



NET SALES at September 30, 2015

October 22, 2015

9-month Net sales of €15.8bn, up 8.6%

- Above-market sales volumes growth of 2.8%
 - Passenger car & Light truck sales outpaced the market
 - Truck tire and Specialty businesses volumes slightly above their markets
- Improving price mix QoQ as expected
 - Q1: -5.1% ; Q2 : -3.6% ; Q3 : -2.4%
 - -3.7% at September YTD
- Growing gains from the competitiveness plan
 - €167m gains at September YTD
- 2015 guidance confirmed

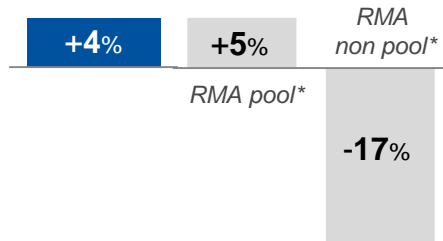
PC tires: strength in mature market demand, declining Winter segment in Europe, steady replacement market growth in China

► Passenger car markets 9-month 2015/2014

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



North America



* RMA pool : Rubber Manufacturers Association members

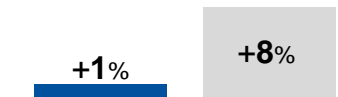
Europe excluding Russia & CIS



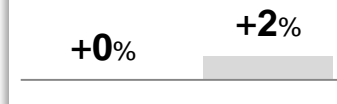
New markets excluding China



China



GLOBAL MARKET



Source : Michelin

■ OE

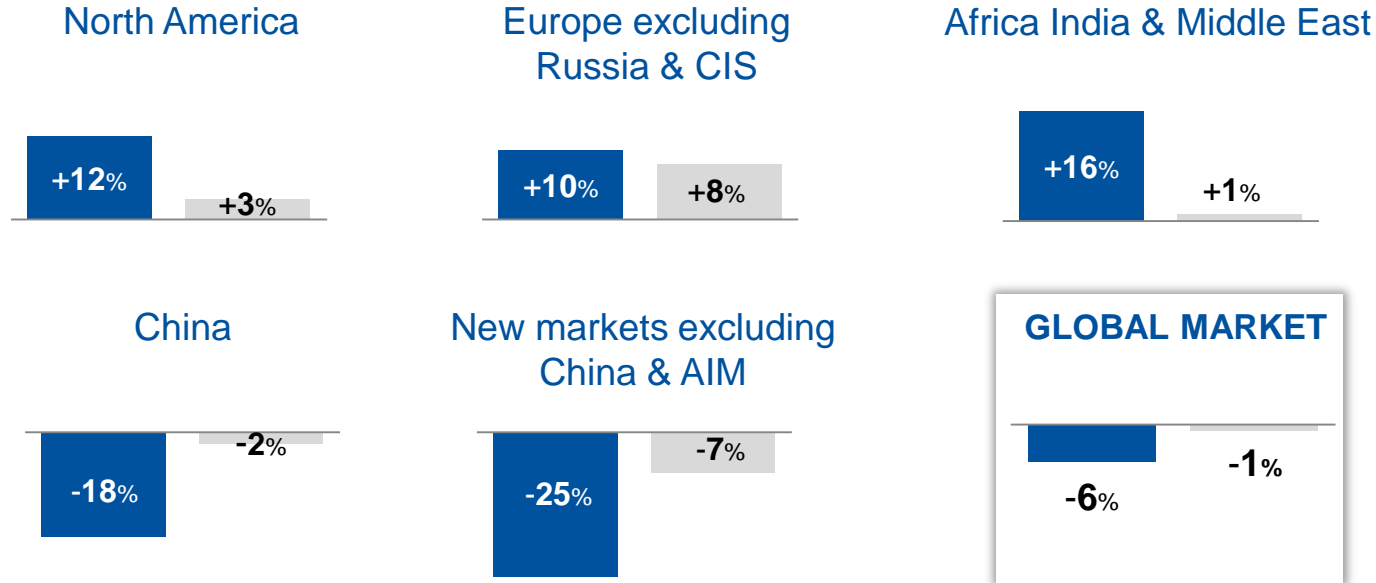
■ RT



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)



Source : Michelin

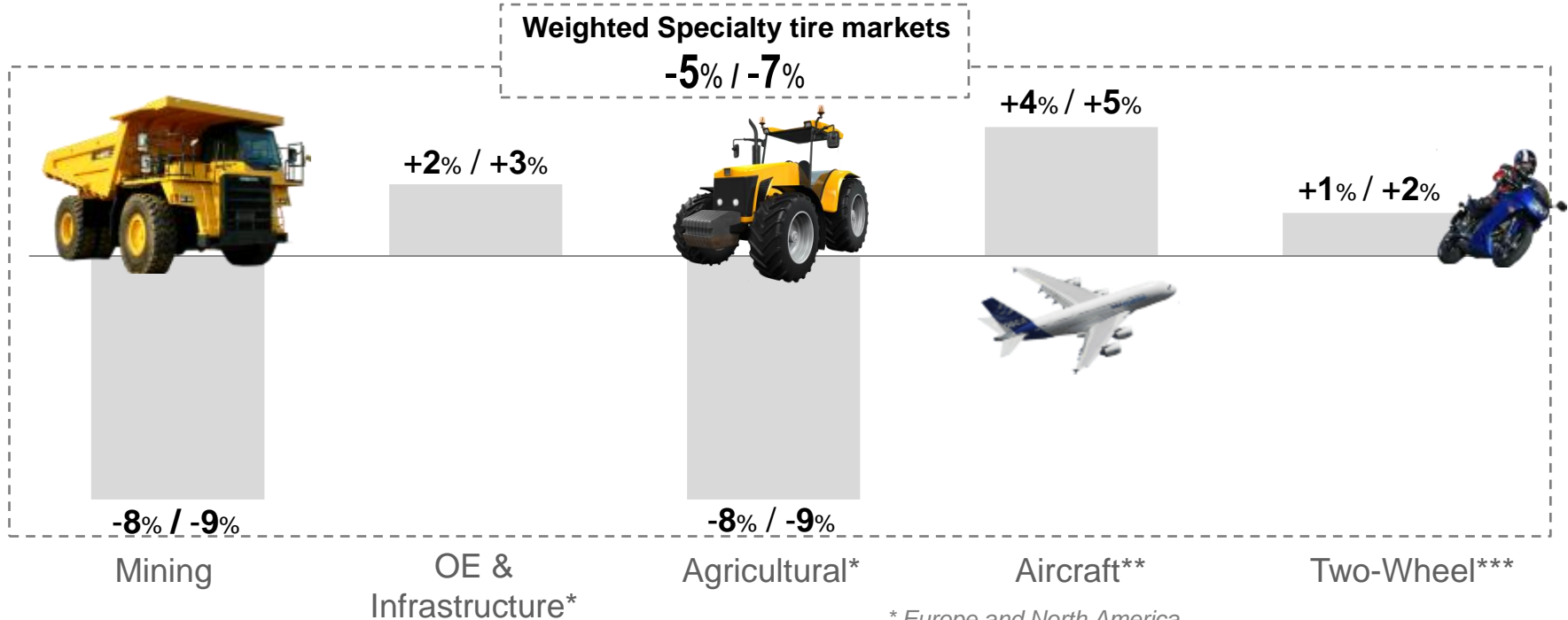
■ OE

■ 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

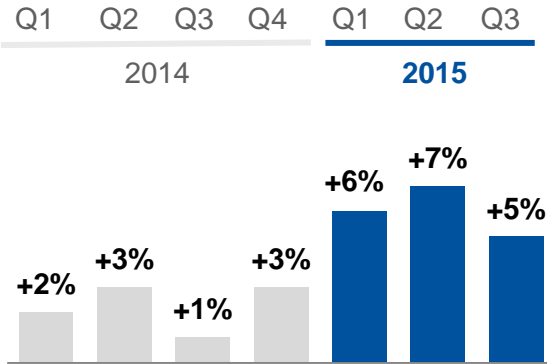
*** Motorcycle Europe, USA, Japan



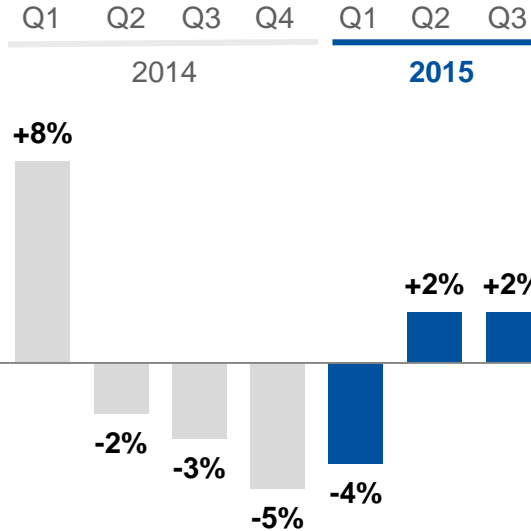
Passenger car and Truck tire sales outpaced the market Specialty businesses volumes in line with their markets

▶ YoY change in tons

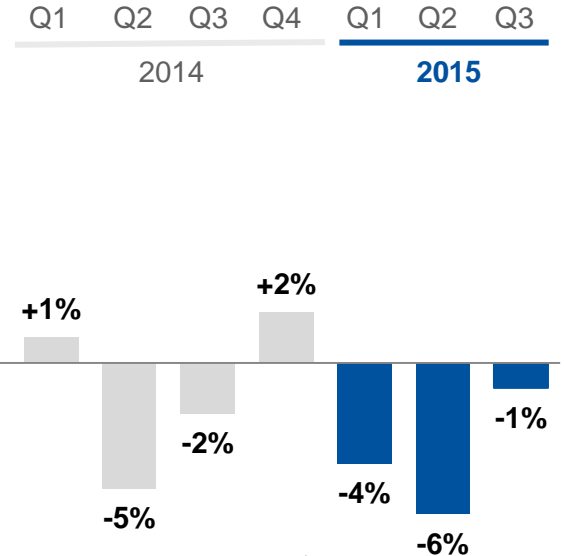
Passenger car and Light truck tires & related distribution



Truck tires & related distribution

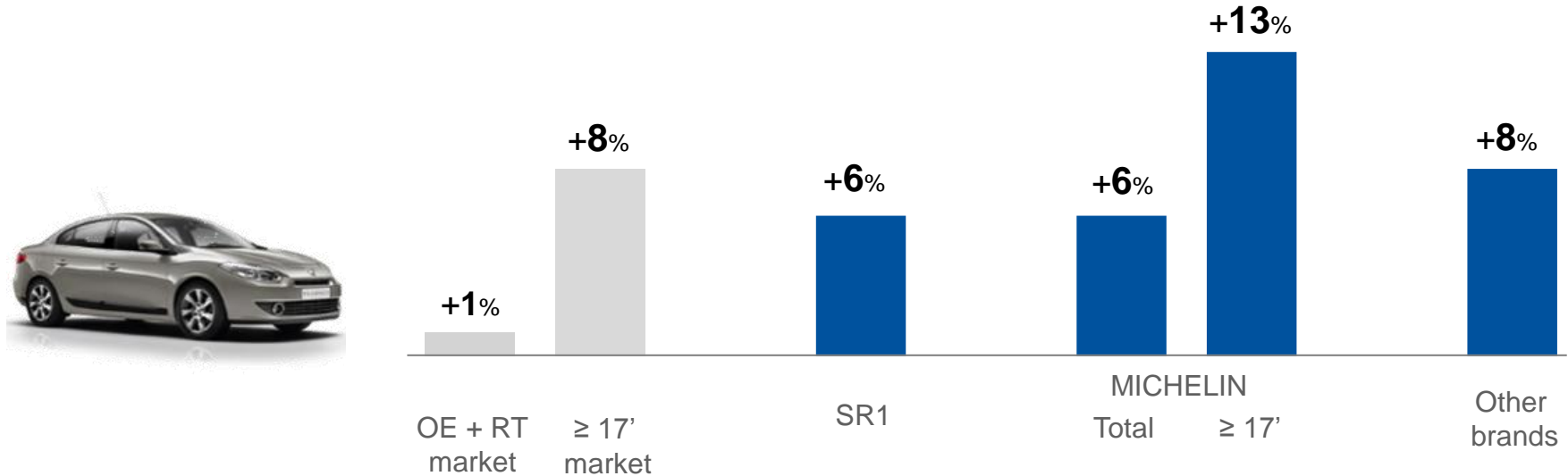


Specialty businesses



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

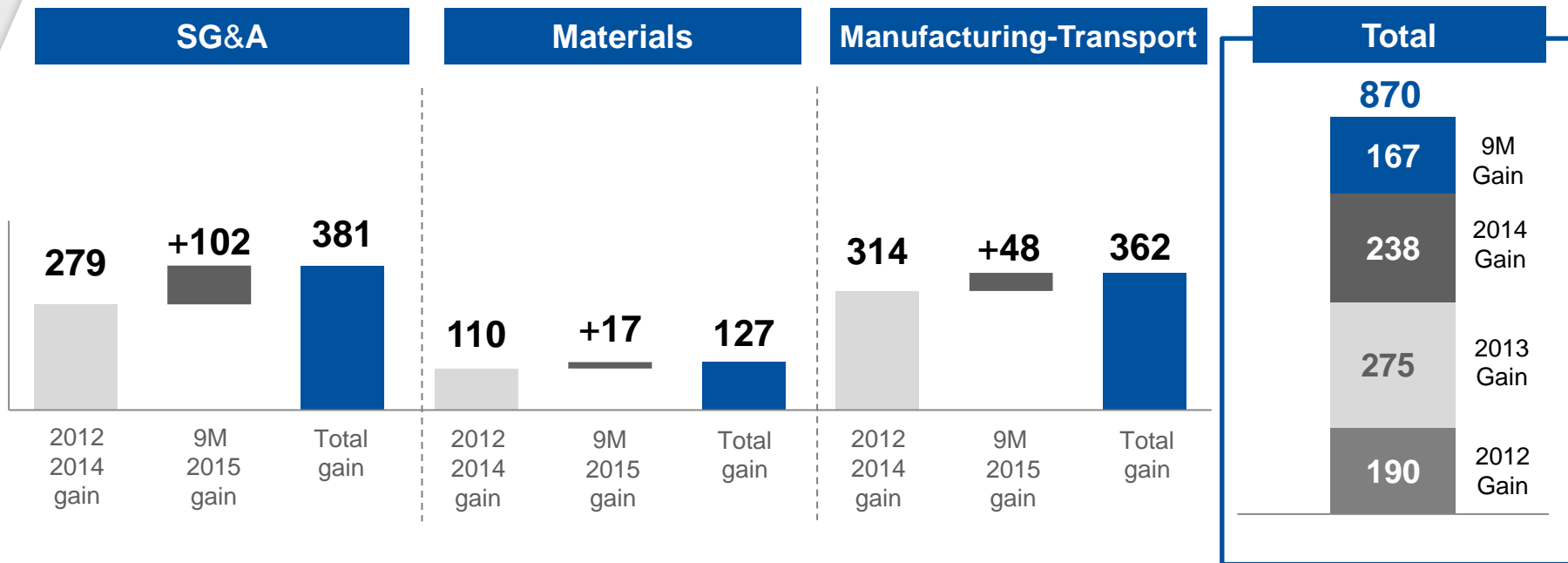
► Passenger car and Light truck volume growth vs market (YoY, in '000 tons)



Source: Michelin

Competitiveness plan targetting some €500m over 2015-2016

Gain objectives* 2012 – 2016 = €1,200m



*Before inflation and including avoided costs

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Net Sales at September 30, 2015

- 1 Net sales growth lifted by volume and forex**
- 2 2015 guidance confirmed**

October 22, 2015

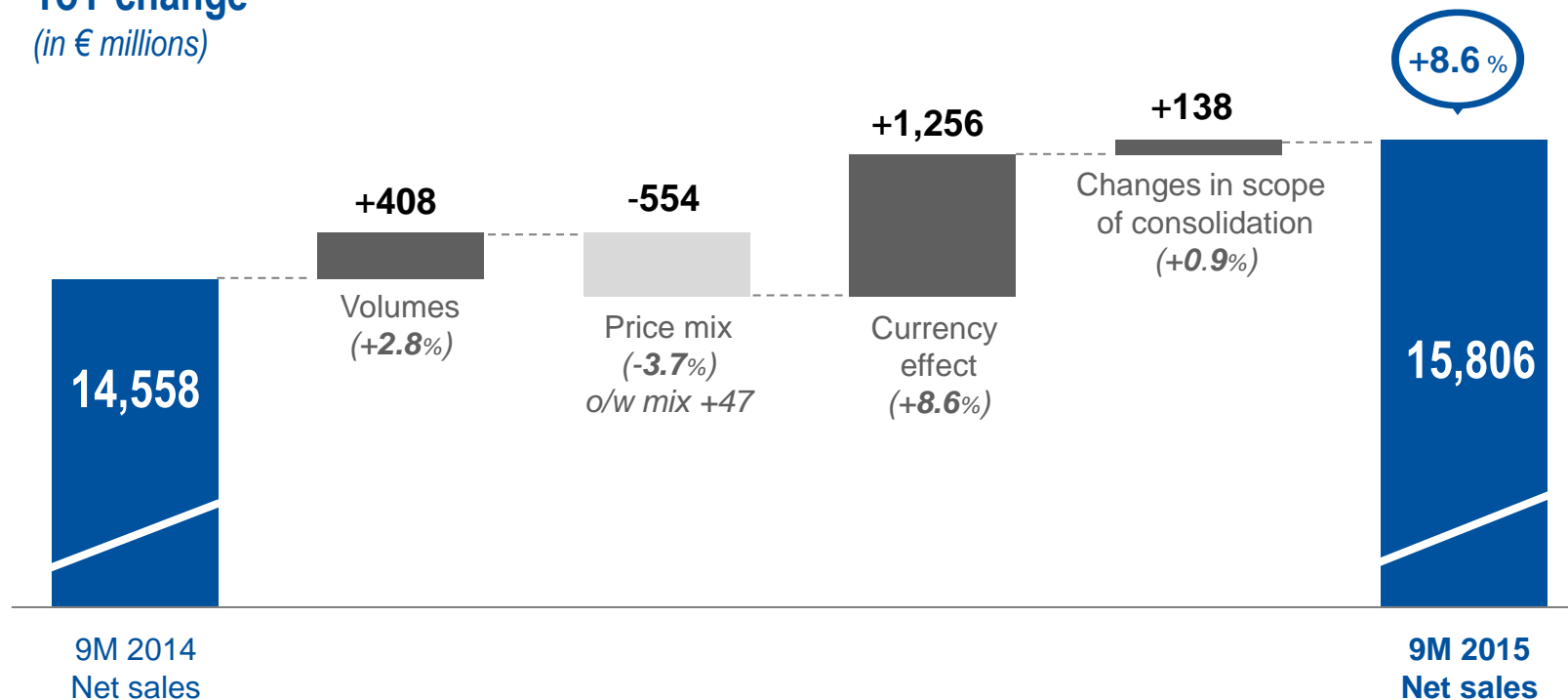
Net Sales at September 30, 2015

1

Net sales growth lifted by volume
and forex

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

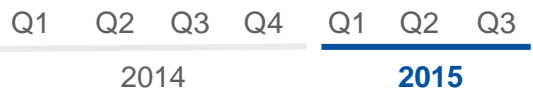
► YoY change (in € millions)



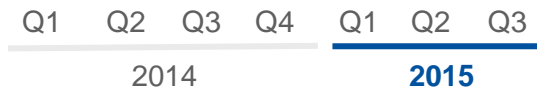
As expected, volumes and the price mix improved quarter to quarter

▶ YoY change in %

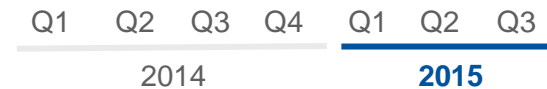
▶ Volumes






▶ Price-mix



▶ Currency effect



Net sales supported by above market growth

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

*Full year market expectation

October 22, 2015

Net Sales at September 30, 2015

2

2015 guidance confirmed

Guidance confirmed

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

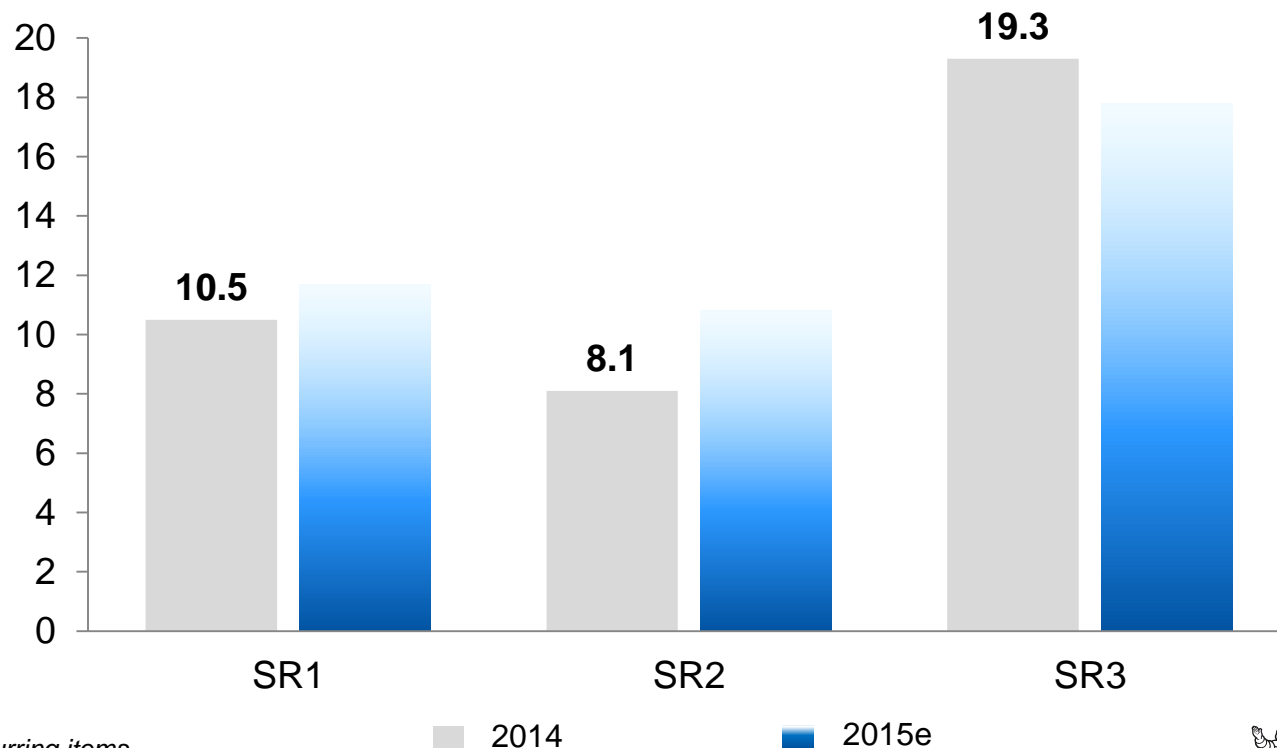
2015 scenario

	2015	2015 old
Impact of raw materials*	Around €550m tailwind	Around €600m tailwind
Price-mix / Raw materials	Indexed business: negative Non indexed business: neutral } 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

Key takeaways

- Above-market sales volumes growth of 2.8%
 - Passenger car & Light truck sales outpaced the market
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INTRODUCING THE
MICHELIN® PREMIER® TIRE



SAFE WHEN NEW

SAFE WHEN WORN

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 michellman.com/premier.

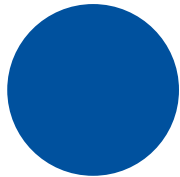
 **MICHELIN®**
Total Performance™

 **MICHELIN**
A better way forward

*All tires eventually wear out and should be replaced. Half worn Premier tires are safe because of EverGrip™ Technology. Wet combines an evolving tread with a high-traction compound for enhanced stopping capabilities. Based on lateral wet braking performance from all-terrain tires versus Goodyear® Assurance® TripleTred™ A/S tires in sizes 225/55R17 (200), and P215/60R16 (200), Bridgestone® Turanza™ Energy Plus in size 215/60R16 (200). Using MICHELIN® Premier® A/S tires in size 225/55R17 (200) and 215/60R16 (200), buffed to 5/32" of tread. Actual on-road results may vary.
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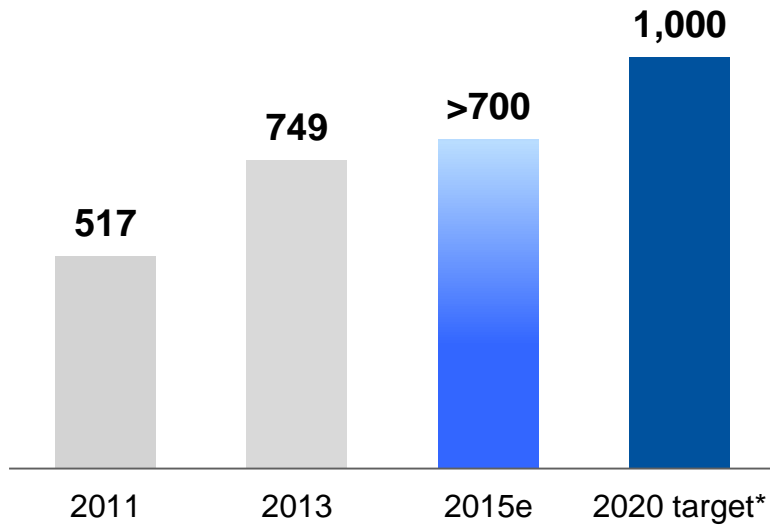
Appendices



An ambitious value creation target

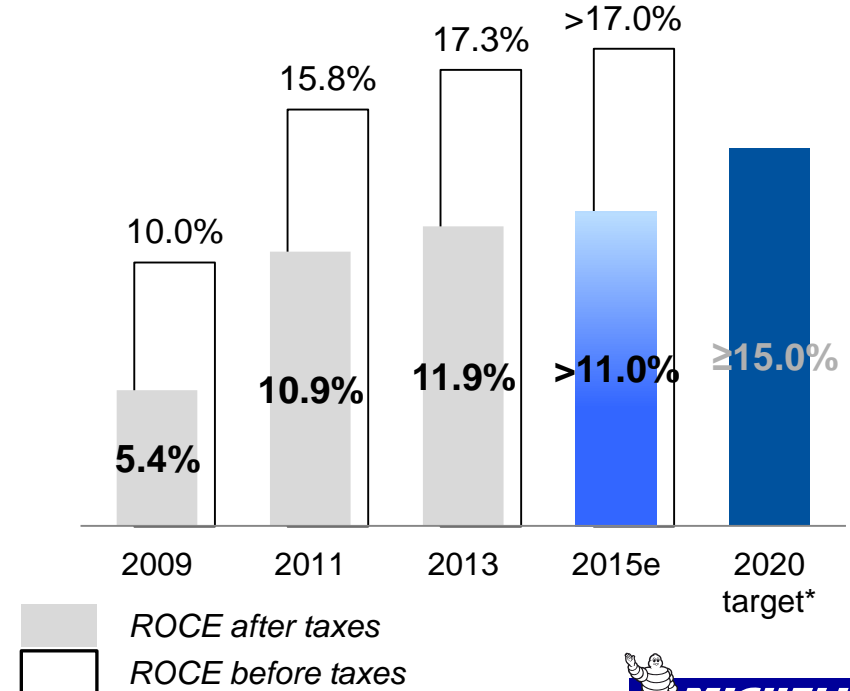
- Deliver a structural €1 billion Free Cash Flow from 2020*

(in millions €)



* At constant scope of consolidation

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

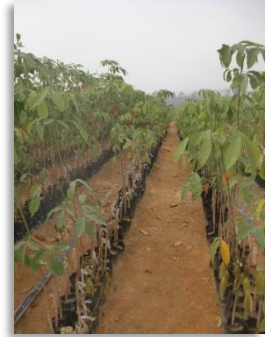


■ ROCE after taxes
□ ROCE before taxes

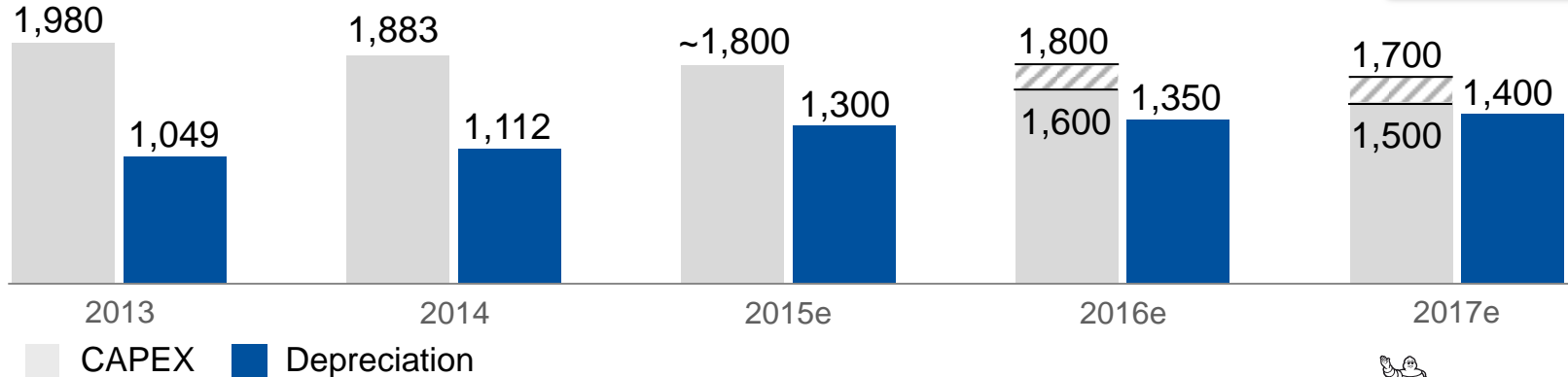
Invest to create value

► 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

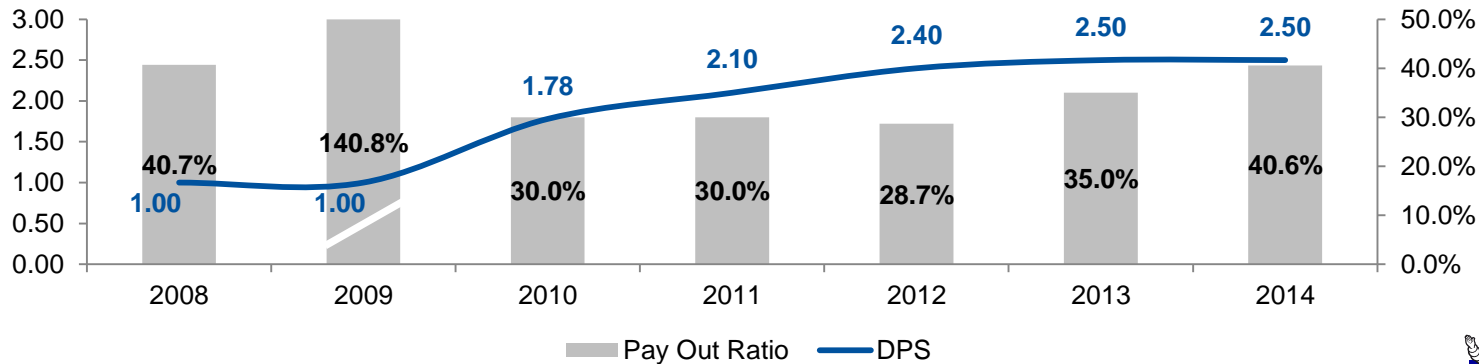


► Reducing the gap between capital expenditure and depreciation (In € millions)



A strategy committed to shareholders

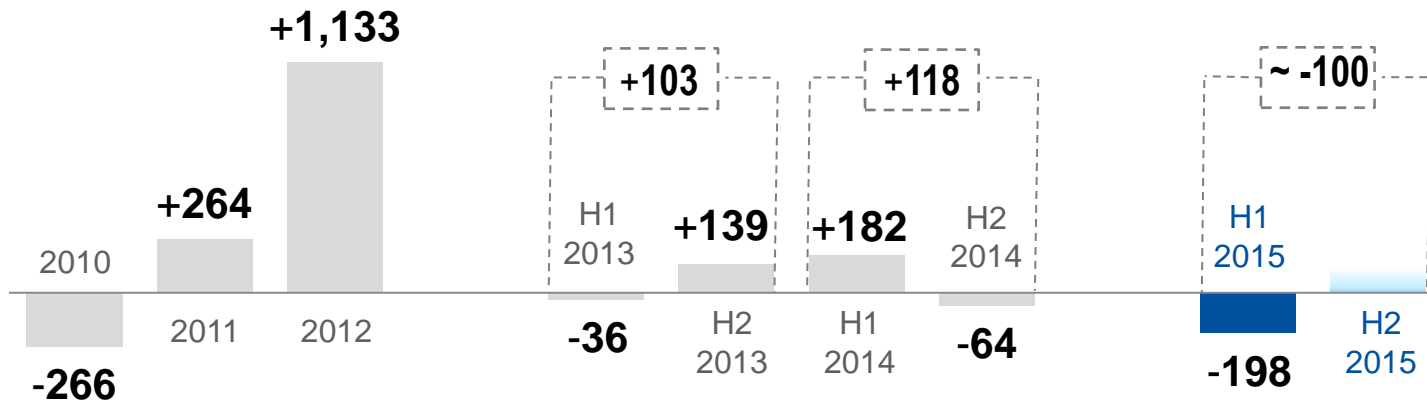
- First tranche of €250m completed as of July 31
- Second tranche of €200m to be completed at December-end 2015
- Number of shares repurchased : 3,567,684 as of October 18, 2015
 - Purchase cost: €325m
 - Weighted average price: €91.23
- Pay-out target: at least 35% of Group Net Income (excluding non recurring costs)



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)

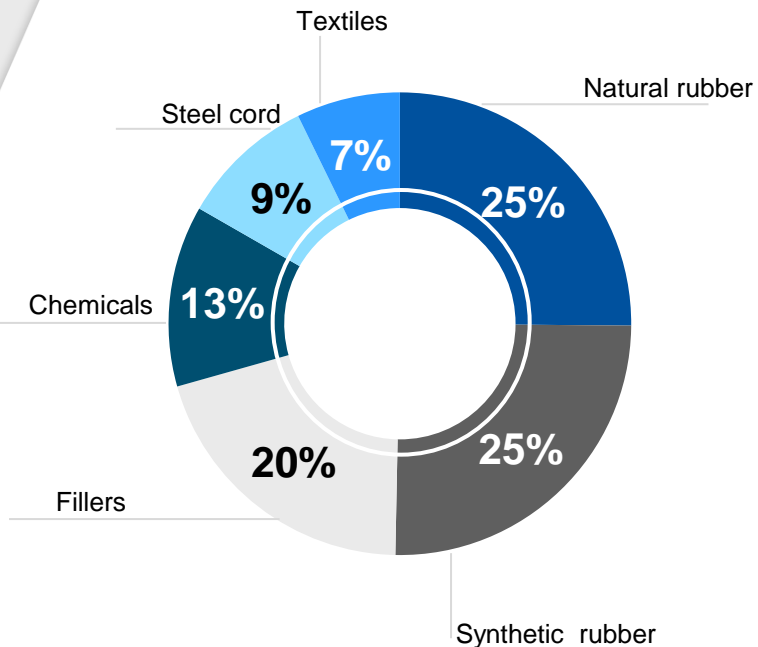


- Indexation clauses represented a third of the price effect in H1 2015
- Positive raw material price impact of €550m expected over full-year 2015 based on past price trends, after €228m in the first half
- Price increases in Europe in H2 2015

Raw materials and price trends in 9-month 2015

► Raw material purchases in H1 2015

(€2,414m)

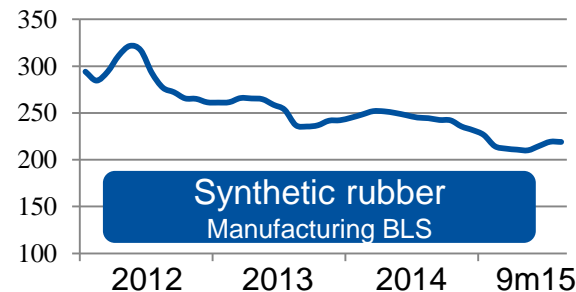
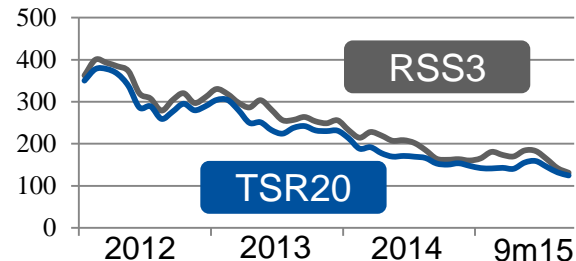
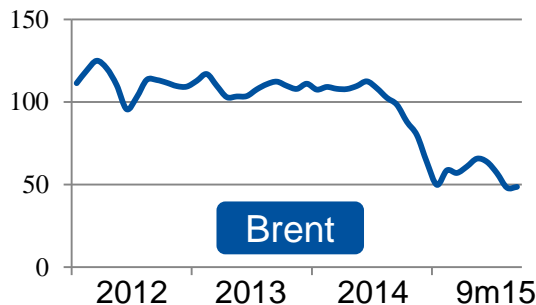


Exchange rate €/€ :

Average 9m'14 : **1.36**

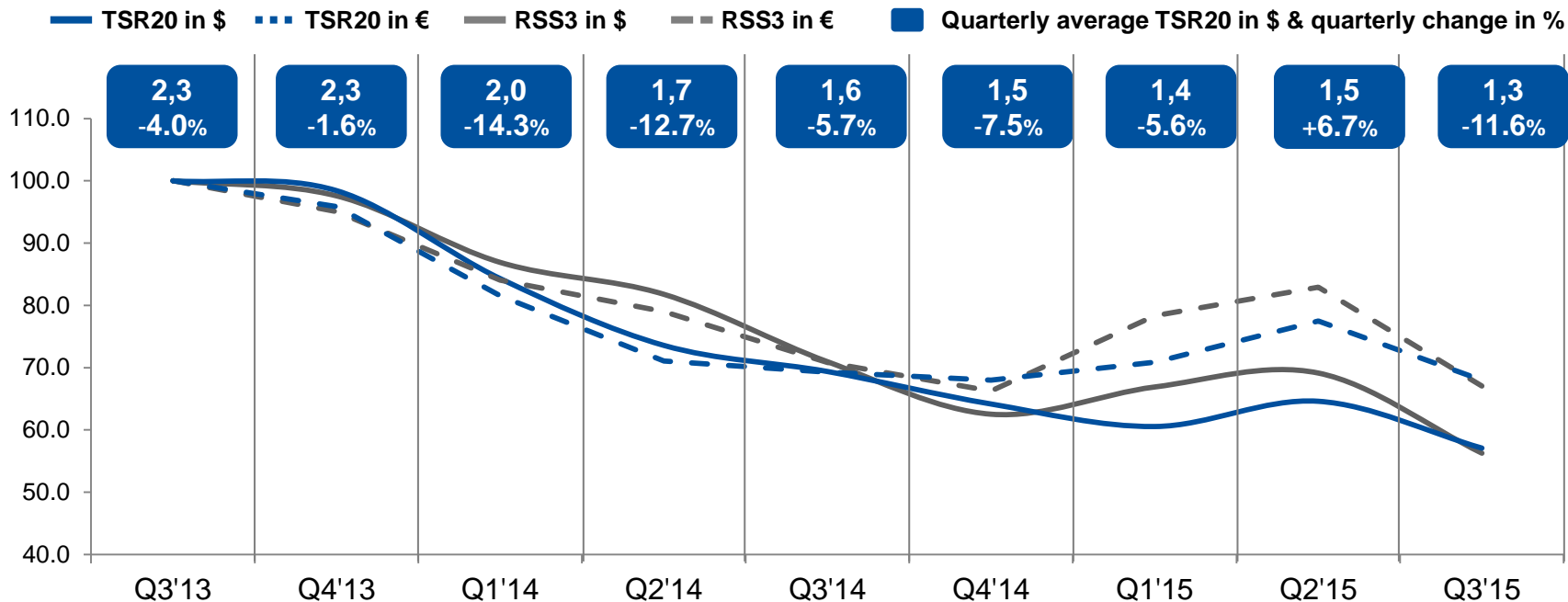
-18%

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

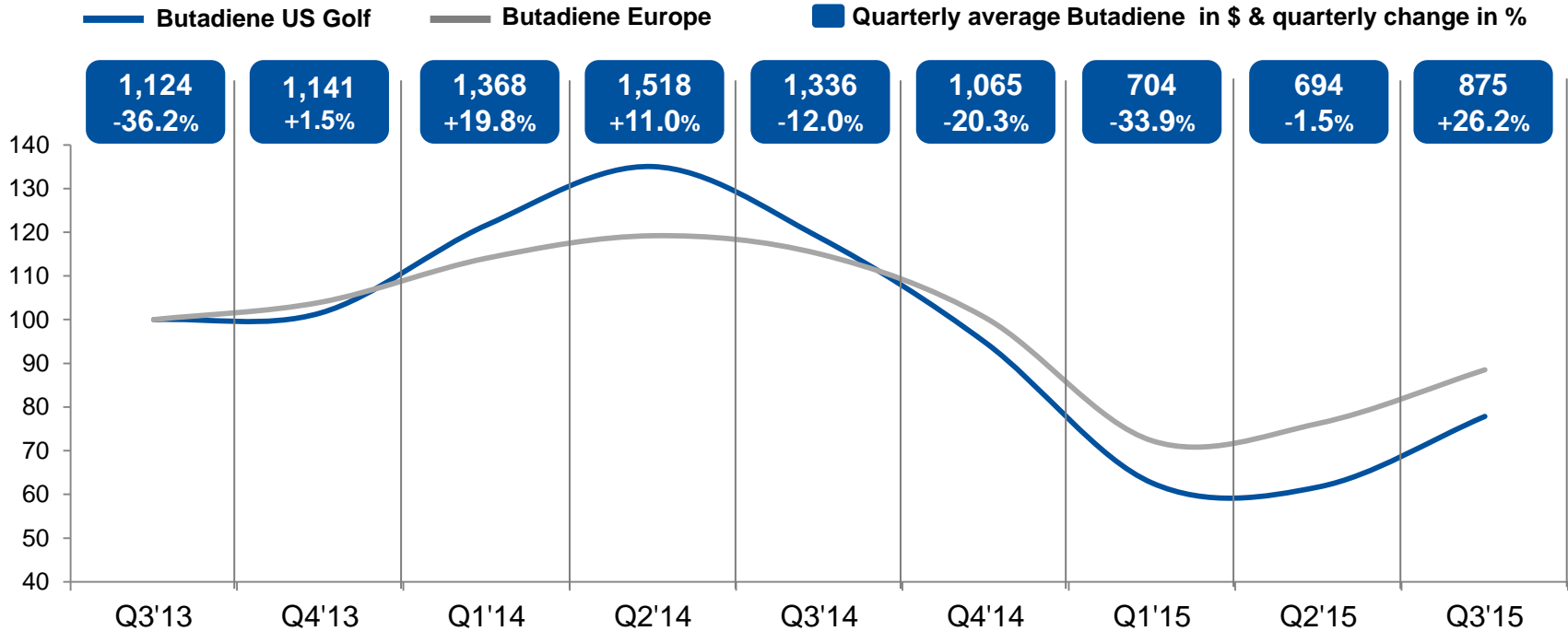


Source : SICOM



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

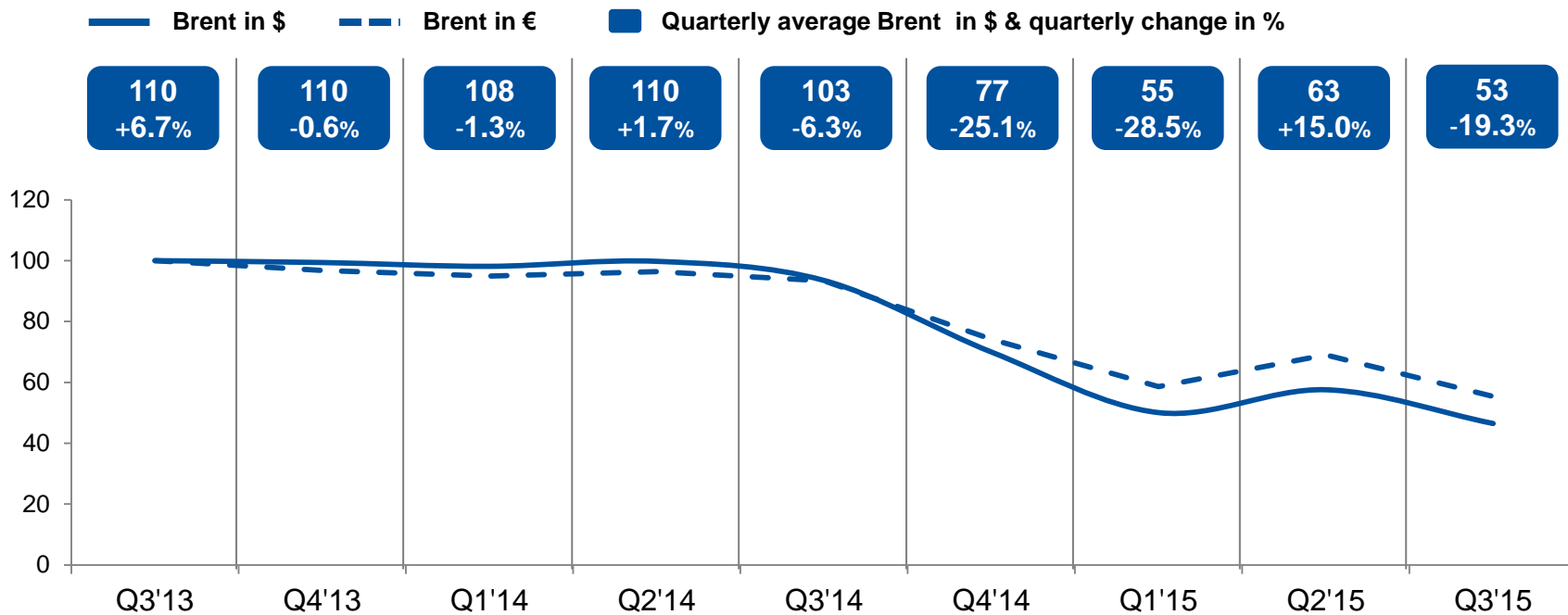


Source : IHS



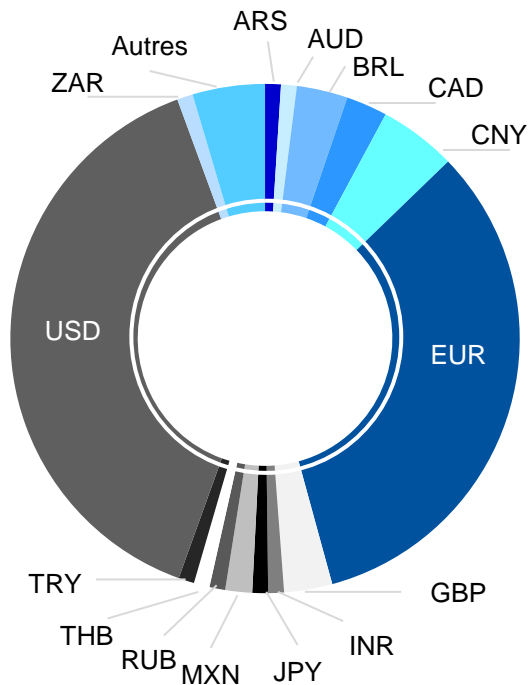
Brent Price in USD/barrel (base 100 in Q3'13)

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: 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

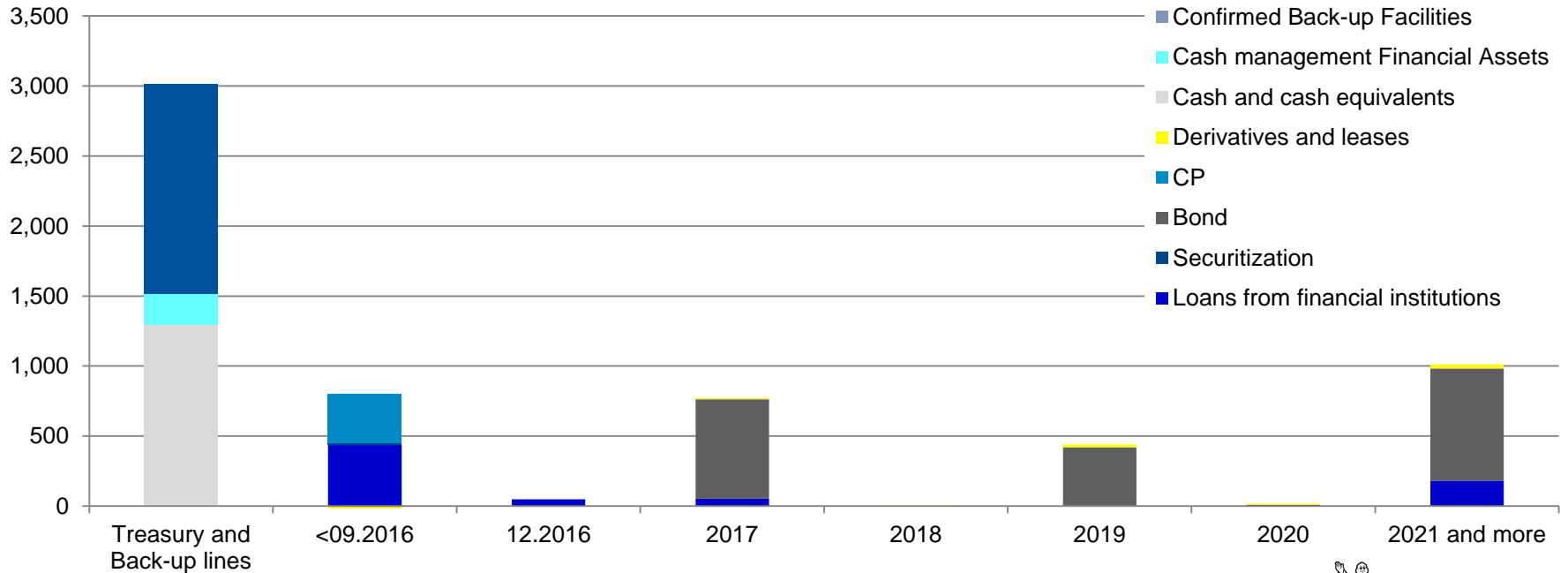


Source : Thomson One

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

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