

PEUGEOT SCOOTERS presents its plan to revive the business and strengthen brand and products

At a special meeting today of the Peugeot Scooters' Works Council, management submitted a plan to revive the business and strengthen the brand and its products. The plan is to be discussed with employee representatives as part of the social dialogue process.

The recovery plan would involve subcontracting certain manufacturing and logistics operations in which Peugeot Scooters no longer has critical mass due to the decline in its markets. The plan would also entail deploying a programme to align jobs and skills, featuring in particular a voluntary senior leave scheme for around 80 employees.

To pave the way for the future, Peugeot Scooters will be hiring young recruits on work-study contracts. Management proposes negotiating a performance agreement with employee representatives that should make the launch of a new vehicle possible in 2017.

This plan is aligned with the Back in the Race strategic plan, PSA Peugeot Citroën's roadmap to an accelerated recovery.

In addition, to speed the expansion of Peugeot Scooters, strengthen the brand and its products, and secure its future, PSA has entered into exclusive talks with Mahindra & Mahindra Group in view of setting up a strategic long-term partnership. A major player in India's mobility market, M&M is thereby strengthening its position in the two-wheel vehicle market worldwide.

In a European market that has been in steep decline for several years, the partnership with M&M would enable Peugeot Scooters to diversify its business base and speed its international expansion by leveraging the strengths of both parties.

Peugeot Scooters, the oldest scooter brand in the world with a history spanning over a century, would contribute to the partnership its recognised expertise and highly attractive range of scooters, while M&M would allow Peugeot Scooters to pursue and accelerate its international development, especially in India, one of the world's most dynamic markets.

Under the terms of the partnership agreement, M&M would purchase €15 million worth of shares to finance projects implemented through the strategic partnership. It would also acquire shares in Peugeot Scooters held by PSA. Following these transactions, M&M would hold a 51% interest in Peugeot Scooters.

The project would secure growth for Peugeot Scooters and strengthen its position for the future. It supports Peugeot's mobility policy by offering a variety of development prospects. Peugeot is the only auto brand to deploy a comprehensive range of mobility solutions, including passenger cars, light utility vehicles, scooters, bicycles and a broad array of services.



Following the announcement of the plan, Frédéric Fabre, Managing Director of Peugeot Scooters, said, *“This morning I discussed a plan with our employee representatives that offers a promising future for Peugeot Scooters. The first step will be to introduce the recovery plan, which is absolutely vital. The second stage is the strategic partnership with Mahindra & Mahindra Group, which would give us the chance to speed our geographic development. Together, let’s make sure we write the next chapter in our story by seizing these opportunities to secure the future of Peugeot Scooters and maintain operations at the Mandeure site.”*

ABOUT PEUGEOT SCOOTERS

The world’s oldest motorised two-wheel vehicle brand, Peugeot Scooters has been manufacturing motorbikes and scooters since 1898. Fifth largest in the European market, the brand has driven many innovations over the years. Inventor of the modern plastic-body scooter, pioneer of the electric scooter and the first manufacturer in the world to equip its 125 scooters with an anti-lock braking system (ABS), Peugeot Scooters has revolutionised urban mobility and today offers one of the market’s most comprehensive line-ups, covering two and three-wheel models in 50cc to 400cc versions. A global brand, Peugeot Scooters sold 79,000 scooters in 2013, leveraging a network of nearly 3,000 dealerships in Europe and a sales presence in over 60 countries.

For more information, visit peugeotscooters.fr

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