



2010 Operating Highlights

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Strategy - Partnerships - Acquisitions

"The Right Tire Changes Everything"

Launched in the United States in late 2009, the first Michelin global advertising campaign made a highly publicized debut in Europe, China and the rest of the world in 2010. The campaign, whose slogan is "The right tire changes everything," features Bibendum, the celebrated Michelin Man, who demonstrates the competitive advantages of MICHELIN tires: increased grip while braking, longer tread life and improved fuel efficiency. The campaign is also being spread across the Internet using viral marketing techniques.



Michelin Booth at 2010 Paris Auto Show Showcased Global Ad Campaign

At the 2010 Paris Auto Show, which this year focused on sustainable mobility solutions, the Michelin booth showcased the global ad campaign, with an innovative set design and 3-D animations to educate visitors that the right tire changes everything.

The booth was organized around the "balanced performance" of safety, durability and fuel efficiency delivered by MICHELIN tires, with special effects raising the impact of visuals from the associated advertisements.

The booth also displayed a selection of "GREEN X" labeled passenger car tires, including the recently launched MICHELIN Pilot Sport 3 and MICHELIN Alpin 4.



Michelin at the 2010 Detroit International Auto Show

Environmentally friendly automobile concepts of the future were showcased at the 22nd Detroit International Auto Show in January. True to its commitment to innovation, Michelin presented tires specially designed for hybrid vehicles and other products integrating "green" technologies, such as its low rolling resistance tires and the motorized Michelin Active Wheel.

Michelin Enjoys the Best Reputation Among France's CAC40 Stocks

A survey conducted in France in January and February 2010 by the US-based *Reputation Institute* in partnership with consulting firm *i&e* showed that Michelin enjoys the best reputation among the companies included in France's benchmark CAC40 stock index. More than 2,200 people were polled, including customers, suppliers, employees and shareholders.

The ranking was based on seven criteria: products and services, governance, corporate citizenship, employment, innovation, leadership and performance.

Michelin Expands in Southeast Asia

A subsidiary has been set up in Vietnam to strengthen Michelin's presence in the local market and support enhanced mobility. The new unit's 22 employees will focus on expanding the Group's product and service portfolio in line with the country's economic growth and the development of infrastructure that promotes the wider use of radial tires.

Tire Performance Evaluation System Introduced in Japan

In February 2010, the Japanese tire manufacturers association (JATMA) published directives concerning fuel-efficient tires. The initiative, which involves measuring rolling resistance and braking distances, represents the first step in a gradual process that will ultimately cover all tires sold in Japan.



The 28 sizes in the premium MICHELIN Primacy LC car tire range and the 20 sizes in the safe, energy-efficient MICHELIN Energy™ Saver lineup are rated as fuel-efficient tires.

Thanks to an energy-efficiency labeling system, consumers can easily identify and choose tires that help to reduce fuel consumption.

Dealerships: Sustained Expansion of the Euromaster Franchise Program and TyrePlus Network

After being successfully launched in France, Poland and the Czech Republic, the Euromaster franchise program has now been extended to Germany, Italy and Spain. By joining the network of 1,700 Euromaster service centers in Europe, the new franchised units will strengthen Euromaster's position as the region's leading retailer of tires and related services.

The TyrePlus network now comprises more than 900 outlets in nine countries, with franchised units in China and Mexico, as well as in India, Thailand, Malaysia, Australia, the Arab Gulf, Russia and Taiwan.

Michelin and Rodi Agree to Form Alliance in the Catalonia-Aragon region

Michelin Spain and Rodi, a leading tire dealer in the Catalonia-Aragon region, have signed an agreement to form an alliance in the region.

The partnership would involve capital and marketing ties, in particular through a cooperation agreement between Rodi and Euromaster, Michelin's tire retailing subsidiary. Under the agreement, Rodi would continue to operate in Catalonia-Aragon under its current tradename, enhanced with the label, "Member of the Euromaster Network." In addition, Michelin will acquire a 20% interest in Rodi.

Cooperation Agreement Signed with Taqui Pneu and Equity Stake Acquired in the Company

In February, Michelin signed a cooperation agreement with French tire dealer Taqui Pneu, which has enjoyed fast growth over the past three years, and acquired a minority stake in the company. Michelin will support Taqui Pneu's development by sharing its understanding of the French market while respecting its partner's independence.

Products - Services - Innovations

PASSENGER CAR AND LIGHT TRUCK TIRES AND RELATED DISTRIBUTION

MICHELIN Alpin 4 Takes Top Score in ADAC Test and Earns Highest 3-Star Rating

Launched in 2010, the fourth-generation MICHELIN Alpin was tested in September by German auto club ADAC (Allgemeiner Deutscher Automobil Club), which awarded the tire its highest rating of 3 stars, or "highly recommendable". The MICHELIN Alpin 4 also outperformed all of the 12 other tires tested, earning the top score.

The comparative test of 17" tires was carried out by ADAC, Europe's largest auto club, in partnership with its Austrian and Swiss counterparts, Österreichischer Automobil Motorrad und Touring Club (ÖAMTC) and Touring Club Suisse (TCS).

In addition, the Danish and Dutch auto clubs (FDM and ANWB) also gave the new MICHELIN Alpin 4 their highest ratings, of respectively 5 and 4 stars.

The MICHELIN Alpin 4 delivers an unrivaled balance of grip, tread life and energy efficiency performance in all types of winter driving conditions, including rain, snow and ice.



On-road, Environmental and Technological Performance: a Winning Trio with the New MICHELIN Pilot Sport 3

In early February 2010, the Group introduced the MICHELIN Pilot Sport 3, a new sports car tire that features exceptional grip. On wet surfaces, it holds the road better on corners and stops three meters shorter⁽¹⁾ than its predecessor, the reigning benchmark sports tire⁽²⁾. In addition to offering enhanced driving sensations, the tire also delivers more accurate steering as well as two new performance features - greater fuel efficiency and longer total mileage.



(1) Test performed in 2009 by independent technical services firm TÜV SÜD Automotive on size 245/40 ZR 18 Y tires.

(2) The MICHELIN Pilot Sport certified for use on more than 200 models.

MICHELIN Pilot Super Sport: The Essence of High Performance

The MICHELIN Pilot Super Sport, the world's fastest series-produced tire on the racetrack⁽¹⁾, will be launched worldwide beginning in January 2011.

Designed for the sportiest series-produced cars as well as for vehicles specially tuned for ultra-high performance, the new tire integrates the full range of expertise developed by Michelin in the leading international endurance races, and in particular the 24 Hours of Le Mans.

The MICHELIN Pilot Super Sport was designed to accomplish one purpose: deliver the ultimate driving experience while ensuring maximum safety even in extreme conditions of use. This outstanding combination of driving enjoyment and safety performance proved decisive in the product development phases conducted with Porsche, BMW M (the carmaker's sports division) and Ferrari.

(1) The tire recorded the fastest lap time against its five leading competitors in a dry-circuit test conducted in 2010 by TÜV SÜD Automotive, an independent organization, using 245/40 ZR 18 Y and 235/35 ZR 19 Y tires.

2,396 Exceptional New MICHELIN Tires For the Equally Exceptional Ferrari 599 GTO



The new Ferrari 599 GTO will have a production run of just 599 vehicles, all of them equipped with new MICHELIN super sport tires specially designed for the model. Michelin partnered with the Italian sports car manufacturer to co-develop the unique tires in a record time of just 18 months.

To enable the Ferrari 599 GTO to achieve its full performance potential, the tires had to strike a balance, delivering optimal track handling and superior safety.

On July 14, during the annual Podio Ferrari awards ceremony, Michelin was presented with the Technology Award for its outstanding contribution to the performance of the 599 GTO and, more generally, to the development of the latest Ferrari GT models, such as the California and 458 Italia that also run on MICHELIN tires. The award recognized Michelin's level of excellence in the field of very high performance tires, with products from the new MICHELIN Pilot Super Sport range.

A World Excellence Award from Ford

Ford Motor Company has recognized Michelin with a World Excellence Award for having developed "new consumer-focused technologies." Every year, Ford presents the award to 40 of its leading suppliers who exceed its quality, cost and delivery standards.

This year's award was received for the technologies developed on the MICHELIN Energy™ Saver tire. Fitted on the Ford Fusion, it improves the car's rolling resistance by 24% versus a traditional fitment.

A Supplier Quality Award from Renault

On October 4, Michelin was presented with a Renault Supplier Quality Award in recognition of the Group's quality performance, particularly its ability to consistently deliver superior quality products, both in Europe and around the world. The Award clearly demonstrates Michelin's commitment to meeting the highest standards of quality.



Products - Services - Innovations

TRUCK TIRES AND RELATED DISTRIBUTION

Delivering Balanced Performance to Meet the Needs of the Trucking Industry

With the presentation of its extended MICHELIN X[®] ENERGY[™] SAVERGREEN lineup at the 63rd IAA Commercial Vehicles Show, held in Hanover on September 23 to 30, Michelin unveiled its latest truck tire innovation: the first comprehensive solution that reduces fuel consumption by 1.7 liters per 100 km compared with the average of the other major tire brands⁽¹⁾, while also meeting the other fundamental expectations of European trucking companies.

The MICHELIN X[®] ENERGY[™] SAVERGREEN range now includes new trailer tires, so that for the first time, Michelin is offering a single line-up of tires capable of equipping all five truck axles.

For Michelin, the challenge is to simultaneously improve performance in several areas. Unrivalled anywhere else on the market, this balance of performance factors is critical in an industry that is constantly looking for solutions to improve safety, reduce costs and shrink its environmental footprint.

(1) Compared with the average of its main competitors. Based on motorway tests conducted in July 2010 by TÜV SÜD Automotive with new 315/80 R 22.5 MICHELIN X[®] ENERGY[™] SAVERGREEN XZ and XD tires and 385/65 R 22.5 MICHELIN X[®] ENERGY[™] SAVERGREEN XT tires.

Sales of MICHELIN X One Super Singles Top One Million

Sales of the MICHELIN X One truck tire have passed the important one-million mark, as more and more customers choose the tire for its lighter weight and greater fuel efficiency.

Since 2000, X One tires have enabled truck fleet owners to cut their fuel bills by up to 10%, saving more than 238 million liters and avoiding the emission of 639,000 tonnes of CO₂. This means that a fleet of 1,000 trucks fitted with X One tires would reduce its carbon footprint by up to 17,000 tonnes a year, the equivalent of taking 3,400 cars off the road.

In early 2010, Michelin North America launched the latest-generation MICHELIN X One XDA Energy[™] Super Single drive tire. According to a study in real conditions of use by an independent organization, the MICHELIN X One XDA Energy[™] helps to reduce fuel consumption by at least 7% compared with the most fuel-efficient competing dual-mount tires.



Michelin North America's Truck Tire Division Wins Award

At its annual conference, the American Trucking Associations (ATA) organization recently presented Michelin North America's Truck tire division with its best industry supplier award.

The award, which recognizes companies that creatively generate positive awareness of the trucking industry, celebrated the various Michelin initiatives underway in North America, including participation in the ATA Share the Road safety program, leadership of the North American Council for Freight Efficiency and leadership of the ATA Technology and Maintenance Council.

"We are pleased to recognize Michelin North America," said ATA President and CEO Bill Graves. "Michelin's efforts in enhancing and promoting the positive image of the trucking industry are significant."

Michelin China Offers Retread Capabilities for 12 New Tire Models, to Improve Energy Efficiency and Environmental Performance

In first-half 2010, Michelin began providing retread services for 12 new MICHELIN Truck tire models for all wheel positions and axles. The services will offer Chinese truck and bus tire users innovative solutions combining cost efficiency, safety and reliability. In addition, by extending tire life, retreading helps to lower energy costs and reduce the use of raw materials.

A Japanese Law Boosts the Four Lives of MICHELIN Truck Tires

Regrooving, which consists in renewing a tire's original tread, is one of the stages in a tire's four lives. In Japan, this stage is now considered as an environmentally friendly service under the Law on Promoting Green Purchasing

Michelin is the only tiremaker offering regroovable truck tires in the Japanese market. The legislative recognition will help to stimulate demand for the regrooving service, thereby developing a new market for MICHELIN truck tires.



Products - Services - Innovations

SPECIALTY BUSINESSES

Earthmover Tires

MICHELIN X-TRACTION, a New Solution to Improve Worksite Productivity

The new MICHELIN X-TRACTION line was unveiled at the 29th Bauma International Trade Fair, held at the New Munich Trade Fair Centre from April 19 to 24. The new tire was developed to improve the productivity of rigid dump trucks, which are used in quarries and on infrastructure worksites. Lighter than competing tires, it also integrates two complementary technologies: the new "Cooling System" shoulder design and the "C² Technology" casing architecture, which together reduce heat build-up, thereby enabling trucks to operate continuously at higher speeds. The MICHELIN X-TRACTION is the latest expression of Michelin's commitment to innovation in the Earthmover segment, designed to deliver lighter and stronger tires that also improve fuel efficiency and environmental performance.



Michelin Named Komatsu Preferred Partner

On May 7, Komatsu Ltd. awarded Michelin its 2009 Grand Partner Award. Tokyo-based Komatsu is the world's second largest manufacturer of construction and mining equipment, and a market leader in a number of segments. The award, which was given to a non-Japanese company for the first time, was presented by Komatsu chairman Kunio Noji before an audience of 600 company executives and representatives of its leading suppliers.

Agricultural Tires

Enhancing Agricultural Tire Performance with MICHELIN UltraFlex Technology

During the summer 2010, the Agricultural Tire Product Line launched two new products, the MICHELIN CerexBib for harvesters and the MICHELIN SprayBib for row-crop sprayers. Both incorporate the innovative MICHELIN UltraFlex technology, which is encouraging farm machinery manufacturers to fit MICHELIN agricultural tires as original equipment. Michelin's patented UltraFlex technology, which features a new casing profile with a larger sidewall flexing area, means that the Group can offer agricultural tires capable of carrying heavier heavy loads, without compromising endurance and tread life. This in turn delivers such major benefits as soil protection, time-savings, fuel efficiency and a better ride.



JCB Chooses MICHELIN Power CL

Construction equipment manufacturer JCB has chosen the MICHELIN Power CL as an OE tire on its latest 2CX, 3CX and 4CX backhoe loaders. This is in addition to the MICHELIN XMCL, which is already the OE radial option.

The MICHELIN Power CL was selected following extensive development testing at JCB's world headquarters in Rocester, UK, which put the tires through a series of severe tests to ensure they could cope with the rigors of life on and off the road. The tire features a damage-resistant tread with a robust, closely spaced central lug pattern that minimizes punctures, and a rubber compound that reduces tearing in harsh conditions.

New Strategic Partnership with CLAAS

Following on from the cooperation agreement signed with AGCO in July 2009, Michelin pursued its commitment to partnering with key market participants in 2010, signing a three-year agreement with CLAAS on April 1. CLAAS is a leading manufacturer of agricultural machines, with a strong position in combine harvesters. The partnership is enabling both companies to enhance their cooperation, as Michelin, the agricultural tire market's technology leader, supports CLAAS in its strategy of driving new growth in both the harvester and high-powered tractor segments. In January, CLAAS named Michelin "Supplier of the Year" in the innovation category. 250 suppliers were in the running for the distinction.

A New MICHELIN MegaXBib for Mega-Harvesters

In October, Michelin introduced worldwide its new 800/70R32 size MICHELIN MegaXBib harvester tire, designed for today's biggest, heaviest harvesting machines. The new size carries a 181 A8/B load rating, the highest of any tire made using conventional technology. Moreover, the tire is exceptionally robust thanks to its exclusive metal crown plies. Michelin technicians also redesigned the MegaXBib's tread and shoulders to reduce stubble damage caused either by piercing (corn stalks) or by erosion (soybeans and sunflowers).

The launch of the new 800/70R32 MICHELIN MegaXBib with its 181 A8/B load rating is in line with the Group's strategy of helping equipment manufacturers and farmers enhance productivity and lower farm operating costs.



Two-Wheel Tires

MICHELIN Power Pure, the two-compound sport motorcycle tire that delivers unrivalled handling

A new era in motorcycle tire design is now underway with the MICHELIN Power Pure, which delivers exceptionally agile handling and driving excitement, thanks to its MICHELIN Light-Tire Technology (LTT) and its racing-inspired architecture, materials and tread design. It also provides superior safety through the latest-generation of MICHELIN two-compound technology (2CT), which extends the soft layer of rubber on the tire shoulder to ensure excellent traction when the bike begins to lean.



Michelin City Grip: Maintains Scooter Control, Even on Rain-Slick Roads

The new MICHELIN City Grip alleviates the main concern of scooter drivers, which is the fear of losing grip on wet surfaces. To enable them to take advantage of their scooters in any weather, Michelin has designed the first scooter tire that integrates MICHELIN Progressive Sipe Technology (PST). The MICHELIN City Grip features an innovative progressive tread pattern that enables the tire to deliver superior grip and tread life, thereby ensuring both safety and cost-savings.

In an unprecedented achievement, when the new MICHELIN City Grip went on sale in early 2010, it had already been certified for use on almost all of the scooters sold in Europe.



The MICHELIN Protek Max Self-Sealing Inner Tube

The new MICHELIN Protek Max inner tube for city and mountain bikes seals itself after a puncture, considerably reduces pressure loss when the bike is not in use and is incredibly easy to mount. In this way, it responds to bike users' three top priorities. Market launch is scheduled for first-half 2011.

MICHELIN Wild: A New Approach to Mountain Bike Riding

With millions of riders around the world, mountain biking is an increasingly specialized, demanding discipline. In response to mountain biker expectations, Michelin has optimized and streamlined its offering with a single range - MICHELIN Wild - comprising three complementary models for different types of terrain: MICHELIN WildRace'R for hardpack, MICHELIN WildGrip'R for mixed terrain and MICHELIN WildRock'R for extreme terrain.

A fourth tire - the MICHELIN WildRun'R - was created for on-road training during the winter.



Aircraft Tires

New Contracts for MICHELIN Aircraft Tires

In July, two long-term contracts were signed with Air France and KLM. In all, MICHELIN tires will be fitted on nearly 425 aircraft operated both by the Air France-KLM Group and by other airlines for which Air France and KLM provide maintenance services. These contracts are invoiced on a per-landing basis. Michelin's end-to-end solution, based on the quality of its products and of its innovative services, played a decisive role in the signing of this long-term agreement.

MICHELIN Tires Certified For the Airbus A350 XWB

Michelin has been selected to develop and supply MICHELIN Air X NZG (Near Zero Growth) radial tires for the landing gear of the new Airbus A350 XWB wide-body jetliner. Airbus reached the decision following a rigorous selection process that recognized the properties of MICHELIN's NZG technology tires and the quality of its organization. To meet the demands of Airbus and the two companies' common customers, Michelin had to meet a number of challenges, including fast time-to-market, maturity at first test flight, lower aircraft operating costs and a smaller environmental footprint.



MICHELIN Aircraft Tires Make Further Inroads With Aircraft Manufacturers and Airlines

In 2010, Michelin scored a number of successes with its aircraft tires. It was:

- Named the sole tire supplier on the assembly line for the Bombardier CSeries family and chosen by Fly Dubai to equip its Boeing 737 NG fleet and by Air France and KLM to equip all of their commercial aircraft.
- Selected by Turkish Airlines, as well as by Russia's Sukhoi to supply original equipment tires exclusively for its regional jets.
- Certified by Embraer for its E-170/175 family of airliners, with the goal of reducing total operator costs by 15% compared with the current market offering.
- Selected as the exclusive supplier of original-equipment and replacement tires for the Comac C919, China's first commercial airliner.
- Certified as exclusive supplier of nylon radial tires for Eurofighter Typhoon Tranche 2 aircraft.
- Chosen by Cessna as exclusive supplier of original equipment tires for its single-engine aircraft.

Driving this success is the superior performance of MICHELIN's radial aircraft tires, especially those that integrate NZG technology. By considerably reducing the tire's weight and enabling it to make up to twice as many landings as a conventional tire, NZG lowers maintenance costs and fuel consumption. This combined performance results in a smaller environmental footprint, as seen in the corresponding reductions in both carbon emissions and the amount of raw materials used.

U.S Navy Extends Michelin Supply Contract

The U.S. Navy has exercised a second five-year option to extend its tire supply contract with Michelin. The contract term began in Jan. 2000 and includes supply of 100 percent of the Navy's aircraft tires around the world, including deployed aircraft carriers.

Michelin's management of the Navy's tire performance-based logistics (PBL) program has eliminated backorders, reduced the Navy wholesale tire inventory, and reduced retail allowances by two-thirds, worth nearly \$2 million. Michelin has also reduced logistics response times resulting in 99 percent on-time delivery anywhere in the world in four days or less.

Michelin also has a similar contract with the Defense Logistics Agency, known as the Aircraft Tire Privatization (ATPI), to supply aircraft tires to the US Air force, the US Army, and some allied foreign militaries.

MICHELIN Maps and Guides; ViaMichelin

The New MICHELIN Travel Solution

Michelin has introduced a new version of the MICHELIN Green Guide collection for tourists and its digital complement, the new travel section on the ViaMichelin website (www.travel.viamichelin.com). The new solution enables all types of travelers to plan, undertake and thoroughly enjoy their trip, anywhere around the world.

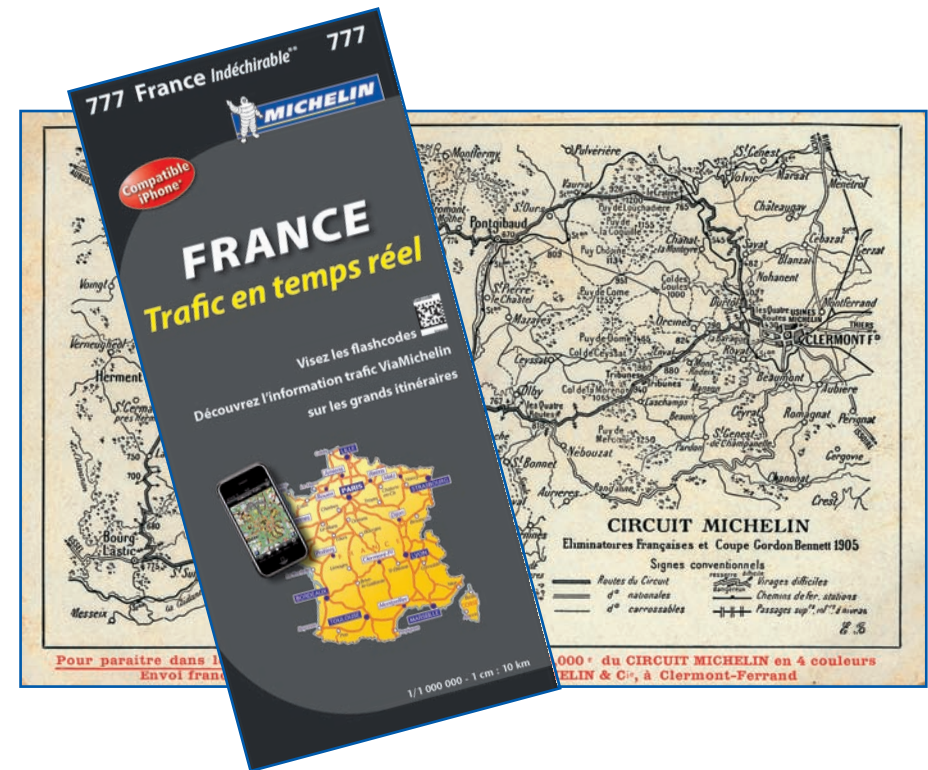
ViaMichelin Voyage offers the MICHELIN Green Guide selection of tourist sites and a wide range of services, such as the creation of a personalized travel guide and the ability to book a hotel, buy an airline ticket. It is available in five languages and covers more than 90 countries.

With the addition of eight new guides - New York, Turkey, Rajasthan, Vietnam, Mauritius (including Rodrigues Island), Guadeloupe, Martinique and Réunion - Michelin has expanded its MICHELIN Green Guide tourist guide collection to include new destinations around the world as part of the series revamping project that began in February 2010. The eight new titles will feature the collection's new layout as well as more practical organizational scheme that divides each destination into micro-regions.



2010: 100 Years of Michelin Mapmaking

One hundred years after publishing its first map, Michelin is still pursuing its mission of enhancing mobility with the release of its first interactive road map, which shows real-time traffic information for motorists in France. The new product has shown that paper maps can co-exist with digital input by integrating 22 new-generation barcodes into the paper version. In this way, iPhone users can access ViaMichelin traffic information simply by taking a picture of the barcode corresponding to the region of their choice.



First-Ever Michelin Guide Chicago Showcases Chicago as a World-Class Dining Destination

Introduced after two years of rigorous research by Michelin's team of anonymous American inspectors, the new MICHELIN Guide Chicago 2011 showcases the city's finest restaurants and hotels. Chicago joins New York and San Francisco as the only American cities with an annual MICHELIN Guide.



Innovative iPhone apps

With its expanded catalogue, ViaMichelin now offers 26 applications in a wide range of areas, including Michelin Guides restaurants, a hotel booking service, real-time traffic information in France⁽¹⁾ and the United Kingdom, travel guides and the Tourism and Gastronomy magazine.

(1) Also available on iPad.

Michelin Lifestyle

MICHELIN Easy Grip Snowchain Voted Product of the Year 2010 in France

The MICHELIN Easy Grip composite snow chain has been voted Product of the Year 2010 in France, in the Marketing Innovation category. The prestigious award was based on the results of an independent survey of 10,000 representative French households.



Michelin Lifestyle Celebrates 10th Anniversary

Michelin Lifestyle celebrated its 10th anniversary in 2010, as it continued to drive strong growth in business with the launch of new products in new markets. In particular, automotive accessories were introduced in Malaysia and Thailand, while new technical agreements were announced in sports footwear, with Kelme for futsal (indoor football) boots and Kempa for handball shoes.

Michelin Performance and Responsibility

Michelin Pledges to Support UN Global Compact

Michelin wanted to support the Global Compact in order to promote its Michelin Performance and Responsibility process, which already informs everything the company does. In turn, this process is underpinned by the Michelin Performance and Responsibility Charter published in 2002 and reaffirmed at the International Bib Forum in October 2010. It addresses the Global Compact's ten principles through a holistic vision of the way the company intends to lead its sustainable development strategy. Launched by the United Nations in July 2000, the Global Compact asks companies to embrace, support and enact, within their sphere of influence, ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. This support demonstrates the commitment of participating businesses to embed responsible, sustainable practices into their strategy and corporate policies.

10th Michelin Challenge Bibendum Held in Rio de Janeiro

The 10th Michelin Challenge Bibendum was held this year in Rio de Janeiro, Brazil, from May 30 to June 3. Luiz Inácio Lula da Silva, President of Brazil attended the

official opening ceremony.

Nearly 80 vehicles participated in the Rally, as well as in the acceleration, noise and handling tests that effectively showed how very little CO₂ is emitted by EVs and vehicles burning certain types of biofuels.

During the five-day event, the nearly 6,000 guests and participants had the opportunity to talk with each other, meet the international sustainable mobility experts in attendance, participate in some of the many road tests of the nearly 150 vehicles entered this year, take part in theme discussions and the Michelin Challenge Bibendum Forum and visit the Technology Exhibition Center.



A new event this year was the Eco-Driving Challenge, in which three of the partner carmakers - Fiat, Mercedes do Brasil and PSA Peugeot Citroën - each supplied identical cars to different, more or less experienced drivers, who then tried to run a course using as little fuel as possible. The race proved that driving practices play a critical role in a car's fuel efficiency, as the competitors once again demonstrated that the right driving habits can significantly reduce fuel costs and carbon emissions. To find out more, please visit www.michelinchallengebibendum.com.

Michelin Main Sponsor of the French Pavilion at Expo 2010 Shanghai

Michelin was the main sponsor of the French Pavilion at Expo 2010 Shanghai, which ran from May 1 to October 31, 2010. The Expo's theme - "Better City, Better Life" - resonated deeply with the MICHELIN brand signature "A Better Way Forward," which expresses the Group's commitment to making road mobility safer, better and more respectful of people and the environment.

To help international visitors get around during Expo 2010, Michelin also published a new guide to Shanghai in English.

Environmental Awareness Campaign Successfully Concluded in China

The "Turn Your Journey Green" environmental awareness campaign was successfully completed in Shanghai in January 2010. The campaign was launched on July 31, 2009 in Beijing, shortly before Michelin's "Turn Your Journey Green" environmental mini-site came on-line. Over the course of the campaign, a large number of visitors used the carbon calculator to measure the environment impact of their day-to-day travels. To offset their carbon footprint, calculated on the basis of their inputted data, Michelin planted a forest in Menghai County (Yunnan Province) to function as a carbon sink.

Racing

2011 DAKAR RALLY: The Michelin Group on the podium's highest steps

The 33rd Dakar Rally, which took place in South America from December 30 to January 16, attracted more than 400 entries and saw MICHELIN tires take the spoils in both the motorbike and truck categories, while BFGoodrich runners monopolized the sharp end of the final leaderboard in the car category.

MICHELIN takes the spoils in both the motorbike and truck categories

In the motorbike category, the new MICHELIN Desert Race tires functioning with the Bib-Mousse run-flat system offered a 1-2 win to KTM and Michelin in the 450cc class. Last but by no means least, the truck category saw Michelin fill the top 10 places at the end of the two-week event with three different partner manufacturers (Kamaz, Man and Hino).

BFGoodrich® sweeps the car category

The car classification saw BFGoodrich® notch up the brand's 11th Dakar win, its third in a row with its partner Volkswagen.

The winner reported just one puncture over the 4,500+ kilometers of competitive action despite the notoriously rough and challenging stages, baked by the sun to temperatures of up to 50°C.

BFGoodrich® tires also monopolized the top 15 places overall and claimed victory in the T2 and two-wheel drive classes.

This cross-country competition stands out as a first class, full-scale proving ground for tires. The extreme conditions delivered by the Dakar allow new technologies to be put through their paces in a uniquely exacting environment and provide a laboratory that directly benefits the users.



New Outlook for Michelin in Rally Racing

The Fédération Internationale de l'Automobile (FIA) has accepted Michelin's application to supply tires for the World Rally Championship (WRC) beginning in 2011. Michelin's application was prompted by the FIA's decision to open the championship to more than one tire manufacturer and by the likelihood of a rule change.

Racing offers Michelin's teams the opportunity to validate their technological innovations in the most extreme conditions of use. These innovations will then be transferred to street tires, thereby helping to improve the performance balance and lower the environmental impact of Michelin's products. That's why Michelin supports the FIA in its commitment to integrating a more responsible vision of rallying by reducing the number of tires used in races, beginning in 2012.

Next season, tires supplied to the Group's rally partners will display the MICHELIN brand.

Michelin Makes History at Sebring

On March 19, the MICHELIN brand was inducted into the Sebring Hall of Fame, one of the pantheons of automobile racing. The event recognized the brand's 11 years of undisputed supremacy in the American Le Mans Series, with 106 wins out of a possible 109. The distinction was particularly prestigious in that this was the first time a tire brand has been celebrated in this way. The very next day, Michelin proved it was worthy of the honor by winning its 12th consecutive 12 Hours of Sebring, the premier North American endurance event, in front of a crowd of 170,000 racing enthusiasts from around the world.



Michelin Scores 13th straight Victory at 24 Hours of Le Mans

Thanks to its longer-lasting, better performing tires, Michelin supported the winning efforts of its auto manufacturer partners in one of the world's best-known races, the 24 Hours of Le Mans, where Michelin notched its 13th consecutive victory while once again finishing first in every category. The new MICHELIN tires were both faster, setting a new single-lap speed record, and more durable, with a new total distance record and a reduction in the number of tires used during the race.

"Endurance racing is a technology laboratory for Michelin as well," said Nick Shorrock, Director, Michelin Group Racing Division. "It enables us to validate innovations that are then used in our series-produced tires, such as the recent MICHELIN Pilot Sport 3."



Michelin and ACO Launch the First Virtual 24 Hours of Le Mans Game

Michelin and Automobile Club de l'Ouest have joined forces to launch the first online strategy game based on the celebrated 24 Hours of Le Mans endurance race. Open to everyone, the game lets players act as team managers, choosing their drivers, configuring their car and developing their strategy (aerodynamic features, choice of tires, number of stints and pit stops, etc.).

Several classifications are compiled, including the overall ranking and the MICHELIN GREEN X Challenge, which rewards the car with the greatest fuel-efficiency compared with its average speed. The winner of the first running of "24 Heures du Mans, Virtual Race" has been invited to attend the real event in 2011, along with Michelin teams.

The game is accessible on the 24 Hours of Le Mans sites (www.lemans.org), various Michelin Group sites (www.michelin.com/corporate, www.lemanslive.com, www.viamichelin.com, www.michelingreenracing.com) and other websites, including France Télévision Interactive and Eurosport.

Governance

2010 Annual Shareholders Meeting

The Joint Annual Meeting of Michelin shareholders was held on May 7, 2010 in Clermont-Ferrand. Despite the recessionary business environment in 2009, Michelin's ability to respond swiftly and agilely to the unprecedented crisis enabled it to strengthen its main financial metrics during the year. The Group entered 2010 with confidence. At a time of recovering demand, it continued to tightly manage operations and reaffirmed its objective of generating positive free cash flow for the year.

Shareholders adopted all of the resolutions submitted to their approval, in particular:

- The payment of a dividend of €1.00 a share, with a dividend reinvestment option. The dividend was paid or the shares settled on June 14, 2010.
- The re-election of Laurence Parisot and Pat Cox as members of the Supervisory Board.
- The appointment of PricewaterhouseCoopers Audit and Deloitte & Associés as the Company's Statutory Auditors.
- The renewal of financial authorizations.



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2009 Dividend Reinvestment Plan

At the Joint Annual Meeting on May 7, 2010, shareholders approved the payment of a 2009 dividend of €1.00 a share, with a reinvestment option. The price of the new shares to be issued to shareholders electing to reinvest their dividend was set at €47.46.

By the close of the period, dividend reinvestment had saved the Group €82 million in cash and led to the issue of close to 1,736,000 new shares.

Rights Issue Successfully Completed

On September 28, Michelin launched a rights issue with pre-emptive subscription rights for existing shareholders. Proceeds from the issue will be used to:

- Finance more rapid expansion, which will lead to an increase in annual capital expenditure to approximately €1.6 billion in 2011 and subsequent years.
- Strengthen Michelin's credit rating and ability to raise funds on the financial markets.
- Generally improve the Group's financial flexibility.

The issue was around 2.5 times oversubscribed, with total demand amounting to some €4.3 billion. Final gross proceeds stood at €1.2 billion, resulting in the creation of more than 27 million new shares.

"Michelin is pleased with the issue's success and thanks all of our shareholders for the confidence they have demonstrated in our strategy and growth prospects," said Michel Rollier, Managing Partner.

Following settlement and delivery of the new shares on October 25, Michelin's share capital was comprised of 176,539,201 shares with a par value of €2 each.

Michelin Wins Corporate Governance Prize in France

Michelin was awarded the 2010 Corporate Governance Grand Prize and the Risk Strategy and Assessment Prize by French business and financial newspaper AGEFI. The Corporate Governance Grand Prize honors companies that meet investor expectations, with an emphasis on compelling corporate governance initiatives that heighten investor confidence and encourage the implementation of good governance rules and practices.

In this way, it also celebrated the Group's ability to recover from the recent recession. According to the AGEFI, "Without a doubt, Michelin's real strength lies in its forward-looking vision of its business risks, its stakeholders and its competitors."