

SEEN FROM WITHIN
Discovering the
profession of a tire
designer

Page 3



IN THE NEWS
Michelin at the
2013 Frankfurt
Motor Show

Page 6

IN CLOSE TOUCH WITH YOU
Salon ACTIONARIA
investor fair and meeting
with shareholders

Page 8

Horizons

No. 09
NOVEMBER 2013

MICHELIN'S LETTER TO ITS SHAREHOLDERS



SPECIAL REPORT

Recovering used tires

Pages 4/5

//// Ambitions for 2020



Dear Michelin Shareholder,

Michelin has laid the foundation for a **New Phase of Dynamic Growth**, led by its powerful innovation capabilities, improving competitiveness and robust gains in the most promising segments. In the past three years, the Group has made sustained progress and its balance sheet has clearly been strengthened.

In a new phase of improvement and growth, **Michelin is today committed to six major sustainable development objectives for 2020.**

Maintaining product performance leadership: improving the performance of our products in terms of safety, fuel efficiency, longevity and comfort while reducing our demand for raw materials: new products launched in 2020 will show at least a 10% improvement compared with those manufactured in 2010.

Being responsible manufacturer: producing responsibly by reducing the Environmental Footprint of Michelin sites by 40%, ensuring a responsible logistics organization by lowering carbon emissions by 10% and promoting responsible purchasing operations by assessing the performance of our main suppliers with regard to Michelin's sustainable development requirements.

Ensuring financial sustainability: delivering €1 billion in structural free cash flow per year and at least a 15% return on capital employed.

Pursuing a commitment to the well-being and development of our employees: improving workplace safety, achieving and maintaining an 85% employee engagement rate and ensuring that 75% of management positions are held by employees promoted from within the Company.

Living in harmony with our host communities: encouraging employee involvement in initiatives that support the **local community** by donating 30,000 working days per year. **Enhancing the employability of local residents** by committing to create 2,000 jobs a year to support the emergence of **local business**.

Fostering better life through sustainable mobility: strengthening our actions to support road safety, promoting clean, creative mobility solutions, advocating renewable and recycled solutions for a circular economy, developing the "Reduce, Reuse, Recycle and Renew" program.

As you can see, Michelin is a responsible, high-performance company and is forcefully and firmly committed to meeting its key objectives.

I am confident that we will succeed.

Jean-Dominique Senard
Chief Executive Officer of the Michelin Group





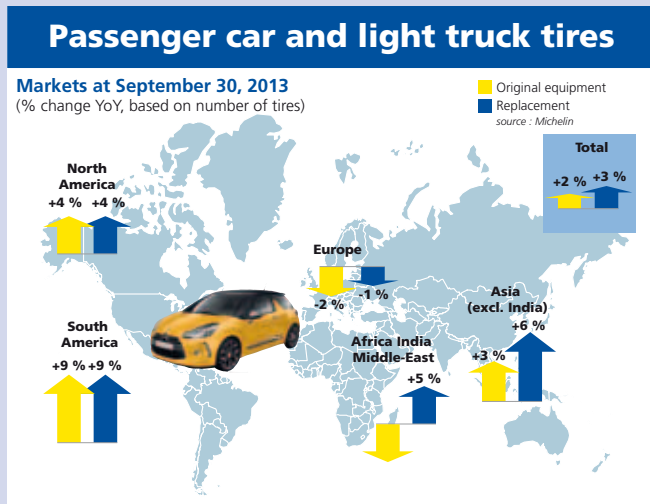
Financial Information September 30, 2013:

“ Michelin announced €15 282 million net sales ”

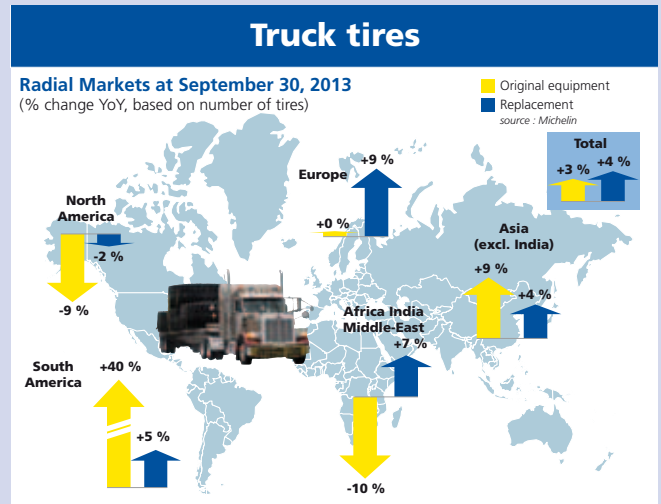
Marc Henry,
Chief Financial Officer

Market review:

Markets on a good trend in the third quarter, as expected:



Car & Light Truck: All Markets Up in Q3 except Eastern Europe



Truck: Technical Rebound in Europe but still Uncertain in North America

SPECIALTY BUSINESSES

Earthmover tires

The mining sector is still expanding, with sustained demand for very large radial tires. Original equipment demand has dropped sharply to 2010 levels in Europe and North America, dragged down in particular by manufacturer destocking. Demand for tires used in infrastructure and quarries has contracted noticeably in mature markets, with an especially strong decline in North America, due to high dealer inventories and lackluster business.

Agricultural tires

Global demand for OE tires has edged back slightly in mature markets, while the market for technical tires is on the rise. The replacement market has seen a modest upturn in Europe, but remains on a downtrend in North America.

Michelin Net Sales

Net sales totaled €15,282 million in the first nine months of 2013, down 5.3% in relation to the year-earlier period due to the combined impact of the following factors:

- Volumes: €52 million less:** the 2% increase in volumes in the third quarter, coming on the heels of an improvement in the second quarter, led to a virtually stable situation over nine months, in line with the Group's full-year objective.
- Price/Mix: €377 million less:** the negative 2.3% price-mix effect in the third quarter reflected stabilization in replacement tire prices following targeted price repositionings for certain Car and Light-Truck ranges, as well as raw-materials-related contractual adjustments. The mix effect (a positive €50 million at end-September), primarily stemmed from the MICHELIN brand's premium positioning.
- Negative currency effect: €431 million less:** the negative currency effect (5.3% in the third quarter and 2.7% at end-September) reflected the depreciation of the US and Canadian dollars, the Japanese yen, the Brazilian real and other currencies.

Outlook for 2013

In light of the outlook for volume growth in the fourth quarter, Michelin confidently maintains its full-year objective of stable volumes in 2013 in an environment shaped by recovering, yet still weak demand in mature markets and expanding demand in new markets.

Faced with a currency environment that has deteriorated since the summer, Michelin should experience a more deeply negative currency effect than was expected at the beginning of the year.

As a result, the Group is aiming for a year-on-year increase of around €150 million in operating income before non-recurring items, excluding the currency effect.

To offset the impact of unfavorable exchange rates, Michelin is further tightening its management of key levers, notably through even more careful control of gross margin and costs.

In this environment, the Group confirms its objective of positive free cash flow in line with the structural objective of €500 million and a 10% return on capital employed.



Guillaume André, Michelin tire designer

For Guillaume André, designing tires is a job that requires being creative within strict, complex, structured parameters. His role as an engineer is to support the innovation process by helping Michelin to develop a product portfolio that addresses real-life consumer needs.

"To keep pace with constantly changing customer requirements, I study and highlight the potential impact of new technologies taking into account current industrial and financial conditions," says Guillaume.

Although simple in appearance, a tire is in fact packed with a lot of advanced technologies. As the only point of contact between the vehicle and the road, a tire must cope with varying conditions of use and extremely different, even contradictory, demands.

Future tire lines for harsh conditions of use

"My latest challenge was when technical directors in the Passenger Car and Light Truck Product Line launched a pre-development project to improve the performance balance of future tire lines dedicated to fast-growing markets such as China, Brazil and India, where conditions are extremely harsh."

"The goal is to design a tire with a stronger internal structure in order to guarantee safety whatever the driving conditions, on poor roads that are often full of potholes or other constant hazards."

"Products developed for these particular conditions of use must have specific performance balance characteristics to increase their impact resistance. Working with new technologies, I try to find the best way of developing applications that ensure compliance with required specifications, without ever losing sight of our customers' needs."

"New structures, new materials—we're always trying to go beyond the state of the art. Developing our knowledge and expertise is the key to effectively managing the full performance

balance of tomorrow's tire in terms of durability, fuel savings or wear etc. In addition, certain industrial and financial constraints make the task more complicated."

"Whatever the region they're designed for, our products must always be of the highest quality and allow customers to fully appreciate them without being aware of their technological complexity.

"I'm very excited about my job because it requires being creative via a design process focused on defining the DNA of future Michelin tire lines."

Argentine tango

Guillaume, a 33-year-old from the Ardèche region, also happens to be an Argentine tango dancer. He graduated from the Polytech Tours engineering school and attended Ecole du Pneu, Michelin's tire design school, to learn about cured tire design. This program "taught me what a tire was and gave me the key to a better understanding of its mechanical properties and performance characteristics."

Creativity, curiosity, perception and rigor are the four main qualities needed for that job, according to Guillaume. These same qualities are needed to be a good tango dancer. The art of improvisation is another skill that is much appreciated... but only to dance the Argentine tango.

What happens to used tires?

Michelin is actively involved in the process of establishing a used tire regulation aimed at improving the collection and processing of the approximate 350,000 tonnes of tires that reach the end of their useful life every year.

An issue that concerns everyone

Within the industry, Michelin supports the principle of holding the tire manufacturer responsible for end-of-life tire collection, which has demonstrated its effectiveness, with recovery rates of 96% in Europe and 97% in Brazil. It also takes part in different working groups that are promoting the creation of recycling channels in developing countries.

350,000 tonnes of tires every year

The European used tire regulation is aimed at improving the collection and processing of the approximate 350,000 tonnes of tires that reach the end of their useful life every year. According to the directive, tire producers and importers are responsible for end-of-life collection and disposal, based on the tonnage of tires they placed on the market the preceding year.

Assigning responsibility to producers ensures that used tires are processed under satisfactory conditions (old tires no longer need to be stockpiled), while also guaranteeing that they are recovered and recycled as efficiently as possible, particularly since channels are developing.

Collecting used tires

One way users can dispose of their end-of-life tires is to bring them to a retailer who will take them back on a one-for-one basis, i.e. for every new tire purchased. Users can also get rid of their old light-truck and two-wheel-vehicle tires by bringing them to a waste disposal center, taking care to remove the rim and any dirt beforehand.

Recovering used tires

Once the tires are collected, they are sorted and dispatched to the appropriate recovery facility (see diagram below depicting the used tire recycling system). Some tires are retreaded, while others are prepared for:

- Energy recovery: Old tires may be used as fuel in cement factories equipped with pollution control systems.

- Finished products: Scrap tires are ground up into granules or transformed into crumb rubber to be used for sport turfs, floor coverings, soft surfaces, sound barriers, trash bin wheels and other products.

Because of their strength, whole tires may also be used to construct civil engineering structures to prevent mudslides and avalanches or retaining walls for roads etc.

Free circulation of tire casings

Once their initial tread has worn down, radial truck tire casings can be rebuilt with a new tread and sidewalls. The various components are cured in a mold to solidify them. MICHELIN retread technology delivers the same performance as new tires and allows these highly robust casings to be used much longer, providing benefits for both customers and the environment. Some countries, however, consider casings to be waste and forbid their transport. As the world leader in retreads with high-quality processes, Michelin promotes the free circulation of retreadable casings.

The industry players

FRP

In 2004, members of the Association Française des Importateurs de Pneumatiques founded France Recyclage Pneumatiques (FRP), an economic interest group that oversees its members' compliance with tire collection and disposal regulations.

Created in 2005, COPREC is a group that helps tire producers meet their regulatory requirements. It intervened on behalf of seven manufacturers in 2008.

A Pneu Usagé Non Réutilisable or a PUNR, is a used tire that can no longer fulfill its primary function of providing safe mobility.

For many years, tire makers have focused on ways of extending tire life, not only to enhance performance and save energy but also to forestall the day when a tire is considered no longer usable.

Today, a passenger car tire in Europe averages 40,000 kilometers, compared to 15,000 in 1950.

Aliapur

In early 2002, Aliapur was created by tire manufacturers in France to help them collectively meet industry requirements with regard to used tires. The objective is to develop and implement an ambitious and enduring policy for recycling tires that are no longer usable, based on new economic and technical guidelines.

Founded by several leading environmentally-conscious manufacturers (Bridgestone/Firestone, Continental, Dunlop, Goodyear, Michelin, Kleber, Pirelli), Aliapur is a société anonyme dedicated to collecting and sorting used tires from retailers and other tire professionals and developing the tire recycling process across France.

1

Purchase of new tyres

2

Free collections by an Aliapur collection service provider

3

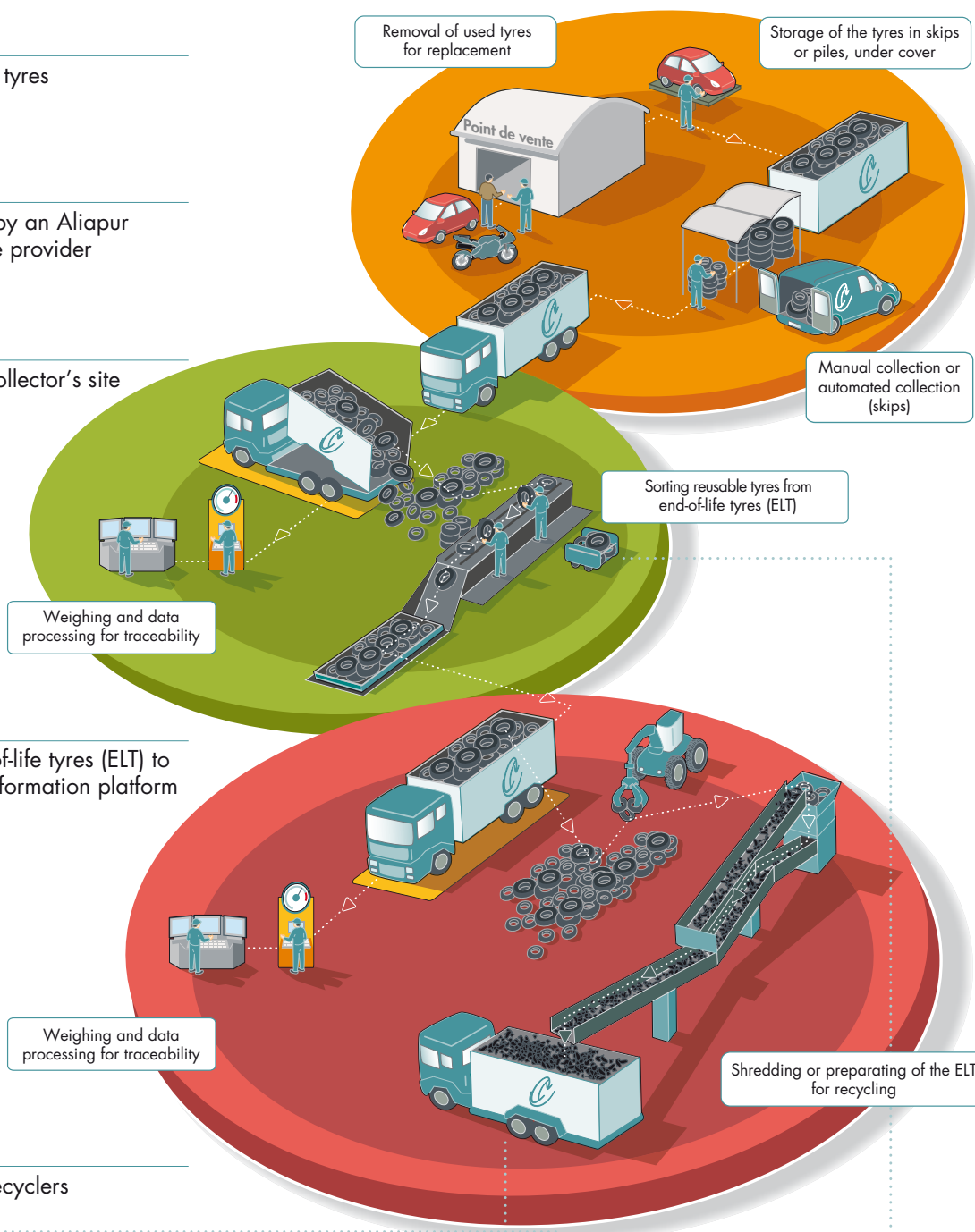
Delivery to the collector's site

4

Delivery of end-of-life tyres (ELT) to the Aliapur transformation platform

5

Delivery to the recyclers



MATERIAL RECYCLING

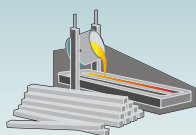
▷ Granulate and powder:
Casters and objects



▷ Granulate:
Sports grounds and sols amortissants



▷ Shred:
Steelwork and foundries

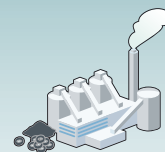


▷ Large-sized whole tyres:
Quarry relining

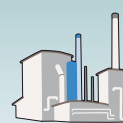


MATERIAL RECYCLING

▷ Shred and whole tyres:
Cement works



▷ Shred:
Urban heating



REUSE

▷ Second-hand



▷ Retreading





TRADE SHOW

In Frankfurt, Michelin is dedicated to fans

The 2013 Frankfurt International Motor Show is being held from September 10 to 22, 2013.

It was an opportunity for Michelin to serve a particular strategic target: passionate consumers for whom the automobile is much more than just a means of transportation. They tend to be well-to-do and feel very strongly about driving pleasure, vehicle performance, motorsports and image (let's keep in mind that the PDP target accounts for 21% of the global market and holds strong growth potential). The credibility of the Brand, which this segment appreciates, is based on our history, the excellence of our products and our involvement in motorsports.

The launch of the new MICHELIN Pilot Sport Cup 2 tire will strengthen this target group's Brand preference. The announcement of the recent signing of an exclusive partnership with Porsche should also help build preference.

MICHELIN PRO4



One million road bicycle tires sold!

The new MICHELIN Pro4 line has been a huge marketing success in just over a year with 1 million tires sold. Available in five versions, the tire meets the needs of the most demanding cyclists. Thanks to MICHELIN Bi-Compound technology, which combines two types of rubber in one tire, the MICHELIN Pro4 line offers

cyclists enhanced safety, riding enjoyment and superior mileage. This ability to deliver more performance in areas that often make contradictory demands, all in one tire, without requiring any sacrifice on the part of users, is an example of the Group's global strategy, development philosophy which is called Michelin Total Performance.



INDIA

First prototype tire produced at Chennai

After Pau-Brasil (Brazil) and Shenyang 2 (China) in 2012, the Chennai plant in India, the Group's third major investment project, produced its first prototype tire.

Over 700 locals and corporate staff helped to bring the plant on stream, 350 Indian employees were trained in 12 countries. The plant will produce 1.5 million truck tires a year.



??????

Michelin best Annual Meeting Award in the CAC 40 Stock Category

Organized by consulting firm Capitalcom, the 2013 Best Annual Meeting Award honors companies whose annual meeting demonstrates best French investor relations practices. The Best Annual Meeting Award in the CAC 40 Stock category was presented to Michelin in recognition of «the meeting's comprehensive coverage and the clear presentation of the Company's business model.»

The 2013 Best Annual Meeting Awards were presented during the Paris EUROPLACE International Financial Forum, held last July 10 at the Pavillon d'Armenonville, near Paris. The ceremony was attended by Jean-Dominique Senard.

DIGITAL

Take the smart road with our Apps collection.

Building on its extensive experience in mobility products and services, Michelin is introducing MICHELIN Mobility Apps, a bundle of free apps to make every drive the best ever as much private than professional. Available since September 30 in France, MICHELIN Mobility Apps will be introduced in Germany, Spain, Italy and the United Kingdom by year-end.

Extremely of its experiment in the products and related services with the mobility of the people, with in particular more than 50 million consultations a year of the sites of assistance to the voyage, Michelin revisits its mission by enriching it in 2013 by services even more complete.

To choose the good pneumatic tyre, to have councils of maintenance, to prepare and calculate its route, to be informed in real time of the weather conditions, the state of the traffic, or zones of dangers, to find and hold a hotel or a restaurant, to visit a region... are as many functionalities maintaining within reach.



??????

Boeing Chooses Michelin

The Aircraft Product Line has signed an agreement with Boeing to supply replacement tires for its airliners. The agreement will enable Michelin to test and certify the MICHELIN Air X tire with NZG technology as a replacement fitment on the B777 Classic, B787-8, B777 ER and B737NG. This is an important contract in our phase of dynamic growth, which will strengthen our position as the world leader in radial tires for this segment, which is the aerospace market's largest.

??????????

The leading tire manufacturer in North America!

The web site RubberNews.com ranked Michelin North America as the leading tire manufacturer in North America in 2012, with revenue of \$9.96 billion, ahead of Goodyear by almost \$300 million.

Thanks to investments to increase production capacity for earthmover equipment in Anderson and in Lexington plants, the Group is set to strengthen its growth in this region of the world in the coming year.



In close touch with our shareholders

SALON ACTIONARIA investor fair – November 22-23, 2013 Palais des Congrès in Paris



Michelin will take part in the Salon ACTIONARIA investor fair at the Palais des Congrès in Paris on November 22-23, 2013.

ACTIONARIA is an opportunity for exchanging ideas and developing stronger ties with the growing number of individual shareholders who visit our stand.

It's also the occasion to welcome future shareholders who are interested in learning more about our Company.

The Shareholder Relations and Michelin Consumer Services teams will be on hand to answer questions during the two-day event.

Organized as part of the Salon ACTIONARIA, the annual meeting will be led by Jean-Dominique Senard, Chief Executive Officer of the Michelin Group, on Saturday, November 23, 2013 from 2:30 p.m. to 4:00 p.m.

Michelin plant tour



"I'm very touched that you thought of me," said a shareholder from Saint-Etienne during a visit to Roanne on October 24 organized by the Shareholder Relations Department and the plant's management team.

The visit reflects the wishes of Chief Executive Officer Jean-Dominique Senard who told shareholders at the last meeting that Michelin "intends to organize plant tours in France

for our most loyal shareholders and those who are the most involved in our investor relations process".

Specialized in upscale and premium tires since 1974, the factory produces an extensive range of 16-to-20-inch tires in over 150 sizes for world-class brands such as BMW, PSA Peugeot Citroën, Ford and Audi.

Next year this Michelin plant will celebrate its 40th anniversary.

Investor Calendar

Meetings with Shareholders in France

November 26, 2013: Strasbourg

December 3, 2013: Pau

A team at your service

Individual Shareholder Relations Department

Toll-free number

(France only): 0800 000 222

Phone: + 33 (0)4 73 98 59 00

Fax: + 33 (0)4 73 98 59 30

E-mail:

Actionnaires-individuels@fr.michelin.com

Registered office:

Compagnie Générale
des Etablissements Michelin
12 cours Sablon

63040 Clermont-Ferrand Cedex 9 - France



www.michelin.com/shareholders

SHARE PERFORMANCE

(base 100: December 31, 2009)

