

**COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN**

**Michelin acquires leading Indonesian tire manufacturer PT Multistrada Arah Sarana TBK, thereby gaining competitive production capacity of more than 180 000 Tons and strengthening its presence in the fast-growing Indonesian market**

In line with its strategy, Michelin today announced it has signed an agreement to acquire 80% of PT Multistrada Arah Sarana TBK (“Multistrada”), a tire manufacturer based in Indonesia. With a production capacity of more than 180 thousand Tons (i.e., 11 million Passenger car tires, 9 million Two-wheel tires and 250 thousand Truck tires), Multistrada generated net sales of USD 281 million in 2017. With this transaction, Michelin will strengthen its presence in the highly promising but local-production dominated Indonesian market by acquiring a very competitive local plant with good quality facilities and immediately available production capacity. Leveraging its technical expertise with limited new investment, Michelin will gradually convert production from Tier 3 passenger car tires to Tier 2 Michelin Group brands, thereby allowing more Tier 1 production at other Asian plants and supporting growth of demand of Tier 2 volumes in Europe, North America and Asia.

In addition, through the transaction Michelin will acquire a 20% stake in the retailer PT Penta Artha Impressi (“Penta”) in partnership with Indomobil and private investors, which will boost the marketing and sales of Michelin Group brands in Indonesia allowing Michelin to secure significant access to a major market and be well placed to benefit from the market’s future growth and expansion.

Jean-Dominique Senard, Chief Executive Officer of the Michelin Group, said: “The acquisition of Multistrada represents an excellent opportunity for Michelin to expand its operations in Indonesia, the most populous country in Southeast Asia, and immediately gain competitive, good-quality production capacity without having to create any new manufacturing facilities.”

Pieter Tanuri, Chief Executive Officer of Multistrada, said: “we are very proud of what we achieved with Multistrada and we are confident Michelin is the ideal partner to take Multistrada forward into a new era of growth and success for the benefit of all stakeholders and employees.”

Potential synergies in manufacturing, sales and purchasing are expected to represent up to USD 70 million per year within 3 years of the acquisition. Multistrada, including the 20% stake in the retailer PT Penta and 50 hectares of available land, has been valued at USD 700 million enterprise value, representing 6.3 times EBITDA for the 12 months ended September 30<sup>th</sup>, 2018, after expected synergies.

Upon closing, Michelin will pay USD 439 million for 80% of the Multistrada shares subject to certain closing adjustments. As Multistrada is a publicly listed company, and pursuant to Indonesian regulations, Michelin will subsequently launch a public offer for the remaining outstanding shares, at the same price per share as that offered to the 80% shareholder group. The acquisition will be funded from internal financial resources and is not expected to have an impact on Michelin’s ratings.

<p><b>Investor Relations</b></p> <p>Édouard de Peufeilhoux +33 (0) 4 73 32 74 47 +33 (0) 6 89 71 93 73 (mobile) <a href="mailto:edouard.de-peufeilhoux@michelin.com">edouard.de-peufeilhoux@michelin.com</a></p> <p>Matthieu Dewavrin +33 (0) 4 73 32 18 02 +33 (0) 6 71 14 17 05 (mobile) <a href="mailto:matthieu.dewavrin@michelin.com">matthieu.dewavrin@michelin.com</a></p> <p>Humbert de Feydeau +33 (0) 4 73 32 68 39 +33 (0) 6 82 22 39 78 (mobile) <a href="mailto:humbert.de-feydeau@michelin.com">humbert.de-feydeau@michelin.com</a></p>	<p><b>Media Relations</b></p> <p>Corinne Meutey +33 (0) 1 78 76 45 27 +33 (0) 6 08 00 13 85 (mobile) <a href="mailto:corinne.meutey@michelin.com">corinne.meutey@michelin.com</a></p> <p><b>Individual Shareholders</b></p> <p>Isabelle Maizaud-Aucouturier +33 (0) 4 73 98 59 27 <a href="mailto:isabelle.maizaud-aucouturier@michelin.com">isabelle.maizaud-aucouturier@michelin.com</a></p> <p>Clémence Rodriguez +33 (0) 4 73 98 59 25 <a href="mailto:clemence.daturi-rodriquez@michelin.com">clemence.daturi-rodriquez@michelin.com</a></p>
---	---