



## **Michelin launches a €1.2 billion rights offering**

**Subscription ratio: 2 new shares for 11 existing shares**

**Subscription price: €45 per new share**

**Subscription period: 30 September 2010 to 13 October 2010 inclusive**

**Clermont-Ferrand, 28 September 2010** – Michelin announces today the launch of a capital increase via an offering of preferential subscription rights to existing shareholders for a gross amount of approximately €1.2 billion<sup>1</sup>.

The proceeds from the capital increase will be used principally to:

- finance the acceleration of Michelin's growth, as from 2011, including increased annual capital expenditure which will reach €1.6 billion;
- enhance the Company's credit rating and its access to financing; and
- generally reinforce the Company's financial flexibility.

Each shareholder will receive one preferential subscription right for every share it holds as of the close of trading on 29 September 2010. The subscription price for the new shares has been set at € 45 per new share (nominal value of € 2 and issue premium of € 43) on the basis of 2 new shares for 11 existing shares.

The subscription period for the new shares will run from 30 September 2010 to the close of trading on 13 October 2010. During this period, the preferential subscription rights will be listed and traded on the regulated market of NYSE Euronext in Paris.

Settlement and delivery of the new shares will take place on 25 October 2010 and they will start trading on that date. The new shares, which will carry dividend rights as of 1 January 2010 and will entitle their holders to any dividends declared by the Company from the date of issue, will be fully fungible with the Company's existing shares and will be traded under the same ISIN code as the Company's existing shares.

<sup>1</sup> The number of shares issued and the gross amount of the offering could be increased as a result of the exercise of currently exercisable stock options and conversion of the 2017 convertible bonds.

## Disclaimer

A French language prospectus including (i) the reference document (document de référence) of Michelin filed with the Autorité des marchés financiers (AMF) on 1st March 2010 under no. D.10-0079, (ii) the update of the reference document filed with the AMF on 27 September 2010 and (iii) a securities notes (note d'opération) (which includes the summary of the prospectus) filed with the AMF on 27 September 2010 under n° 10-336 is available free of charge from Michelin (12, cours Sablon, 63000 Clermont-Ferrand) as well as on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the company ([www.michelin.com/corporate](http://www.michelin.com/corporate)). Michelin draws attention to the risk factors included in pages 54 to 58 of the reference document and in chapter 2 of the securities note (note d'opération).

This press release and the information contained herein do not constitute either an offer to sell or the solicitation of an offer to purchase the Michelin securities.

### European Economic Area

The offer is open to the public in France. It will also be open to the public in Germany, in Italy, in Poland, in Romania, in Spain and in the United Kingdom] once the Prospectus will be passported pursuant to Directive 2003/71/EC (the "**Prospectus Directive**")

With respect to each Member State of the European Economic Area ("EEA") which has implemented the Directive 2003/71/EC (the "Prospectus Directive") other than France, Germany, Italy, Poland, Romania, Spain, and the United Kingdom (the "Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring a publication of a prospectus in any Member State. As a result, preferential subscription rights, new shares or other securities mentioned in the press release may only be offered in Member States:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which meets two or more of the following criteria: (1) an average 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 per its last annual or consolidated accounts; or
- (c) in any other circumstances not requiring the issuer to publish a prospectus as provided under article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, "Securities offered to the public" in a given Member State means, any communication in any form and by any means, of sufficient information about the terms and conditions of the offer and the securities, so as to enable an investor to decide to buy or subscribe for the securities, as the same may be varied in that Member State.

This selling restriction applies in addition to any other selling restrictions which may be applicable in the Member States who have implemented the Prospectus Directive.

### United Kingdom

This document does not contain or constitute an invitation, inducement or solicitation to invest. Prior to the passporting and publication of the Prospectus in the United Kingdom pursuant to the Prospectus Directive, this press release is directed only at and is for distribution only to persons who (i) are outside the United Kingdom, (ii) are "investment professionals" falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order or (iv) are other persons to whom an invitation or inducement to engage in investment activity (within the meaning of the Financial Services and Markets Act 2000) in connection with the issue or sale of any shares may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii), (iii) and (iv) together being referred to as "Relevant Persons").

Prior to the passporting and publication of the above mentioned Prospectus in the United Kingdom, this press release is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this press release relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

### Switzerland

The preferential subscription rights and new shares are not being offered to the public in or from Switzerland for the time being and neither this press release, nor any other offering materials relating to the subscription rights or new shares may be distributed in or from Switzerland in connection with any such public offering. It is currently contemplated to extend the offering of the new shares to the public in Switzerland.

### United States

This announcement does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States. The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This notice is issued pursuant to Rule 135(c) of the Securities Act of 1933, as amended.

**Canada, Australia and Japan**

*The new shares and the preferential subscription rights may not be offered, sold or purchased in Canada, Australia or Japan.*

**Forward-looking statements**

*This press release includes forward-looking statements and information about the objectives of the Group, in particular, relating to its current or future projects. These statements are sometimes identified by the use of the future tense or conditional mood, as well as terms such as "estimate", "believe", "have the objective of", "intend to", "expect", "result in", "should" and other similar expressions. It should be noted that the realisation of these objectives and forward-looking statements is dependent on the circumstances and facts that arise in the future. Forward-looking statements and information about objectives may be affected by known and unknown risks, uncertainties and other factors that may significantly alter the future results, performance and accomplishments planned or expected by the Company. These factors may include changes in the economic and commercial situation, regulations and those detailed in pages 54 to 58 of the reference document filed with the Autorité des marchés financiers (AMF) on 1 March 2010 under no. D.10-0079.*