

PRESS RELEASE

Paris, January 12, 2005

PSA Peugeot Citroën plans to sell Panhard to Auverland

PSA Peugeot Citroën and Panhard announced today that they have called their respective works councils to meeting to consult on the sale of Panhard to Auverland.

Together, Panhard and Auverland would be Europe's leading manufacturer of military vehicles in the less than 10 tons class.

Panhard, a wholly-owned subsidiary of PSA Peugeot Citroën that designs and manufactures light armored vehicles, reported sales of €61.7 million in 2003. It currently has 261 employees. Panhard vehicles (VBL, ERC Sagaie and VLTT P4) are widely used by the French armed forces and have been sold to 45 foreign armies around the world.

Auverland has produced over 9,500 military vehicles used by more than 40 armies worldwide. Recently recapitalized by its new shareholders, Auverland won a substantial contract with the French army in 2003 as part of the small protected vehicles program (PVP). The company will deliver more than 900 A4-AVLs to the army starting in 2006.

Supported by the new PVP and VBL programs and the new engine program for the ERC Sagaie, the combined company would have a very full order book with the French army. Thanks to the strategic fit between Panhard's and Auverland's lineups and Panhard's business relationship with several foreign armies, the new company could substantially develop export sales as well.

Lastly, Panhard's manufacturing capacity at its Marolles en Hurepoix plant, where the numerous VBL versions are assembled, would facilitate industrialization and production of vehicles to fill Auverland's new contracts.

Press contacts:

Auverland
Christian Mons
Tel.00 33 4 77 65 54 44

PSA Peugeot Citroën
Service de presse
Tel.00 33 1 40 66 53 81