



October 19, 2017

Net Sales at September 30, 2017

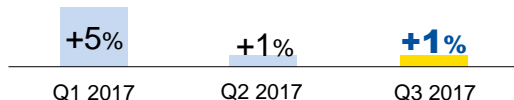
Q3 2017: €5 billion in net sales, with a highly favorable price mix effect of 5%

- Market environment in line with the second quarter
 - OE demand trending upwards in every segment,
 - RT demand down slightly in the mature regions,
 - Sustained rebound in mining tire demand.
- Volumes up 1.0% in Q3 and 2.8% YTD, led by early dealer buying in Q1 and the upturn in mining tire sales throughout the period
- Faster improvement in the price mix effect in Q3, to a positive 5%, for a total 2.6% impact YTD, reflecting:
 - The implementation of all of the announced price increases,
 - The favorable mix effect, primarily led by the 21% growth in volumes in the premium 18"+ segment.
- Currency effect was a negative 3.7% in Q3 and neutral YTD
- 2017 guidance confirmed, in line with the 2020 objectives

Q3: cooling RT Passenger car and Truck tire markets; robust Specialty and OE Truck tire markets



PASSENGER CAR – YTD: +3%

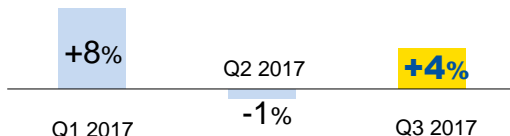


Q3:

- Decline in mature regions as dealers drew down excess inventory. Growth in emerging markets in line with previous quarters
- Decrease in OE demand in North America



TRUCK – YTD: +4%



Q3:

- Growth led by surging OE demand notably in China and North America (+23%)
- Cooling growth in the RT segment, due to a slowdown in Europe (up 1.5%) and a contraction in China and India



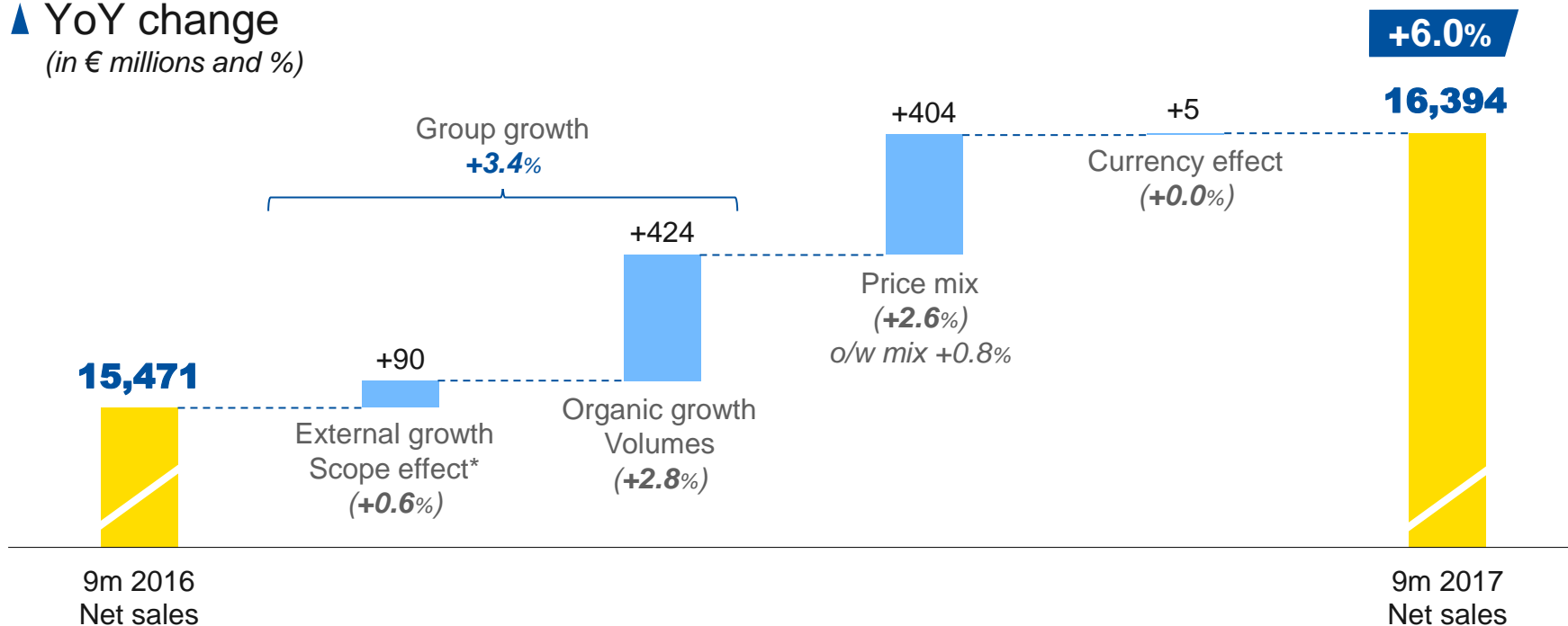
SPECIALTIES: +8%/+10%*

- Mining tires: +10%/+15%
- Agricultural tires: rebound in OE demand starting in Q2, decrease in RT sales following the Q1 spike in early buying
- Growth in demand in the other businesses

**Full-year market estimate*

Net sales supported by growth in volumes and price mix effect

▲ YoY change
(in € millions and %)

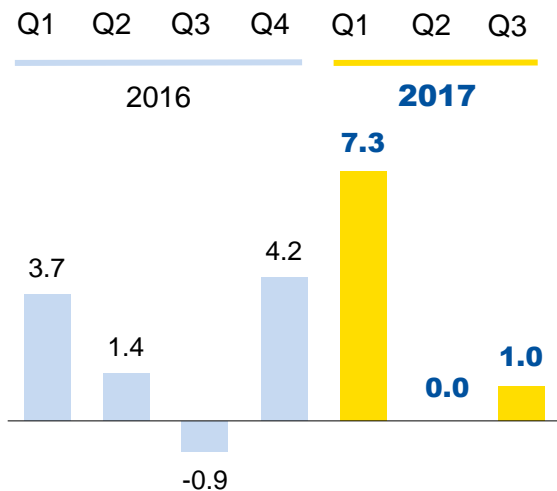


* Levorin, NexTraq

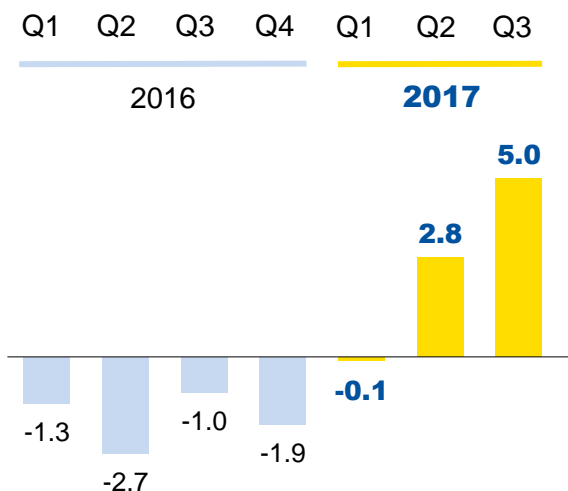
Improving price mix, despite a less favorable RT market environment in Q3

▲ YoY quarterly change
(in %)

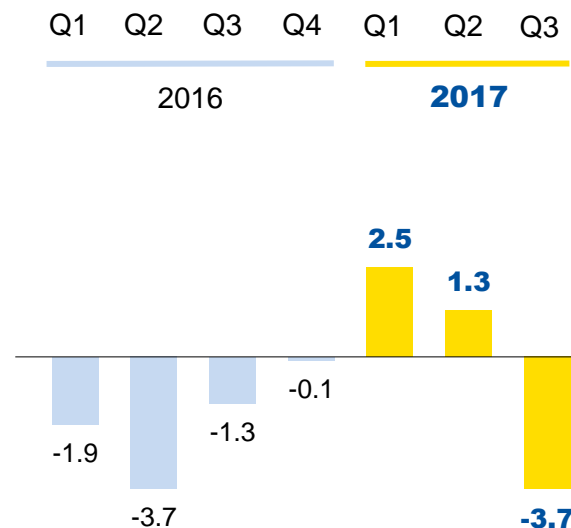
Volumes



Price mix

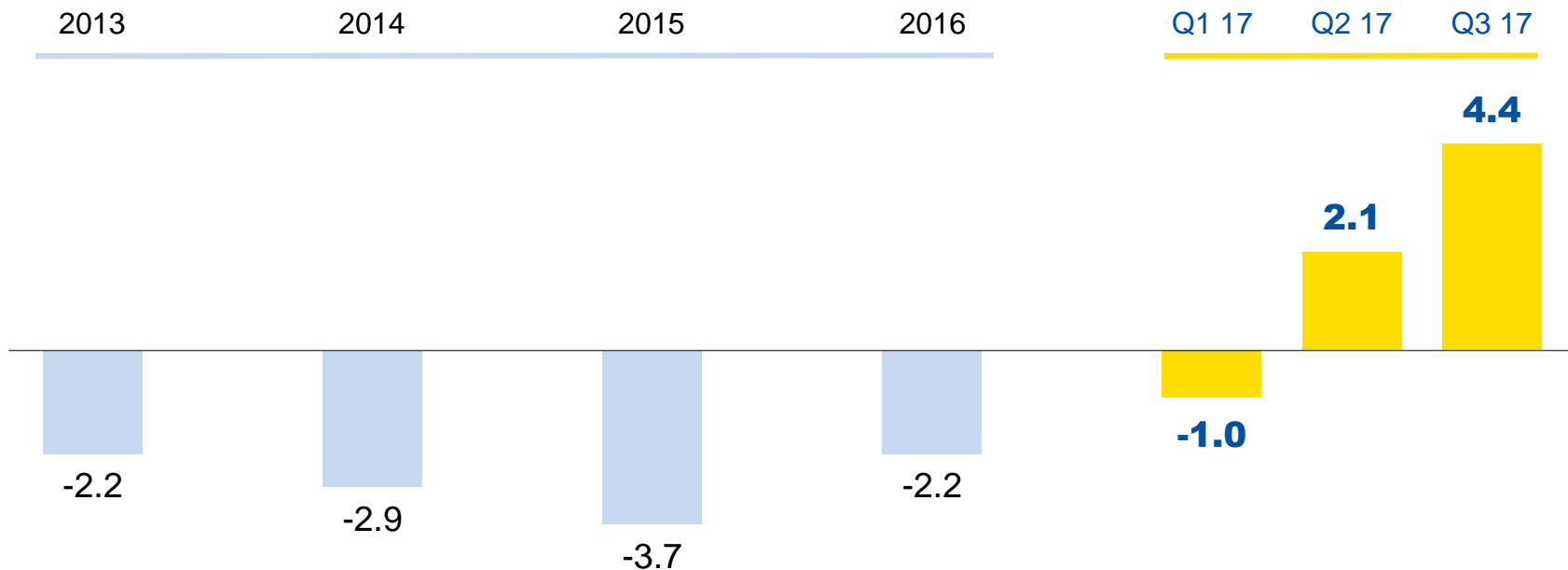


Currency effect



Q3 price effect: much faster improvement, as announced, led by RT price increases and the application of indexation clauses

▲ (in %)



Growth driven by volumes and price increases

(in € millions)

9m 2017

9m 2016

% change

RS1 net sales

9,242

8,880

+4.1%



RS2 net sales

4,605

4,440

+3.7%



RS3 net sales

2,547

2,151

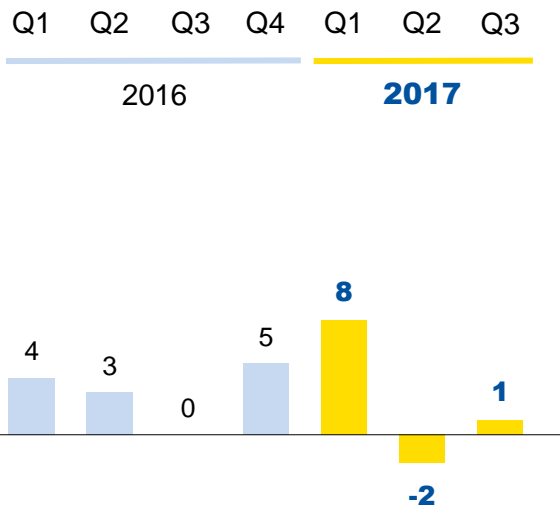
+18.4%



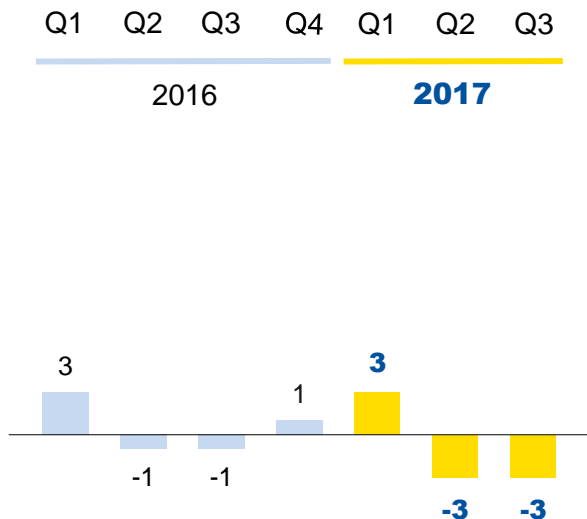
Dealer inventory back to normal, priority given to profitability in Truck, strong growth in the Specialty businesses

▲ YoY quarterly change in volume
(in % & in tonnes)

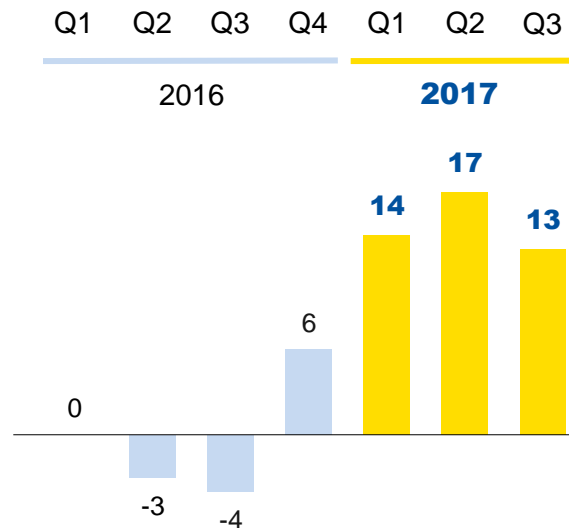
Passenger car tires*



Truck tires*



Specialty businesses

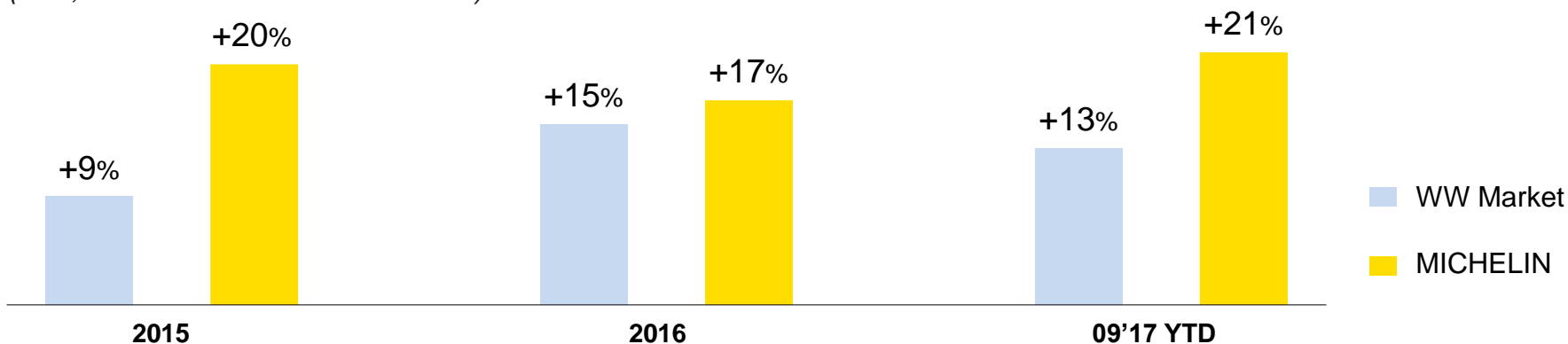


* & related distribution

≥ 18" tires : a successful Premium strategy delivering continuous market share gains

▲ ≥ 18" tire growth

(YoY, markets in units and sales in kt)



- Customers who value the MICHELIN brand and its product performance: a price premium of around 10% compared to Premium competitors
- A force of innovation sought by premium manufacturers
- Continuous growth made possible by new industrial capabilities

MICHELIN, THE premium brand

▲ Leading position at premium OEMs and prestige vehicles



AMG Project One

Concept presented at the Frankfurt Motor Show
will be launched in 2019

These two vehicles are fitted with

MICHELIN
Pilot Sport Cup 2



Porsche GT2 RS

beat the record of the German circuit of
the Nürburgring



FERRARI



PORSCHE



**SAFE WHEN NEW,
SAFE WHEN WORN⁽¹⁾.**



MICHELIN *PRIMACY 4*

**New Passenger car tire,
launched in 64 sizes
from January 2018**



- **SUPERIOR SAFETY**

Outstanding **wet braking** performances when **new** and still when **worn**⁽²⁾



- **#1 in longevity⁽³⁾**

Lasts 18,000 kms longer than its competitors on average⁽³⁾

(1) New and Worn (worn means 2 mm tread depth), on 205/55 R16 91V MICHELIN PRIMACY 4, is above the R117 European regulation wet grip threshold.

(2) 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 BRIDGESTONE TURANZA T001 EVO; CONTINENTAL PREMIUM CONTACT 5; DUNLOP BLUESPONSE; GOODYEAR EFFICIENT GRIP PERFORMANCE; PIRELLI CINTURATO P7 BLUE competitors.

(3) 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 BRIDGESTONE TURANZA T001 EVO; CONTINENTAL PREMIUM CONTACT 5; DUNLOP BLUESPONSE; GOODYEAR EFFICIENT GRIP PERFORMANCE; PIRELLI CINTURATO P7 BLUE competitors. Longevity test run in average real usage (D50) with 10,000 kms run and estimated longevity at 1.6mm.

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Net Sales at September 30, 2017



2017 guidance confirmed

2017 guidance confirmed: on the road to our 2020 objectives

| | 2017 |
|---|---------------------------------|
| Volumes | Growth in line with the markets |
| Operating income from recurring activities at constant exchange rates | > 2016 |
| Net price mix/raw materials effect | Non-indexed businesses: neutral |
| Structural FCF* | > €900m |

* Adjusted for the payment in January 2017 of the €193m capitalized interest on the 2017 OCEANE zero-coupon convertible bonds

2017 scenario: agile management in a highly volatile environment

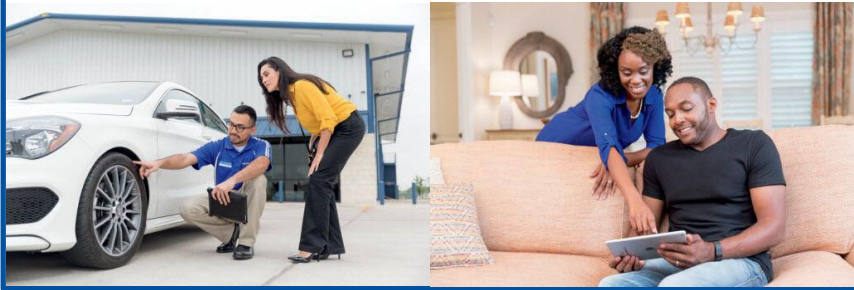
| Impact on operating income from recurring activities | H1 2017 as reported | H2 2017 | 2017 |
|--|--------------------------------------|-----------------------|--|
| Impact of raw materials costs | -€331m | Around €450m headwind | Around €800m headwind |
| Currency effect | +€37m | Around €150m headwind | Around €110-120m headwind* |
| Net price-mix/ raw materials effect | Indexed -€106m Non-indexed: -€80m | Positive | Indexed businesses: negative Non-indexed: neutral |
| Competitiveness plan gains vs. inflation | +€4m | Slightly positive | Slightly positive |

* Based on September rates

**2nd worldwide brand
according to**

Forbes

Michelin has been voted the 2nd most trusted company in the world in the international ranking "Global 2000, Top Regarded Companies" published by Forbes in October 2017



**A robust reputation
in the world**



EMEA

4th brand

2017 RepTrak® 100
(February 2017)

USA

**1st auto sector
brand**

US RepTrak® 100
(February 2017)

China

7th brand

China RepTrak® 100
(March 2016)

2018 Upcoming events

- **February, 12** (after market): 2017 Annual Results
- **April, 23** (after market): Q1 Net Sales
- **May, 18**: Annual Shareholders' Meeting
- **July, 24** (after market): H1 Results

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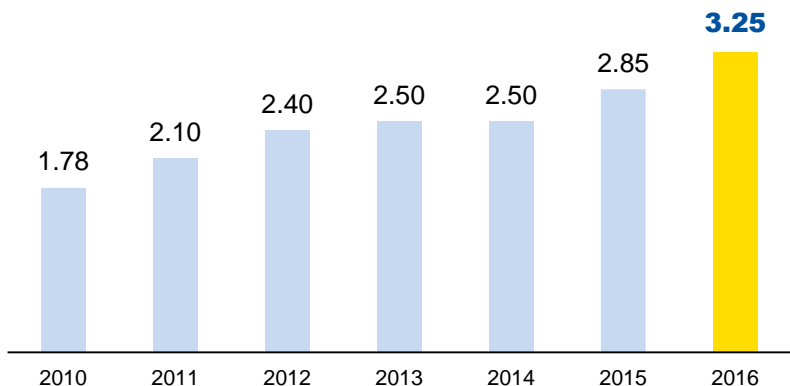


Appendices

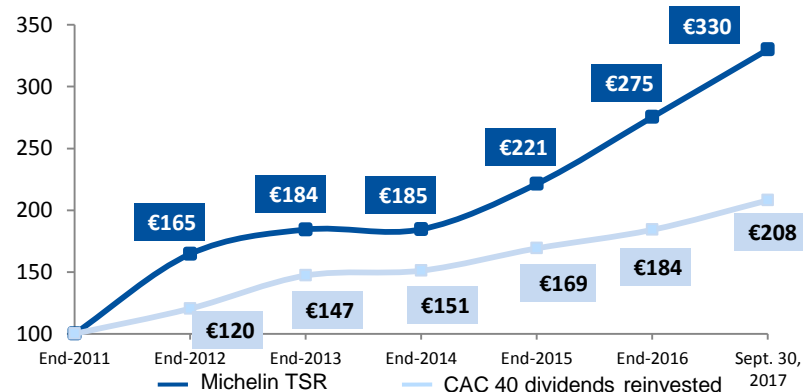
Sustained shareholder return policy: dividends and share buybacks

- 2016 dividend: €3.25 per share, representing a payout ratio of 36.5%
- Share buyback programs
 - €750m committed in 2015-2016 and cancellation of 4.5% of outstanding shares
 - 2017: €84m delivered out of a €100m program to offset the dilution from share-based compensation

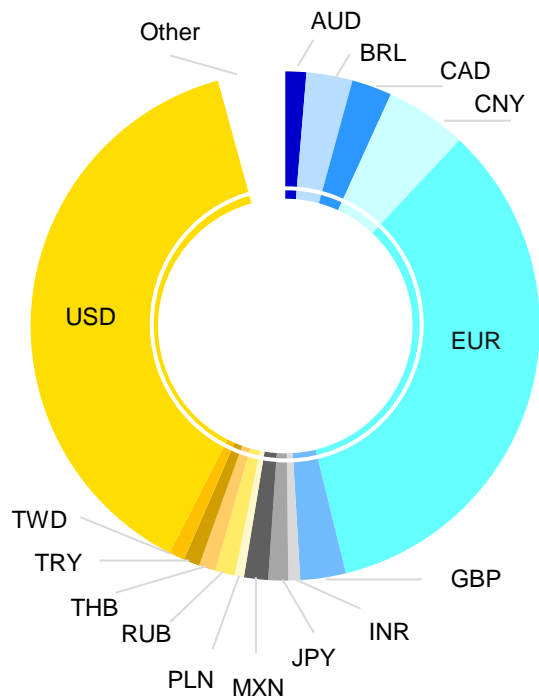
● Dividend per share (in €)



● Total Shareholder Return



H1 2017: Net sales breakdown by currency and EBIT impact



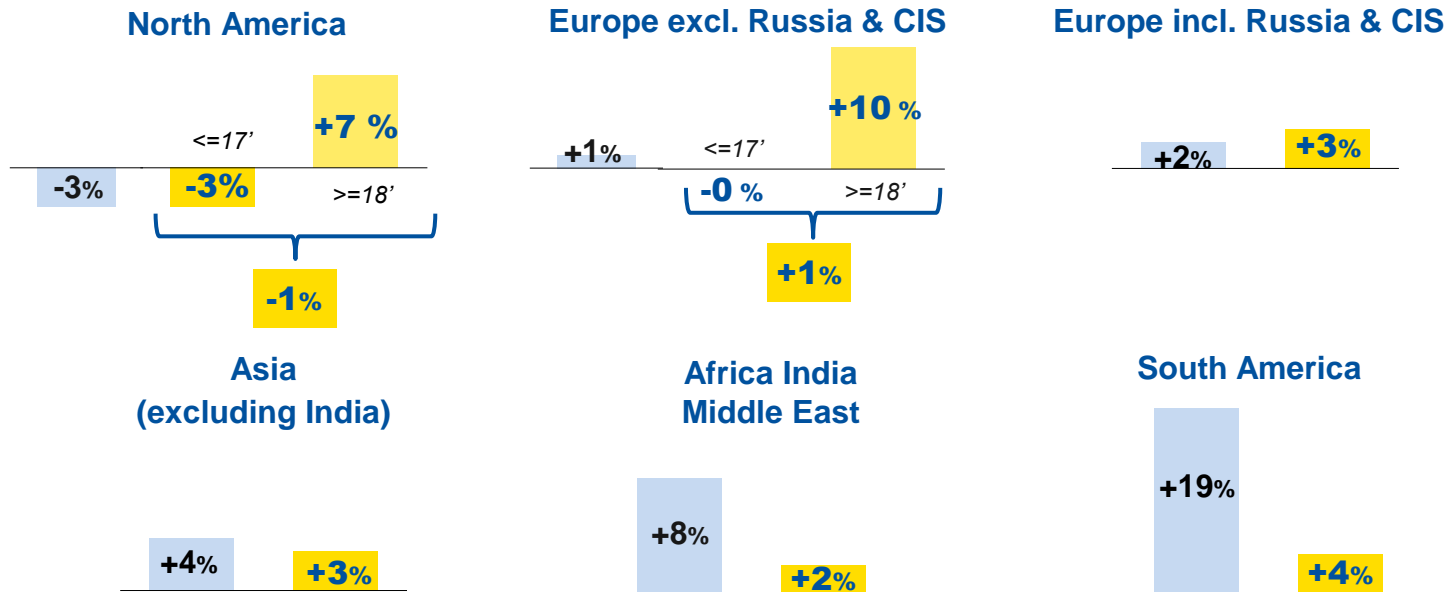
| | % of net sales | | YTD17 / YTD16 YoY Currency Change /€ | Net sales to EBIT droptthrough* |
|--|----------------|-----|--|---------------------------------------|
| | AUD | 1% | +3% | 80% - 85% |
| | BRL | 3% | +10% | -20% / - 30% |
| | CAD | 3% | +1% | 25% - 30% |
| | CNY | 5% | -3% | 25% - 30% |
| | EUR | 34% | NA | - |
| | GBP | 3% | -9% | 25% - 30% |
| | INR | 1% | +3% | 25% - 30% |
| | JPY | 1% | -3% | 80% - 85% |
| | MXN | 2% | -3% | 25% - 30% |
| | PLN | 1% | +2% | 25% - 30% |
| | RUB | 1% | +15% | 25% - 30% |
| | THB | 1% | +3% | -100% / -130% |
| | TRY | 1% | -22% | 80% - 85% |
| | TWD | 1% | +6% | 80% - 85% |
| | USD | 38% | -0% | 25% - 30% |
| | Other | 4% | | 80% - 85% |

* Actual droptrough linked to the export/manufacturing/sales base

PC: Growth in line with long-term trends. OE rebound in new markets. Dealer inventory drawdown.



▲ Passenger car market at September 30, 2017/2016
(YoY in %, in number of tires)



GLOBAL MARKET

+3% +3%

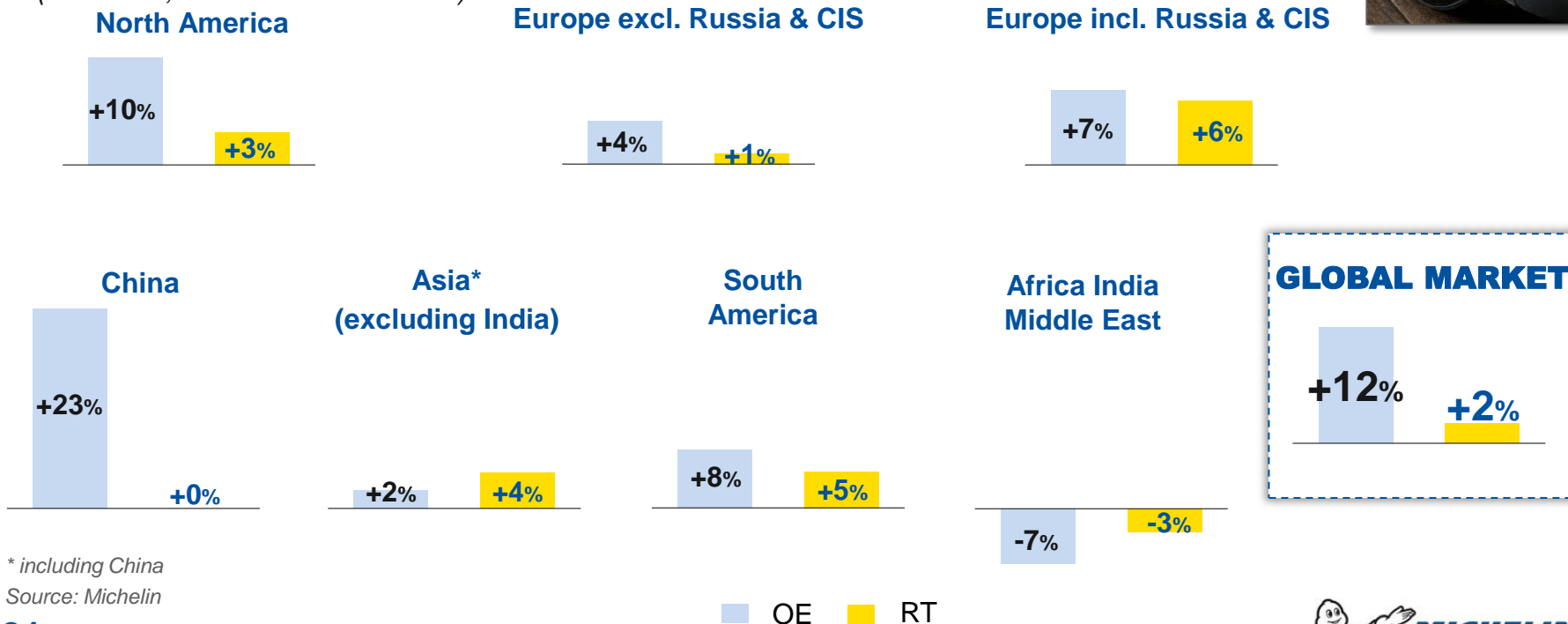
* Source: Michelin

Truck & Bus: Rebound in global market fueled by sharp OE growth in China and North America



▲ Truck & Bus tire market at September 30, 2017/2016

(YoY in %, in number of new tires)



2017 market scenario: agile management in a highly volatile environment



PASSENGER CAR : +2%/+3%

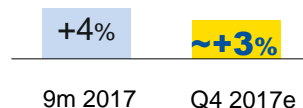


Growth in line with long-term trends

- Depending on winter conditions
- Dealer inventory back to normal
- Decline in OE demand in North America



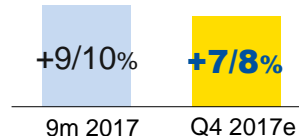
TRUCK: +3% / +4%



- Growth sustained by OE rebound in China



SPECIALTY: +8%/+10%

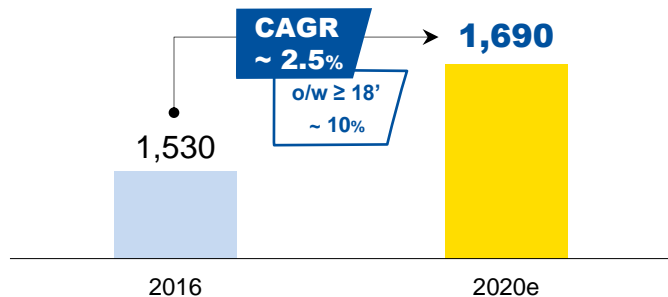


- Mining tires : +10 % / +15 %
- Agricultural tires : rebound in OE since Q2, decrease in RT following H1 buying ahead of price increases
- Expanding markets in the other businesses

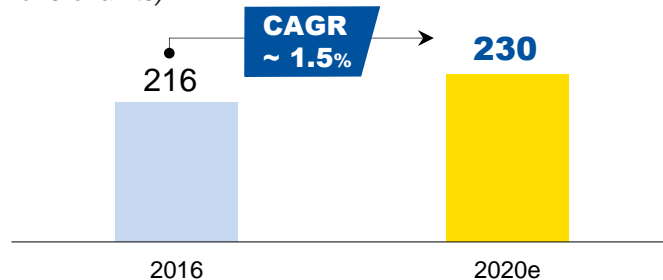
Source : Michelin

2016-2020 projections: growing worldwide demand

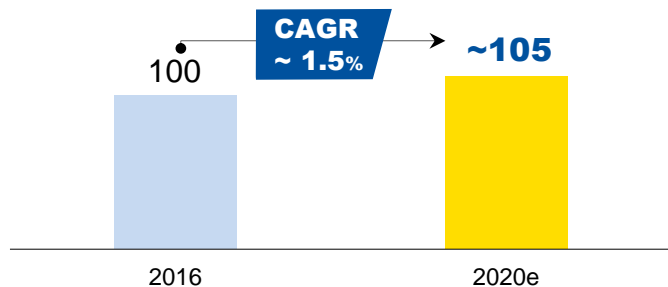
- PC OE&RT market projection (in millions of units)



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

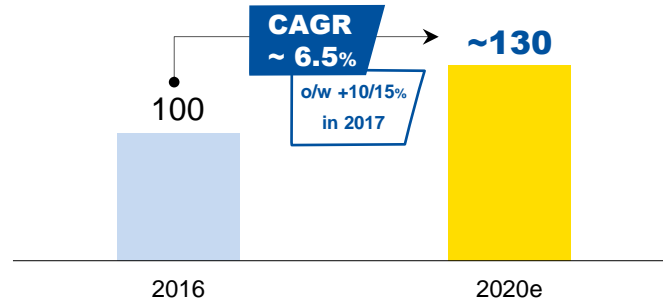


- Agricultural tires* (base 100 in 2016, in tonnes)



* OE & RT in Europe and North America

- Mining tires (base 100 in 2016, in tonnes)



MICHELIN ACORUS technology makes the tire and wheel assembly flexible: it bends but does not break

- Michelin patented new technology for the PC incorporates two flexible rubber flanges mounted on a special wheel body, developed by Maxion Wheels, world's leading manufacturer of wheels.
- A flexible tire and wheel assembly that improves the ride and comfort and also absorbs impacts from potholes and curbs.
- Initially sold in 19" and above sizes to the OE premium automakers, this Michelin innovation is compatible with all tires on the market.

In tests* with a tire driven through a pothole:

- standard assembly version punctured the tire at 28kph
- the MICHELIN ACORUS technology flexible assembly did not puncture at any speed



* Tire dimension: 285/30R21; pothole: 80mm deep, 700mm long, 70° impact angle

Acquisition of NexTraq, a US industry leader in the field of commercial-fleet telematics

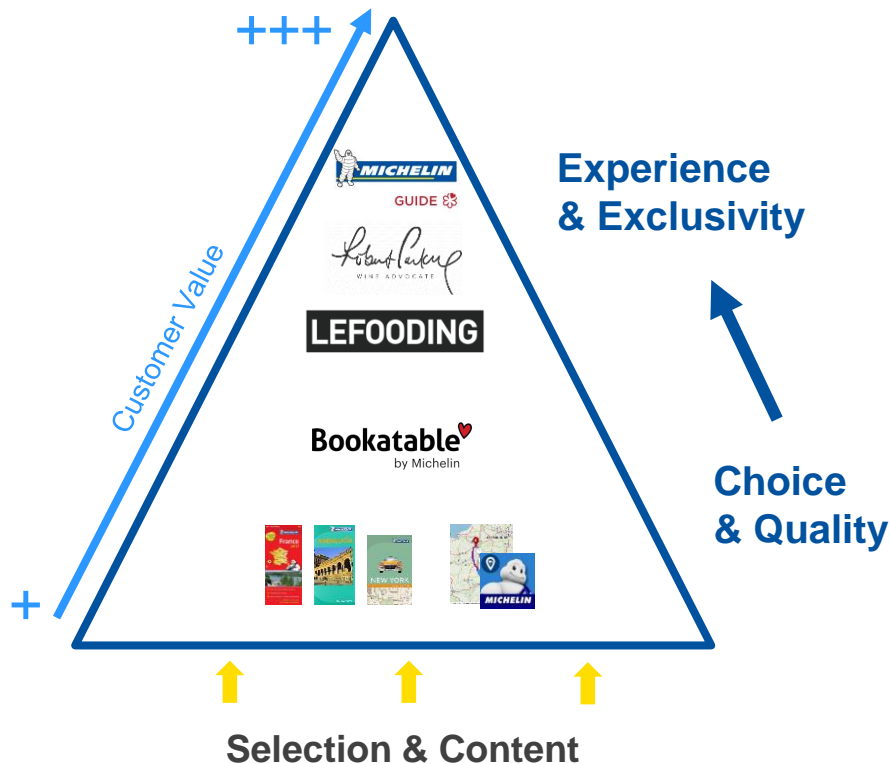


- Leader in SaaS fleet management for small-to medium-size businesses (Class 3-5 fleets ranging from 2 to 50 vehicles)
- NexTraq helps customers with driver behavior, route optimization, and vehicle maintenance, enhancing fleet productivity
- Significant synergies expected with the Michelin Group through:
 - Service and solutions platform in North America
 - Technology expertise cross-fertilization between Sascar, Michelin solutions and NexTraq
 - Volume growth thanks to the strategic fit between Michelin and NexTraq customer bases;

KEY FIGURES

- Revenue: ~\$50m
- EBITDA: ~50%
- **110,000** subscribers in 2016 (67,000 in 2010)
- **100** employees

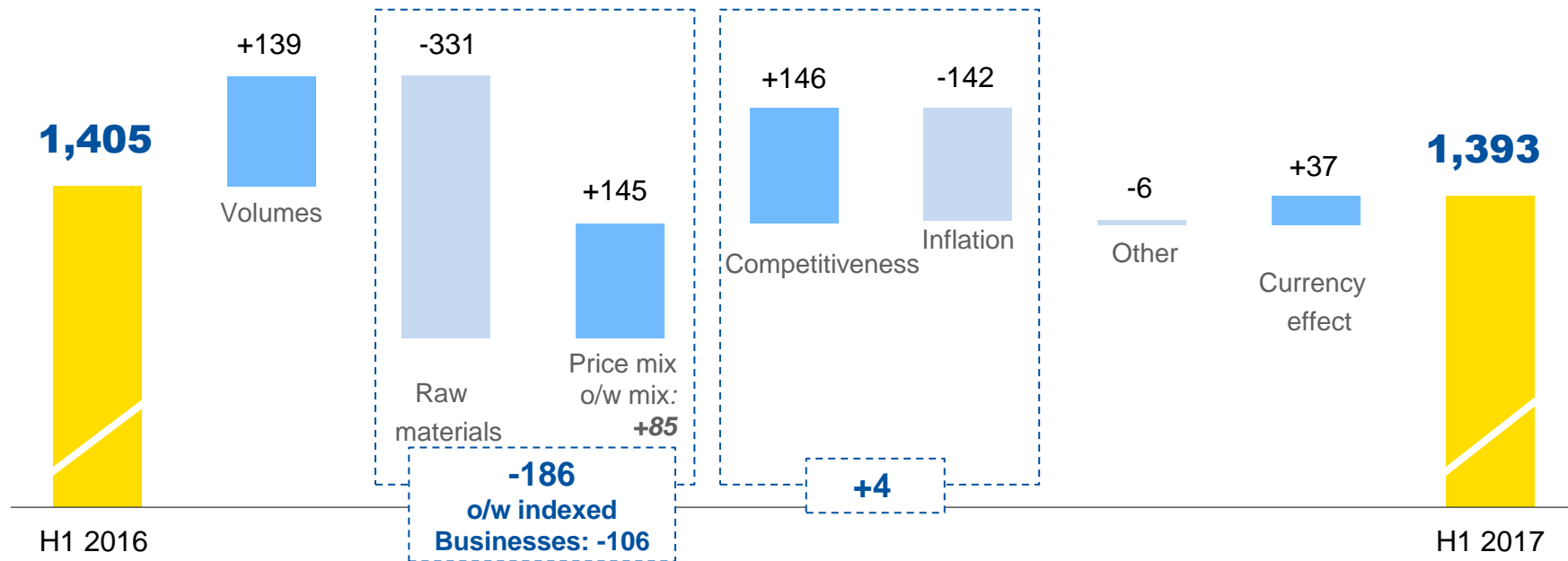
Michelin Experiences: Become the global “Selection” benchmark in the world of gourmet dining and travel services



- Capitalize on the **MICHELIN Guide**’s worldwide reputation in the field of fine dining
- Expand the **geographic and segment footprint** with **aligned brands/solutions** for our customers
 - Destinations
 - Professionals (chefs, winemakers, hoteliers, etc.)
 - Advertisers
 - High-income consumers
- Create and engage a broad, qualified, committed audience in the **digital** world to benefit all of our businesses

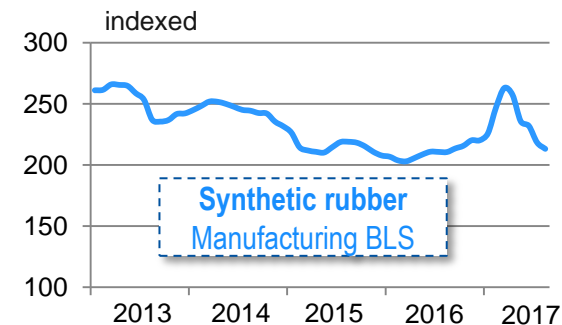
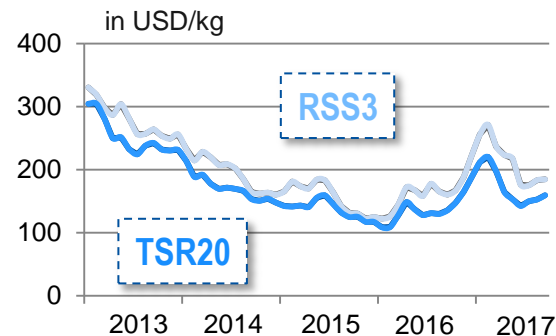
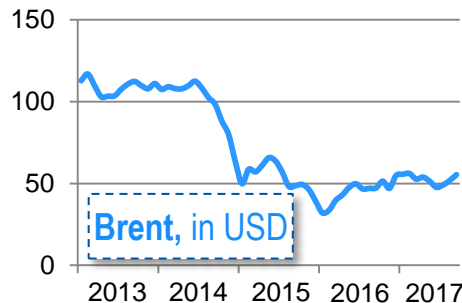
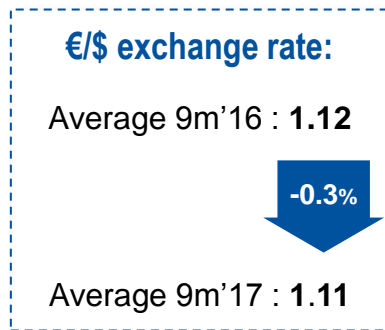
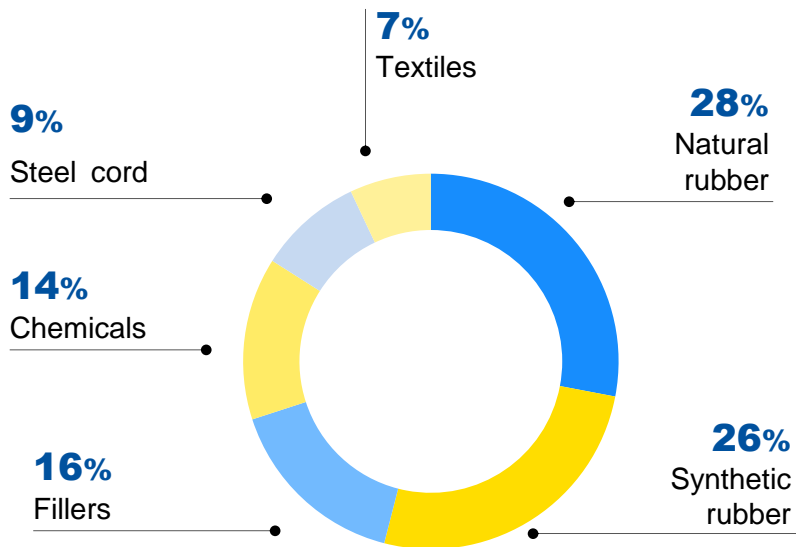
Operating income from recurring activities of €1.4 billion, stable and in line with the Group's roadmap

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



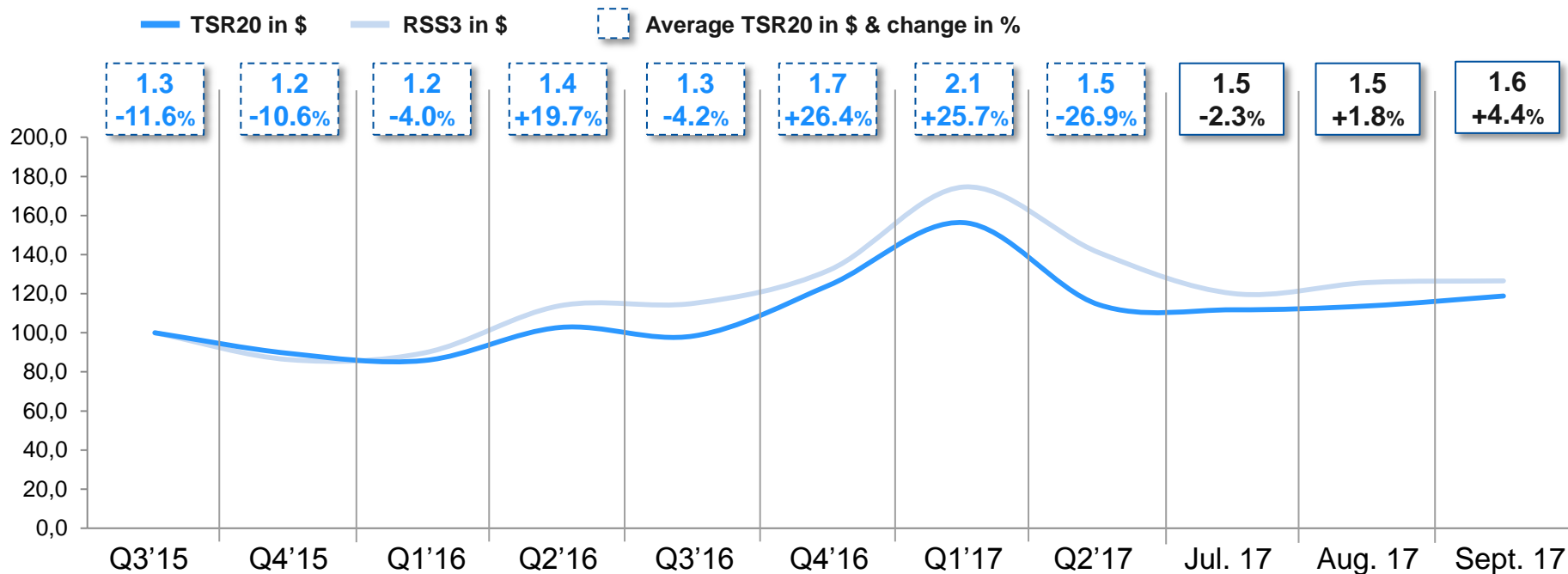
Raw materials in H1 2017

▲ Raw material purchases in H1 2017 (€2.6bn)



Natural rubber price trend

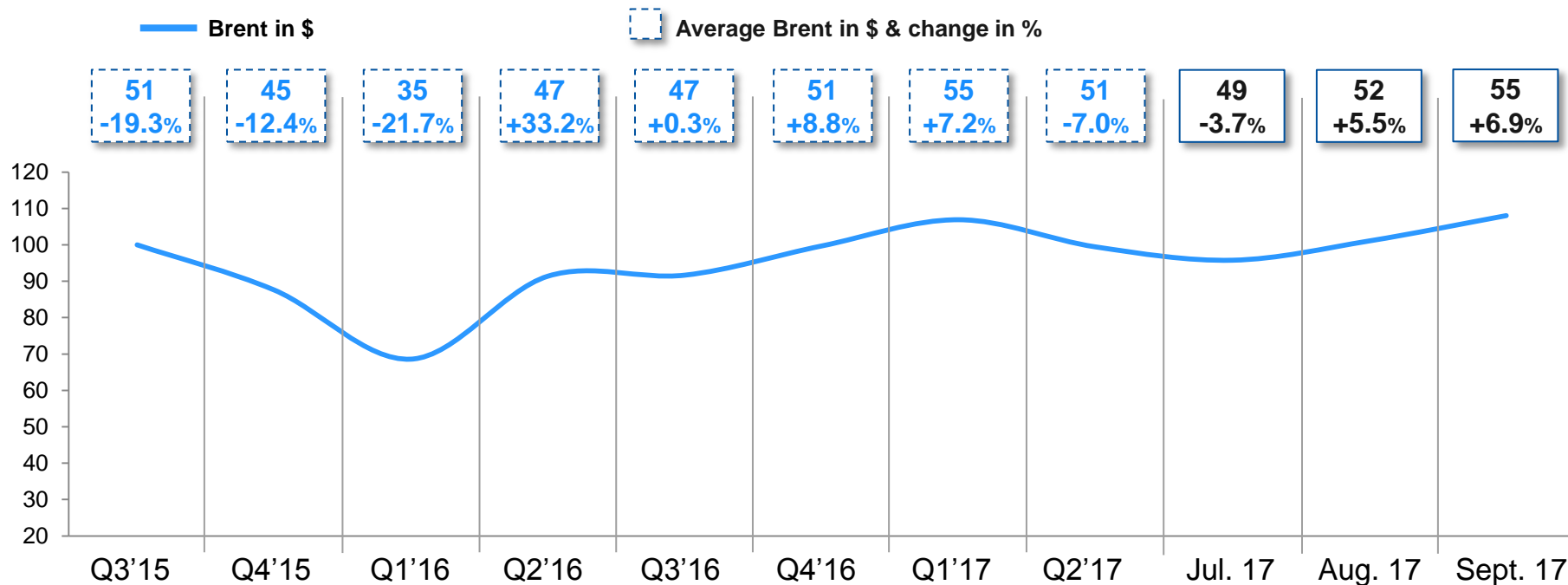
▲ At end-September 2017 (per kg, base 100 in Q3'15)



Source: SICOM

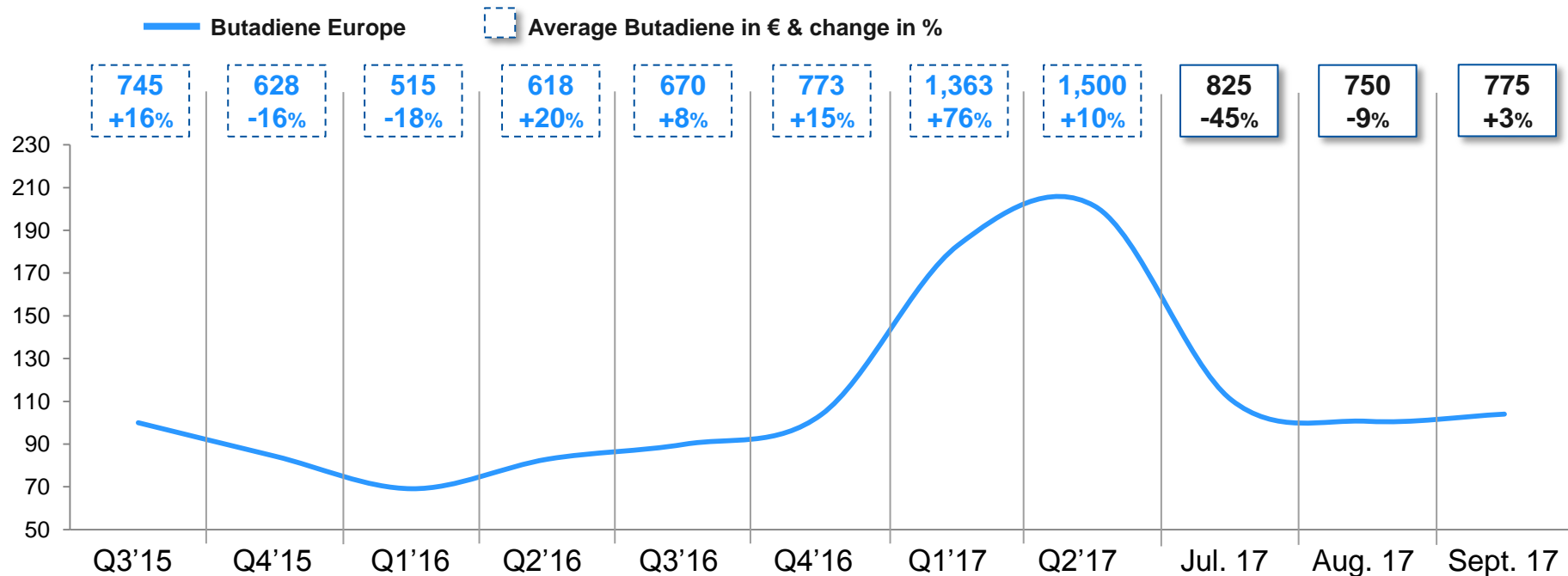
Brent price trend

▲ At end-September 2017 (per barrel, base 100 in Q3'15)



Butadiene price trend

▲ At end-September 2017 (per tonne, base 100 in Q3'15)



Source: IHS

Disclaimer

"This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documentation published in France by Autorité des Marchés Financiers available from the <http://www.michelin.com/eng/> website.

This presentation may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions at the time of the publication of this document, they are by nature subject to risks and contingencies liable to translate into a difference between actual data and the forecasts made or induced by these statements."

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