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*This press release does not constitute a solicitation to purchase or an offer of the Bonds or the Shares (as defined below and together, the “Securities”) in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended). The Securities may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. Persons unless they are registered or exempt from registration under the US Securities Act of 1933, as amended. Michelin does not intend to register all or any portion of the offering in the United States of America or to conduct a public offering of the Securities in the United States of America. The Securities may not be offered or sold or otherwise made available to retail investors (no key information document under PRIIPS Regulation will be prepared).*

Clermont-Ferrand, January 5 2018

## **Michelin launches an offering of non-dilutive cash-settled convertible bonds due 2023 for USD 500 million**

Michelin announces the launch today of a USD 500 million offering of non-dilutive cash-settled convertible bonds due 2023 (the “**Bonds**”), which may be increased up to USD 600 million if the increase option is exercised in full. Michelin will purchase cash-settled call options (the “**Call Options**”) to hedge its economic exposure to the potential exercise of the conversion rights embedded in the Bonds. Since they will only be cash-settled, the Bonds will not result in the issuance of new shares or the delivery of existing shares of Michelin (the “**Shares**”) upon conversion. This USD-denominated debt will be immediately converted into euros.

Michelin intends to use the net proceeds of the issuance of the Bonds for general corporate purposes, including purchase of cash-settled call options.

The Bonds will have a nominal value of USD 200,000 per Bond and will not bear interest. The Bonds will be issued at an issue price of 95.50% to 100% of their nominal value, corresponding to an annual gross yield to maturity of 0% to 0.79%, on January 10, 2018, the expected settlement date of the Bonds. The Bonds will be redeemed at par on November 10, 2023.

The initial conversion price (the “**Initial Conversion Price**”) will represent an issue premium of 30% over the Share Reference Price (as defined below). The reference price of the Share (the “**Share Reference Price**”) will be determined as the arithmetic average of the daily volume-weighted average prices of the Share in euros on the regulated market of Euronext in Paris (“**Euronext Paris**”) over the 10 consecutive trading days commencing on (and including) January 8, 2018 (the “**Reference Period**”). The initial conversion ratio of the Bonds will correspond to the nominal value converted in euros and divided by the Initial Conversion Price.

The Bonds will be offered via an accelerated bookbuilding process through a private placement to institutional investors only, outside the United States of America, Australia, Canada and Japan. No prospectus, offering circular or similar document will be prepared in connection with the offering.

After the determination of the final terms of the Bonds, other than the Share Reference Price and the Initial Conversion Price, it is anticipated that the hedge counterparties to the Call Options will enter into transactions to hedge their respective positions under the Call Options through the purchase or sale, of Shares or any other transactions, on the market and off-market, at any time, and in particular during the Reference Period and at the conversion or redemption of the Bonds.

The final terms of the Bonds will be announced later today, except for the Share Reference Price and the Initial Conversion Price that will be announced through a press release at the end of the Reference Period, expected to occur on January 19, 2018.

Application will be made for the Bonds to be admitted to trading on Euronext Access™, the open market of Euronext Paris, and such admission to trading is expected no later than 30 days following the expected settlement date.

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In the context of the offering, Michelin will agree to a lock-up undertaking in relation to its Shares and equity-linked securities for a period ending 60 calendar days after the settlement and delivery date, subject to certain exceptions.

This offering is managed by Société Générale Corporate & Investment Banking acting as Global Coordinator, Joint Lead Manager and Joint Bookrunner, and BNP PARIBAS, HSBC and J.P. Morgan Securities plc as Joint Lead Managers and Joint Bookrunners (together with Société Générale Corporate & Investment Banking, the “**Joint Bookrunners**”).

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell the Bonds and the offering of the Bonds is not an offer to the public in any jurisdiction, including France.

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**DISCLAIMER**

**Available information**

The issue of the Bonds was not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the “**AMF**”). Detailed information on Michelin, including its Shares, business, results, prospects and related risk factors are described in Michelin’s registration document, the French version of which was filed with the AMF on March 8, 2017 under number D.17-0131 (the “**Reference Document**”). The Reference Document and Michelin’s interim financial report as at June 30, 2017, are available together with all the press releases and other regulated information about Michelin, on Michelin’s website (<https://www.michelin.com>).

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**Important information**

This press release may not be published, distributed or released directly or indirectly in the United States of America, Australia, Canada or Japan. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Michelin and the Joint Bookrunners assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 as amended (the "**Prospectus Directive**").

The Bonds will be offered only by way of a private placement in France to persons referred to in Article L.411-2-II of the French monetary and financial code (*Code monétaire et financier*) and outside France (excluding the United States of America, Australia, Canada and Japan), and there will be no public offering in any country (including France). This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

**Prohibition of sales to European Economic Area retail investors**

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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## **France**

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 of the French monetary and financial Code (*Code monétaire et financier*).

## **United Kingdom**

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons (“**Relevant Persons**”). The Bonds are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Bonds may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

## **United States of America**

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the District of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended (the “**Securities Act**”). The securities mentioned herein have not been, and will not be, registered under the Securities Act, the law of any state of the United States of America and may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The Bonds will be offered or sold only to non-U.S. persons in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Michelin does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.

## **Australia, Canada and Japan**

The Bonds may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.