

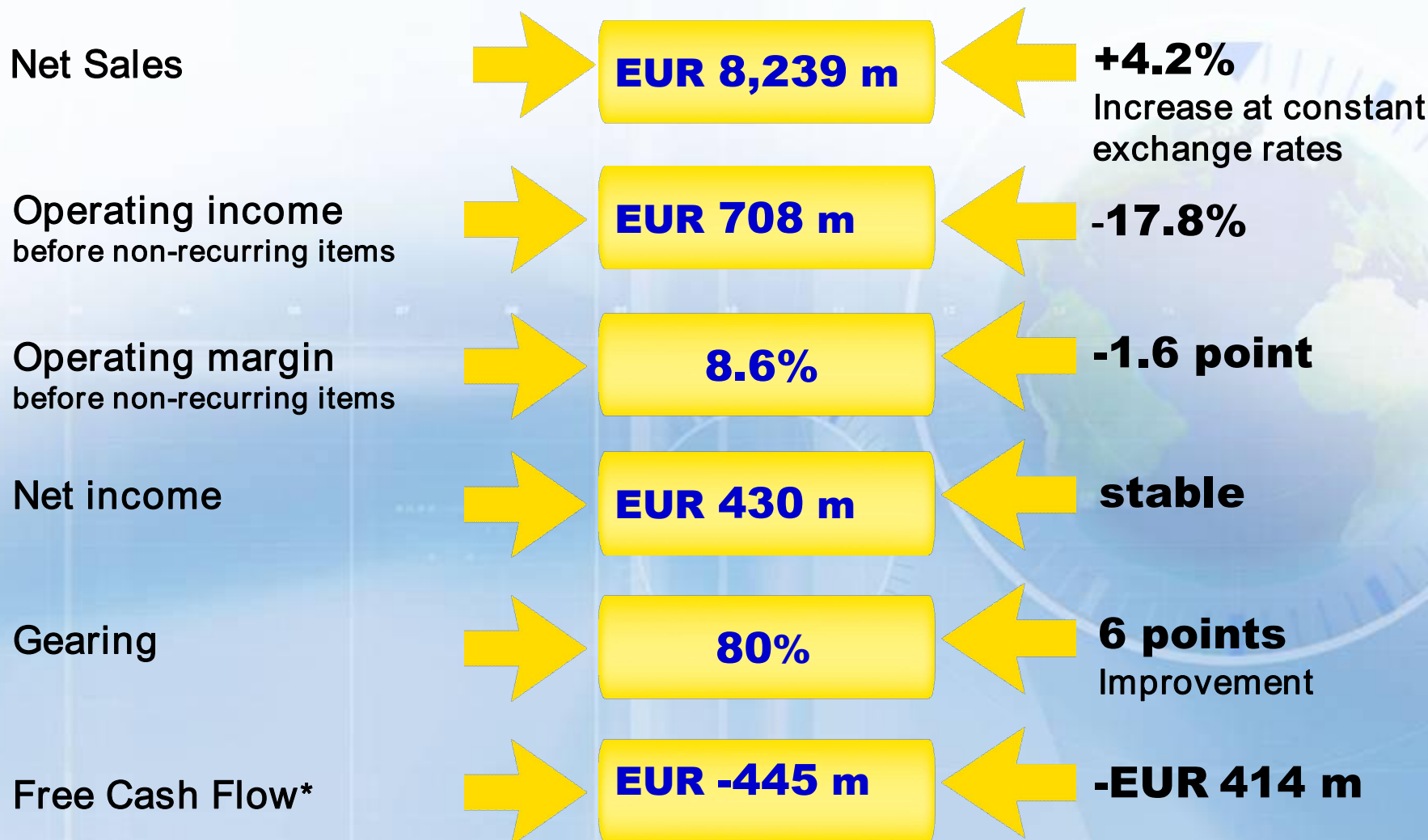


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First Half 2008 Key Figures



*Free Cash Flow: Cash flow from operating activities – cash flow from investing activities




June End 2008 markets




June End 2008 Markets: Weak in Europe and North America

Passenger Car and Light Truck Tires

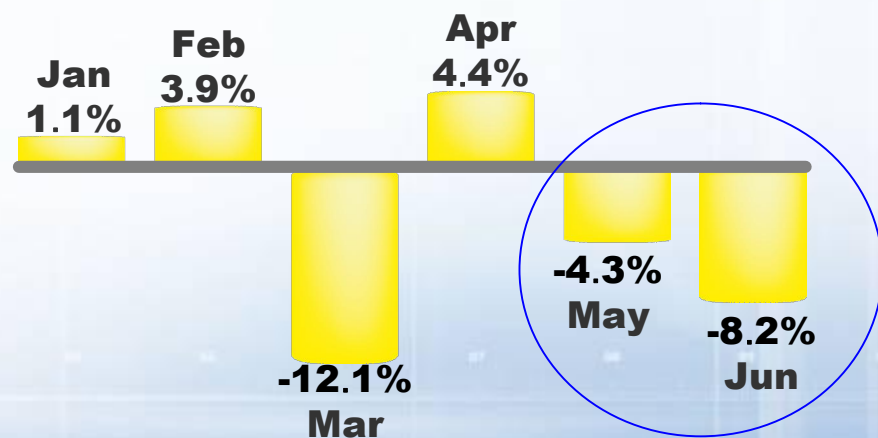
	Europe Including CIS	North America	Asia	South America	Africa Middle East	Total
Original Equipment	+2%	-12%	+10%	+19%	+14%	+3.0%
Replacement	-3%	-2%	+5%	+2%	+3%	-0.3%

Truck Tires (radial market)

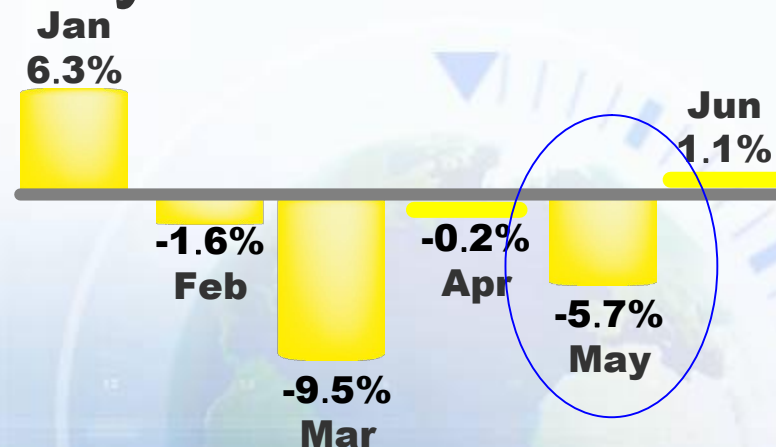
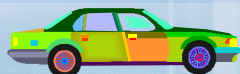
	Europe Including CIS	North America	Asia	South America	Africa Middle East	Total
Original Equipment	+14%	-18%	+33%	+21%	+3%	+9.8%
Replacement	-6%	-5%	+12%	+23%	+5%	+4.4%



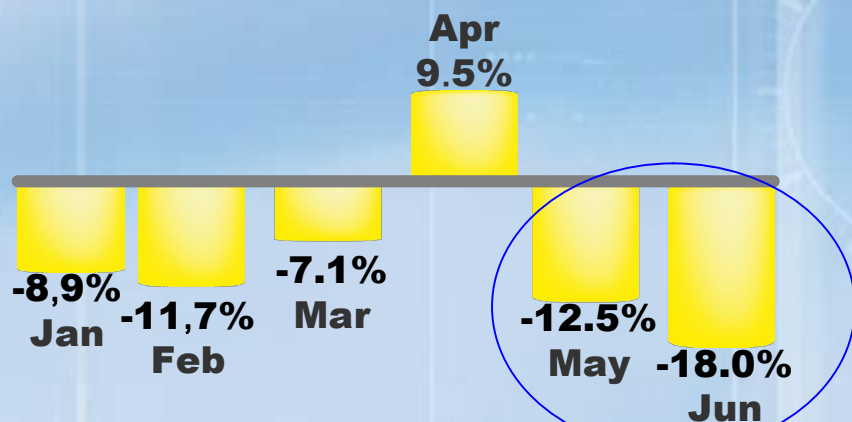
Sharp Decline of Replacement Markets in Mature Countries in May and June



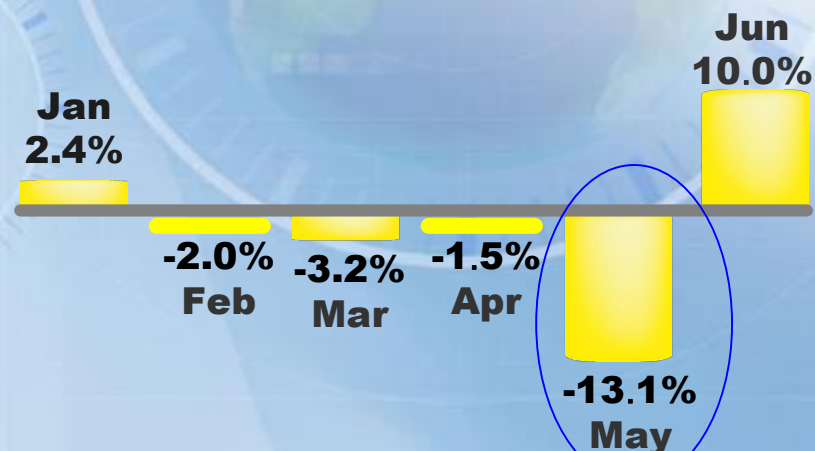
Europe



North America



Europe

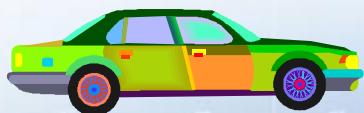


North America



Impact of Geographic Mix

Decline more pronounced in Europe than in North America



Europe

-3%

**North
America**

-2%

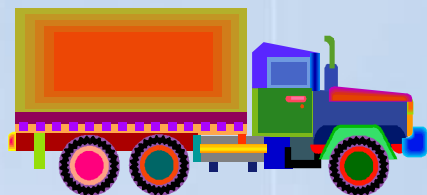
**Change in
Replacement
markets at
June-end 2008**

Europe

-6%

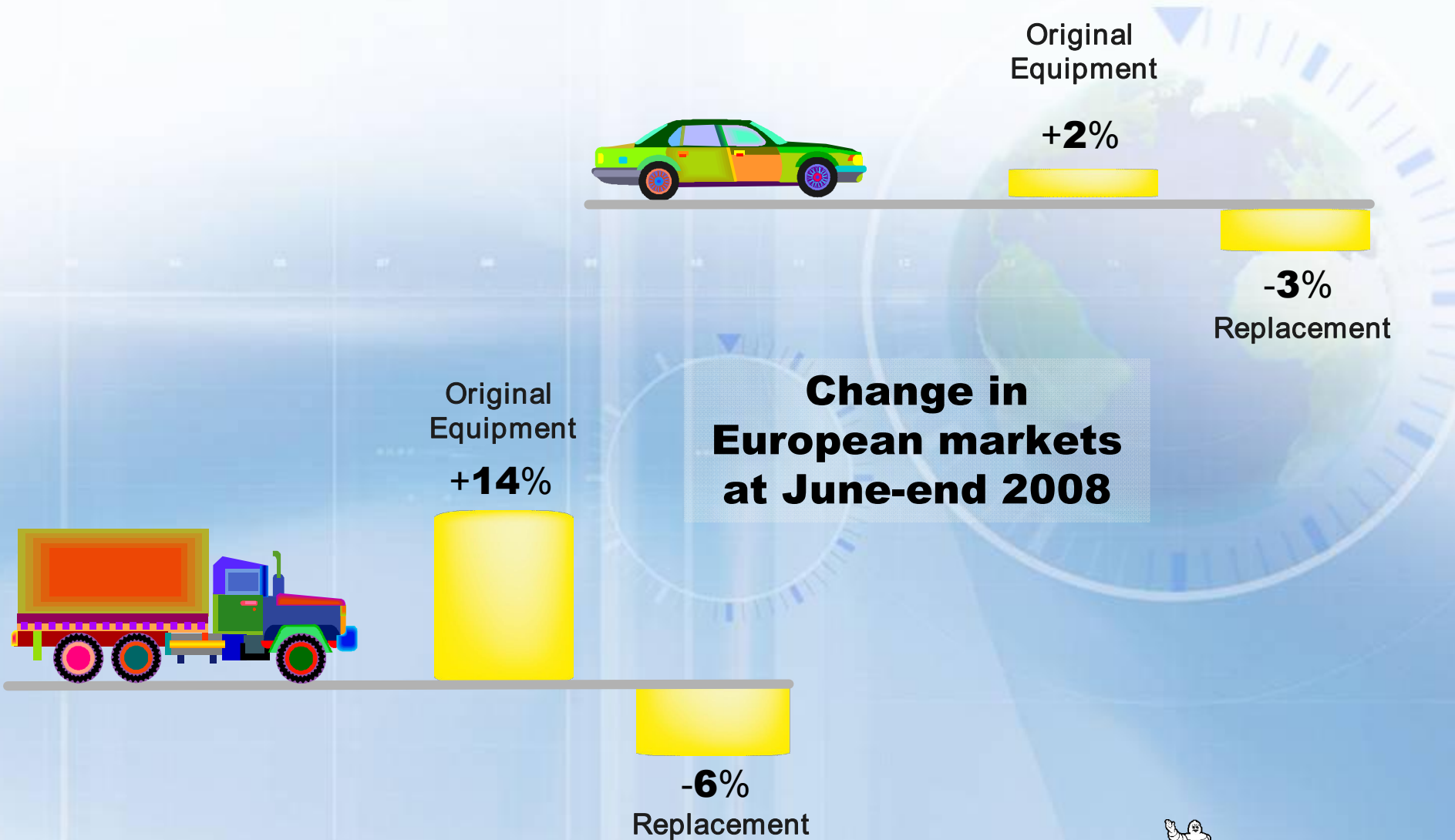
**North
America**

-5%



OE/RT Mix impact in Europe

Replacement Market down and Original Equipment Market up

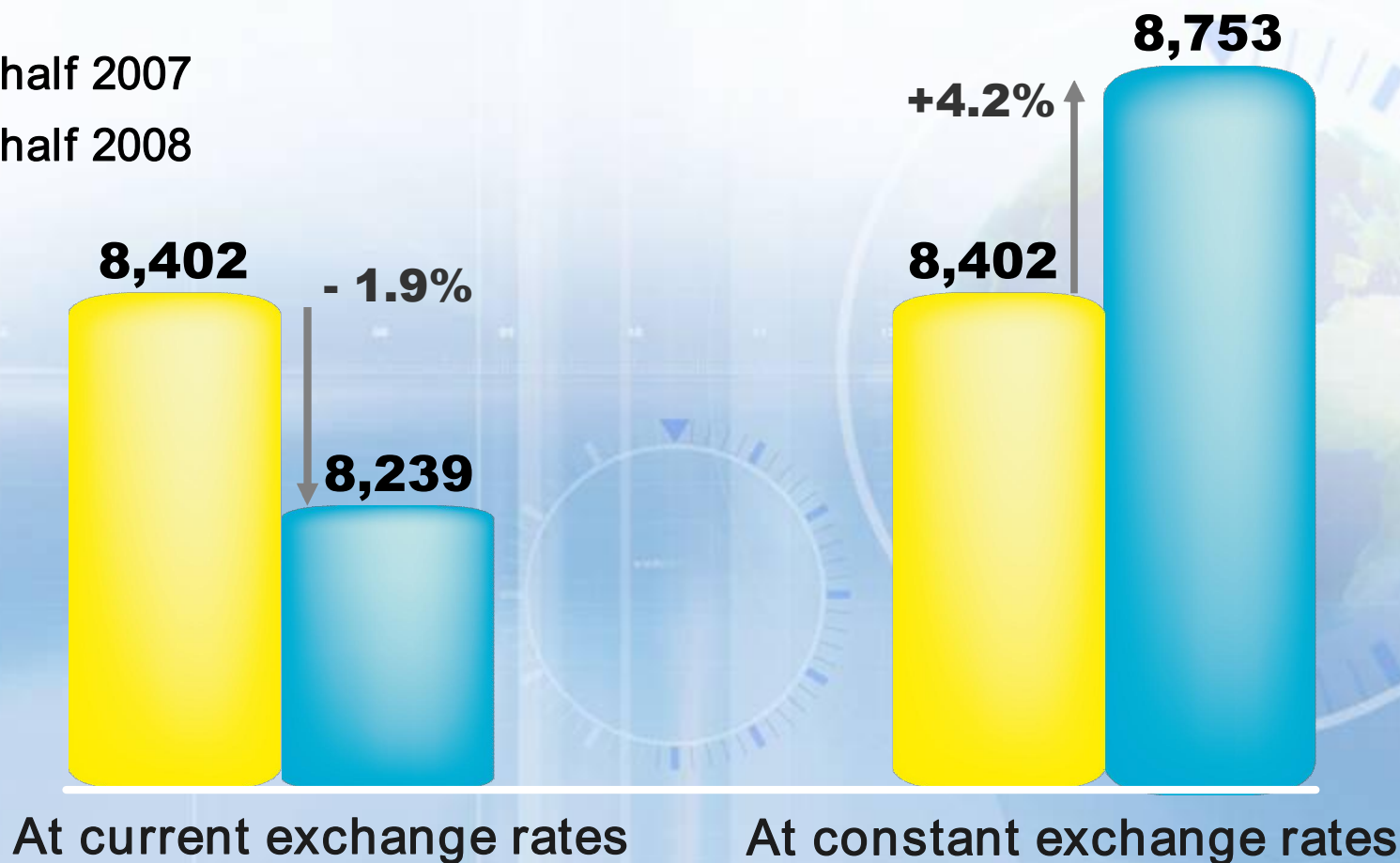


Operating Performance



Net Sales up 4.2% at constant exchange rates

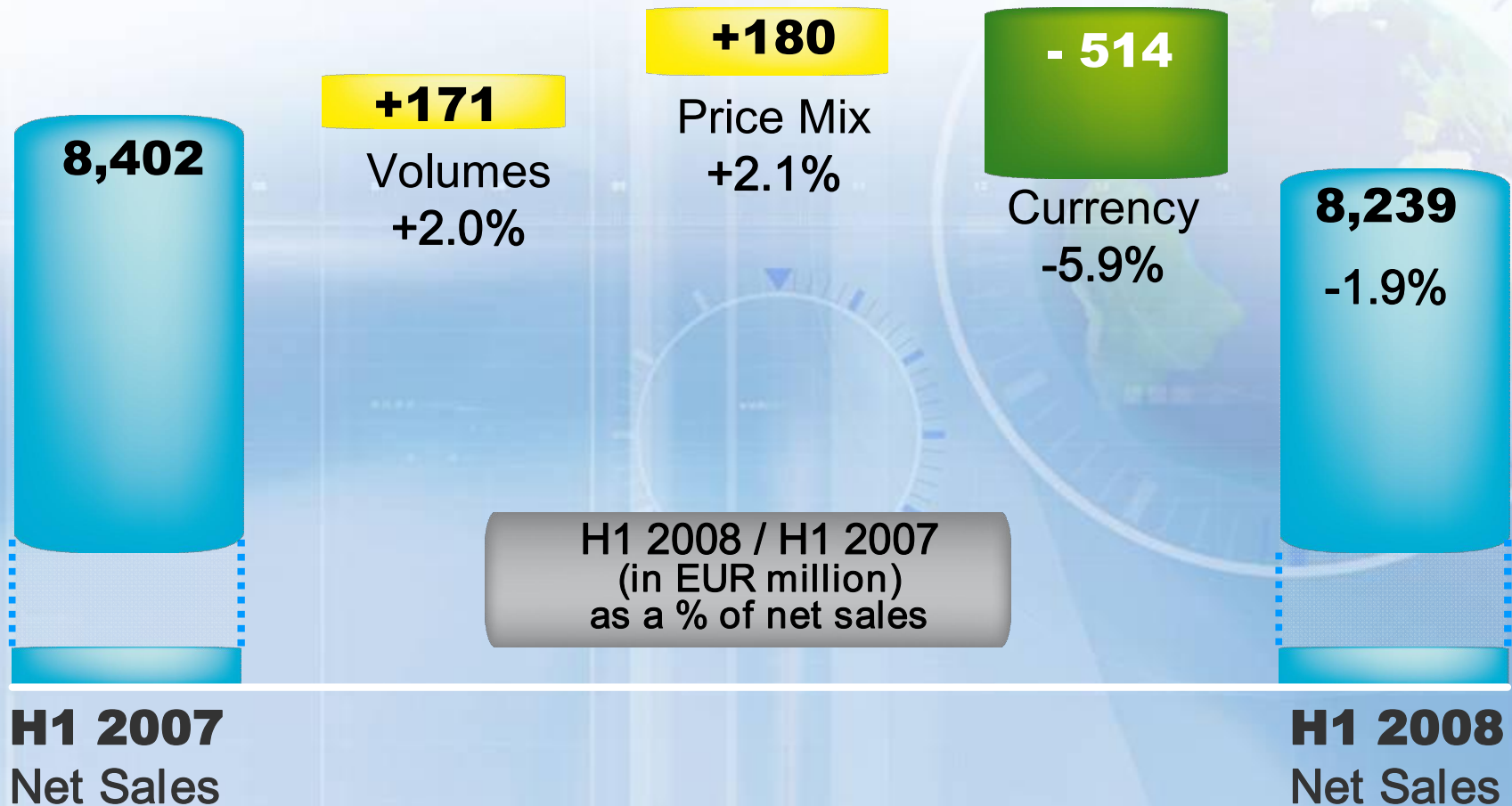
1st half 2007
1st half 2008



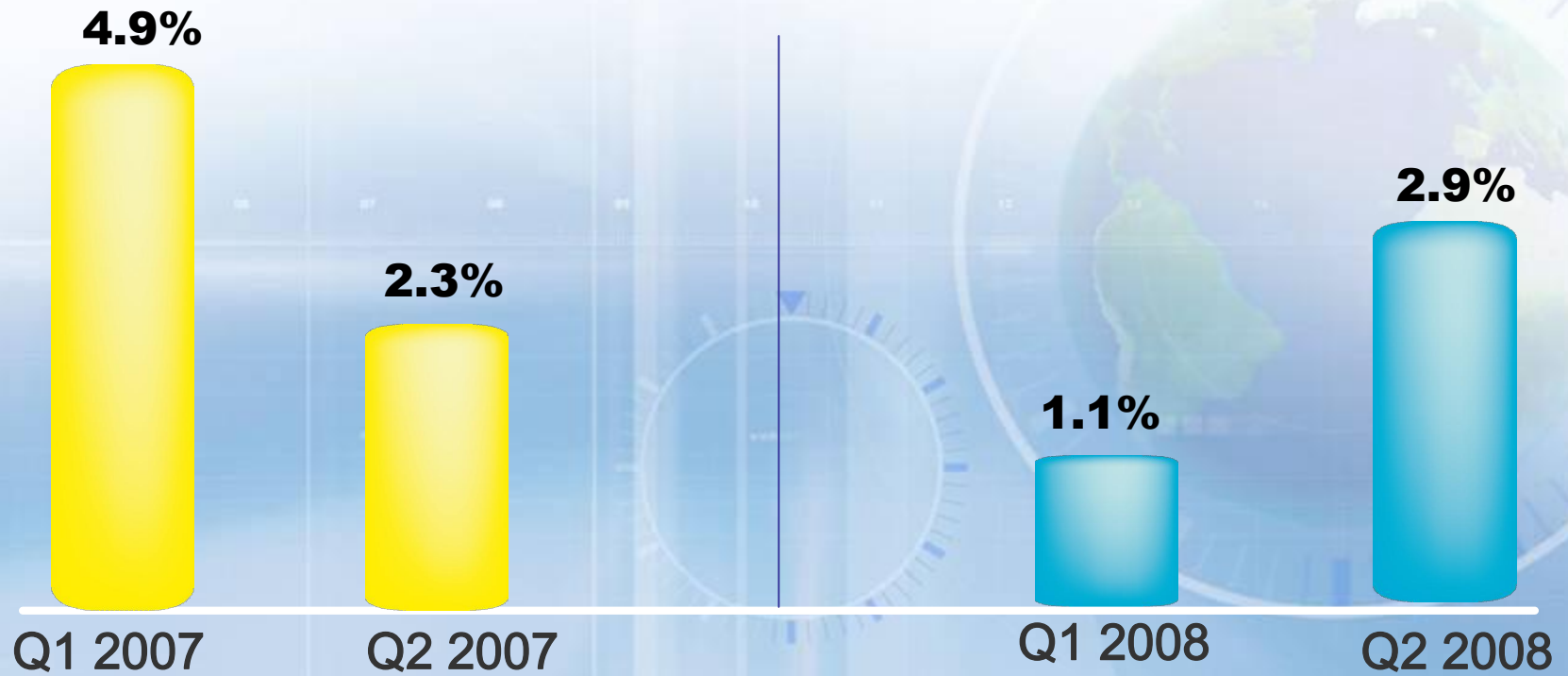
Net sales in EUR million



Satisfactory Sales Volume Growth & Price Mix did not fully offset negative currency impact

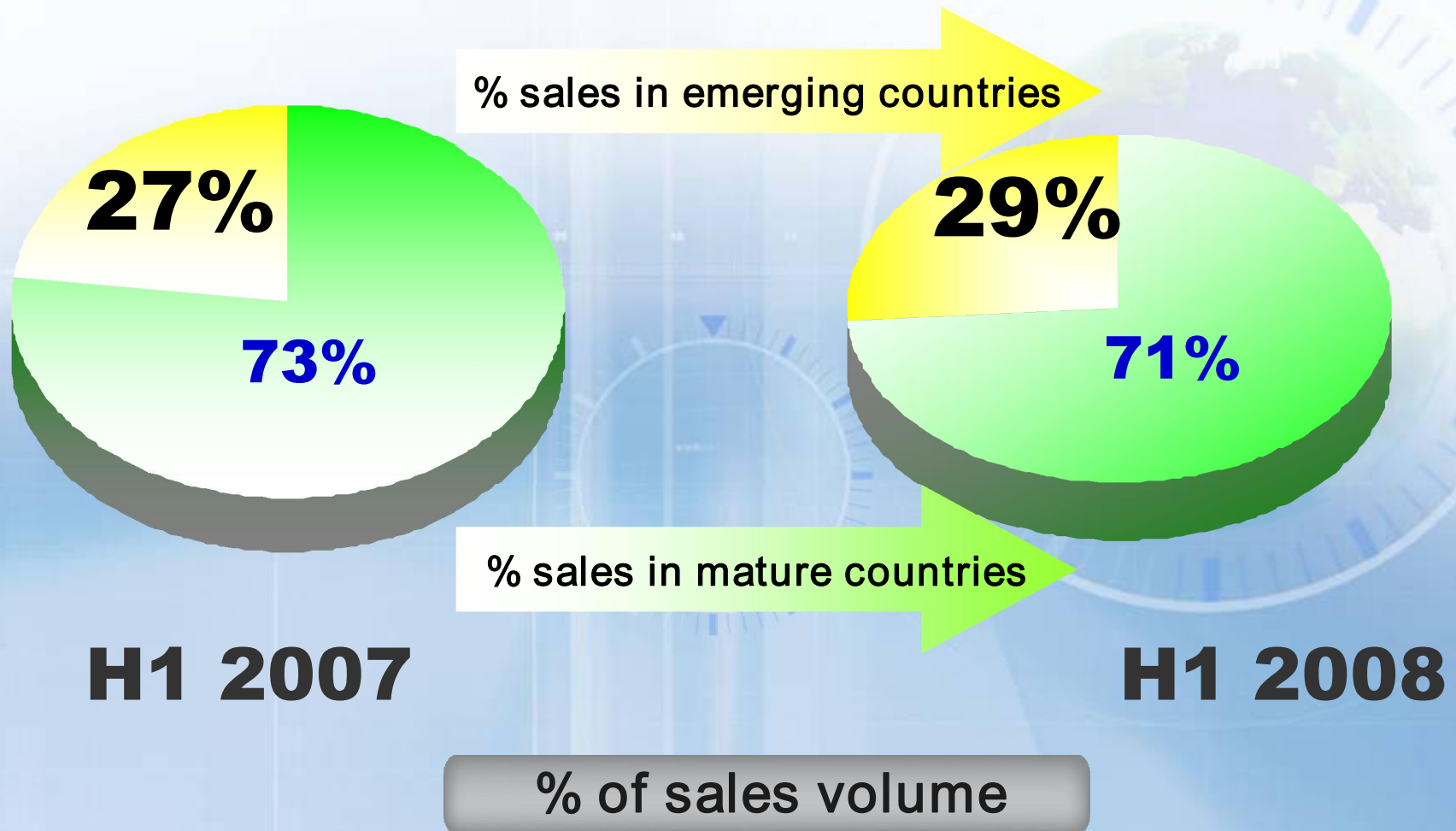


Sales volume rebound in 2nd quarter in difficult trading environment



% year-on-year volume growth

Emerging countries accounted for more than 80% of sales volume growth



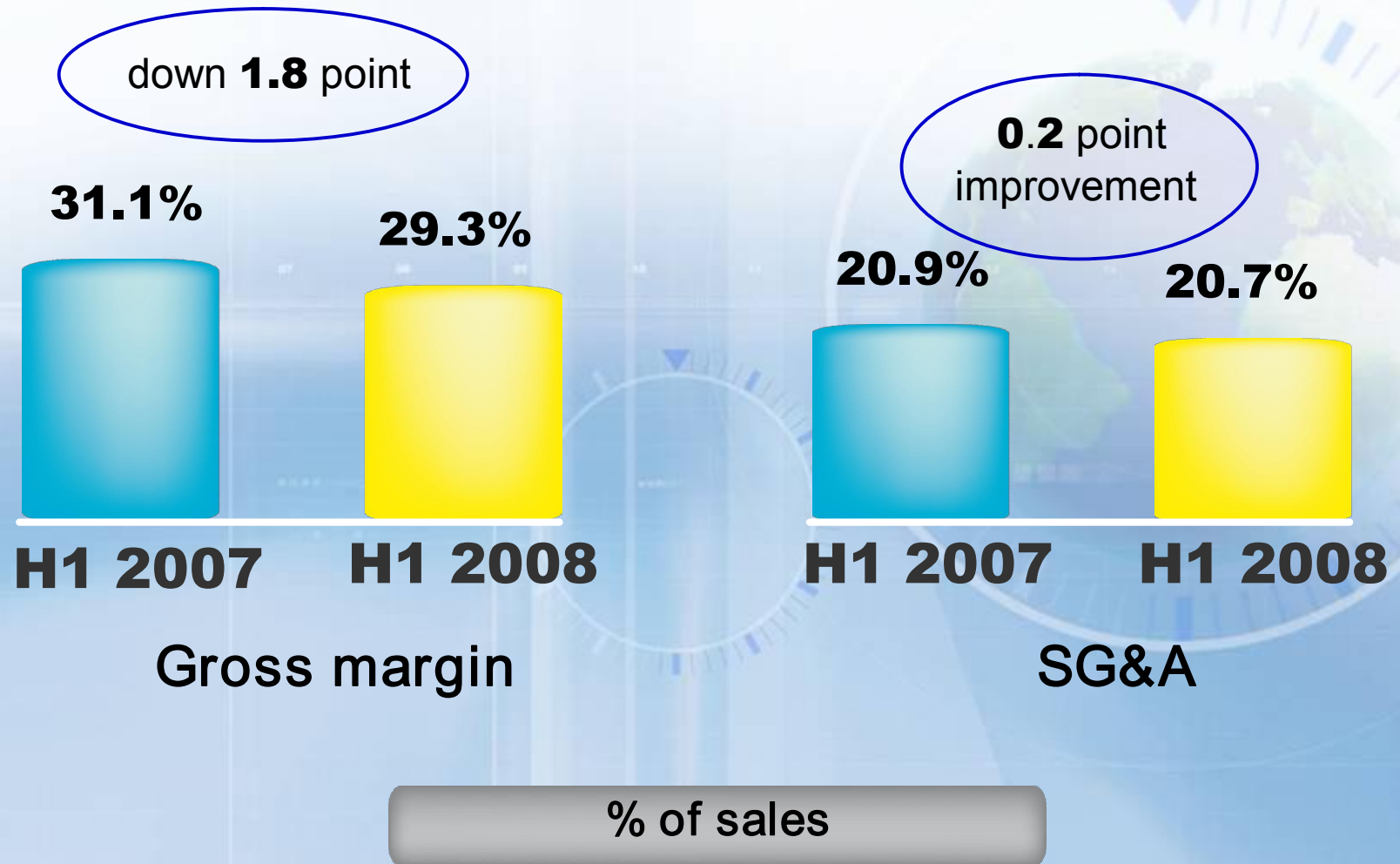
Impact of external cost increases



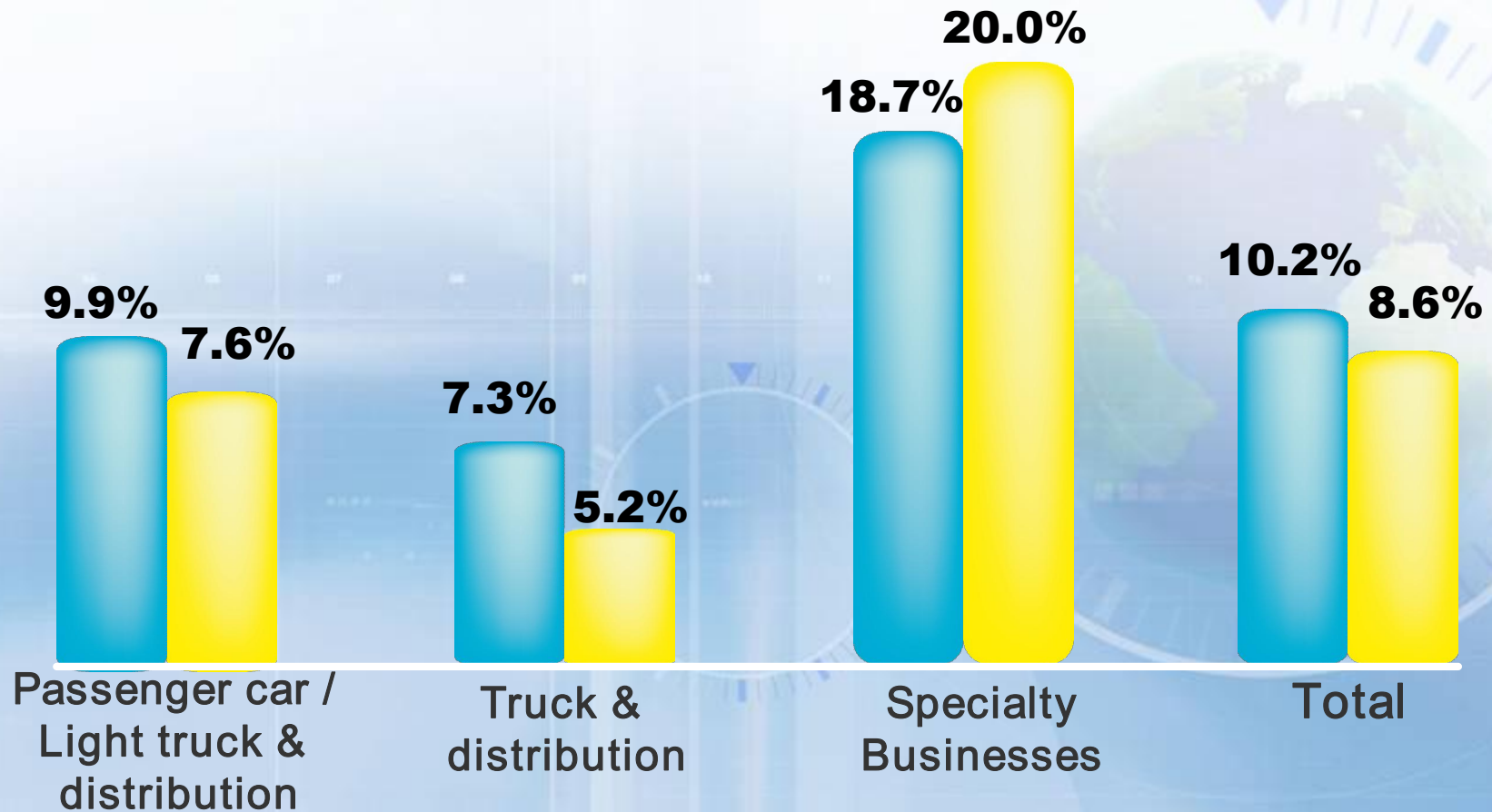
External costs: raw materials, energy, logistics at constant exchange rates



Gross margin down, but further SG&A improvement



Passenger Car & Light Truck and Truck tire operations impacted by raw material inflation Specialty Businesses improved further



Operating margin before non-recurring items as a % of net sales



H1 2007



H1 2008



Passenger Car / Light Truck & Related Distribution



	Eur m	H1 08 / H1 07	Group %
Net Sales <i>(excluding currency effect)</i>	4,357	-2.9% <i>+3.8%</i>	53%
Operating income <i>(before non-recurring items)</i>	332	-24.9%	47%
Operating margin <i>(before non-recurring items)</i>	7.6%	-2.3 pts	

Passenger Car and Light Truck Tires



- **Successful Launch of the MICHELIN Energy Saver Tire**
 - Recognized by TÜV SÜD Automotive for superior wet braking performance and fuel efficiency
- **Acceleration of the MMW productivity gain program** implemented in many Passenger Car & Light Truck Tire plants
- **Distribution:** first TyrePlus shop opened in India and in Saudi Arabia

Truck & Related Distribution



Net Sales

(excluding currency effect)

Eur m

H1 08 /
H1 07

Group %

2,696

-1.8%
+3.6%

33%

Operating income

(before non-recurring items)

139

-30.2%

20%

Operating margin

(before non-recurring items)

5.2%

-2.1 pts



Truck Tires



- Further expansion of Michelin Fleet Solutions in Europe
More than 500 MFS contracts signed



- Distribution agreement in the USA
As a result of a partnership with Love's Travel Stops distribution network, Michelin will add more than 150 outlets coast-to-coast
- China's public transportation market adopted the new MICHELIN X One tire



Specialty Businesses



Net Sales

(excluding currency effect)

1,186

H1 08 /
H1 07

+1.6%
+7.2%

Group %

14%

Operating income

(before non-recurring items)

237

+8.5%

33%

Operating margin

(before non-recurring items)

20%

+1.3 pt

Specialty Tire Businesses



Earthmover

To meet strong demand, capacity was increased at Le Puy en Velay (France) and Lexington (U.S) plants

Agricultural

More than 700 Exelagri salespoints in 11 European countries

Two-Wheel

New larger scooter tire range

New MICHELIN Anakee 2 Tire for Adventure Bikes

Aircraft

Sukhoi Superjet 100
Russian aircraft fitment contract



Financial Analysis



Net Income Stable at EUR430m

In EUR million	2008	2007	2008/2007
Net Sales	8,239	8,402	-1.9%
Operating Income (before non-recurring items) % of Net Sales	708 8.6%	861 10.2%	-17.8% -1.6pt
Non-recurring Items	-	-63	-
Operating Income	708	798	-11.3%
Cost of Net Debt Other Financial Income and Expenses	-106	-125	-
Tax	-181	-240	-
Result of companies accounted for by the equity method	9	4	-
Net Income	430	436	-1.4%

Higher Inventory levels due to raw material price increases

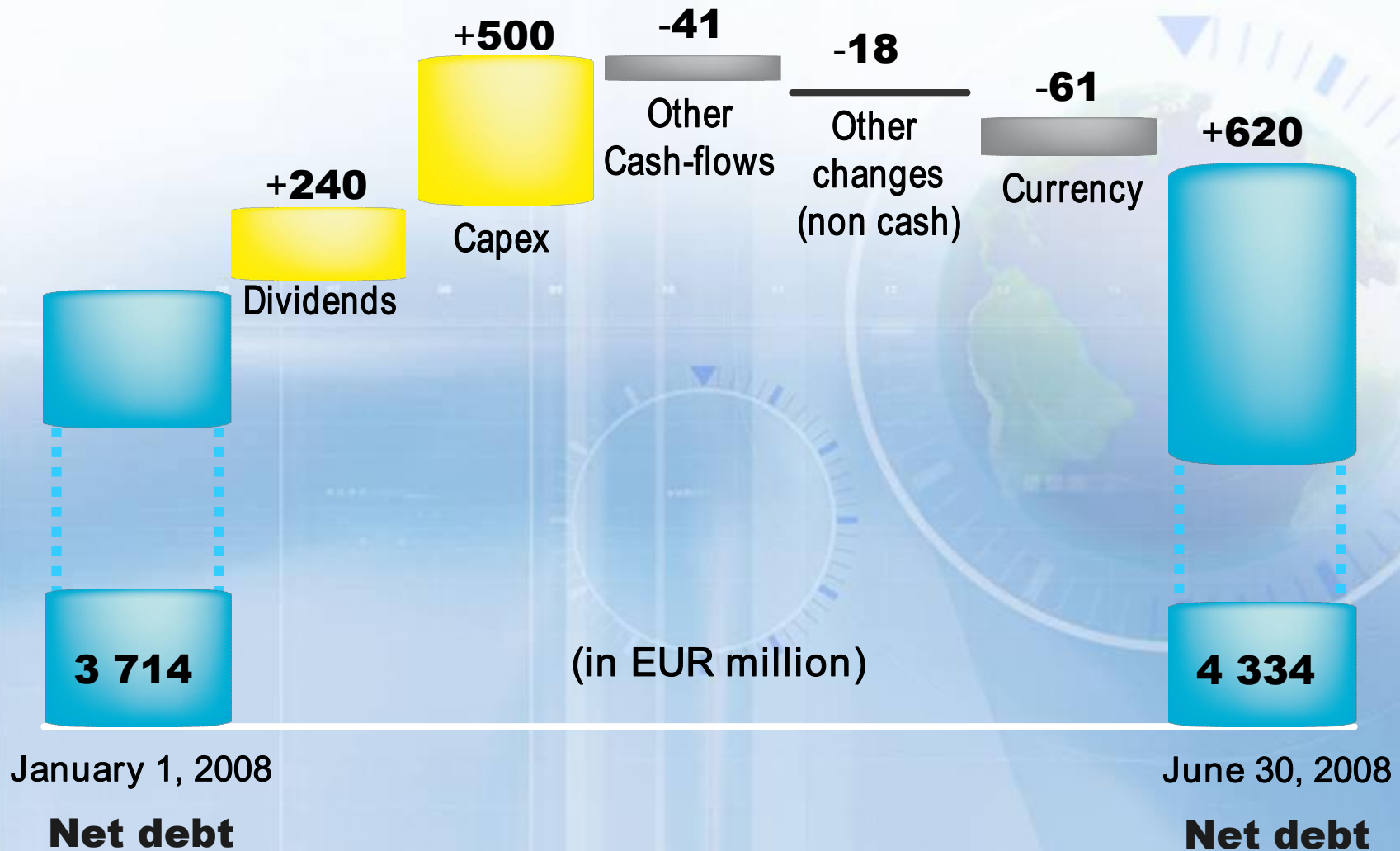
In EUR million	H1 2008	H1 2007	H1 08/ 07
EBITDA* (before non-recurring items)	1,172	1,297	- 125
Change in Inventory	- 453	- 205	- 248
Change in Trade Receivables	- 110	- 136	+ 26
Other	- 435	- 299	- 136
OPERATING CASH-FLOW	174	657	- 483
Gross Investment	- 500	- 502	+ 2
Other	- 119	- 186	+ 67
FREE CASH FLOW **	- 445	- 31	- 414

* **EBITDA** before non-recurring items: Operating income excluding depreciation and PP&E value impairment

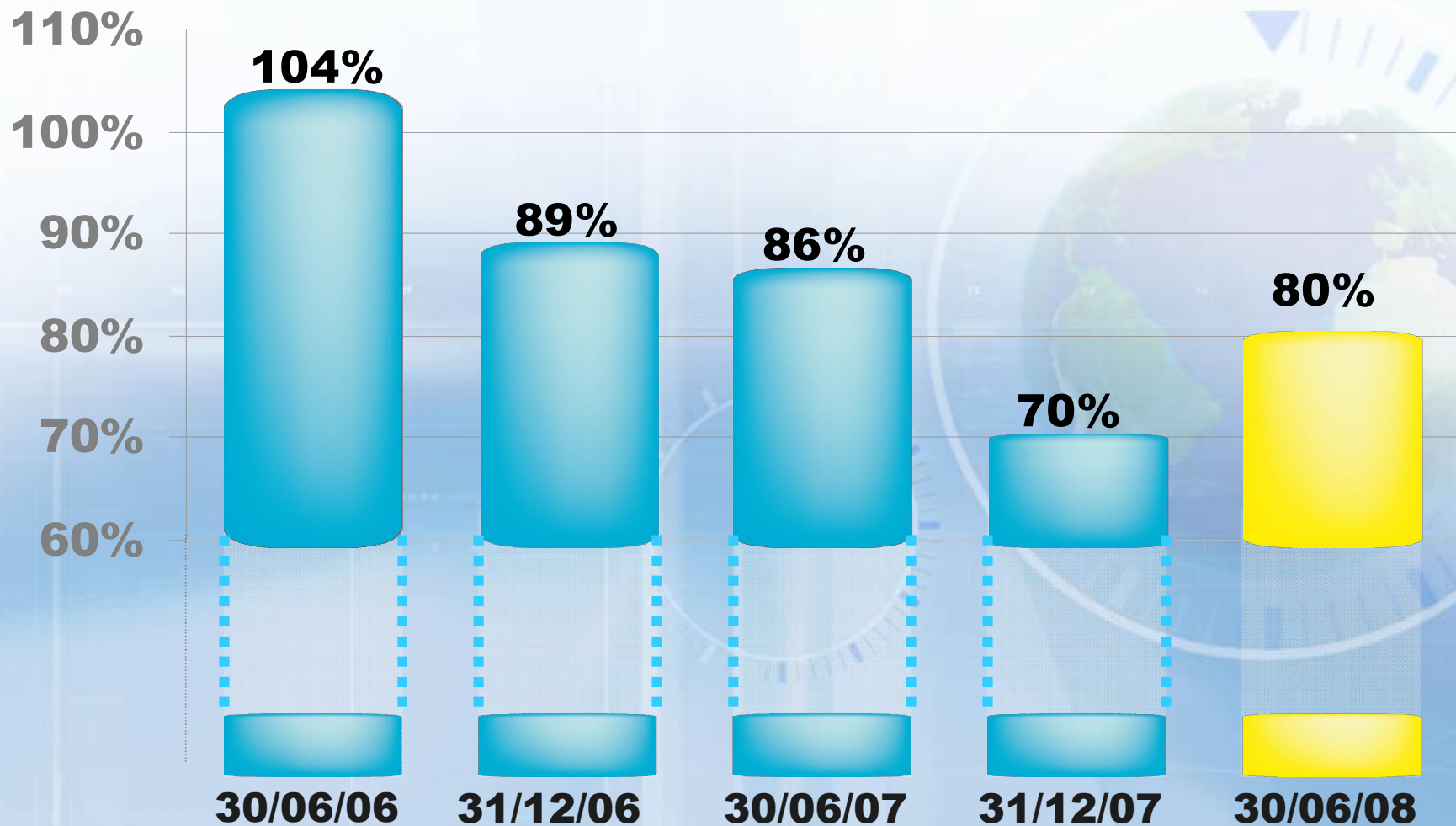
** **Free Cash Flow**: Cash flow from operating activities – cash flow from investing activities



Seasonal Net Debt Increase



Further gearing improvement versus June 2007




Outlook for 2008




2008 Outlook

Persisting weakness of mature markets
Robust momentum in emerging countries

Passenger Car and Light Truck Tires

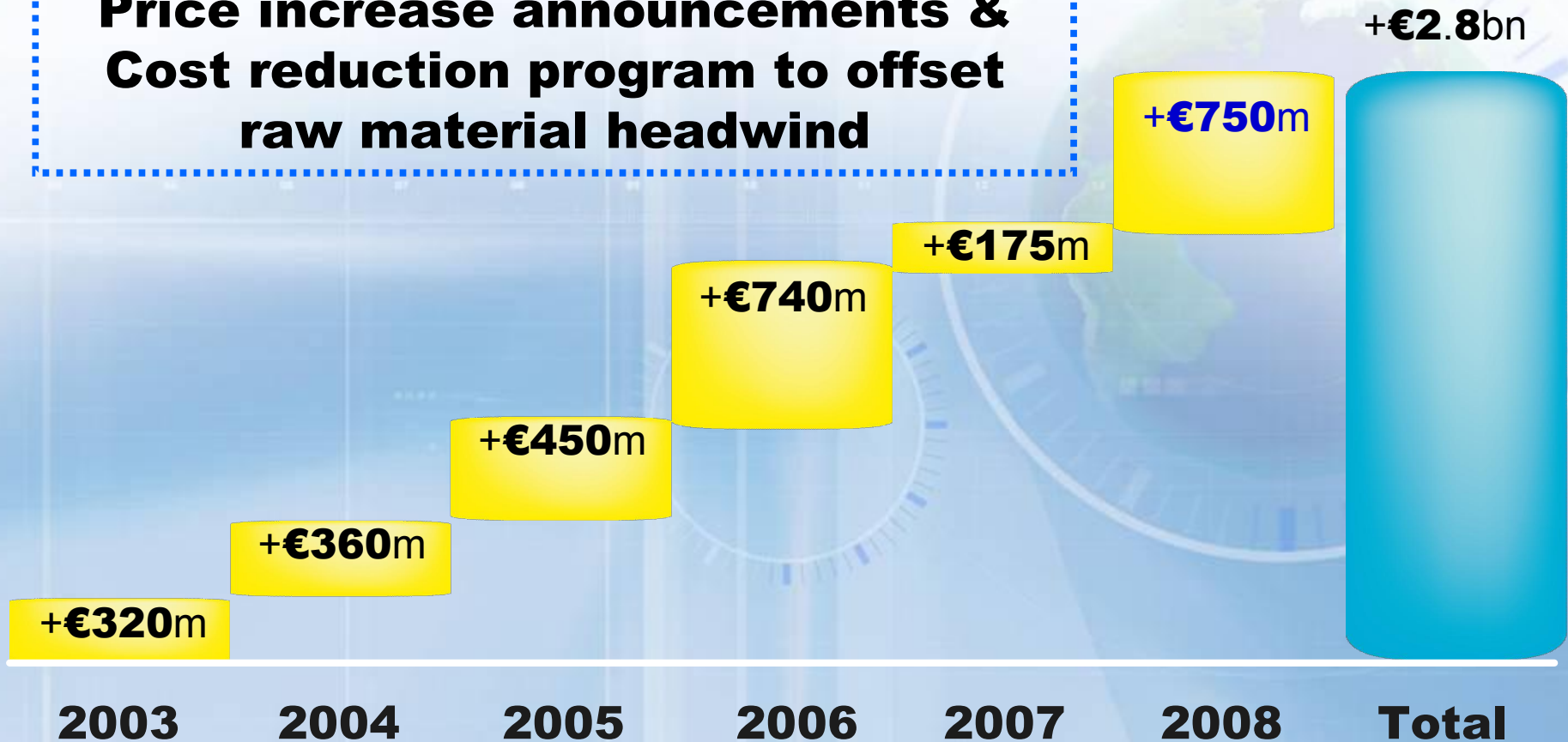
	Europe Including CIS	North America	Asia	South America	Africa Middle East	Total
Original Equipment	+1%	-11%	+5%	+15%	+14%	+1%
Replacement	-3%	-2%	+5%	+2%	+3%	-1%

Truck Tires (radial market)

	Europe Including CIS	North America	Asia	South America	Africa Middle East	Total
Original Equipment	+9%	-9%	+30%	+18%	+3%	+11%
Replacement	-6%	-5%	+10%	+15%	+5%	+3%

Estimated €750m additional cost at constant exchange rates

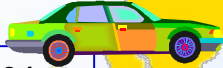
**Price increase announcements &
Cost reduction program to offset
raw material headwind**



Price increase annoucements

U.S.

03/03/08 : → **+7%**
01/07/08 : → **+8%**
01/09/08 : → **+12%**



01/01/08 : → **+6%**
01/04/08 : → **+8%**
01/09/08 : → **+8%**

Europe

15/03/08 : **+3.5%**

15/03/08 : **+ 3.9%**



Asia

March 1, 08 (Japan): **+5%**
June 2008 (China): **+3% to +7%**
Sept. 1, 08 (Japan): **+4.5%**

Feb 1, 08: **+3% to +4%**
March 1, 08 (Japan): **+7%**
July 2008 (Asia): **+12%**



Outlook for 2008



- ➔ **Worldwide price increases**
- ➔ **Michelin expects to deliver full-year operating margin before non-recurring items approaching the first half 2008 level, provided second half tire markets do not worsen beyond current estimated levels**
- ➔ **Free cash flow nearly balanced at the end of 2008**
- ➔ **The Group expects to reach its “Horizon 2010” strategic objectives thanks to the improvements achieved through its competitiveness plan**

