

APRIL 23, 2018

**NET SALES
AT MARCH 31, 2018**

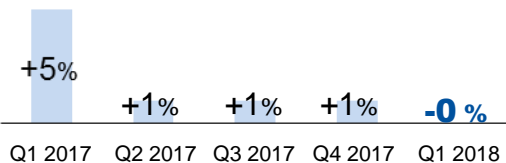
Q1 2018: net sales of €5.2 billion, up 1.4% at constant exchange rates

- PC/LT and Truck markets down slightly as announced
 - OE demand down in PC/LT, impacted by the Chinese and North American markets, and robust in Truck
 - Replacement demand weaker due to early buying in Q1 2017
- Sustained strong demand for Specialty tires
- Favorable 1.1% net impact from the price-mix/volume effect in Q1, in line with the 2018 scenario
 - Positive 3.4% price-mix effect, led by disciplined price management
 - Volumes down 2.3%, given the particularly strong early buying of MICHELIN brand tires in Q1 2017
- Highly unfavorable -7.7% currency effect caused by the stronger euro
- Recommended cash offer made for Fenner PLC and joint venture formed with Sumitomo Corporation of Americas, in line with the Group's strategy
- Roll-out of a new close-to-the-customer organization
- 2018 guidance confirmed, in line with the 2020 objectives

Replacement PC/LT and Truck markets down in Q1 2018 due to early buying in Q1 2017; Specialties up



PC/LT Q1 2018: -0%

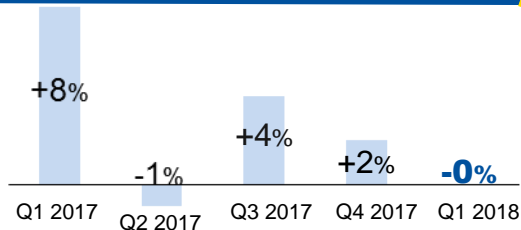


1st Quarter:

- OE: markets down 3% excluding India, Russia and South America
- RT: stable against Q1 2017 up 5% artificially lifted by early buying



TRUCK Q1 2018: -0%



1st Quarter:

- OE up a strong 5% reflecting the robust growth in the global economy
- RT down 2% after an 8% surge in Q1 2017 led by early buying. In particular the North American market is down 7% in the Tier 1 and Tier 2 segments vs. a 14% increase in Q1 2017.



SPECIALITY 2018: +5%/+7%*

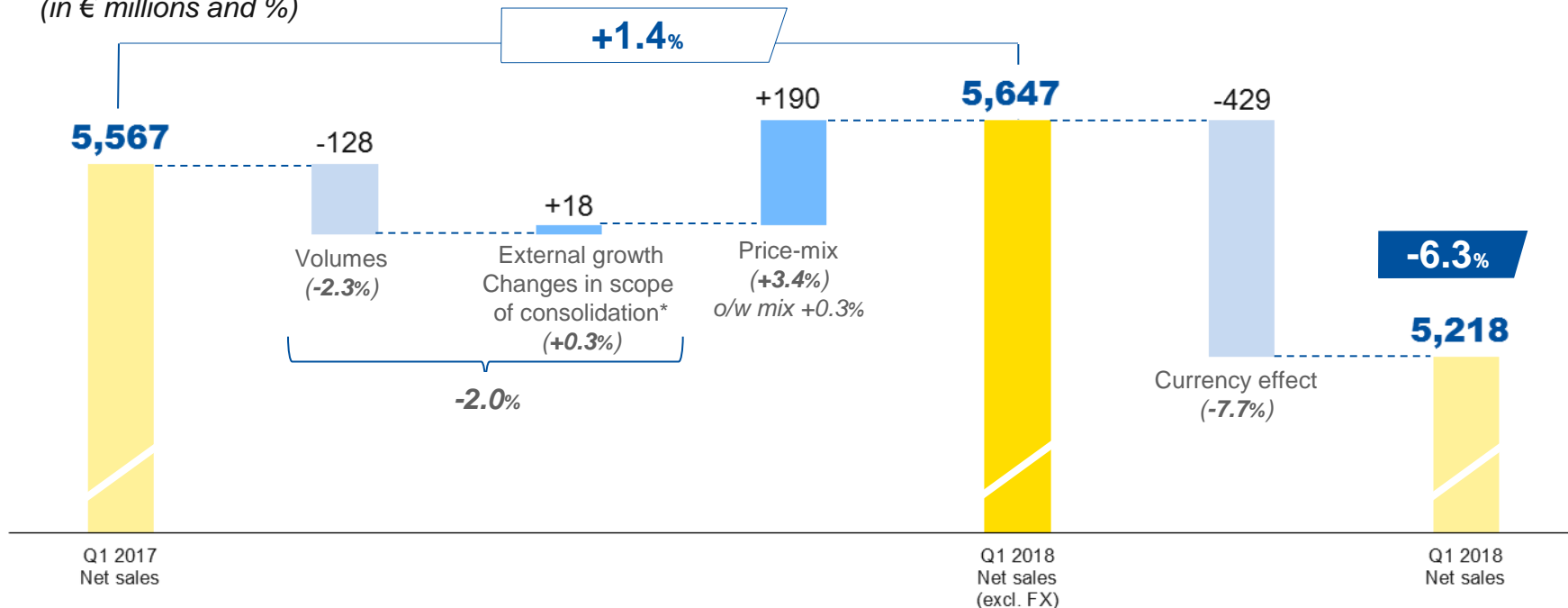
- Mining tires (+7% / +10%) sustained strong demand led by global economic growth
- OE Earthmover + OE Agricultural tires: steady positive trend

* Full-year market estimate

Net sales up 1.4% at constant exchange rates

▲ YoY change

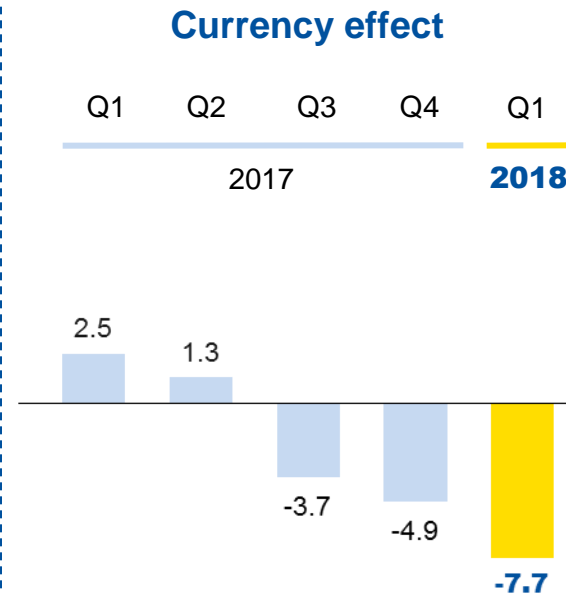
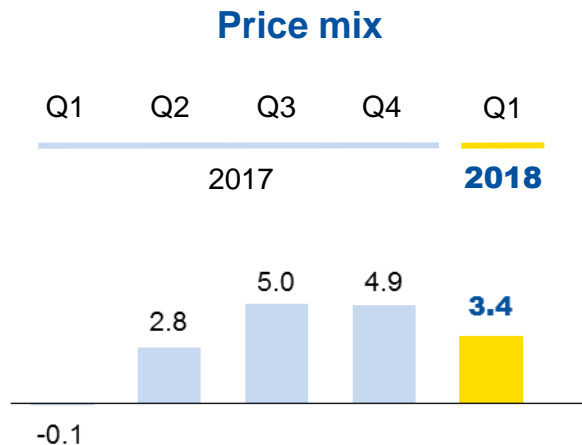
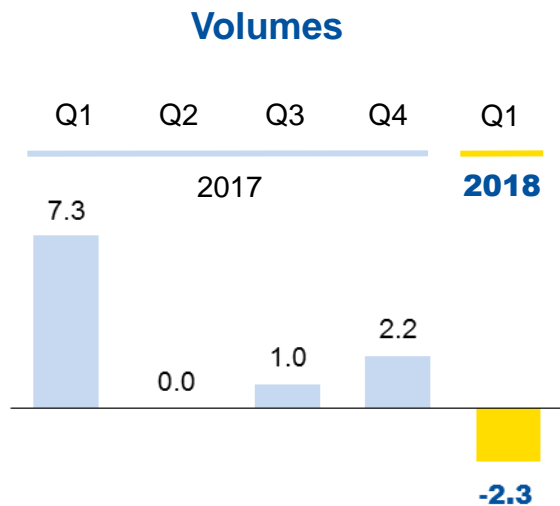
(in € millions and %)



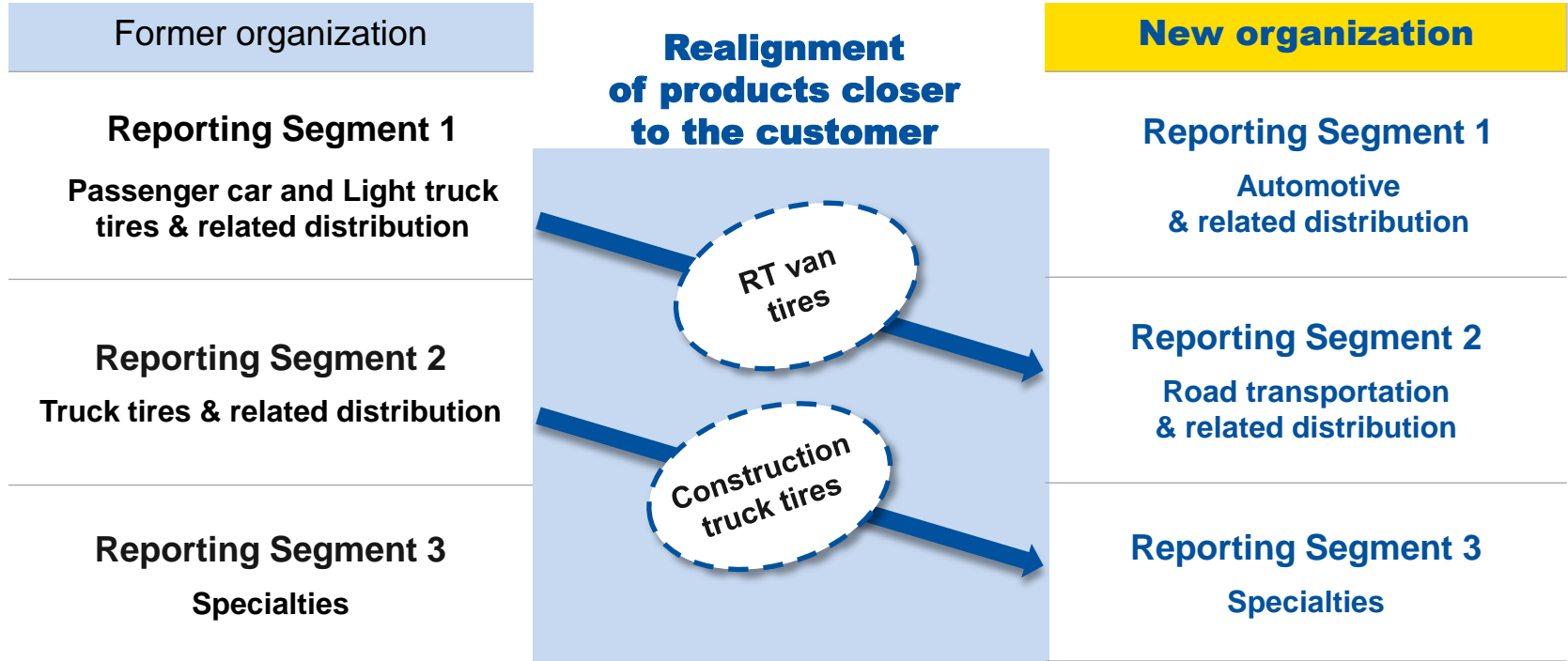
* Levorin, NexTraq, Lehigh

Favorable 1.1% net price-mix/volume effect in Q1, in line with the 2018 scenario




▲ YoY quarterly change
(in %)



A new close-to-the-customer organization



Net sales dampened by currency movements

<i>(in millions €)</i>		Q1 2018 new organization	Q1 2017 new organization	Change	Q1 2017 reported
	RS1 net sales	2,772	3,056	-9.3%	3,201
	RS2 net sales	1,368	1,489	-8.2%	1,518
	RS3 net sales	1,078	1,022	+5.5%	848



April 23, 2018

Net Sales at March 31, 2018



Use of cash

Four growth areas: partnerships and planned acquisitions to support our value creation strategy




	Tires	Services	Experiences	Materials
Ambitions for 2015-2020	Net Sales +20%	Net Sales x2	Net Sales x3	Capitalize on our leadership
Recent announcements (Q1 2018)	 <p>TTI Tire Centers & TBC CORPORATION</p> <p>ATU Die Nr. 1 Meisterwerkstatt</p> <p>Fenner</p> <p>ECS</p>			 <p>Fenner</p> <p>AEP</p>

Michelin's offer to acquire Fenner, a leading global provider of conveyor belt solutions & reinforced polymer products



- A strategic acquisition with compelling value creation potential, in line with Michelin's ambition to leverage its expertise in high technology materials:
 - provide a comprehensive offering to mining customers, creating synergies currently estimated at £30m
 - expand the engineered materials division with a complementary polymer portfolio
- Michelin is offering £6.10 per Fenner PLC share, representing an enterprise value of £1.3bn
- Fenner AGM, May 16, 2018

Key Figures Fenner		
<i>(in £ millions)</i>	2017	2010-2017 average
• Net sales	655	693
• EBITDA	86	98
• EBITDA margin	13%	14%

Michelin and Sumitomo Corporation created the 2nd largest tire distributor player in the U.S. and Mexico



Michelin and Sumitomo Corporation of Americas created a 50-50 joint venture

- Creating a best-in-class distributor in US and Mexico with
 - an expanded geographic footprint,
 - better availability of products at all price points, across all product categories
 - e-commerce initiatives
 - shorter delivery times and greater efficiency
- Focusing on the growing service and tire needs of fleets and personal vehicles
- Taking advantage of TBC's expertise in the import of Tier 3 and Tier 4 brands
- Michelin to contribute USD 658m and the TCi wholesale business



JV TBC Corp. & TCi key figures

- 38m tires
- 2,411 retail outlets in the US & Canada
- More than 120 wholesale distribution centers

Mobivia partners with Michelin to expand its A.T.U chain, the German automotive services market leader

- Mobivia: the largest chain of auto service and repair centers in Europe with more than 2,030 workshops and retail outlets, more than 20,000 employees and €2.7bn in revenue
- A.T.U (Auto-Teile-Unger), Germany's leading nationwide network of auto service centers, joined Mobivia in December 2016
- Mobivia and Michelin will combine their expertise, each in their traditional markets, to improve the customer experience and support the development of the A.T.U brand in Germany, Austria and Switzerland
- Michelin holds a 20% minority stake for €60m



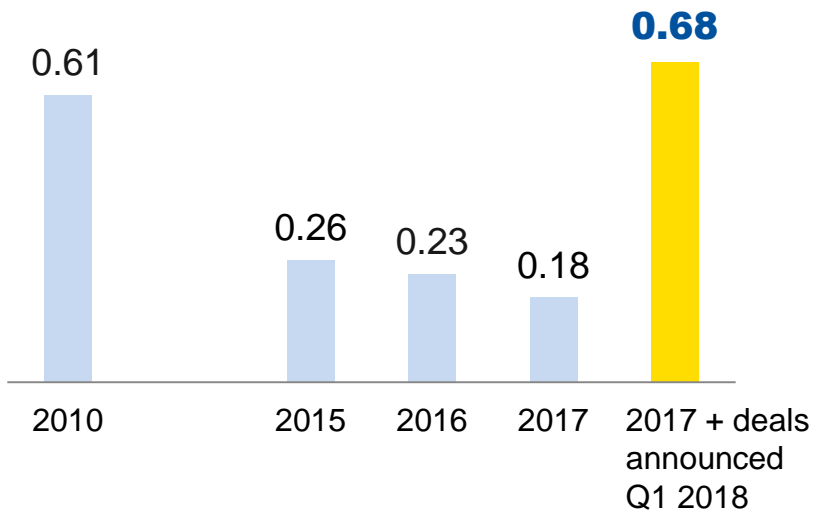
KEY FIGURES A.T.U

- **600** auto centers in Germany, Austria and Switzerland
- **10,000** employees



Ratings A3 and A- confirmed after Q1'18 external growth announcements

▲ Net debt ⁽¹⁾ / Ebitda ⁽²⁾



▲ Rating

	Moody's	S&P
2017	A3	A-
2017 + deals announced Q1 2018	A3	A-
Outlook	stable	stable

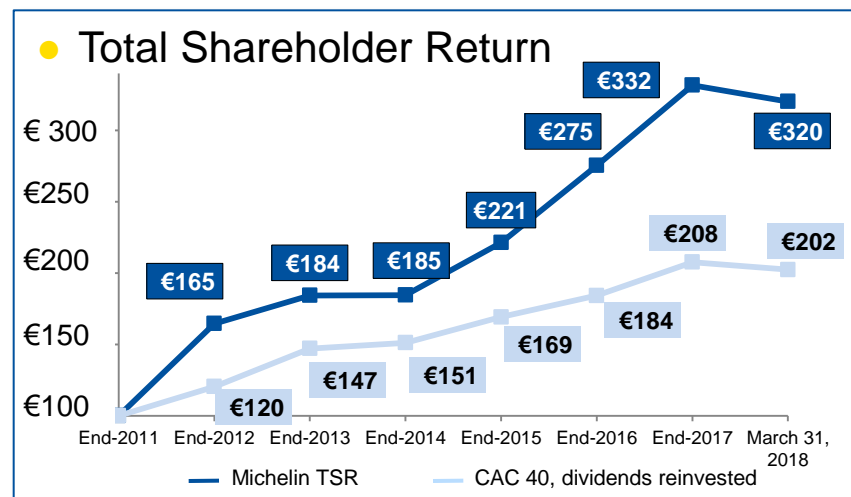
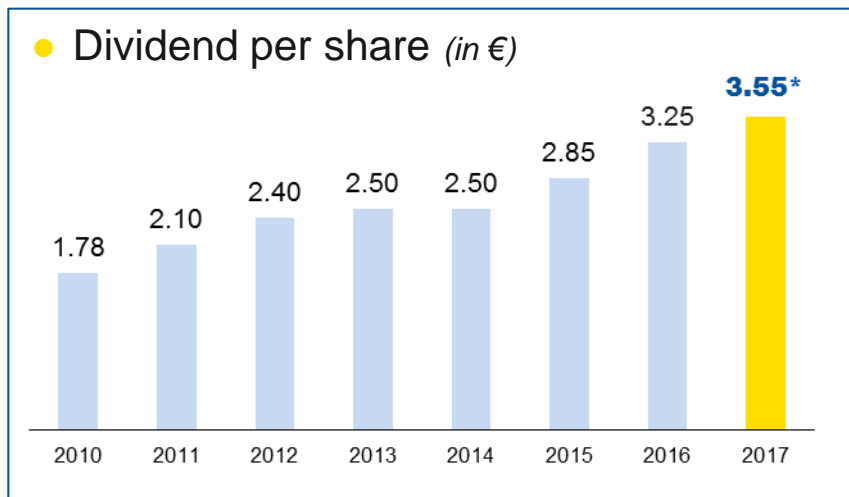
* JV TBC & TCi / A.T.U / Fenner plc

(1) Net debt: financial liabilities – cash and cash equivalents (excluding cash flows from cash management financial assets and borrowing collaterals) +/- derivative assets, as defined in note 26 to the 2017 consolidated financial statements.

(2) As defined in note 3.7.2. to the 2017 consolidated financial statements.

Sustained shareholder return policy: dividends and share buybacks

- 2017 dividend: €3.55* per share, representing a payout ratio of 36%**
- Share buyback programs
 - 2015-2016: €750m committed and 4.5% of outstanding shares cancelled
 - 2017: €101m committed and 0.5% of outstanding shares cancelled
 - 2018: €75m program to offset the dilution from share-based compensation



* subject to shareholder approval at the Annual Meeting on May 18, 2018 - ** of consolidated net income excluding non-recurring items

April 23, 2018

Net Sales at March 31, 2018



2018 guidance confirmed

2018 markets: back to growth markets in Q2 and beyond for PC and TB; still buoyant growth in Specialties



PASSENGER CAR: +1.5%/+2.5%

- Strong demand stabilizing in the mature markets
- Still buoyant demand in China
- Trending upwards in the other regions



TRUCK: +0%/+1%

- Freight demand buoyed by the global economy
- OE: demand outside China leveling off; decline in China following 2017 park renewal
- RT: demand lifted by a favorable economic environment

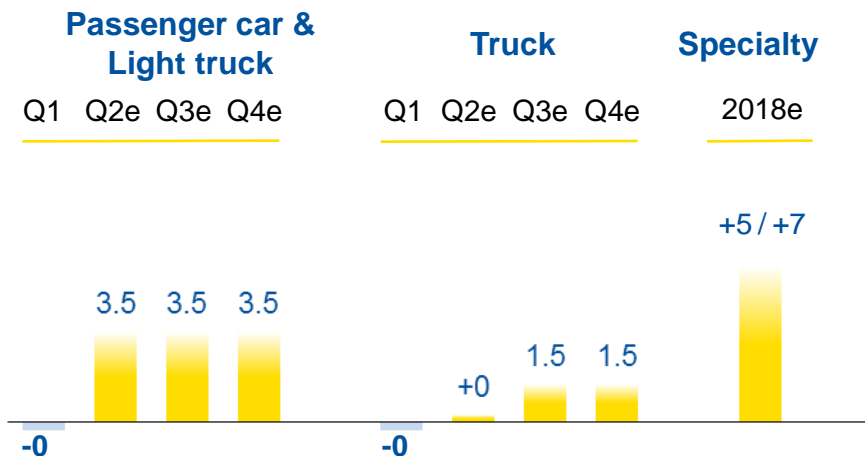


SPECIALTY: +5%/+7%

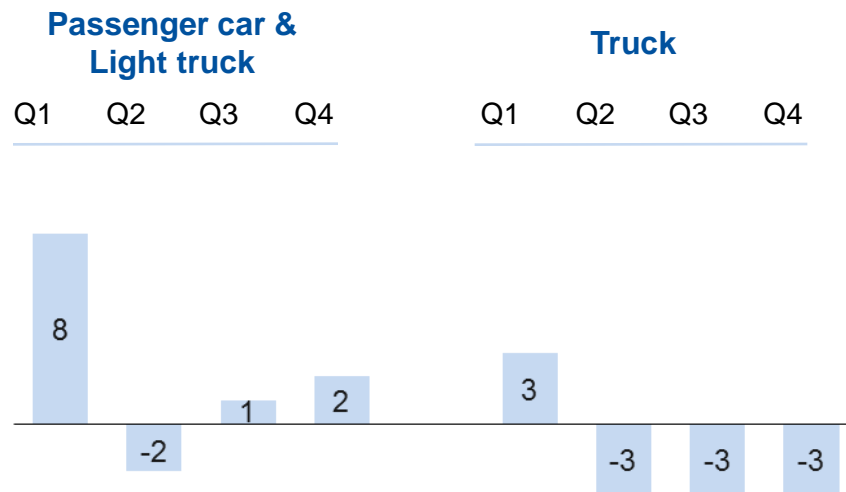
- Mining tires (+7% / +10%) sustained strong demand led by global economic growth
- OE Earthmover + OE Agricultural tires: steady positive trend

Year to go: expanding markets and favorable comparatives in the PC and Truck segments

▲ 2018 markets projected growth over the next nine months
(in % and in tonnes)



▲ 2017 Group volumes (in % and in tonnes)
favorable prior-year comparatives over the next nine months



Source: Michelin

New sources of growth over the next nine months

- Product and BFGoodrich brand launches supported by broad-based advertising campaigns

Passenger car & Light truck



MICHELIN Primacy 4



MICHELIN Alpin 6



MICHELIN Agilis CrossClimate

Truck

BFGoodrich
Tires



Europe



MICHELIN X Guard



India



Ashok Leyland

- Expanding service offers

Telematics

- Effitrailer: strong growth in Europe



Tire as a Service



+15% of trucks with contracts

2018 guidance: on the road to our 2020 objectives

	2018
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	> 2017
Structural FCF	> €1,100m

2018 scenario

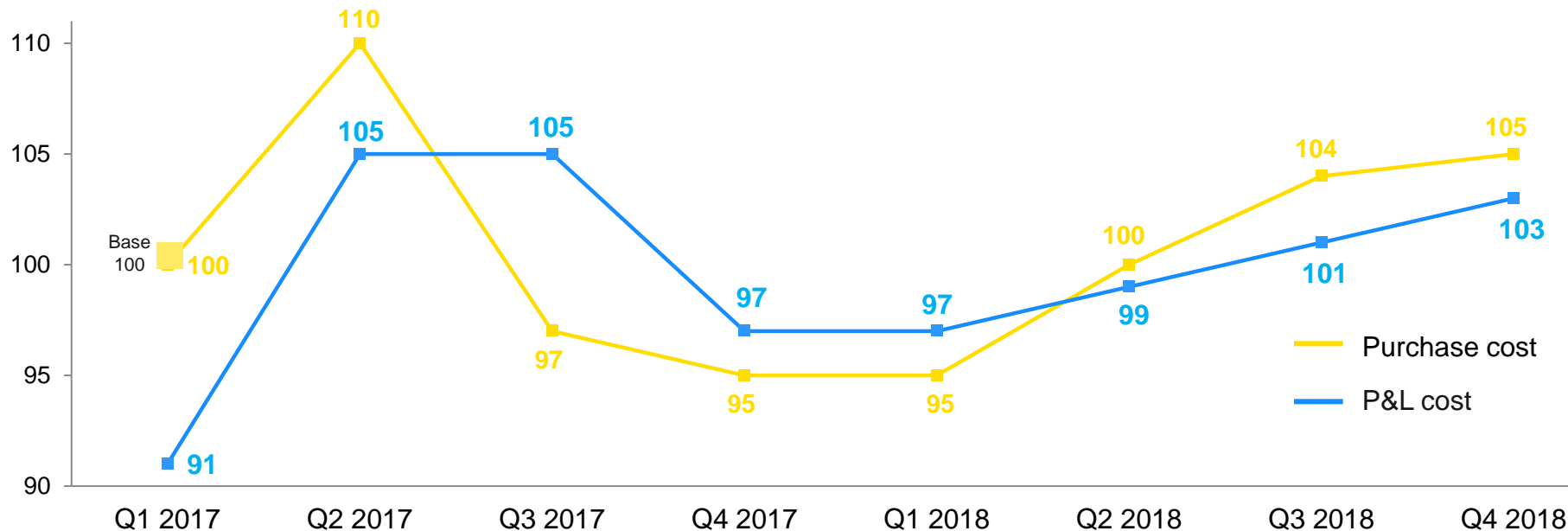
	H1 2018	FY 2018
Impact from raw materials costs	Neutral*	Between 0 and a negative €50m*
Currency effect	Approx. a negative €250m**	Approx. a negative €350m**
Effective tax rate Positive impact of US tax reform	Standard ETR reduced to 28%	
Net impact of price-mix and raw materials prices	Positive	Positive
Competitiveness plan gains vs. inflation	Positive over the year	

*2018 average prices: Natural rubber: \$1.75/kg; butadiene (US and Europe): \$1,080/t; Brent: \$63/bbl

** at march 2018 Forex

2018 raw materials scenario

▲ Quarterly assumptions for 2018 (base 100 = Q1 2017 purchase costs)



*2018 average prices: Natural rubber: \$1.75/kg; butadiene (US and Europe): \$1,080/t; Brent: \$63/bbl; at constant exchange rates

Market
launch
May 2018



MICHELIN AGILIS *CROSSCLIMATE*
WHAT YOUR BUSINESS DEMANDS

Investor calendar

- **Coming events:**

- **May 18, 2018:** Annual Shareholders Meeting
- **July 23, 2018 (after close of trading):** First-half 2018 results
- **October 22, 2018 (after close of trading):** Third-quarter 2018 net sales

- **Dividend dates:**

- **May 22, 2018:** Ex-dividend date
- **May 23, 2018:** Record date
- **May 24, 2018:** Payment date

April 23, 2018

Net Sales at March 31, 2018

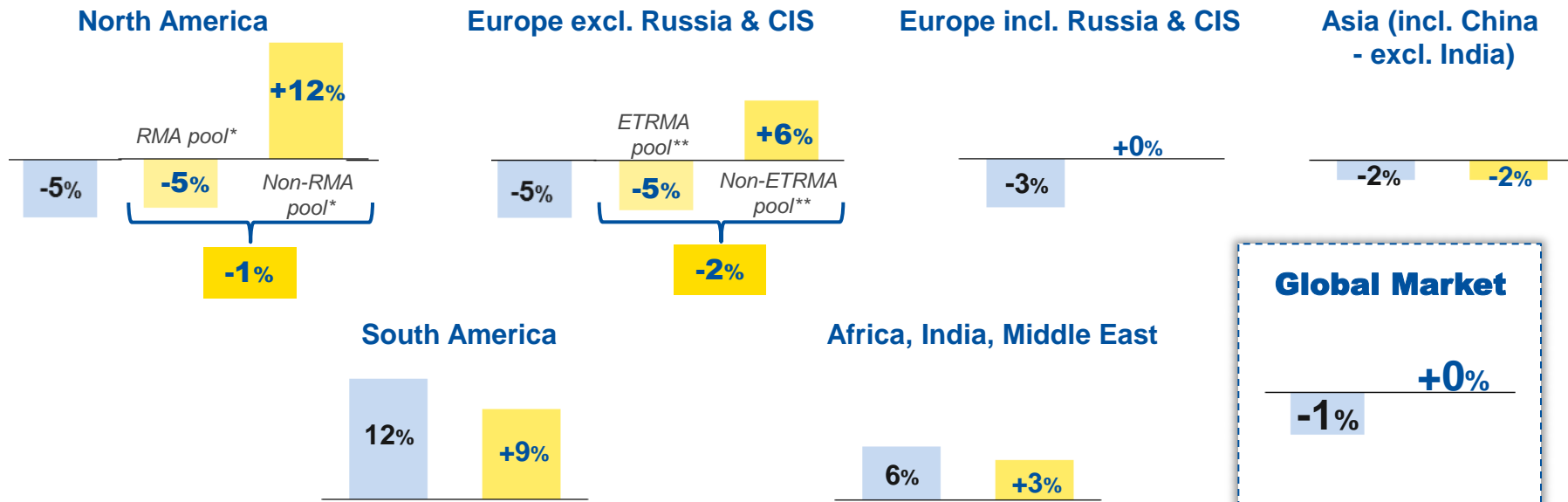


Appendices

PC: declining markets in mature zones and China and rebounding in the rest of the world



▲ Passenger car and Light truck market at March 31, 2018
 (YoY in %, in number of tires)



* RMA pool: members of the Rubber Manufacturers Association

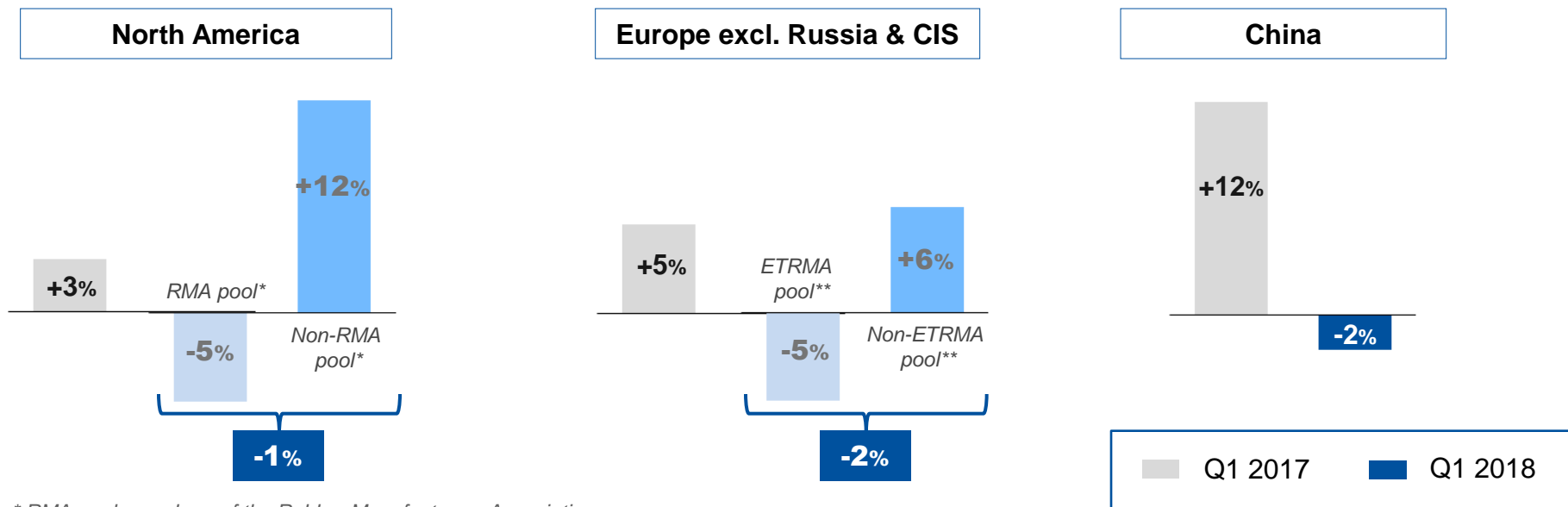
** ETRMA pool: members of the European Tire & Rubber Manufacturers Association

Source: Michelin



PC RT: markets down in Q1 2018 due to early buying in Q1 2017

▲ Passenger car and Light truck market at March 31, 2018 and 2017 (YoY in %, in number of tires)



* RMA pool: members of the Rubber Manufacturers Association

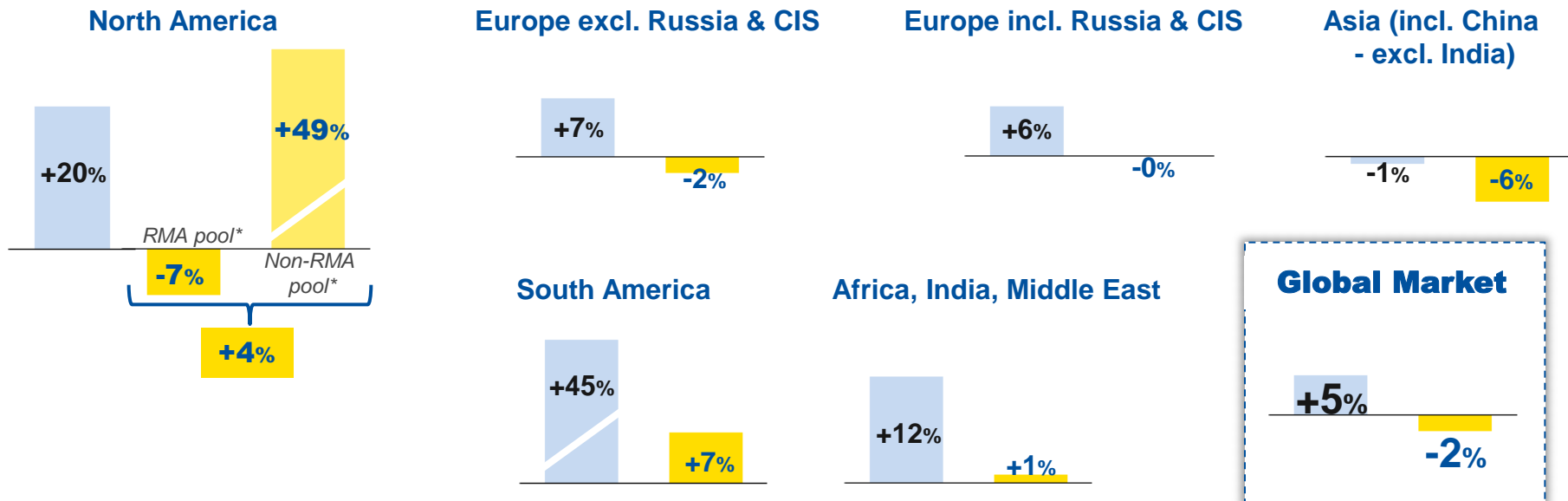
** ETRMA pool: members of the European Tire & Rubber Manufacturers Association

Source: Michelin

TB: growing OE markets and declining RT demand



▲ Truck tire market at March 31, 2018 (YoY in %, in number of new tires)



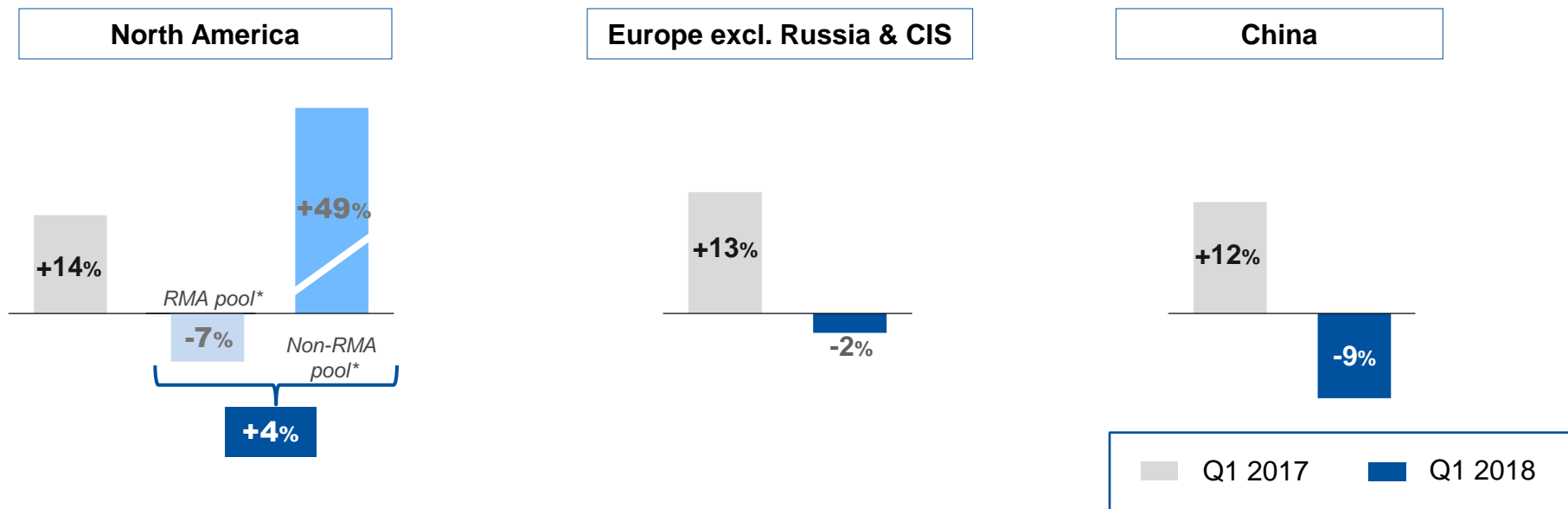
* RMA pool: members of the Rubber Manufacturers Association

Source: Michelin



PL RT: markets down in Q1 2018 due to early buying in Q1 2017

▲ Truck tire market at March 31, 2018 and 2017 (YoY in %, in number of new tires)



* RMA pool: members of the Rubber Manufacturers Association

Source: Michelin

Fenner: best-in-class engineered products player

A global leading provider of conveyor solutions & reinforced polymer products

- A global leading player in heavy duty conveyor belts and reinforced polymer technology
- An established global supplier of engineered rubber-based products to mining and industrial markets
- Strong engineering culture
- Excellent position in the aftermarket and services sectors
- Attractive exposure to manufacturing and commodities
- Low capex intensity

Note: Fenner's fiscal year ends August 31

* As of August 2017

Key Figures Fenner		
<i>(in £ millions)</i>	FY17	2010-2017 average
• Net sales	655	693
• EBITDA	86	98
• EBITDA margin	13%	14%
• 4,330 employees*		

Transaction overview

Key transaction terms

- Michelin to acquire Fenner plc for £6.10 per share representing an enterprise value of £1.3bn
- 30.7% premium to pre-announcement closing share price as of March 16, 2018
- Michelin cash out of £1.2bn and immediate cash return to Fenner's shareholders

Value creation

- £30m in identified synergies to have full effect in year 2; limited implementation cost
- Expected EPS accretive in year 1
- 10.4x average FY10-17 EBITDA post £30m in synergies⁽¹⁾

Financing

- All cash acquisition with fully committed financing⁽²⁾
- Consistent with Michelin's financing policy, and preserves solid A-/ A3 credit rating

Fenner Board support

- Unanimous recommendation by Fenner's Board of Directors

Key conditions

- Subject to customary closing conditions and regulatory approvals
- Transaction expected to be implemented by way of Scheme of Arrangement, Fenner shareholder meeting to be convened in May 2018

(1) Calculated as enterprise value of £1.3bn divided by the average EBITDA over FY10 to FY17 of £98m plus annual synergies of £30m

(2) Bridge loan fully underwritten

Anticipated Timeline

April 12

- Scheme document sent to Fenner's shareholders

May 16

- Fenner shareholders' meeting

End of Q2 2018

- Court sanctions hearing validating the Scheme
- Expected closing

Note: All dates subject to change and closing conditions including regulatory approvals

Fenner key figures

<i>(in £ millions)</i>	2017	2016
Net sales	655	573
EBITDA	86	61
EBITDA margin	13.1%	10.6%
EBIT	59	37
EBIT margin	9.0%	6.5%
Net income/(loss)	34.1	(26.3)
Earnings/(loss) per share in pence (diluted)	17.5	(13.6)
Net debt	102	150
Gearing (Net debt/equity)	30%	54%
Capex (including finance leases)	12.4	16.1
Free cash flow*	84.8	54.1

* $FCF = EBITDA - capex - change\ in\ WC - tax$

Source: Fenner PLC

Net sales by currency and EBIT impact

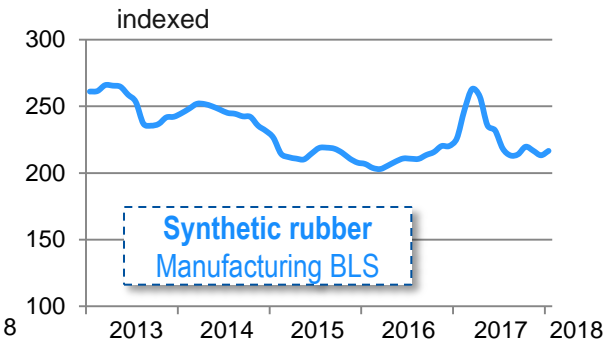
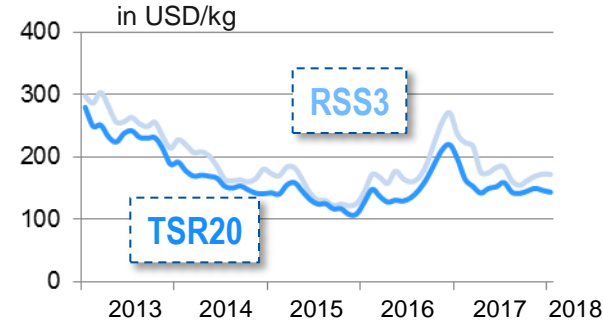
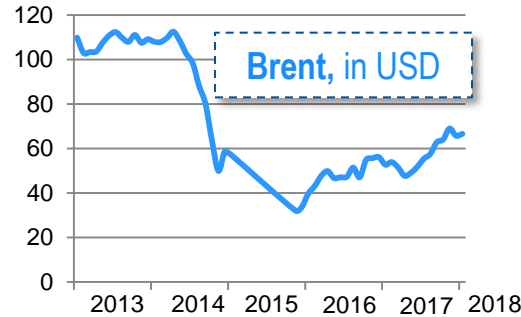
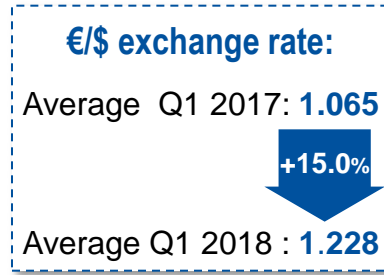
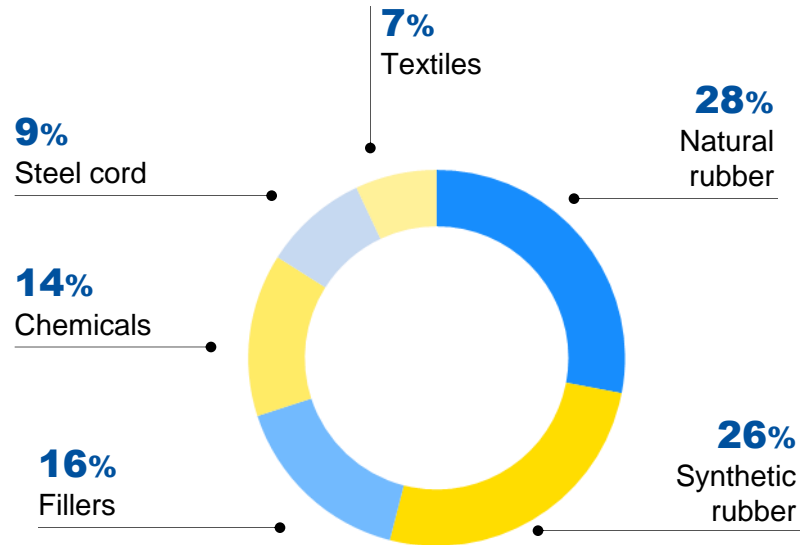
	% of net sales 2017		Q1'18/Q1'17 € change vs. currency	Droptrough Net sales/EBIT*
ARS	1%		+44%	80% - 85%
AUD	2%		+11%	80% - 85%
BRL	4%		+19%	-20% / -30%
CAD	3%		+10%	25% - 30%
CNY	6%		+7%	25% - 30%
EUR	34%		NA	-
GBP	3%		+3%	25% - 30%
INR	1%		+11%	25% - 30%
JPY	1%		+10%	80% - 85%

	% of net sales 2017		Q1'18/Q1'17 € change vs. currency	Droptrough Net sales/EBIT*
MXN	2%		+6%	25% - 30%
PLN	1%		-3%	25% - 30%
RUB	1%		+11%	25% - 30%
THB	1%		+4%	-100% / -130%
TRY	1%		+19%	80% - 85%
TWD	1%		+9%	80% - 85%
USD	37%		+15%	25% - 30%
Other	1%			80% - 85%

* Droptrough depends on the export/manufacturing/sales base

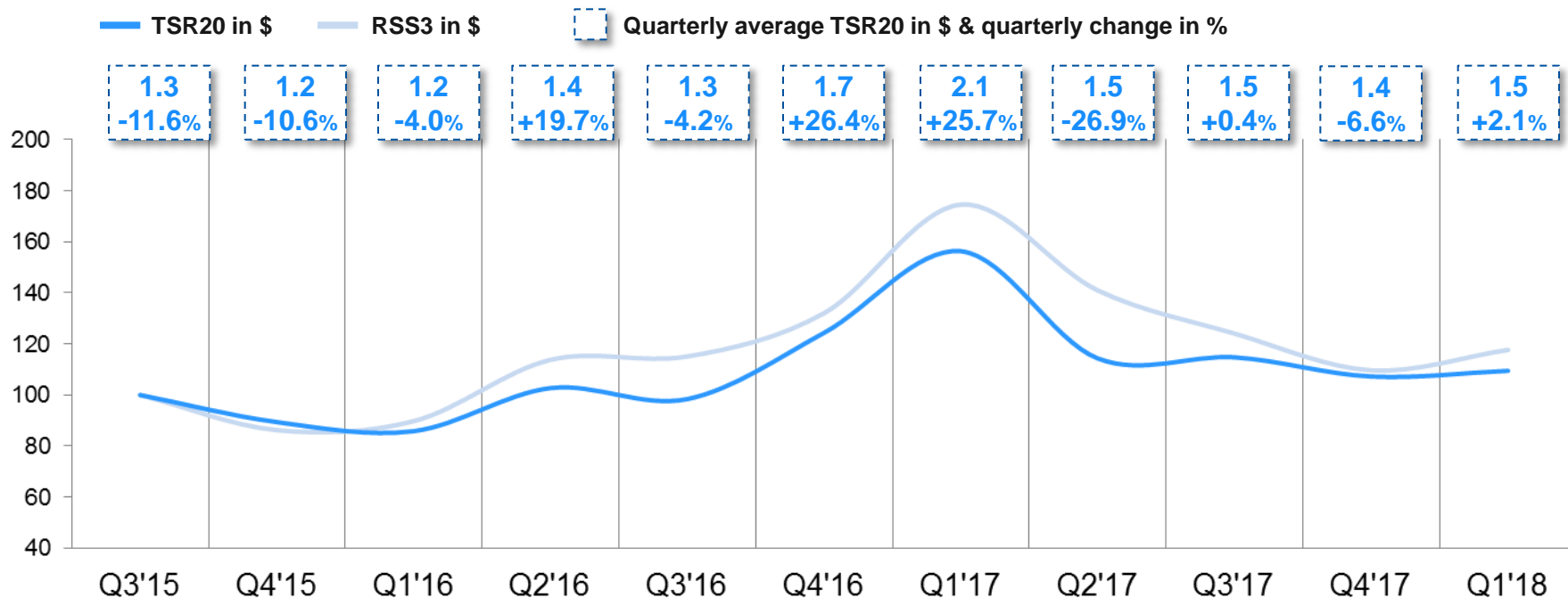
Raw materials

▲ Raw material purchases in 2017 (€5.2bn)



Natural Rubber price trend

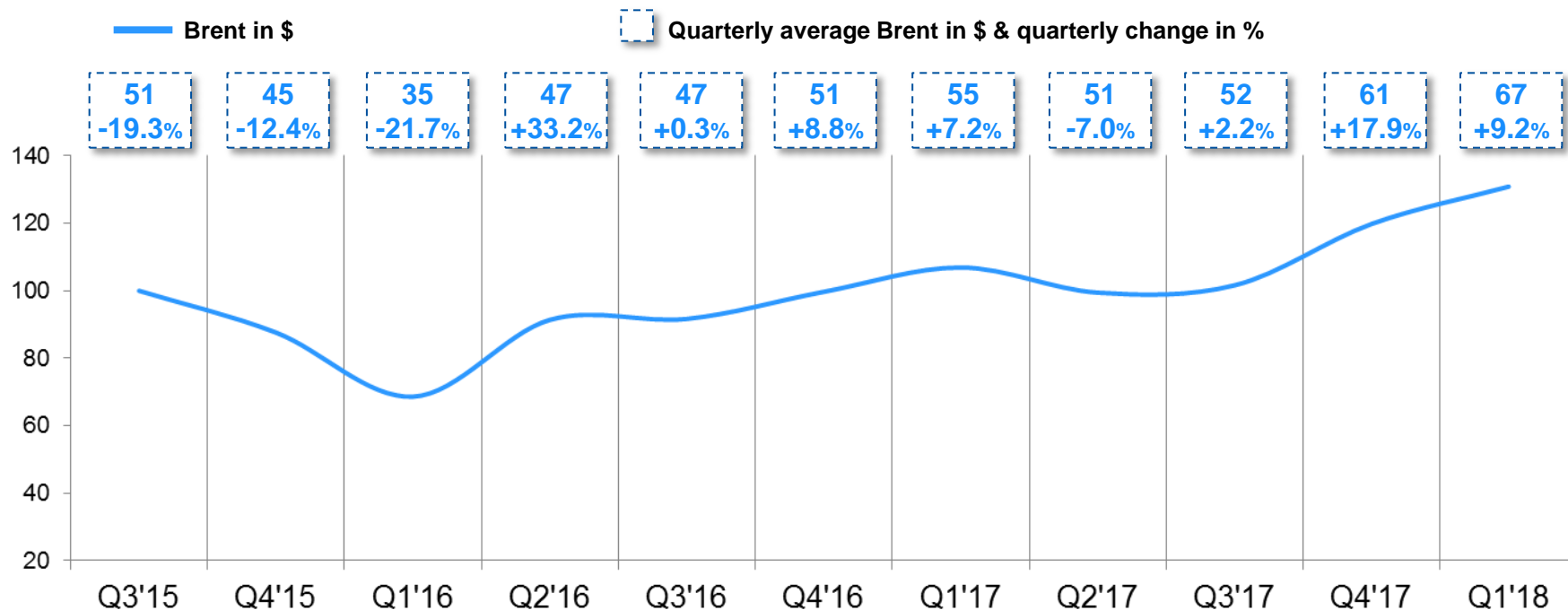
▲ Indexed, at end of March 2018 (per kg, base 100 in Q3'15)



Source: SICOM

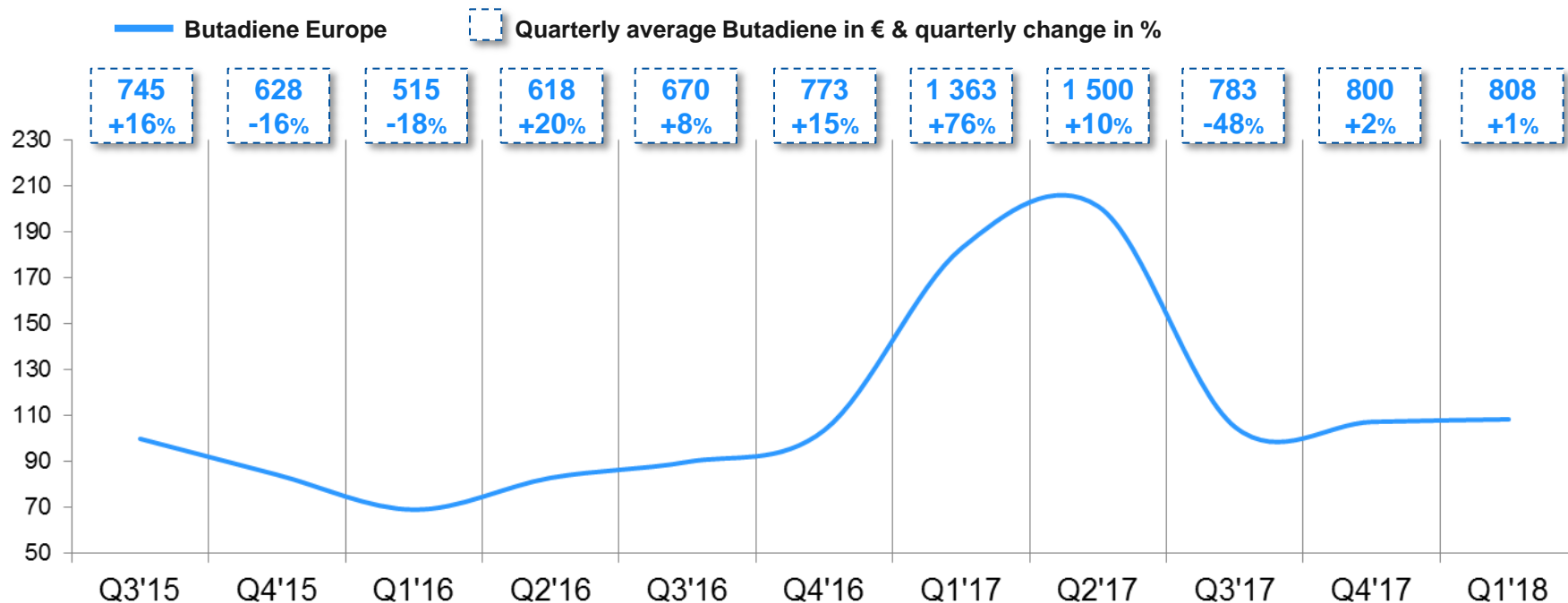
Brent price trend

▲ Indexed, at end of March 2018 (per barrel, base 100 in Q3'15)



Butadiene price trend

▲ Indexed, at end of March 2018 (per tonne, base 100 in Q3'15)



Source : IHS

Outstanding bond issues (as of April 23, 2018)

Issuer	MICHELIN Luxembourg	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue Type	Senior Note Bond	Senior Note Convertible	Senior Note Bond	Senior Note Convertible	Senior Note Bond	Senior Note Bond
Principal Amount	€ 400 mn	\$ 500 mn + TAP \$100 mn	€ 300 mn	\$ 600 mn	€ 300 mn	€ 302 mn
Offering price	99,912%	100% & 103,85%	99,967%	95,50%	99,081%	98,926%
Rating corporation at Issuance date	BBB+ (S&P) Baa1 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; unsolicited A- (Fitch)					
Coupon	2,75% p.a	ZERO Conv premium 128%	1,125% p.a	ZERO Conv premium 130%	1,75% p.a	3,25% p.a
Issue Date	11-juin-12	05/jan/2017 & 25/apr/2017	19-mai-15	05/jan/2018	19-mai-15	21/sep/2015 & 27/sep/2016
Maturity	20-juin-19	10-janv.-22	28-mai-22	10-nov.-23	28-mai-27	30-sept.-45
Interest payment	Annual June 20	N/A	Annual May 28	N/A	Annual May 28	Annual Sept 30
ISIN	XS0794392588	FR0013230745	XS1233732194	FR0013309184	XS1233734562	XS1298728707
Denomination	€ 1'000 with min. tradable amount € 1'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000

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This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions at the time of the publication of this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or induced by these statements."

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