

COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN

Michelin Updates 2015 Guidance

As announced, over the summer, Michelin reviewed its capital expenditure program and 2015 financial outlook. The review followed on from the Group's robust interim 2012 earnings performance, which reflected its strategic vision, its competitive strengths and its management.

In a global tire market environment that will remain supportive over the medium and long terms, despite the current uncertainty, Michelin is focusing on projects that sustain its growth and strengthen its competitive advantages. They include a premium positioning, leadership in its specialty businesses and a broad worldwide footprint.

The premium tire segment, in which Michelin sets the benchmark and which is expanding faster than the overall market, represents a strong growth opportunity that Michelin will seize by expanding its premium tire (17" and above) production capacity by nearly 70% between 2012 and 2015.

To widen its leadership in its specialty businesses, Michelin is pursuing the announced projects in South Carolina, to extend mining tire capacity at the Lexington plant and to build a new facility in Anderson, for a total investment of \$750 million.

With a global footprint already well balanced between Europe, North America and the rest of the world, the Group is going to step up its deployment in the new markets, which will account for nearly 60% of its new capacity investments.

In addition, to widen its technological leadership, Michelin is increasing its investments in materials, with capital expenditure of around €550 million a year through 2015.

Backed by its demonstrated ability to manage its capital expenditure, Michelin will commit a total of between €1,600 million and €2,200 million a year over the 2012-2015 period, depending on the market outlook.

As a result, and confident in its strengths, Michelin confirms its guidance for full-year 2012, i.e. a clear increase in operating income before non-recurring items, with a 3% to 5% expected decrease in full-year sales volume, and free cash flow of around €300-400 million before the impact of the sale of a property complex in Paris.

After a year of transition in 2013, tire markets should return to their structural growth of 4-5% a year, with raw materials prices tracking a similar trend. The Group's objective is to increase sales in line with market growth.

For 2015, Michelin aims to report operating income before non-recurring items of around €2.9 billion, with normalized operating margins before non-recurring items of 10-12% in the Passenger car & Light truck segment, 7-9% in the Truck segment and 20-24% in the Specialty businesses, which are expected to grow more quickly than the rest of the Group.

Michelin also aims to deliver a more than 10% return on capital employed and positive free cash flow in each year over the period.



PRESENTATION AND CONFERENCE CALL

The 2015 outlook for capital expenditure and profitability will be reviewed with analysts and investors during a conference call in English today, Wednesday September 19, at 5:00 pm CEST. If you wish to participate, please dial-in one of the following numbers from 4:50 pm CEST:

- In France 01 70 77 09 37
- In the UK 0203 367 9453
- In the United States (866) 907 5923
- From anywhere else +44 203 367 9453

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

REPLAY

- In France 01 72 00 15 00 278161#
- In the UK 0203 367 9460 278161#
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INVESTOR CALENDAR

- **Quarterly information for the nine months ended September 30, 2012:**
Monday, 22 October 2012 after close of trading
- **2012 net sales and results:**
Tuesday, February 12, 2013 before start 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.

