PRESS RELEASE
Clermont-Ferrand – 30 July 2010

COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN
Financial Information for the Six Months Ended June 30, 2010

First-Half Net Sales up 17% to €8,349 Million
Historically High Operating Margin, at 9.8%

- Further growth in tire demand in every geography
- Sales volumes up 15.3% in the first half, supported by the MICHELIN brand’s global footprint
- Excellent manufacturing performance, demonstrating the improvement in competitiveness
- Solid financial structure maintained

<table>
<thead>
<tr>
<th>(£ MILLIONS)</th>
<th>June 30, 2010</th>
<th>June 30, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES</td>
<td>8,349</td>
<td>7,134</td>
</tr>
<tr>
<td>OPERATING INCOME BEFORE NON-RECURRING INCOME AND EXPENSES</td>
<td>822</td>
<td>282</td>
</tr>
<tr>
<td>OPERATING MARGIN BEFORE NON-RECURRING INCOME AND EXPENSES</td>
<td>9.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>NET INCOME/(LOSS)</td>
<td>504</td>
<td>(122)</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURE</td>
<td>251</td>
<td>319</td>
</tr>
<tr>
<td>GEARING</td>
<td>53%</td>
<td>75%</td>
</tr>
<tr>
<td>FREE CASH FLOW¹</td>
<td>(30)</td>
<td>575</td>
</tr>
<tr>
<td>EMPLOYEES ON PAYROLL AT PERIOD-END</td>
<td>110,100</td>
<td>112,500</td>
</tr>
</tbody>
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¹ Cash flow from operating activities less cash flow used in investing activities

- Outlook for 2010

The clear rebound in the tire markets is expected to continue in the second half of the year, even though the pace of economic recovery will vary from one region to another.

While rising raw materials costs will have a negative impact on second-half consolidated results (and reduce full-year income by €600-650 million), Michelin will benefit from the price increases introduced in the first half. In addition, the Group is announcing around a 3% increase in its passenger car and light truck replacement tire prices in Europe starting in September, thereby confirming its commitment to a responsive pricing policy.

In this environment, Michelin reaffirms its full-year 2010 target of driving 10%-plus growth in sales volumes, maintains its objective of generating positive free cash flow and, despite the expected impact of raw materials costs, intends to deliver an operating margin before non-recurring items of close to 9%.
Market Review

Passenger Car and Light Truck Tires

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<thead>
<tr>
<th></th>
<th>Europe*</th>
<th>North America</th>
<th>Asia</th>
<th>South America</th>
<th>Africa/Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Half 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change YoY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Equipment</td>
<td>+ 26%</td>
<td>+ 71%</td>
<td>+ 47%</td>
<td>+ 22%</td>
<td>- 1%</td>
<td>+ 41%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+ 11%</td>
<td>+ 9%</td>
<td>+ 12%</td>
<td>+ 21%</td>
<td>+ 4%</td>
<td>+ 11%</td>
</tr>
</tbody>
</table>

*Including Russia and Turkey

- **Original Equipment**
  - Following the historic collapse in the first half of 2009, virtually every original equipment market experienced robust growth in the first half of 2010, lifted by auto industry support programs implemented in most of the leading country markets.

- **Replacement**
  - In Europe and North America, demand rebounded faster than expected, boosted by the uptick in kilometers traveled and partial dealer inventory rebuilding. Tires with high speed ratings outperformed the market, as did winter tires in Europe and recreational tires in North America.
  - In South America, the replacement markets returned to growth, with particularly robust performances in Brazil, Argentina and Colombia.
  - Markets in Asia remained buoyant, led by 17% growth in China.

Truck Tires

<table>
<thead>
<tr>
<th></th>
<th>Europe**</th>
<th>North America</th>
<th>Asia</th>
<th>South America</th>
<th>Africa/Middle East</th>
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<td>First-Half 2010</td>
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<tr>
<td>% change YoY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Equipment*</td>
<td>+ 29%</td>
<td>+ 23%</td>
<td>+ 61%</td>
<td>+ 53%</td>
<td>+ 9%</td>
<td>+ 44%</td>
</tr>
<tr>
<td>Replacement*</td>
<td>+ 35%</td>
<td>+ 22%</td>
<td>+ 14%</td>
<td>+ 26%</td>
<td>+ 2%</td>
<td>+ 19%</td>
</tr>
</tbody>
</table>

*Radial market only
**Including Russia and Turkey

- **Original Equipment**
  - Still hesitant in the first quarter, European demand rebounded quickly in the second quarter off of low prior-year comparatives, but nevertheless remained weaker than in 2007. While freight demand was sometimes shaky in the second quarter, truck orders rose sharply overall, supported by renewed export activity.
  - The North American market turned sharply upwards, particularly in the trailer tire segment, but remained far below its historic highs.
- In South America, demand rose 53%, impelled by government incentives to purchase trucks in Brazil.
- The Chinese market pursued its strong growth momentum, gaining 63%.

- **Replacement**
  - In Europe, at a time of rising truck-borne freight tonnages, tire demand jumped 35%, albeit without attaining 2007 levels.
  - In North America, replacement tire demand outpaced the recovery in the freight market, lifted by the beginnings of restocking by increasingly confident dealers.

- **Specialty Tires**

  - **Earthmover tires:** Global original equipment demand rebounded sharply during the period, fueled by equipment dealer restocking and the impact of government stimulus plans. Infrastructure markets recovered in North America but remained weak in Europe, while Asian markets demonstrated comparatively more resilience. The mining segment continued to expand, led by strong demand for ore and renewed work on major projects.

  - **Agricultural Tires:** Global OE demand was down overall year-on-year, but began to pick up in the second quarter. Replacement demand declined during the period, notably in North America and, to a lesser extent, in Europe. The compact line market turned sharply upwards, against low prior-year comparatives.

  - **Two-Wheel Tires:** In Europe and North America, the motorized segments made a strong recovery off of low bases of comparison. The improvement was particularly pronounced in growth markets.

  - **Aircraft Tires:** All of the Commercial Aviation markets rose during the period, with a sharp improvement in aircraft load factors. The General Aviation segment rebounded after collapsing in 2009, while demand for Military aircraft tires remained stable.

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**First-Half 2010 Net Sales and Results**

- **Net Sales**

  Consolidated net sales amounted to €8,349 million, up 17.0% compared with the prior-year period.

  The increase primarily reflected the 15.3% improvement in sales volumes, which tracked the markets’ significant rebound. The price-effect, which was a negative 2.1% in the first quarter and a positive 0.1% in the second, ended the first half at a slightly negative 1.0%. The currency effect was a positive 2.4%, mainly reflecting changes in exchange rates between the euro and the Brazilian real, Canadian dollar, Australian dollar and Mexican peso.
RESULTS

Operating margin before non-recurring items stood at a historically high 9.8%, compared with 4.0% in the first half of 2009.

At €822 million, operating income before non-recurring items rose sharply on the significant increase in sales volumes and the excellent operating performance of the Group’s manufacturing plants.

Net income for the period came to €504 million, compared with a net loss of €122 million in first-half 2009, which reflected the cost of plans to specialize production and reorganize operations.

NET FINANCIAL POSITION

In the first half of 2010, free cash flow was only a slightly negative €30 million.

The year-on-year decline was primarily attributable to the increase in working capital requirement following the recovery in output. In addition, inventories were further impacted by the increase in raw materials prices and rose by €669 million overall during the period.

Capital expenditure amounted to €251 million in the first half and is expected to end the year at around €1 billion following start-up of construction on the new plants in fast-growing countries.

Gearing improved to 53%, compared with 75% at June 30, 2009 and 55% at December 31, 2009.

The dividend reinvestment plan, which was renewed in 2010, attracted more than half of all shareholders, enabling the Group to save €82 million in cash.
### 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><strong>Passenger Car and Light Truck Tires and Related Distribution</strong></td>
<td>4,621</td>
<td>3,949</td>
<td>497</td>
</tr>
<tr>
<td><strong>Truck Tires and Related Distribution</strong></td>
<td>2,566</td>
<td>2,071</td>
<td>126</td>
</tr>
<tr>
<td><strong>Specialty Businesses</strong></td>
<td>1,162</td>
<td>1,114</td>
<td>199</td>
</tr>
<tr>
<td><strong>Consolidated Total</strong></td>
<td>8,349</td>
<td>7,134</td>
<td>822</td>
</tr>
</tbody>
</table>

#### Passenger Car and Light Truck Tires and Related Distribution

Nets sales rose 17.0% in the first half, to €4,621 million, while operating margin stood at 10.8%, versus 6.3% in first-half 2009.

The high operating margin mainly resulted from the steep upsurge in sales volumes, supported by the across-the-board recovery in demand and the MICHELIN brand’s firm resilience, with early-year price increases offsetting the adverse impact of the OE/replacement market mix.

#### Truck Tires and Related Distribution

Net sales rose 23.9% year-on-year to €2,566 million in the first half.

Operating income stood at €126 million, or 4.9% of net sales, compared with an operating loss of €163 million in first-half 2009. The performance rebound was fueled by the sharp increase in sales volumes.

#### Specialty Businesses

Net sales from the Specialty Businesses amounted to €1,162 million for the first six months of the year. At 17.1%, operating margin remained at a structurally high level, despite price adjustments resulting from the application of contractual clauses indexing prices to raw materials costs, particularly in Earthmover tires.
First-Half 2010 Highlights

- Michelin is the Main Sponsor of the French Pavilion at Expo 2010 Shanghai
- Distribution: New Euromaster Franchises in Germany and Italy
- Passenger Car and Light Truck Tires
  - On-road, Environmental and Technological Performance: A Winning Trio with the New MICHELIN Pilot Sport 3
  - MICHELIN Alpin, Drive with Confidence... Up to One Winter Longer
  - A World Excellence Award from Ford
- Truck Tires
  - Launch of Michelin North America’s Latest-Generation MICHELIN X ONE XDA Energy™ Wide-Single Drive Tire
  - A Japanese Law Promotes Truck Tire Regrooving, Supporting Michelin’s Multi-Life Tire Model
- MICHELIN X-TRACTION, a New Solution to Improve Worksite Productivity
- Agricultural tires: New Strategic Partnership with Claas
- 10th Michelin Challenge Bibendum Held in Rio de Janeiro

A full description of first-half 2010 highlights may be found on the Michelin website: www.michelin.com/corporate
CONFERENCE CALL
First-half 2010 results will be reviewed in a conference call in English today, Friday July 30, at 11:00 am CEST (10:00 am UT). If you wish to participate, please dial one of the following numbers from 10:50 am CEST:

- In France 01 72 00 09 82
- In the UK 203 367 9457
- In the rest of the world +44 203 367 9457
- In the United States 1 866 907 5928

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

INVESTOR CALENDAR

- Quarterly information for the nine months ending September 30, 2010: Tuesday, October 26, 2010 after close of trading
- 2010 net sales and results: Friday, February 11, 2011 before start of trading

2010 INTERIM FINANCIAL REPORT
The interim financial report for the period ending June 30, 2010 may be downloaded from the www.michelin.com/corporate website, in the Finance/Regulated Information section.
It has also been filed with the Autorité des Marchés Financiers (AMF).
The report contains:
- The business review for the six months ended June 30, 2010.
- The consolidated financial statements and notes for the period.
- The statutory auditors’ review report on the interim financial information for 2010.

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<thead>
<tr>
<th>Investor Relations</th>
<th>Media Relations</th>
<th>Individual Shareholders</th>
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<tbody>
<tr>
<td>Valérie Magloire</td>
<td>Fabienne de Brébisson</td>
<td>Jacques Engasser</td>
</tr>
<tr>
<td>+33 (0) 1 45 66 16 15</td>
<td>+33 (0) 1 45 66 10 72</td>
<td>+33 (0) 4 73 98 59 08</td>
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<tr>
<td>+33 (0) 6 76 21 88 12 (cell)</td>
<td>+33 (0) 6 08 86 18 15 (cell)</td>
<td><a href="mailto:jacques.engasser@fr.michelin.com">jacques.engasser@fr.michelin.com</a></td>
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<td><a href="mailto:valerie.magloire@fr.michelin.com">valerie.magloire@fr.michelin.com</a></td>
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DISCLAIMER

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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 induced by these statements.