London

Credit Investor Update

September 30 & October 1, 2015
Disclaimer

"This document has been prepared exclusively for the purpose of a presentation to investors held on May 18, 2015 in connection with the proposed offering by Michelin Luxembourg SCS (guaranteed by Compagnie Financière du Groupe Michelin, "Senard et Cie" (formerly Compagnie Financière Michelin)) of bonds (the “Offering”).

To obtain more detailed information on the Michelin Group, please consult the documentation available at www.michelin.com, that includes the information filed by the Michelin Group with the Autorité des Marchés Financiers (“AMF”). This includes the 2014 and 2013 registration documents of Compagnie Générale des Etablissements Michelin. The registration documents present a detailed description of the Michelin Group, its business, strategy, financial condition, results of operations and risk factors.

A prospectus will be prepared for the purposes of the Offering and any investment decisions shall only be made on the basis of the information included in the prospectus.

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Credit Investor Update – September 30 & October 1, 2015
Highlights

- A global presence and a balanced business portfolio
- Strong brand and unrivalled technological leadership
- A leader in the premium segment and specialty businesses
- Competitiveness program towards operational excellence
- Strong profitability with high operating margins and cash flow generation
- Sound balance sheet with sustainable credit metrics
- Solid liquidity profile with prudent and diversified funding strategy
- A3 (Moody’s) / BBB+ (S&P) ratings; recent upgrade by Moody’s in March 2015
Corporate Structure

Compagnie Générale des Etablissements Michelin (CGEM) France

\[\land 100\%\]

Compagnie Financière du Groupe Michelin “Senard et Cie” (CFM) Switzerland

\[\land 100\%\]

Manufacture Française des Pneumatiques Michelin (MFPM) France

\[\land 100\%\]

Manufacturing, sales & research companies outside France

\[\land 100\%\]

Michelin Luxembourg SCS

Manufacturing and sales companies in France
September 30 & October 1, 2015
Credit Investor Update

1 Activating Group Levers
Michelin Committed on 6 Major Sustainable Development Ambitions for 2020

1. Widen our lead in product performance
2. Set the industry standard for responsible Manufacturing
3. Secure our financial performance
4. Work together to continuously improve employee well-being and personal growth
5. Strengthen ties with our host communities
6. Improve everyone’s quality of life through sustainable mobility
Michelin is 2015 Industry Best of the Transport Components Sector in the Dow Jones Sustainability Index World (DJSI - ROBECOSAM)
An Ambitious Value Creation Target for 2020

► **Deliver a structural €1 billion Free Cash Flow from 2020***
  *(in millions €)*

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2013</th>
<th>2015e</th>
<th>2020 target*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>517</td>
<td>749</td>
<td>&gt;700</td>
<td>1,000</td>
</tr>
</tbody>
</table>

---

► **Deliver a ROCE (after taxes) ≥ 15% from 2020***

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2015e</th>
<th>2020 target*</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE after taxes</td>
<td>5.4%</td>
<td>10.9%</td>
<td>11.9%</td>
<td>&gt;11.0%</td>
<td>≥15.0%</td>
</tr>
<tr>
<td>ROCE before taxes</td>
<td>10.0%</td>
<td>15.8%</td>
<td>17.3%</td>
<td>&gt;17.0%</td>
<td></td>
</tr>
</tbody>
</table>

---

*At constant scope of consolidation
Activating 4 Pillars to Grow Value Creation

1. **Innovation:**
   innovate to drive differentiation and loyalty

2. **Growth:**
   drive faster growth

3. **Competitiveness:**
   continuously become more competitive

4. **People**
   increasingly committed and focused employees
Activating Group Levers

- Innovation, the Michelin’s DNA
Corporate Innovation Board

● Mission:
  – Define Group’s innovation strategy to serve its growth
  – Govern the innovation dynamics in line with the strategy

● Achievements:
  – Speeding up innovation at Michelin Brand
  – Advanced marketing teams to ensure profitable go to market

● Mobility initiatives:
  – Tweel: successful incubator project resulting in a contract with an OEM and a dedicated plant
  – Luli: a stake in a Chinese car sharing start up
CrossClimate Incorporates All Latest Technology And Process Innovations

VERTICAL INTEGRATION IN SYNTHETIC RUBBER

INTELLIGENT NEW MIX OF COMPOUNDS

COMBINATION OF A UNIQUE V-SHAPED TREAD PATTERN WITH NEW 3D SELF-LOCKING SIPES

INNOVATIVE ASSOCIATION OF BEVEL-EDGED TREAD BLOCKS WITH HIGHER-PERFORMING SIPES

VERTICAL INTEGRATION IN METAL 3D PRINTING ON AN INDUSTRIAL SCALE

JOINT-VENTURE WITH FIVES GROUP
72% of 2014 OE certifications on ≥ 17’

Successful co-development with the most demanding OEMs

Performance acknowledged by the German press

- MICHELIN Primacy 3: 1st summer tire
  - Autobild 2014: (225/50R17)
  - ADAC 2015: (205/55R16)

- MICHELIN Pilot Alpin PA4:
  - Best recommendation Autobild 2014 (235/35R19)

- MICHELIN Energy™ Saver +:
  - Best recommendation Autobild 2015 (185/60R15)
T&B: Innovation Matching Customer Expectations (wear life and fuel efficiency)

- INFINICOIL™
  - Wear life
  - Fuel efficiency
  - Mass

- REGENION™
  - Wear life
  - Fuel efficiency
  - Mass

- CARBION™
  - Wear life
  - Fuel efficiency

- ENERGYFLEX™
  - Fuel efficiency
  - Mass
  - Retreadability

- VERTICAL INTEGRATION IN CABLE METAL

- VERTICAL INTEGRATION IN 3D METAL PRINTING ON AN INDUSTRIAL SCALE

- VERTICAL INTEGRATION IN NATURAL RUBBER

- MICHELIN X Multi: Michelin main Tire offer for Long Haul Regional, Urban and On Road
1 Activating Group Levers

- Capturing Growth
Sustained Long Term Market Projections

PC OE&RT market projection 2014-2020
(in millions units)

2014: 1,460
2020e: 1,650
CAGR ~ 2.5%

TB OE&RT market projection 2014-2020
Radial & Bias (in millions units)

2014: 206
2020e: 225
CAGR ~ 1.5%

Source: Michelin
Michelin: a 100% Premium Pricing Brand in Every Market

*Except in Europe (including former countries of the Soviet Union) and in Africa and Middle East
Natural Hedging Through a Balanced Geographic and Product Mix

Breakdown of Group net sales

- Segment reports
- Geographical regions
- OE vs RT

Percentage contribution of each segment/region to total H1 2014 consolidated net sales

OE

- 72%

RT

- 28%

North America

- 34%

Rest of World

- 24%

Western Europe

- 42%

North America

- 34%

Rest of World

- 24%

OE

- 28%

RT

- 72%

Segment reports

- 54%

- 30%

- 16%

Geographical regions

- 42%

- 34%

- 24%

OE vs RT
Natural Hedging Through a Balanced Geographic and Product Mix

**Breakdown of Group net sales**

- **Segment reports**
  - 15%
  - 29%
  - 56%

- **Geographical regions**
  - Western Europe: 38%
  - North America: 38%
  - Rest of World: 24%

- **OE vs RT**
  - OE: 27%
  - RT: 73%

Percentage contribution of each segment/region to total H1 2015 consolidated net sales
Production Ramp-up on Schedule to Foster Volume Growth

► Ramp-up in new greenfield plants
(in kt)

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>Brazil</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015e</td>
<td></td>
<td>134</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

► Group > 17” capacity
(base 100, in million of tires, MICHELIN brand)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capa. target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>100</td>
</tr>
<tr>
<td>2015e</td>
<td>124</td>
</tr>
<tr>
<td>2020e</td>
<td>170</td>
</tr>
</tbody>
</table>
A Vast Network of Integrated and Franchised Dealers
Our Objective: to exceed 5,000 outlets in 2020
Strengthening our Market Access in Europe by Developing New Distribution Channels

- **Wholesale**: recent acquisition of Meyer Lissendorf and Ihle in Germany to guarantee quality of service for small retailers that have insufficient storage capacity

- **Online sales**: purchase of a stake in Allopneus in France and acquisition of Blackcircles in the UK
Products, Distribution and Services Matching Customer Needs to Capture Growth Opportunities

- Offering innovative services to improve mobility
- Reinforcing our market access through a vast worldwide dealer network and new distribution channels
- Developing profitable Tier 2 / Tier 3 brands to better serve Distribution
- Strengthening the MICHELIN brand technological leadership
Passenger car/Light truck tires: Above-market Growth, Improved Product Mix And Rebound in Other Brands

Global Passenger Car and Light Truck Growth in H1-2015
*(in tonnage, year-on-year change)*

- Volume growth in all regions, in the original equipment and replacement segments alike, across all the Group’s brands and products

Source: Michelin
1 Activating Group Levers

- Competitiveness
The Competitiveness Plan Will Reach the 2015-2016 Target of €500m Offsetting Annual Inflation

<table>
<thead>
<tr>
<th>2012 – 2016 Objective*</th>
<th>SG&amp;A</th>
<th>Materials</th>
<th>Manufacturing &amp; Transports</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>-€300m / -€400m</td>
<td>-€200m / -€300m</td>
<td>-€600m / -€700m</td>
<td>-€1,200m</td>
</tr>
<tr>
<td><strong>Achieved</strong></td>
<td>-€315m</td>
<td>-€119m</td>
<td>-€333m</td>
<td>-€767m</td>
</tr>
<tr>
<td><strong>To come</strong></td>
<td>Around -€100m</td>
<td>Around -€100m</td>
<td>Around -€300m</td>
<td>Around -€500m</td>
</tr>
</tbody>
</table>

**Enablers**
- Efficiency program
- OPE
- Shared Service Centers
- Simplification
- New lines
- New materials
- Scrap process materials
- Best practices (MMW)
- Standardization
- Flexibility
- Footprint optimization

* Before inflation and including avoided costs  ** At June 2015
Competitiveness: Improve our Manufacturing Efficiency

 ► Average Plant size
   (in ‘000 of tons)

2013: 70
2018 target: 96

 ► Plant capacity utilization
   (in % of maximum available capacity)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>H1 2015</th>
<th>Target 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC / LT</td>
<td>85%</td>
<td>87%</td>
<td>91%</td>
</tr>
<tr>
<td>Truck</td>
<td>76%</td>
<td>83%</td>
<td>90%</td>
</tr>
<tr>
<td>Specialty</td>
<td>90%</td>
<td>69%</td>
<td>94%</td>
</tr>
</tbody>
</table>
1. Activating Group Levers

- People
Increasingly Committed and Focused Employees: Engagement Rate 5 Pts Above Benchmark

► Positive work environment

► New impetus to social dialogue

► Committed and incentivized on growth, efficiency and financial targets
  • Increasingly committed employees, with an engagement rate of **74%** vs. 72% in 2013 (2014 Moving Forward Together Survey, IBM-Kenexa)
  — IBM-Kenexa global benchmark: 69% in 2014
September 30 & October 1, 2015
Credit Investor Update

2 A Sound Financial Profile
State-of-the-art Management Process that Structurally Generates Free Cash Flow

<table>
<thead>
<tr>
<th>In € millions</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported free cash flow (1)</td>
<td>(19)</td>
<td>1,075</td>
<td>1,154</td>
<td>322</td>
</tr>
<tr>
<td>WCR impact of raw materials costs (2)</td>
<td>(739)</td>
<td>21</td>
<td>405</td>
<td>177</td>
</tr>
<tr>
<td>Year-end volume effect on WCR (3)</td>
<td>(200)</td>
<td>344</td>
<td>nm</td>
<td>(172)</td>
</tr>
<tr>
<td>Non-recurring items (4)</td>
<td>403</td>
<td>111</td>
<td>-</td>
<td>(400)</td>
</tr>
<tr>
<td>Structural free cash flow (1) – (2) – (3) – (4)</td>
<td>517</td>
<td>599</td>
<td>749</td>
<td>717</td>
</tr>
</tbody>
</table>
Cash and Liquidity Reserve

- €1,167m of cash & cash equivalents and €313m of cash management financial assets at Dec 31, 2014

- €1,500m of an undrawn committed syndicated credit facility successfully refinanced in December 2014 with 17 banks for 5 years plus 2 extension options of 1 year each (5+1+1)
  - Back-up facility
  - EUR and/or USD
  - No financial covenants

- Main short-term debt programs:
  - French Commercial Papers (BT): maximum size €1.5bn
  - USCP program launched in April 2012: maximum $700m
  - Pan-european receivables securitization program: €300m total capacity
  - US receivables securitization program: $200m total capacity
  - Reverse factoring: up to €300m
Strong Diversification of Michelin’s Sources of Financing

Gross Debt by Financing Type as at December 31, 2014

- Total: €2,347m
  - Bonds: 47%
  - Loans from financial institutions: 5%
  - Financial leases: 18%
  - Commercial papers: 27%
  - Derivatives: 3%
Low Overall Debt and Smooth Redemption Profile

**Debt maturities at December 31, 2014**
*(Nominal value, in € millions)*

![Debt Maturity Chart]

- Confirmed Back-up Facilities
- Cash management Financial Assets
- Cash and cash equivalents
- Derivatives and leases
- CP
- Bond
- Securitization
- Loans from financial institutions

Treasury and Back-up lines:
- 2015: 3,000
- 2016: 500
- 2017: 1,500
- 2018: 200
- 2019: 1,000
- 2020: 500
- 2021 and more: 0

Credit Investor Update – September 30 & October 1, 2015
Robust Financial Position

Gearing – Net debt / Equity
(in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt / Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>22</td>
</tr>
<tr>
<td>2012</td>
<td>12</td>
</tr>
<tr>
<td>2013</td>
<td>2</td>
</tr>
<tr>
<td>2014</td>
<td>7</td>
</tr>
</tbody>
</table>
Systematic and Efficient Management of the Main Financial Risks under the Governance of the Financial Risk Committee

● Liquidity risk:
  — Secured financing: RCF, undrawn committed syndicated credit facility of €1,500m
  — Diversified financing sources
  — Conservative approach with available short-term instruments much above our needs
  — Non-risky cash investment
  — Risk managed at diverse horizons: very short term (5 d), monthly on a rolling 18 months, 5 years financial plan

● Interest rate risk:
  — Managed by currency at central level only
  — Defined fixed/variable thresholds

● FX rate risk:
  — Accounting FX exposure systematically hedged on a daily basis

● Counterparty risk:
  — Duly authorized counterparts (Group banks, CDS, ratings, market cap, …) with defined thresholds in €
  — Managed on a weekly basis
Moody’s Upgraded Michelin’s Long Term Rating

<table>
<thead>
<tr>
<th></th>
<th>CGEM</th>
<th>CFM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short term</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>A-2</td>
<td>A-2</td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>P-2</td>
<td>P-2</td>
</tr>
<tr>
<td><strong>Long term</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>BBB+</td>
<td>BBB+</td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>A3</td>
<td>A3</td>
</tr>
<tr>
<td><strong>Outlook</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>S&amp;P Moody’s</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

✓ The strong market presence with a particularly high focus on the high-price (tier 1) tyre segment and the "Michelin" brand as well as the group's technological leadership help Michelin to charge premium prices for its products. (Moody’s – 23 March 2015)

✓ The stable outlook reflects our expectation that Michelin will be able to (i) achieve an EBITA Margin in the low teens through the cycle; (ii) manage leverage to a level of around 1.75x debt/EBITDA (2.0x per FY 2014) and (iii) generate a positive free cash flow before dividend payments (EUR 226 million). The stable outlook also incorporates that the group will preserve a conservative financial policy and healthy liquidity profile consistent with a A-rated company. (Moody’s – 23 March 2015)
3 Outlook
## Guidance confirmed

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volumes</strong></td>
<td>Growth above markets</td>
</tr>
<tr>
<td><strong>EBIT before non recurring</strong></td>
<td>Up beyond currency effect</td>
</tr>
<tr>
<td>Impact of raw materials</td>
<td>Around €600m tailwind</td>
</tr>
<tr>
<td>Price-mix / Raw materials</td>
<td>Indexed business : negative</td>
</tr>
<tr>
<td>Competitiveness / cost inflation</td>
<td>Non indexed business : neutral</td>
</tr>
<tr>
<td>Currency effect on EBIT*</td>
<td>Neutral over the year</td>
</tr>
<tr>
<td><strong>Structural FCF</strong></td>
<td>Above €700m</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>Around €1,800m</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>More than 11%</td>
</tr>
</tbody>
</table>

* Based on July 2015 assumptions
## Passenger car Tire Market: Favorable Market Trends Supportive to the Group’s Regional Footprint

### August 2015 / 2014

<table>
<thead>
<tr>
<th>Market</th>
<th>Europe* (excluding Russia&amp;CIS)</th>
<th>North America</th>
<th>Brazil</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment</td>
<td>▲ +15%</td>
<td>▲ +6%</td>
<td>▼ -14%</td>
<td>▼ -4%</td>
</tr>
<tr>
<td>Replacement tires</td>
<td>▲ +4%</td>
<td>▲ +2%</td>
<td>▲ +2%</td>
<td>▲ +10%</td>
</tr>
</tbody>
</table>

### YTD (August 2015)

<table>
<thead>
<tr>
<th>Market</th>
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<th>Brazil</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment</td>
<td>▲ +5%</td>
<td>▲ +4%</td>
<td>▼ -14%</td>
<td>▲ +2%</td>
</tr>
<tr>
<td>Replacement tires</td>
<td>▲ +4%</td>
<td>▲ +1%</td>
<td>▲ 3%</td>
<td>▲ +8%</td>
</tr>
</tbody>
</table>

* Turkey included
### Truck Tire Market: Strong Momentum In Mature Countries Favorable to the Group

#### August 2015 / 2014

<table>
<thead>
<tr>
<th>Market (Radial + Bias)</th>
<th>Europe* (excluding Russia&amp;CIS)</th>
<th>North America</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment tires</td>
<td>✓ +11%</td>
<td>✓ +4%</td>
<td>✓ -45%</td>
</tr>
<tr>
<td>Replacement tires</td>
<td>✓ +13%</td>
<td>✓ 0%</td>
<td>✓ -5%</td>
</tr>
</tbody>
</table>

#### YTD (August 2015)

<table>
<thead>
<tr>
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<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment tires</td>
<td>✓ +10%</td>
<td>✓ +13%</td>
<td>✓ -46%</td>
</tr>
<tr>
<td>Replacement tires</td>
<td>✓ +8%</td>
<td>✓ +4%</td>
<td>✓ -8%</td>
</tr>
</tbody>
</table>

* Turkey included
An ambitious value creation target for 2020

- **Deliver a structural €1 billion Free Cash Flow from 2020***
  
  (in millions €)

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<td>749</td>
<td>&gt;700</td>
<td>1,000</td>
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* At constant scope of consolidation

- **Deliver a ROCE (after taxes) ≥ 15% from 2020***

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<tr>
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<tr>
<td></td>
<td>5.4%</td>
<td>10.9%</td>
<td>11.9%</td>
<td>&gt;11.0%</td>
<td>≥15.0%</td>
</tr>
</tbody>
</table>

* ROCE after taxes

* ROCE before taxes

* At constant scope of consolidation

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Credit Investor Update – September 30 & October 1, 2015

[Michelin logo]
Invest to create value

► **Succeed in our priority investments to capture growth and deliver innovative solutions**
  - In the supply chain, to improve customer services (IS, logistics centers)
  - In growing markets: PC premium tires, North America, China
  - In Truck fleet and Digital services
  - In raw materials and semi-finished products

► **Reducing the gap between capital expenditure and depreciation** (In € millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,980</td>
<td>1,049</td>
</tr>
<tr>
<td>2014</td>
<td>1,883</td>
<td>1,112</td>
</tr>
<tr>
<td>2015</td>
<td>~1,800</td>
<td>1,300</td>
</tr>
<tr>
<td>2016</td>
<td>1,800</td>
<td>1,350</td>
</tr>
<tr>
<td>2017</td>
<td>1,700</td>
<td>1,400</td>
</tr>
</tbody>
</table>

- CAPEX
- Depreciation
A strategy committed to shareholders

► €750m share buyback plan
  ● First tranche of €250m completed as of July 31
    — Number of shares repurchased: 2,641,094
    — Purchase cost: €250m
    — Weighted average price: €94.70
  ● Second €200m tranche to be completed at December-end 2015

► Pay-out target: at least 35% of Group Net Income (excluding non recurring costs)
September 30 & October 1, 2015
Credit Investor Update

Appendices
### Markets in first-half 2015/2014

% change year-on-year (in number of tires)

<table>
<thead>
<tr>
<th>Region</th>
<th>RMA pool*</th>
<th>RMA non pool*</th>
<th>New markets excluding China</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>-14%</td>
<td>+4%</td>
<td>-8%</td>
</tr>
<tr>
<td>Europe excluding Russia</td>
<td>+5%</td>
<td>+5%</td>
<td>0%</td>
</tr>
<tr>
<td>China</td>
<td>+5%</td>
<td>+9%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

**GLOBAL MARKET**

- +0%  
- +2%

---

* RMA pool: Rubber Manufacturers Association members

**Source:** Michelin
**Truck tires: global market down, with growth in mature countries and in India, but demand down in the other new markets**

**Markets in first-half 2015/2014**

% change year-on-year (in number of tires)

- **North America:** +17% (+5%)
- **Europe excluding Russia:** +9% (+7%)
- **Africa India and Middle East:** +15% (+2%)
- **China:** -25% (-4%)
- **New markets excluding China and AIM:** -25% (-7%)

Source: Michelin

OE

RT

GLOBAL MARKET

-8% -2%
**Specialty markets:** 2015 outlook still low in the Mining and Agricultural markets, with slight growth expected in other segments

**FY 2015e / FY 2014 in tons**

<table>
<thead>
<tr>
<th>Market</th>
<th>FY 2015e (%)</th>
<th>FY 2014 (%)</th>
<th>Weighted Specialty tire markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>-5% / -9%</td>
<td></td>
<td>-3% / -7%</td>
</tr>
<tr>
<td>OE &amp; Infrastructure*</td>
<td></td>
<td>+2% / +3%</td>
<td></td>
</tr>
<tr>
<td>Agricultural*</td>
<td>-5% / -9%</td>
<td></td>
<td>+4% / +6%</td>
</tr>
<tr>
<td>Aircraft**</td>
<td></td>
<td></td>
<td>+1% / +2%</td>
</tr>
<tr>
<td>Two-Wheel***</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Europe and North America
** Commercial aircraft
*** Motorcycle Europe, USA, Japan

Source: Michelin
First-half 2015 and 2014 financial highlights as reported

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>10,497</td>
<td>9,673</td>
</tr>
<tr>
<td><strong>Operating income</strong> <em>(before non-recurring items)</em></td>
<td>1,262</td>
<td>1,159</td>
</tr>
<tr>
<td><strong>Operating margin</strong> <em>(before non-recurring items)</em></td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Non-recurring items</strong></td>
<td>-17</td>
<td>-87</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>707</td>
<td>624</td>
</tr>
<tr>
<td><strong>Earnings per share</strong> <em>(in €)</em></td>
<td>3.79</td>
<td>3.34</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong> <em>(excluding acquisitions)</em></td>
<td>632</td>
<td>703</td>
</tr>
<tr>
<td><strong>Free cash flow</strong> <em>(excluding acquisitions)</em></td>
<td>-100</td>
<td>-232</td>
</tr>
<tr>
<td><strong>Gearing</strong></td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Employee benefit obligations</strong></td>
<td>4,780</td>
<td>4,025</td>
</tr>
</tbody>
</table>

*Cash flows from operating activities less cash flows used in investing activities before acquisition*
H1 2015: Robust growth and improved free cash flow

- Volume up 2.4% off of high prior-year comparatives:
  - Passenger car/Light truck tire sales clearly outpaced the market
  - Truck tire and Specialty business volumes were slightly better than their markets
  - Growth gained momentum from quarter to quarter on uneven markets

- A quarter-on-quarter improvement in the price-mix
  - As expected, changes in the price-mix and raw materials prices had a net negative effect, reflecting in particular:
    - Contractual price adjustments under raw materials-based indexation clauses
    - Managed price adjustments

- Free cash flow before acquisitions was a negative €100m, an improvement of €132m that is in line with the Group’s new full-year target
Net sales: above-market growth in volumes

Change vs. H1 2014
(in € millions)

<table>
<thead>
<tr>
<th>Component</th>
<th>H1 2014 Net sales</th>
<th>H1 2015 Net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (+2.4%)</td>
<td>9,673</td>
<td>10,497</td>
</tr>
<tr>
<td>Price-Mix (-4.3%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency effect (+10.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation (+0.5%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+232
-426
+971
+47

10,497

Change vs. H1 2014 (in € millions):

- Net sales: 10,497 (H1 2015)
- Volumes: +232 (H1 2014: 9,673)
- Price-Mix: -426 (H1 2014: 9,673)
- Currency effect: +971 (H1 2014: 9,673)
- Change in scope of consolidation: +47 (H1 2014: 10,497)
As expected, volumes and the price mix improved quarter to quarter

**YoY change in %**

### Volumes

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>+3.4</td>
<td>+3.4</td>
<td>-1.2</td>
<td>-0.1</td>
<td>+0.6</td>
</tr>
</tbody>
</table>

### Price-mix

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.1</td>
<td>-2.2</td>
<td>-2.2</td>
<td>-3.4</td>
<td>-5.1</td>
</tr>
</tbody>
</table>

### Currency effect

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.6</td>
<td>-4.3</td>
<td>-0.6</td>
<td>+3.8</td>
<td>+9.7</td>
</tr>
</tbody>
</table>

+10.7

---

Credit Investor Update – September 30 & October 1, 2015
Operating income before non-recurring items up 9% or €103m

Change vs. H1 2014
(in € millions)

- Volume: +86
- Raw material: +228
- Price-mix o/w mix: +71
- Competitiveness: +64
- Inflation: -90
- Depreciation: -74
- Other o/w start up costs: +49
- Currency effect: +302

H1 2014: 1,159
H1 2015: 1,262

Change: +103

+8.9%
Financial structure still robust after acquisitions

**Gearing – Net debt/Equity**
(as a %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGEM</td>
<td>22</td>
<td>12</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

**Debt rating**

<table>
<thead>
<tr>
<th></th>
<th>CGEM</th>
<th>CFM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short term</strong></td>
<td>S&amp;P Moody’s</td>
<td>A-2 P-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A-2 P-2</td>
</tr>
<tr>
<td><strong>Long term</strong></td>
<td>S&amp;P Moody’s</td>
<td>BBB+ A3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BBB+ A3</td>
</tr>
<tr>
<td><strong>Outlook</strong></td>
<td>S&amp;P Moody’s</td>
<td>Stable Stable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stable Stable</td>
</tr>
</tbody>
</table>

S&P: Standard & Poor's
Moody's: Moody's Ratings
CGEM: Company 1
CFM: Company 2
A comfortable cash position with a 7% gearing at end 2014

Debt maturities at June 30, 2015
(Nominal value, in € millions)
**Net sales:** slightly higher unit sales

- **YoY change**
  - (in € millions)

<table>
<thead>
<tr>
<th>2013 Net sales</th>
<th>2014 Net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>20,247</strong></td>
<td><strong>19,553</strong></td>
</tr>
<tr>
<td><strong>+134</strong></td>
<td><strong>-3.4%</strong></td>
</tr>
<tr>
<td>Volumes (+0.7%)</td>
<td></td>
</tr>
<tr>
<td>-449</td>
<td></td>
</tr>
<tr>
<td>Price-Mix (-2.2%)</td>
<td></td>
</tr>
<tr>
<td>-304</td>
<td></td>
</tr>
<tr>
<td>Currency effect (-1.5%)</td>
<td></td>
</tr>
<tr>
<td>-75</td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation (-0.4%)</td>
<td></td>
</tr>
</tbody>
</table>
Operating income before NR up by €81m before currency effect: effective price-mix vs. raw materials management and good cost discipline, as expected

YoY change
(in € millions)

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>+51</td>
</tr>
<tr>
<td>Raw materials</td>
<td>+567</td>
</tr>
<tr>
<td>Price-mix o/w mix: +147</td>
<td>+118</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>-449</td>
</tr>
<tr>
<td>Opex &amp; SG&amp;A Inflation</td>
<td>+238</td>
</tr>
<tr>
<td>Inflation</td>
<td>-256</td>
</tr>
<tr>
<td>Other</td>
<td>-70</td>
</tr>
<tr>
<td>Currency effect</td>
<td>-145</td>
</tr>
<tr>
<td>Total</td>
<td>+81 excl. currency effect</td>
</tr>
</tbody>
</table>

2,234
2,170
-2.9%
Operating margin by reporting segment in line with objectives

Operating margin before non-recurring items
(as a % of net sales)

- Car and Light truck & distribution: 10.2% (2014), 10.5% (2013)
- Truck & distribution: 7.8% (2014), 8.1% (2013)
- Specialty businesses: 20.6% (2014), 19.3% (2013)
- Total: 11.0% (2014), 11.1% (2013)
Effective management of pricing policy over time: aggregated net positive impact of more than €1,100m since 2010

Net effect of price mix and raw materials prices
(in € millions)

- Indexation clauses represented a third of the price effect in H1 2015
- Positive raw material price impact of €600m expected over full-year 2015 based on past price trends, after €228m in the first half
- Price increases of 3% announced in Europe for Passenger car, Light truck, Truck and Agricultural tires in H2 2015
Raw materials and price trends in H1 2015

- **Raw material purchases in H1 2015**
  - (€2,414m)
  - Textiles: 7%
  - Natural rubber: 25%
  - Steel cord: 25%
  - Chemicals: 13%
  - Fillers: 20%
  - Synthetic rubber: 9%

- **Exchange rate €/$**:
  - Average H1’14: 1.37
  - Average H1’15: 1.12 (down 18%)

- **Raw materials and price trends in H1 2015**
  - Synthetic rubber
  - Steel cord
  - Brent
  - Textiles
  - Chemicals
  - Fillers
  - Natural rubber
Natural Rubber price (USD/kg)

At end of August 2015

(Source: SICOM)
At end of August 2015

Brent Price (USD/barrel)

- Brent 110 +0,4%  
- Quarterly average Brent in $ & quarterly change in %
  - Q3'13: 110 +0,4%  
  - Q4'13: 110 -0,6%  
  - Q1'14: 108 -4,4%  
  - Q2'14: 110 +6,5%  
  - Q3'14: 103 -6,5%  
  - Q4'14: 77 -29,6%  
  - Q1'15: 55 -49,0%  
  - Q2'15: 63 -42,3%  
  - Jul/Aug'15: 53 -49,7%
Butadiene Price (USD/t, EUR/t)

At end of August 2015

Butadiene US Golf
Butadiene Europe
Quarterly average Butadiene in $ & quarterly change in %

Q3'13: 1,124 -42.6%
Q4'13: 1,141 -36.8%
Q1'14: 1,368 -22.1%
Q2'14: 1,518 -13.8%
Q3'14: 1,336 -18.8%
Q4'14: 1,065 -6.7%
Q1'15: 704 -48.5%
Q2'15: 694 -54.3%
Jul/Aug'15: 901 -34.5%

(Source: IHS)
2015 guidance: estimated positive currency effect of over €350m on EBIT

Breakdown of H1 2015 net sales by currency

% of net sales

- ARS: 1%
- AUD: 1%
- BRL: 3%
- CAD: 3%
- CNY: 5%
- EUR: 33%
- GBP: 3%
- INR: 1%
- JPY: 1%
- MXN: 2%
- RUB: 1%
- THB: 1%
- TRY: 1%
- ZAR: 1%
- Autres: 5%

Sensitivity of EBIT to the €/$ exchange rate: one cent change in the annual average €/$ exchange rate would result in a €15m-€20m change in full-year EBIT.

Rate Euro / USD – 12/2011 – 06/2015

Source: Thomson One
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