PRESS RELEASE
Clermont-Ferrand, France - April 24, 2019

COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN
Financial information for the three months ended March 31, 2019

First-quarter 2019: In difficult markets, Michelin announces sales of €5.8 billion, an increase of 9.3% at constant exchange rates, led by a robust price-mix and a strong contribution from newly acquired businesses.

2019 guidance confirmed

- A resilient performance by the Group in difficult markets, with volumes down by just 0.5% in the first quarter:
  - Passenger car and Light truck tires: market share maintained in an environment deeply impacted by declining Original Equipment demand and slightly declining replacement markets in Europe.
  - Truck tires: volume growth remained firm in slightly contracting markets, as expected, partly thanks to the development of new service offers and solutions.
  - Specialty tires: 2019 growth ambitions confirmed, despite a first quarter impacted by supply chain issues in mining tires and the focus on margins in Original Equipment for Off-Road businesses.

- A robust 2.0% price-mix effect, still led by disciplined price management, supported by the powerful MICHELIN brand and the sustained product mix enrichment.

- A strong contribution from the newly acquired businesses (Fenner and Camso) with their integration proceeding according to plan.

- Acquisition of Multistrada, a major Indonesian tire manufacturer.

- A favorable currency effect (2.0%).

Jean-Dominique Senard, Chief Executive Officer, said: “In difficult markets, we once again demonstrated the resilience afforded by our Group’s exposure to different economic sectors, allowing us to confirm our 2019 guidance. First-quarter sales also reflect the major contribution of our recent acquisitions, Camso and Fenner.”

Guidance confirmed:

In 2019, the Passenger Car and Light Truck tire markets are expected to be mixed, with modest growth in the Replacement segment and a contraction in the Original Equipment segment. The Truck tire markets look set to contract slightly, while the Mining, Aircraft and Two-Wheel tire markets should remain dynamic. Based on April 2019 exchange rates, the currency effect is expected to have a relatively favorable impact on segment operating income. The impact of raw materials costs is currently estimated at around a negative €100 million, mainly affecting first-half results.

In this environment, Michelin confirms its 2019 targets of volume growth in line with global market trends, segment operating income exceeding the 2018 figure at constant exchange rates and before the estimated €150 million contribution from Camso and Fenner, and structural free cash flow of more than €1.45 billion*.

* Of which €150 million from the application of IFRS 16.
First-quarter sales growth:

<table>
<thead>
<tr>
<th>SALES (IN € MILLIONS)</th>
<th>FIRST QUARTER 2019</th>
<th>FIRST QUARTER 2018(1) RESTATED</th>
<th>% CHANGE</th>
<th>FIRST QUARTER 2018 REPORTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR1: AUTOMOTIVE &amp; RELATED DISTRIBUTION</td>
<td>2,788</td>
<td>2,783</td>
<td>+0.2%</td>
<td>2,772</td>
</tr>
<tr>
<td>SR2: ROAD TRANSPORTATION &amp; RELATED DISTRIBUTION</td>
<td>1,550</td>
<td>1,472</td>
<td>+5.3%</td>
<td>1,368</td>
</tr>
<tr>
<td>SR3: SPECIALTY BUSINESSES AND RELATED DISTRIBUTION</td>
<td>1,471</td>
<td>963</td>
<td>52.8%(2)</td>
<td>1,078</td>
</tr>
<tr>
<td>GROUP TOTAL</td>
<td>5,809</td>
<td>5,218</td>
<td>+11.3%</td>
<td>5,218</td>
</tr>
</tbody>
</table>

(1) Following the acquisition of Camso and the merger of Off-Road businesses, certain minor adjustments have been made to the composition of the segments.
(2) Including the 48.2% positive effect of changes in the scope of consolidation (first-time consolidation of Camso and Fenner)

Market Review

- PASSENGER CAR & LIGHT TRUCK TIRES

<table>
<thead>
<tr>
<th>First Quarter 2019/2018 (in number of tires)</th>
<th>EUROPE INCLUDING RUSSIA &amp; CIS*</th>
<th>EUROPE EXCLUDING RUSSIA &amp; CIS*</th>
<th>NORTH AMERICA</th>
<th>CENTRAL AMERICA</th>
<th>SOUTH AMERICA</th>
<th>ASIA (EXCLUDING INDIA)</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>-5%**</td>
<td>-6%</td>
<td>-9%</td>
<td>-12%</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td>-2%</td>
<td>-1%</td>
<td>+5%</td>
<td>+1%</td>
<td>-5%</td>
<td>+1%</td>
<td>+1%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

* Including Turkey
** Including Central America

The global Original Equipment and Replacement Passenger Car and Light Truck tire market contracted by 2% in the first quarter of 2019, due to the 8% fall in Original Equipment demand.

- ORIGINAL EQUIPMENT
  - In Europe, Original Equipment demand contracted by 5% in the first quarter, continuing a downtrend that began in the fourth quarter of 2018. Most of the decline was in Western Europe, where German carmakers experienced a fall in exports.
  - In North America (including Central America), demand was down 5% in the first quarter.
  - In Asia (excluding India), total demand fell by 9% during the quarter, due to a 15% drop in the Chinese market and a modest decline in the region’s other markets.
  - In South America, demand contracted by 6% at end-March, due to the crisis in Argentina and the uncertain economic environment in Brazil.
  - In Africa/India/Middle East, the market narrowed by 12% in the first quarter.

- REPLACEMENT
  - In Europe, the market declined by 2% in the first quarter, due mainly to the crisis in Turkey, which led to a 13% fall in demand, and to a 10% drop in the German market. The Replacement markets in Italy and Spain expanded slightly, while the French and Nordic markets contracted by 3% and 4%, respectively. Concerns about the future consequences of Brexit drove a 7% increase in the United Kingdom market.
- In North America, demand grew by 5% overall. The United States market expanded by 5%, reflecting a sharp increase in the non pool market (with imports rising ahead of the possible introduction of new import duties), while the market in Canada declined by 2% due to lower demand for winter tires.

- In Asia (excluding India), the market rose by a modest 1% in the first quarter. After declining in the third and fourth quarters of 2018, the Chinese market returned to growth (up 2%) at end-March. The dip in the Japanese market (down 2%) was partly offset by vibrant demand in South Korea (up 6%) and Indonesia (up 2%).

- In Central America, the market expanded by a slight 1% in the first quarter, led by Mexico.

- In South America, demand contracted by 5% during the period, heavily impacted by the crisis in Argentina (down 23%) and lower demand in Brazil (down 2%).

- In Africa/India/Middle East, the market grew by 1% in the first quarter, with strong growth in the Indian market (up 7%) offsetting declines in the rest of the region.

### TRUCK TIRES (radial & bias)

<table>
<thead>
<tr>
<th>First-quarter 2019/2018 (in number of tires)</th>
<th>Europe including Russia &amp; CIS*</th>
<th>Europe excluding Russia &amp; CIS*</th>
<th>North America</th>
<th>Central America</th>
<th>South America (excluding India)</th>
<th>Africa/India/Middle East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment</td>
<td>-1%</td>
<td>-1%</td>
<td>+12%</td>
<td>-32%</td>
<td>+27%</td>
<td>+9%</td>
<td>+4%</td>
</tr>
<tr>
<td>Replacement</td>
<td>-5%</td>
<td>-3%</td>
<td>-7%</td>
<td>-7%</td>
<td>-0%</td>
<td>-0%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

* Including Turkey

The number of new Truck tires sold worldwide was stable in the first quarter of 2019, as continued growth in Original Equipment demand (up 4%) offset lower Replacement demand (down 2%).

- **Original Equipment**
  - In Europe, Original Equipment demand dipped 1%. The effects of the crisis in Turkey (down 11%) and falling markets in Spain (down 22%) and the United Kingdom (down 29%) were partly offset by growth in the French and Italian markets (up 4% and 7% respectively) and vibrant demand in Poland (up 22%).
  - In North America, the market expanded by a strong 12% on the back of 19% growth in 2018.
  - In Asia (excluding India), the market was stable in the first quarter. In China, after dropping 18% in the second half of 2018 against the backdrop of the trade war with the United States, Original Equipment demand stabilized in the first quarter (down 1%). Demand in the other countries of the region grew strongly, with increases of 5% in Japan, 10% in Indonesia and 6% in South Korea.
  - In South America, the market continued to recover, growing 27% in the first quarter on the back of strong demand in Brazil.
  - The Africa/India/Middle East market rose by 9%, reflecting the 12% gain in Indian demand in a buoyant economic environment.

- **Replacement**
  - In Europe, the market contracted by 5% as a result of weaker demand in Poland (down 10%) and Eastern Europe (down 10%) and the crisis in Turkey (down 23%). The region’s other markets expanded by a slight 1% overall.
  - Demand in North America retreated by 7%, primarily due to a drop in the non pool market. After significantly increasing their Chinese tire imports in late 2018, ahead of the possible introduction of new import duties, dealers focused on reducing their inventories in the first quarter.
  - In Asia (excluding India), the Replacement markets were stable in the first quarter. After falling by 10% in the second half of 2018, the Chinese market was also stable during the period, while demand in the other countries expanded by 1% overall.
  - In Central America, the market narrowed by 7% due to a 10% fall in Mexican demand.
  - In South America, the market was stable in the first quarter, with growth in Brazil (up 2%) and Colombia (up 11%) offsetting the effects of the Argentine crisis on local demand (down 26%).
  - In Africa/India/Middle East, demand for new tires held firm.
• **SPECIALTY TIRES**
  
  o **MINING TIRES**: the mining tire market continued to enjoy robust growth in demand from international and regional mining companies.
  
  o **OFF-ROAD TIRES**: in the agricultural segment, the Original Equipment markets continued to grow rapidly in North America; however, growth in Europe was held back by weaker Turkish demand. Replacement demand rose slightly in Europe but declined in North America, due to unfavorable weather conditions and declining farming incomes. In Infrastructure, demand continued to trend upwards in both the Original Equipment and Replacement segments, except in Turkey.
  
  o **TWO-WHEEL TIRES**: growth slowed in the European and North American motorcycle tire markets, as seasonal fluctuations became less pronounced. Demand in the Commuting segment remained very strong in the new markets.
  
  o **AIRCRAFT TIRES**: led by the sustained increase in passenger traffic, the commercial aircraft tire market continued to expand, with more pronounced gains in the radial segment.

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### Michelin sales

**CONSOLIDATED SALES**

<table>
<thead>
<tr>
<th>(IN € MILLIONS)</th>
<th>First-quarter 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES</strong></td>
<td>5,809</td>
</tr>
<tr>
<td>Q1 2019 vs. Q1 2018</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CHANGE</strong></td>
<td>+591</td>
</tr>
<tr>
<td>Of which</td>
<td></td>
</tr>
<tr>
<td>VOLUMES *</td>
<td>-25</td>
</tr>
<tr>
<td><strong>PRICE-MIX</strong></td>
<td>+104</td>
</tr>
<tr>
<td><strong>CURRENCY EFFECT</strong></td>
<td>+103</td>
</tr>
<tr>
<td><strong>CHANGES IN SCOPE OF CONSOLIDATION</strong></td>
<td>+409</td>
</tr>
</tbody>
</table>

* In tonnes

Sales for the first quarter of 2019 totaled €5,809 million, an increase of 11.3% from the year-earlier period that was attributable to the following factors:

- A 0.5% or €25 million decrease due to lower volumes, especially in the Passenger Car and Light Truck tires market (2% negative effect).
- A 2.0% increase from the favorable price-mix effect. Prices added 1.3%, reflecting the Group’s disciplined price management, and the mix effect added another 0.7% as the up-market shift in the product mix continued.
- A 2% increase from the favorable currency effect, primarily stemming from US dollar/euro rates.
- A strong 7.8% increase from changes in the scope of consolidation, with the contributions of recently acquired companies (Fenner and Camso) partially offsetting the deconsolidation of TCi.
• **SALES BY REPORTING SEGMENT**

- **Automotive & related distribution**

  Sales stood at €2,788 million for the first quarter of 2019, largely unchanged from the year-earlier period.

  In narrower markets hit by an 8% drop in Original Equipment demand, the Group succeeded in limiting the fall in volumes to 1.6% and consolidated its market share. The price-mix effect was favorable, reflecting disciplined price management, supported by the powerful MICHELIN brand, and the continued up-market shift in the product mix. The effect of changes in the scope of consolidation was negative, due to the deconsolidation of TCI.

- **Road transportation and related distribution**

  Sales for the first quarter amounted to €1,550 million, up 5.3% year on year.

  In slightly cooler markets, the Group continued to grow its sales, reporting an increase of 0.9% thanks in part to the development of new service offers and solutions. The robust price-mix effect reflected the segment’s selective approach, designed to create value.

- **Specialty businesses and related distribution**

  First-quarter sales totaled €1,471 million, a gain of 53% over the same period of 2018 that was primarily attributable to the contributions of newly acquired businesses (Camso and Fenner).

  Excluding these acquisitions, the segment’s underlying sales growth was 4.6%, with a robust price-mix effect along with stable volumes and favorable currency effect.

  ▶ Mining tires: sales continued to grow, thanks to sustained volumes growth and despite some logistics problems, an assertive pricing policy and unfavorable exchange rates.

  ▶ Off-Road tires: sales were stable, with the impact of lower volumes – notably due to the Original Equipment business’s focus on margins – offset by favorable price-mix and currency effects.

  ▶ Two-Wheel tires: sales contracted slightly although volumes increased, especially in the Commuting segment. The Group pursued the integration of Levorin, which reported significantly higher volumes in a very competitive market.

  ▶ Aircraft tires: sales continued to grow, led by higher volumes, an effective pricing strategy and favorable exchange rates.
2019 Highlights

- **MICHELIN Guide 2019** — France published, featuring 632 starred restaurants, including 75 new establishments gaining either one, two or three stars and an unprecedented number of new star-studded restaurants led by women. (January 21, 2019)

- The two latest additions to the MICHELIN Pilot Sport family presented at the Geneva International Motor Show, the MICHELIN Pilot Sport 4 SUV and MICHELIN Pilot Sport Cup2 R developed in partnership with the most demanding carmakers. (March 5, 2019)

- Acquisition of an 88% stake in tire manufacturer PT Multistrada Arah Sarana TBK, a leading player in the fast-growing Indonesian market (March 8, 2019) and launch of a public tender offer (April 16, 2019) for all or some of the remaining shares.

- Michelin named “Tire Manufacturer of the Year” during the 2019 Tire Technology Expo in Germany, in recognition of several achievements, notably the Group’s environmental initiatives, product innovation and its work into worn tire performance. (March 8, 2019)

- Alliance between Faurecia and Michelin to create a future world leader in hydrogen fuel cell systems. (March 11, 2019)

- The new MICHELIN Anakee Adventure motorcycle tire introduced in one of the most dynamic, competitive and innovative markets. (March 21, 2019)

- Changes to the Michelin Executive Committee, to create a tight structure focused on strategic choices. (March 25, 2019)

- Investor Day held in Almeria and €500 million share buyback program announced, to be implemented between 2019 and 2023. (April 4, 2019).

A full description of 2019 highlights may be found on the Michelin website: [https://www.michelin.com/en](https://www.michelin.com/en)
The quarterly information for the period ended March 31, 2019 will be reviewed during a conference call in English later today (Wednesday, April 24, 2019) at 6:30 pm CET. Practical information concerning the call may be found at http://www.michelin.com/eng.

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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**INVESTOR CALENDAR**

- **First-half 2019 sales and results:**
  Thursday, July 25, 2019 after close of trading
- **Financial information for the nine months ending September 30, 2019:**
  Thursday, October 24, 2019 after close of trading

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