



Oddo Securities – March 10, 2017
Brussels

2016: a year of progress, in line with our 2020 roadmap

| | 2016 guidance | | 2016 actual |
|---|---------------------|---|---------------------|
| Volumes | Above-market growth | ✓ | +2.1% |
| Operating income from recurring activities at constant exchange rates | > 2015 | ✓ | €2,692m up €235m |
| Structural FCF | > €800m | ✓ | €961m |

Objectives met: €2,692m in operating income from recurring activities (up €235m at constant exchange rates), above €1bn in FCF

- Volumes up 2.1%, outpacing the markets
- €159m positive impact from changes in price mix and raw materials costs, thanks to effective management
- Competitiveness plan: €1.2bn target met over the 2012-2016 period
- Strong free cash flow for the year, at €1,024m
 - With €961m in structural free cash flow, up €128m
- Two-year, €750m share buyback program completed and 4.5% of outstanding shares canceled, of which 1.8% (for €301m) in 2016
- Proposed dividend of €3.25* per share, for a payout of 36.5% of consolidated net income before non-recurring items
- 2017 guidance in line with 2020 objectives

* Subject to shareholder approval at the Annual Meeting on May 19, 2017

Volumes up 2.1%, outpacing the markets

| % change in volumes YoY | 2016 |
|--|-------------|
| Passenger car and Light truck tires* Markets | +3% +3% |
| Truck tires* Markets | +1% -1% |
| Specialty tires Markets | -1% -4 % |

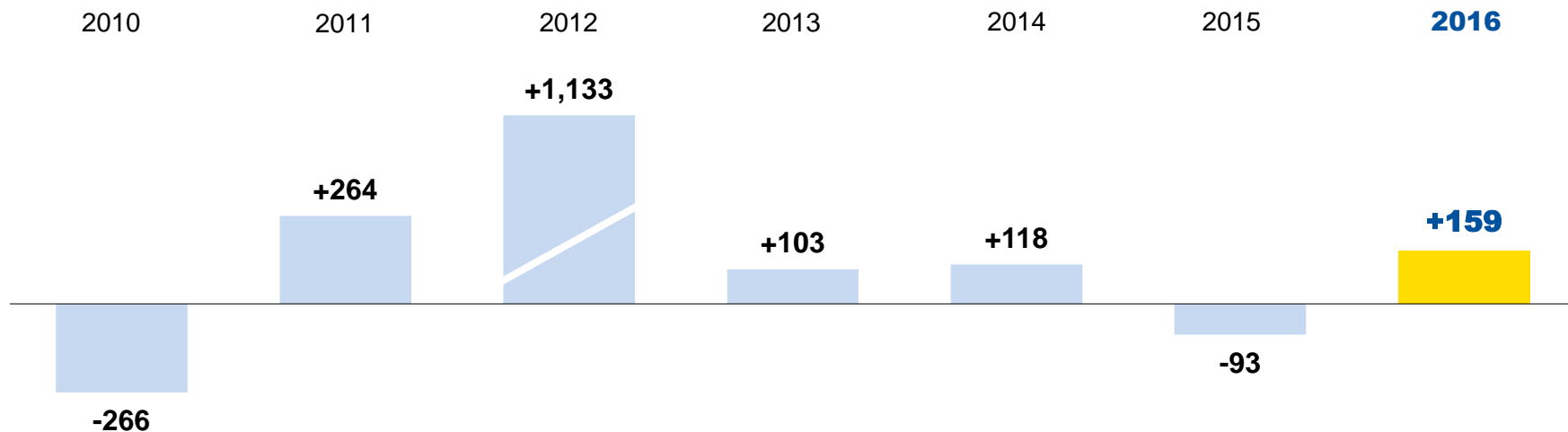
* And related distribution

Source: Michelin



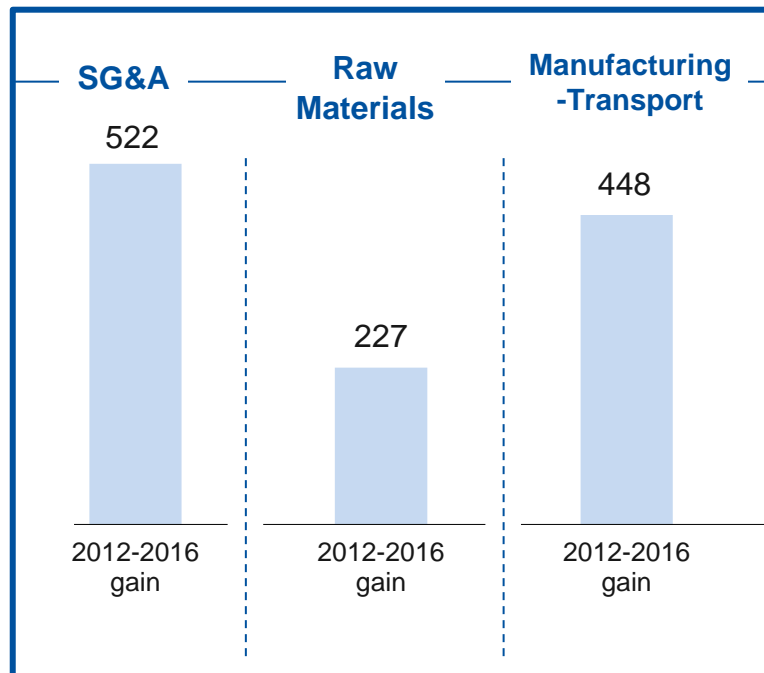
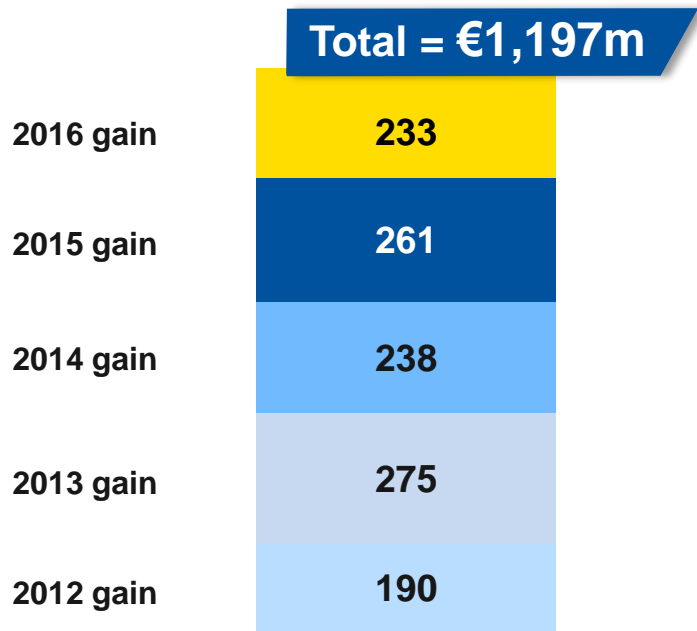
Improvement in unit margin due to effective pricing management over time

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



Competitiveness plan's 2012-2016 target met

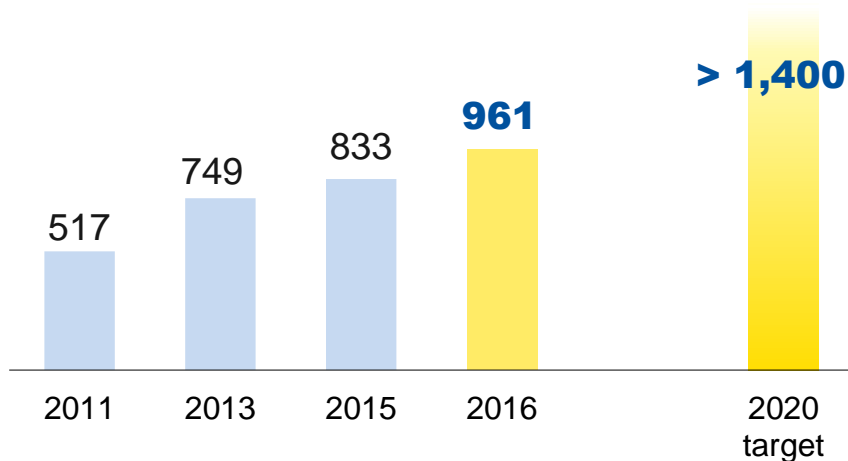
▲ Targeted gains*, 2012-2016: €1,200m ✓



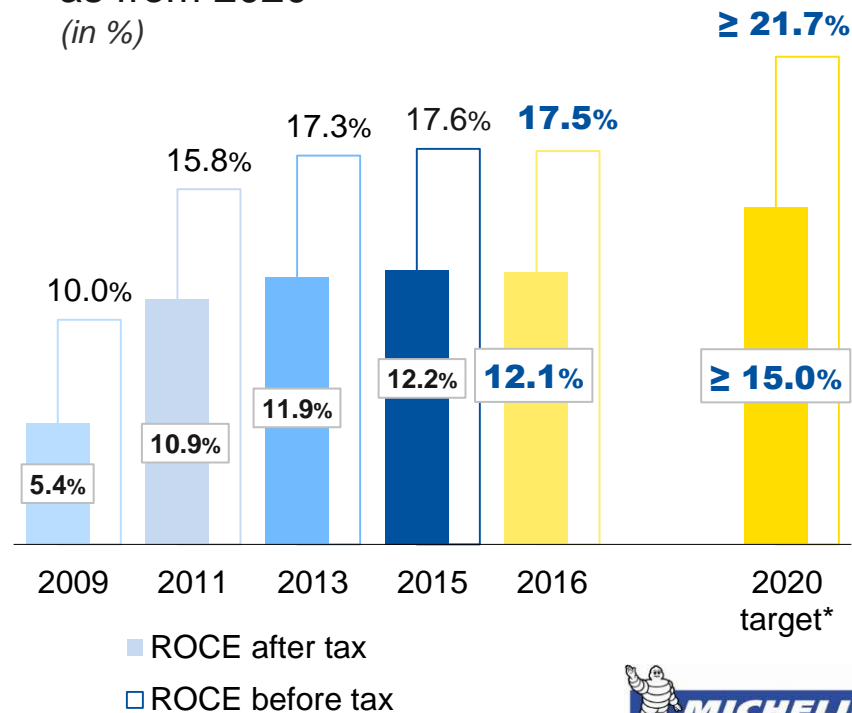
* Before inflation and including avoided costs.

2016 performance in line with 2020 objectives

▲ Deliver structural FCF > €1,400m
as from 2020
(in € millions)



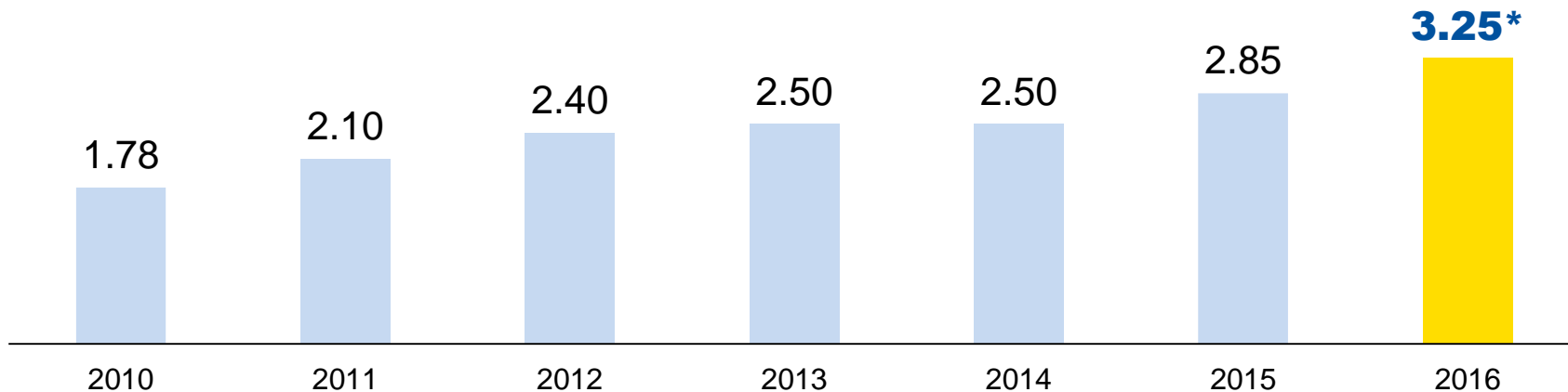
▲ Deliver an after-tax ROCE ≥ 15%
as from 2020
(in %)



* At constant scope of consolidation excluding goodwill

Dividend increase in line with Group gains

▲ Per share data (in €)



2013-2020 payout ratio: \geq 35% of consolidated net income
(before non-recurring items)

* Subject to shareholder approval at the Annual Meeting on May 19, 2017

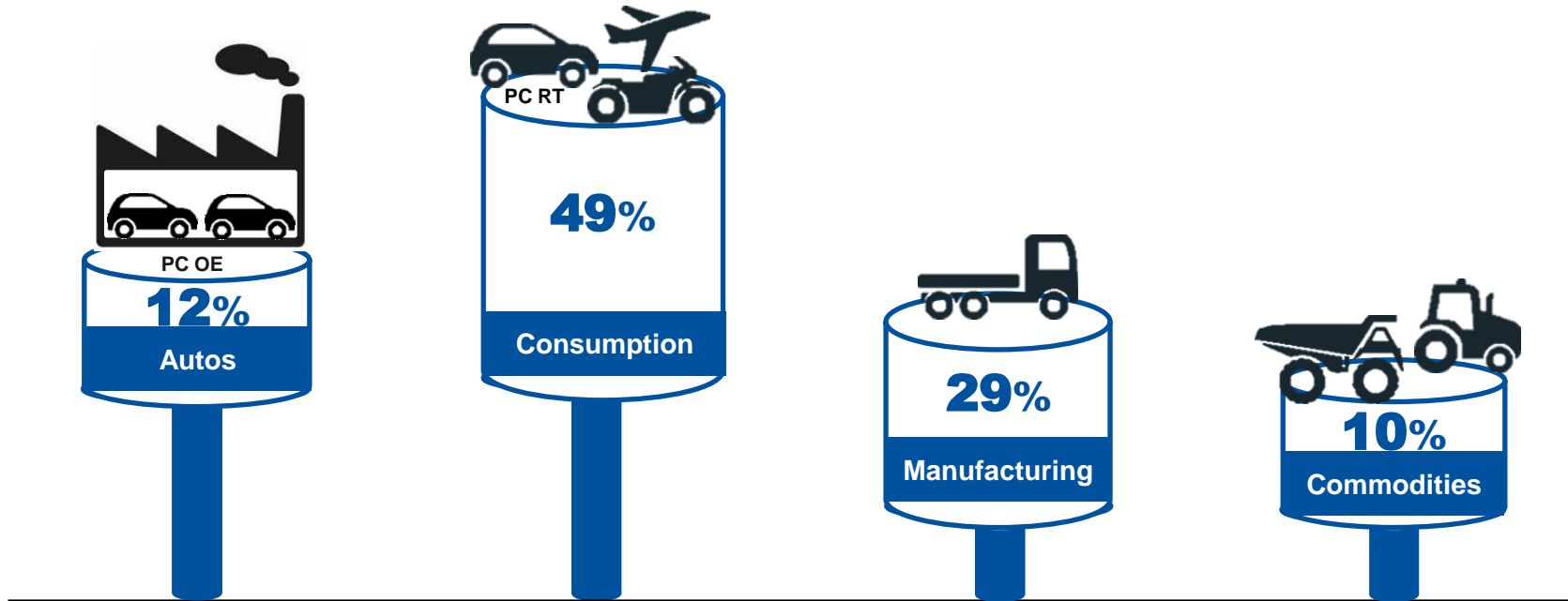
2017 guidance: on the road to our 2020 objectives

| | 2017 |
|---|---------------------------------|
| Volumes | Growth in line with the markets |
| Operating income from recurring activities at constant exchange rates | ≥ 2016 |
| Net price-mix effect vs. raw materials | Non-indexed businesses: neutral |
| Structural FCF* | > €900m |

* Adjusted for the payment in January 2017 of the €193m in interest on the zero-coupon Océanes 2017 convertible bonds

A business model strongly linked to consumption

▲ Net sales by drivers



2016 net sales by sector

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1 / 2016: a stronger business performance

2 / 2017 guidance

3 / On the road to 2020

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1

2016: a stronger business performance

2016 demand: robust in PC, down in Truck and rebounding in Q4 in mining tires



PASSENGER CAR: +3%

Global OE: +4%

- Growth in the mature markets, China and India

Global RT: +2%

- Robust demand in Western Europe and in the last quarter, rebound in North America and recovery in Russia and Brazil
- Sustained growth in China
- Further growth in budget lines



TRUCK: -1%

Global OE: +0%

- Growth in China and India and contraction in North America off of high prior-year figures

Global RT: -1%

- Growth in Western Europe and, in the last quarter, Brazil
- Demand in China up in H2
- Further growth in budget lines



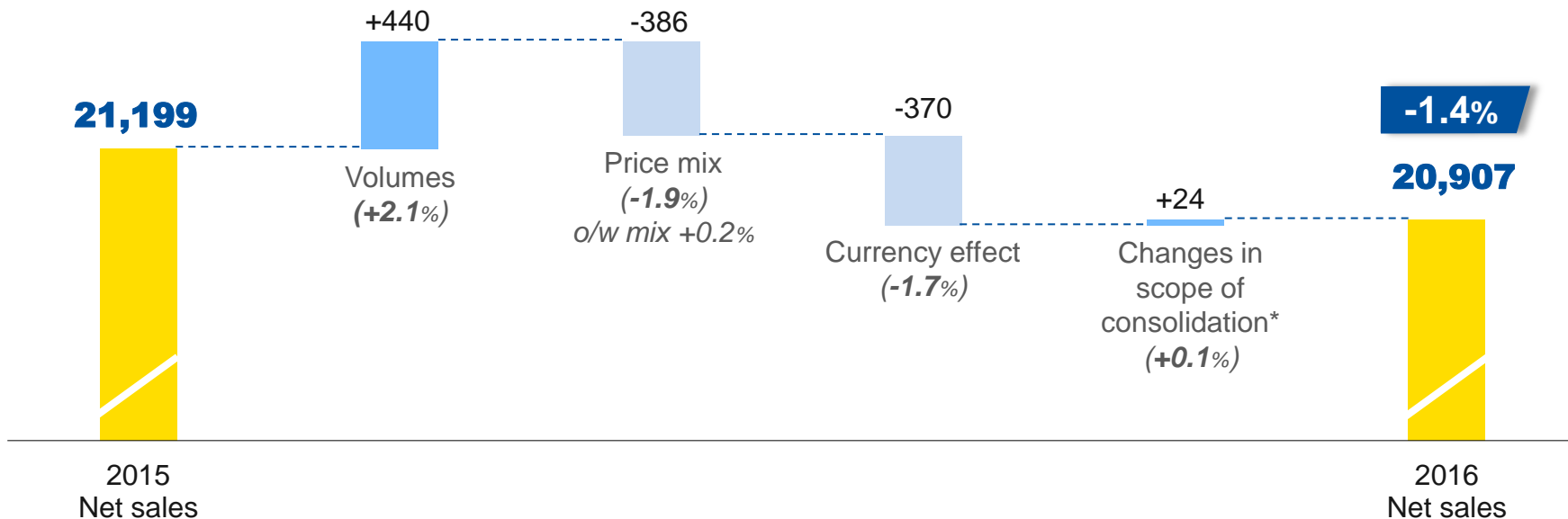
SPECIALTY: -4%

- Mining: rebound in the final quarter
- Agricultural: slight decline in the mature markets
- Aircraft and Two-Wheel tires: continued growth

Source: Michelin

Net sales lifted by higher volumes

▲ YoY change
(in € millions and %)

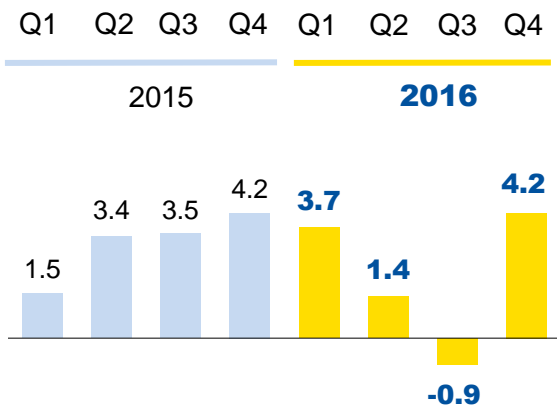


* Booka Table

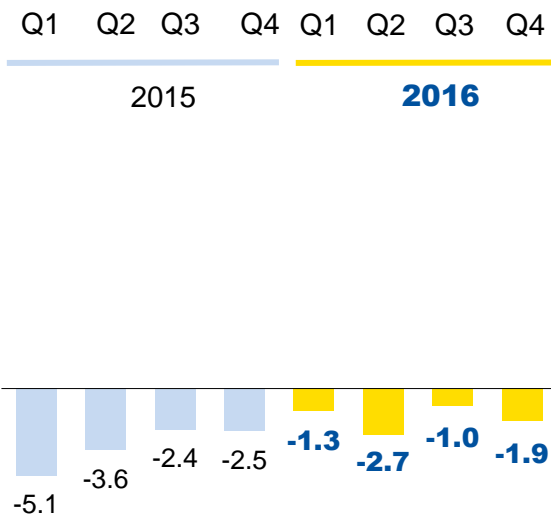
Volumes up sharply in Q4, particularly in RS1 (+5%) and RS3 (+6%)

▲ YoY quarterly change
(in %)

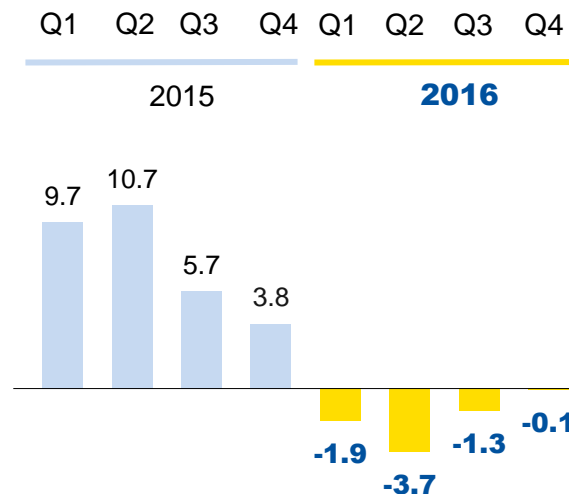
Volumes



Price mix

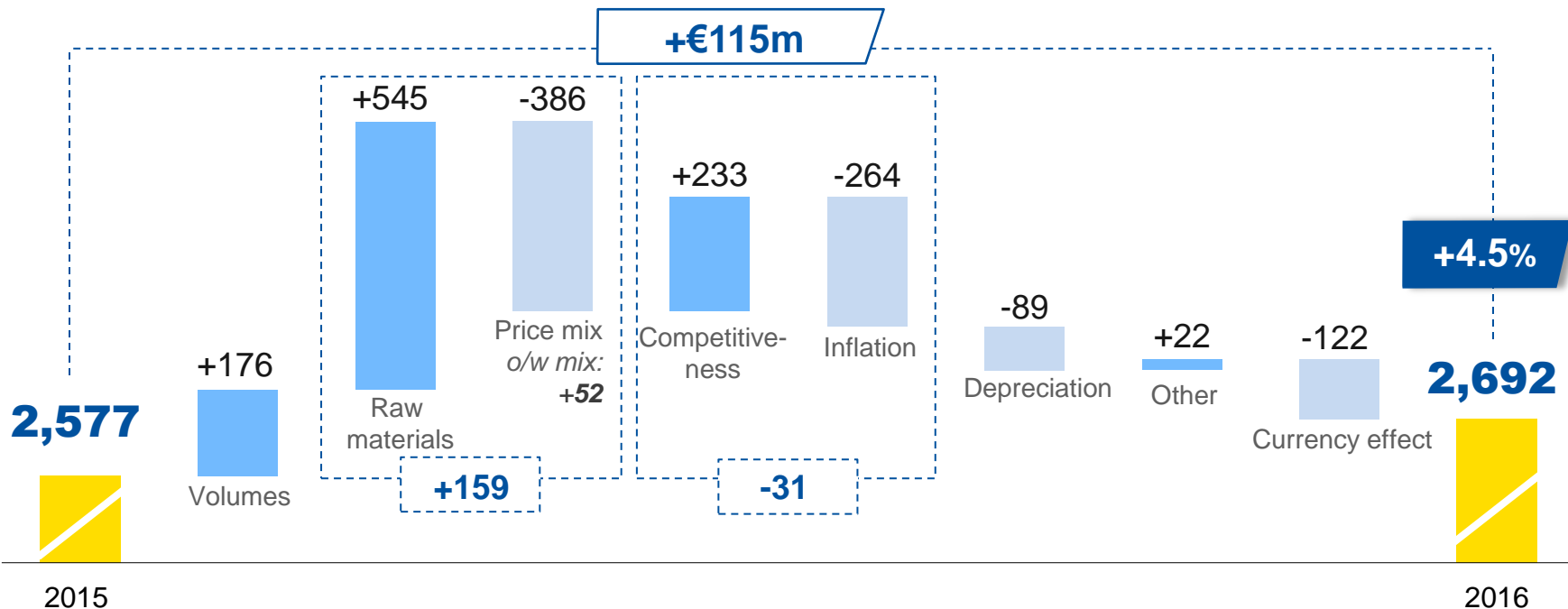


Currency effect



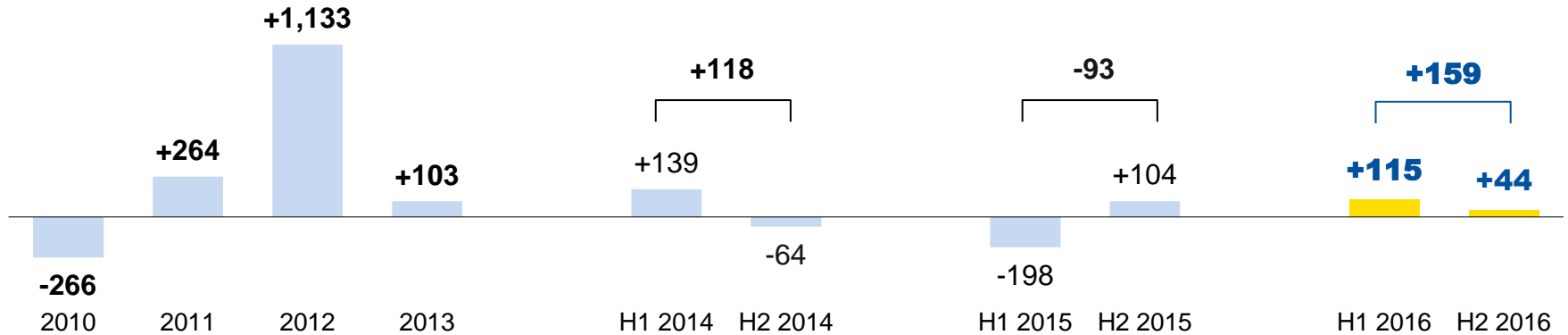
Operating income up €235m at constant exchange rates

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






Improvement in unit margin due to effective pricing management over time

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



- 2016: net impact of changes in price mix and raw materials costs was a negative €28m for indexed businesses and a positive €187m for the other businesses

Sustained margin improvement in RS1, consolidation in RS2 and firm resistance in RS3

| <i>(in € millions)</i> | | 2016 | 2015 | % change |
|--|--------------------------|---------------|--------|----------|
|  | RS1 net sales | 12,105 | 12,028 | +1% |
| | Operating income* | 1,585 | 1,384 | +15% |
| | Operating margin* | 13.1% | 11.5% | +1.6 pts |
|  | RS2 net sales | 5,966 | 6,229 | -4% |
| | Operating income* | 580 | 645 | -10% |
| | Operating margin* | 9.7% | 10.4% | -0.7 pts |
|  | RS3 net sales | 2,836 | 2,942 | -4% |
| | Operating income* | 527 | 548 | -4% |
| | Operating margin* | 18.6% | 18.6% | +0 pt |

* On recurring activities

Product launches driving volume and market share gains

Passenger Car

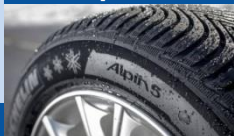
MICHELIN CrossClimate +



MICHELIN Pilot Sport 4 S



MICHELIN Alpin 5



BFGoodrich All Terrain T/A K02



MICHELIN Premier LTX



Truck

MICHELIN X-One Urban Bus



MICHELIN X®Guard



Convoy TripleA



MICHELIN XWorks



MICHELIN X Line Energy Z



Specialty



MICHELIN Power RS



MICHELIN XDR3

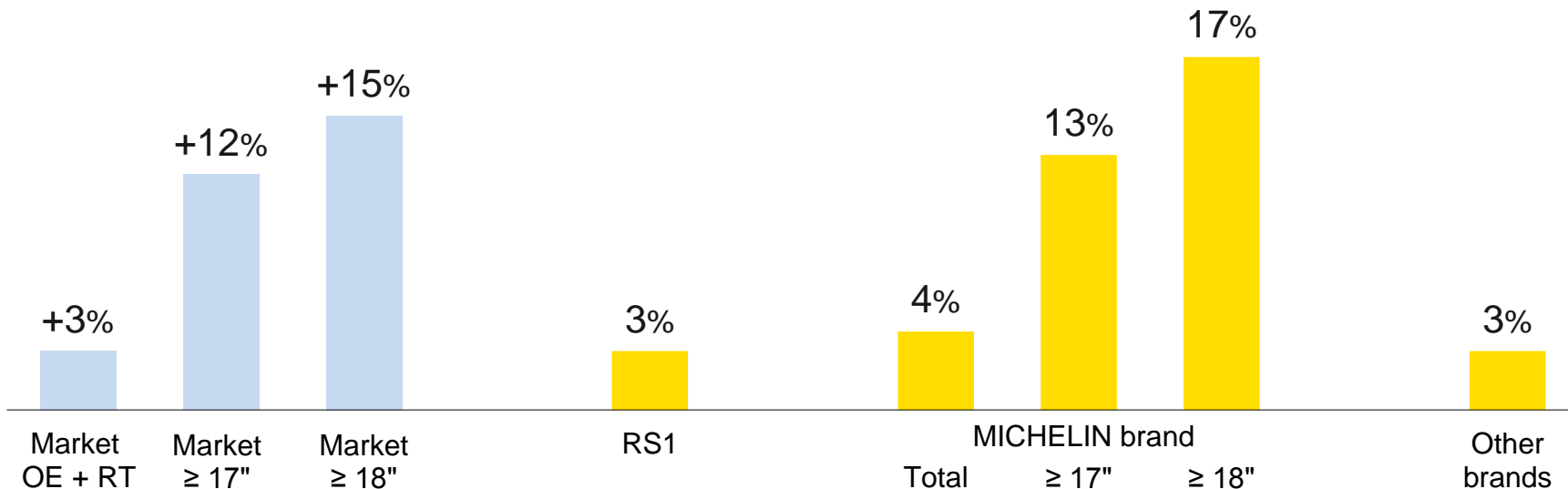


2 tires in 1 technology



Passenger car/Light truck tires: solid performance across every brand and segment

▲ Passenger car and Light truck growth (YoY)



Source: Michelin



MICHELIN CrossClimate: volumes up nearly 30%



- MICHELIN summer tire with winter certification
- Best All Seasons tire ranked by



“There is only one candidate that meets all the requirements of an ideal, uncompromising ‘all-season’ tire,” says  magazine, “and that’s the MICHELIN CrossClimate.”

New 2017-2020 competitiveness plan: €1.2bn targeted over 4 years only

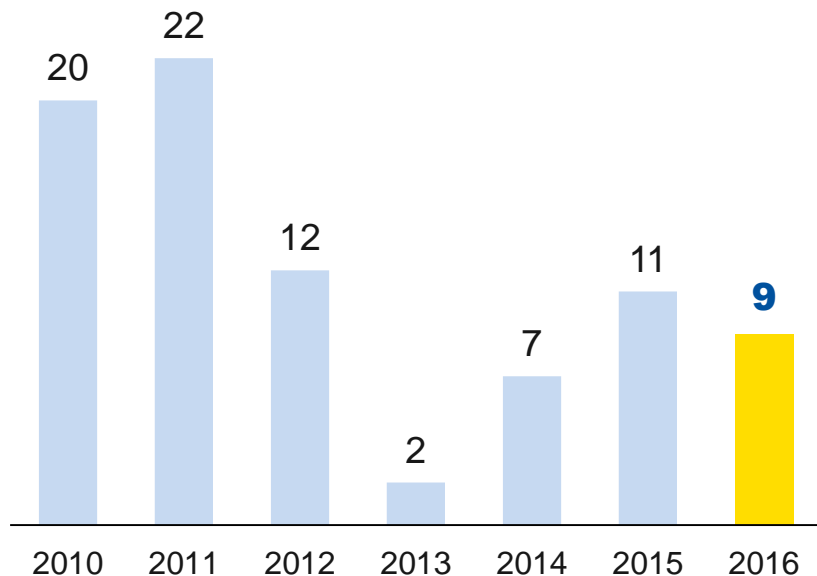
Objectives met 

| <i>In € millions</i> | 2007-2010 plan Target: €1,000m | 2012-2016 plan Target: €1,200m | 2017-2020 plan |
|-----------------------------|-----------------------------------|-----------------------------------|----------------|
| SG&A | 251 | 522 | 500/550 |
| Manufacturing -Transport | 406 | 448 | 450/500 |
| Raw materials | 365 | 227 | 150/200 |
| Total | 1,022 | 1,197 | ~1,200 |

A robust balance sheet after the share buybacks, confirmed by the rating agencies

▲ Gearing

Net debt/equity, in %



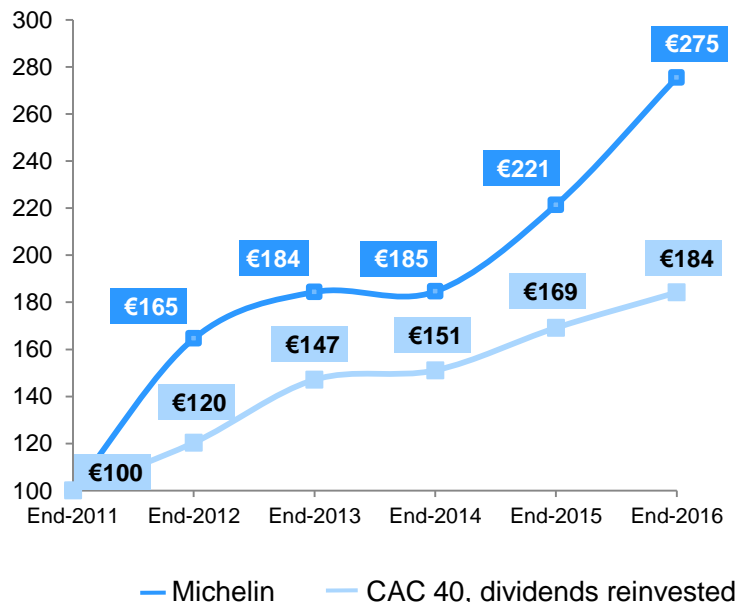
▲ Solid long-term ratings

| | | |
|------------|----------------|------------------|
| Short term | S&P Moody's | A-2 P-2 |
| Long term | S&P Moody's | A- A3 |
| Outlook | S&P Moody's | Stable Stable |

2015-2016 shareholder return: €978m in dividends paid and €750m in share buybacks

- Share buyback program
 - €450m committed in 2015
 - €301m committed in 2016
 - 3.3 million shares bought back at an average price of €89.60
 - Share cancellations reduced issued capital by 4.5%
- Payout commitment
 - At least 35% of net income before non-recurring items
 - 2016: €3.25* per share, representing a payout ratio of 36.5%

● Total Shareholder Return



* Subject to shareholder approval at the Annual Meeting on May 19, 2017

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2 / 2017 guidance

2017 market outlook: announced price increases should drive H1 growth



PASSENGER CAR: +2%/+3%

Growth in line with long-term trends

- Slower markets in the North America and Europe
- Still buoyant demand in China
- Recoveries in other regions



TRUCK: +0%/+2%

Growth in line with long-term trends

- China: return to growth in the world's largest market
- Europe: modest growth in RT and slight decline in OE
- North America: another year of decline in OE and leveling off but still strong in RT



SPECIALTY: +2%/+3%

- O/w mining tires: +5%/+10%
- O/w agricultural tires: ~ -2%

2017 guidance: on the road to our 2020 objectives

| | 2017 |
|---|---------------------------------|
| Volumes | Growth in line with the markets |
| Operating income from recurring activities at constant exchange rates | ≥ 2016 |
| Net price-mix effect vs. raw materials | Non-indexed businesses: neutral |
| Structural FCF* | > €900m |

* Adjusted for the payment in January 2017 of the €193m in interest on the zero-coupon Océanes 2017 convertible bonds

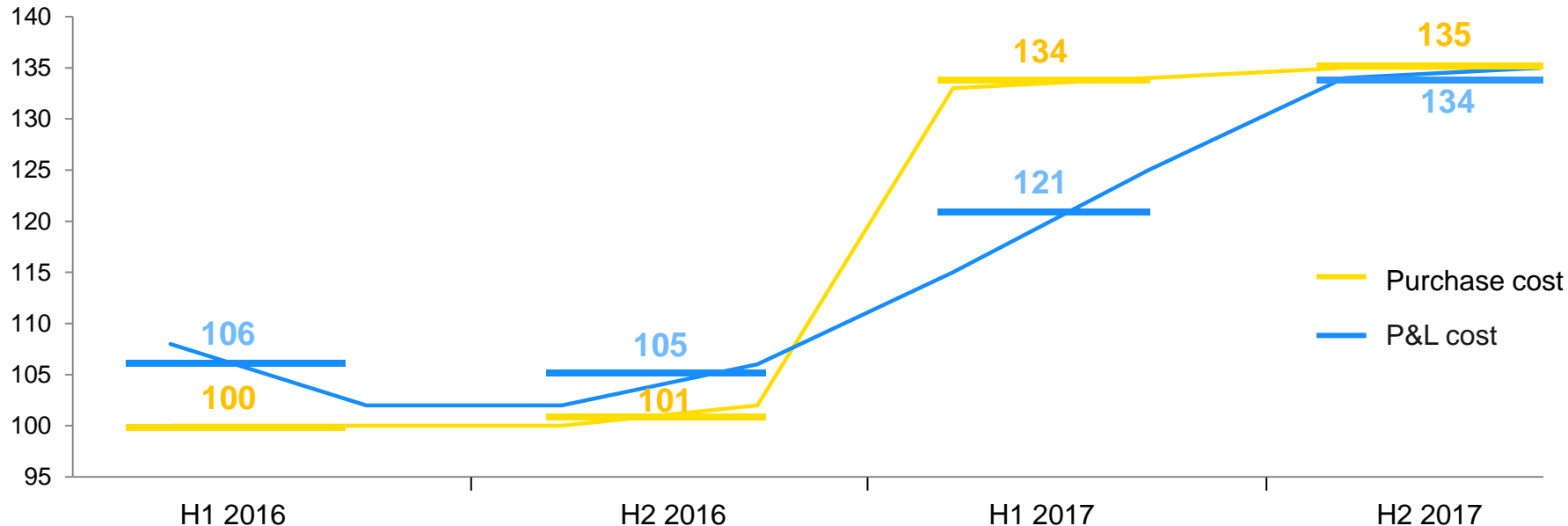
2017 scenario based on average January 2017 prices*

| | H1 2017 | 2017 |
|--|--------------------|---|
| Impact from raw materials cost | | Around €900m headwind |
| Currency effect | | Around a positive €100m |
| Net price-mix effect vs. raw materials | €100-200m headwind | Indexed businesses: negative Non-indexed businesses: neutral |
| Competitiveness plan gains vs. inflation | | Slightly positive |

* Natural rubber: \$2.2/kg; butadiene (US and Europe): \$1,200/T; Brent: \$55/bbl; EUR/USD: \$1.06

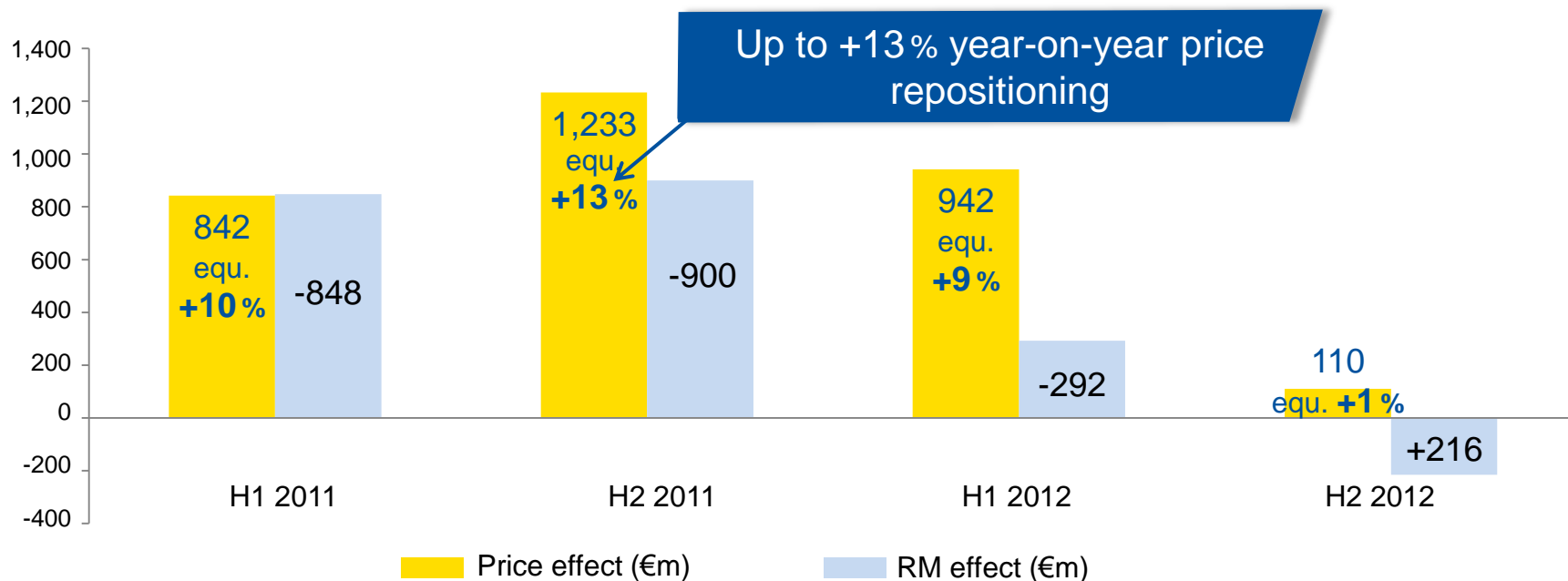
Raw materials: a negative impact mainly in H2

▲ 2017 assumptions per half



Demonstrated ability to pass along sharp price increases in response to surging raw materials costs

▲ Price and raw materials effects by half year, 2011-2012; price increases (in € millions and % of net sales, YoY)



Worldwide price increases for Michelin

| Europe | North America | South America | China | ASEAN |
|-------------------------------------|-----------------------------|---------------------|----------------------|-------------------------|
| Up to 8% over the first four months | Up to 8% from Feb. to April | Up to 3% in January | Up to 8% in February | Up to 8% in March-April |

- Depending on the changes in raw material costs, the Group may adjust the price positioning of its products.

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3 / On the road to 2020

An ambitious value creation target: ROCE at 15%* from 2020

| | Tires | Services | Experience | Materials |
|-----------------------------|---|---|---|---|
| 2015-2020 objectives | Net Sales + 20% | Net Sales x 2 | Net Sales x 3 | Capitalize on our leadership |
| Action plan and first steps |       |     |      |       |

CUSTOMER – INNOVATION – GROWTH – COMPETITIVENESS

* At constant scope of consolidation excluding goodwill

**MICHELIN PILOT SPORT 4 S,
GENUINE PASSION -
EXCEPTIONAL DRIVES.**



Ranked N°1 for braking on dry surfaces and excellent on wet surfaces, the new Michelin Pilot Sport 4 S is engineered for superior safety and performance. Thanks to its Dynamic Response technology and ultra-reactive tread pattern, it delivers revolutionary steering control and instantaneous responsiveness. Acclaimed by most performance car makers, it's for those who love driving.



Find out how good a sports tyre can be at michelin.country/tyre/michelin-pilot-sport-4s

Investor calendar

- **Coming events:**

- **April 20, 2017:** First-quarter 2017 net sales
- **May 19, 2017:** Annual Shareholders Meeting
- **July 25, 2017 after close of trading:** First-half 2017 results
- **October 19, 2016:** Third-quarter 2017 net sales

- **Dividend dates:**

- **May 24, 2017:** Ex-dividend date
- **May 25, 2017:** Record date
- **May 26, 2017:** Payment date

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Appendices

Reported 2016 and 2015 financial highlights

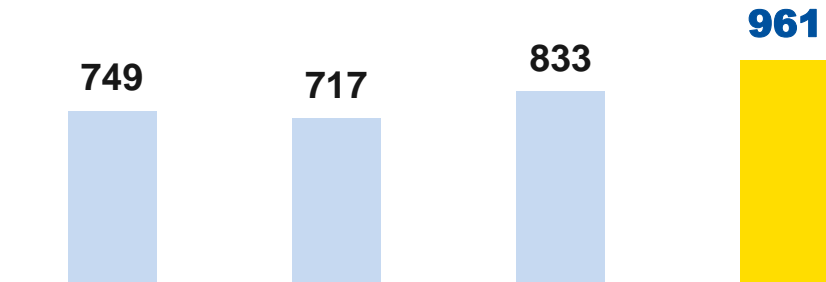
| <i>(in € millions)</i> | 2016 | 2015 |
|---|---------------|--------|
| Net sales | 20,907 | 21,199 |
| EBITDA from recurring activities | 4,084 | 3,934 |
| EBITDA margin on recurring activities | 19.5% | 18.6% |
| Operating income from recurring activities* | 2,692 | 2,577 |
| Operating margin on recurring activities | 12.9% | 12.2% |
| Operating income/(loss) from non-recurring activities | 99 | (370) |
| Net income | 1,667 | 1,163 |
| Basic earnings per share (in €) | 9.21 | 6.28 |
| Capital expenditure | 1,811 | 1,804 |
| Free cash flow** | 1,024 | 653 |
| Gearing | 9% | 11% |

* To make its operating performance easier to understand and analyze, Michelin now presents "Operating income before non-recurring income and expenses" as "Operating income from recurring activities" and has refined its definition.

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

A business that structurally generates free cash flow

▲ Structural free cash flow (in € millions)

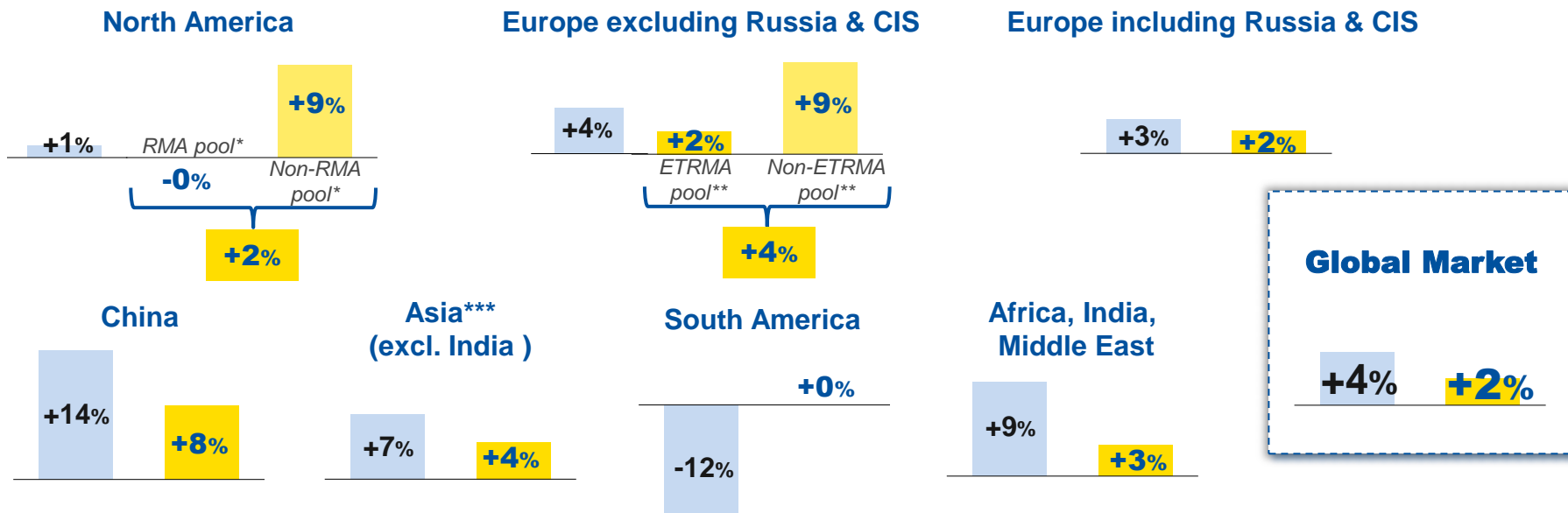


| | 2013 | 2014 | 2015 | 2016 |
|---|--------------|------------|------------|--------------|
| Free cash flow ⁽¹⁾ | 1,154 | 322 | 653 | 1,024 |
| Acquisitions ⁽²⁾ | 0 | (400) | (312) | (16) |
| WCR impact of raw materials costs ⁽³⁾ | 405 | 177 | 132 | 79 |
| WCR impact of year-end volumes ⁽⁴⁾ | nm | (172) | nm | nm |
| Structural free cash flow ^{(1) - (2) - (3) - (4)} | 749 | 717 | 833 | 961 |

PC: robust demand in mature markets and China



▲ Passenger car tire market in 2016 (% change YoY, in number of tires)



* RMA pool: members of the Rubber Manufacturers Association

** ETRMA pool: members of the European Tire & Rubber Manufacturers Association

*** Including China

Source: Michelin

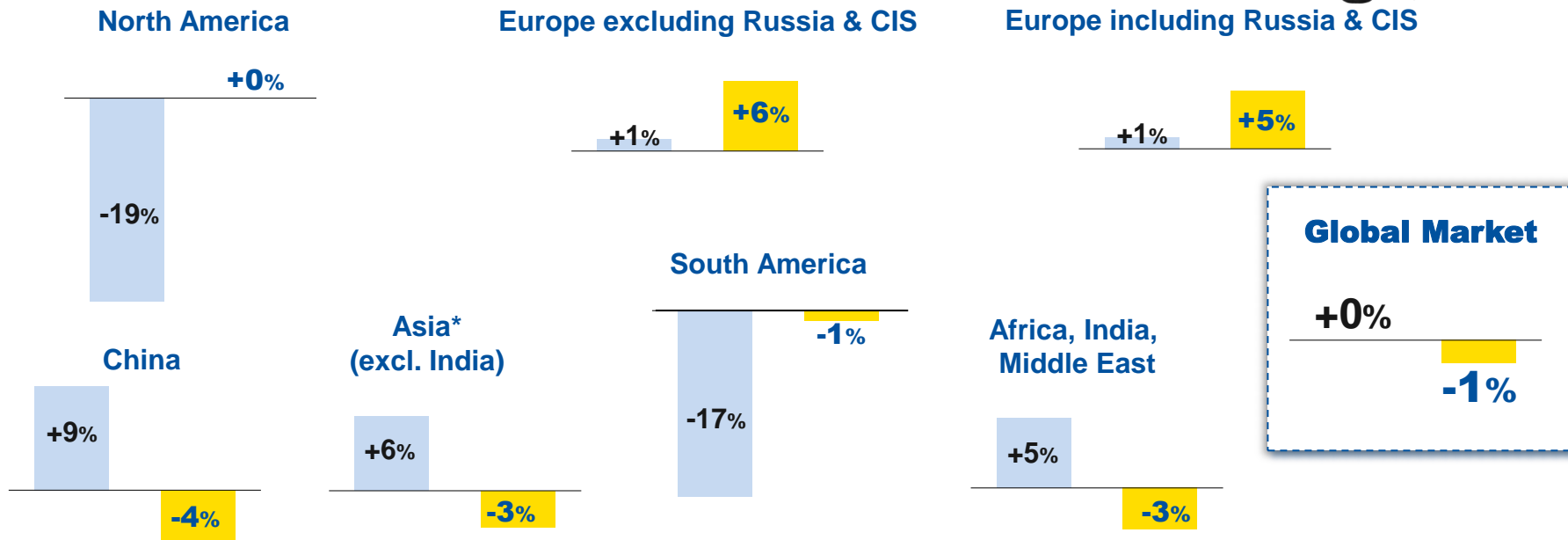
■ OE ■ RT



TB: global demand trending downwards, as growth in the European RT market fails to offset cooling Chinese RT demand



▲ Truck and bus tire markets in 2016 (% change YoY, in number of tires)



* Including China
Source: Michelin

■ OE ■ RT



PC Tire Market : Stable demand in Europe and North America, given price increase announcement at the very end of January and 2 additional days of sales; stabilizing market in Brazil following price increases; still buoyant demand in China despite 2 fewer days of sales.

▲ January 2017/2016

| % change YoY in number of tires | Europe including Russia & CIS* | Europe excluding Russia & CIS* | North America | Brazil | China |
|------------------------------------|-----------------------------------|-----------------------------------|---------------|--------|-------|
| Original equipment | ▲ +8% | ▲ +8% | ▲ +4% | ▲ +2% | ▲ +3% |
| Replacement | ▲ +7% | ▲ +7% | ▲ +4% | ▲ +0% | ▲ +5% |

* Turkey included

TB Tire Market : Stable demand in Europe, given price increase announcement at the very end of January and 2 additional days of sales; North America RT market boosted by Asian tire imports, price hike prospects and 2 additional days of sales; in Brazil, continuation of the rebound in RT observed in Q4 2016.

▲ January 2017/2016

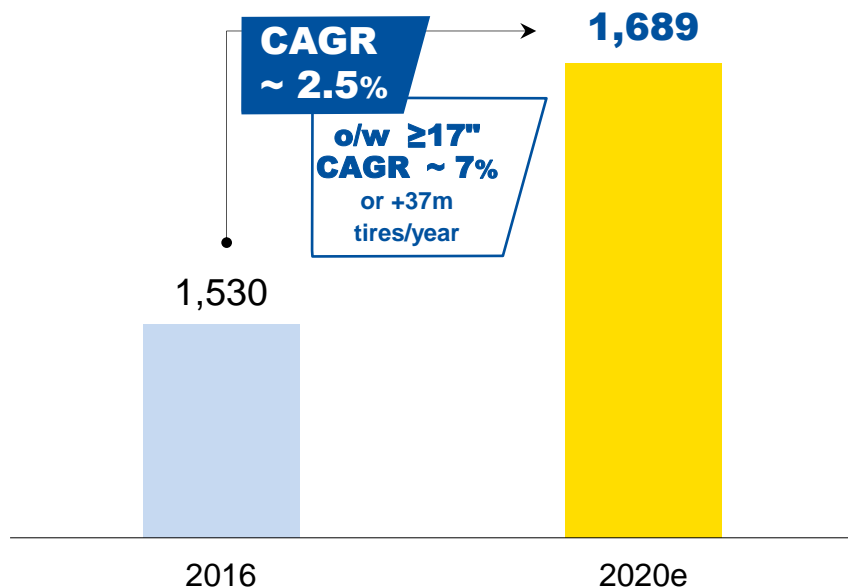
| % change YoY in number of tires (Radial + Bias) | Europe including Russia & CIS* | Europe excluding Russia & CIS* | North America | Brazil |
|---|-----------------------------------|-----------------------------------|---------------|--------|
| Original equipment | ▲ +5% | ▲ +5% | ▼ -6% | ▲ +1% |
| Replacement | ▲ +6% | ▲ +7% | ▲ +18% | ▲ +20% |

* Turkey included

2016-2020 projections: growing worldwide demand

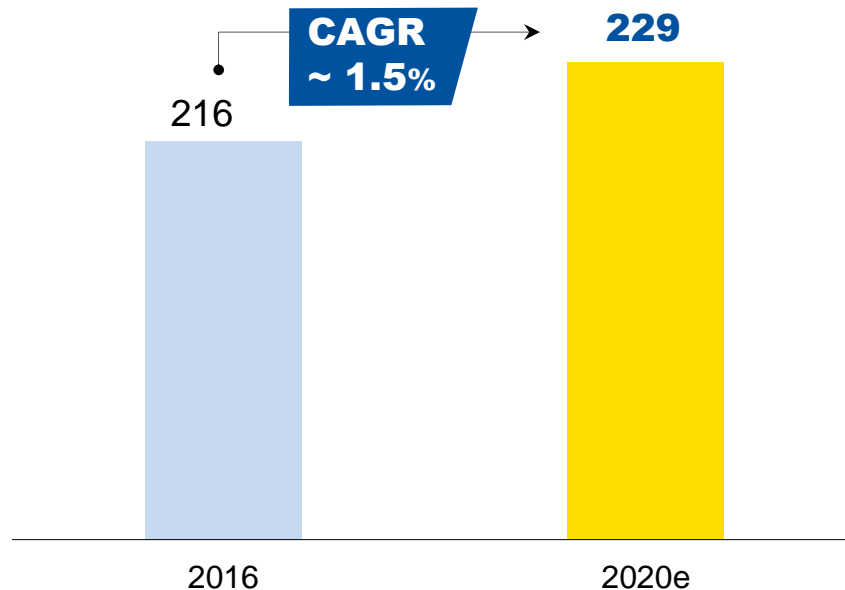
▲ PC OE&RT market projection

(in millions of units)



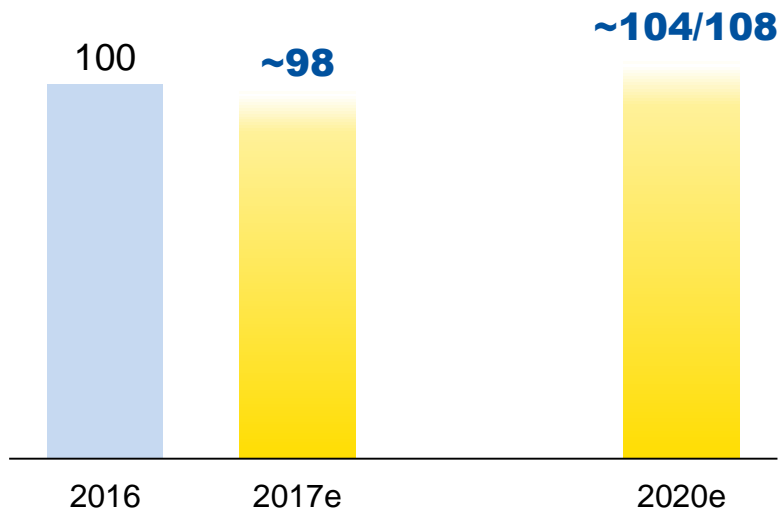
▲ TB OE&RT market projection

(Radial & Bias in millions of units)

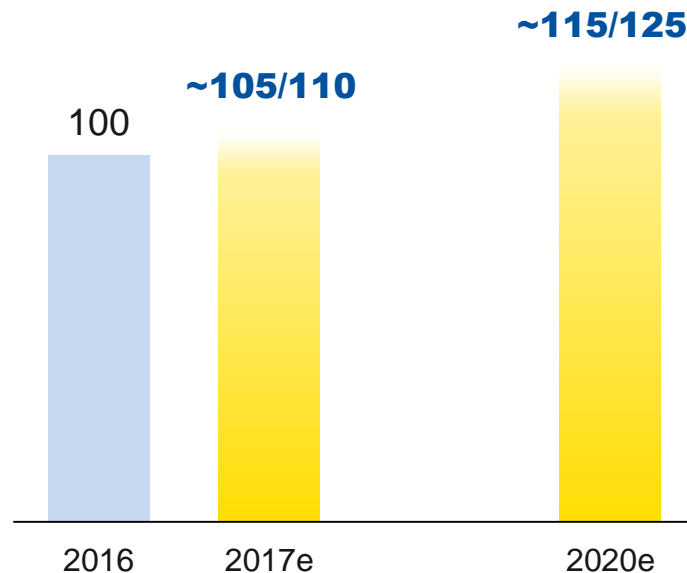


2017: Mining tires, return to growth – Agricultural tires, another year of slight decline before returning to growth

▲ Agricultural tires* (base 100 in 2016, in tonnes)



▲ Mining tires (base 100 in 2016, in tonnes)



* OE & RT in Europe and North America



Investing to create value

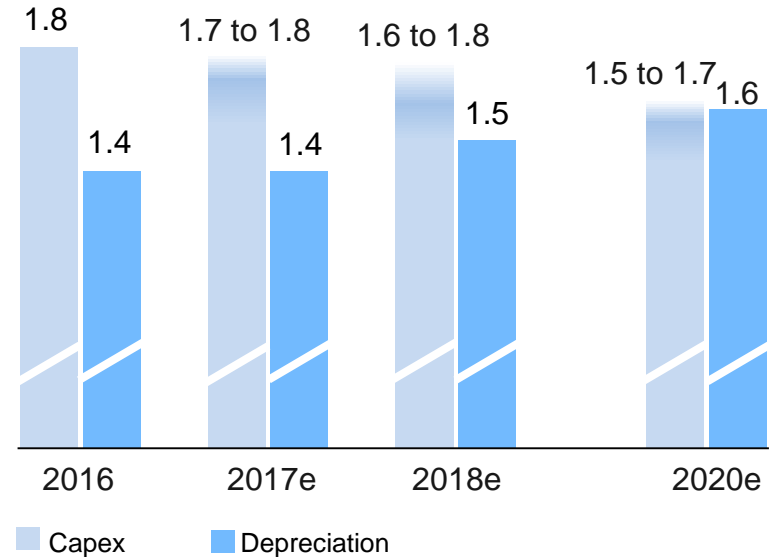
▲ Successfully carry out our priority Capex and M&A projects to drive expansion:

- In growing markets: Premium PC, North America and Asia
- In the supply chain to improve customer service (information systems, logistics)
- In digital services
- In raw materials and semi-finished products

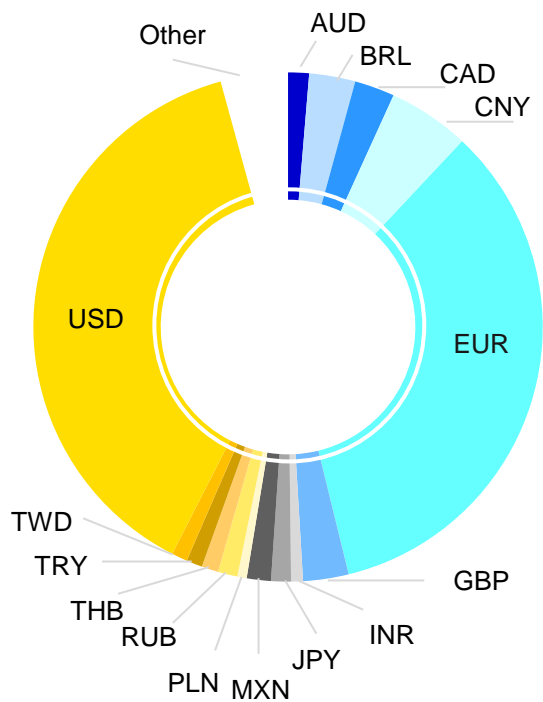


▲ Closing the gap between Capex and depreciation:

(in € billions, at current exchange rates)



2016 net sales by currency

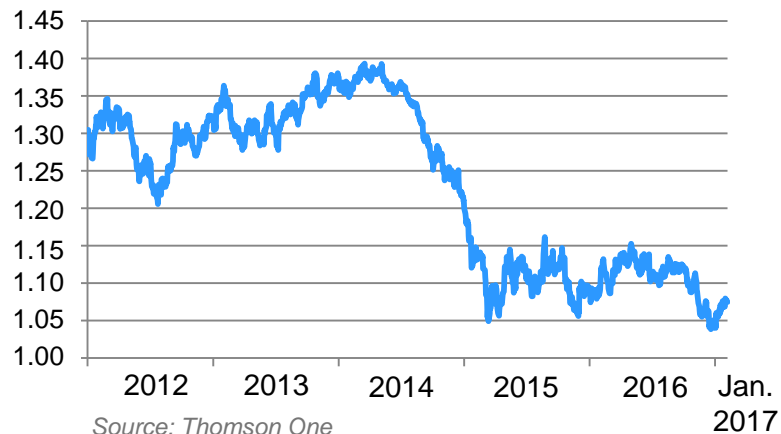


| % of net sales | |
|----------------|-----|
| AUD | 1% |
| BRL | 3% |
| CAD | 3% |
| CNY | 5% |
| EUR | 34% |
| GBP | 3% |
| INR | 1% |
| JPY | 1% |
| MXN | 2% |
| PLN | 1% |
| RUB | 1% |
| THB | 1% |
| TRY | 1% |
| TWD | 1% |
| USD | 38% |
| Other | 4% |

EBIT sensitivity to €/€ exchange rate:

A one cent change in the average annual €/€ exchange rate would lead to a € 15-20 million change in EBIT for the year.

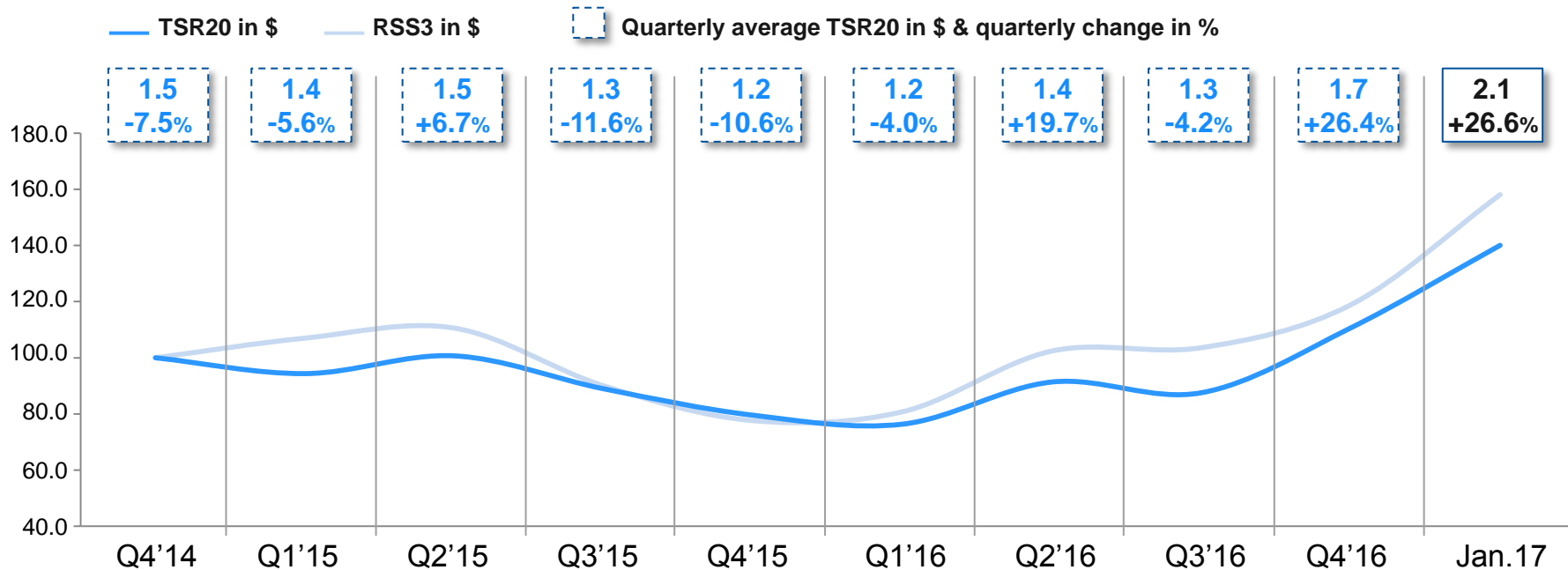
▲ €/€ exchange rate – 2012- Jan. 2017



Source: Thomson One

Natural Rubber price trend

▲ At end of January 2017 (per kg, base 100 in Q4'14)

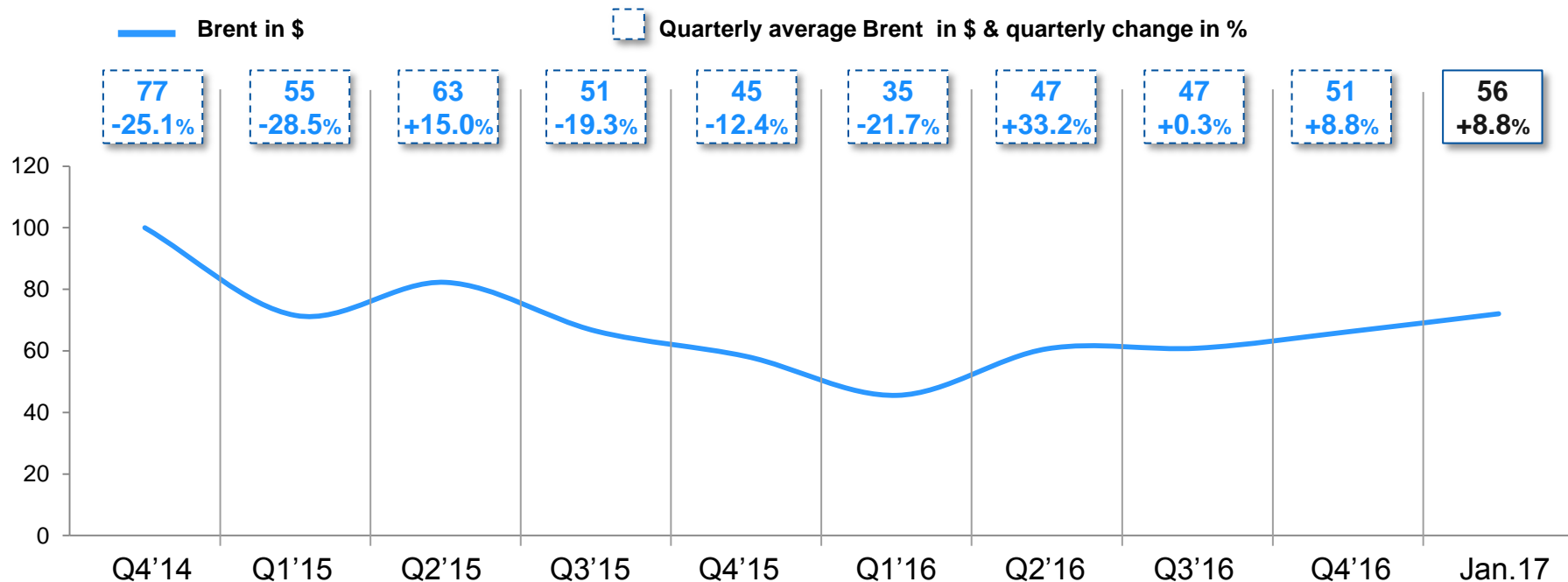


Source: SICOM



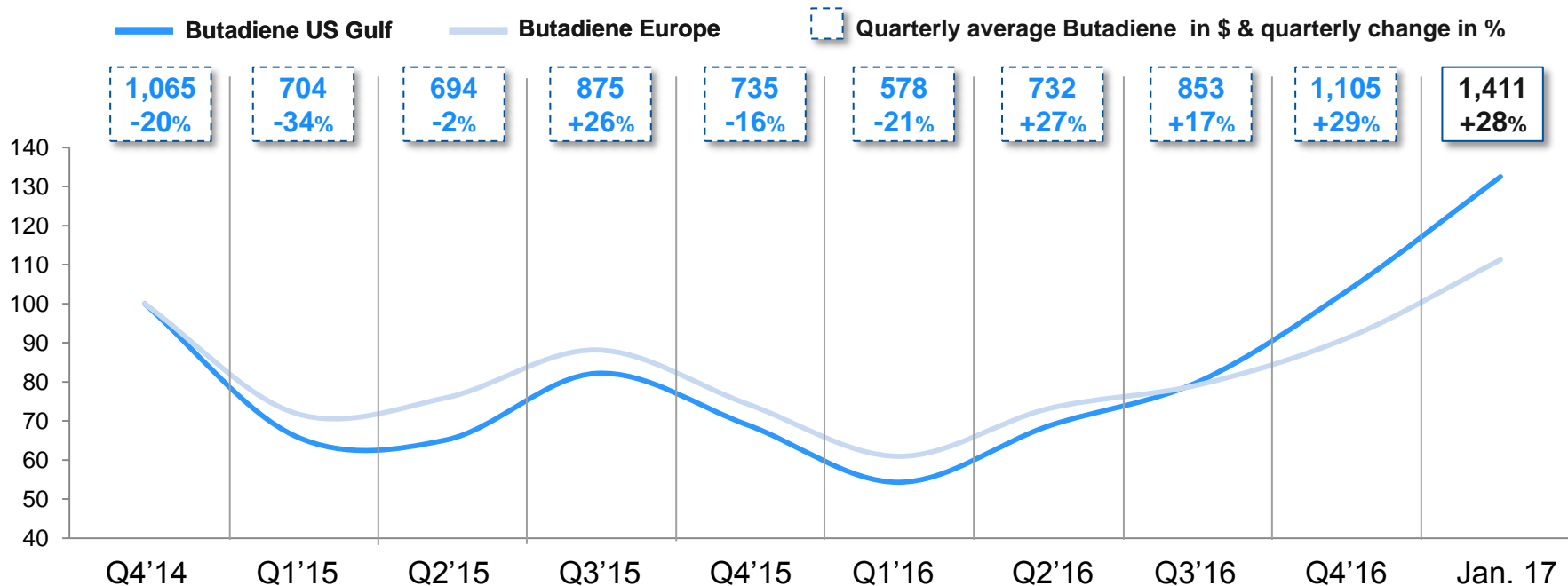
Brent price trend

▲ At end of January 2017 (per barrel, base 100 in Q4'14)



Butadiene price trend

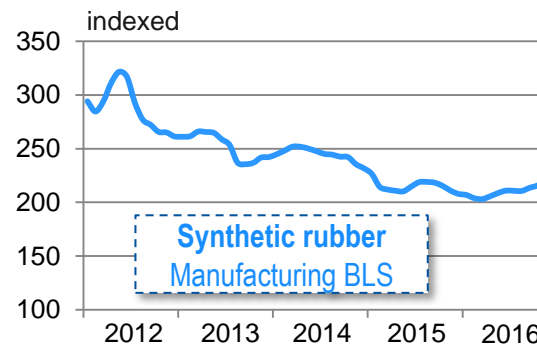
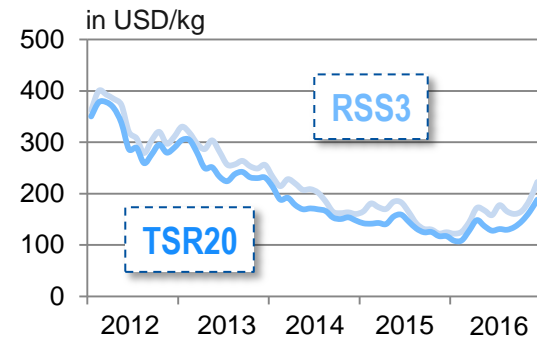
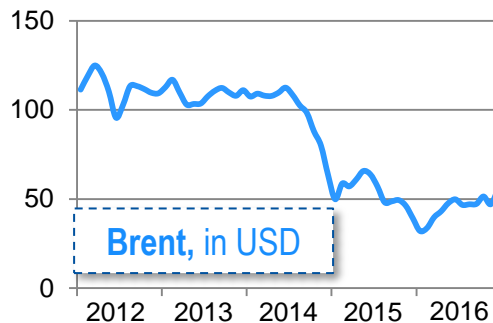
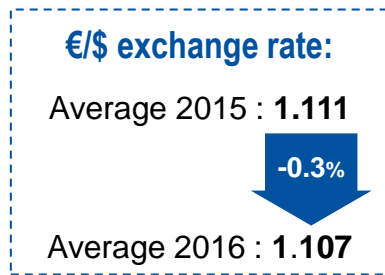
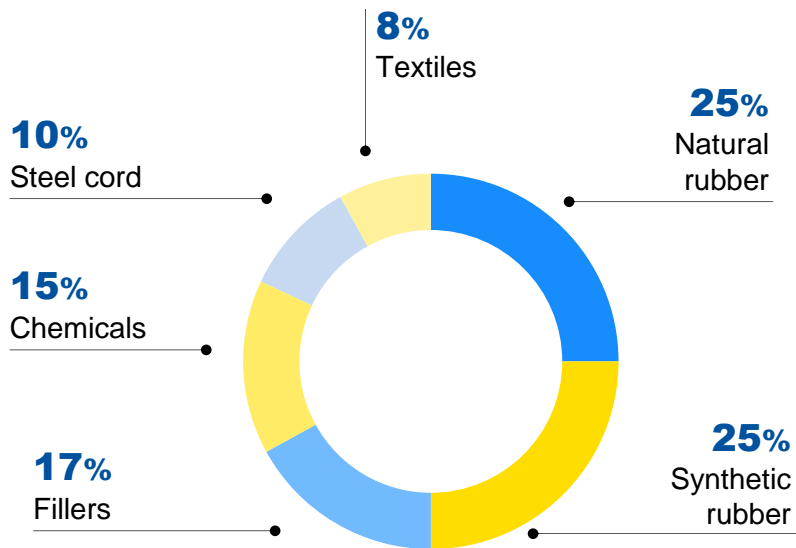
▲ At end of January 2017 (per ton, base 100 in Q4'14)



Source: IHS

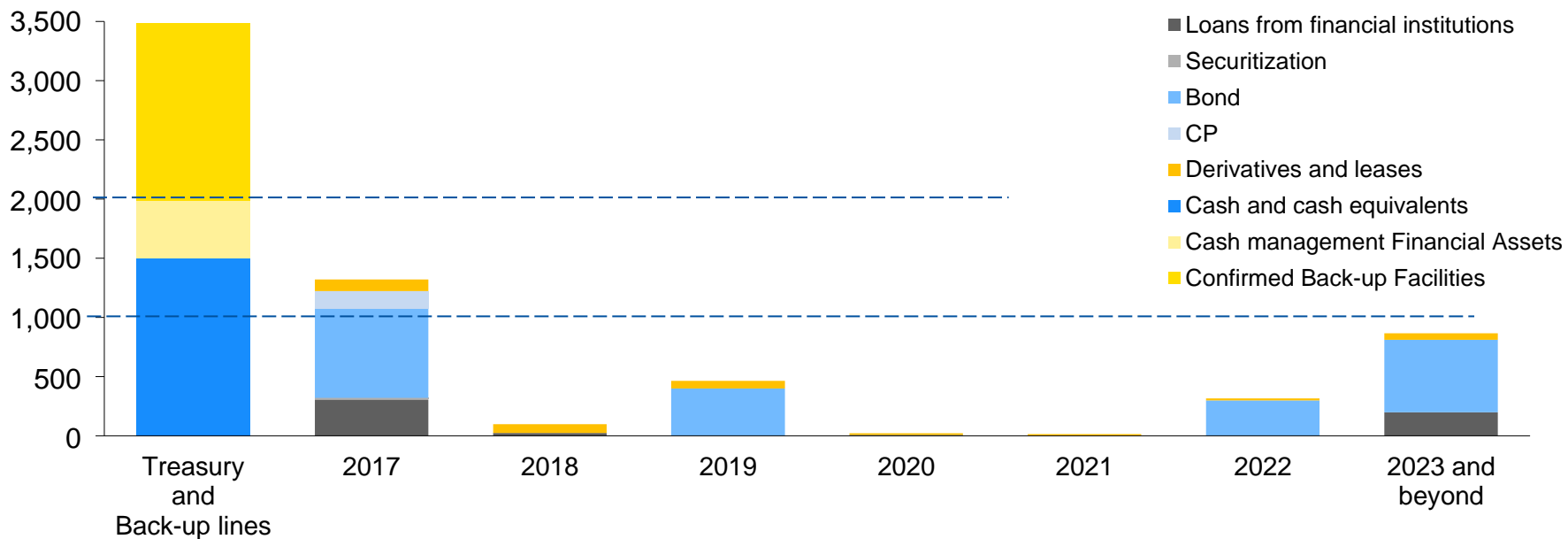
Raw materials trends in 2016

▲ Raw material purchases in 2016 (€4.3bn)



A comfortable cash position

▲ Debt* maturities at Dec. 31, 2016 (book value, in millions €)



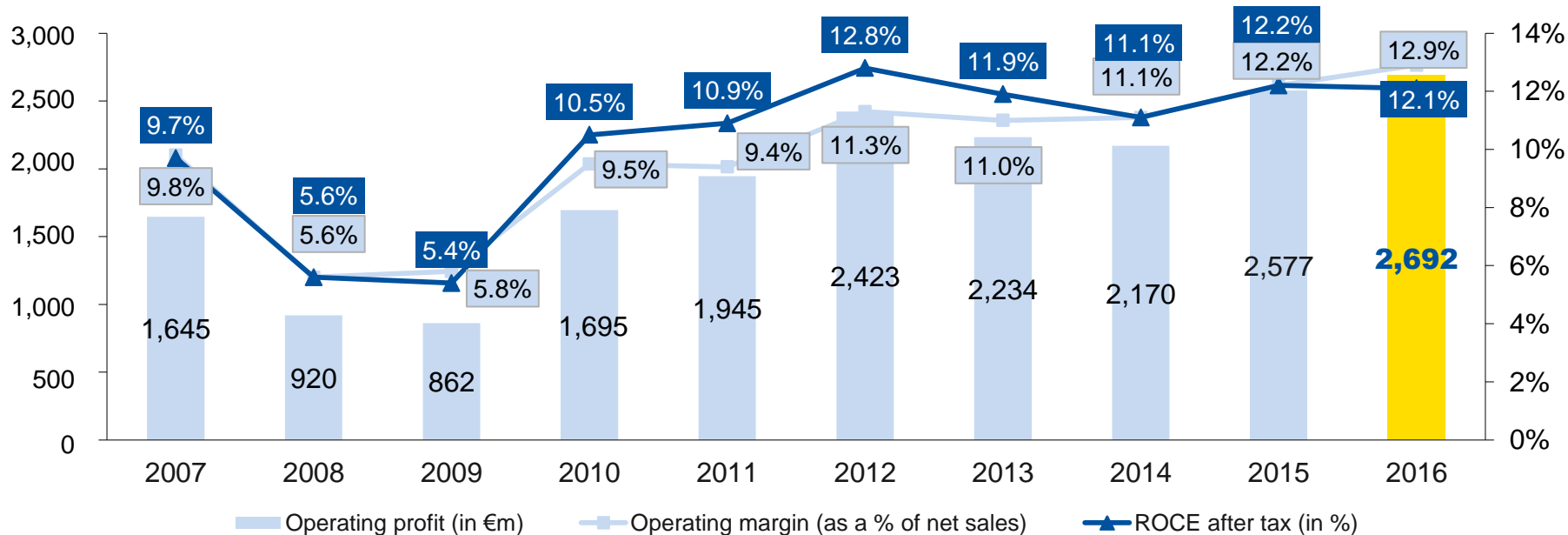
* Including accrued interests

Outstanding bond issues (as of February 14, 2017)

| Issuer | MICHELIN Luxembourg | Compagnie Générale des Etablissements MICHELIN | MICHELIN Luxembourg | MICHELIN Luxembourg | MICHELIN Luxembourg |
|-------------------------------------|---|---|---|---|---|
| Issue | Senior Note | Senior Note | Senior Note | Senior Note | Senior Note |
| Type | Bond | Convertible | Bond | Bond | Bond |
| Principal amount | € 400 mn | \$ 500 mn | € 300 mn | € 300 mn | € 302 mn |
| Offering price | 99.912% | 100% | 99.967% | 99.081% | 98.926% |
| Rating corporation at Issuance date | BBB+ (S&P) Baa1 (Moody's) BBB+ (Fitch) | A- (S&P) A3 (Moody's) A- (Fitch) | A- (S&P) A3 (Moody's) A- (Fitch) | A- (S&P) A3 (Moody's) A- (Fitch) | A- (S&P) A3 (Moody's) A- (Fitch) |
| Current corporation rating | A- (S&P) ; A3 (Moody's) ; A- (Fitch) | | | | |
| Coupon | 2.75% p.a | ZERO Conv premium 128% | 1.125% p.a | 1.75% p.a | 3.25% p.a |
| Issue Date | 11-juin-12 | 5-janv.-17 | 19-mai-15 | 19-mai-15 | 21/09/2015 & 27/09/2016 |
| Maturity | 20-juin-19 | 10-janv.-22 | 28-mai-22 | 28-mai-27 | 09/30/2045 |
| Interest payment | Annual June 20 | N/A | Annual May 28 | Annual May 28 | Annual Sept 30 |
| ISIN | XS0794392588 | FR0013230745 | XS1233732194 | XS1233734562 | XS1298728707 |
| Denomination | € 1'000 with min. tradable amount € 1'000 | \$ 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 |

2016: a year of progress, in line with our 2020 roadmap

▲ Group operating income and margin* & ROCE

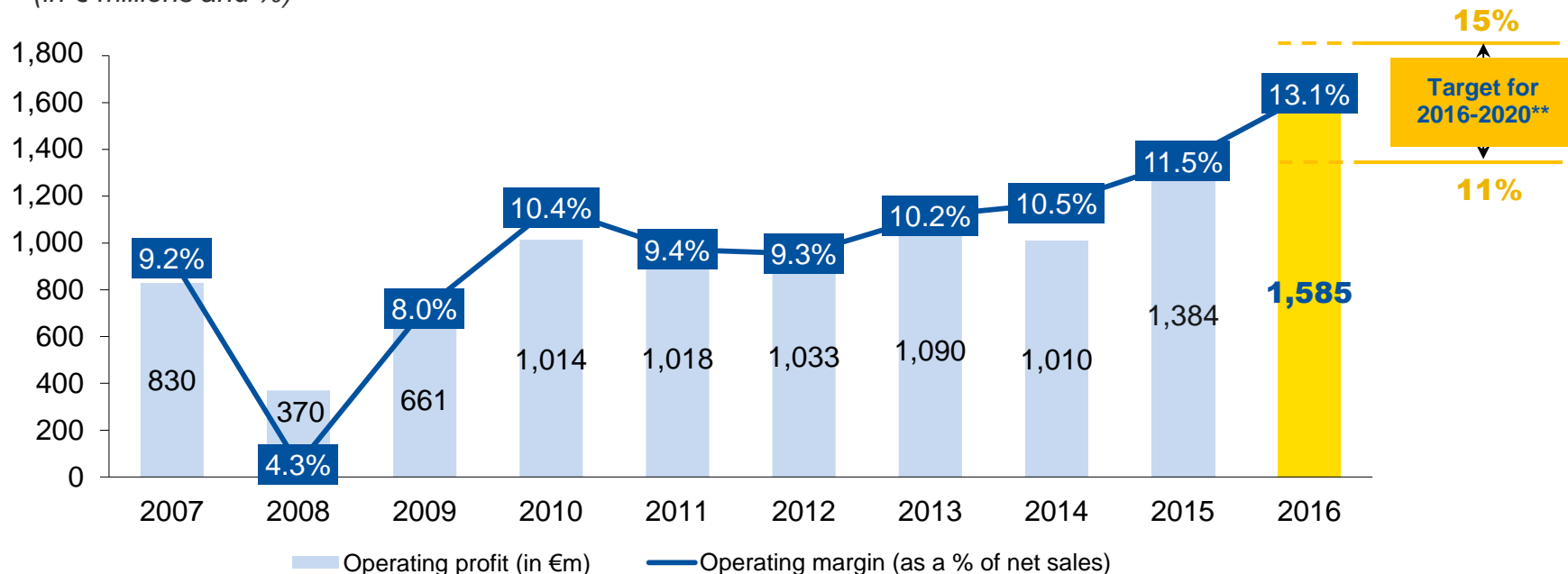


* On recurring activities.

Improving PC margins: product innovation, contribution from the 17" and over strategy, better customer service

▲ RS1 operating income and margin*

(in € millions and %)



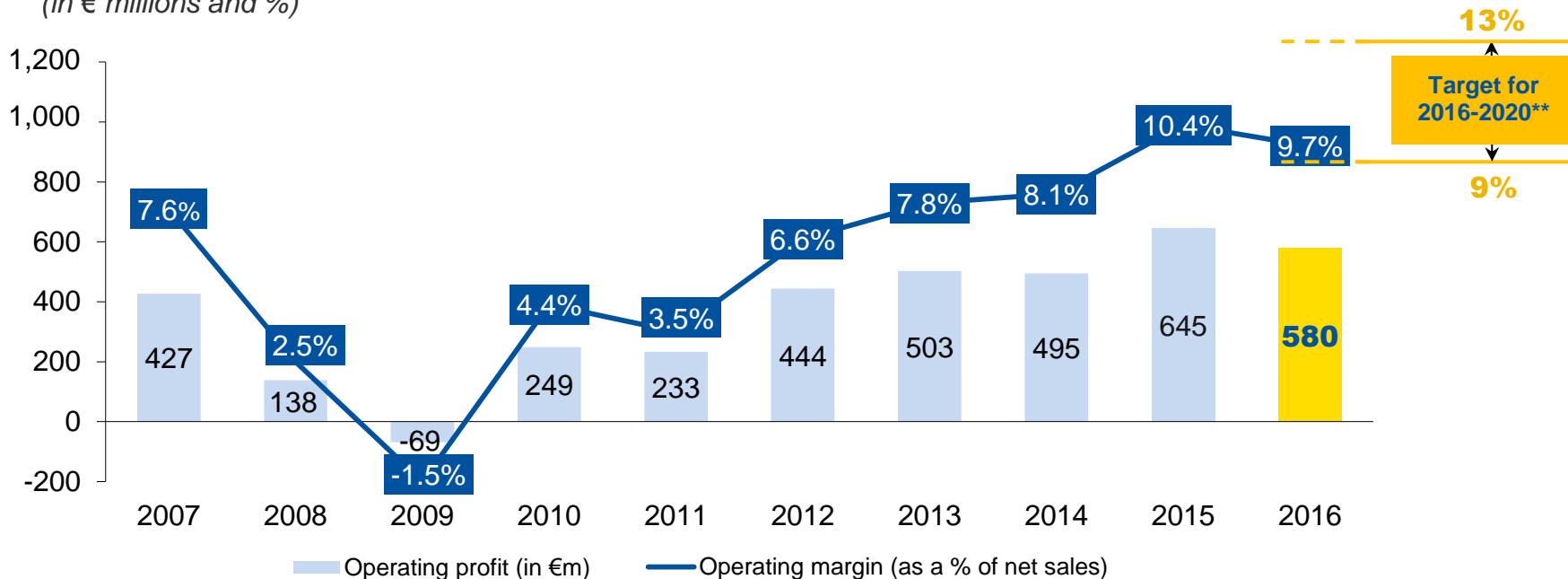
* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding at a 2.5% CAGR

Consolidation in TB margin led by competitiveness, product innovation and customer satisfaction

▲ RS2 operating income and margin*

(in € millions and %)



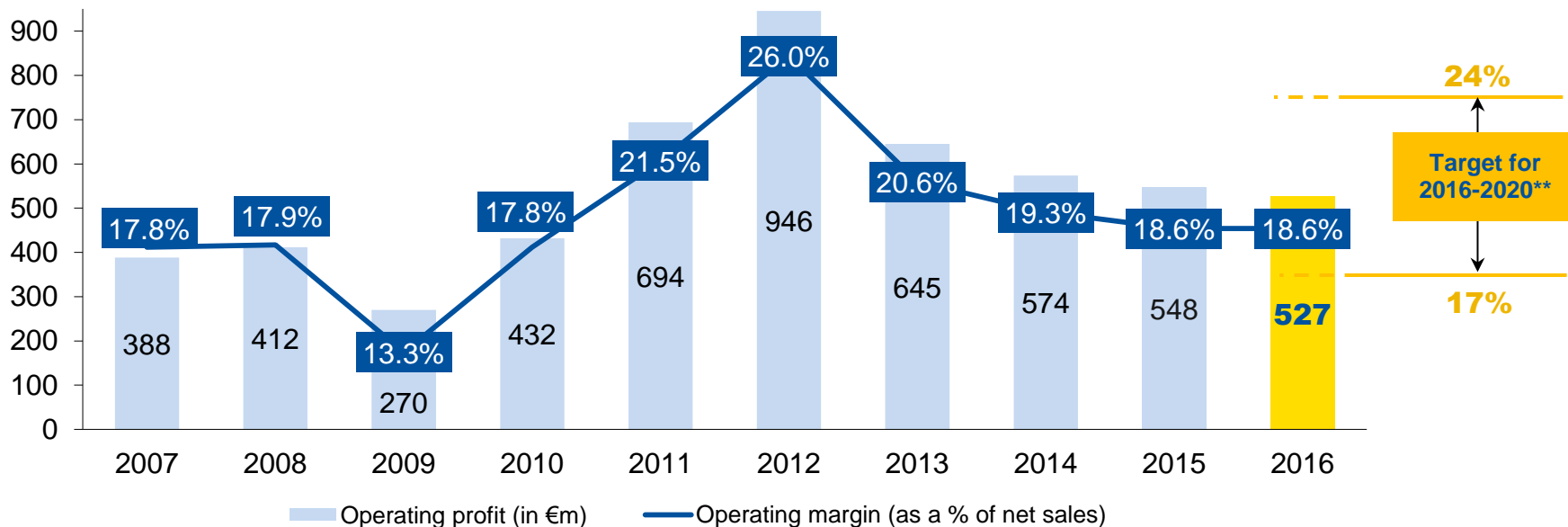
* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding at a 1.5% CAGR

Specialty businesses: solid margin resistance in challenging markets

▲ RS3 operating income and margin*

(in € millions and %)



* On recurring activities.

** At constant scope of consolidation and raw materials prices, and with markets expanding

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."

Valérie MAGLOIRE
Matthieu DEWAVRIN
Humbert de FEYDEAU

+33 (0)1 78 76 45 36

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

investor-relations@michelin.com