

2016



**MICHELIN,  
A BETTER WAY  
FORWARD**



**MICHELIN**

*A better way forward*

## AN EXTENSIVE BRAND PORTFOLIO FOR ALL MARKET SEGMENTS

Michelin offers each customer the right performance  
at the right price to meet every need with:

a global premium brand: **MICHELIN**.

a primary brand dedicated to sports cars  
and SUVs: **BFGOODRICH**.

strong regional brands:

**UNIROYAL** in North America

**KLEBER** in Europe and **WARRIOR** in China.

market-leading national brands:

**KORMORAN, RIKEN, SIAMTYRE,**

**TAURUS, TIGAR...**



## MICHELIN, A KEY MOBILITY ENABLER



PASSENGER CAR  
& LIGHT TRUCK



TRUCK



TWO-WHEEL



EARTHMOVER



AGRICULTURAL



AIRCRAFT



MICHELIN TRAVEL  
PARTNER



MICHELIN LIFESTYLE

# HIGHLIGHTS OF THE MICHELIN GROUP

**A WORLD MAJOR**  
tire industry player:

**13.7%**  
market share

Tire Business September 2015. 2014 sales in dollars.

**A SALES NETWORK**  
covering:

**170**  
countries

## PRODUCTION SITES WITHIN THE MARKETS

**68**  
plants

**17**  
countries



2015 production

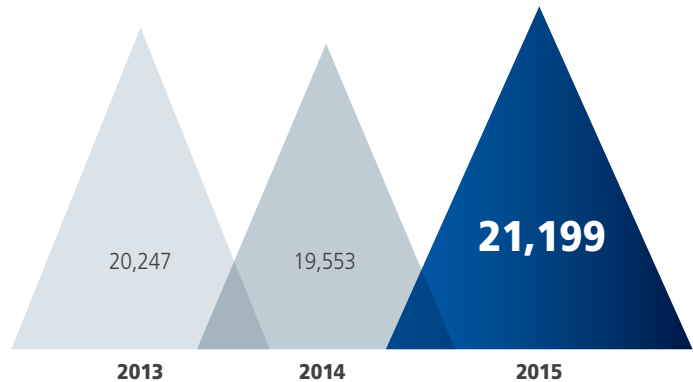
## HIGHLY-QUALIFIED STAFF

**111,700**  
employees of all backgrounds  
and cultures.

**6,000**  
persons in the global network  
of R&D sites.

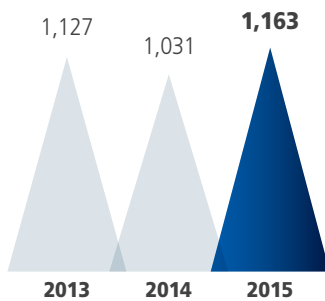
# KEY FIGURES

**Net sales**  
In EUR million  
**21,199**



## Net income Group share

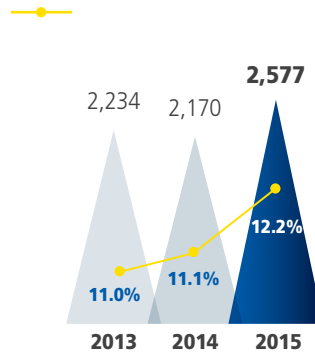
In EUR million



## Operating income<sup>(1)</sup>

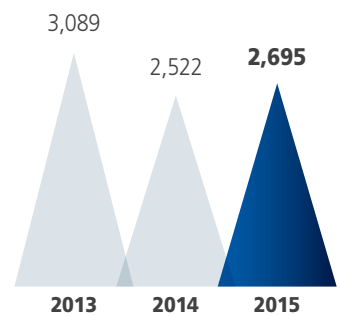
In EUR million

**Operating margin<sup>(1)</sup>**  
As a % of net sales



## Cash flow from operating activities

In EUR million



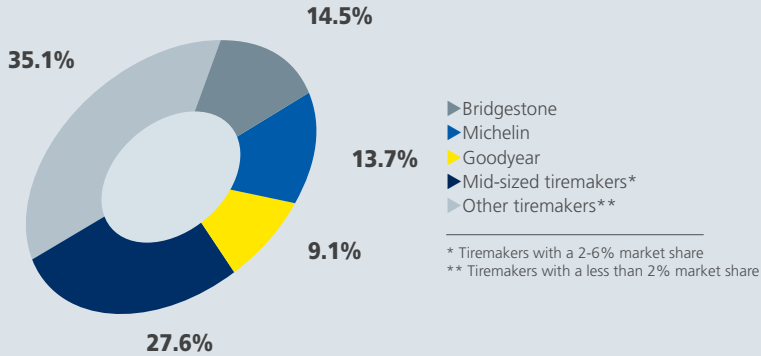
**€1,163<sup>MN</sup>**

**€2,577<sup>MN</sup>**

**€2,695<sup>MN</sup>**

(1) Before non-recurring items

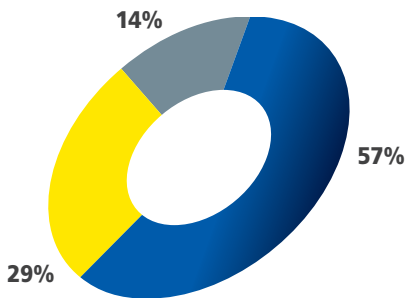
### WORLD MARKET BY MANUFACTURER



Tire Business September 2015. 2014 sales in dollars.

### 2015 net sales by business

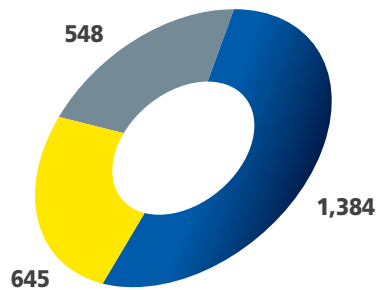
As a % of total in the chart,  
In EUR million and % 2015/2014 change below the chart



- ▶ **12,028 / +14.6%**  
Passenger Car and Light Truck & Related Distribution
- ▶ **6,229 / +2.4%**  
Truck & Related Distribution
- ▶ **2,949 / -1.0%**  
Specialty Businesses

### 2015 operating income<sup>(1)</sup> by business

In EUR million in the chart,  
As a % of net sales and 2015/2014 change in points below the chart



- ▶ **11.5% / +1.0 pt**  
Passenger Car and Light Truck & Related Distribution
- ▶ **10.4% / +2.3 pt**  
Truck & Related Distribution
- ▶ **18.6% / -0.7 pt**  
Specialty Businesses

(1) Before non-recurring items

# MICHELIN, ESTABLISHED CLOSE TO ITS CUSTOMERS

## 68 PLANTS IN 17 COUNTRIES

- ▶ Brazil
- ▶ Canada
- ▶ China
- ▶ France
- ▶ Germany
- ▶ Hungary
- ▶ India
- ▶ Italy
- ▶ Mexico
- ▶ Poland
- ▶ Romania
- ▶ Russia
- ▶ Serbia
- ▶ Spain
- ▶ Thailand
- ▶ United Kingdom
- ▶ United States

## A GLOBAL NETWORK OF R&D SITES

- ▶ Brazil
- ▶ China
- ▶ France
- ▶ India
- ▶ Japan
- ▶ Spain
- ▶ Switzerland
- ▶ Thailand
- ▶ United States

## RUBBER TREE FARMING

- ▶ Brazil



## ***OUR MISSION***

*TO MAKE A SUSTAINABLE CONTRIBUTION  
TO PROGRESS IN THE MOBILITY OF GOODS  
AND PEOPLE BY CONSTANTLY ENHANCING  
FREEDOM OF MOVEMENT, SAFETY, EFFICIENCY  
AND PLEASURE WHEN ON THE MOVE.*

## **THE MICHELIN TIRE** **A HIGHLY FUNCTIONAL STRUCTURE**

### **1 Tread**

A thick layer of rubber provides contact with the ground. It has to channel water away and last as long as possible.

### **2 Crown plies**

This double or triple reinforced belt has both vertical flexibility and high lateral rigidity. It provides the steering capacity.

### **3 Sidewalls**

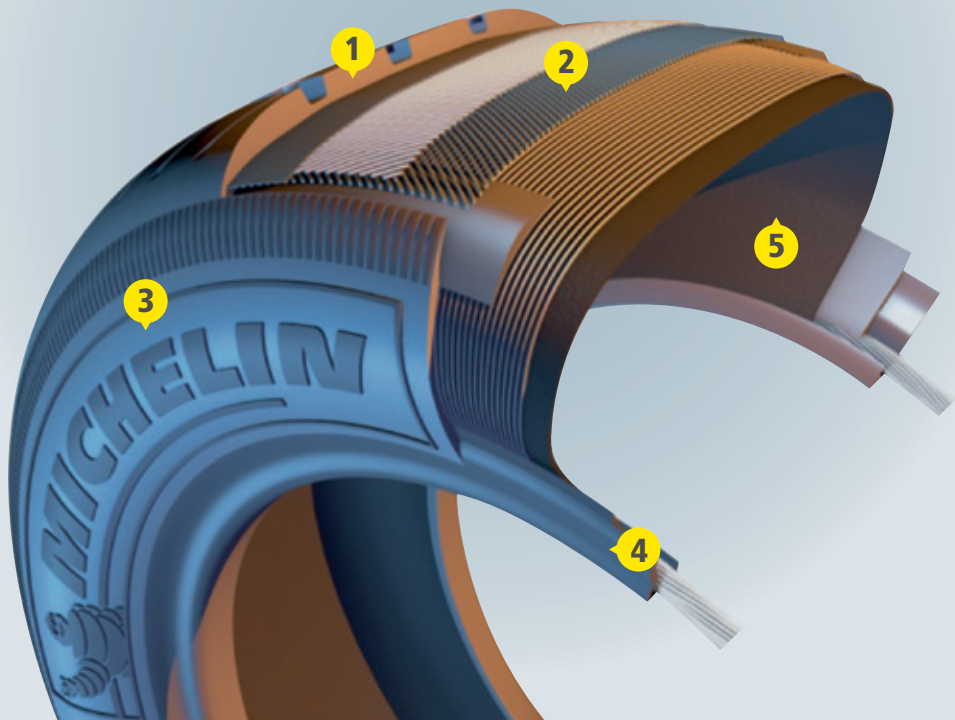
These cover and protect the textile casing whose role is to attach the tire tread to the wheel rim.

### **4 Bead area for attachment to the rim**

Its internal bead wire clamps the tire firmly against the wheel rim.

### **5 Inner liner**

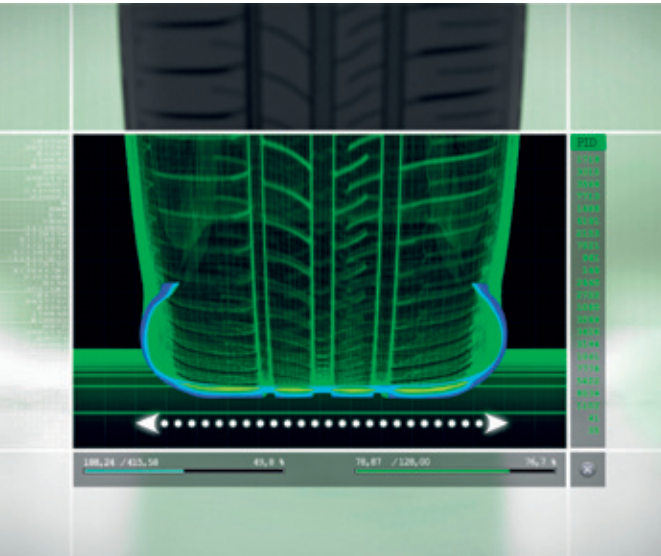
This makes the tire almost totally impermeable and maintains the correct inflation pressure.





*INNOVATION*  
**THE HEART OF WHAT  
 MAKES MICHELIN  
 DIFFERENT**

Customer-focused innovation has long been a Michelin growth driver and a powerful vector of differentiation. As the inventor of such giant technological leaps as the radial tire and the energy-efficient tire, we are focusing on the technological leadership of our products and services to meet the real needs of our customers. With 6,000 people on the world, an annual R&D budget of more than €600 million and a portfolio of more than 2,000 patent families, Michelin's capacity for innovation is unrivalled in the global tire industry.



*MICHELIN TOTAL PERFORMANCE*  
**ENHANCED PERFORMANCE  
 ACROSS THE BOARD**

Tires play several important roles. They carry the vehicle's weight, transfer braking and driving torque to the road, and guide the vehicle. To fulfill these roles, Michelin systematically aims for the best results in every area of tire performance, including safety, longevity and fuel efficiency. That's why MICHELIN Total Performance so effectively expresses this feature common to all MICHELIN tires, while also reflecting the success of the Group's strategy and guiding its research and development. Above all, MICHELIN Total Performance represents a commitment to quality for customers.





## GETTING EVERYONE INVOLVED WITH THE MICHELIN PERFORMANCE AND RESPONSIBILITY PROCESS

Performance and responsibility are the twin expressions of Michelin's sustainable development and social responsibility strategy. Impelled by its founders' vision, Michelin is dedicated to improving mobility through innovation and the quality of its products and services. In fulfilling this mission, we intend to act responsibly with regard to customers, employees and shareholders by addressing the challenges of sustainable economic, environmental and social development. With the launch, in 2011, of the innovative "Moving Forward Together" program, Michelin bases its employee relations on mutual respect and offers every employee opportunities to foster his or her personal and professional growth over time.

## MICHELIN CHALLENGE BIBENDUM

Since 1998, the Michelin Challenge Bibendum has been dedicated to promoting and sharing current and emerging solutions that enhance mobility. As the only event that brings together vehicle manufacturers, OEMs, energy engineers, research scientists and government authorities, the Challenge acts as a truly global summit on sustainable mobility. It enables participants to compare the latest generation technologies and exchange views on the future of mobility, which will be widely available, clean, safe and connected.



Fostering a better life  
through sustainable mobility



# MICHELIN WINNER IN ALL CATEGORIES



## **FORMULA E**

Michelin is the official tire supplier of the electric cars Championship.

## **AT THE END OF 2015**

### **LE MANS 24-HOUR RACE**

18 consecutive years of victories.

### **ENDURANCE**

Michelin won the WEC championship for the fourth time since its creation four years ago, this time alongside Porsche.

### **RALLYE WRC**

23<sup>rd</sup> Drivers' title in the World Rally Championship and 25<sup>th</sup> Manufacturers' title (with Volkswagen).

### **PARIS-DAKAR**

Since the beginning of the event, the Michelin Group has equipped the winners in all the categories car, motorbike and truck.

### **SUPERMOTO**

World champion (TM).

### **ENDURO**

World Champion title in E2 and Junior categories.

### **TRIAL**

9<sup>th</sup> World Champion Indoor and Outdoor consecutive titles.



◀ LAUNCH OF MICHELIN CROSSCLIMATE TIRE.

**2015**

**2014**

▶ LAUNCH OF MICHELIN PREMIER® A/S IN THE US.



THREE NEW MAJOR PLANTS OPEN IN BRASIL, CHINA AND INDIA.

**2013**

**2012**

▶ JEAN-DOMINIQUE SENARD BECOMES MANAGING PARTNER OF THE MICHELIN GROUP.



MICHEL ROLLIER BECOMES A JOINT MANAGING PARTNER.

**2005**

**2003**

MICHELIN XEOBIB, THE FIRST AGRICULTURAL TIRE TO RUN AT A CONSTANT LOW PRESSURE.



◀ MICHELIN DEVELOPS THE WORLD'S LARGEST EARTHMOVER TIRE. VIAMICHELIN LAUNCHED.

**2001**

**1992**

THE MARKETING OF THE FIRST LOW ROLLING RESISTANCE TIRE WILL LEAD TO THE DEVELOPMENT OF THE MICHELIN ENERGY™ TIRE LINE IN 1994.

**1991**

◀ FRANÇOIS MICHELIN APPOINTS HIS SON EDOUARD MICHELIN AS JOINT MANAGING PARTNER.



**1984**

LAUNCH OF THE FIRST RADIAL TIRES FOR MOTORCYCLES, MARKETED IN 1987.

**1981**

THE FIRST RADIAL TIRE FOR AIRCRAFT, MICHELIN AIR X, IS DEVELOPED.

WITH FERRARI, THE MICHELIN RADIAL TIRE WINS THE WORLD CHAMPIONSHIP IN FORMULA 1 RACING.

**1979**

**1965**

▶ INAUGURATION OF THE LADOUX RESEARCH AND TESTING CENTER IN CLERMONT-FERRAND (FRANCE). TESTING CENTERS IN LAURENS, SOUTH CAROLINA (USA) AND ALMERIA (SPAIN) WILL FOLLOW IN 1977.



MICHELIN LAUNCHES THE FIRST RADIAL TIRE FOR EARTHMOVER EQUIPMENT.

**1959**

◀ FRANÇOIS MICHELIN BECOMES A MANAGING PARTNER IN THE COMPANY.



**1955**

MICHELIN ADAPTS RADIAL TECHNOLOGY TO TRUCK TIRES.

**1952**

**1946**

▶ MICHELIN FILED A REVOLUTIONARY PATENT FOR RADIAL TIRES.



INTRODUCTION OF "MICHELIN METALIC" THE FIRST EVER TIRE WITH A STEEL CASING. EDOUARD MICHELIN APPOINTS ROBERT PUISEUX AND PIERRE BOULANGER JOINT MANAGING PARTNERS.

**1938**

**1935**

MICHELIN ACQUIRED A MAJORITY STAKE IN CITROEN, AND RETAINED IT UNTIL 1975.

**1929**

MICHELIN INVENTS THE "MICHELINE" AND THE TRAIN TIRE. FIRST RELEASE OF THE TOURIST GUIDE.



◀ MICHELIN TAKES PART IN THE WAR EFFORT BY BUILDING 2,500 BREGUET AIRCRAFT.

**1914**

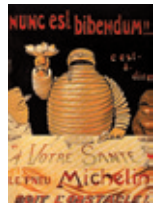
**1900**

▶ THE FIRST MICHELIN GUIDE IS PUBLISHED.



**1898**

▶ BIRTH OF BIBENDUM, THE MICHELIN MAN.



MICHELIN FITS THE FIRST AUTOMOBILE WITH PNEUMATIC TIRES: THE ECLAIR.

**1895**

◀ MICHELIN DEVELOPS THE DETACHABLE TIRE FOR BICYCLES.



**1891**

**1889**

EDOUARD MICHELIN BECOMES MANAGER OF THE COMPANY RENAMED "MICHELIN ET CIE".

**1832**

ARISTIDE BARBIER AND EDOUARD DAUBRÉE OPEN IN CLERMONT-FERRAND A FACTORY FOR FARMING EQUIPMENT AND RUBBER ITEMS.