

Clermont-Ferrand, June 22, 2017

The Michelin Group presents its global reorganization project to better serve its customers

On March 16, 2017 Michelin launched a project for a new organization that would boost growth by adapting its operations to meet the evolving demands of its customers and employees. This new organization is designed to improve the Company's reactivity and maintain competitiveness, enabling it to smoothly meet future challenges.

The purpose of this in-depth transformation is to improve customer satisfaction, empower the teams, simplify operating modes and digitalize the Group. The transformation would reinforce both the Company's international scope and its France-based sites, notably Clermont-Ferrand.

- **The Michelin Group's new organization project**

- **10 new Regions would be given more operational responsibilities**

Michelin plans to create 10 Regions in charge of sales development and customer relationship management, accountable for their results: Africa – India – Middle-East, South America, Central America, North America, Eastern Asia and Australia, China, Central Europe, Northern Europe, Southern Europe and Eastern Europe.

- **14 Business Lines would develop offers for each customer category**

The purpose of these Business Lines would be to develop offers to satisfy global customer groups with similar needs around the world. They would have a key role in building the strategy of the Group and would steer their business results in their respective customer segments.

- **8 Operational Divisions would provide expertise and support for the Regions and Business Lines:**

'Research & Development', 'Service Technology Development', 'Manufacturing', 'Supply Chain', 'Marketing & Sales Support', 'Purchasing', 'Operations Quality Assurance' and 'Corporate and Business Services' (CBS).

- **A focused Corporate Group**

In order to streamline the Group's central operations to boost reactivity, the Corporate divisions would focus on their strategic missions.

The Group's reporting would be based on consolidation of business lines and would be very similar to the current one.

- **How professions and the workforce would evolve**

Implementing this new organization, and the simplified operating modes it generates, would significantly impact jobs only in the U.S. and France.

- Concerning the U.S., the number of jobs would be reduced by approximately 450 in central functions between 2018 and 2021. The large majority would result from natural attrition and retirement. Actually, 1,500 employees would leave the company in the same period.

- Concerning France, the transformation coincides with a natural phenomenon: a significantly rejuvenated workforce. By 2021, 5,000 employees would leave the Group in France, the majority due to retirement, and around 2,000 of these would be in Clermont-Ferrand.

Michelin wishes to seize this opportunity to successfully transform its organization while supporting each employee during this evolution.

To this end, Michelin France plans to:

- recruit more than 3,500 people externally in France by 2021, including 1,000 in Clermont-Ferrand;
- start new activities in Clermont-Ferrand and other sites in France, creating 250 new jobs, including highly qualified jobs, especially in the fields of high-technology materials and digital;
- set up a voluntary early retirement package for waged employees and managers at the Clermont-Ferrand site;
- progressively reach the target size of the future organizations, without forced redundancies. To achieve this, the Company would not replace 970 retirees, between now and 2021 in Clermont-Ferrand;
- offer a position and career track in the new organization, by supporting job evolution via an adapted management and training system.

In order to be closer to our customers and improve competitiveness, we would locate 290 employee and manager positions in other countries where the Group is operating. This move was already taken into account through the management and partial replacement of retirees.

By January 1, 2018 each Group employee would be offered a position in the new organization. This project would not directly impact on Michelin production plants worldwide.

To finance this project, the Michelin Group would record a provision in non-recurring charges in the company's consolidated accounts at December 31, 2017.

<p>Investor Relations</p> <p>Valérie Magloire +33 (0) 1 78 76 45 37 +33 (0) 6 76 21 88 12 (cell) valerie.magloire@michelin.com</p> <p>Matthieu Dewavrin +33 (0) 4 73 32 18 02 +33 (0) 6 71 14 17 05 (cell) matthieu.dewavrin@michelin.com</p> <p>Humbert de Feydeau +33 (0) 4 73 32 68 39 +33 (0) 6 82 22 39 78 (cell) humbert.de-feydeau@michelin.com</p>	<p>Media Relations</p> <p>Corinne Meutey +33 (0) 1 78 76 45 27 +33 (0) 6 08 00 13 85 (cell) corinne.meutey@michelin.com</p> <p>Individual Shareholders</p> <p>Jacques Engasser +33 (0) 4 73 98 59 08 jacques.engasser@michelin.com</p>
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