

***ANNUAL SHAREHOLDERS
MEETING
MAY 18, 2018***



May 18, 2018

ANNUAL SHAREHOLDERS MEETING



- 1 / 2017: another year of progress**
- 2 / Q1 2018: Net sales up 1.4% at constant exchange rates**
- 3 / 2018 guidance confirmed**
- 4 / Shareholder commitment**

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2017: another year of progress

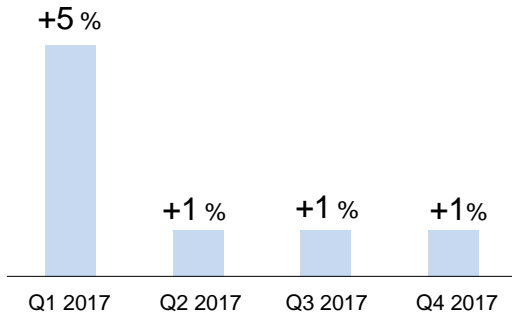
2017: another year of progress, in line with the 2020 objectives

	2017 actual	2016
Volumes	+2.6%	+2.1%
Price mix	+3.2%	-1.8%
Operating income from recurring activities	€2,742m up €145m at constant exchange rates	€2,692m
Structural FCF	€1,509m	€961m

Return to normal in the PC/LT and Truck tire markets after a strong Q1 led by price increases; rebound in the Specialty tire markets



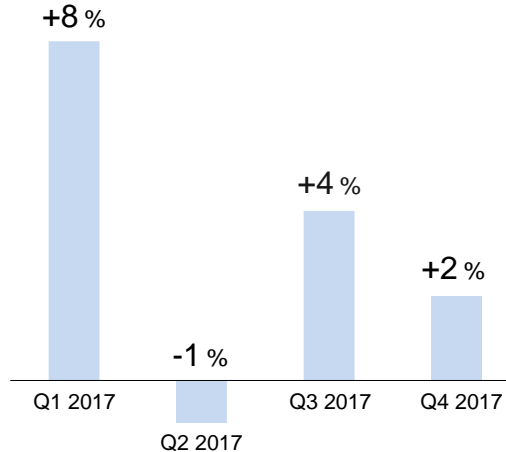
2017 PC tires: +3%



- OE: +2%
- RT: +3%



2017 Truck tires: +4%



- OE: +17%
- RT: +1%

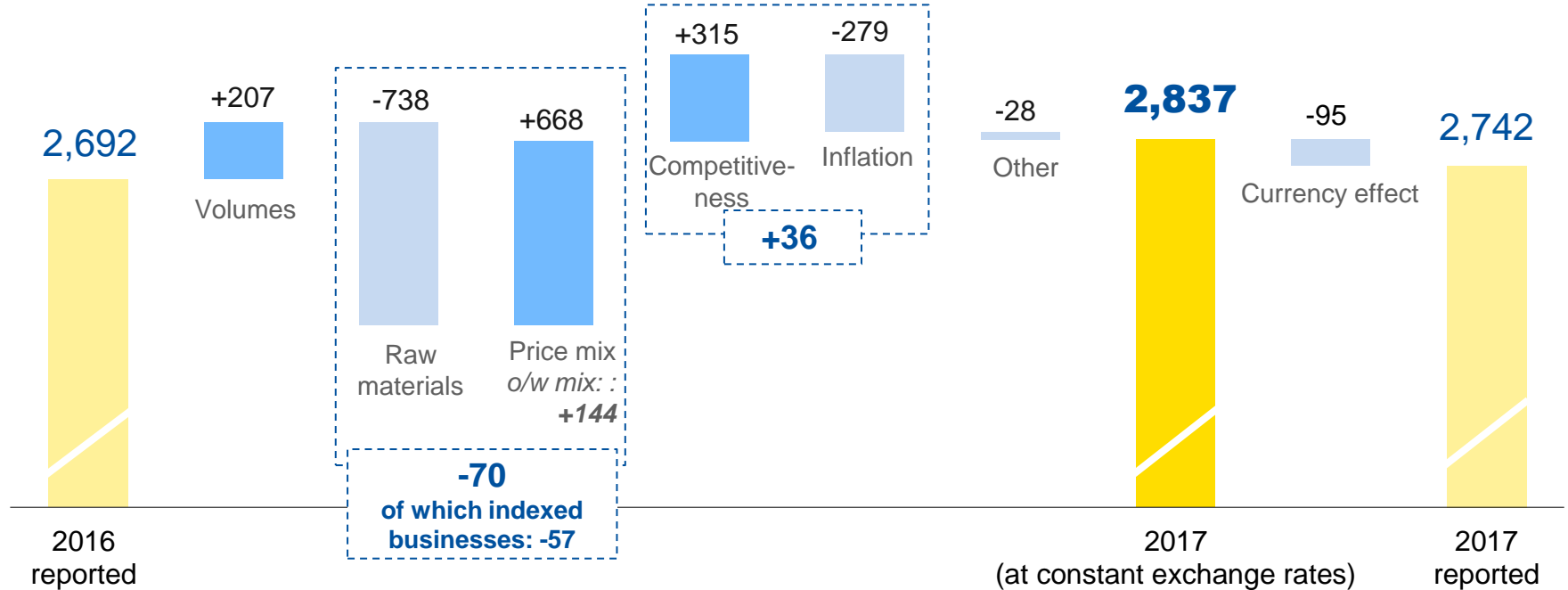


2017 Specialty tires: +10%

- Mining tires: +15%
- Earthmover tires: sharp 25% upturn in OE, excluding China
- Agricultural tires: rebounding in both OE (+10%)
- Growth in demand in the other businesses

€2,837m in operating income* at constant exchange rates, led by volume gains, in line with the Group's roadmap

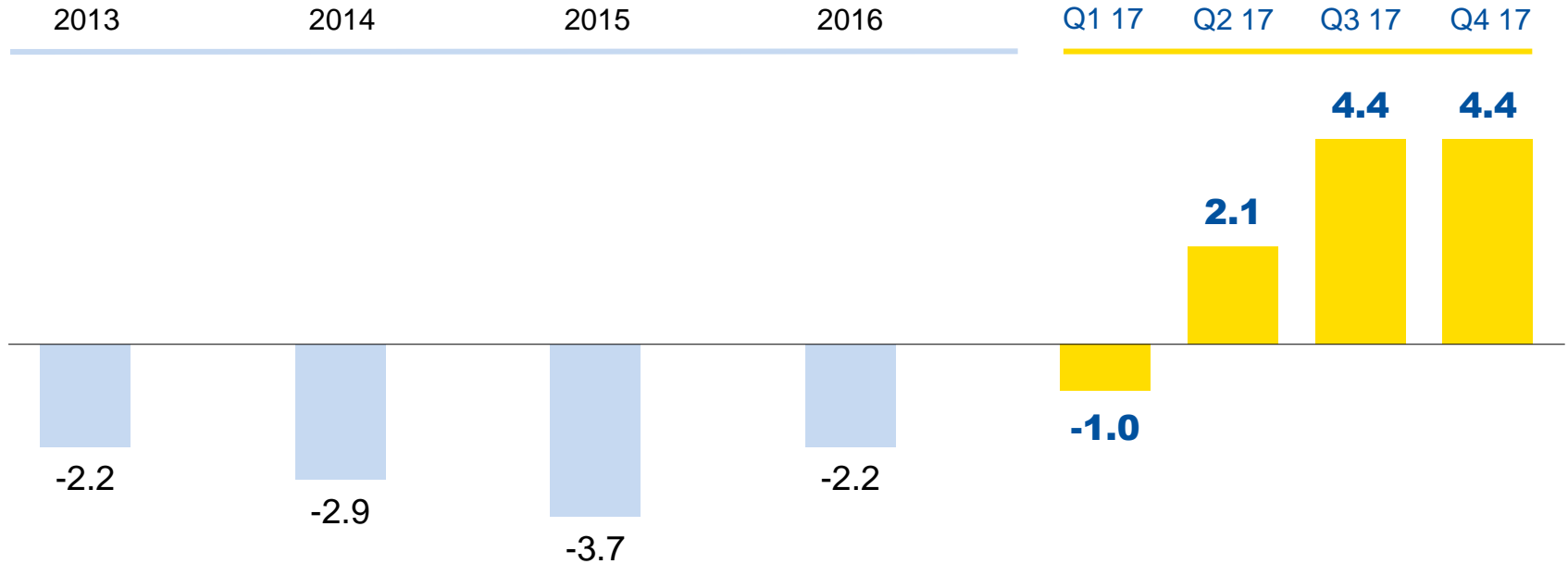
▲ YoY change in operating income* (in € millions)



*from recurring activities

Effective pricing management has offset the rise in raw materials costs

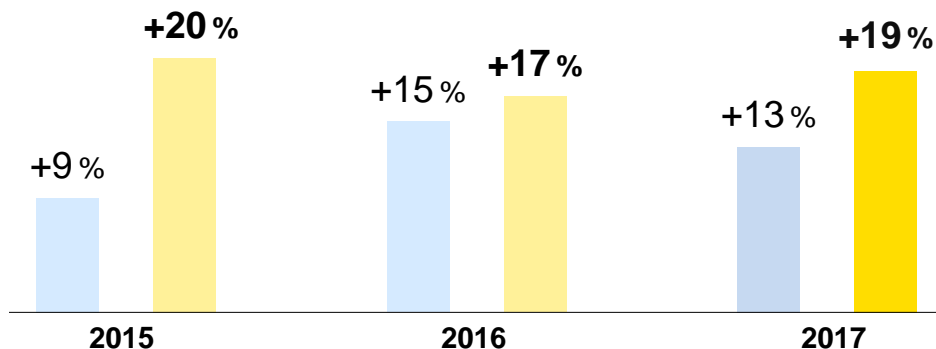
▲ (as a % of net sales)



≥18” tires: the market recognizes the power of Michelin’s line-up in the premium segment

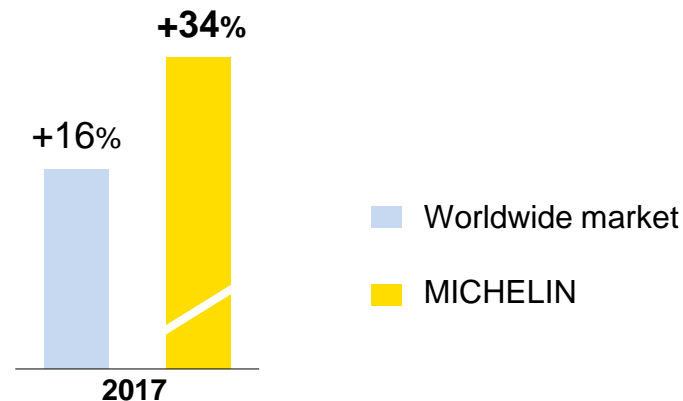
▲ Growth in ≥18” tire sales

(YoY change, markets in units and sales in kt)



▲ Growth in ≥19” tire sales

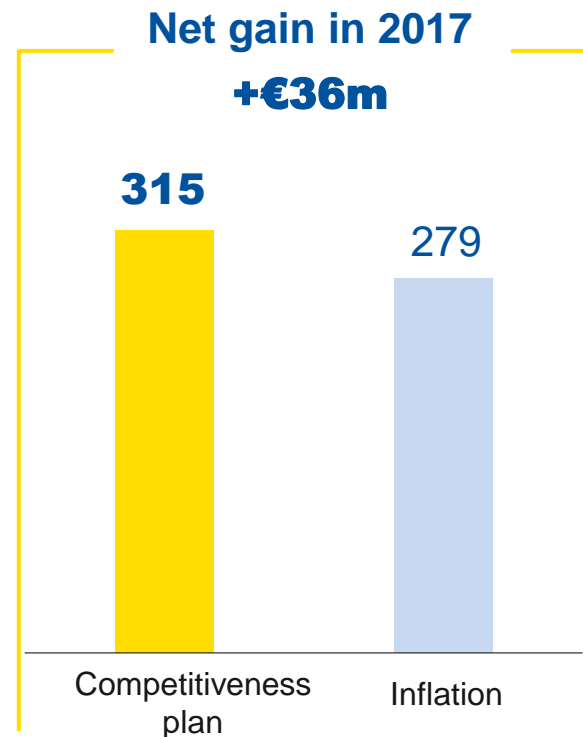
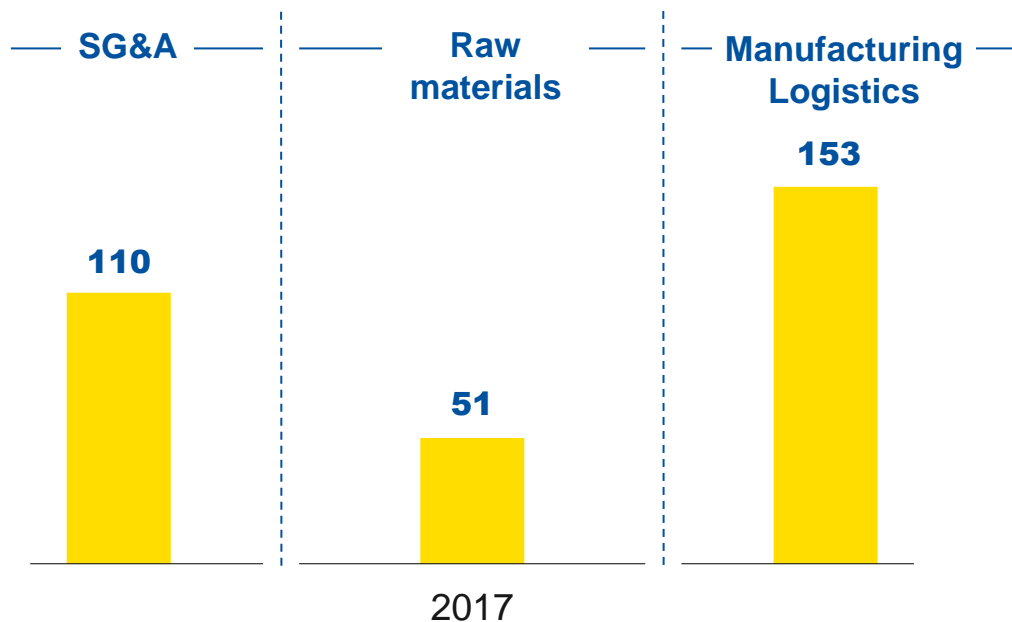
(YoY change, markets in units and sales in kt)



- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- Sustained growth momentum, made possible by adapting production capacity




2017-2020 competitiveness plan on track to deliver targeted €1.2bn in gains

▲ Target: €300m in average annual gains*



*before inflation and including avoided costs.

2017 saw a strong rebound in the Specialty businesses

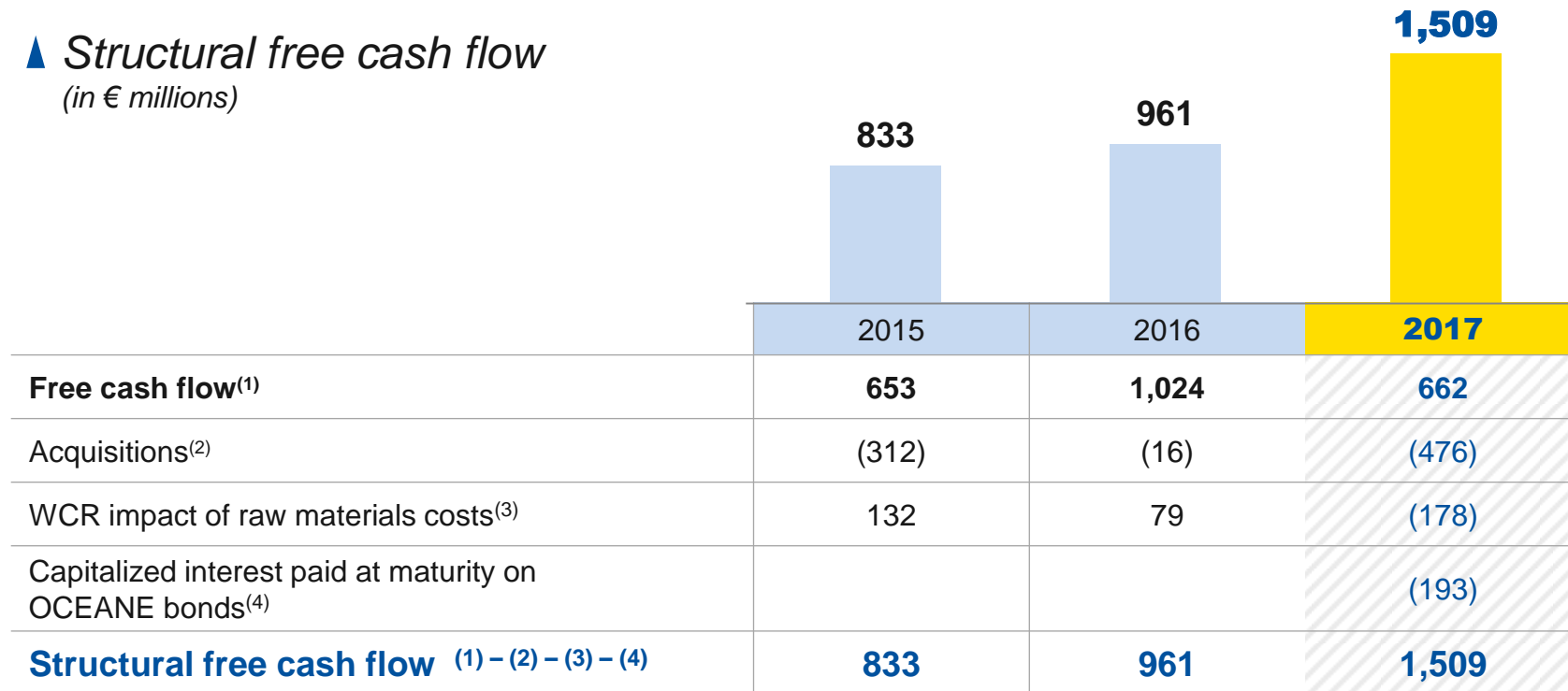
<i>(in € millions)</i>		2017	2016	<i>Variation</i>
	RS1 Net sales Operating income* Operating margin*	12,479 1,552 12.4%	12,105 1,585 13.1%	+3% -2% -0.7 pts
	RS2 Net sales Operating income* Operating margin*	6,123 497 8.1%	5,966 580 9.7%	+3% -14% -1.6 pts
	RS3 Net sales Operating income* Operating margin*	3,358 693 20.6%	2,836 527 18.6%	+18% +31% +2 pts

- RS1 offset the impact of RM prices and currency movements, neutral impact from changes in price mix and RM prices in RS2, remarkable improvements in RS3

*from recurring activities

A business that structurally generates free cash flow, supported in 2017 by WCR monitoring

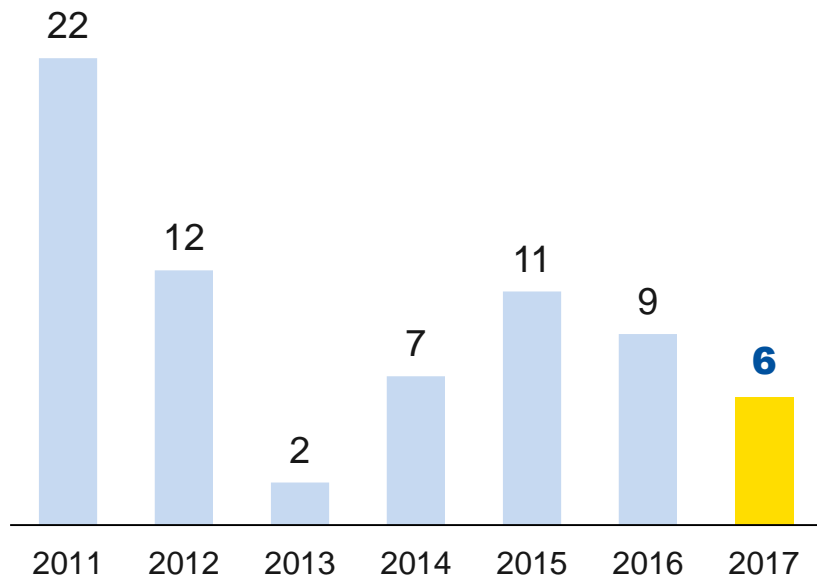
▲ Structural free cash flow (in € millions)



A robust balance sheet after the share buybacks, confirmed by the rating agencies

▲ Gearing

Net debt/equity, in %

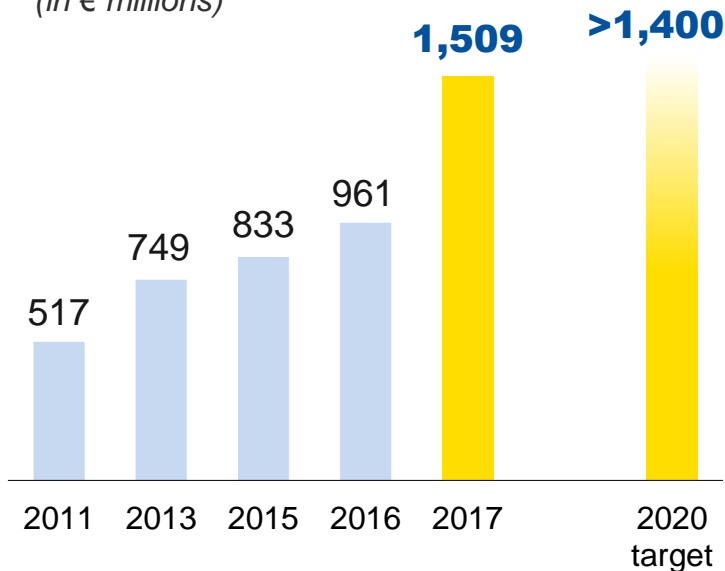


▲ Solid long-term ratings

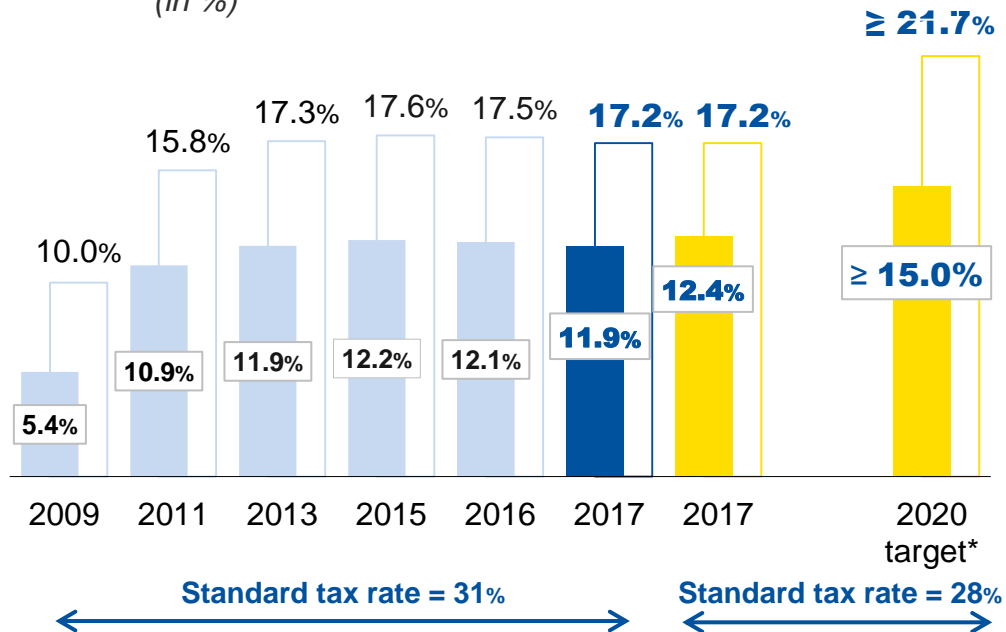
Short term	S&P Moody's	A-2 P-2
Long term	S&P Moody's	A- A3
Outlook	S&P Moody's	Stable Stable

2018: on the road to our 2020 objectives

▲ Deliver structural FCF > €1,400m
as from 2020
(in € millions)



▲ Deliver an after-tax ROCE ≥ 15%
as from 2020
(in %)



*at constant scope of consolidation excluding goodwill

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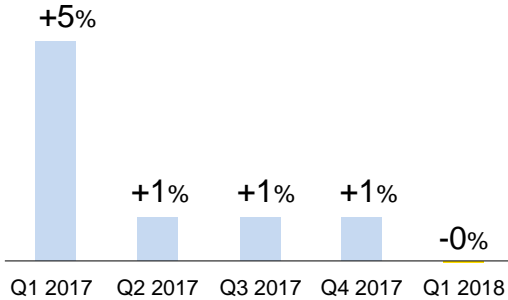
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**Q1 2018: Net sales
of €5.2 billion, up 1.4%
at constant exchange rates**

Replacement PC/LT and Truck markets down in Q1 2018 due to early buying in Q1 2017; Specialties up



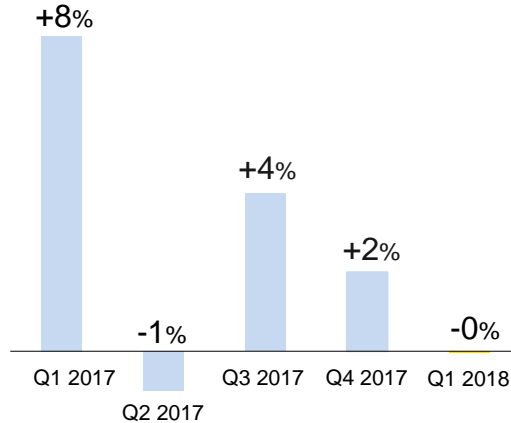
PC/LT Q1 2018: -0%



- OE: -1 %
- RT: +0%



TRUCK Q1 2018: -0%



- OE: +5 %
- RT: -2 %



SPECIALITY 2018: +5%/+7%*

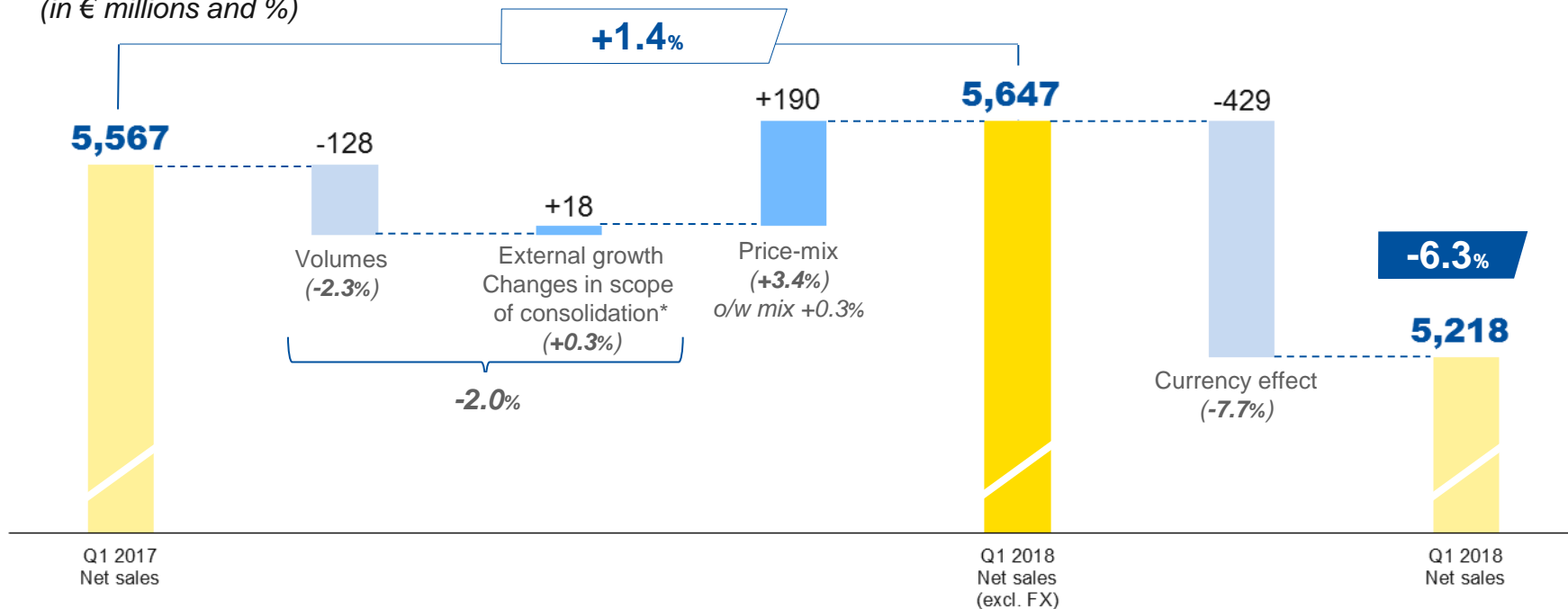
- Mining tires (+7% / +10%) sustained strong demand led by global economic growth
- OE Earthmover + OE Agricultural tires: steady positive trend

* Full-year market estimate

Net sales up 1.4% at constant exchange rates




▲ YoY change

(in € millions and %)





* Levorin, NexTraq, Lehigh

Net sales dampened by currency movements

<i>(in millions €)</i>		Q1 2018 new organization	Q1 2017 new organization	Change	Q1 2017 reported
	RS1 net sales	2,772	3,056	-9.3%	3,201
	RS2 net sales	1,368	1,489	-8.2%	1,518
	RS3 net sales	1,078	1,022	+5.5%	848

Four growth areas: partnerships and planned acquisition to support our value creation strategy

	Tires	Services	Experiences	Materials
Ambitions for 2015-2020	Net Sales +20%	Net Sales x2	Net Sales x3	Capitalize on our leadership
Recent announcements (Q1 2018)	 <p>Logos for TCI Tire Centers, TBC Corporation, ATU, Fenner, and ECS.</p>			 <p>Logos for Fenner and AEP.</p>

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2018 guidance confirmed

2018 guidance: on the road to our 2020 objectives

	2018
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	> 2017
Structural FCF	> €1,100m

2018 scenario

	H1 2018	FY 2018
Impact from raw materials costs	Neutral*	Between 0 and a negative €50m*
Currency effect	Approx. a negative €250m**	Approx. a negative €350m**
Effective tax rate Positive impact of US tax reform	Standard ETR reduced to 28%	
Net impact of price-mix and raw materials prices	Positive	Positive
Competitiveness plan gains vs. inflation	Positive over the year	

*2018 average prices: Natural rubber: \$1.75/kg; butadiene (US and Europe): \$1,080/t; Brent: \$63/bbl

** at march 2018 Forex

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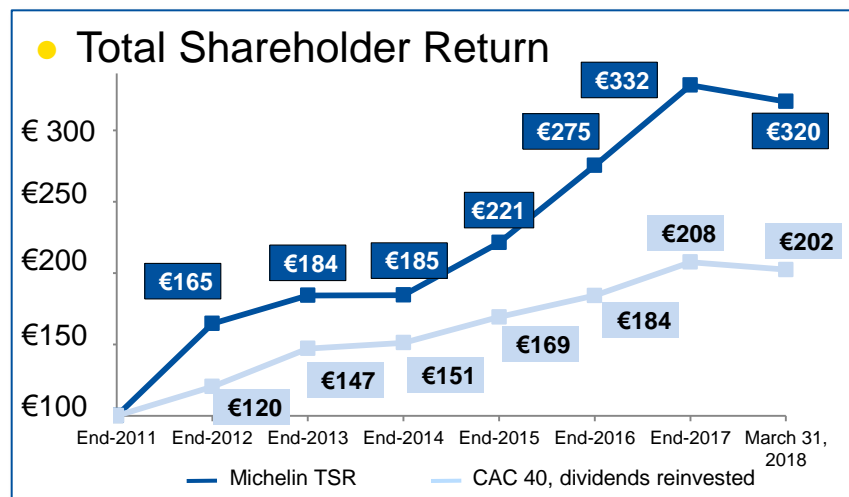
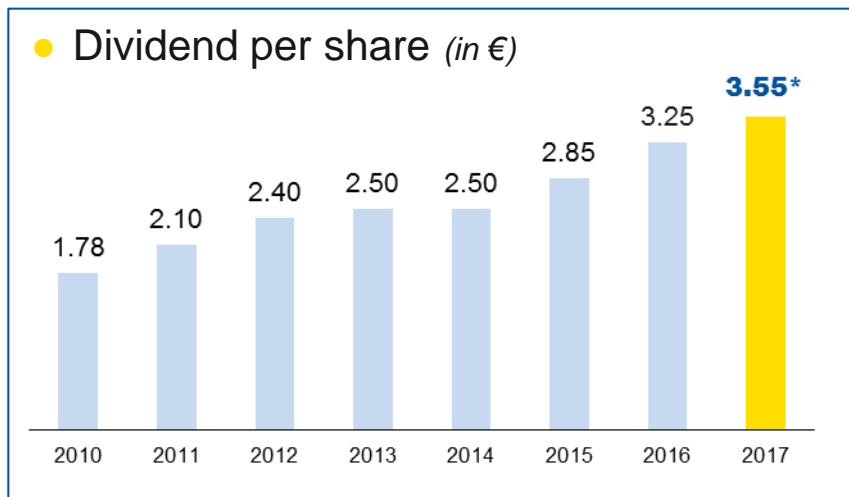


4

Shareholder commitment

Sustained shareholder return policy: dividends and share buybacks

- 2017 dividend: €3.55* per share, representing a payout ratio of 36%**
- Share buyback programs
 - 2015-2016: €750m committed and 4.5% of outstanding shares cancelled
 - 2017: €101m committed and 0.5% of outstanding shares cancelled
 - 2018: €75m program to offset the dilution from share-based compensation



* subject to shareholder approval at the Annual Meeting on May 18, 2018 - ** of consolidated net income excluding non-recurring items