First Quarter 2017
Michelin announces net sales of €5.6 billion, up 10%, with a 7.3% increase in volumes.
2017 guidance confirmed.

- Generally expanding market environment:
  - Sustained original equipment demand
  - Replacement tire demand buoyed by early buying ahead of price increases
  - Rebound in mining tire demand
- Q1 volumes up 7.3%, lifted by early dealer buying and the recovery in mining tire sales
- The price-mix effect reduced net sales by just 0.1%, a sharp improvement led by:
  - The success of the new tire and services solutions aligned with customer needs
  - The favorable mix effect, primarily reflecting 31% growth in volumes in the premium 18-inch and larger segment

<table>
<thead>
<tr>
<th>NET SALES (IN € MILLIONS)</th>
<th>First Quarter 2017</th>
<th>First Quarter 2016</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger car/Light truck tires &amp; related distribution</td>
<td>3,201</td>
<td>2,897</td>
<td>+10.5%</td>
</tr>
<tr>
<td>Truck tires &amp; related distribution</td>
<td>1,518</td>
<td>1,430</td>
<td>+6.1%</td>
</tr>
<tr>
<td>Specialty businesses</td>
<td>848</td>
<td>738</td>
<td>+14.9%</td>
</tr>
<tr>
<td>Group Total</td>
<td>5,567</td>
<td>5,065</td>
<td>+9.9%</td>
</tr>
</tbody>
</table>

* Specialty businesses: Earthmover, Agricultural, Two-Wheel and Aircraft tires; Michelin Travel Partner, BookaTable and Michelin Lifestyle Ltd.

- **2017 guidance confirmed**

Over the full year, tire markets are expected to track the trends observed in late 2016, in particular with the upturn in mining tire sales. For Michelin, most of the growth will be concentrated in the first six months, due to the early buying already occurring ahead of the price increases, and these will drive an improvement in margins in the second half of the year.

Michelin will continue to agilely manage prices so as to hold unit margins firm in businesses not subject to indexation clauses, given that higher raw materials costs will have a currently estimated impact of approximately €(900) million over the full year. As part of this process, new price increases have been announced in certain markets.

For the full year, Michelin confirms its targets of volume growth in line with global market trends, operating income from recurring activities equal to or exceeding the 2016 figure at constant exchange rates, and structural free cash flow of more than €900 million.
Market Review

- **Passenger Car and Light Truck Tires**

<table>
<thead>
<tr>
<th>First-quarter 2017 % change YoY (in number of tires)</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>+5%</td>
<td>+2%</td>
<td>+5%</td>
<td>+10%</td>
<td>+1%</td>
<td>+4%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+6%</td>
<td>+5%</td>
<td>+3%</td>
<td>+7%</td>
<td>+3%</td>
<td>+2%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

*Including Turkey

In the first three months of 2017, the global original equipment and replacement Passenger car and Light truck tire market rose by 5% in number of tires sold, with robust demand in every region.

- **Original Equipment**
  - Buoyant markets in Europe excluding Russia & CIS, lifted by domestic demand and exports.
  - Strong demand holding firm in North America, with new vehicle sales boosted by manufacturer incentives and rebates.
  - Continued growth in the Chinese market (up 6%), led by higher sales of vehicles not eligible for government incentives. Note, however, that the increase was less spectacular than in 2016 and that car dealer inventories are high. Markets were up 3% in Japan and South Korea, thanks to new model launches and solid exports. Demand was stable in the ASEAN region as exports declined over the period.
  - Growth slowly recovering in South America, Southeast Asia and Eastern Europe after two straight years of contraction.

- **Replacement**
  - In Europe, a brisk start to the year, driven by early buying ahead of price increases by most tiremakers.
  - In North America, slowing growth in Asian imports and early buying limited to just January and February due to the announced tiremaker price increases taking effect on March 1.
  - In Asia excluding India, a 12% gain overall in China, boosted as well in January and February by the prospect of higher prices but dampened in March by rising dealer inventories. The rest of the region saw more limited growth. South America enjoyed a return to growth in every geography, building on the trends observed in late 2016, with a recovery in Asian imports to Brazil.
TRUCK TIRES (RADIAL AND BIAS)

<table>
<thead>
<tr>
<th>First-quarter % change YoY (in number of tires)</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>+9%</td>
<td>+9%</td>
<td>-8%</td>
<td>+16%</td>
<td>-4%</td>
<td>+2%</td>
<td>+9%</td>
</tr>
<tr>
<td>Replacement</td>
<td>+13%</td>
<td>+13%</td>
<td>+14%</td>
<td>+9%</td>
<td>+7%</td>
<td>-3%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

*Including Turkey

Global demand for new original equipment and replacement Truck tires rose by 8% in number of tires sold in the first three months of 2017, with retread markets stabilizing at a low level, particularly in Europe.

- **ORIGINAL EQUIPMENT**
  - Sustained 9% growth in both Western and Eastern Europe.
  - Contraction, as expected, in North American demand, impacted by the renewal of the local truck fleet.
  - A sharp 22% increase in China, following on the application of new regulations and the upturn in economic activity and infrastructure investments.
  - A 4% decline in Brazil, in a somewhat brightening but still shaky economy.

- **REPLACEMENT**
  - Markets up 13% overall in Europe including Russia and CIS, in slightly more favorable economic conditions, led by the announcement of price increases in response to higher raw materials costs.
  - Strong demand in North America, gaining 14% overall over the quarter in a buoyant economic environment. The market slowed significantly in March, however, losing 2% after the buying surge early in the year ahead of price increases petered out and the proposed new import duties on Chinese imports were rescinded by the new U.S. administration.
  - A 12% rebound in China, in line with the upturn in capital investments.
  - Demand also rebounded in Brazil, rising 17% on early buying ahead of the tiremaker price increases announced for April 1.

- **SPECIALTY TIRES**
  - **EARTHMOVER TIRES:** the mining tire market saw a robust upturn as large accounts completed their inventory drawdowns.
    OE demand also recovered in mature markets.
    The infrastructure and quarry tire segments rose sharply, buoyed by early buying ahead of the price increases.
  - **AGRICULTURAL TIRES:** OE markets eased back slightly over the first quarter after dropping precipitously in second-half 2016, but they should end the year more or less unchanged after the expected rebound in the second half.
    Replacement markets have been very volatile on the back of the announced price increases across the segment. Except for South America, where sugar prices are rising, the few favorable underlying factors seem to indicate that the market will remain stable over the full year.
  - **TWO-WHEEL TIRES:** demand in the mature markets is being driven by early buying ahead of price increases, which means that it will likely cool in the months ahead and end the year relatively unchanged.
• **AIRCRAFT TIRES:** Demand in the commercial aircraft segment continued to grow, led by the rise in passenger traffic.

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### Michelin Net Sales

#### CONSOLIDATED NET SALES

<table>
<thead>
<tr>
<th>(in € millions)</th>
<th>First Quarter 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>5,567</td>
</tr>
<tr>
<td><strong>FIRST-QUARTER 2017 YOY CHANGE IN €M AND %</strong></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CHANGE</strong></td>
<td>+502</td>
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<tr>
<td><strong>OF WHICH VOLUMES</strong></td>
<td>+371</td>
</tr>
<tr>
<td><strong>PRICE MIX</strong></td>
<td>-3</td>
</tr>
<tr>
<td><strong>CURRENCY EFFECT</strong></td>
<td>+128</td>
</tr>
<tr>
<td><strong>CHANGES IN SCOPE OF CONSOLIDATION</strong></td>
<td>+6</td>
</tr>
</tbody>
</table>

*In tonnes

Net sales for the first quarter of 2017 totaled €5,567 million, a gain of 9.9% on the year-earlier period that was attributable to the following factors:

- **The 7.3% increase in volumes,** which was led by early buying of the Group’s tires ahead of the announced April 1 price increases and by the sustained rebound in mining tire sales.

- **Changes in prices and the mix, which reduced net sales by 0.1%,** combining a €49 million unfavorable price effect stemming from the pricing policies applied in 2016, and a €46 million positive mix effect, reflecting the success of the premium lines and the rebound in mining tire sales.

- **A 2.5% favorable currency effect** following the euro’s decline against the Group’s operating currencies, the U.S. dollar in particular.

- A 0.1% increase from changes in the scope of consolidation, corresponding to the consolidation as from second-quarter 2016 of BookaTable, acquired in December 2015.

#### NET SALES BY REPORTING SEGMENT

• **PASSENGER CAR AND LIGHT TRUCK TIRES & RELATED DISTRIBUTION**

Given the favorable currency effect, net sales stood at €3,201 million for the first three months of 2017, up 10.5% from €2,897 million in the year-earlier period.

- Passenger car and Light truck tire volumes rose by 8%, in global markets up 5% for the period. The mix effect remained favorable, thanks to the 31% surge in MICHELIN brand sales in the 18-inch and larger segment and the success of the MICHELIN CrossClimate and Pilot Sport 4S lines.
- The price effect reflected the impact of the price adjustments implemented in 2016. New price increases of between 2% and 3% were announced for the month of June in Europe.
• **TRUCK TIRES & RELATED DISTRIBUTION**

First-quarter net sales, including the favorable currency effect, amounted to €1,518 million, up 6.1% from the €1,430 million reported in the year-earlier period.

- Truck tire volumes rose by 3% over the quarter, in a global market up 8%, with a substantial contribution from demand in China, a country in which the Group’s market share is still limited. Growth in sales of the Intermediate tire lines continued apace.
- The price effect reflected the usual delay linked to the application of indexation clauses and the impacts of the first replacement tire price increases. Further price hikes of between 5% and 8% were announced for the month of May in Europe.

• **SPECIALTY BUSINESSES**

Net sales by the Specialty businesses stood at €848 million in the first three months of 2017, up 14.9% from €738 million in the year-earlier period. The favorable impacts from the 14% increase in volumes in markets up 9% to 11% and from the currency effect (mainly from the euro/US dollar exchange rate) were only partially dampened by the 2016 price adjustments.

- Earthmover tires: net sales increased on the back of higher sales volumes.
- Agricultural tires: net sales declined somewhat in original equipment and climbed steeply in the replacement segment due to early buying ahead of price increases. Total volumes rose slightly over the period. Additional price increases of up to 12% were announced for the month of July in Europe.
- Two-wheel tires: net sales increased, led by gains in every segment and higher volumes.
- Aircraft tires: net sales declined over the period, mainly in the bias and military segments. Volumes remained on an upward trend in the commercial radial segment.
First-quarter 2017 highlights

- Successful issue of non-dilutive cash-settled convertible bonds (January 5, 2017)
- MICHELIN Pilot Sport4S: a premium tire in every sense (January 19, 2017)
- Michelin North America announces broad price increase (January 31, 2017)
- Michelin raises its tire prices in Europe in order to pass on the increase in raw materials costs (February 3, 2017)
- FactoLab: a unique laboratory for rethinking human-machine cooperation (February 10, 2017)
- MICHELIN X® FORCE™ ZL: the new genuinely tough all-terrain tire for small civilian and military trucks (February 14, 2017)
- MICHELIN CrossClimate +: better performance every season, for longer (February 27, 2017)
- Four MICHELIN new mountain bike tire ranges (March 13, 2017)
- Reputation Institute: Michelin continues to climb the ranks (March 16, 2017)
- The new Alpine A110 with MICHELIN Pilot Sport 4 (March 21, 2017)
- Harley-Davidson entrusts to MICHELIN its new Street Rod™ model (March 30, 2017)

A full description of first-quarter 2017 highlights may be found on the Michelin website: http://www.michelin.com/eng
PRESENTATION AND CONFERENCE CALL
The quarterly information for the period ended March 31, 2017 will be reviewed during a conference call in English later today (Thursday, April 20, 2017) at 6:30 pm CEST. Please refer to http://www.michelin.com/eng for practical information concerning the conference call.

You may follow the presentation with slideshow synchronization at http://www.michelin.com/eng

If you have any questions, please phone one of the following numbers:

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- In the United Kingdom 0203 367 9457
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- From anywhere else +44 (0) 203 367 9457

INVESTOR CALENDAR

- **First-half 2017 net sales and results:**
  - Tuesday, July 25, 2017 after close of trading
- **Financial information for the nine months ended September 30, 2017:**
  - Thursday, October 19, 2017 after close of trading

<table>
<thead>
<tr>
<th>Investor Relations</th>
<th>Media Relations</th>
</tr>
</thead>
<tbody>
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</table>

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<thead>
<tr>
<th>Individual Shareholders</th>
</tr>
</thead>
<tbody>
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<tr>
<td><a href="mailto:jacques.engasser@michelin.com">jacques.engasser@michelin.com</a></td>
</tr>
</tbody>
</table>

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 inferred by these statements.