

Net Sales for the Nine Months Ended September 30, 2011

October 26, 2011





Nine-month net sales up 17.3% to €15,246 million

- ▶ **Sales volumes up 9.3%**
- ▶ **Markets expanding, despite slower momentum in the third quarter**
- ▶ **Solid performance by the MICHELIN brand**
- ▶ **Pricing policy added 10.0% to nine-month sales growth and, as announced, will offset the full-year impact of the raw materials headwind**



Outline

- **Net sales:**
Sustained firm growth
- **Markets:**
Slowing momentum
- **Reporting segments:**
Varying growth
- **Guidance:**
Vigilance and measured optimism



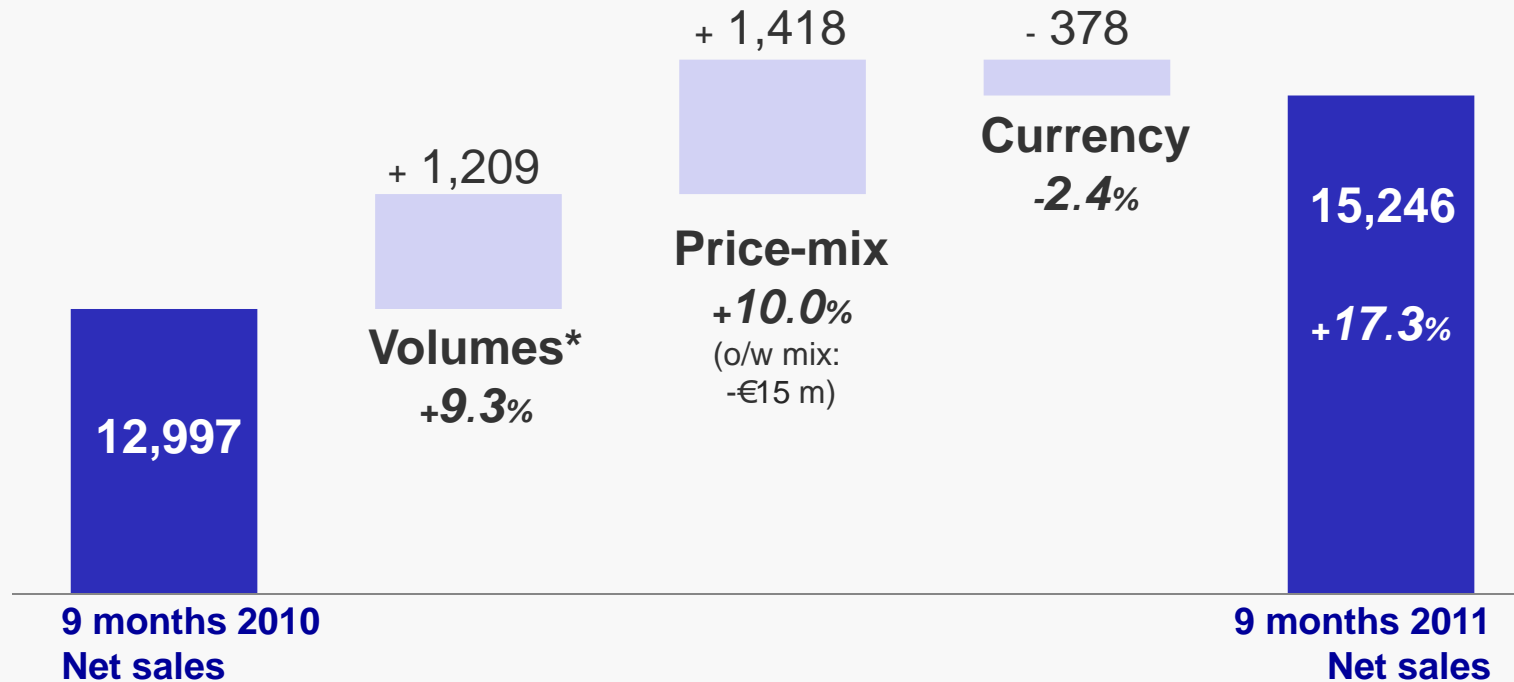
*Net sales:
Sustained firm growth*





Tangible growth in sales volumes Efficient pricing policy

YoY Change in € Millions and as a % of Net Sales



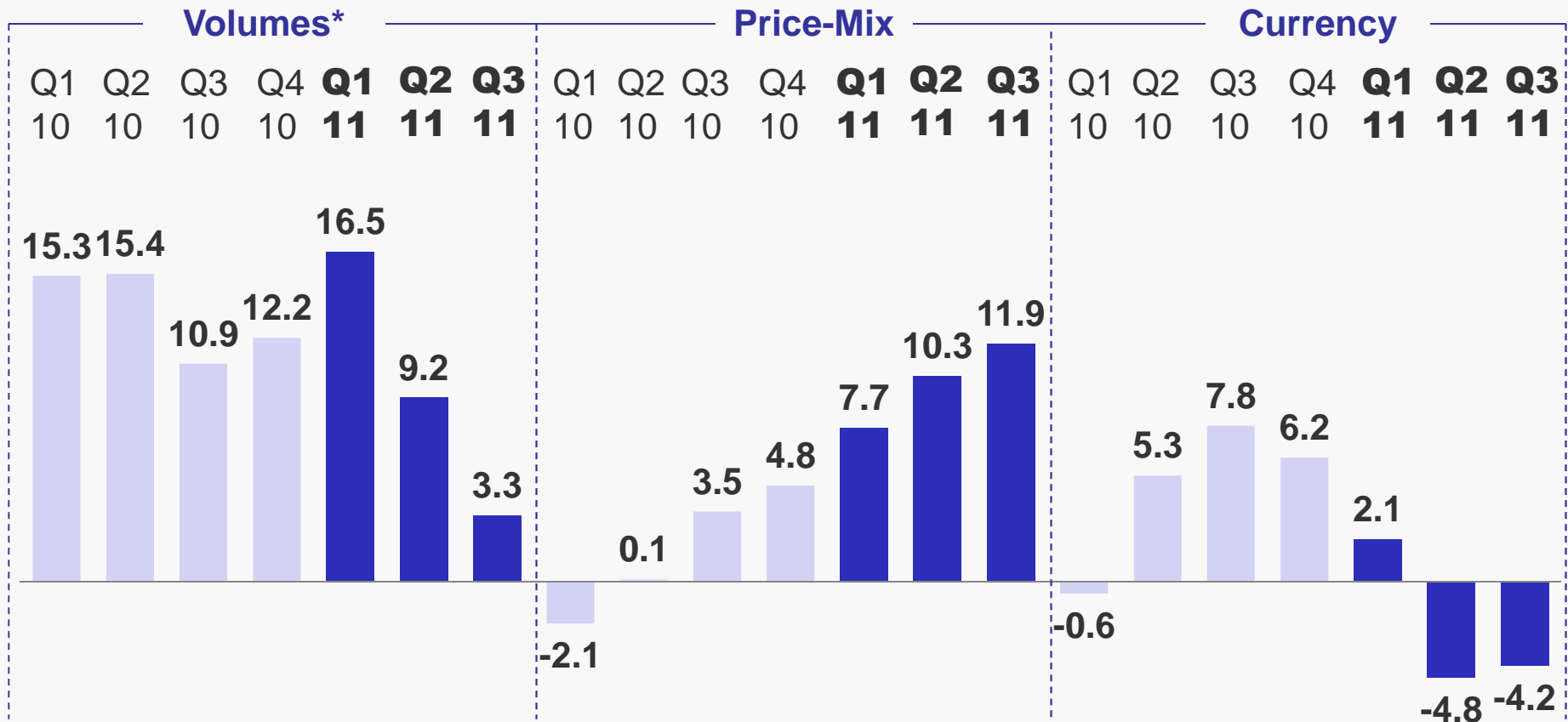
* Volumes in tonnes





A sharply rising price effect

% Change YoY



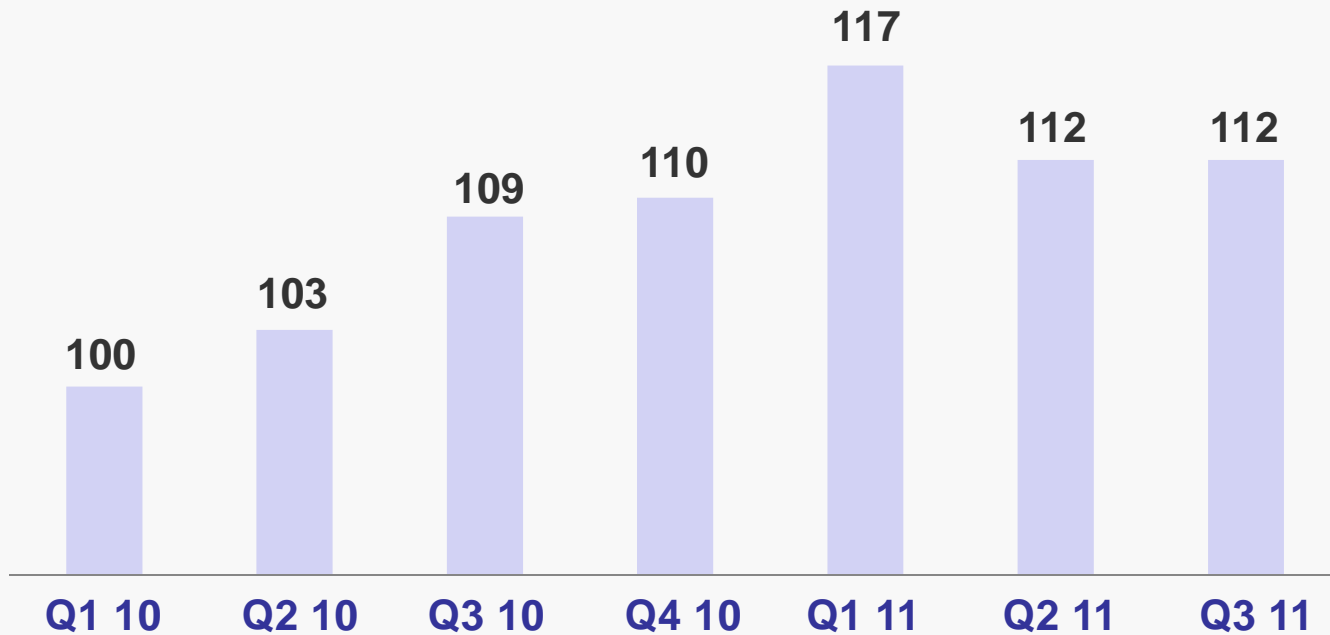
* Volumes in tonnes





Robust volume growth off of high prior-year comparatives

Tonnage (Base 100 = Q1 2010)



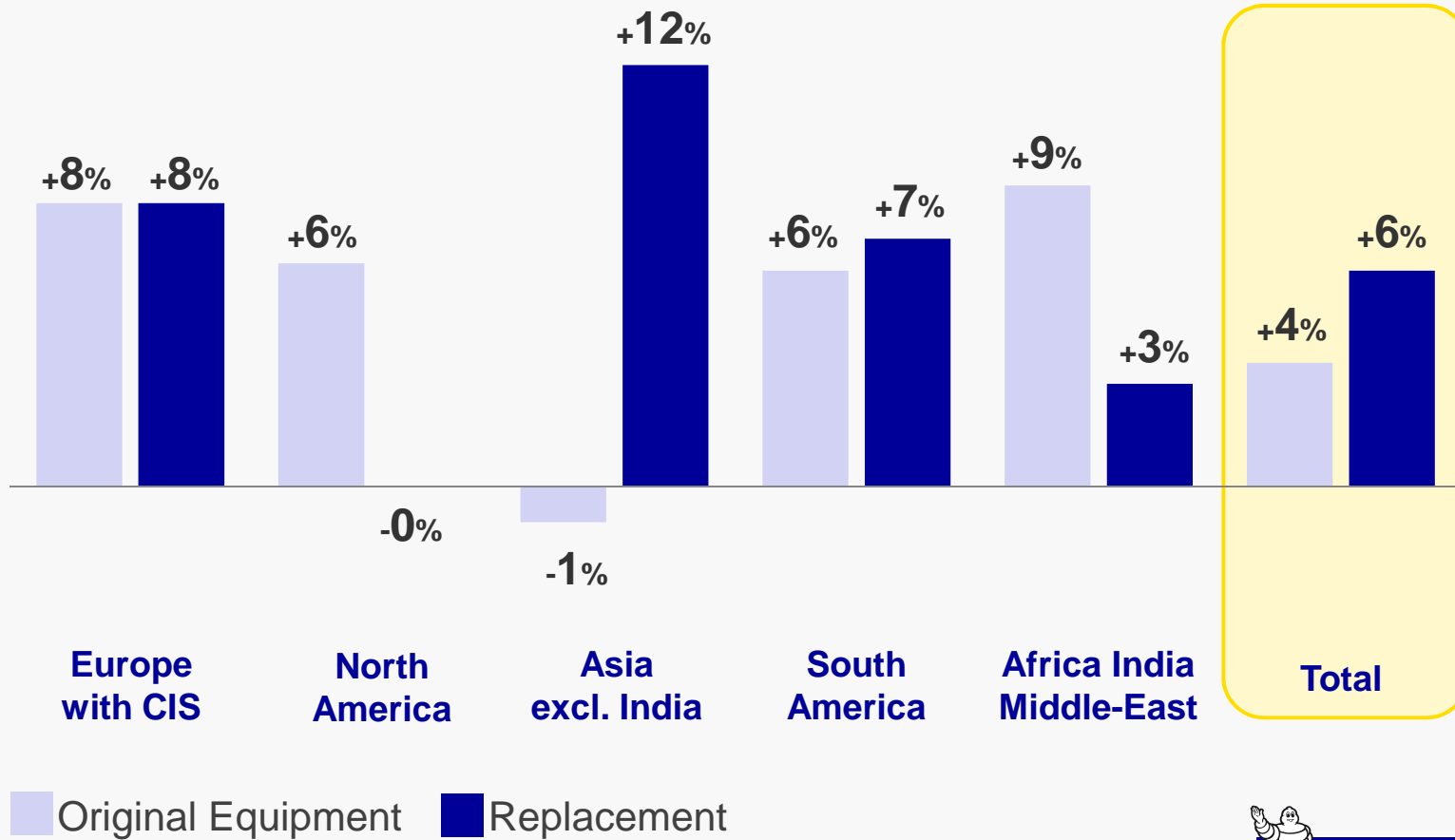
Markets:
Slowing momentum





Car and Light Truck Tires: sustained growth, strong OE except Japan

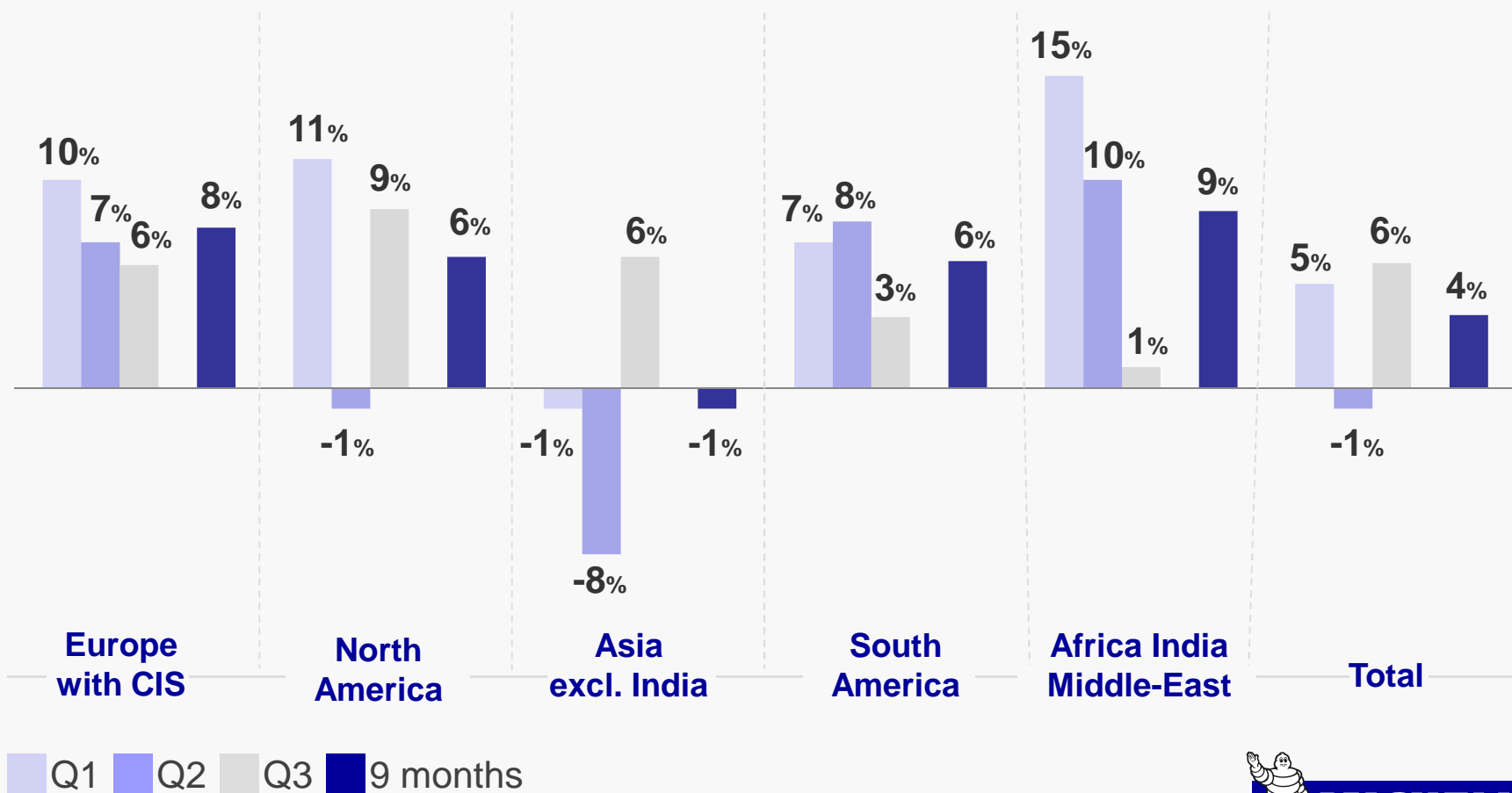
Markets at Sept. 30, 2011 (change in number of tires)





OE Car and Light Truck markets: cloudy economic outlook had little impact in Q3

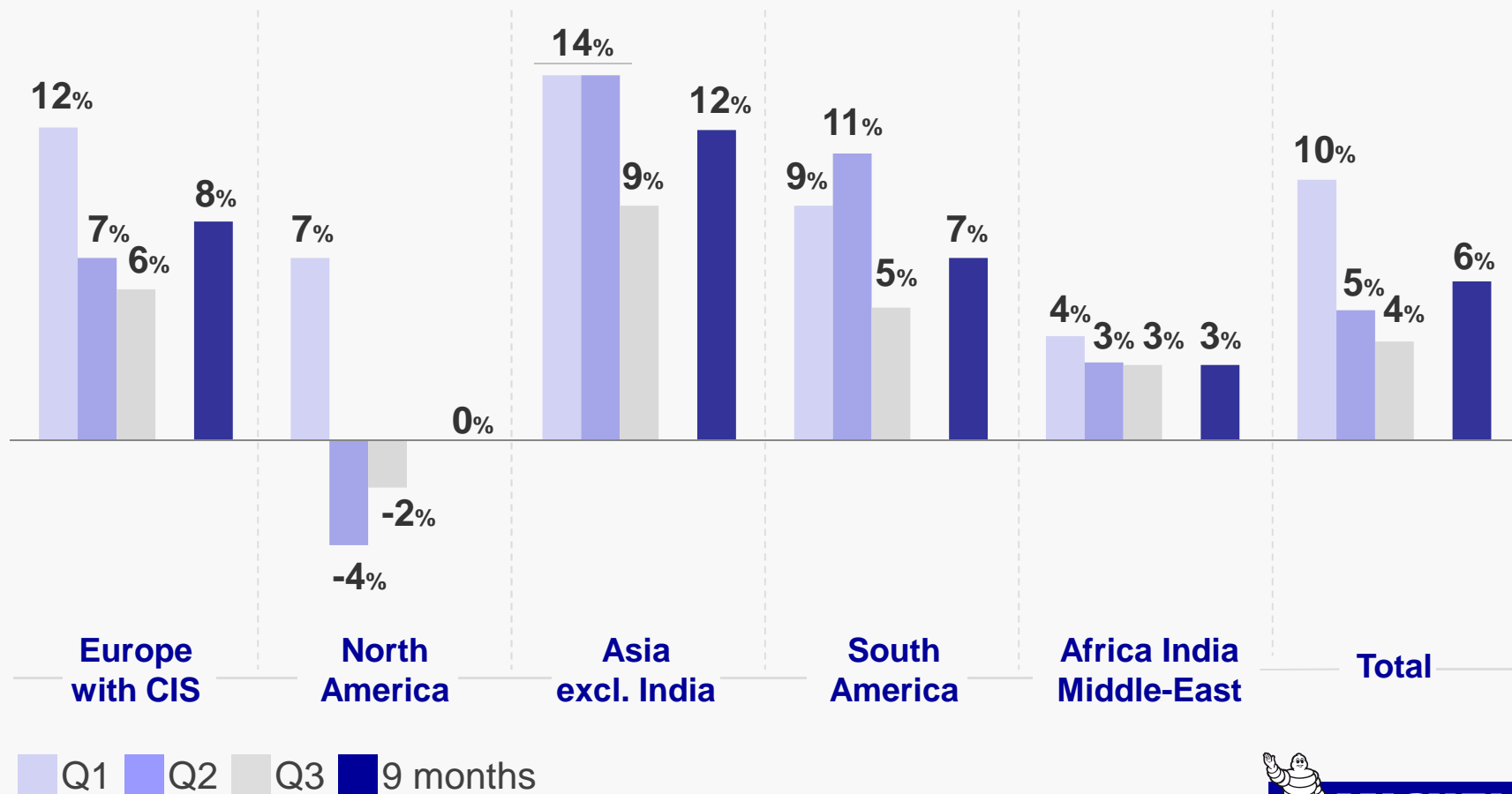
OE Car & Light Truck Markets 2011 / 2010
(change in number of tires)





Replacement Car and Light Truck markets: a return to long-term trends

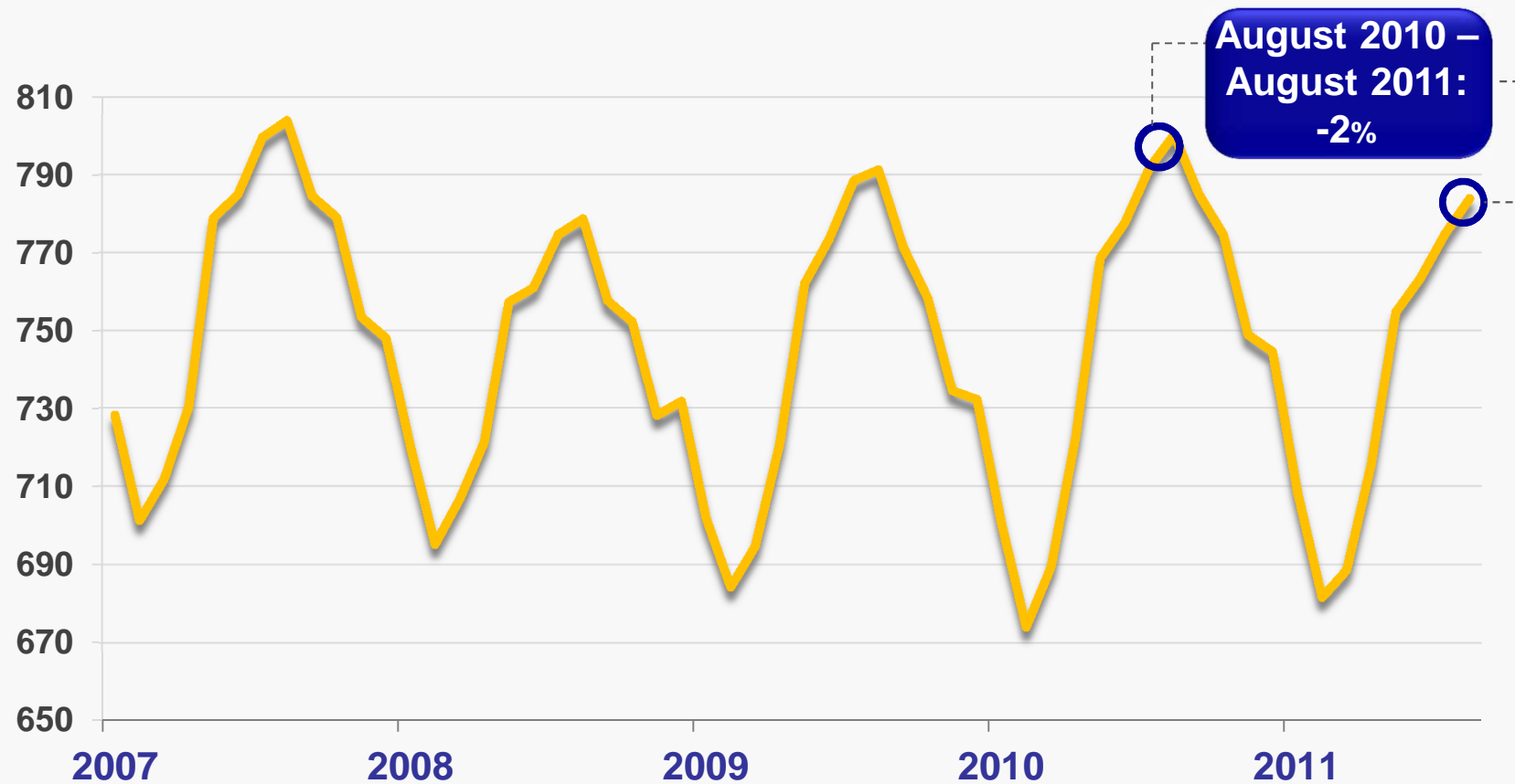
Replacement Car & Light Truck Markets 2011 / 2010
(change in number of tires)





US vehicle miles driven stable

US Miles Driven (rolling 3 months)



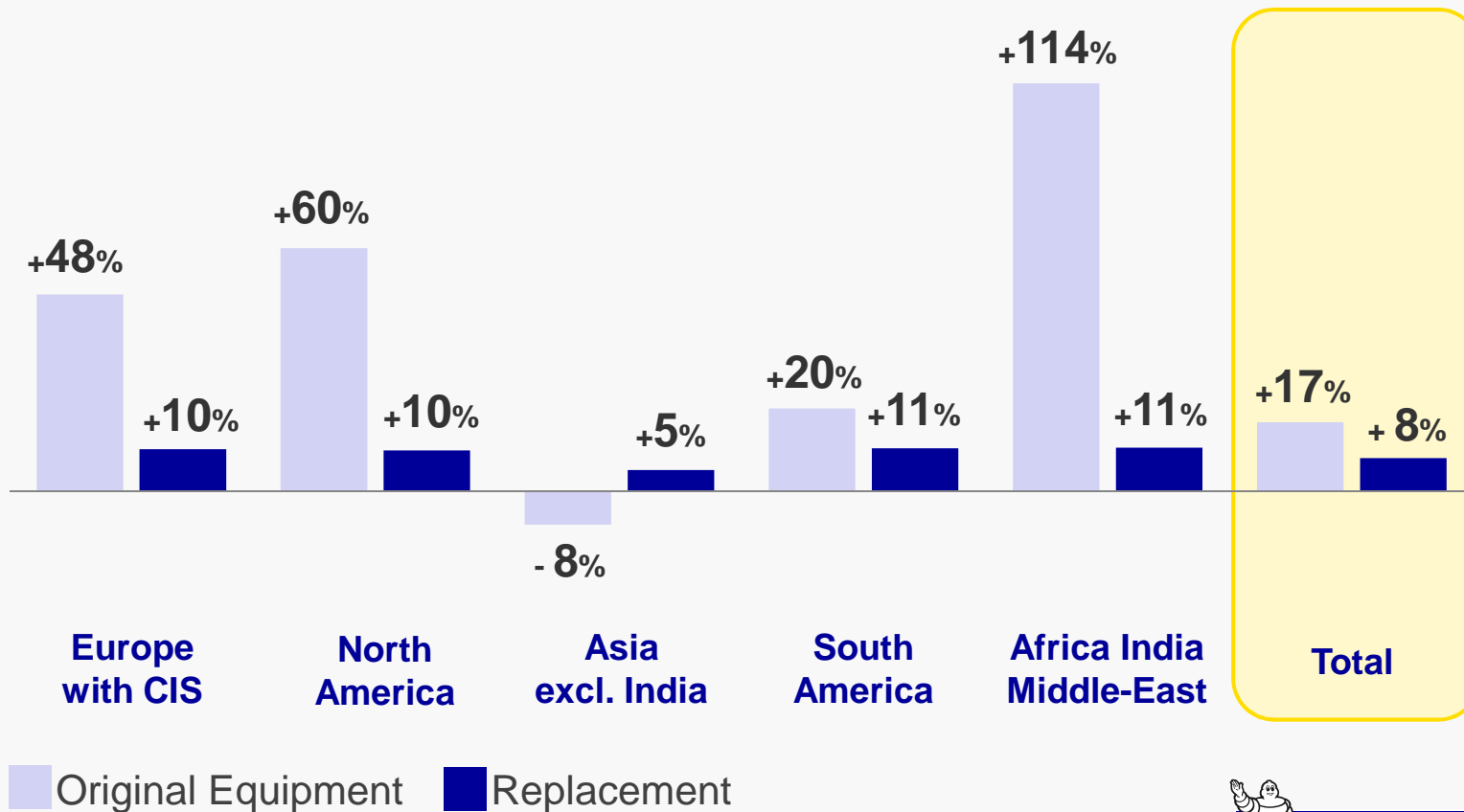
Source: US department of transportation / Federal Highway Administration





Truck Tires: sharp rebound in OE sales

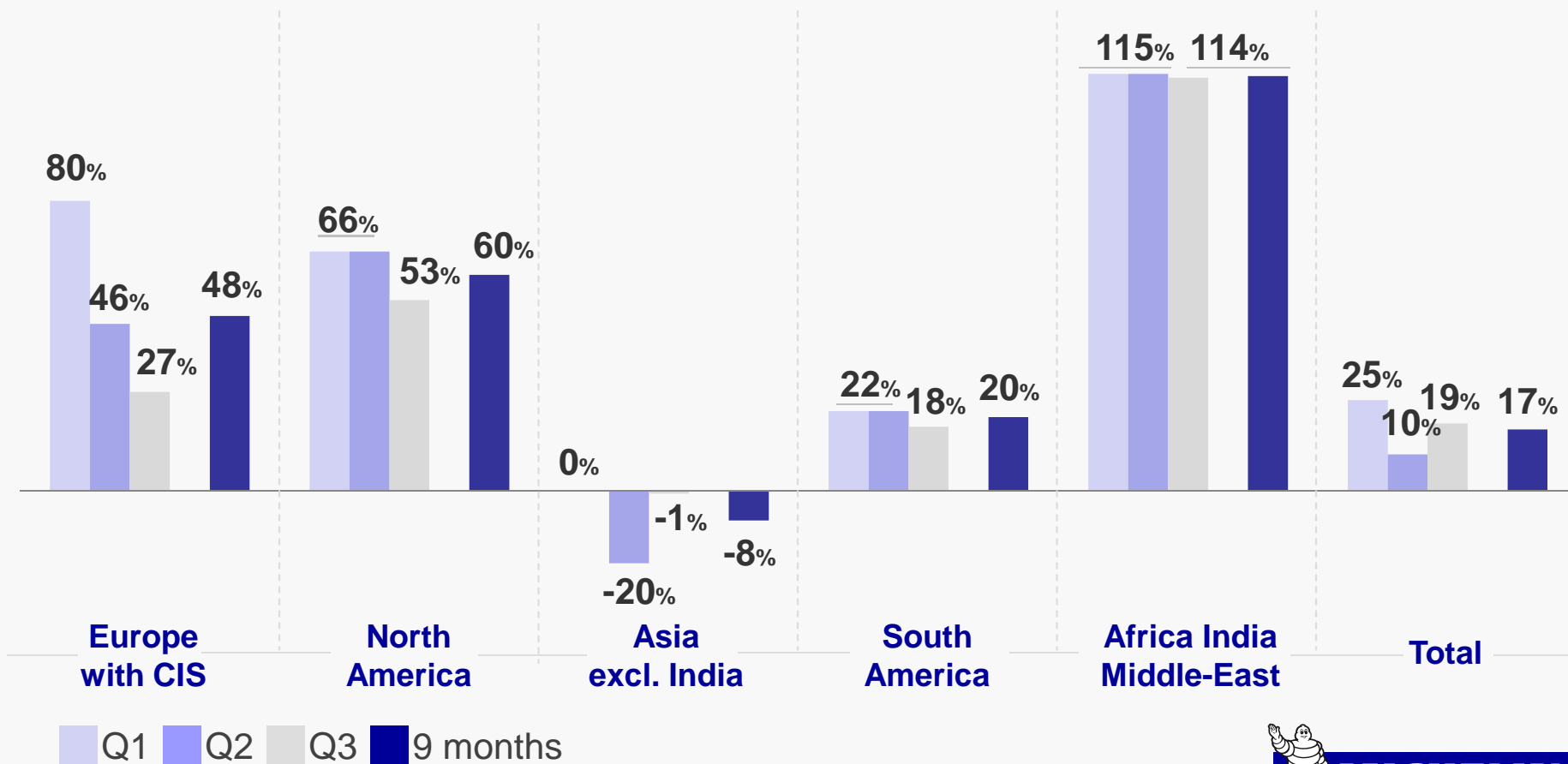
*Radial Truck Market as at September 30, 2011 / 2010
(change in number of tires)*





OE Truck markets: still strong rebound in mature markets

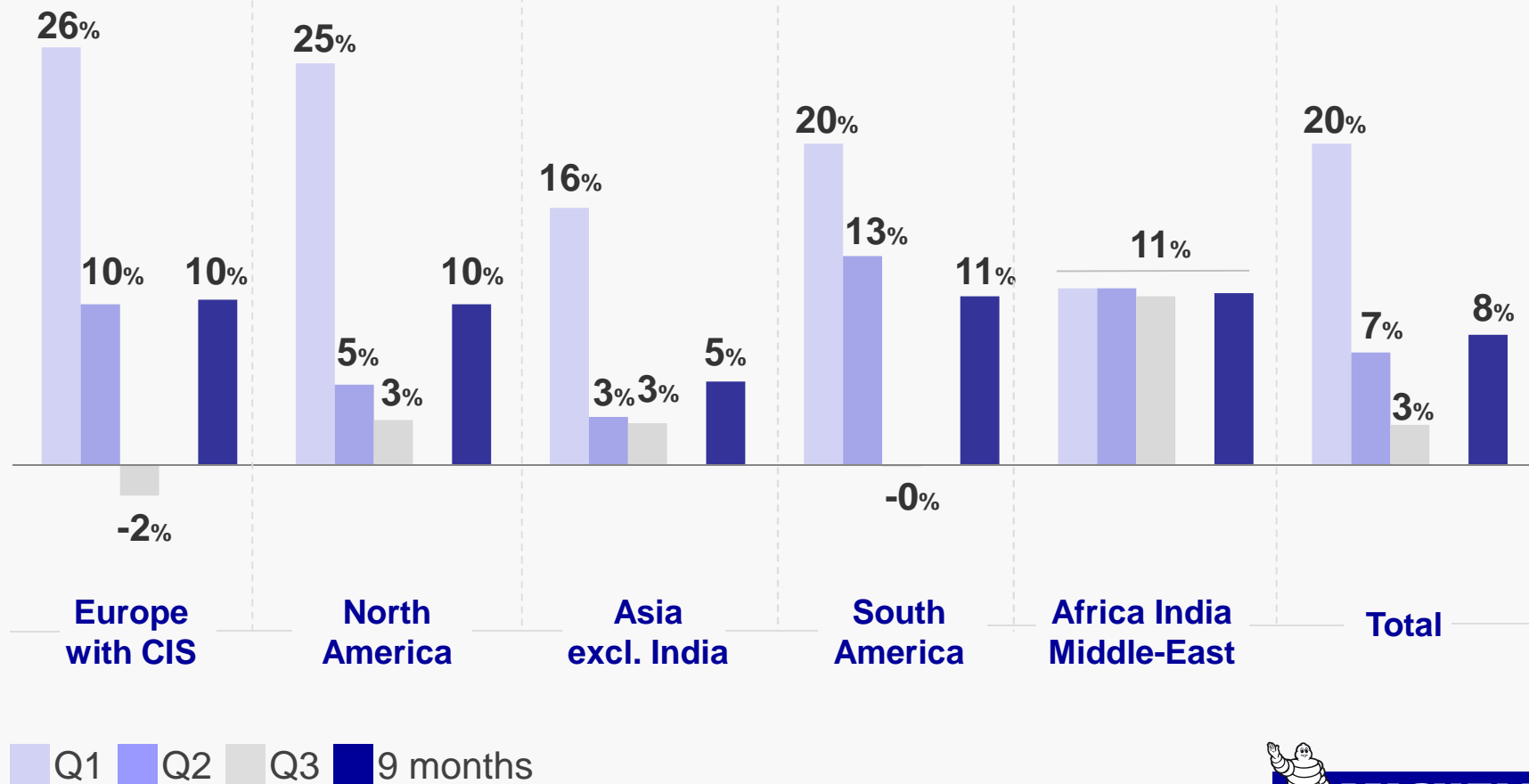
OE Radial Truck Market 2011 / 2010
(change in number of tires)





Replacement Truck markets: inventory drawdowns in Q3, especially in Europe

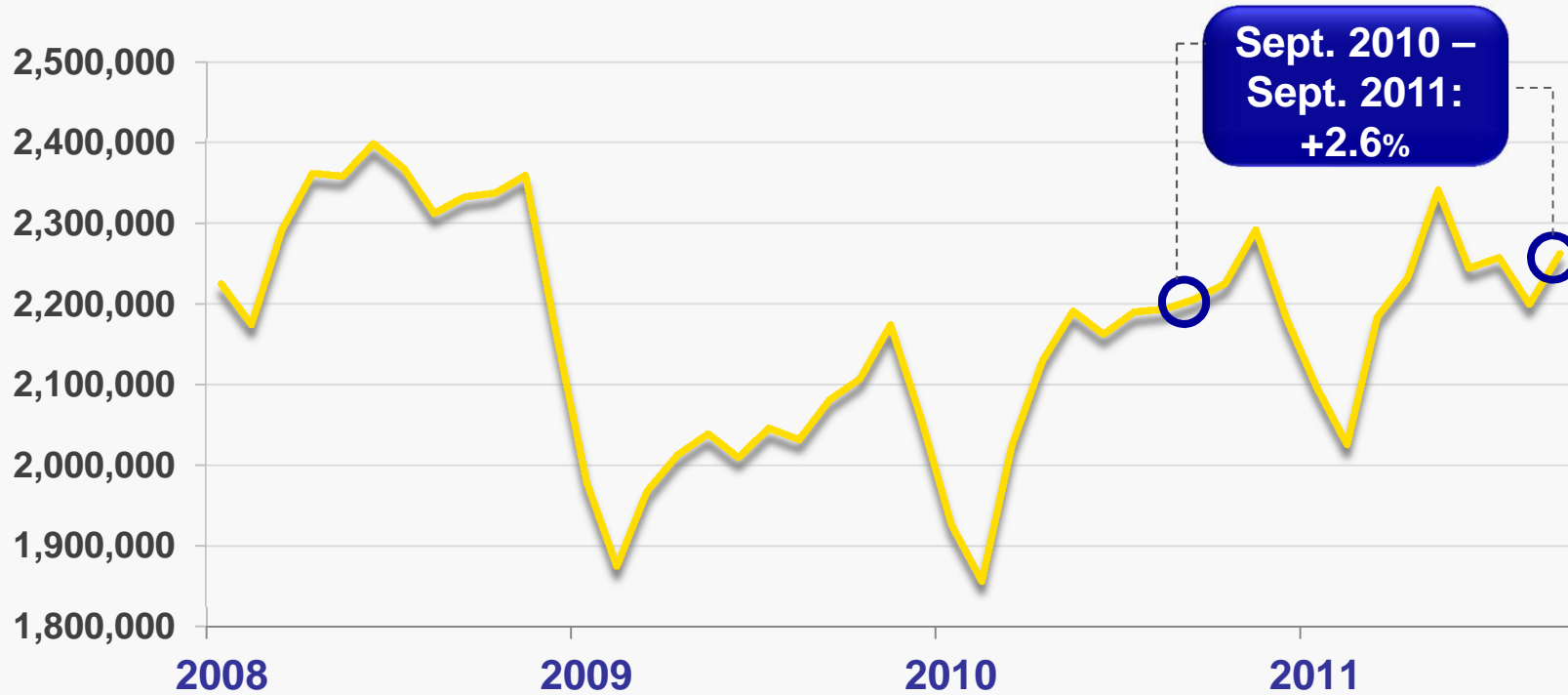
Replacement Radial Truck Market 2011 / 2010
(change in number of tires)





Freight kilometers driven in Germany at 2010 levels

German Freight (rolling 3 months)



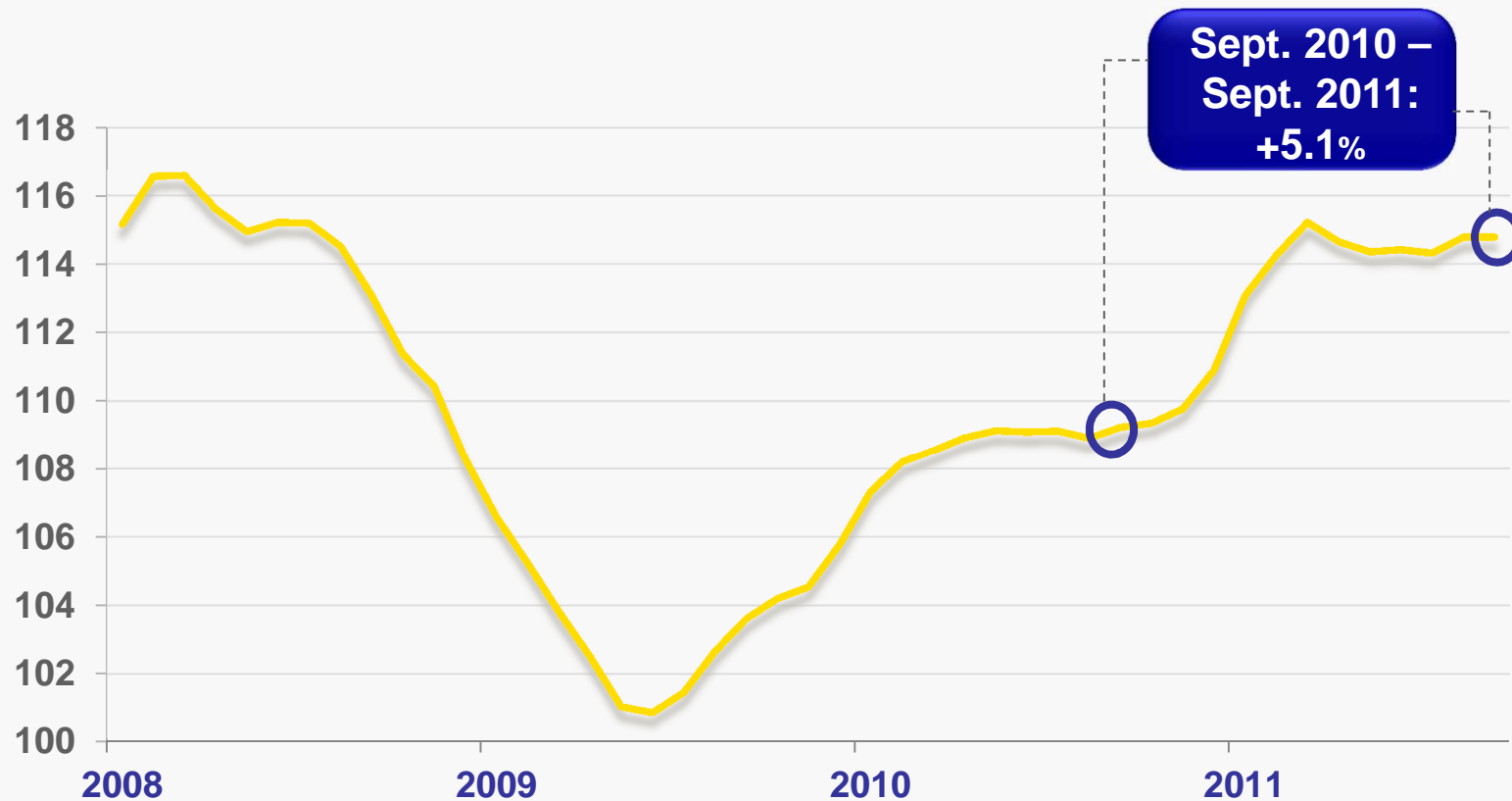
Source: Bundesamt für Güterverkehr





US freight tonnage: still moving back up to pre-recession levels

US Freight (rolling 3 months)



Source: ATA – American Trucking Associations

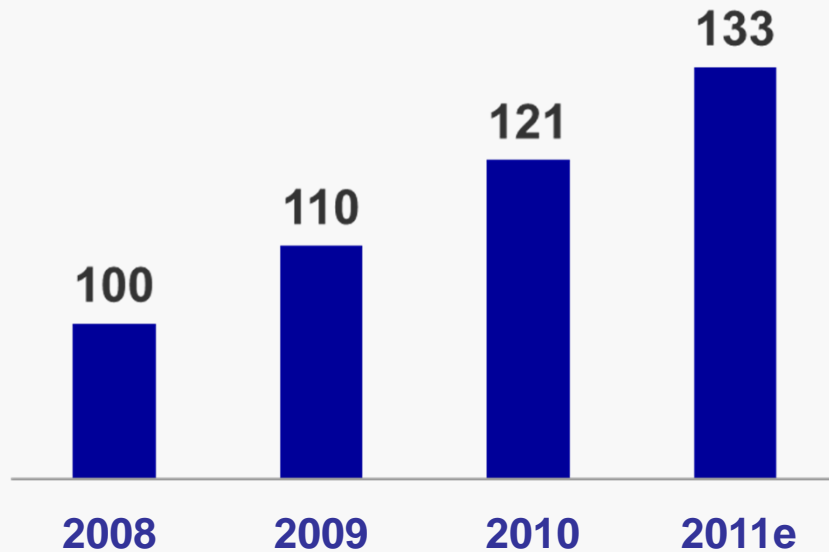




Earthmover Tires: still on a strong upward trend

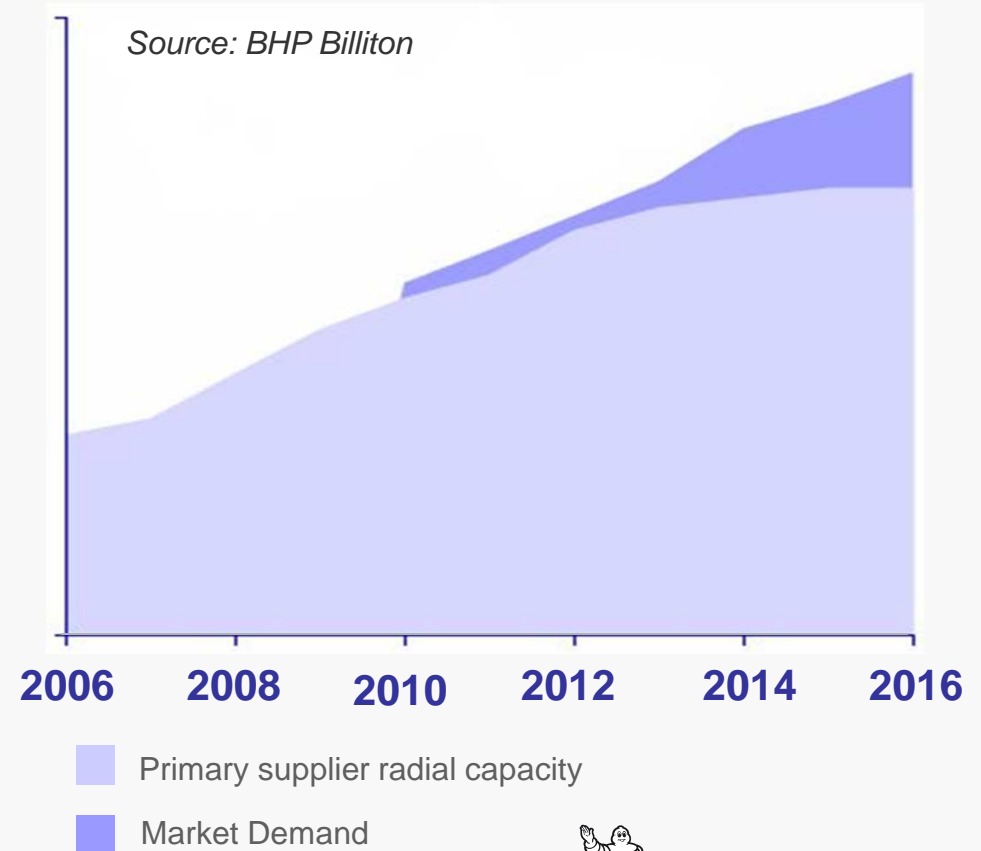
Mining tire market
(base 100 = 2008)

Source: Michelin



Large mining tires
(market supply and demand)

Source: BHP Billiton



Reporting segments: Varying growth





Passenger Car and Light Truck Tires: robust growth

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
7,136	7,916	+10.9%

Tonnages up 5.6%

- Winter tire sell-in at record highs
- Successful launch of the MICHELIN Energy XM2, especially designed for the new markets
- Successful launch of the MICHELIN Pilot Super Sport

▶ **Powerful price dynamic**

▶ **Full use of production capacity**





Truck Tires: growth dampened by the uncertain economic outlook

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
4,096	4,995	+22.0%

- ▶ **Tonnages up 10.5%**
 - New MICHELIN X® Works™ product-services solution
 - Sustained success of the MICHELIN X One
- ▶ **Price increases**



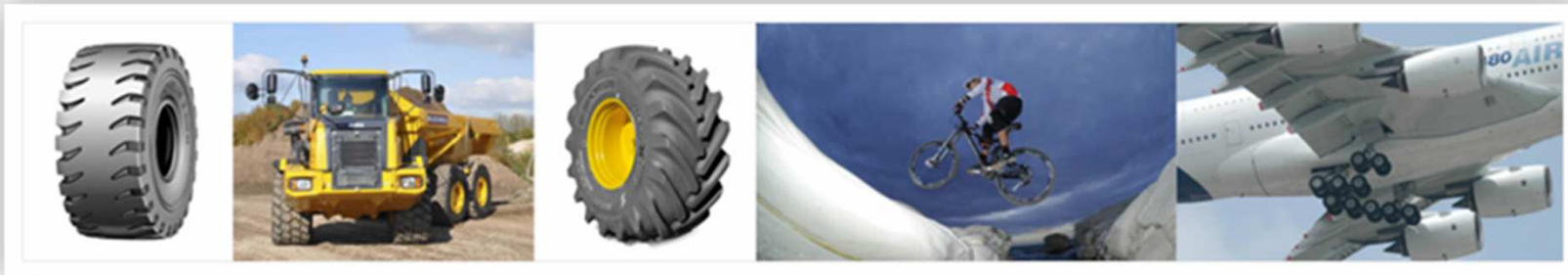


Specialty Tires: strong growth

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
1,765	2,335	+32.3%

- ▶ Tonnages up 24.1%
- ▶ Fast rebound in demand
- ▶ High capacity utilization
- ▶ Favorable impact from price indexing clauses



Guidance:
Vigilance and measured optimism





2011 guidance

▶ Markets in Q4 2011

- Passenger Car and Light Truck Tires:

- Europe replacement demand will depend on winter tire sell-out
- New markets demand still trending upwards

- Truck Tires: uncertain outlook, particularly in Europe

- Specialty Tires: very buoyant

▶ Growth in sales volumes trending towards 8% by year end

- Barring any significant worsening of the current economic environment

▶ Free cash flow temporarily negative in 2011

▶ Substantial increase in operating income





Contacts

Investor Relations

**Valérie Magloire
Alban de Saint Martin**
+33 (0) 1 78 76 45 36
**27, cours de l'île Seguin
92100 Boulogne-Billancourt - France**
investor-relations@fr.michelin.com

Internet

<http://www.michelin.com/corporate/EN/finance>





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 Markets financiers available from the www.michelin.com 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.