PRESS RELEASE
Clermont-Ferrand – April 28, 2009

COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN

Financial Information for the Quarter Ending March 31, 2009

| First-Quarter Net Sales Down 14.2% to €3.5 Billion |

- Unit sales declined by 24.4% in the first quarter, primarily due to the fall-off in tire demand in all of the Group’s markets except China. The decline was especially apparent in the Original Equipment business and, more broadly, in Truck tires.

- The price-mix had a very positive 11.0% impact, reflecting the price increases carried out in 2008, firmer demand in the Replacement than in the Original Equipment markets and the MICHELIN brand’s relatively strong performance, particularly in the Replacement business.

- Inventory volumes were stable over the first three months of the year, thanks to the production flexibility programs that will be stepped up in the second quarter to help optimize working capital. Inventory value will also benefit from the decline in raw materials prices.

- Capital expenditure has been sharply curtailed, in line with an annual budget held to €700 million, equally allocated between the first and second halves.

- Adjusting the production base: in response to the unprecedented collapse in demand in North America and the resulting overcapacity, the BFGoodrich plant in Opelika, Alabama will close by October 2009, giving rise to an approximately estimated €120 million in restructuring costs.

- In 2009, the Group’s priority focus will be on managing cash, by optimizing the management of manufacturing operations and sharply reducing capital expenditure, at a time when markets are expected to recover only gradually.

In this environment, the Group is well on track to meet its objective of generating positive free cash flow in 2009.
### Net sales by reporting segment

<table>
<thead>
<tr>
<th>NET SALES (IN € MILLIONS)</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2009</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASSENGER CAR, LIGHT TRUCK AND RELATED DISTRIBUTION</td>
<td>1,946</td>
<td>2,157</td>
<td>- 9.8%</td>
</tr>
<tr>
<td>TRUCK AND RELATED DISTRIBUTION</td>
<td>1,006</td>
<td>1,327</td>
<td>- 24.2%</td>
</tr>
<tr>
<td>SPECIALTY BUSINESSES&lt;sup&gt;1&lt;/sup&gt;</td>
<td>561</td>
<td>607</td>
<td>- 7.6%</td>
</tr>
<tr>
<td>GROUP TOTAL</td>
<td>3,512</td>
<td>4,091</td>
<td>- 14.2%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Earthmover, Agricultural, Two-wheel and Aircraft tires; Maps and Guides; ViaMichelin and Michelin Lifestyle.

### Analysis of net sales

<table>
<thead>
<tr>
<th>(IN € MILLIONS)</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES</td>
<td>3,512</td>
</tr>
<tr>
<td>YEAR-ON-YEAR CHANGE</td>
<td></td>
</tr>
<tr>
<td>TOTAL CHANGE</td>
<td>(579)</td>
</tr>
<tr>
<td>OF WHICH VOLUMES</td>
<td>(998)</td>
</tr>
<tr>
<td>PRICE-MIX</td>
<td>+ 342</td>
</tr>
<tr>
<td>CURRENCY EFFECT</td>
<td>+ 77</td>
</tr>
</tbody>
</table>
Global Tire Markets in the First Quarter

<table>
<thead>
<tr>
<th>% change YoY</th>
<th>Europe incl. CIS</th>
<th>North America</th>
<th>Asia</th>
<th>South America</th>
<th>Africa/ Middle East</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASSENGER CAR &amp; LIGHT TRUCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Equipment</td>
<td>- 38.6%</td>
<td>- 52.0%</td>
<td>- 26.4%</td>
<td>- 26.2%</td>
<td>- 25.0%</td>
</tr>
<tr>
<td>Replacement</td>
<td>-10.6%**</td>
<td>- 11.8%</td>
<td>- 9.2%</td>
<td>- 10.6%</td>
<td>- 7.3%</td>
</tr>
<tr>
<td>TRUCK*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Equipment</td>
<td>- 62.4%</td>
<td>- 45.1%</td>
<td>- 22.2%</td>
<td>- 33.5%</td>
<td>- 25.1%</td>
</tr>
<tr>
<td>Replacement</td>
<td>- 34.7%</td>
<td>- 25.3%</td>
<td>- 12.6%</td>
<td>- 23.4%</td>
<td>- 7.7%</td>
</tr>
</tbody>
</table>

*Radial only
**Change in Europe excluding CIS: - 4.9%

- **Passenger Car and Light Truck Tires**

  - **Original Equipment**
    - Except for China, tire markets around the world fell sharply during the first quarter, as carmakers slashed production and drastically drew down inventories over the period.
    - In March, however, the European market showed glimmers of recovery in countries that had introduced automobile stimulus packages, with a more favorable impact on small-car tires.

  - **Replacement**
    - The market contraction observed in late 2008 gained momentum in the first quarter, as motorists continued to cut back on miles driven and lower their average speed, retailers continued to focus on reducing inventories, and the economic slowdown gradually spread to emerging markets.
    - In all, demand in Europe fell 10.6% during the period, primarily due to the collapse in the Russian market; excluding the CIS, the decline was 4.9%.
    - In North America, demand seems to have stabilized, but at very weak levels.
    - The retail sell-out market is reviving, indicating that distributor inventories could be close to bottoming out, especially in Europe and North America.
    - The harsh winter in North America and Europe enabled retailers to reduce their snow-tire inventories.
    - Markets were mixed in Asia, with declines in Japan (down 21%) and Thailand, nearly flat demand in India and Malaysia, and a 7.7% gain in China.
**Truck Tires**

- **Original Equipment**
  - In the wake of the spreading recession, last autumn’s sudden drop in tire demand in Europe and North America extended to other markets in the first quarter.
  - Most truckmakers sharply scaled back production to preserve their finances and right-size inventory levels.
  - Also contributing to the steep contraction over the quarter were the credit crunch, the economic slowdown and the fall-off in demand following the surge in fleet purchases ahead of the introduction of new regulations. This last factor means that the average fleet age is still fairly low.
  - Export-led markets in Europe and Japan are also suffering from the decline in exports.
  - The Chinese market remains more on an upward trend, with demand lifted by sustained new truck sales.

- **Replacement**
  - Replacement markets around the world were adversely affected by the decline in freight tonnage caused by the global economic slowdown and ensuing contraction in international trade. Other negative factors included inventory drawdowns as retailers sought to optimize working capital and a drop in fleet orders as carriers used up their tire stocks or recycled tires from idled trucks.
  - Note, however, that freight is down by just 10% in the United States and 20% in Europe, compared with respective 25% and 35% declines in replacement tire demand.

**Specialty Tires**

- **Earthmover:** Except for nickel, the Mines and Quarries sector remained active over the quarter, prompting mining companies to continue rebuilding inventory, which helped to support demand for high-quality tires. On the other hand, OE sales were hard hit as equipment makers cut output to a minimum. The Infrastructure segment is feeling the effects of the economic slowdown, although business has now leveled off in the US, where the impact was felt back in late 2007.

- **Agricultural:** OE demand has slowed sharply, albeit less for tires designed for high horsepower tractors (rated 150hp or more). The replacement market eased back slightly over the period.

- **Two-Wheel:** Dealers sharply cut back on demand during the quarter, in order to preserve their balance sheets.

- **Aircraft:** The airline business is sagging under the weight of the worsening economy, but demand for radial aircraft tires remains as strong as ever.
Michelin Net Sales

**OVERVIEW**

Net sales ended the first three months of the year down 14.2% at current exchange rates compared with first-quarter 2008, impacted by the following factors:

- **A 24.4% fall in volumes**, reflecting the sharp drop in tire demand in every market except China.

- **A strong 11.0% positive impact from the price mix**, which further improved for the sixth quarter in a row, led by the full-year impact of price increases implemented throughout 2008 in response to higher commodity prices. This assertive pricing policy was pursued in early 2009, with price adjustments in countries whose currency weakened against the euro, such as the UK, the Central European countries, Russia, South Korea, Brazil and Mexico. These price increases have generally held in a persistently competitive market.

The brand mix continued to move upmarket, thanks to firm resistance by the MICHELIN brand and a favorable replacement/OE market mix.

- **A positive 2.2% currency effect**, primarily due to gains against the euro by the US dollar (up 15%) and, to a lesser extent, the Chinese yuan (up 20%), which more than offset declines in the Canadian dollar (down 7%), the Brazilian real (down 14%) and the British pound (down 17%).

**NET SALES BY REPORTING SEGMENT**

- **PASSENGER CAR, LIGHT TRUCK AND RELATED DISTRIBUTION**

  Net sales stood at €1,946 million for the first three months of the year, down 9.8% from first-quarter 2008 despite a much steeper-than-expected fall-off in business.
  
  - The 2008 price increases had a highly favorable impact.
  
  - The OE/replacement market mix was also positive, while the segment/speed rating mix continued to improve over the period, led by the steady increase in the percentage of premium models in new car sales in recent years.

  - The MICHELIN brand had a good quarter overall, particularly in the Replacement segment, when customer demand remains strong for value-delivering tier-1 brands like MICHELIN.

- **TRUCK AND RELATED DISTRIBUTION**

  Net sales declined 24.2% year-on-year to €1,006 million in first-quarter 2009, primarily due to the collapse in demand in most truck tire markets around the world, which was extremely sharp in the OE segment.
**Specialty Businesses**

Net sales from the Specialty Businesses amounted to €561 million for the first three months of the year, a 7.6% decline from first-quarter 2008.

- **Earthmover:** The Group demonstrated firm resistance in the Mines and Quarries segment, where demand for high-quality tires is rising. In the Infrastructure segment, contracting demand in mature markets was partly offset by market share gains and increased business in Asia and Oceania. Original equipment sales, on the other hand, were down sharply for the period.

- **Agricultural:** Net sales declined over the quarter, led by the steep slowdown in OE demand.

- **Two-wheel:** Sales fell off significantly during the quarter, as demand eased following the Group’s strong sales performance in Europe and the United States in late 2008.

- **Aircraft:** Sales continued to benefit from the market’s steady shift to radial tires, despite the depressed business environment.
First-Quarter 2009 Highlights

- Michelin Confirms Lead in Fuel-Efficient Tire Technologies
  - [MICHELIN Energy™ Saver and Primacy HP Tires Highly Rated by ADAC](#)
  - One Millionth [MICHELIN Energy™ Saver Tire Delivered to PSA Peugeot Citroën](#)
  - A New [MICHELIN Energy™ Saver All-Season Tire for North America](#)

- The Michelin Group successfully placed a €750 million issue of five-year, 8.625% notes on April 15

- Another success for the Michelin Retread Technologies network in North America with the arrival of Snider Tire Inc.

- New European Tire Performance Regulations Adopted by the European Parliament on March 10, 2009

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A full description of first-quarter 2009 highlights may be found on the Michelin website: [www.michelin.com/corporate](#)
CONFERENCE CALL
The quarterly information for the period ended March 31, 2009 will be reviewed during a conference call in English later today (Wednesday April 28, 2009) at 6:30 pm, CET (5:30 UT). If you wish to participate, please dial one of the following numbers from 6:20 pm CET:

- From France 01 72 00 09 84
- From the UK 0207 107 1613
- From the United States 1 866 907 5928
- From anywhere else +44 207 107 1613

Please refer to the www.michelin.com/corporate website for practical information concerning the conference call.

INVESTOR CALENDAR

2009 interim net sales and earnings:
Friday, July 31, 2009 before start of trading

Quarterly information for the nine months ending September 30, 2009:
Monday, 26 October, 2009 after close of trading

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