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FOR IMMEDIATE RELEASE

Terry Goddard Announces Settlement with Michelin over Tire Claims

(Phoenix, Ariz. -- May 14, 2009) Attorney General Terry Goddard today announced a \$375,000 multi-state settlement with Michelin North America, Inc. ("Michelin") of Greenville, S.C., regarding claims Michelin made in its advertising of Michelin fuel-efficient tires.

The Attorneys General allege that in May or June of 2008, Michelin advertisements began promoting savings associated with its fuel-efficient tires. Some were full page ads that appeared in The Wall Street Journal and USA Today, as well as radio and television advertisements on ESPN. The ads contained statements such as "It's time to fight back. Michelin fuel-efficient, long-lasting tires help you save money," and "Michelin makes the most fuel-efficient line of tires on the road, which saves you money over the life of your tires."

The States allege that Michelin's fuel-efficiency advertisements did not adequately disclose that the advertised costs savings were based solely on savings in fuel costs. Factors other than fuel efficiency also can affect the savings a consumer could achieve, such as the tire's initial cost and its average life in terms of mileage.

Further, the states' review of Michelin's own studies found that in some classes of tires, a Michelin tire was not the most fuel-efficient. The states also expressed concern that footnote disclosures used by Michelin in its fuel efficiency ads were not clear and conspicuous.

The states acknowledged that Michelin fully cooperated in this case, and the investigation did not question the safety or quality of Michelin's tires. Michelin denies any wrongdoing.

Under the terms of the settlement, Michelin has agreed to have competent and reliable scientific evidence to substantiate any fuel-efficiency claim regarding its tires and to make other business practice improvements.

Arizona's portion of the settlement will be \$22,500, which will be used for consumer fraud prevention. Other states participating in the case are Alaska, Delaware, Iowa, Kentucky, Massachusetts, Montana, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Texas and Vermont.

"Consumers need to be able to trust claims made for the products they buy," Goddard said. "My Office will continue to hold companies accountable for advertising that is inaccurate or otherwise misleading."

The settlement agreement, in the form of an Assurance of Discontinuance, was submitted to Maricopa County Superior Court for approval today. A copy is attached.

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