PEUGEOT S.A.
A French public limited company (*société anonyme*) with a Management Board and a Supervisory Board, with share capital of €234,049,344
Registered office: 75, avenue de la Grande Armée, 75116 Paris, France
552 100 554 R.C.S. Paris

SECURITIES NOTE

Made available to the general public in connection with the issue and admission to trading on the regulated market of NYSE Euronext Paris (compartment A) of new shares to be subscribed for in cash, in connection with a capital increase by way of preferential subscription rights, in a gross amount, including issue premium, of €999,013,088.96, through the issue of 120,799,648 new shares at a unit price of €8.27 at the ratio of 16 new shares per 31 existing shares.

Subscription period from 8 March 2012 up to and including 21 March 2012.

[INTENTIONALLY OMITTED]

The prospectus (the "**Prospectus**") consists of:

- the *Document de Référence* of Peugeot S.A. (the "**Company**") [INTENTIONALLY OMITTED] (the "**Registration Document** ");
- this securities note; and
- a summary of the Prospectus (included in this securities note).

Copies of the Prospectus may be obtained free of charge at the registered office of Peugeot S.A., 75, avenue de la Grande Armée, 75116 Paris, France [INTENTIONALLY OMITTED].

[INTENTIONALLY OMITTED].

CONTENTS

SUMMARY OF THE PROSPECTUS

[INTENTIONALLY OMITTED]

Notice to readers

This summary should be read as an introduction to the Prospectus. Any decision to invest in the financial securities issued in connection with this public offering or for which an application is made for admission to trading on a regulated market should be based on a thorough review of the Prospectus. If an action is brought before a court in respect of information contained in this Prospectus, the plaintiff investor may be required to bear the costs of translating the Prospectus prior to the commencement of judicial proceedings, pursuant to the national legislation of the Member States of the European Union or of the parties to the agreement regarding the European Economic Area. The persons who have prepared this summary, including its translation, if any, and who have requested its notification within the meaning of Article 212-41 of the General Regulation ("*Règlement Général*") of the AMF, may be liable only if the contents of the summary are misleading, inaccurate or contradict other parts of the Prospectus.

In this Prospectus, the terms "**Peugeot S.A.**" and the "**Company**" refer to the company Peugeot S.A. The terms "**PSA Peugeot Citroën**" and the "**Group**" refer to the Company together with its consolidated subsidiaries. The term "**General Motors**" refers to General Motors Holdings L.L.C., a wholly-owned subsidiary of General Motors Company.

A. INFORMATION ABOUT THE ISSUER

Legal name, business sector and nationality

Peugeot S.A.

A French *société anonyme* (public limited company) with a Management Board and a Supervisory Board.

ICB sector classification: sector 3000 "Consumer Goods", 3300 "Automobiles and parts", 3350 "Automobiles and parts", and 3353 "Automobiles".

Business overview

PSA Peugeot Citroën is a European manufacturer with international scope, which brings together two innovative brands with differentiated identities: Peugeot and Citroën. The Group has a commercial presence in 160 countries, and more than one third of its sales come from outside Western Europe. The Group is currently focusing on expanding its production facilities close to priority markets, with manufacturing plants in Europe, Latin America, China and Russia.

Apart from its car manufacturing business, the Group includes, in particular, the following companies:

- Faurecia, a subsidiary in which the Group owns a 57.43% stake, is a car part manufacturer operating worldwide;
- Gefco, a wholly-owned subsidiary of the Group, which is a major logistics company;
- Banque PSA Finance, a wholly-owned subsidiary of the Group, which provides financing worldwide to end customers as well as to Peugeot and Citroën's distribution networks; and
- Peugeot Motocycles (PMTC), a wholly-owned subsidiary of the Group, which sells a range of motor scooters, small motorcycles and mopeds.

The business of PSA Peugeot Citroën is described in detail in chapter 6 of the Registration Document.

Selected audited financial information (IFRS)

Consolidated income statements

	2011				2010			
(in millions of Euros)	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Sales and Revenue*	58,329	1,902	(319)	59,912	54,502	1,852	(293)	56,061
Recurring operating income	783	532	-	1,315	1,289	507	-	1,796
Non-recurring operating income (expense)	(417)	-	-	(417)	(87)	27	-	(60)
Operating income	366	532	-	898	1,202	534	-	1,736
Consolidated profit	430	354	0	784	862	394	-	1,256
Attributable to equity holders of the parent	*238*	*345*	*5*	*588*	*744*	*388*	*2*	*1,134*
Attributable to minority interests	*192*	*9*	*(5)*	*196*	*118*	*6*	*(2)*	*122*
(in Euros)								
Basic earnings per €1 nominal value share				2.64				5.00

* including, in 2011, Plastal Germany, Plastal Spain, Madison and Mercurio.

Consolidated balance sheets

ASSETS	31 December 2011				31 December 2010			
(in millions of Euros)	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Total non-current assets	25,286	367	(25)	25,628	22,646	362*	(25)	22,983
Total current assets	16,550	27,431	(618)	43,363	19,710	26,387*	(589)	45,508
TOTAL ASSETS	41,836	27,798	(643)	68,991	42,356	26,749	(614)	68,491

* as compared to €460 million and €26,289 million, respectively, published in 2010, following the reclassification as "current assets" of securities in the Brazilian government's credit receivables investment fund (FIDC) previously classified as "other non-current assets".

EQUITY AND LIABILITIES	31 December 2011				31 December 2010			
(in millions of Euros)	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Total equity				14,494				14,303
Total non-current liabilities	12,184	369	-	12,553	12,225	412	-	12,637
Total current liabilities	18,849	23,738	(643)	41,944	19,342	22,823	(614)	41,551
TOTAL EQUITY AND LIABILITIES				68,991				68,491

Consolidated statements of cash flows

	2011				2010			
(in millions of Euros)	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Consolidated profit (loss)	430	354	-	784	862	394	-	1,256
Funds from operations	2,596	339	-	2,935	3,257	350	-	3,607
Net cash from (used in) operating activities	1,912	17	(177)	1,752	3,774	154	117	4,045
Net cash from (used in) investing activities	(3,713)	(19)	-	(3,732)	(2,804)	(1)	3	(2,802)
Net cash from (used in) financing activities	(2,691)	(158)	78	(2,771)	375	(137)	(132)	106
Effect of changes in exchange rates	3	(2)	2	3	91	11	-	102
Net increase (decrease) in cash and cash equivalent	(4,489)	(162)	(97)	(4,748)	1,436	27	(12)	1,451
Net cash and cash equivalent at beginning of year	9,253	1,316	(127)	10,442	7,817	1,289	(115)	8,991
Net cash and cash equivalent at end of year	4,764	1,154	(224)	5,694	9,253	1,316	(127)	10,442

Summary table of consolidated shareholders' equity and debt

In accordance with the recommendations of ESMA (European Securities and Markets Authority) (ESMA/2011/81/section 127), the following table shows consolidated shareholders' equity and net debt as of 31 December 2011. The table was prepared on the basis of data contained in the Company's audited consolidated financial statements as of 31 December 2011 prepared in accordance with IFRS.

The indebtedness data set out below relates to the Group's manufacturing and sales activities. It does not take into account the financing activities of Banque PSA Finance, which does not reflect the Group's indebtedness.

In millions of Euros (IFRS)	31 December 2011 *(unaudited)*
1. Shareholders' equity and debt	
Total current debt	**2,210**
- Subject to bonds or pledges	**-**
- Guaranteed	48
- Not guaranteed and not subject to bonds or pledges	2,162
Total non-current debt	**7,639**
- Subject to bonds or pledges	**-**
- Guaranteed	748
- Not guaranteed and not subject to bonds or pledges	6,891
Total shareholders' equity[1]	**14,494**
Share capital	234
Treasury shares	(502)
Retained earnings	28
Retained earnings and other accumulated equity, excluding minority interests	14,076
Minority interests	658
2. Net debt	
A – Cash and cash equivalents	5,190
B – Other non-current financial assets	1,035
C – Current financial assets	265
D – Liquidities (A+B+C)	**6,490**
E – Short-term debt (current financial liabilities)	2,210
F – Medium and long-term debt (non-current financial liabilities)	7,639
G – Net debt (E+F-D)	**3,359**

As of 31 December 2011, non-terminable leasing commitments and off-balance sheet pension commitments amounted to €1,107 million, and €169 million, respectively (see note 37 of the notes to the audited consolidated financial statements as of 31 December 2011).

Since the beginning of 2012, the following significant changes have occurred in gross medium to long-term debt:

- in Brazil, Peugeot Citroën do Brasil Automoveis Ltda's gross medium to long term debt increased by BRL70 million between 31 December 2011 and 29 February 2012, which amounts to a €59 million debt increase, based on the variation of the BRL/EUR exchange rate over this period;

- Faurecia's gross medium to long term debt increased by €250 million over the same period, consisting of (i) €150.5 million market value, as of the end of February 2012, of the €140 million nominal principal amount of additional notes, issued on 14 February 2012, of Faurecia's 9.375% notes due December 2016 initially issued in November 2011 and (ii) €100 million of additional drawdown, effected as of the end of February, on its syndicated €1,150 million line of credit negotiated at the end of 2011.

[1] Consolidated shareholders' equity

Summary of the principal risk factors relating to the Company and its business

Before making any decision to invest, investors should consider the risks relating to the Company described in chapter 4 of the Registration Document and section 2 of this securities note, and in particular the following risk factors:

- Risks related to the Group's markets and business, and in particular risks associated with the economic and geopolitical environment, risks associated with the development, launch and sale of new vehicles, customer and dealer risks, raw material risks, supplier risks, risks associated with cooperation and risks associated with information systems;
- Industrial and environmental risks: an incident affecting one of the Group's manufacturing sites may compromise the production and sale of many hundred thousand vehicles and generate losses of many hundred million Euros;
- Financial markets risks: the Group is exposed to exchange and interest rate risks and to other market risks, and particularly to risks associated with stock market variations. The Group is also exposed to counterparty, liquidity and credit rating risks;
- Risks relating to the business of Banque PSA Finance, in particular risks associated with the financing of Banque PSA Finance, credit risks and liquidity risks;
- Legal and contractual risks; and
- There are risks related to the strategic alliance between the Company and General Motors.

Recent developments in the financial position and outlook

Recent developments in the financial position

In early 2012, European markets have been affected by the same trends as in the second half of 2011, notably with weak Southern European markets and strong price competition. These trends have had a negative impact on the Group's revenues and cash position, which are also affected by seasonal changes in working capital requirements. These trends were largely expected, and the Group maintains its objective of significantly reducing its net indebtedness between now and 31 December 2012.

2012 outlook in the markets in which the Group operates

The Group is anticipating a downturn, in 2012, of approximately 5% in the Europe 30 automobile markets and of about 10% in the French market. Outside Europe, the Group expects growth of approximately 7% in China, 6% in Latin America and 5% in Russia.

The Group's objectives

The Group confirms its globalisation strategy and its strategy of moving upmarket.

For these purposes, the Group has decided to introduce a sustained cash management programme in 2012 in order to improve liquidity and significantly reduce the Group's indebtedness, while continuing to implement its manufacturing and sales strategy. This programme relies on:

- increasing the €800 million cost reduction programme (announced in November 2011) to €1 billion;
- setting up a new sales organisation;
- taking vigorous action to reduce stock volumes to 2010 level;
- prioritising within the investments programmes in order to reduce the automobile division's investment and R&D expenses in 2012; and
- assets sales amounting to approximately €1.5 billion.

B. INFORMATION RELATING TO THE TRANSACTION

Purpose of the offering and use of proceeds	The proceeds from the capital increase will be used principally to fund strategic investments related to projects of the global strategic alliance with General Motors. These investments will be used to finance projects in connection with the sharing of certain vehicle platforms, components and modules, which will create synergies with respect to development costs and purchasing. The proceeds from the capital increase will also permit the extension of the alliance to other areas of cooperation beyond the two initial pillars.
Number of new shares to be issued	120,799,648 shares.
Subscription price for the new shares	€8.27 per share.
Gross issue proceeds	€999,013,088.96.
Estimated net issue proceeds	Approximately €967 million.
Entitlement to dividends	The new shares will carry full rights from 1 January 2011.
Preferential subscription rights	The following persons will be granted preferential rights to subscribe for the new shares: • holders of existing shares recorded in their securities account at the close of trading on 7 March 2012; and • holders of shares resulting from the exercise of stock options prior to 15 March 2012; who will be allocated, together with any transferees, preferential subscription rights. Holders of preferential subscription rights will be entitled to subscribe: • by irrevocable entitlement (*à titre irréductible*), for 16 new shares for every 31 existing shares owned (31 preferential subscription rights will entitle the holder of such rights to subscribe for 16 new shares at a price of €8.27 per share); and • subject to reduction (*à titre réductible*) for any additional new shares over and above the number of shares to which they are entitled as part of the exercise of their preferential subscription rights with irrevocable entitlement. Due to their terms and conditions, the Company's bonds which are convertible or exchangeable into new or existing shares issued by the Company and due in 2016 (the "**OCEANEs**") will not receive shares allowing holders to participate in this offering. The rights of the holders of OCEANEs will be adjusted in accordance with the terms and conditions of the OCEANEs. Holders of OCEANEs who

	exercise their share allocation rights before 29 February 2012 will receive shares with preferential subscription rights attached.
Theoretical value of the preferential subscription rights	€2.05 (based on the volume weighted average of Peugeot S.A.'s share price on 5 March 2012, *i.e.* €14.2801 (the "**Theoretical Value of the Preferential Subscription Right**"). The issue price for the new shares reflects a 42.09% discount at face value (on the basis described herein). The theoretical ex-rights value of each share is €12.234. The offering price for the new shares reflects a 32.40% discount as compared to the theoretical ex-rights price. By way of illustration, based on the closing price of Peugeot S.A.'s shares on 5 March 2012, *i.e.* €14.205, the indicative theoretical value of the preferential subscription right would be €2.02.
Preferential subscription rights attached to treasury shares	Preferential subscription rights detached from the 17,187,450 treasury shares held by the Company, *i.e.* 7.34% of the share capital as of the date of this Prospectus, and not allocated to the beneficiaries of stock options exercising their options prior to 15 March 2012, will be sold on the market prior to the end of the subscription period in accordance with the conditions set forth by Article L. 225-210 of the French Commercial Code. Such 4,398,821 preferential subscription rights detached from the treasury shares will be sold to General Motors.
Listing of the new shares	The new shares will be listed on the regulated market of NYSE Euronext Paris upon their issuance, which is scheduled for 29 March 2012, and will trade under the same ISIN code as the Company's existing shares (ISIN code: FR 0000121501).
Subscription undertakings of the main shareholders	Pursuant to a letter of undertaking dated 29 February 2012, Établissements Peugeot Frères ("**EPF**") and FFP, which respectively hold 8.17% and 22.80% of the share capital and 12.38% and 33.24% of the voting rights of the Company, have irrevocably undertaken: - with respect to EPF: to exercise 6,193,893 preferential subscription rights attached to its shares (*i.e.* 32.40% of its preferential subscription rights), in order to subscribe by irrevocable entitlement for 3,196,848 new shares (which reflects a subscription amount of €26,437,932.96, including premium) (so that this will be a neutral transaction for EPF); - with respect to FFP: to exercise 26,681,762 preferential subscription rights attached to its shares (*i.e.* 50% of its preferential subscription rights), in order to subscribe by irrevocable entitlement for 13,771,232 new shares (which reflects a subscription amount of €113,888,088.64, including premium). EPF and FFP reserve the right to acquire and exercise additional preferential subscription rights and/or exercise subscriptions not subject to reduction. EPF and FFP will sell to General Motors all of the unexercised preferential subscription rights attributed to them, at a price of €2.05 per preferential subscription right, *i.e.* the Theoretical Value of the Preferential Subscription Right.

Undertaking by General Motors

Pursuant to the two agreements referred to below, and subject to the share capital increase referred to in this Prospectus being completed no later than 20 April 2012, General Motors has undertaken to acquire preferential subscription rights and treasury shares which will result, following the completion of the transaction, in General Motors owning a 7% stake in the Company's share capital:

- General Motors has undertaken to acquire and exercise, subject to EPF and FFP exercising their preferential subscription rights pursuant to their undertakings (see "Subscription undertakings of the main shareholders" above), all of the preferential subscription rights which it will receive from EPF and FFP. The preferential subscription rights to be acquired by General Motors will be sold by EPF and FFP at a price of €2.05 per preferential subscription right, *i.e.* the Theoretical Value of the Preferential Subscription Right, pursuant to a purchase agreement among EPF, FFP and General Motors dated 29 February 2012. The total price for the acquisition of such preferential subscription rights will amount to €81 million. General Motors' subscription undertaking represents a subscription by irrevocable entitlement of €20,440,608 new shares, *i.e.* 5.76% of the Company's capital after completion of the transaction and a subscription in an amount, including premium, of €169,043,828.16;

- Pursuant to a purchase agreement between the Company and General Motors dated 29 February 2012, General Motors has undertaken to acquire 4,398,821 treasury shares held by the Company (representing 25.59% of the Company's treasury shares and 1.24% of the Company's share capital following the transaction), at a price of €12.234 per share, which reflects the theoretical ex-rights value of the shares; the total price for the acquisition of such treasury shares from the Company will amount to €53.8 million. This purchase will be completed on the date of the settlement of the capital increase (scheduled for 29 March 2012).

General Motors is bound, during a period starting on 29 February 2012 and ending on 29 May 2012, by a lock-up commitment, subject to certain exceptions, as described in section 5.4.3 of this securities note.

General Motors and the Peugeot family group are not acting jointly with regard to the Company. Except for General Motors' lock-up and standstill commitments (described in chapter 22 of the Registration Document), the master agreement governing the alliance does not contain any provisions regarding the governance of the Company, and does not specifically provide any veto or similar right.

General Motors has entered into lock-up and standstill commitments which are described in chapter 22 of the Registration Document.

Underwriting	Pursuant to an underwriting agreement relating to the new shares entered into on 5 March 2012 among the Company and [a group of Underwriters] [INTENTIONALLY OMITTED] (together the "**Underwriters**"), the Underwriters severally but not jointly undertake to arrange for the subscription of, or, in the event that any new shares remain unsubscribed for at the end of the subscription period, to subscribe for, all the newly issued shares, except for shares subject to EPF and FFP and General Motors' subscription undertakings. The underwriting agreement does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code. This underwriting agreement may be terminated in certain circumstances as described in section 5.4.3 of this securities note. The capital increase may not be completed and subscriptions may be retroactively cancelled if the underwriting agreement is terminated.
Lock-up commitment of the Company and standstill commitments of the main shareholders	Company: 180 days (subject to certain exceptions). EPF and FFP: 90 days (subject to certain exceptions).

Summary of the principal market risk factors associated with the transaction that may have a significant impact on the new shares offered

- The market for preferential subscription rights may only offer limited liquidity and be subject to high volatility.

- Shareholders not exercising their preferential subscription rights will see their ownership stake in the Company's share capital diluted.

- The market price for the Company's shares may fluctuate and fall below the subscription price for shares issued upon exercise of preferential subscription rights.

- The volatility and liquidity of the Company's shares may fluctuate significantly.

- Sales of the Company's shares or preferential subscription rights may occur on the market, during the subscription period in the case of preferential subscription rights, or during or after the subscription period in the case of shares, which may have a negative impact on the market price of the Company's shares or the value of the preferential subscription rights.

- In the event of a decrease in the market price of the Company's shares, the value of preferential subscription rights may decline.

- The underwriting agreement may be terminated. For investors who have acquired preferential subscription rights, this may result in a loss equal to the price paid to acquire such rights.

C. DILUTION AND DISTRIBUTION OF THE SHARE CAPITAL

As of 31 December 2011, the Company's share capital was €234,049,344, divided into 234,049,344 shares with a nominal value of €1 each.

Capital and voting rights structure as of 31 December 2011 and 31 December 2010

	31-Dec-11				31-Dec-10			
Principal identified shareholders (1)	Shares outstanding	% interest	% of exercisable voting rights	% of theoretical voting rights	Shares outstanding	% interest	% of exercisable voting rights	% of theoretical voting rights
Etablissements Peugeot Frères	19,115,760	8.17	13.11	12.38	19,115,760	8.17	12.47	12.19
FFP	53,363,574	22.80	35.20	33.24	51,792,738	22.13	33.79	33.02
Maillot I	100	0.00	0.00	0.00	100	0.00	0.00	0.00
Société Anonyme de Participations (SAPAR)(2)	148,672	0.06	0.05	0.05	-	-	-	-
Peugeot family group	72,628,106	31.03	48.36	45.67	70,908,598	30.30	46.26	45.21
Other individuals	16,635,083	7.11	5.92	5.59	18,413,671(3)	7.87	6.15	6.00
Employees	7,638,100	3.26	4.54	4.29	6,538,348	2.79	3.88	3.80
Other French institutions	43,346,051	18.52	14.86	14.03	43,710,387	18.67	15.08	14.73
Other foreign institutions	76,614,552	32.73	26.32	24.86	87,290,771	37.30	28.63	27.97
Treasury shares	17,187,450	7.34	-	5.56	7,187,450	3.07	-	2.29
TOTAL	234,049,344	100	100	100	234,049,225	100	100	10

(1) Source Euroclear TPI 31 December 2011 and Thomson Reuters

(2) Société Anonyme de Participations (SAPAR), a legal entity associated with Thierry Peugeot, Chairman of the Supervisory Board and Marie Hélène Roncoroni, Member of the Supervisory Board.

As declared by SAPAR on 06/12/2011 pursuant to Article L.621-18-2 of the French Monetary and Financial Code

(3) Shares held in individual securities accounts and others (by deduction)

Capital and voting rights of the Company following the completion of the capital increase and the sale of treasury shares to General Motors[2]:

	Shares outstanding	% interest	Exercisable voting rights	% of theoretical voting rights
EPF	22,312,608	6.29%	9.94%	9.64%
FFP	67,134,806	18.92%	27.93%	27.10%
General Motors	24,839,429	7.00%	5.96%	5.8%
Treasury shares	12,788,623	3.60%	-	3%
Other	227,773,520	64.19%	56.17%	54.5%
TOTAL	**354,848,992**	**100%**	**100%**	**100%**

Dilution

Impact of the offering on shareholders' equity

By way of illustration, the impact of the offering on the Group's consolidated shareholders' equity on a per share basis (*calculated on the basis of the Group's consolidated shareholders' equity as of 31 December 2011 – as reported in the consolidated financial statements of 31 December 2011 – and on the basis of the number of shares outstanding on such date net of treasury shares*) would be as follows:

	Share of shareholders' equity per share (in Euros)	
	Non-diluted basis	**Diluted basis(1)**
Prior to the issuance of new shares pursuant to the capital increase	66.84	62.25
After the issuance of 120,799,648 new shares pursuant to the capital increase	45.31	43.66

(1) In the event of the definitive purchase by beneficiaries of all 807,900 performance shares, the exercise of all 4,698,000 stock options and the conversion of the 22,907,055 unconverted OCEANEs, and taking into account the adjustment of the rights of all holders of stock options and OCEANEs, as the case may be.

Impact of the offering on shareholders

By way of illustration, the impact of the offering on the percentage interest of a holder of 1% of the Company's share capital prior to the issue but who does not subscribe to the offering (*calculated on the basis of the number of shares outstanding as of 31 December 2011*) would be as follows:

	Shareholder interest (%)	
	Non-diluted basis	**Diluted basis(1)**
Before the issuance of new shares pursuant to the capital increase	1%	0.909%
After the issuance of 120,799,648 new shares pursuant to the capital increase	0.66%	0.61%

(1) In the event of conversion of the 22,907,055 unconverted OCEANEs and taking into account the adjustment of the rights of all holders of OCEANEs.

2 Subject to any potential subscriptions subject to reduction by EPF and FFP.

D. TERMS OF OFFER

Indicative timetable of the capital increase

5 March 2012	[INTENTIONALLY OMITTED]
	[INTENTIONALLY OMITTED]
6 March 2012	Publication of a press release by the Company describing the main characteristics of the capital increase and the availability of the Prospectus.
	Publication by Euronext Paris of the notice relating to the issue.
7 March 2012	Publication of a notice in the *Bulletin des Annonces Légales Obligatoires* with respect to the suspension of the right to exercise stock options and containing information for holders of OCEANEs.
8 March 2012	Opening of the subscription period. Detachment and commencement of trading of the preferential subscription rights on the regulated market of NYSE Euronext Paris.
15 March 2012	Commencement of the suspension period for the exercise of stock options.
21 March 2012	End of the subscription period. End of trading of the preferential subscription rights.
27 March 2012	Publication of a press release by the Company announcing the subscription results.
28 March 2012 (before market open)	Publication by Euronext Paris of the admission notice for the new shares, indicating the final amount of the capital increase and the allotment ratio for subscriptions subject to reduction.
29 March 2012	Issue of the new shares. Settlement and delivery.
	Admission of the new shares to trading on the regulated market of NYSE Euronext in Paris.
2 April 2012	End of the suspension period for the exercise of stock options.

Jurisdictions in which the offer will be made

The offer will be made to the public in France.

Procedure for exercising preferential subscription rights

To exercise their preferential subscription rights, holders must submit a request to their authorised financial intermediary (*intermédiaire financier autorisé*) at any time between 8 March 2012 and up to and including 21 March 2012, and pay the applicable subscription price. Any preferential subscription rights not exercised by the end of the subscription period, *i.e.*, at the close of trading on 21 March 2012, will automatically become null and void.

Financial intermediaries

Shareholders holding shares in registered form administered by an intermediary (*titres inscrits au nominatif administré*) or bearer shares (*titres au porteur*): subscriptions should be submitted to the financial intermediaries holding their accounts up to and including 21 March 2012.

Shareholders holding shares in registered form administered by the Company (*titres au nominatif pur*): subscriptions should be submitted to Société Générale Securities Services, 32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France, up to and including 21 March 2012.

Centralising institution charged with preparing the certificate of deposit of funds confirming the completion of the share capital increase: Société Générale Securities Services, 32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France.

[INTENTIONALLY OMITTED]

Investors' Contact

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Obtaining the Prospectus

Copies of the Prospectus may be obtained free of charge at the registered office of Peugeot S.A. at 75, avenue de la Grande Armée, 75116 Paris, France [INTENTIONALLY OMITTED].

1. RESPONSIBLE PERSONS

1.1. Person responsible for the Prospectus

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

1.2. Statement by the person responsible for the Prospectus

"I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import.

[INTENTIONALLY OMITTED]"

Philippe Varin
Chairman of the Management Board

1.3. Person responsible for investor relations

Carole Dupont-Piétri
Director of Financial Communication
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2. RISK FACTORS

The risk factors relating to the Company and its business are described in chapter 4 of the Registration Document forming part of the Prospectus.

Before making any decision to invest, investors should consider such risk factors, together with the following risk factors relating to the issued securities and the strategic alliance between the Company and General Motors.

The market for preferential subscription rights may be highly volatile and offer only limited liquidity

No assurance can be given that a market for preferential subscription rights will develop. If such a market does develop, it may be subject to greater volatility than the market for the Company's existing shares. The market price of the preferential subscription rights will depend on the market price of the Company's shares. In the event of a decrease in the market price of the Company's shares, the value of the preferential subscription rights may also decline. Holders of preferential subscription rights who choose not to exercise their preferential subscription rights may not succeed in selling such rights on the market.

Shareholders who do not exercise their preferential subscription rights will have their ownership interest in the Company's share capital diluted

To the extent that shareholders do not exercise their preferential subscription rights, their voting rights and ownership interest in the Company's share capital will be diluted. Should shareholders choose to sell their preferential subscription rights, the proceeds from such sale may not be sufficient to offset such dilution (see section 9 below).

The market price for the Company's shares may fluctuate and fall below the subscription price of the shares issued upon exercise of the preferential subscription rights

The Company's share price during the period when preferential subscription rights are traded may not reflect the market price of the shares on the date of issue of the new shares. The Company's shares may trade at a price below the market price prevailing at the time the transaction was launched. No assurance can be given that the market price of the Company's shares will not fall below the subscription price of the shares issued upon exercise of the preferential subscription rights. If the share price declines after the preferential subscription rights have been exercised, the holders of such rights will incur a loss if the new shares are immediately sold. Accordingly, no assurance can be given that, following the exercise of their preferential subscription rights, investors will be able to sell their shares in the Company at a price equal to or greater than the subscription price of the shares issued upon exercise of the preferential subscription rights.

The volatility and liquidity of the Company's shares may fluctuate significantly

In recent years, stock markets have experienced significant fluctuations, often bearing no relation to the results of the companies whose shares were traded. Market fluctuations and general economic conditions may increase the volatility of the Company's shares. The market price of the Company's share price may fluctuate significantly in response to various factors and events, including the risk factors described in the Registration Document, forming part of this Prospectus, as well as the liquidity of the market for the Company's shares.

Sales of the Company's shares or preferential subscription rights may occur on the market during the subscription period in the case of preferential subscription rights, or during or after the subscription period in the case of shares, and may have a negative impact on the market price of the shares or on the value of the preferential subscription rights

Sales of the Company's shares, or of preferential subscription rights in the market, or the expectation that such sales may occur, during or after the subscription period in the case of shares, or during the subscription period in the case of preferential subscription rights, may have an adverse effect on the market price of the Company's shares or on the value of the preferential subscription rights. The Company cannot predict the potential impact of any such sales of shares or preferential subscription rights, by its shareholders, on the market price of the shares or on the value of the preferential subscription rights.

If the Company's share price falls, the value of the preferential subscription rights may decline

The market price of the preferential subscription rights will depend, in particular, on the market price of the Company's shares. A decline in the market price of the Company's shares may have an adverse effect on the value of the preferential subscription rights.

The underwriting agreement may be terminated

In certain circumstances (see section 5.4.3 below), the underwriting agreement for the offering may be terminated by the Underwriters up to and including the date of the effective completion of settlement of the offering. Consequently, in the event of a termination of the underwriting agreement in accordance with its terms, the preferential subscription rights acquired by investors in the market may ultimately be void. This may result, for such investors, in a loss equal to the purchase price for the preferential subscription rights (although the amount of the subscription fee would be refunded to such investors).

Risks related to the Alliance

The strategic alliance between the Company and General Motors announced on 29 February 2012 (the "**Alliance**") was entered into pursuant to a Master Agreement as described in chapter 22 of the Registration Document. The Master Agreement contains a number of termination provisions allowing one or the other party to terminate the agreement, including in particular in the event that the implementing agreements with respect to the Alliance are not finalized by an agreed date. For example, any delays in the implementation of the Alliance or any disagreement between the parties could lead to a termination of the Master Agreement, which could have a material adverse effect on the business, results, financial condition, prospects or reputation of the Group.

In addition, the estimated amount and timing of the synergies announced by the Group in connection with the Alliance are based on a number of assumptions, including the successful implementation of the next steps of the Alliance, which may not be realised. As a result, the announced amount of synergies may not be achieved, or may be achieved only at a later time than currently expected, which could have a material adverse effect on the business, results, financial condition, prospects or reputation of the Group.

3. KEY INFORMATION

3.1. Net working capital statement

The Company certifies that, in its opinion, the Group's net working capital is sufficient to meet its commitments in the twelve months following the date [hereof] [INTENTIONALLY OMITTED].

3.2. Shareholders' equity and debt

Details of consolidated shareholders' equity and consolidated net debt as of 31 December 2011 are given below:

Summary table of consolidated shareholders' equity and debt

In accordance with the recommendations of ESMA (European Securities and Markets Authority) (ESMA/2011/81/section 127), the following table shows consolidated shareholders' equity and net debt as of 31 December 2011. The table was prepared on the basis of data contained in the Company's audited consolidated financial statements as of 31 December 2011 prepared in accordance with IFRS.

The indebtedness data set out below relates to the Group's manufacturing and sales activities. It does not take into account the financing activities of Banque PSA Finance, which does not reflect the Group's indebtedness.

In millions of Euros (IFRS)	31 December 2011 *(unaudited)*
1. Shareholders' equity and debt	
Total current debt	**2,210**
- Subject to bonds or pledges	**-**
- Guaranteed	48
- Not guaranteed and not subject to bonds or pledges	2,162
Total non-current debt	**7,639**
- Subject to bonds or pledges	**-**
- Guaranteed	748
- Not guaranteed and not subject to bonds or pledges	6,891
Total shareholders' equity[3]	**14,494**
Share capital	234
Treasury shares	(502)
Retained earnings	28
Retained earnings and other accumulated equity, excluding minority interests	14,076
Minority interests	658
2. Net debt	
A – Cash and cash equivalents	5,190
B – Other non-current financial assets	1,035
C – Current financial assets	265
D – Liquidities (A+B+C)	**6,490**
E – Short-term debt (current financial liabilities)	2,210
F – Medium and long-term debt (non-current financial liabilities)	7,639
G – Net debt (E+F-D)	**3,359**

As of 31 December 2011, non-terminable leasing commitments and off-balance sheet pension commitments amounted to €1,107 million, and €169 million, respectively (see note 37 of the notes to the audited consolidated financial statements as of 31 December 2011).

[3] Consolidated shareholders' equity

Since the beginning of 2012, the following significant changes have occurred in gross medium to long-term debt:

- in Brazil, Peugeot Citroën do Brasil Automoveis Ltda's gross medium to long term debt increased by BRL70 million between 31 December 2011 and 29 February 2012, which amounts to a €59 million debt increase, based on the variation of the BRL/EUR exchange rate over this period;

- Faurecia's gross medium to long term debt increased by €250 million over the same period, consisting of (i) €150.5 million market value, as of the end of February 2012, of the €140 million nominal principal amount of additional notes, issued on 14 February 2012, of Faurecia's 9.375% notes due December 2016 initially issued in November 2011 and (ii) €100 million of additional drawdown, effected as of the end of February, on its syndicated €1,150 million line of credit negotiated at the end of 2011.

3.3. Interests of individuals and legal entities participating in the offering

The Underwriters and/or certain of their affiliates have provided and/or may in the future provide the Company or companies within its group, their shareholders or their directors and officers with various banking, financial, investment, commercial and other services, for which they have received or may receive a fee.

3.4. Purpose of the offering and use of proceeds

The proceeds from the capital increase will be used principally to fund strategic investments related to projects of the global strategic alliance with General Motors.

These investments will be used to finance projects in connection with the sharing of certain vehicle platforms, components and modules, which will create synergies with respect to development costs and purchasing.

The proceeds from the capital increase will also permit the extension of the alliance to other areas of cooperation beyond the two initial pillars.

4. INFORMATION ABOUT THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON THE REGULATED MARKET OF NYSE EURONEXT PARIS

4.1. Type, class and dividend rights of the securities offered and admitted to trading

The new shares to be issued are ordinary shares of the same class as the Company's existing shares. Holders of new shares will be entitled to receive dividend rights from 1 January 2011, and, from the date of issue of the new shares, will be entitled to all distributions declared by the Company following such date.

The new shares will be admitted to trading on the regulated market of NYSE Euronext Paris on 29 March 2012. The shares will be immediately fungible with the Company's existing shares already traded on the regulated market of NYSE Euronext Paris and, with effect from that date, will be quoted under the same ISIN code (FR0000121501) as the existing shares.

4.2. Applicable law and jurisdiction

The new shares will be issued in accordance with French law and the competent courts, in the event of litigation, will be those where the Company's registered office is located whenever the Company is the defendant. Such courts will be designated according to the nature of the litigation, unless the French Code of Civil Procedure provides otherwise.

4.3. Form and method of registration in share accounts

The new shares will be in registered form or bearer form, at the subscribers' discretion.

Pursuant to Article L. 211-3 of the French Monetary and Financial Code, ownership of the shares will be evidenced by book-entry interests in a securities account held by the Company or an authorised intermediary, as the case may be.

As a result, the rights of holders will be evidenced by an entry in a securities account opened in their name on the books of:

- Société Générale Securities Services, 32 rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France, appointed by the Company, for shares held in registered form administered by the Company (*titres au nominatif pur*);

- an authorised intermediary of their choice and of Société Générale Securities Services, BP 81236, 32, rue du Champ-de-tir, 44312 Nantes Cedex 03, France, appointed by the Company, for shares held in registered form administered by a financial intermediary (*titres inscrits au nominative administré*); or

- an authorised intermediary of their choice for shares held in bearer form (*titres au porteur*).

Pursuant to Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code, shares may be transferred from one account to another, and transfer of ownership of the new shares will occur upon their registration in the securities account of the purchaser.

Application will be made for the new shares to be admitted to Euroclear France, which will ensure the clearing of the shares between account holders-custodians. The shares will also be the subject of an application for admission to Euroclear Bank S.A./N.V and Clearstream Banking , *société anonyme* (Luxembourg).

According to the indicative timetable for the capital increase, it is expected that the new shares will be credited to subscribers' securities accounts on 29 March 2012.

4.4. Currency of the issue

The new shares will be denominated in Euros.

4.5. Rights attached to the new shares

Upon their creation, the new shares will be subject to all the provisions of the Company's articles of incorporation (*statuts*). Pursuant to current applicable French law and the Company's articles of incorporation (*statuts*), the main rights attached to the new shares are as follows:

Rights to dividends – Rights to share in the issuer's profits

The new shares issued will carry rights to dividends under the conditions described in section 4.1.

The Company's shareholders will be entitled to share in the Company's profits under the conditions set out in Articles L. 232-10 *et seq.* of the French Commercial Code.

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

In addition, interim dividends may be distributed prior to the approval of the financial statements for the relevant fiscal year (Article L. 232-12 of the French Commercial Code).

The shareholders'general meeting may grant shareholders the option of receiving all or part of their dividends or interim dividends either in cash or in shares issued by the Company (Articles L. 232-18 *et seq.* of the French Commercial Code).

The payment of dividends must take place within nine months of the end of the relevant fiscal year. This period may be extended by judicial decision (Article L. 232-13 of the French Commercial Code).

Any action brought against the Company for the payment of dividends owed with respect to the shares will become time-barred upon the expiry of a period of five years from their due date. Furthermore, dividends will also be forfeited to the French State upon the expiry of a period of five years from their due date.

Dividends paid to non-residents are generally subject to withholding taxes in France (see section 4.11 below).

Voting rights

The voting rights attached to shares are proportional to the ownership interest represented by such shares in the Company's share capital. Each share carries the right to one vote (Article L. 225-122 of the French Commercial Code) subject to the provisions set out below.

Double voting rights, as compared to the voting right for other shares with regard to the proportionate interest in the authorised share capital that they represent, are allocated to all fully paid up shares that can be shown to have been registered in the name of the same shareholder for at least four years (Article L. 225-123 of the French Commercial Code).

In addition, in the event of an increase in share capital through the capitalisation of reserves, retained profits or issue premiums, a double voting right will be conferred, from the date of issue, on registered shares allocated free of charge to a shareholder in proportion to his existing shares in the Company carrying such rights (Article L. 225-123 of the French Commercial Code).

Without prejudice to the requirements to inform the Company and the AMF in the event that the ownership thresholds set by law and by the General Regulation ("*Règlement Général*") of the AMF are crossed, any individual or legal entity directly or indirectly acquiring a number of shares representing more than 2% of the Company's share capital must, within five days of the registration of such shares in its account, notify the Company of the total number of shares held and such notification must also be made whenever a further threshold of 1% is crossed.

This requirement to provide a notification set out in the articles of incorporation (*statuts*) also applies beyond the first legal threshold of 5%.

At the request of one or more shareholders holding individually or jointly at least 5% of the share capital of the Company, shares in excess of the percentage that should have been notified to the Company in connection with the requirement to notify the crossing of the above threshold, will be stripped of voting rights until the end of a period of two years following the date when the notification should have been made.

Preferential subscription rights of same class securities

The shares carry a preferential subscription right in case of a capital increase. Shareholders will have, pro rata to their existing interest in the Company's share capital, a preferential right to subscribe in cash for shares issued as part of an immediate or future increase in share capital. During the subscription period, preferential subscription rights may be traded when detached from the underlying shares, provided that such underlying shares are also traded in similar conditions. If this is not the case, preferential subscription rights may be transferred on the same basis as the shares themselves. Shareholders may individually waive their preferential subscription rights (Articles L. 225-132 and L. 228-91 to L. 228-93 of the French Commercial Code).

The general meeting that decides upon or authorises an immediate or future capital increase may cancel the preferential subscription rights for the entire capital increase or for one or more tranches thereof and may provide for or authorise a priority subscription period for the benefit of shareholders (Article L. 225-135 of the French Commercial Code).

Issues without preferential subscription rights may be carried out either by way of a public offering or, up to a maximum of 20% of the authorised share capital per year, by way of an offer pursuant to Article L. 411-2-II of the French Monetary and Financial Code (offer to qualified investors, restricted circle of investors acting on their own account), and the issue price will be at least equal to the weighted average price for the last three trading days preceding the pricing date, to which a maximum discount of 5% may apply (Articles L. 225-136 1° section 1, L. 225-136 3° and R. 225-119 of the French Commercial Code). However, the general meeting may authorise the Management Board to set the issue price based on such conditions as the general meeting may determine, up to a maximum amount of 10% of the share capital per year (Article L. 225-136 1° section 2 of the French Commercial Code).

The general meeting may also cancel the preferential subscription rights when the Company conducts a capital increase that is:

- for certain designated persons satisfying certain criteria that the general meeting may determine. The issue price or the conditions governing the setting of such price will be determined by the extraordinary general meeting on the basis of a report of the Management Board and a special report of the statutory auditors (Article L. 225-138 of the French Commercial Code),
- for the purpose of allocating newly issued shares as consideration for the securities contributed to a public exchange offer for the securities of a company whose shares are admitted to trading on a regulated market of a State that is a party to the Agreement on the European Economic Area or a member of the Organisation for Economic Cooperation and Development. In such case, the statutory auditors must make a determination as to the conditions and consequences of the offering (Article L. 225-148 of the French Commercial Code).

In addition, the general meeting may decide to carry out a capital increase:

- in order to pay for contributions in kind. The value of such contributions will be assessed by one or more special auditors. The general meeting may delegate to the Management Board the necessary powers to carry out a capital increase, up to a maximum of 10% of the authorised share capital, in order to pay for contributions in kind comprising equity securities or securities giving access to the share capital (Article L. 225-147 of the French Commercial Code),
- reserved for the members (employees of the Company or of companies associated with the Company within the meaning of Article L. 225-180 of the French Commercial Code) of a company savings plan (Article L. 225-138-1 of the French Commercial Code). The subscription price cannot be more than 20% lower than the average listed price during the twenty trading days preceding the date of the decision setting the opening date of the subscription (Article L. 3332-19 of the French Employment Code),

- by means of the allocation of performance shares to salaried staff of the Company or group companies, to certain categories of such persons or to directors and officers, up to a maximum of 10% of the Company's authorised share capital (Articles L. 225-197-1 *et seq.* of the French Commercial Code).

Finally, the Company may allocate stock options to salaried staff of the Company or group companies, to certain categories of such persons or to their directors and officers, up to a maximum of one third of the Company's authorised share capital (Articles L. 225-177 *et seq.* of the French Commercial Code).

Right to share in any surplus in the event of liquidation

Any shareholders' equity remaining after repayment of the nominal value of the shares will be shared between shareholders in the same proportion as their ownership interest in the Company's authorised share capital (Article L. 237-29 of the French Commercial Code).

Buyback clauses and conversion clauses

The Company's articles of incorporation (*statuts*) do not contain any special share buyback or conversion clauses.

Identification of shareholders

The Company is entitled at any time, upon payment of any relevant fee, to request the central depository holding the Company's securities accounts in respect of its equity securities to provide, as the case may be, the name or company name, nationality, date of birth or year of incorporation and address of the holders of securities granting an immediate or future voting right at the Company's general meetings, as well as the number of equity securities held by each of such persons or entities and, if applicable, any restrictions applicable to such securities.

Based on the list provided by the central depository, the Company has the power, whether through the central depository or directly, and under the same conditions and subject to the same penalties, to request persons or entities appearing on that list, and whom the Company considers may be registered on behalf of third parties, to provide the identity of the owners of the shares and the number of shares owned by each of them.

As long as the Company believes that certain identified shareholders are acting on behalf of third party owners of the shares, the Company will be entitled to request that such shareholders disclose the identity of the owners of the shares, and the number of shares owned by each of them (Articles L. 228-2 *et seq*. of the French Commercial Code).

4.6. Authorisations

a) Delegation of authority by the general meeting of shareholders held on 31 May 2011

*"**Fifteenth resolution** (Delegation of authority given to the Management Board for the purpose of issuing securities giving direct or indirect access to the share capital, while maintaining preferential subscription rights).*

The general meeting, acting in accordance with the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Management Board and the special report of the statutory auditors, and in accordance with the provisions of Articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

I. delegates to the Management Board, under the conditions provided by Article 9 of the articles of incorporation (statuts), its authority, within a period of twenty-six months with effect from the date of this general meeting, to decide upon one or more capital increases, to be carried out by means of:

a) the issue in Euros, whether in France or abroad, of Peugeot SA shares and/or any negotiable securities giving access by any means, whether immediately and/or in the future, to Peugeot SA shares, negotiable securities other than shares that are capable of being denominated in foreign currencies; and/or

b) the capitalisation of profits, reserves or issue premiums, through the allocation of performance shares or the increase of the nominal value of the existing shares.

II. decides that the total amount of the capital increases capable of being carried out immediately and/or in the future (including any shares potentially issued to preserve the rights of the holders of negotiable securities previously issued), may not have the effect of increasing the authorised share capital, currently €234,049,225, to an amount in excess of €400,000,000, the amount of issue and/or redemption premiums not being included in the cap set forth above;

III. decides that the amount of negotiable debt securities giving access to the authorised share capital and capable of being issued in this manner may not exceed a nominal maximum amount of €1,500,000,000;

IV. decides that the shareholders will have preferential subscription rights with respect to the negotiable securities issued pursuant to this resolution, in proportion of the amount of their shares;

V. decides:

a) that, if subscriptions by irrevocable entitlement and, if applicable, subject to reduction, do not absorb the entirety of an issue of shares or negotiable securities as defined above, the Management Board may offer all or part of the unsubscribed securities to the public;

b) that, in the event of a capital increase by capitalisation of profits, reserves or issue premiums, fractional rights will not be negotiable, and the corresponding shares will be sold, the proceeds of such sales being allocated to the holders of the rights, no later than 30 days after the date of registration in their accounts of the whole number of shares allocated;

c) that, in the event of an issue of hybrid securities, shareholders will not have any preferential subscription rights with respect to the shares to be issued to holders of such hybrid securities.

This delegation of authority replaces the delegation of authority given by the sixth resolution of the combined general meeting held on 3 June 2009."

b) Decision of the Supervisory Board

In accordance with Article 9.IV.a) of the Company's articles of incorporation (*statuts*), the Company's Supervisory Board decided, at its meeting on 27 February 2012, to approve the principle of a capital increase with preferential subscription rights for a maximum amount, including issue premium, of €1,050,000,000, such increase to be completed no later than 30 June 2012.

c) Decision of the Management Board

Pursuant to the delegation of authority given by the fifteenth resolution of the general meeting of shareholders held on 31 May 2011, the Company's Management Board decided, at its meeting on 28 February 2012:

- to proceed with a capital increase in a maximum amount, including issue premium, of €1,050,000,000, with preferential subscription rights; and

- to sub-delegate to the Chairman of the Management Board the powers necessary to suspend the ability to exercise stock options and to increase the share capital by a maximum amount, including issue premium, of €1,050,000,000, with preferential subscription rights, and to set the definitive terms and conditions of the transaction.

d) Decision of the Chairman of the Management Board

The Chairman of the Company's Management Board, acting pursuant to the sub-delegation of the Management Board, decided on 5 March 2012 to suspend the ability to exercise stock options from 15 March 2012 up to and including 31 March 2012 and to effect an increase of the share capital by €999,013,088.96 through the issue of 120,799,648 new shares, with preferential subscription rights, at the rate of 16 new shares for 31 existing shares, to be subscribed and paid in cash, at a subscription price of €8.27 per new share, comprising €1 of nominal value and €7.27 of issue premium.

In accordance with the provisions of Article L. 225-134 of the French Commercial Code and the terms of the Management Board's decision dated 28 February 2012, if subscriptions by irrevocable entitlement and subscriptions subject to reduction do not absorb the entire issue, the Chairman of the Management Board may limit the amount of the transaction to the amount of the subscriptions received, in case they represent at least three quarters of the capital increase decided upon, or freely distribute all or part of the unsubscribed shares, or offer them to the public (see, however, section 5.4.3).

4.7. Scheduled issue date for the new shares

The scheduled issue date for the new shares is 29 March 2012.

4.8. Restrictions on the sale of the new shares

No provision of the Company's articles of incorporation (*statuts*) limits the sale of the shares comprising the Company's share capital.

4.9. French regulations regarding public offers

The Company is subject to the legislative and regulatory provisions in force in France with regard to mandatory takeover bids, buy-back offers and squeeze-outs.

4.9.1. Mandatory takeover bids

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 *et seq.* of the General Regulation ("*Règlement Général*") of the AMF set forth the circumstances in which a mandatory takeover bid must be made, on terms such that it can be approved by the AMF, for all the equity securities and securities conferring access to share capital or voting rights of a company whose shares are admitted to trading on a regulated market.

4.9.2. Public buy-back offers and squeeze-outs

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq*. (buy-back offers), 237-1 *et seq*. (squeeze-out following a buy-back offer) and 237-14 *et seq.* (squeeze-out following any takeover bid) of the General Regulation ("*Règlement Général*") of the AMF set forth the circumstances in which a buy-back offer must be made, and the circumstances in which proceedings to squeeze-out minority shareholders must be implemented, in the case of a company whose shares are admitted to trading on a regulated market.

4.10. Public takeover bids initiated by third parties for the issuer's share capital during the current or previous fiscal year

No public takeover bid was initiated by any third party in respect of the Company's share capital during the current or previous fiscal year.

4.11. Withholding tax on dividends paid to non-residents

The information contained in this securities note is only a summary of the tax consequences that may apply in France, under current French tax law, and subject to the potential application of international tax treaties, for shareholders who do not reside in France for tax purposes, owning shares other than through a permanent residence or stable establishment in France and receiving dividends with respect to those shares. The rules set out below may be subject to legislative or regulatory amendments (in some cases with retroactive effect) or to changes in interpretation by the French tax authorities. In any event, this information is not intended to constitute a complete analysis of all tax consequences potentially applicable to a non-resident shareholder in France for tax purposes. Such shareholders should contact their usual tax adviser to confirm the tax treatment applicable to their particular situation.

In principle, dividends paid by the Company are subject to withholding tax deducted by the entity paying the dividends when the tax residence or registered office of the beneficiary is located outside France. The rate of this withholding tax is set at (i) 21% where the beneficiary is an individual whose tax residence is located in a Member State of the European Union or in another State which is a party to the agreement on the European Economic Area and which has entered into an administrative assistance agreement with France in order to prevent fraud and tax evasion; (ii) 15% where the beneficiary is an organisation whose registered office is located in a Member State of the European Union or in another State that is party to the agreement on the European Economic Area that has entered into an administrative assistance agreement with France in order to prevent fraud and tax evasion and which would be taxed in the manner provided for by Article 206-5 of the French General Tax Code if it had its registered office in France; and (iii) 30% in other cases.

However, irrespective of the location of the beneficiary's tax residence or registered office, if dividends distributed by the Company are paid outside France in a State or territory that is non-cooperative within the meaning of Article 238-0 A of the French General Tax Code, they will be subject to withholding tax at the rate of 55%.

The withholding tax may be reduced, or even eliminated, in accordance with (i) Article 119 *ter* of the French General Tax Code, which applies for certain shareholders under certain circumstances to shareholders that are legal entities with effective headquarters in a European Union State; (ii) administrative practice in the cases and under the circumstances provided for by the administrative guidelines dated 10 May 2007 and 12 July 2007 (4 C-7-07 and 4 C-8-07); or (iii) any international tax treaties that may be applicable.

The Company's shareholders that are concerned should contact their usual tax adviser in order to determine whether they are may benefit from a reduction in or exemption from the withholding tax and to understand how these treaties may apply to their situation, in particular pursuant to the administrative guidelines dated 25 February 2005 (4 J-1-05) relating to the so-called "normal" or "simplified" procedure for reducing or obtaining an exemption from the withholding tax.

Persons who do not reside in France for tax purposes must also comply with the tax legislation in force in their country of residence, as may be amended by the international tax treaty between France and such country.

5. OFFER CONDITIONS

5.1. Conditions, offer statistics, indicative timetable and subscription application

5.1.1. Offer conditions

The Company's capital increase will be carried out with shareholders' preferential subscription rights, at the rate of 16 new shares for 31 existing shares with a nominal value of €1 each.

Each shareholder will receive a preferential subscription right for each share registered in such shareholder's securities account at the close of business on 7 March 2012.

The beneficiaries of stock options exercising such options before 15 March 2012 will receive shares with preferential subscription rights pursuant to the exercise of those options.

Due to their terms and conditions, the OCEANEs will not receive shares allowing holders to participate in this offering.

The rights of the holders of OCEANEs will be adjusted in accordance with the terms and conditions of the OCEANEs. Holders of OCEANEs who exercise their share allocation rights before 29 February 2012 will receive shares with preferential subscription rights attached.

31 preferential subscription rights will confer a right to subscribe for 16 new shares with a nominal value of €1 each.

Preferential subscription rights that are not exercised by the end of the subscription period, *i.e.* by close of trading on 21 March 2012, will automatically be null and void.

Suspension of the ability to exercise stock options

The ability to exercise stock options obtained under all option plans will be suspended from 15 March 2012 and up to and including 31 March 2012, in accordance with the legal and regulatory provisions and the provisions of the respective option plan regulations. This suspension will be published in the *Bulletin des Annonces légales obligatoires* (BALO) on 7 March 2012 in the form of the notice provided for by Article R. 225-133 of the French Commercial Code, and will take effect on 15 March 2012.

Preservation of the rights of holders of stock options obtained under all option plans and of holders of OCEANEs - Information of the beneficiaries of the performance share allocation plan

The rights of holders of stock options obtained under all option plans and the rights of holders of OCEANEs will be preserved in accordance with applicable legal and regulatory provisions, and in accordance with the provisions of the option plan regulations and the terms of issue of the OCEANEs, respectively. The rights of the beneficiaries of the performance share allocation plan will not be adjusted.

5.1.2. Issue size

The total amount of the issue, including issue premium, is €999,013,088.96 (comprising a nominal value of €120,799,648 and an issue premium of €878,213,440.96) corresponding to the product of the number of new shares issued, *i.e.* 120,799,648 new shares, multiplied by the subscription price of a new share, *i.e.* €8.27 (including the nominal value of €1 and the issue premium of €7.27).

Pursuant to the provisions of Article L. 225-134 of the French Commercial Code and the terms of the Management Board's decision dated 28 February 2012, if subscriptions by irrevocable entitlement and subscriptions subject to reduction do not absorb the entire issue, the Chairman of the Management Board, acting upon sub-delegation by the Management Board, may use some or all of the following alternatives, in such order as he may determine: to limit the amount of the transaction to the amount of subscriptions received, to the extent such subscription represents at least three quarters of the intended capital increase, to distribute the unsusbscribed shares freely, or to offer the unsubscribed shares to the public.

It should, however, be noted that this offer is subject to subscription undertakings by EPF, FFP and General Motors, and underwritten by a banking syndicate for a total of 100% of its amount (see sections 5.2.2 and 5.4.3).

5.1.3. Subscription period and procedure

a) Subscription period

The subscription period for the new shares will be open from 8 March 2012 up to and including 21 March 2012.

b) Preferential subscription rights

***Subscriptions by irrevocable entitlement* (*à titre irréductible*).**

A preferential right to subscribe for new shares will be reserved for the holders of preferential subscription rights referred to in section 5.1.1 and for the transferees of their preferential subscription rights, who may subscribe by irrevocable entitlement at the rate of 16 new shares with a nominal value of €1 each per 31 existing shares owned (31 preferential subscription rights will allow holders to subscribe for 16 new shares at a price of €8.27 per share), without taking into account fractional shares.

Preferential subscription rights may only be exercised with respect to a whole number of shares. Shareholders or transferees of shareholders' rights who do not hold a sufficient number of existing shares to obtain a whole number of new shares by way of a subscription by irrevocable entitlement must make their own arrangements to acquire in the market the number of preferential subscription rights necessary to subscribe for a whole number of the Company's shares, and may arrange for joint exercise of their rights, but without this resulting in a joint subscription, as the Company only recognises one owner per share.

Preferential subscription rights with respect to fractions of shares may be traded in the market during the subscription period.

***Subscriptions subject to reduction* (*à titre réductible*).**

Concurrently with the filing of subscriptions by irrevocable entitlement, shareholders or the transferees of their preferential subscription rights may apply to subscribe subject to reduction for the number of new shares they wish to subscribe for, in addition to the number of new shares resulting from the exercise of their preferential subscription rights by irrevocable entitlement.

Any new shares that have not been taken up by shareholders exercising their preferential subscription rights by irrevocable entitlement will be allocated among shareholders and purchasers of preferential subscription rights who have applied for additional shares subject to reduction. Orders for subscriptions subject to reduction will be allotted up to the number of shares requested and pro rata to the number of existing shares in respect of which the preferential rights have been exercised by irrevocable entitlement, without any fractions of new shares being allocated.

In the event that a single subscriber presents several separate subscriptions, the number of shares allocated to such subscriber subject to reduction will be calculated on the basis of all such subscriber's preferential subscription rights if such subscriber expressly makes a special request to that effect in writing, no later than on the closing date of the subscription. This request must be attached to one of the subscriptions and must provide all the information necessary for the rights to be combined, specifying the number of subscriptions made as well as the name(s) of the authorised intermediary or intermediaries with whom those subscriptions were filed.

Subscriptions in the name of different subscribers may not be combined in order to obtain shares subject to reduction.

A notice will be published by the Company in a legal announcements journal in the location of the Company's registered office and/or a notice will be distributed by Euronext Paris indicating the ratio used for the allocation of subscriptions subject to reduction (see section 5.1.9).

Theoretical ex-rights values of preferential subscription rights and Peugeot S.A. shares – Discounts on the issue price of the new shares as compared to the stock market price of the shares and as compared to the theoretical ex-rights value of the shares

Based on the volume weighted average of Peugeot S.A.'s share price on 5 March 2012, *i.e*. €14.2801:

- the issue price of the new shares, of €8.27, represents a discount at face value of 42.09% ,
- the theoretical value of the preferential subscription rights is €2.05,
- the theoretical ex-rights value of the shares is €12.234; and
- the issue price of the new shares represents a 32.40% discount as compared to the theoretical ex-rights value of the shares.

These values are not necessarily indicative of the expected value of the preferential subscription rights during the subscription period, the ex-rights value of the shares, or the discounts, as determined in the market.

By way of illustration, based on the closing price of Peugeot S.A.'s shares on 5 March 2012, *i.e.* €14.205, the indicative theoretical value of the preferential subscription right would be €2.02.

c) Procedure for exercising preferential subscription rights

In order to exercise their preferential subscription rights, holders must submit a request to their authorised financial intermediary at any time between 8 March 2012 up to and including 21 March 2012, and pay the corresponding subscription price (see section 5.1.8 below).

Preferential subscription rights must be exercised by their beneficiaries before the end of the subscription period, failing which they will automatically become null and void.

In accordance with applicable law, preferential subscription rights may be traded during the subscription period referred to in this section, under the same conditions as existing shares.

Transferors of preferential subscription rights will be divested of such rights in favour of their transferees, who, for the purposes of exercising the acquired preferential subscription rights, will simply be substituted in all the rights and obligations of the owners of the existing shares.

Preferential subscription rights that have not been exercised by the end of the subscription period will automatically become null and void.

d) Preferential subscription rights detached from the Company's treasury shares

Pursuant to Article L. 225-206 of the French Commercial Code, the Company cannot subscribe for its own shares.

Preferential subscription rights detached from the 17,187,450 treasury shares held by the Company, *i.e.* 7.34% of the share capital as of 31 December 2011, which have not been allocated to the beneficiaries of options to purchase shares allocated by the Company who exercised their options before 15 March 2012will be sold on the market before the end of the subscription period under the conditions provided in Article L. 225-210 of the French Commercial Code (including the 4,398,821 preferential subscription rights detached from the treasury shares that will be sold to General Motors, see section 5.2.2).

e) Indicative timetable for the capital increase

5 March 2012	[INTENTIONALLY OMITTED]
	[INTENTIONALLY OMITTED]
6 March 2012	Publication of a press release by the Company describing the main characteristics of the capital increase and the availability of the Prospectus.
	Publication by Euronext Paris of the notice relating to the issue.
7 March 2012	Publication of a notice in the *Bulletin des Annonces Légales Obligatoires* with respect to the suspension of the right to exercise stock options and containing information for holders of OCEANEs.
8 March 2012	Opening of the subscription period. Detachment and commencement of trading of the preferential subscription rights on the regulated market of NYSE Euronext Paris.
15 March 2012	Commencement of the suspension period for the exercise of stock options.
21 March 2012	End of the subscription period. End of trading of the preferential subscription rights.
27 March 2012	Publication of a press release by the Company announcing the subscription results.
28 March 2012 (before market open)	Publication by Euronext Paris of the admission notice for the new shares, indicating the final amount of the capital increase and the allotment ratio for subscriptions subject to reduction.
29 March 2012	Issue of the new shares. Settlement and delivery.
	Admission of the new shares to trading on the regulated market of NYSE Euronext in Paris.
2 April 2012	End of the suspension period for the exercise of stock options.

5.1.4. Revocation/Suspension of the offer

The issue of 120,799,648 new shares will be subject to subscription undertakings from EPF and FFP and General Motors and to an underwriting agreement with a banking syndicate, which, in total, covers 100% of its amount (see section 5.4.3). This underwriting agreement is not a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code, and it may be terminated under certain circumstances. This capital increase may not be completed and subscriptions may be cancelled retroactively if the underwriting agreement is terminated and if the amount of subscriptions received represents less than three quarters of the intended issue (see sections 5.1.2 and 5.4.3). [INTENTIONALLY OMITTED]

5.1.5. Reduction of the subscription orders

The issue is being carried out with preferential subscription rights. Shareholders may subscribe by irrevocable entitlement at the rate of 16 new shares per 31 existing shares (see section 5.1.3) without their orders being subject to reduction.

Shareholders may also subscribe subject to reduction. The conditions governing subscriptions subject to reduction for shares not subscribed for by irrevocable entitlement and the reduction procedure are described in sections 5.1.3. and 5.3.

5.1.6. Minimum and/or maximum amount of a subscription

As the offering is being carried out with preferential subscription rights with irrevocable entitlement as well as subject to reduction, the minimum subscription will be for an amount of 16 new shares requiring the exercise of 31 preferential subscription rights, and there is no maximum subscription (see section 5.1.3).

5.1.7. Revocation of subscription orders

Subscription orders are irrevocable.

5.1.8. Payment of funds and terms of delivery of new shares

Subscriptions for shares and payments of funds by holders of shares in registered form administered by an intermediary (*nominatif administré*) or bearer shares (*au porteur*) should be submitted to their authorised intermediaries acting in their name and for their account, up to and including 21 March 2012.

Subscriptions and payments by holders of shares in registered form administered by the Company (*titres au nominatif pur*) should be submitted free of charge to Société Générale Securities Services, BP 81236, 32, rue du Champ-de-tir, 44312 Nantes Cedex 03, France, appointed by the Company, up to and including 21 March 2012.

Each subscription must include the payment of the subscription price.

Subscriptions for which payment has not been made will automatically be cancelled without formal notice being required.

Funds paid in respect of subscriptions will be held centrally by Société Générale Securities Services – 32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France, which will be responsible for preparing the certificate of deposit of funds recording the completion of the capital increase.

The scheduled delivery date of the new shares is 29 March 2012.

5.1.9. Publication of the results of the offer

At the close of the subscription period referred to in section 5.1.3 above, and after subscriptions have been centralised, a Company press release announcing the results of the subscriptions will be published and will be made available on the Company's website.

In addition, a notice published by Euronext Paris relating to the admission of the new shares will indicate the definitive number of shares issued and the allotment ratio for subscriptions subject to reductions (see section 5.1.3.b).

Procedure for the exercise and negotiability of preferential subscription rights

See section 5.1.3 above.

5.2. Plan of distribution and allotment of securities

5.2.1. Category of potential investors - Jurisdictions in which the offer is being made - Restrictions applicable to the offer

Category of potential investors

Since the issue is being completed with preferential subscription rights by irrevocable entitlement as well as subject to reduction, subscription for the new shares to be issued will be reserved for the original holders of the preferential subscription rights and for the transferees of such preferential subscription rights under the conditions described in section 5.1.3.b.

Jurisdictions in which the offer will be available

The offer will be made to the public in France.

Restrictions applicable to the offer

The distribution of this Prospectus, the sale of the shares and of the preferential subscription rights and the subscription for the new shares may, in certain countries including the United States of America, be governed by specific regulations. Any person in possession of this Prospectus must inquire as to and comply with any local restrictions. Authorised intermediaries may not accept any subscriptions for the new shares or any exercise of preferential subscription rights from clients with an address in a country where such restrictions apply, and such orders will be deemed null and void.

No person receiving this Prospectus, including trustees and nominees, may distribute it in or send it to such countries other than in accordance with applicable laws and regulations.

Any person who, for whatever reason, distributes or permits the distribution of this Prospectus to such a country must draw the attention of the recipient to the restrictions in this section.

Generally, any person exercising their preferential subscription rights outside France must ensure that doing so does not contravene applicable laws. Neither the Prospectus nor any other document relating to the capital increase may be distributed outside France other than in accordance with applicable local laws and regulations, or constitute a subscription offer in countries where such an offer would contravene the applicable local legislation.

a) Restrictions concerning Member States of the European Economic Area (other than France) in which Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") has been transposed

With respect to each Member State of the European Economic Area which has implemented the Prospectus Directive, other than France (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of preferential subscription rights or new shares requiring the publication of a prospectus in any Relevant Member State. As a result, an offer to the public in any Relevant Member State of any preferential subscription rights or new shares may be made only under the following exemptions under the Prospectus Directive, if these exemptions have been implemented in that Relevant Member State:

(i) to qualified investors, as defined in the Prospectus Directive;

(ii) to any legal entity which has two or more of the following criteria: (1) an average number 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 its last company or consolidated accounts; or

(iii) in any other circumstances not requiring Peugeot 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 preferential subscription rights or new shares" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the preferential subscription rights or new shares to be offered so as to enable an investor to decide to purchase, or subscribe for any securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Such restrictions concerning Member States apply in addition to any other restrictions applicable in Member States that have transposed the Prospectus Directive.

In general, any person exercising preferential subscription rights outside France must ensure that to do so does not infringe the applicable legislation. Neither the Prospectus nor any other document relating to the capital increase may be distributed outside France other than in accordance with the laws and regulations applicable locally, or constitute a subscription offer in countries where such an offer would infringe on the local applicable legislation.

b) Additional restrictions relating to other countries

(1) Restrictions relating to the United States of America

Neither the new shares nor the preferential subscription rights have been or will be registered within the meaning of the U.S. Securities Act of 1933, as amended (the *"***U.S Securities Act***"*). The new shares and preferential subscription rights cannot be offered, sold, exercised, transferred or delivered in the United States of America, as defined by Regulation S under the U.S. Securities Act, except to "qualified institutional buyers" as defined by Rule 144A of the U.S. Securities Act, in the context of an offer made pursuant to an exemption from the registration requirements of the U.S. Securities Act. Consequently, in the United States, investors who are not qualified institutional buyers cannot participate in the offer, subscribe for the new shares or exercise preferential subscription rights.

Subject to the exemption provided by Section 4(2) of the U.S. Securities Act, no envelope containing any subscription orders may be mailed from the United States of America or sent in any other way from the United States of America, and all persons exercising their preferential subscription rights and wishing to hold shares in registered form must provide an address outside the United States of America.

Any person acquiring new shares or any person purchasing and/or exercising preferential subscription rights will be deemed to have represented, warranted and acknowledged, by accepting the delivery of the new shares or preferential subscription rights, either that he is acquiring new shares or purchasing and/or exercising the preferential subscription rights in the context of an offshore transaction as defined by Regulation S of the U.S. Securities Act, or that he is a qualified institutional buyer as defined by Rule 144A of the U.S. Securities Act. In the latter case, he must sign an investor letter addressed to the Company in English in the form available from the Company.

Subject to the exemption provided by Section 4(2) of the U.S. Securities Act, authorised intermediaries may not accept subscriptions for new shares from clients with an address in the United States, and such requests will be deemed to be null and void.

In addition, until the expiration of a period of 40 days from the later of (a) the commencement of the subscription period and (b) the commencement of any offering by the Underwriters of new shares underlying preferential subscription rights, an offer to sell or a sale of the new shares in the United States of America by a dealer (whether or not participating in this offer) may violate the registration requirements of the U.S. Securities Act if such offer to sell or sale takes place other than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

(2) Restrictions relating to Italy

No prospectus has or will be registered in Italy with the Italian Stock Exchange Commission (*Commissione Nazionale per le Società di Borsa*, "**CONSOB**") in accordance with Italian stock exchange rules. Consequently, no new share or preferential subscription right may or will be offered, sold, or distributed, and no copy of this Prospectus nor of any other document relating to the new shares or preferential subscription rights may or will be distributed in Italy, except:

(a) to qualified investors *(investori qualificati)* (the "**Qualified Investors**") under the terms of Article 100 of Legislative Decree no. 58 of 24 February 1998, as amended (the "**Financial Services Law**") and as defined in Article 34-*ter*, section 1, (b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("**Regulation 11971**"); or

(b) in circumstances exempt from the application of the regulations concerning offers of financial products to the public under the terms of Article 100 of the Financial Services Law and Article 34-*ter* of the CONSOB Regulation no. 11971.

Any offer, sale or delivery of new shares or preferential subscription rights or any distribution in Italy of copies of this Prospectus or any other document relating to the new shares or to the preferential subscription rights in the circumstances described in (a) and (b) above must and will occur:

(i) through an investment company or financial intermediary licensed to carry out such business in Italy in accordance with the Financial Services Law and Legislative Decree no. 385 of 1 September 1993, as amended (the "**Banking Law**"), and with CONSOB Regulation no. 16190 of 29 October 2007, as amended;

(ii) in accordance with Article 129 of the Banking Law and the guidance notes of the Bank of Italy (*Banca d'Italia*), pursuant to which the Bank of Italy can request certain information on the issue or offer of financial instruments in Italy; and

(ii) in accordance with all Italian laws and regulations relating to the stock exchange, tax and exchange controls, and any other applicable legal and regulatory provisions and any other condition or limitation that may be imposed, in particular, by CONSOB or the Bank of Italy.

This Prospectus and any other documents relating to the new shares or preferential subscription rights, and the information they contain, may only be used by their original addressees, and must not, under any circumstances, be distributed to third parties resident or located in Italy. Any person resident or located in Italy other than the original addressees of this Prospectus must not rely on it or on its contents.

(3) Restrictions relating to the United Kingdom

This Prospectus is only being distributed to persons who are (i) outside of the United Kingdom, (ii) investment professionals under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **"Order"**) or (iii) high net worth companies, or other persons described in Article 49(2) (a) to (d) (high net worth companies, unincorporated associations etc) of the Order (hereafter collectively referred to as **"Relevant Persons"**).

No invitation, offer or agreements to subscribe, purchase or otherwise acquire preferential subscription rights or new shares may be proposed or concluded other than with Relevant Persons. The preferential subscription rights and the new shares may be offered or issued in the United Kingdom only to Relevant Persons, and no person in the United Kingdom other than a Relevant Person may act or rely on this Prospectus or any provision thereof. Persons distributing this Prospectus must satisfy themselves that it is lawful to do so.

(4) Restrictions relating to Australia, Canada and Japan

The preferential subscription rights and the new shares may not be offered, sold or acquired in Australia, Japan or, subject to limited exceptions, Canada.

5.2.2. Subscription undertakings

Subscription undertakings of the Company's main shareholders or of members of its administrative, management or supervisory bodies

Pursuant to a letter of undertaking dated 29 February 2012, Établissements Peugeot Frères ("**EPF**") and FFP, which respectively hold 8.17% and 22.80% of the share capital and 12.38% and 33.24% of the voting rights of the Company, have irrevocably undertaken:

- with respect to EPF: to exercise 6,193,893 preferential subscription rights attached to its shares (*i.e.* 32.40% of its preferential subscription rights), in order to subscribe by irrevocable entitlement for 3,196,848 new shares (which reflects a subscription amount of €26,437,932.96, including premium) (so that this will be a neutral transaction for EPF);

- with respect to FFP: to exercise 26,681,762 preferential subscription rights attached to its shares (*i.e.* 50% of its preferential subscription rights), in order to subscribe by irrevocable entitlement for 13,771,232 new shares (which reflects a subscription amount of €113,888,088.64, including premium).

EPF and FFP reserve the right to acquire and exercise additional preferential subscription rights and/or exercise subscriptions not subject to reduction.

As of the date hereof, FFP has informed the Company that it is negotiating bank financing in order to allow it to exercise half of its preferential subscription rights. However, FFP may instead use its existing credit lines which would be sufficient for such purpose.

EPF and FFP will sell to General Motors all of the unexercised preferential subscription rights attributed to them at a price of €2.05 per preferential subscription right, *i.e.* at the theoretical value of the preferential subscription right, (based on the volume weighted average of Peugeot S.A.'s share price on 5 March 2012, *i.e* €2.05) (the "**Theoretical Value of the Preferential Subscription Right**")

Following the completion of the capital increase, the capital and voting rights of the Company will be as follows[4]:

	Shares outstanding	**% interest**	**Exercisable voting rights**	**% of theoretical voting rights**
EPF	22,312,608	6.29%	9.94%	9.64%
FFP	67,134,806	18.92%	27.93%	27.10%
General Motors	24,839,429	7.00%	5.96%	5.8%
Treasury shares	12,788,623	3.60%	-	3%
Other	227,773,520	64.19%	56.17%	54.5%
TOTAL	**354,848,992**	**100%**	**100%**	**100%**

Undertaking by General Motors

Pursuant to the two agreements referred to below, and subject to the share capital increase referred to in this Prospectus being completed no later than 20 April 2012, General Motors has undertaken to acquire preferential subscription rights and treasury shares which will result, following the completion of the transaction, in General Motors owning a 7% stake in the Company's share capital:

- General Motors has undertaken to acquire and exercise, subject to EPF and FFP exercising their preferential subscription rights pursuant to their undertakings (see "Subscription undertakings of the main shareholders" above), all of the preferential subscription rights which it will receive from EPF and FFP. The preferential subscription rights to be acquired by General Motors will be sold by EPF and FFP at a price of €2.05 per preferential subscription right, *i.e.* at the Theoretical Value of the Preferential Subscription Right, pursuant to a purchase agreement among EPF, FFP and General Motors dated 29 February 2012. The total price for the acquisition of such preferential subscription rights will amount to €81 million. General Motors' subscription undertaking represents a subscription by irrevocable entitlement of €20,440,608 new shares, *i.e.* 5.76% of

[4] Subject to any potential subscriptions subject to reduction by EPF and FFP.

the Company's capital after completion of the transaction and a subscription in an amount, including premium, of €169,043,828.16;

- Pursuant to a purchase agreement between the Company and General Motors dated 29 February 2012, General Motors has undertaken to acquire 4,398,821 treasury shares[5] held by the Company, representing 25.59% of the Company's treasury shares and 1.24% of the Company's share capital following the transaction, at a price of €12.234 per share, which reflects the theoretical ex-rights value of the shares. The total price for the acquisition of such treasury shares from the Company will amount to €53.8 million. This purchase will be completed on the date of the settlement of the capital increase (scheduled for 29 March 2012).

General Motors is bound, during a period starting on 29 February 2012 and ending on 29 May 2012, by a lock-up commitment, subject to certain exceptions, as described in section 5.4.3 of this securities note.

General Motors and the Peugeot family group are not acting jointly with regard to the Company. Except for General Motors' lock-up and standstill commitments (described in chapter 22 of the Registration Document), the master agreement governing the alliance does not contain any provisions regarding the governance of the Company, and does not specifically provide any veto or similar right.

5.2.3. Pre-allotment disclosure

Since the offering is being carried out with preferential subscription rights with irrevocable entitlement and preferential subscription rights not subject to reduction, the holders of preferential subscription rights and the transferees of such rights, exercising such rights in the circumstances described in section 5.1.3.b), will (subject to section 5.4.3) be assured to subscribe, without the possibility of a reduction, for 16 new shares with a nominal value of €1 each, at a unit price of €8.27, per lot of 31 preferential subscription rights exercised.

Any concurrent applications for subscriptions for new shares subject to reduction will be processed in accordance with the allotment ratio for subscriptions subject to reduction, which will be announced in a notice published by Euronext Paris (see sections 5.1.3.b) and 5.1.9).

5.2.4. Notice to subscribers

Subject to effective completion of the capital increase, subscribers who have placed orders for a subscription by irrevocable entitlement are assured to receive the number of new shares for which they have subscribed (see section 5.1.3.b)).

Subscribers who have placed orders to subscribe subject to reduction under the conditions set out in section 5.1.3.b) will be informed of their allotment by their financial intermediary.

A notice published by the Company in a legal announcements in the location of the Company's registered office and a notice published by Euronext Paris will, if applicable, announce the allotment ratio for subscriptions subject to reduction (see sections 5.1.3.b) and 5.1.9).

5.2.5. Overallotment and greenshoe

Not applicable.

5.3. Subscription price

The subscription price is €8.27 per share, of which €1 represents the nominal value per share and €7.27 the issue premium.

[5] The treasury shares to be transferred have been acquired in connection with a share repurchase programme in order to provide coverage for the OCEANEs.

At the time of subscription, the price of €8.27 per share subscribed, representing the entire nominal value and issue premium, must be fully paid up in cash or by the set-off of liquid receivables owed by the Company.

Subscriptions that have not been fully paid up will be cancelled automatically without formal notice being required.

Amounts paid for subscriptions subject to reduction (see section 5.1.3.b), and which remain unused after the allotment, will be refunded without interest to subscribers by the authorised intermediaries that received them.

5.4. Placement and underwriting

[INTENTIONALLY OMITTED]

5.4.1. Names and addresses of the authorised intermediaries in charge of the deposit of subscription funds and of the financial servicing of the shares

Funds paid in respect of subscriptions will be centralised at Société Générale Securities Services – 32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France, which will issue the certificate of deposit of funds recording the completion of the capital increase.

The administrative servicing of securities (registration of registered shares, conversion of bearer shares) and financial servicing of the Company's shares will be handled by Société Générale Securities Services, 32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03, France.

5.4.2. Underwriting – Lock-up/standstill commitments

Underwriting

Pursuant to an underwriting agreement relating to the new shares entered into on 5 March 2012 among the Company and [a group of Underwriters] [INTENTIONALLY OMITTED] (together the "**Underwriters**"), the Underwriters severally but not jointly undertake to arrange for the subscription of, or, in the event that any new shares remain unsubscribed at the end of the subscription period, to subscribe for, all the newly issued shares, except for shares subject to the subscription undertakings of EPF and FFP, and of General Motors. The underwriting agreement does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code.

This underwriting agreement may be terminated [by the Underwriters] at any time up to and including the settlement date for the capital increase, under certain circumstances, in particular in the event of any inaccuracy in, or failure to comply with, the Company's representations and warranties or undertakings. The agreement may also be terminated in case of a material adverse change in the condition of the Company and its subsidiaries or in case of certain national or international events affecting in particular France, the United Kingdom or the United States (including limitations, interruptions or suspensions of trading on regulated markets, or interruptions in commercial banking activities, acts of terrorism, declarations of war any other national or international calamity).

In the event that this underwriting agreement is terminated in this manner, the certificate of the depository of the funds will not be issued on the date of settlement, the issue of the new shares will not be completed and subscriptions will be retroactively cancelled.

Lock-up commitments

a) Lock-up commitment of the Company

The Company has agreed with the Underwriters that, during the period beginning from the date of the underwriting agreement to and including the date 180 days after the settlement date of the capital increase, neither it nor any of its subsidiaries will, or will announce the intention to, issue, offer, sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of the Company or other securities that are substantially similar to the shares of the Company, or any securities that are convertible or redeemable into or exchangeable for, or that represent the right to receive, shares or any such substantially similar securities, or enter into any derivative or other transaction having substantially similar economic effect with respect to its shares or any such securities, in each case without the prior written consent of [certain of the Underwriters]. This undertaking is subject to the following exceptions:

- options and shares that may be granted, issued, offered or sold to the Company's managers and employees, in the context of an existing plan authorized by the general meeting of shareholders at the date of the underwriting agreement;
- shares to be delivered pursuant to free share or performance share programmes or to the exercise of stock options existing or to be granted pursuant to stock purchase or subscription option plans or pursuant to free share or performance share programmes authorized by the general meeting of shareholders at the date of the underwriting agreement;
- shares of the Company issued or exchanged due to exercise of the conversion/exchange rights of the OCEANEs; and
- any share sold in connection with a buy-back programme of the Company's shares (including pursuant to a liquidity agreement*).*

b) Standstill commitment of EPF and FFP

Each of EPF and FFP has agreed [with the Underwriters], for a period ending 90 days after the settlement date of the capital increase, not to take any of the following actions, or in case of a merger, spin-off, public offer or similar transactions, and except, with respect to FFP, for the right of FFP to use the shares acquired in connection with this capital increase as collateral:

- offer, assign, sell, use as collateral or otherwise transfer (including in market transactions, private placements to institutional investors or over the counter transactions), directly or indirectly (including through the use of any optiond or other derivatives), any shares or any other security giving access, by conversion, exchange, repayment, warrants, exercise or in any other manner, with immediate or future effect, to the share capital of the Company; or
- publicly disclose its intention with regard to such offer, assignment, sale, use as collateral or other transfer.

c) Lock-up commitment of General Motors

With respect to the shares of the Company acquired in connection with the agreements described herein, General Motors has agreed with the Company, during a period starting on 29 February 2012 and ending on 29 May 2012, not to, directly or indirectly transfer title to such shares, grant any right or promise, enter into any agreement or undertaking with a third party or announce its intention (i) to transfer the ownership of, or rights in, such shares (including securities lending, hedging, equity swaps or any other derivative) or (ii) to affect the exercise of any right attached to the shares (in particular through a *fiducie* or a trust), or enter into any contract, option or any other agreement, commitment or undertaking to do any of the actions described above (including selling any option or contract to purchase such shares or purchasing any option or contract to sell such shares) or other transaction having a substantially similar effect. This agreement is subject to the following exceptions:

- the transfer of such shares to an entity wholly-owned by General Motors with the words "General Motors" or "GM" in its corporate name (other than Adam Opel AG, Chevrolet Europe GmbH or subsidiaries thereof), subject to such entity agreeing to continue to comply with General Motors' lock-up and such entity continuing to be wholly-owned by General Motors and retaining the words "General Motors" or "GM" in its corporate name; and
- the tender of such shares to an offeror in connection with a tender offer for all the shares of the Company recommended by the supervisory board of the Company and cleared by the AMF.

[INTENTIONALLY OMITTED]

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1. Admission to trading

The preferential subscription rights will be detached on 8 March 2012 and traded on the regulated market of NYSE Euronext Paris until the end of the subscription period, *i.e.* until 21 March 2012, under the ISIN code FR0011215409.

As a result, the existing shares will be traded ex-rights with effect from 8 March 2012.

An application will be made for admission to trading of the new shares issued as part of the capital increase on the regulated market of NYSE Euronext Paris.

The shares will be admitted to trading on such market with effect from 29 March 2012. The shares will immediately be fungible with the Company's existing shares and will be traded on the same listing line under ISIN code FR0000121501.

6.2. Place of market listing

The Company's shares will be admitted to trading on the regulated market of NYSE Euronext Paris.

6.3. Simultaneous offerings of the Company's shares

Not applicable

6.4. Liquidity agreement

No liquidity agreement relating to the Company's shares has been entered into as of the date [hereof] [INTENTIONALLY OMITTED].

6.5. Stabilisation – Market transactions

[INTENTIONALLY OMITTED] [A designated] stabilisation manager [INTENTIONALLY OMITTED], may effect, on any market, any purchase or sale transactions with respect to the shares and preferential subscription rights.

These transactions may affect the market price of the shares and preferential subscription rights and may notably result in a higher market price than the price which might otherwise prevail.

In view of the characteristics of this share offering with preferential subscription rights, the market transactions effected by the stabilisation manager may be qualified as stabilisation operations within the meaning of section 7 of Article 2 of EC Regulation No. 2273/2003 of 22 December 2003. Such share transactions may be completed at a price that is higher than the subscription price of the new shares to be issued.

Any such transactions will be carried out in such a way as to respect the integrity of the market and in accordance with the "Market Abuse" Directive (Directive 2003/06/EC of the European Parliament and of the Council of 28 January 2003 on insider trading and market manipulation), as transposed into French law.

Such transactions may be carried out from 8 March 2012 and up to and including 21 March 2012. However, the stabilisation manager is in no way obligated to carry out such transactions, and if such transactions are carried out, they may be discontinued at any time.

7. SALES BY HOLDERS OF SECURITIES

Not applicable (subject to section 5.1.3.d).

8. EXPENSES RELATED TO THE OFFERING

Proceeds and expenses relating to the capital increase

The gross proceeds from the offering are equal to the product of the number of new shares to be issued and the unit subscription price for the new shares. The net proceeds from the offering are equal to the gross proceeds less the expenses referred to below.

By way of illustration, the gross proceeds and the estimated net proceeds of the issue are likely to be as follows:

- gross proceeds: €999,013,088.96;
- fees of financial intermediaries and legal and administrative fees: approximately €31.6 million;
- estimated net proceeds: approximately €967 million.

9. DILUTION

9.1. Impact of the offering on shareholders' equity

By way of illustration, the impact of the offering on the Group's consolidated shareholders' equity on a per share basis (*calculated on the basis of the Group's consolidated shareholders' equity as of 31 December 2011 – as reported in the consolidated financial statements of 31 December 2011 – and on the basis of the number of shares outstanding on such date net of treasury shares*) would be as follows:

	Share of shareholders' equity per share (in Euros)	
	Non-diluted basis	**Diluted basis**(1)
Prior to the issuance of new shares pursuant to the capital increase	66.84	62.25
After the issuance of 120,799,648 new shares pursuant to the capital increase	45.31	43.66

(1) *In the event of the definitive purchase by beneficiaries of all 807,900 performance shares, the exercise of all 4,698,000 stock options and the conversion of the 22,907,055 unconverted OCEANEs, and taking into account the adjustment of the rights of all holders of stock options and OCEANEs, as the case may be.*

9.2. Impact of the offering on shareholders

By way of illustration, the impact of the offering on the percentage interest of a holder of 1% of the Company's share capital prior to the issue but who does not subscribe to the offering (*calculated on the basis of the number of shares outstanding as of 31 December 2011*) would be as follows:

	Shareholder interest (%)	
	Non-diluted basis	**Diluted basis**(1)
Before the issuance of new shares pursuant to the capital increase	1%	0.909%
After the issuance of 120,799,648 new shares pursuant to the capital increase	0.66%	0.61%

(1) *In the event of conversion of the 22,907,055 unconverted OCEANEs and taking into account the adjustment of the rights of all holders of OCEANEs.*

10. ADDITIONAL INFORMATION

10.1. Advisers associated with the offering

Not applicable.

10.2. Persons responsible for auditing the accounts

Principal Statutory Auditors

Ernst & Young et autres
(Member of the Versailles Regional Company of Auditors)
Messrs Christian Mouillon and Marc Stoessel
1/2, place des Saisons
92400 Courbevoie - Paris La Défense 1

Mazars
(Member of the Versailles Regional Company of Auditors)
Messrs Loïc Wallaert and Jean Louis Simon
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

Deputy Statutory Auditors

Société Auditex
1/2, place des Saisons
92400 Courbevoie - Paris La Défense 1

Patrick de Cambourg
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

10.3. Expert's report

Not applicable.

10.4. Information contained in the Prospectus and obtained from a third party

Not applicable.

10.5. Equivalence of information

In all significant respects, and insofar as necessary, the information contained in this Prospectus reestablishes the equality of access to information relating to the Group among the Company's shareholders and investors.

10.6. Information updates concerning the Company

Information concerning the Group and the principal features of the Alliance are presented in the Registration Document, which is available free of charge at the Company's registered office [INTENTIONALLY OMITTED].