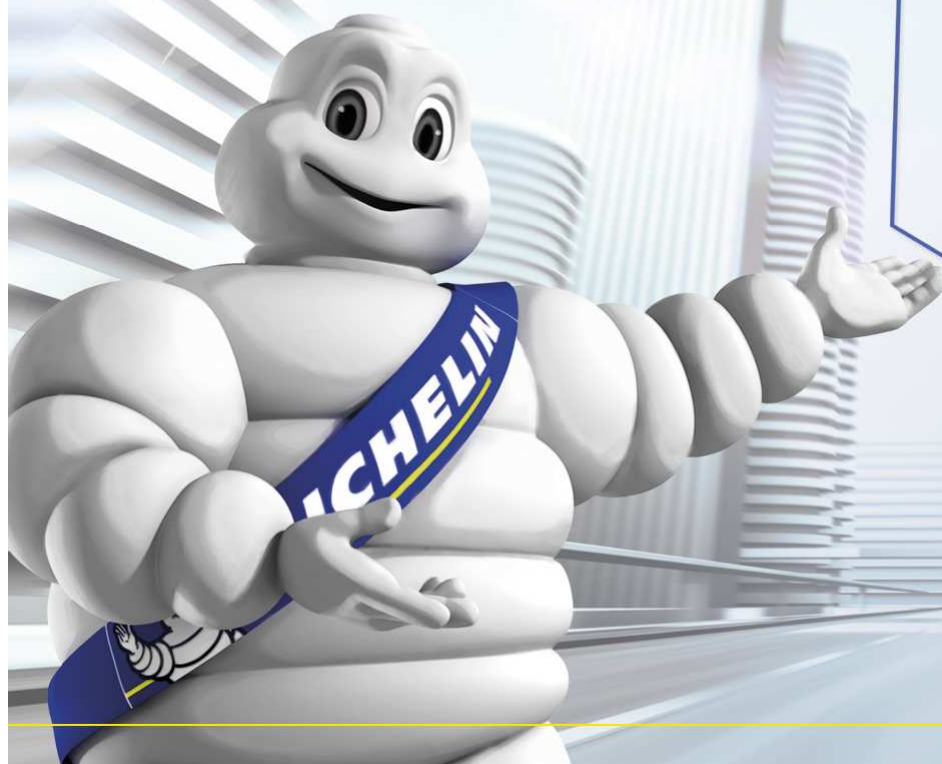


Marc HENRY
CFO

2013 RESULTS & 2014 OUTLOOK



Annual Shareholders Meeting
May 16, 2014





May 16, 2014



ANNUAL SHAREHOLDERS MEETING

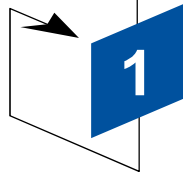
- 1 2013 : MARKETS UNEVEN, BUT GENERALLY IMPROVING
- 2 2013 : SOLID PERFORMANCE
- 3 2013 : ROBUST FINANCIAL POSITION
- 4 INNOVATION, GROWTH, COMPETITIVENESS
- 5 2014 OUTLOOK
- 6 2013 HIGHLIGHTS





May 16, 2014

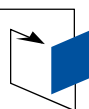
ANNUAL SHAREHOLDERS MEETING



2013 : MARKETS UNEVEN, BUT GENERALLY IMPROVING

Car and Light truck:

Markets up except for the Western European winter tire market, whose slight decline was expected



Markets at December 31, 2013

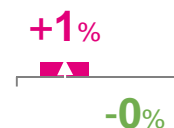
(% change YoY, in number of tires)



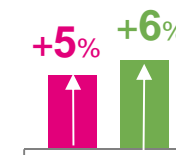
North America



Europe



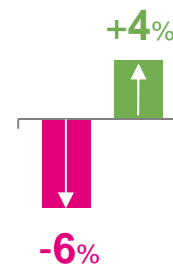
Asia (excl. India)



South America



Africa India Middle-East



GLOBAL MARKET



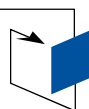
■ Original equipment
■ Replacement

Source: Michelin



Truck:

Technical upturn in Western Europe off of low comparatives and robust demand trends in the growth regions



Markets at December 31, 2013

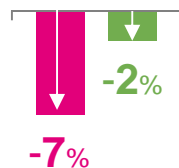
(% change YoY, in number of new radial tires)



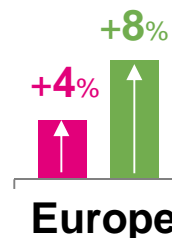
Original equipment
Replacement

Source: Michelin

North America

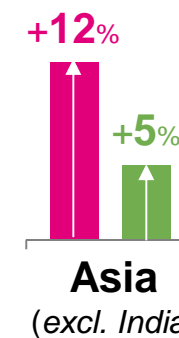
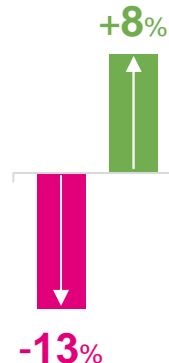


South America



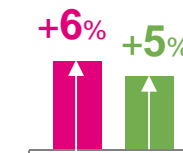
Europe

Africa India Middle-East

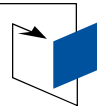


Asia (excl. India)

GLOBAL MARKET



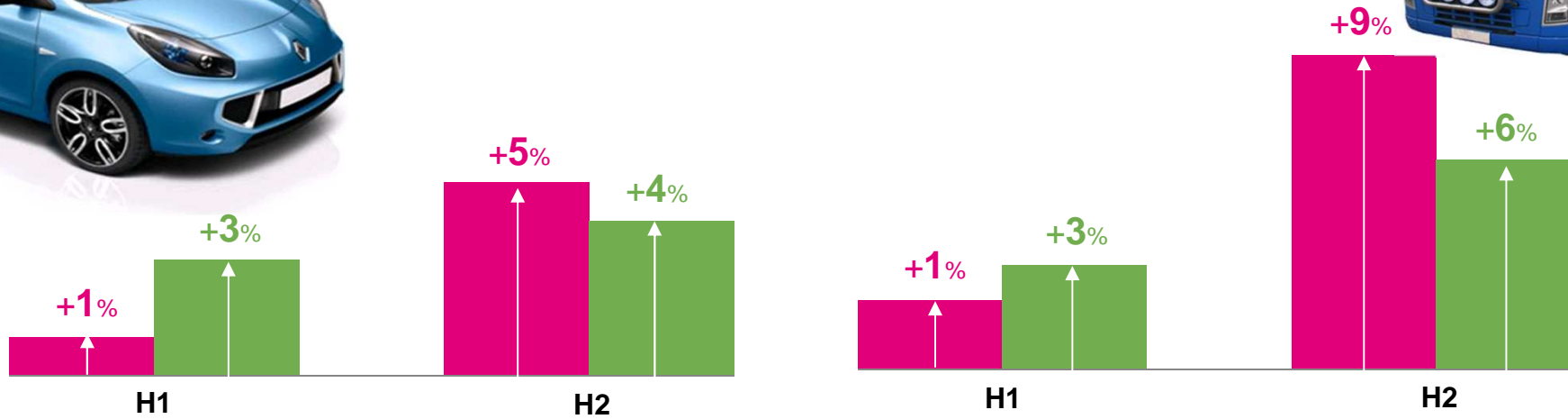
Car and Light truck & Truck: more positive trends in the second half



2013 markets, H1 vs. H2 worldwide (% change YoY, in number of new radial tires)



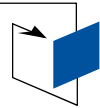
■ Original equipment ■ Replacement



Source: Michelin



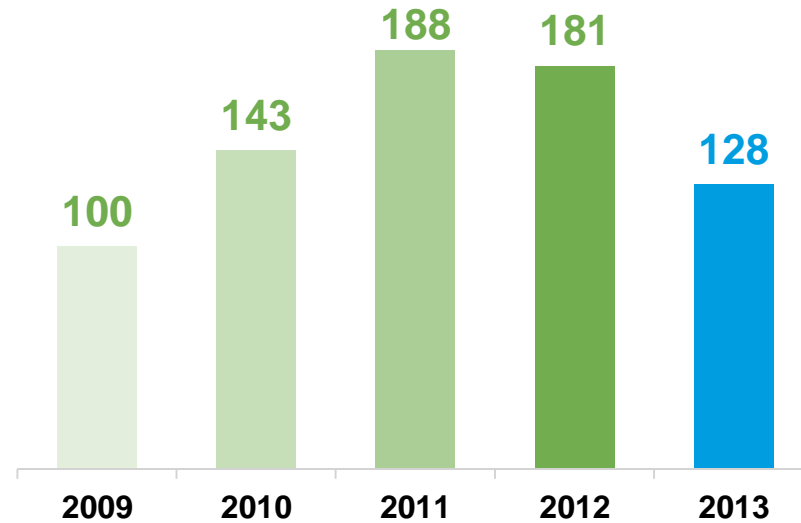
Challenging Earthmover markets



Earthmover markets
(Base 100 in 2009, in tonnes)



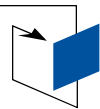
Mining



Infrastructure and Original Equipment
(Europe and North America)



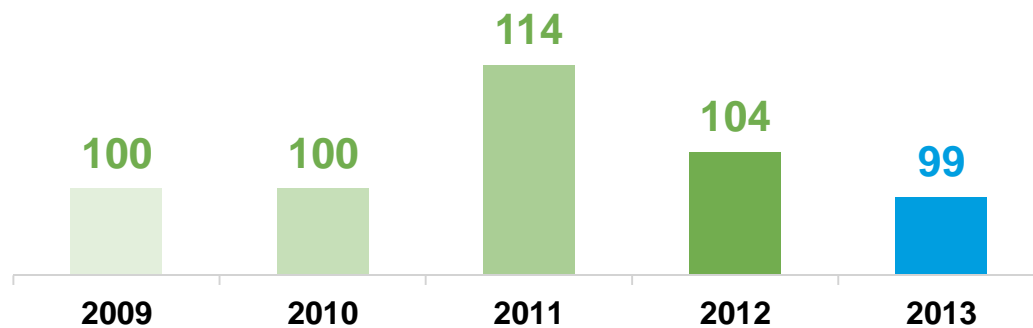
Agricultural: down slightly overall, with higher demand for technical tires



Agricultural tire markets – Europe and North America

(in number of tires, base 100 in 2009)

- ▶ Slight decline in OE
 - ▶ Modest upturn in European replacement markets
 - ▶ Growth in demand for technical tires
- Average horsepower of tractors sold in North America has increased by nearly 40%*



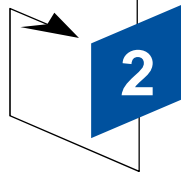
* Michelin estimate, 2003 to 2013





May 16, 2014

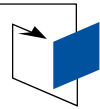
ANNUAL SHAREHOLDERS MEETING



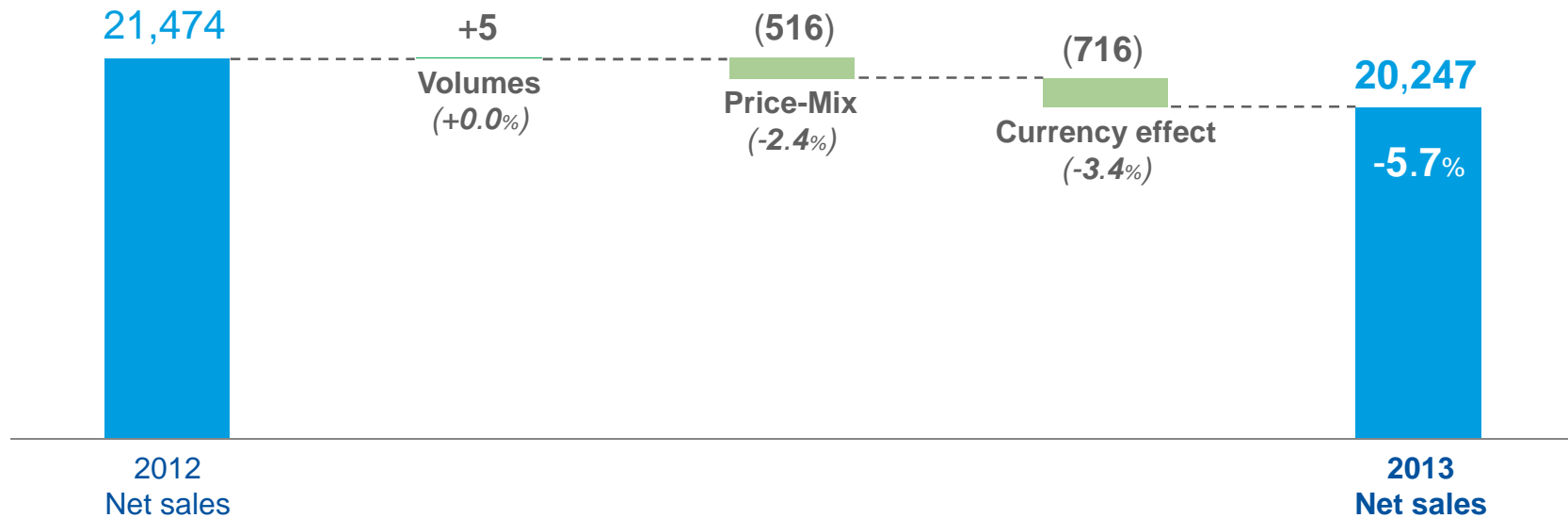
2013 : SOLID PERFORMANCE



Net sales: volumes stable, as expected



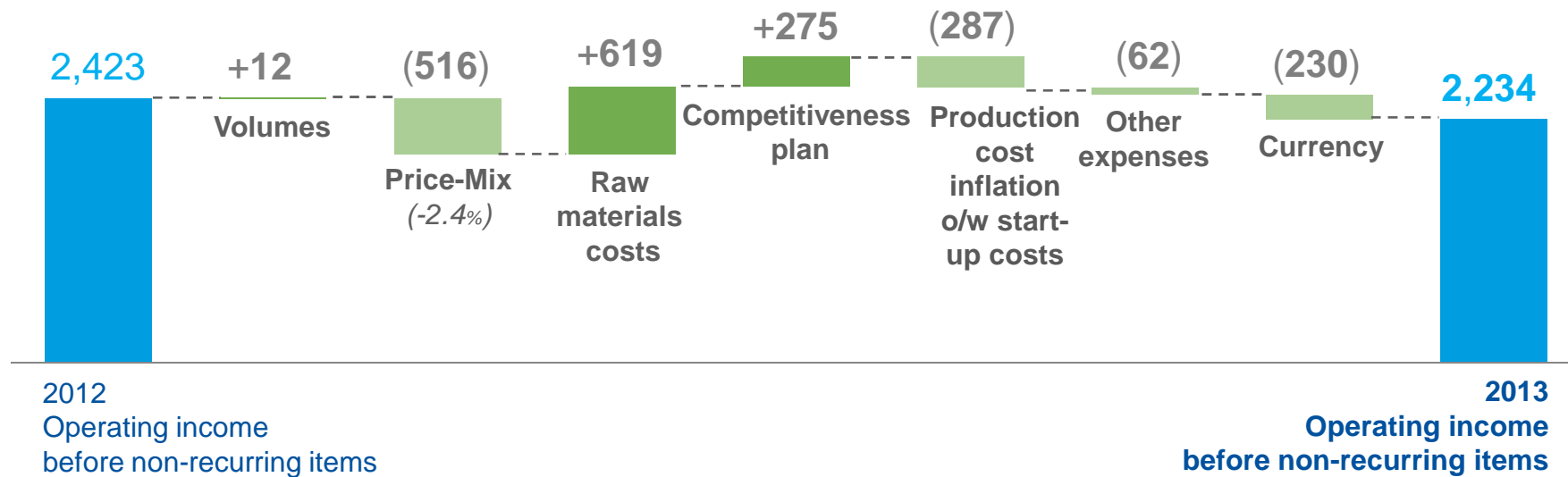
YoY change (In € millions)



Operating income: disciplined management of unit gross margin and SG&A expense



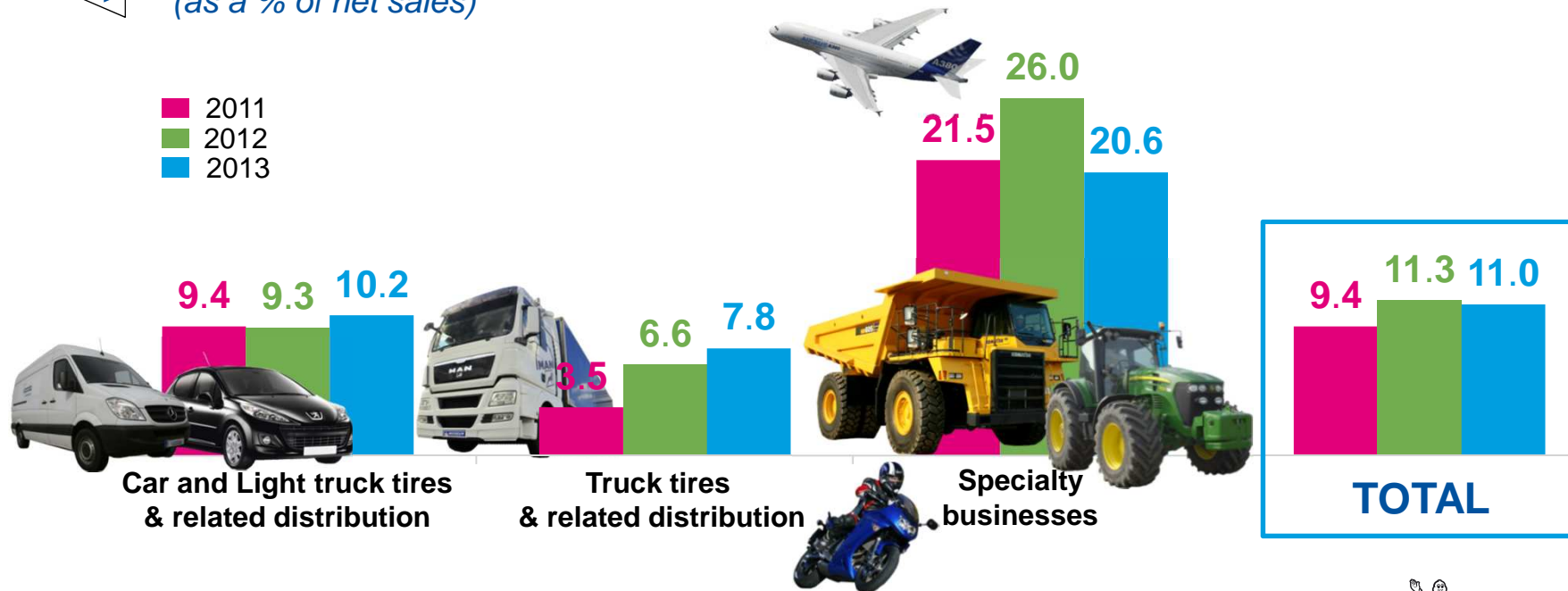
YoY change
(In € millions)



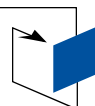
Solid margins, improving in Passenger car/ Light truck and Truck tires



Operating margin before non-recurring items (as a % of net sales)



Financial Highlights



2013 and 2012 figures as reported

<i>In € millions</i>	2013	2012
Net sales	20,247	21,474
Operating income <i>(before non-recurring items)</i>	2,234	2,423
Operating margin <i>(before non-recurring items)</i>	11.0%	11.3%
Net income	1,127	1,571
Capital expenditure	1,980	1,996
Free cash flow*	1,154	1,075
Net debt	142	1,053
Gearing	2%	12%
Employee benefit obligations	3,895	4,679
ROCE	11.9%	12.8%
Dividend per share	€250**	€2.40

*Cash flows from operating activities less cash flows used in investing activities

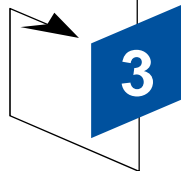
** Submitted to shareholder approval at the May 16, 2014 Annual Meeting





May 16, 2014

ANNUAL SHAREHOLDERS MEETING



2013 : ROBUST FINANCIAL POSITION

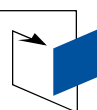
A business that structurally generates free cash flow



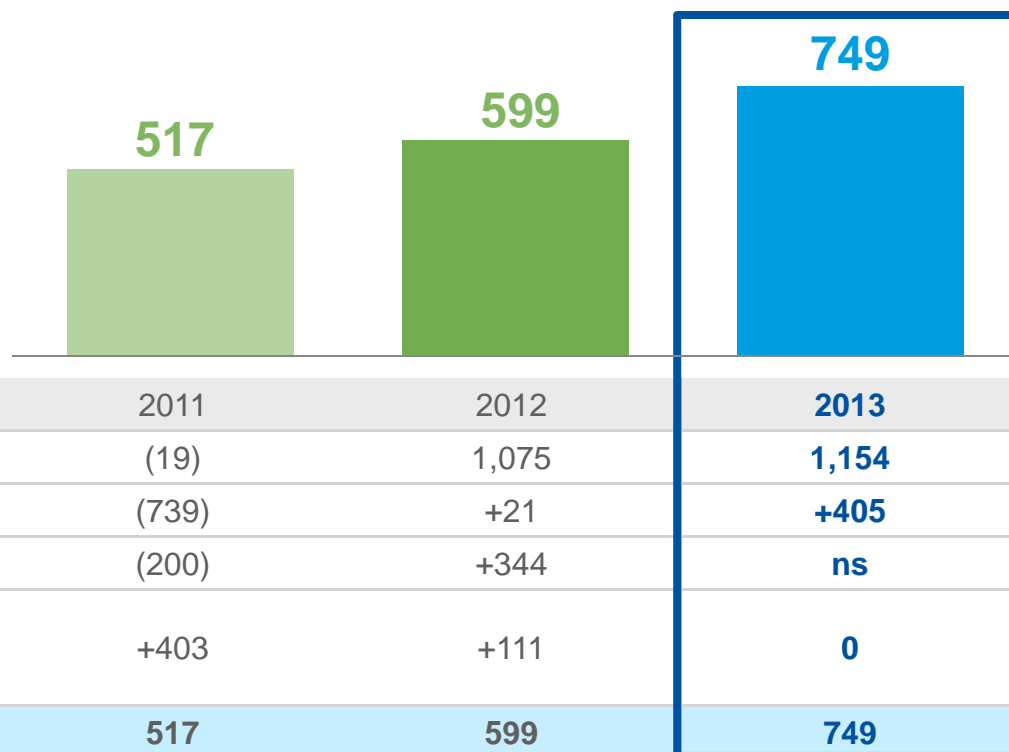
<i>En millions €</i>	2013	2012
EBITDA	3,285	3,445
Change in working capital requirement	818	276
Restructuring cash costs	(119)	(93)
Contributions paid to pension funds	(185)	(269)
Taxes and interest paid	(586)	(849)
Other	(124)	416
Cash flows from operating activities	3,089	2,926
Routine capital expenditure (<i>maintenance, IS/IT, dealerships</i>)	(772)	(659)
Available cash flow	2,317	2,267
Growth investments	(1,208)	(1,337)
Others	45	145
Free cash flow after capital expenditure	1,154	1,075



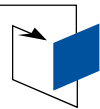
A business that structurally generates Free Cash Flow



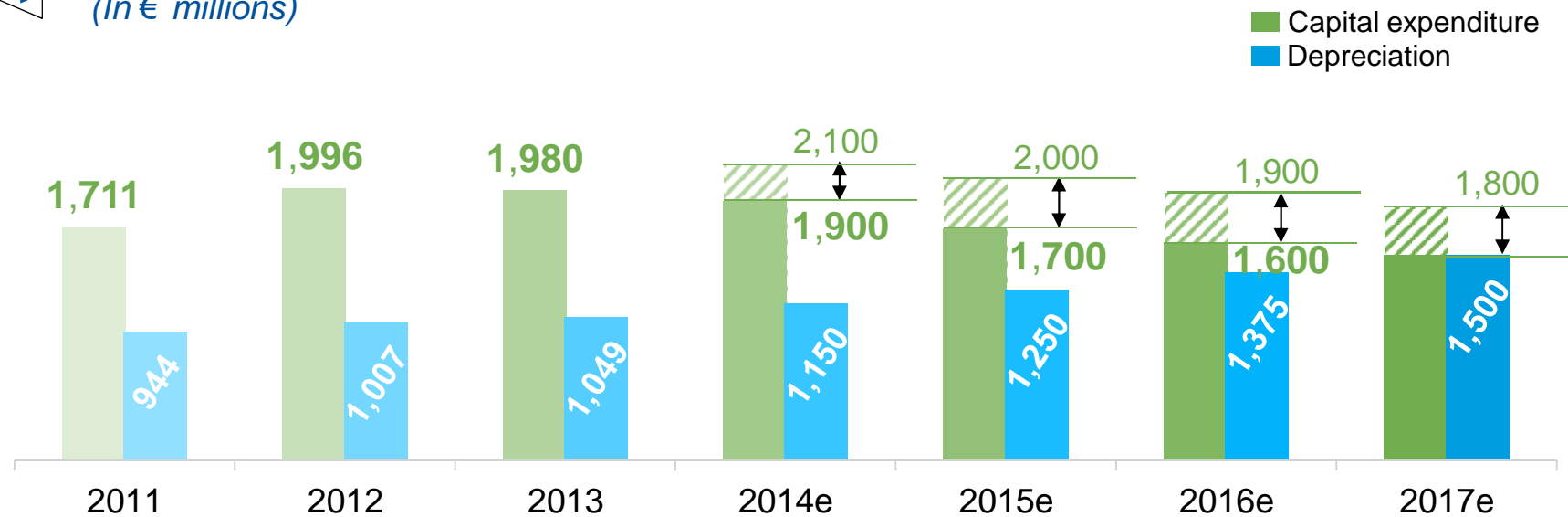
Structural free cash flow



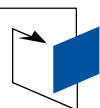
Capex will peak in 2014



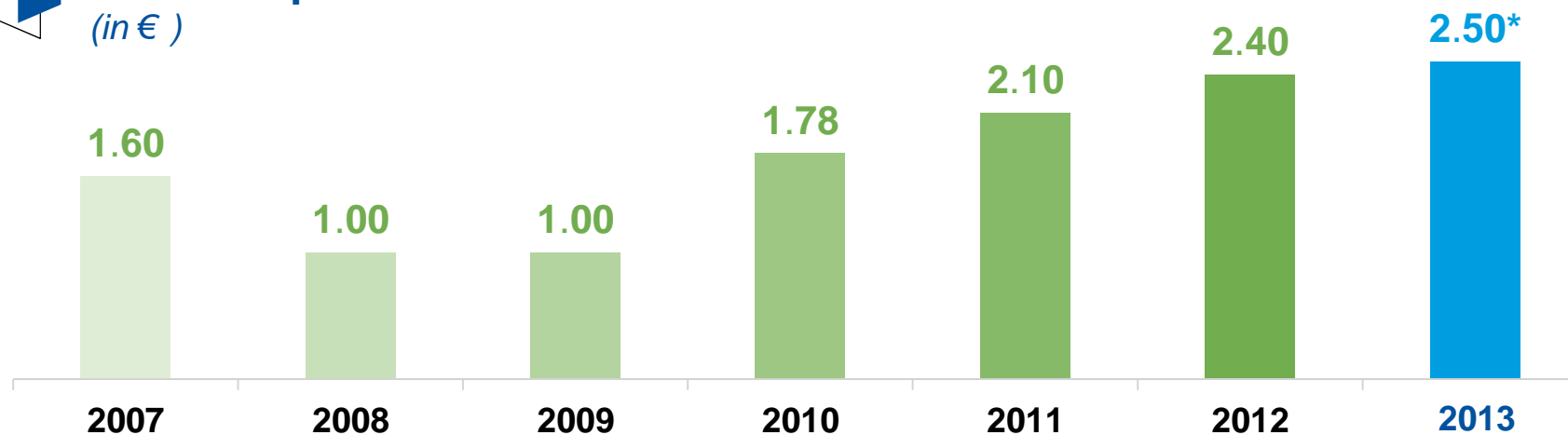
Capital expenditure and depreciation (In € millions)



Shareholder commitment and cash redeployment: payout increased to 35%



Dividend per share (in €)

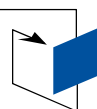


New payout ratio, 2013-2020: 35% of consolidated net income
(before non-recurring items)

* Submitted to shareholder approval at the May 16, 2014 Annual Meeting



Shareholder commitment and cash redeployment: share repurchases



Transactions in Michelin shares

(under the authorization to buy back up to 10% of outstanding shares granted by shareholders at the May 17, 2013 Annual Meeting)

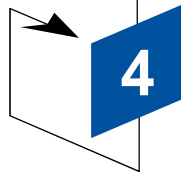
	Number of shares	€m
Shares bought back	2,685,194	206
Shares issued to employees	845,934	68
Shares cancelled	1,809,260	136
Shares outstanding at December 31, 2012		182,556,713
New shares issued on the reinvestment of dividends		4,467,601
Shares cancelled		- 1,809,260
New shares issued on the exercise of stock options		574,583
New shares issued on the conversion of OCEANE bonds		6
Shares outstanding at December 31, 2013		185,789,643
Average shares outstanding in 2013		184,179,000





May 16, 2014

ANNUAL SHAREHOLDERS MEETING



INNOVATION, GROWTH, COMPETITIVENESS



Examples of MICHELIN branded product launches: X-Coach in China and Alpin 5 in Passenger car



MICHELIN® PRIMACY® 3ST and PREMIER® A/S tires

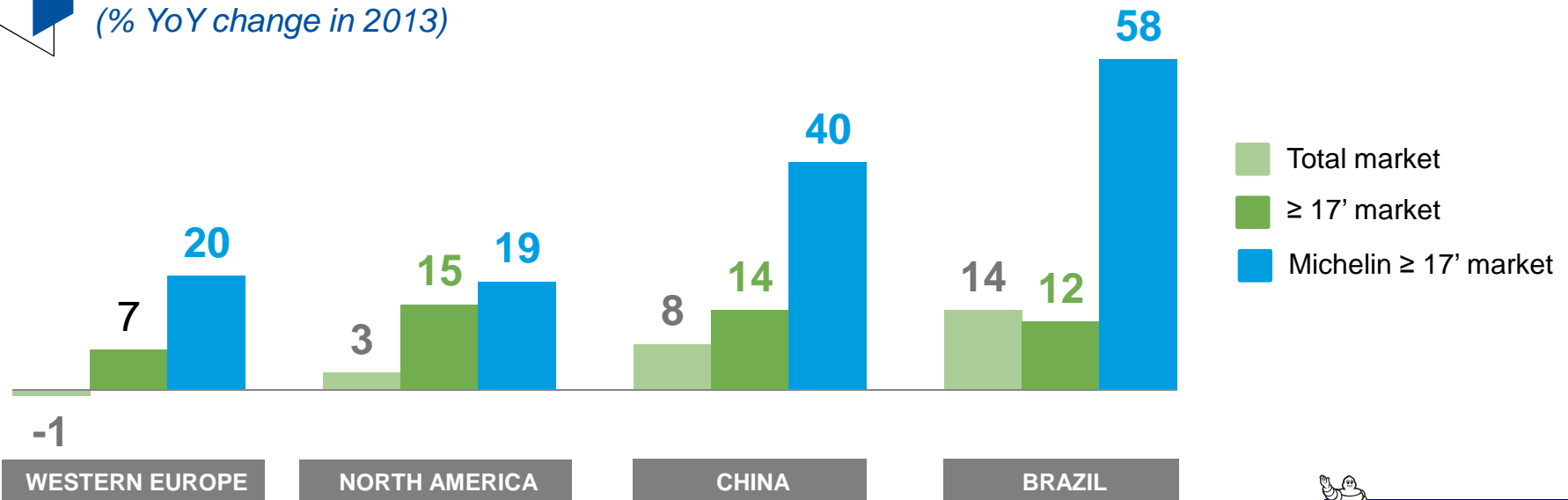


Premium Car and Light truck: technological leadership and the MICHELIN brand

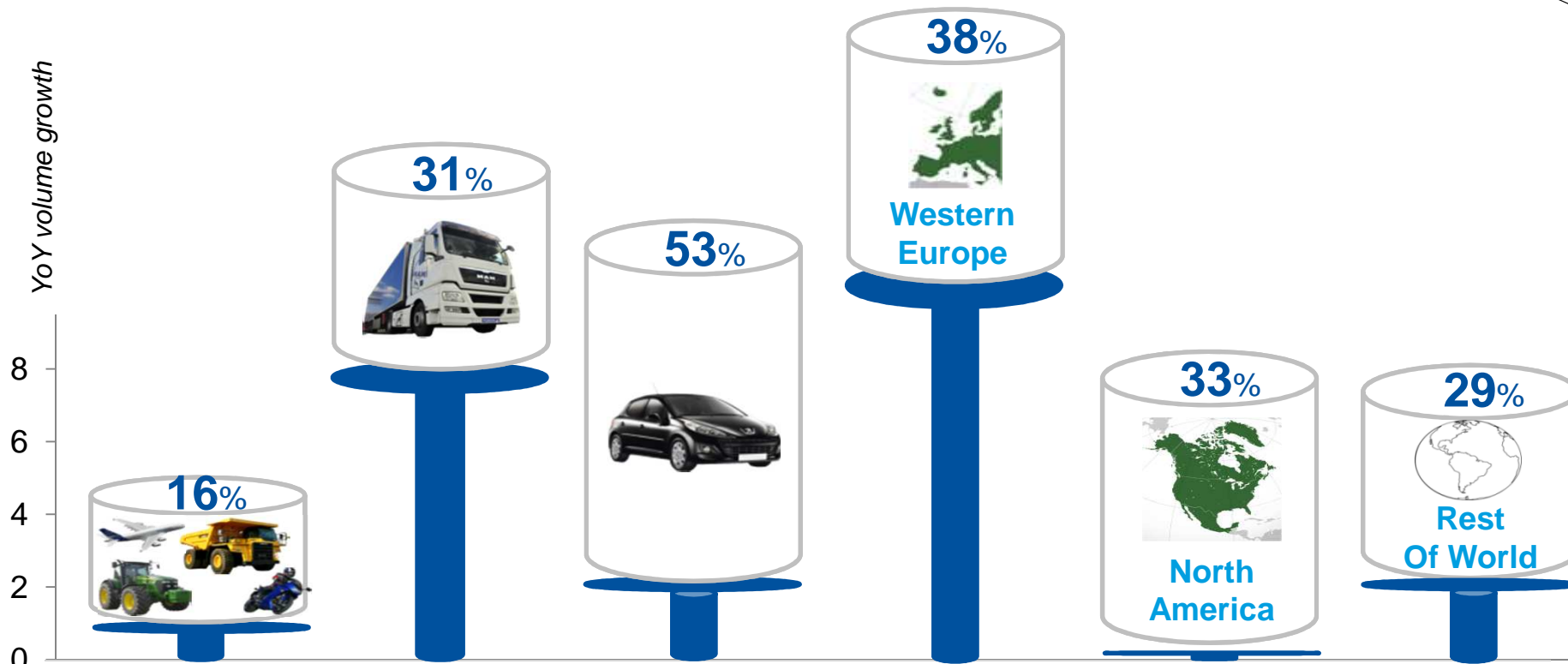


- ▶ **Original equipment:** 67% of 2013 $\geq 17'$ certifications
- ▶ **Replacement:** 39% of 2013 $\geq 17'$ sales

Replacement Car and Light truck markets (% YoY change in 2013)



Natural hedging through a balanced geographic and product mix



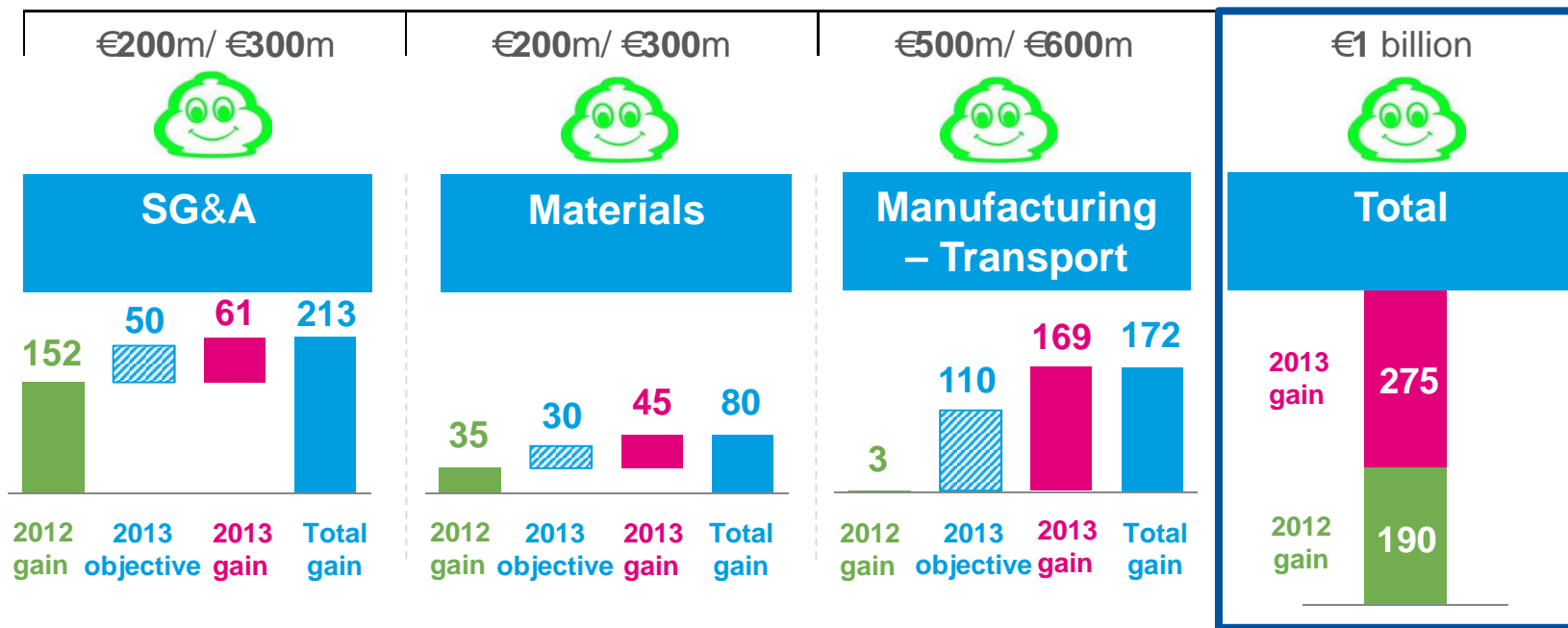
Percentage contribution of each segment/region to total Q1 2014 consolidated net sales



2012-2016 Competitiveness Plan: €465 million in gains in two years despite weak volumes



GAIN OBJECTIVES 2012 - 2016



*Before inflation and including avoided costs



More than €100m in productivity gains through industrial restructuring decided in 2013 and 2014

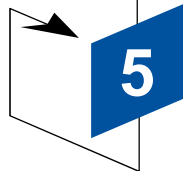


<i>In € millions</i>	2013	2014	2015	2016	2017	Total
Non-recurring expense	(250)	(90)				
dont cash out	(42)	(90)	(64)	(25)	0	(221)
Cash in (asset sales)			23			
						Annual gains after 2017
Productivity gains	0	54	71	110	114	114



May 16, 2014

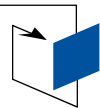
ANNUAL SHAREHOLDERS MEETING



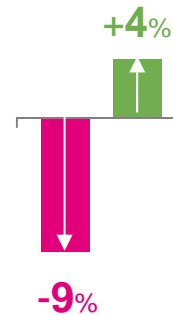
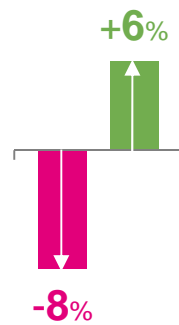
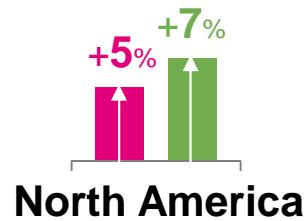
2014 OUTLOOK



Car and Light truck: Markets up except in Eastern Europe



Markets at March 31, 2014 (% change YoY, in number of tires)

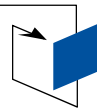


■ Original equipment
■ Replacement

Source: Michelin



Truck: Technical rebound in bias-ply and radial tire markets, except in Eastern Europe, Southeast Asia and India



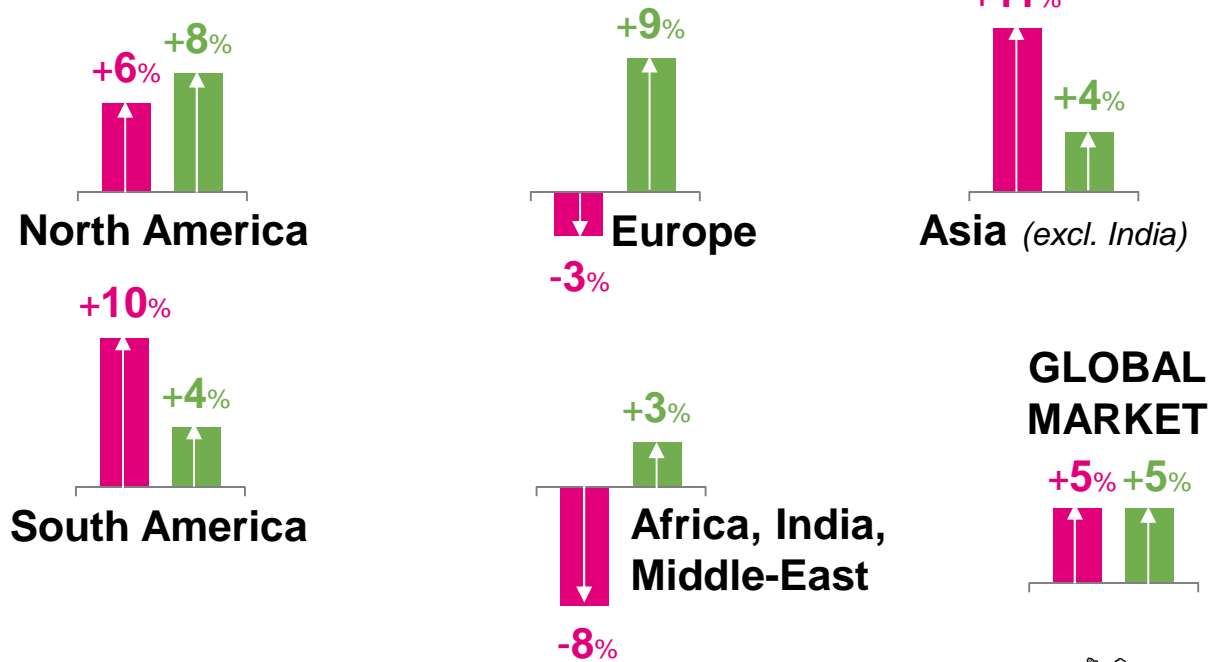
Markets at March 31, 2014

(% change YoY, in number of bias and radial new tires)

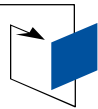


■ Original equipment
■ Replacement

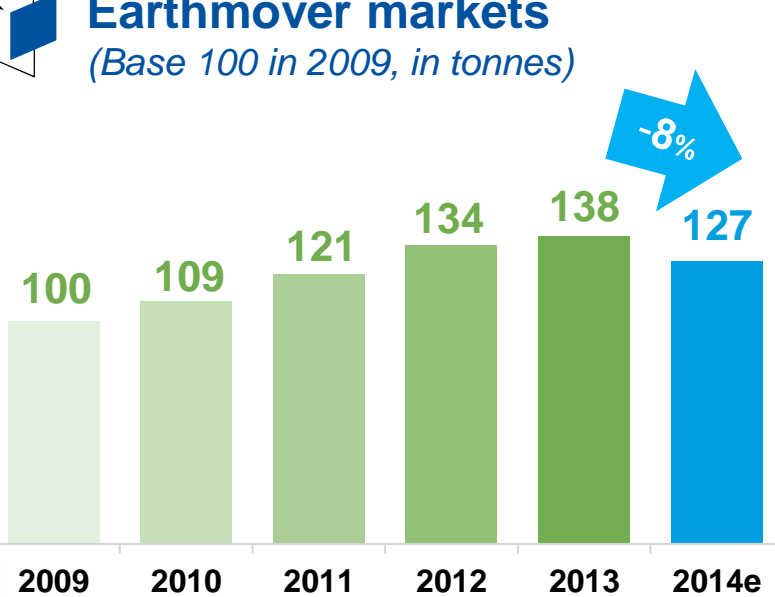
Source: Michelin



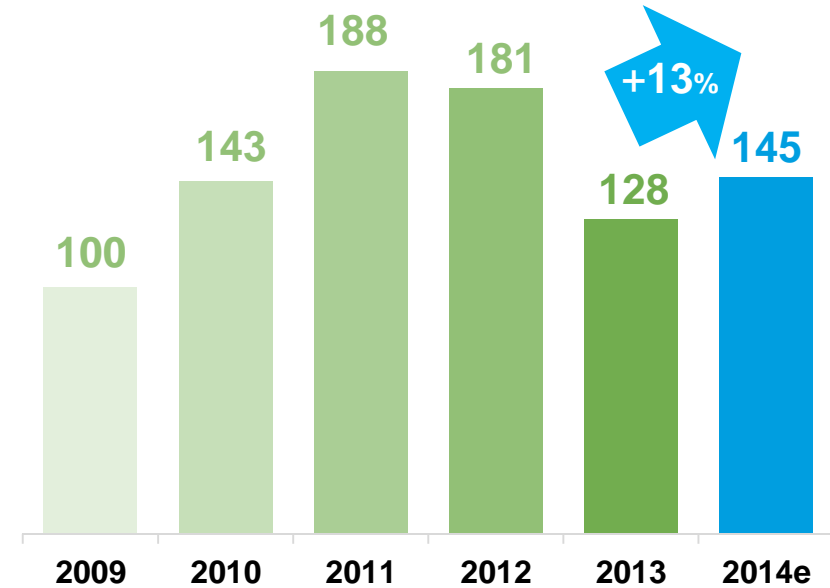
Uneven Earthmover markets



Earthmover markets (Base 100 in 2009, in tonnes)



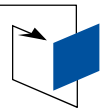
Mining



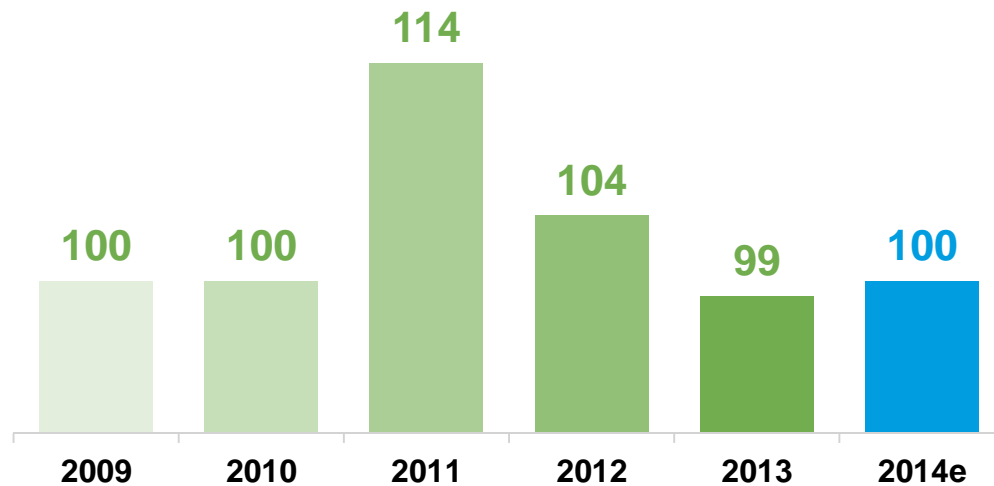
Infrastructure and original equipment (Europe and North America)



Agricultural: stable overall but robust demand for technical tires



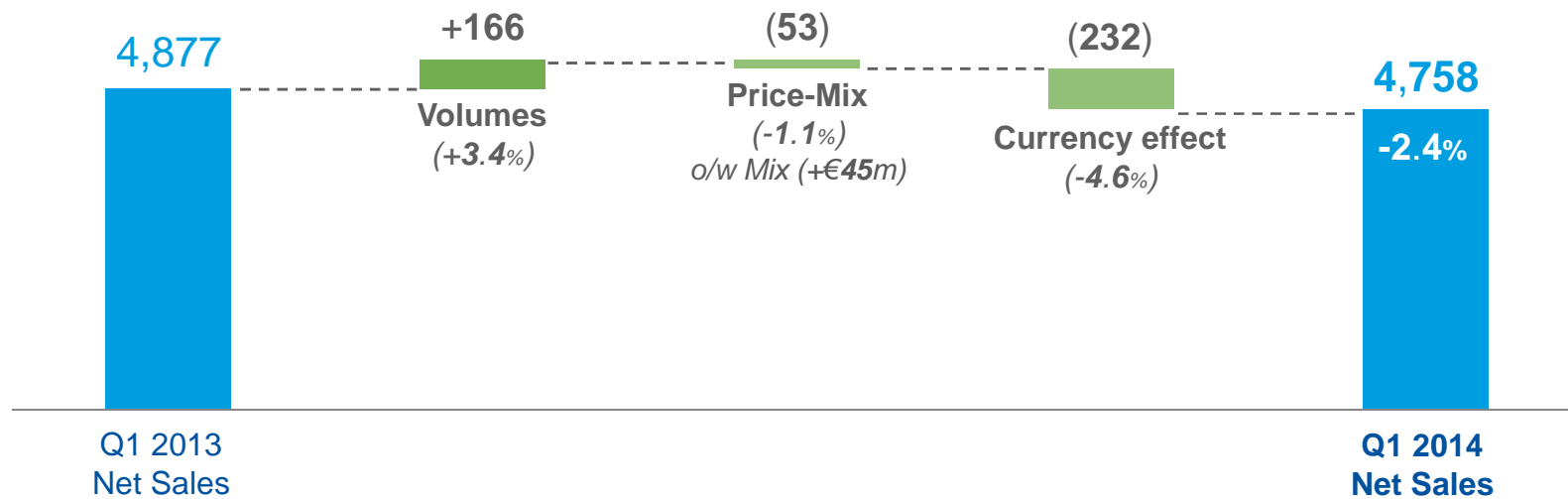
Agricultural tire markets - Europe and North America *(in number of tires, base 100 in 2009)*



Net sales up 2.5% at constant scope of consolidation and exchange rates



YoY change
(In € millions)



2014 GUIDANCE CONFIRMED



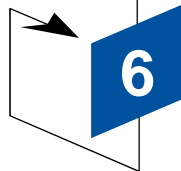
	2013	Guidance 2014	
Volumes	+ 0%	Increase in volumes of around 3%	confirmed
Impact of raw material price	+ €619m	Tailwind (due to the measurement of raw materials inventory at weighted average cost)	confirmed
Price / raw materials	+ €69m	Positive	confirmed
Competitiveness / production costs	+ €30m	Neutral	confirmed
Increase in SG&A expense	- €1m	Slightly higher	confirmed
Operating income before non-recurring items	€2,234m	Lifted by growth, excluding any currency effects	confirmed
Operating margin before non-recurring items – RS1	10.2%	Middle of the 10-12% range	confirmed
Operating margin before non-recurring items – RS2	7.8%	Top of the 7-9% range	confirmed
Operating margin before non-recurring items – RS3	20,6%	Bottom of the 20-24% range	confirmed
ROCE	11,9%	More than 11%	confirmed
CAPEX	€1,980m	Around €2,000m	confirmed
Structural free cash flow	€749m	More than €500m	confirmed





May 16, 2014

ANNUAL SHAREHOLDERS MEETING



2013 HIGHLIGHTS



Very strong free cash flow of €1,154m



In rising markets in the 2nd half after a low first-half

- ▶ **A very high €1,154m in free cash flow**, resulting from:
 - The Group's ability to structurally generate cash
 - The value creation target assigned to every unit
- ▶ **Fourth straight year of value creation**, with an ROCE of 11.9%
- ▶ **Net debt lowered to €142m**
- ▶ **Increase in payout to 35%** of net income before non-recurring items