

PRESS INFORMATION

Michelin Signs a Memorandum of Understanding with Double Coin and Huayi to Produce Warrior-brand tires for the Chinese Market

(Paris – April 18, 2011) – Michelin announced today that it has signed a Memorandum of Understanding with Double Coin Holdings Ltd. and Shanghai Huayi (Group) Company to create a joint venture to produce and market Warrior-brand passenger car and light truck tires for the Chinese market.

Fully in line with Michelin's strategy to grow in fast-developing markets, the transaction is subject to signature of the final agreements and approval by Chinese authorities.

The new company would be owned 40% by Michelin and 60% by the Chinese partners. It will operate a plant now being built in Wuwei County, Anhui province, around 400 km west of Shanghai.

Present in China since 1988, Michelin currently employs more than 6,000 people in the country, with four industrial sites producing passenger car tires and/or truck tires (three in Shanghai and one in Shenyang). Its retail network comprises more than 4,000 sales outlets, including the TyrePlus franchise network (611 sales outlets).

In late 2010, Michelin launched a \$1,350 million capital expenditure program in Shenyang, China, designed to relocate part of the plant's activities, to expand it and upgrade it too. The new unit will eventually have twice the production capacity as the former plant. It will mainly produce Michelin-brand fuel-efficient tires, with capacity eventually reaching 10 million passenger car and small truck tires, 1,8 million truck and bus tires, and 300,000 retreads for trucks and buses.

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