



PSA Peugeot Citroën to Create A Joint Venture in Iran with Khodro

During President Hassan Rouhani's state visit to Paris, PSA Peugeot Citroën, which has operated in Iran for more than 30 years, and Iran Khodro signed a joint venture agreement to produce latest-generation vehicles in Iran.

This 50/50 joint venture lays the foundations for a strategic partnership between the two companies. This joint venture is expected to invest up to €400 million over the next five years in manufacturing and R&D capacity. This investment will contribute to facilitate the development of a competitive manufacturing base for producing, launching and marketing



Peugeot 208, 2008 and 301 models, fitted with latest-generation engines.

The agreement provides for:

- The restoration of contractual relations

concerning the manufacture of Peugeot-branded vehicles currently produced in Iran.

- The creation of a joint venture on an industrial site in Tehran to produce new latest-generation Peugeot vehicles, on a platform that will also be used by Iran Khodro to develop its own vehicles.

- The capacity to export JV products across the region

After international sanctions were lifted, this agreement marks the beginning of a new chapter for both partners. The agreement, which will be backed up by technology transfers and significant levels of local content, will come into effect once it is implanted, i.e., around mid-2016.

The first vehicles will roll off the production line at the Tehran plant in the second half of 2017.

The Iranian market reached a peak of 1.6 million vehicles in 2011. It should regain this level within 2 years to reach 2 million vehicles a year by 2022. Current estimates put the number of Peugeot cars on the road in Iran at more than 4 million.

Iran is a key component of PSA development strategy in the Middle East & Africa region, which is PSA Peugeot Citroën's third-fastest growing international market. The Group sold 180,200 vehicles in the region in 2015, up 6.4%.

In turn, Iran Khodro plans to capitalize on the technology transfer.

Commenting on this new agreement, Carlos Tavares, Chairman of PSA Peugeot Citroën's Managing Board, said "This strategic agreement turns the page on the period of international sanctions and enables PSA and Iran Khodro to start a new chapter in their 30-year history of co-operation. Our shared ambition is to offer our loyal customers high-tech products to deliver mobility that meets the highest comfort, safety and environmental standards."

Dr. Hashem Yekehzare, President and CEO of IKCO states "The strategic partnership with PSA will serve as a unique platform, for both parties to capitalize on each other's competitive advantages; especially given the scale, technology and long term outlook that the parties are able to bring to their co-operation. A particular benefit of this partnership is to bring cost effective and the best automotive technology to the customers."

Iran Air to Buy 100 Plus Aircraft



Iran Air has inked in Paris a purchasing agreement with Airbus for 118 aircraft, including 12 A380s, marking the onset of a new era in Iran's aviation market and providing Airbus a much needed customer for its Very Large Aircraft (VLA) program.

The agreement, subscribed by Mr. Farhad Parvaresh, Iran Air Chairman and CEO, in presence of presidents Hassan Rouhani of Iran and François Hollande of France, would be worth US\$25 billion at least prices, and is to date the biggest order placed since the beginning of the Islamic Revolution in 1979. It includes 45 single-aisle aircraft (21 A320ceo, 24 A320neo) and 73 wide bodies (27 A330ceo, 18 A330-900, 16 A350-1000 and 12 A380-800).

"The announcement is the start of re-establishing our civil aviation sector into the envy of the region and along with partners like Airbus we'll ensure the highest world standards." said Mr. Farhad Parvaresh, Iran Air Chairman and CEO.

Besides the large aircraft order, the deal also includes a comprehensive co-operation agreement in which Airbus will play a role supporting the modernization of air traffic control services, airport operations and

aircraft maintenance, regulatory harmonization and technical and academic training and industrial co-operation.

"It is a significant step in the overhaul and modernization of Iran's commercial aviation sector and Airbus stands ready to play its role in supporting it," said Fabrice Brégier, Airbus President and CEO.

Due to economic sanctions imposed against Iran over the past decades, the country's flag carrier was unable to expand its service and update its fleet, which currently has an average age of 26.8 years, according to Airfleets.net. The deal announced is one of the first results of the lifting of international sanctions after Iran agreed to curb its nuclear program.

The sale of a dozen new A380s represents a major victory for Airbus, which has gained a new customer in almost three years after the last order placed by Emirates at the 2013 Dubai Air Show. Since then, the Very Large Aircraft experienced two order cancellations from Japanese carrier Skymark and Russia's Transaero, plus deferrals from Air Austral and Virgin Atlantic, and a drought of orders which raised concerns over the future of the program.