



Exane BNP Paribas - June 15, 2016

18th European CEO Conference - Paris



Michelin's strategy

▲ Four domains of growth

- 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

2013-2015: average of 4 breakthrough innovations per year with “Game Changer” impact

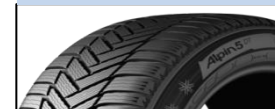
Passenger Car

Premier A/S



2014

Alpin5 DT



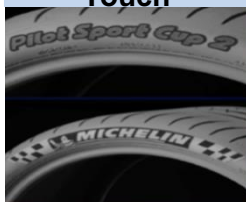
2015

Michelin CrossClimate



2015

Premium Touch



2014

Selfseal®



2015

Cavity Foam « Acoustic »



2015

Truck & Bus

X® Line Tropic™



2013

Convoi TripleA



2015

X-One Urban bus



2015

MichelinX Multi3D



2015

Specialties



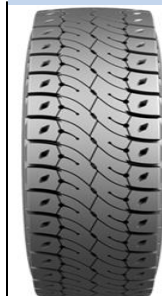
Michelin Pilot Road4 2CT Techno



2014



Michelin XDR250



2015



Michelin AxioBib IF900/65R46



2013

Michelin's strategy

▲ Four domains of growth

- 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 solutions: a demonstrated ability to manage complex ecosystem



	Service centered around product	Service centered on customer's process
Commitment on means implemented ("inputs")	Basic services related to product life cycle ie : We check	Support services to client's process ie : I manage
Commitment on results (« outputs »)	Services on investment optimization ie : On call (w/ 2:00 guarantee)	Outsourcing of customer's process ie : Effitire / Effitrailer

Michelin's strategy

▲ Four domains of growth

- 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

New materials play a dominant role in our innovation

▲ For several reasons:

Strong impact on the performances of our products



Less industrial intrusiveness



Dominate the elements of environmental impact

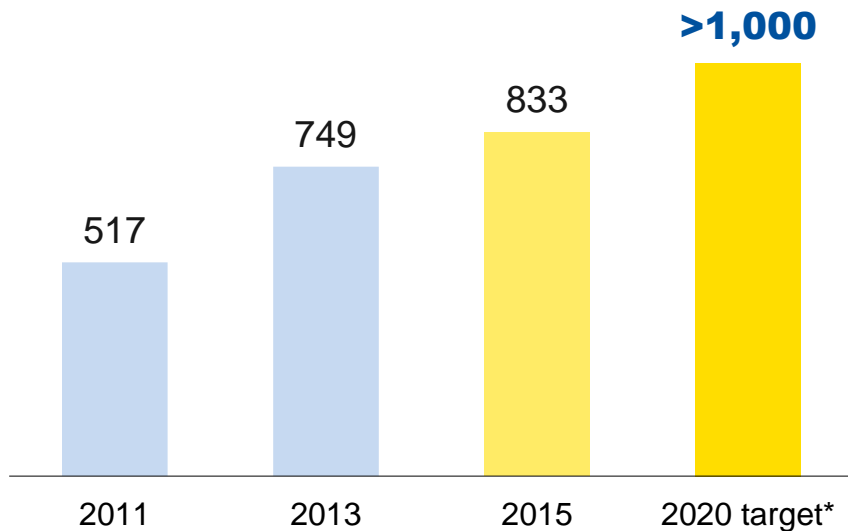


Michelin's strategy

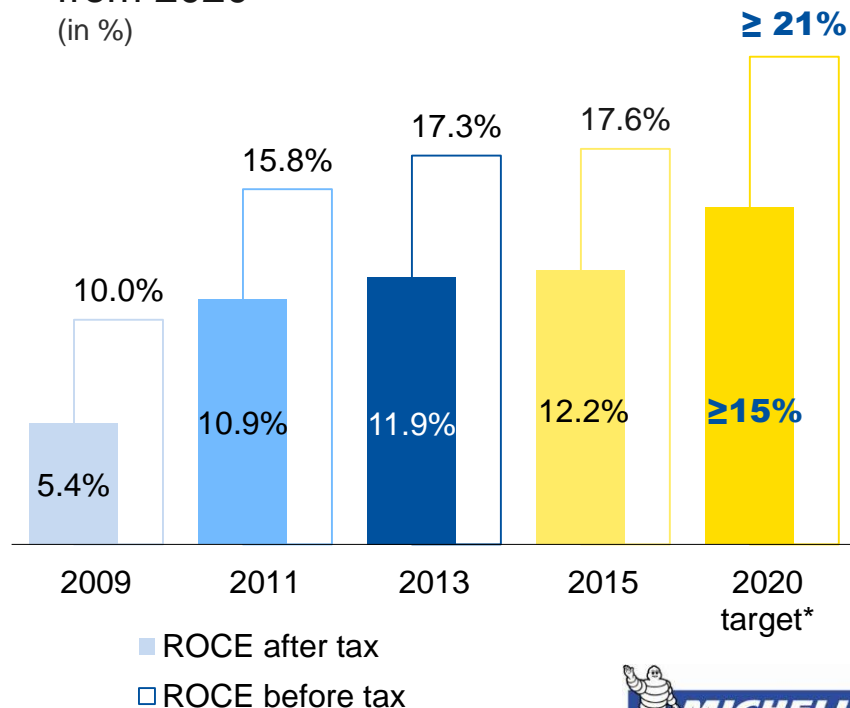
- ▲ Four initiatives to support Michelin performance
 - Putting our customers at the heart of our business
 - Leveraging the digital revolution
 - Simplifying our structures and processes
 - Empowering employees

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

New 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%

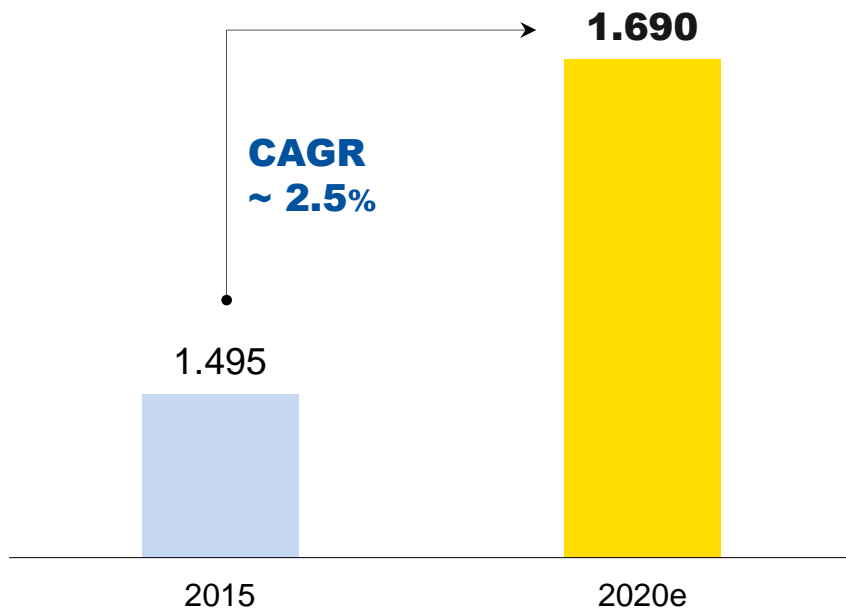
* Before non-recurring items

** 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

2015-2020 scenario: a growing worldwide demand

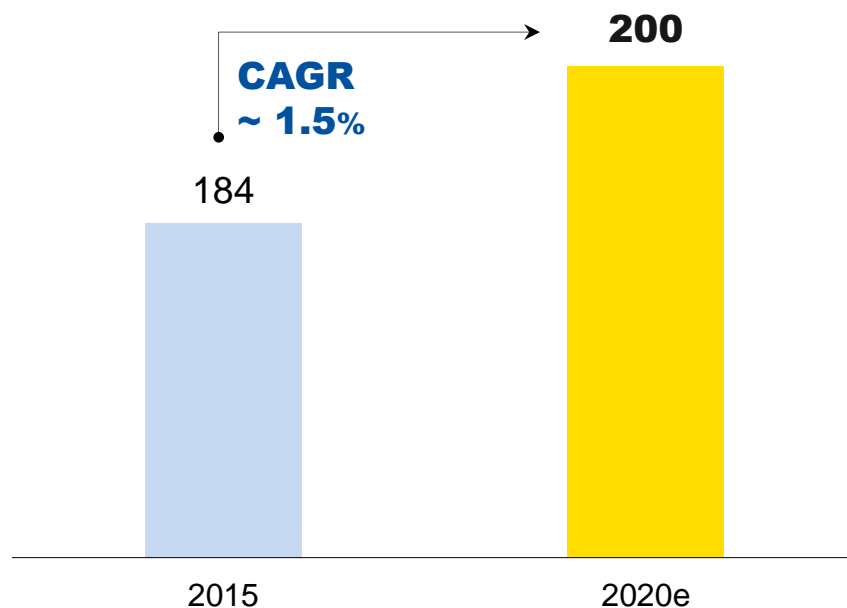
▲ PC OE&RT market projection

(in millions of units)



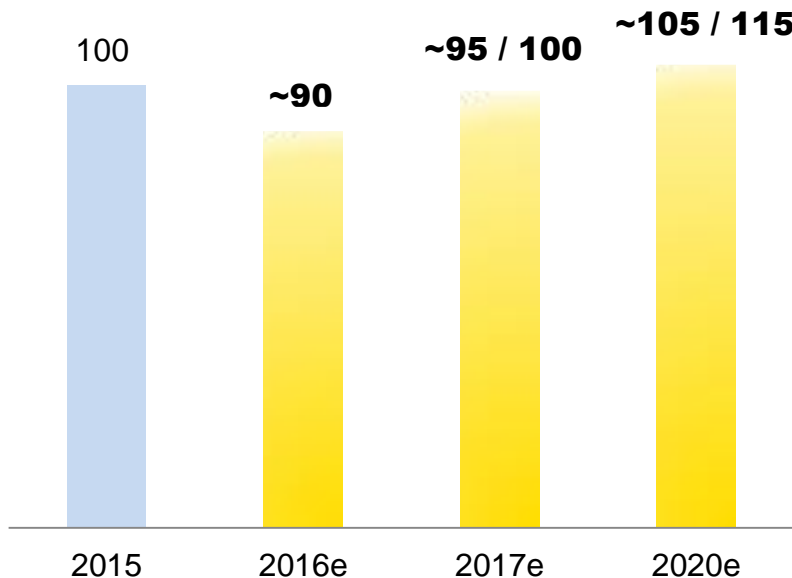
▲ TB OE&RT market projection

(Radial & Bias in millions of units)

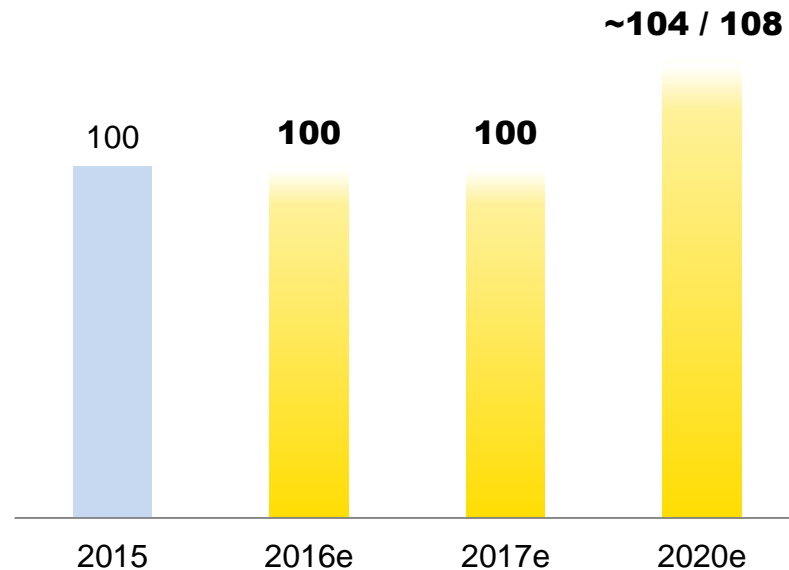


2015-2020 scenario: a growing worldwide demand

▲ Mining: 2016 last year of destocking



▲ Agriculture*: OE tipping point in 2017



* OE & RT in Europe and North America

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

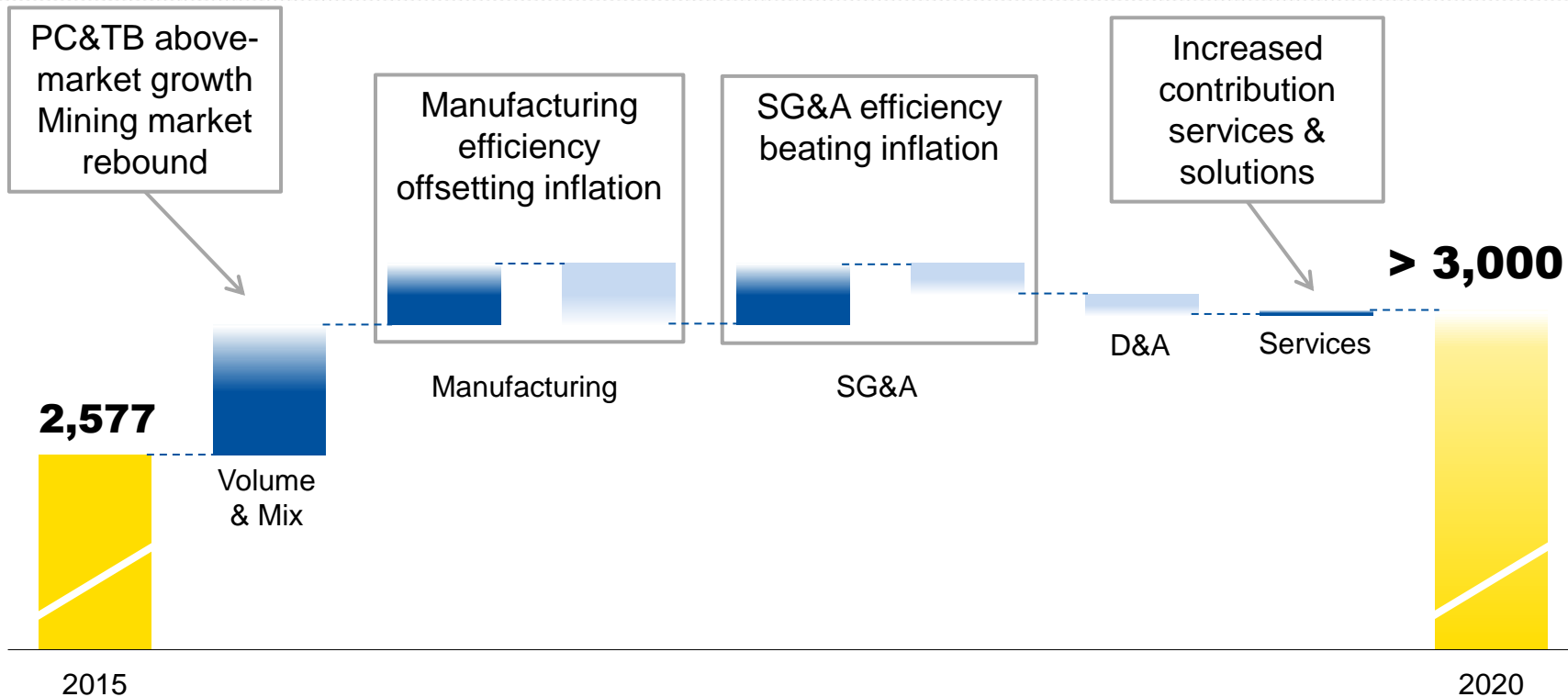
2017-2020 organic growth scenario

- 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



- Reporting segment targeting higher operating margin ranges
- Higher free cash flow generation
- Increasing return on capital employed

2015-2020 organic scenario: Consistency of 2020 financial targets



2016 – 2020 ROCE scenario

- 2020 operating income in excess of €3,000 million
- Increase in nets assets
 - Annual capital expenditure of €1.6-1.7 billion over the period
 - Depreciation and amortization up €150-200 million over the period
- Increase in WCR
 - Linked to organic growth
 - Assuming raw material costs remain constant
 - Partially offset by process improvements
- Standard tax rate stable at 31%



2020 ROCE target
(after tax):
15%

The Power of New Products



BFGOODRICH
g-Force™ COMP-2™ A/S

MICHELIN
Defender® LTX

MICHELIN
Premier® A/S

MICHELIN
CrossClimate

MICHELIN
Pilot Sport†

MICHELIN
Premier® LTX

BFGOODRICH
All-Terrain T/A® KO2

Paris - June 15, 2016

18th European CEO Conference



Appendices

2016 market outlook



PASSENGER CAR: +2%/+3%

Growth in line with long-term trends (CAGR \approx 2.5%)

- Faster growing demand in Western Europe, North America and China.



TRUCK: +0%/+2%

Slight growth of the worldwide demand

- Markets expanding in Western Europe and continuing to trend upwards in the North American replacement segment.



SPECIALTY: -2%/-5%

Earthmover and Agricultural markets impacted by commodity prices

- Mining: weaker demand and last year of destocking.
- Earthmover OE*: trending downwards.
- Agricultural OE*: stable to weak.

* Europe & North America

2016 guidance confirmed

	2016 new	2016 old
Volumes	Above-market growth	Growth at least in line with the markets
EBIT before NR and at constant exchange rates	> 2015	> 2015
Structural FCF	> €800m	> €800m

2016 scenario based on March raw material prices and currencies

	2016
Raw materials	Around €400m tailwind
Net price mix vs. raw materials	Indexed businesses: negative Non indexed businesses: neutral
Competitiveness plan vs. inflation	Neutral

Passenger car Tire Market

▲ May 2016/2015

% YoY change in number of tires	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Brazil	China
Original equipment	▲ +11%	▲ +11%	▲ +1%	▼ -22%	▲ +9%
Replacement	▼ -2%	▲ +0%	▲ +1%	▼ -4%	▲ +8%

▲ YTD (May 2016)

% YoY change in number of tires	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Brazil	China
Original equipment	▲ +5%	▲ +7%	▲ +4%	▼ -22%	▲ +6%
Replacement	▲ +2%	▲ +3%	▲ +2%	▼ -5%	▲ +8%

* Turkey included

Truck & Bus Tire Market

▲ May 2016/2015

% YoY change in number of tires (Radial + Bias)	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Brazil
Original equipment	▲ +6%	▲ +7%	▼ -8%	▼ -22%
Replacement	▲ +5%	▲ +6%	▼ -1%	▼ -5%

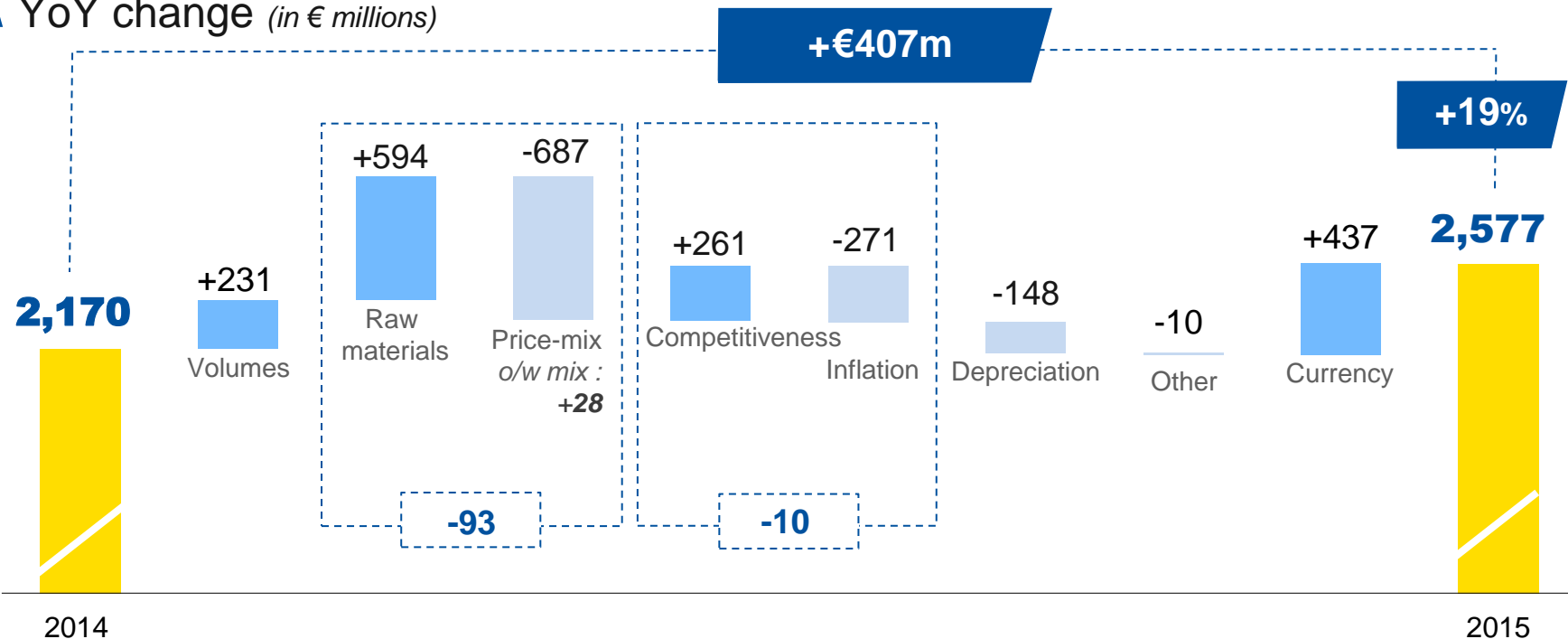
▲ YTD (May 2016)

% YoY change in number of tires (Radial + Bias)	Europe including Russia & CIS*	Europe excluding Russia & CIS*	North America	Brazil
Original equipment	▲ +6%	▲ +7%	▼ -12%	▼ -35%
Replacement	▲ +5%	▲ +5%	▲ +2%	▼ -3%

* Turkey included

Operating income before non-recurring items up €407m o/w €304m in H2 led by volume growth, price management, cost discipline and favorable exchange rates

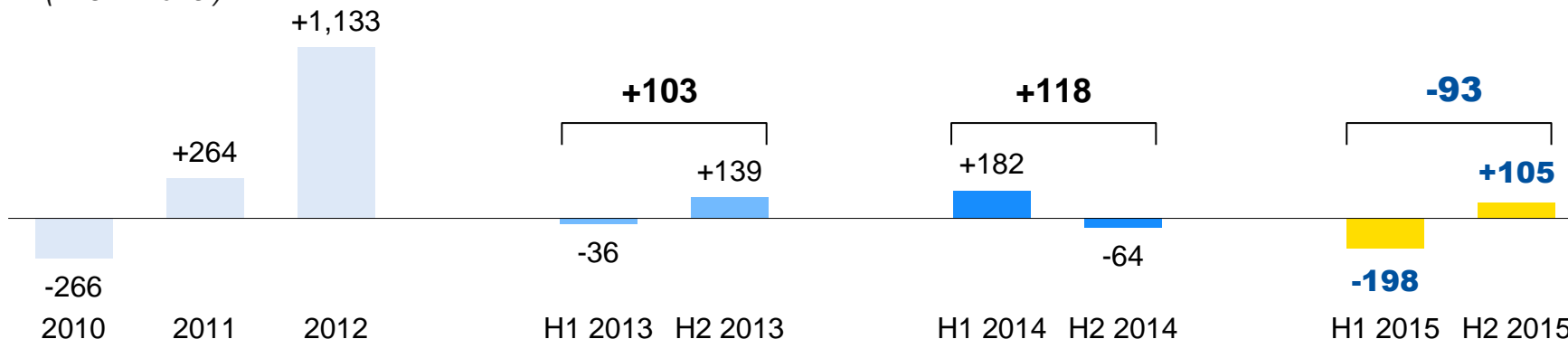
▲ YoY change (in € millions)



Effective management of pricing policy over time : aggregated net positive impact of more than €1,2bn since 2010

▲ Net effect of price mix and raw materials prices

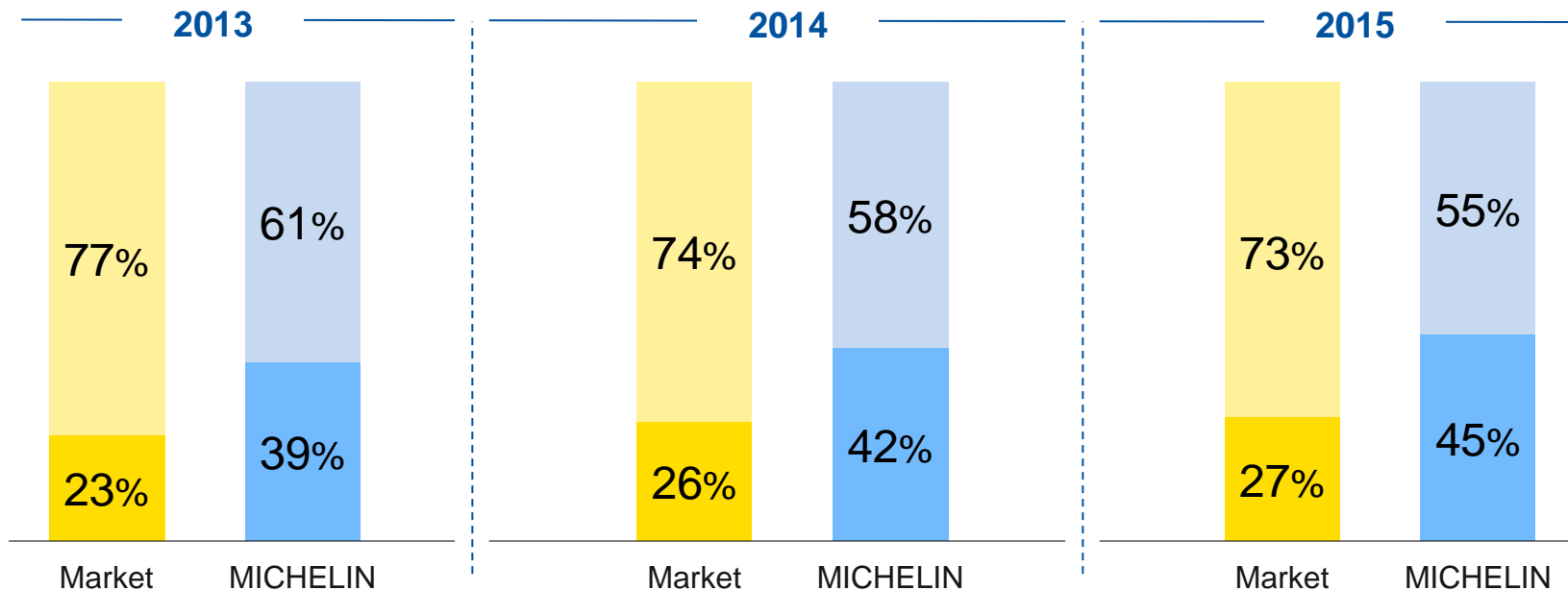
(in € millions)



- 2015: net impact of changes in price, mix and raw materials costs was a negative €116m for indexed businesses and a positive €23m for the other businesses

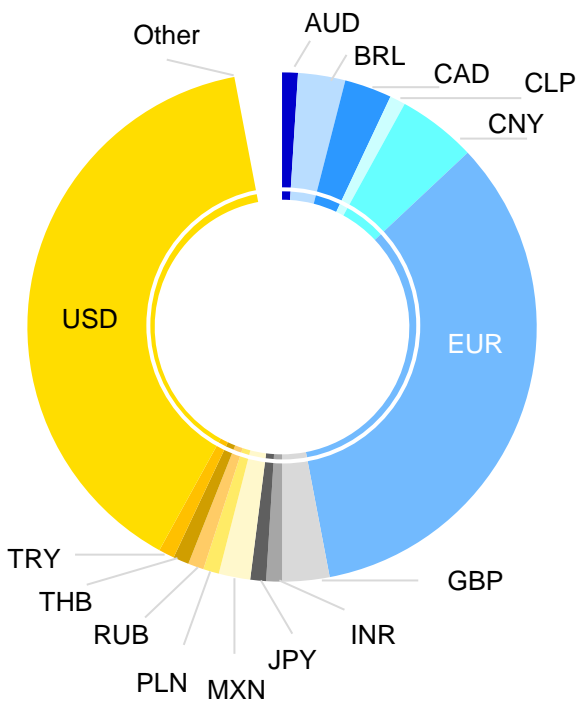
MICHELIN in the Passenger car segment: clearly positioned as the premium brand

▲ 17' Car and Light truck share of market and share MICHELIN brand sales
(in number of tires)



Source: Michelin estimate

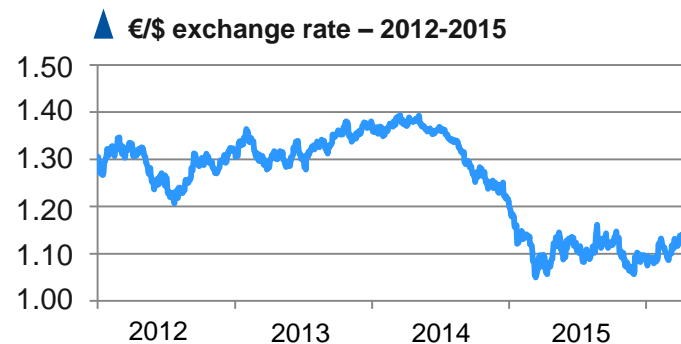
2015 net sales by currency



% of net sales	
AUD	1%
BRL	3%
CAD	3%
CLP	1%
CNY	5%
EUR	34%
GBP	3%
INR	1%
JPY	1%
MXN	2%
PLN	1%
RUB	1%
THB	1%
TRY	1%
USD	39%
Other	3%

EBIT sensitivity to €/€ exchange rate:

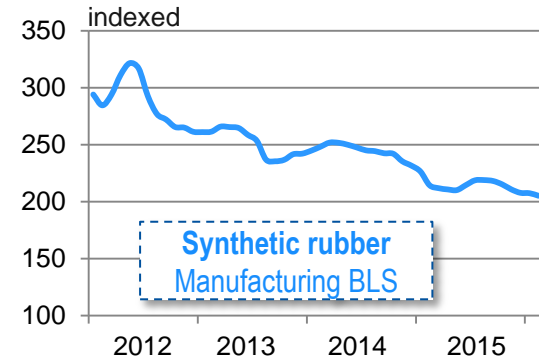
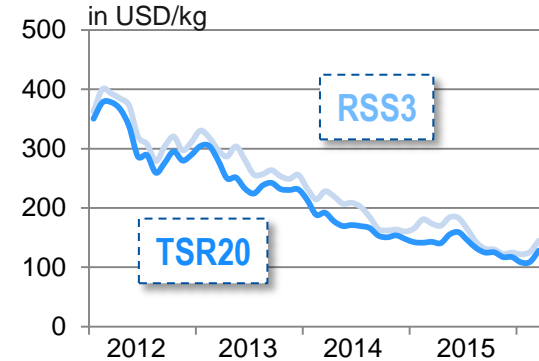
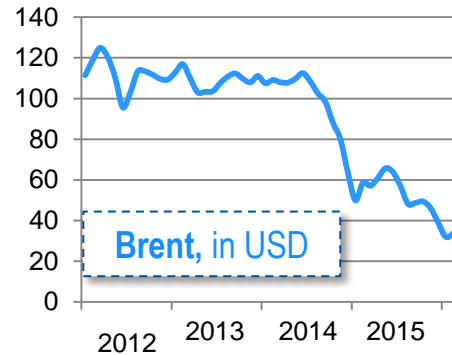
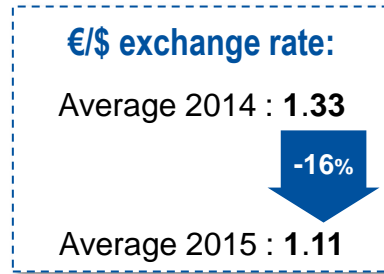
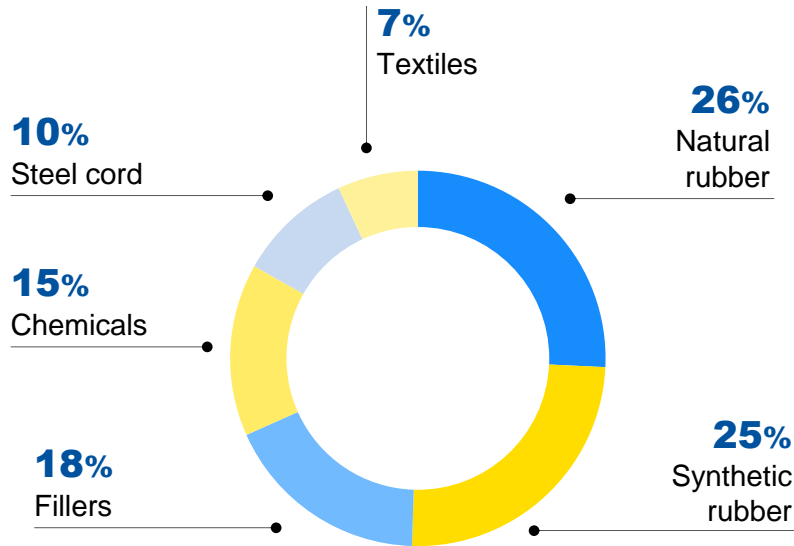
A one cent change in the average annual €/€ exchange rate would lead to a € 15-20 million change in EBIT for the year.



Source: ThomsonOne

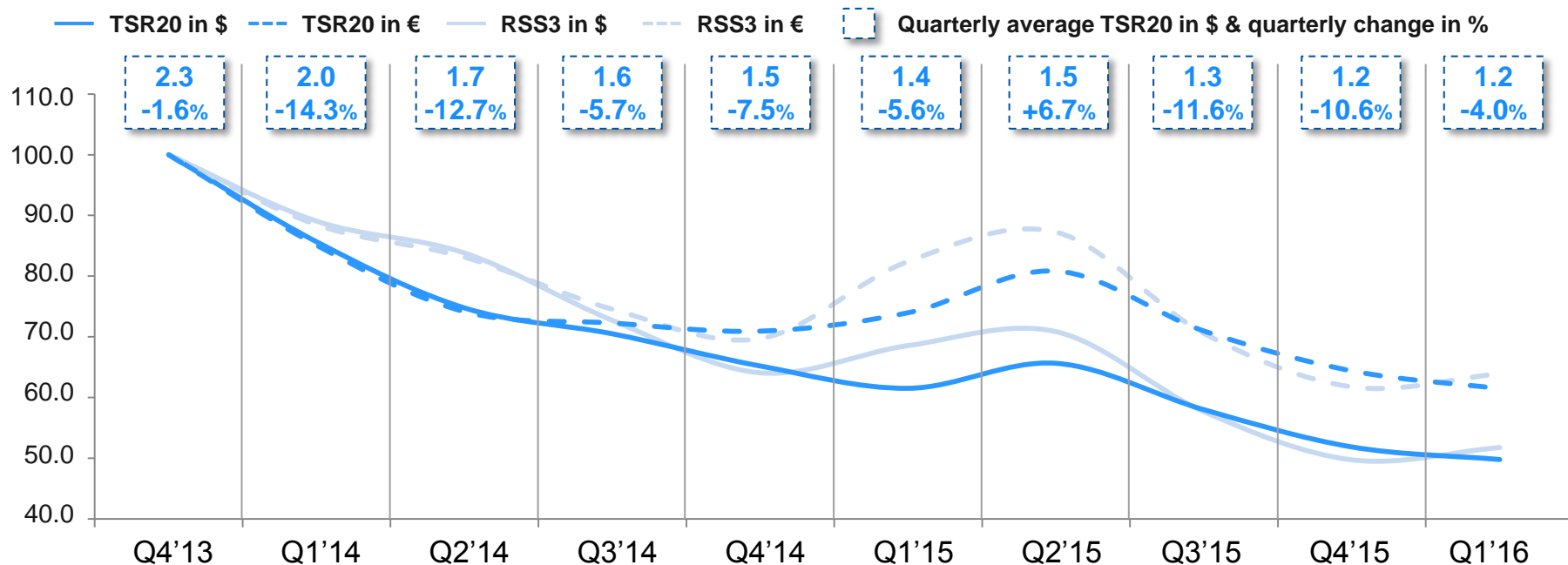
Raw materials trends in 2015

▲ Raw material purchases in 2015 (€4,711m)



Natural Rubber price trend

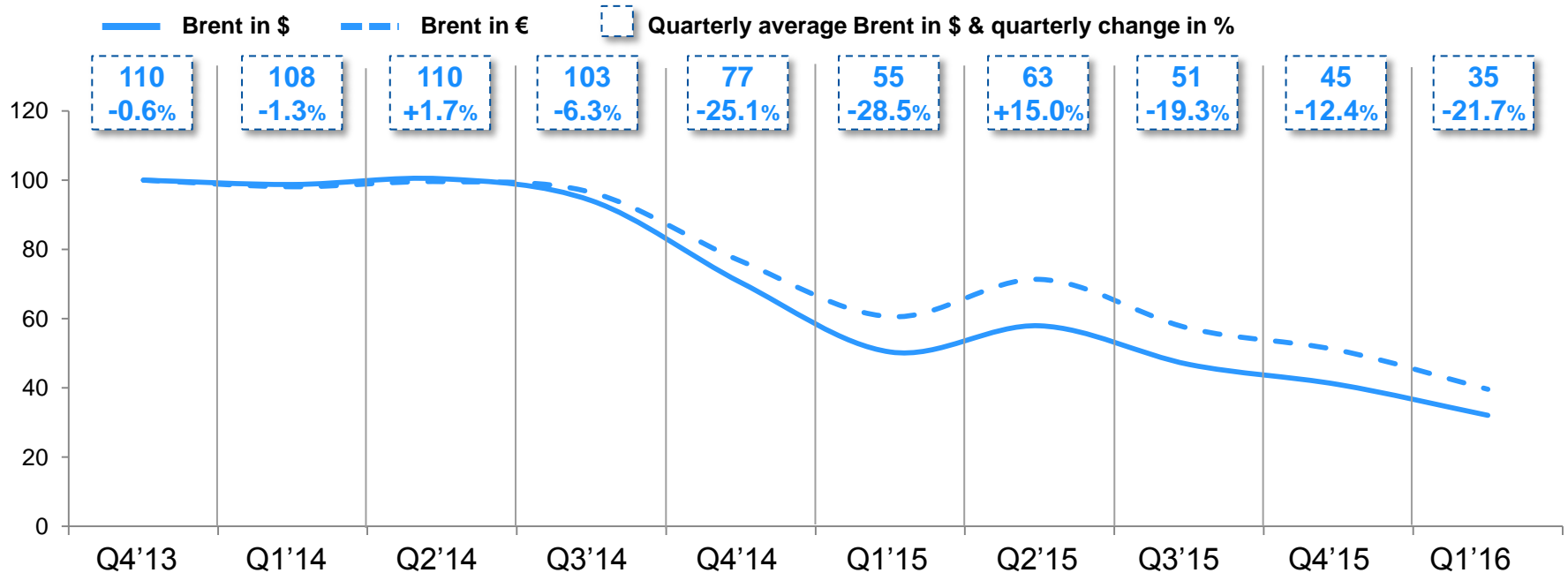
▲ At end of March 2016 (per kg, base 100 in Q4'13)



Source: SICOM

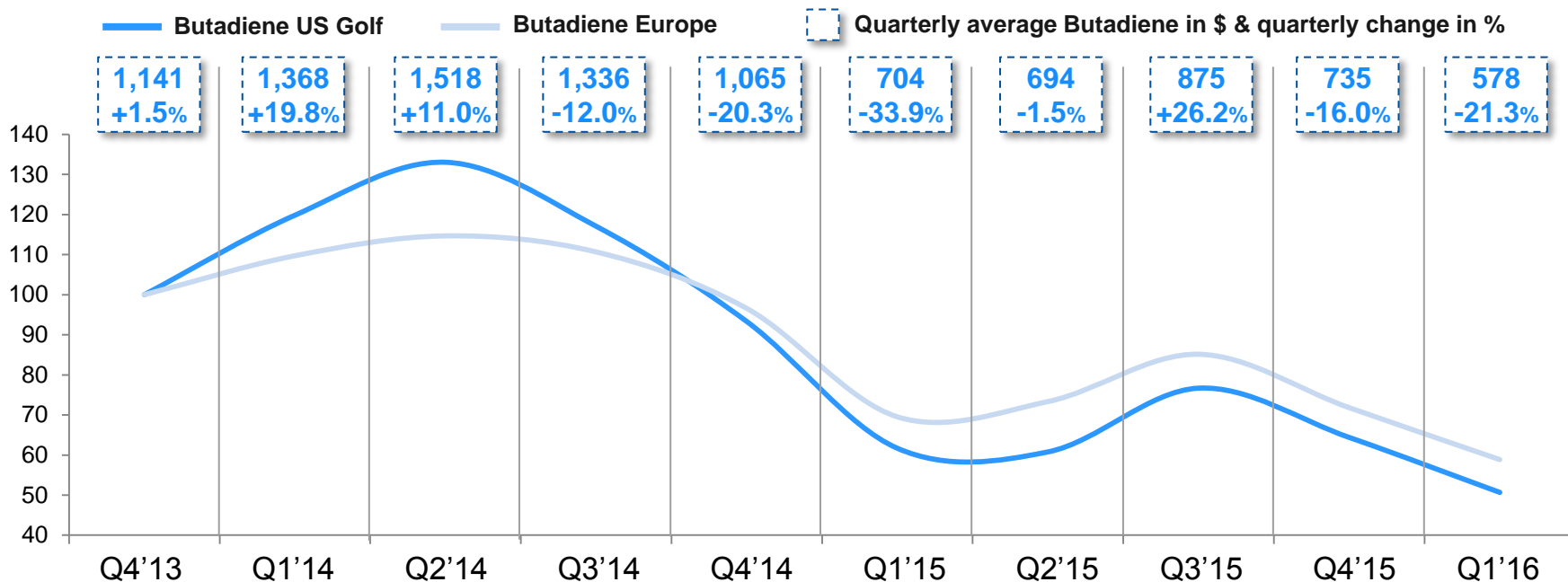
Brent price trend

▲ At end of March 2016 (per barrel, base 100 au Q4'13)



Butadiene price trend

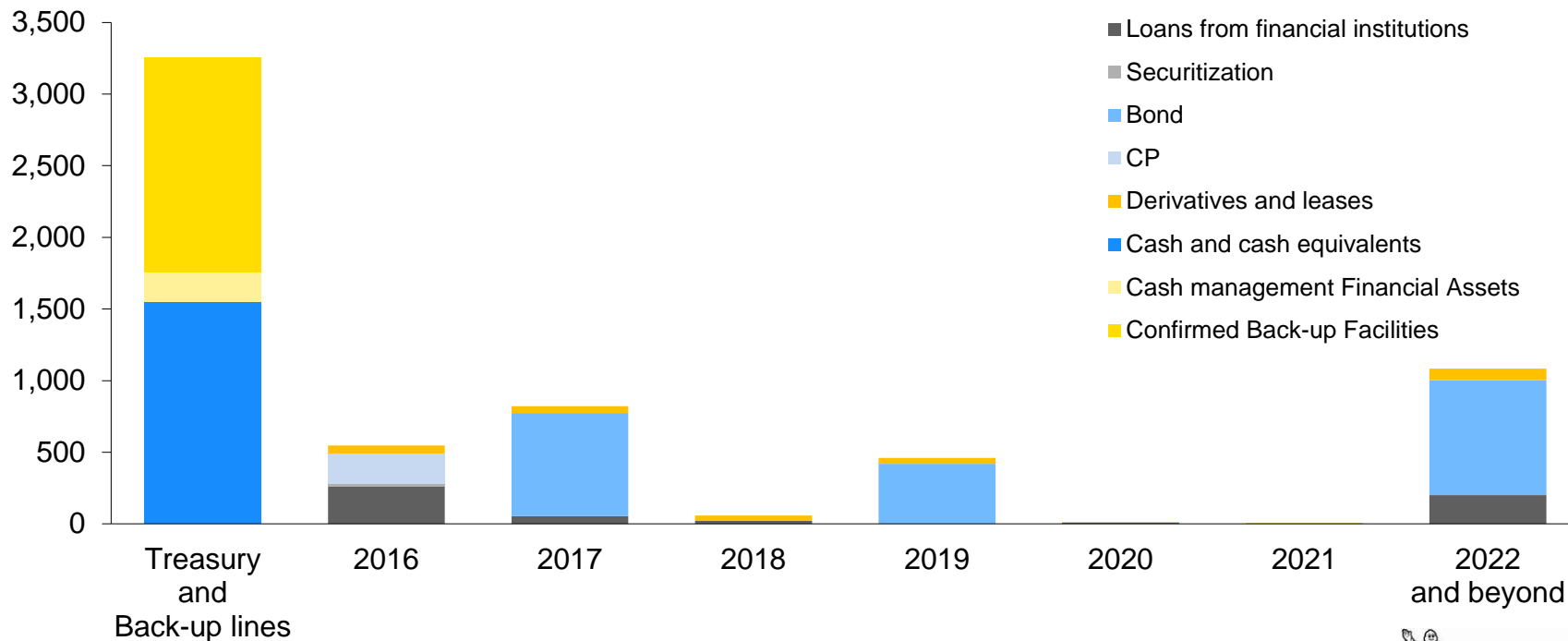
▲ At end of March 2016 (per ton, base 100 in Q4'13)



Source: IHS

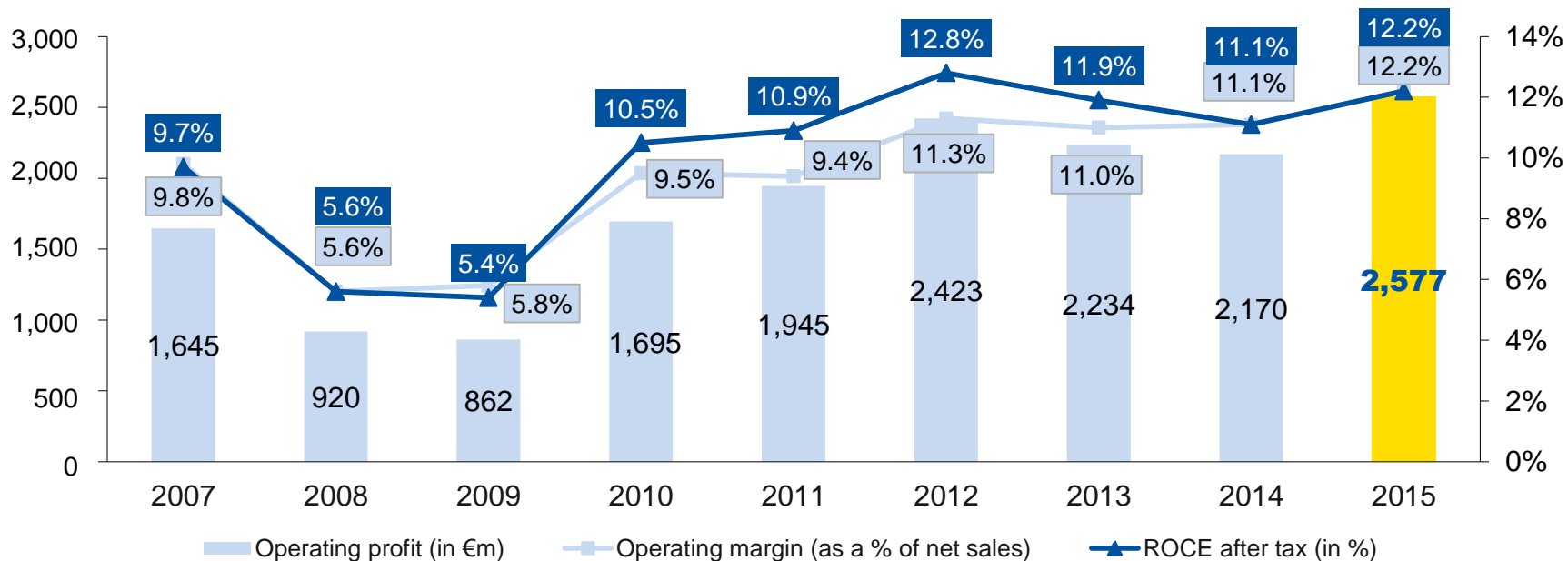
Opportunistic refinancing of the Group: 7-, 12- and 30-year bonds for a total of €809m

▲ Debt maturities at Dec. 31, 2015 (including accrued interests, in € millions)



A stronger Group with improving profitability

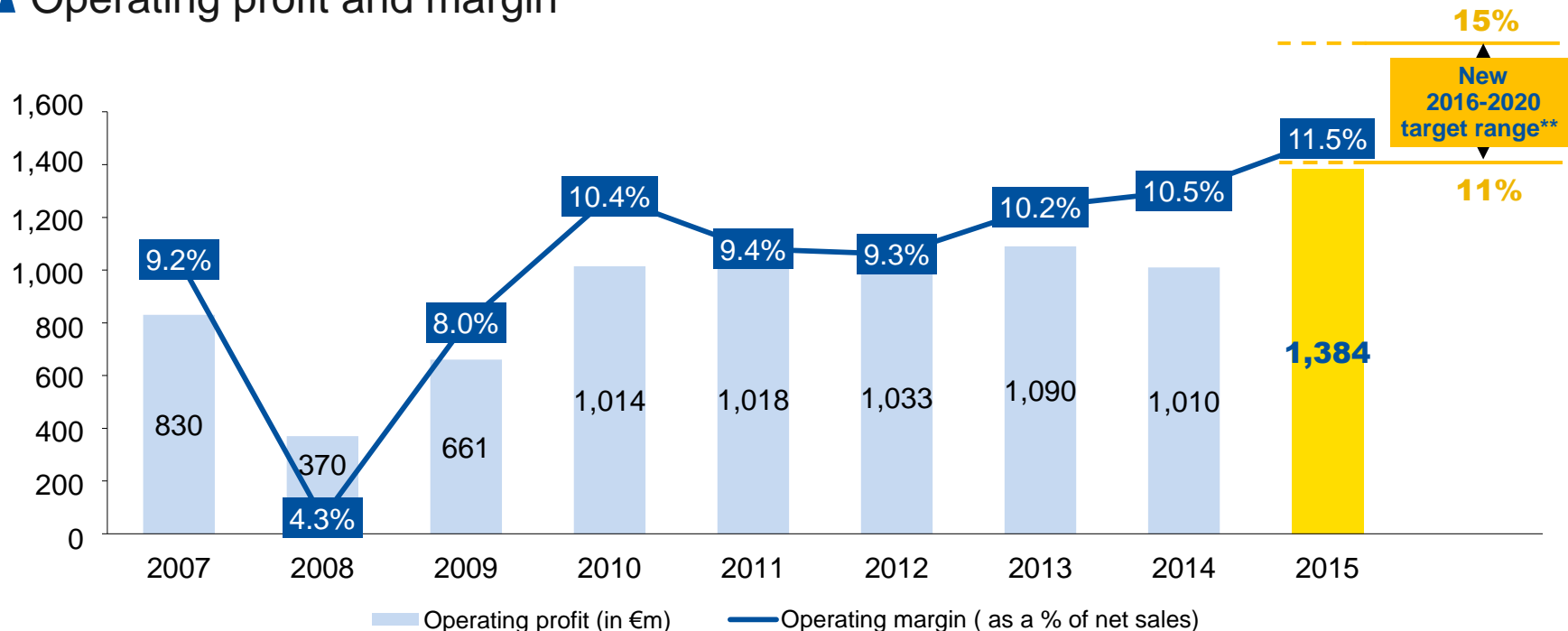
▲ Operating profit and margin* & ROCE



* Before non-recurring items

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

▲ Operating profit and margin*

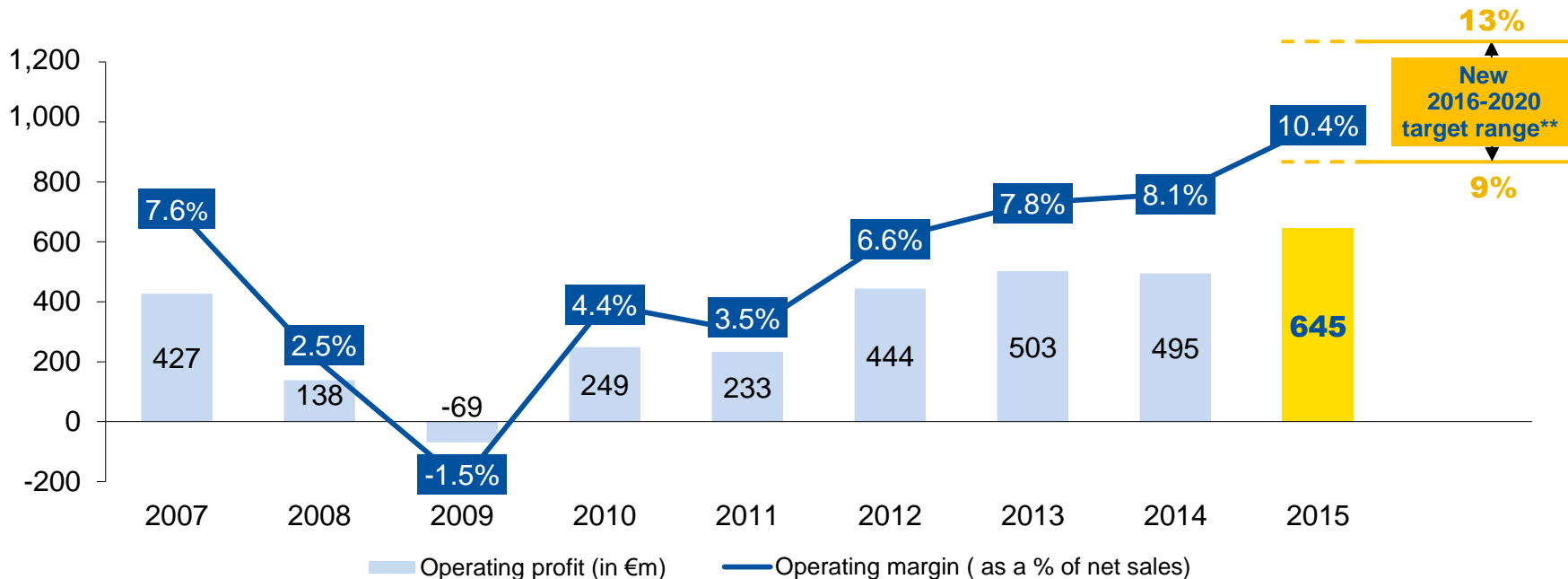


* Before non-recurring items

** 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*

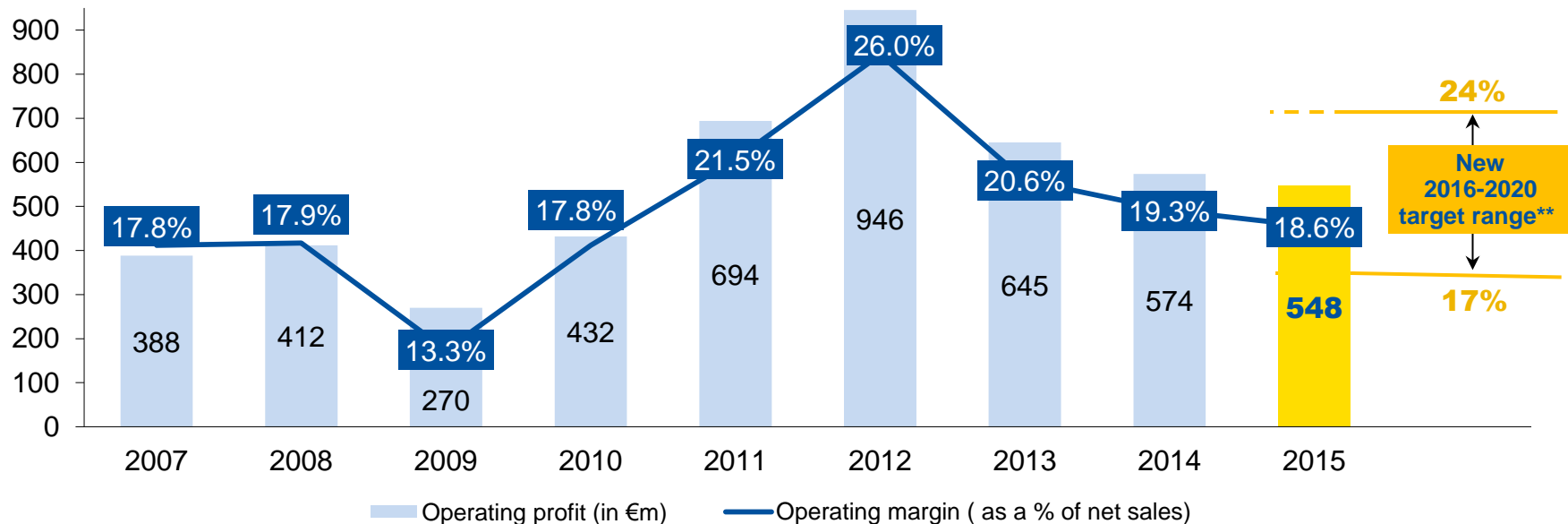


* Before non-recurring items

** 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

Disclaimer

"This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documentation published in France by Autorité des marchés financiers available from the <http://www.michelin.com/eng/> website.

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."

Valérie MAGLOIRE
Matthieu DEWAVRIN
Humbert de FEYDEAU

+33 (0)1 78 76 45 36

27, cours de l'île Seguin
92100 Boulogne-Billancourt - France

investor-relations@fr.michelin.com