



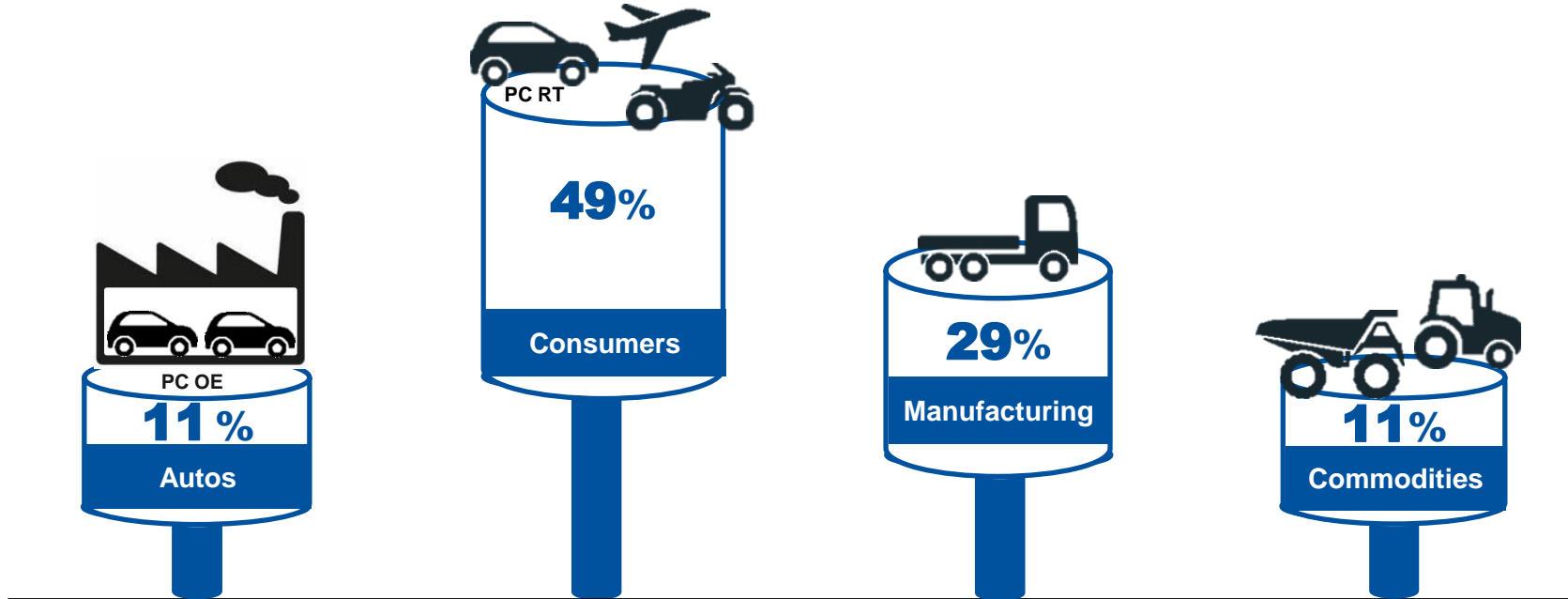
Oddo Securities - November 15-16, 2016

Canada



A business model strongly linked to consumption

▲ Net sales by drivers

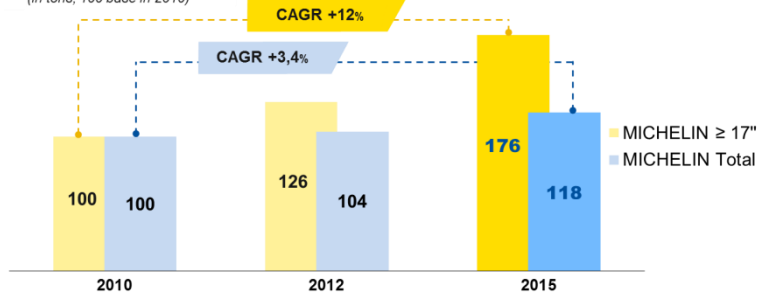


Breakdown of 2015 Net sales

A stronger Group

● RS1 volume growth

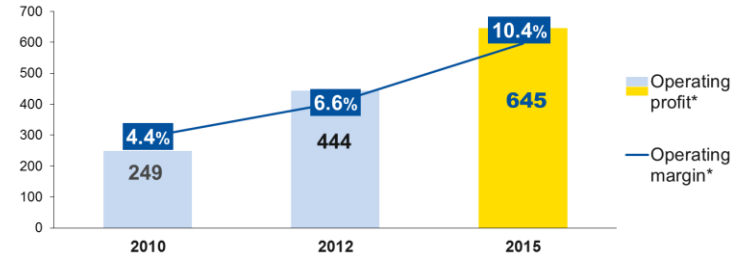
(in tons, 100 base in 2010)



● RS2 operating margin

▲ Operating profit and margin*

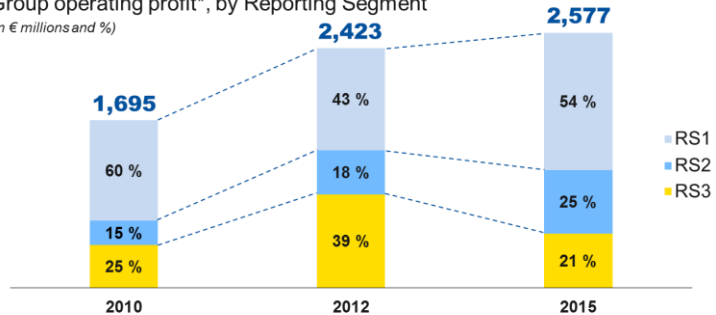
(in € millions and %)



● Margin by RS

▲ Group operating profit*, by Reporting Segment

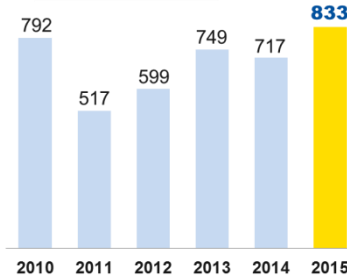
(in € millions and %)



● Structural FCF and ROCE

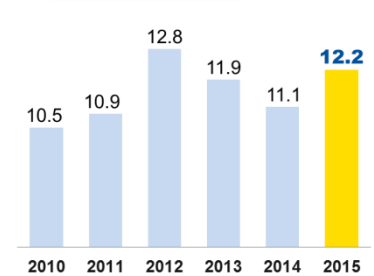
▲ Structural FCF

(in € millions)



▲ ROCE after tax

(in %)



* Before non-recurring items

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Michelin's Strategy

Michelin's value creation strategy

▲ Four domains of growth for 2016-2020

- Provide our customers with tires that truly meet their needs

Increase by 20% our revenue from our tire business

- Develop tire-related services and solutions that further enhance mobility

Double revenue in our services and solutions business

- Strengthen all the activities that enable our customers to enjoy unique mobility experience

Triple the revenue generated by these mobility experience businesses

- Leverage our expertise in high-technology materials – in particular those involving elastomers

Be proactive and assert our technological leadership in the area of high technology materials

MICHELIN CrossClimate, “the ideal ‘all-season’ tire”



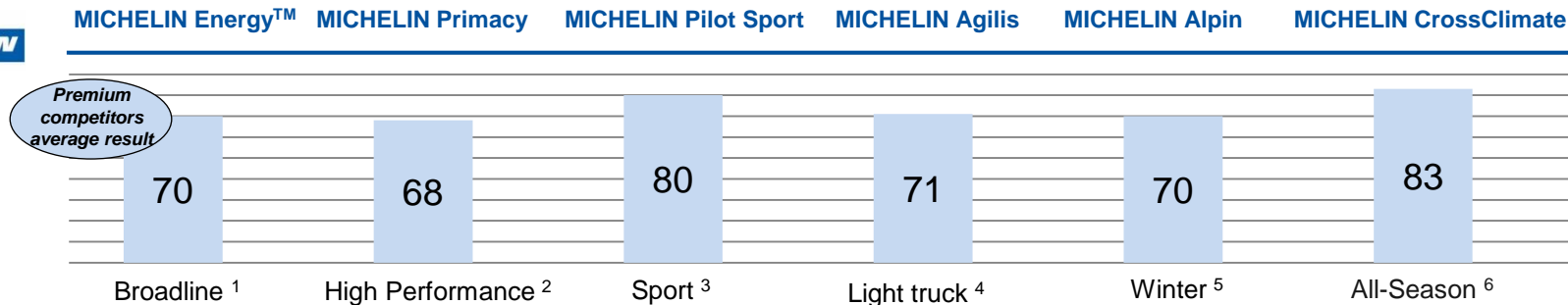
- MICHELIN summer tire with winter certification
- Best ‘all-season’ tire ranked by



“There is only one candidate that meets all the requirements of an ideal, uncompromising ‘all-season’ tire,” says  magazine, “and that’s the MICHELIN CrossClimate.”

Innovation aimed at delivering total performance

▲ Up to 32% more longevity vs Tier 1 Competitors in Europe
(MICHELIN = base 100)



MICHELIN CrossClimate:
“Total cost of ownership champion”
 according to **Auto Bild**

MICHELIN TYRES
LAST 8,000 KM LONGER,*
FOR 8,000 MORE KM
OF BEAUTIFUL STORIES.

*SEE LEGAL NOTICES ON WWW.MICHELIN.CO.UK



Source : Ranking based on the results of tests conducted on several times sizes by independant test centers (Dekra 2012-2013-2014, TÜV SÜD Product Service 2010-2011) and press tests (Autobild 2011-2014)

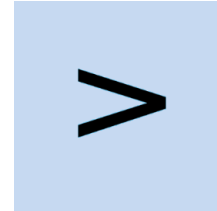
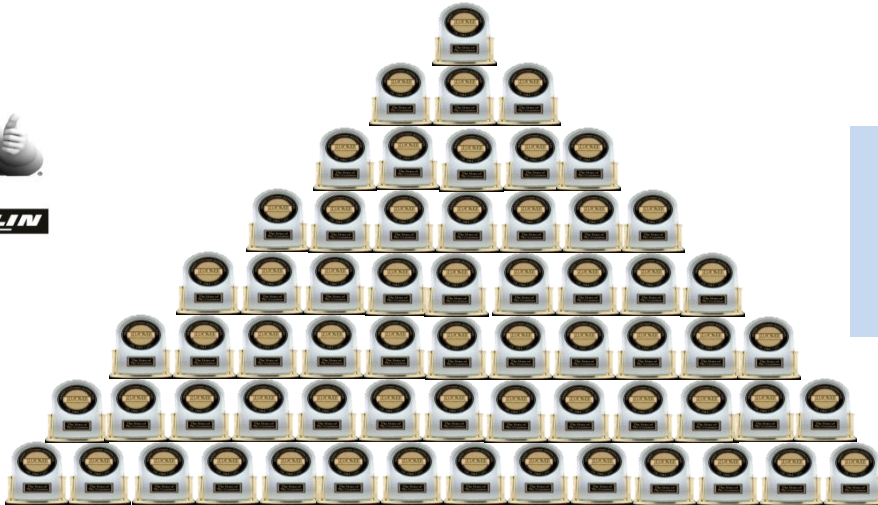
(1) Broadline on 14"/15"/16" – (2) High Performance on 16"/17" – (3) Sport on 18" – (4) Light truck on 16" – (5) Winter on 15"/16"/17" – (6) Test conducted by TÜV SÜD, in July and August 2016, on dimension 205/55R16 on VW Golf 7 vs Premium A/S Competitors



J.D. Power OE Tire Award History

- Since 1989 in the United States, Michelin and BFGoodrich have won 63 of the 76 awards for OE Tire Satisfaction
- This highlights Michelin's commitment to total performance throughout the life of the tire

5x more than the competition combined!



Outperforming new products allowing increased mining productivity



**MICHELIN
XDR 250
50/80 R 57**

- The most productive tire with at least **25% more TKPH*** ... with no trade-off on tire life



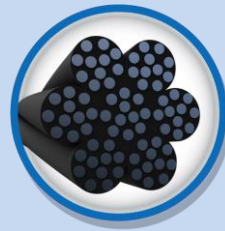
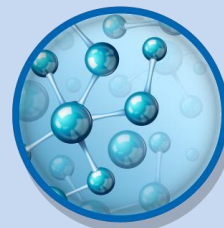
**MICHELIN
XDR 3
40.00 R 57**

3 MAJOR INNOVATIONS:

NEW COMPOUNDS



A NEW TREAD PATTERN



**CORROSION-PROOF
CABLES**

* Ton Kilometer Per Hour

Products, distribution and services matching customer needs to capture growth opportunities



New materials play a dominant role in our innovation

▲ For several reasons:

Strong impact on the performances of our products



Less industrial intrusiveness



Aligned with sustainable development ambitions



2017-2020 levers

- Above market growth in all divisions and positive product mix
- Increased Net Sales and EBIT contribution from service and solutions
- Acceleration in competitiveness ambition
- Capital expenditure in line with scenario already announced
- Initiatives to foster a new Group mindset
 - **Putting our customers at the heart of our business**
 - **Leveraging the digital revolution**
 - **Simplifying our structures and processes**
 - **Empowering employees**

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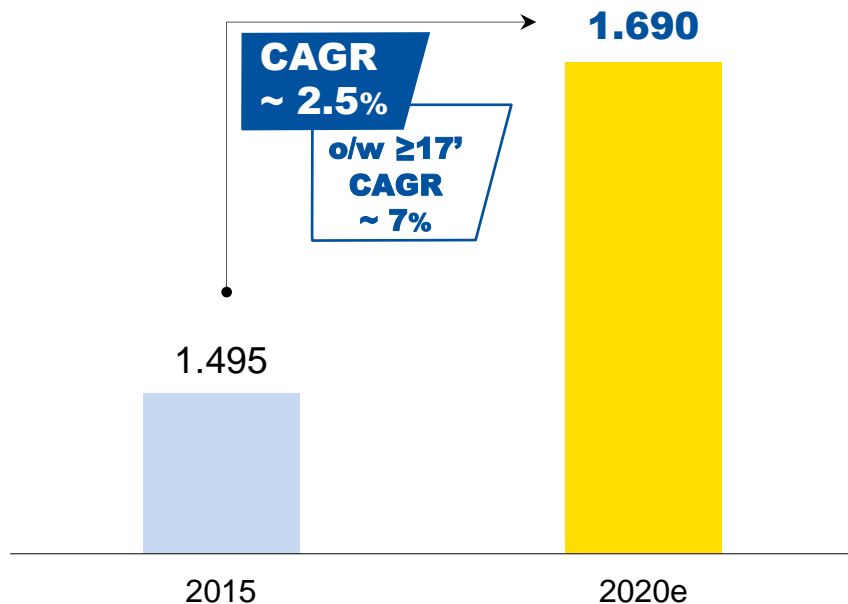


2020 ambitious value creation targets

2015-2020 scenario: a growing worldwide demand

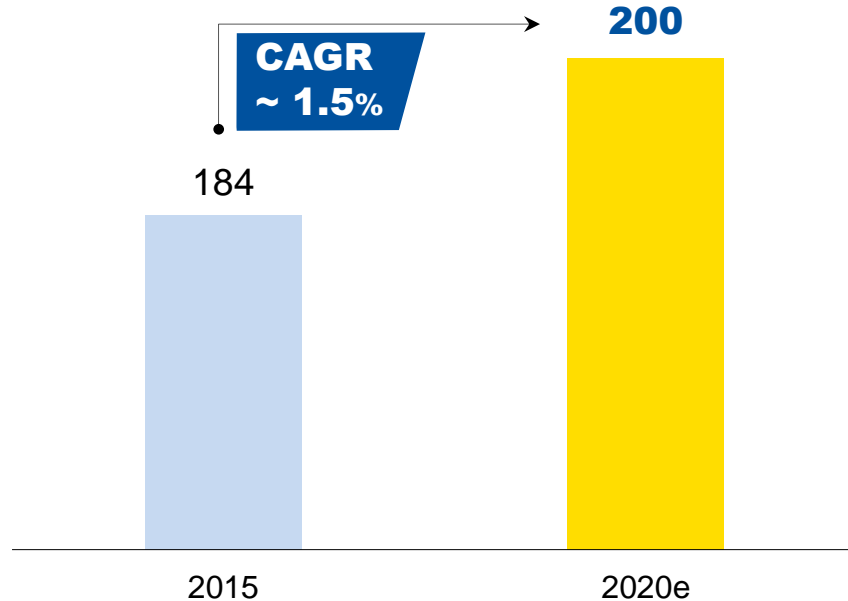
▲ PC OE&RT market projection

(in millions of units)



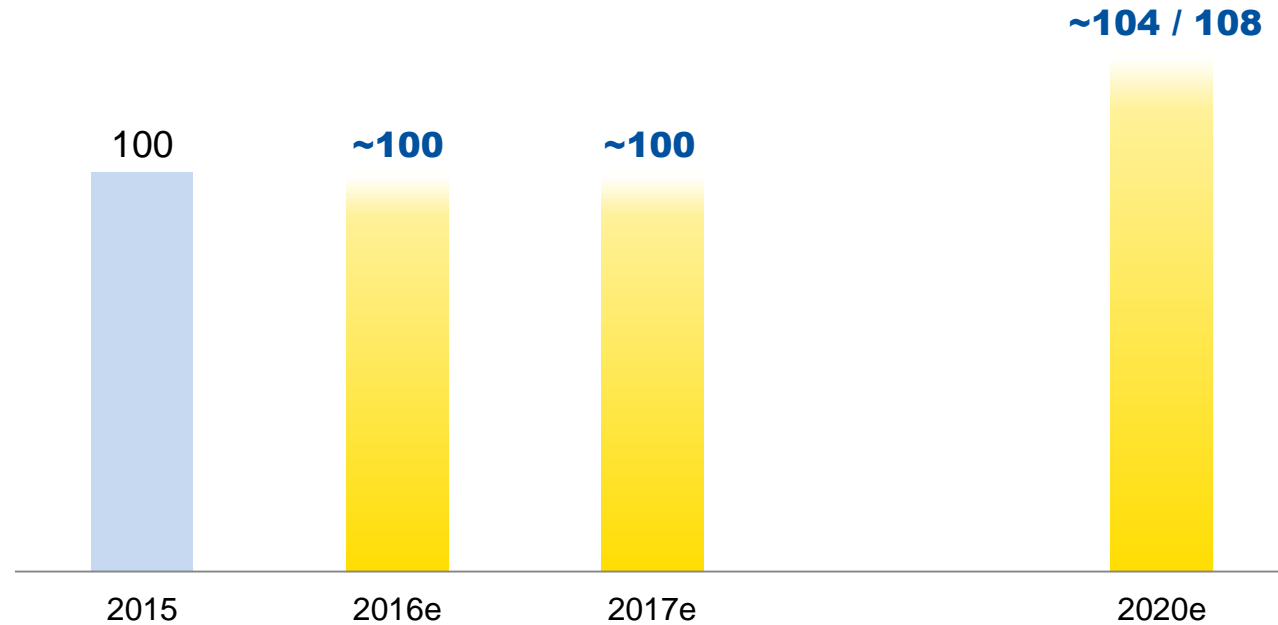
▲ TB OE&RT market projection

(Radial & Bias in millions of units)



Agriculture: a slow worldwide growth assuming stable grain prices

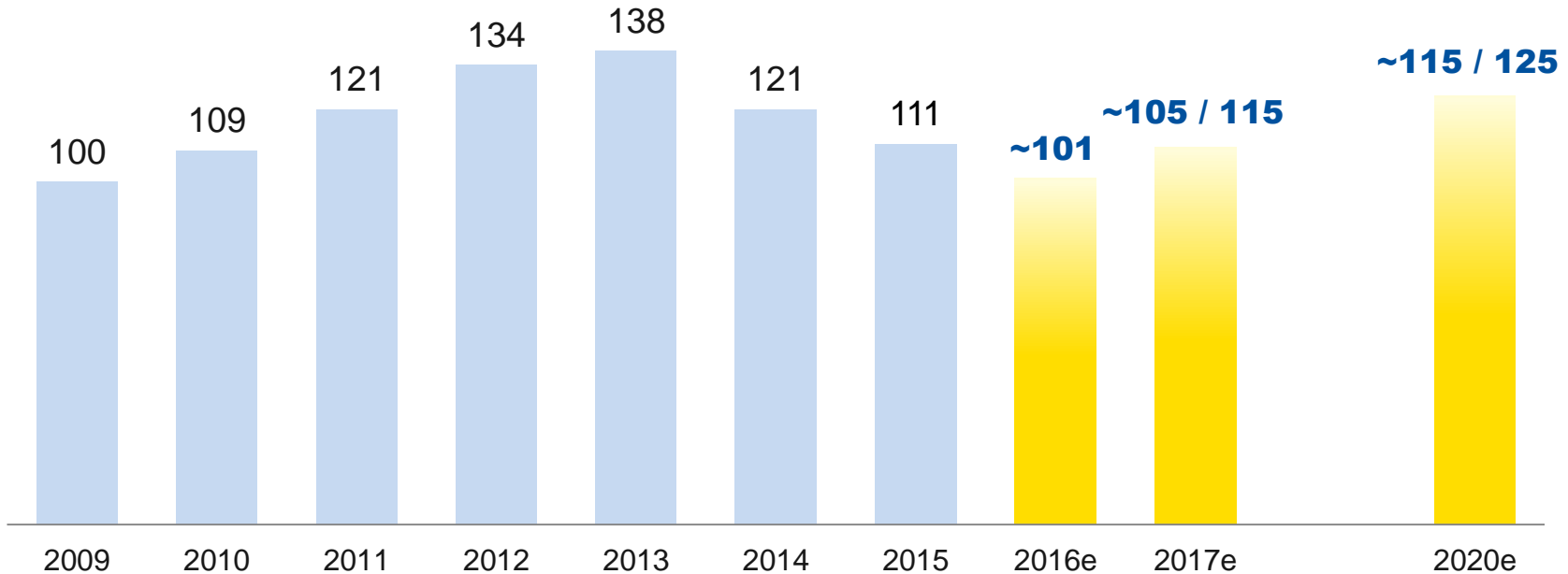
▲ (base 100 in 2015, in tonnes)



* OE & RT in Europe and North America

Mining: 2016 last year of destocking

▲ (base 100 in 2009, in tonnes)



New 2017 – 2020 Competitiveness Plan: accelerating to ~€300m per annum

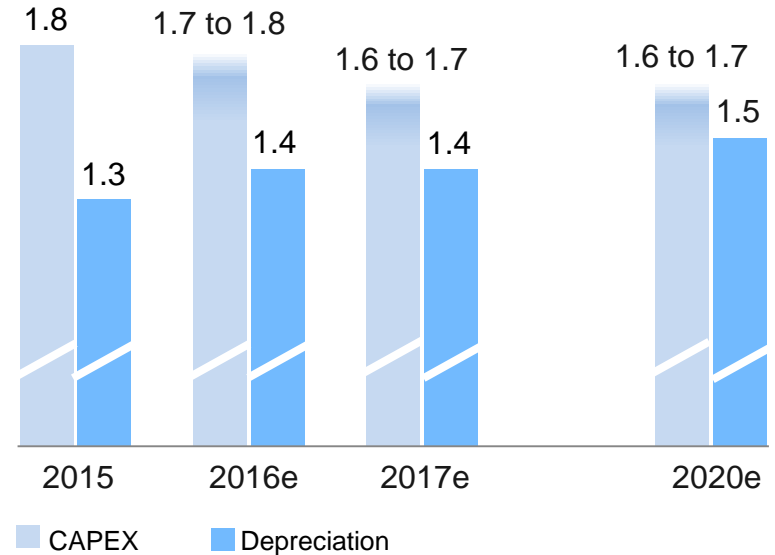
<i>In €m</i>	Plan 2007-2010 achieved	Plan 2012-2016 Target: €1,200m		Plan 2017-2020
		2012-2015 achieved	2016(e)	
SG&A	251	421		500/550
Manufacturing Costs	406	394		450/500
Materials	365	149		150/200
Total	1,022	964	~250	~1,200

Investing to create value

- ▲ Succeed in our priority Capex and M&A investment to capture growth
 - In the supply chain, to improve customer services (IS, logistics centers)
 - In growing markets: PC premium tires, in North America and in Asia
 - In Digital services
 - In raw materials and semi-finished products

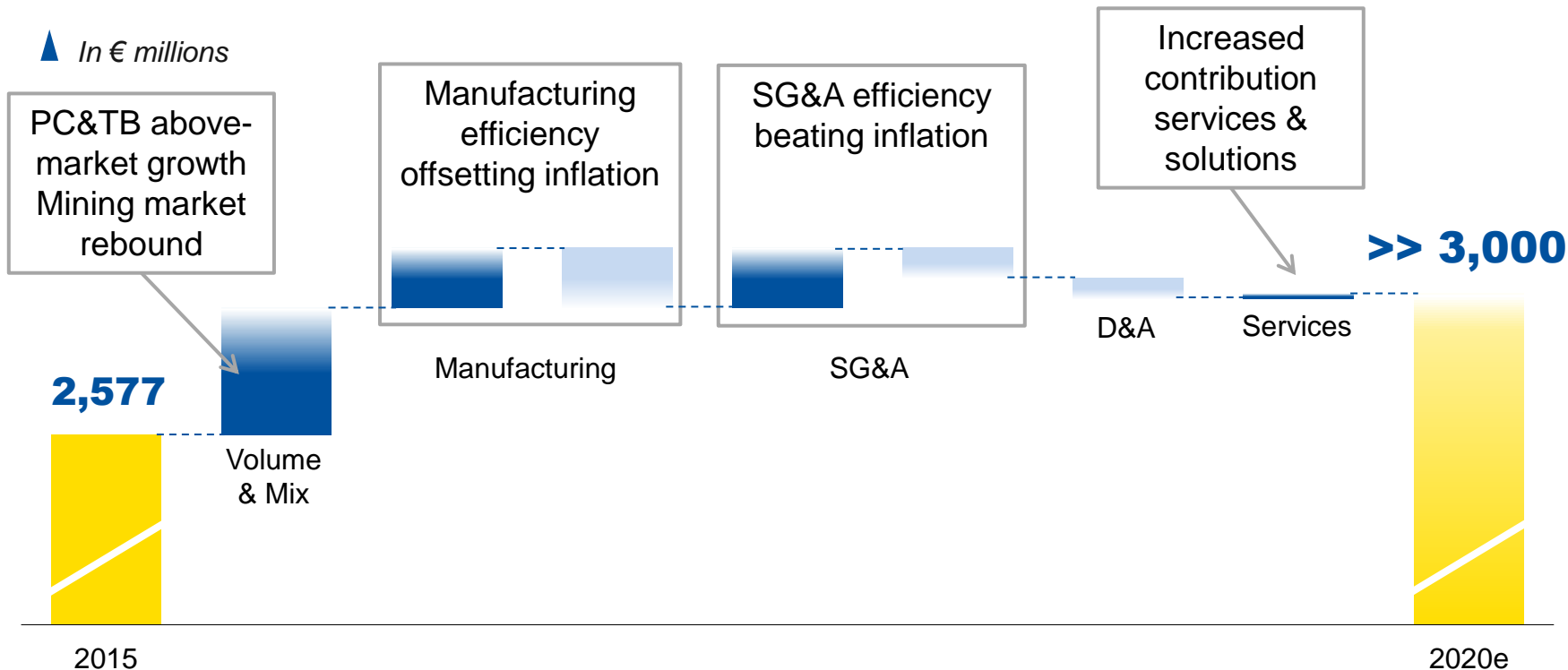


- ▲ Reducing the gap between capital expenditure and depreciation
(in € bn, at constant exchange rates)






2015-2020 organic scenario: Consistency of 2020 financial targets

▲ In € millions



Reporting segment operating margin guidance* for 2016-2020

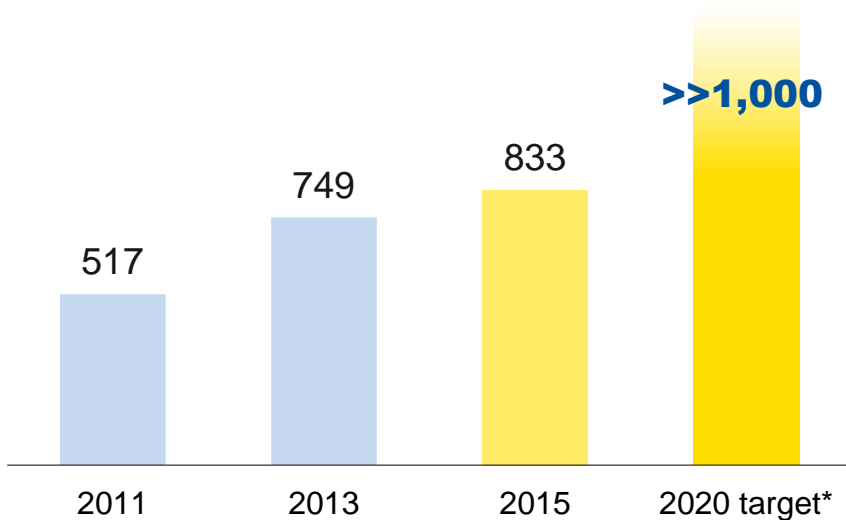
	 RS1	 RS2	 RS3
2016-2020 target ranges**	Between 11% and 15%	Between 9% and 13%	Between 17% and 24%

* From recurring activities

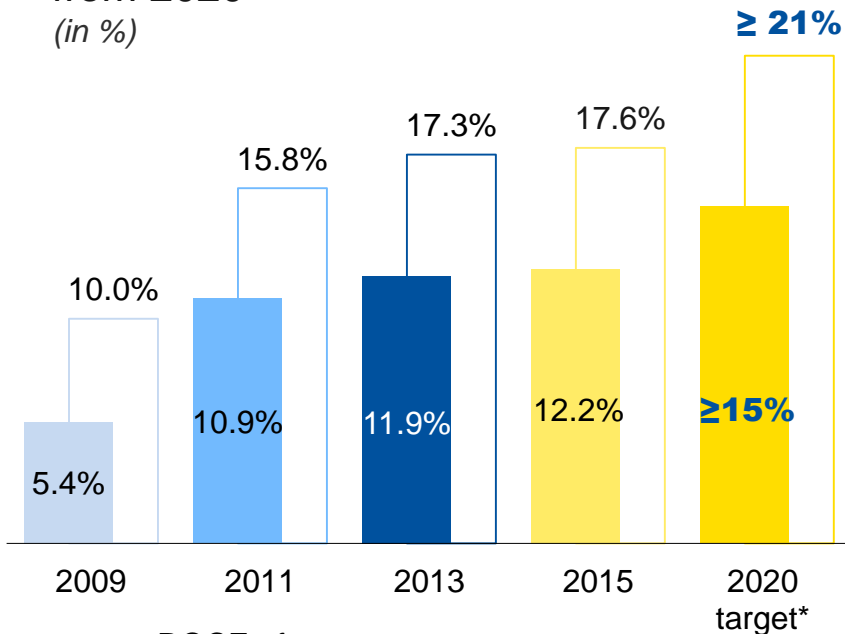
** At constant scope of consolidation and raw materials prices, and with markets expanding by a CAGR of 2.5% in PC tires and of 1.5% in Truck tires

2020: ambitious value creation targets

▲ Deliver over €1bn of structural Free cash flow from 2020*
(in € millions)



▲ Deliver a ROCE (after tax) $\geq 15\%$ from 2020*
(in %)



* At constant scope of consolidation

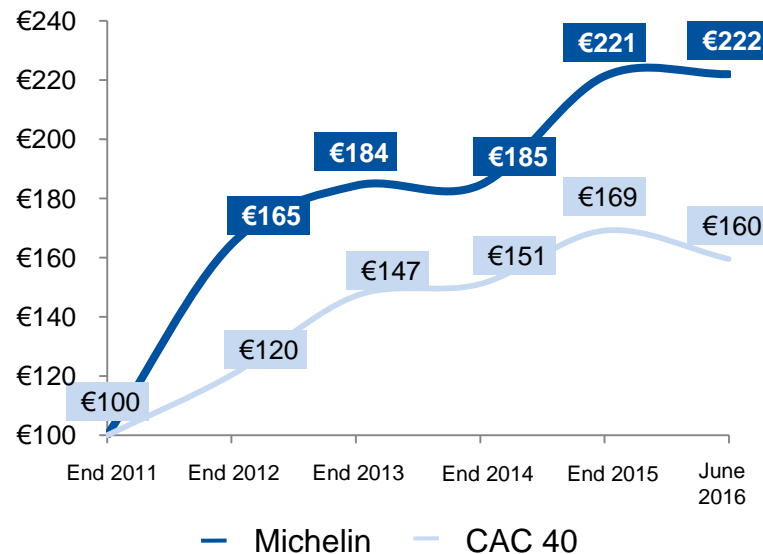
■ ROCE after tax
□ ROCE before tax



2015-2016 shareholder return: €978m in dividends and €750m in share buybacks

- Share buyback program
 - €451m committed in 2015
 - €150m committed in H1 2016
 - 1,757,440 shares bought back at an average price of €85.35
 - A new €150m tranche launched in H2 2016
 - As of September end, 841,490 shares bought back at an average price of €93.27
- Pay-out commitment
 - At least 35% of net earnings excluding non recurring items

● Total Shareholder Return



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2 / 2016 guidance confirmed

Adjusted 2016 markets outlook



PASSENGER CAR: ~ +2%

Old: +1% / +3 %

- OE: Growth in mature zones, China and India
- RT: Demand momentum in Western Europe and North America driven by low tier segments. Sustained growth in China



TRUCK: ~ -2%

Old: -2% / 0%

- OE: Growth in Western Europe and in India, decrease in North America on high levels
- RT: Increasing markets in Western Europe and in North America on high low-tier imports. Down in China, the world's largest market



SPECIALTY: -4% / -5%

Old: -2% / -5%

- Mining tires: demand down as mining companies complete inventory drawdowns
- Earthmover slowdown
- Agricultural tires*: declining OE markets
- Aircraft** and Two-Wheel*** tires: continued growth

* Europe and North America

** Commercial aircraft

*** Motorcycle tires in Europe, USA and Japan

2016 guidance confirmed

	2016
Volumes	Above-market growth
Operating income from recurring activities at constant exchange rates	> 2015*
Structural FCF	> €800m

* \geq for H2

Updated EBIT scenario based on the improved Price-mix/Raw Materials and on September data

<i>(in € millions)</i>	H1 2016	FY 2016	
		old	new
Raw Materials	+339	~ +450	~ +550
Net Price-mix / Raw Materials	+115	Positive	Positive > +150
Competitiveness plan / inflation	+13	Neutral	Neutral
Currency effect	-98	~ -200	~ -160



MICHELIN

PILOT SPORT 4 S 

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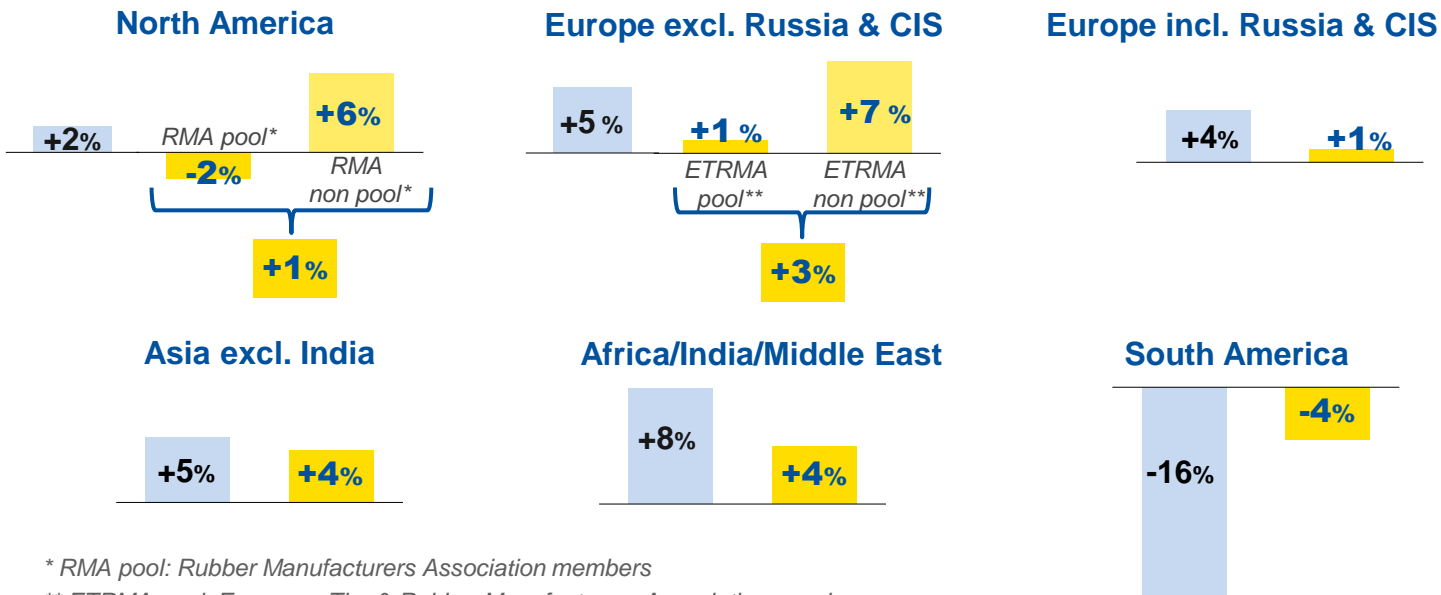
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Appendices

PC tires: growth in Western Europe and North America driven by low-tier segments, growing emerging markets excl. South America

▲ Passenger car market at September 30, 2016
(YoY in %, in number of tires)



* RMA pool: Rubber Manufacturers Association members

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

Source Michelin

■ OE ■ RT



Truck tires: global market down driven by Americas OE and China



▲ Truck tires market at September 30, 2016
(YoY in %, in number of new tires)

GLOBAL MARKET

-1% -2%

North America

Europe excl. Russia & CIS

Europe incl. Russia & CIS

+4%

+4%

+4%

+4%

Asia excl. India

Africa/India/Middle East

South America

-16%

RMA pool*

-2%

+14%

RMA non pool*

+2%

+1%

-5%

+8%

-1%

-21%

-0%

* RMA pool: Rubber Manufacturers Association members

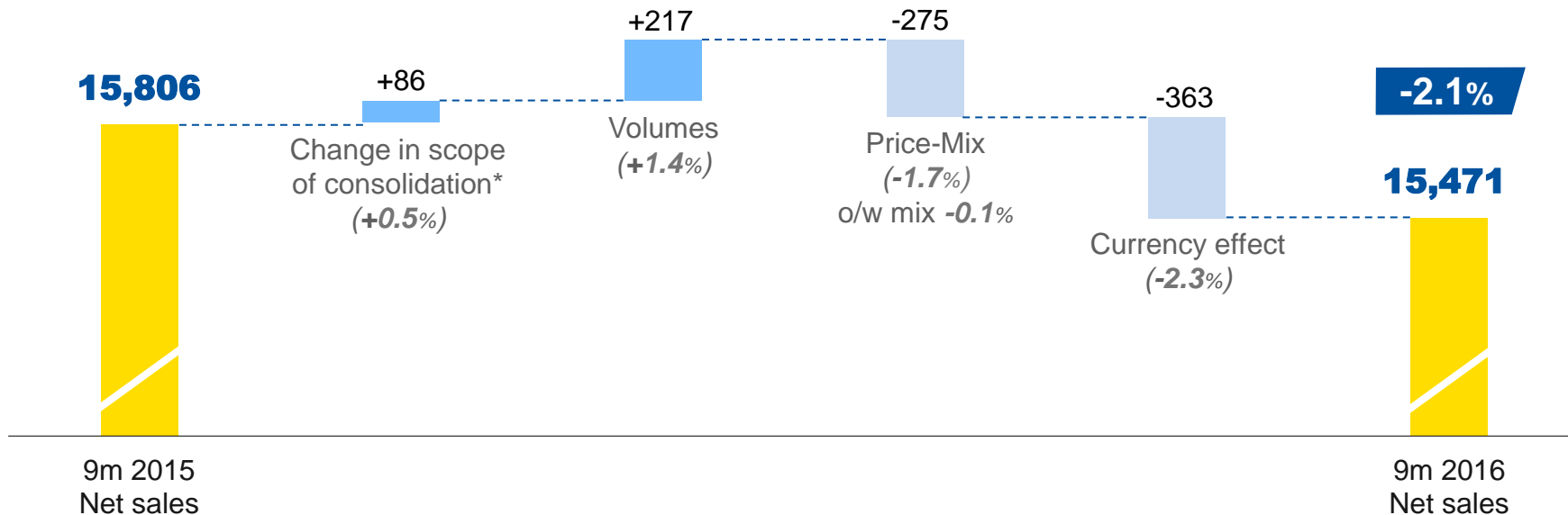
Source Michelin

■ OE ■ RT



Focused pricing management and better mix supporting net sales and driving better margins

▲ YoY change (in € millions and %)

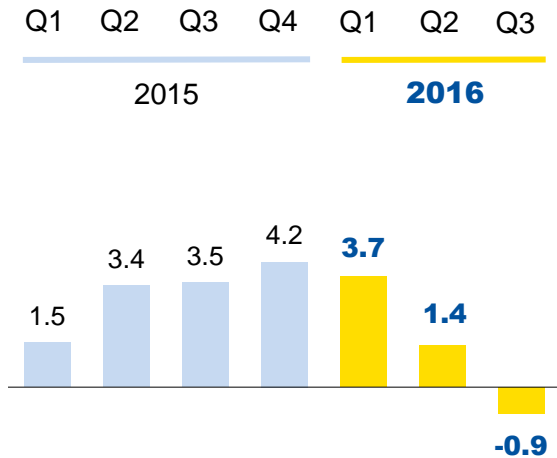


* Meyer Lissendorf, Blackcircles, BookaTable

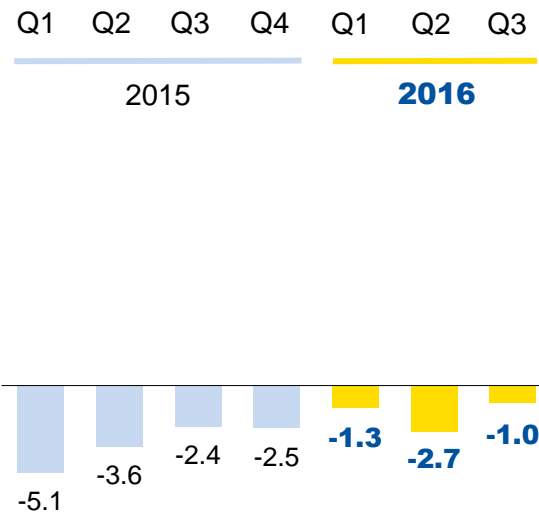
Improvement in prices and the mix in a lackluster Q3 market environment

▲ YoY quarterly change
(in %)

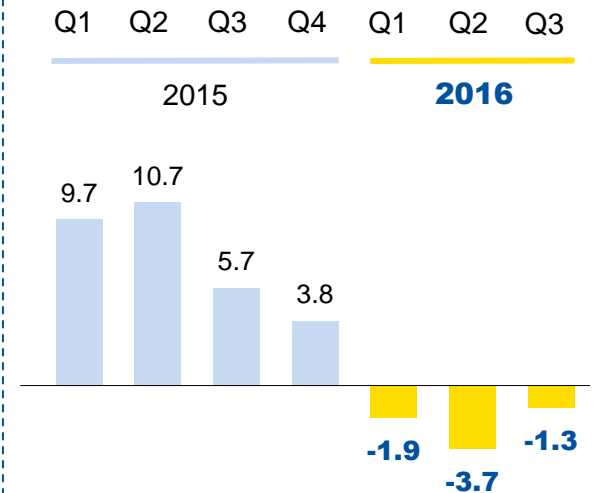
Volumes



Price-Mix



Currency effect



New plant in León, Mexico to produce premium Passenger car and Light truck tires

- Capacity:
 - First tranche: 4 to 5 millions MICHELIN PC tires
 - Approx. 60,000 tonnes
 - 80% of tires produced are 18' and more
- Investment:
 - €450m including semi-finished
- Target:
 - Automakers in Mexico
 - North American premium market
- First tire to roll off the production line at the end of 2018



Brazil: Michelin acquires Levorin

- Brazilian manufacturer of bicycle and motorcycle tires.
 - 2015 net sales: €135 million
 - 2,000 employees at its two plants in Sao Paulo and Manaus
- Specialized in the commuter segment in Brazil.
- Strategic objectives for Michelin:
 - consolidate its presence in Brazil in the significant, and expanding, commuter segment
 - strengthen the global development of its 2 Wheel tire ranges and complement the range of tires currently offered, which are historically oriented towards the high-end 2 Wheel leisure market
- Subject to the approval of the Brazilian competition authorities

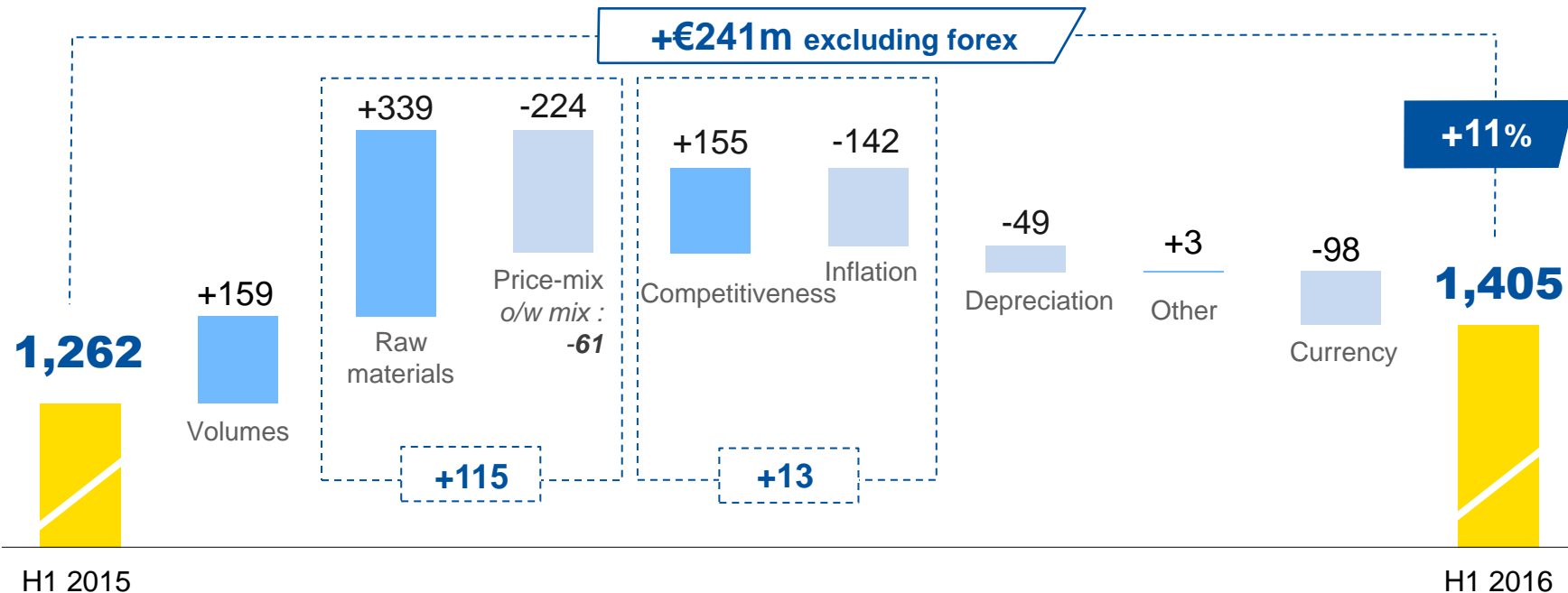


H1 2016 Operating income of €1.4bn, up a sharp €241m at constant exchange rates

- Volumes up 2.5%, beating the market in every segment
- 13.7% operating margin from recurring activities, up 1.7 points
- Changes in the price mix / raw materials effect had a positive impact of €115m, thanks to effective management and a favorable basis of comparison
- €155m in gains from the competitiveness plan offset inflation
- Positive free cash flow of €8m, representing a €108m improvement from first-half 2015 before acquisitions

Operating income up €241m at constant exchange rates

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

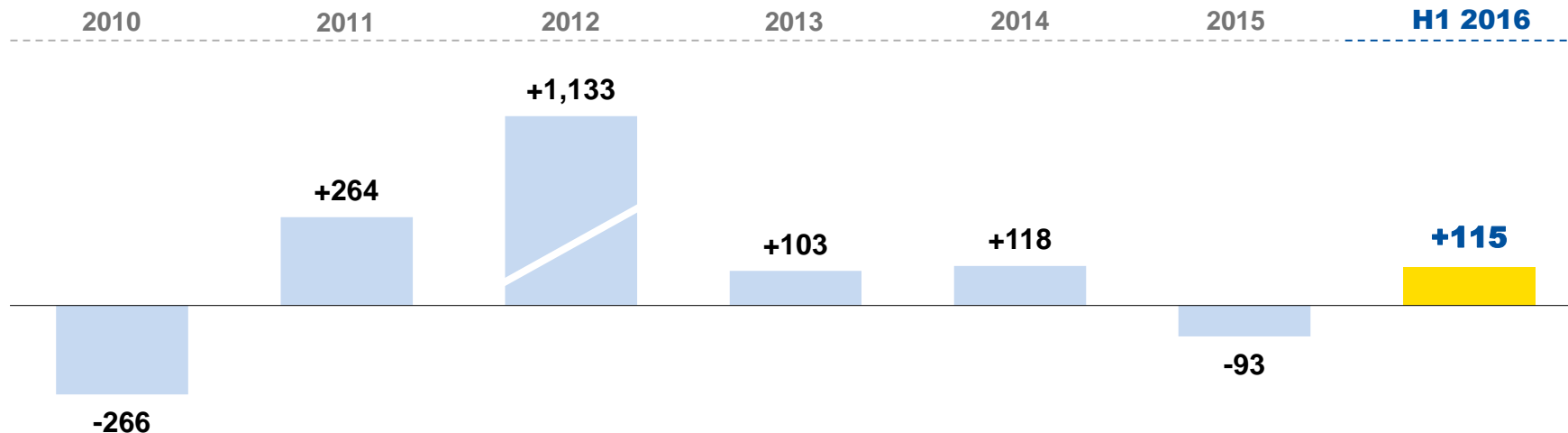


* To make its operating performance easier to understand and analyze, Michelin now presents "Operating income before non-recurring income and expenses" as "Operating income from recurring activities" and has refined its definition.

Improvement in unit margin due to effective pricing management over time

▲ Net effect of price mix / raw materials on operating income

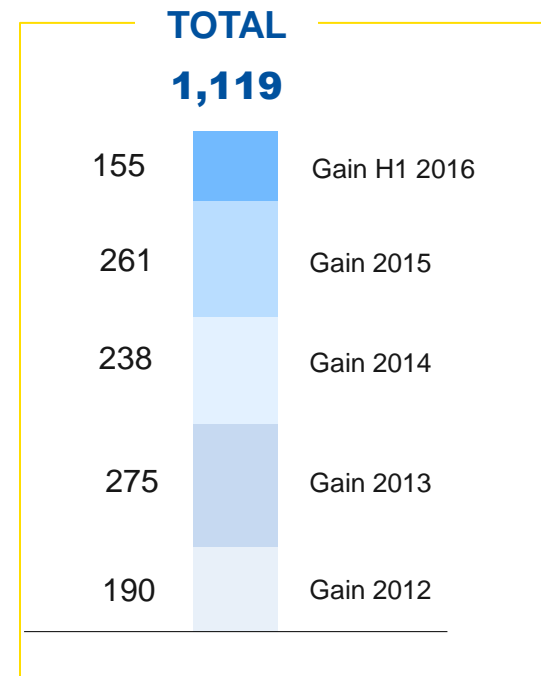
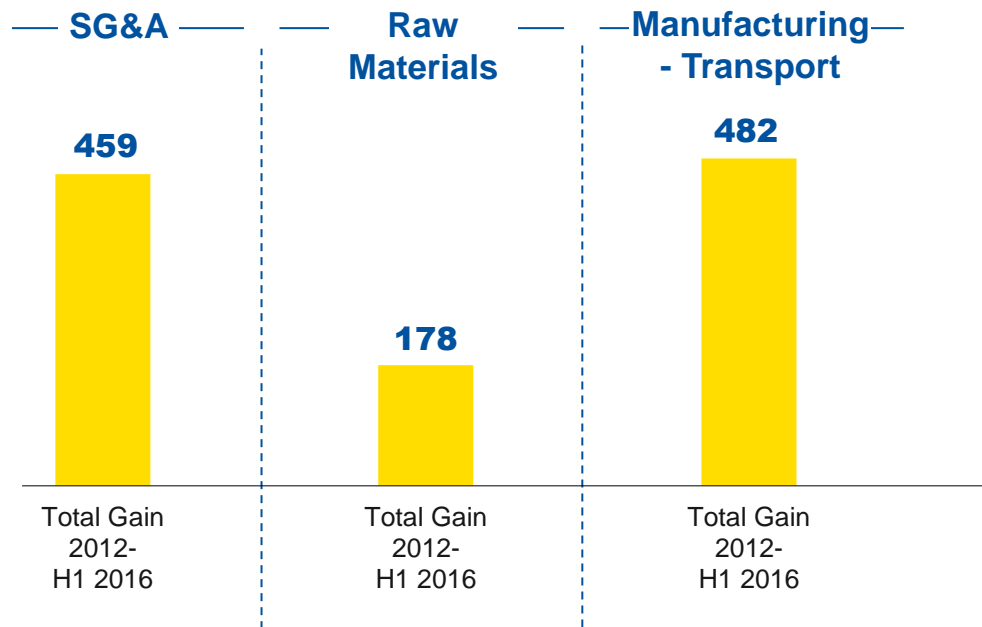
(in € millions)



- H1 2016: price mix / raw material effect was a negative €20m for indexed businesses and a positive €135m for the non indexed businesses

Competitiveness plan on track to reach €1.2bn target

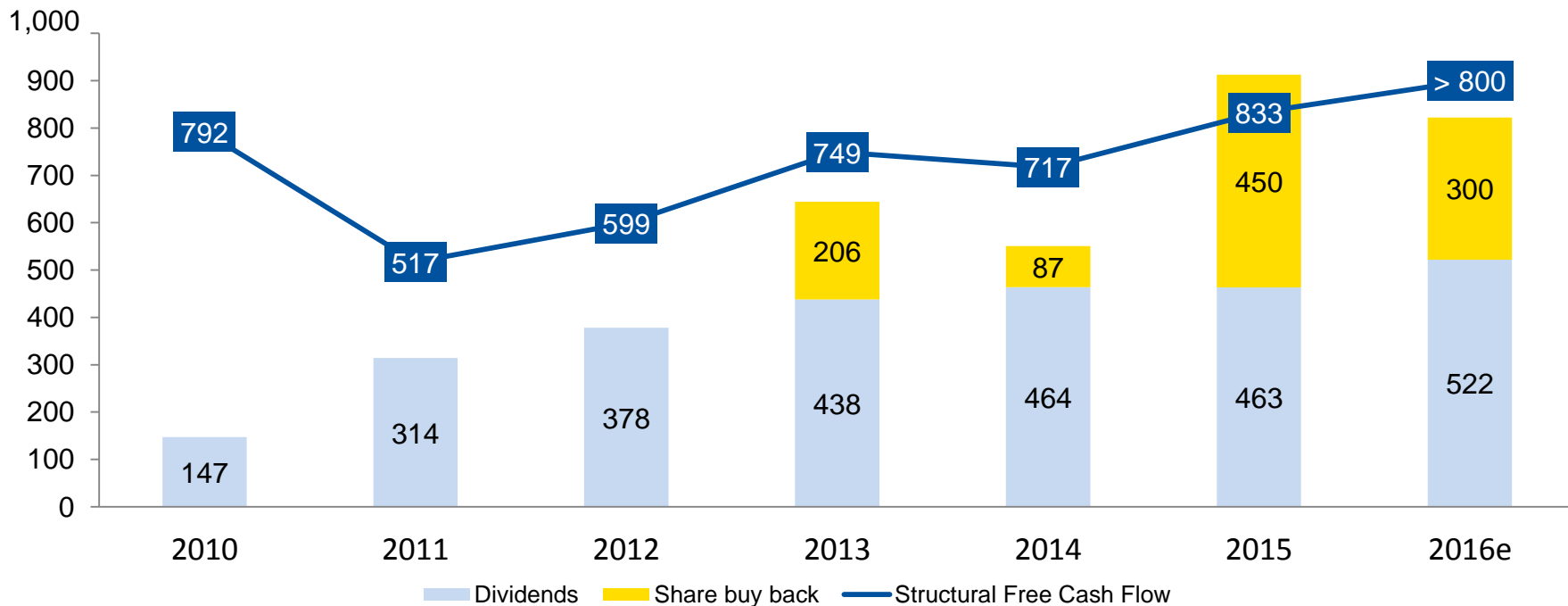
▲ Gain objectives* 2012-2016: €1,200m



* Before inflation and including avoided costs

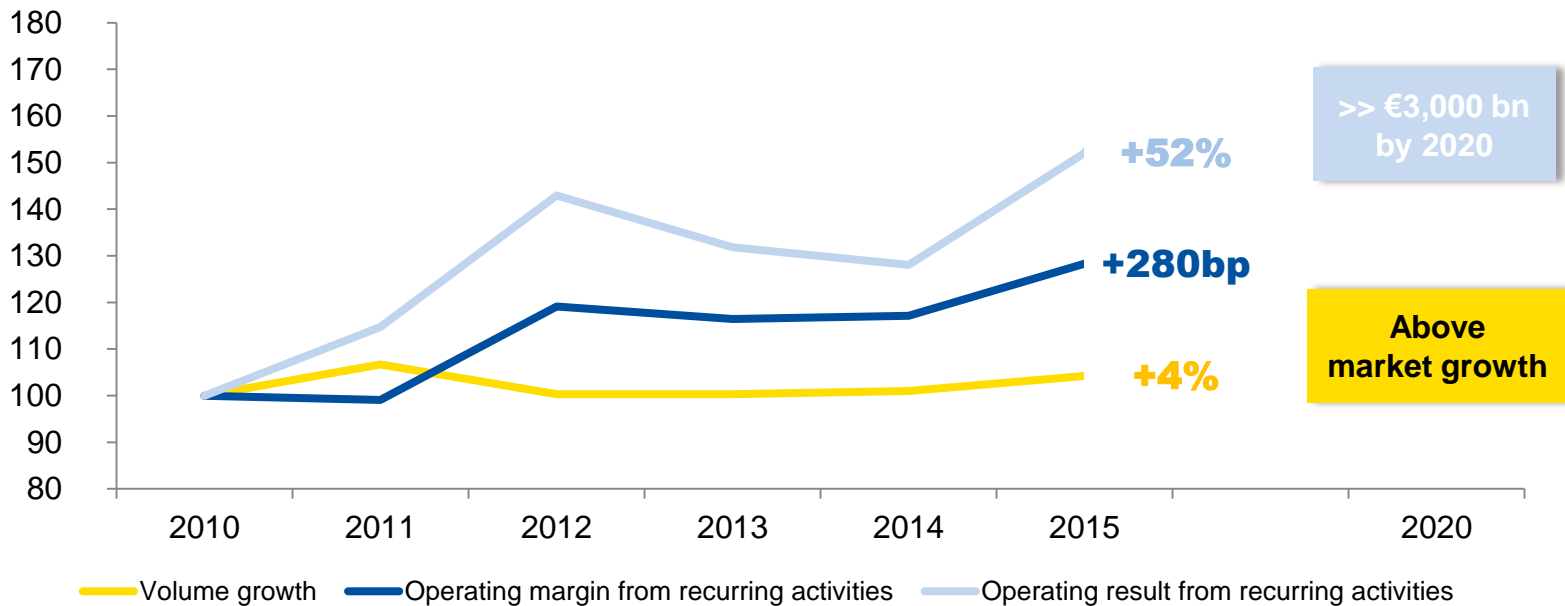
Solid cash generation committed to shareholders

● In € millions



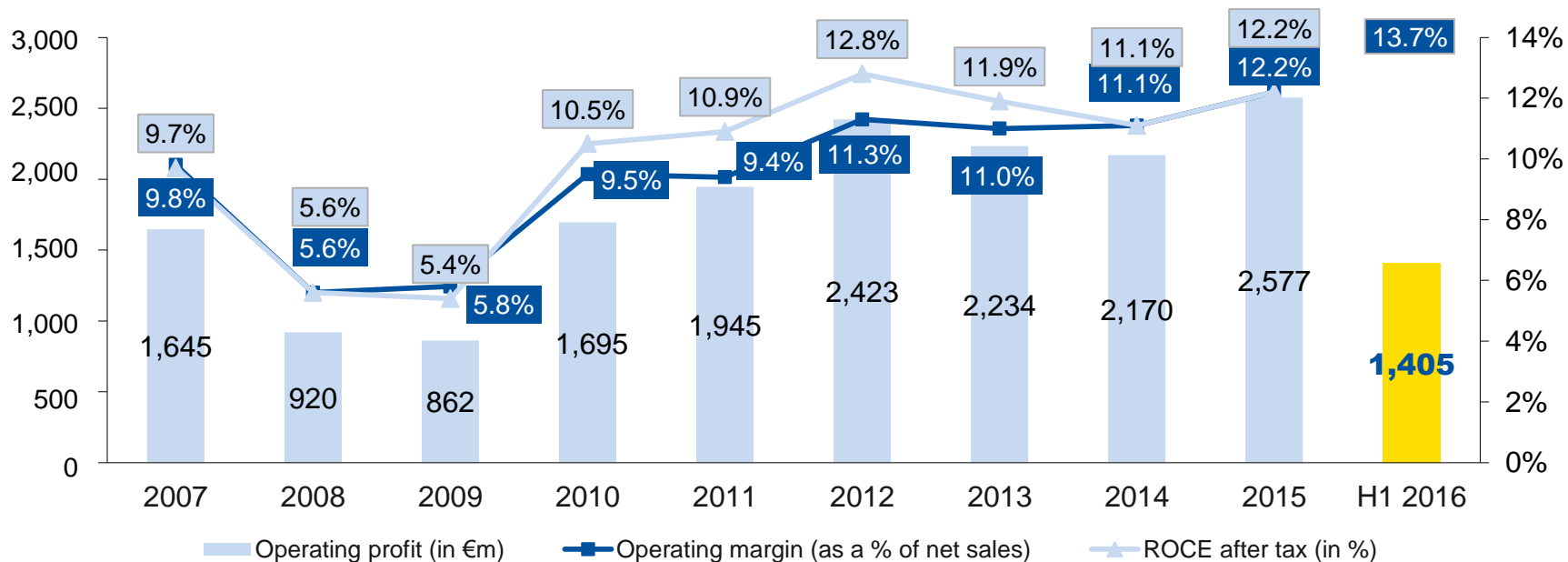
Profitable growth ambition

- Base 100 in 2010



A stronger Group with improving profitability

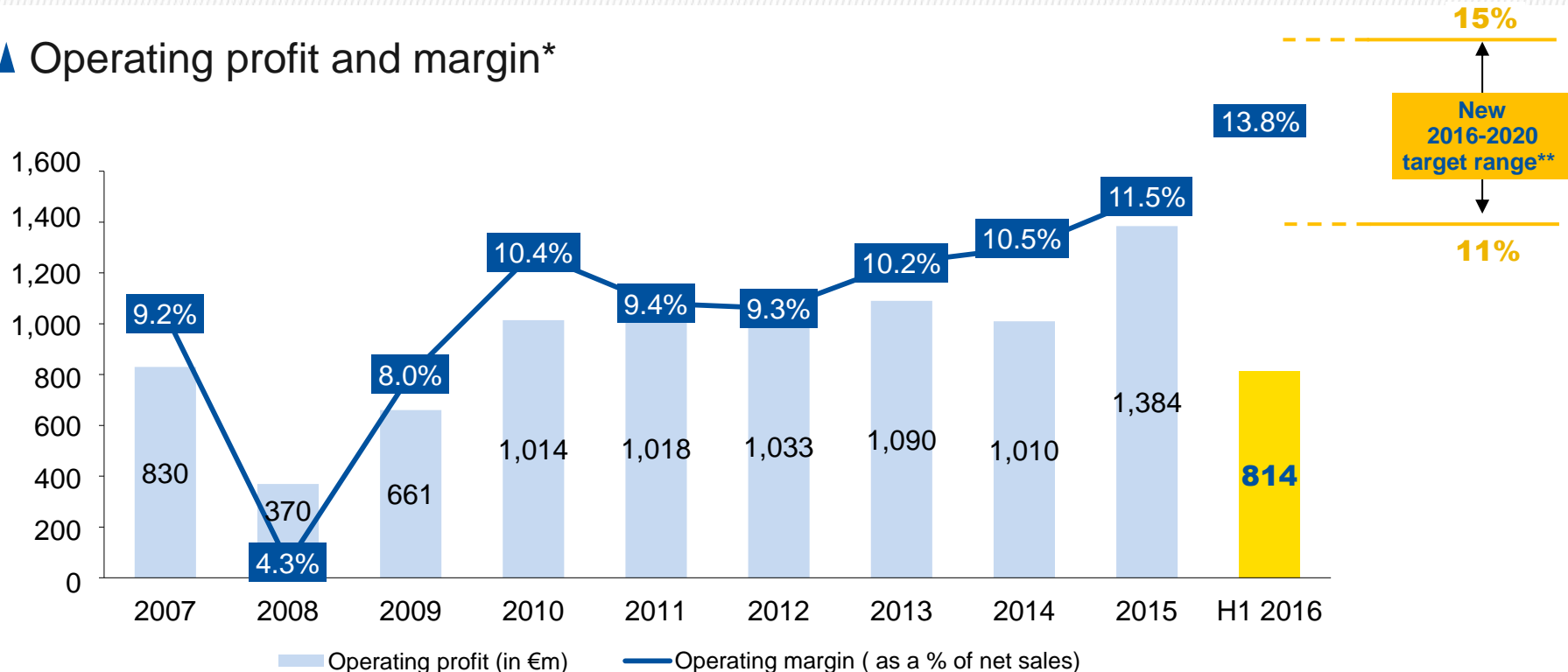
▲ Operating profit and margin* & ROCE



* Before non-recurring items

Growing Passenger car margin through product innovation, mix and improving customer service

▲ Operating profit and margin*



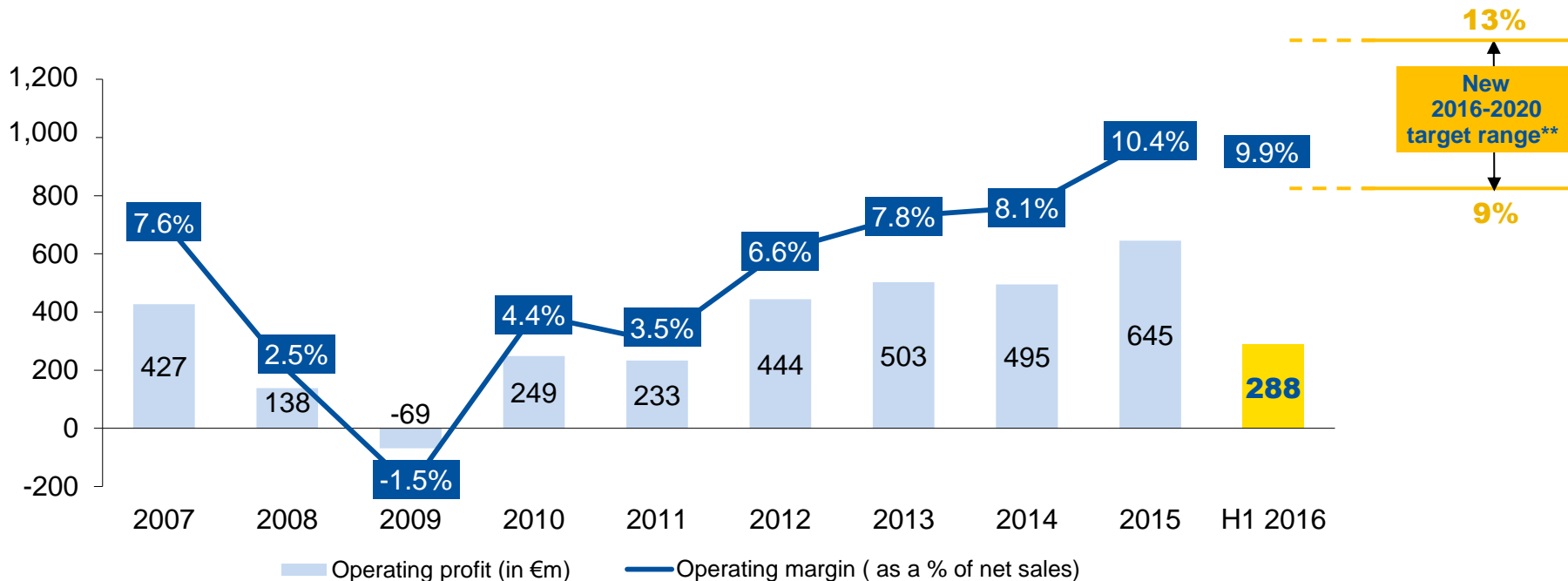
* Before non-recurring items

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



Strong Truck profitability growth through competitiveness, product & service innovation and customer focus

▲ Operating profit and margin*



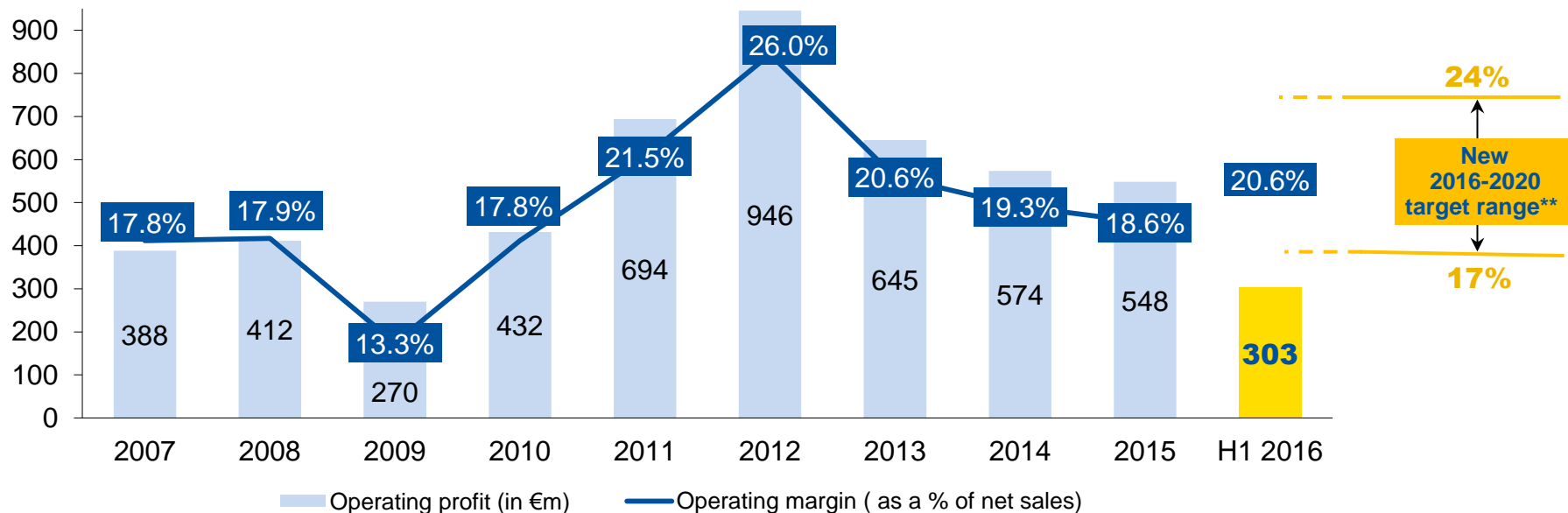
* Before non-recurring items

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



Specialty: resilient profitability in a challenging environment

▲ Operating profit and margin*

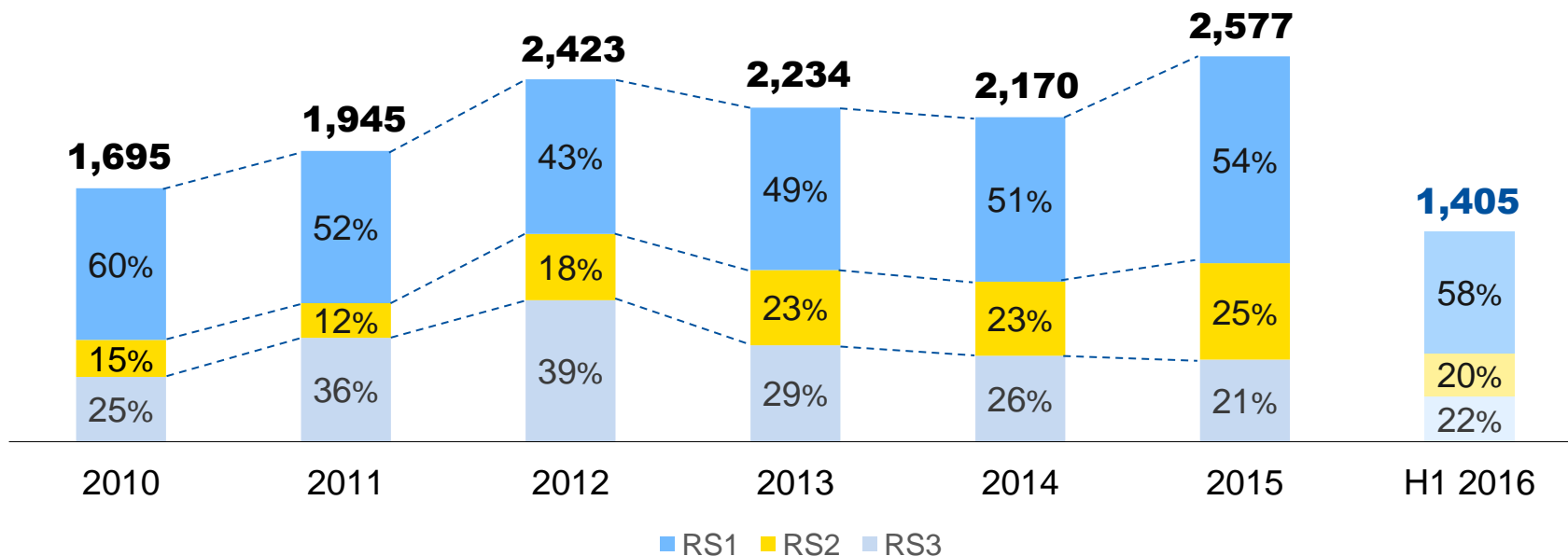


* Before non-recurring items

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

Strong operating profit growth through diversified and worldwide footprint

▲ Group operating profit*, by Reporting Segment (in € millions and %)



* Before non-recurring items



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