



Clermont-Ferrand, January 5 2017

## Michelin launches an offering of non-dilutive cash-settled convertible bonds due 2022 for USD 400 million

Michelin announces the launch today of a USD 400 million offering of non-dilutive cash-settled convertible bonds due 2022 (the “**Bonds**”), which may be increased up to USD 500 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.

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 98% to 100% of their nominal value, corresponding to an annual gross yield to maturity of 0% to 0.40%, on January 10, 2017, the expected settlement date of the Bonds. The Bonds will be redeemed at par on January 10, 2022.

The initial conversion price (the “**Initial Conversion Price**”) will represent an issue premium of 23% to 28% 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 6, 2017 (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, South Africa 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, 2017.

Application will be made for the Bonds to be admitted to trading on the Open Market (*Marché Libre*) of Euronext Paris and such admission to trading is expected no later than 30 days following the expected settlement date.

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 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.

<b>Investor Relations</b>  Valérie Magloire +33 (0) 1 78 76 45 37 +33 (0) 6 76 21 88 12 (cell) <a href="mailto:valerie.magloire@michelin.com">valerie.magloire@michelin.com</a>  Matthieu Dewavrin +33 (0) 4 73 32 18 02 +33 (0) 6 71 14 17 05 (cell) <a href="mailto:matthieu.dewavrin@michelin.com">matthieu.dewavrin@michelin.com</a>  Humbert de Feydeau +33 (0) 4 73 32 68 39 +33 (0) 6 82 22 39 78 (cell) <a href="mailto:humbert.de-feydeau@fr.michelin.com">humbert.de-feydeau@fr.michelin.com</a>	<b>Media Relations</b>  Corinne Meutey +33 (0) 1 78 76 45 27 +33 (0) 6 08 00 13 85 (cell) <a href="mailto:corinne.meutey@michelin.com">corinne.meutey@michelin.com</a>  <b>Individual Shareholders</b>  Jacques Engasser +33 (0) 4 73 98 59 08 <a href="mailto:jacques.engasser@michelin.com">jacques.engasser@michelin.com</a>
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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 7, 2016 under number D.16-0114 (the “**Reference Document**”). The Reference Document and Michelin’s interim financial report as at June 30, 2016, 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, South Africa 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 of the offering 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, South Africa 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.

### European Economic Area

With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (the “**Relevant Member States**”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in Relevant Member States:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the expression “**offer to the public of Bonds**” in any Relevant Member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State.

These selling restrictions with respect to Relevant Member States apply in addition to any other selling restrictions which may be applicable in the Relevant Member States who have implemented the Prospectus Directive.

### 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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#### **Australia, Canada, South Africa and Japan**

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

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