PRESS RELEASE
Clermont-Ferrand – October 28, 2013

COMPAGNIE GÉNÉRALE DES ETABLISSEMENTS MICHELIN
Financial Information for the Nine Months
Ended September 30, 2013

Michelin announces €15,282 million in nine-month sales
Sales volumes up 2% in the third quarter
after declining by 1.5% in the first half

- Markets on a good trend in the third quarter, as expected.
  - Passenger Car and Light Truck Tires: Markets up, except in Eastern Europe.
  - Truck Tires: Technical rebound in Europe, but market still uncertain in North America.
  - Mining market still growing in the third quarter, but other Earthmover markets hurt by the
business environment.

- Sales volumes up 2% in the third quarter, in line with full-year forecasts.
- Price effect stable in relation to the first half.
  - Price increases in countries experiencing currency depreciation.
- Significantly unfavorable currency environment combining the impact of the lower US
dollar and Japanese yen, anticipated at the beginning of the year, with the
depreciation of other currencies against the euro in the third quarter.

<table>
<thead>
<tr>
<th>NET SALES (IN € MILLIONS)</th>
<th>Third Quarter</th>
<th>Nine Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Passenger Car and Light Truck Tires and Related Distribution</td>
<td>2,702</td>
<td>2,797</td>
</tr>
<tr>
<td>Truck Tires and Related Distribution</td>
<td>1,660</td>
<td>1,775</td>
</tr>
<tr>
<td>Specialty Businesses¹</td>
<td>761</td>
<td>864</td>
</tr>
<tr>
<td>Group total</td>
<td>5,123</td>
<td>5,436</td>
</tr>
</tbody>
</table>

¹Earthmover, Agricultural, Two-Wheel and Aircraft tires; Michelin Travel Partner and Michelin Lifestyle.

- Outlook for 2013

In light of the outlook for volume growth in the fourth quarter, Michelin confidently
maintains its full-year objective of stable volumes in an environment shaped by
recovering, yet still weak demand in mature markets and expanding demand in new
markets.

Faced with a currency environment that has deteriorated since the summer, Michelin
should experience a more deeply negative currency effect than was expected at the
beginning of the year.

As a result, the Group is aiming for a year-on-year increase of around €150 million in
operating income before non-recurring items, excluding the currency effect.

To offset the impact of unfavorable exchange rates, Michelin is further tightening its
management of key levers, notably through even more careful control of gross margin
and costs.

In this environment, the Group confirms its objective of positive free cash flow in line
with the structural objective of €500 million and a 10% return on capital employed.
Market Review

**CAR & LIGHT TRUCK TIRES**

<table>
<thead>
<tr>
<th>Nine Months 2013/2012 (in number of tires)</th>
<th>Original Equipment</th>
<th>Replacement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROPE</strong></td>
<td>-2%</td>
<td>+4%</td>
<td>+2%</td>
</tr>
<tr>
<td><strong>NORTH AMERICA</strong></td>
<td>+4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASIA (EXCLUDING INDIA)</strong></td>
<td>+3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOUTH AMERICA</strong></td>
<td>+9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AFRICA/INDIA/ MIDDLE EAST</strong></td>
<td>-5%</td>
<td>+5%</td>
<td></td>
</tr>
</tbody>
</table>

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<tr>
<td><strong>ASIA (EXCLUDING INDIA)</strong></td>
<td>+4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOUTH AMERICA</strong></td>
<td>-1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AFRICA/INDIA/ MIDDLE EAST</strong></td>
<td>+7%</td>
<td>+4%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

*Including Russia and Turkey

- **ORIGINAL EQUIPMENT**
  - The European market retreated by 2%, with the end of inventory destocking by volume carmakers pushing demand up 4% in the second quarter and 2% in the third quarter attenuating the first quarter’s sharp 9% decline. Markets in Eastern Europe contracted by 4%.
  - The North American market rose by 4%, lifted by rising demand as carmakers introduced new models and buyers replaced their aging cars.
  - In Asia (excluding India), demand rose by 3% overall. In China, growth slowed slightly to 10% in the third quarter, but nonetheless stood at 12% over the first nine months. The Japanese market was down 13% at September 30 but just 6% in the third quarter as carmakers resumed production before the upcoming increase in VAT. The Southeast Asian market (up 9%) pursued its growth.
  - In South America, demand was up 9% at September 30, supported by growth in Brazil (up 12%), Argentina and Colombia.

- **REPLACEMENT**
  - In Europe, the market was down 1% at September 30. The rebound seen in Western Europe in the second quarter (up 4%) was confirmed in the third quarter (up 5%). Over the first nine months, the winter tire segment edged back by 7%, as expected, while the high performance tire segment (17-inch and larger) grew by 10%. In Eastern Europe, the market contracted by 12% in the third quarter.
  - Market in North America rose by 4% over the first nine months, with an 8% increase in the third quarter led by higher Chinese imports since US customs duties were lifted. Average distances travelled remained stable in an environment of lower fuel costs.
  - In Asia (excluding India), demand rose by 6% overall. Despite some slowing, the Chinese market was up 8% over the third quarter and 9% over the first nine months. The Japanese market rose by 2%, moving back in line with the long-term trend.
In South America, demand expanded by 9%, with significant growth in each market. In particular, Brazil saw an 11% increase in an inflationary environment.

TRUCK TIRES

<table>
<thead>
<tr>
<th>Nine Months 2013/2012 (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>+ 0%</td>
<td>- 9%</td>
<td>+ 9%</td>
<td>+ 40%</td>
<td>- 10%</td>
<td>+ 3%</td>
</tr>
<tr>
<td>Replacement*</td>
<td>+ 9%</td>
<td>- 2%</td>
<td>+ 4%</td>
<td>+ 5%</td>
<td>+ 7%</td>
<td>+ 4%</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Third Quarter 2013/2012 (in number of tires)</th>
<th>Europe**</th>
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<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>+ 2%</td>
<td>- 1%</td>
<td>+ 8%</td>
<td>+ 39%</td>
<td>- 8%</td>
<td>+ 6%</td>
</tr>
<tr>
<td>Replacement*</td>
<td>+ 11%</td>
<td>+ 0%</td>
<td>+ 8%</td>
<td>+ 4%</td>
<td>+ 4%</td>
<td>+ 6%</td>
</tr>
</tbody>
</table>

*Radial market only
**Including Russia and Turkey

ORIGINAL EQUIPMENT

- In a lackluster economy, the European market was stable over the first nine months, with low prior-year comparatives. Stronger demand in the third quarter reflected last-minute purchases of trucks before the introduction of the Euro VI standards on January 1, 2014, which are likely to result in higher purchase prices and servicing costs.
- In North America, demand remained shaky in an environment of economic and political uncertainty that has led to a wait-and-see attitude among fleet owners. The market declined by 1% in the third quarter.
- In Asia (excluding India), original equipment demand increased by 9% over the first nine months. Market growth slowed in China, to 7% in the third quarter and 11% over the first nine months. Demand grew by 24% at September 30 in the highly active Southeast Asian market, which is continuing to shift to radials. In Japan, more favorable domestic market trends resulted in an increase of 19% for OE in the third quarter, bringing the overall decline to 2% for the first nine months.
- In South America, the market remained on a good trend after the hiccups caused by the introduction of Euro V emissions standards, with strong demand for heavy-duty truck tires in the agriculture sector.

REPLACEMENT

- In Europe, replacement demand rose by 9% at end-September but remained at a weak level, some 25% lower than in 2007. The market was buoyed by initial inventory rebuilding, as well as a reduction in the number of casings available for retreading. Over the nine-month period, demand for radial tires was particularly vibrant in Turkey (up 12%) and Eastern Europe (up 13%).
- The decline in North American demand (down 2% over nine months) halted in the third quarter thanks to an increase in sell-out in relation to 2012.
Markets in Asia (excluding India) rose by 8% over the third quarter, confirming the trend that began in the second quarter. Demand in China increased by 7% in the third quarter and by 4% over the first nine months. The Southeast Asian markets, shaped by the rising popularity of radial tires, showed growth of 8% over the third quarter and 5% over the first nine months. The Japanese market increased by 10% over the third quarter and 7% over the first nine months, lifted by the upturn in exports fueled by the weaker yen.

In South America, the market was up 5% at end-September, with growth in Brazil (up 11%) offsetting declines in Colombia and Venezuela. Tire imports remain strong despite the depreciation of the Brazilian real.

**Specialty Tires**

- **Earthmover Tires:** The mining sector is still expanding, with sustained demand for very large radial tires. Original equipment demand has dropped sharply to 2010 levels in Europe and North America, dragged down in particular by manufacturer destocking. Demand for tires used in infrastructure and quarries has contracted noticeably in mature markets, with an especially strong decline in North America, due to high dealer inventories and lackluster business.

- **Agricultural Tires:** Global demand for OE tires has edged back slightly in mature markets, while the market for technical tires is on the rise. The replacement market has seen a modest upturn in Europe, but remains on a downtrend in North America.

- **Two-Wheel Tires:** Motorcycle markets declined in the mature regions for the second year in a row. In the third quarter, demand improved slightly in Europe but remained depressed in North America.

- **Aircraft Tires:** Civil aviation markets have remained stable, while defense markets are being dampened by government budget restrictions.
Michelin Net Sales

**OVERVIEW**

<table>
<thead>
<tr>
<th>(IN € MILLIONS AND %)</th>
<th>Third Quarter 2013</th>
<th>Nine Months 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>5,123</td>
<td>15,282</td>
</tr>
<tr>
<td><strong>TOTAL CHANGE</strong></td>
<td>- 313</td>
<td>- 860</td>
</tr>
<tr>
<td><strong>OF WHICH VOLUMES</strong></td>
<td>+ 110</td>
<td>- 52</td>
</tr>
<tr>
<td><strong>PRICE-MIX</strong></td>
<td>- 135</td>
<td>- 377</td>
</tr>
<tr>
<td><strong>CURRENCY EFFECT</strong></td>
<td>- 288</td>
<td>- 431</td>
</tr>
<tr>
<td><strong>THIRD-QUARTER 2013</strong>Y.O.Y CHANGE</td>
<td>- 5.8%</td>
<td>- 5.3%</td>
</tr>
<tr>
<td><strong>NINE-MONTHS 2013</strong>  Y.O.Y CHANGE</td>
<td>- 2.4%</td>
<td>- 2.3%</td>
</tr>
</tbody>
</table>

*In tonnes

Net sales totaled €15,282 million in the first nine months of 2013, down 5.3% in relation to the year-earlier period due to the combined impact of the following factors:

- **The 2% increase in volumes in the third quarter**, coming on the heels of an improvement in the second quarter, led to a virtually stable situation over nine months, in line with the Group’s full-year objective.

- **The negative 2.4% price-mix effect** in the third quarter reflected stabilization in replacement tire prices following targeted price repositionings for certain Car and Light-Truck ranges, as well as raw-materials-related contractual adjustments. The mix effect (a positive €60 million at end-September), primarily stemmed from the MICHELIN brand’s premium positioning.

- **The negative currency effect (5.3%)** in the third quarter and 2.7% at end-September) reflected the depreciation of the US and Canadian dollars (accounting for around 30% of the 9-month effect), the Japanese yen (10%), the Brazilian real and Argentine peso (20%) and other currencies.

**NET SALES BY REPORTING SEGMENT**

- **Passenger Car and Light Truck Tires and Related Distribution**

  Net sales in the Passenger Car and Light Truck Tires and Related Distribution segment stood at €8,024 million, down 3.3% from €8,298 million in the first nine months of 2012.
  - Although mature markets remained weak and the winter segment was down as expected, Passenger Car and Light Truck Tire volumes showed growth of 0.9% at September 30, with a faster increase of 4% in the third quarter.
  - After carefully managed price repositionings early in the year, prices were generally stable in relation to the first half.
The mix effect remained favorable, supported by the Group’s performance in the 17-inch and larger segment.

**TRUCK TIRES AND RELATED DISTRIBUTION**

Nine-month net sales in the Truck Tires and Related Distribution business amounted to €4,781 million, down 5.2% from €5,044 million in the year-earlier period.

- Sale volumes, which edged back 0.6% over the first nine months, reflected the focus on Truck tire profitability improvement. Changes in raw material costs had a positive impact.
- The unfavorable currency effect was cushioned by price increases in certain markets.

**SPECIALTY BUSINESSES**

Net sales by the Specialty Businesses declined by 11.5% over the first nine months, to €2,478 million from €2,800 million at September 30, 2012, due to price adjustments stemming from raw materials-based indexation clauses, a 4.2% fall-off in volumes and the negative currency effect.

- **Earthmover tires**: Net sales were down over the period. The mining segment saw a slight decrease in sales as higher volumes were unable to offset the negative impact of raw-materials-based indexation clauses and unfavorable exchange rates. OE and Infrastructure sales declined significantly due to a sharp contraction in volumes.
- **Agricultural Tires**: Net sales edged up as higher volumes, led in particular by stronger positions in the OE segment, offset the unfavorable application of raw-materials-based indexation clauses and the negative currency effect.
- **Two-Wheel Tires**: Net sales dipped somewhat, mainly due to the unfavorable geographic and product mixes. Despite the decline in demand, volumes rose on the back of significant market share gains, particularly in North American.
- **Aircraft Tires**: Penalized by the decline in the defense business, net sales were down compared with the exceptionally high prior-year period.
## Third-Quarter 2013 Highlights

- Michelin sets six major sustainable development objectives for 2020 (September 18, 2013)
- First prototype Truck tire in Chennai, India (July 19, 2013)
- At the 65th Frankfurt International Motor Show, Michelin demonstrates once again that tire innovation is at the heart of all its business operations (September 10, 2013)
- Launch of the MICHELIN Primacy 3ST in Southeast Asia and Australia (October 13, 2013)
- Michelin announces that it is actively participating in the FIA Formula E Championship (September 10, 2013)
- Innovation: Michelin unveils a motorized wheel for the bus of the future (October 18-23, 2013)
- Michelin extends its Earthmover tire lineup, adding four new 25-inch tire sizes (September 16, 2013)
- Michelin presents the world’s largest tractor tire (October 22, 2013)

A full description of Third-Quarter 2013 highlights may be found on the Michelin website: [www.michelin.com/corporate/finance](http://www.michelin.com/corporate/finance)
PRESENTATION AND CONFERENCE CALL
The quarterly information for the period ended September 30, 2013 will be reviewed during a conference call in English later today (Monday, October 28, 2013) at 6:45 pm, CEST (5:45 UT). If you wish to participate, please dial-in one of the following numbers from 6:30 pm CEST:

- In France 01 70 77 09 37
- In the UK +44 (0) 203 367 9453
- In North America (+1) 646 722 4939
- From anywhere else +44 (0) 203 367 9453

The presentation of financial information for the nine months ended September 30, 2013 may be viewed at www.michelin.com/corporate. The website also contains practical information concerning the conference call.

INVESTOR CALENDAR

- **2013 net sales and results:**
  - Tuesday, February 11, 2014 before start of trading
- **Quarterly information for the three months ended March 31, 2014:**
  - Wednesday, April 23, 2014 after close of trading

<table>
<thead>
<tr>
<th>Investor Relations</th>
<th>Media Relations</th>
</tr>
</thead>
<tbody>
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<td>Valérie Magloire</td>
<td>Corinne Meutey</td>
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<td>+33 (0) 1 78 76 45 27</td>
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<td>+33 (0) 6 08 00 13 85 (cell)</td>
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<tr>
<td><a href="mailto:valerie.magloire@fr.michelin.com">valerie.magloire@fr.michelin.com</a></td>
<td><a href="mailto:corinne.meutey@fr.michelin.com">corinne.meutey@fr.michelin.com</a></td>
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</table>

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+33 (0) 6 71 14 17 05 (cell)
matthieu.dewavrin@fr.michelin.com

<table>
<thead>
<tr>
<th>Individual shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jacques Engasser</td>
</tr>
<tr>
<td>+33 (0) 4 73 98 59 08</td>
</tr>
<tr>
<td><a href="mailto:jacques.engasser@fr.michelin.com">jacques.engasser@fr.michelin.com</a></td>
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DISCLAIMER

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