

MICHELIN® solutions at the IAA Trade Show
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EFFIFUEL™ From MICHELIN® solutions
Progress Report and Outlook

Media Relations: + 33 1 45 66 22 22

EFFIFUEL™ from MICHELIN® solutions Delivers Fuel Savings

Key Points

With EFFIFUEL™, MICHELIN® solutions promises to help trucking companies reduce their fuel consumption.

EFFIFUEL™ is a comprehensive ecosystem that includes sophisticated telematics, training in eco-driving techniques and the EFFITIRES™ optimized tire management system.

EFFIFUEL™ promises customers their money back if they are not satisfied. It is the only commitment of its kind in the market.

Since it was launched, EFFIFUEL™ has delivered fuel savings of 1.5 liters per 100 kilometers to its trucking company customers, with the potential for even higher gains.

If the entire European trucking industry were to achieve the same fuel savings of 1.5 l/100 km over one year, the use of EFFIFUEL™ from MICHELIN® solutions could save more than three billion litres of fuel, avoid the release of nine million tons of CO₂ into the atmosphere and create more than €3 billion in additional added value for the trucking industry (or more than €1,300 per truck per year).

For the first time, a subsidiary of a major manufacturer is moving beyond pure tire sales to address the issue of fuel savings with a performance promise backed by a money-back guarantee. In a time of recession, innovation is more important than ever, and innovation is what EFFIFUEL™ is all about.

Since the 2008 economic and financial crisis, truckers have been operating with extremely small margins, sometimes less than 2%. Orders are both irregular and difficult to forecast, making for a situation of instability. At the same time, fuel costs are becoming an increasingly heavy burden. In some countries, fuel is now the biggest expense for trucking companies, ahead of wages. In Poland, for example, fuel costs can account for 40% of total operating expenses, while in France, they can represent nearly a third (29%, to be precise).

The challenge for truckers is to reduce their operating costs while continuing to deliver quality service to their customers. That's quite a balancing act, especially since European regulations also create constraints that must be taken into account. In particular, truckers have to comply with increasingly stringent standards concerning CO₂ emissions.

EFFIFUEL™ is targeted to fleet managers, operations managers and trucking company executives interested in cutting back on their biggest expense item: fuel (30% in Western Europe and 40% in Eastern Europe). Fleet managers handle the company's trucks, while operations managers supervise the drivers and business operations. All of these players are faced with resolving the complex issue of fuel consumption, which involves monitoring a large number of parameters, from vehicle technologies, new powertrains and loads to weather conditions, lubricants, tires, fuel, aerodynamics, driving style and routes. They must also gauge parameter visibility, measure results and develop action plans. Taken together, this adds up to a major company project. Clearly, taking advantage of MICHELIN® solutions' expertise, with the EFFIFUEL™ guarantee, is a pathway to progress

MICHELIN® solutions makes a long-term commitment and is already in a position to deliver fuel savings of 1.5 liters per 100 kilometers for each truck in the fleet.

Promises kept

Since it was launched in the summer of 2013, EFFIFUEL™ has attracted several dozen customers in nine European countries (Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Portugal, Spain and the United Kingdom). The fleets involved range in size from 50 to several hundred vehicles and cover a broad array of activities and vehicle types, from regional and long-haul trucking to hazardous liquid tankers, refrigerated trucks, car carriers and trucks that haul food products.

In one year, EFFIFUEL™ customers have recorded fuel savings of 1.5 liters per 100 kilometers. Continued partnership could deliver even greater savings over time.

EFFIFUEL™ step by step

- The process begins with a fleet audit. A MICHELIN® solutions fuel analyst travels to the site to collect data and talk with operators about the way the fleet is used, fuel consumption, vehicle types and uses, driving habits and equipment. The goal is to establish a baseline of the fleet's fuel consumption and an initial estimate of the potential fuel savings (for example, an average 33.2 liters per 100 km and potential savings of 1.9 l/100 km).
- Once the audit is completed, a presentation is made to the fleet managers outlining the potential savings and cost impact, MICHELIN® solutions' commitment in terms of liters per 100 kilometers, the proposed structure and the action plan of specific measures to be taken. With the fleet's agreement, the teams then move on to step two.
- At this point, the proposed action plan is applied to a sample group of vehicles. The vehicles' equipment is reviewed, EFFIFUEL™ telematics units are installed, drivers are trained in eco-driving techniques and specific management and reporting tools are deployed for an application in real conditions that offers an opportunity to refine and confirm the audit's proposals. If the

customer is satisfied, MICHELIN® solutions progresses to the next step by equipping all the targeted vehicles and training all the fleet's drivers in eco-driving techniques.

Customer benefits

- Thanks to MICHELIN® solutions, the fleet manager, operations manager and executive management team carry out their company project with a minimum amount of risk since the expenses incurred are reimbursed if the fleet does not achieve the promised results. This fuel savings solution offers peace of mind and lets trucking companies focus on their core business.
- The customer has access to the necessary management tools to execute the action plan, resources to assess driving quality, precise tracking of fuel performance, personalized support from fuel analysts, the professionalism of MICHELIN® solutions and the guarantee of using the most effective technologies available.
- The fleet's changing profile is taken into account; new vehicles are brought into the system and new drivers are trained. MICHELIN® solutions and its ecosystem of experts integrate all parameters, from maintenance to tracking to electronic connections.

Example of MICHELIN® solutions deliverables over a one-year period for a customer fleet of 100 vehicles covering more than 16 million kilometers:

- All drivers trained in EFFIFUEL™ eco-driving techniques, for more than 300 hours of training provided by the network of facilitators.
- All vehicles equipped with an EFFIFUEL™ telematics unit, which collects and processes data concerning the vehicle, type of driving, and conditions related to fuel consumption.
- A dedicated fuel analyst who processes, analyses and tracks the data and provides weekly feedback and advice.
- 12 monthly reports and four quarterly reports.
- Objective management of driving quality thanks to the eco-score.
- An ecosystem in place from the beginning of the project to install the units, handle the connections, manage the data processing systems, etc.
- EFFITIRES™, an outsourced tire management system deployed specifically for the EFFIFUEL™ solution, with appropriate tires for the type of use and specific management of seasonal tire rotation (regrooved tires in the summer and new tires in the winter) and tire pressure. The service offers uniform tire management across Europe in terms of price, service quality and resource optimization.

If the 2.5 million long-haul trucks in Europe were to achieve the same fuel savings of 1.5 liters per 100 kilometers recorded to date by partner fleets, the use of EFFIFUEL™ from MICHELIN® solutions could have the following impact:

- More than 3 billion liters of fuel not used.
- Nine million tons of CO₂ not released into the atmosphere.
- More than € 3 billion in additional value created for the trucking industry.

MICHELIN® solutions Facts & Figures

Created in 2012

EFFIFUEL™ launched in 2013

EFFITIRES™ launched in 2014

800 MICHELIN solutions® employees

500,000 vehicles under contract

The MICHELIN® solutions Digital Ecosystem

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Before



EFFIFUEL™ by MICHELIN® solutions

1

Diagnostic

By a Fuel Analyst of Michelin solutions on site



Initialization 2

Real life evaluation

EFFIFUEL™ telematics on sample of trucks



EFFIFUEL™ ecodriving training for fleet trainer



Specific EFFITRES™ management



EFFIFUEL™ solution

Fuel savings 1/100km

Impact on business

Action plan

Objectives

Commitment on results = 2t/100km

Digital tools set up and first reports

Company project success

Fuel analyst support, Analyses and advices

All drivers are trained to EFFIFUEL™ ecodriving, and monitored through Ecoscore

All targeted vehicles are set up

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Run mode 3

After

