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Clermont-Ferrand, January 19, 2018

Determination of the initial conversion price of the non-dilutive cash-settled convertible bonds due 2023

Following the placement on January 5, 2018 by Michelin of USD 600 million non-dilutive cash-settled convertible bonds due 2023 (the "Bonds"):

- the initial conversion price of the Bonds has been set at EUR 167.4083;
- the reference FX rate (EUR/USD) has been determined to be equal to 1.21225;
- the exercise price has been determined to be equal to EUR 164,982.4706 (rounded in accordance with the conditions of the Bonds); and
- the initial conversion ratio has been determined to be equal to 985.5095 per USD 200,000 principal amount of the Bonds (rounded in accordance with the conditions of the Bonds).

The initial conversion price represents a premium of 30 % over the share reference price for the Michelin share of EUR 128.7756, which was determined in the manner described in the press announcements released on January 5, 2018.

Settlement and delivery of the Bonds took place on January 10, 2018.

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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>).

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This press release may not be published, distributed or released directly or indirectly in the United States of America, Australia, Canada or Japan.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

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(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.

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

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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.