



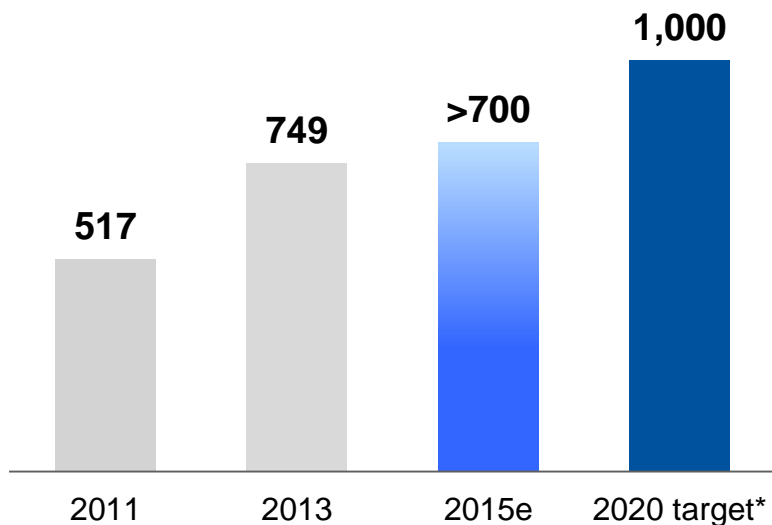
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November 17, 2015

An ambitious value creation target

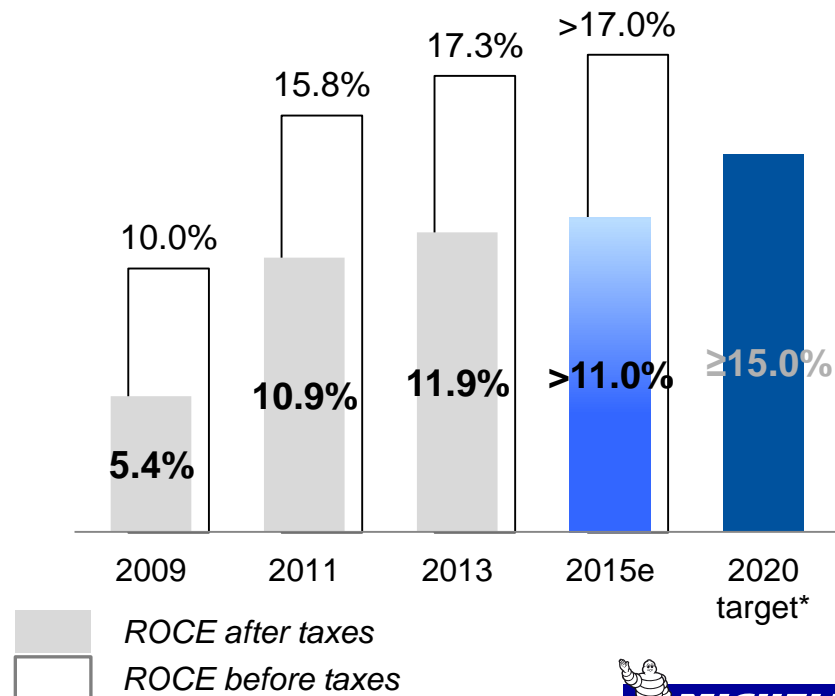
- Deliver a structural €1billion Free Cash Flow from 2020*

(in millions €)



* At constant scope of consolidation

- Deliver a ROCE (after taxes) $\geq 15\%$ from 2020*



ROCE after taxes

ROCE before taxes

Activating 4 pillars to grow value creation

- 1 Innovation:**
innovate to drive differentiation and loyalty
- 2 Growth:**
drive faster growth
- 3 Competitiveness:**
continuously become more competitive
- 4 People**
increasingly committed and focused employees



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- 1 **Activating Group levers**
 - Innovation, the Michelin's DNA
 - Capturing Growth
 - Competitiveness Plan
 - People
- 2 **Guidance confirmed**
- 3 **Shareholders Commitment**

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1

Activating Group levers

- Innovation, the Michelin's DNA

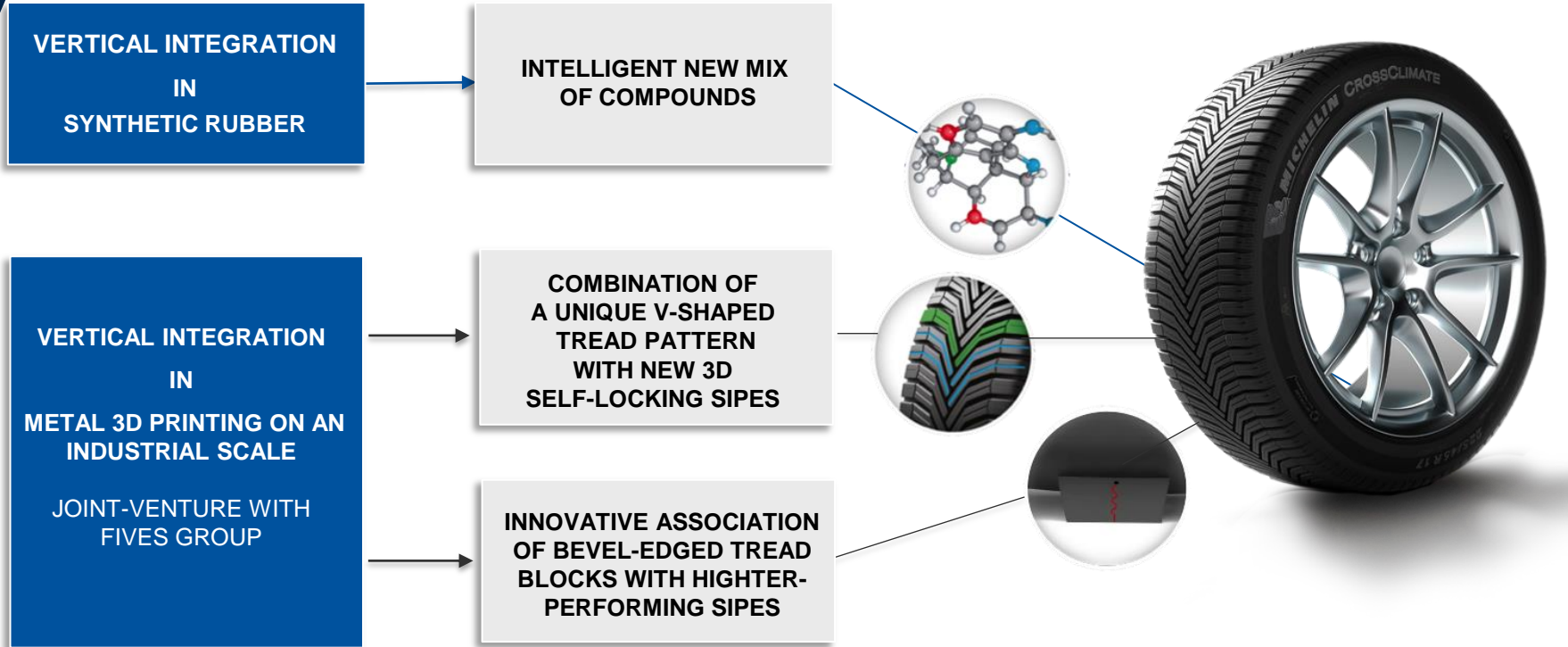
A continuing focus on innovation through Michelin innovation ecosystem

Corporate Innovation Board

- Mission:
 - Define Group's innovation strategy to serve its growth
 - Manage the innovation dynamic in line with the strategy
- Achievements:
 - Speeding up innovation at Michelin Brand
 - Advanced marketing teams to ensure profitable go to market
- Mobility initiatives :
 - Tweel: successful incubator project resulting in a contract with an OEM and a dedicated plant
 - Michelin Truck tyre care

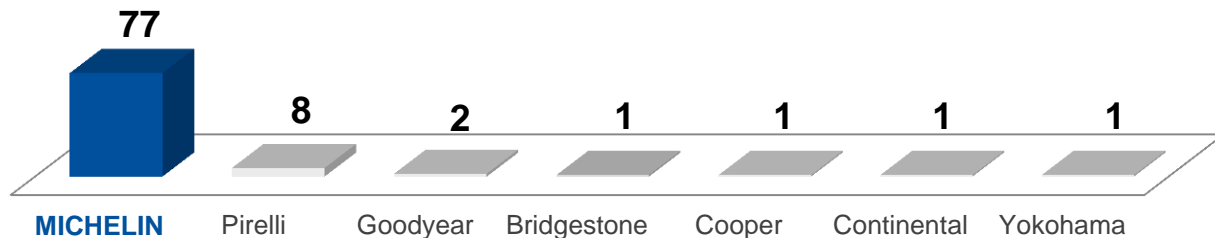


CrossClimate incorporates all latest technology and process innovations



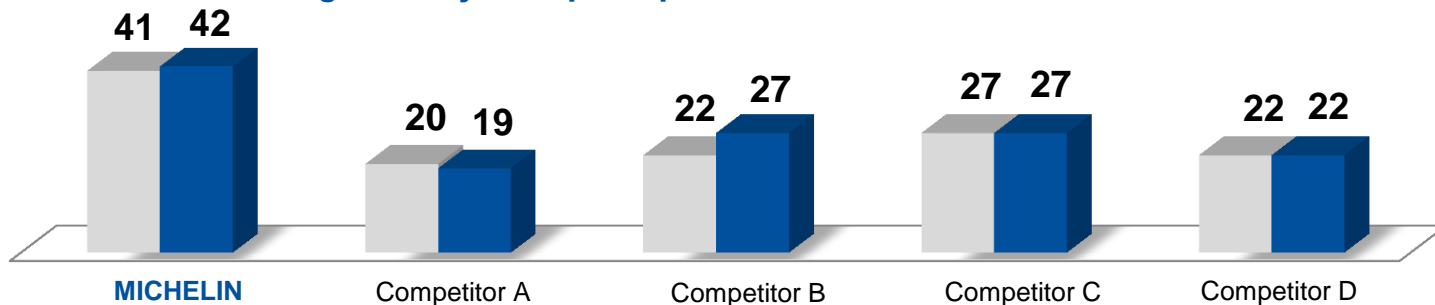
Michelin ranks 1st in North America and in Europe in passenger car customer surveys

- 77 “J.D. Power awards” for MICHELIN, more than five times the awards received by all competitors together



Source: JD Power & Associates Awards, consumer satisfaction survey 1989-2014

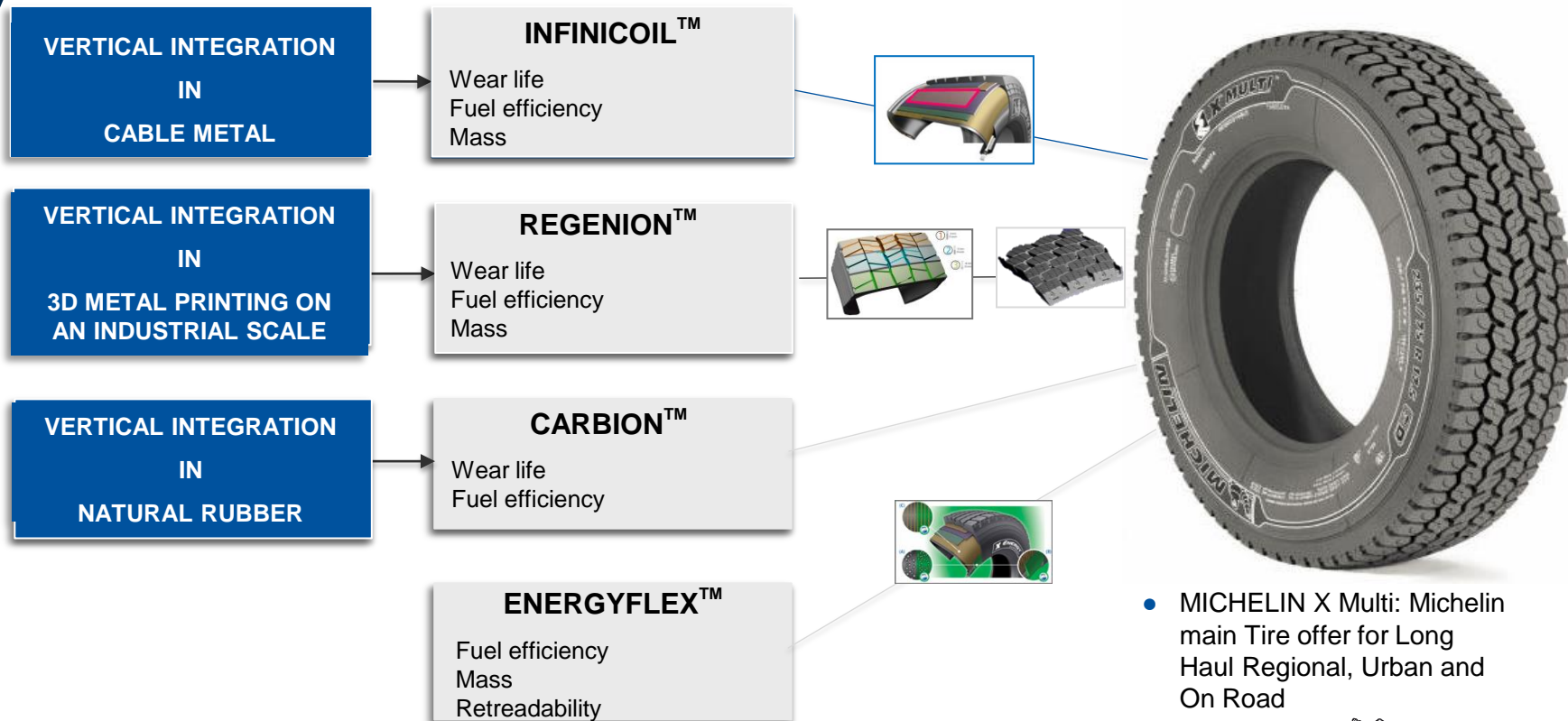
- Performance recognized by European premium tire consumers



NPS (Net Promoter Score): panel of consumers that purchased tires in the last six months
Source GfK study – Consumer Behavior Monitoring – Scope: FR, IT, SP, DE, UK, TR



T&B: Innovation aligned with customer expectations (wear life and fuel efficiency)



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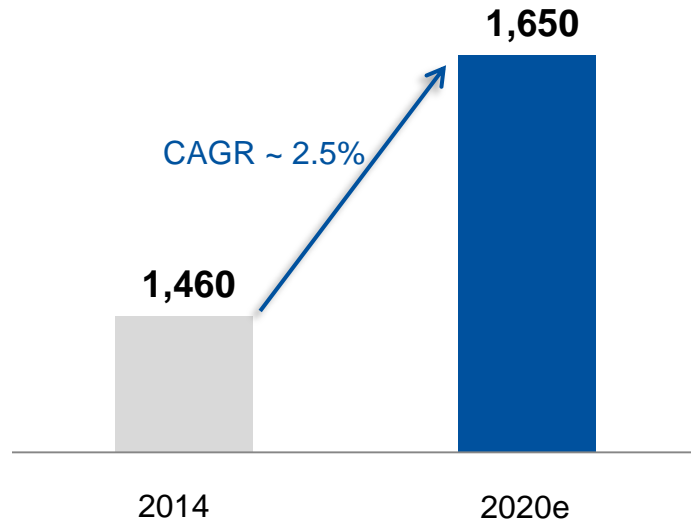
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Activating Group levers

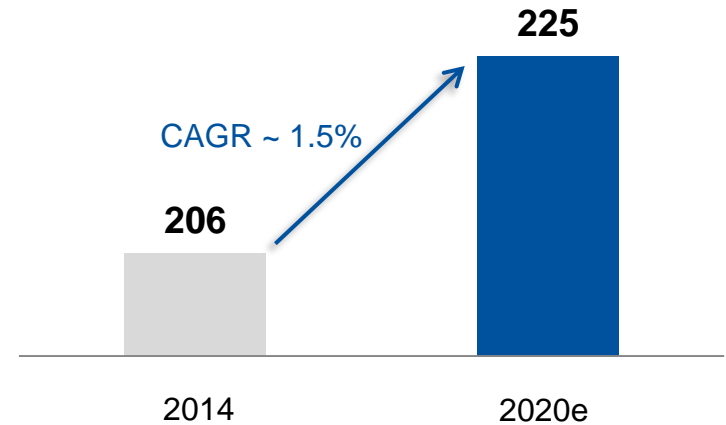
- Capturing Growth

Long-term market projections

► PC OE&RT market projection 2014-2020 *(in millions units)*



► TB OE&RT market projection 2014-2020 *Radial & Bias (in millions units)*

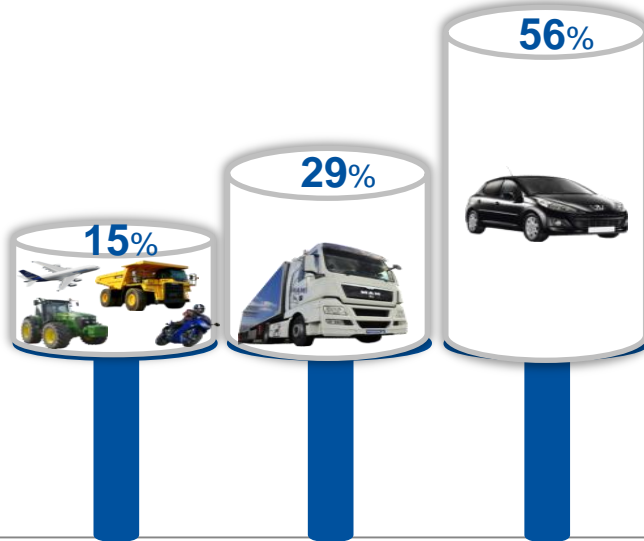


Source: Michelin

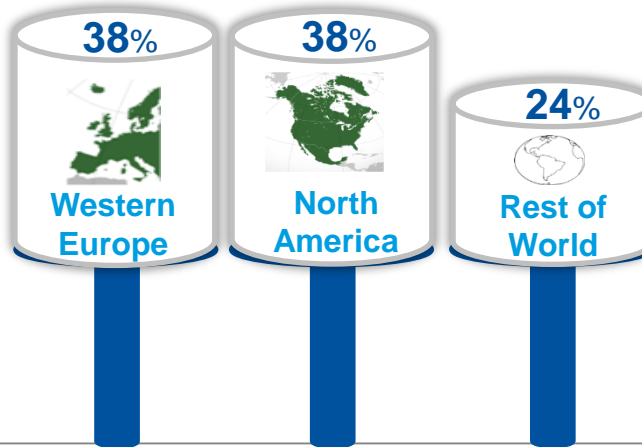
Natural hedging through a balanced geographic and product mix

► Breakdown of Group net sales

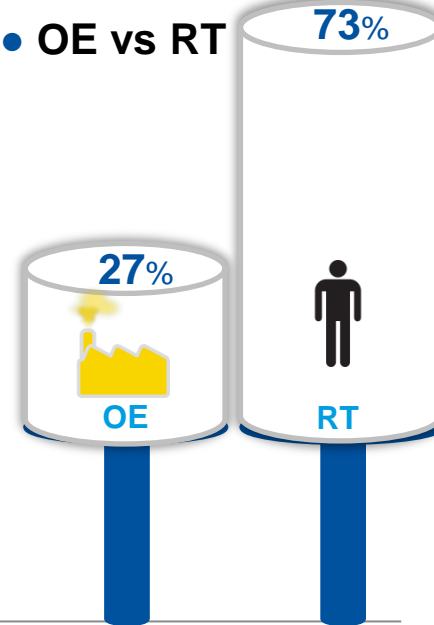
• Segment reports



• Geographical regions



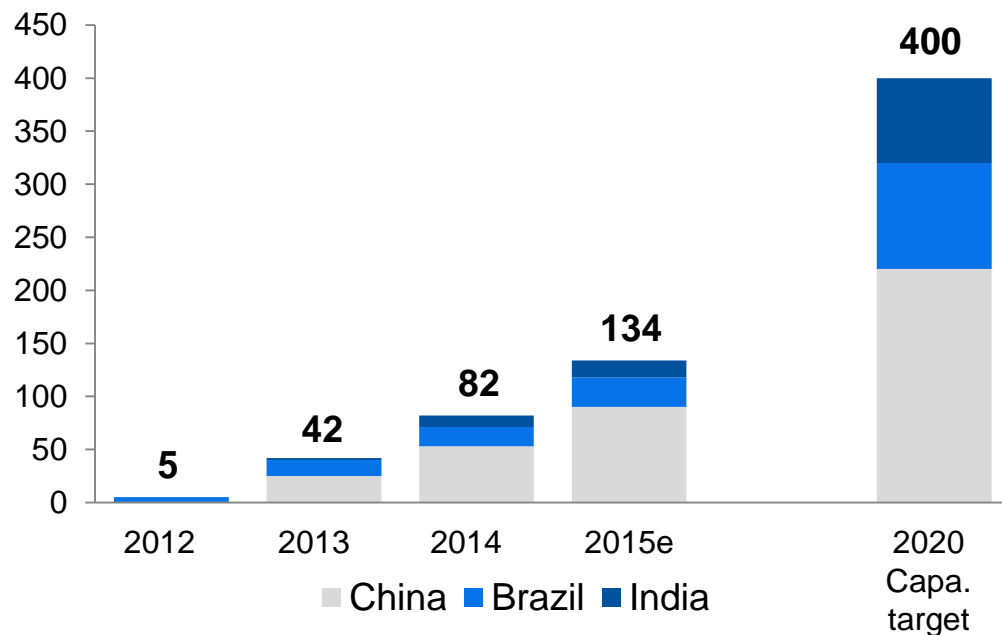
• OE vs RT



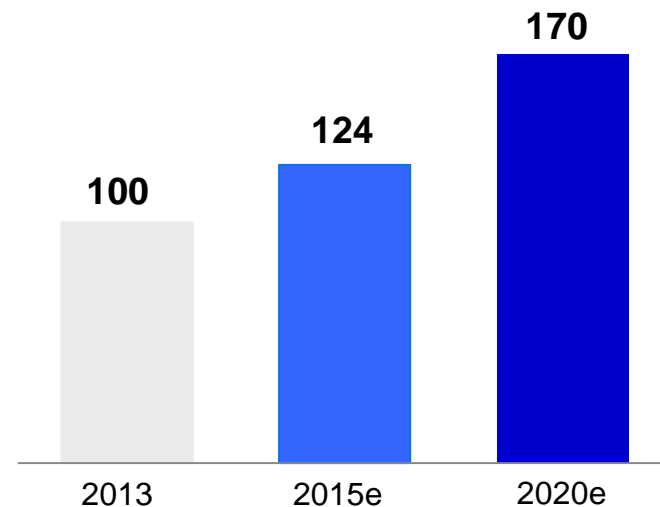
Percentage contribution of each segment/region to total H1 2015 consolidated net sales

Production ramp up on schedule to foster volume growth

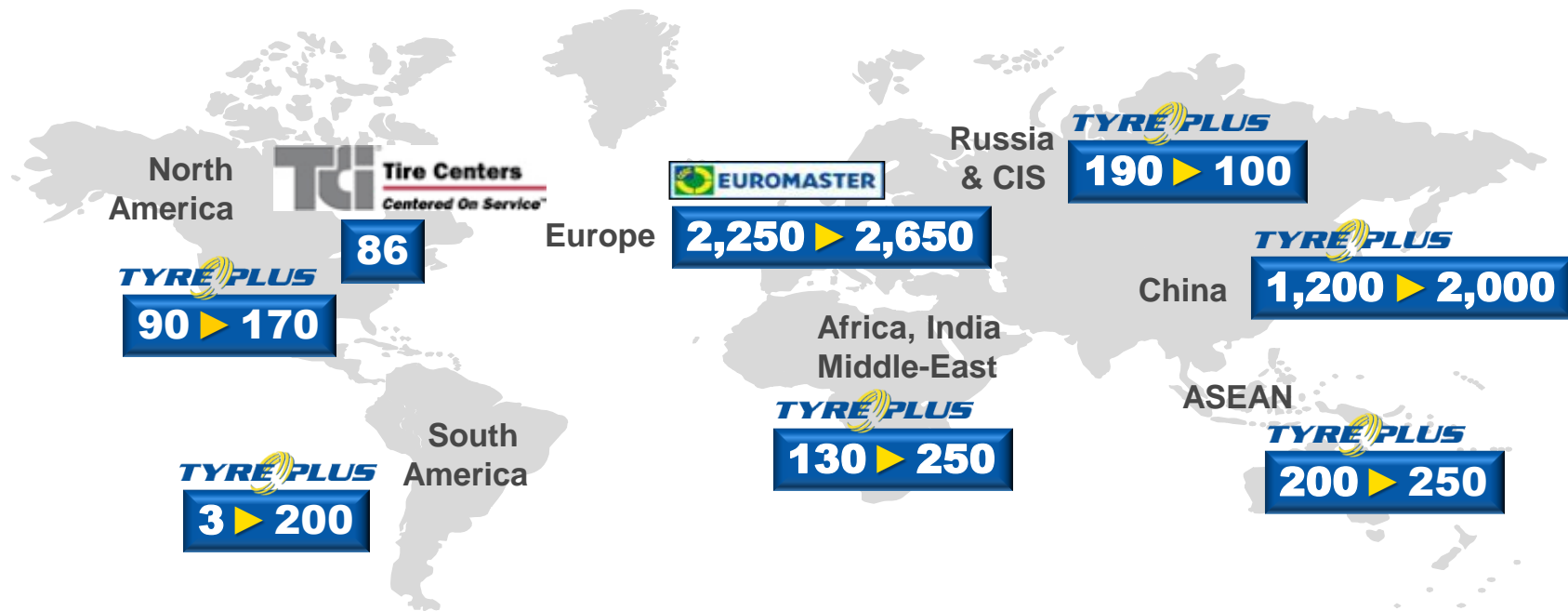
► Ramp up in new greenfield plants (in kt)



► Group > 17" capacity (base 100, in million of tires, MICHELIN brand)

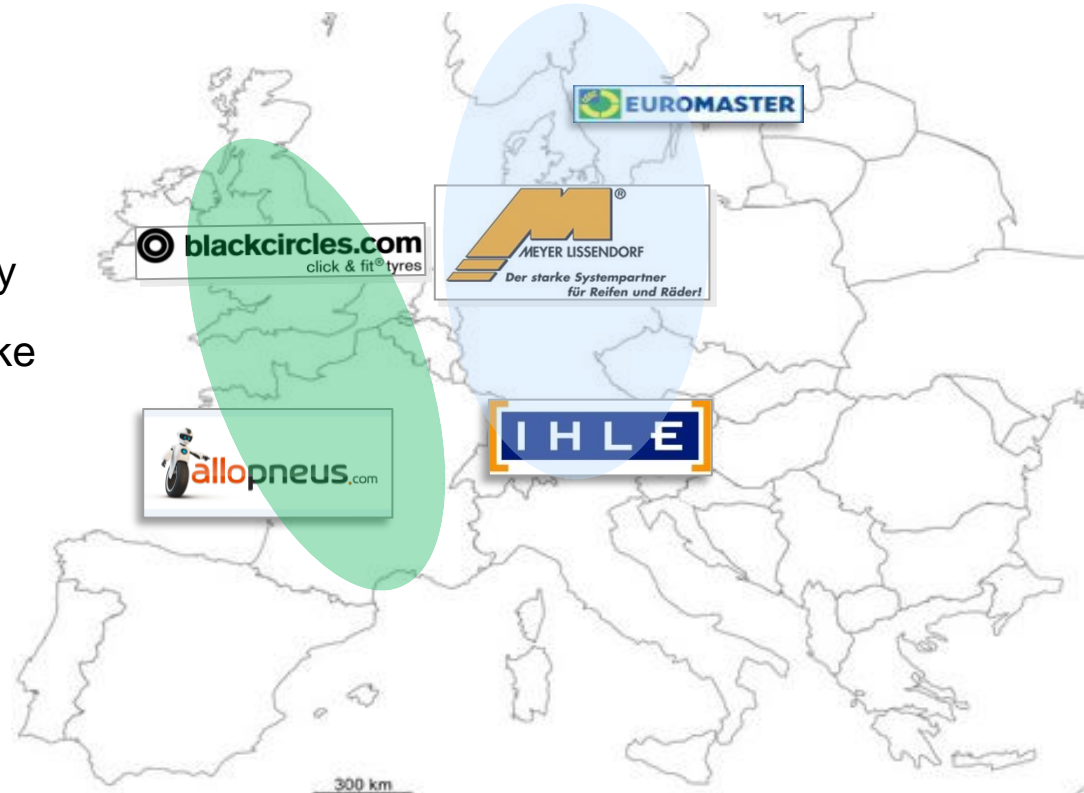


With a vast network of integrated and franchised dealers,
our aim is to exceed 5,000 outlets in 2020



Strengthening our market access in Europe by developing new distribution channels

- **Wholesale:** recent acquisition of Meyer Lissendorf and Ihle in Germany to guarantee quality of service for small retailers that have insufficient storage capacity
- **Online sales:** purchase of a stake in Allopneus in France and acquisition of Blackcircles in the UK



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

Services

- Offering innovative services to improve mobility *by*



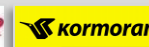
Distribution

- Reinforcing our market access through a vast worldwide dealer network and new distribution channels



Product offer

- Developing profitable Tier 2 / Tier 3 brands to better serve Distribution



Innovation

- Strengthening the MICHELIN brand technological leadership



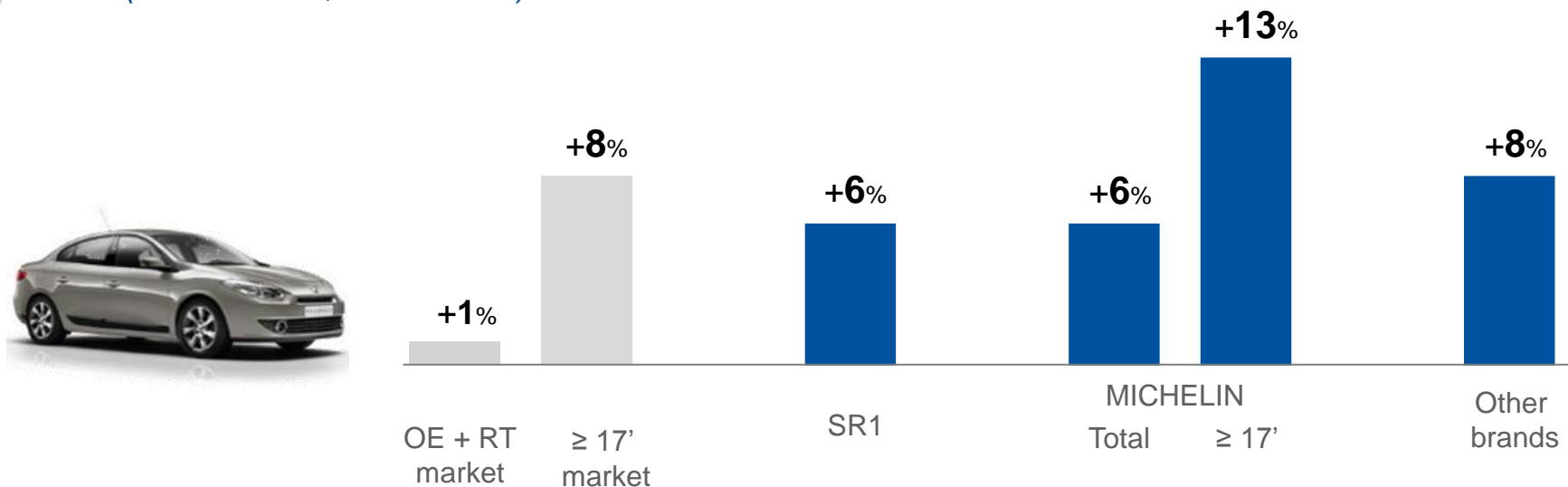
CROSSCLIMATE



TWEEL

PC tires 9m 2015: strong volume growth, steady mix improvement for the MICHELIN brand, sharp upturn in sales volumes for other brands

► Passenger car and Light truck volume growth vs market (9-month YoY, in '000 tons)



Source: Michelin

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1

Activating Group levers

- Competitiveness

The competitiveness plan will enable the 2015-2016 target of €500m to be achieved, offsetting annual inflation

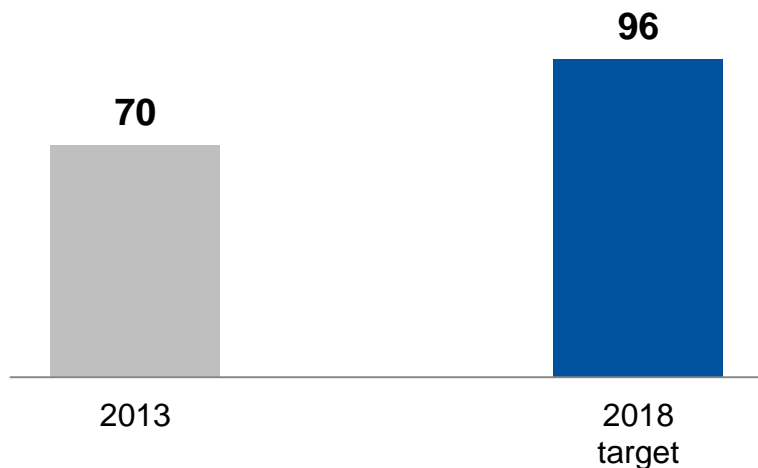
	SG&A	Materials	Manufacturing & Transports	Total
2012-2016 Objective*	-€300m / -€400m	-€200m / -€300m	-€600m / -€700m	-€1,200m
Achieved**	-€381m	-€127m	-€362m	-€870m
Enablers	<ul style="list-style-type: none"> • Efficiency program • OPE • Shared Service Centers • Simplification 	<ul style="list-style-type: none"> • New lines • New materials • Scrap process materials 	<ul style="list-style-type: none"> • Best practices (MMW) • Standardization • Flexibility • Footprint optimization 	

* Over 2012-2016 period
Before inflation and including avoided costs

** At September 2015

Competitiveness: Improving our manufacturing efficiency

► Average Plant size *(in '000 of tons)*



► Plant capacity utilization *(in % of maximum available capacity)*

	2013	H1 2015	Target 2018
PC / LT	85%	87%	≥ 90%
Truck	76%	83%	
Specialty	90%	69%	

November 3, 2015: proposed reorganization of Truck and Earthmover tire production base

- Unfavorable market trends in Truck tires Europe and Earthmover OE & Infrastructure
- Truck industrial footprint optimization in UK, Italy and Germany
 - Closure of the Ballymena Truck tire plant, the Fossano cable plant and the Oranienburg and Alessandria retreading plants
 - 1,508 jobs at stake
 - €265m investment in the UK, Italy and Germany over the next 5 years
 - Non-recurring restructuring charge of €280m in 2015
 - €140m in projected annual productivity gains
- Impairment on India OE/Infra Earthmover assets: non-recurring charge of €75m

The industrial reorganization projects will eventually deliver more than €140m in annual productivity gains

	2015	2016	2017	2018	2019	
						Total non-recurring expense
Non-recurring cost	(280)	0	0	0	0	(280)
						Following Years
Productivity		+13	+41	+89	+130	+140

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1

Activating Group levers

- People

Increasingly committed and focused employees: engagement rate 5 pts above benchmark

► Positive work environment



► New impetus to social dialogue



► Committed and incentivized on growth, efficiency and financial targets

- Increasingly committed employees, with an engagement rate of **74%** vs. 72% in 2013 (2014 Moving Forward Together Survey, IBM-Kenexa)
 - IBM-Kenexa global benchmark: 69% in 2014

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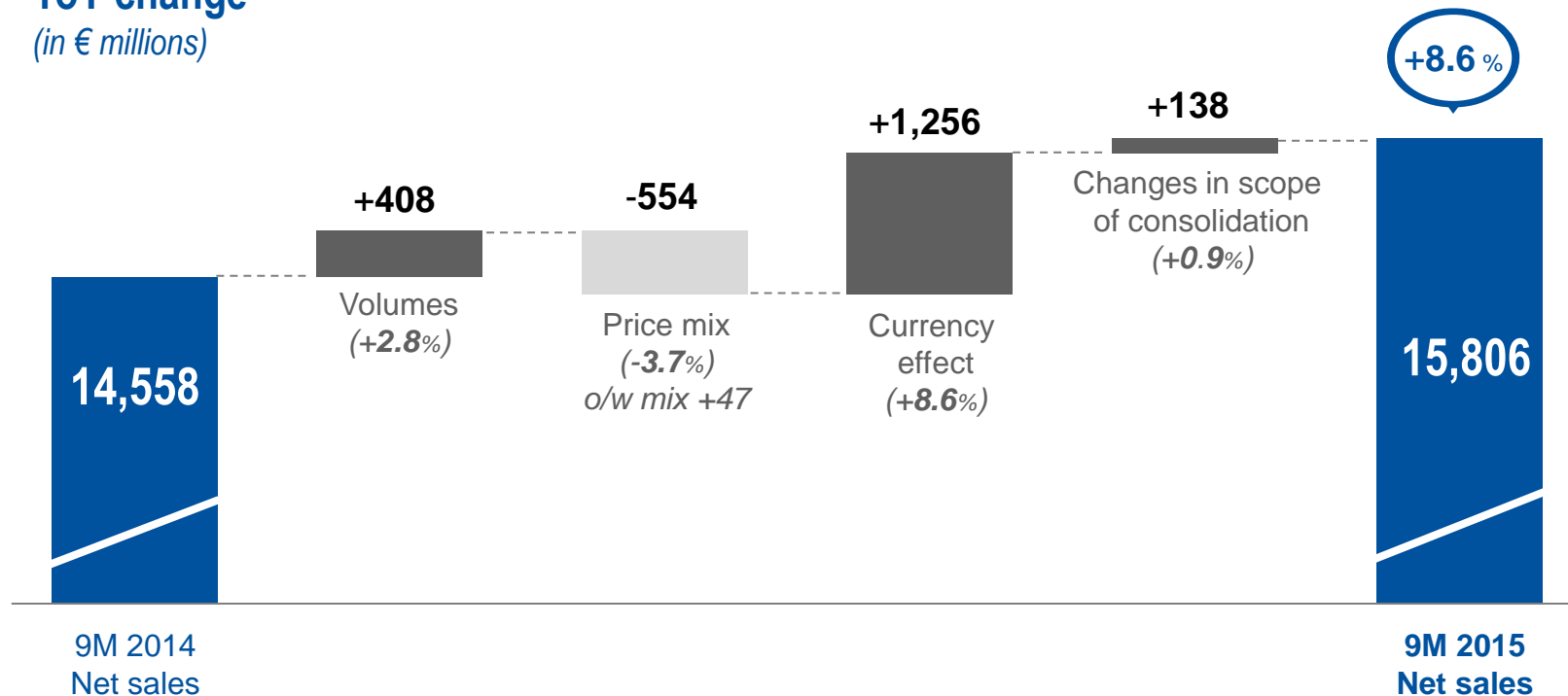
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2

Guidance confirmed

9-month Net sales up 8.6%, of which 2.8% due to higher volumes

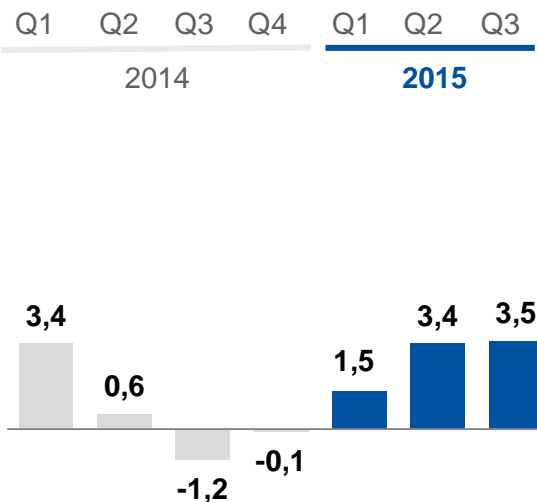
► YoY change (in € millions)



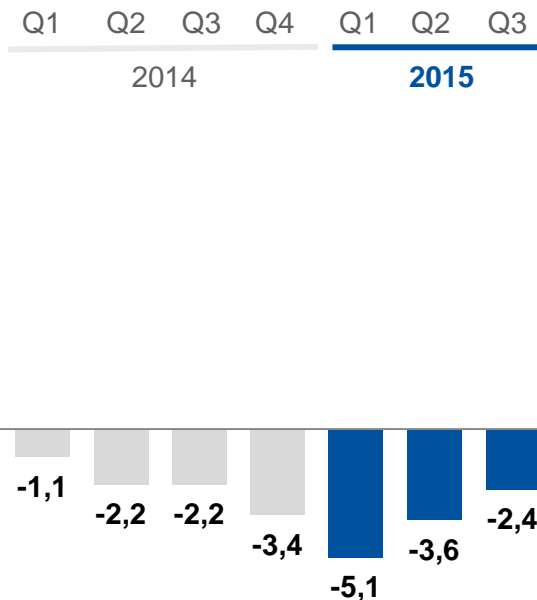
As expected, volumes and the price mix improved quarter to quarter

► YoY change in %

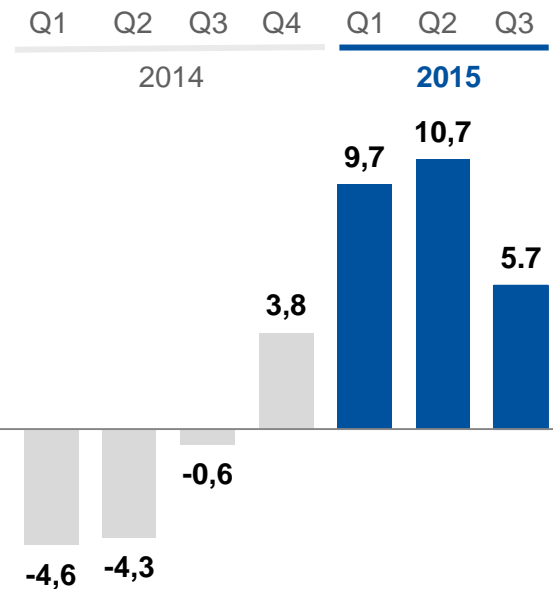
► Volumes



► Price-mix



► Currency effect



Passenger car tire market

Continuing strength in mature market demand with a favorable basis for comparison for summer and winter tires in Europe excluding Russia & CIS and one fewer day of sales in North America. Steady replacement market growth in China and car incentives leveraging OE demand.

October 2015 / 2014

Market	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	Brazil	China
Original equipment tires	▲ +1%	▲ +4%	▼ -1%	▼ -28%	▲ +7%
Replacement tires	▲ +5%	▲ +10%	▼ -3%	▲ +2%	▲ +8%

YTD (October 2015)

Market	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	Brazil	China
Original equipment tires	▲ +3%	▲ +6%	▲ +4%	▼ -18%	▲ +1%
Replacement tires	▲ +2%	▲ +4%	▼ -0%	▲ +3%	▲ +8%

* Turkey included



Truck tire market

Continuing strength in mature market demand with a counter effect of early purchases in Europe excluding Russia & CIS and one fewer day of sales in North America. Negative trend in new markets.

October 2015 / 2014

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	Brazil
Original equipment tires	▲ +9%	▲ +11%	▼ -3%	▼ -62%
Replacement tires	▼ -6%	▼ -1%	▲ +1%	▲ +2%

YTD (October 2015)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	Brazil
Original equipment tires	▲ +6%	▲ +10%	▲ +10%	▼ -50%
Replacement tires	▼ -2%	▲ +6%	▲ +4%	▼ -7%

* Turkey included

Guidance confirmed

	2015 unchanged
Volumes	Growth above markets
EBIT before non recurring	Up beyond currency effect
Structural FCF	Above €700m
ROCE	More than 11%

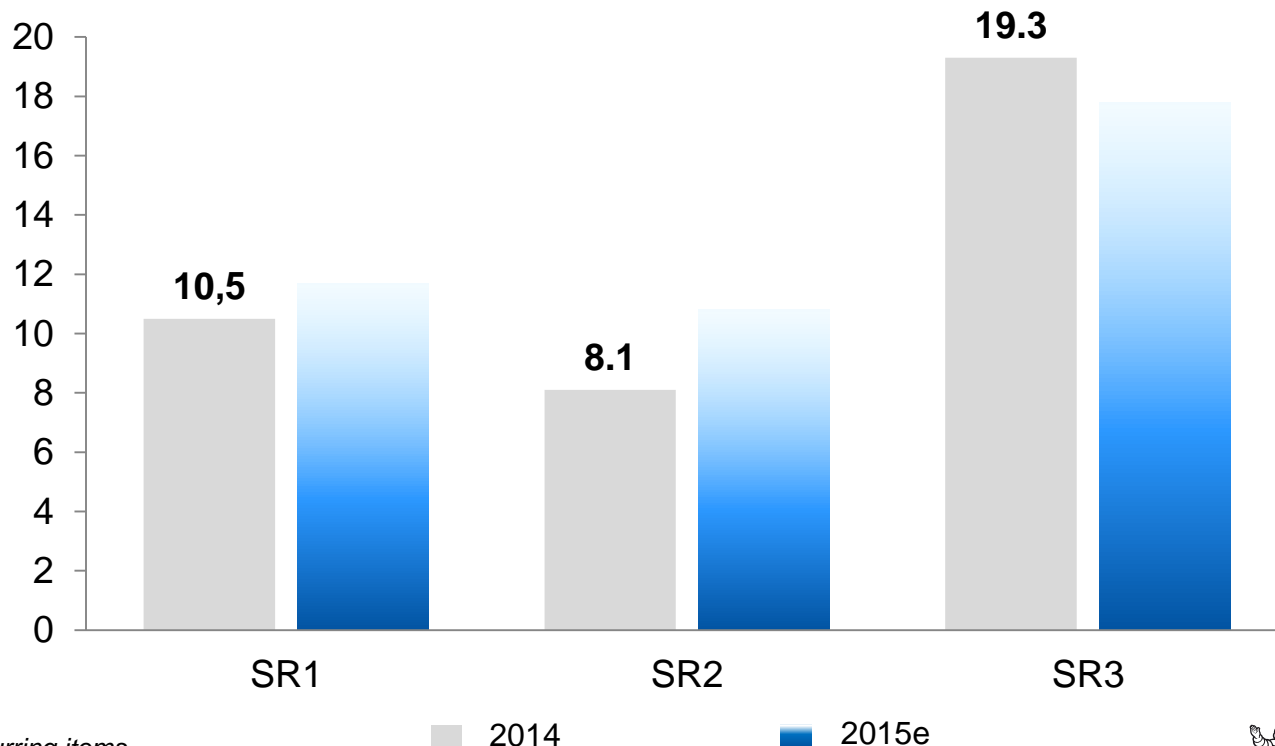
2015 scenario

	2015	2015 old
Impact of raw materials*	Around €550m tailwind	Around €600m tailwind
Price-mix / Raw materials	<div> Indexed business: negative Non indexed business: neutral </div> } Around -€100m	Indexed business: negative Non indexed : neutral
Competitiveness / cost inflation	Neutral over the year	Neutral over the year
Currency effect on EBIT*	Around €400m	Above €350m
Capital expenditure	Around €1,800m	Around €1,800m

* Based on September 2015 assumptions

2015 Group EBIT* margin increase driven by Passenger car and Truck

► EBIT* margin by segment of reporting in %



* Before non recurring items

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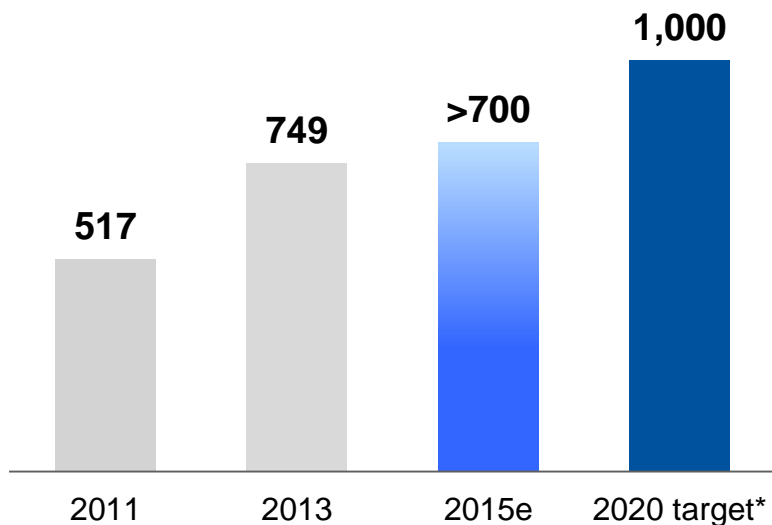
3

Shareholders commitment

An ambitious value creation target

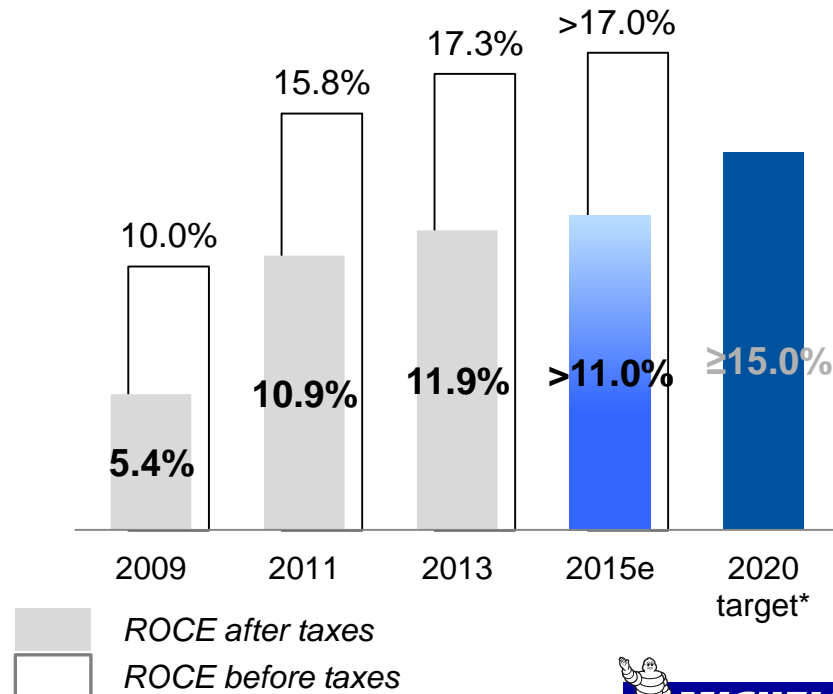
- Deliver a structural €1billion Free Cash Flow from 2020*

(in millions €)



* At constant scope of consolidation

- Deliver a ROCE (after taxes) $\geq 15\%$ from 2020*



ROCE after taxes

ROCE before taxes

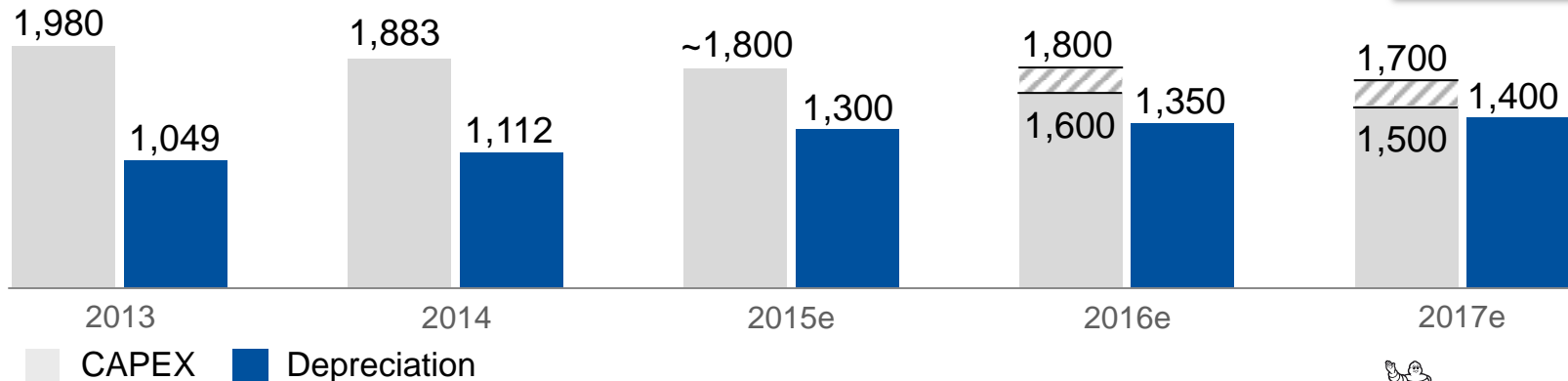
Invest to create value

► Succeed in our priority investments to capture growth and deliver innovative solutions

- In the supply chain, to improve customer services (IS, logistics centers)
- In growing markets: PC premium tires, North America, China
- In Truck fleet and Digital services
- In raw materials and semi-finished products

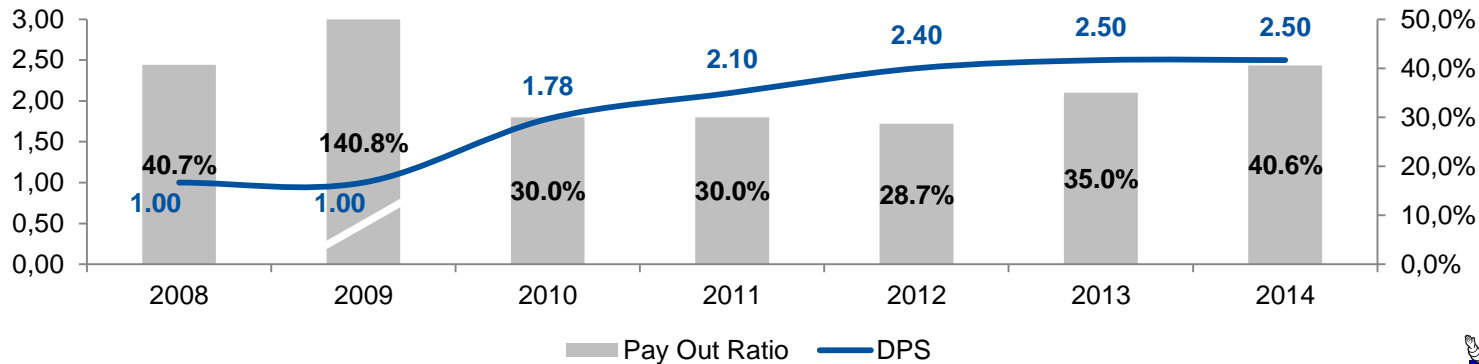


► Reducing the gap between capital expenditure and depreciation (In € millions)



A strategy committed to shareholders

- First tranche of €250m completed as of July 31
- Second tranche of €200m to be completed at December-end 2015
- Number of shares repurchased: 4,223,944 as of November 16, 2015
 - Purchase cost: €383m
 - Weighted average price: €90.78
- Pay-out target: at least 35% of Group Net Income (excluding non recurring costs)



INTRODUCING THE
MICHELIN® PREMIER® TIRE



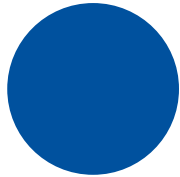
It's a new standard in safety: A tire whose tread, instead of simply wearing down, evolves with its rain grooves expanding and new grooves emerging for extra water evacuation and a high-traction compound for increased wet grip. Even when half worn, the MICHELIN® Premier® A/S tire is still safe—thanks to EverGrip™ wet-braking technology. The MICHELIN® Premier® A/S tire still stops shorter on wet roads than leading competitors' brand-new tires.* Bringing multiple performances together with innovative technologies to deliver the total performance all drivers need—that's MICHELIN® Total Performance™. Learn more at michelinman.com/premier.



*All tires eventually wear out and should be replaced. Half worn Premier tires are safe because of EverGrip™ Technology which combines an evolving tread with a high-traction compound for enhanced stopping capabilities. Based on lateral wet braking test results from all-around the world's most rigorous. Acura Integra® A/S tires in size 225/50R17 (91W) and P215/60R16 (91W), Bridgestone® Potenza® S-02 tires in size 215/60R16 (91W), Goodyear® Assurance® tires in size 225/50R17 (91W) and P215/60R16 (91W), and Pirelli® P Zero® tires in size 215/60R16 (91W). Using MICHELIN® Premier® A/S tires in size 225/50R17 (91W) and P215/60R16 (91W), inflated to 32 PSI of tread. Actual on-road results may vary. ©2015 Michelin North America, Inc. All rights reserved. The Michelin Man is a registered trademark owned by Michelin North America, Inc.

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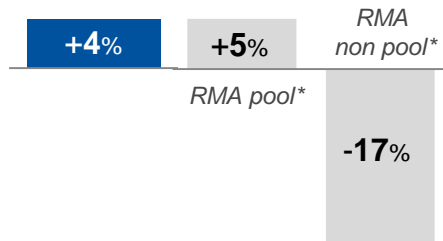
Appendices

PC tires: strength in mature market demand, declining Winter segment in Europe, steady replacement market growth in China

► Passenger car markets 9-month 2015/2014

% change year-on-year (in number of tires)

North America



* RMA pool : Rubber Manufacturers Association members

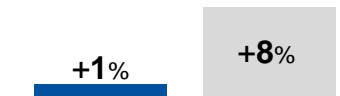
Europe excluding Russia & CIS



New markets excluding China



China



GLOBAL MARKET



Source : Michelin

■ OE

■ RT



Truck tires: global market down, with growth in mature regions and negative trend in new markets

► Markets 9-month 2015/2014

% change year-on-year (in number of tires)

North America



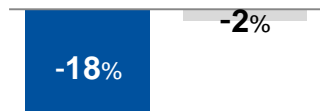
Europe excluding
Russia & CIS



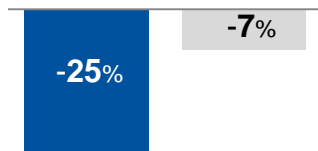
Africa India & Middle East



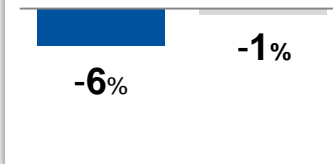
China



New markets excluding
China & AIM



GLOBAL MARKET



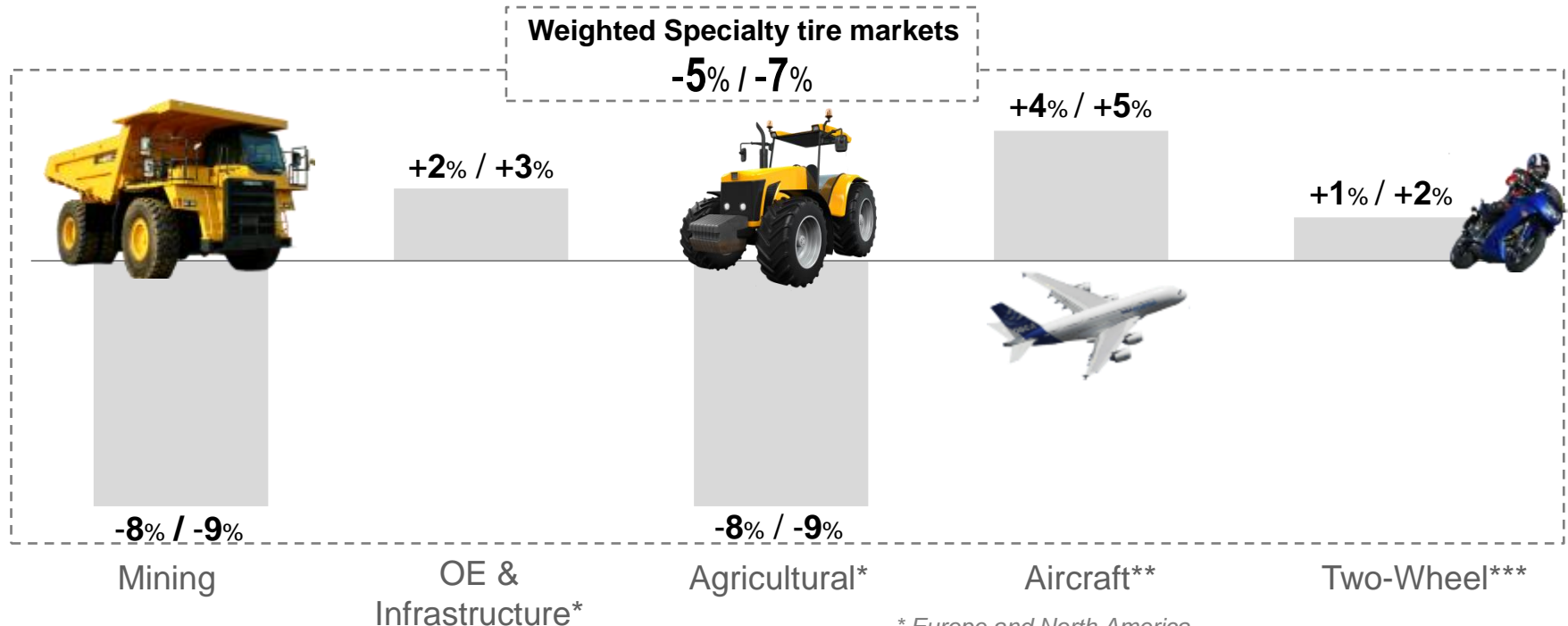
Source : Michelin

■ OE

■ RT

Specialty markets: 2015 outlook on the low end of the range in the Mining and Agricultural markets, with slight growth expected in other segments

► FY 2015e / FY 2014 in tons



Source : Michelin

* Europe and North America

** Commercial aircraft

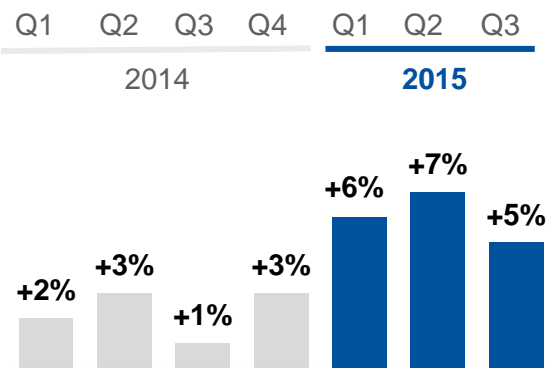
*** Motorcycle Europe, USA, Japan



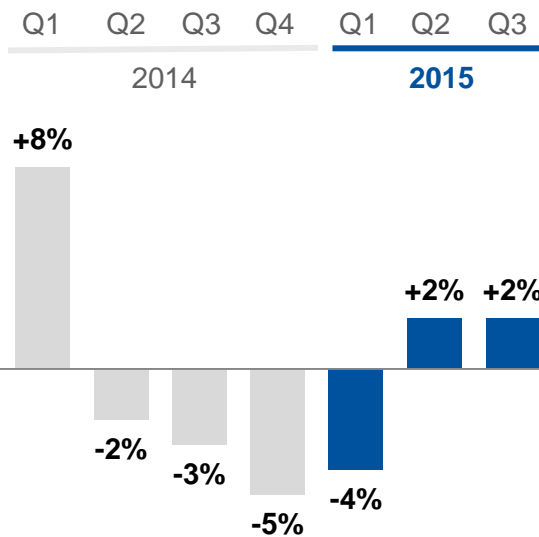
Passenger car and Truck tire sales outpaced the market Specialty businesses volumes in line with their markets

► YoY change in tons

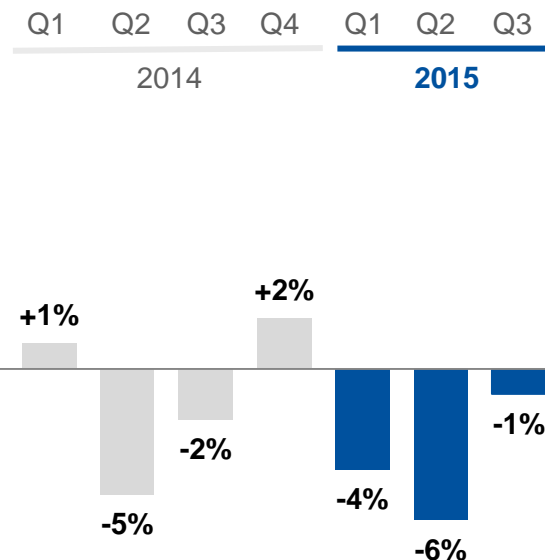
Passenger car and Light truck tires & related distribution









Truck tires & related distribution



Specialty businesses



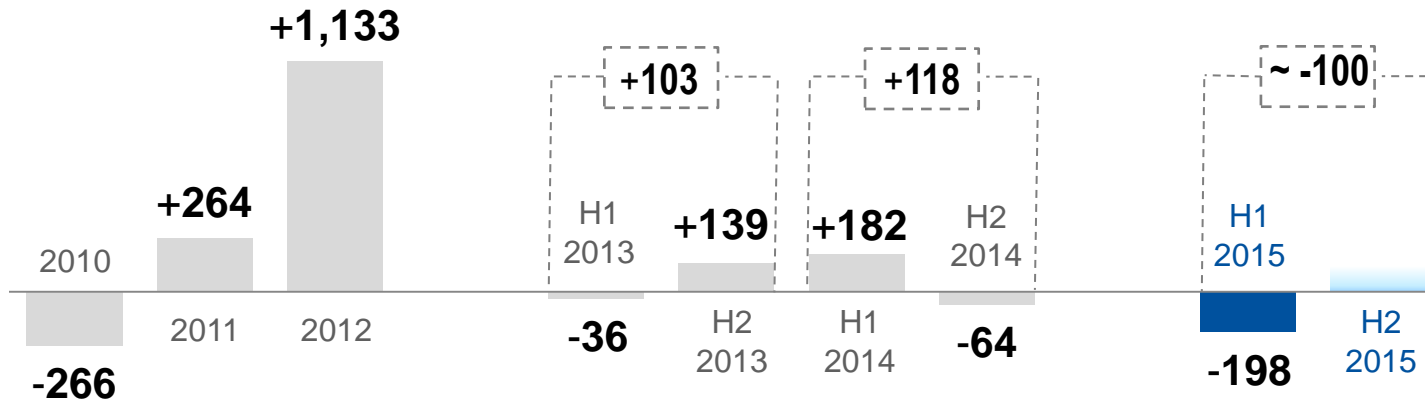
Net sales supported by above market growth

	9m 2015	9m 2014	% change
 SR1 Net sales (€m) <i>Volume growth</i> <i>Market growth</i>	8,838 +6% +1%	7,759	+13.9%
 SR2 Net sales (€m) <i>Volume growth</i> <i>Market growth</i>	4,675 -0% -2%	4,503	+3.8%
    SR3 Net sales (€m) <i>Volume growth</i> <i>Market growth</i>	2,294 -4% -5% to -7%*	2,296	-0.1%

*Full year market expectation

Effective management of pricing policy over time: aggregated net positive impact of more than €1,100m since 2010

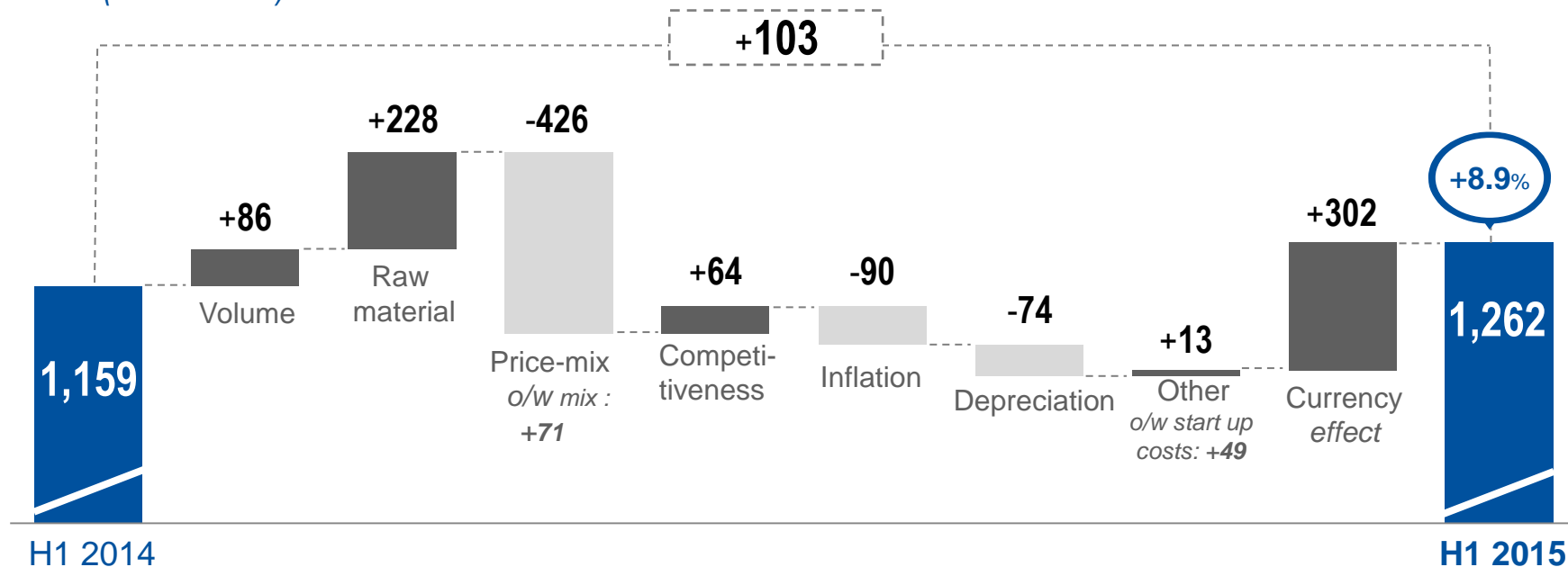
► Net effect of price mix and raw materials prices (in € millions)



- Indexation clauses represented a third of the price effect in H1 2015
- Positive raw material price impact of €550m expected over full-year 2015 based on past price trends, after €228m in the first half
- Price increases in Europe in H2 2015

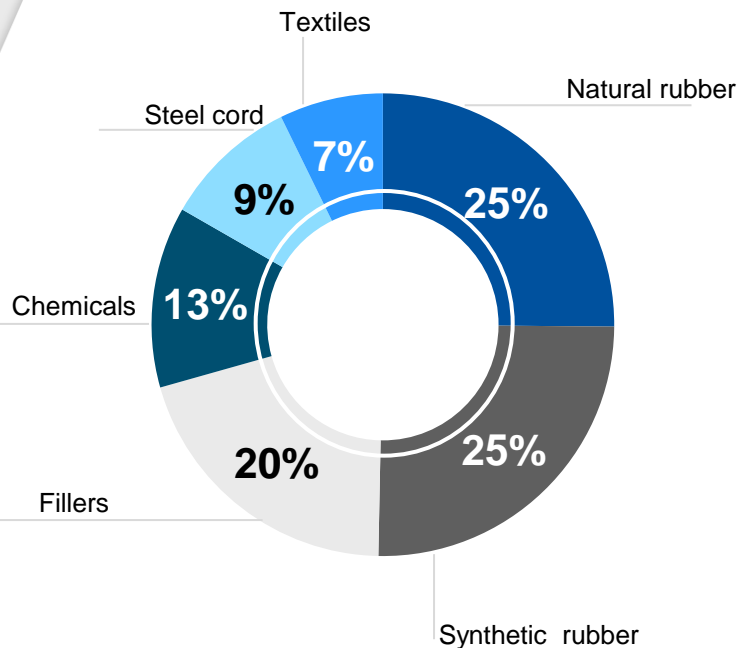
Operating income before non-recurring items up 9% or €103m

► Change vs. H1 2014 (in € millions)



Raw materials and price trends in 9-month 2015

► Raw material purchases in H1 2015 (€2,414m)

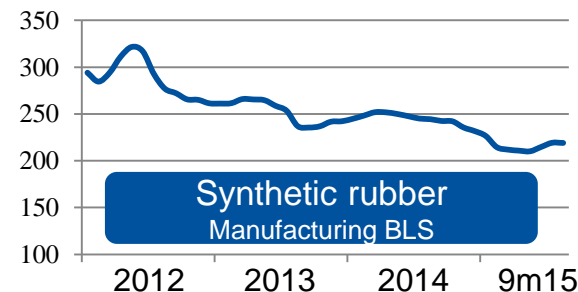
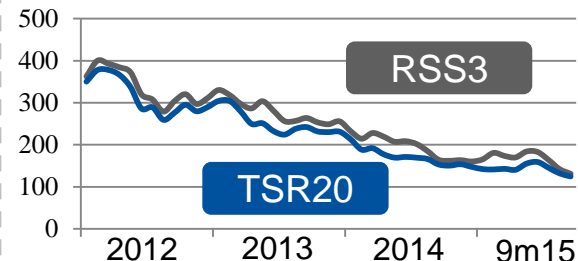
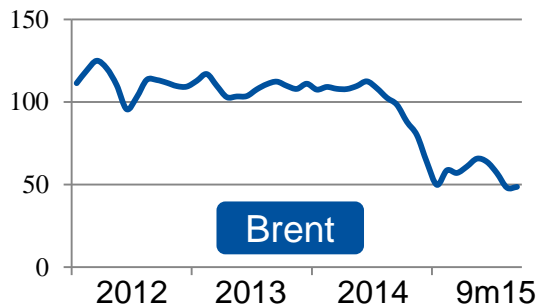


Exchange rate €/€ :

Average 9m'14 : 1.36

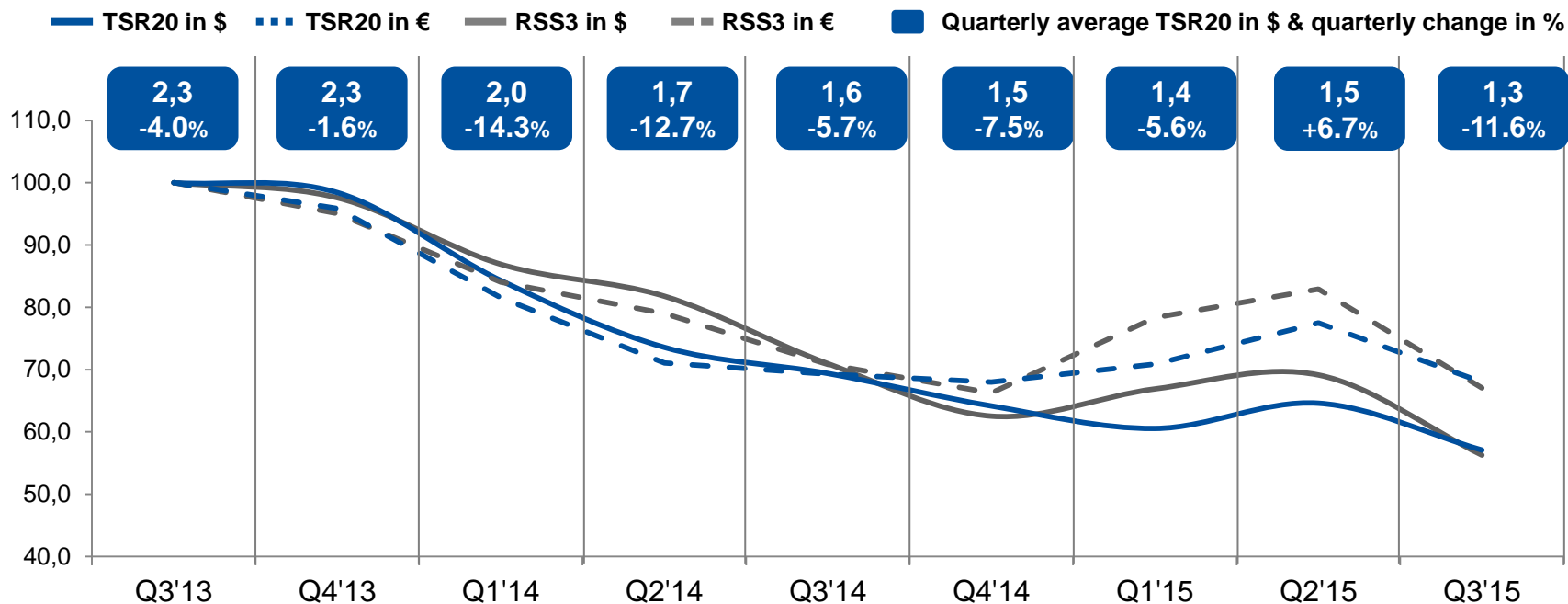
-18%

Average 9m'15 : 1.12



Natural Rubber price change reflecting into Group P&L with around 6-month time lag

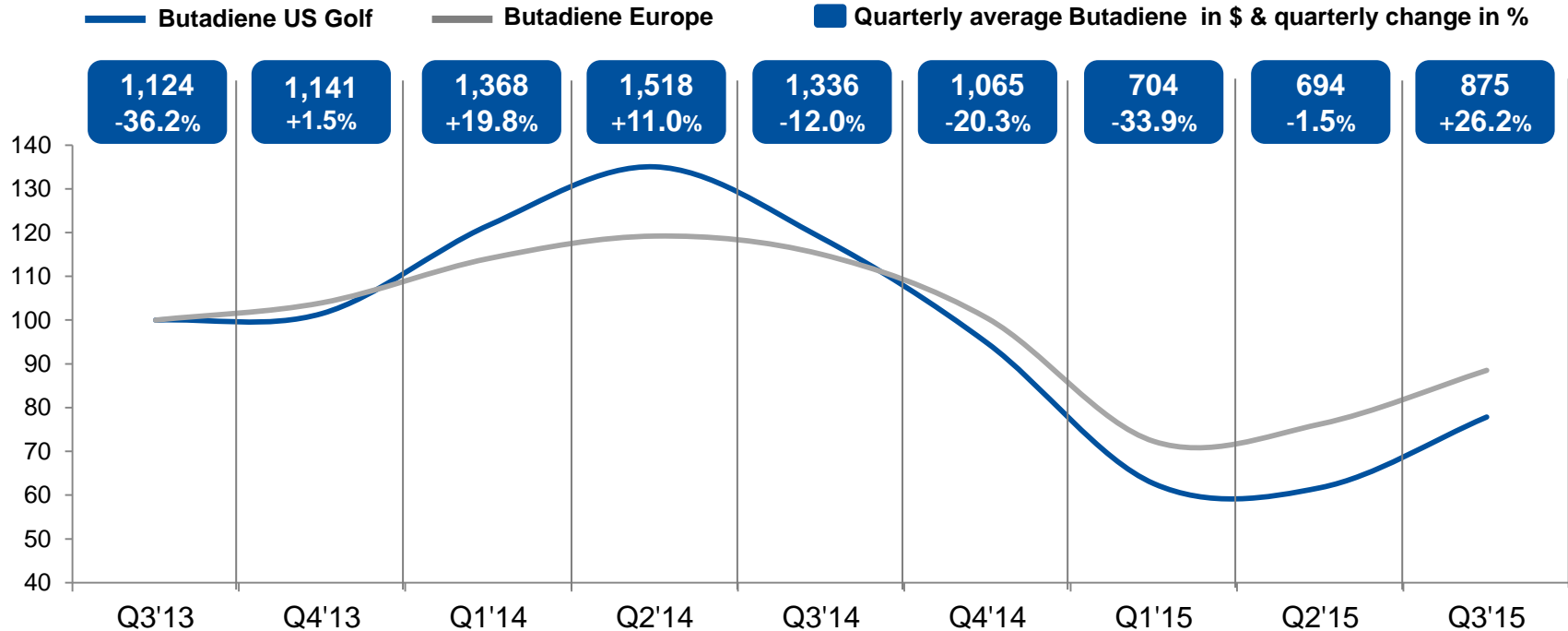
Natural Rubber Price Evolution in \$/kg and €/kg (base 100 in Q3'13) at end of September 2015



Source : SICOM

Butadiene Price change reflecting into Group P&L with around 4-month time lag

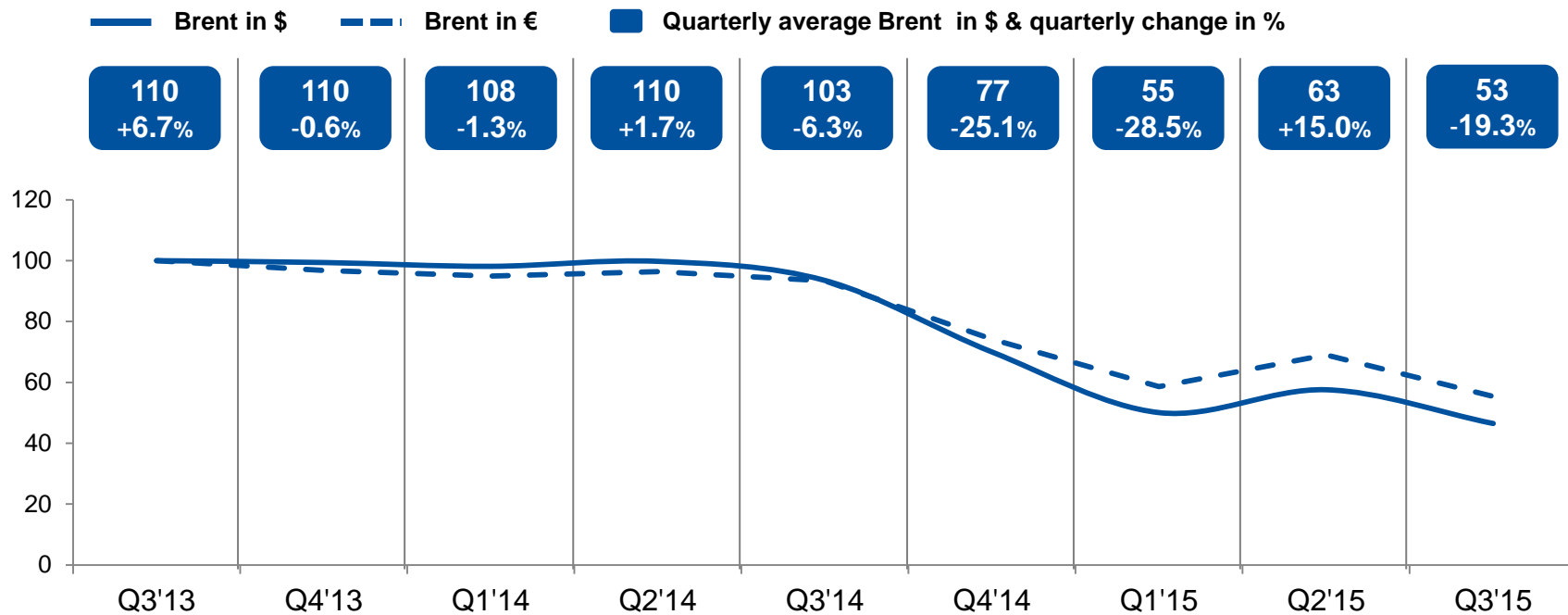
Butadiene Price Evolution (base 100 in Q3'13) at end of September 2015



Source : IHS

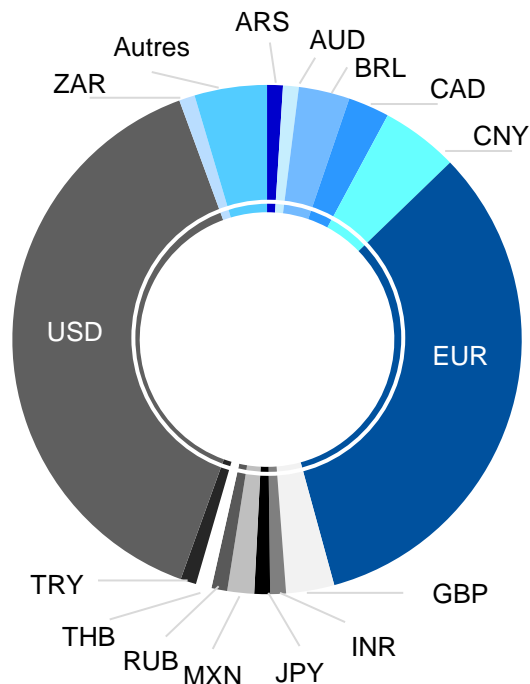
Brent Price in USD/barrel (base 100 in Q3'13)

At end of September 2015



Estimated positive currency FY effect of around €400m on EBIT

► Breakdown of H1 2015 net sales by currency



% of net sales	
ARS	1%
AUD	1%
BRL	3%
CAD	3%
CNY	5%
EUR	33%
GBP	3%
INR	1%
JPY	1%
MXN	2%
RUB	1%
THB	1%
TRY	1%
USD	39%
ZAR	1%
Others	5%

Sensitivity of EBIT to the €/€ exchange rate

rate: one cent change in the annual average €/€ exchange rate would result in a €15m-€20m change in full-year EBIT.

Rate Euro / USD – 12/2011 – 09/2015

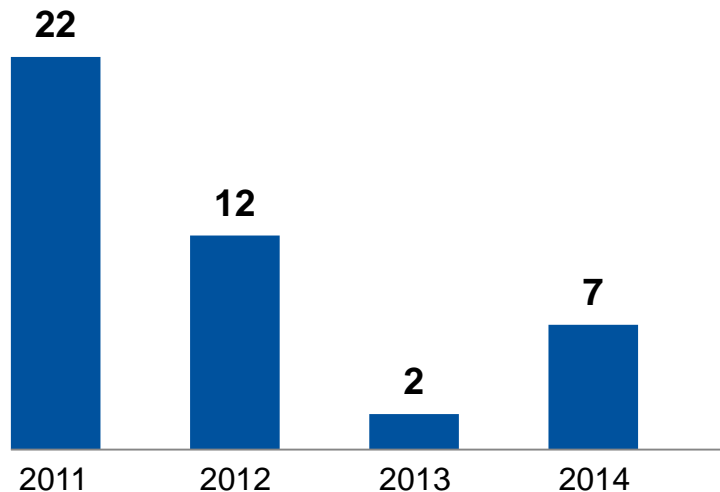


Source : Thomson One

Financial structure still robust after acquisitions

► Gearing – Net debt/Equity

(as a %)

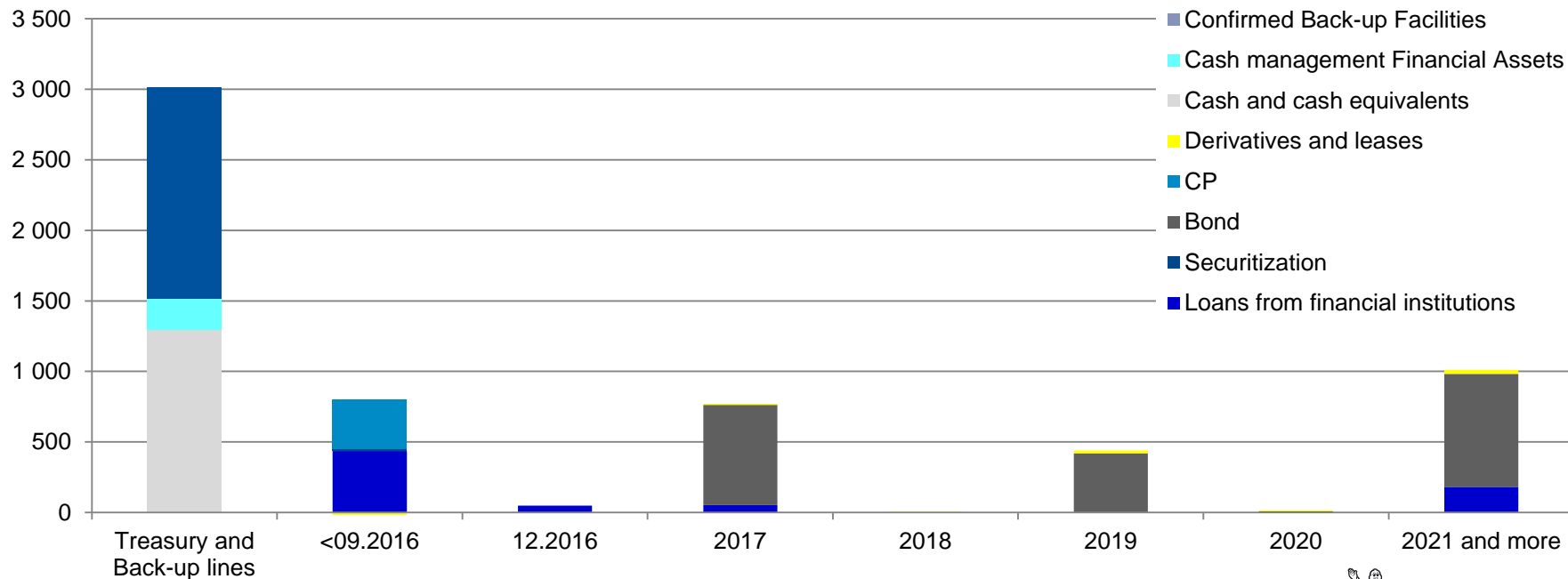


► Debt rating

		CGEM	CFM
Short term	S&P Moody's	A-2 P-2	A-2 P-2
Long term	S&P Moody's	BBB+ A3	BBB+ A3
Outlook	S&P Moody's	Stable Stable	Stable Stable

A comfortable cash position

► Debt maturities at Sept. 30, 2015 (Nominal value, in € millions)



2016 Agenda

- **February 16, 2016:** 2015 Results
- **April 20, 2016:** First-quarter 2016 Net Sales
- **May 13, 2016:** Annual General Meeting
- **July 26, 2016:** First-half 2016 Results
- **October 19, 2016 :** Third-quarter 2016 Net Sales

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."

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