PRESS RELEASE
Clermont-Ferrand – July 29, 2014

COMPAGNIE GÉNÉRALE DES ETABLISSEMENTS MICHELIN
Financial Information for the Six Months Ended June 30, 2014

First-half 2014
Robust operating income before non-recurring items of €1,159 million,
at constant scope of consolidation and exchange rates up 16%
12% operating margin before non-recurring items
Net income of €624 million, up 23%

- Improved operating performance in line with objectives
  - At mid-point, the competitiveness plan delivered 60% of the target.
- Carefully managed price positioning
  - Better-than-expected impact from the price-mix/raw materials,
at €182 million.
  - Volumes up 1.9% while demand started to slow in the second quarter,
    particularly in Truck tires and, as announced, Earthmover tires.
- Free cash flow in line with the usual seasonal trends
  - €703 million in capital expenditure.

Jean-Dominique Senard said: “In a competitive environment that persisted through the
first half, Michelin met its objective of delivering a further improvement in its
performance, with a nearly €200-million increase in operating income at constant scope
of consolidation and exchange rates. A continuous flow of innovations praised by vehicle
manufacturers and a responsible, ambitious industrial strategy enabled the MICHELIN
brand to maintain its global positions in the forefront of mobility.”

- 2014 guidance confirmed

In the second half, global demand for Car and Light truck and Truck tires should remain
supportive in the mature markets and China. On the other hand, the other new markets
are seeing a slowdown, especially in the original equipment segment. At the same time,
original equipment demand for Earthmover tires should continue to significantly
improve, while mining companies are expecting to continue drawing down inventory
through the end of the year, although fourth-quarter growth will benefit from favorable
prior-year comparatives.

For the full year, the Group aims to improve its gross unit margin, while preserving a
positive balance between pricing policy, product mix and raw materials costs. The
competitiveness plan is being deployed on schedule.

In this environment, Michelin is maintaining its view that volumes will increase by
around 3%, in line with projected 2014 market growth. The Group is confirming its
objectives of i) higher operating income before non-recurring items (at constant
exchange rates); ii) a more than 11% return on capital employed; and iii) structural free
cash flow of more than €500 million along with a capital expenditure program
maintained at around €2 billion.
<table>
<thead>
<tr>
<th>(IN € MILLIONS)</th>
<th>First-Half 2014</th>
<th>First-Half 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>9,673</td>
<td>10,159</td>
</tr>
<tr>
<td><strong>OPERATING INCOME BEFORE NON-RECURRING ITEMS</strong></td>
<td>1,159</td>
<td>1,153</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN BEFORE NON-RECURRING ITEMS</strong></td>
<td>12.0%</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>PASSENGER CAR/LIGHT TRUCK TIRES AND RELATED DISTRIBUTION</strong></td>
<td>11.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td><strong>TRUCK TIRES AND RELATED DISTRIBUTION</strong></td>
<td>7.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>SPECIALTY BUSINESSES</strong></td>
<td>21.8%</td>
<td>23.3%</td>
</tr>
<tr>
<td><strong>OPERATING INCOME AFTER NON-RECURRING ITEMS</strong></td>
<td>1,072</td>
<td>903</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>624</td>
<td>507</td>
</tr>
<tr>
<td><strong>EARNINGS PER SHARE (IN €)</strong></td>
<td>3.34</td>
<td>2.76</td>
</tr>
<tr>
<td><strong>CAPITAL EXPENDITURE</strong></td>
<td>703</td>
<td>762</td>
</tr>
<tr>
<td><strong>NET DEBT</strong></td>
<td>892</td>
<td>1,114</td>
</tr>
<tr>
<td><strong>GEARING</strong></td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>EMPLOYEE BENEFIT OBLIGATIONS</strong></td>
<td>4,025</td>
<td>4,110</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW(^1)</strong></td>
<td>(243)</td>
<td>147</td>
</tr>
<tr>
<td><strong>EMPLOYEES ON PAYROLL(^2)</strong></td>
<td>111,700</td>
<td>113,200</td>
</tr>
</tbody>
</table>

\(^1\) Cash flow from operating activities less cash flow used in investing activities
\(^2\) At period-end
Market Review

PASSENGER CAR AND LIGHT TRUCK TIRES

<table>
<thead>
<tr>
<th>First-Half 2014 % change year-on-year (in number of tires)</th>
<th>EUROPE*</th>
<th>NORTH AMERICA</th>
<th>ASIA (EXCLUDING INDIA)</th>
<th>SOUTH AMERICA</th>
<th>AFRICA/INDIA/MIDDLE EAST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Equipment</td>
<td>+ 6%</td>
<td>+ 3%</td>
<td>+ 7%</td>
<td>- 18%</td>
<td>- 3%</td>
<td>+ 4%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+ 4%</td>
<td>+ 6%</td>
<td>+ 6%</td>
<td>+ 4%</td>
<td>+ 4%</td>
<td>+ 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Second-quarter 2014 % change year-on-year (in number of tires)</th>
<th>EUROPE*</th>
<th>NORTH AMERICA</th>
<th>ASIA (EXCLUDING INDIA)</th>
<th>SOUTH AMERICA</th>
<th>AFRICA/INDIA/MIDDLE EAST</th>
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<tr>
<td>Original Equipment</td>
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<td>+ 3%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+ 2%</td>
<td>+ 4%</td>
<td>+ 1%</td>
<td>+ 3%</td>
<td>+ 5%</td>
<td>+ 2%</td>
</tr>
</tbody>
</table>

*Including Russia and Turkey

- **ORIGINAL EQUIPMENT**
  - In Europe, the 6% rise in demand reflected both 7% growth in Western Europe off of low early-2013 comparatives, and an 5% contraction in Eastern Europe due to geopolitical tensions.
  - The still buoyant North American market advanced by 3%, underpinned by the steady rise in vehicle sales since 2012.
  - In Asia (excluding India), demand rose by 7% overall and continued to trend upwards in China, gaining 10% over the period. The Japanese market was stimulated by buying ahead of the April 1 increase in VAT, with limited repercussions in the second quarter. Down 8%, the Southeast Asian market remained affected by the political situation in Thailand.
  - In South America, the steep 18% drop in demand reflected the slowdown in vehicle sales attributable to the “World Cup Effect”, with a particularly sharp decrease in Argentina in an environment shaped by tax hikes, import restrictions and the peso’s devaluation.

- **REPLACEMENT**
  - In Europe, the replacement market expanded by 4% in the first half. It rose 7% in Western Europe, with a favorable basis of comparison and normal dealer inventory levels, in line with market volumes. In June alone, all of the market growth was driven by the strong sales of winter tires ahead of the season, to which the Group did not contribute. The Eastern European market contracted by 10% due to the political and economic situations in Russia and Ukraine.
  - In North America, the market expanded by 6%, led by rising sales of imported tires. However, tire demand is still being supported by moderate fuel prices and consumer confidence in a still positive economy.
  - In Asia (excluding India), demand rose by 6% overall. The Chinese market gained 9%, with growth slowing to 5% in the second quarter. The Japanese market grew 5%, with first-quarter sales benefiting from early purchases ahead of the VAT hike. Demand in Southeast Asia was led by strong growth in both Indonesia (7%) and Thailand (up 6% following the government’s First Car Owner program).
  - The South American market rose by 4%, lifted by demand in Brazil, Colombia and the Central American countries.
TRUCK TIRES (radial and cross-ply)

<table>
<thead>
<tr>
<th>First-Half 2014</th>
<th>EUROLE</th>
<th>NORTH AMERICA</th>
<th>ASIA (EXCLUDING INDIA)</th>
<th>SOUTH AMERICA</th>
<th>AFRICA/INDIA/ MIDDLE EAST</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Original Equipment</td>
<td>-7%</td>
<td>+10%</td>
<td>+4%</td>
<td>-9%</td>
<td>-3%</td>
<td>+1%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+6%</td>
<td>+9%</td>
<td>+2%</td>
<td>-3%</td>
<td>+1%</td>
<td>+3%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Second-quarter 2014</th>
<th>EUROLE</th>
<th>NORTH AMERICA</th>
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<tr>
<td>Original Equipment</td>
<td>-10%</td>
<td>+13%</td>
<td>-5%</td>
<td>-21%</td>
<td>-4%</td>
<td>-4%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+2%</td>
<td>+9%</td>
<td>+0%</td>
<td>-6%</td>
<td>-3%</td>
<td>+0%</td>
</tr>
</tbody>
</table>

*Including Russia and Turkey

**ORIGINAL EQUIPMENT**
- The European market shrank 7% over the first half, with a sharper contraction in the second quarter. In Western Europe, original equipment demand gained a robust 8% in the first three months, boosted by truck purchases ahead of the introduction of Euro VI emissions standards, but fell back 4% in the second quarter despite sustained strong growth in trailer sales. The Ukrainian crisis and slowing economy dragged down new truck sales in Russia, causing a 36% drop in OE tire demand.
- The North American market surged 10%, with even stronger growth in the Class 8 segment and record high trailer orders.
- Demand for radial and cross-ply tires in Asia (excluding India) rose by 4% overall. In a cooling economy, the Chinese market ended the first half up 6%, but with a sharp slowdown in the second quarter. In Southeast Asia, the original equipment market plummeted 23% due to comparison with the very strong growth in first-half 2013 and the political crisis in Thailand. In Japan, the strong yen-driven growth in truck exports helped to fuel a 21% increase in original equipment demand.
- The South American market fell back 9% overall, following on from the strong growth in first-half 2013 on brisk demand for heavy-duty trucks in the farming industry.

**REPLACEMENT**
- In Europe, replacement markets rose by 6% overall. The 9% gain in Western Europe reflected ongoing growth off of prior-year comparatives that were lower in the first quarter (up 16%) than in the second (up 3%). On the other hand, demand is becoming increasingly weaker in Eastern Europe (up 2%) and Turkey (down 6%).
- The North American market ended the first half up 9% overall, with strong freight demand that has returned to pre-recession levels and is focused on import tires.
- Asian markets (excluding India) were up 2%, but demand trends were uneven across the region. The slight slowdown in the Chinese economy held the market flat, with a 1% increase in the first quarter and 0 growth in the second, whereas in Southeast Asia, brisk demand in Indonesia offset the instability in the Thai market. In Japan, demand fell off in the second quarter following the surge in buying ahead of the VAT hike.
- In South America, the radial and cross-ply market contracted by 3%. The 6% decline in the second quarter presages a more difficult market in the second half, due to i) the economic and labor environment and ii) the favorable outlook for the retread segment as the large number of new radials sold in 2013 wear down their casings.
**Specialty Tires**

- **Earthmover tires**: The mining industry is continuing to expand, in general, but since fourth-quarter 2013, the mining tire market has been declining year-on-year as mining companies steadily draw down their tire inventory. Original equipment demand recovered in mature markets during the period, lifted by increased earthmover production at a time of low manufacturer and dealer inventory. Demand for tires used in infrastructure and quarries rose in mature markets, thanks in particular to lower dealer inventory.

- **Agricultural tires**: Global OE demand ended the first half down in mature markets, penalized by the extensive replacement sales of farm machinery in recent years and by the reduction in agricultural tax incentives in the United States. The replacement market has recovered in Europe but remains down in North America, impacted by user hesitation at a time of uncertain future revenues.

- **Two-Wheel tires**: Motorcycle markets rose in Europe but declined in North America, where they suffered from unfavorable weather conditions in the first quarter.

- **Aircraft tires**: The commercial aviation market improved over the period.

**First-Half 2014 Net Sales and Earnings**

**Net Sales**

Given the €457-million negative currency effect and the €58-million adverse impact from changes in the scope of consolidation, reported net sales stood at €9,673 million for the period, versus €10,159 million in first-half 2013.

At a time of uncertain raw materials prices, the Group strove to maintain price discipline while driving a slight 1.9% increase in tonnages.

As a result, the price-mix was negative, reducing net sales by €169 million or 1.6%. It reflected the negative €244 million combined impact of contractual price reductions under raw materials indexation clauses and targeted price repositionings, all in an environment shaped by declining raw materials prices. It also comprised the €75-million positive impact from the ongoing improvements in the product mix, led by the premium strategy in the 17” and larger segment.

**Results**

Consolidated operating income before non-recurring items came to €1,159 million or 12% of net sales, versus €1,153 million and 11.3% in first-half 2013. The €87 million in net non-recurring expenses primarily corresponded to restructuring costs incurred in the projects to improve manufacturing competitiveness in Canada and Hungary.

Excluding the €173-million negative currency effect, operating income before non-recurring items reflected the better-than-expected €182-million impact of the favorable balance between the €169-million negative price-mix and the €351-million favorable impact of lower raw materials costs. It also included the €68-million impact from the slight increase in volumes, the €127-million in gains from the competitiveness plan, in line with the implementation schedule, the €126-million increase in production and other costs, as well as the increase in expenses concerning the new business process management system, start-up costs and costs in the new markets.

In all, net income for the period came to €624 million.
NET FINANCIAL POSITION

Free cash flow ended the first half at a negative €243 million, in line with the Group’s full-year objectives, given the seasonal variations. Capital expenditure totaled €703 million for the period.

Taking into account the negative free cash flow and the dividend payout, gearing stood at 9% at June 30, 2014, corresponding to net debt of €892 million, compared with 2% and €142 million at December 31, 2013.

SEGMENT INFORMATION

<table>
<thead>
<tr>
<th>in € millions</th>
<th>NET SALES</th>
<th>OPERATING INCOME BEFORE NON-RECURRING ITEMS</th>
<th>OPERATING MARGIN BEFORE NON-RECURRING ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 2014</td>
<td>H1 2013</td>
<td>H1 2014</td>
</tr>
<tr>
<td>PASSENGER CAR/LIGHT TRUCK TIRES AND RELATED DISTRIBUTION</td>
<td>5,167</td>
<td>5,321</td>
<td>588</td>
</tr>
<tr>
<td>TRUCK TIRES AND RELATED DISTRIBUTION</td>
<td>2,927</td>
<td>3,121</td>
<td>226</td>
</tr>
<tr>
<td>SPECIALTY BUSINESSES</td>
<td>1,579</td>
<td>1,717</td>
<td>345</td>
</tr>
<tr>
<td>GROUP</td>
<td>9,673</td>
<td>10,159</td>
<td>1,159</td>
</tr>
</tbody>
</table>

- PASSENGER CAR/LIGHT TRUCK TIRES AND RELATED DISTRIBUTION

Net sales in the Passenger Car and Light Truck Tires and Related Distribution segment declined to €5,167 million from €5,321 million in first-half 2013, but rose by 1.1% year-on-year excluding the 4% negative currency effect.

As a result, operating income before non-recurring items amounted to €588 million or 11.4% of net sales, compared with €550 million and 10.3% in first-half 2013.

The improvement was led by the positive price-mix effect compared with the decline in raw materials costs, in line with the disciplined pricing policy, which overcame the currency effect. The continuous improvement in the product-mix is being supported by the success of the strategy in the 17” and larger segment and the 2.4% increase in tonnages.

- TRUCK TIRES AND RELATED DISTRIBUTION

Net sales in the Truck Tires and Related Distribution segment stood at €2,927 million, versus €3,121 million in the first six months of 2013. They were reduced by 5.4% by the unfavorable exchange rate movements.

Operating income before non-recurring items amounted to €226 million or 7.7% of net sales, compared with €203 million and 6.5% in first-half 2013.

In line with the ongoing recovery in margins, the improvement reflected the currency effect, the 2.4% increase in tonnages sold, the strict management of production costs and SG&A expenses, and the firm price resistance in a competitive environment shaped by the decline in raw materials prices.
**Specialty Businesses**

Including the negative 4.6% currency effect, net sales by the Specialty Businesses retreated 8.0% year-on-year, to €1,579 million.

Operating income before non-recurring items remained structurally high, at €345 million or 21.8% of net sales, compared with €400 million and 23.3% in the prior-year period and €245 million and 17.3% in second-half 2013.

The decline stemmed from price adjustments under indexation clauses at a time of lower raw materials prices, movements in exchange rates and the 1.8% decline in volumes, as the contraction in the mining segment was not fully offset by growth in the other segments.

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**Compagnie Générale des Etablissements Michelin**

Compagnie Générale des Etablissements Michelin reported a profit of €540 million in first-half 2014.

The financial statements were presented to the Supervisory Board at its meeting on July 24, 2014. An audit was performed and the auditors’ report was issued on July 28, 2014.
First-Half 2014 Highlights

- Presentation of the MICHELIN® Premier® A/S, with its unique EverGrip™ technology, a self-regenerating tire that is always safe, even when worn (January 15)
- Launch of the new MICHELIN Alpin 5 winter car tire (February 4)
- The MICHELIN Pilot Road 4, the latest motorcycle tire from the Two-Wheel Product Line (February)
- Michelin Canada to reduce production of small-size tires at its Pictou County plant in Nova Scotia between now and July 2015. Michelin also to invest CAD 66.5 million to strengthen manufacturing resources in its three Canadian plants (March 3)
- Michelin awarded Boeing 737 MAX 7 & 8 original equipment tire supply contract (March 10)
- The new lineup of MICHELIN X® LINE™ Energy™ 80 and 65 series delivers more performance in the same truck tire (March 21)
- Through its North American network of service providers, Michelin offers consistent quality fleet maintenance with Michelin Truck Care (April 4)
- Michelin’s first rubber composite processing plant comes on stream in Hat Yai, Thailand (April)
- Michelin plans to reconfigure its production base in Hungary and announces a project to close its truck tire plant in Budapest (May 6)
- The new MICHELIN X-STRADDLE 2 tire: delivering even more safety and productivity for port equipment operators (May 14)
- Corporate social responsibility: 20 stakeholders playing an influential role in French civil society invited by Michelin to Clermont-Ferrand (May 13-14)
- Michelin announces its intention to acquire Sascar, Brazil’s leading digital fleet management company (June 9)
- Michelin and Audi win the 82nd Le Mans 24 Hours (June 14-15)

A full description of first-half 2014 highlights may be found on the Michelin website: [http://www.michelin.com/eng/]
PRESENTATION AND CONFERENCE CALL
First-half 2014 results will be reviewed with analysts and investors during a conference call in English – with simultaneous interpreting in French – today, Tuesday July 29, at 11:00 am CEST (9:00 am UT). If you wish to participate, please dial-in one of the following numbers from 10:50 am CEST:

- In France 01 70 77 09 23 (Français)
- In France 01 70 77 09 43 (English)
- In the UK 0203 367 9457 (English)
- In North America (866) 907 5928 (English)
- From anywhere else +44 (0) 203 367 9457 (English)

The presentation of first-half 2014 results may be viewed at http://www.michelin.com/eng/. The website also contains practical information concerning the conference call.

INVESTOR CALENDAR
- Quarterly information for the nine months ended September 30, 2014:
  Wednesday, October 22, 2014 after close of trading
- 2014 net sales and results:
  Tuesday, February 10, 2015 before start of trading

2014 INTERIM FINANCIAL REPORT
The interim financial report for the six months ended June 30, 2014 may be downloaded from http://www.michelin.com/eng
It has also been filed with the Autorité des marchés financiers (AMF).
In particular, it contains:
- The business review for the six months ended June 30, 2014.
- The consolidated financial statements and notes.
- The auditor’s report on the financial information for the six months ended June 30, 2014.

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This press release may contain a number of forward-looking statements. Although the Company believes that these statements are based on reasonable assumptions as at the time of publishing 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 inferred by these statements.