PRESS RELEASE
Clermont-Ferrand – October 22, 2015

COMPAGNIE GÉNÉRALE DES ETABLISSEMENTS MICHELIN
Financial Information for the Nine Months Ended September 30, 2015

Michelin announces nine-month net sales of €15.8 billion, up 8.6%, with volume growth outpacing the markets
2015 guidance confirmed

☐ Volumes up 2.8%, outperforming the markets:
  o Growth in Passenger Car/Light Truck tire sales still beating the markets.
  o Truck tire and Specialty Business volumes slightly higher than their market levels.

☐ Sustained quarter-on-quarter improvement in the price mix, as expected.

☐ Stepped-up impact from the competitiveness plan, with €167 million in gains as of end-September.

<table>
<thead>
<tr>
<th>NET SALES (IN € MILLIONS)</th>
<th>Third Quarter</th>
<th>Nine Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>PASSENGER CAR/LIGHT TRUCK TIRES AND RELATED DISTRIBUTION</td>
<td>2,978</td>
<td>2,592</td>
</tr>
<tr>
<td>TRUCK TIRES AND RELATED DISTRIBUTION</td>
<td>1,607</td>
<td>1,576</td>
</tr>
<tr>
<td>SPECIALTY BUSINESSES</td>
<td>724</td>
<td>717</td>
</tr>
<tr>
<td>GROUP TOTAL</td>
<td>5,309</td>
<td>4,885</td>
</tr>
</tbody>
</table>

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

☐ 2015 guidance confirmed

Over the final months of the year, the tire markets are expected to evolve in line with the trends observed since January. Thanks to its evenly balanced geographic footprint, Michelin is maintaining its objective of outperforming its markets in full-year volume growth.

The sustained deployment of the competitiveness plan will help to offset cost inflation over the year. The Group confirms its target of delivering an increase in operating income before non-recurring items excluding the currency effect, a return on capital employed in excess of 11%, and structural free cash flow of more than €700 million, while pursuing a capital expenditure program totaling around €1.8 billion.

For the full year, operating margin before non-recurring items should come in higher than last year in the Passenger Car/Light Truck business, increase significantly in the Truck tire business; and show a limited decline in the Specialty businesses.
Market Review

**Passenger Car and Light Truck Tires**

<table>
<thead>
<tr>
<th>Nine months 2015</th>
<th>Original Equipment</th>
<th>Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>% change year-on-year (in number of tires)</td>
<td>Europe including Russia &amp; CIS</td>
<td>Europe excluding Russia &amp; CIS</td>
</tr>
<tr>
<td>Original Equipment</td>
<td>+4%</td>
<td>+6%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+2%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third-quarter 2015</th>
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<th>Replacement</th>
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<td>Europe including Russia &amp; CIS</td>
<td>Europe excluding Russia &amp; CIS</td>
</tr>
<tr>
<td>Original Equipment</td>
<td>+5%</td>
<td>+8%</td>
</tr>
<tr>
<td>Replacement</td>
<td>-1%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

*Including Turkey

**Original Equipment**
- The European OE market grew by 4% overall during the first nine months of the year, reflecting a 6% increase in Western Europe led by the upturn in demand for cars and a 25% falloff in Eastern Europe in a persistently difficult economic and monetary environment.
- The North American market ended the period up 4%, still buoyed by demand for light trucks and SUVs and by low fuel prices.
- Demand in Asia (excluding India) retreated 3% over the first nine months, with a steeper decline in the third quarter. In China, where the market reversed course during the summer, demand was stable over the nine-month period, with an 8% drop in the third quarter and high car dealer inventory. The other markets in the region continued to shrink, by 7% over the period, in a lackluster socio-economic environment.
- Demand in South America fell a precipitous 17% over the first nine months, dampened by the sharp decrease in car sales. To reduce inventory, certain tiremakers are continuing to shift OE tires to the Replacement market.

**Replacement**
- The European market grew by 2% overall in the first nine months. Demand rose 3% in the West, albeit with a 6% decline in the Winter tire segment, and bottomed out in the East, losing 8% over the period due to the political and economic situation in Russia and Ukraine.
- The 1% increase in the North American market over the first nine months reflected the robust growth in Mexican demand. In the United States, where fuel prices remain low and moving twelve-month vehicle miles traveled were up by around 4%, the market was nearly flat overall, with sustained growth since the beginning of the year for tires sold by members of the Rubber Manufacturers Association (up 5%) and a 17% drop in Chinese imports as dealers cleaned out inventory.
In Asia (excluding India), demand rose by 3% overall. The Chinese market remained robust, gaining 8% over the first nine months. However, the region’s other markets, which are highly competitive more export driven and dampened by weak economies, edged back by an aggregate 1% over the period, with a contrast between contractions in Japan and South Korea and firm gains in Indonesia, Malaysia and Thailand.

Despite a sharp slowdown in the regional economy, demand in South America ended the first nine months up 2%, maintaining its momentum with a decline in imports.

TRUCK TIRES (RADIAL AND BIAS)

<table>
<thead>
<tr>
<th>9 months 2015</th>
<th>Europe including Russia &amp; CIS*</th>
<th>Europe excluding Russia &amp; CIS*</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>+5%</td>
<td>+10%</td>
<td>+12%</td>
<td>-17%</td>
<td>-46%</td>
<td>+16%</td>
<td>-6%</td>
</tr>
<tr>
<td>Replacement</td>
<td>-2%</td>
<td>+8%</td>
<td>+3%</td>
<td>-3%</td>
<td>-6%</td>
<td>+1%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

<table>
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<th>Third-quarter 2015</th>
<th>Europe including Russia &amp; CIS*</th>
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<th>North America</th>
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<th>South America</th>
<th>Africa/India/ Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Equipment</td>
<td>+7%</td>
<td>+11%</td>
<td>+5%</td>
<td>-5%</td>
<td>-53%</td>
<td>+17%</td>
<td>-2%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+1%</td>
<td>+10%</td>
<td>+0%</td>
<td>-2%</td>
<td>-5%</td>
<td>+2%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

*Including Turkey

**ORIGINAL EQUIPMENT**

- The European market rose by 5% in the first nine months, with demand gaining a faster 10% in the West but remaining deeply depressed in the East, where the troubled economic and political situation caused a 23% drop over the period.
- While cooling in the third quarter, the North American market ended the first nine months up 12% in a still favorable economic environment.
- Demand for radial and bias tires in Asia (excluding India) declined by 17% overall, with the market shrinking 18% in China as growth in manufacturing output slowed, and demand in the rest of the region contracting by 13%.
- The South American market plummeted 46%, with Brazilian demand collapsing 49% due to the recession and the fall in truck production to a ten-year low.

**REPLACEMENT**

- In Europe, the market ended the first nine months down 2% overall. In Western Europe, new tire demand rose by 8% off of favorable prior-year comparatives, but remained below its 2007 levels. Retread markets fell sharply, pushed down by competition from new tire imports from Asia at a time of low raw materials prices. In Eastern Europe, demand continued its precipitous decline due to the difficulties in Russia, losing 18% over the period.
The North American market sustained its growth trend, rising 3% over the nine months in a still expanding economy.

Demand for replacement radial and bias tires in Asia (excluding India) decreased by 3% over the period. Markets contracted by 2% in China, reflecting the rising efficiency of the domestic trucking industry and the slowing economy. In the rest of the region, demand was 3% lower overall, at a time of intense price pressure and weak economic activity.

Over the first nine months, the South American radial and bias replacement market retreated by 6% overall and to a greater extent in Brazil, in a particularly challenging economic environment.

**Specialty Tires**

- **Earthmover Tires:** The mining tire market continued to contract over the period, as operators further reduced inventory and used fewer tires due to production scale-backs and productivity gains.

OE demand continued to trend marginally upward in mature markets, but fell sharply in China over the period.

Demand for tires used in infrastructure and quarries rose slightly in mature markets, led by North America.

- **Agricultural Tires:** OE demand continued to fall sharply in mature markets, dampened by lower farm commodity prices and extensive replacement sales of farm machinery in recent years.

The Replacement market declined in Europe and, to a greater extent, in North America, due to declining farming incomes and recent replacement sales.

- **Two-Wheel Tires:** The motorcycle and scooter tire markets improved in both mature and emerging geographies.

- **Aircraft Tires:** Demand in the commercial aircraft segment continued to grow, led by the increase in passenger traffic.
Net sales for the first nine months of 2015 totaled €15,806 million, an increase of 8.6% from the year-earlier period that was attributable to the net impact of the following factors:

- **The above-market 2.8% growth in volumes sold** over the period, led by the performance of the MICHELIN brand and the rebound in the other brands.

- **The 3.7% adverse price-mix effect** steadily improved as expected, over the period, to 2.4% in the third quarter, from 5.1% in the first. The negative €601 million price effect reflected the application of indexation clauses (accounting for a third of the price impact) and carefully managed price cuts. The mix effect was a positive €47 million over the nine months, primarily due to the success of the MICHELIN brand's premium strategy.

- **The major 8.6% favorable currency effect** reflected the euro's decline against the Group's main operating currencies since the final quarter of 2014. The effect will be much smaller in fourth-quarter 2015.

- The 0.9% positive impact from changes in the scope of consolidation, primarily the addition of Sascar, Brazil’s leading digital fleet management company, and Ihle, a German tire wholesaler.

Michelin's business environment assumptions for the final quarter indicate that over the full year, raw materials prices will have around a €550-million positive impact and changes in price mix and raw materials prices will have a net €100-million negative effect (negative for businesses subject to contractual raw materials indexation clauses and no impact for the others).
NET SALES BY REPORTING SEGMENT

PASSenger Car and Light Truck TIres and Related DistribuTIon

Given the favorable currency effect, net sales in the Passenger Car and Light Truck Tires and Related Distribution business stood at €8,838 million for the first nine months of the year, up 13.9% from €7,759 million in the year-earlier period.

- Tonnages rose by 6%, far exceeding the 1% growth in the market thanks to the 6% gain by the MICHELIN brand (of which a 13% rise for 17" and larger tires in a segment up 8%), and an 8% increase by the other brands.
- Price adjustments reflected the application of raw materials indexation clauses in the OE segment and the repositionings implemented early in the year in the Replacement segment. They also include the first impacts of the summer tire price increases introduced in Europe on July 1.
- The mix effect remains favorable, supported in particular by the 13% growth in MICHELIN brand sales in the 17" and larger segment.

TRuck TIres and Related DistribuTIon

Lifted by the favorable currency effect, nine-month net sales in the Truck Tires and Related Distribution business amounted to €4,675 million, up 3.8% from the €4,503 million reported in the year-earlier period.

- Volumes were stable in a global market down 2% for the period.
- Price adjustments corresponded primarily to the application of raw materials indexation clauses, with Replacement prices holding firm over the period. On August 1, the Group increased prices in Europe to offset the impact of the euro-dollar exchange rate on raw materials costs.

SpECIALTY BuSinesses

Net sales by the Specialty Businesses stood at €2,294 million for the first nine months of 2015, virtually unchanged from €2,296 million for the year-earlier period. The favorable currency effect offset the price adjustments under raw materials indexation clauses and the impact of cooling demand, which caused a 4% decline in tonnages sold. This positive exchange rate effect will be greatly reduced in the final quarter.

- Earthmover Tires: Net sales were down slightly due to the general decline in volumes and the unfavorable impact of raw materials clauses, while the currency effect was positive. Tonnages sold in the Infrastructure and OE segments ended the period higher.
- Agricultural Tires: Net sales were down, in line with the contraction in sales volumes. The favorable currency effect offset the negative impact of price reductions, which were primarily due to the application of raw materials indexation clauses.
- Two-Wheel Tires: Net sales increased, lifted by higher volumes in mature and emerging markets.
- Aircraft Tires: Net sales rose on the favorable currency effect, while tonnages delivered edged up somewhat, lifted by radial sales.
Third-Quarter 2015 Highlights

- Michelin receives "Best Supplier" award from CNH Industrial (July 29)
- Michelin acquires Meyer Lissendorf, a major car tire wholesaler in Germany (July 30)
- Michelin invests in Luli Information Technology, a ride-sharing start-up in China (August 25)
- Michelin and Fives partner to create Fives Michelin Additive Solutions to become a leader in metal 3D printing (September 7)
- Second, €200-million tranche of the share buyback program launched (September 9)
- Michelin at the 66th Frankfurt International Motor Show (September 15)
- DJSI World ranks Michelin number 1 in the automotive equipment sector for its sustainable development policy (September 22)
- €209-million 30-year bond issue successfully placed (September 28)
- Michelin Tire Care: global launch of the first suite of digital and connected solutions for haulers, designed to maximize vehicle uptime and cost control (October 5)

A full description of third-quarter 2015 highlights may be found on the Michelin website: http://www.michelin.com/eng
**PRESENTATION AND CONFERENCE CALL**

The quarterly information for the period ended September 30, 2015 will be reviewed during a conference call in English later today (Wednesday, October 22, 2015) at 6:30 pm CEST (4:30 pm UTC). If you wish to participate, please dial-in one of the following numbers from 6:15 pm CEST:

- In France: 01 70 77 09 37
- In the United Kingdom: 0203 367 9456
- In North America: (866) 907 5928
- From anywhere else: +44 (0) 203 367 9456

The presentation of financial information for the nine months ended September 30, 2015 may be viewed at [http://www.michelin.com/eng](http://www.michelin.com/eng), along with practical information concerning the conference call.

**INVESTOR CALENDAR**

- **2015 net sales and results:**
  
  Tuesday, February 16, 2016 before start of trading

- **Quarterly information for the three months ending March 31, 2016:**
  
  Wednesday, April 20, 2016 after close of trading

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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.