



Tigar Tyres

PRESS RELEASE

Michelin and its subsidiary Tigar Tyres sign a memorandum of understanding with Serbian authorities and the City of Pirot to expand capacity at the Tigar Tyres plant that produces entry-level car tires.

(Clermont-Ferrand, April 2, 2012) - The Michelin Group and its Tigar Tyres subsidiary have announced the signing today of a memorandum of understanding with Serbian authorities and the City of Pirot to expand production capacity at the Tigar Tyres plant in Pirot, which is 300 km southeast of Belgrade.

The memorandum of understanding calls for increasing production capacity at the plant from 8 million tires in 2012 to 12 million tires at year-end 2016. The plant produces and will continue to produce exclusively entry-level tires that are sold under the Tigar, Kormoran and Riken brands, all of which are in the Michelin Group brand portfolio. Work to expand the plant is expected to begin in early 2013 and the first tires should roll off the new production lines in the middle of 2015. Most of the tires produced will supply the fast-growing Russian and CIS markets, as well as markets in Central and Eastern Europe, Africa and the Middle East. Overall, the project will represent an investment of €170 million for the period 2012-2016. Over the long term, the new unit will lead to the creation of 700 jobs in Pirot.

This investment project is in line with Michelin's growth strategy as it enables the Group to strengthen its offering of entry-level tires. Over the next ten years, this market segment is expected to grow by 30% worldwide. The production capacity to be added in Pirot will enable Michelin to bolster its positions in this promising market segment, thereby helping the Group to attain its objectives.

The memorandum of understanding was signed today in the Tigar Tyres plant in Pirot. The event was attended by Boris Tadić, President of the Republic of Serbia, Nebojša Čirić, Minister of the Economy, Vladan Vasić, Mayor of Pirot, and Eric Faidy, Chairman of the Board of Tigar Tyres.

About Tigar Tyres, Michelin's subsidiary in the Republic of Serbia

A Michelin Group subsidiary since 2005 and wholly owned since 2009, Tigar Tyres produces mainly entry-level car tires under the Tigar, Kormoran and Riken brands at its plant in Pirot. The company also manufactures Michelin-brand tires for two-wheeled vehicles at the Pirot site and inner tubes at its facility in Babušnica. Most of the products manufactured on the two sites are intended for markets in Central and Eastern Europe, Africa and the Middle East, with Russia and the CIS countries accounting for a growing percentage of sales. Tigar Tyres currently employs 2,000 people in Serbia.

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