

ANNUAL SHAREHOLDERS MEETING

MAY 13, 2016



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- 1 / 2015: sustained growth delivering record-high margins and FCF**
- 2 / First-quarter 2016: €5.1 billion in net sales, with growth in volumes outperforming the markets**
- 3 / 2016 guidance confirmed**
- 4 / Shareholder commitment**

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2015: sustained growth delivering record-high margins and FCF

Markets in 2015: on the rise in mature geographies, China and India



PASSENGER CAR: +2%

Global OE: +2%

Global RT: +3%

- Robust demand in Western Europe, North America, China and India.
- Down in the rest of the world.



TRUCK: -2%

Global OE: -7%

Global RT: -1%

- Growth in Western Europe, North America and India.
- Contraction in emerging markets.



SPECIALTY: -6%

Mining: -8%

Earthmover OE & Infra: +1%*

Agricultural: -8%*

Two-Wheel: +2%**

Aircraft: +4%***

** Europe & North America*

*** Motorcycle tires in Europe, USA, Japan*

**** Commercial aircraft*

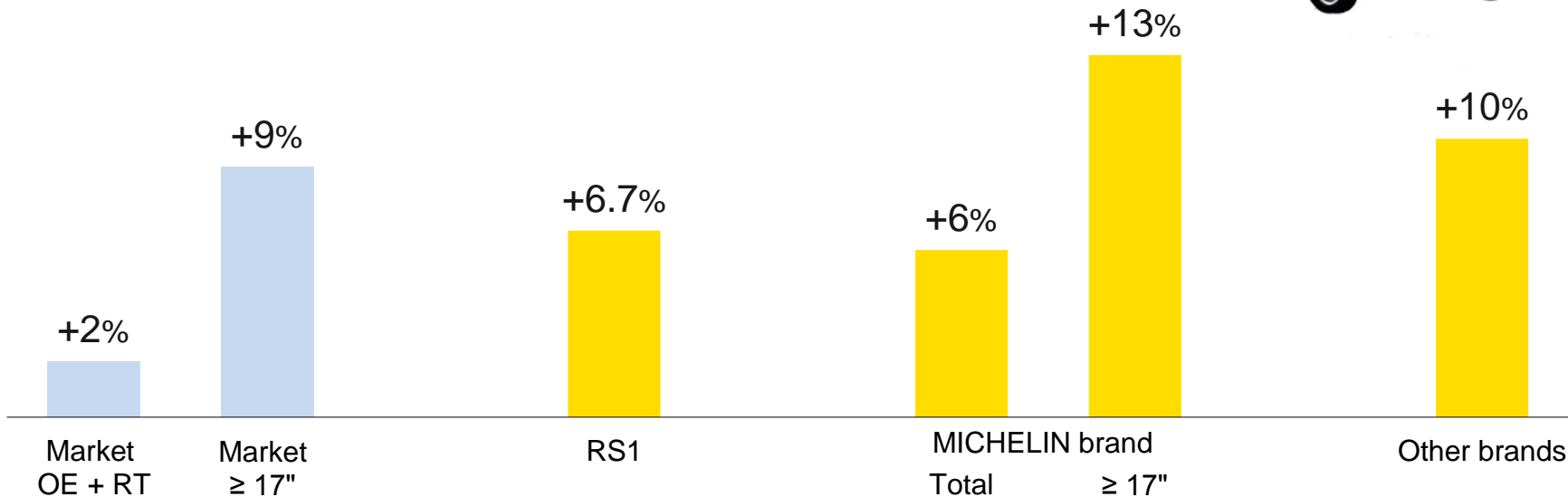
Over-market growth in every business segment

	2015
RS1 tonnages Passenger car tire markets	+6.7% +2%
RS2 tonnages Truck tire markets	+0.3% -2%
RS3 tonnages Specialty tire markets	-4.0% -6%



Passenger car: strong growth in all brands and segments

▲ Passenger car growth (YoY)



Source: Michelin

Boosting innovations to catch profitable growth

PRODUCTS



MICHELIN
CrossClimate
(Europe)



MICHELIN
Pilot Sport 4
(World)



MICHELIN
X Line Energy D2
Total Convoy
A Labelled in RR
(Europe)



MICHELIN
X Multi XD
(India)



MICHELIN
XDR 250
(Mining)

SERVICES



MICHELIN TIRE CARE

NEW BUSINESSES



MICHELIN OnSite



**Additive manufacturing
(3D Metal Printing)**



Tweel

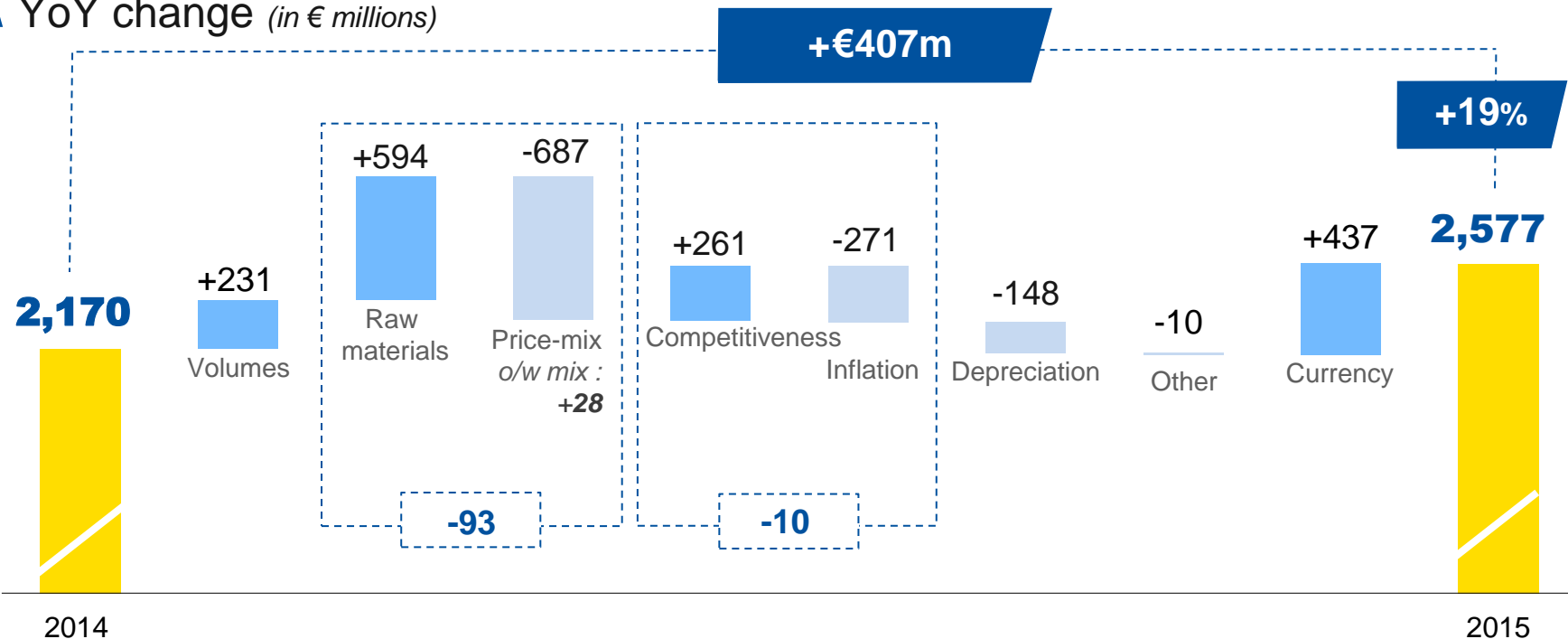


Luli






Operating income before non-recurring items up €407m o/w €304m in H2 led by volume growth, price management, cost discipline and favorable exchange rates

▲ YoY change (in € millions)



Historically high margins for RS1 and RS2 and firm resilience in RS3

<i>(in € millions)</i>		2015	2014	% change
	Car and Light truck tires Net sales*	12,028	10,498	+14.6%
	Operating profit**	1,384	1,101	+25.7%
	Operating margin**	11.5%	10.5%	+1 pt
	Truck tires Net sales*	6,229	6,082	+2.4%
	Operating profit**	645	495	+30.6%
	Operating margin**	10.4%	8.1%	+2.3 pts
	Specialty businesses Net sales	2,942	2,973	-1%
	Operating profit**	548	574	-4.5%
	Operating margin**	18.6%	19.3%	-0.7 pts

* And related distribution

** Before non-recurring items

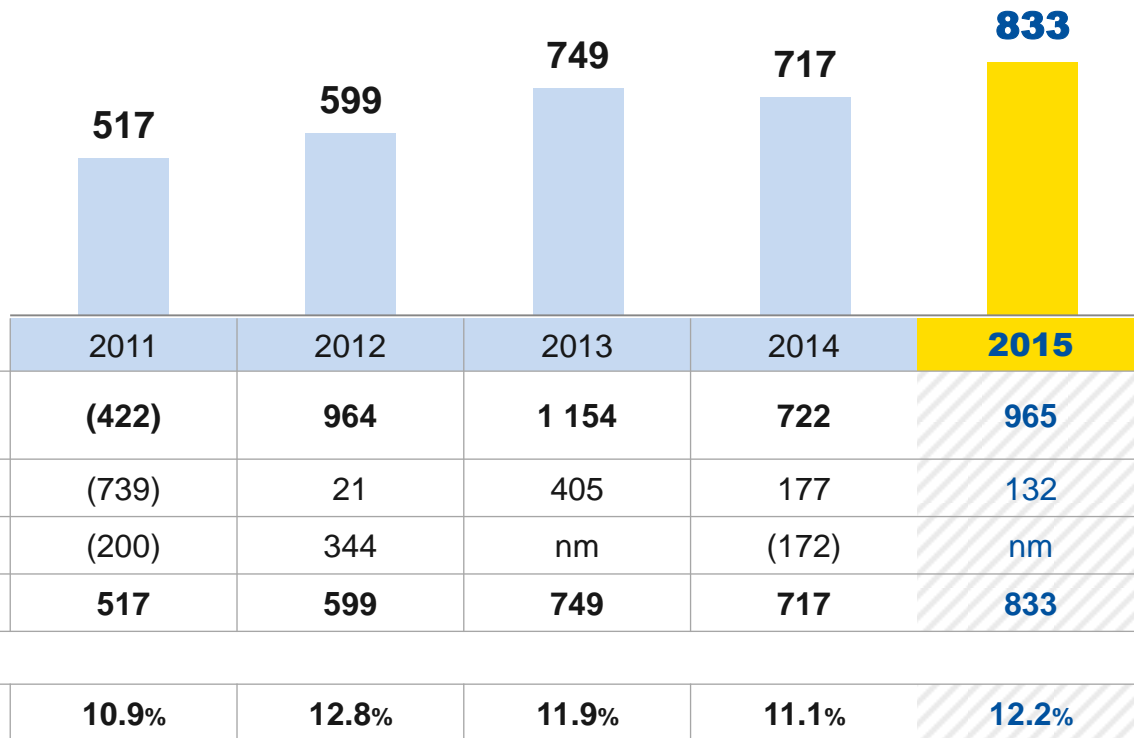
Faster gains from the competitiveness plan in H2, to end the year at €261m, in line with the objective

	SG&A	Materials	Manufacturing & Transports	Total
2012-2016* Objective	-€300m / -€400m	-€200m / -€300m	-€600m / -€700m	-€1,200m
Achieved at end 2015	-€421m	-€149m	-€394m	-€964m
Enablers	<ul style="list-style-type: none"> ● Efficiency program ● OPE ● Shared Service Centers ● Simplification 	<ul style="list-style-type: none"> ● New lines ● New materials ● Scrap process materials 	<ul style="list-style-type: none"> ● Best practices (MMW) ● Standardization ● Flexibility ● Footprint optimization 	

* Before inflation and including avoided costs

A business that structurally generates Free Cash Flow

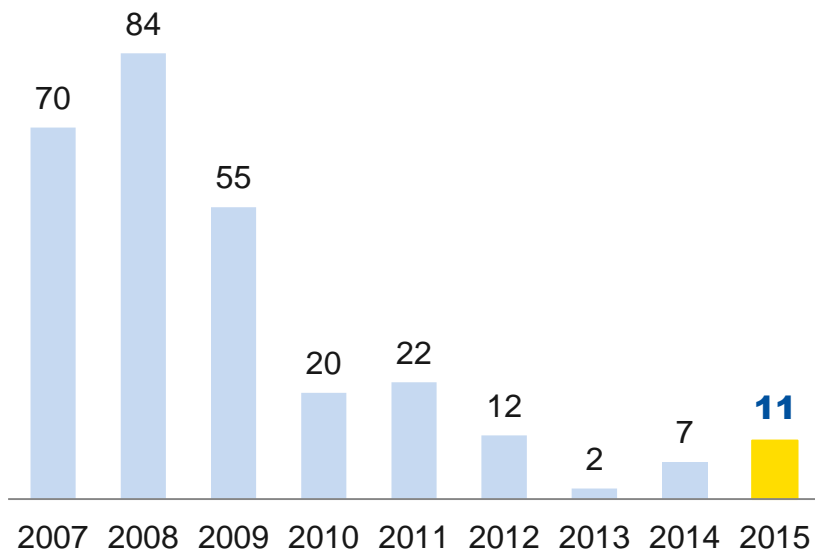
▲ Structural free cash flow (in € millions)



* Disposals in 2011-2012; Acquisitions in 2014-2015

Balance sheet still robust after acquisitions and share buybacks, greeted by the rating agencies

▲ Gearing – Net debt/Equity (in %)



▲ S&P raised our Long term Debt rating

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

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2 / **First-quarter 2016: €5.1 billion in net sales, with growth in volumes outperforming the markets**

Markets mixed in Q1 2016, favorable to the Group's global model



PASSENGER CAR: +3%

Global OE: +1%
Global RT: +4%

- Robust demand in Western Europe, North America, China and India
- Down in the rest of the world



TRUCK: -2%

Global OE: -3%
Global RT: -2%

- Growth in Western Europe, RT in North America and India
- Contraction in emerging markets and OE in North America



SPECIALTY: -2%/-5%*

Raw materials prices dampened Earthmover and Agricultural tire demand

- Mining: demand down as drawdowns continued in their final year
- Agricultural OE: improvement underway in Europe
- Aircraft** and Two-Wheel***: continued growth




* Full year market expectation

** Commercial aircraft

*** Motorcycle tires in Europe, USA and Japan

Stronger positions in all of the Group's businesses

(In € millions)

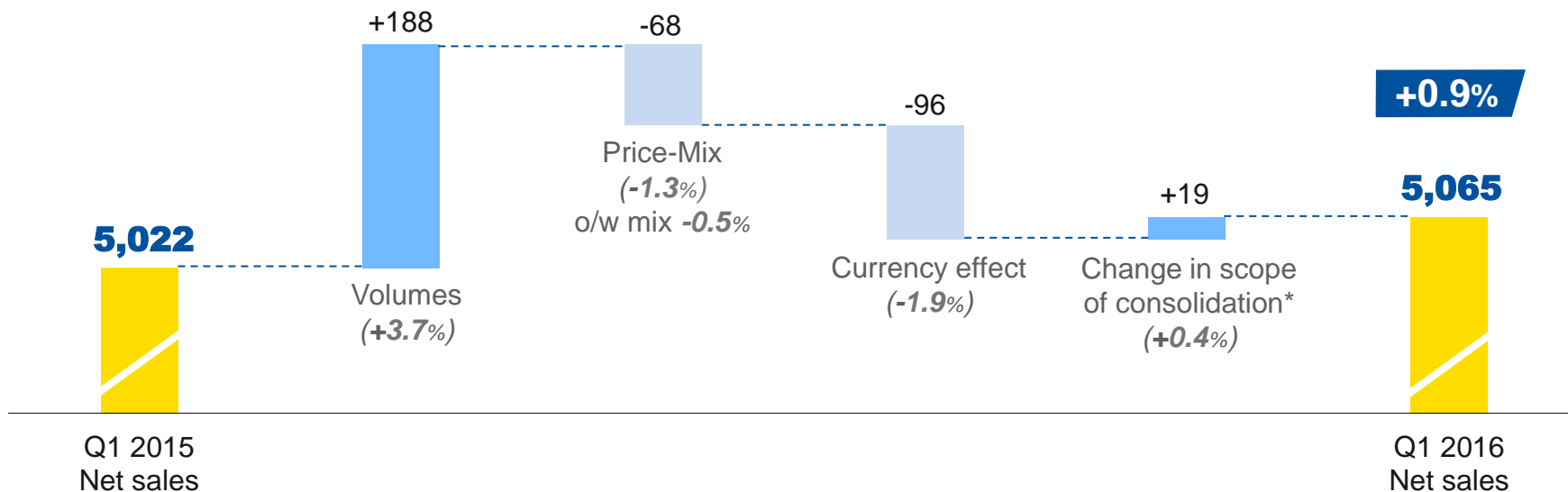
	Q1 2016	Q1 2015
 Car and Light truck tires Net sales* <i>Volume growth</i> Market growth	2,897 +4% +3%	2,777 +6% -1%
 Truck tires Net sales* <i>Volume growth</i> Market growth	1,430 +3% -2%	1,474 -4% -3%
 Specialty businesses Net sales <i>Volume growth</i> Market growth	738 +0% -2%/-5%**	771 -4% -6%**

* And related distribution

** Full-year market estimate

Net sales boosted by higher volumes

▲ YoY change
(in € millions and %)



* Ihle, Meyer Lissendorf, Blackcircles

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2016 guidance confirmed




2016 guidance confirmed

	2016 new	2016 old
Volumes	Above-market growth	Growth at least in line with the markets
EBIT before NR and at constant exchange rates	> 2015	> 2015
Structural FCF	> €800m	> €800m

2016 scenario based on March raw material prices and currencies

	2016
Raw materials	Around €400m tailwind
Net price mix vs. raw materials	Indexed businesses: negative Non indexed businesses: neutral
Competitiveness plan vs. inflation	Neutral

New operating margin guidance* for 2016-2020

	 Passenger Car	 Truck	 Specialty
Previous target ranges	Between 10% and 12%	Between 7% and 9%	Between 20% and 24%
2016-2020 target ranges**	Between 11% and 15%	Between 9% and 13%	Between 17% and 24%

* Before non-recurring items

** At constant scope of consolidation and raw materials prices, and with markets expanding by a CAGR of 2.5% in Passenger car and Light truck tires and of 1.5% in Truck tires

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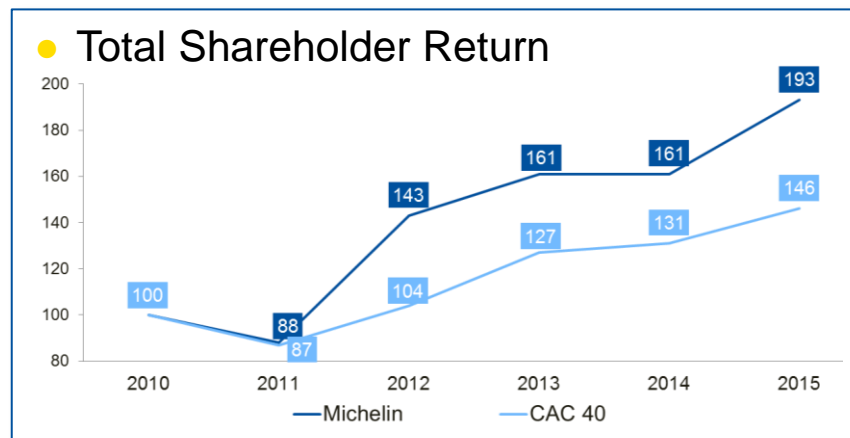
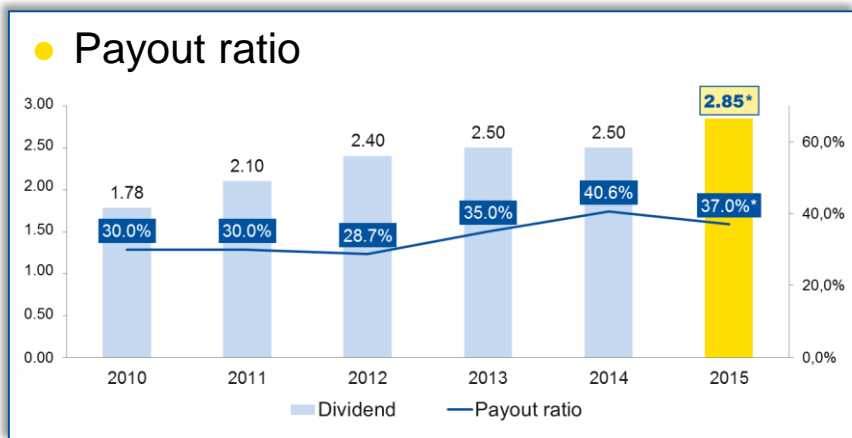


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Shareholder commitment

2015-2016 shareholder return: €981m dividend and €750m share buyback

- Dividend of €2.85*/share and payout of 37% of net income before non-recurring items
- €750m share buyback plan
 - Number of shares repurchased and cancelled in 2015: 4,961,534 shares or 2.7% of capital
 - €451m committed in 2015 and a new €150m tranche launched in January 2016
 - At end April 2016: €104m committed



* Submitted to shareholders for approval at the May 13, 2016 Annual Meeting

The power of new products



BFGOODRICH
g-Force™ COMP-2™ A/S

MICHELIN
Defender® LTX

MICHELIN
Premier® A/S

MICHELIN
CrossClimate

MICHELIN
Pilot Sport†

MICHELIN
Premier® LTX

BFGOODRICH
All-Terrain T/A® KO2