



NET SALES FOR THE THREE MONTHS ENDED MARCH 31, 2013

April 22, 2013

Key Takeaways

- ▶ 1st quarter in line with the annual outlook presented in February
- ▶ Carefully managed pricing policy
- ▶ Demand seems to be firming up in April
- ▶ 2013 guidance confirmed

Net Sales of €4,877 million

- ▶ **Demand** weak in the Passenger Car & Light Truck markets in Europe, disappointing in North America, expanding quickly in the new markets
- ▶ **Volumes** down 4.3%, reflecting:
 - The different market trends between the mature and the growth regions
 - The decline in OE business, particularly in earthmover tires
 - The two or three fewer business days, depending on the region, which account for more than 3%
- ▶ **Price-Mix** shifted to a negative 2.7%, reflecting:
 - The impact of indexation clauses as raw materials costs declined
 - The carefully managed price repositioning, targeted on certain tire sizes

April 22, 2013

NET SALES



- 1 CONTRASTED, LACKLUSTER MARKETS
- 2 NET SALES IN LINE WITH ANNUAL OUTLOOK
- 3 REPORTING SEGMENTS
- 4 2013 GUIDANCE

April 22, 2013

NET SALES



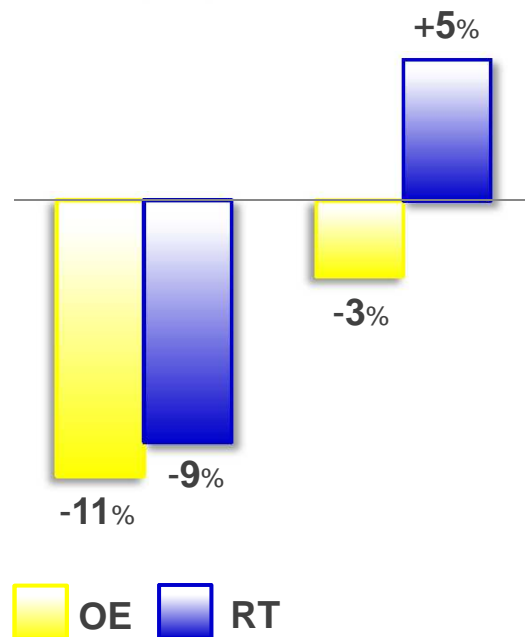
CONTRASTED, LACKLUSTER MARKETS

Europe: Softer Demand, and a Weak March



Markets at March 31, 2013

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



Passenger Car & Light Truck:

- ▶ Impact of winter weather in March
 - Winter to summer tire changeover postponed until April
 - Germany: down 23% in March
 - Nordic countries: down 11% in March
- ▶ Dealer inventory:
 - **Summer:** no excess inventory
 - **Winter:** still high despite a decline from end 2012

Truck:

- ▶ Stable at a low level in Western Europe
- ▶ As a result, dealer inventory is edging back up

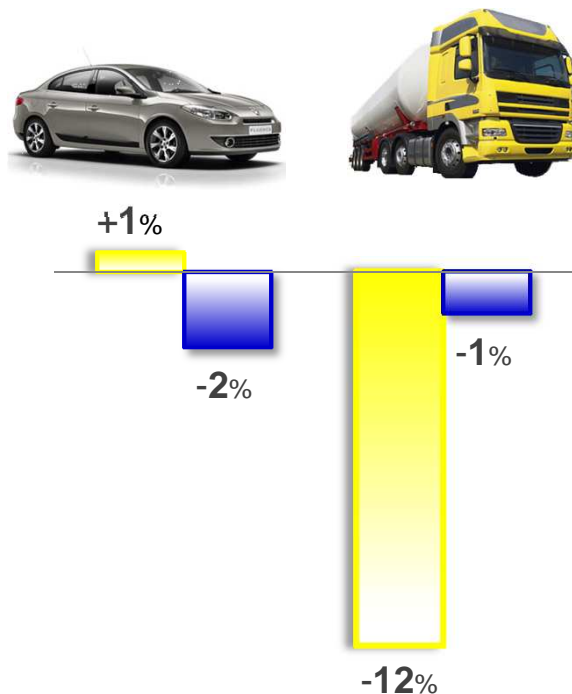


North America: Disappointing Markets



Markets at March 31, 2013

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



OE RT

Passenger Car & Light Truck:

- ▶ Dealers carefully managing inventory
 - Sell in < Sell out
 - Low dealer inventory

Truck:

- ▶ Dealer inventory stable
- ▶ OE impacted by slowing truckmaker output and comparison with the upturn in 1Q-2012

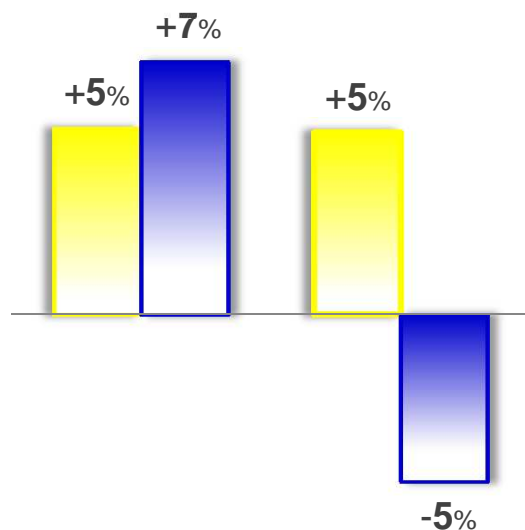


Asia excluding India: as Expected, Demand is Generally Trending Upwards



Markets at March 31, 2013

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



OE RT

- ▶ Return to long-term growth trends
- ▶ Replacement Truck tires in China:
 - Demand low during the New Year; improvement in March

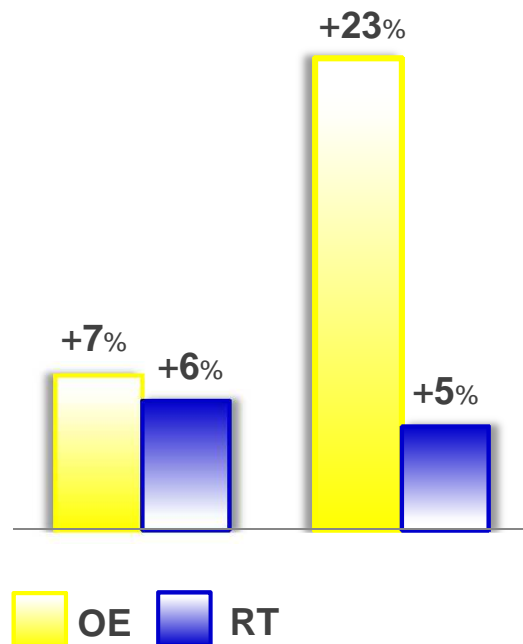


South America: Robust Market Growth



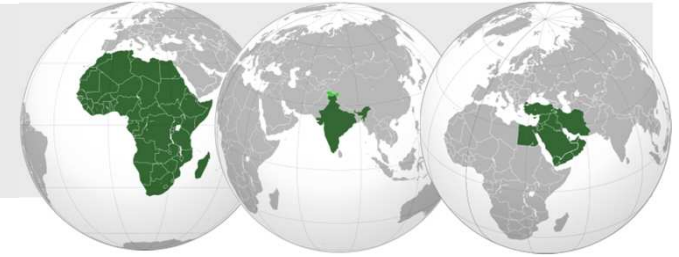
Markets at March 31, 2013

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



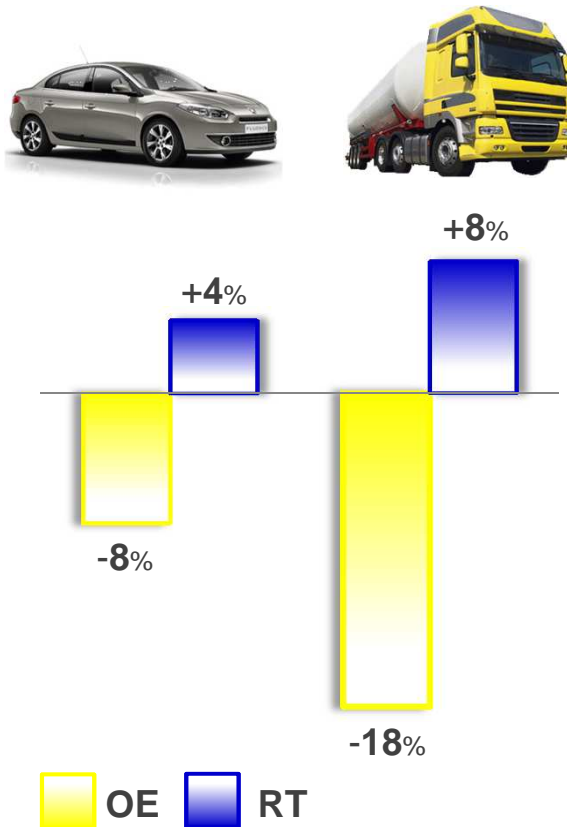
- ▶ More favorable economic environment
- ▶ Demand trending upwards across the region
- ▶ OE Truck boosted by prior-year comparatives impacted by the introduction of Euro V standards

Africa India Middle East: Markets Generally Expanding



Markets at March 31, 2013

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



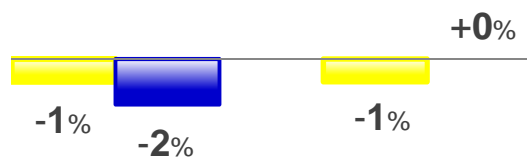
- ▶ Demand volatile in India, especially in OE Truck; more buoyant in the rest of the region
- ▶ Markets impacted by geopolitical conditions in certain countries in the region

A Contracting Global Market



Markets at March 31, 2013

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



OE RT

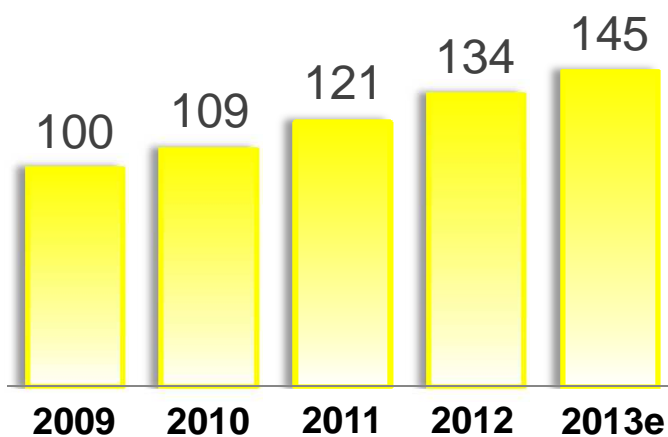
► Demand varied by region:

- Weak in Europe in Passenger Car & Light Truck
- Disappointing in North America
- Growing in the new markets, without fully offsetting the weakness in mature regions

Earthmover Tires: Mining Sector still Buoyant, Other Markets more Sensitive to the Business Cycle

Mining tire market

(in tonnes, base 100 in 2009)

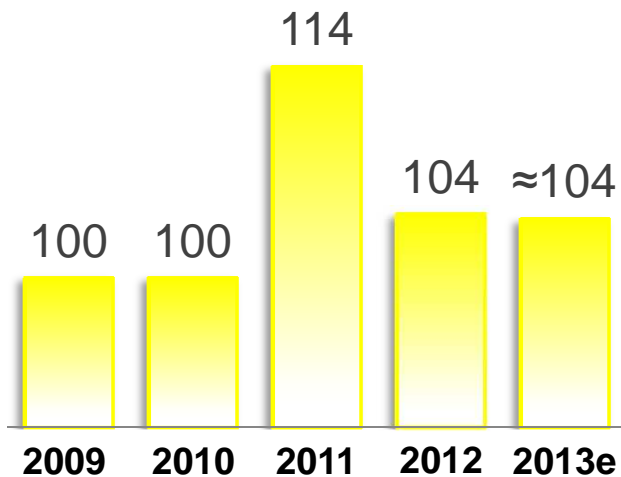


- ▶ Mining:
still buoyant demand for giant tires
- ▶ Other earthmover segments:
difficult markets
 - OE: sharp drop
 - Infrastructure: lackluster demand in mature regions

Agricultural Tires: Market almost Flat

Agricultural tire market

(in tonnes, base 100 in 2009)



- ▶ OE still firm
- ▶ Replacement down slightly while awaiting more favorable weather conditions
- ▶ Growing demand for technical tires



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NET SALES



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NET SALES IN LINE WITH ANNUAL OUTLOOK

Net sales in Line with Annual Outlook

YoY change
(in € millions)

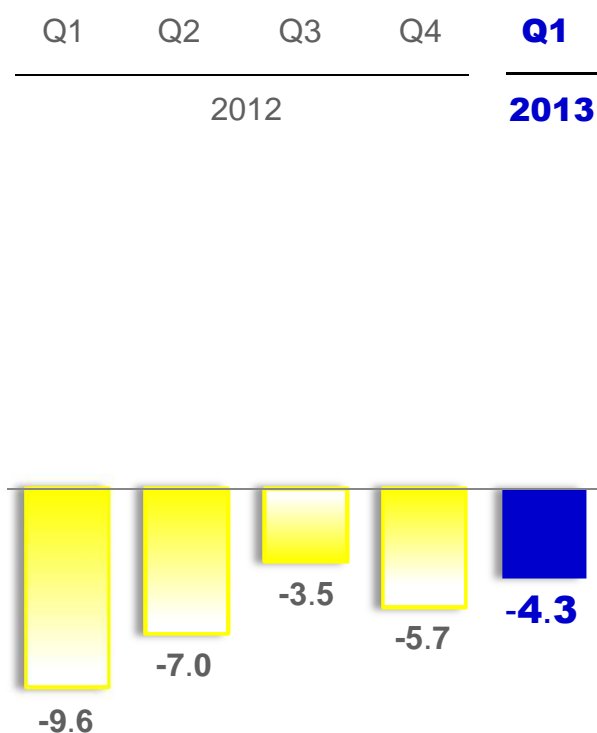


Volumes: in Line with Demand

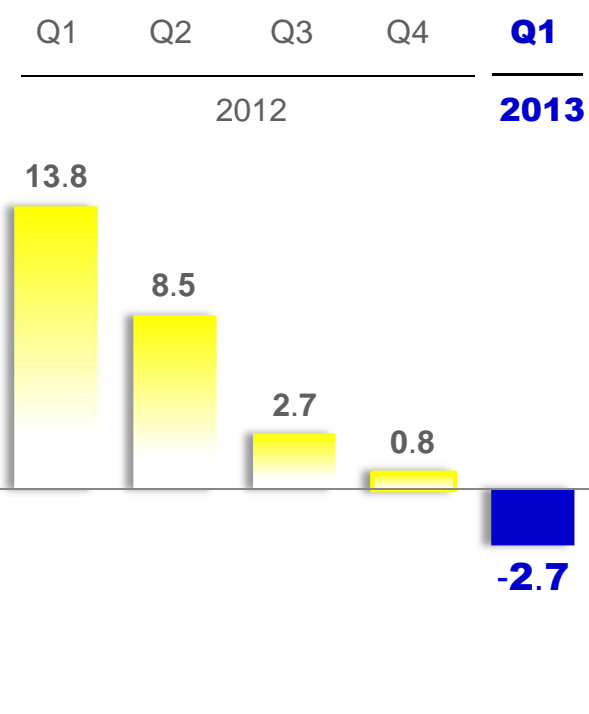
Prices: Flexibility thanks to Raw Materials Costs

Change YoY (in %)

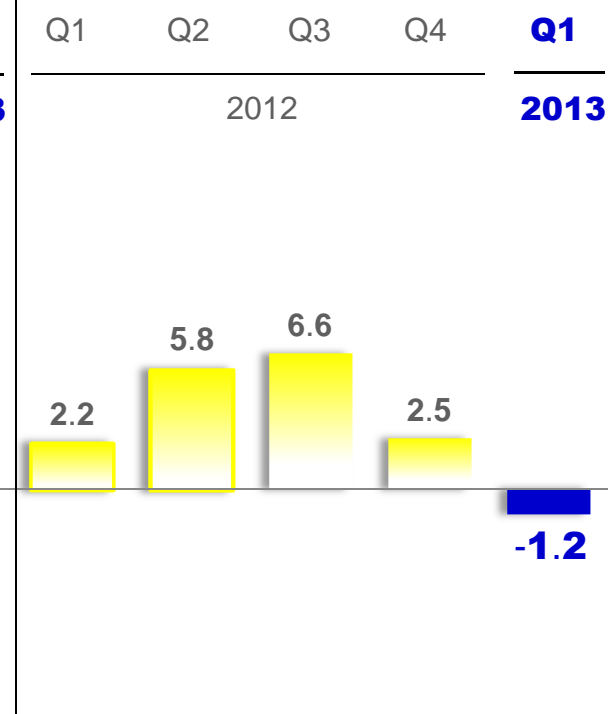
► Volumes



► Price-mix



► Currency



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NET SALES



3 REPORTING SEGMENTS

Passenger Car & LT and Related Distribution: Weak Mature Markets and Carefully Managed Price Repositioning

Passenger car and Light truck (in € millions)



	Q1 2013	Q1 2012	Change
Net Sales	2,582	2,760	-6.5%
Volume growth	-2.8%		

► Volumes

- The new markets are not completely offsetting weakening demand in mature markets
- Integrated dealer sell-out slowed by weather conditions in March, in Europe

► Price-Mix

- Price: carefully managed repositioning
- Mix: favorable, led by the 17" & + segment



Truck and Associated Distribution: Stabilizing over Q4 2012

Truck

(in € millions)



	Q1 2013	Q1 2012	Change
Net Sales	1,477	1,604	-7.9%
Volume growth	-5.6%		

- ▶ Priority focus on turning around the Truck tire business and restoring its margins
- ▶ Integrated dealer sell-out slowed by the economic environment, notably in Europe
- ▶ Unfavorable currency effect

Specialty: Mining still Buoyant but Other Segments more Sensitive to the Business Cycle

Specialty Businesses

(in € millions)



	Q1 2013	Q1 2012	Change
Net Sales	818	940	-13.0%
Volume growth	-6.9%		

- ▶ Weak demand in OE Earthmover and the infrastructure segment
- ▶ Contractual price adjustments in the mining segment and in Earthmover and Agricultural OE
- ▶ Unfavorable currency effect

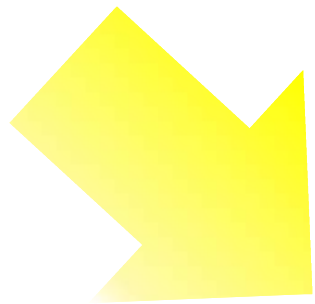
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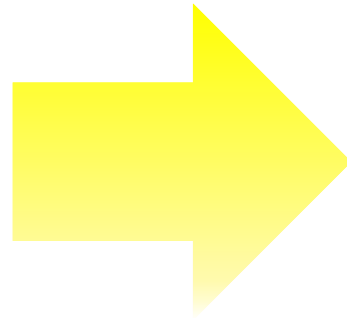
4 2013 GUIDANCE

2013 Markets: Outlook Presented in February Confirmed



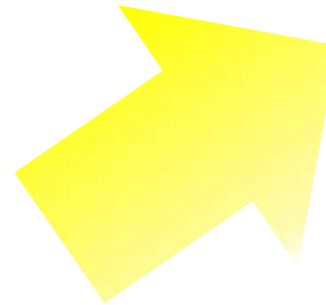
Europe

Car &
Light truck
+
Truck



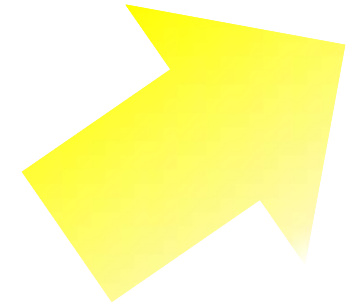
North America

Car &
Light truck
+
Truck



New markets

Car &
Light truck
+
Truck



Mining markets

2013 Guidance Confirmed

- ▶ Stable volumes
- ▶ Disciplined margin: still favorable price-mix/raw materials combo, at around €250-€300 million
 - Unfavorable price-mix mainly due to raw materials clauses and carefully managed strategic price repositioning
 - Around €550-million favorable impact from raw materials
- ▶ Stable operating income before non-recurring items
- ▶ Positive FCF
 - Around €2 billion in capex
- ▶ > 10% ROCE

Key Takeaways

- ▶ 1st quarter in line with the annual outlook presented in February
- ▶ Carefully managed pricing policy
- ▶ Demand seems to be firming up in April
- ▶ 2013 guidance confirmed
- ▶ October 2, 2013: Investor Day in the United States

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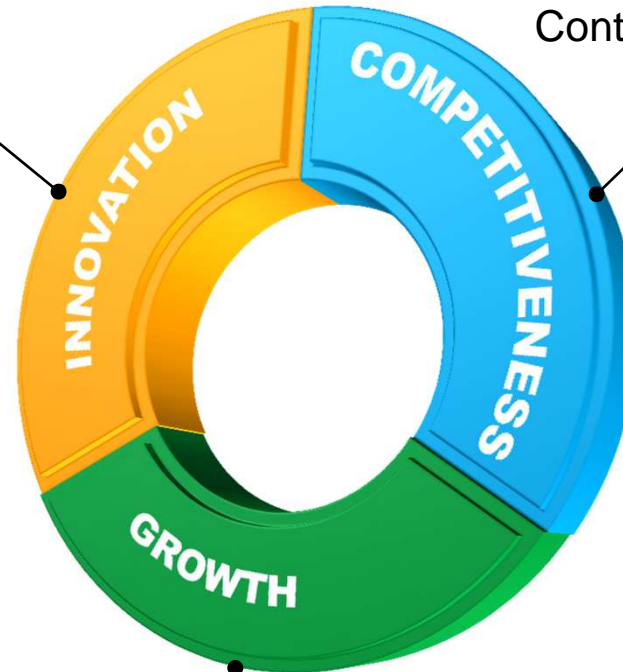


APPENDICES

The Three Strategic Pillars

1 Innovate to drive differentiation and loyalty

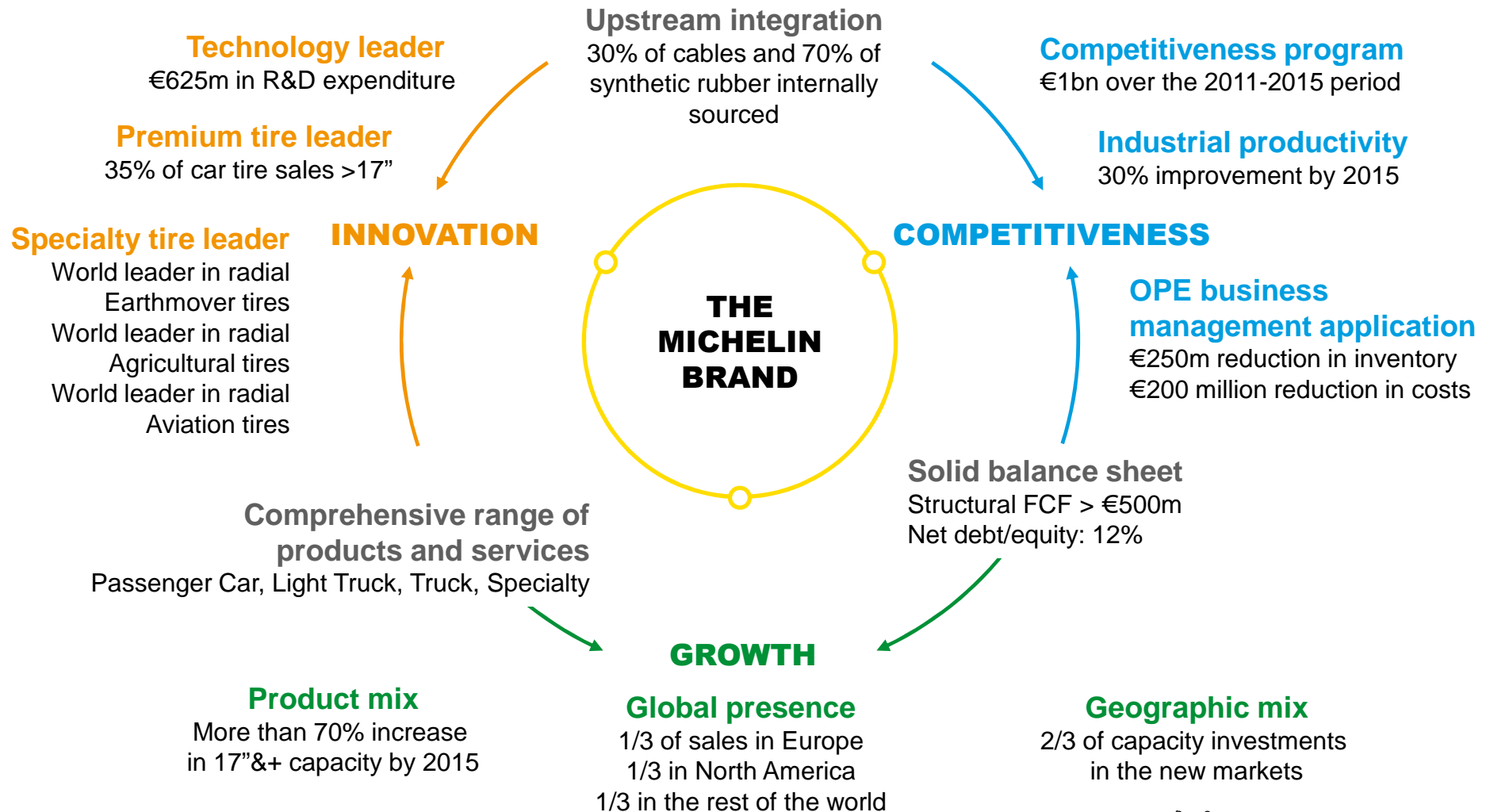
Continuously become more competitive **2**



3 Drive faster growth



A Strategy Built on Solid Competitive Strengths



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