ANNUAL
RESULTS

February 12, 2013

MICHELIN
A better way forward

Strong Earnings - over €1 billion in Free Cash Flow Sluggish Markets

- €2,423m in **Operating Income** before non-recurring items, up 25%:
  - An efficient pricing policy.
  - A global footprint at a time of weak demand, particularly in Europe.
  - Structurally high margins in Specialty tires.
  - Rebound in operating margin in the Truck tire business, despite a sharp market contraction.
- **Volumes** down 6.4%, with demand remaining flat in the second half.
- **Free cash flow** of more than €1 billion, demonstrating:
  - The Group's ability to structurally generate cash.
  - The effective integration of value creation into every unit's objectives.

Financial Highlights

2012 & 2011 figures as reported

In € millions	2012	2011
Net Sales	**21,474**	20,719
Operating Income *before non recurring items*	**2,423**	1,945
Operating Margin *before non recurring items*	**11.3%**	9.4%
Net Income	**1,571**	1,462
Investment	**1,996**	1,711
Net Debt-to-Equity Ratio	**12%**	22%
Free Cash Flow *	**1,075**	-19
ROCE	**12.8%**	10.9%
Dividend	**2.40€ ****	2.10€

**Cash flows from operating activities less cash flows used in investing activities*
***Subject to approval by the Annual Shareholders Meeting of May 17, 2013*

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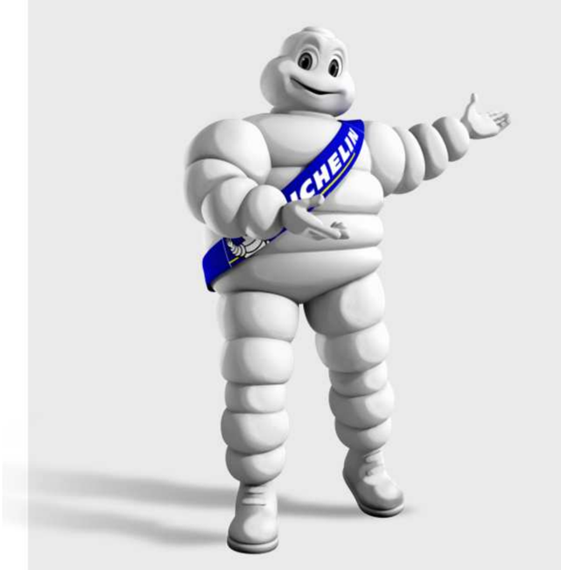

1. SLUGGISH MARKETS
2. A SOLID PERFORMANCE
3. A ROBUST BALANCE SHEET
4. RESULTS OF THE COMPETITIVENESS PLAN
5. WIDE-RANGING PRODUCT PORTFOLIO AND GEOGRAPHIC EXPOSURE
6. OUTLOOK

February 12, 2013

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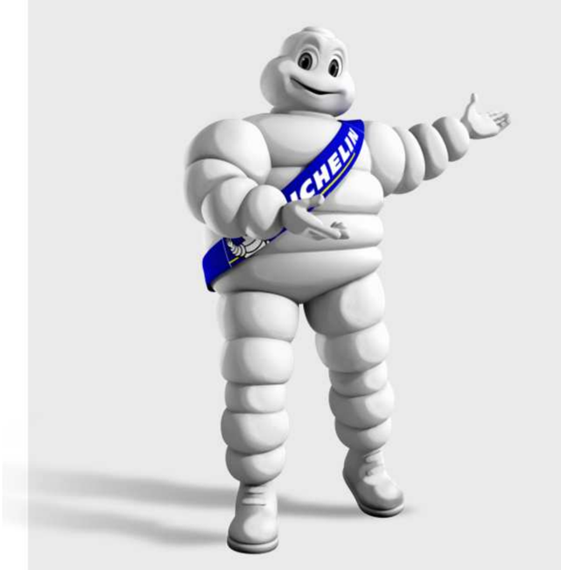
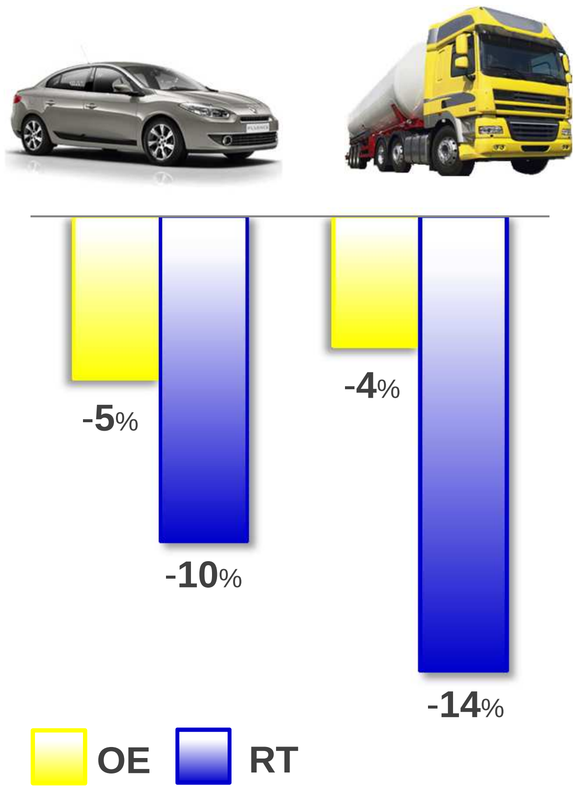


1 SLUGGISH MARKETS

Europe: Sharp Fall-off in Demand, especially in Replacement Markets

Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)



- ▶ An unfavorable economic environment
- ▶ Demand down in every segment
  - Truck tire market excluding Russia lower than in 2009
- ▶ Dealer destocking
  - Dealer inventory levels
    - Normal for Truck tires and summer Car and Light truck tires
    - Still high for winter Car and Light truck tires
- ▶ Sell-out contracted around 50% less than sell-in

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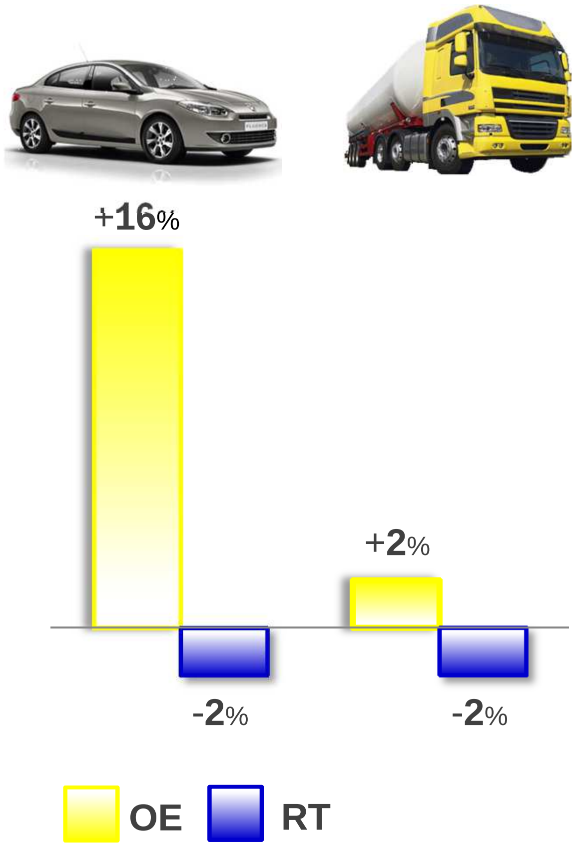
North America: Original Equipment Market Trending Upwards

Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)

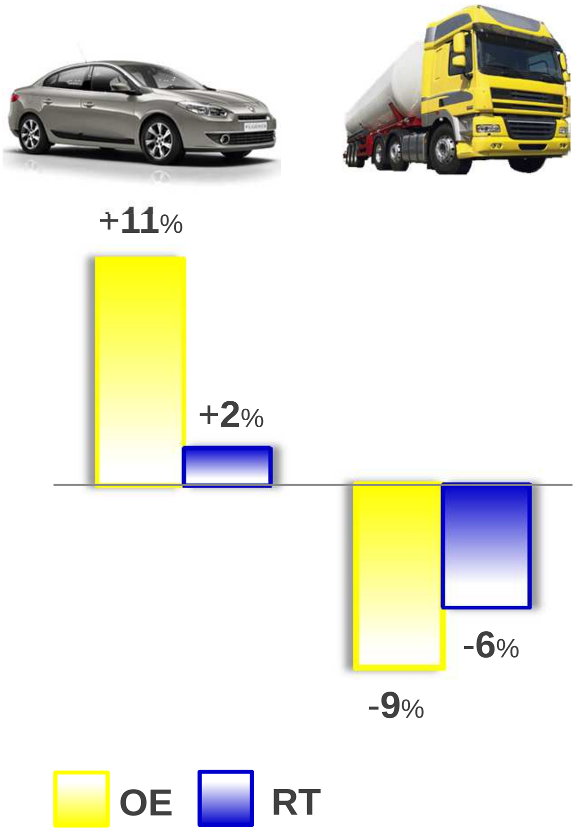


- ▶ Growth in OE demand
  - Aging car, van and truck fleets need to be replaced
  - Truck tire market abruptly turned downwards, by 15%, in the fourth quarter
- ▶ Replacement market below 2007 levels
- ▶ Dealers
  - Truck tire inventory drawdowns in the first half
  - Inventories unchanged in the second half compared with the first

Asia excluding India: a Year of Transition in China and the Impact of Slower Growth in Exports

Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)



- Economic growth in the region has started to cool
  - Truck tire market in China down sharply
  - Demand in ASEAN countries holds firm
- Technical rebound in Car and Light Truck OE sales due to 2011 natural disasters in Japan and Thailand
- Dealer inventory drawdowns following the build-up in 2011

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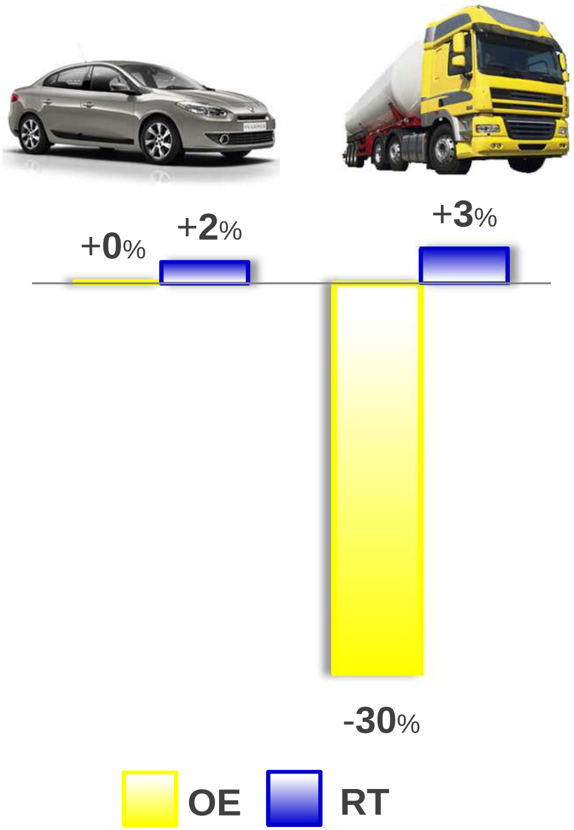
South America: Limited Growth

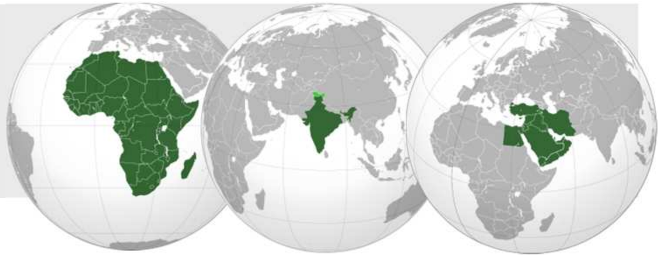
Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)



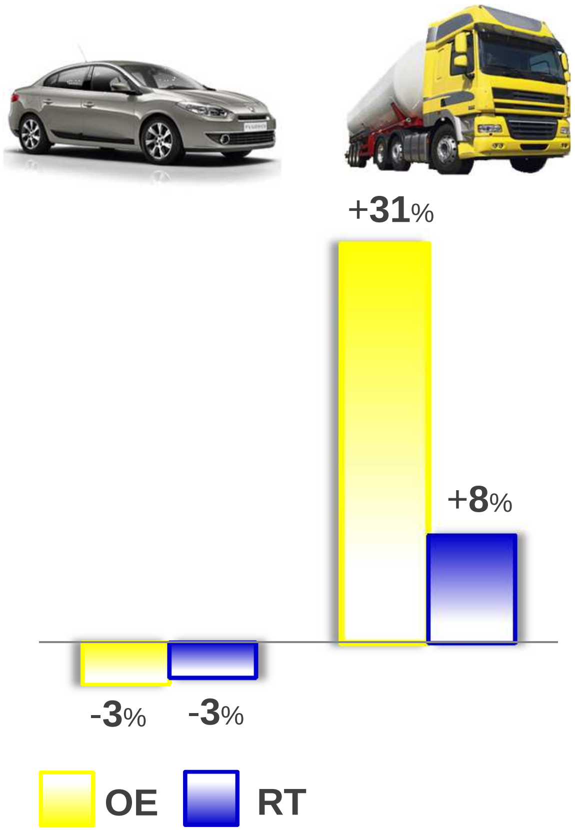
- ► Demand up slightly, except for OE Truck tires, which suffered a technical decline following the introduction of Euro V emissions standards
- ► Brazil: market upturn in the second half
- ► Argentina and Venezuela: growth slowed by customs barriers

Africa India Middle-East: Weak Car and Light Truck Markets in 2012



Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)

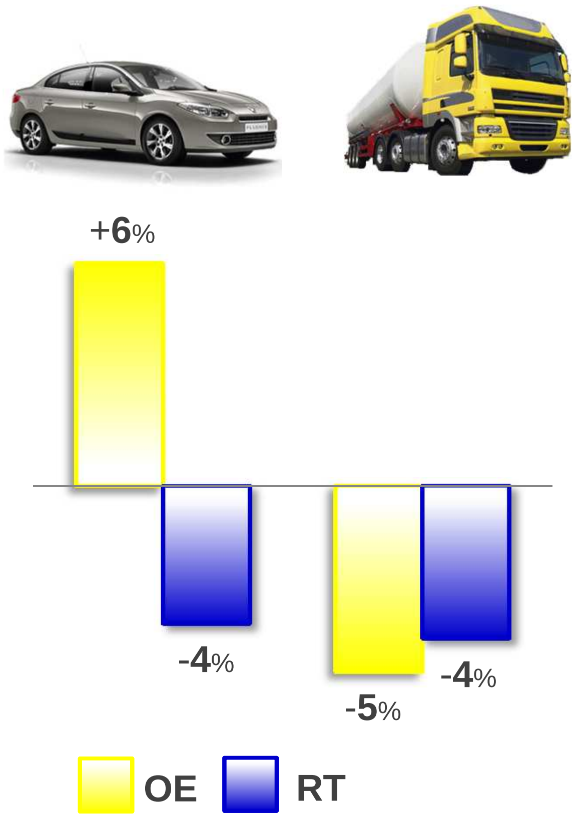


- ▶ Demand dampened by geopolitical situations in the region
- ▶ Continued shift to radials in India

A Declining Global Market

Markets at December 31, 2012/2011

(% change YoY, based on number of radial tires)

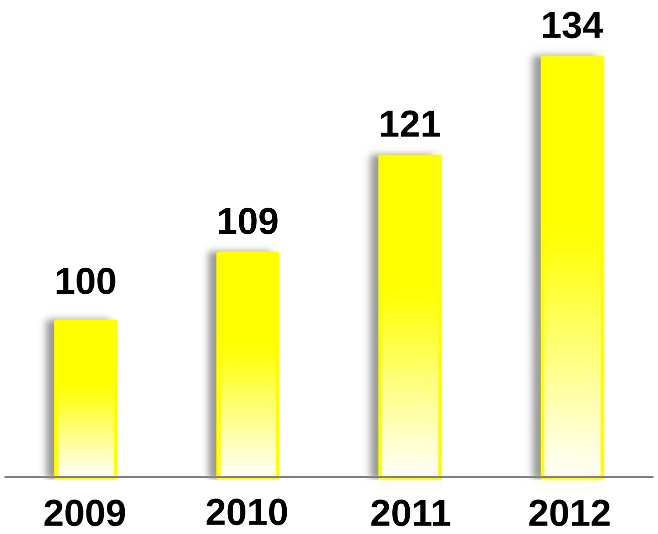


- ▶ Unfavorable OE/RT sales mix
- ▶ Replacement market has fallen back to 2010 levels
- ▶ Continued growth in the new markets, unlike in mature ones

Earthmover Tires: Sustained Growth in Mining Demand

Markets at december 31

(% change YoY, based on number of tires)

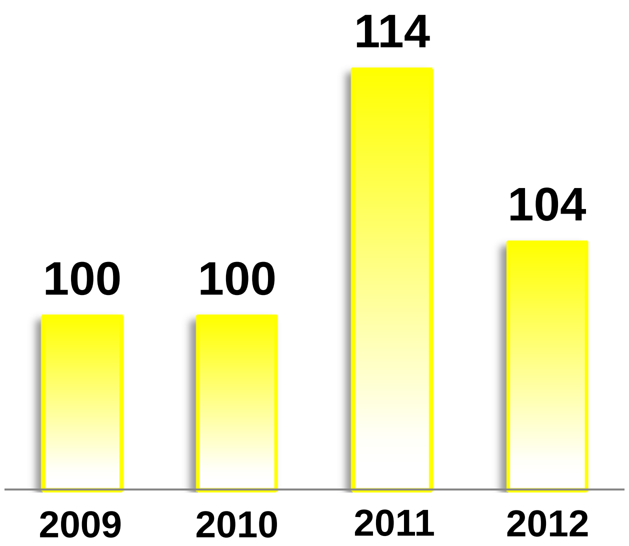


- ► Continued growth in mining markets:
  - Led by demand for ore, oil and gas
  - Buoyant market for large tires
- ► OE: adjustment in equipment manufacturer inventories
- ► Decline in demand for tires used in infrastructure, especially in Europe

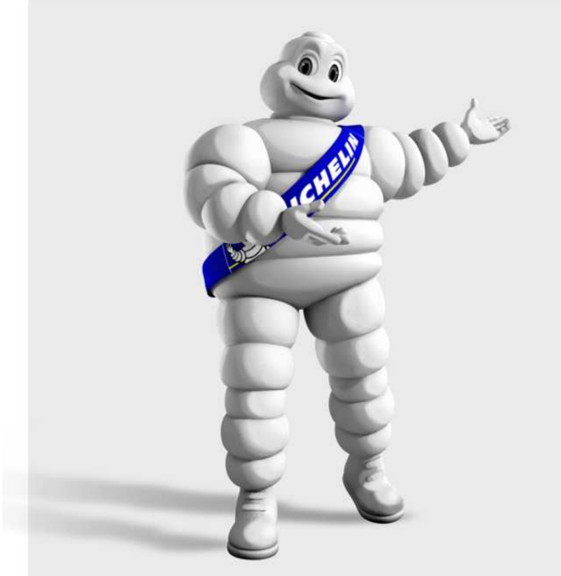
Agricultural Tires: Mature Replacement Markets Hurt by Economic Uncertainty

Markets at December 31

(% change YoY, based on number of tires)



- ► Slow-down in replacement
  - Drought in the United States
  - Hesitation in Europe
- ► Firm resistance in OE markets



2 A SOLID PERFORMANCE

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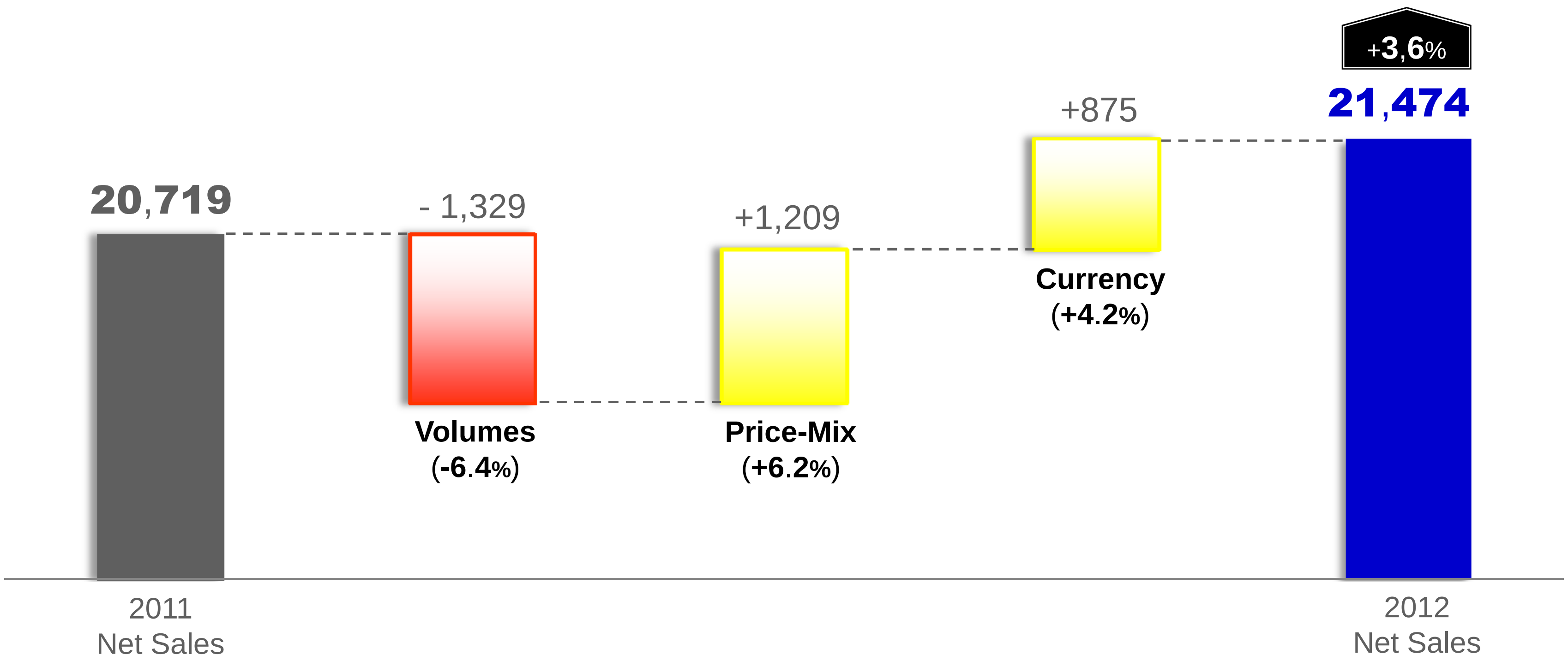
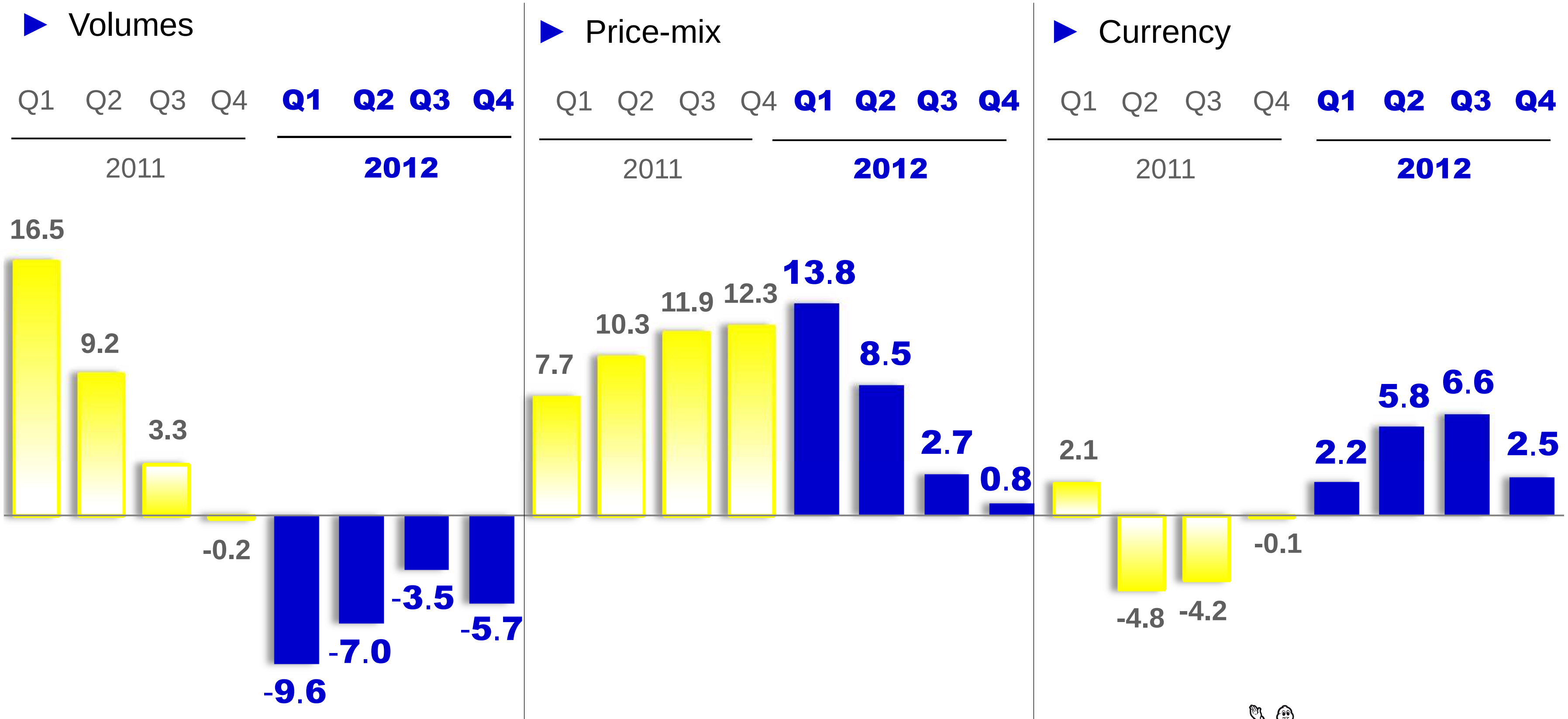
Growth in Net Sales Led by Significantly Higher Prices and an Improved Mix

YoY change
(in € millions)



Q4 Volumes: in Line with Markets
Q4 Price-Mix: Ongoing Positive Effect despite Clauses

Change YoY
(in %)



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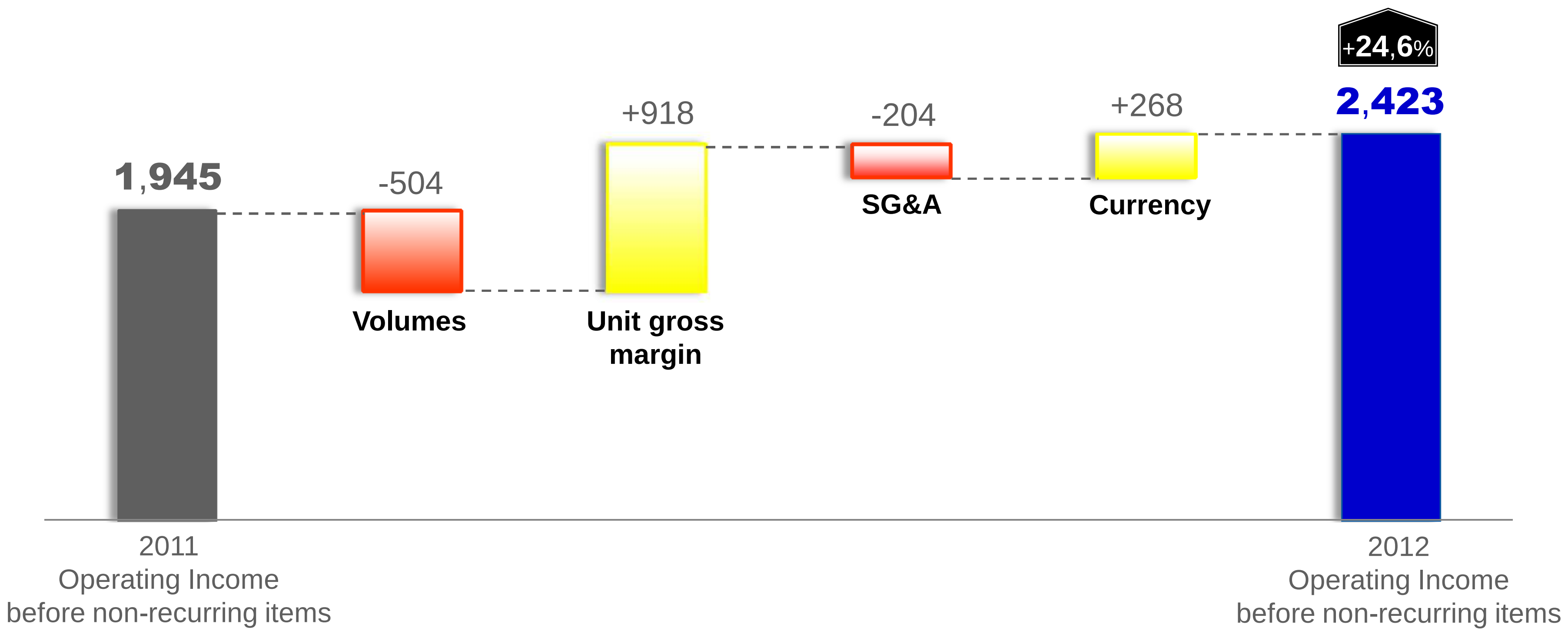
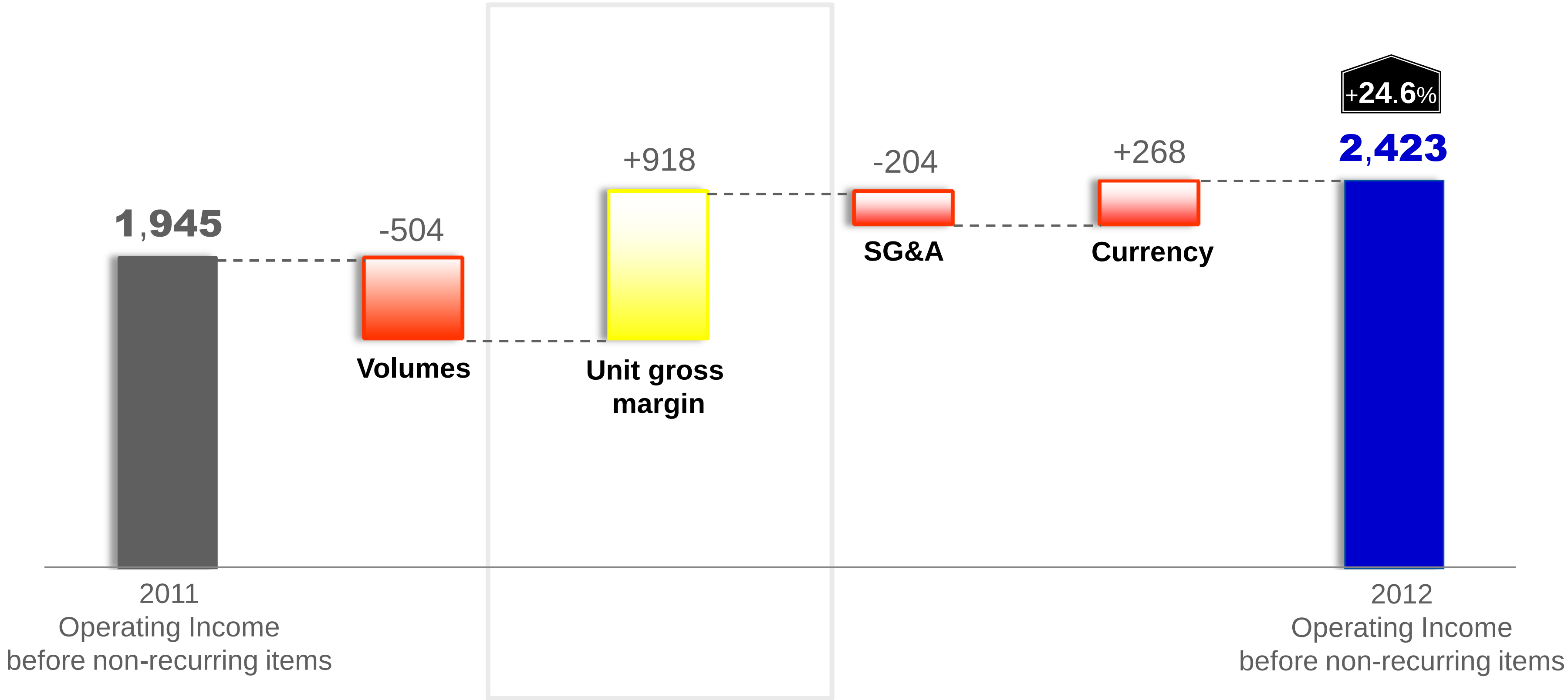
Operating Income Lifted by the Improvement in Unit Gross Margin

YoY Change
(in € millions)



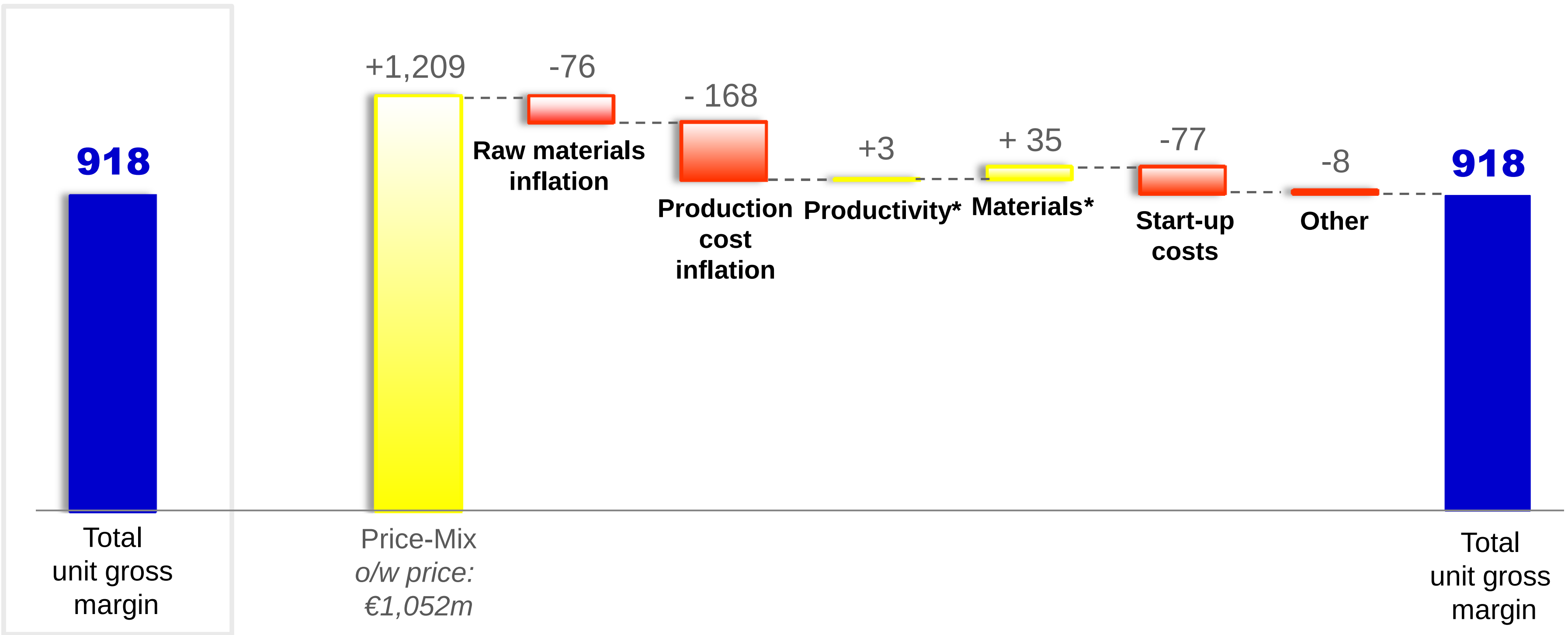
Operating Income Lifted by the Improvement in Unit Gross Margin

YoY Change
(in € millions)



Unit Gross Margin Supported by the Efficient Pricing Policy and Premium Positioning

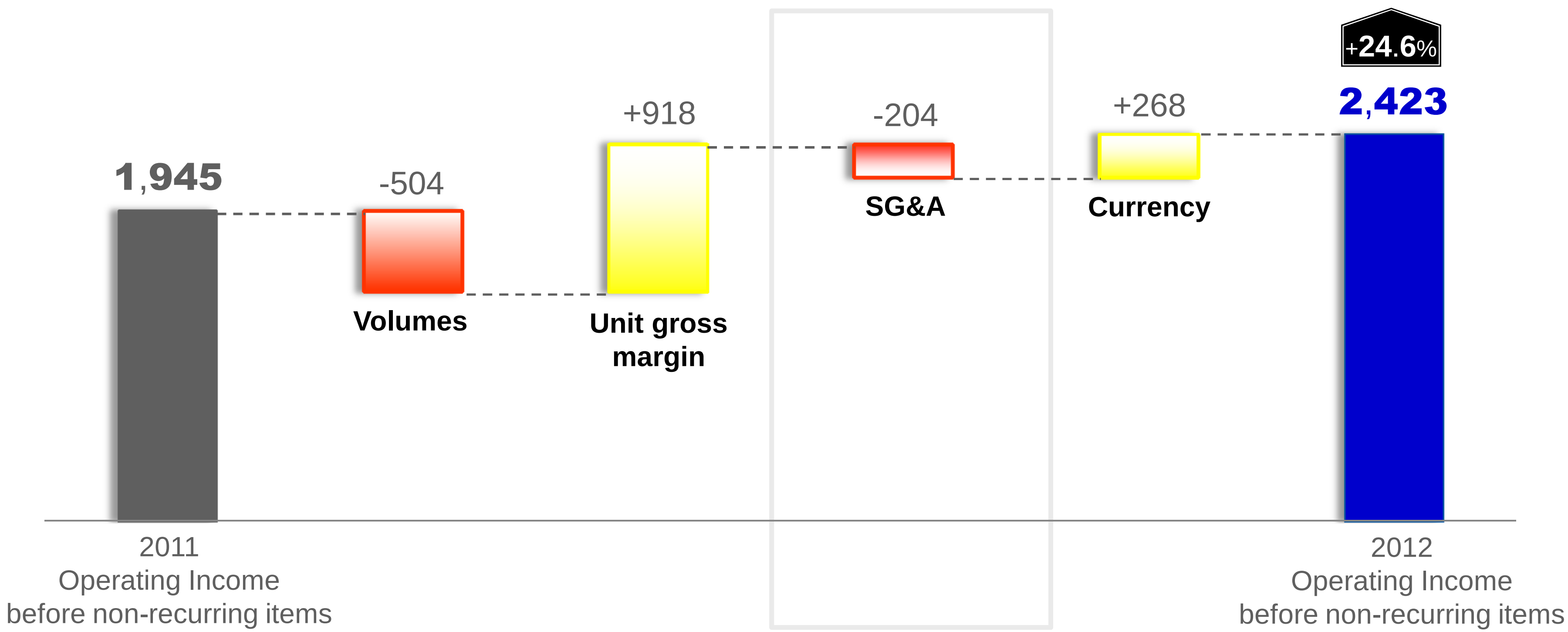
YoY change in components of unit gross margin
(in € millions)



* Part of the competitiveness plan

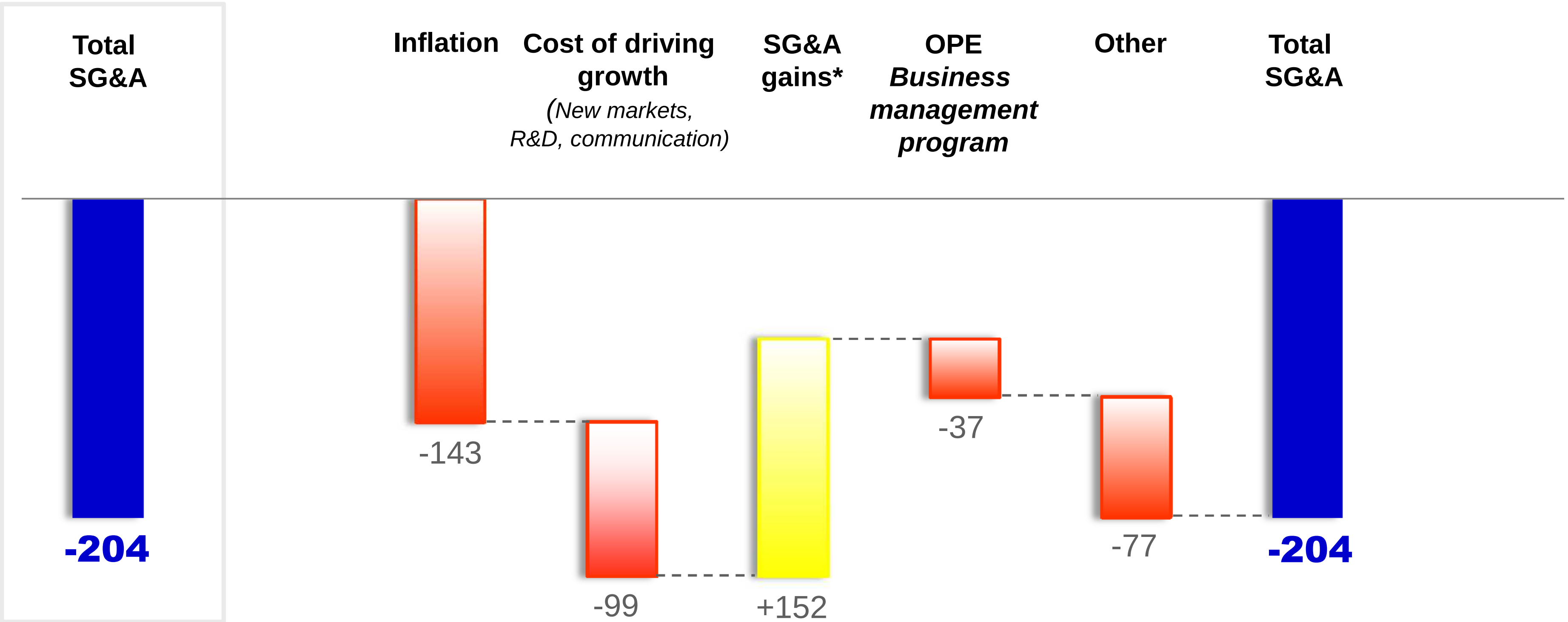
Operating Income Lifted by the Improvement in Unit Gross Margin

YoY Change
(in € millions)



SG&A Expense: Initial Impact of the Competitiveness Plan

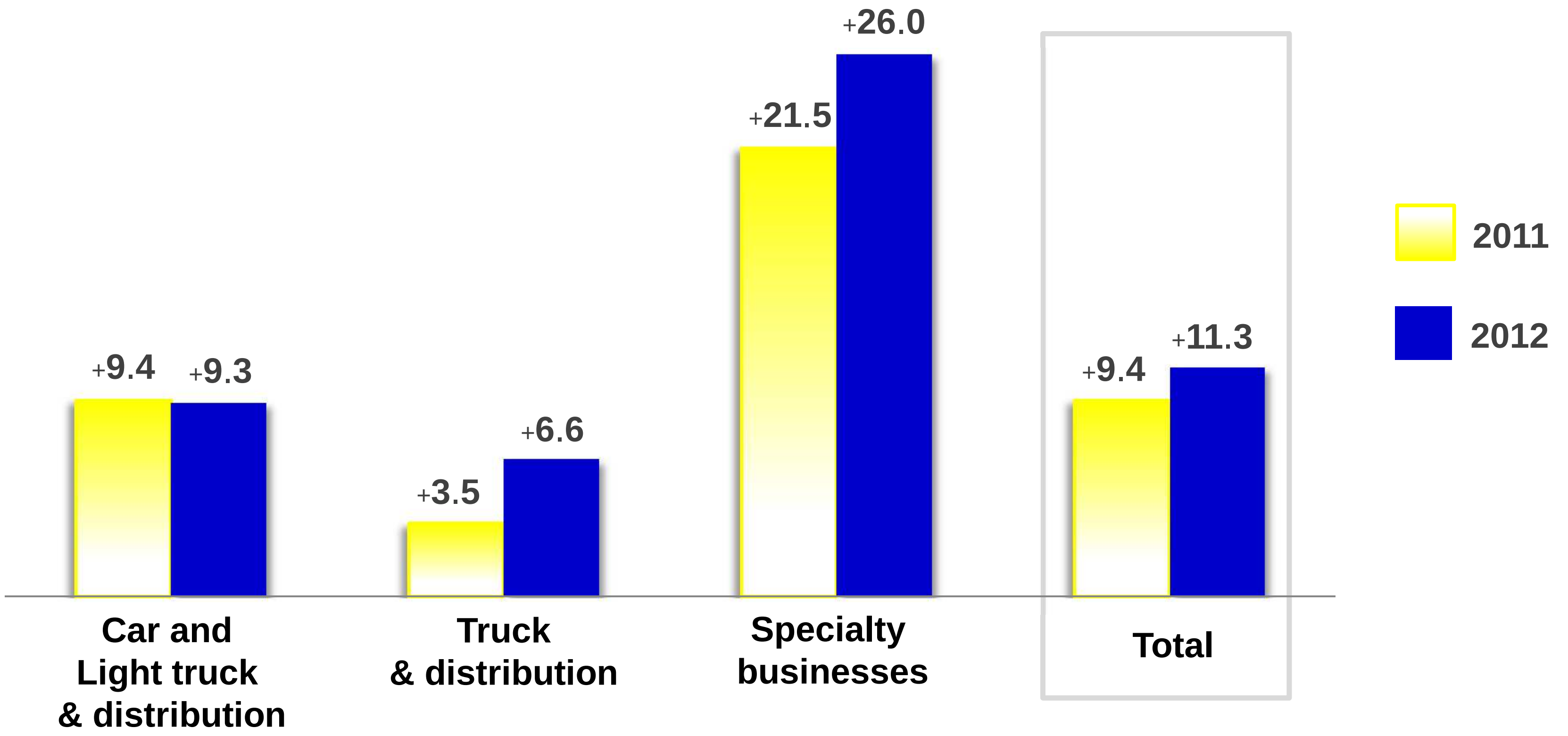
YoY change in SG&A
(in € millions)



** Part of the competitiveness plan*

Solid Results

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



Solid Margins in Passenger Car and Light Truck Tires and Related Distribution

Passenger car and Light truck
(in € millions)

	2012	2011	Change
Net Sales Volume growth	**11,098** **-5.5%**	10,780	+2.9%
Operating Income (before non-recurring items)	**1,033**	1,018	+1.5%
Operating Margin (before non-recurring items)	**9.3%**	9.4%	-0.1 pt

- Firm pricing policy maintained
  - Application of contractual clauses indexing prices to raw material costs in OE had an unfavorable impact in the fourth quarter
- Sustained improvement in the mix, due to technology and the Michelin brand’s premium positioning
  - Success of the Michelin Pilot Super Sport, Alpin 4, Defender and other product lines

Restored Margins in Truck Tires and Related Distribution

Truck

(in € millions)

	2012	2011	Change
Net Sales Volume growth	**6,736** **-10.8%**	6,718	+0.3%
Operating Income (before non-recurring items)	**444**	233	+90.6%
Operating Margin (before non-recurring items)	**6.6%**	3.5%	+3.1 pt

- Priority focus on turning around the Truck tire business and restoring its margins
- Volumes reflect lackluster demand
- 39 product launches and success of the MultiWay product line
- Favorable impact of raw materials costs

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Specialty Businesses: Structurally High Margins

Specialty Businesses
(in € millions)

	2012	2011	Change
Net Sales Volume growth	**3,640** **+1.7%**	3,221	+13.0%
Operating Income (before non-recurring items)	**946**	694	+36.3%
Operating Margin (before non-recurring items)	**26.0%**	21.5%	+4.5 pts

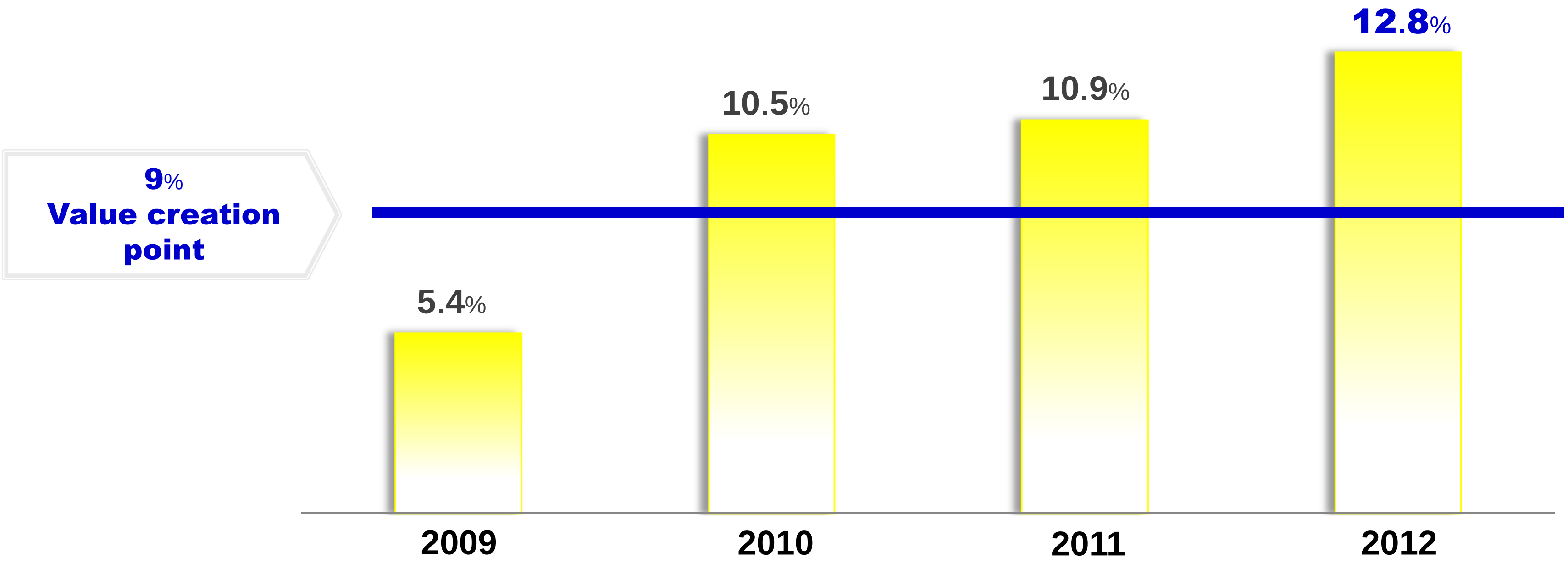
- Still buoyant mining market
- Sharp slowdown in Q4 in infrastructure, OE and RT Agricultural tires
- Rising impact of higher prices throughout the year
  - Price effect slightly negative in Q4 following contractual adjustments for lower raw materials costs
- Highly favorable currency effect

Strong Growth in Net Income

In € millions	2012	2011
Net Sales	**21,474**	20,719
Operating Income *(before non-recurring items as a % of net sales)*	**2,423** **11.3%**	1,945 9,4%
Non-Recurring Items	**46**	-
Operating Income	**2,469**	1,945
Cost of Net Debt	**(155)**	(206)
Other Financial Income & Expenses	**(22)**	236
Tax	**(736)**	(534)
Share of Profit from Associates	**15**	21
Net Income	**1,571**	1,462
Earnings per share	**8.62**	8.14

Value Created: Sustained Improvement in ROCE despite Faster Deployment of the Capex Program

Return on capital employed (ROCE)



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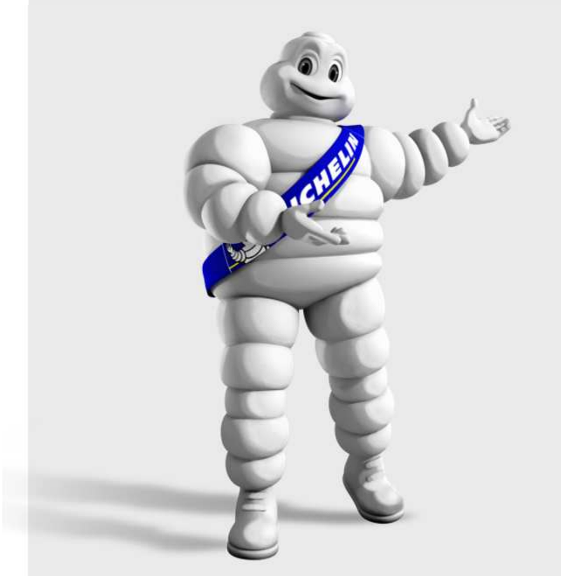

3 ROBUST BALANCE SHEET

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A Business that Structurally Generates Free Cash Flow

In € millions	2012	2011
EBITDA	**3,445**	**2,878**
Change in operating WCR	276	(912)
Restructuration Cash Costs	(93)	(145)
Other (Increase)/Decrease in Provisions	(124)	13
Other Operating WCR	271	(5)
Cash Flow from Operations	**3,775**	**1,829**
Taxes and Interest Paid	(849)	(632)
Routine Capital Expenditure *(Maintenance, IS/IT, Dealerships)*	(659)	(671)
Available Cash Flow	**2,267**	**526**
Growth Investments	(1,337)	(1,040)
Other Cash Flow from Investing Activities	145	495
Free Cash Flow after Capital Expenditure	**1,075**	**(19)**

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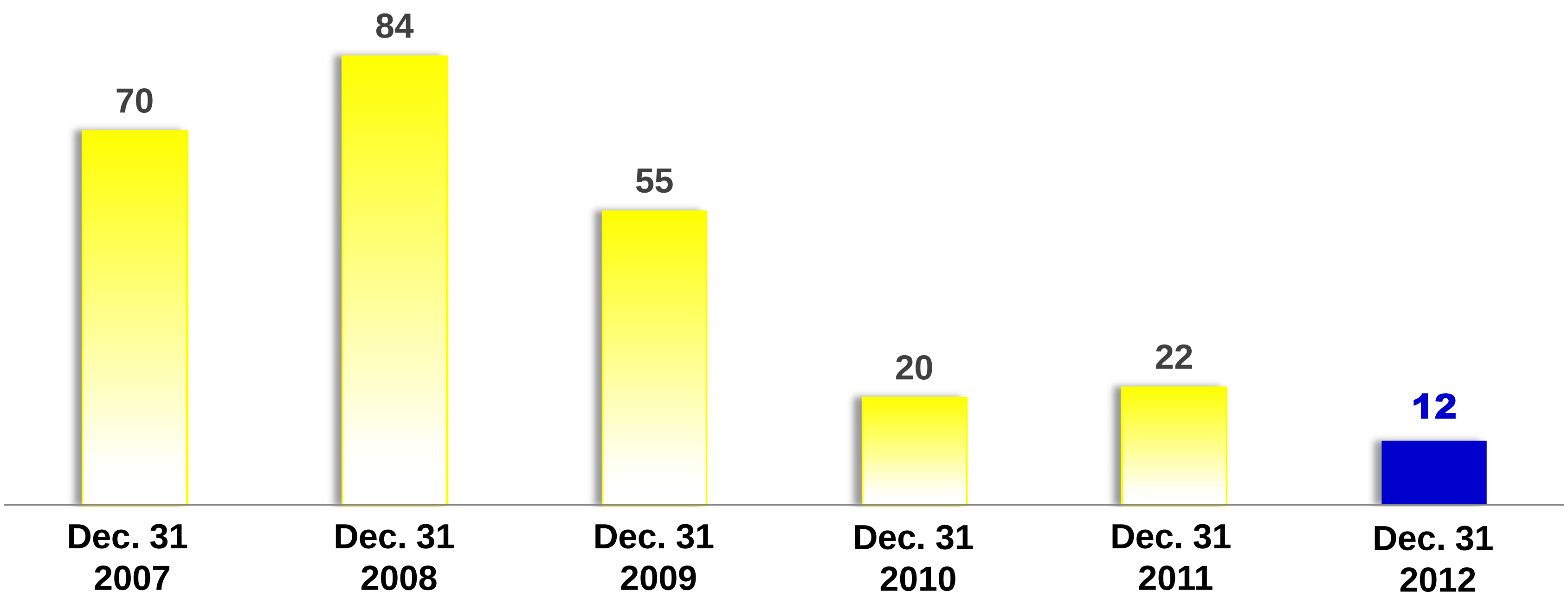
A Business that Structurally Generates Free Cash Flow

In € millions	2012	2011
Reported free cash flow [1]	1,075	- 19
WCR impact of raw materials costs [2]	+ 21	- 739
WCR year-end volume effect [3]	+ 344	- 200
One off [4] *(Sales of Hankook shares in 2011, sale of the Parisian building in 2012)*	+ 111	+ 403
Structural free cash flow (1) – (2) – (3) – (4)	**599**	517

- Clear improvement in EBITDA
  - Structurally high profitability
- High capex

Robust Balance Sheet

Gearing – Net debt/equity
(in %)



S&P and Moody's have upgrated their ratings to respectively BBB+ et Baa1

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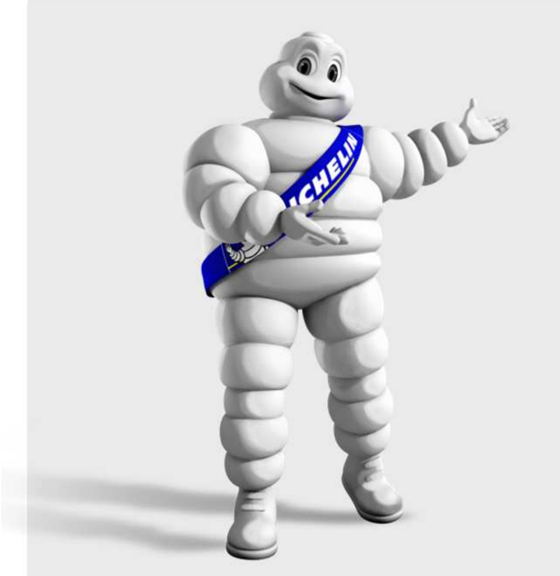

4 RESULTS OF THE COMPETITIVENESS PLAN

2012-2016 competitiveness plan: €1billion (before inflation and including avoided costs)

	SG&A	Materials used	Manufacturing and Transport
Objective:	-€200m/ -€300m	-€200m	-€500m/ -€600m
Impacts operating income in:	SG&A	Unit gross margin	Unit gross margin / Productivity
Enablers	► Efficiency program ► OPE ► Shared Service Centers, etc.	► New lines ► New materials ► Scrap process materials, etc.	► Best practices (MMW) ► Standardization ► Flexibility

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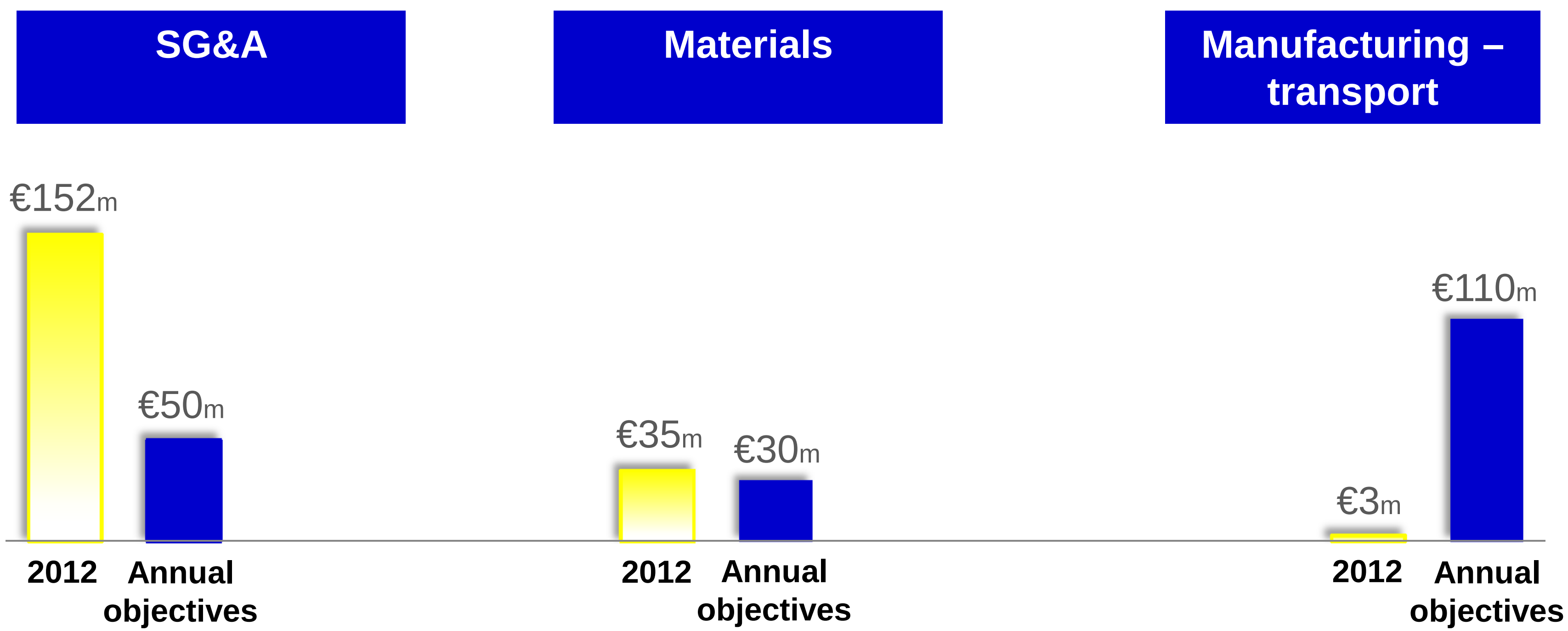
A Disciplined Method for Valuing Gains

- Calculating productivity gains
  - Principle:
    - Highlight productivity gains before inflation, non-recurring items, the OPE program, depreciation and amortization
    - Volume effect based on growth in unit gross margin before start-up costs and at constant exchange rates.
  - Method for valuing gains:

Costs* Year N + Currency effect + Volume effect + Inflation + Gains = Costs* Year N+1

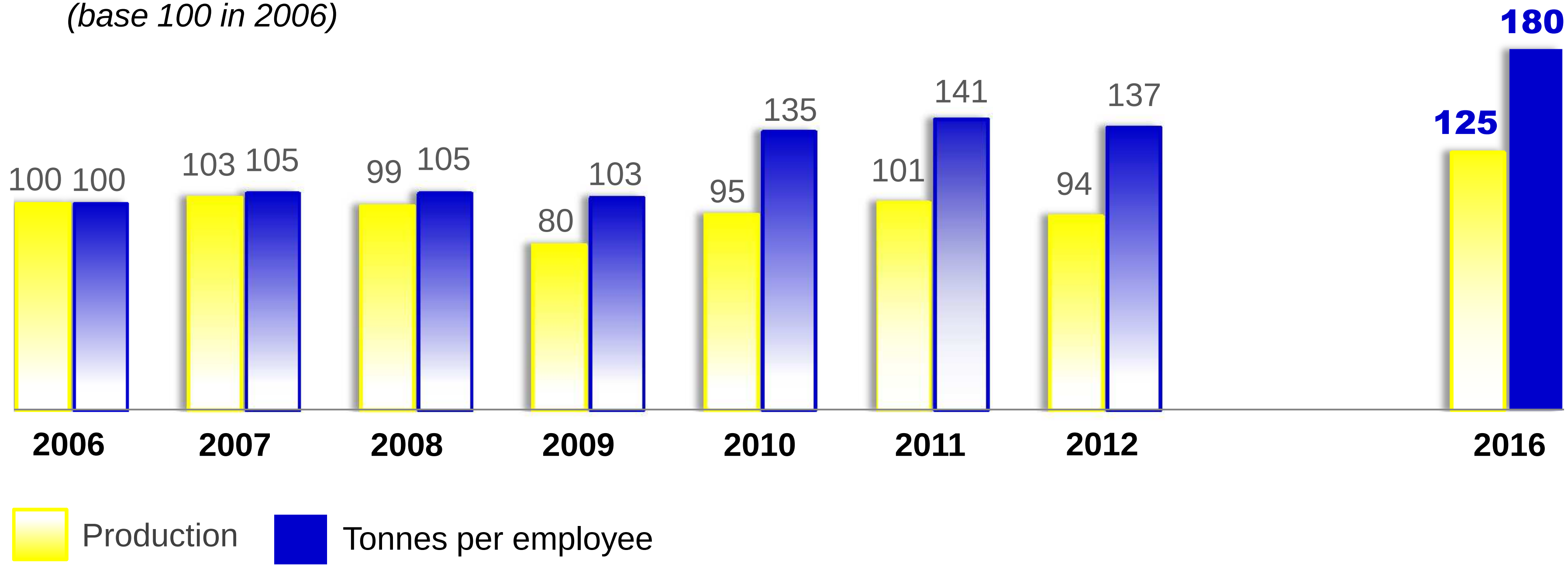
** Before depreciation and amortization charges*

Competitiveness Plan: €146 million in Gains in 2012, Held Back by Weak Volumes



Improving Output per Employee

Tonnes per employee
(base 100 in 2006)



2005 / 2010: continuous improvement + industrial footprint
2011 / 2015: continuous improvement + growth

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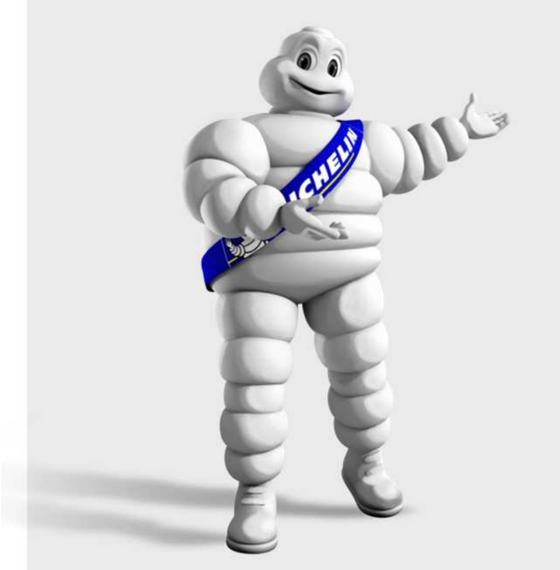
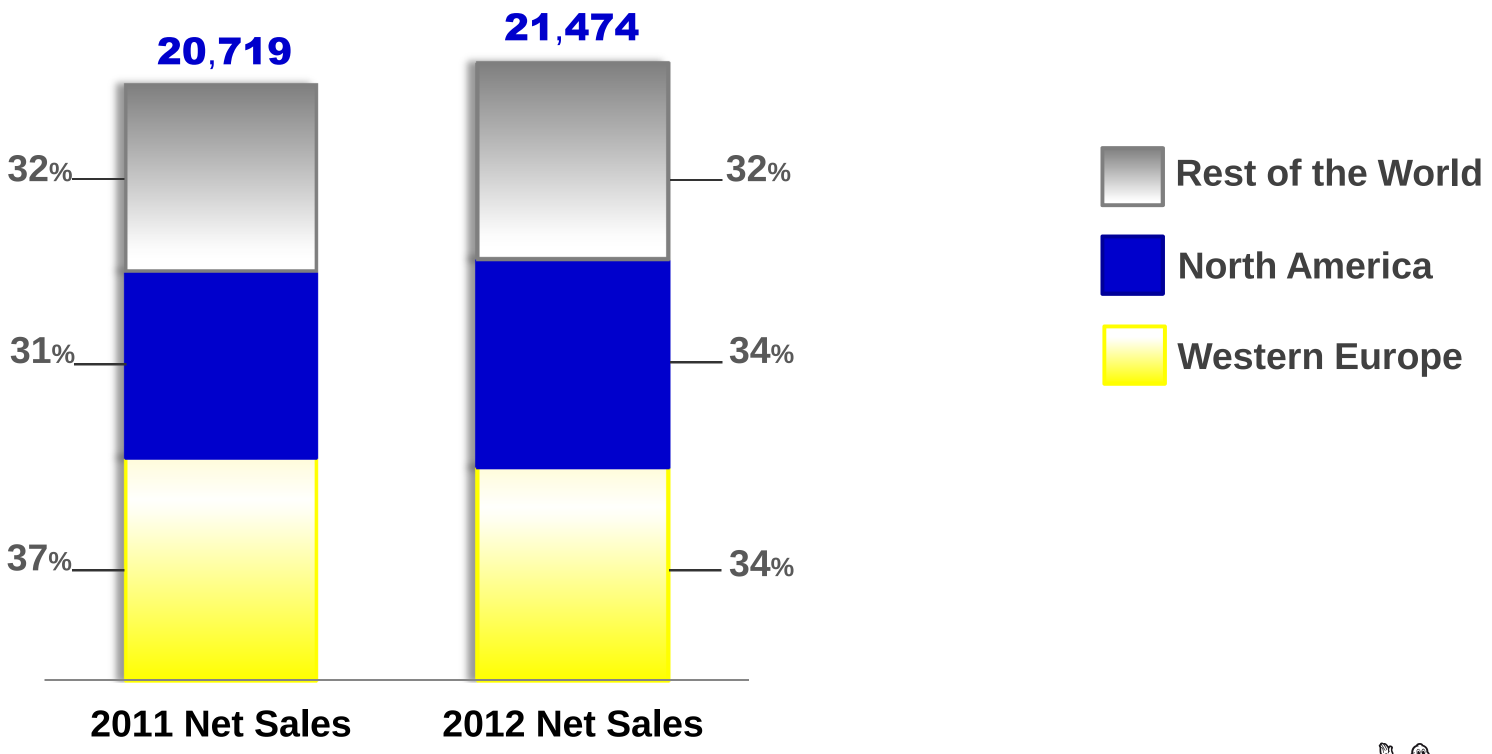


5 WIDE-RANGING PRODUCT PORTFOLIO AND GEOGRAPHIC EXPOSURE

Balanced Geographic Exposure

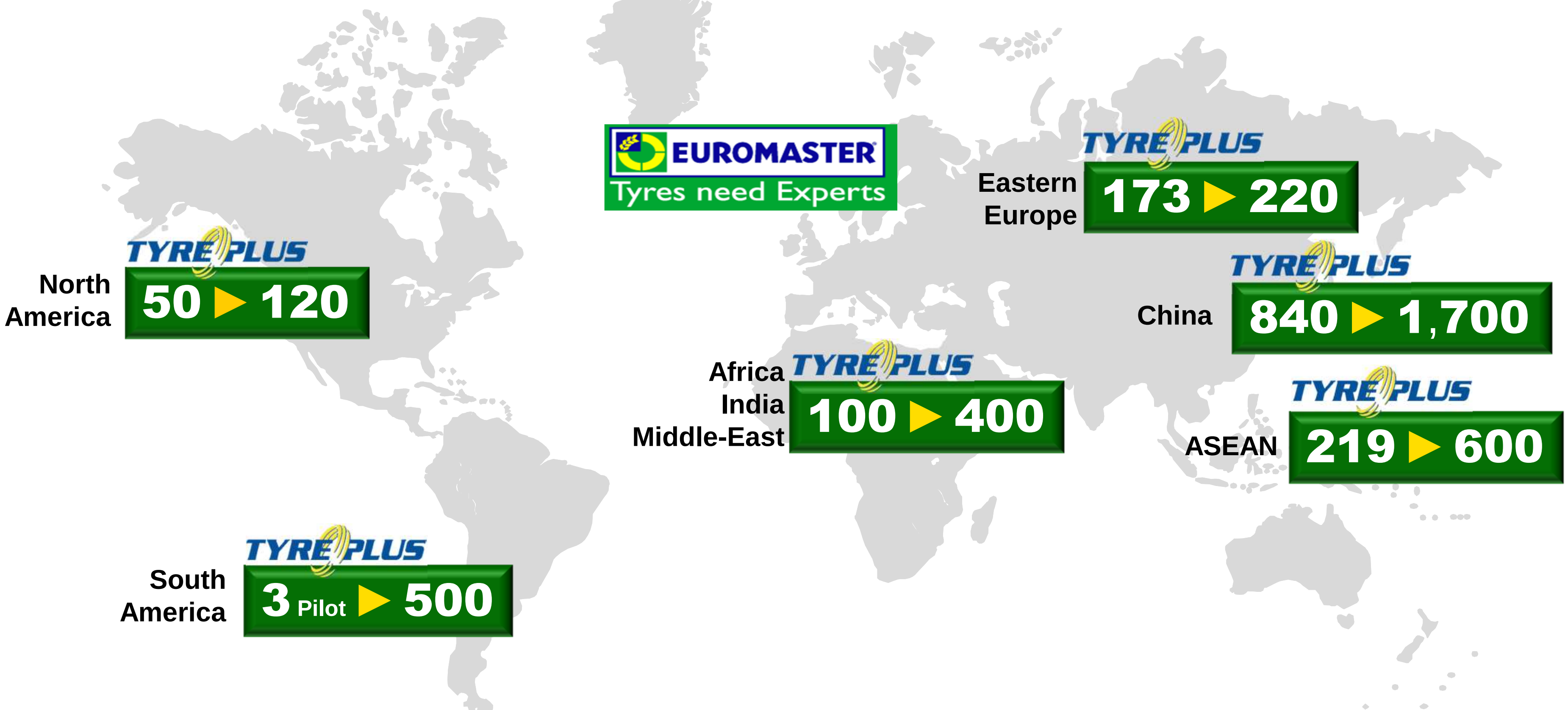
Net sales by region

(as a % of net sales and in € millions)



A Vast Network of Franchised Dealers: 2,000 Points of Sale Today to 5,000 by 2017

TYREPLUS Franchise	EUROMASTER Franchise
1,385 ▶ 3,540	628 ▶ 1,700



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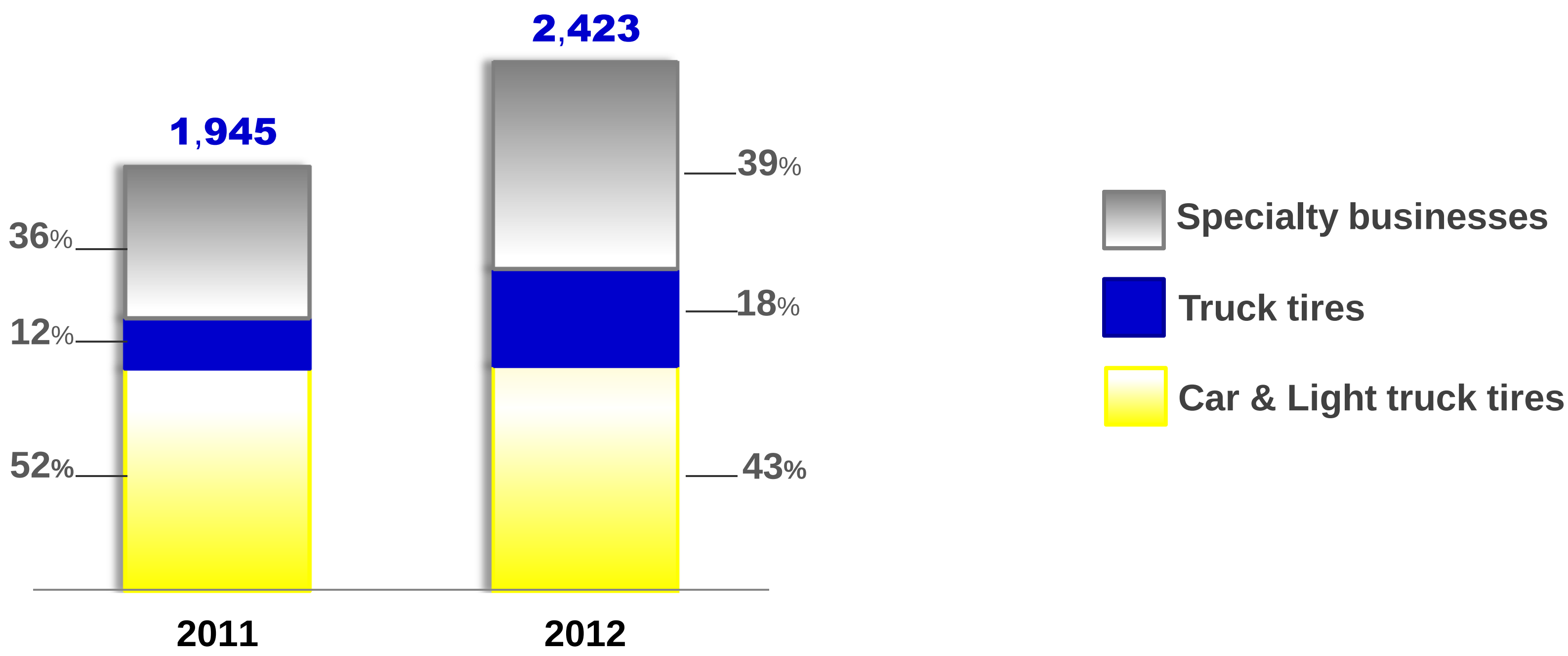
A Balanced Business Portfolio

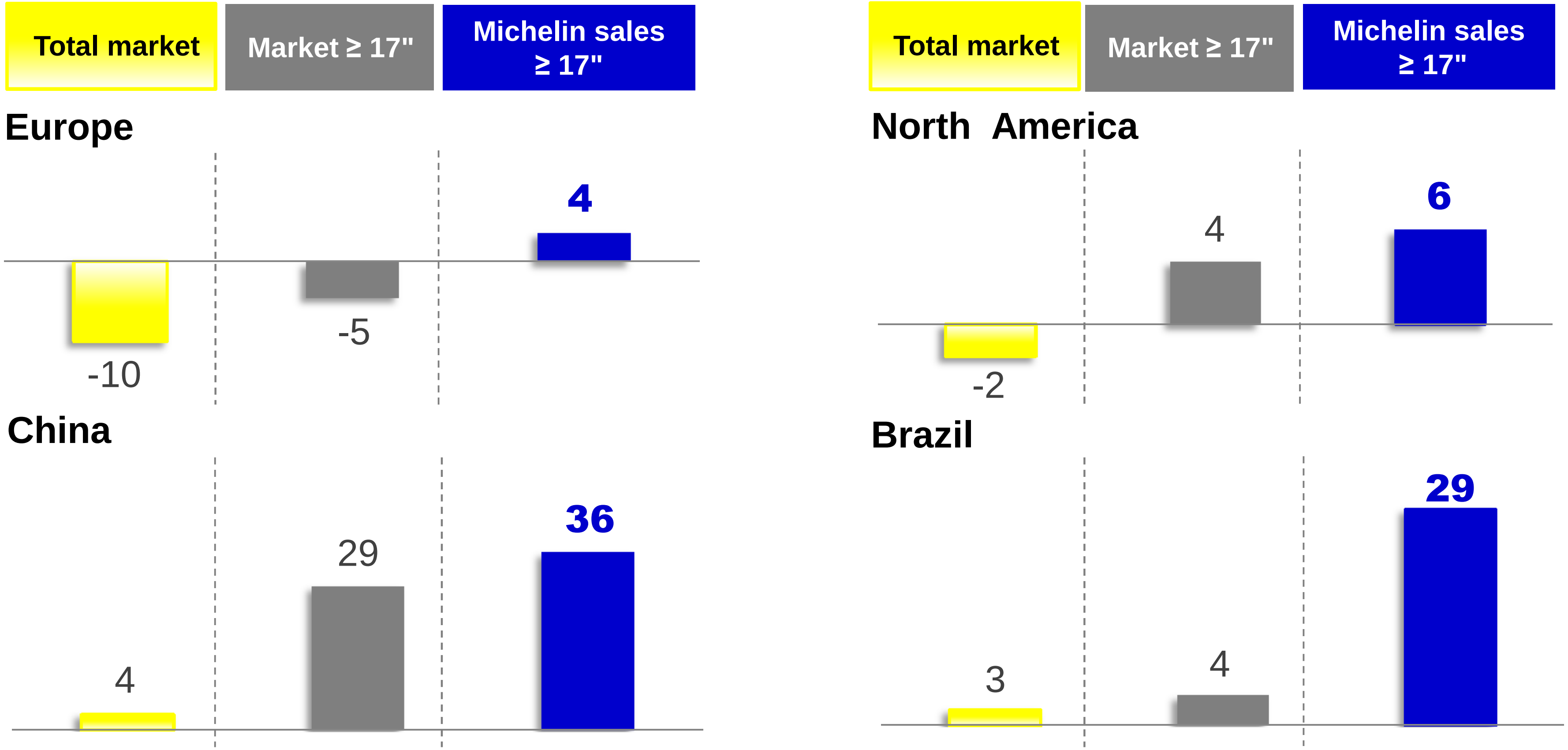
Operating income by business
(as a % of € million operating income)



PC/LT Premium: Strong Growth Opportunity Seized by Michelin

Growth in the replacement Car & Light truck market

(2012 vs. 2011 in %)



Source: Michelin

Michelin is Well Positioned to Capture Global Market Growth

- Factors driving demand
  - Markets: growth in world population
  - Michelin strengths: balanced geographic exposure and wide-ranging product portfolio
- Improving profitability
  - Margin improvement targets for the Truck tires business
  - Growing contribution from the Specialty Businesses
  - The highest prices the market will bare
  - 2015 target: €2.9 billion

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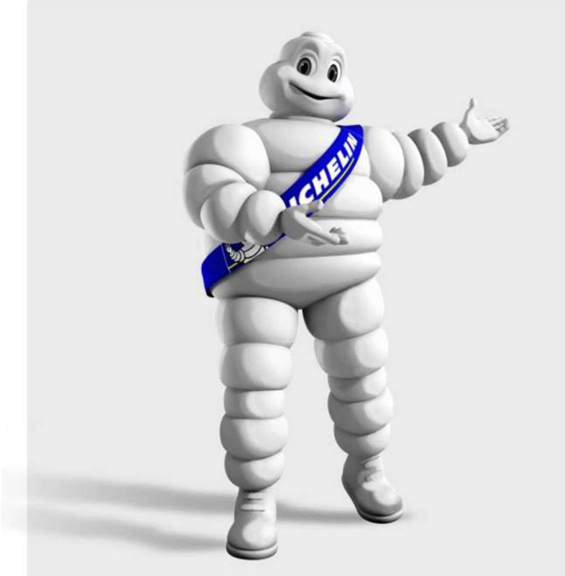

6 OUTLOOK

2013 Demand: Uncertain in Mature Markets, Rising in the New Markets

Europe	North America	New markets	Mining markets
Car & Light truck + Truck	Car & Light truck + Truck	Car & Light truck + Truck	

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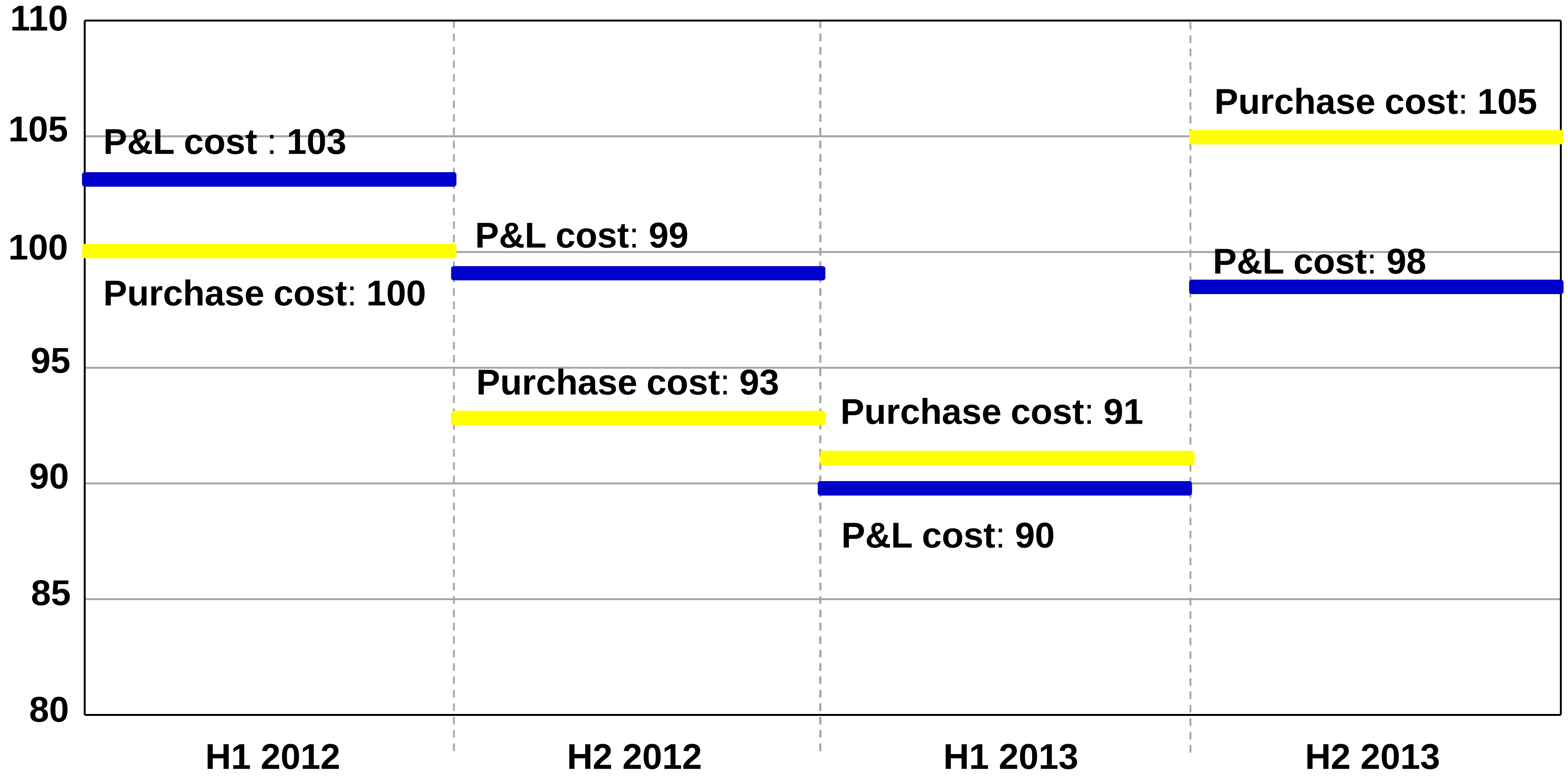
Raw Materials: €350 – 400 million Favorable Impact, mainly in the First Half

Michelin assumptions for 2013

with €1 = 1.311 USD



Itatiaia - Brazil
Car & Light Truck

- 1st tire: February 9, 2012
- Capacity late 2013: 17,000 tonnes

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Shenyang 2 - China
Truck and Car & Light Truck

- ► 1st Truck tire: January 26, 2013
- ► 1st Car & Light Truck tire: mid-2013
- ► 2013 capacity: 25,000 tonnes

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Chennai – India
Truck

- ▶ 1st Truck tire: 2nd half 2013

Anderson, SC – USA
Earthmover

- ▶ Anderson
  - 1^{st} tire: late 2013
- ▶ Lexington
  - 1^{st} tire: late 2013
  - Increasing capacity in line with market growth

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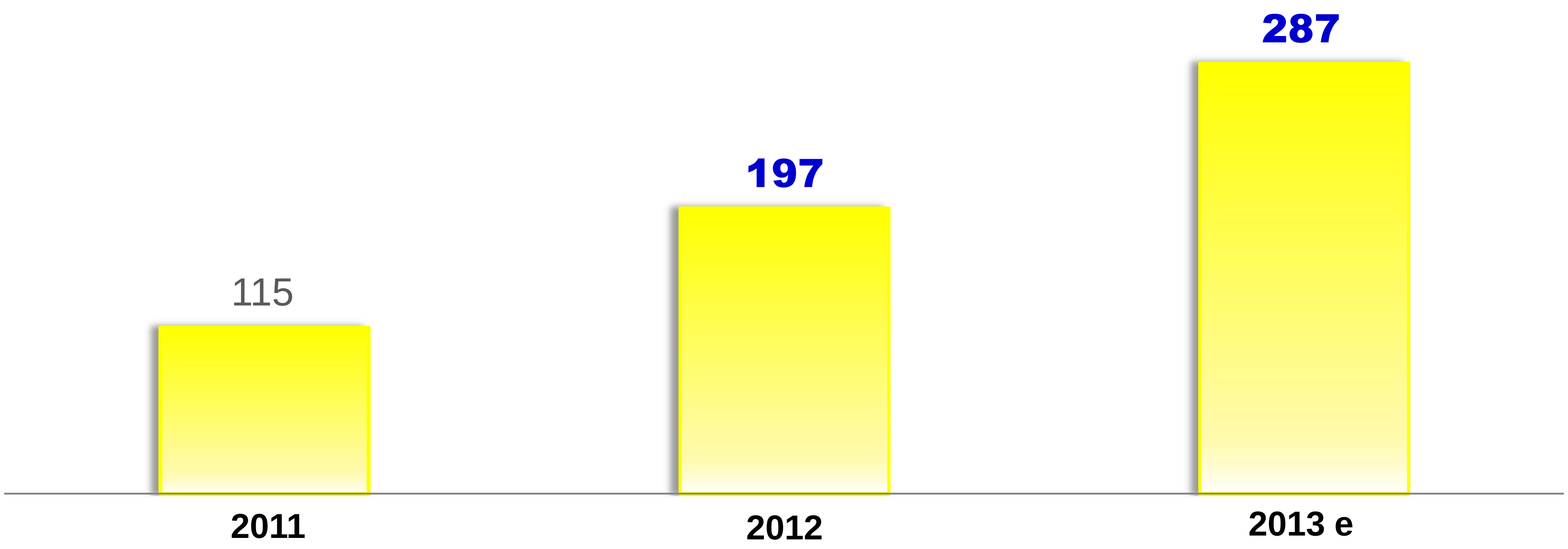
Start-up Costs on the Rise as the New Plants Come on Stream

Start-up costs

(in € millions, at current exchange rates)



Managing the Business: Becoming more Agile and Competitive

Deploying new, standardized, cross-functional operating procedures and information systems

- ► Increase sales and market share by offering customers differentiating services
- ► Increase the efficiency of accounting & finance, purchasing and sales administration processes
- ► Significantly improve supply chain responsiveness and reduce inventory
- ► Manage margins more precisely and reduce production costs

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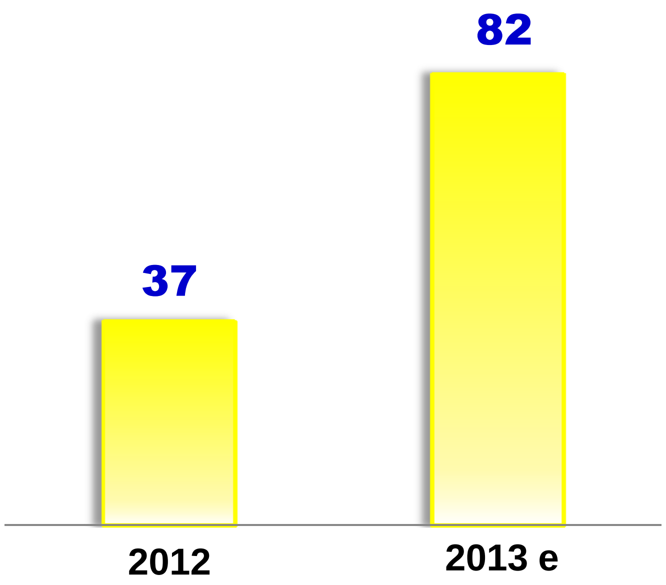
Managing the Business: Becoming more Agile and Competitive

Costs of deploying the new OPE business management program
(in € millions)



- ▶ Annual program costs: around €100 million over the next five years
- ▶ Expected outcomes in 2017:
  - At least a €250 million reduction in inventory
  - At least a €200 million reduction in annual SG&A and supply chain costs

Guidance: 2013, a Year of Transition

- Stable volumes
- Still favorable impact from prices and raw materials
  - Slightly unfavorable impact from prices, primarily due to the application of raw-materials related indexation clauses
    - 30% of net sales are covered by raw materials clauses
    - Clauses triggered a further downward adjustment in prices in early 2013
    - Selected tactical repositionings in replacement markets
  - Lower raw materials costs will save €350-400 million
- Stable operating income before non-recurring items, based on today's exchange rates
- Positive free cash flow
  - Capex of between €1.8 billion and €2.2 billion
- ROCE exceeding 10%

2015 Outlook Confirmed

- 2015 Operating Income before non-recurring items: around €2.9bn
- Normalized Segment performance:
  - Car & Light truck operating margin before NR items: 10% -12%
  - Truck operating margin before NR items: 7% - 9%
  - Specialty operating margin before NR items: 20% - 24%
- 2013-2015 capex: €1.8bn - €2.2bn per year
- Positive free cash flow every year
- ROCE > 10% each year

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Key Takeaways

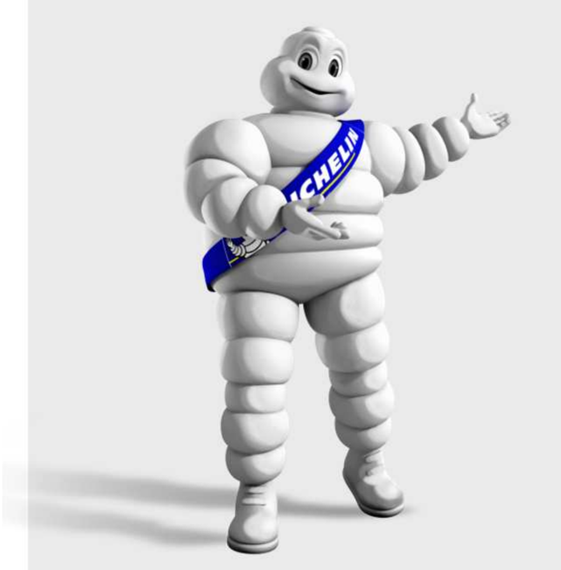
- ► Benefits of the global, multi-business strategy
- ► Benefits of the positioning in the Specialty and Premium markets

- ► Solid year
- ► Structural generation of free cash flow

- ► 2013, a year of transition
- ► Further improvements in operational efficiency in the pipeline

February 12, 2013

ANNUAL **RESULTS**

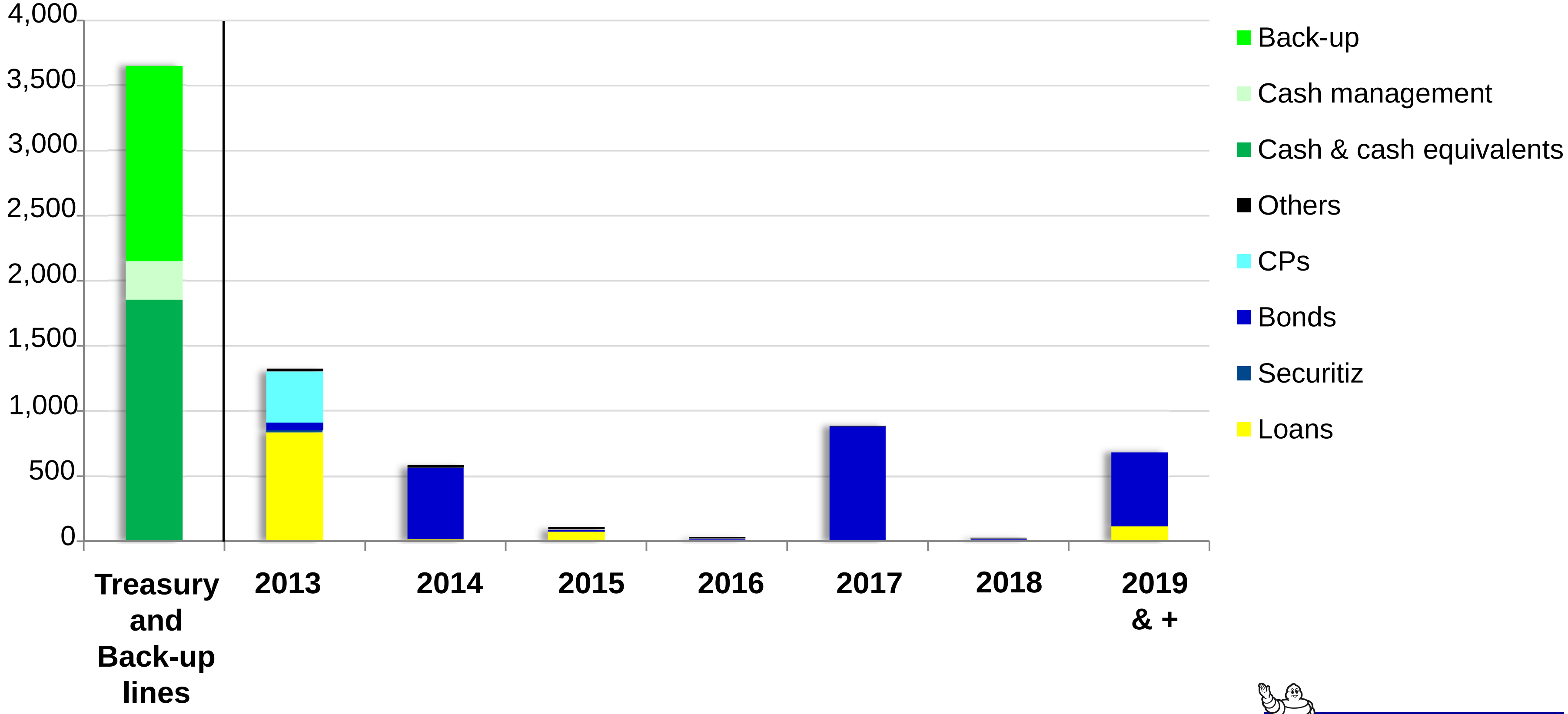


APPENDICES

A Comfortable Cash Position

Debt maturities at December 31, 2012

(Nominal value, in € millions)



Impact on the 2012 Income Statement of the Change in Accounting for Employee Benefits (IAS19)

In € millions	2012 reported	Accounting change	2012 adjusted for IAS19
Net Sales	21,474	-	21,474
Operating Income *before non-recurring items*	2,423	+55	2,478
Operating Income	**2,469**	**+55**	**2,524**
Interest Costs [(1)]	(162)	-175	(337)
Income before Taxes	**2,307**	**-120**	**2,187**
Income Tax	(736)	+40	(696)
Net Income	**1,571**	**-80**	**1,491**

[(1)] *Including associates*

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Impact on the 2012 Balance Sheet of the Change in Accounting for Employee Benefits (IAS19)

In € millions	2012 reported	Accounting change	2012 adjusted for IAS19
Non-current assets	**11,428**	**- 22**	**11,406**
of which deferred tax assets	1,530	- 22	1,508
Current assets	**10,154**	**-**	**10,154**
Total assets	**21,582**	**- 22**	**21,560**

Equity	**8,501**	**+34**	**8,535**
Non-current liabilities	**7,644**	**- 56**	7,588
of which employee benefit obligations	4,679	- 56	4,623
Current liabilities	**5,437**	**-**	**5,437**
Total Equity and Liabilities	**21,582**	**- 22**	**21,560**

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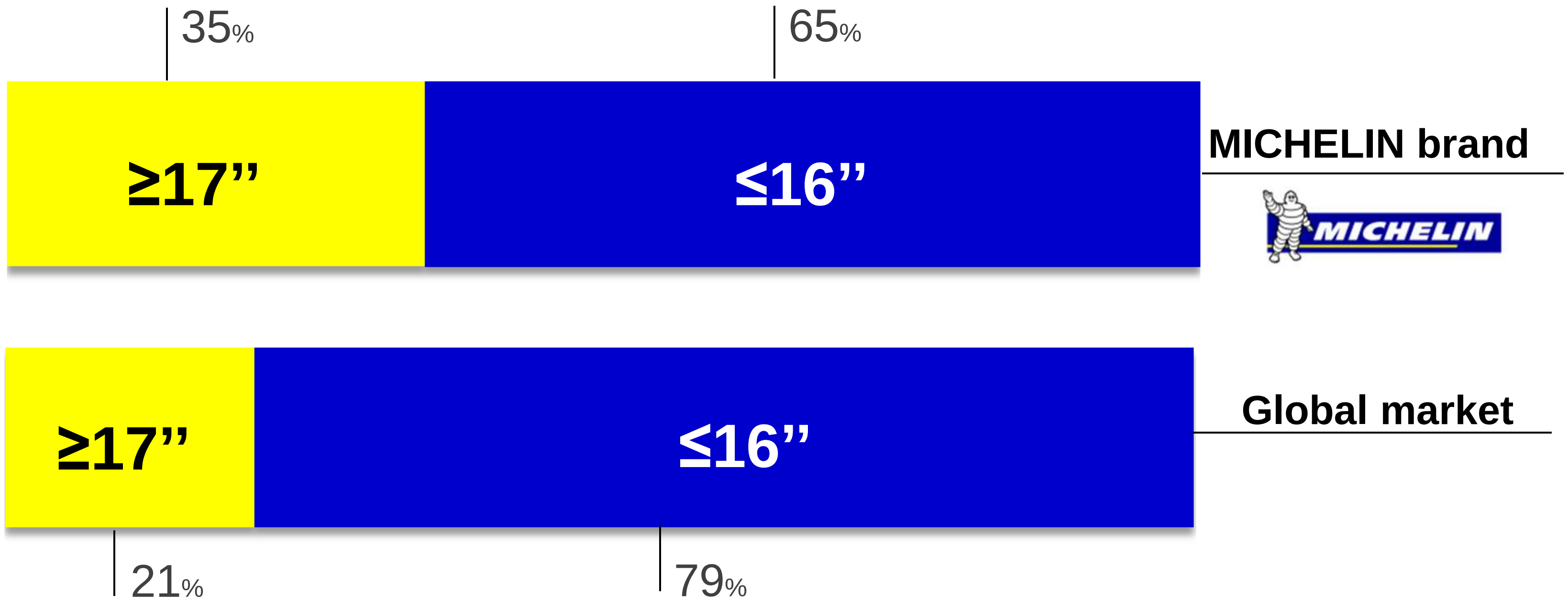
MICHELIN: Leading the Market in Premium Tires

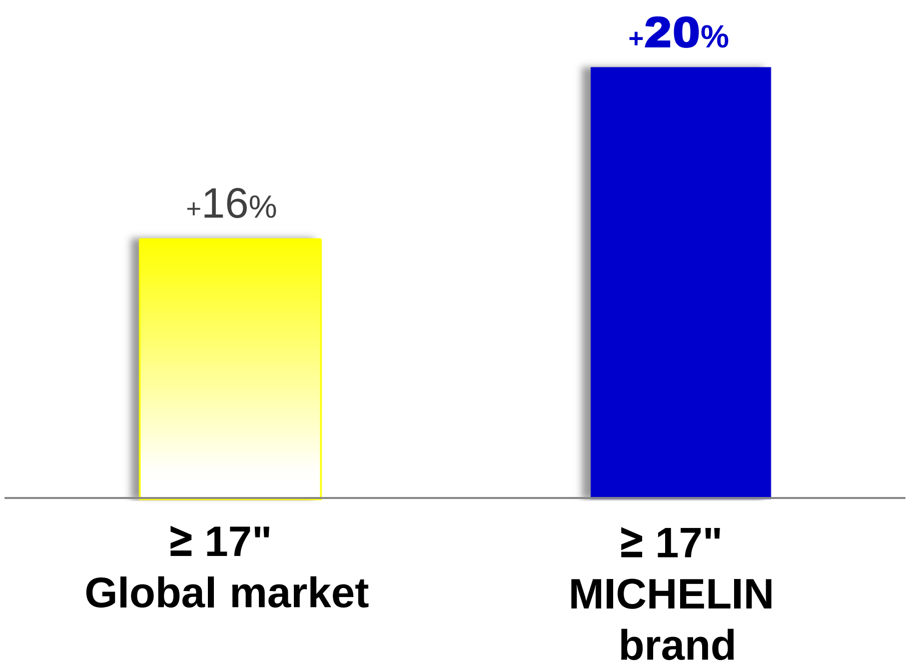
2012 Passenger Car and Light Truck tire market by size

(in number of tires)

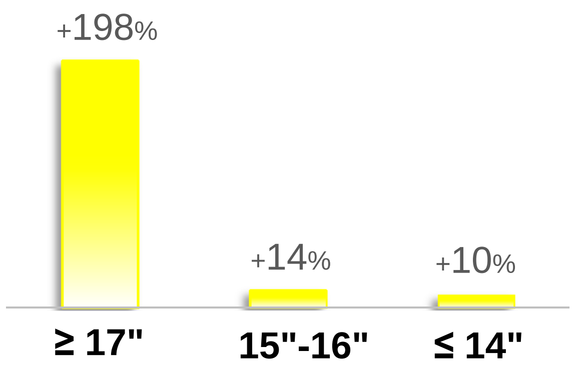


MICHELIN: Leading the Market in Premium Tires

Average annual growth (2009 – 2012)



Chinese market



Source: Michelin

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