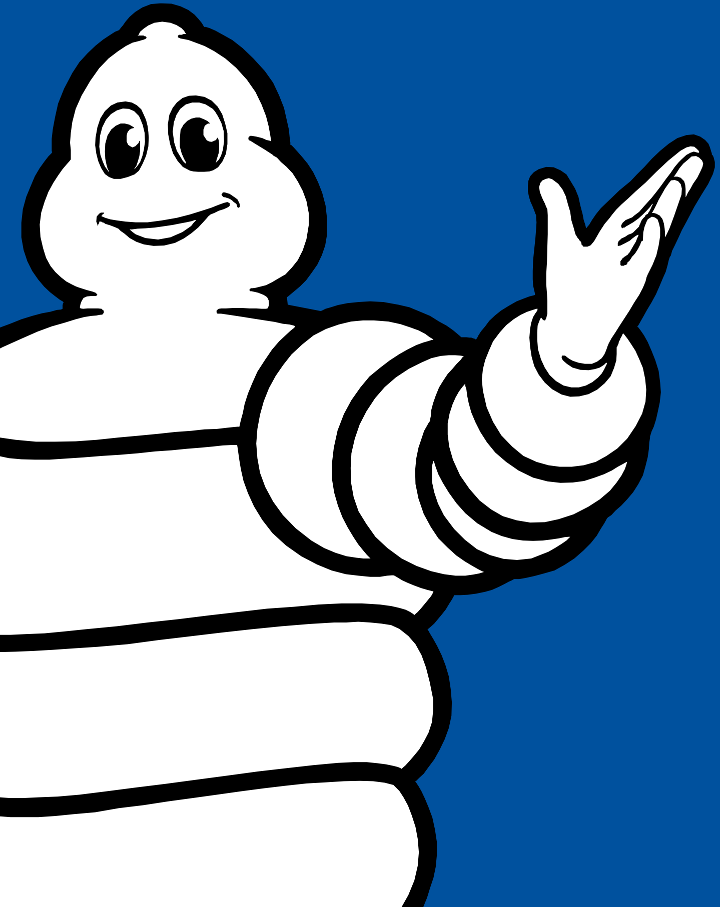


OCTOBER 4, 2018

PARIS

CREDIT AGRICOLE CIB CONFERENCE

October 4, 2018

Credit Agricole CIB Conference - Paris

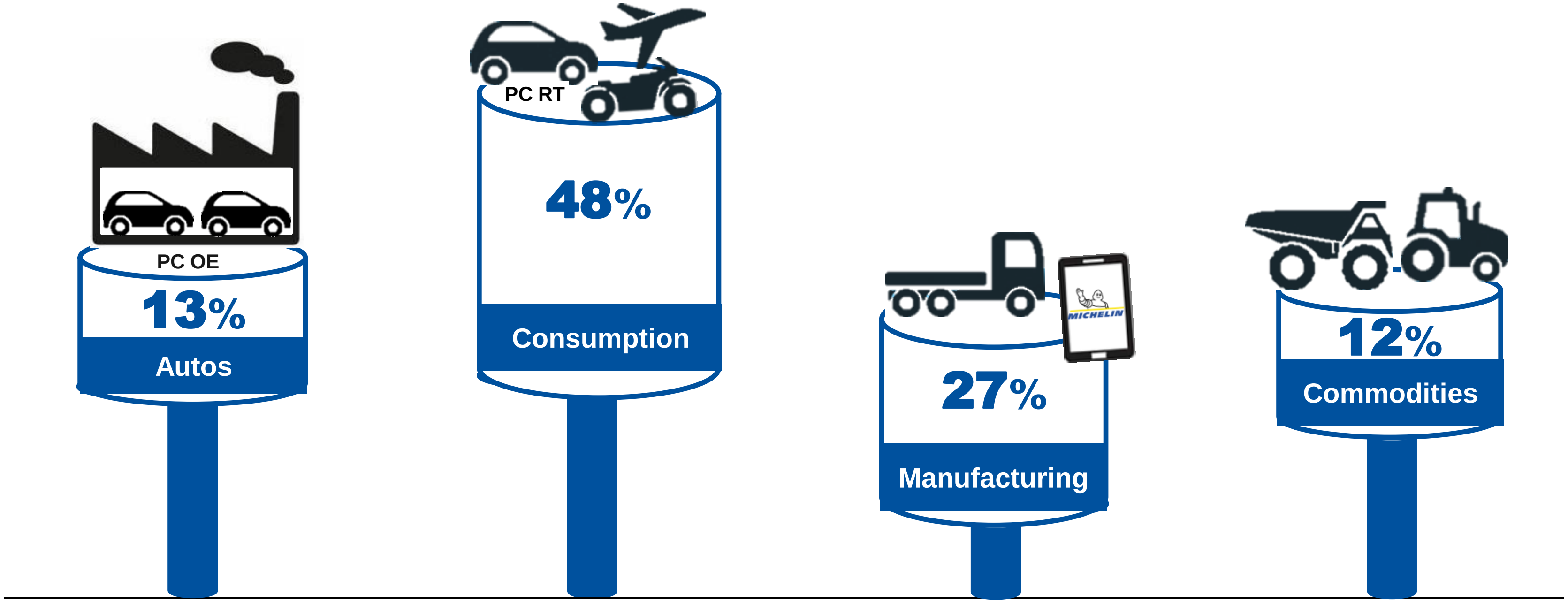
1 Introduction and Group overview

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

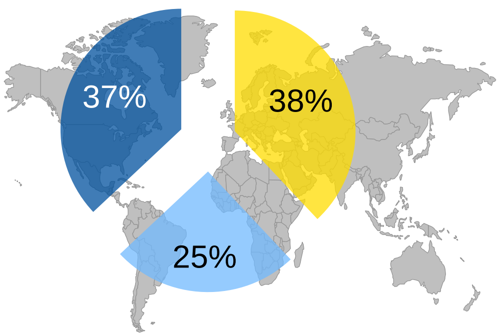


PC OE/RT: Passenger car tires sold as an Original Equipement / Replacement

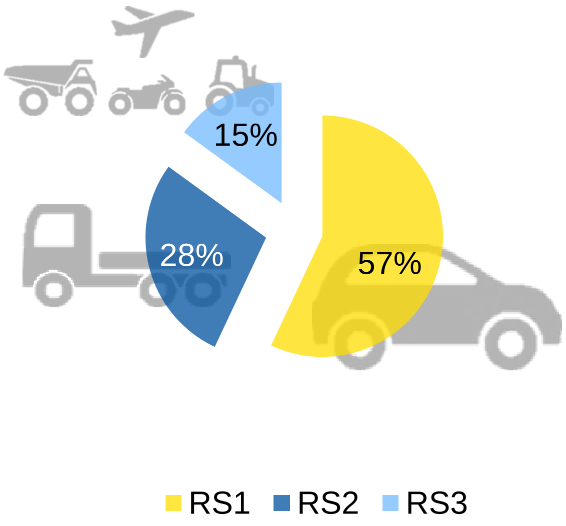
MICHELIN A BETTER WAY FORWARD

Group breakdown by geography and reporting segment (RS)

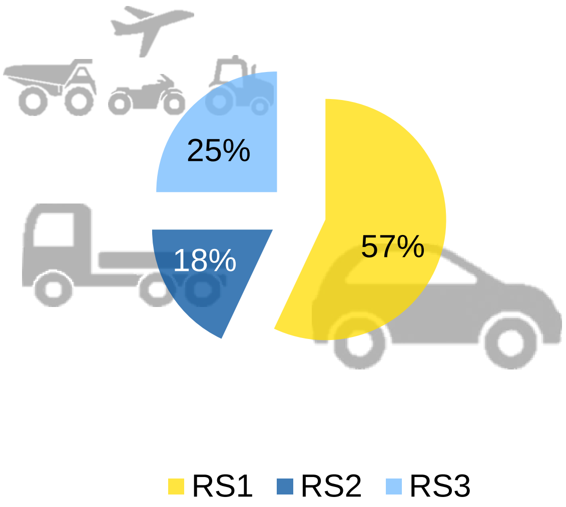
2017 Net sales by geography



2017 Net sales by RS



2017 Ebit by RS



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)

2 Levers for 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...	 *Conveyor belts*			*Reinforced polymers* 
...in line with the 2020 strategy	 Capital expenditure; Distribution 	 Telematics and services	Experiences: travel and fine dining 	 High-tech materials

2017-2020 projections: growing worldwide demand

MICHELIN X-Ice Norh 4

MICHELIN Primacy 4

MICHELIN CrossClimate+

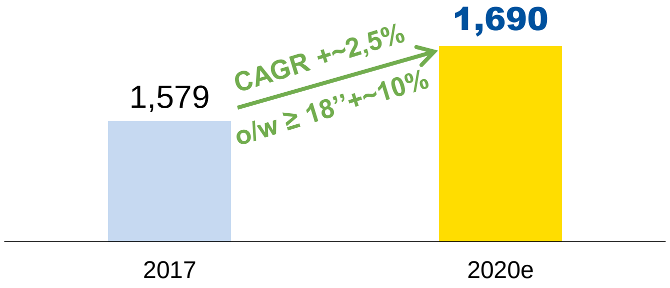
MICHELIN Alpin 6

MICHELIN Tyrecare service

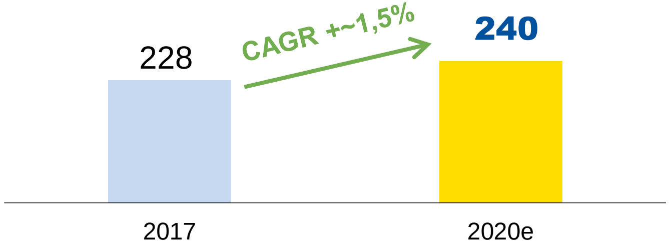
MICHELIN X Line Energy Z

MICHELIN X Multi Energy

- PC OE&RT market projection *(in millions of units)*



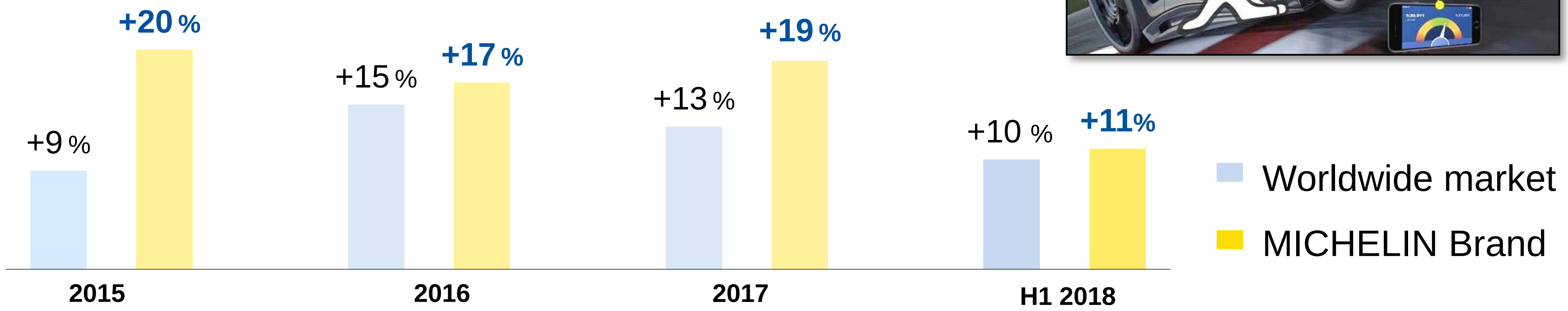
- TB OE&RT market projection *(Radial & Bias in millions of units)*



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

Growth in ≥18' tire sales

(YoY change, markets in units and sales in kt)

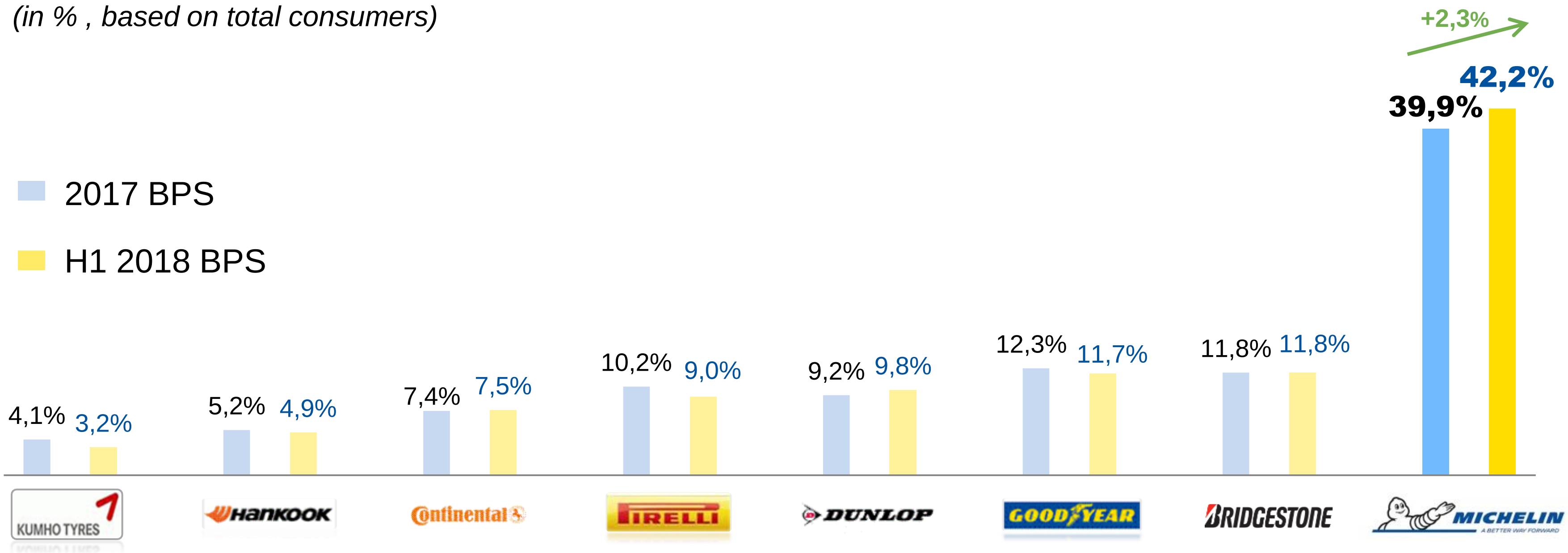


- ≥18' Michelin Brand volume growth in Q2 +14%
- Customers who value the MICHELIN brand and its product performance: price positioning in line with the reputation of the MICHELIN brand
- A force of innovation sought by premium manufacturers
  - OE sales much more exposed to ≥18' than RT
  - MICHELIN's brand loyalty rate of around 50%
- Sustained growth momentum, made possible by aligning production capacity

BPS: MICHELIN, the most powerful tire brand in China still growing

Brand Power Score in China*

(in % , based on total consumers)



** BCM study conducted by market research institute Millward Brown, based on the reduced brand list of 8 brands*

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

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.

The sustainable mobility: a lever for growth

Specialties: customer-aligned solutions to capture strong market growth

MICHELIN EVOBIB
“2 in 1” Technology

SIMA INNOVATION AWARDS 2017

Téléflow

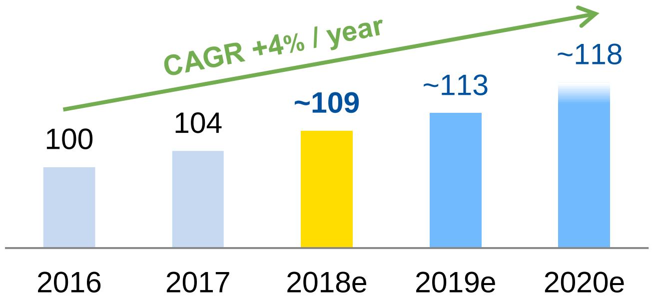
PTG

MICHELIN MEMS Evolution 4

Fenner
Inspiring solutions

MICHELIN XDR 3

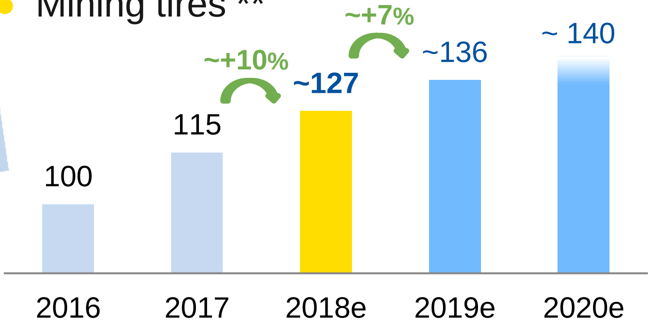
- Agricultural tires*



* Global Agricultural tire market (Radial, Bias and tracks), base 100 in 2016, in tons

Restart of Anderson plant

- Mining tires **



** base 100 in 2016, in tons

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

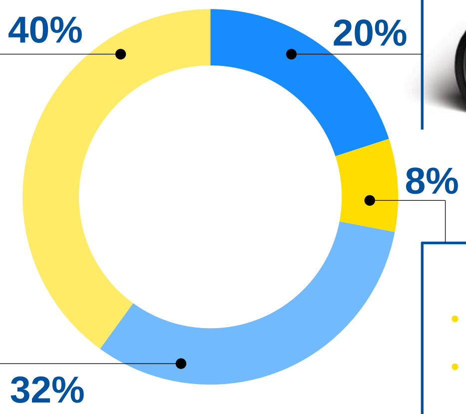
Material handling
Tires, wheels and services

- **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


Net sales by segment*



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

H1 2018 acquisitions and partnerships: integration and synergies on track

- TBC & TCi joint venture, the leader in the North America distribution landscape:
  - Increased distribution efficiency and improved service to retailers allowing them to better serve their customers;
  - Strong base to develop e-commerce with a highly effective “advice-warehousing-logistic-fitting” system;
  - All tire manufacturers except Goodyear and Bridgestone have confirmed or increased their support to TBC
- 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

TBC key figures TBC CORPORATION

- 2,400 retail location
- More than 120 logistic centers
- Largest Tier 3 / Tier 4 tire trader

Fenner Inspiring solutions

MICHELIN A BETTER WAY FORWARD

3 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**

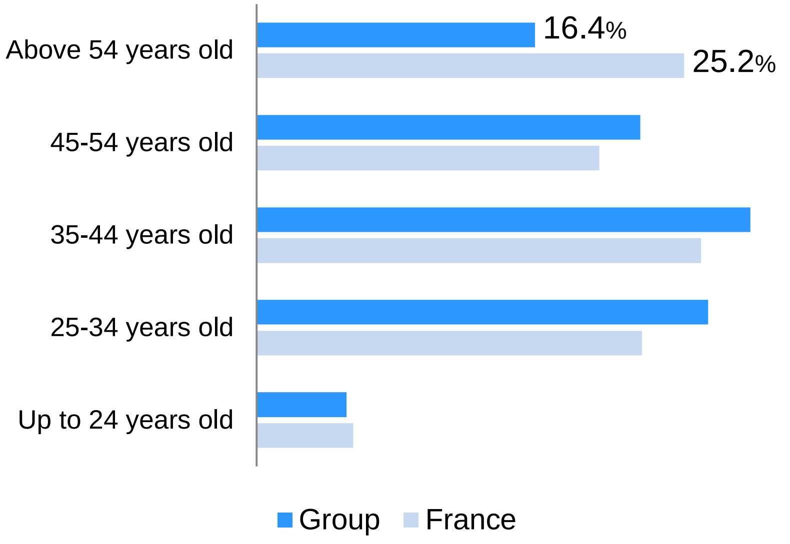
**before inflation and including avoided costs.*

Reorganization project announced in June 2017 on track: reduction of corporate positions by 1,420 worldwide

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

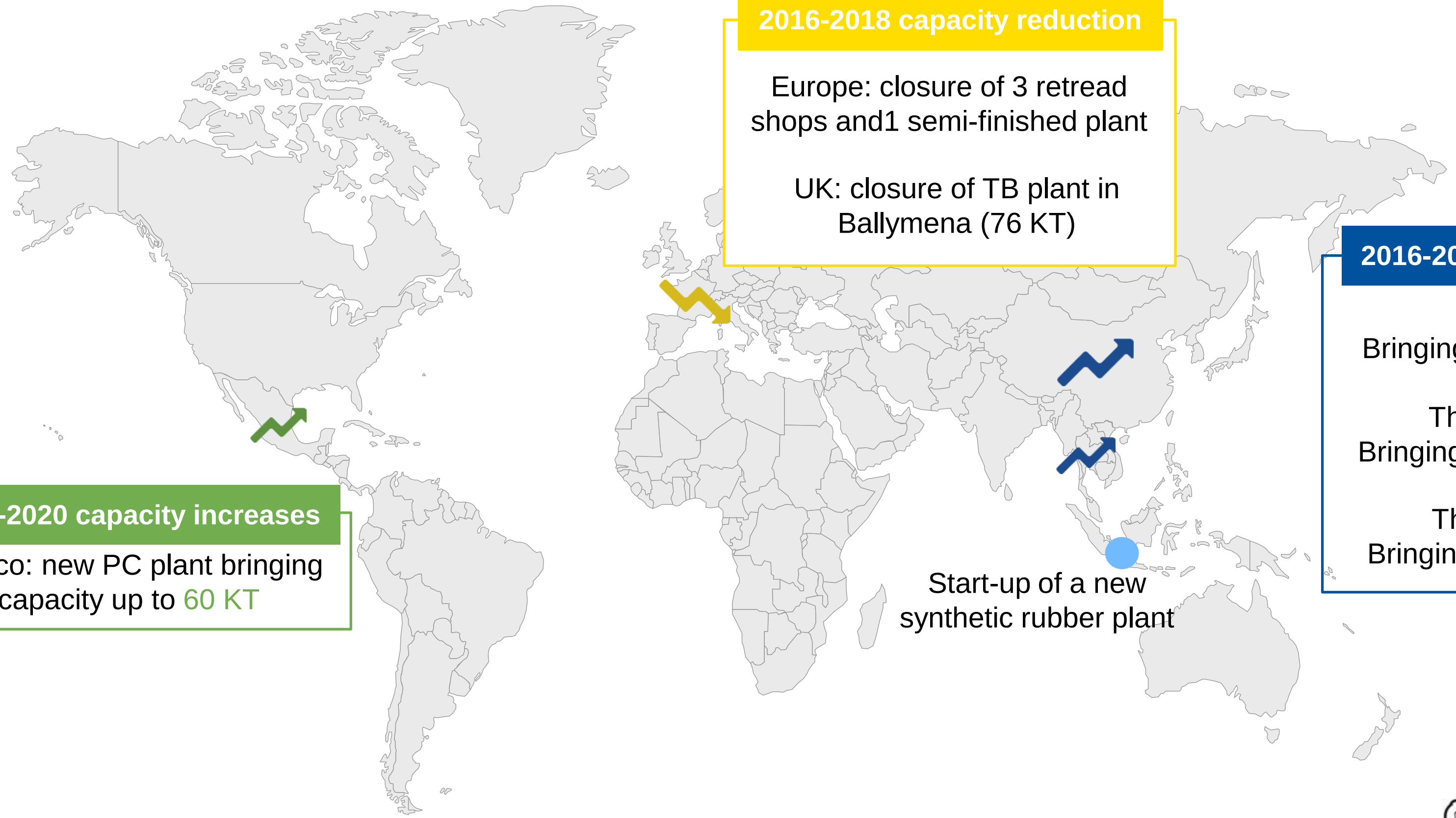
- Leverage the age pyramid:
  - 3,500 employees retiring in France and the United States between 2018 and 2020
- Optimize hiring:
  - 2,080 new hires in France and the United States between 2018 and 2020

- Age pyramid, Group and France*



* *Manufacture Française des Pneumatiques Michelin*

Keeping on improving Michelin's industrial footprint: serving local demand with local production



2016-2018 capacity reduction

Europe: closure of 3 retread shops and1 semi-finished plant

UK: closure of TB plant in Ballymena (76 KT)

2016-2020 capacity increases

China PC:+20%
Bringing capacity up to 240 KT

Thaïland PC: +10%
Bringing capacity up to 165 KT

Thaïland TB: +24%
Bringing capacity up to 75 KT

2018-2020 capacity increases

Mexico: new PC plant bringing capacity up to 60 KT

MICHELIN
A BETTER WAY FORWARD

4/ From 2018 to 2020 Ambition

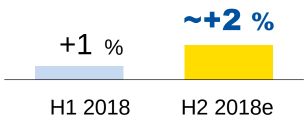
2018 guidance: on the road to our 2020 objectives

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

H2 2018 markets: Outlook confirmed for Specialties and Truck; slighly lower in Passenger Car

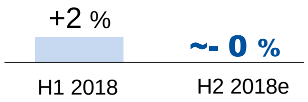
PC/LT: +1.5 % / +1.8 %

vs +1.5%/+2% announced in H1



- OE H2: slower decline in North America given the more favorable comparatives; stabilization at a high level in China
- RT H2: Faster growth in RT in H2 in mature markets; stabilization in China

TRUCK: +0.5 % / + 1 %



In a strong freight demand environment (Americas & Europe)

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

SPECIALTIES: +6 % / +8 %

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

MICHELIN
A BETTER WAY FORWARD

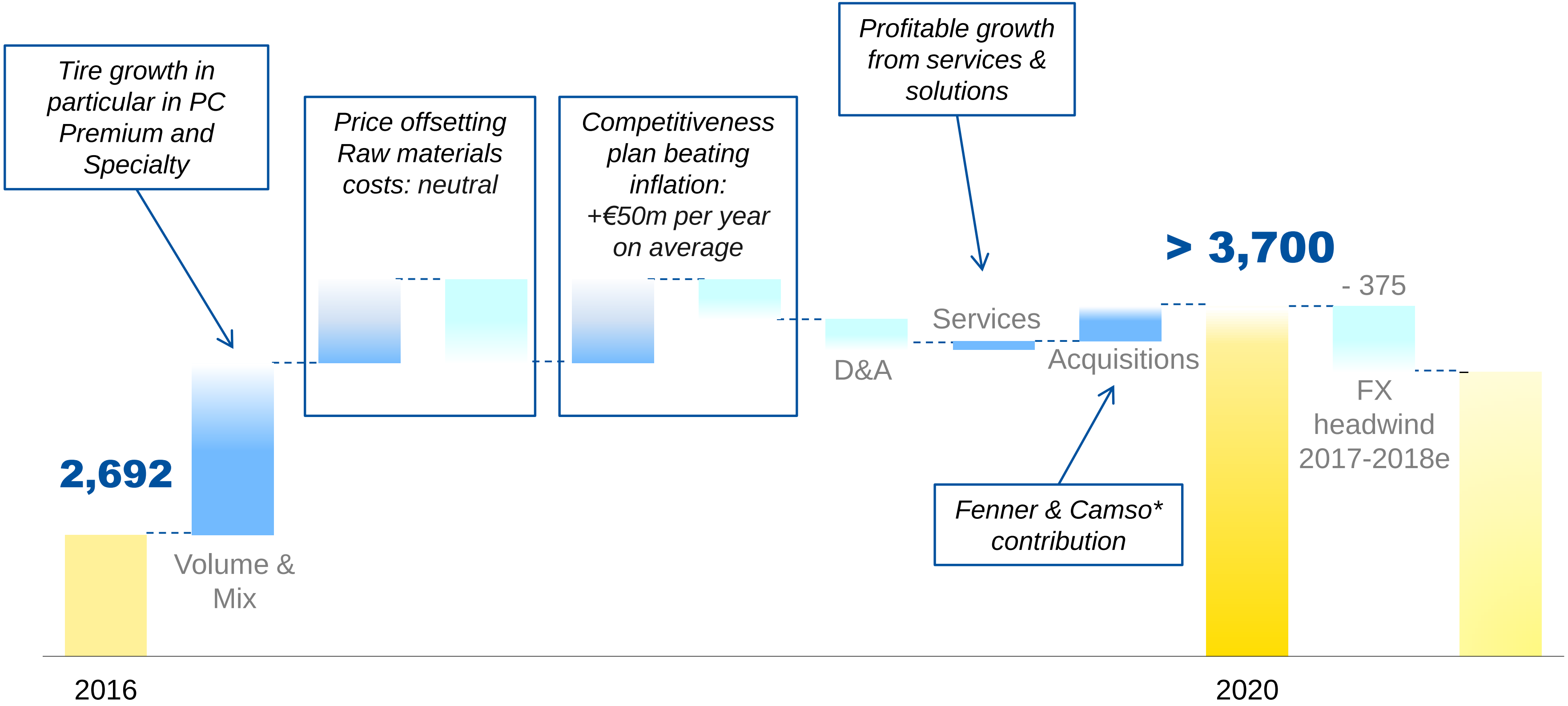
2018 scenario: a year led by the net positive impact of changes in the price-mix and raw materials prices

	H1 actual	H2 2018	2018
Impact from raw materials costs	-€67m	**stable**	**around -€50m***
Currency effect	-€218m	**around -€60m****	**around -€280m based on August 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: $1.45/kg; butadiene (US, Europe and Asia): $1350/t; Brent: $74/bbl*

***€/$ at 1.16 and further depreciation of Argentinian Peso and Turquish Lira*

2016-2020 scenario: profitability levers

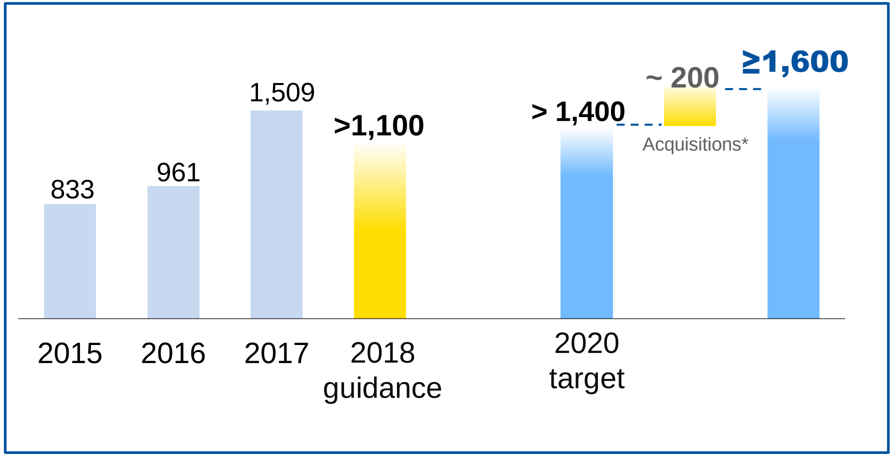


* Acquisition subject to regulatory approvals

2018: on the road to our 2020 objectives

- Deliver structural FCF ≥ €1,600m as from 2020

(in € millions)



Free cash flow improvement by 2020
Including acquisitions*

- EBITDA excluding Forex > €5,300m
- Capex stabilizing at ~€1.7bn/€1.8bn
- Working capital management leading to €250m reduction in inventory

**Fenner and Camso (subject to regulatory approvals)*

2020 organic ROCE scenario

2020 ROCE TARGET*

Growing operating income

Increase in net assets
- Stabilized capex
- Slight increase in D&A
- Increase in WCR in line with activity

WCR optimisation
- Inventory reduction

Increase in capacity utilization rate

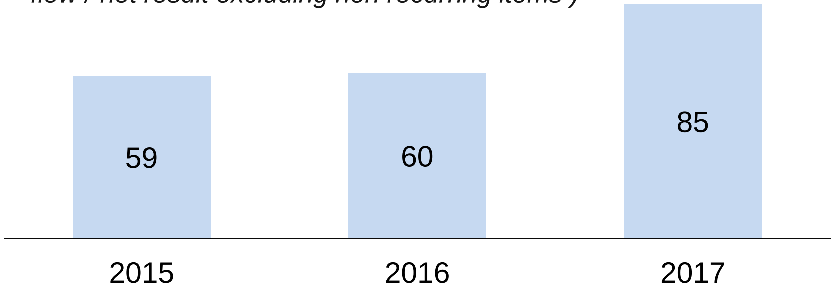
Standard tax rate at 28%

~15% after tax

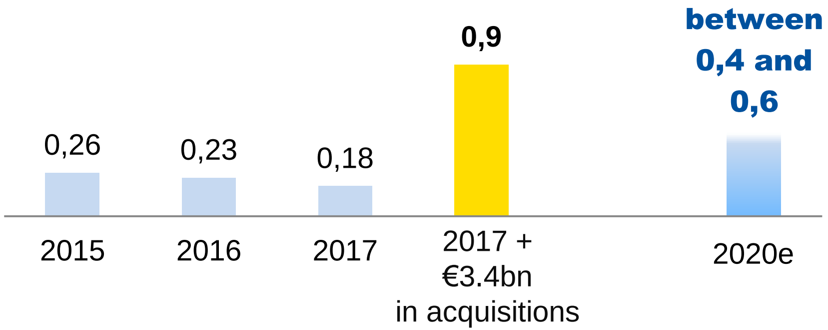
* at constant perimeter and exclusing Goodwill

High free cash flow and a robust financial position

Cash conversion *(in % - structural free cash flow / net result excluding non recurring items)*



Net debt/EBITDA*



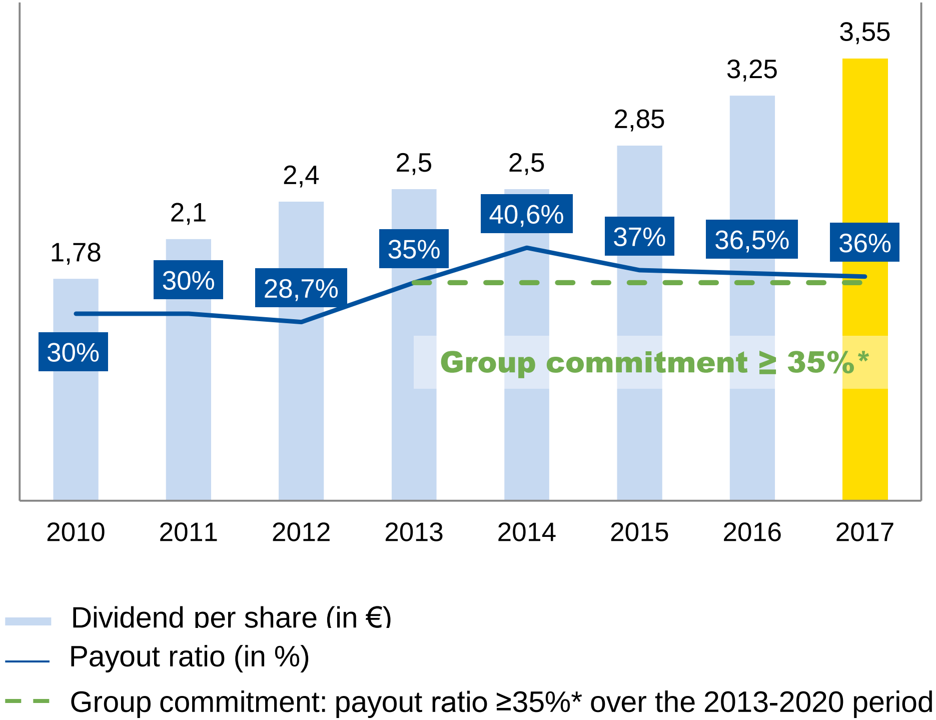
- Net debt/EBITDA peaking in 2018 due to cash out for planned acquisitions during the year, before easing to between 0.4 and 0.6 in 2020
- Rating agencies Moody's, Standard & Poor's and Fitch have confirmed an A-/A3 credit rating after the Camso acquisition project announcement bringing to €3.4bn the cash out in 2018
- Success of a three-tranche bond offering for a total amount of €2.5bn (of which a 20 year-tranche of €750m), rated A- by Standard & Poor's and A3 by Moody's.

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

MICHELIN A BETTER WAY FORWARD

Sustained shareholder return policy: dividends and share buybacks

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



* of Net results adjusted from non-recurring items

- Share buybacks 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

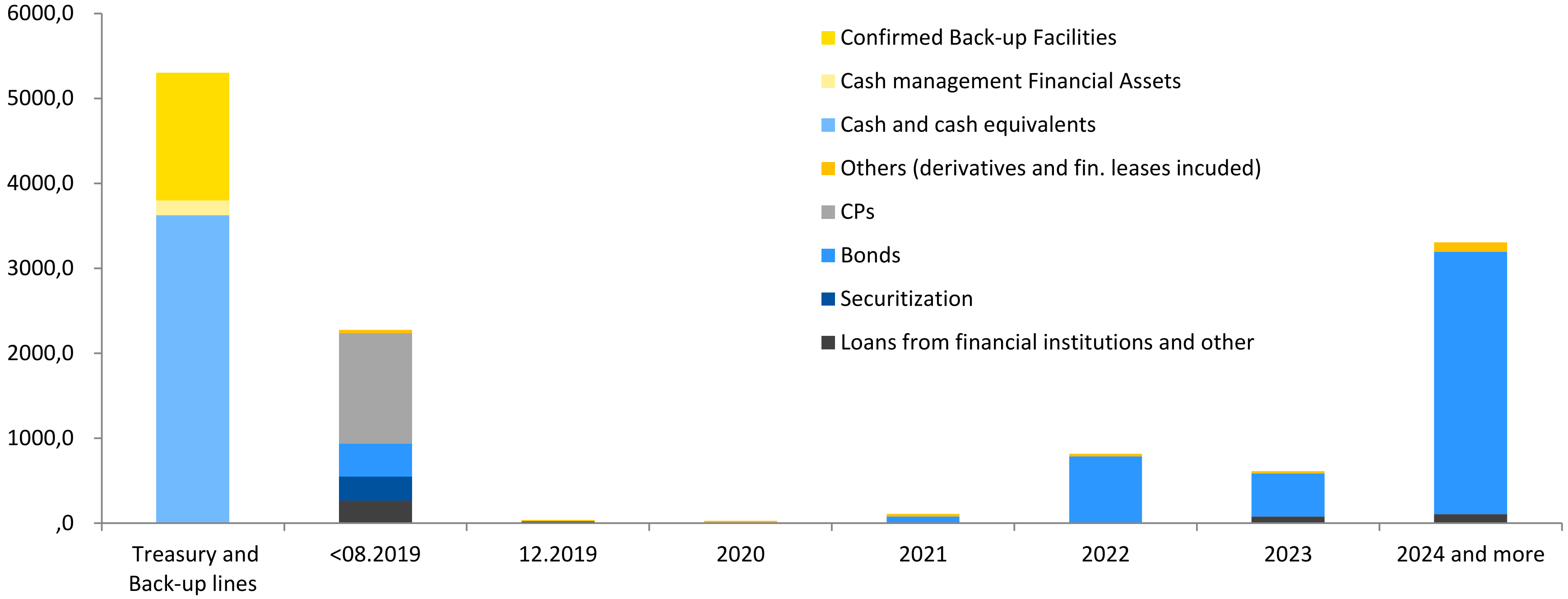
MICHELIN A BETTER WAY FORWARD

5 Financial profile

Smooth debt redemption profile

Debt maturities at 3 September, 2018

Position as of 31.08.2018 + Bonds issued on 03.09.2018 (Nominal value, in € millions)



Bond issues outstanding (as of August 29, 2018)

Issuer	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	Compagnie Générale des Etablissements MICHELIN	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg	MICHELIN Luxembourg
Issue	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note	Senior Note
Type	Bond	Bond	Bond	Convertible	Convertible	Bond	Bond	Bond	Bond
Principal Amount	€ 750 mn	€ 1000 mn	€ 750 mn	$ 600 mn	$ 500 mn + TAP $100 mn	€ 302 mn	€ 300 mn	€ 300 mn	€ 400 mn
Offering price	99,099%	99,262%	99,363%	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)	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	0,875% p.a	1,75% p.a	2,50% p.a	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	29-août-18	29-août-18	29-août-18	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	3-sept.-25	3-sept.-30	3-sept.-38	10-nov.-23	10-janv.-22	30-sept.-45	28-mai-22	28-mai-27	20-juin-19
Interest payment	Annual Sept 03	Annual Sept 03	Annual Sept 03	N/A	N/A	Annual Sept 30	Annual May 28	Annual May 28	Annual June 20
ISIN	FR0013357845	FR0013357852	FR0013357860	FR0013309184	FR0013230745	XS1298728707	XS1233732194	XS1233734562	XS0794392588
Denomination	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	€ 100'000 with min. tradable amount € 100'000	$ 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

Cash and Liquidity Reserve

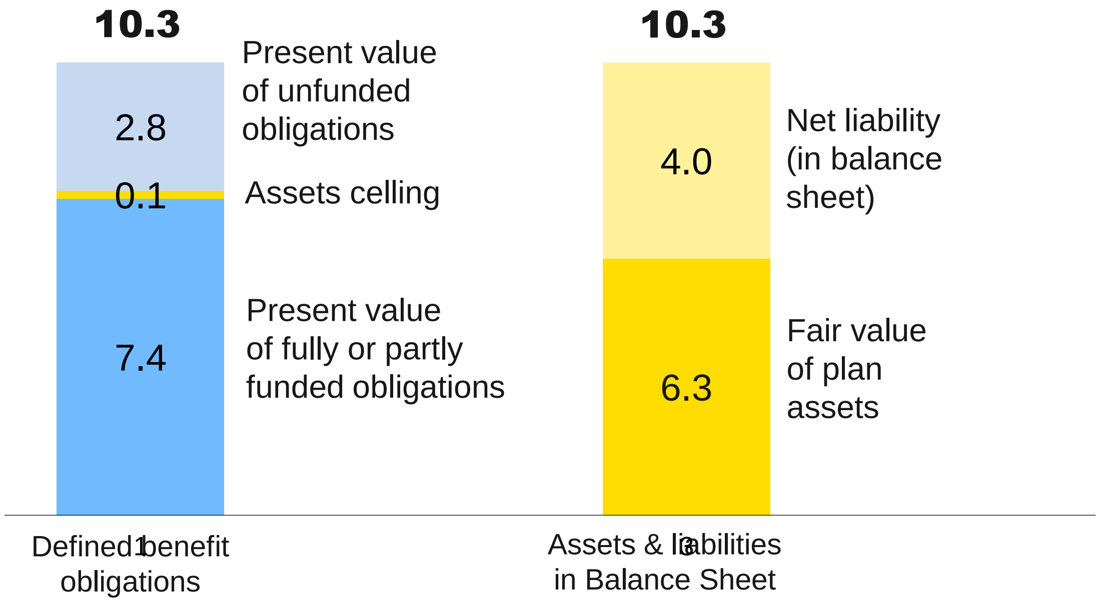
- 1,773 M€ of cash& cash equivalent + 285 M€ of current financial assets at Dec 31, 2017
- 1,500 M€ of an undrawn committed syndicated credit facility successfully refinanced in December/2014 with 17 banks for 7 years :
  - Back-up facility
  - EUR and/or USD
  - No financial covenants
- Main short-term debt programs :
  - French Commercial Papers (NEUCP/BT) : maximum size 1.500 M€
  - USCP program launched in April/2012 : maximum 700 M$
  - Pan- European receivables securitization program : 300 M€ total capacity
  - US receivables securitization program : 200 M$ total capacity
  - Reverse factoring : up to 300 M€

Systematic and Efficient Management of the Main Financial Risks under the Governance of the Financial Risk Committee

- Liquidity risk:
  - Secured financing : RCF, undrawn committed syndicated credit facility of €1,500m
  - Diversified financing sources
  - Conservative approach with available short- term instruments much above our needs
  - Non-risky cash investment
  - Risk managed at diverse horizons: very short term (5 d), monthly on a rolling 18 months, 5 years financial plan
- Interest rate risk:
  - Managed by currency at central level only
  - Defined fixed/variable thresholds
- FX rate risk:
  - Accounting FX exposure systematically hedged on a daily basis
- Counterparty risk:
  - Duly authorized counterparts (Group banks, CDS, ratings, market cap, …) with defined thresholds in €
  - Managed on a weekly basis

Defined benefit plans as at December 31, 2017

(in € billions)



Estimates of contributions to be paid and benefits to be paid directly

2018e:	€178m
2019e:	€174m
2020e:	€206m
2021e:	€219m
2022e:	€273m
2023-2027e:	€1,470m

Appendices

MICHELIN
A BETTER WAY FORWARD

PC Tire Market: In August, decreasing OE demand in Europe and China at a high market level, stabilizing in North America and dynamic in South America. RT demand still growing in mature region, and declining in emerging markets in a context of economic and political uncertainty that leads the distribution to reduce its inventory.

August 2018 / 2017

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▼ -4%	▼ -5%	▼ -1%	▲ +9%	▼ -2%
Replacement tires	▲ +4%	▲ +4%	▲ +3%	▼ -13%	▼ -12%

YTD (August 2018)

Market	Europe including Russia & CIS *	Europe excluding Russia & CIS *	North America	South America	China
Original equipment tires	▲ +0%	▼ -0%	▼ -4%	▲ +10%	▲ +2%
Replacement tires	▲ +4%	▲ +2%	▲ +3%	▼ -6%	▼ -1%

** Turkey included*

TB Tire Market: In August, still dynamic growth in OE and RT in mature markets driven by fret demand. Slow down in demand in South America in an uncertain economic environment.

August 2018 / 2017

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipement tires	▲ +11%	▲ +13%	▲ +19%	▲ +23%
Replacement tires	▲ +2%	▲ +2%	▲ +5%	▼ -4%

YTD (August 2018)

Market (Radial + Bias)	Europe including Russia&CIS *	Europe excluding Russia&CIS *	North America	South America
Original equipement tires	▲ +6%	▲ +6%	▲ +17%	▲ +60%
Replacement tires	▲ +2%	▲ +0%	▲ +5%	▲ +4%

** Turkey included*

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*

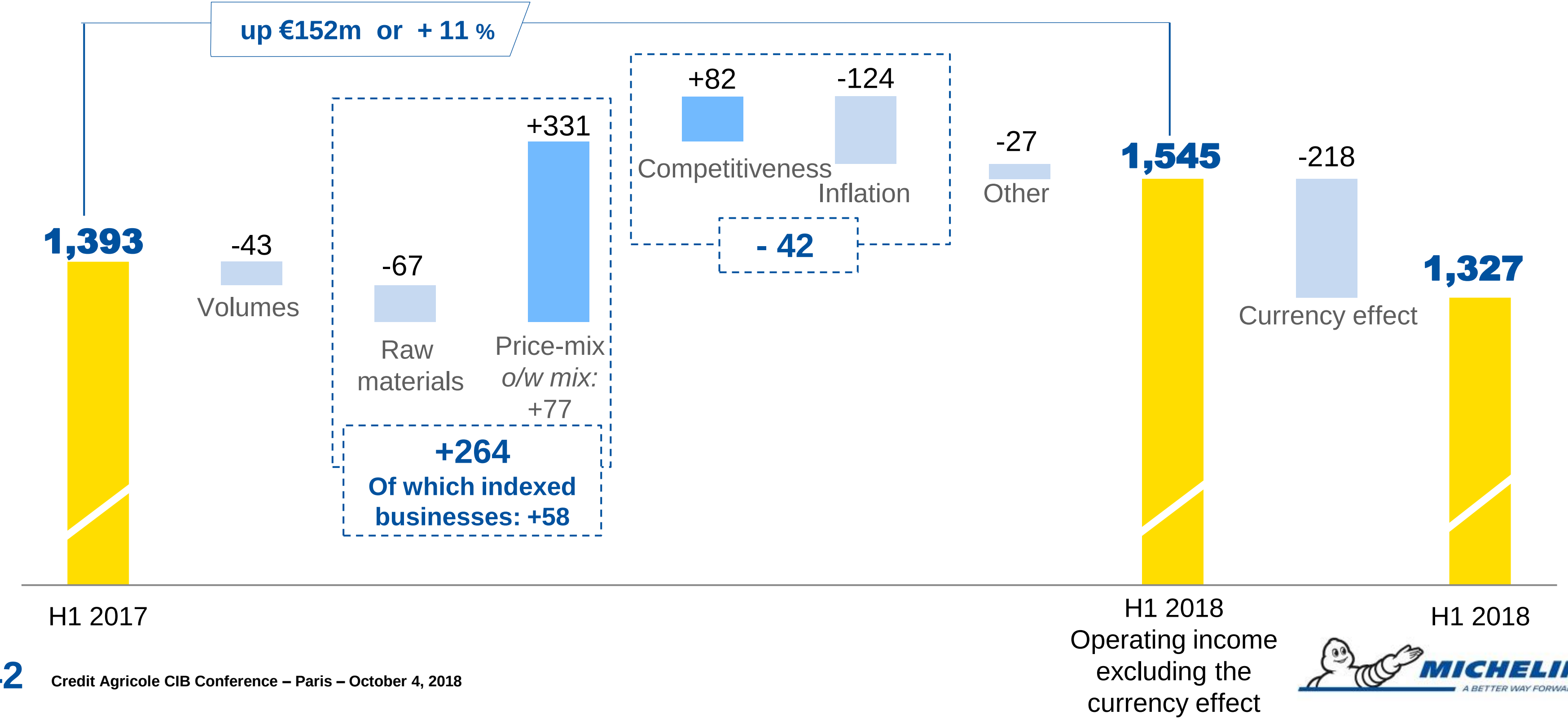
Reported H1 2018 and H1 2017 financial highlights

(en millions €)	**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.*

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

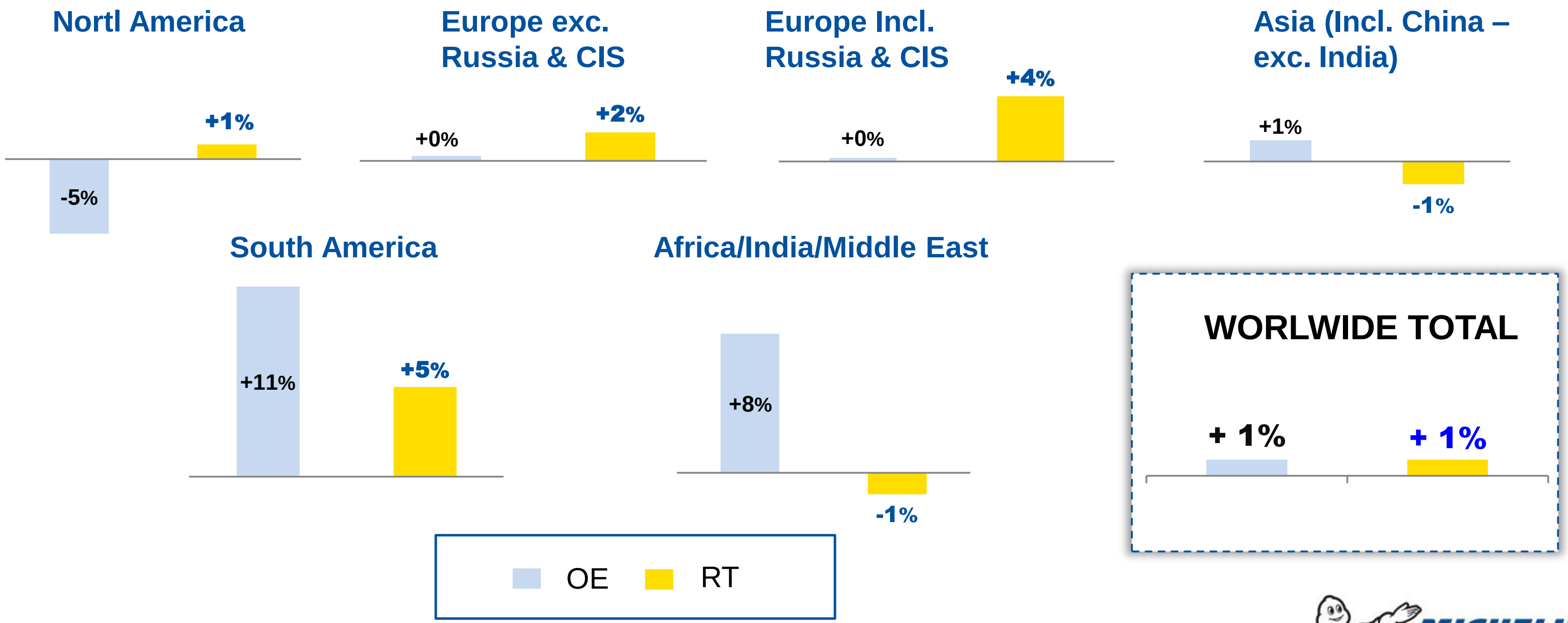
YoY change in operating income from recurring activities *(in € millions)*



PC/LT: Slower market growth in H1 due to unfavorable comparatives

PC/LT tire market, first-half 2018

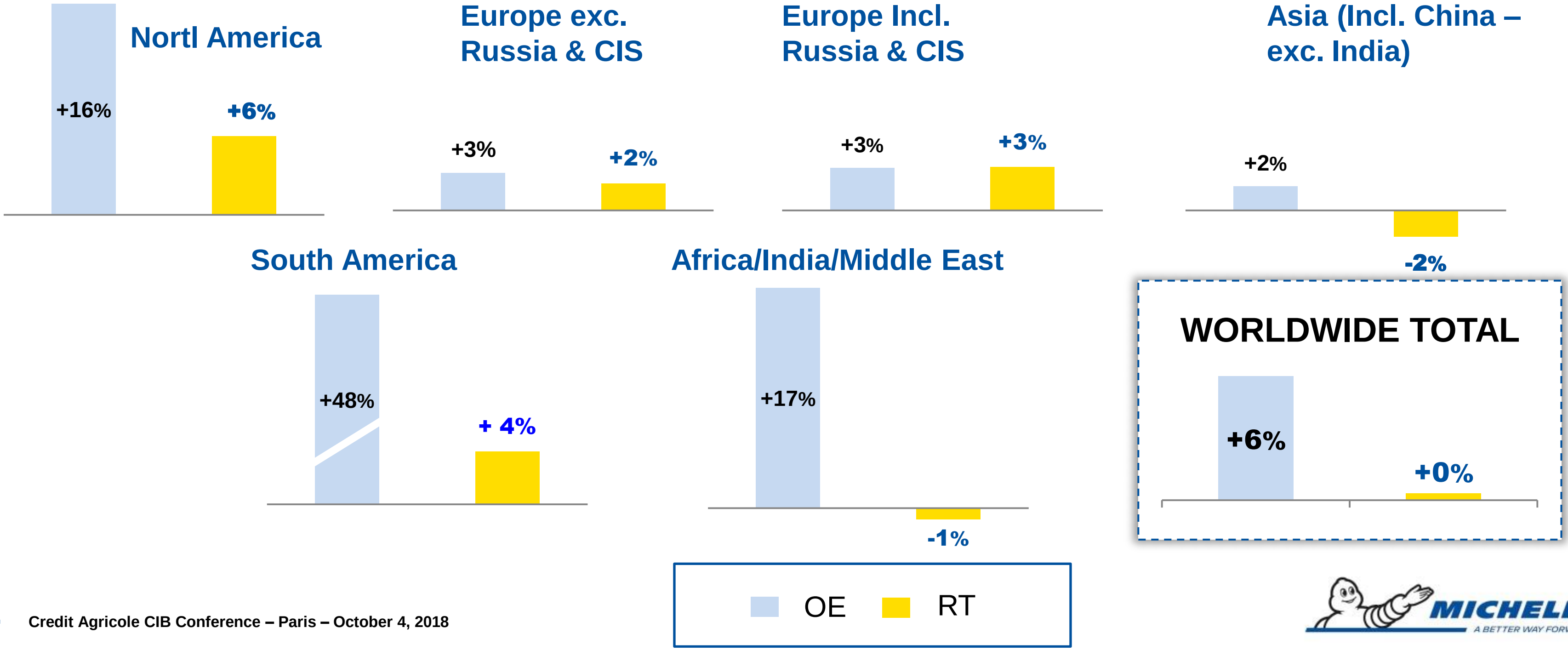
(% change YoY, in number of tires)



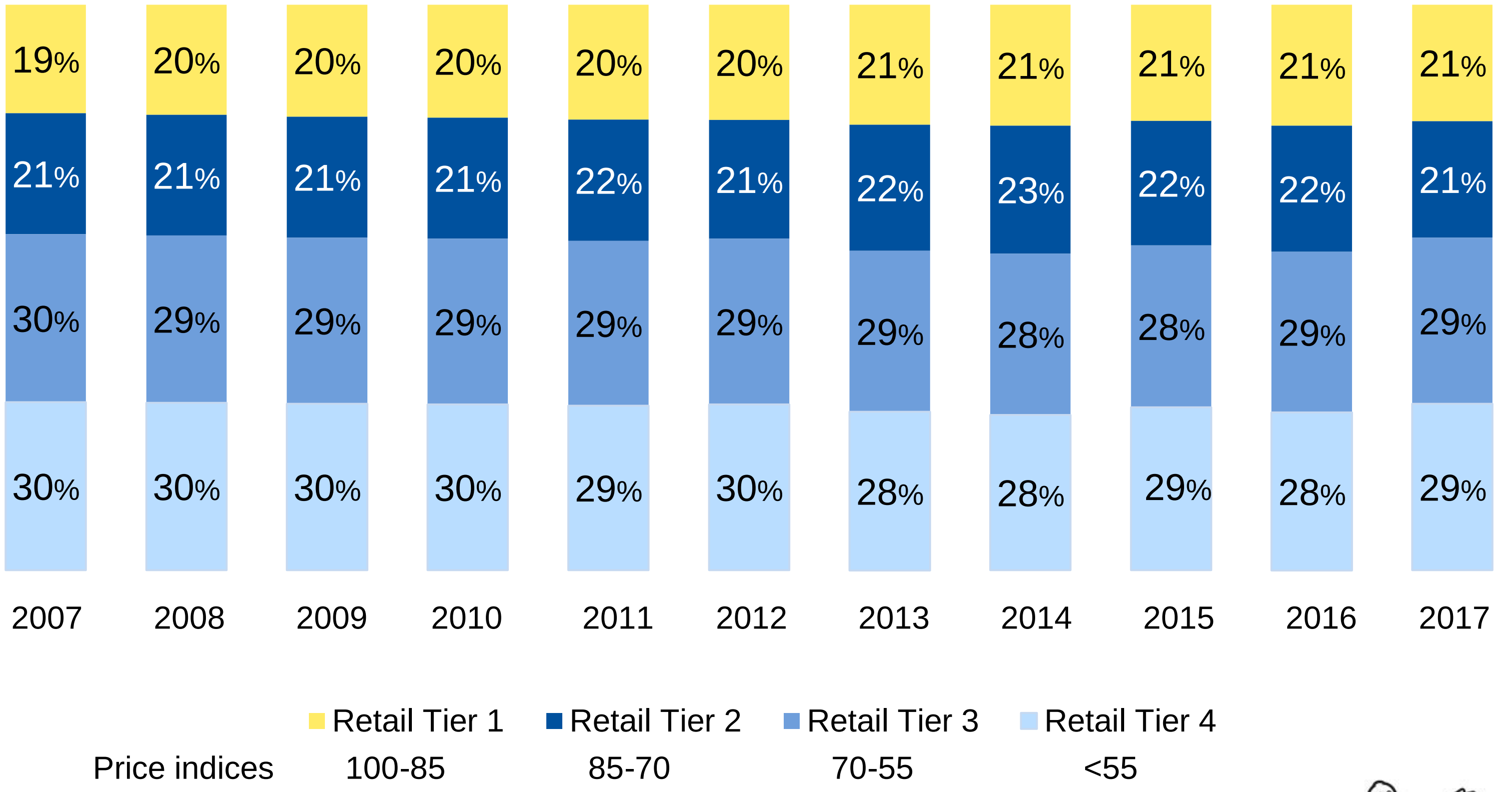
Truck: Strong growth in OE markets and stable RT demand, due to an unfavorable basis of comparison

Truck tire market, first-half 2018

(% change YoY, in number of new tires)



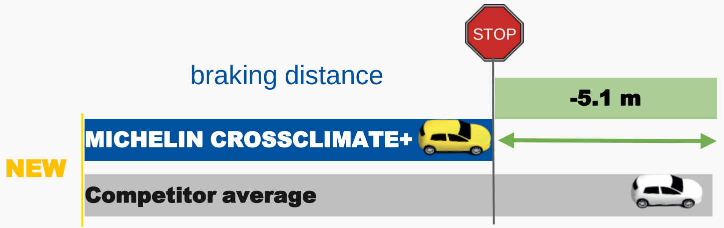
US Replacement Passenger car Tire Market, A Stable Tier 1-pricing Segment Over Time



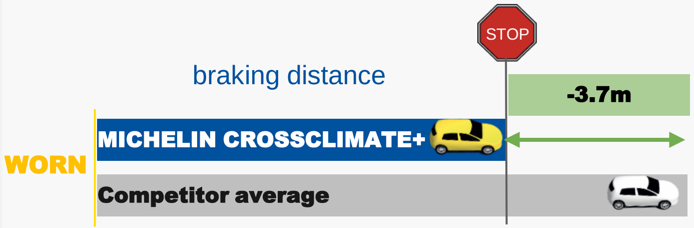
Addressing planned obsolescence: MICHELIN CrossClimate+ offers top performance regardless of new or worn tread

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

SAFER ON DRY ROADS

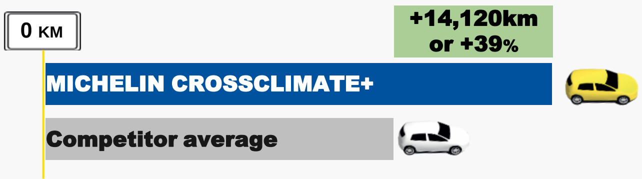


SAFER ON WET ROADS



EXCELLENT TRACTION ON SNOW

EXCELLENT PERFORMANCE OVER TIME



*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.

MICHELIN
A BETTER WAY FORWARD

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

(in £ millions)	Last 2018 consensus	2017
• Net sales	682	655
• EBITDA	99	86
• EBITDA margin	15%	13%



Fenner Key figures

(in £ millions)	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

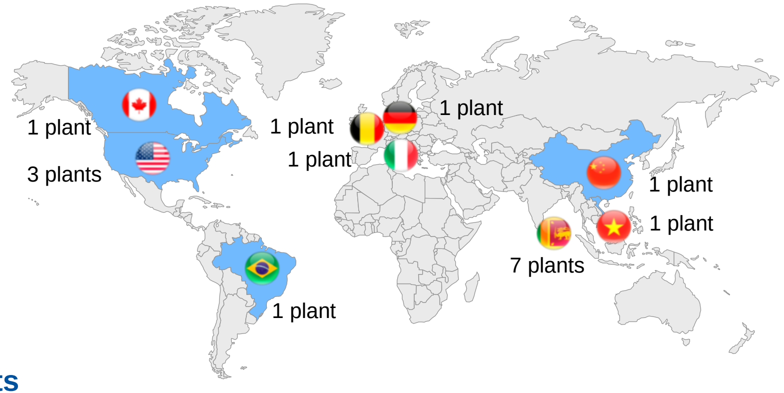
Camso: a perfect fit with Michelin to enhance value creation

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*

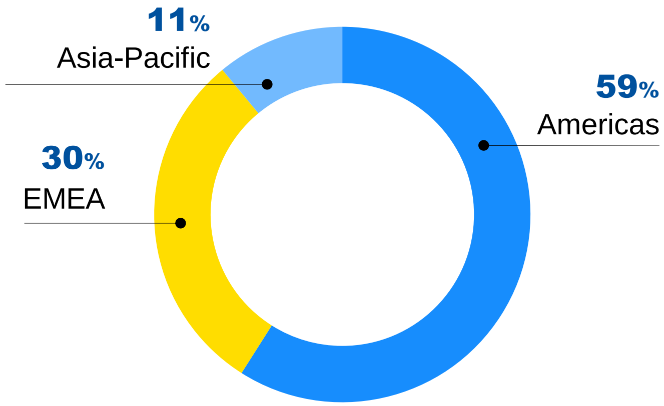
Camso, a global footprint

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	Camso	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 Camso solutions
  – Michelin R&D can help to optimize the lifespan of Camso treads
- Products that protect the environment and increase yields, with reduced soil compaction and better traction

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

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

Camso key figures

In $ millions	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: Camso

H1 2018 net sales by currency and EBIT impact

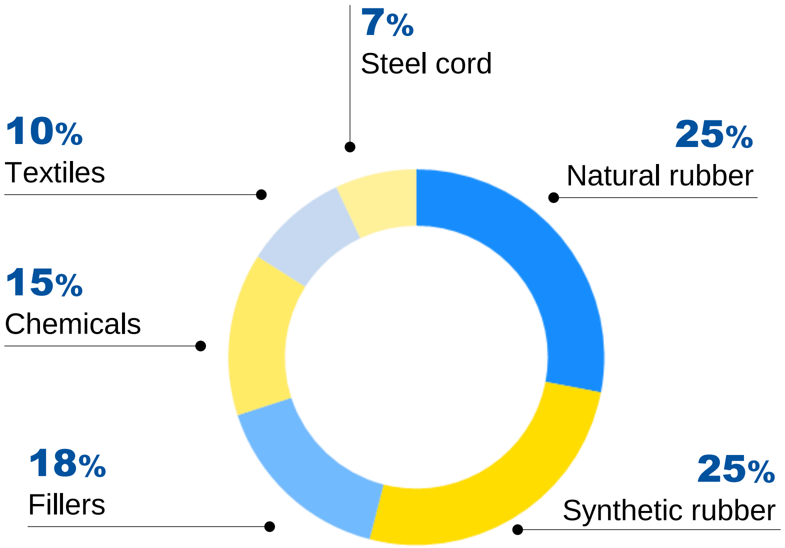
Currency	% of net sales H1 2018	H1 2018 vs 2017 € change vs. currency	Dropthrough Net sales/EBIT*
ARS	1%	+51%	80% - 85%
AUD	2%	+9%	80% - 85%
BRL	3%	+20%	-20% / - 30%
CAD	3%	+7%	25% - 30%
CNY	6%	+4%	25% - 30%
EUR	35%	NA	-
GBP	3%	+2%	25% - 30%
INR	1%	+12%	25% - 30%
JPY	1%	+8%	80% - 85%

Currency	% of net sales H1 2018	H1 2018 vs 2017 € change vs. currency	Dropthrough 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%

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

Raw materials

- Raw materials purchases in H1 2018 *(€2.5bn)*

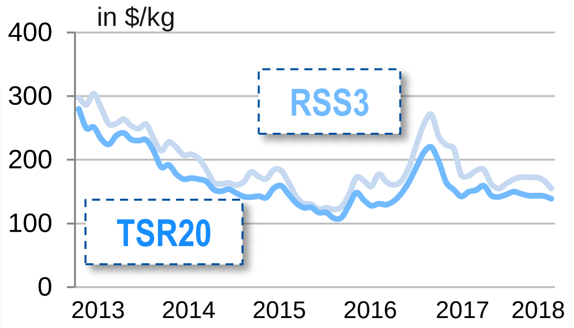


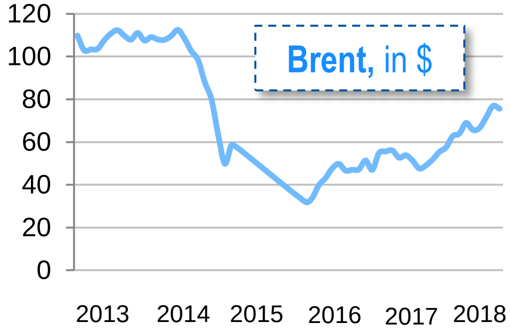
€/$ exchange rate

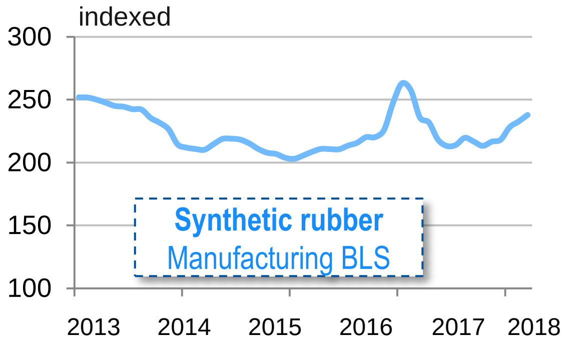
H1 2017 average: **1.08**

+12.0%

H1 2018 average: **1.21**

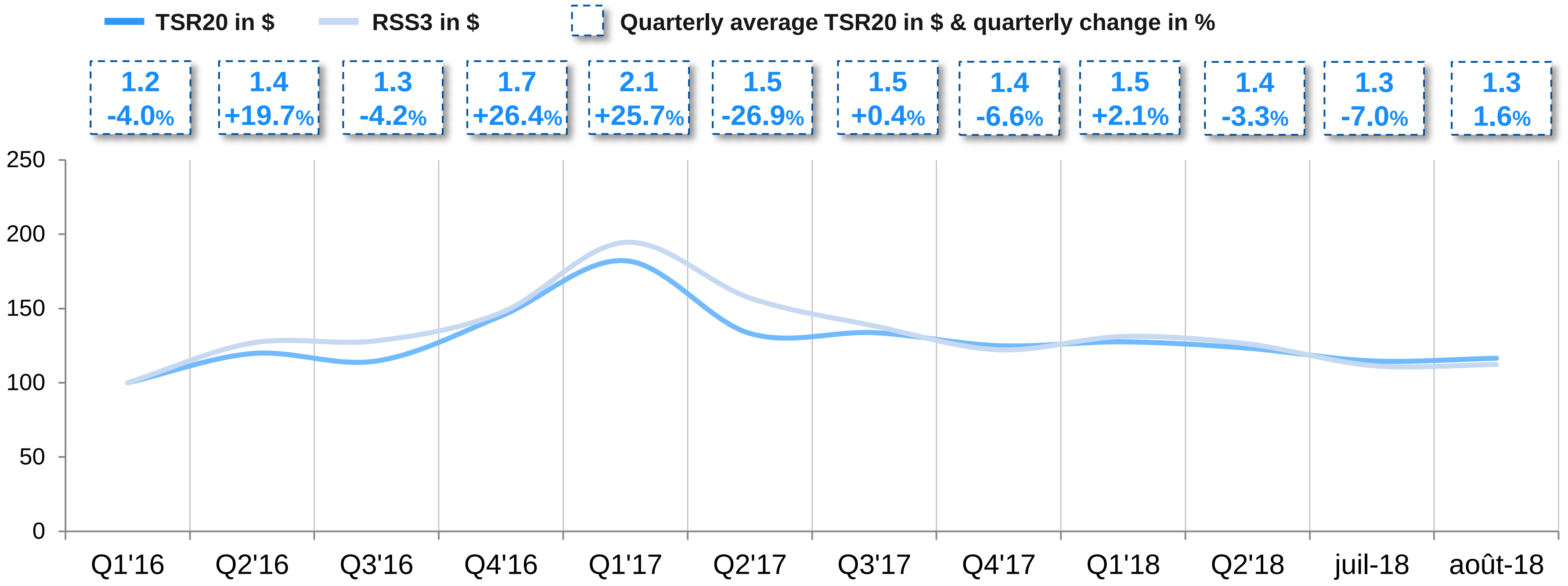






Natural rubber prices

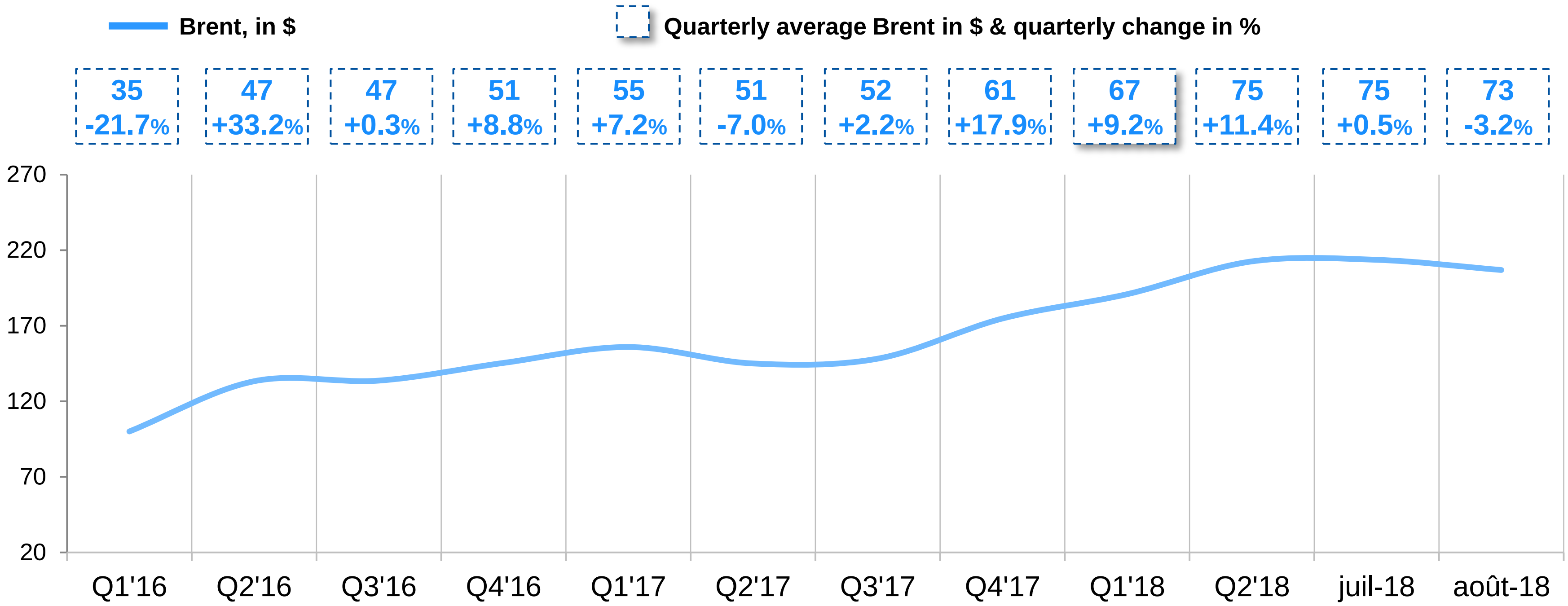
Index as of August 31, 2018 *(in $/kg, base 100: Q1 2016)*



Source: SICOM

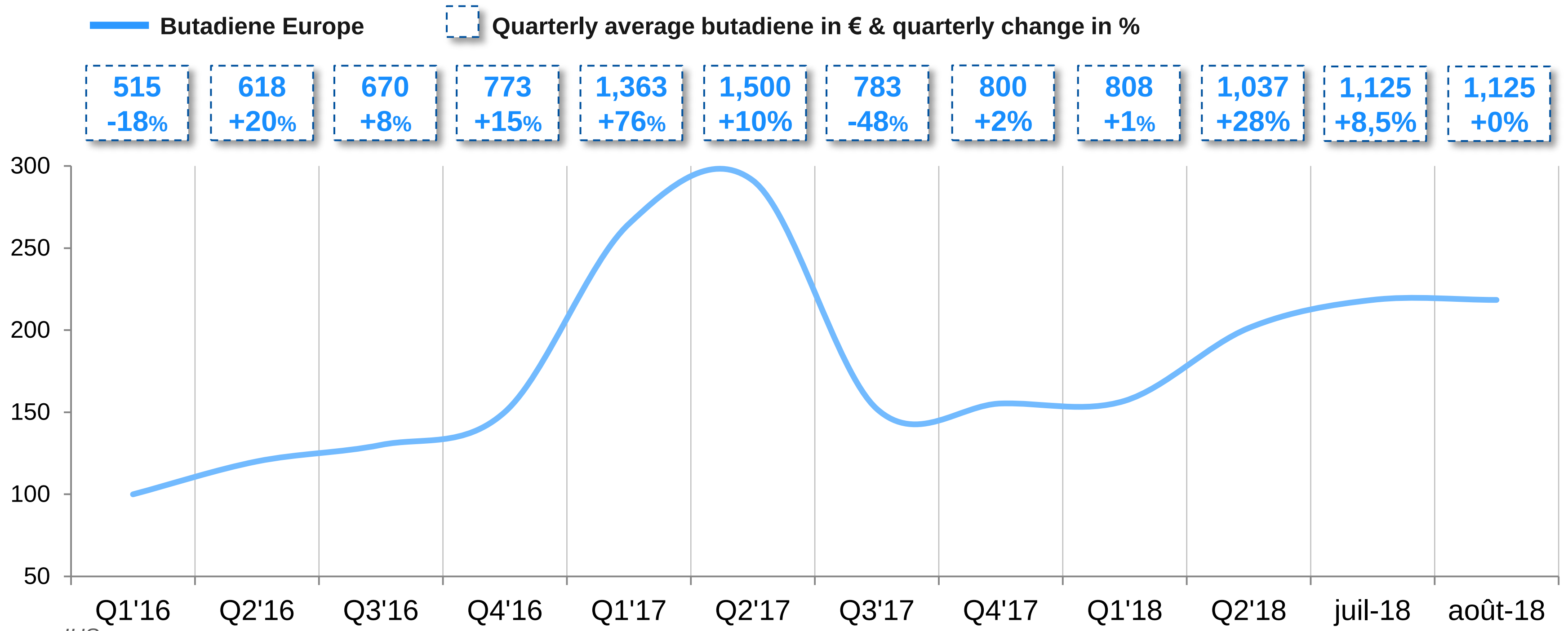
Brent crude oil prices

Index as of August 31, 2018 *($ per barrel, base 100: Q1 2016)*



Butadiene prices

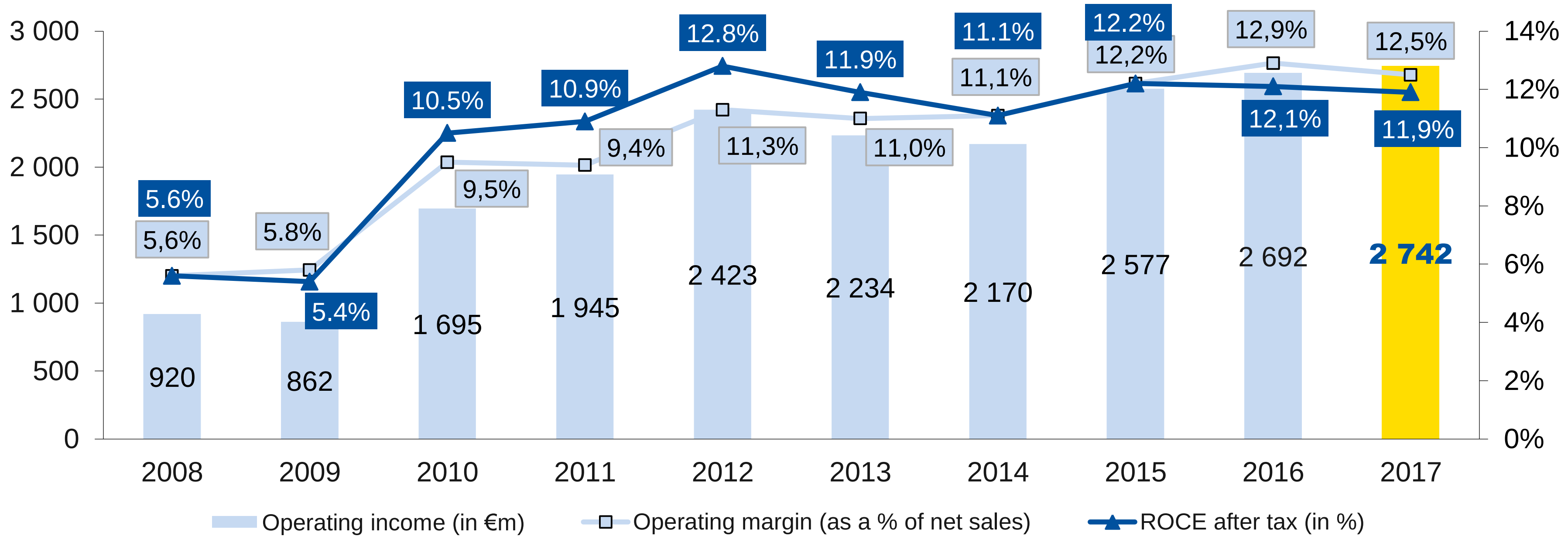
- Index as of August 31, 2018 *(€ per tonne, base 100: Q1 2016)*



Source: IHS

2017: another year in line with our 2020 roadmap

Operating income and margin* & ROCE



*from recurring activities.

Reported 2017 and 2016 financial highlights

(in € millions)	**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.*

MICHELIN A BETTER WAY FORWARD

Reported 2017 financial highlights: P&L

(in € millions)	2017	*(as a % of net sales)*
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**

Disclaimer

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