



Amsterdam
May 12, 2017

JP Morgan Investor Forum

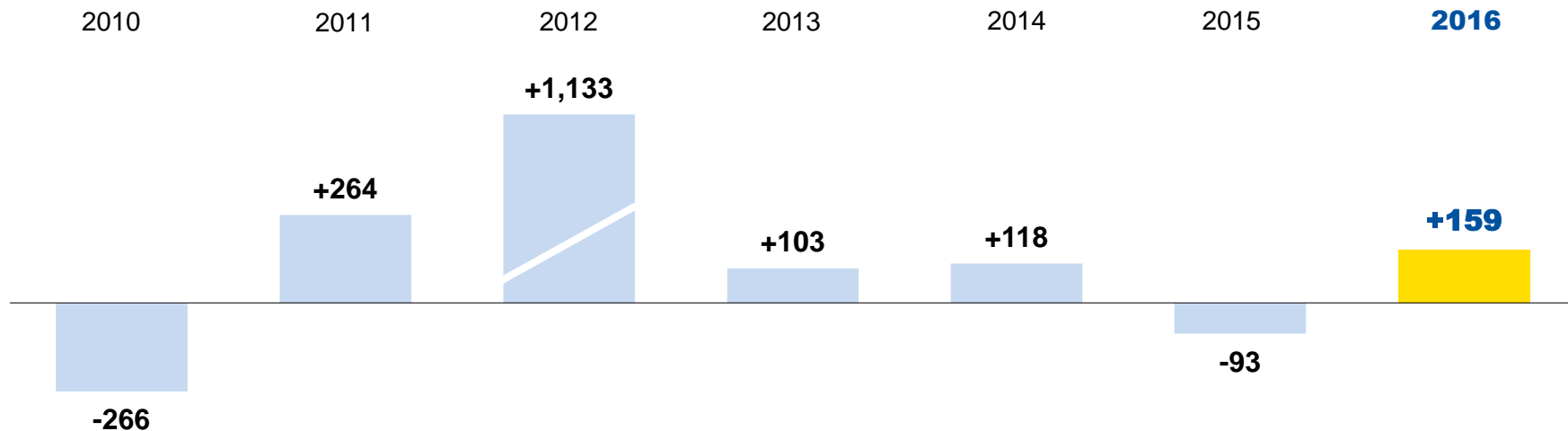


2016: a year of progress, in line with our 2020 roadmap

	2016 guidance		2016 actual
Volumes	Above-market growth	✓	+2.1%
Operating income from recurring activities at constant exchange rates	> 2015	✓	€2,692m up €235m
Structural FCF	> €800m	✓	€961m

Improvement in unit margin due to effective pricing management over time

▲ Net effect of price mix and raw materials prices on operating income
(in € millions)



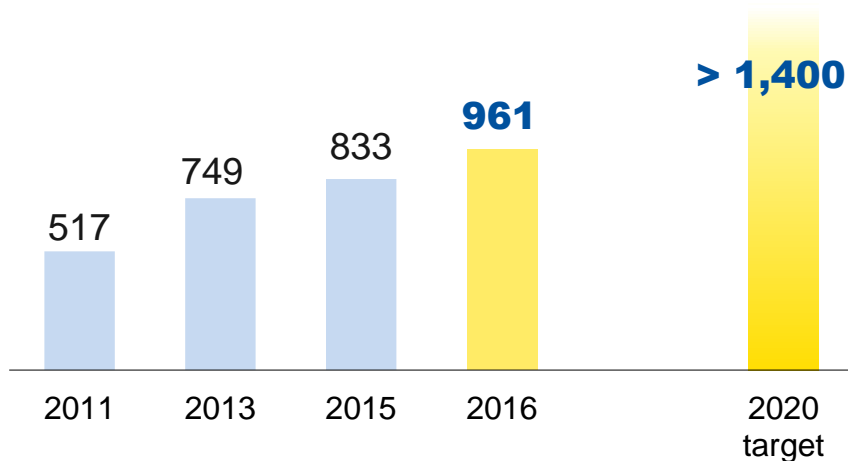
New 2017-2020 competitiveness plan: €1.2bn targeted over 4 years only

Objectives met 

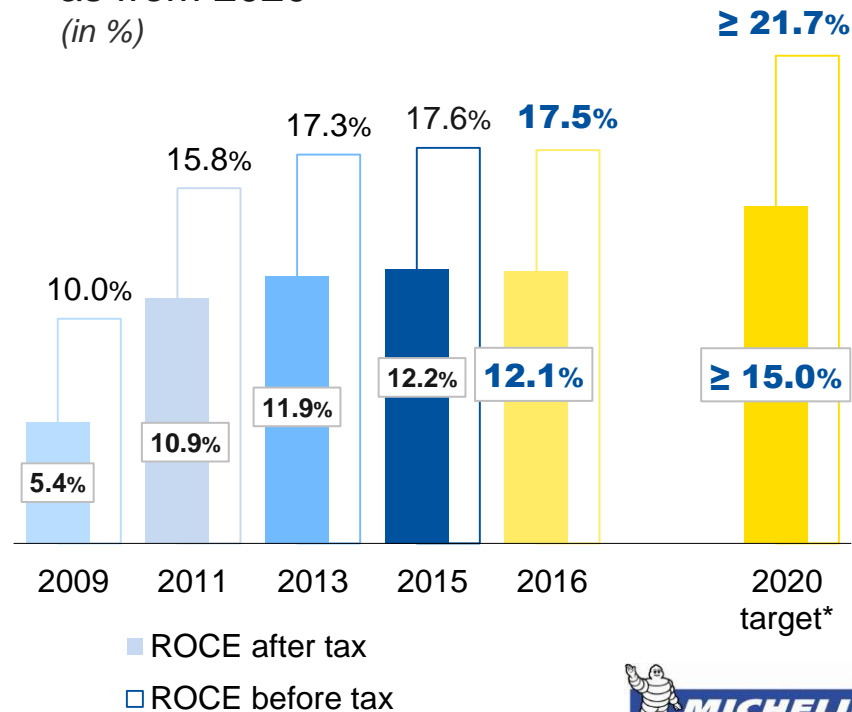
<i>In € millions</i>	2007-2010 plan Target: €1,000m	2012-2016 plan Target: €1,200m	2017-2020 plan
SG&A	251	522	500/550
Manufacturing -Transport	406	448	450/500
Raw materials	365	227	150/200
Total	1,022	1,197	~1,200

2016 performance in line with 2020 objectives

▲ Deliver structural FCF > €1,400m
as from 2020
(in € millions)



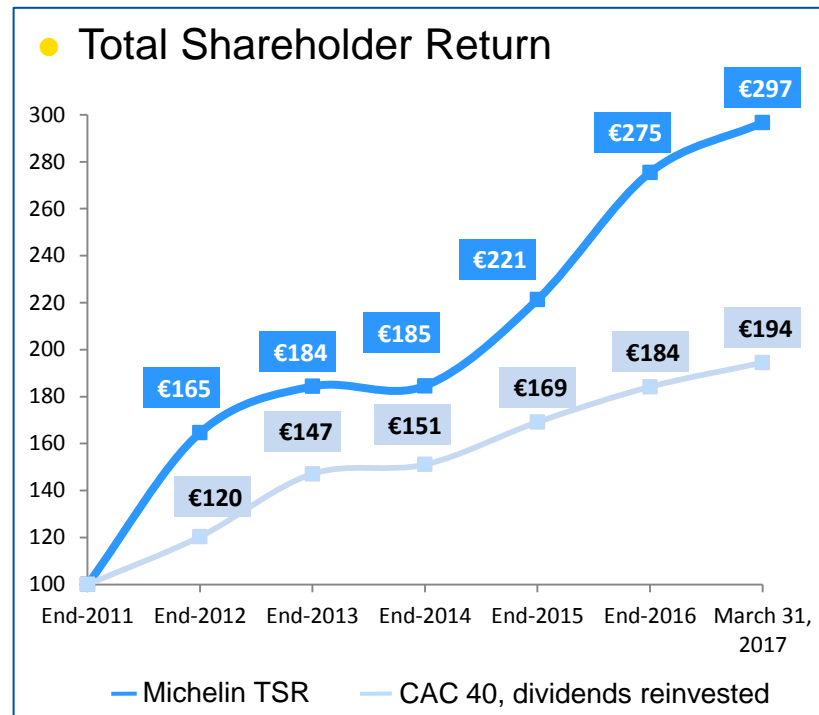
▲ Deliver an after-tax ROCE ≥ 15%
as from 2020
(in %)



* At constant scope of consolidation excluding goodwill

Sustained shareholder return policy: dividends and share buybacks

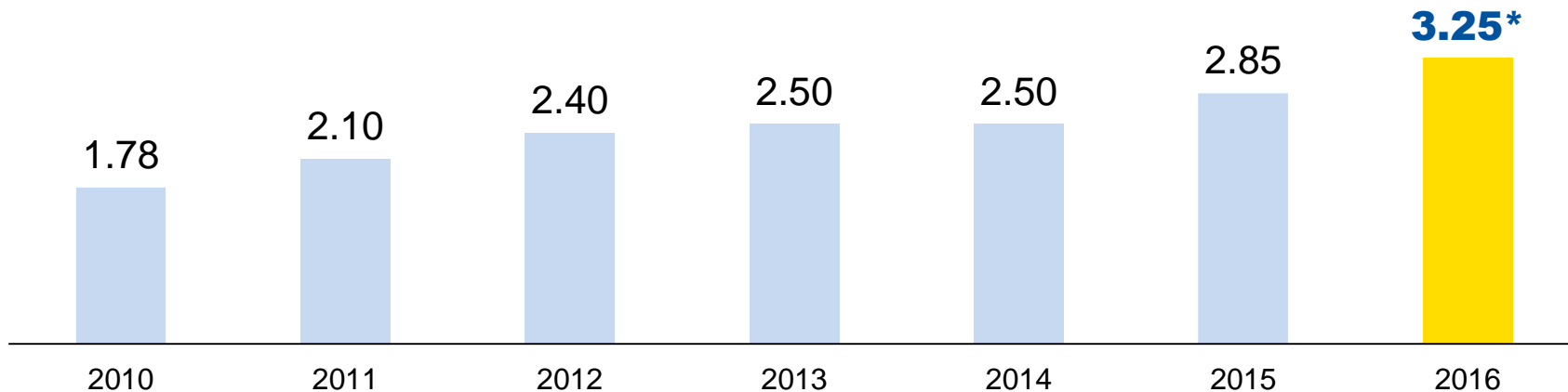
- Share buyback program
 - €750m committed in 2015-2016 and cancellation of 4.5% of outstanding shares
 - 2017: €100m in buybacks planned to offset the dilutive impact of share-based compensation
- Payout commitment
 - At least 35% of net income before non-recurring items
 - 2016: €3.25* per share, representing a payout ratio of 36.5%



* Subject to shareholder approval at the Annual Meeting on May 19, 2017

Dividend increase in line with Group gains

▲ Per share data (in €)



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

* Subject to shareholder approval at the Annual Meeting on May 19, 2017

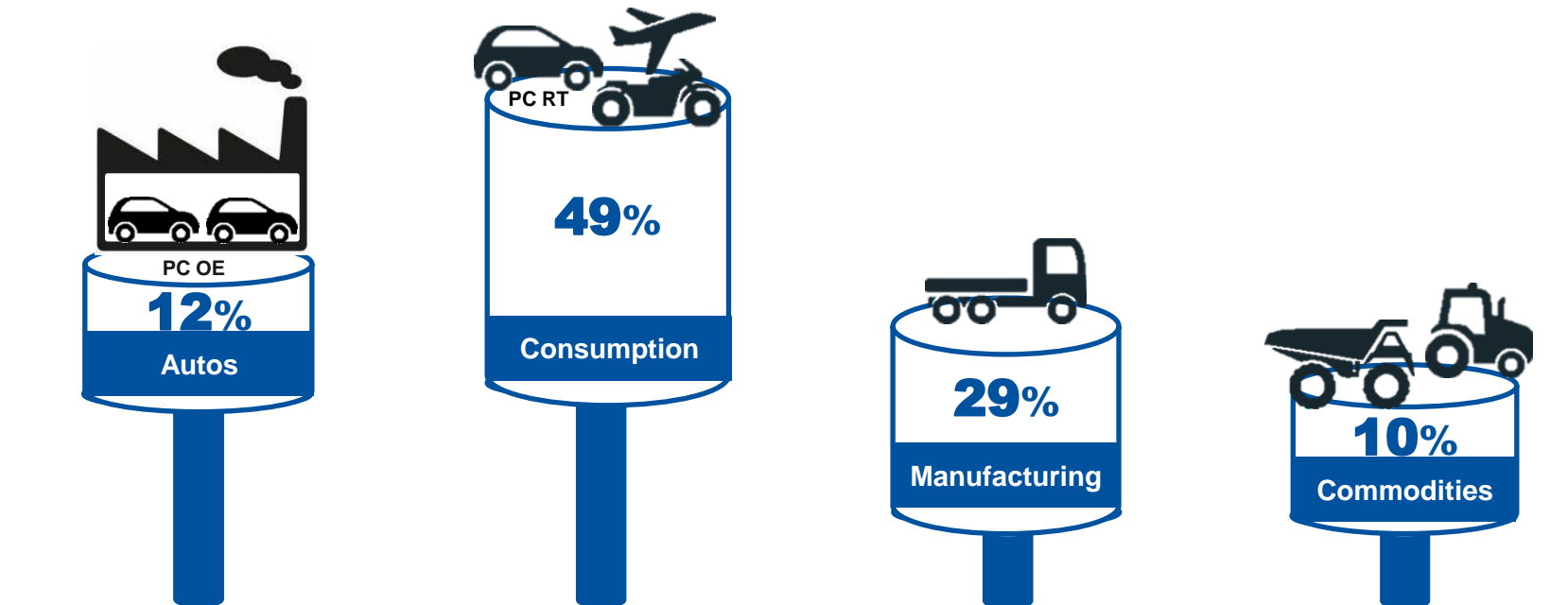
2017 guidance: on the road to our 2020 objectives

	2017
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	≥ 2016
Net price-mix effect vs. raw materials	Non-indexed businesses: neutral
Structural FCF*	> €900m

* Adjusted for the payment in January 2017 of the €193m in interest on the zero-coupon Océanes 2017 convertible bonds

A business model strongly linked to consumption

▲ Net sales by drivers



2016 net sales by sector

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- 1 / Q1 2017 Net Sales up 10% boosted by growth (+7,3%)**
- 2 / 2017 guidance**
- 3 / On the road to 2020**

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1 / **Q1 2017: Net sales up 10%
boosted by growth (+7,3%)**

Q1 2017: €5.6 billion in net sales (up 10%), with strong growth in volumes

- Generally expanding market environment
 - Sustained OE demand
 - RT demand buoyed by early buying ahead of price increases
 - Rebound in Mining tire demand
- Q1 volumes up 7.3%, lifted by early dealer buying and the recovery in Mining tire sales
- The price-mix effect reduced net sales by just 0.1%, a sharp improvement led by:
 - The success of the new tire and services solutions aligned with customer needs
 - The favorable mix effect, primarily reflecting 31% growth in volumes in the premium 18”+ segment
- 2017 guidance confirmed, in line with our 2020 objectives

Q1 2017 markets lifted by early buying ahead of RT price increases



PASSENGER CAR: +5%

Global OE: +4%
Global RT: +5%

- Robust demand in every region



TRUCK: +8%

Global OE: +9%
Global RT: +7%

- OE: sustained firm growth in China and Europe, declines in North and South America
- RT: demand boosted by price increases and by favorable global freight conditions



SPECIALTY: +9%/+11%

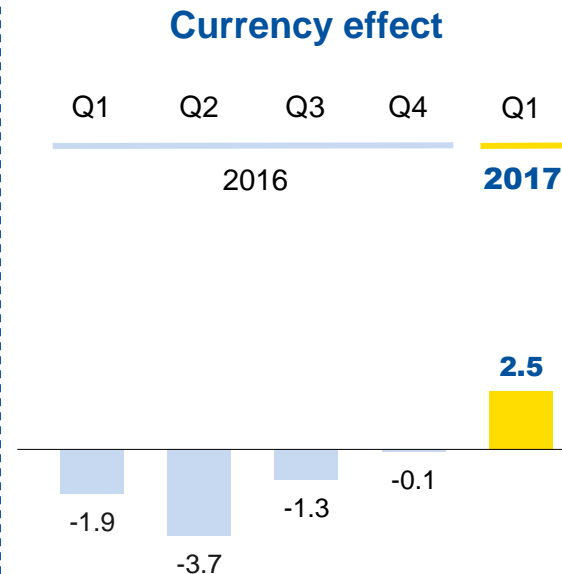
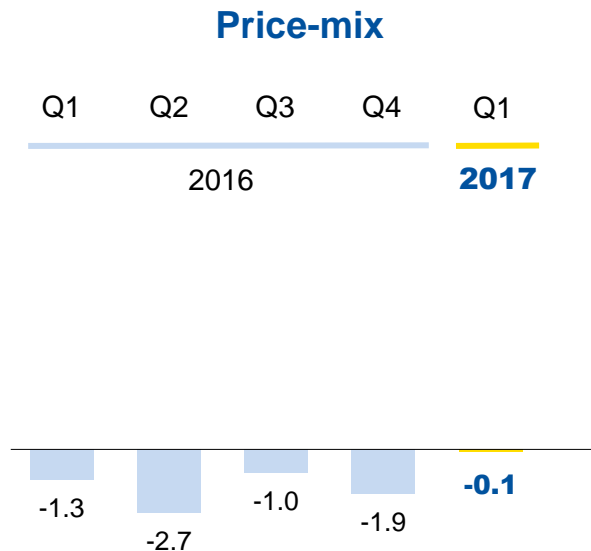
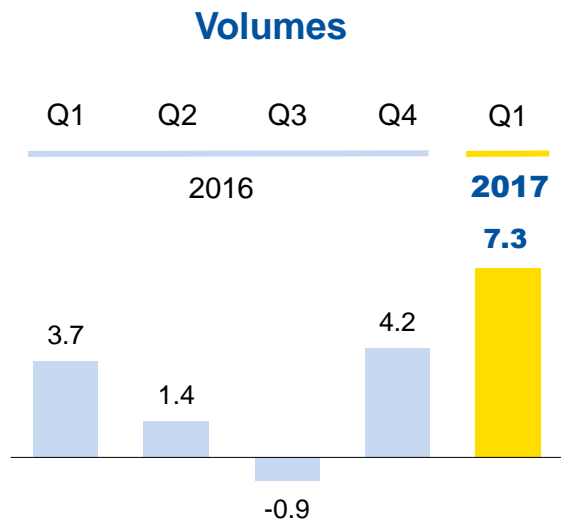
- Mining tires: rising demand led by the end of destocking
- RT Agricultural and Infrastructure tires: markets supported by price hikes
- OE Agricultural: stable
- Aircraft* and Two-Wheel** tires: continued growth

* Commercial aircraft

** Motorcycle tires in Europe, the United States and Japan




Strong growth in volumes vs. a high basis of comparison and price-mix stabilizing ahead of price increases

▲ YoY quarterly change
(in %)



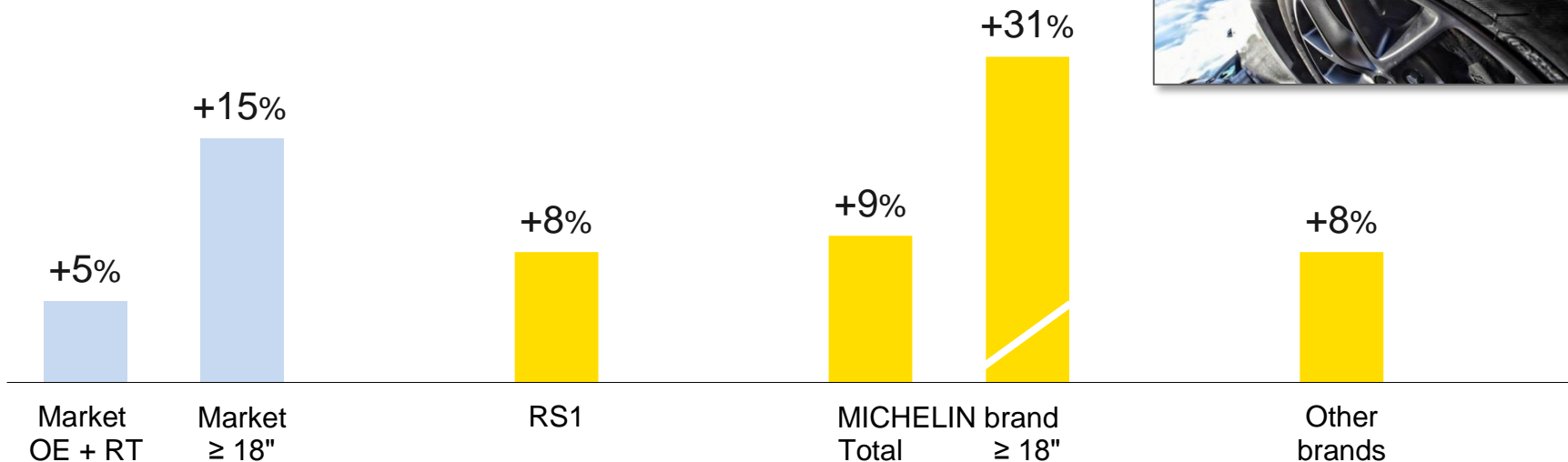
Improved Group positions

(in € millions and % in tonnes)

	Q1 2017	Q1 2016
 RS1 net sales <i>Volume growth</i>	3,201 +8%	2,897 +4%
 RS2 net sales <i>Volume growth</i>	1,518 +3%	1,430 +3%
 RS3 net sales <i>Volume growth</i>	848 +14%	738 +0%

Passenger car and Light truck tires: solid performance across all brands and in every segment

▲ Passenger car and Light truck growth (YoY)



Source: Michelin

Product launches driving volume and market share gains

Passenger Car

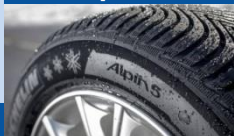
MICHELIN
CrossClimate +



MICHELIN Pilot
Sport 4 S



MICHELIN
Alpin 5



BFGoodrich
All Terrain T/A K02



MICHELIN
Premier LTX



Truck

MICHELIN
X-One Urban Bus



MICHELIN
X®Guard



Convoy
TripleA



MICHELIN
XWorks



MICHELIN
X Line Energy Z



Specialty



MICHELIN
Power RS



MICHELIN
XDR3



2 tires in 1
technology



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2 / 2017 guidance

Markets in 2017: early-year growth driven by price increases



PASSENGER CAR: +2%/+3%

Growth in line with long-term trends

- Slowing momentum in the North American and European markets
- Still buoyant demand in China
- Recovery in the other regions



TRUCK: +0%/+2%

Growth in line with long-term trends

- China: Return to growth in the world's largest market
- Europe: Moderate growth
- North America: Another period of decline in OE and strong demand holding firm in RT



SPECIALTY: +3%/+5%

- Of which Mining tires: +8%/+10%
- Of which Agricultural tires: stable

2017 guidance confirmed: on the road to our 2020 objectives

	2017
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	≥ 2016
Net price-mix/raw materials effect	Non-indexed businesses: neutral
Structural FCF*	> €900m

* Adjusted for the payment in January 2017 of the €193m in interest on the 2017 Océane zero-coupon convertible bonds.

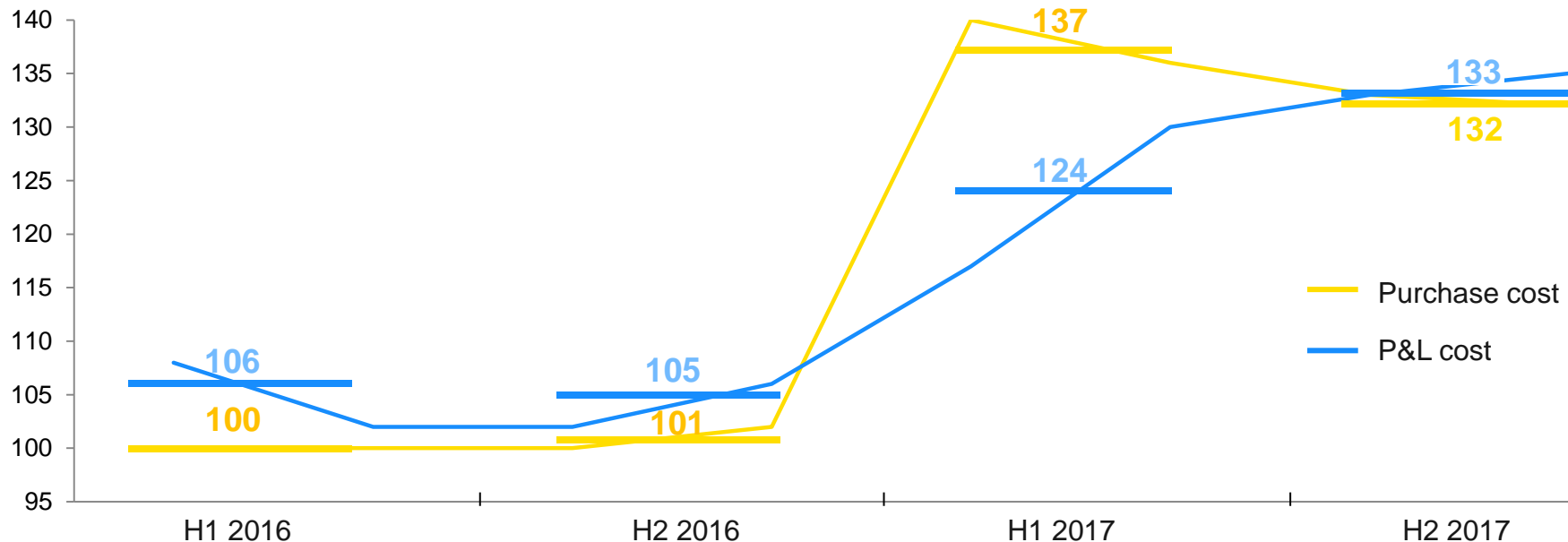
2017 scenario*: H1 lifted by volumes and H2 by price increases

	H1 2017	2017
Impact of raw materials costs		Around €900m headwind
Currency effect		Around a positive €100m
Net price-mix/raw materials effect	€100-200m headwind	Indexed businesses: negative Non-indexed businesses: neutral
Competitiveness plan gains vs. inflation		Slightly positive

* Based on the following prices: natural rubber: \$2/kg; butadiene (US and Europe): \$1,600/T; brent: \$55/bbl; EUR/USD: \$1.06

Raw materials: a negative impact mainly in H2

▲ 2017 assumptions per half



Worldwide price increases for Michelin

Europe	North America	South America	China	ASEAN
Up to 8% over the first four months	Up to 8% from Feb. to April	Up to 3% in January	Up to 8% in February	Up to 8% in March-April

- Further price increases have been announced in Europe in the Truck (up 5% to 8% from May), Passenger car and Light truck (up 2% to 3% from June), and Agricultural (up 12% from July) segments.

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3 / On the road to 2020

An ambitious value creation target: ROCE at 15%* from 2020

	Tires	Services	Experience	Materials
2015-2020 objectives	Net Sales + 20%	Net Sales x 2	Net Sales x 3	Capitalize on our leadership
Action plan and first steps	 <p>MICHELIN net promoter score</p>     	   	    	 <p>Synthetic rubber</p>     

CUSTOMER – INNOVATION – GROWTH – COMPETITIVENESS

* At constant scope of consolidation excluding goodwill

Investor calendar

- **Upcoming events:**

- **May 19, 2017:** Annual Shareholders Meeting
- **July 25, 2017 after close of trading:** First-half 2017 results
- **October 19, 2017 after close of trading:** Third-quarter 2017 net sales

- **Dividend dates:**

- **May 24, 2017:** Ex-dividend date
- **May 25, 2017:** Record date
- **May 26, 2017:** Payment date



MICHELIN

PILOT SPORT 4 S 

1st in (the largest number of) essential performances:

- 1st in DRY braking ⁽¹⁾
- 1st in WET braking ⁽¹⁾
- 1st in DRY laptime ⁽¹⁾
- 1st in longevity ⁽²⁾

LEGAL MENTIONS

(1): Thanks to external tests realized by TÜV SÜD in June and July 2016 in 255/35-19 96 Y XL with BRIDGESTONE Potenza S001, CONTINENTAL SportContact 6, DUNLOP Sport Maxx RT 2, GOODYEAR Eagle F1 Asymmetric 3, and PIRELLI Pzero Nero GT bought on European replacement market in 2016 by TÜV SÜD.

(2): Thanks to external tests realized on Michelin request by DEKRA Test Center in June and July 2016 in 255/35-19 96 Y XL with BRIDGESTONE Potenza S001, CONTINENTAL SportContact 6, DUNLOP Sport Maxx RT 2, GOODYEAR Eagle F1 Asymmetric 3, and PIRELLI Pzero Nero GT bought on European replacement market in 2016 by TÜV SÜD.

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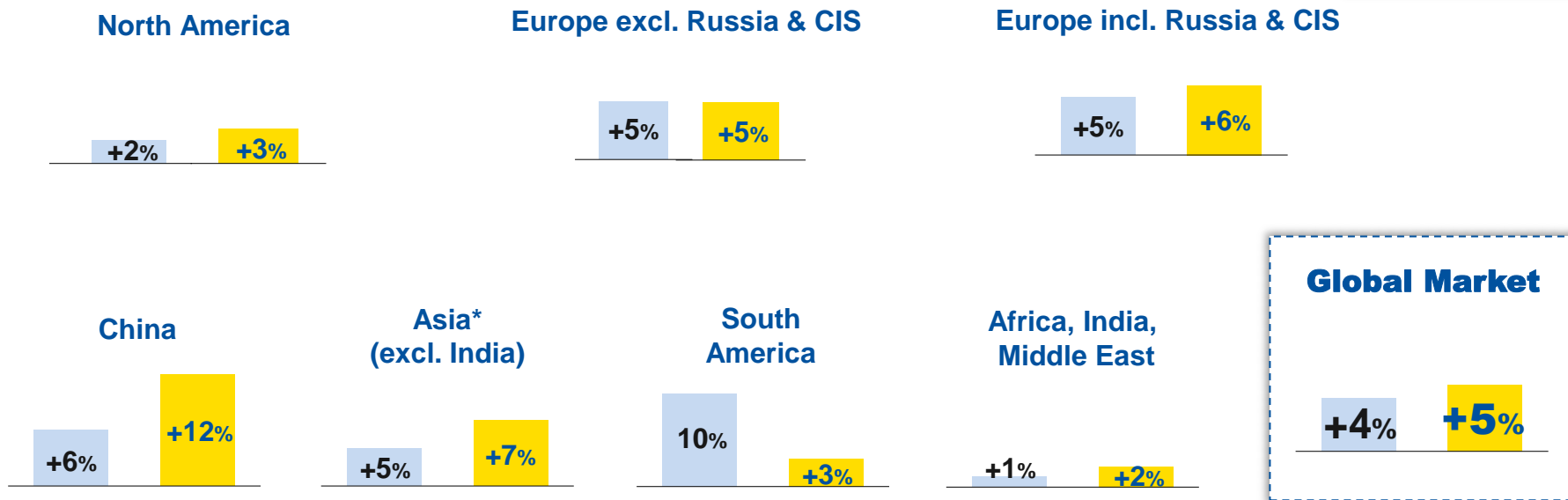


Appendices

PC and Light truck tires: Robust demand in every region and segment, lifted by early dealer buying



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



* Including China
Source: Michelin

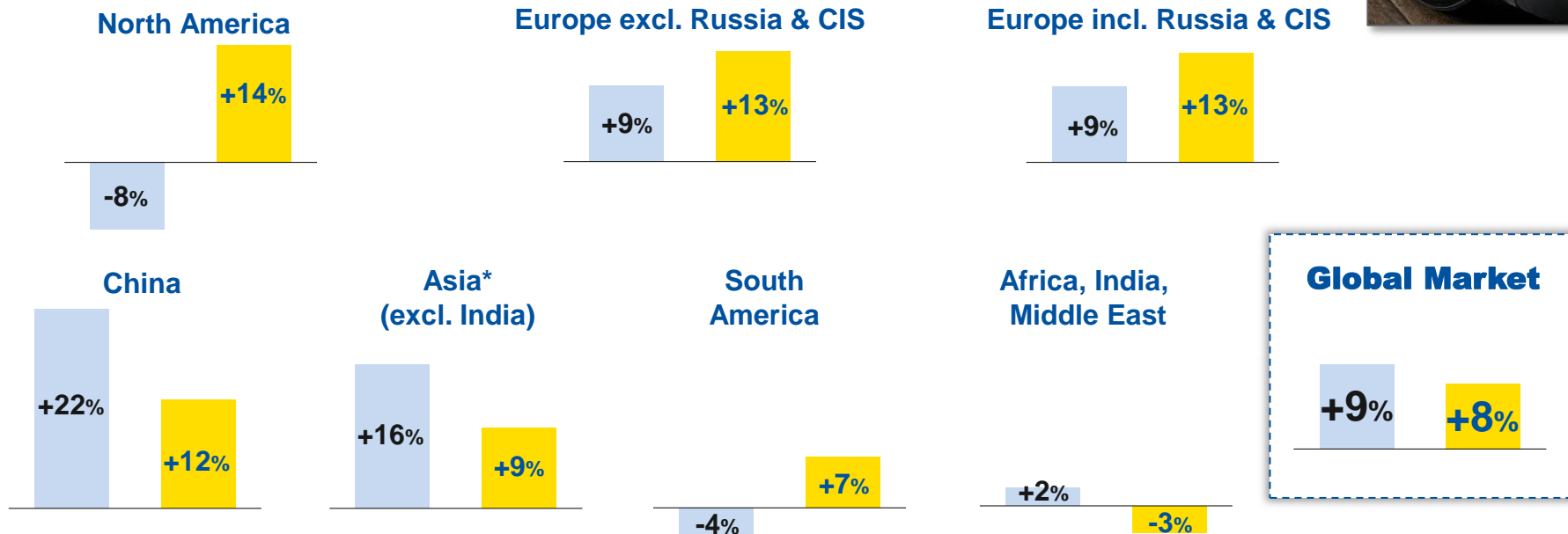
■ OE ■ RT



Truck & Bus: rebound in global market fueled by sharp growth in China and sell in pre-buy



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



* Including China
Source: Michelin

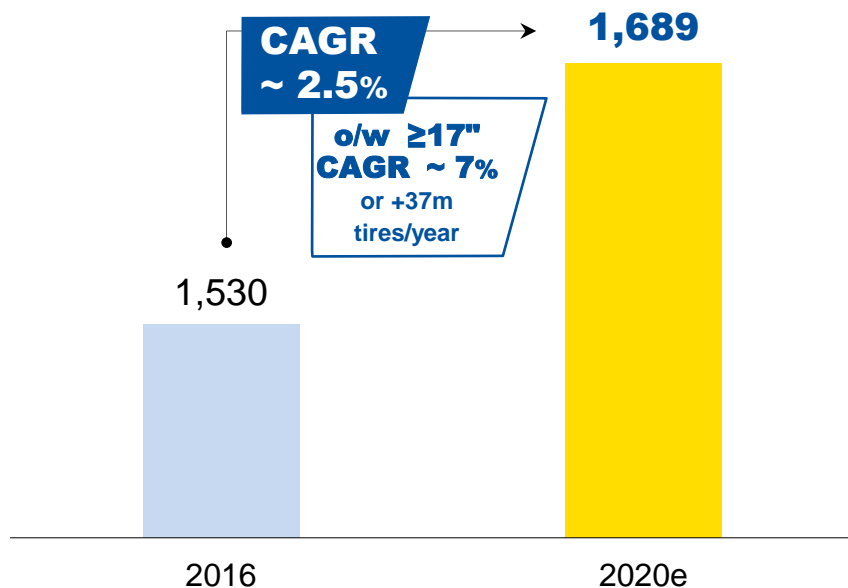
■ OE ■ RT



2016-2020 projections: growing worldwide demand

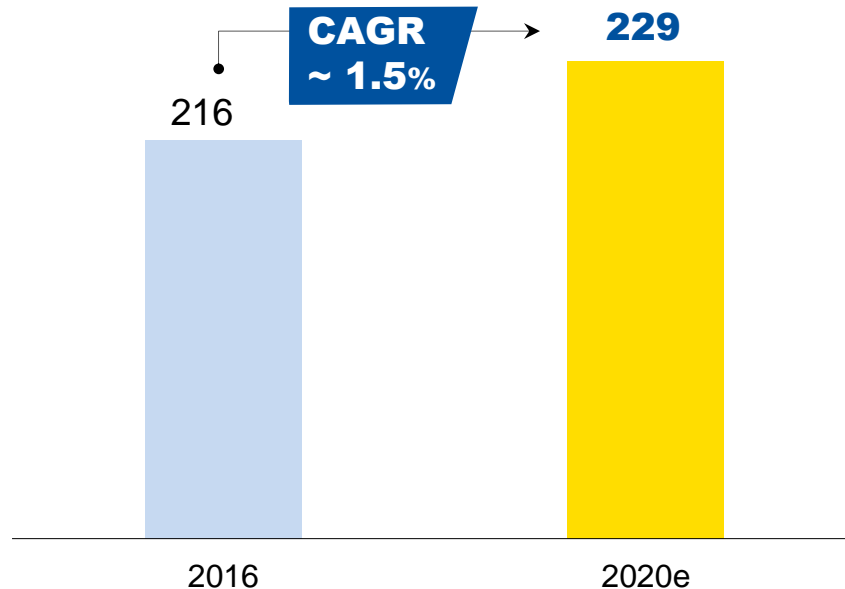
▲ PC OE&RT market projection

(in millions of units)



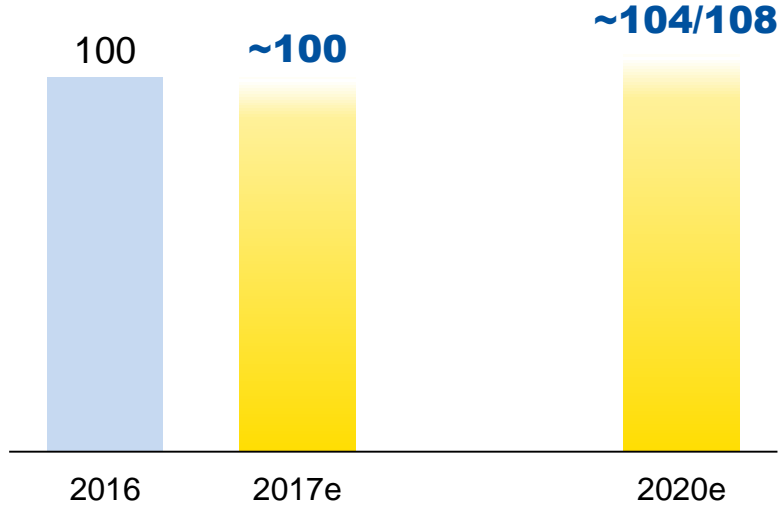
▲ TB OE&RT market projection

(Radial & Bias in millions of units)

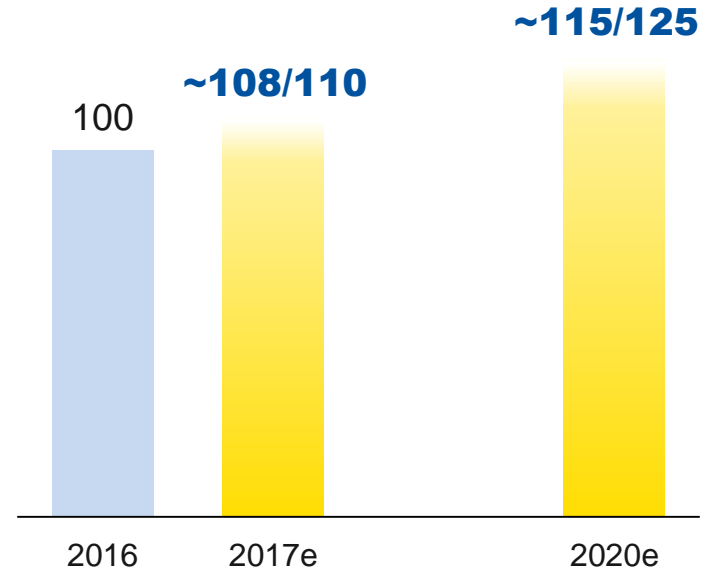


2017: Mining tires, return to growth – Agricultural tires, stabilizing before returning to growth

▲ Agricultural tires* (base 100 in 2016, in tonnes)



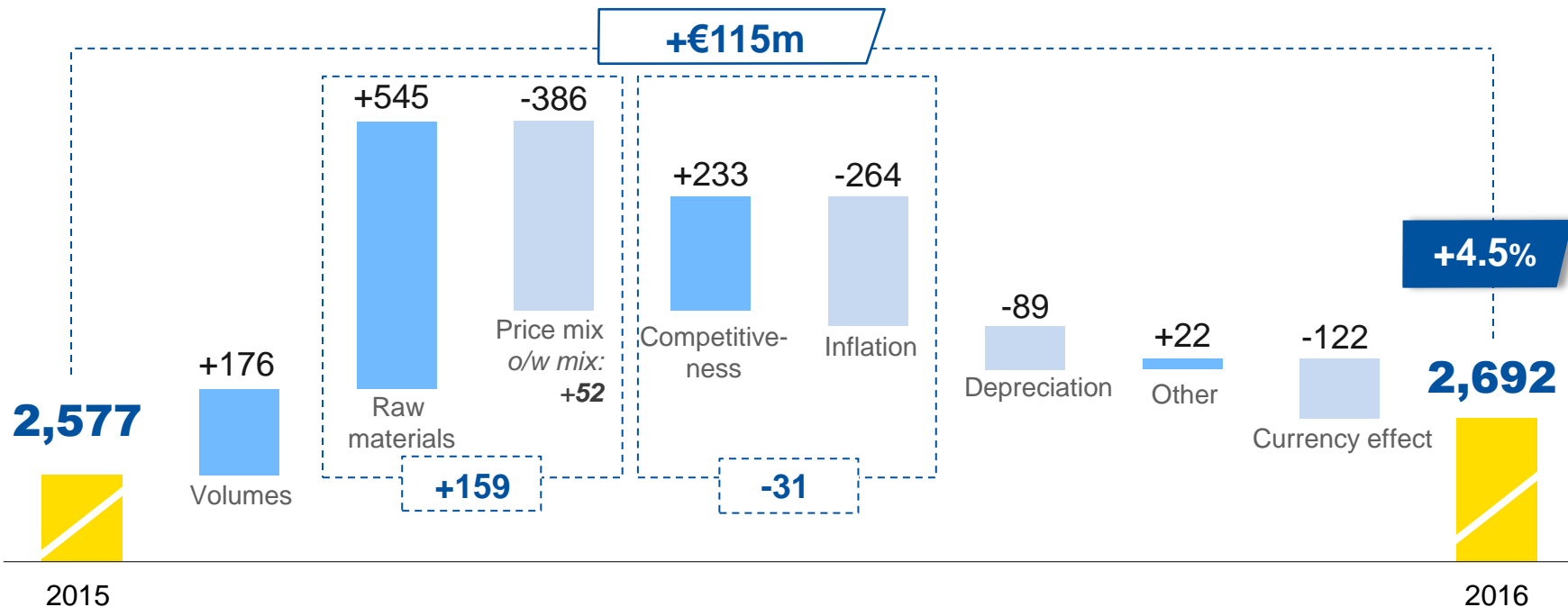
▲ Mining tires (base 100 in 2016, in tonnes)



* OE & RT in Europe and North America

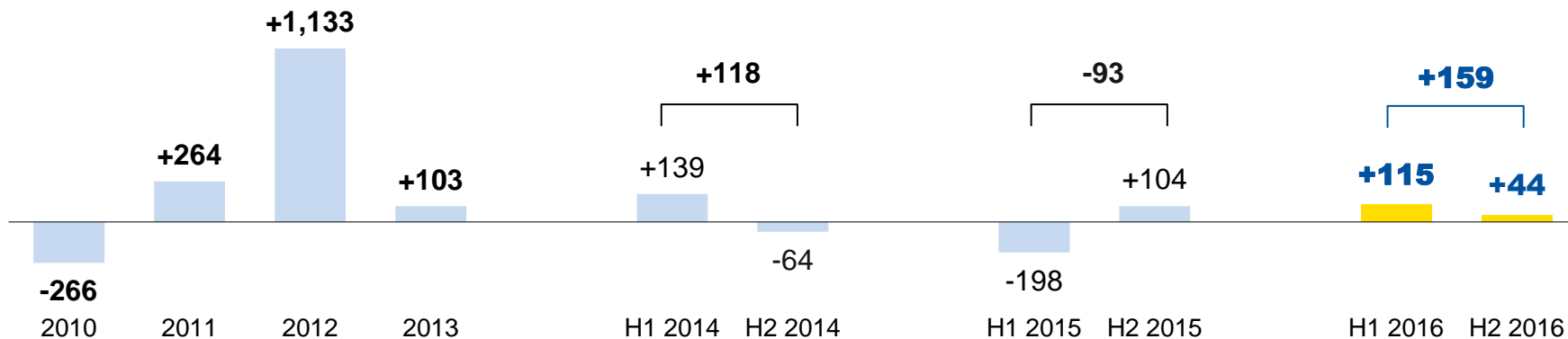
2016 Operating income up €237m at constant exchange rates

▲ YoY change in operating income from recurring activities (in € millions)



Improvement in unit margin due to effective pricing management over time

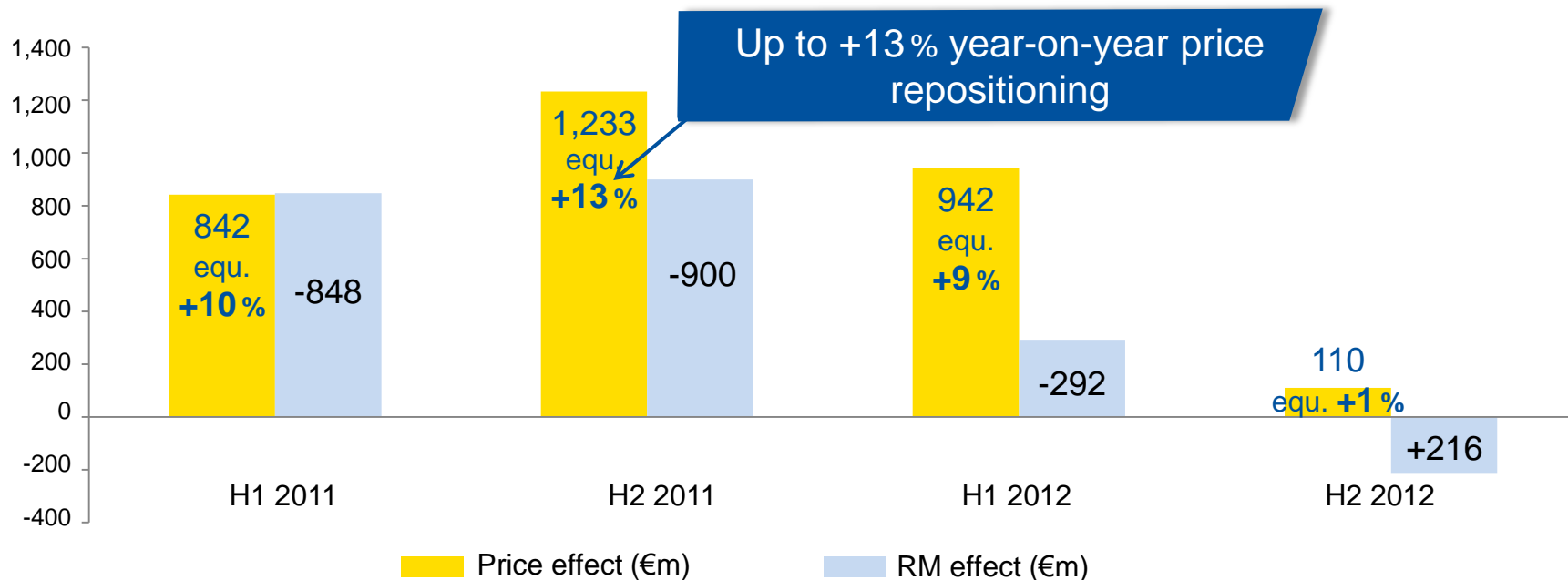
▲ Net effect of price mix and raw materials prices on operating income
(in € millions)



- 2016: net impact of changes in price mix and raw materials costs was a negative €28m for indexed businesses and a positive €187m for the other businesses

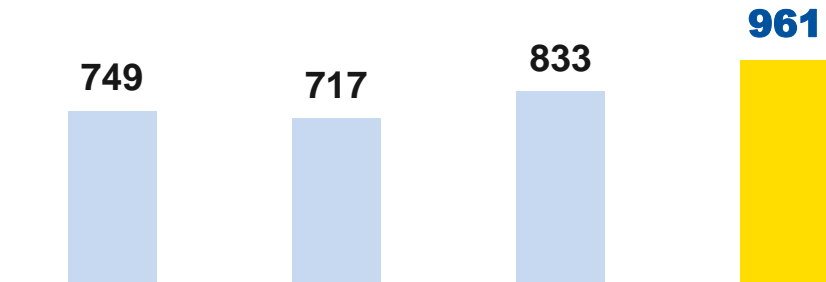
Demonstrated ability to pass along sharp price increases in response to surging raw materials costs

▲ Price and raw materials effects by half year, 2011-2012; price increases (in € millions and % of net sales, YoY)



A business that structurally generates free cash flow

▲ Structural free cash flow (in € millions)



	2013	2014	2015	2016
Free cash flow ⁽¹⁾	1,154	322	653	1,024
Acquisitions ⁽²⁾	0	(400)	(312)	(16)
WCR impact of raw materials costs ⁽³⁾	405	177	132	79
WCR impact of year-end volumes ⁽⁴⁾	nm	(172)	nm	nm
Structural free cash flow ^{(1) - (2) - (3) - (4)}	749	717	833	961

Investing to create value

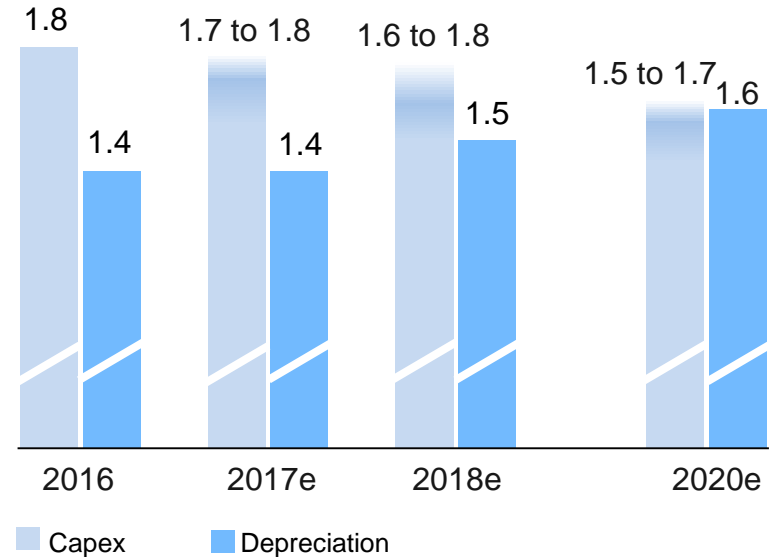
▲ Successfully carry out our priority Capex and M&A projects to drive expansion:

- In growing markets: Premium PC, North America and Asia
- In the supply chain to improve customer service (information systems, logistics)
- In digital services
- In raw materials and semi-finished products

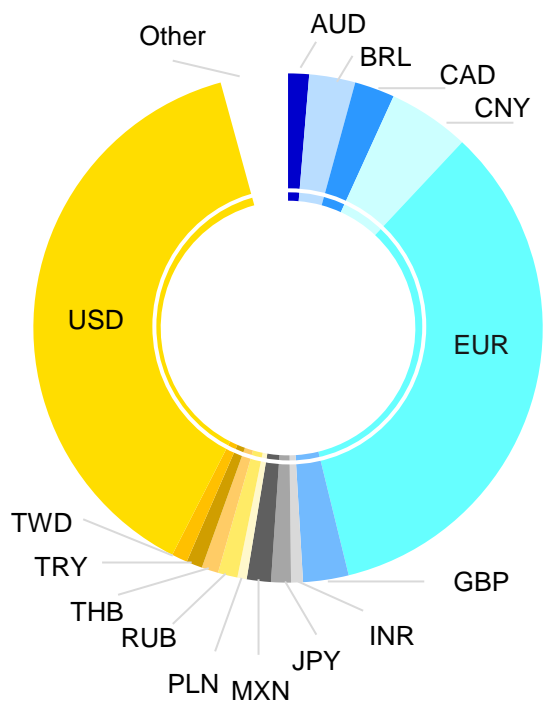


▲ Closing the gap between Capex and depreciation:

(in € billions, at current exchange rates)



2016 net sales by currency

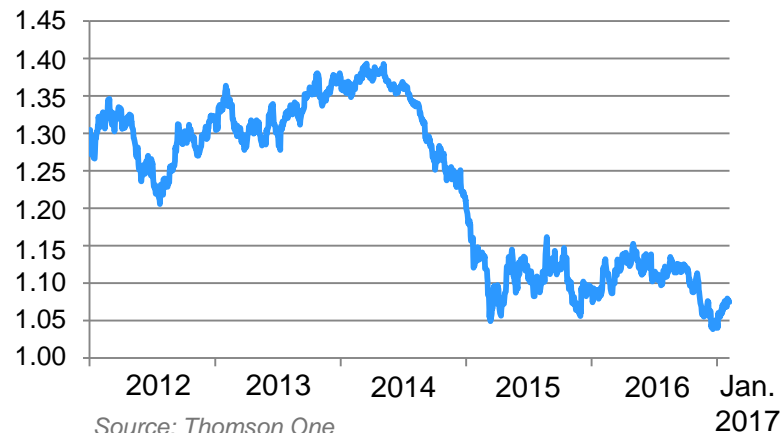


% of net sales	
AUD	1%
BRL	3%
CAD	3%
CNY	5%
EUR	34%
GBP	3%
INR	1%
JPY	1%
MXN	2%
PLN	1%
RUB	1%
THB	1%
TRY	1%
TWD	1%
USD	38%
Other	4%

EBIT sensitivity to €/€ exchange rate:

A one cent change in the average annual €/€ exchange rate would lead to a € 15-20 million change in EBIT for the year.

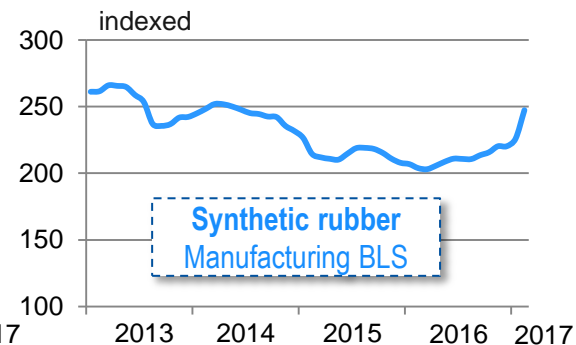
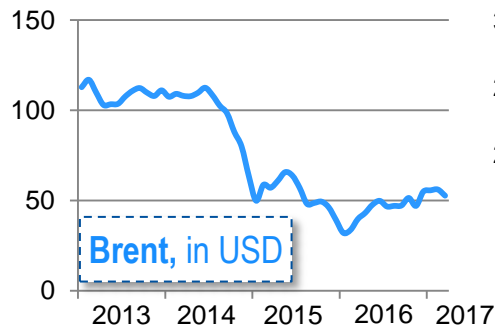
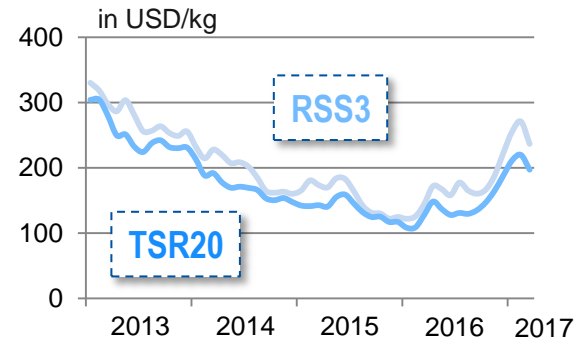
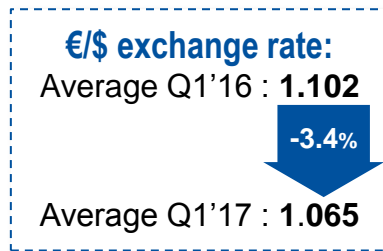
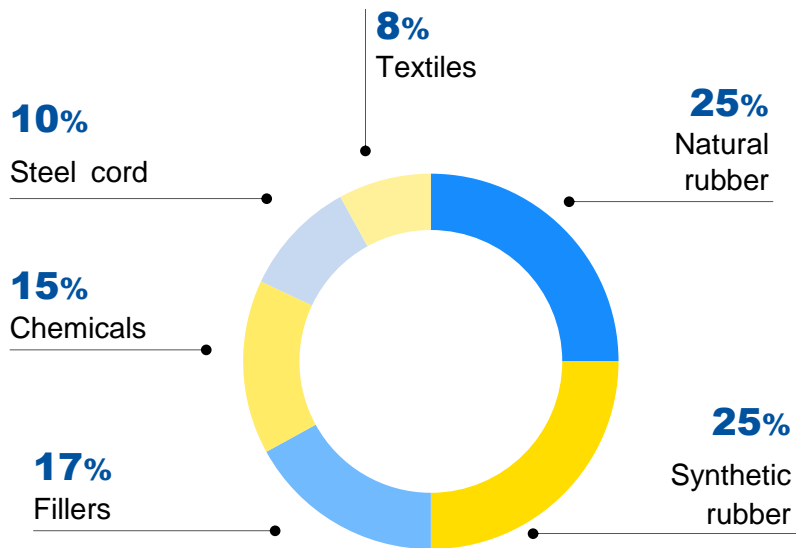
▲ €/€ exchange rate – 2012- Jan. 2017



Source: Thomson One

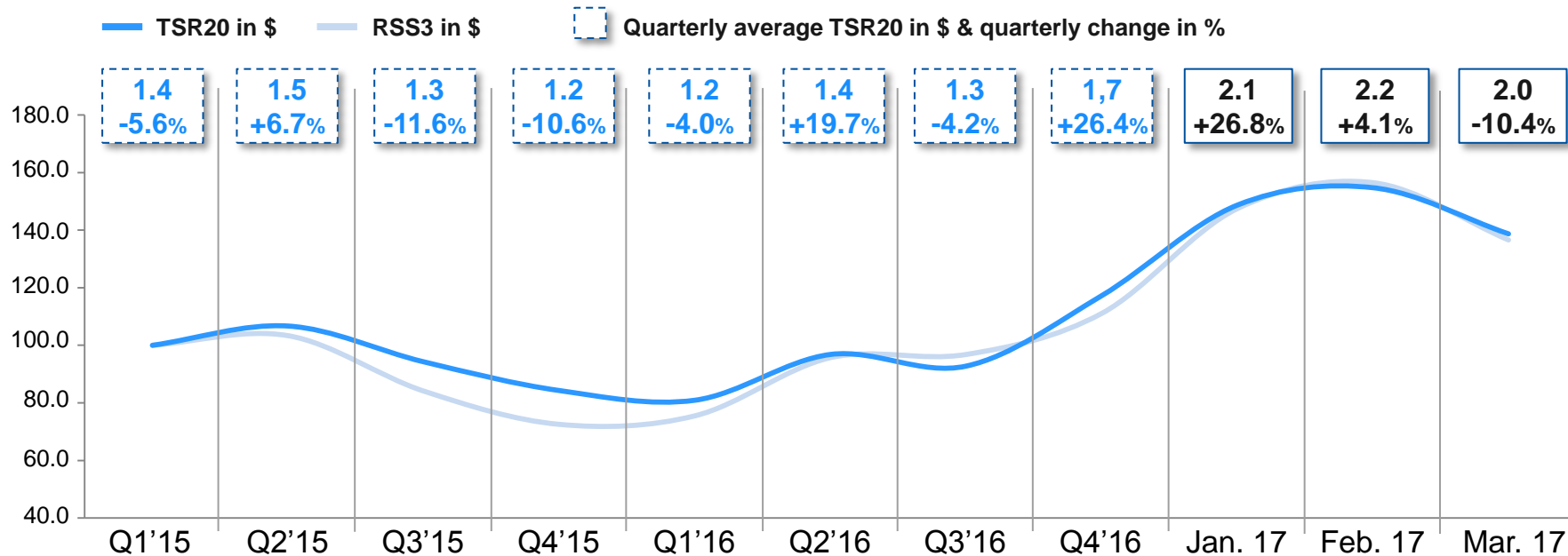
Raw materials in 2016 and 2017

▲ Raw material purchases in 2016 (€4.3bn)



Natural rubber price trend

▲ Indexed, at end of March 2017 (per kg, base 100 in Q1'15)

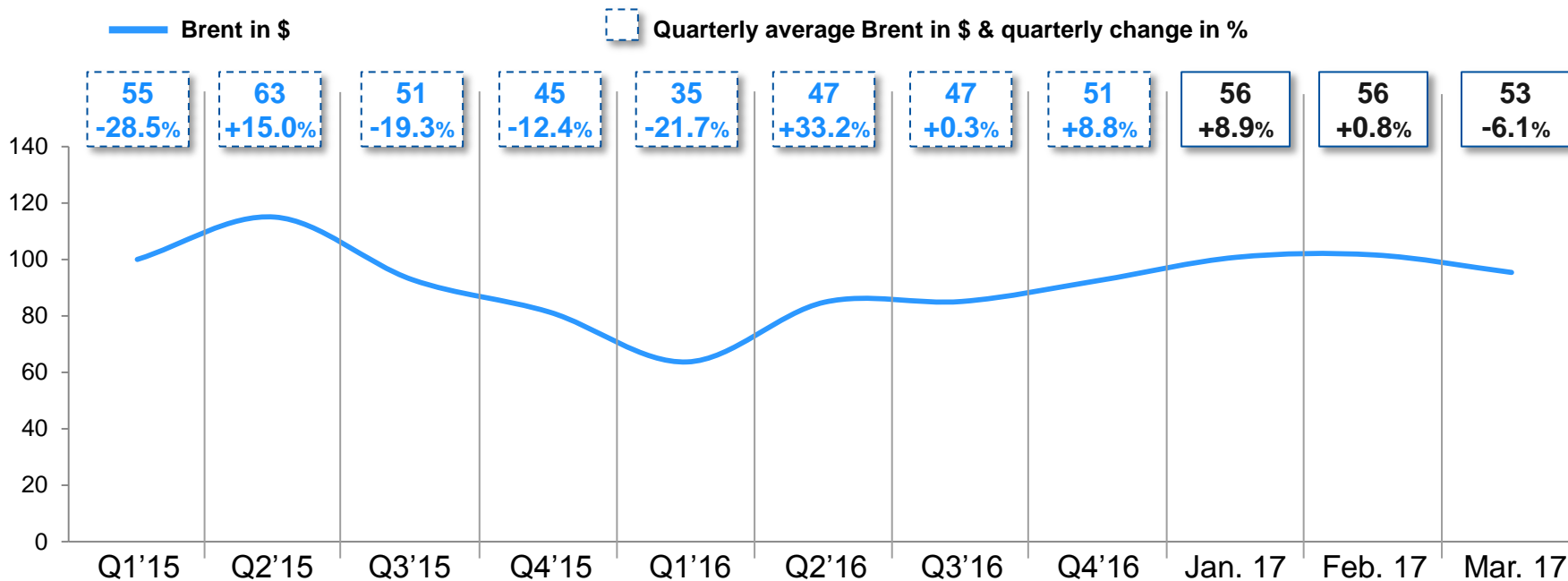


Source : SICOM



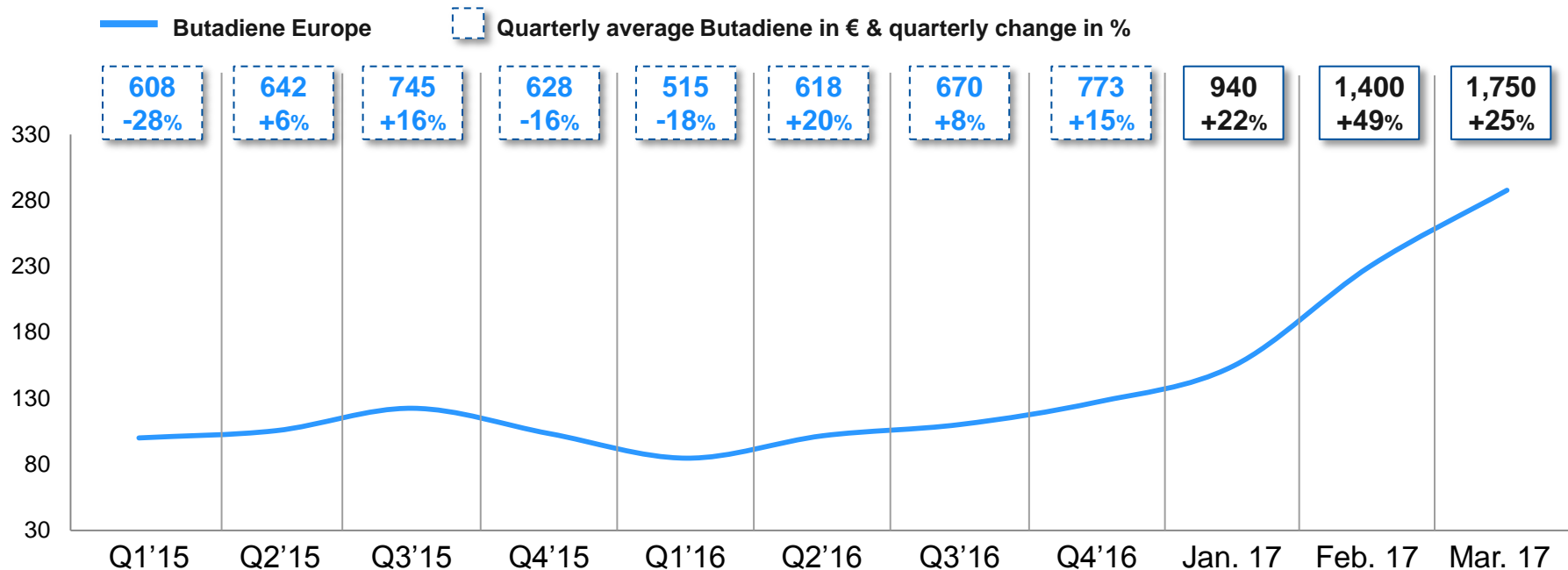
Brent price trend

▲ Indexed, at end of March 2017 (per barrel, base 100 au Q1'15)



Butadiene price trend

▲ Indexed, at end of March 2017 (per tonne, base 100 in Q1'15)



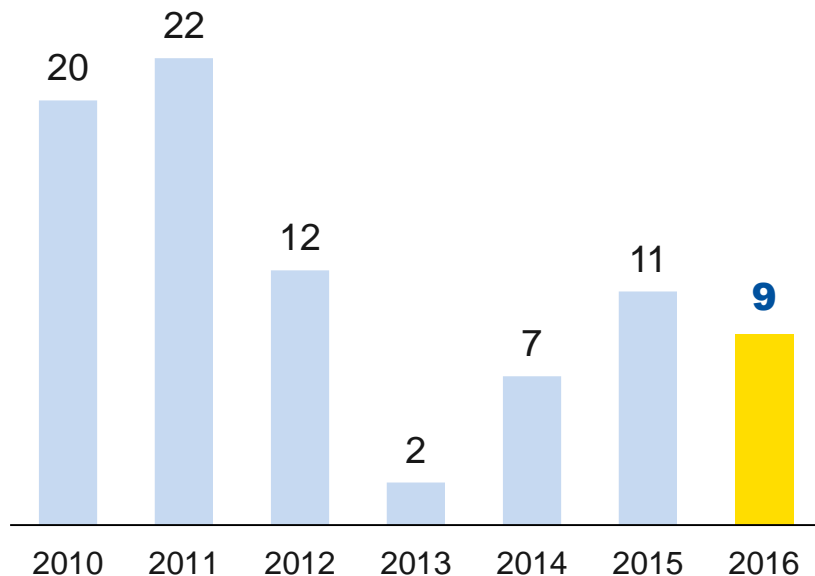
Source : IHS



A robust balance sheet after the share buybacks, confirmed by the rating agencies

▲ Gearing

Net debt/equity, in %

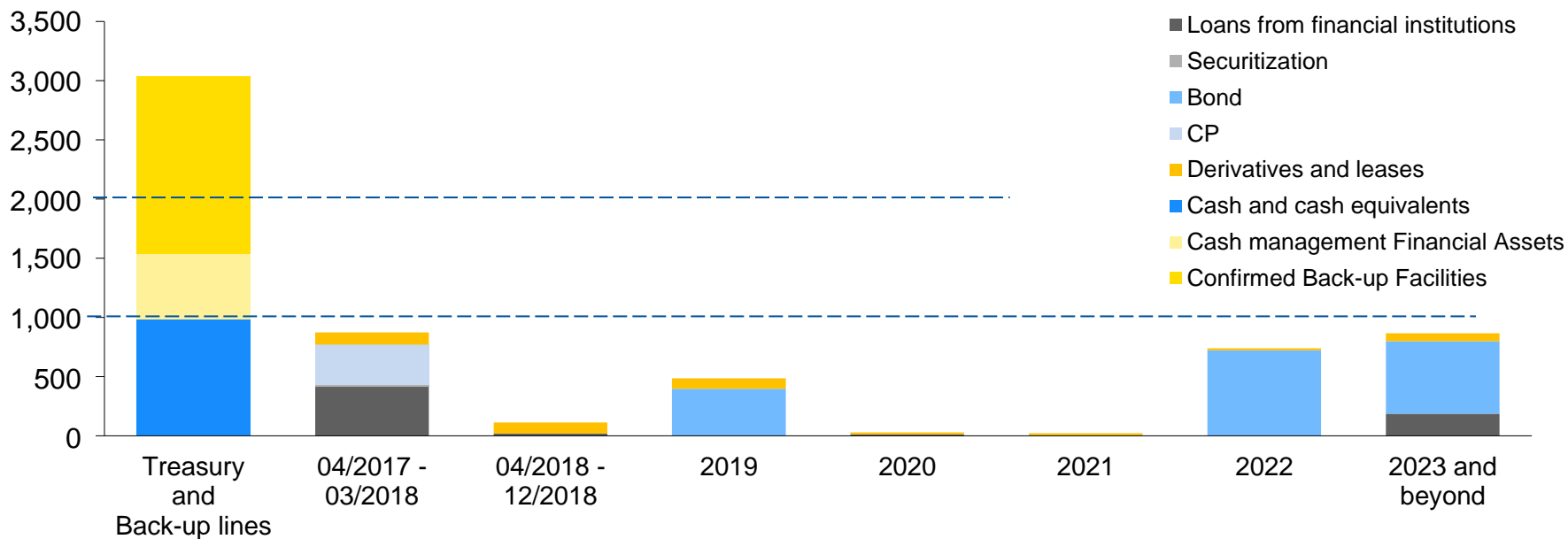


▲ Solid long-term ratings

Short term	S&P Moody's	A-2 P-2
Long term	S&P Moody's	A- A3
Outlook	S&P Moody's	Stable Stable

A comfortable cash position

▲ Debt* maturities at Mar. 31, 2017 (book value, in millions €)



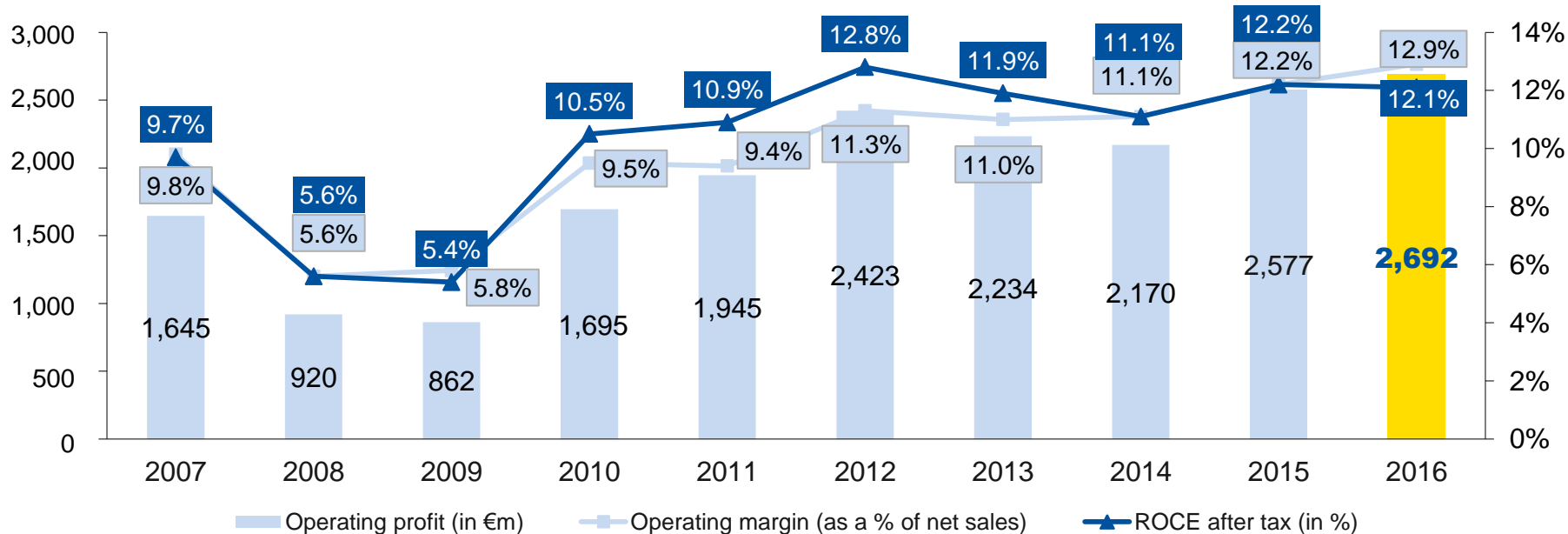
* Including accrued interests

Outstanding bond issues (as of May 5th, 2017)

Issuer	MICHELIN Luxembourg	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
Type	Bond	Convertible	Bond	Bond	Bond
Principal amount	€ 400 mn	\$ 500 mn + TAP \$100 mn	€ 300 mn	€ 300 mn	€ 302 mn
Offering price	99.912%	100% & 103,85%	99.967%	99.081%	98.926%
Rating corporation at Issuance date	BBB+ (S&P) Baa1 (Moody's) BBB+ (Fitch)	A- (S&P) A3 (Moody's) A- (Fitch)	A- (S&P) A3 (Moody's) A- (Fitch)	A- (S&P) A3 (Moody's) A- (Fitch)	A- (S&P) A3 (Moody's) A- (Fitch)
Current corporation rating	A- (S&P) ; A3 (Moody's) ; A- (Fitch)				
Coupon	2.75% p.a	ZERO Conv premium 128%	1.125% p.a	1.75% p.a	3.25% p.a
Issue Date	11-juin-12	5-janv.-17 & 5-mai-17	19-mai-15	19-mai-15	21/09/2015 & 27/09/2016
Maturity	20-juin-19	10-janv.-22	28-mai-22	28-mai-27	09/30/2045
Interest payment	Annual June 20	N/A	Annual May 28	Annual May 28	Annual Sept 30
ISIN	XS0794392588	FR0013230745	XS1233732194	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	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000

2016: a year of progress, in line with our 2020 roadmap

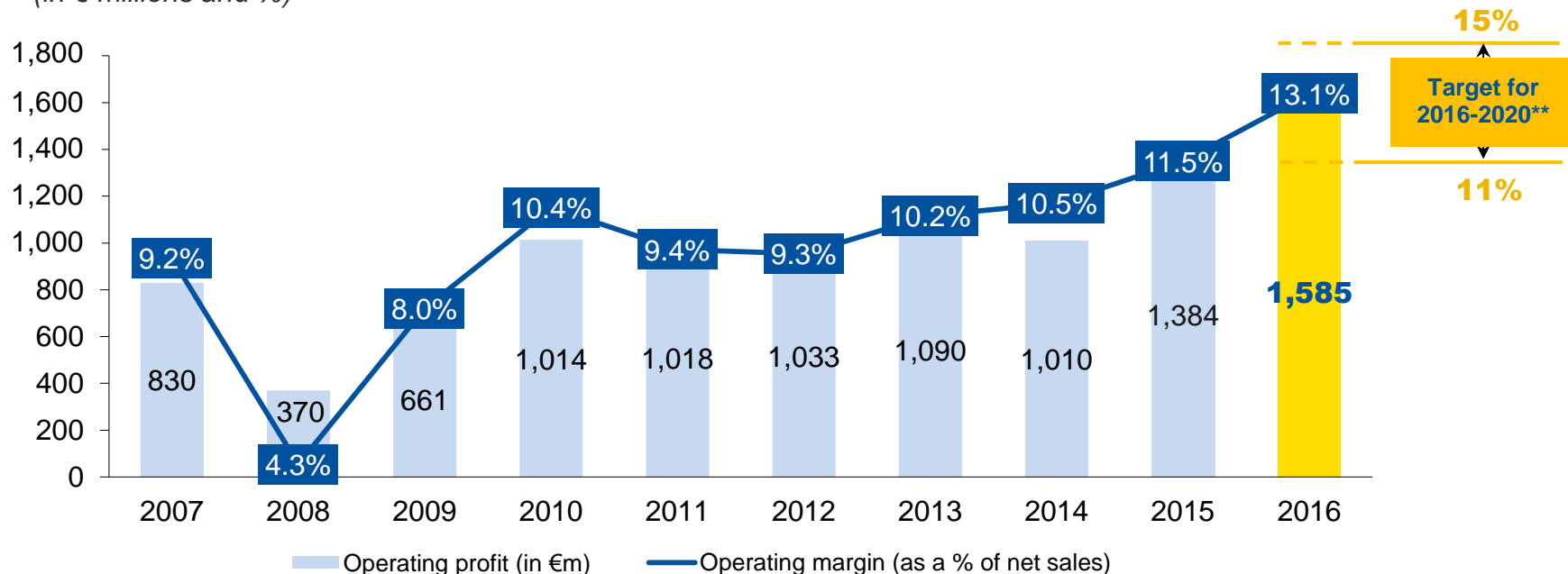
▲ Group operating income and margin* & ROCE



* On recurring activities.

Improving PC margins: product innovation, contribution from the 17" and over strategy, better customer service

▲ RS1 operating income and margin* (in € millions and %)



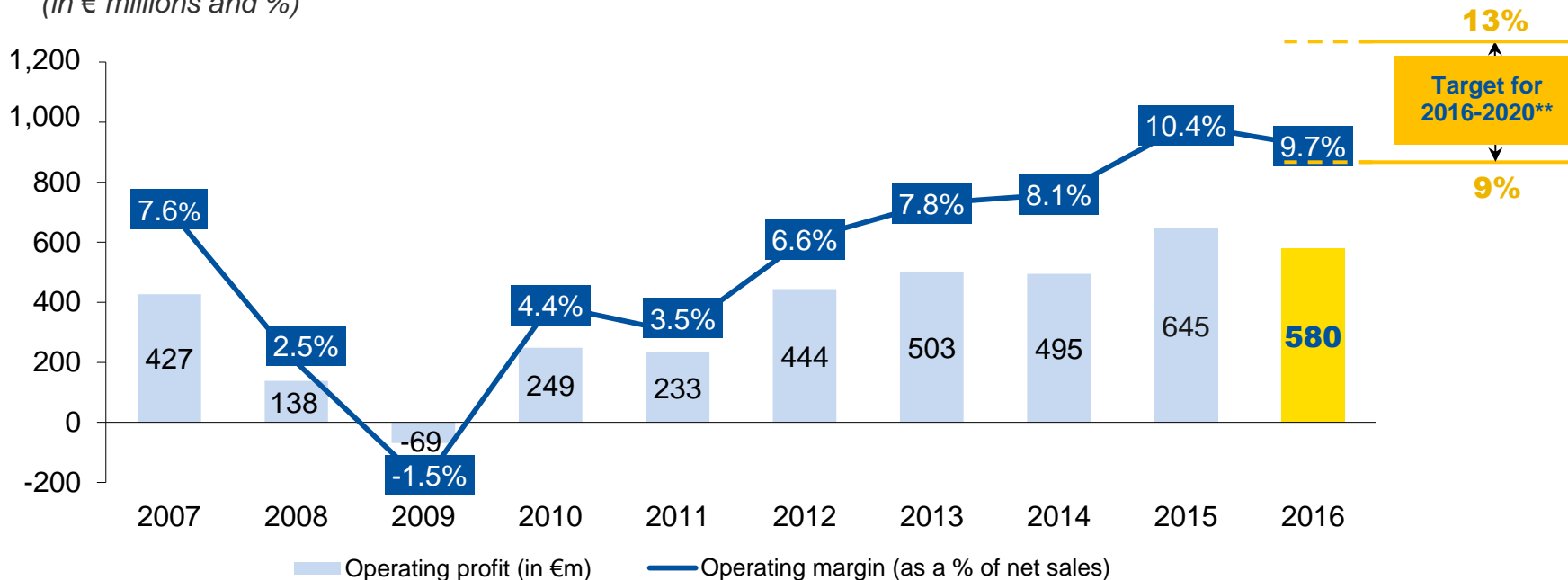
* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding at a 2.5% CAGR

Consolidation in TB margin led by competitiveness, product innovation and customer satisfaction

▲ RS2 operating income and margin*

(in € millions and %)



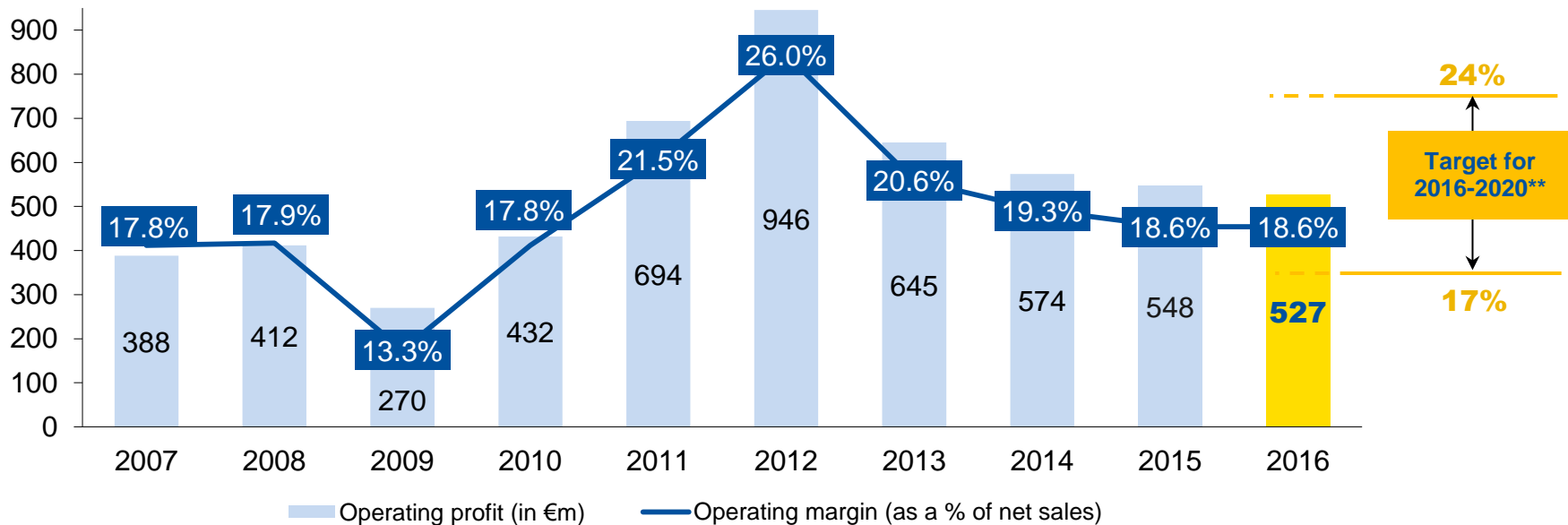
* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding at a 1.5% CAGR



Specialty businesses: solid margin resistance in challenging markets

▲ RS3 operating income and margin* (in € millions and %)



* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding

Disclaimer

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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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