NEW-YORK & BOSTON

September 18 & 19, 2014

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MARKET UPDATE

MICHELIN
A better way forward

Car and Light truck & Truck - Europe: softening growth in Europe in a competitive environment

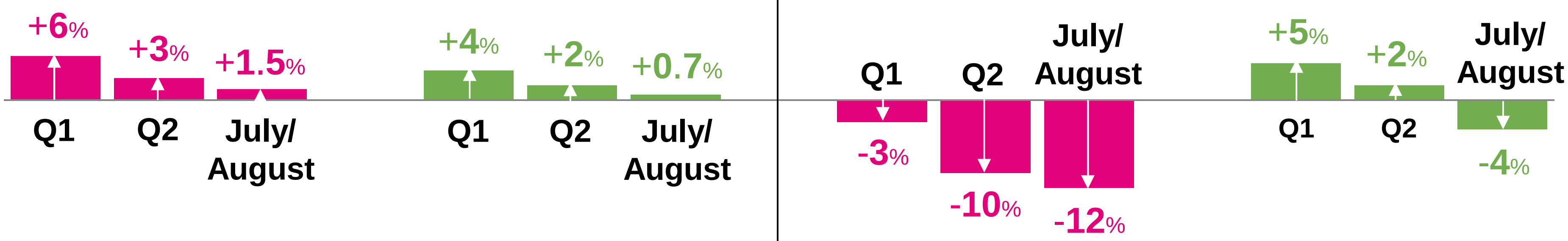
2014 markets, quarter by quarter – Europe*

(% change YoY, in number of new tires)

Original equipment

Replacement

Source: Michelin



** Including Russia and Turkey*

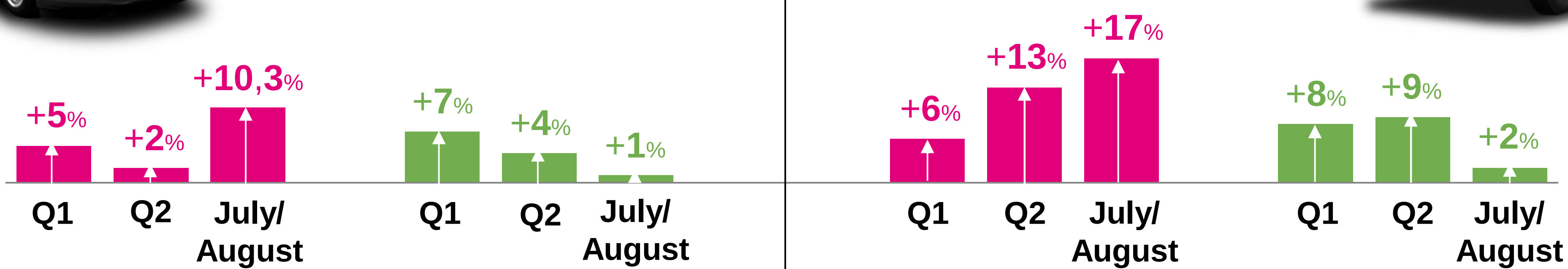
Car and Light truck & Truck - North America: steady growth on OE in a strong economic environment, RT demand reflecting Chinese import basis for comparison

2014 markets, quarter by quarter - North America

(% change YoY, in number of new tires)

Original equipment
Replacement

Source: Michelin



China market TC: still expanding market

2014 markets, quarter by quarter – China*

(% change YoY, in number of new tires)

Original equipment

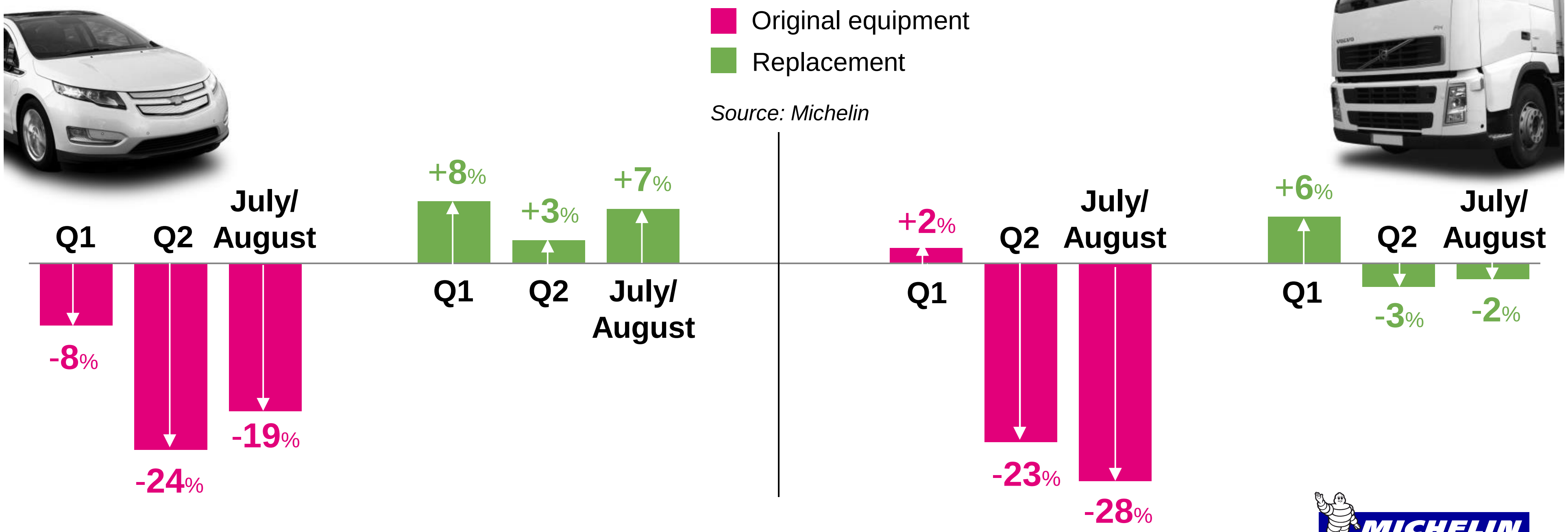
Replacement

Source: Michelin

Car and Light truck & Truck – Brazil: low OE, wait & see attitude in Truck RT and growing Passenger car RT

2014 markets, quarter by quarter - Brazil

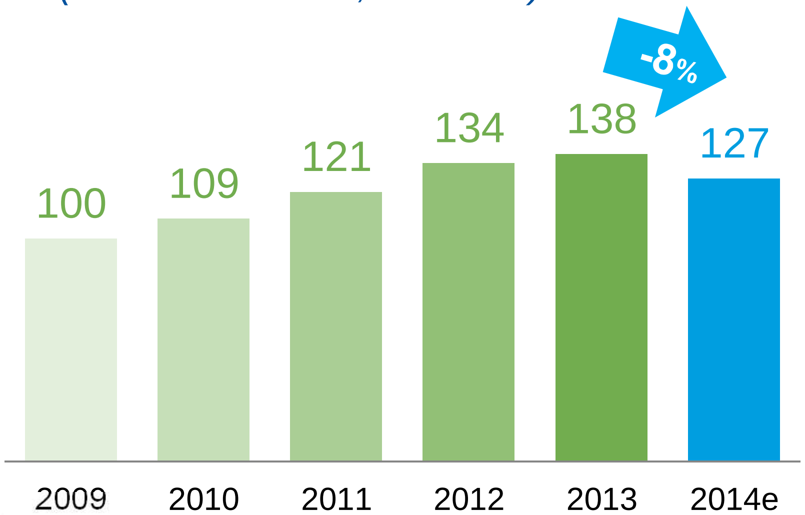
(% change YoY, in number of new tires)



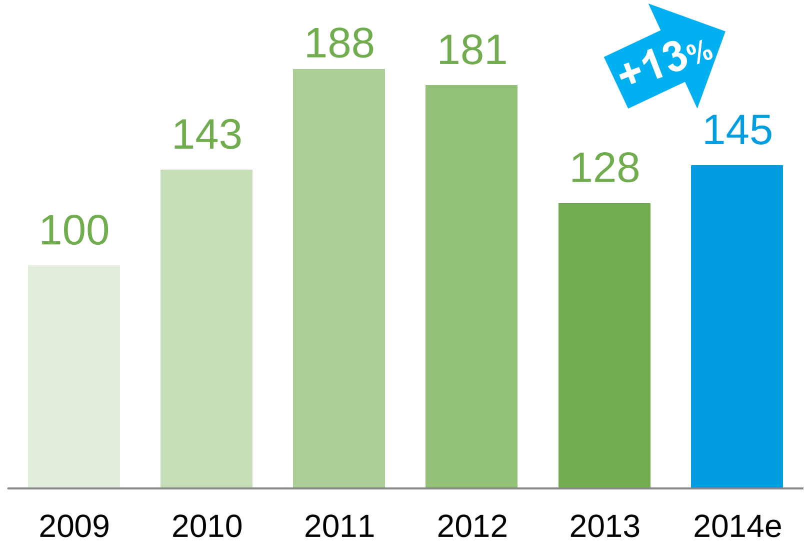
Uneven Earthmover markets

Earthmover markets

(base 100 in 2009, in tonnes)



Mining

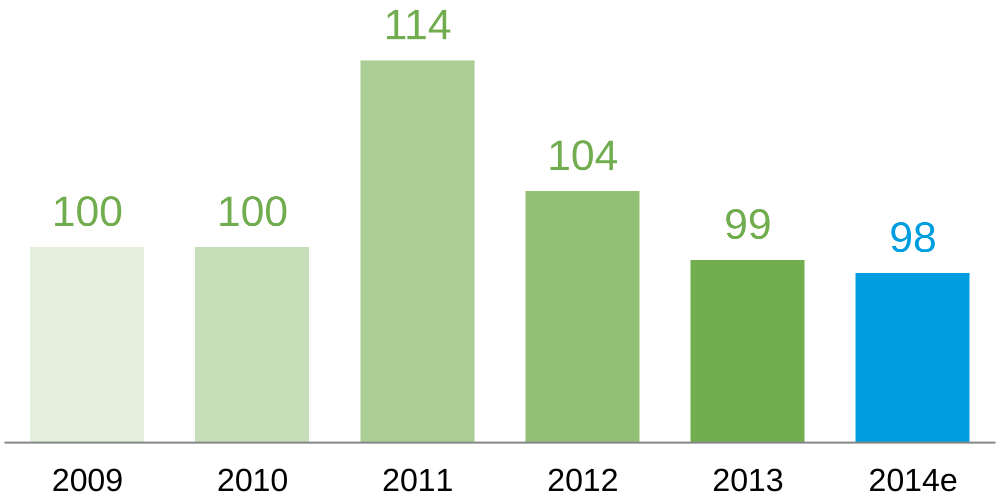


Infrastructure and Original Equipment

(Europe and North America)

Agricultural: slowing demand as OEMs reduce output

Agricultural tire markets – Europe and North America
(in number of tires, base 100 in 2009)



MICHELIN: TO REMAIN FOCUSED

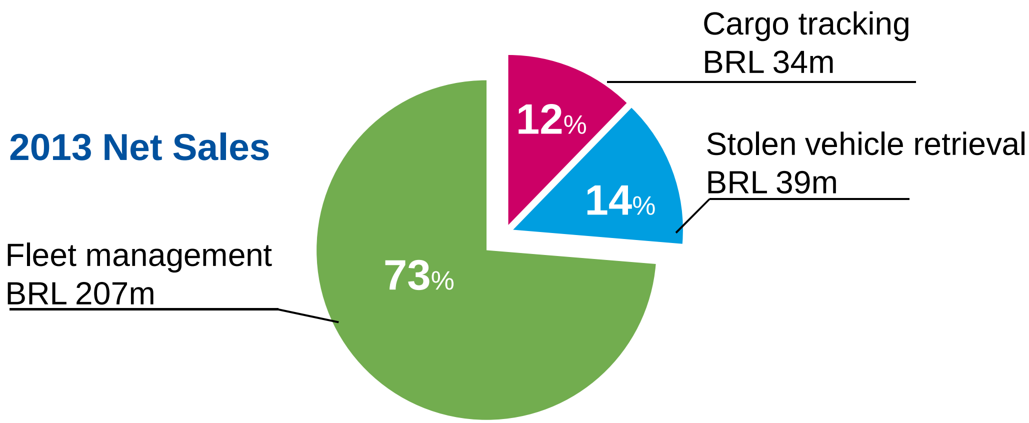
Innovation in products and services

Innovation in products and services

Sascar acquisition accretive to consolidated earnings

Sascar: an emerging market champion with leading technology

2013 Net Sales

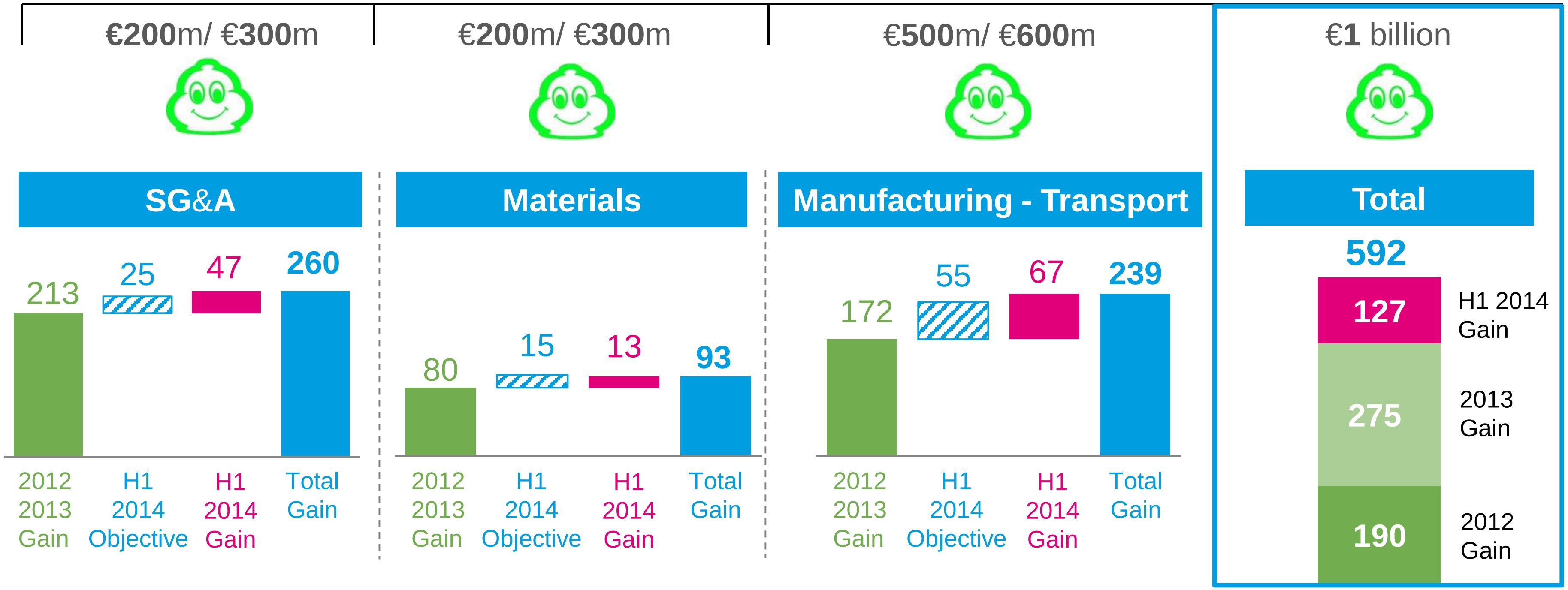


- 2013 Net Sales: BRL 280m
- 2013 Net Sales Growth: 24%
- 2013 EBITDA Margin: 37% of net sales
- Vehicle Base: 230K (TB & PC)
- Employees: 870 as of June 1, 2014

Outlook	2014e	5-year horizon
Revenue growth	up 14%	up 15% - 20% per annum
EBIT *(in % of net sales)*	23%	20% - 25%

2012-2016 Competitiveness Plan: at mid-point, 60% of target delivered at a time of slow growth

GAIN OBJECTIVES 2012 – 2016*



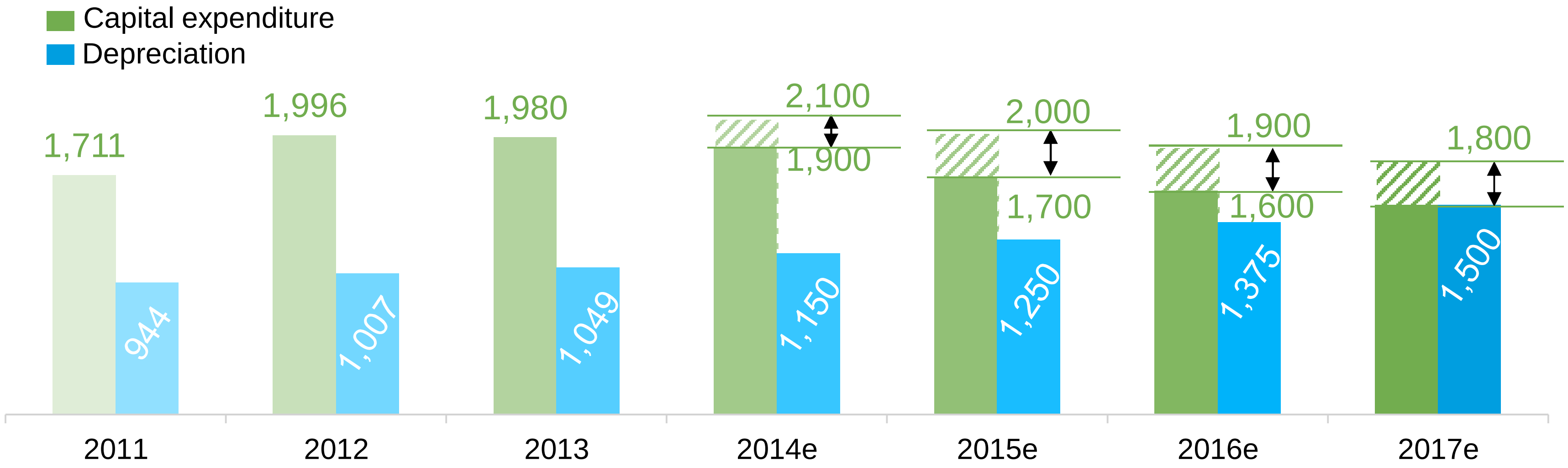
**Before inflation and including avoided costs*

MICHELIN
A better way forward

Capex will peak in 2014

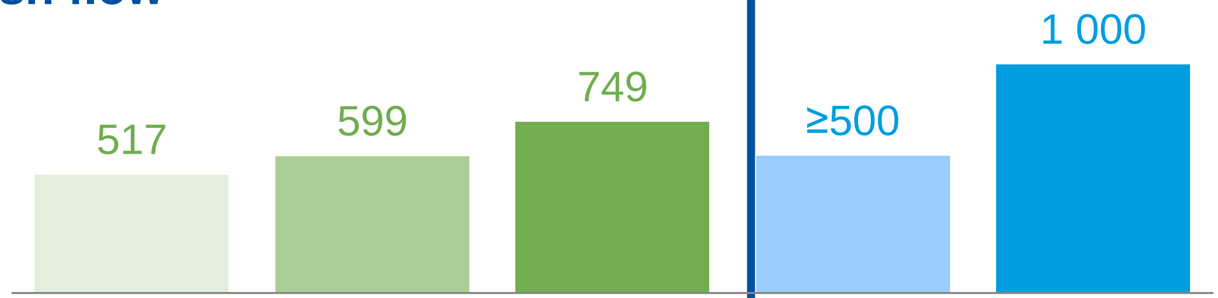
Capital expenditure and depreciation

(In € millions)



A business that structurally generates Free Cash Flow

Structural free cash flow

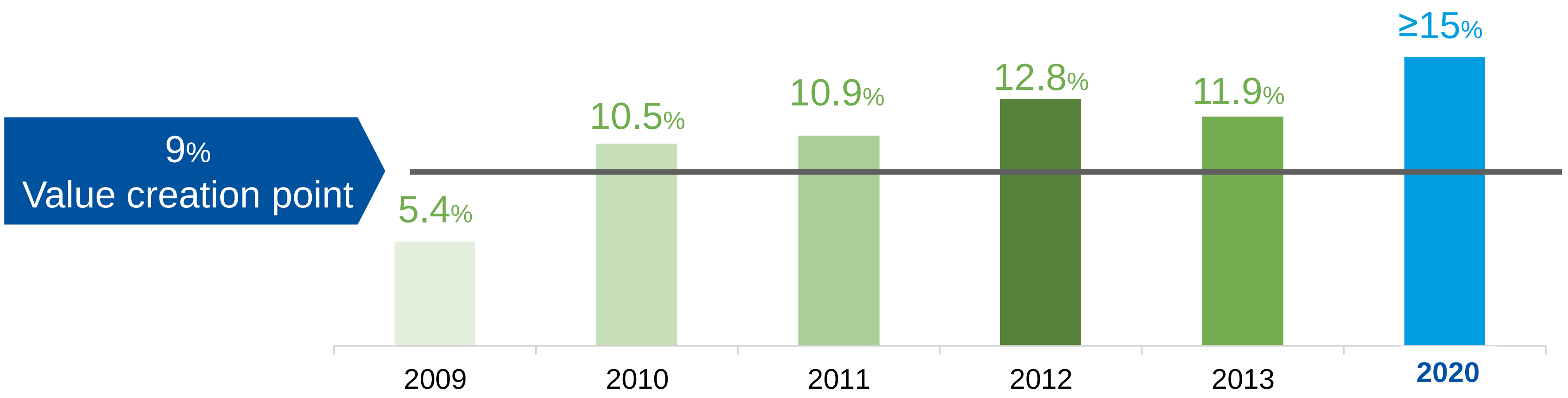


In € millions	2011	2012	2013	**2014**	**2020**
Reported free cash flow [1]	(19)	1,075	1,154		
WCR impact of raw materials costs [2]	(739)	21	405		
Year-end volume effect on WCR [3]	(200)	344	nm		
One off [4] *(Sales of Hankook shares in 2011, sale of the Parisian building 2012)*	403	111	0		
Structural free cash-flow (1) – (2) – (3) – (4)	**517**	**599**	749		

Significant value created while investing in the growth regions

Return on capital employed (ROCE)

(after tax)

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September 18 & 19, 2014

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APPENDICES

Robust operating income before non-recurring items, up 16% at constant scope of consolidation and exchange rates

- Improved Group operating performance in line with objectives
  - Operating margin before non-recurring items: 12% of net sales
  - Competitiveness plan: at mid-point, 60% of target delivered
- Carefully managed price positioning
  - Better-than-expected impact from the price-mix/raw materials balance
  - Volume up 1.9%, while demand started to slow in the second quarter
- Net income of €624 million, up 23%
- Free cash flow in line with the usual seasonal trends: €(243) million
  - €703 million in capital expenditure

Financial Highlights

H1 2014 and H1 2013 figures as reported

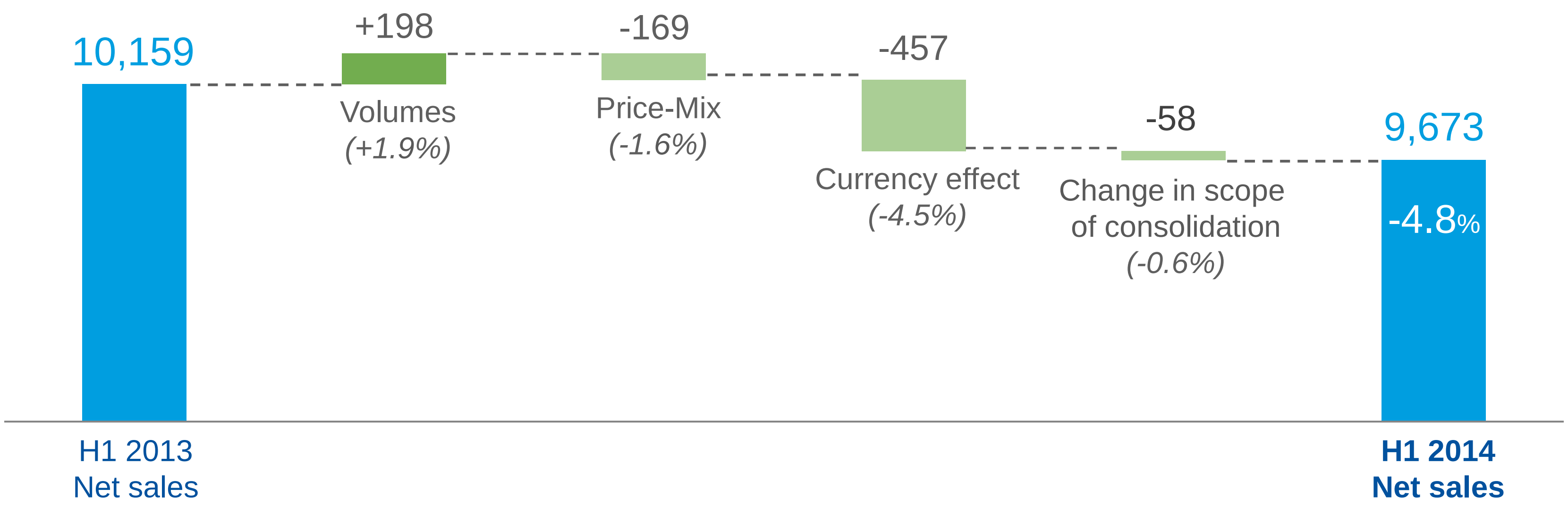
In € millions	H1 2014	H1 2013
Net sales	**9,673**	10,159
Operating income *(before non-recurring items)*	**1,159**	1,153
Operating margin *(before non-recurring items)*	**12.0%**	11.3%
Non-recurring items	**(87)**	(250)
Operating income *(after non-recurring items)*	**1,072**	903
Net income	**624**	507
Earnings per share*	**3.34**	2.76
Capital expenditure	**703**	762
Gearing	**9%**	12%
Employee benefit obligations	**4,025**	4,110
Free cash flow**	**(243)**	147

**Basic, in euros per share*
***Cash flows from operating activities less cash flows used in investing activities*

Net sales: agile management of the price/volumes balance in an uncertain raw materials environment

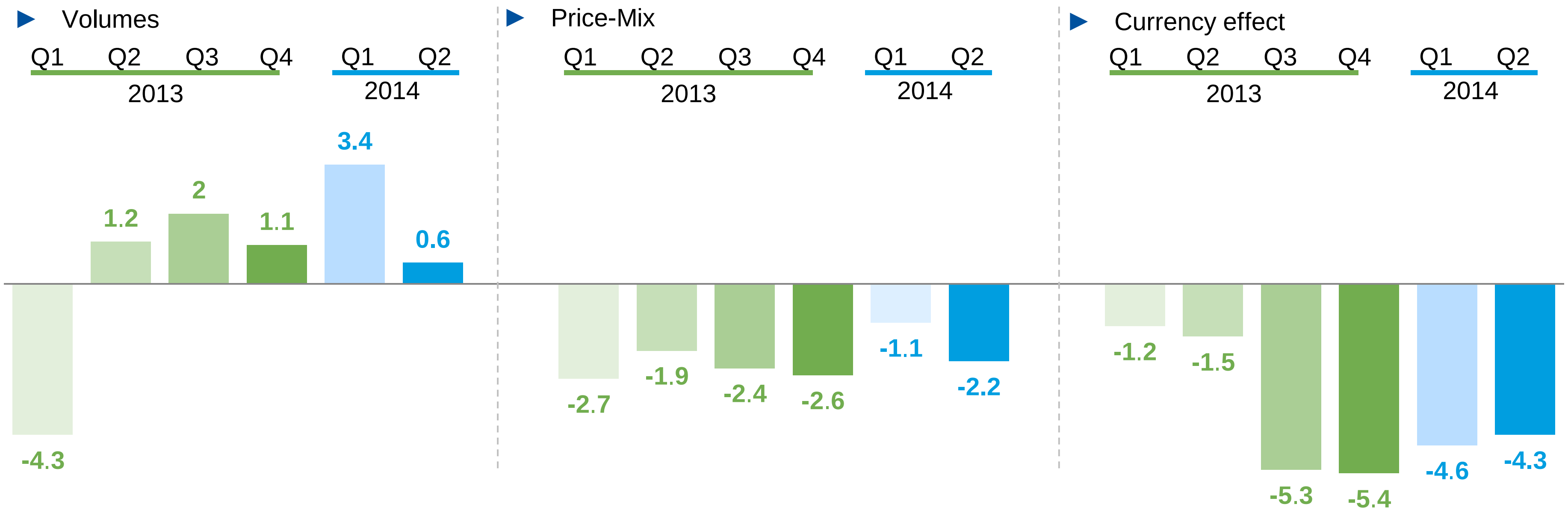
YoY change

(in € millions)



Q2: slight growth in volumes, a tighter price environment and a strong currency effect

YoY change
(In %)



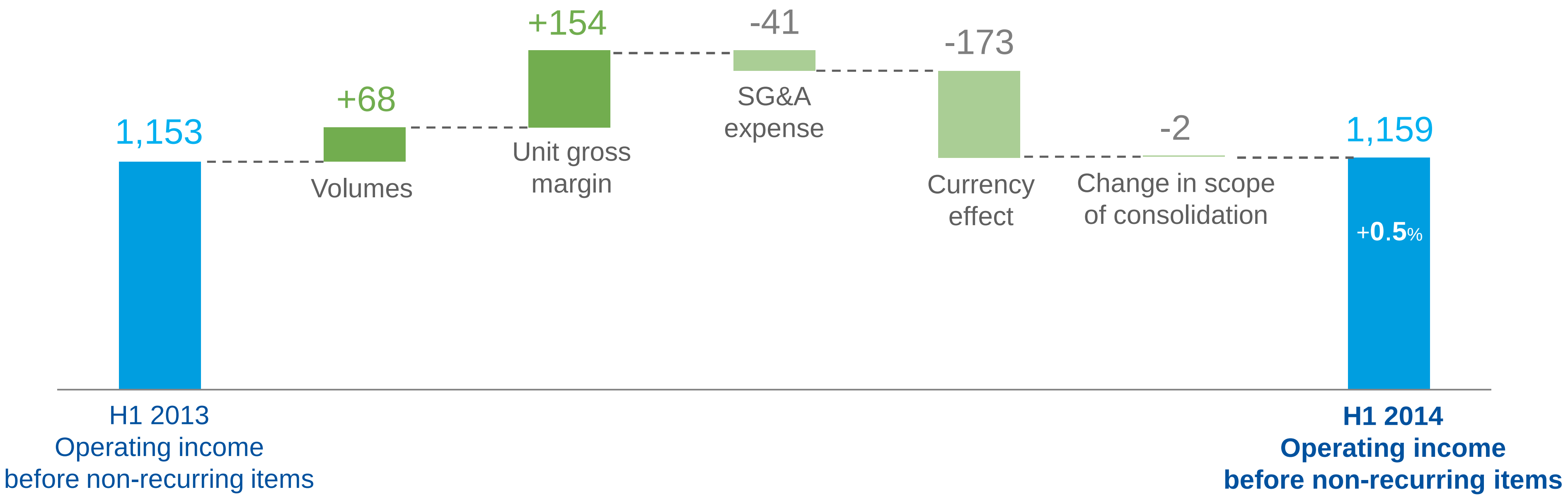
Volumes: RS1 in line with the market in Q2, RS2 up over the first half, RS3 held back by the mining segment

YoY change
(in %)

Operating income up €181 million at constant scope of consolidation and exchange rates, thanks to strict management of unit gross margin and SG&A expense

YoY change

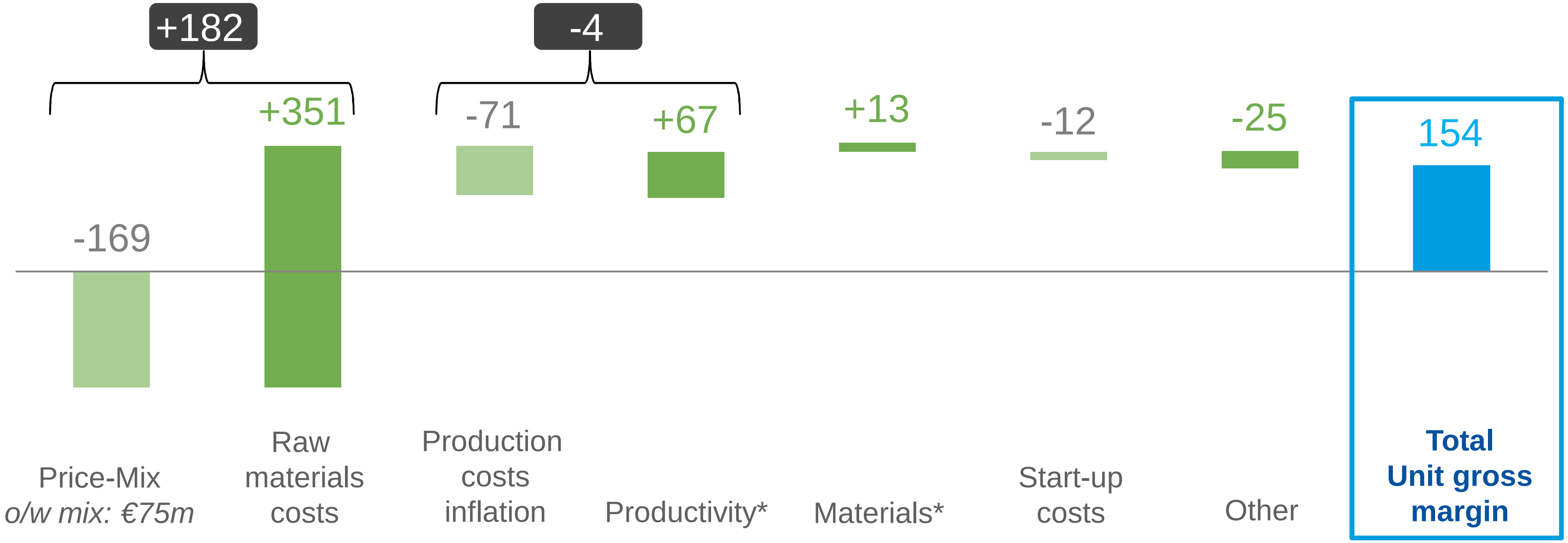
(in € millions)



Unit gross margin: price/raw materials balance still positive, in line with the objective

YoY change in unit margin components

(in € millions)

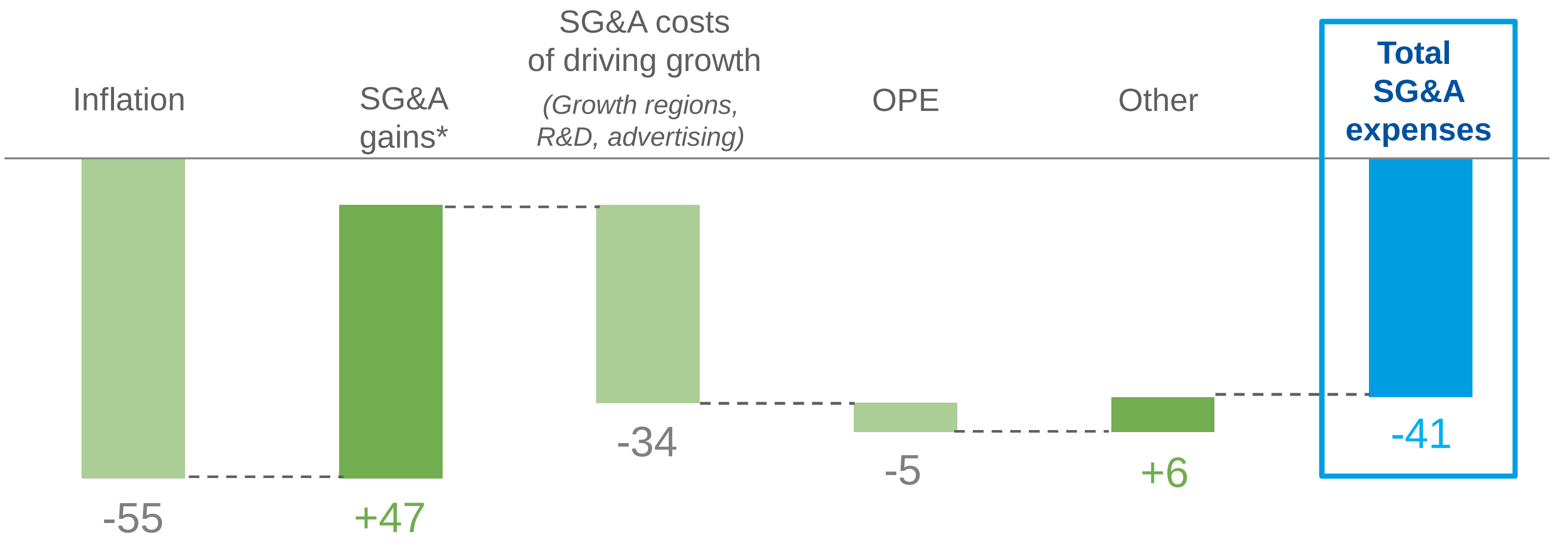


* *Part of the Competitiveness Plan*

Disciplined SG&A expense management

YoY change in SG&A

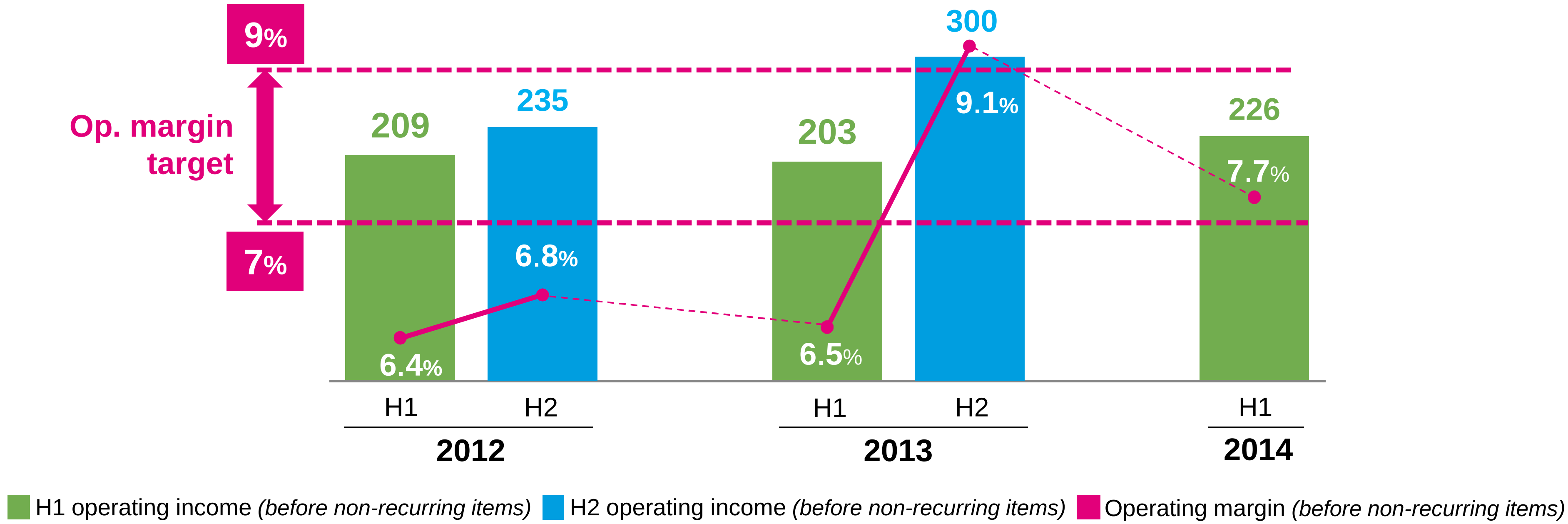
(in € millions)



** Part of the Competitiveness Plan*

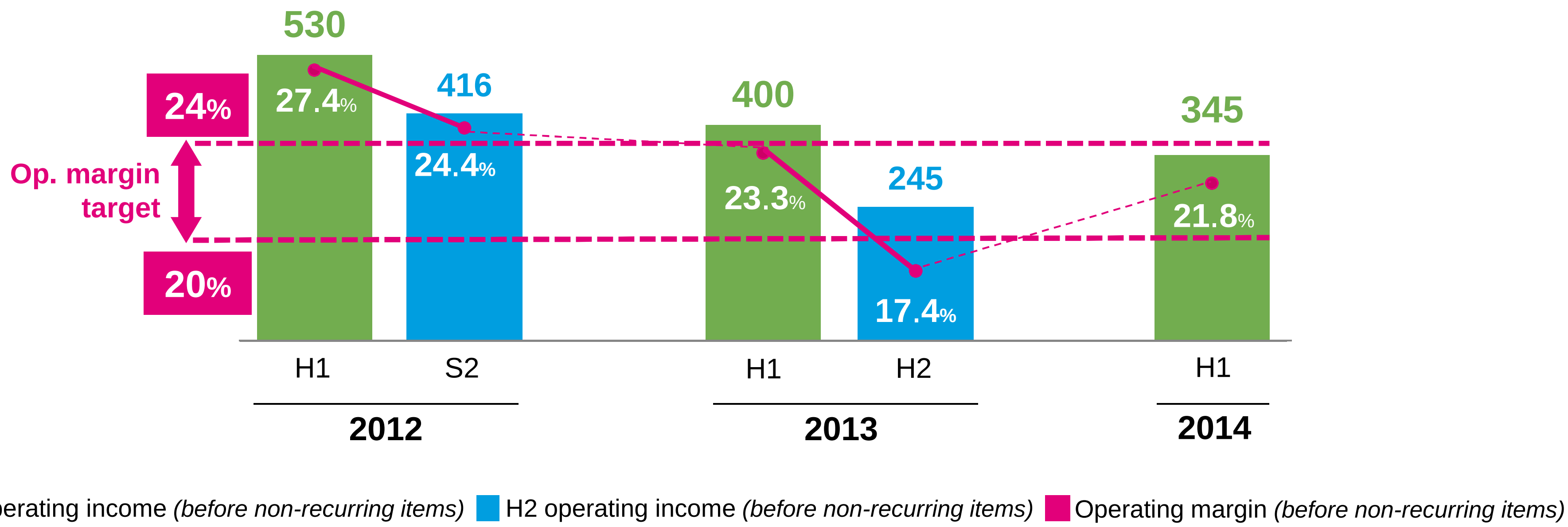
Truck tires: full-year operating margin target confirmed at the top of the 7-9% range

Operating income



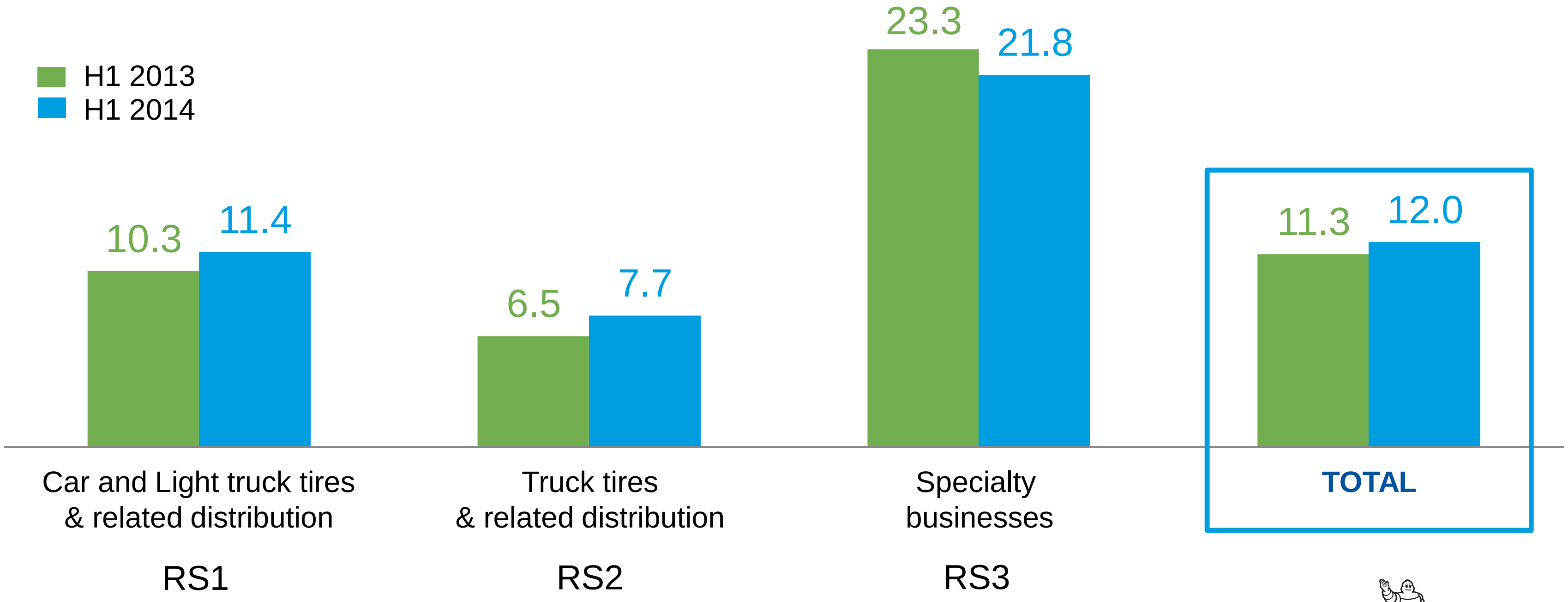
Specialty businesses: H1 operating margin led by seasonal market trends

Operating income



Operating margin:
in line with seasonal market trends and full-year targets

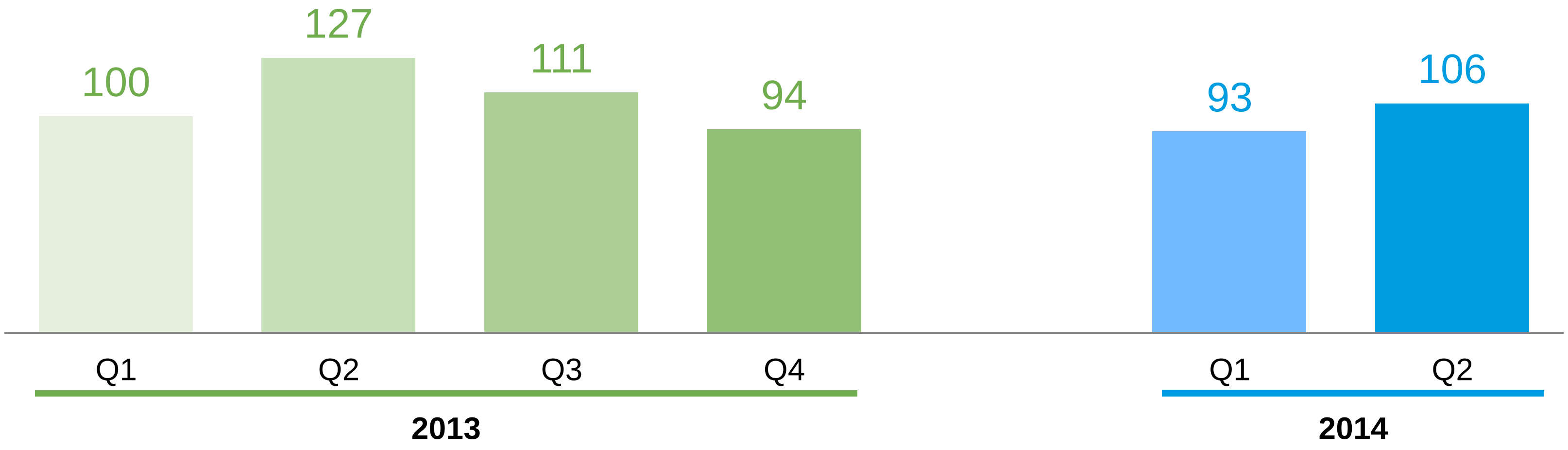
Operating margin before non-recurring items
(as a % of net sales)



Mining tire volumes up slightly QoQ

Mining tire sales volumes

(base 100 = Q1 2013)



Projects deployed in 2013 and 2014 to optimize the production base will deliver more than €100 million in annual gains

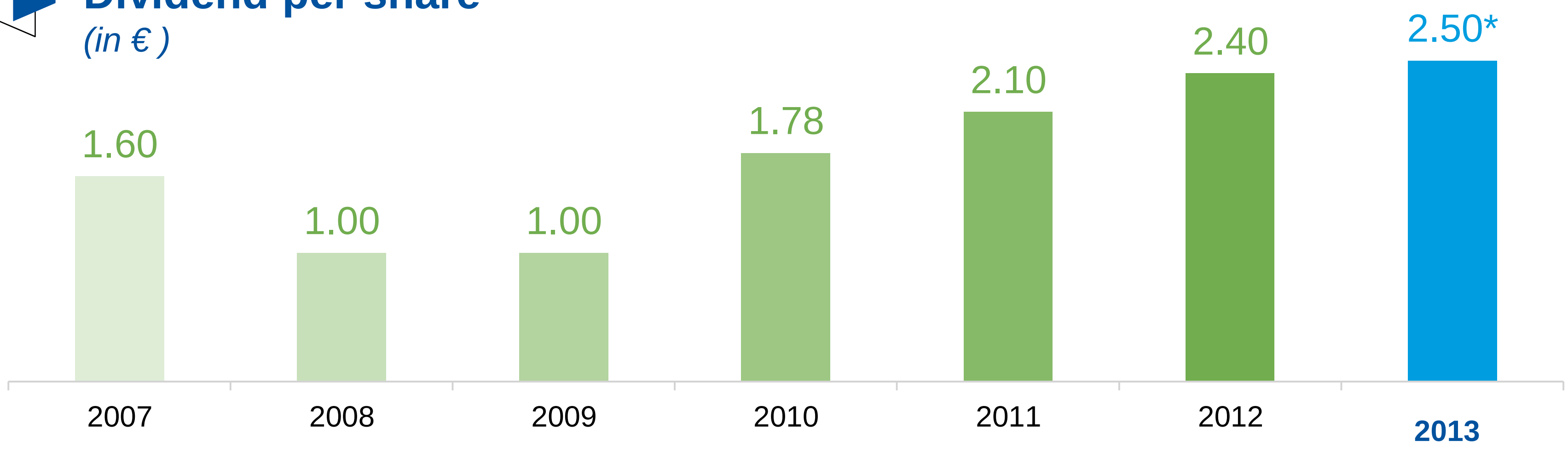
In € millions	2013	2014e	2015e	2016e	2017e	Total
Non recurring expense	(250)	(87)				(337)
of which cash out	(42)	(90)	(64)	(25)	0	(221)
Cash in (asset sales)			23			
						Annual gains after 2017
Productivity gains	0	54	71	110	114	114

Free cash flow in line with full-year targets, given seasonal trends

In € millions	**H1 2014**	H1 2013
EBITDA	**1,687**	1,675
Change in working capital requirement	(581)	(157)
Change in provisions	(85)	(109)
Cash flow from operations	**1,021**	1,409
Taxes and interest paid	(385)	(317)
Routine capital expenditure *(Maintenance, IS/IT, Dealerships)*	(312)	(290)
Available cash flow	**324**	802
Growth investments	(391)	(472)
Other cash flow used in investing activities	(176)	(183)
Free cash flow after capital expenditure	**(243)**	147

Shareholder commitment and cash redeployment:
payout increased to 35%

Dividend per share
(in €)

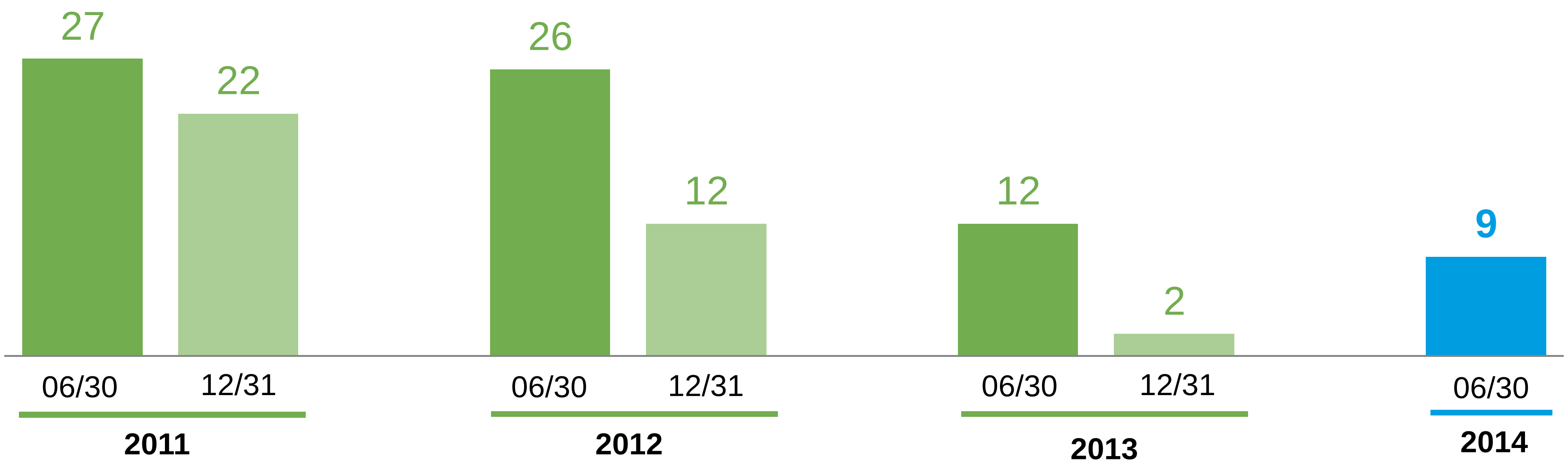


New payout ratio, 2013-2020:
35% of consolidated net income *(before non-recurring items)*

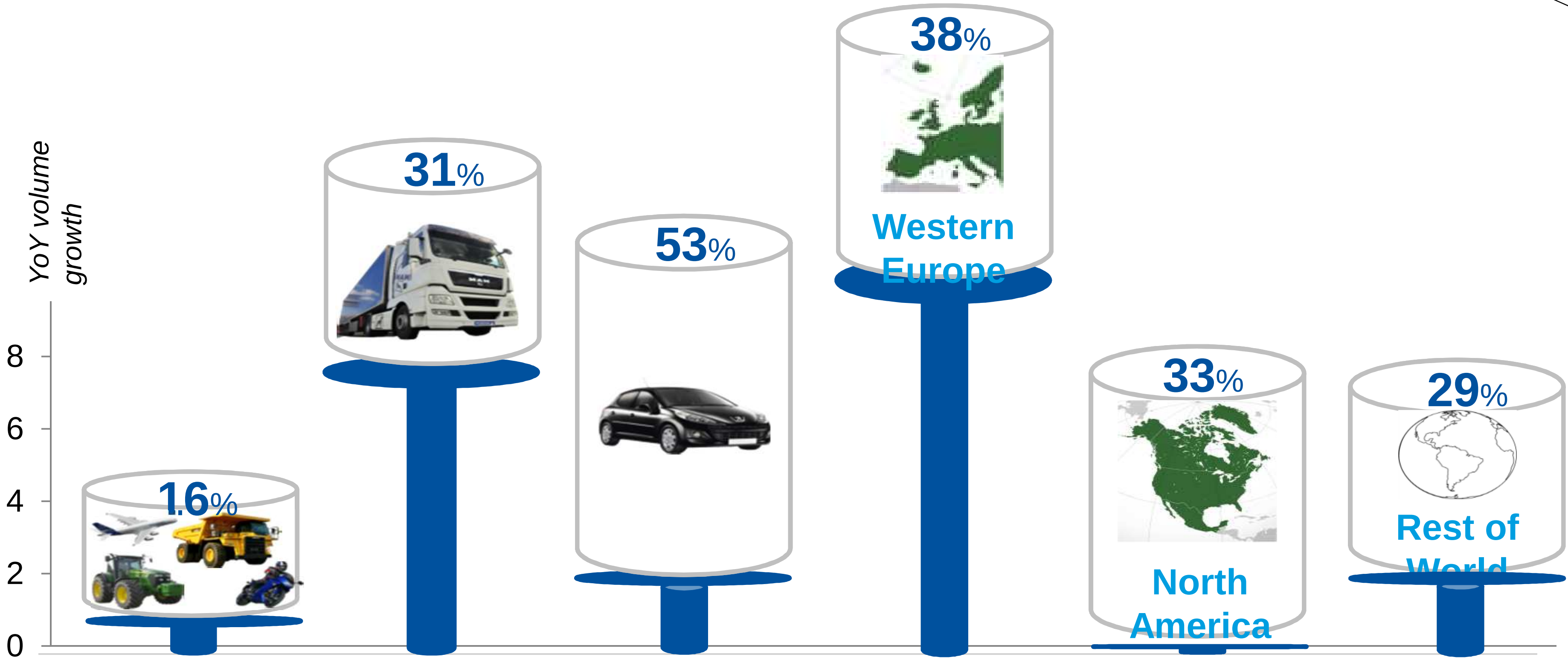
A robust financial position: historically low gearing

Gearing – Net debt / Equity

(in %)



Natural hedging through a balanced geographic and product mix

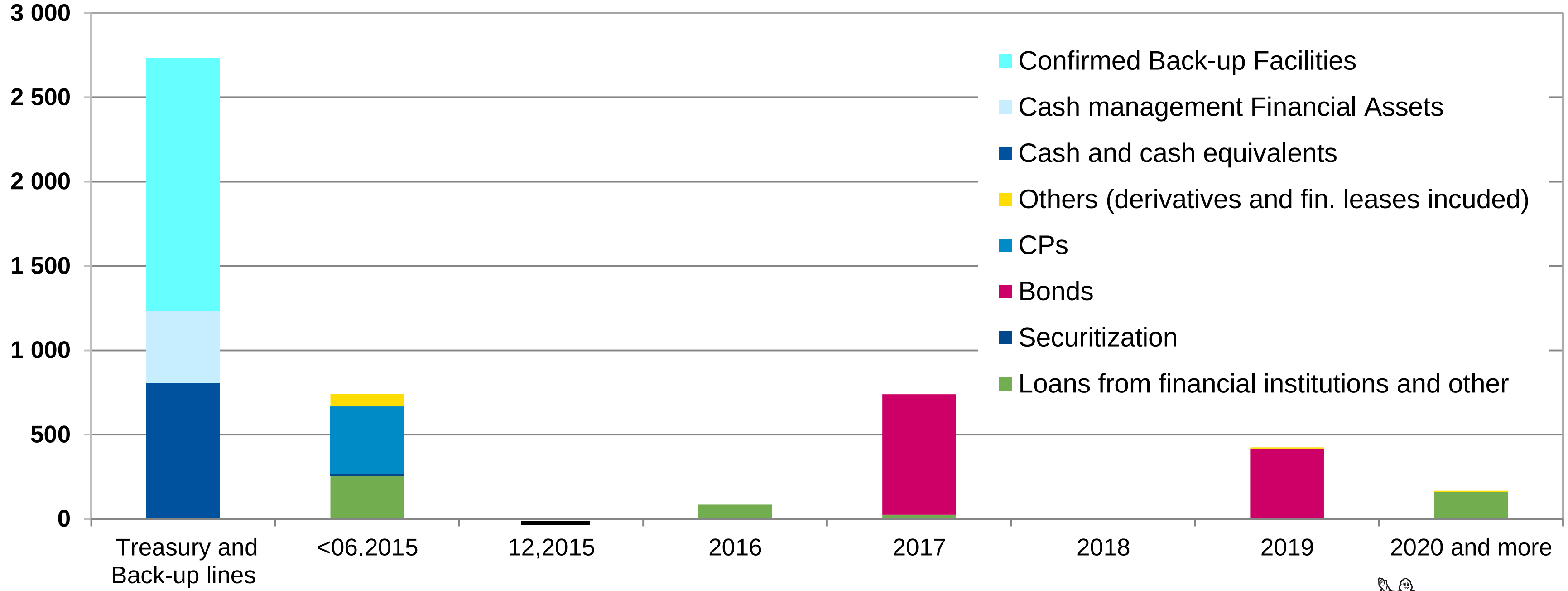


Percentage contribution of each segment/region to total Q1 2014 consolidated net sales

A comfortable cash position

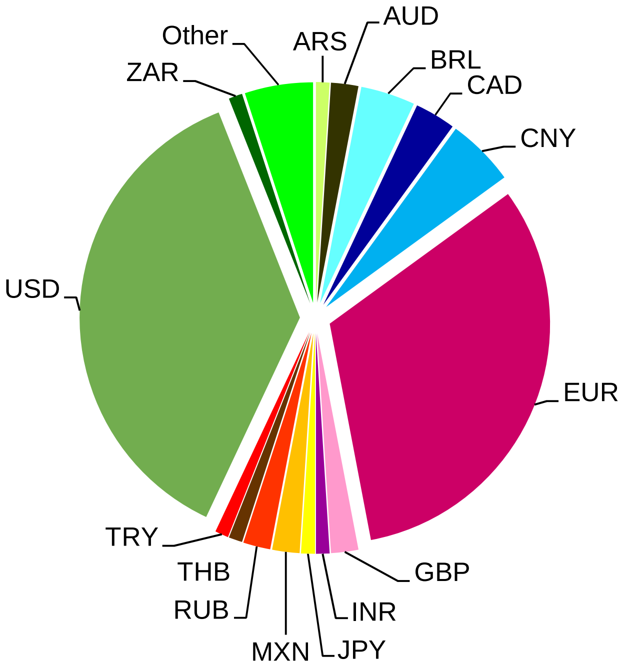
Debt maturities at June 30, 2014

(Nominal value, in € millions)



High currency exposure given the Group's global footprint

H1 2014 net sales by currency



		% of net sales
	ARS	1%
	AUD	2%
	BRL	4%
	CAD	3%
	CNY	5%
	EUR	32%
	GBP	2%
	INR	1%
	JPY	1%
	MXN	2%
	RUB	2%
	THB	1%
	TRY	1%
	USD	37%
	ZAR	1%
	Other	5%

2014 investor calendar

- **October 22, 2014**: Third-quarter 2014 net sales
- **November 10, 2014**: Investor Day in Shenyang, China
- **February 10, 2015**: 2014 results
- **May 22, 2015**: Annual Shareholders Meeting

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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