individuals or legal entities having placed orders within the framework of the Public Offering will be informed of their allocations by their financial intermediary.

5.3 Determination of the final terms of the Bonds and the offering

The annual nominal rate of the Bonds (see section 4.8 “Nominal interest rate and provisions relating to accrued interest”), the issuance premium of the Bonds, the number of Bonds that may be issued (see section 5.1.2 “Amount of the issue – Par value per Bond – Number of Bonds issued”) resulting from the opposition of the number of securities offered and the requests from the institutional investors, pursuant to the process referred to as “book building”, investors may, at their option, indicate the maximum level of the issuance premium above which and/or the maximum level of the annual nominal rate below which they would not like to subscribe.

The setting of the final terms of the Bonds and of the Offering should occur on June 26, 2009 on the basis of the Reference Rate (as defined in section 4.8 “Nominal interest rate and provisions relating to accrued interest”) and the volume-weighted average price of Peugeot’s shares on the Euronext Paris stock exchange from the beginning of trading on June 26, 2009 until 12 noon (Paris time). They will be the subject of a press release published by the Company.

5.4 Placement and underwriting

5.4.1 Underwriters

Société Générale Corporate & Investment Banking acting as Global Coordinator. CALYON, Citi, HSBC France and Société Générale Corporate & Investment Banking will supervise the placement in their capacity as Joint Lead Managers and Joint Bookrunners, and BNP Paribas and Lazard-NATIXIS as Co-Bookrunners.

5.4.2 Intermediary responsible for the financial servicing and servicing of the Bonds

The financial services relating to the Bonds (including, *inter alia*, payment of interest, redemption of the Bonds, etc.), the servicing of securities (registration of Bonds managed by the Company (*nominatif pur*)), the conversion of bearer Bonds (*au porteur*) and the exercise of the Conversion/Exchange Right will be carried out by Société Générale Securities Services (the “**Centralizing Agent**”).

5.4.3 Underwriting – Lock-up / Holding Commitment – Stabilization – Interventions on the market – Execution date of the underwriting agreement

5.4.3.1 Underwriting

This offering will be underwritten by CALYON, Citigroup Global Markets Limited, HSBC France and Société Générale (the “**Joint Lead Managers and Joint Bookrunners**”), BNP Paribas and Lazard-NATIXIS as Co-Bookrunners (the “**Co-Bookrunners**”, together with the Joint Lead Managers and Joint Bookrunners, the “**Underwriters**”). Pursuant to the terms of the underwriting agreement that will be executed on June 26, 2009, the Underwriters, acting severally but not jointly, will agree to procure subscribers and purchasers for, or, failing which, to subscribe for or purchase themselves, directly or through their affiliates, the Bonds on the Issue Date. The underwriting agreement will contain a

customary termination clause and may be terminated, up to the occurrence of the settlement and delivery of the Bonds, by the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, upon the occurrence of certain events having such an impact that the offering could be rendered impossible or could be materially prejudiced.

In the event of termination by the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, of the underwriting agreement following the occurrence of these above-mentioned events or otherwise, this offering will be cancelled.

The total amount of underwriting commission allocated by the Company to the Underwriters will be a maximum of approximately €1.55 million, assuming the exercise in full of the over-allotment option.

5.4.3.2 Lock-up commitment of the Company

The Company will agree, in the underwriting agreement, for a period of 90 calendar days from the date of the settlement and delivery of the offering, not to, without the prior written consent of the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, issue, offer or sale or contract to sell, directly or indirectly, any shares, preferred shares, bonds, or other securities giving the right by conversion, exchange, redemption, presentation of a debt security or any other manner to the allocation of securities issued or to be issued representing a share of the Company's share capital or to a transaction in respect of equity securities having a similar economic effect subject to it being specified that this undertaking will not apply to the Bonds, to shares issued following the exercise of the Conversion/Exchange Ratio, to shares issued in payment of a dividend, part payment of a dividend or to a share capital increase by capitalization of reserves, profits, or premiums, to securities issued with a right to the capital, issued, offered or transferred in relation to options to purchase or subscribe existing or future shares for capital increase reserved for employees who are members of a savings group, to securities issued in relation to a merger, in repayment of contributions, in exchange or offer of exchange of securities, or in payment of acquisitions or of any external growth transaction, and to the shares sold on the stock exchange in relation to any liquidity agreement.

In addition, the Peugeot Family Group will agree, for a period of 90 calendar days from the date of the settlement and delivery of the offering, not to, without the prior written consent of the Joint Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, issue, offer or sale or contract to sell, directly or indirectly, any shares, preferred shares, bonds, or other securities giving the right by conversion, exchange, redemption, presentation of a debt security or any other manner to the allocation of securities issued or to be issued representing a share of the Company's share capital or to a transaction in respect of equity securities having a similar economic effect subject to certain exceptions.

5.4.3.3 Stabilization - Interventions on the market

In accordance with the terms of the underwriting agreement mentioned in paragraph 5.4.3.1, Société Générale (or any entity acting on its behalf), acting as stabilizing manager (the “**Stabilizing Manager**”) will be able to carry out stabilization transactions in accordance with applicable legislation and regulations, in particular those of Regulation (EC) No. 2273/2003 of the European Commission dated December 22, 2003 relating to the terms and conditions for applying the Directive 2003/06/EC of the European Parliament and Council of January 28, 2003 on insider trading and market abuse (the “**European Regulation**”).

There is no guarantee that such transactions will be carried out and such transactions, if carried out, may be suspended at any time.

Stabilization transactions are engaged in to maintain the market price of the Bonds and/or shares of the Company. They may have an impact on the market price of the Bonds and/or shares of the Company and may result in the setting of a market price that is higher than what the price would be in the absence of such transactions.

If implemented, such stabilization activities may be carried out at any time as from the date on which the final terms of the Bonds and of the offering are revealed and until June 29, 2009.

Information will be disclosed to the competent market authorities and to the public by means of the publication of a press release provided on the Company's website in accordance with Article 9 of the European Regulation and Article 631-10 of the General Regulations of the AMF.

The Joint-Lead Managers and Joint Bookrunners, acting for and on behalf of the Underwriters, may carry out over-allotments within the framework of the Offering up to the number of Bonds covered by the over-allotment option (see section 5.1.2), that could be increased, if applicable, by a number of Bonds representing a maximum of 5% of the size of the initial Offering, pursuant to Article 11 of the European Regulation.

5.4.4 Execution Date of the Underwriting Agreement

The underwriting agreement is expected to be signed on the day on which the final terms of the Bonds are determined.

The settlement and delivery of the Bonds that are the subject of this agreement is planned on July 1, 2009.

6 ADMISSION TO TRADING AND TERMS OF TRADING

6.1 Admission to trading and terms of trading

The Company has applied to list the Bonds on Euronext Paris. The Bonds are expected to be listed on July 1, 2009, under ISIN Code FR0010773226.

There are no plans for the Bonds to be listed on any other market.

The Bond's listing terms will be set forth in a notice published by Euronext Paris.

A request will be made that the new shares issued upon conversion of the Bonds be admitted to trading on Euronext Paris under ISIN Code FR0000121501 in the event of a listing on the same line as the existing shares, or on a separate line.

6.2 Stock market on which the financial securities of the same class as the Bonds are listed

Not applicable.

6.3 Liquidity contract

None.

7 ADDITIONAL INFORMATION

7.1 Advisers having an interest in the offering

None.

7.2 Expert's report

None.

7.3 [INTENTIONALLY OMITTED]

7.4 Information included in this Securities Note received from third-party sources

None.

7.5 Rating

No request for rating has been made.

On October 30, 2008, Moody's Investor Services placed the long-term A3 notes of Banque PSA Finance under surveillance and confirmed the short-term P-2 notes. On February 19, 2009, Moody's Investor Services lowered Peugeot S.A.'s long-term and short-term notes to Baa3/P-3 and changed the outlook from stable to negative. On March 6, 2009, Standard & Poor's lowered the long-term note of Banque PSA Finance to BBB and confirmed the short-term A-2 note. The outlook is negative. This decision follows the lowering on March 5, 2009 of Peugeot S.A.'s long-term and short-term notes to BBB-/A-3 with a negative outlook.

8 ADDITIONAL INFORMATION RELATING TO THE SHARES ALLOCATED AT THE TIME OF THE EXERCISE OF THE CONVERSION/EXCHANGE RIGHT

8.1 Type, category and dividend entitlement of shares allocated at the time of the execution of the Conversion/Exchange Right

(a) Type and category

The new shares issued upon conversion of the Bonds and/or the existing shares deliverable upon exchange of the Bonds will be ordinary shares of the same category as the existing Company shares and will be subject to all of the provisions in the by-laws (see section 8.5 “Rights attached to shares”).

The Company’s share capital amounted to €234,048,798 divided into 234,048,798 shares with a par value of €1 each all fully paid up and distributed among the shareholders in respect of their rights in the Company, admitted to trading under the “PEUGEOT” label on Euronext Paris (ISIN Code FR0000121501). The Peugeot S.A. share is classed in the “Consumer goods” 3000 sector, “Automobiles and equipment manufacturers” 3300, “Automobiles and equipment manufacturers” 3350, “Automobiles” 3353 of the ICB sectoral classification.

(b) Listing

See section 8.7 “Listing of the new or existing shares issued or allocated upon exercise of the Conversion/Exchange Right”.

8.2 Applicable law and courts of competent jurisdiction

The existing shares and the new shares were and will be, respectively, issued in accordance with French law.

In the event of a dispute, the courts of competent jurisdiction will be those where the Company’s registered office is located if the Company is the defendant and, in the other cases, will be designated based on the nature of the dispute, unless otherwise provided by the French Civil Procedure Code (*Code de procédure civile*).

8.3 Form and method of registration in share accounts

The new or existing Company shares allocated upon the exercise of the Conversion/Exchange Right will be held in registered or bearer form at the option of the Bondholders.

In accordance with Article L. 211-3 of the French Monetary and Financial Code (*Code monétaire et financier*), the shares are required to be registered in securities accounts held by the Company or an authorized intermediary, as the case may be.

Consequently, the rights of the holders will be represented by registration in securities accounts opened in their name in the registries of:

- Société Générale Securities Services, commissioned by the Company, for shares held in fully registered form (*forme nominative pure*);
- an authorized financial intermediary chosen by the Bondholder and Société Générale Securities Services, commissioned by the Company, for shares held in administered registered form (*forme nominative administrée*); or
- an authorized financial intermediary chosen by the holders for shares held in bearer form (*au porteur*).

In accordance with Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code, the Bonds are sent by wire transfer from one account to another, and the transfer of ownership of the Bonds will occur upon their registration in the acquiror’s securities account.

8.4 Currency of the issuance

The shares will be issued in euros.

8.5 Rights attached to shares

The existing shares are and the new shares will be, from their issuance, subject to all provisions of the Company's by-laws. Based on the current state of French legislation and the Company's by-laws, the main rights attached to shares are described below:

Rights to dividends – Rights to share the profits of the issuer

The existing shares allocated upon exchange and the new shares issued upon conversion of the Bonds will give the right to dividends in the conditions described in section 4.16.5.

The shareholders of the Company have the right to profits under the conditions defined by articles L. 232-10 *et seq.* of the French Commercial Code.

The general shareholders' meeting, approving the financial statements for the fiscal year, may grant a dividend to all of the shareholders (Article L. 232-12 of the French Commercial Code).

Interim dividends may be distributed before the approval of the financial statements for the fiscal year (Article L. 232-12 of the French Commercial Code).

The general shareholders' meeting may offer to all shareholders, for all or part of the distribution of the dividend or interim dividend, an option between the payment of the dividend or interim dividend, in either cash or shares issued by the Company (Articles L. 232-18 *et seq.* of the French Commercial Code).

Payment of dividends must occur no later than nine months after the end of the fiscal year. An extension of this time period may be granted by judicial decision.

Dividends are prescribed within the legal time limit, i.e., five years, for the benefit of the State.

Dividends paid to non French tax residents are in principle subject to a withholding tax (see below).

Withholding tax on dividends paid to non French tax residents

The following paragraphs summarize the French tax consequences that, under current French legislation, may apply to investors who are not French residents and who may receive dividends based on the number of Company shares that they will hold. Such investors must inform themselves of the tax legislation applicable to their particular case with the assistance of their tax advisor.

Non French tax residents must also comply with the tax legislation in force in their country of residence, as possibly modified by the international tax agreement signed between France and that country.

The dividends distributed by the Company are, in principle, subject to a withholding tax, deducted by the institution paying the dividends, when the tax residence or the registered office of the effective beneficiary is located outside of France. The rate of this withholding is set at (i) 18% when the beneficiary is an individual domiciled in a European Union Member State, Iceland or Norway and (ii) 25% in all other cases.

This withholding may be reduced, or cancelled, in application, in particular, of Article 119 *ter* of the French General Tax Code (*Code général des impôts*, or "CGI"), applicable, under certain conditions, to shareholders that are legal entities and residents of the European Community, and of international tax agreements.

It is the responsibility of the relevant shareholders of the Company to consult their usual tax advisor in order to determine whether they may benefit from a reduction or an exemption from the withholding

and in order to know the practical terms and conditions of the application of these agreements as provided for in particular by the instruction of February 25, 2005 (4 J-1-05) relating to the “normal” or “simplified” procedure for the reduction of or exemption from the withholding tax.

Voting rights

The voting rights attached to the shares are proportional to the share capital they represent. Each share carries one vote (Article L. 225-122 of the French Commercial Code).

A double voting right, compared to the voting right for other shares, in consideration of the portion of the share capital that they represent, is granted to all fully paid up shares that can be shown to be held in registered form for at least four years in the name of the same shareholder (Article L. 225-123 of the French Commercial Code).

In the event of a capital increase by capitalization of reserves, profits or share premiums, the double voting right is granted, from their issuance, to registered shares allocated free of charge to a shareholder in the amount of existing shares for which the shareholder benefits from this right (Article L. 225-123 of the French Commercial Code).

In addition to complying with the legal requirement to inform the Company and the AMF, which renders this information public, any individual or legal entity, acting severally or jointly, holding, directly or indirectly, within the meaning of Articles L. 233-9 and L. 233-10 of the French Commercial Code, more than 2% of the share capital or voting rights of the Company, is required to inform the Company within a period of five clear days (*jours francs*) from the date the participation threshold is exceeded. The same requirement applies within the same time limit when participation in the share capital or voting rights falls below the preceding thresholds (Articles L. 233-7 III and R. 233-1 of the French Commercial Code).

This statement must be renewed each time a new threshold of 1% is exceeded.

This statutory requirement to inform applies even above the first legal threshold of 5%.

At the request of one or more shareholders holding together at least 5% of the share capital, the shares exceeding the fraction that should have been declared to the Company, within the framework of the above requirement to declare the crossing of thresholds, will be stripped of voting rights until the end of a two-year period following the date of the correction of the failure to notify.

Preferential subscription right

The shares carry a preferential subscription right for capital increases. Shareholders have, in proportion to the amount of shares that they hold, a right to the preferential subscription of shares in cash issued in order to carry out a capital increase immediately or in the future. During the subscription period, this right is tradable when it is detached from the shares that are themselves tradable. In the opposite case, it is transferable in the same conditions as the share itself. Shareholder may waive on an individual basis their preferential subscription right (Articles L. 225-132 and L. 228-91 to L. 228-93 of the French Commercial Code).

Right to participate in any surplus in the event of liquidation

Any shareholders' equity remaining after repayment of the par value of shares or of other equity shares will be shared among the relevant parties in the same proportions as their participation in the share capital (Article L. 237-29 of the French Commercial Code).

Redemption clauses – conversion clauses

The by-laws do not provide for any particular redemption clause or share conversion clause.

8.6 Resolutions and authorizations resulting in the shares being allocated upon exercise of the Conversion/Exchange Right

See section 4.12 “Resolutions and decisions pursuant to which the Bonds are issued”.

8.7 Listing of the new or existing shares issued or allocated upon exercise of the Conversion/Exchange Right

See section 4.17.4 “Listing of the new shares”.

8.8 Restrictions on the free tradability of the shares

See section 4.17.2 “Transferability of the shares”.

8.9 French regulation in relation to public offerings

The Company is subject to legislative and regulatory provisions in France relating to mandatory tender offers, buyout offers and squeeze-outs.

8.9.1 Mandatory tender offers

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 *et seq.* of the AMF General Regulations set forth the conditions for the mandatory filing of a proposed tender offer targeting all of the capital securities and securities granting access to the share capital or to the voting rights of a company whose shares are admitted to trading on a regulated market.

8.9.2 Price guarantee

Article L. 433-3 of the French Monetary and Financial Code and Articles 235-1 *et seq.* of the AMF General Regulations set forth the conditions under which a proposed price guarantee (*garantie de cours*) bearing on the capital securities of a company whose shares are admitted to trading on a regulated market must be filed.

8.9.3 Public buyout offers and public squeeze-out offerings

Article L. 433-3 of the French Monetary and Financial Code and Articles 236-1 *et seq.* (buyout offers), 237-1 *et seq.* (squeeze-out following a buyout offer) and 237-14 *et seq.* (squeeze-out following any public offer) of the AMF General Regulations set forth the conditions for filing a public buyout offer and for implementing a procedure to squeeze out minority shareholders of a company whose shares are admitted to trading on a regulated market.

8.10 Public tender offers initiated by third parties in respect of the issuer’s share capital during the previous fiscal year and the current fiscal year

No public tender offers were initiated by third parties in respect of the Company’s share capital during either the previous fiscal year or the current fiscal year.

8.11 Impact of the conversion or the exchange on the situation of the shareholders

Impact of the issuance on shareholders’ equity

By way of illustration, the impact of the issuance and of the conversion into new shares or the exchange into existing shares of all of the Bonds on the consolidated shareholders’ equity per share attributable to the group (calculated on the basis of the consolidated shareholders’ equity per share of the Company attributable to the Group as of December 31, 2008 as reflected in the consolidated financial statements as of December 31, 2008, the number of shares comprising the share capital of the Company as of this date, after deduction of shares held directly by the Company in treasury, and a price of 20.04 (the trading volume-weighted average price of Peugeot’s shares on the Euronext Paris

stock exchange from the beginning of trading on June 22, 2009 until 12 noon (Paris time) and an issue premium of 33%) would be as follows:

	Consolidated Shareholders' Equity per share (in euros)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Before issuance of the Bonds	57.9	56.3
After issuance and conversion or exchange of 18,754,689 Bonds into shares	55.5	55.3
After issuance and conversion or exchange of 21,567,892 Bonds into shares ⁽²⁾	55.2	55.0

(1) In the event of the exercise of all of the stock options (whether or not such stock options were exercisable).

(2) In the event of the exercise in full of the over-allotment option.

By way of illustration, the impact of the issuance and of the conversion into new shares of all of the Bonds on the equity interest of a shareholder holding 1% of the Company's share capital prior to the issue and not subscribing to the issue (calculated based on the number of shares comprising the share capital of the Company as of December 31, 2008 and a price of 20.04 (the trading volume-weighted average price of Peugeot's shares on the Euronext Paris stock exchange from the beginning of trading on June 22, 2009 until 12 noon (Paris time) and an issue premium of 33%)) would be as follows:

	Holding of the Shareholder (%)
	Non-diluted basis
Before issuance of the Bonds	1%
After issuance and conversion of 18,754,689 Bonds into shares	0.93%
After issuance and conversion of 21,567,892 Bonds into shares ⁽¹⁾	0.92%

(1) In the event of the exercise in full of the over-allotment option.

9 RECENT EVENTS

See the Update to the Registration Document filed with the AMF on June 22, 2009 under filing number D.09-0309-A01.

The information contained in this Prospectus ensures, with respect to all material points and as needed, shareholders' equal access to information relating to the Company.

REGISTERED HEAD OFFICE OF THE COMPANY

Peugeot S.A.
75, avenue de la Grande Armée
75116 Paris
France

FISCAL AGENT

Société Générale Securities Services
32, rue du Champ-de-tir, BP 81236
44312 Nantes Cedex 03

LEGAL ADVISORS

To the Company

Linklaters LLP
25, rue de Marignan
75008 Paris
France

To the Underwriters

Shearman & Sterling LLP
114, avenue des Champs Elysées
75008 Paris
France

STATUTORY AUDITORS OF THE COMPANY

PricewaterhouseCoopers Audit
Pierre Riou
63, rue de Villiers
92200 Neuilly-sur-Seine

Mazars
Loïc Wallaert
Tour Exaltis 61, rue Henri Regnault
92400 Courbevoie