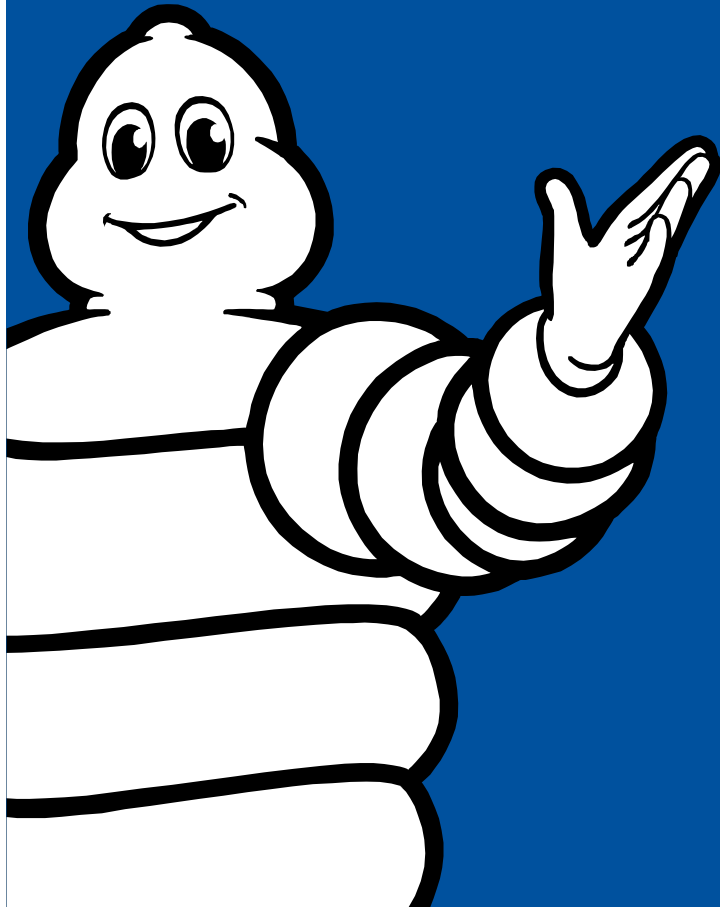




AUGUST 28, 2018

FIXED-INCOME INVESTORS PRESENTATION



August 28, 2018

Fixed-income Investors



- 1 / Introduction and Group overview
- 2 / Levers for Growth
- 3 / Levers for Competitiveness
- 4 / From 2018 to 2020 ambitions
- 5 / Financial profile

August 28, 2018

Fixed-income Investors



1 /

Introduction and Group overview

3

Fixed-income Investors – August 28, 2018

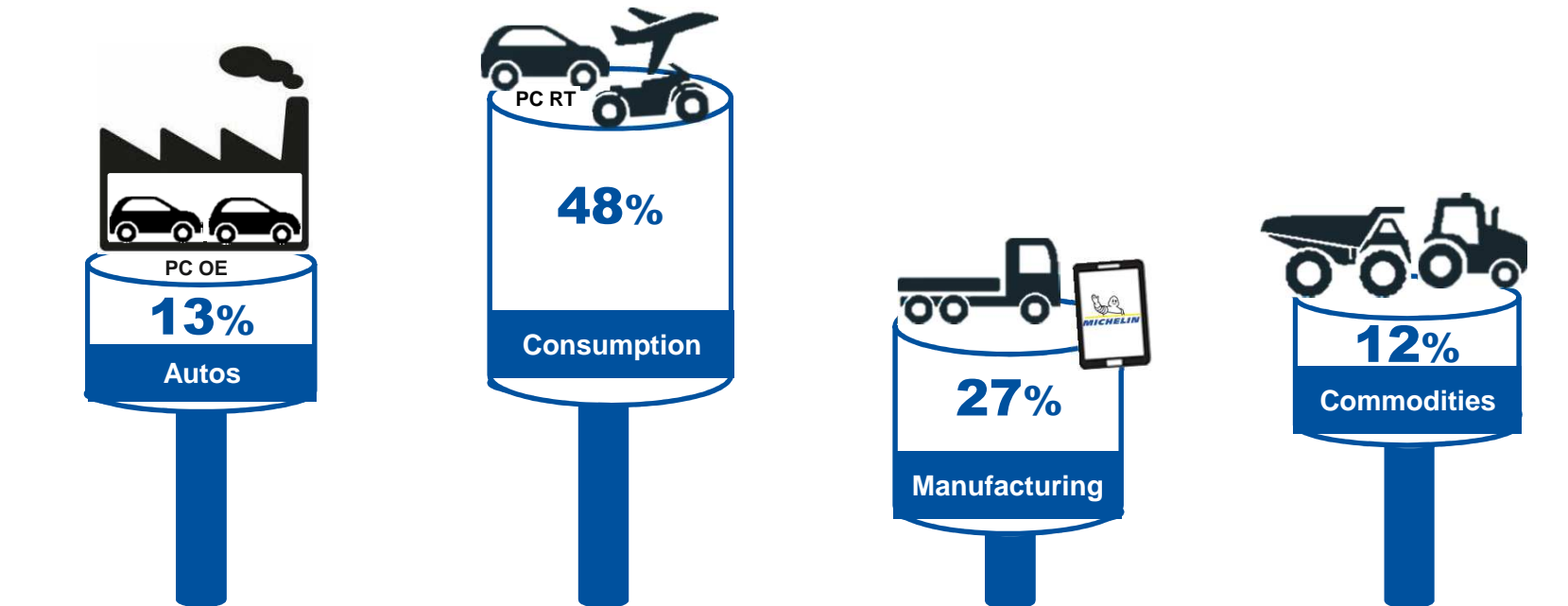


Highlights

- A global presence and a balanced business portfolio
- Strong brand and unrivalled technological leadership
- A leader in the passenger car tire premium segment and specialty businesses
- Competitiveness program towards operational excellence
- Strong profitability with high operating margins and cash flow generation
- Sound balance sheet with sustainable credit metrics
- Solid liquidity profile with prudent and diversified funding strategy
- A3 (Moody's) / A- (S&P) ratings; recently confirmed after M&A announcements

A business model strongly linked to consumption

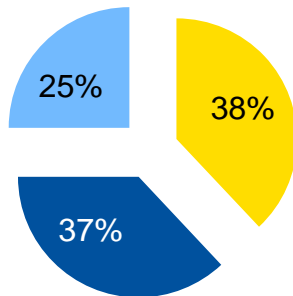
▲ 2017 Net sales by drivers



PC OE/RT: Passenger car tires sold as an Original Equipment / Replacement

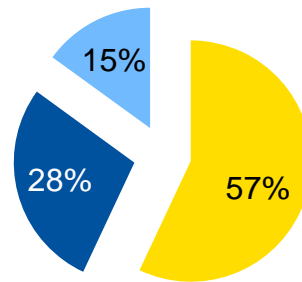
Group breakdown by geography and reporting segment (RS)

▲ 2017 Net sales by geography



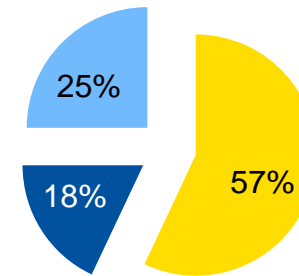
- Europe (incl. Central and Eastern)
- North America (incl. Mexico)
- Other

▲ 2017 Net sales by RS



- RS1
- RS2
- RS3

▲ 2017 Ebit by RS



- RS1
- RS2
- RS3

RS1 refers to Passenger Car tires and related distribution;

RS2 refers to Truck and Bus tires and related distribution;

RS3 refers to Specialty businesses (Earthmover, Agricultural, Two-Wheel and Aircraft tires; Michelin Travel Partner, BookaTable, Michelin Lifestyle)

August 28, 2018

Fixed-income Investors

















Levers for Growth:

2 /

- **Michelin Ambition**
- **Market growth**
- **Michelin strengths': Brand, Pricing Power and Technical leadership**
- **Sustainable mobility focus**
- **External growth**

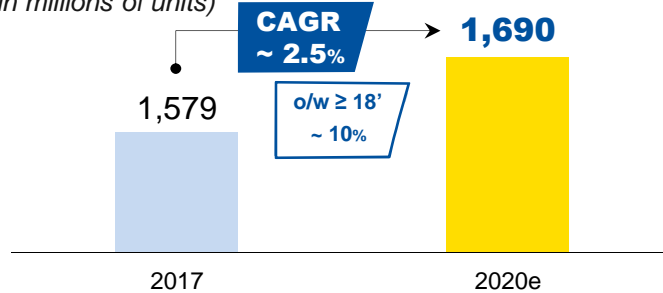
Four areas of growth: Capex and acquisitions to support our value creation strategy

	Tires	Services	Experiences	Materials
2015-2020 target	Net sales +20%	Net sales doubled	Net sales tripled	Capitalize on our leadership
2018 partnerships and acquisitions...	      			  
...in line with the 2020 strategy	 <p>Capital expenditure</p>	<p>Distribution</p> 	<p>Experiences: travel and fine dining</p> 	 <p>High-tech materials</p>

2016-2020 projections: growing worldwide demand

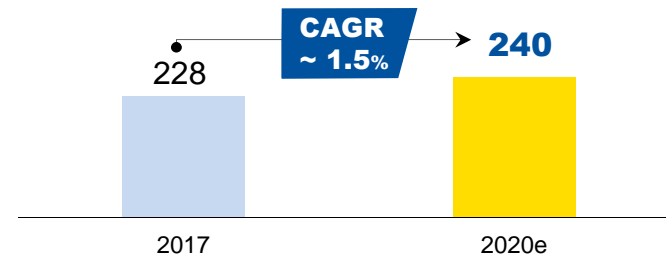
- Passenger Car tire market projection

(in millions of units)

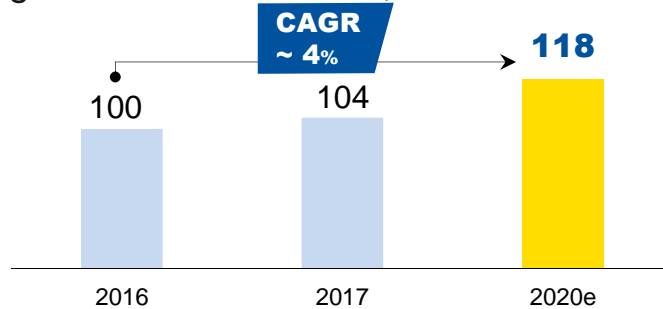


- Truck & Bus tire market projection

(Radial & Bias in millions of units)

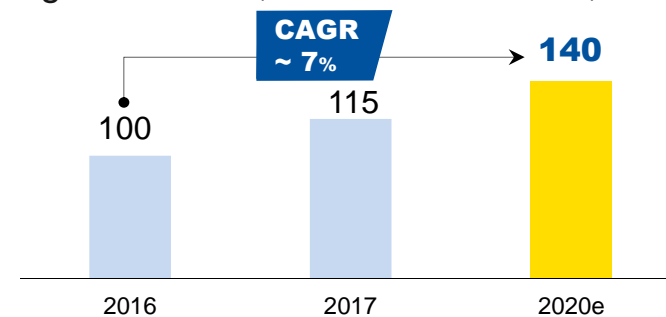


- Agricultural tire market* (base 100 in 2016, in tonnes)



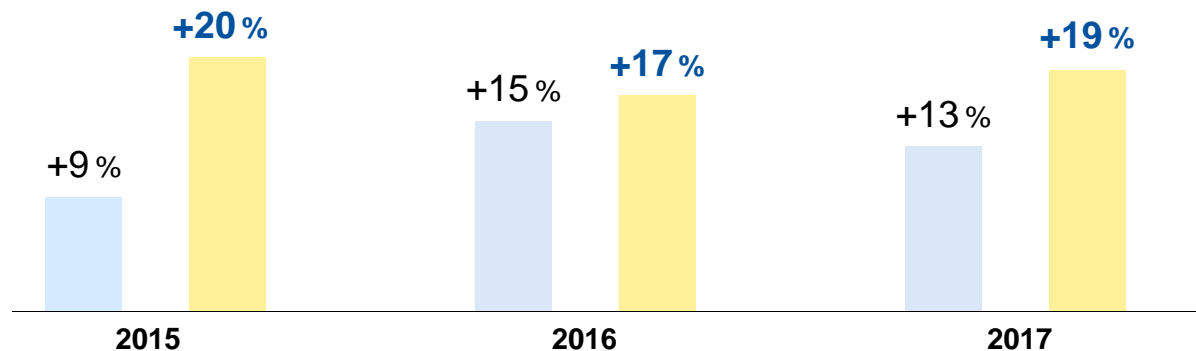
* Global Agricultural tire market (Radial, Bias and tracks)

- Mining tire market (base 100 in 2016, in tonnes)



≥18' Passenger Car tires: the market recognizes the power of Michelin's line-up in the premium segment

▲ Growth in ≥18' Passenger Car tire sales
(YoY change, markets in units and sales in tons)



- Worldwide market
- MICHELIN Brand

- Strong and resilient market push for bigger wheels and tires
- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- Sustained growth momentum, made possible by aligning production capacity
 - Faster implementation of the plant project in Leon, Mexico

10 Fixed-income Investors – August 28, 2018

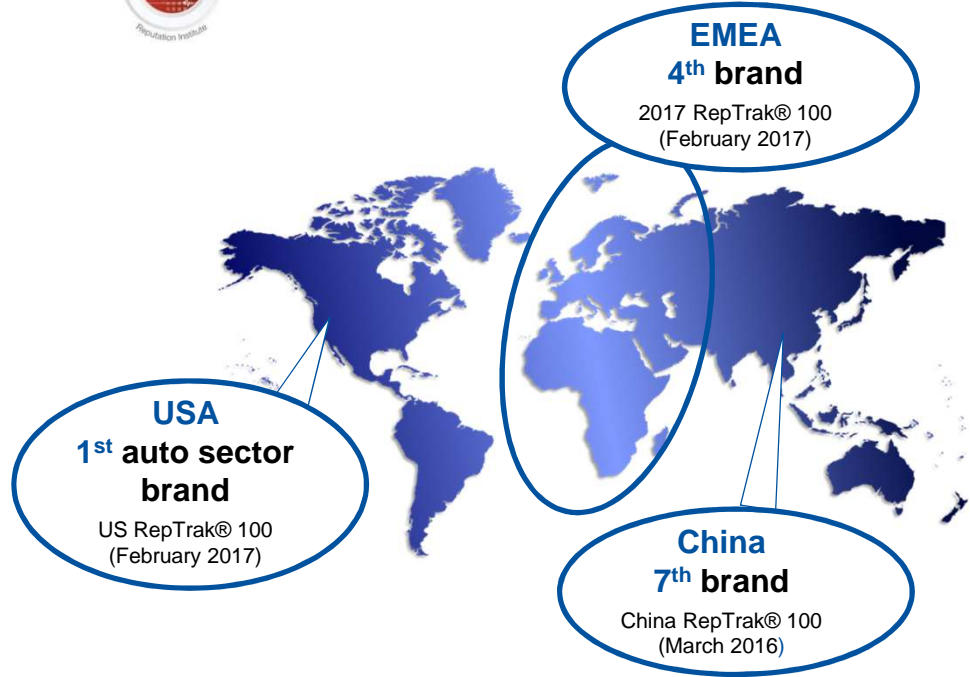


The **MICHELIN** brand

A BETTER WAY FORWARD

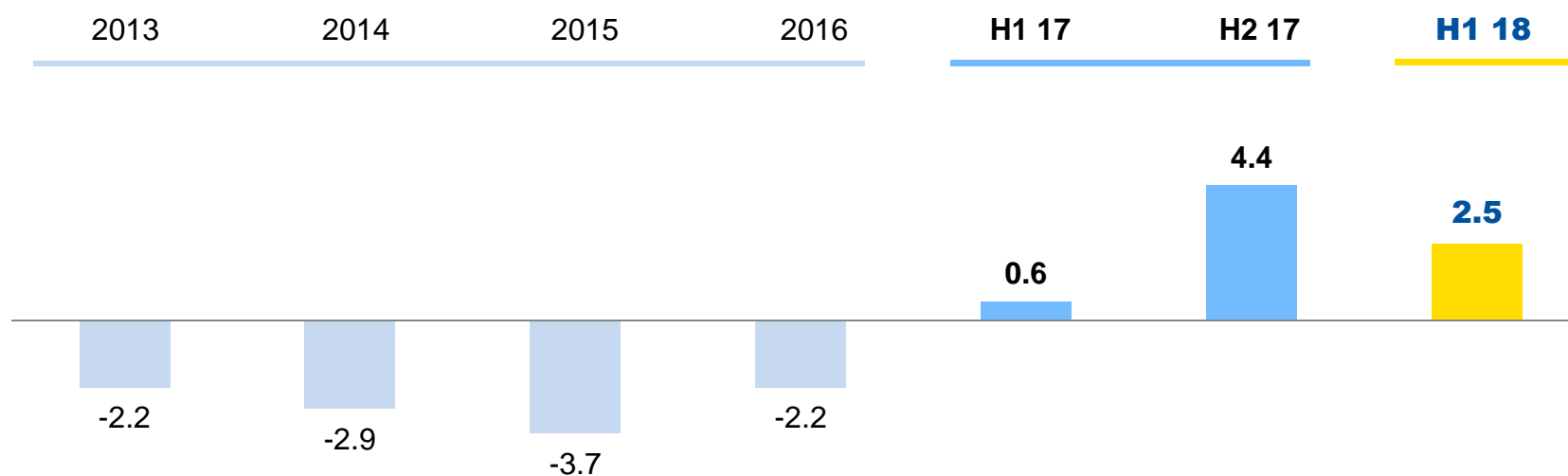


A robust reputation in the world



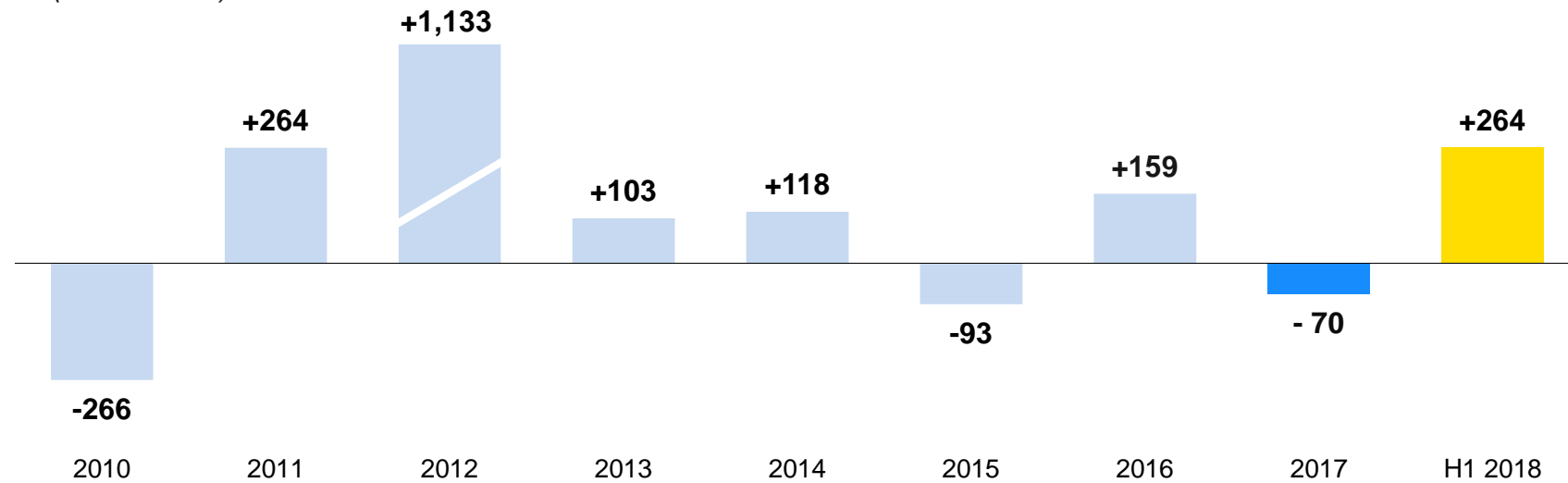
Pricing power: after 4 years of decline raw materials prices raised in 2017, and so did Michelin prices

▲ Pricing effect (in % of Net sales)



An assertive pricing policy

▲ Net impact of price mix and raw materials prices on operating income*
(in € millions)



*from recurring activities

Technical leadership: bringing Michelin to a leading position at premium OEMs and prestige vehicles



AMG Project One

Concept presented at the Frankfurt Motor Show
will be launched in 2019

These two vehicles are fitted with

MICHELIN
Pilot Sport Cup 2



Porsche GT2 RS

beat the record of the German circuit of
the Nürburgring



FERRARI



Specialties: customer-aligned solutions to capture strong market growth



MICHELIN EVOBIB
"2 in 1" Technology



MICHELIN MEMS Evolution 4

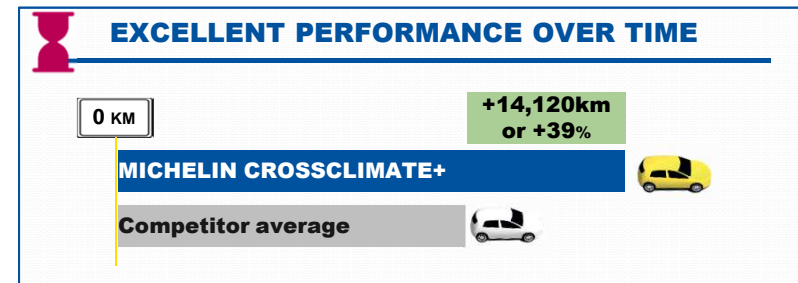
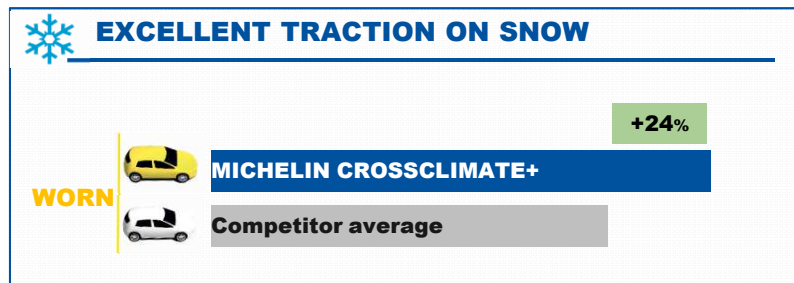
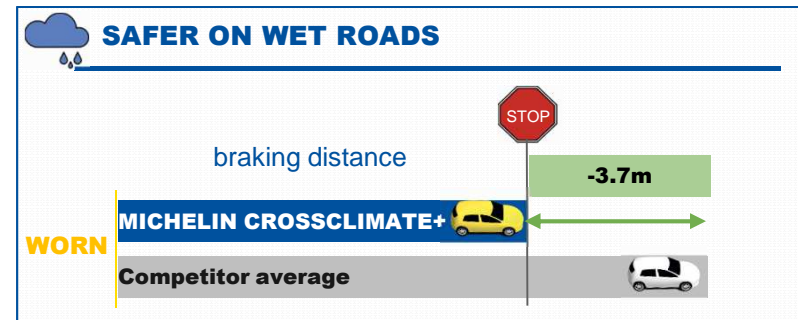
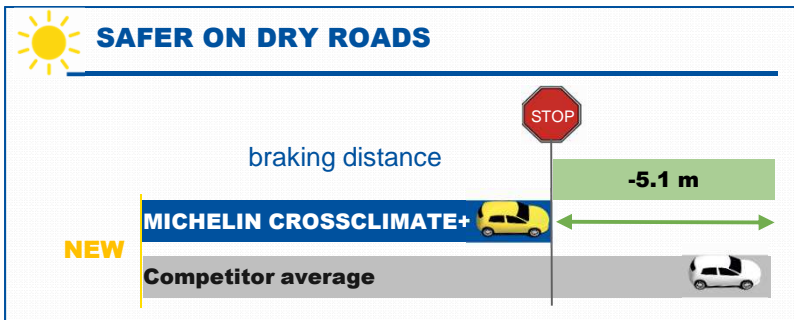


MICHELIN XDR 3



Addressing planned obsolescence: MICHELIN CrossClimate+ offers top performance regardless of new or worn tread

▲ Results of the Auto Bild all-season tire tests*, November 2017



*Comparative tests conducted by Auto Bild on 185/65 R15 tires, published on November 24, 2017. Competitors: GOODYEAR VECTOR 4S GEN-2, PIRELLI Cinturato all season, VREDESTEIN Quatrac 5, NOKIAN Weatherproof, HANKOOK Kinergy 4 S. Scales on the graphs are adjusted to improve readability.

WITH LONG LASTING PERFORMANCE, MICHELIN ACTS AGAINST PLANNED OBSOLESCENCE AND PUSHES FOR HIGHER TECHNOLOGICAL CONTENT



Proposed acquisition of Camso to create the world leader in off-the-road mobility solutions



- Manufactures and supplies high performance products and services for off-the-road mobility markets
 - Technological leadership in rubber tracks and solid tires
 - Competitive production facilities, particularly in Sri Lanka and Vietnam.
- Up to \$55m in identified synergies by 2021 and around \$20m in WCR optimization
- Accretive to EPS from year one and creation of major value
- \$1.45bn in cash out and closing scheduled for November 2018 after regulatory approvals are obtained

Camso* key figures		
(in \$ millions)	2018	2012
• Net sales	974	865
• EBITDA	136	105
• EBITDA margin	14%	12%

- Fast growth and major improvement in margins
- 7,700 employees in 26 countries, of whom around 5,500 in Sri Lanka and 300 in Magog, Quebec
- 17 plants and 3 research centers

*Fiscal year ends March 31

Camso, a market leader in four of the Off-The-Road segments



Material handling

Tires, wheels and services



- **No. 1*** in solid forklift tires
- Largest network of forklift tire installation service



Agriculture

Tracks and track systems



- **No. 1*** in tracks and track systems



Construction

Tires, wheels and tracks



- Among top 3* leaders for construction compact tire segment (<25")
- Among top 3* leaders for construction rubber tracks

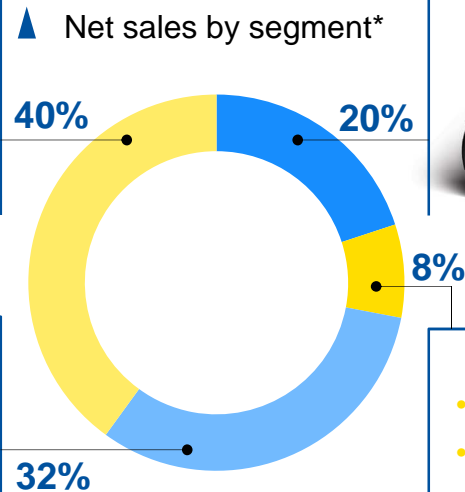


PowerSport

Tracks and track systems



- **No. 1*** in snowmobile tracks
- **No. 1*** in UTV-ATV track systems



*Source: Camso 2018

Michelin acquires Fenner, a leading global provider of conveyor belt solutions & reinforced polymer products



- A strategic acquisition with compelling value creation potential, in line with Michelin's ambition to leverage its expertise in high technology materials:
 - provide a comprehensive offering to mining customers, creating synergies upgraded to £60m
 - expand the engineered materials division with a complementary polymer portfolio
- Michelin offered £6.10 per Fenner PLC share, representing an enterprise value of £1.3bn

Key Figures Fenner		
<i>(in £ millions)</i>	Last 2018 consensus	2017
• Net sales	682	655
• EBITDA	99	86
• EBITDA margin	15%	13%



H1 2018 acquisitions and partnerships: €2bn Estimated Fenner synergies raised to £60m

- TBC & TCi joint venture:
 - Create a leading US tire wholesaler
 - Gain access to more than 2,400 retail locations
 - Capitalize on TBC's expertise in importing Tier 3 and Tier 4 tires
 - ⇒ Market pioneer, with a clear governance structure and agile management
- Fenner acquisition:
 - Leverage the full value of the Group's technological leadership in materials in non-tire segments
 - Expand the Group's portfolio for mining customers with a leading conveyor belt manufacturer
 - Estimated synergies raised to £60m from the initially projected £30m by 2022



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Fixed-income Investors



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Levers for Competitiveness:

2017 – 2020 Competitiveness Plan: accelerating to ~€300m per annum* generating a net €50m/year vs. inflation

In €m	Plan 2007-2010 achieved (4 year plan)	Plan 2012-2016 Achieved (5 year plan)	Plan 2017-2020 (4 year plan)	
			Target	2017 achievement
SG&A**	251	522	500/550	110
Manufacturing Costs	406	448	450/500	153
Materials	365	227	150/200	51
Total	1,022	1,197	~1,200	315

*before inflation and including avoided costs

**Sales, Marketing, Research and development, General and Administrative expenses

Details of the 2017-2020 plan and methodology available on Marc Henry's (CFO) June 6, 2016 Investor day's presentation

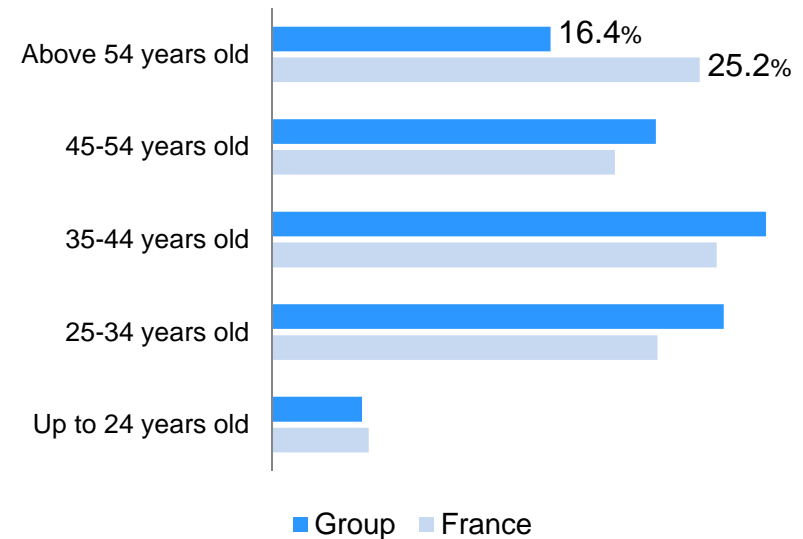
The reorganization project announced in June 2017 enables corporate positions to be reduced by 1,420 worldwide

▲ A more agile, customer-focused Group capable of unleashing all its power

- Leverage the age pyramid:
 - 3,500 employees retiring in France and the United States between 2018 and 2020
- Optimize hiring:
 - 2,080 new hires in France and the United States between 2018 and 2020



● Age pyramid, Group and France*



* Manufacture Française des Pneumatiques Michelin

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Fixed-income Investors

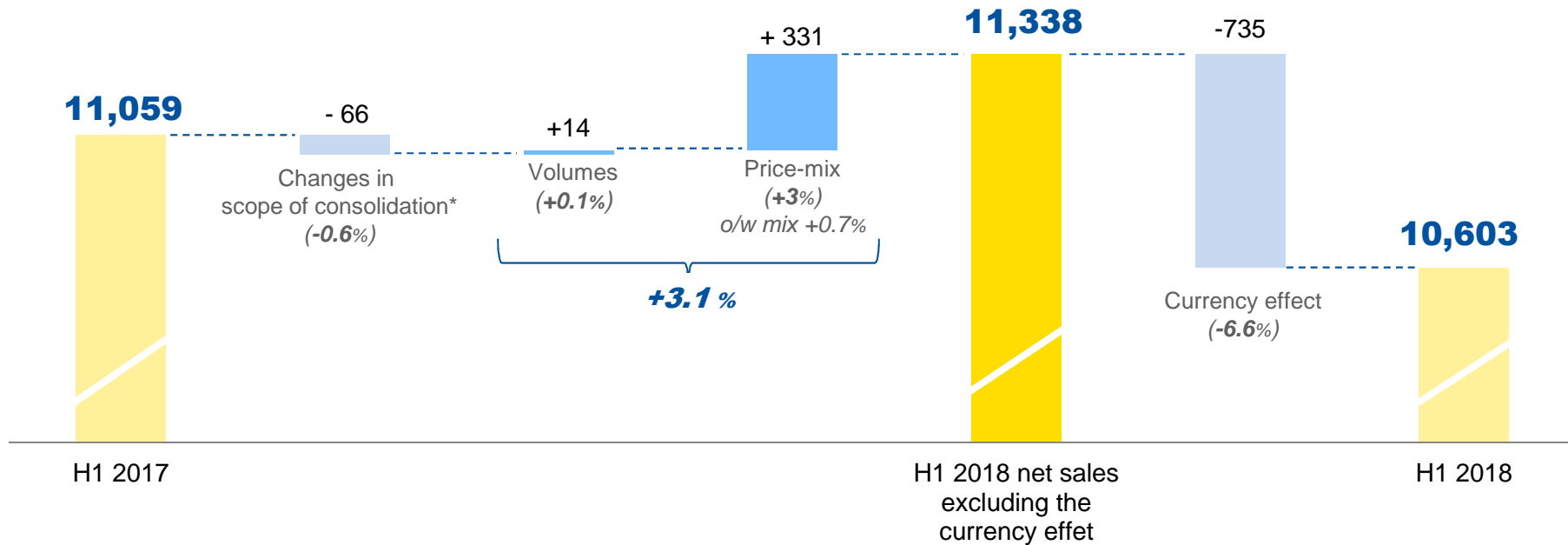


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From 2018 to 2020 Ambition

H1 2018 Net sales up 3.1% at constant exchange rates and scope of consolidation, lifted by the price-mix effect

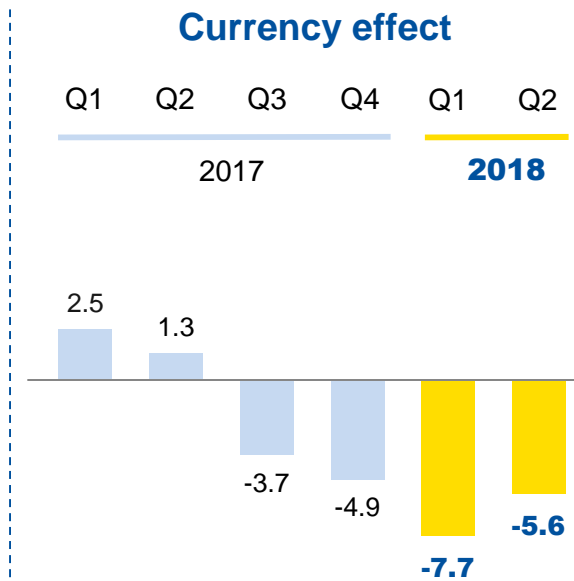
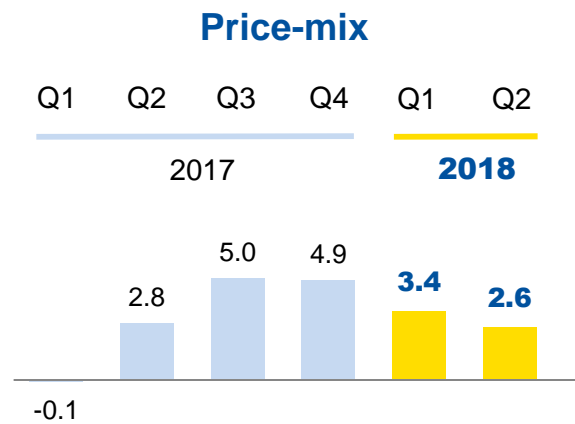
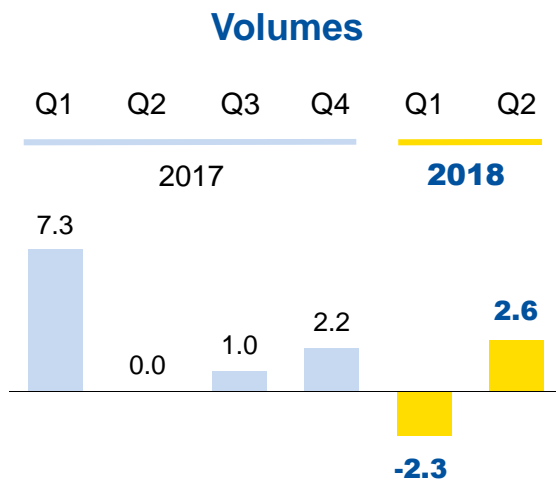
▲ YoY change
(in € millions and %)



* Deconsolidation of TCi, consolidation of NexTraq, Lehigh, PTG and Teleflow

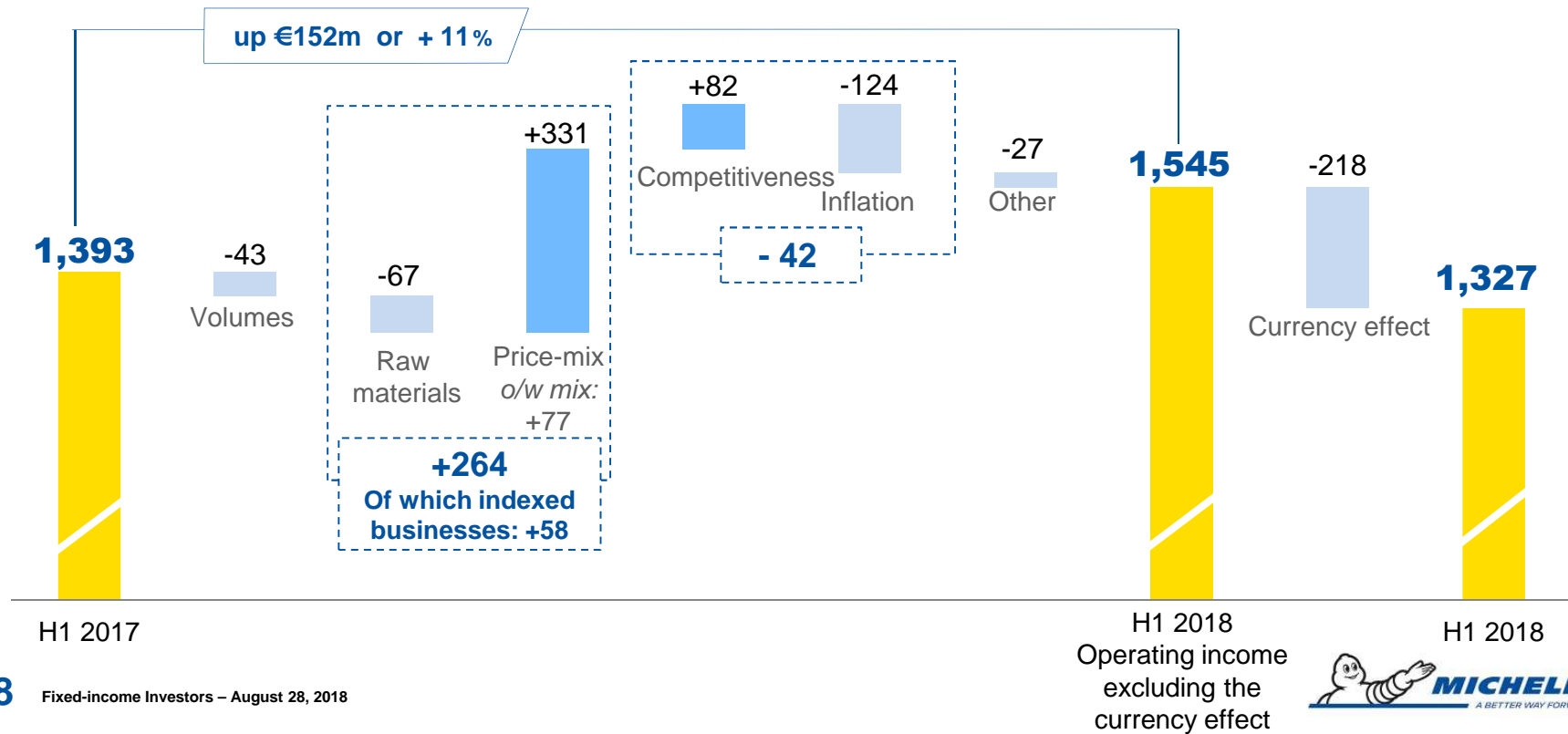
Q2 2018: rebound in volumes and still high price-mix

▲ YoY change
(in %)



€1,327m in H1 2018 operating income from recurring activities, up €152m or 11% at constant exchange rates

▲ YoY change in operating income from recurring activities (in € millions)



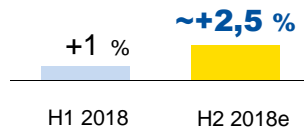
2018 guidance confirmed: on the road to our 2020 objectives

	2018
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	> 2017
Structural FCF	> €1,100m

2018 markets: faster growth in the Specialties



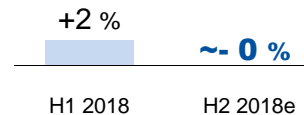
PC/LT: +1,5% / +2%



- OE: slower decline in North America given the more favorable comparatives; growth in the emerging regions
- Faster growth in RT expected in H2



TRUCK: +0,5% / +1%



- Freight demand buoyed by the global economy
- OE: global demand expected to cool in coming months, due to a contraction in China following fleet upgrades in 2017
- RT: faster market growth in H2



SPECIALTIES: +6% / +8%

vs. the +5%/+7% announced in Q1

- Mining: sustained strong demand (+10%/+12%), led by growth in the global economy and the end of destocking
- Strong growth in OE OTR; RT stable
- Growing demand for Commuting Two-wheel tires and Aircraft tires

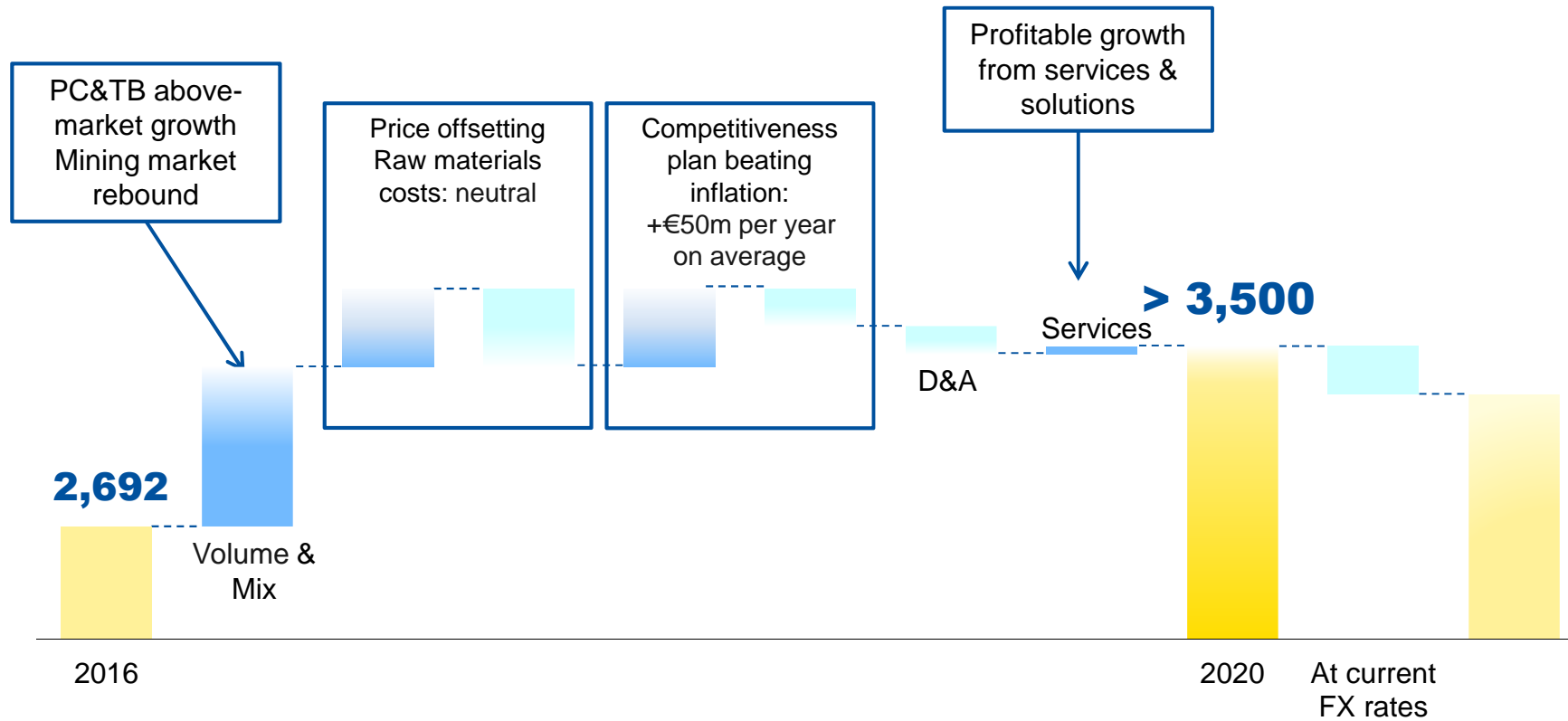
2018 scenario: a year led by the net positive impact of changes in the price-mix and raw materials prices

	H1 actual	H2 2018	2018
Impact from raw materials costs	-€67m	stable	around -€50m*
Currency effect	-€218m	around -€60m**	around -€280m based on June 2018 exchange rates**
Standard effective tax rate	Standard ETR of 28%		
Net impact of price-mix and raw materials prices	+€264m	slightly negative	positive
Competitiveness plan gains vs. inflation	-€42m	positive	positive

*2018 average prices: Natural rubber: \$1.58/kg; butadiene (US, Europe and Asia): \$1300/t; Brent: \$73/bbl

**€/€ at 1.17

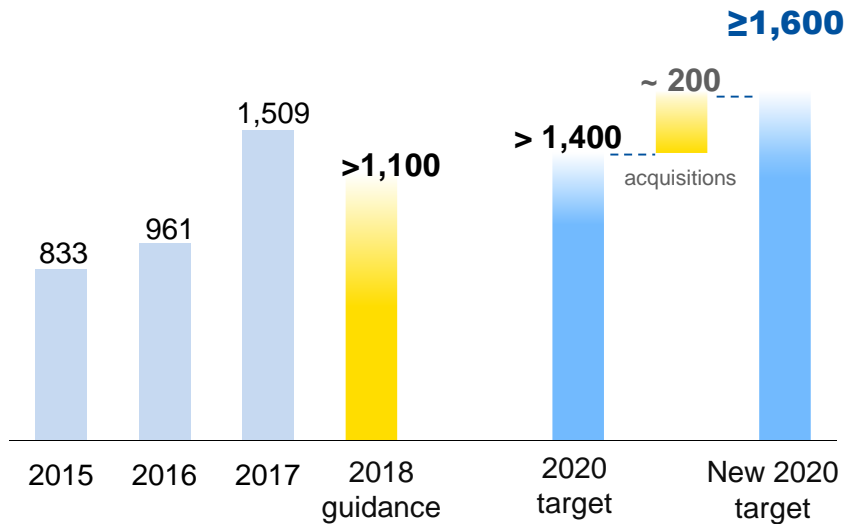
2016-2020 Ebit* organic scenario: profitability levers



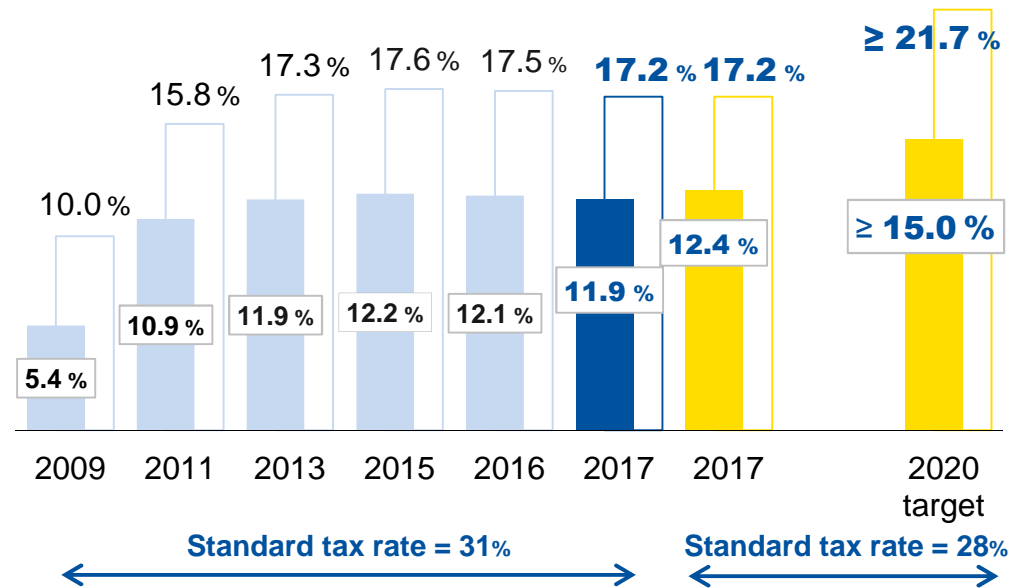
*from recurring activities

2018: on the road to our 2020 objectives

▲ Deliver an structural FCF \geq €1,600m as from 2020
(in millions €)

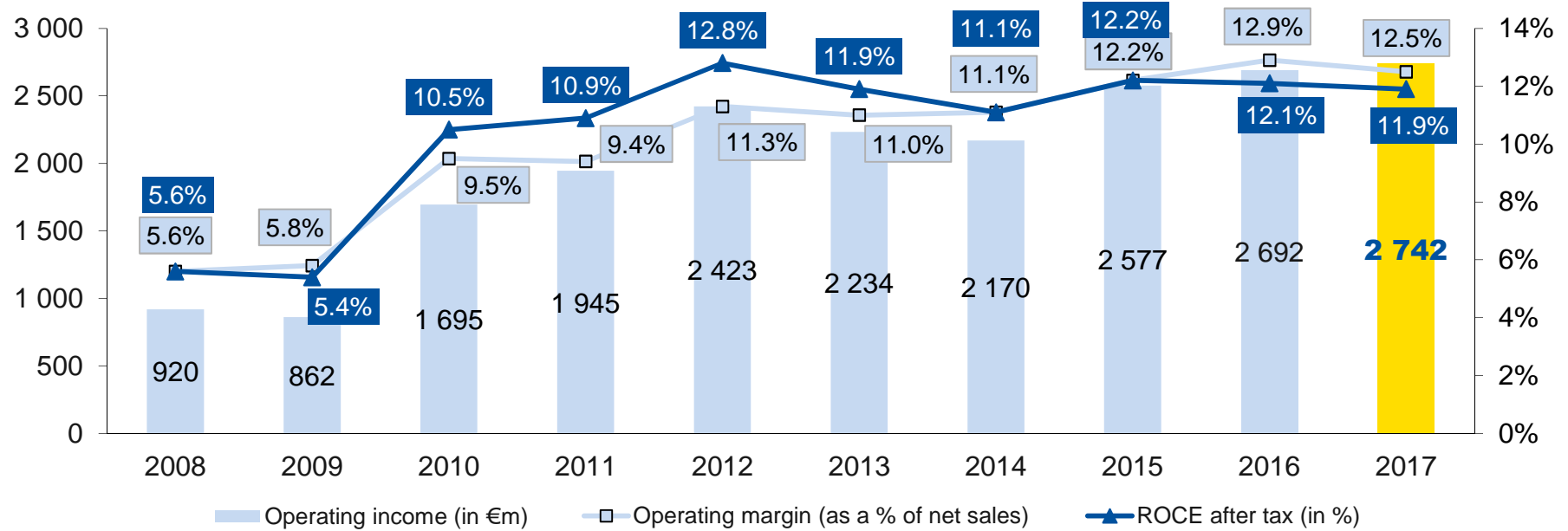


▲ Deliver an after-tax ROCE \geq 15% as from 2020
(in %; at constant scope of consolidation excl. goodwill)



2017: another year in line with our 2020 roadmap

▲ Operating income and margin* & ROCE



*from recurring activities.

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Financial profile

Group corporate structure

Compagnie Générale
des Etablissements Michelin
(CGEM) France

▼ 100%

Compagnie Financière
Michelin SCmA
(CFM) Switzerland



Manufacturing,
sales & research companies
outside France

▼ 100%

Manufacture Française
des Pneumatiques Michelin
(MFPM) France



Manufacturing,
Sales and research companies
in France

Reported 2017 and 2016 financial highlights

<i>(in € millions)</i>	2017	2016
Net sales	21,960	20,907
EBITDA from recurring activities	4,087	4,084
EBITDA margin on recurring activities	18.6%	19.5%
Operating income from recurring activities	2,742	2,692
Operating margin on recurring activities	12.5%	12.9%
Operating income/(loss) from non-recurring activities	(111)	99
Net income	1,693	1,667
Basic earnings per share (in €)	9.39	9.21
Capital expenditure	1,771	1,811
Free cash flow*	+662	+1,024
Gearing	6%	9%

*Net cash from operating activities less net cash used in investing activities less net cash from other current financial assets, before distributions.

Reported 2017 financial highlights: P&L

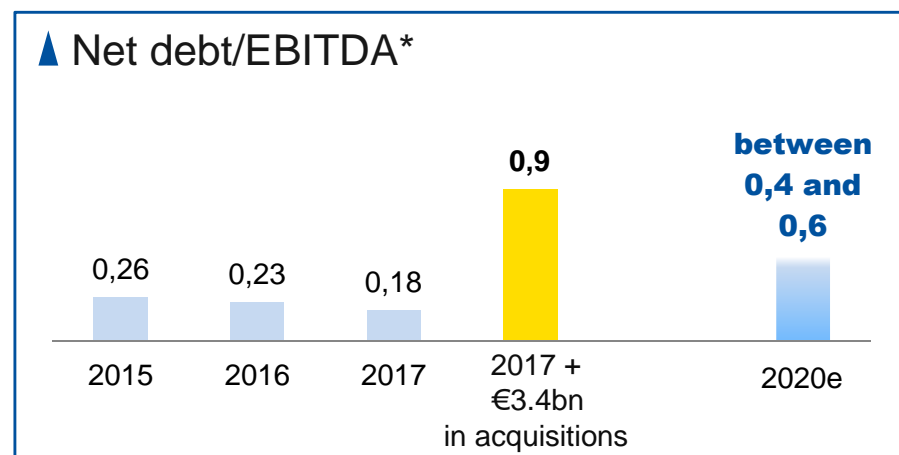
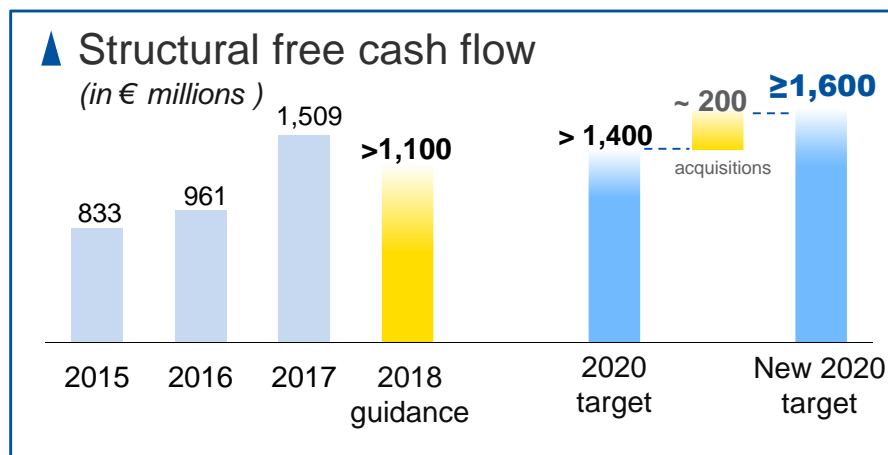
<i>(in € millions)</i>	2017	<i>(as a % of net sales)</i>
Net sales	21,960	
Cost of sales	(14,815)	67.5%
Gross income	7,145	32.5%
Sales and marketing expenses	(1,861)	8.5%
Research and development expenses	(641)	2.9%
General and administrative expenses	(1,866)	8.5%
Other operating income and expenses	(35)	0.2%
Operating income from recurring activities	2,742	12.5%
Operating income/(loss) from non-recurring activities	(111)	0.5%
Operating income	2,631	12.0%
Cost of net debt	(176)	0.8%
Other financial income and expenses	0	0.0%
Net interest on employee benefit obligations	(115)	0.5%
Share of profits and losses from associates	14	0.1%
Income before taxes	2,354	10.7%
Income tax	(661)	3.0%
Net income	1,693	7.7%

Reported 2017 financial highlights: Balance Sheet

ASSETS (in € millions)	December 31, 2017
Goodwill	1,092
Intangible assets	785
Property, plant and equipment	10,883
Non-current financial assets and other assets	479
Investments in associates	356
Deferred tax assets	890
Non-current assets	14,485
Inventories	4,508
Trade receivables	3,084
Current financial assets	285
Other current assets	1,132
Cash and cash equivalents	1,773
Current assets	10,782
TOTAL ASSETS	25,267

EQUITY AND LIABILITIES (in € millions)	December 31, 2017
Share capital	359
Share premiums	2,942
Reserves	7,925
Non-controlling interests	35
Equity	11,261
Non-current financial liabilities	2,366
Employee benefit obligations	3,969
Provisions and other non-current liabilities	1,676
Deferred tax liabilities	113
Non-current liabilities	8,124
Current financial liabilities	493
Trade payables	2,501
Reverse factoring contracts	503
Other current liabilities	2,385
Current liabilities	5,882
TOTAL EQUITY AND LIABILITIES	25,267

High free cash flow and a robust financial position



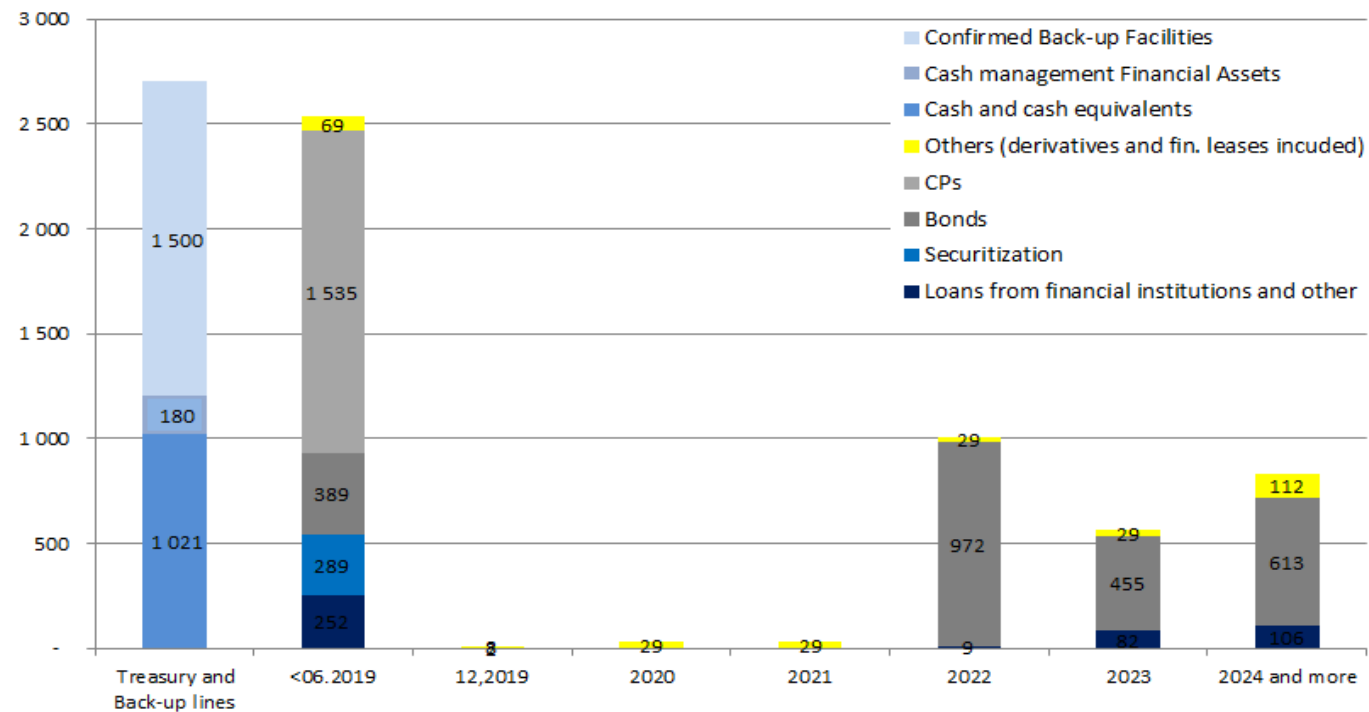
- Strong free cash flow, of at least €1,600m in 2020
- Net debt/EBITDA peaking in 2018 due to cash out for planned acquisitions during the year, before easing to between 0.4 and 0.6 in 2020
- Rating agencies Moody's, Standard & Poor's and Fitch have confirmed an A-/A3 credit rating after the Camso acquisition project announcement bringing to €3.4bn the cash out in 2018

*See the 2017 Registration Document, notes 3.7.2 and 26 to the consolidated financial statements

Smooth debt redemption profile

► Debt maturities at June 30, 2018

(Nominal value, in € millions)



Bond issues outstanding (as of August 23, 2018)

Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue Type	Senior Note Convertible	Senior Note Convertible	Senior Note Bond	Senior Note Bond	Senior Note Bond	Senior Note Bond
Principal Amount	\$ 600 mn	\$ 500 mn + TAP \$100 mn	€ 302 mn	€ 300 mn	€ 300 mn	€ 400 mn
Offering price	95.50%	100% & 103,85%	98.926%	99.967%	99.081%	99.912%
Rating corporation at Issuance date	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	A- (S&P) A3 (Moody's)	BBB+ (S&P) Baa1 (Moody's)
Current coporation rating	A- (S&P) ; A3 (Moody's) ; unsolicited A- (Fitch)					
Coupon	ZERO Conv premium 130%	ZERO Conv premium 128%	3,25% p.a	1,125% p.a	1,75% p.a	2,75% p.a
Issue Date	05/jan/2018	05/jan/2017 & 25/apr/2017	21/sep/2015 & 27/sep/2016	19-mai-15	19-mai-15	11-juin-12
Maturity	10-nov.-23	10-janv.-22	30-sept.-45	28-mai-22	28-mai-27	20-juin-19
Interest payment	N/A	N/A	Annual Sept 30	Annual May 28	Annual May 28	Annual June 20
ISIN	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562	XS0794392588
Denomination	\$ 200'000 with min. tradable amount \$ 200'000	\$ 200'000 with min. tradable amount \$ 200'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000	€ 1'000 with min. tradable amount € 1'000

Indicative Terms for the Contemplated Transaction

Issuer	COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN
Type	– Senior Unsecured Bond
Expected issue ratings	– A3 (Moody's) / A- (S&P)
Maturities	– 3 tranches : 7-year, 12-year and 20-year
Size per tranche	– Benchmark (7y), benchmark (12y), €500 million expected (20y)
Documentation	– Standalone / France listing / French law / Change of Control / MWC / 3-month par call
Global Coordinator, Structuring Advisor & Active Joint Bookrunner	– CITI (7-year, 12-year tranches) and Crédit Agricole CIB (20-year tranche)
Structuring Advisor & Active Joint Bookrunner	– CITI (20-year tranche) and Crédit Agricole CIB (7-year, 12-year tranches)
Active Joint Bookrunners	– Commerzbank – MUFG – Natixis – Santander – SG

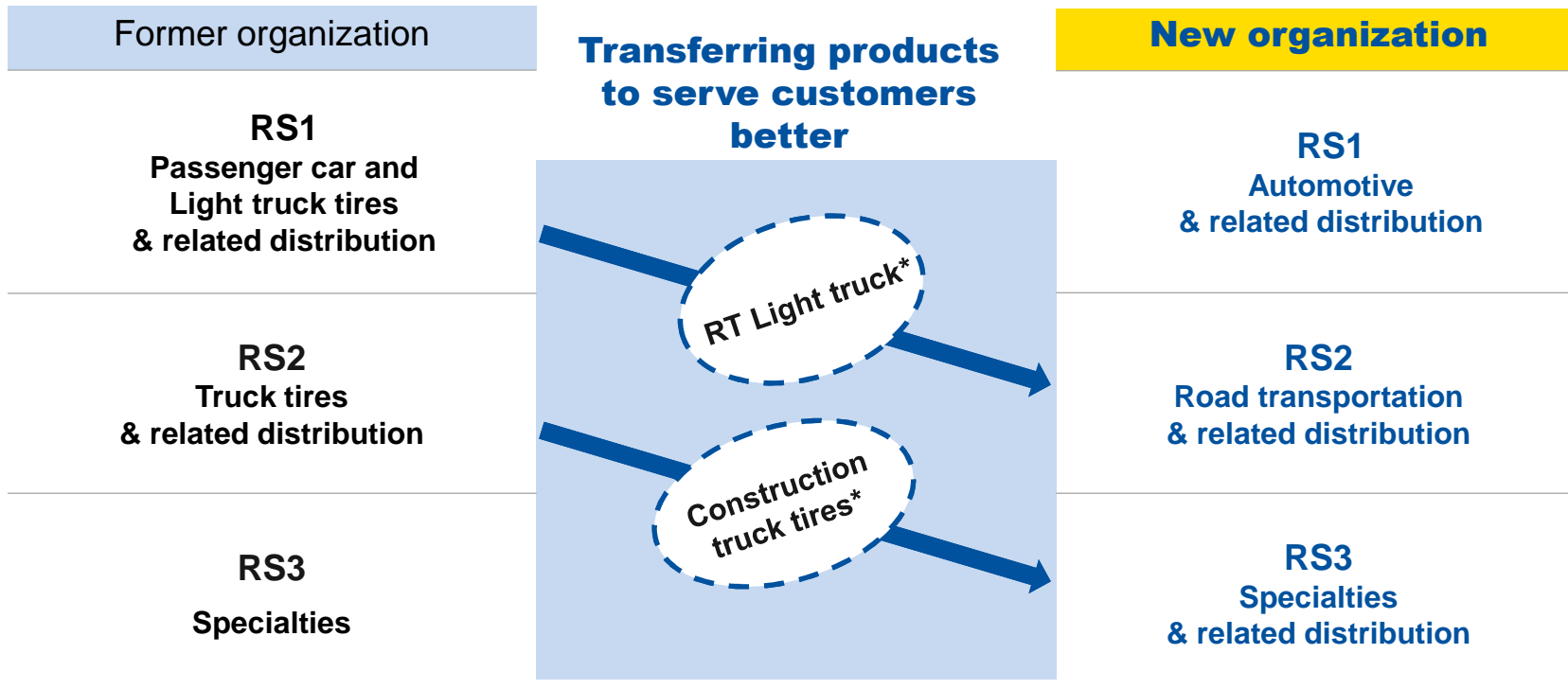
August 28, 2018

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Appendices




A new close-to-the-customer organization



*And related distribution



First-half effects of the new organization by RS

	(in € millions)	H1 2017**	H1 2017	Change
	RS1 net sales	6,009	6,263	-4%
	Operating income*	764	800	-5%
	Operating margin*	12.7%	12.8%	-0.1 pt
	RS2 net sales	2,928	3,041	-4%
	Operating income*	214	229	-7%
	Operating margin*	7.3%	7.5%	-0.2 pts
	RS3 net sales	2,122	1,755	+21%
	Operating income*	415	364	+14%
	Operating margin*	19.6%	20.8%	-1.2 pts

*from recurring activities

**new organization

Reported H1 2018 and H1 2017 financial highlights

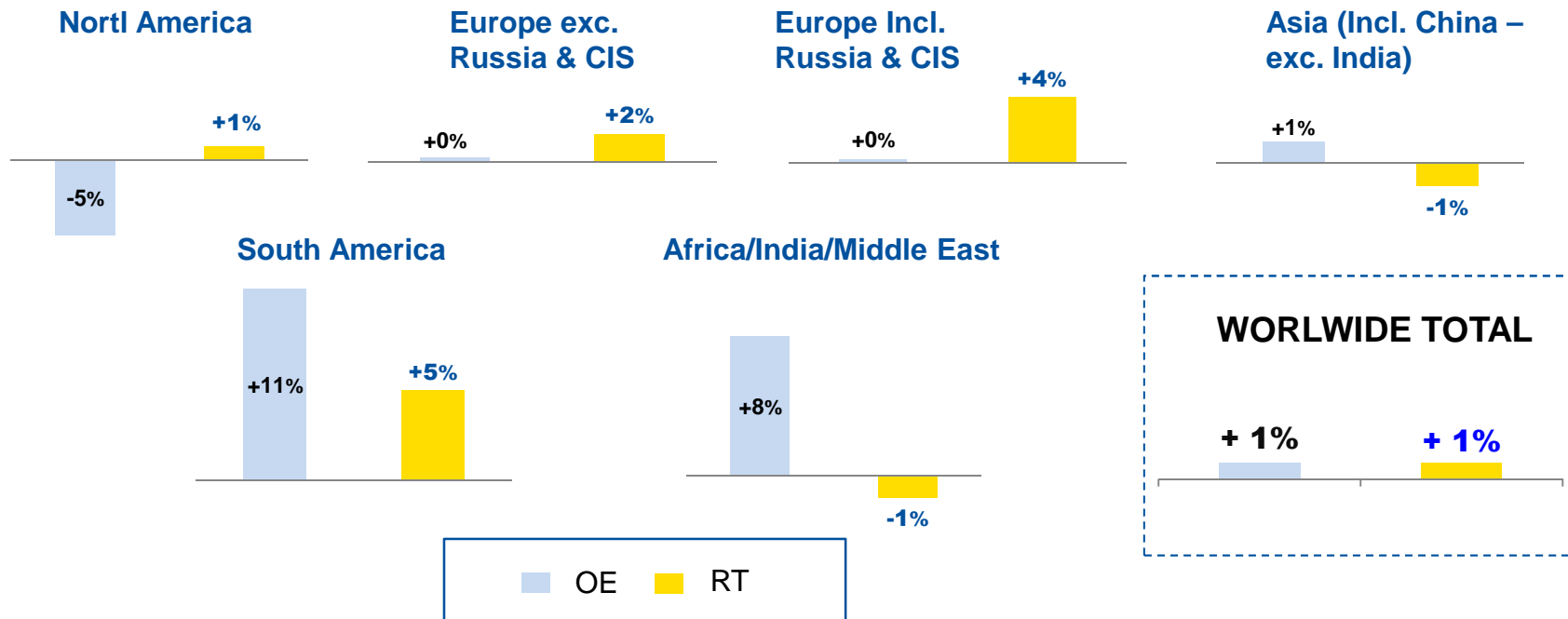
<i>(en millions €)</i>	H1 2018	H1 2017
Net sales	10,603	11,059
Operating income from recurring activities	1,327	1,393
Operating margin on recurring activities	12.5%	12.6%
Operating income/(loss) from non-recurring activities	23	27
Net income	917	863
Basic earnings per share (in €)	5.12	4.76
Capital expenditure (excluding acquisitions)	588	585
Free cash flow*	-2,049	-305
Gearing	33%	16%

*Net cash from operating activities less net cash from investing activities less net cash from other current financial assets, before distributions.

PC: Slower market growth in H1 due to unfavorable comparatives



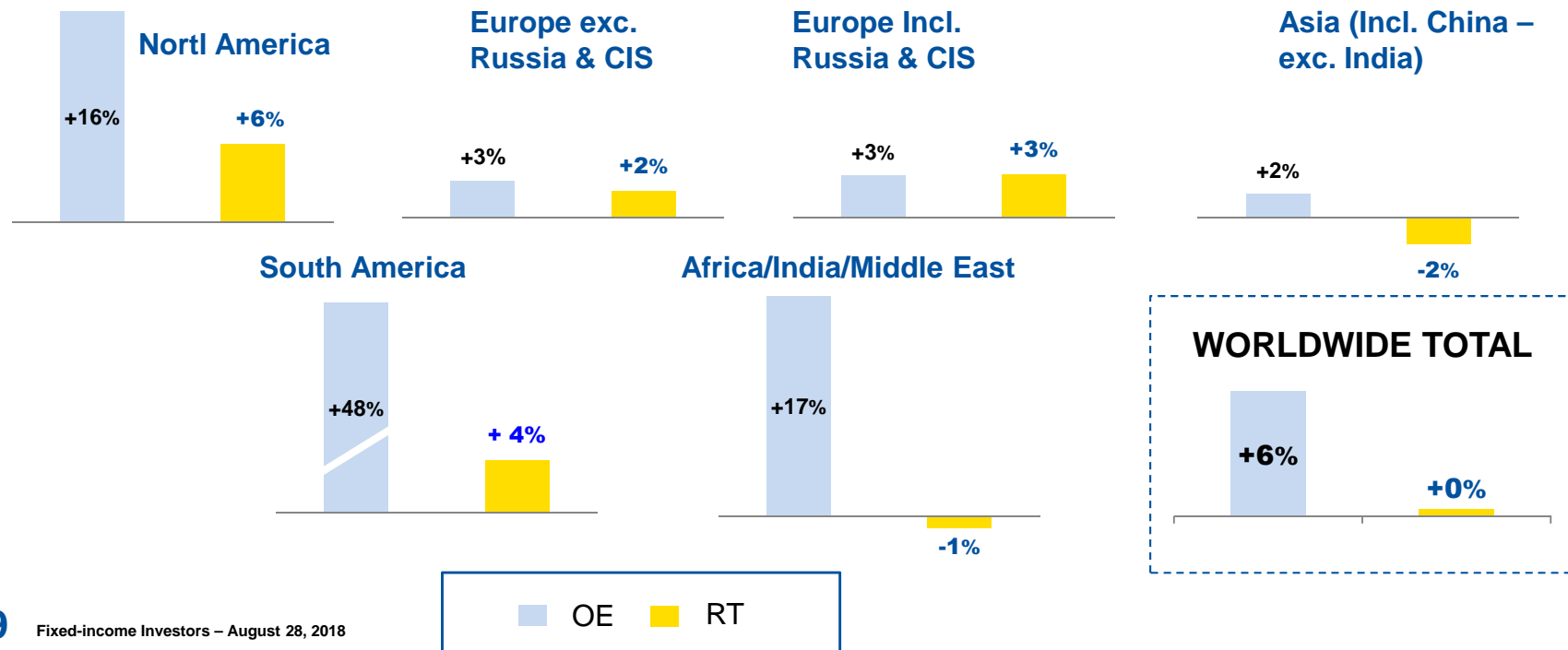
▲ Passenger Car tire market, first-half 2018
 (% change YoY, in number of tires)




Truck: Strong growth in OE markets and stable RT demand, due to an unfavorable basis of comparison



▲ Truck tire market, first-half 2018 (% change YoY, in number of new tires)



Passenger Car: solid margin resistance in the face of adverse currency movements


<i>(in € millions)</i>		H1 2018	H1 2017**	Change	O/w currency effect
	RS1 net sales	5,607	6,009	- 7%	
	Operating income*	646	764	-15%	
	Operating margin*	11.5%	12.7%	-1.2 pts	- 0.9 pts

- Growth in volumes in Q2
- Positions maintained in an expanding OE market.
- Firm RT pricing maintained in a highly competitive environment, particularly in the ≤16' segment
- Market share gains in ≥18' with volumes up 11%
- TCi deconsolidation reduces net sales by 3%
- Highly promising product launches with big runners: MICHELIN Primacy 4, BF Goodrich KM3 and the MICHELIN Alpin 6 and the MICHELIN X Ice North 4 in winter tires



*From recurring activities. **New organization

Truck: margin improvement despite the currency effect and high volume comparatives


<i>(in € millions)</i>		H1 2018	H1 2017**	Change	O/w currency effect
	RS2 net sales	2,782	2,928	-5%	
	Operating income*	195	214	-9%	
	Operating margin*	7.0%	7.3%	-0.3 pts	-1.5 pts

- Tire volume and number of vehicles serviced growing in Q2
- Positions maintained in a fast-growing OE market
- RT prices held firm given focus placed on margins
- New products and services continue to be introduced, particularly with the successful launches of the BFGoodrich® lines in Europe and of the MICHELIN AGILIS CrossClimate light truck and van tires
- Positive effect in Europe of anti-dumping taxes.



*From recurring activities. **New organization

Specialties: higher income despite the currency effect, led by volumes and the net impact of price-mix/raw materials

<i>(in € millions)</i>		H1 2018	H1 2017**	<i>Change</i>	<i>O/w currency effect</i>
	RS3 net sales	2,214	2,122	+4%	
	Operating income*	486	415	+17%	
	Operating margin*	22.0%	19.6%	+2.4 pts	- 1.2 pts

- Strong growth in volumes, driven by Mining tires (with no inventory rebuilding) and by OE Earthmover and Agricultural tire sales, to the detriment of RT sales due to lack of capacity
- Faster ramp-up of output at the mining tire plant in Anderson, USA
- Net positive impact of price-mix/raw materials offset the negative impact in 2017
- Initial studies with the Fenner teams have raised estimated synergies to £60m (from £30m) by 2022



*From recurring activities. **New organization

Fenner Key figures



<i>(in £ millions)</i>	2017	2016
Net sales	655	573
EBITDA	86	61
EBITDA margin	13.1%	10.6%
EBIT	59	37
EBIT margin	9.0%	6.5%
Net income	34.1	(26.3)
Earnings per share in pence (diluted)	17.5	(13.6)
Net debt	102	150
Gearing (Net debt/equity)	30%	54%
Capex (including finance leases)	12.4	16.1
Free cash flow*	84.8	54.1

* FCF = EBITDA – capex – change in WC – tax

Source: Fenner PLC

Camso: a perfect fit with Michelin to enhance value creation



Transaction process

- Michelin is acquiring Camso based on an enterprise value of \$1.7bn
- Cash out for Michelin amounts to \$1.45bn
- The deal has been approved by all of Camso's shareholders

Value creation

- Up to \$55m in identified synergies by 2021 and optimization of around \$20m in WCR
- Accretive to EPS from year one and strong value creation
- 8.3 x EBITDA* post synergies

Financing

- All-cash deal
- Strategy aligned with Michelin's financing policy, which should maintain a solid credit rating (A-/A3) even after €3.4bn external growth in 2018

Support from both management teams

- An enthusiastic Camso and Michelin management team, motivated to meet the ambitious targets set for the new OTR unit
- The new OTR Mobility division's decision center will be based in Magog, Quebec, Canada

Timing

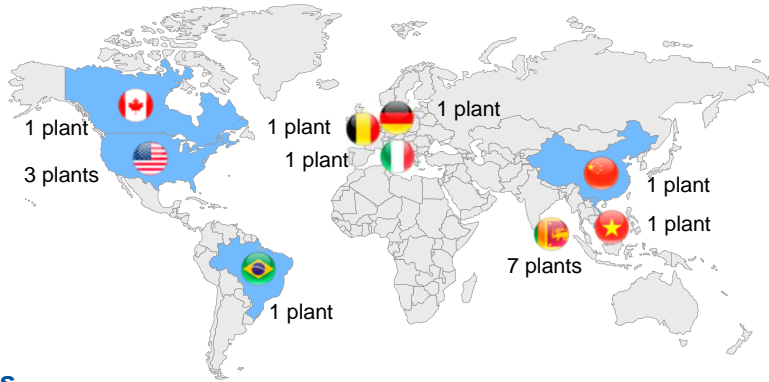
- Acquisition subject to customary due diligence procedures and regulatory approvals
- Closing expected in november 2018

*EBITDA April 1, 2018 – March 31, 2019

Camso, a global footprint

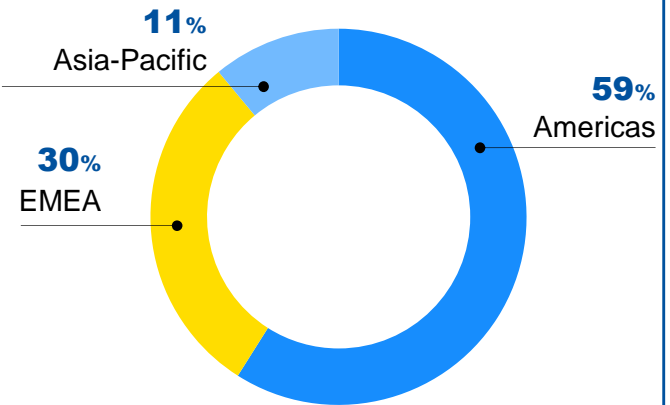


Plant locations worldwide



17 plants
Of which 10 in emerging countries

Net sales by region*



Global marketing operations

Distributed in
100 countries

26 countries
Proprietary dealerships
and services under the
SOLIDEAL brand



*Source: Camso 2018

Material handling: with Camso and its SOLIDEAL brand, Michelin will become a major player in solid tires, with a competitive manufacturing base



■ Material handling markets and competitive environment*



Global market breakdown		Michelin	Camso	Competition	Growth CAGR 2019-2021
Radial	~ 10%	Strong	Absent	Normal	+5%
Bias	~ 45%	Absent	Present	High	
Solid	~ 45%	Absent	Strong	Normal	

- Michelin will broaden the range of solutions offered by Camso, the world leader with the SOLIDEAL brand, which enjoys high awareness and a major share of the OE market. Strong opportunity to drive growth in radial sales
- Camso's services are built around customer-centric solutions, which support their high market share
- Competitive production facilities in Vietnam and Sri Lanka
- Enhanced expertise and innovation capabilities

*Source: Camso/Michelin, global market in \$ billions

Construction: Camso strengthens Michelin's offering with a competitive production base



■ Construction markets and competitive environment*



Global market breakdown		Michelin	Camso	Competition	Growth CAGR 2019-2021
Radial	~ 30%	Strong	Absent	High	3.5%
Bias	~ 60%	Absent	Present	High	
Tracks	~ 10%	Absent	Present	High	

- Michelin's intimacy with OE customers to grow Camso's bias business
- Close fit between the dealership networks, to expand the bias and radial offerings
- Michelin will enhance its portfolio thanks to a highly competitive production base (Sri Lanka)
- Conversion from tire to track systems in certain sub-segments
- Growth potential in Asia

*Source: Camso/Michelin, global market in \$ billions

Agriculture: creation of a unique player providing its customers with comprehensive, premium solutions in radial tires and track systems



■ Agricultural markets and competitive environment*



	Global market breakdown	Michelin	Camsco	Competition	Growth CAGR 2019-2021
Radial	~ 30%	Strong	Absent	Normal	+4% o/w 9% in the track segment
Bias	~ 60%	Absent	Absent	High	
Tracks	~ 10%	Absent	Leader	Normal	

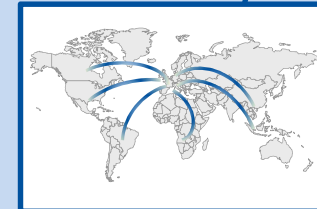
- Expanding agro-industry markets are driving strong demand for agriculture equipment, especially tracked vehicles
- A large number of synergy drivers:
 - A product offering that is both comprehensive (radial, tracks and tire pressure control systems) and technologically advanced
 - A tight fitting geographic footprint, especially in Europe and North America
 - Use of Michelin dealerships to drive sales of Camsco solutions
 - Michelin R&D can help to optimize the lifespan of Camsco treads
- Products that protect the environment and increase yields, with reduced soil compaction and better traction

*Source: Camsco/Michelin, global market in \$ billions

Camso: up to \$55 million in quantified synergies in 2021



- Three sales growth drivers:
 - Products, geographies and customers
 - Generating additional sales, led by replacement markets, feeding through to \$25m in EBITDA
- Identified cost optimizations:
 - Improved raw materials purchasing conditions and in-sourcing options:
 - Up to \$15m in gains
 - Optimization of expenses, pooling of R&D capabilities
 - Up to \$15m in gains
 - Reduction in Camso's finance costs
- Optimization of working capital requirement to improve cash flow by around \$20m



Camsco key figures



<i>In \$ millions</i>	2018
Net sales	974
EBITDA	136
EBITDA margin	14%
Net income	68
Net debt	251
Capex as a % of net sales	5.5
Free cash flow*	17

*Free cash flow = EBITDA – investment – change in WCR - tax

Source: Camsco

H1 2018 Group net sales by currency and EBIT impact

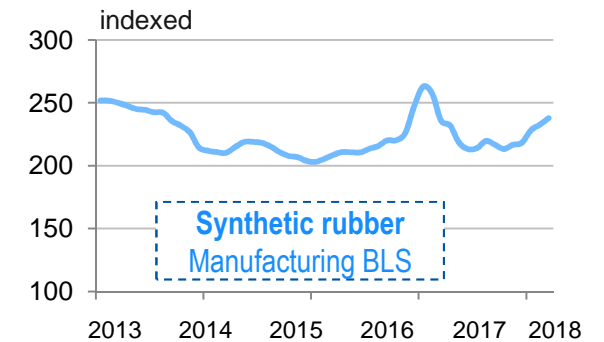
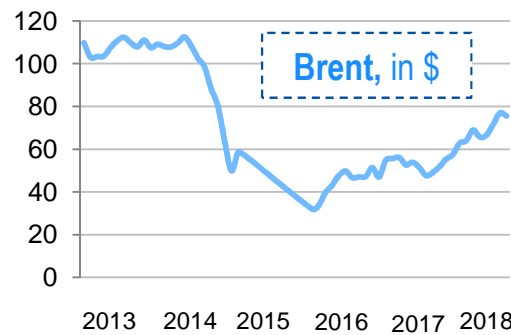
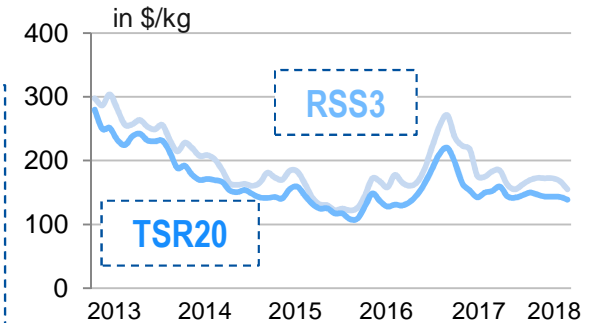
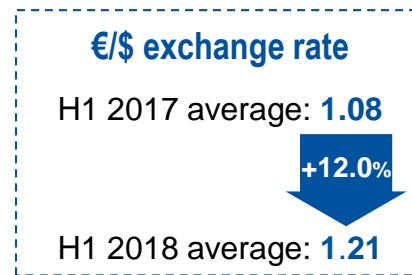
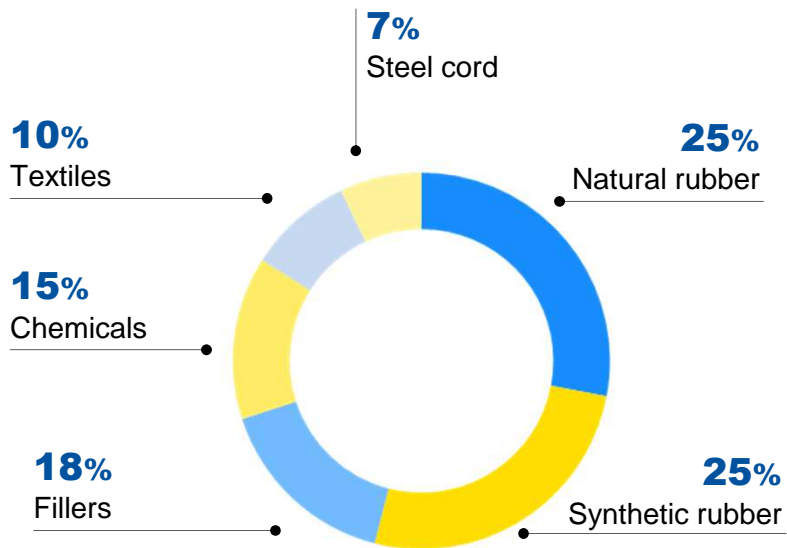
	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptrough Net sales/EBIT*
	ARS	1%	+51%	80% - 85%
	AUD	2%	+9%	80% - 85%
	BRL	3%	+20%	-20% / - 30%
	CAD	3%	+7%	25% - 30%
	CNY	6%	+4%	25% - 30%
	EUR	35%	NA	-
	GBP	3%	+2%	25% - 30%
	INR	1%	+12%	25% - 30%
	JPY	1%	+8%	80% - 85%

	% of net sales H1 2018		H1 2018 vs 2017 € change vs. currency	Droptrough Net sales/EBIT*
	MXN	1%	+10%	25% - 30%
	PLN	1%	-1%	25% - 30%
	RUB	2%	+14%	25% - 30%
	THB	1%	+2%	-100% / -130%
	TRY	1%	+25%	80% - 85%
	TWD	1%	+8%	80% - 85%
	USD	35%	+12%	25% - 30%
	Autres	1%		80% - 85%

* Droptrough depending on countries specificities: export/production/sales base

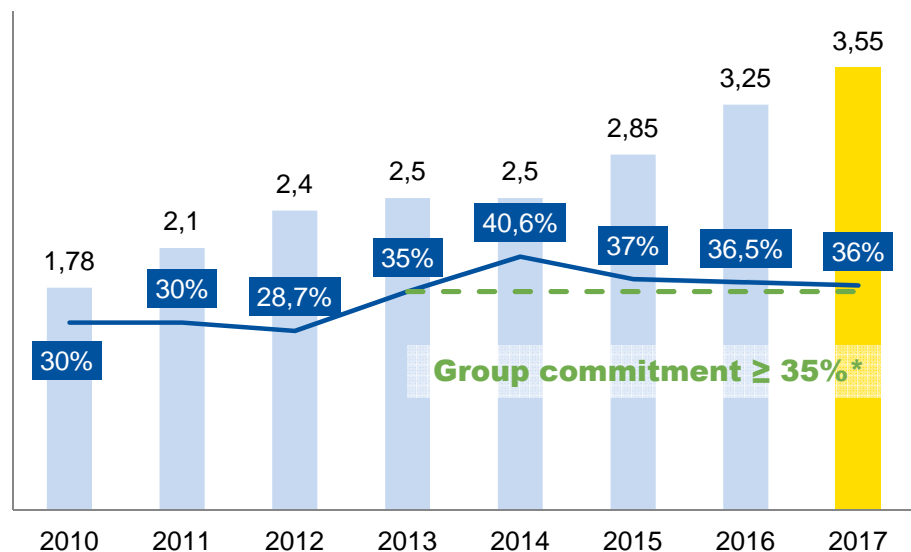
Raw materials

▲ Raw materials purchases in H1 2018 (€2.5bn)



Sustained shareholder return policy: dividends and share buybacks

- 2017 dividend of €3.55 per share, or a payout ratio of 36%*



- Dividend per share (in €)
- Payout ratio (in %)
- Group commitment: payout ratio $\geq 35\%^*$ over the 2013-2020 period

* of Net results adjusted from non-recurring items

Share buyback programs

- 2015-2016: €750m in buybacks and 4.5% of outstanding shares canceled
- 2017: €101m in buybacks and 0.5% of outstanding shares canceled
- 2018: €75m in buybacks and 0.4% of outstanding shares canceled to offset the dilutive impact of share-based compensation



NEW
MICHELIN PRIMACY 4
**SAFE WHEN NEW,
SAFE WHEN WORN***



MICHELIN

TDAWPA005

* Whether new or worn, the 205/55 R16 91V MICHELIN PRIMACY 4 exceeded the R117 European regulation wet grip threshold. Worn means worn on a machine (buffed) to the depth of the tread wear indicator according to European regulation for Tread Wear Indicator ECE R30/03.



Michelin Primacy 4: safe when new, safe when worn⁽¹⁾



NEW
MICHELIN PRIMACY 4

SAFE WHEN NEW



SAFE WHEN WORN*

*New and Worn (worn means 2 mm tread depth), on 205/55 R16 91V. MICHELIN PRIMACY 4 is above the R117 European regulation wet grip threshold



1) Whether new or worn, the 205/55 R16 91V MICHELIN PRIMACY 4 exceeded the R117 European regulation wet grip threshold. Worn means worn on a machine (buffed) to the depth of the tread wear indicator according to European regulation for Tread Wear Indicator ECE R30r03f.

(2) Test conducted by DEKRA TEST CENTER, on Michelin's request, between June and July 2017, on dimension 205/55 R16 91V on VW Golf 7 comparing MICHELIN PRIMACY 4 versus the average of the following competitor tires: BRIDGESTONE TURANZA T001 EVO, CONTINENTAL PREMIUM CONTACT 5, DUNLOP BLURESPONSE, GOODYEAR EFFICIENT GRIP PERFORMANCE, PIRELLI CINTURATO P7 BLUE. Longevity test run in average real usage (Michelin test D50) with 10,000 km run and estimated longevity at 1.6mm.

(3) Wet braking test, between 80 and 20 kph, conducted by TÜV SÜD product service, on Michelin's request, between June and July 2017, on dimension 205/55 R16 91V on VW Golf 7 comparing MICHELIN PRIMACY 4 versus the average of the following competitor tires: BRIDGESTONE TURANZA T001 EVO, CONTINENTAL PREMIUM CONTACT 5, DUNLOP BLURESPONSE, GOODYEAR EFFICIENT GRIP PERFORMANCE, PIRELLI CINTURATO P7 BLUE. Worn, MICHELIN PRIMACY 4 is joint-leader with BRIDGESTONE TURANZA T001 EVO. Worn means worn on a machine (buffed) to the depth of the tread wear indicator according to European regulation for Tread Wear Indicator ECE R30r03f.

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Successful launch of the MICHELIN AGILIS CrossClimate lineup



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Contacts

Matthieu DEWAVRIN
Jean-François BOUFFARD

+33 (0)4 15 39 84 68

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

23, place des Carmes Dechaux
63040 Clermont-Ferrand Cedex 9

investor-relations@michelin.com