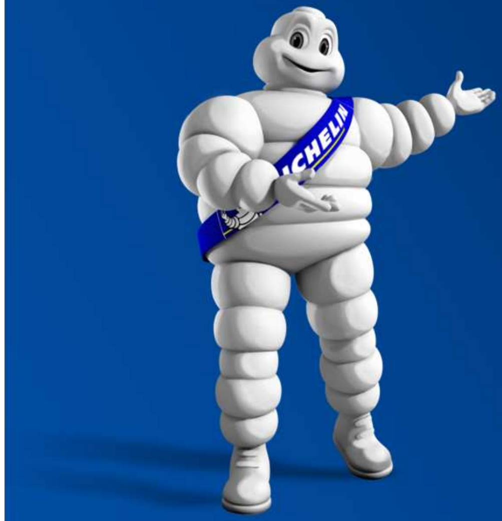
Net Sales at September 30, 2012

October 22, 2012

Net sales up 5.9% to €16.1 billion

- **Markets**
  - *Unfavorable economic environment, especially in Europe*
- **Volumes**
  - *Down 6.7%, in line with expectations*
  - *Volumes stable quarter on quarter since the end of 2011*
- **Price mix**
  - *Up 8.2%, still positive despite contractual adjustments in the Earthmover segment*

OUTLINE



01

Weak demand, particularly in mature markets

02

Net sales in line with expectations

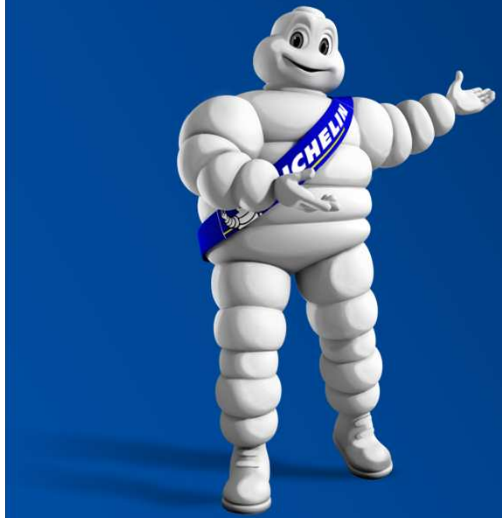
03

Reporting segments: still favorable price mix

04

2012 guidance

MICHELIN
A better way forward



01

Weak demand, particularly in mature markets

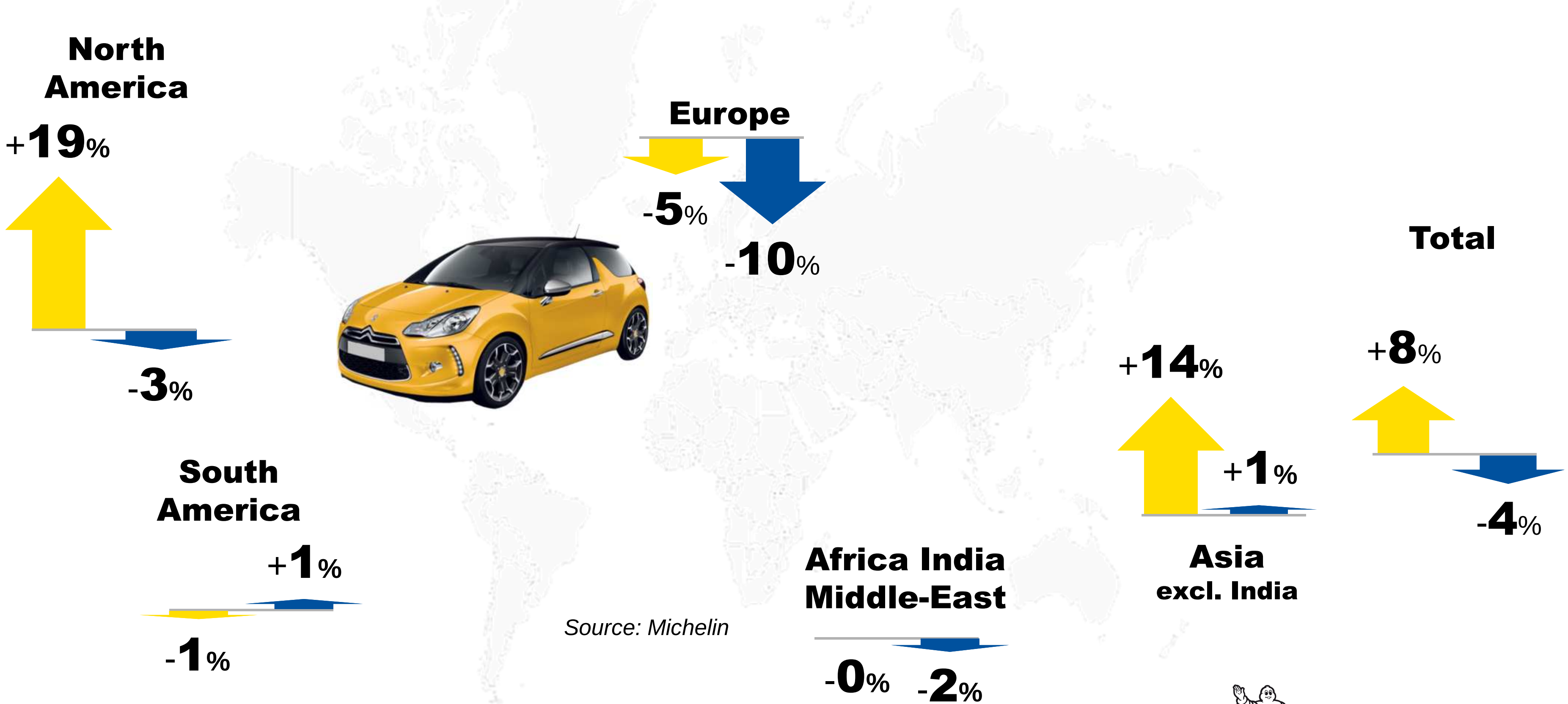
Passenger car and light truck tires: unfavorable economic environment, especially in Europe

Markets at September 30, 2012

(% change YoY, based on number of tires)

Original equipment

Replacement



Source: Michelin

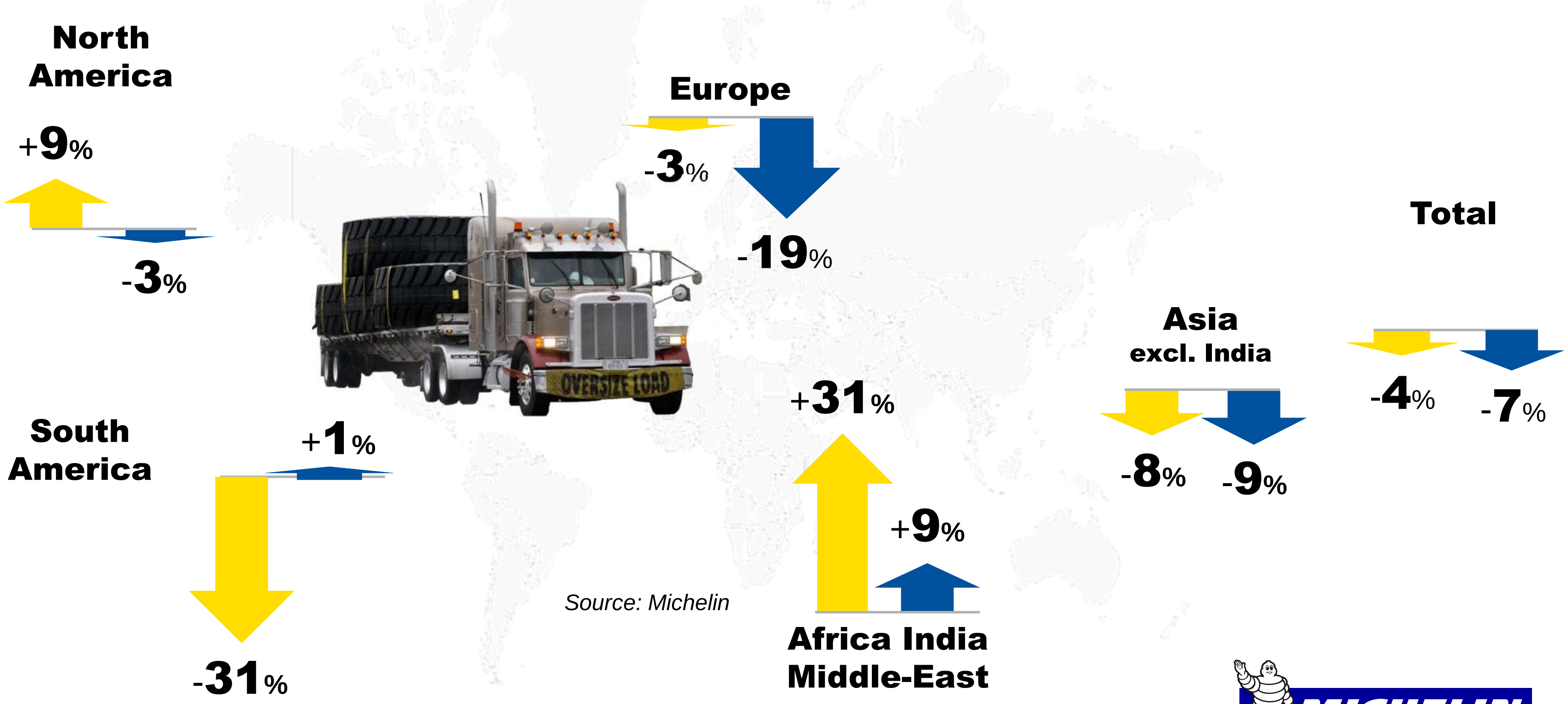
Truck tires: unfavorable economic environment, especially in Europe

Radial markets at September 30, 2012

(% change YoY, based on number of tires)

Original equipment

Replacement

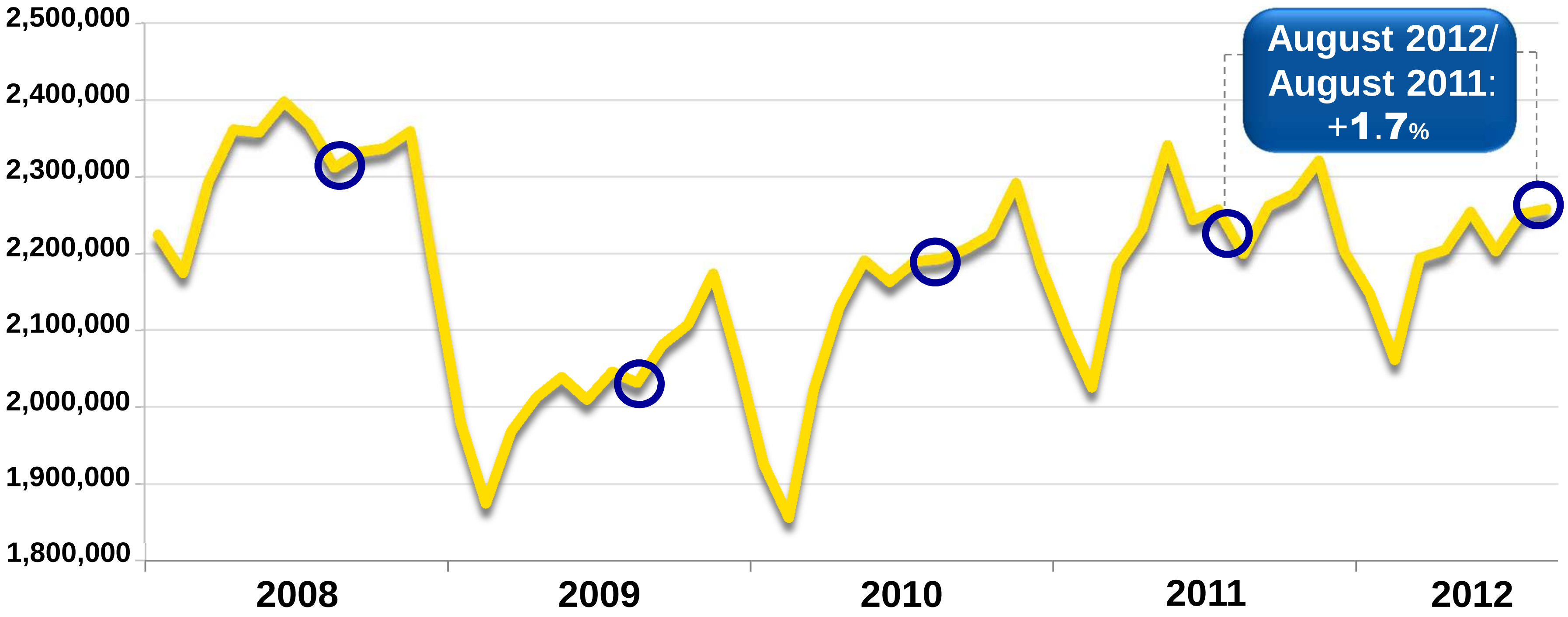


Source: Michelin

German freight still lagging 2008 levels

German freight (rolling 3 months)

(Freight kilometers driven in Germany, in thousands)

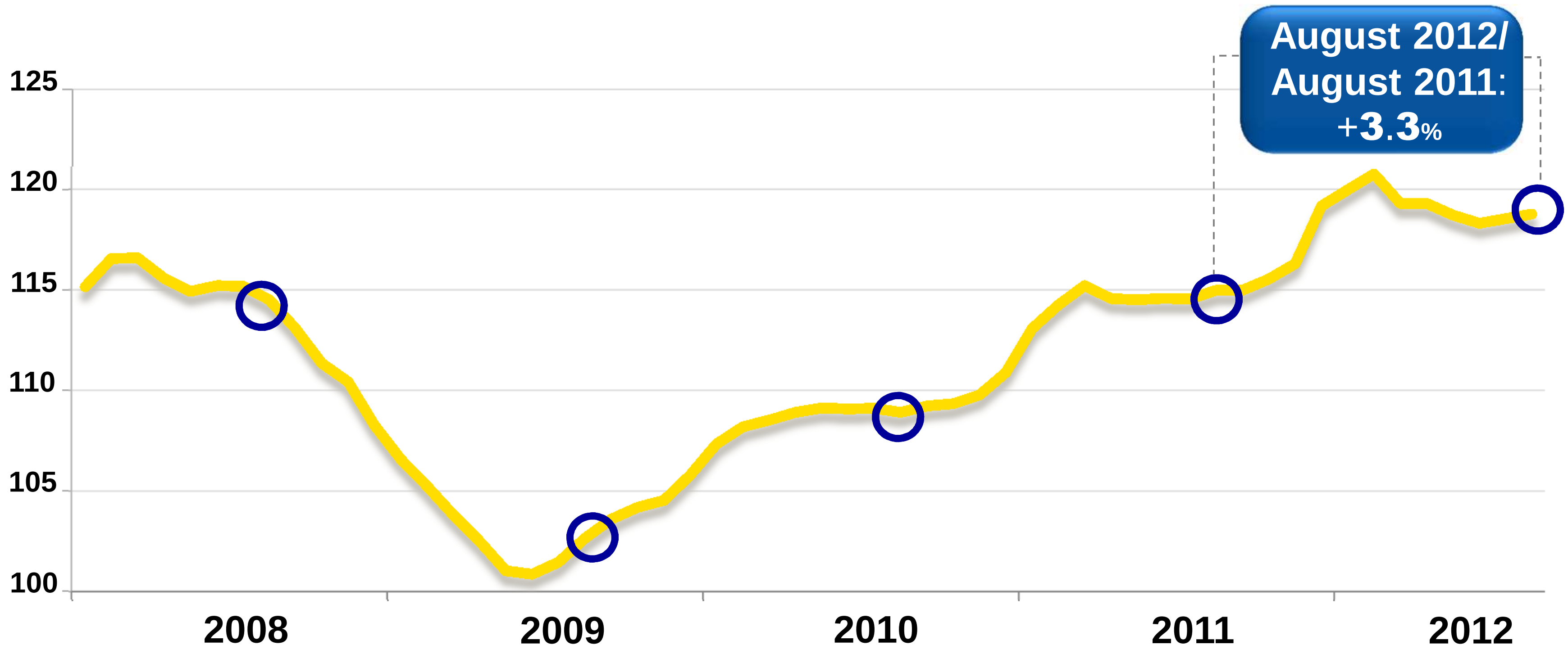


Source: Bundesamt für Güterverkehr

US freight outpacing 2011 and 2010

US freight (rolling 3 months)

(Freight tonnage in the United States - Base 100 in 2000)

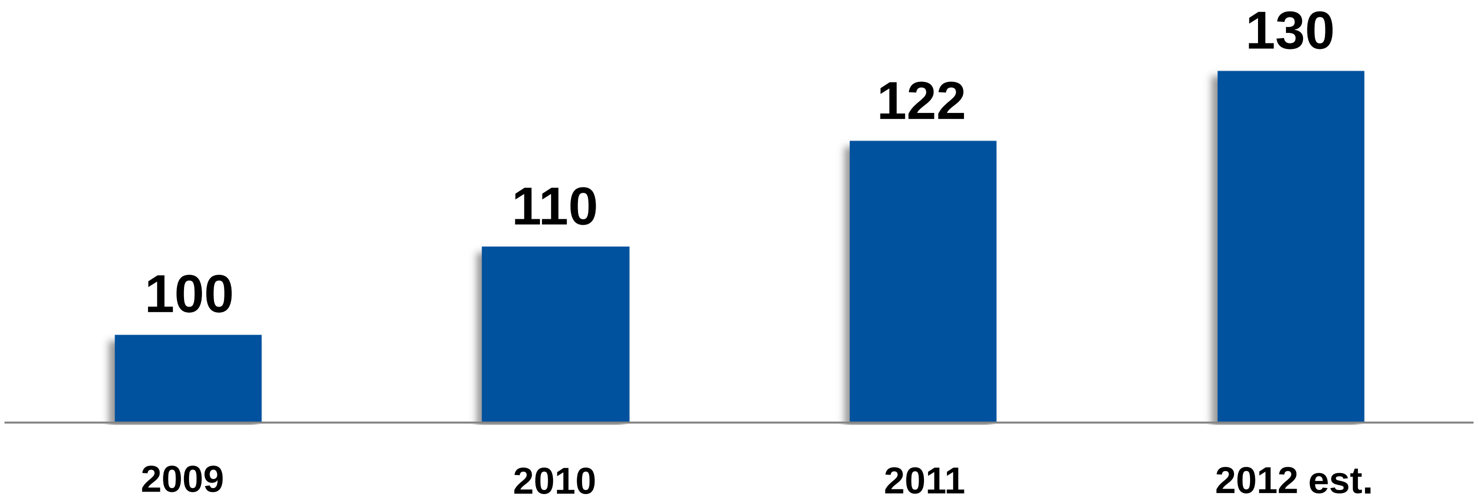


Source: ATA Truck Tonnage Index

Specialty tires: robust mining demand

Mining tire market

(In tonnes, base 100 in 2009)



Source: Michelin

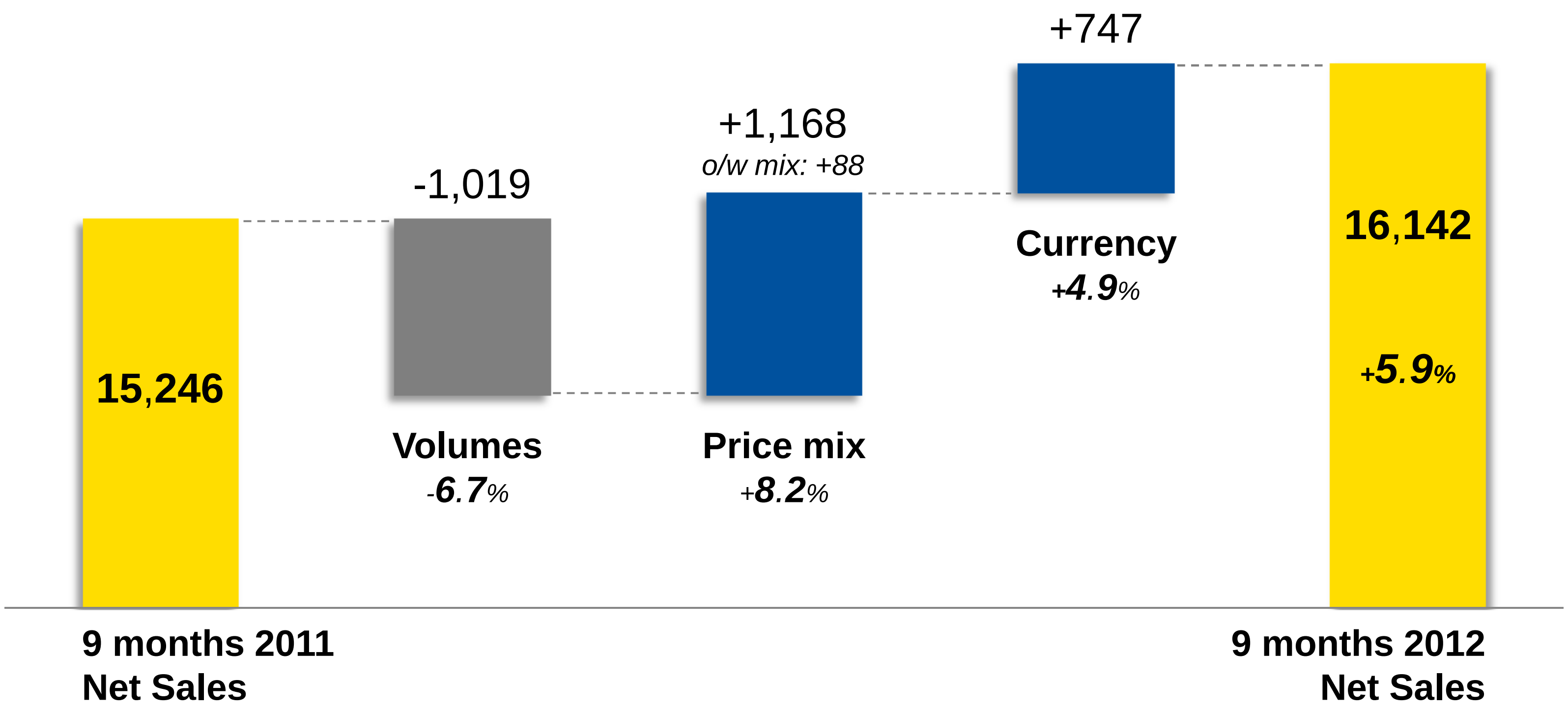
02

Net sales in line with expectations

Growth in net sales led by sustained favorable price mix

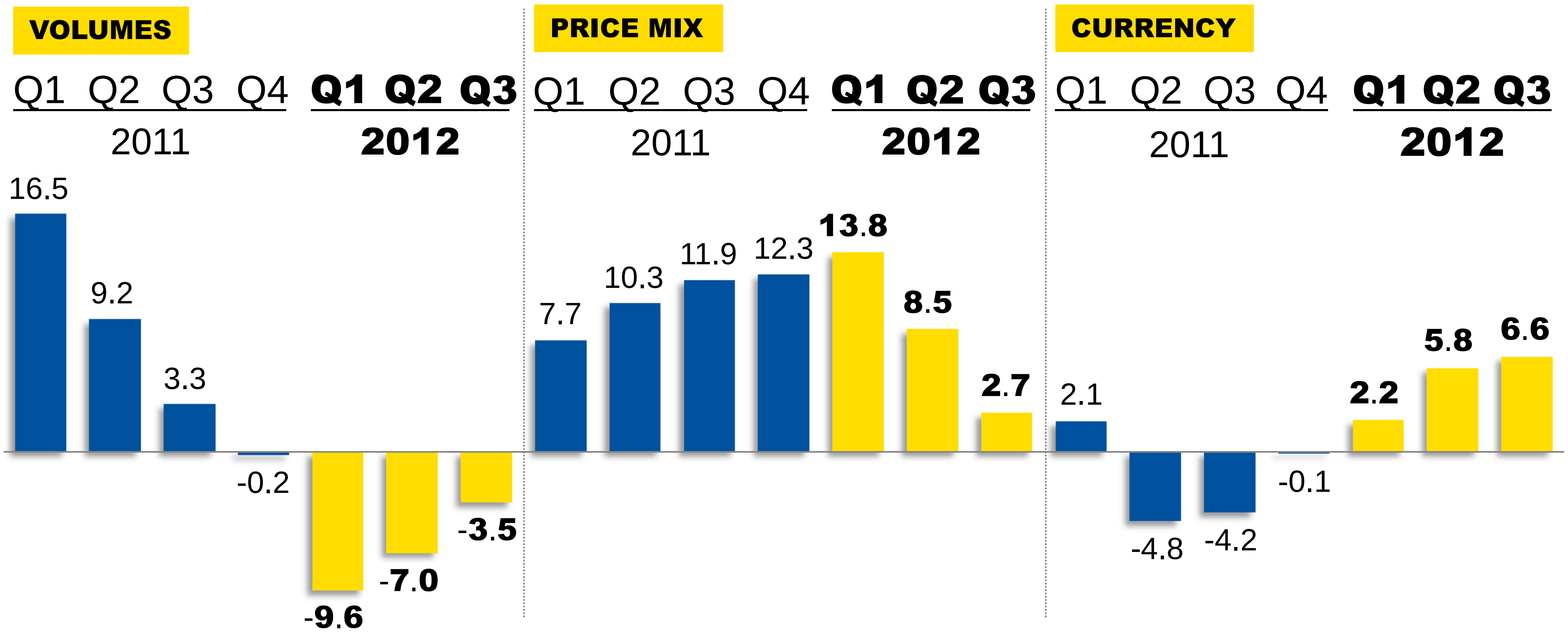
YoY Change

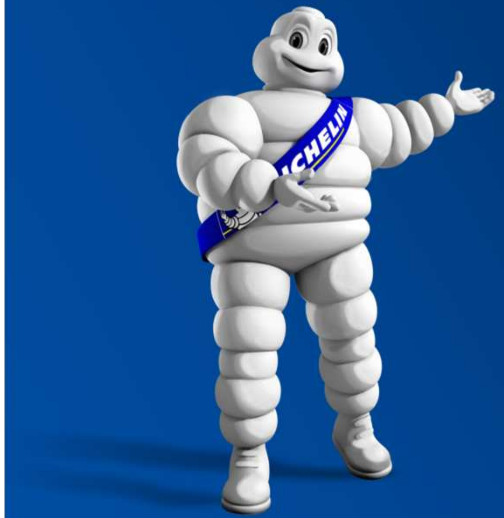
(in € Millions and as a % of Net Sales)



Volumes: weak demand and prior-year comparatives
Price mix: still positive despite contractual adjustments in the Earthmover segment

YoY Change
(in %)





03

Reporting segments: still favorable price mix

Passenger car and light truck tires and related distribution: price effect and performance of the MICHELIN brand

Passenger Car and Light Truck

In € millions	9 months 2012	9 months 2011	% Change
Net sales Volume change	**8,298** -5.6%	7,916	**+4.8%**

- **OE market expanding, replacement markets more mixed**
- **Volumes down 5.6% versus a 6.4% decline as of June 30, reflecting:**
  - ***Stable tonnages sold since end-2011***
  - ***Now more favorable bases of comparison***
- **Winter market: performance in line with Group objectives in a market expected to decline**

Truck tires and related distribution: net sales up thanks to the price and mix effects

Truck

In € millions	9 months 2012	9 months 2011	% Change
Net sales Volume change	**5,044** -12.4%	4,995	**+1.0%**

- **Markets still difficult**
- **Volumes steadily trending slightly upwards quarter after quarter since end-2011**
- **Strong focus on unit margins**
- **Sustained strategic commitment to improving profitability in the Truck tire business**

Specialty businesses: sustained strong growth in mining tires

Specialty businesses

In € millions	9 months 2012	9 months 2011	% Change
Net sales Volume change	**2,800** +4.8%	2,335	**+19.9%**

- **Contrasted markets**
  - ***Earthmover:***
    - **Sustained strong growth in mining tires**
    - **More challenging market environments in OE and infrastructure**
  - ***Agricultural:***
    - **Slowing demand despite high farm commodity prices**
- **Ytd price and mix effects still favorable after the July 1 contractual adjustments**
- **Positive currency effect**

04

2012 Guidance

2012 guidance confirmed

- **Clear increase in operating income before non-recurring items**
  - *Raw materials tailwind in H2 between €200m and €300m*
- **Positive free cash flow after capital expenditure increased to around €400m to €500m, before the impact of the Paris building**
  - *Around €2,000m in capex*
- **Slight decline in volumes**
  - *Still uncertain economic environment, especially in Europe*
  - *Annual tonnages down around 5%*

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