



April 20, 2017

Net Sales at March 31, 2017

Q1 2017: €5.6 billion in net sales (up 10%), with strong growth in volumes

- Generally expanding market environment
 - Sustained OE demand
 - RT 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”+ segment
- 2017 guidance confirmed, in line with our 2020 objectives

Q1 2017 markets lifted by early buying ahead of RT price increases



PASSENGER CAR: +5%

Global OE: +4%

Global RT: +5%

- Robust demand in every region



TRUCK: +8%

Global OE: +9%

Global RT: +7%

- OE: sustained firm growth in China and Europe, declines in North and South America
- RT: demand boosted by price increases and by favorable global freight conditions



SPECIALTY: +9%/+11%

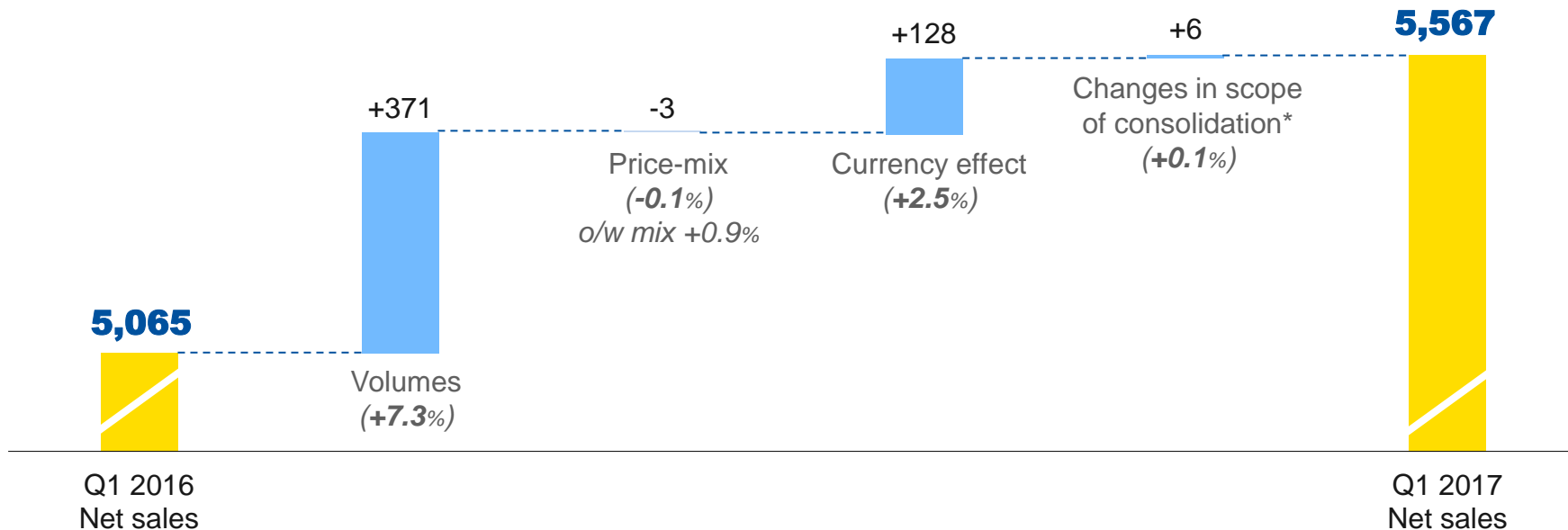
- Mining tires: rising demand led by the end of destocking
- RT Agricultural and Infrastructure tires: markets supported by price hikes
- OE Agricultural: stable
- Aircraft* and Two-Wheel** tires: continued growth

* Commercial aircraft

** Motorcycle tires in Europe, the United States and Japan

Net sales lifted by sharply higher volumes

▲ YoY change
(in € millions and %)

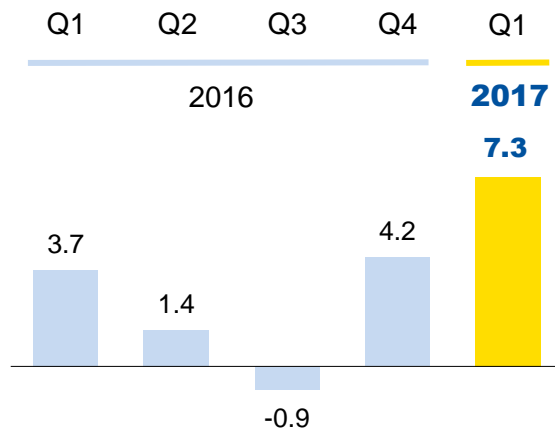


* BookaTable

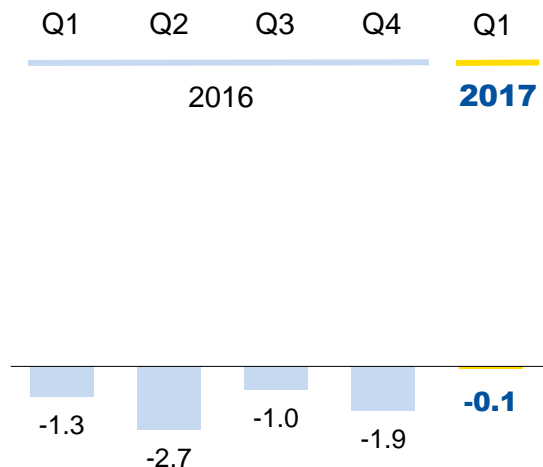
Strong growth in volumes vs. a high basis of comparison and price-mix stabilizing ahead of price increases

▲ YoY quarterly change
(in %)

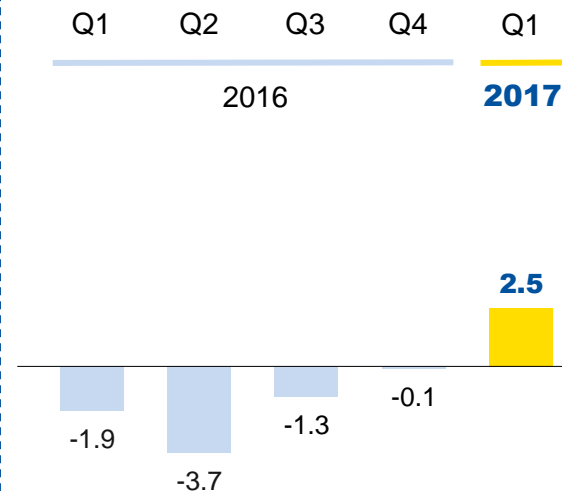
Volumes



Price-mix






Currency effect



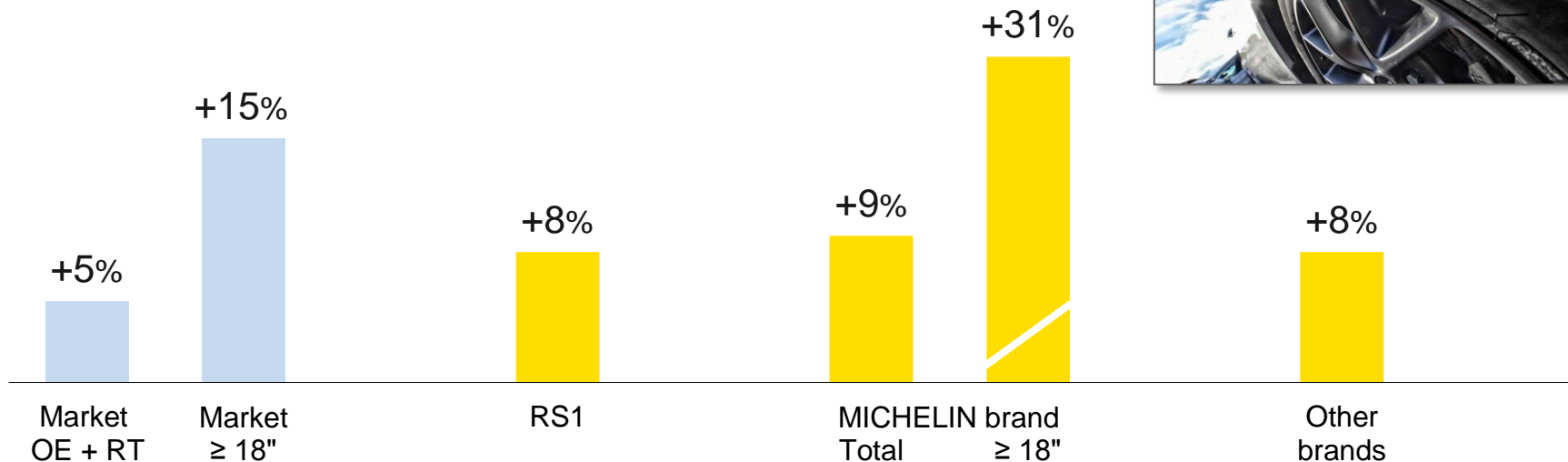
Improved Group positions

(in € millions and % in tonnes)

	Q1 2017	Q1 2016
 RS1 net sales Volume growth	3,201 +8%	2,897 +4%
 RS2 net sales Volume growth	1,518 +3%	1,430 +3%
 RS3 net sales Volume growth	848 +14%	738 +0%

Passenger car and Light truck tires: solid performance across all brands and in every segment

▲ Passenger car and Light truck growth (YoY)



Source: Michelin

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Net Sales at March 31, 2017



2017 guidance confirmed

Markets in 2017: early-year growth driven by price increases



PASSENGER CAR: +2%/+3%

Growth in line with long-term trends

- Slowing momentum in the North American and European markets
- Still buoyant demand in China
- Recovery in the other regions



TRUCK: +0%/+2%

Growth in line with long-term trends

- China: Return to growth in the world's largest market
- Europe: Moderate growth
- North America: Another period of decline in OE and strong demand holding firm in RT



SPECIALTY: +3%/+5%

- Of which Mining tires: +8%/+10%
- Of which Agricultural tires: stable

2017 guidance confirmed: on the road to our 2020 objectives

	2017
Volumes	Growth in line with the markets
Operating income from recurring activities at constant exchange rates	≥ 2016
Net price-mix/raw materials effect	Non-indexed businesses: neutral
Structural FCF*	> €900m

* Adjusted for the payment in January 2017 of the €193m in interest on the 2017 Océane zero-coupon convertible bonds.

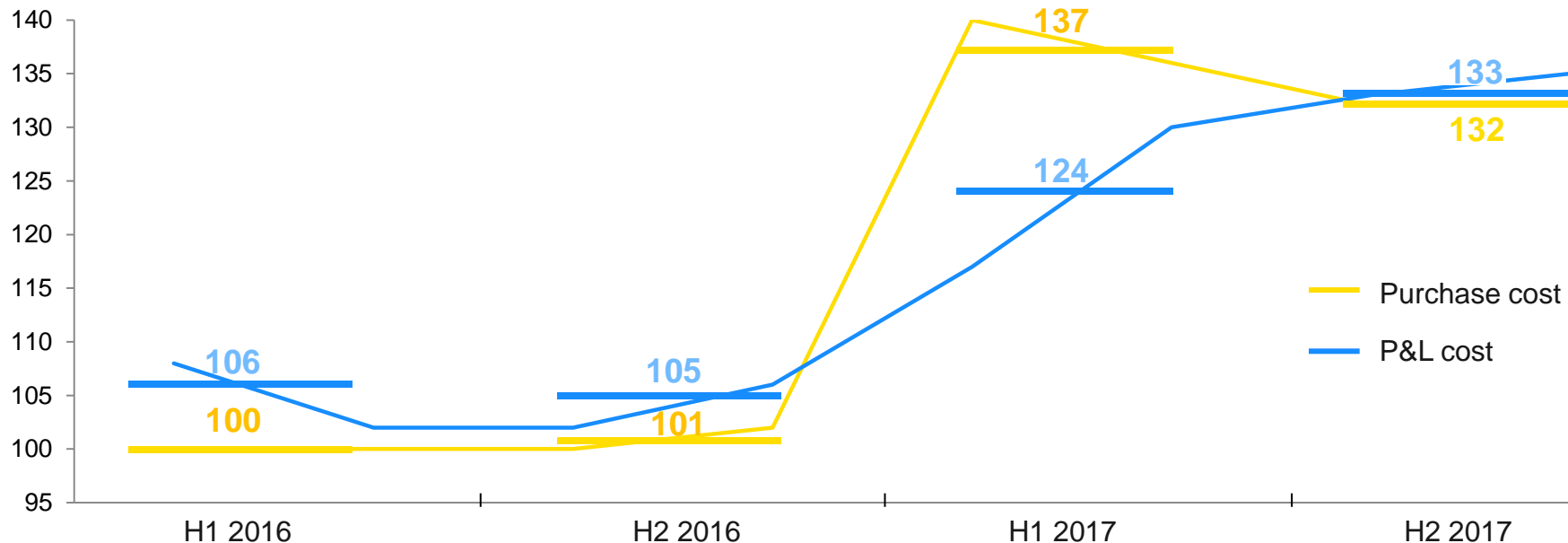
2017 scenario*: H1 lifted by volumes and H2 by price increases

	H1 2017	2017
Impact of raw materials costs		Around €900m headwind
Currency effect		Around a positive €100m
Net price-mix/raw materials effect	€100-200m headwind	Indexed businesses: negative Non-indexed businesses: neutral
Competitiveness plan gains vs. inflation		Slightly positive

* Based on the following prices: natural rubber: \$2/kg; butadiene (US and Europe): \$1,600/T; brent: \$55/bbl; EUR/USD: \$1.06

Raw materials: a negative impact mainly in H2

▲ 2017 assumptions per half



Worldwide price increases for Michelin

Europe	North America	South America	China	ASEAN
Up to 8% over the first four months	Up to 8% from Feb. to April	Up to 3% in January	Up to 8% in February	Up to 8% in March-April

- Further price increases have been announced in Europe in the Truck (up 5% to 8% from May), Passenger car and Light truck (up 2% to 3% from June), and Agricultural (up 12% from July) segments.



MICHELIN

PILOT SPORT 4 S 

1st in (the largest number of) essential performances:

- 1st in DRY braking ⁽¹⁾
- 1st in WET braking ⁽¹⁾
- 1st in DRY laptime ⁽¹⁾
- 1st in longevity ⁽²⁾

LEGAL MENTIONS

(1): Thanks to external tests realized by TÜV SÜD in June and July 2016 in 255/35-19 96 Y XL with BRIDGESTONE Potenza S001, CONTINENTAL SportContact 6, DUNLOP Sport Maxx RT 2, GOODYEAR Eagle F1 Asymmetric 3, and PIRELLI Pzero Nero GT bought on European replacement market in 2016 by TÜV SÜD.

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Investor calendar

- **Upcoming events:**

- **May 19, 2017:** Annual Shareholders Meeting
- **July 25, 2017 after close of trading:** First-half 2017 results
- **October 19, 2017 after close of trading:** Third-quarter 2017 net sales

- **Dividend dates:**

- **May 24, 2017:** Ex-dividend date
- **May 25, 2017:** Record date
- **May 26, 2017:** Payment date

April 20, 2017

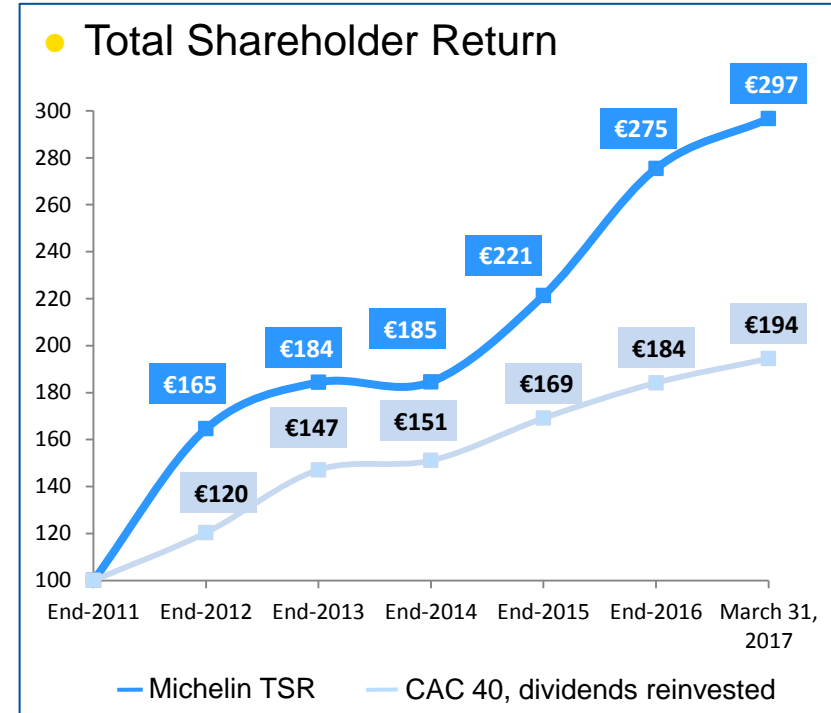
Net Sales at March 31, 2017



Appendices

Sustained shareholder return policy: dividends and share buybacks

- Share buyback program
 - €750m committed in 2015-2016 and cancellation of 4.5% of outstanding shares
 - 2017: €100m in buybacks planned to offset the dilutive impact of share-based compensation
- Payout commitment
 - At least 35% of net income before non-recurring items
 - 2016: €3.25* per share, representing a payout ratio of 36.5%

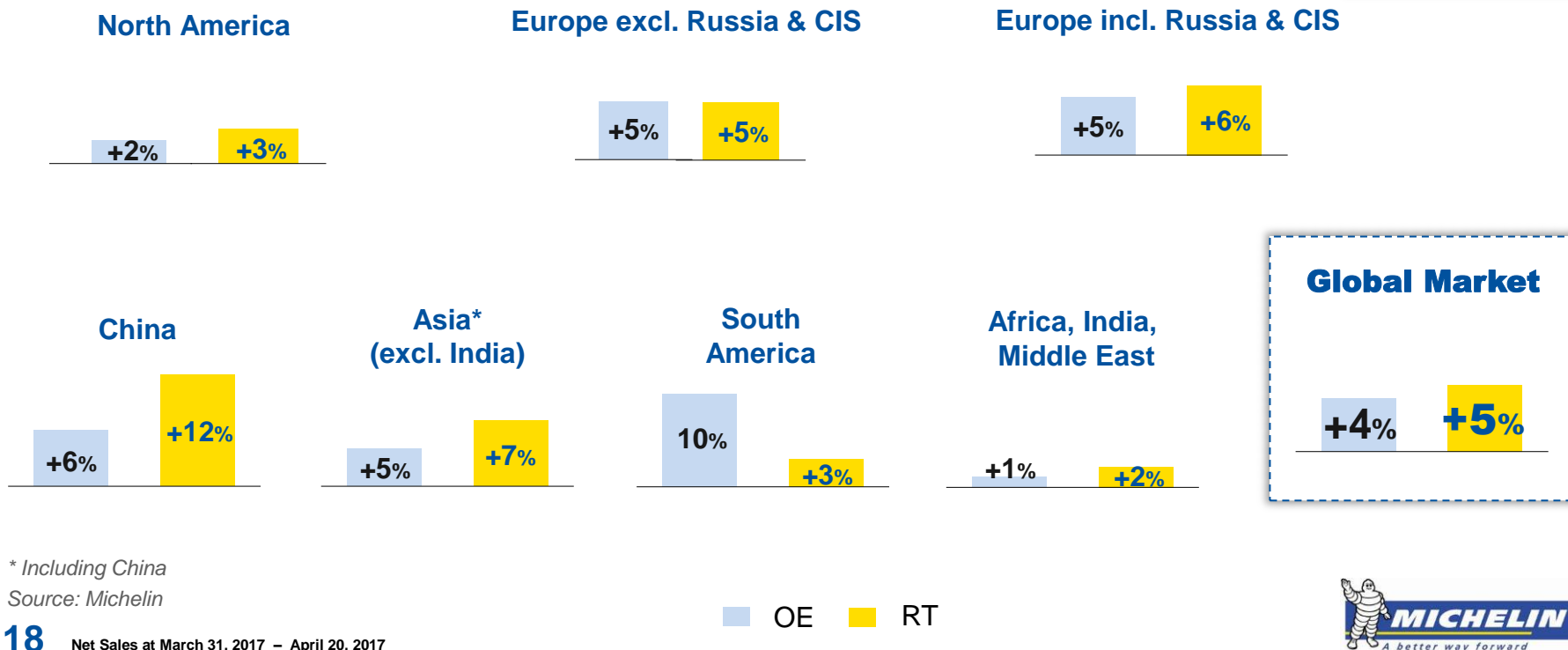


* Subject to shareholder approval at the Annual Meeting on May 19, 2017

PC and Light truck tires: Robust demand in every region and segment, lifted by early dealer buying

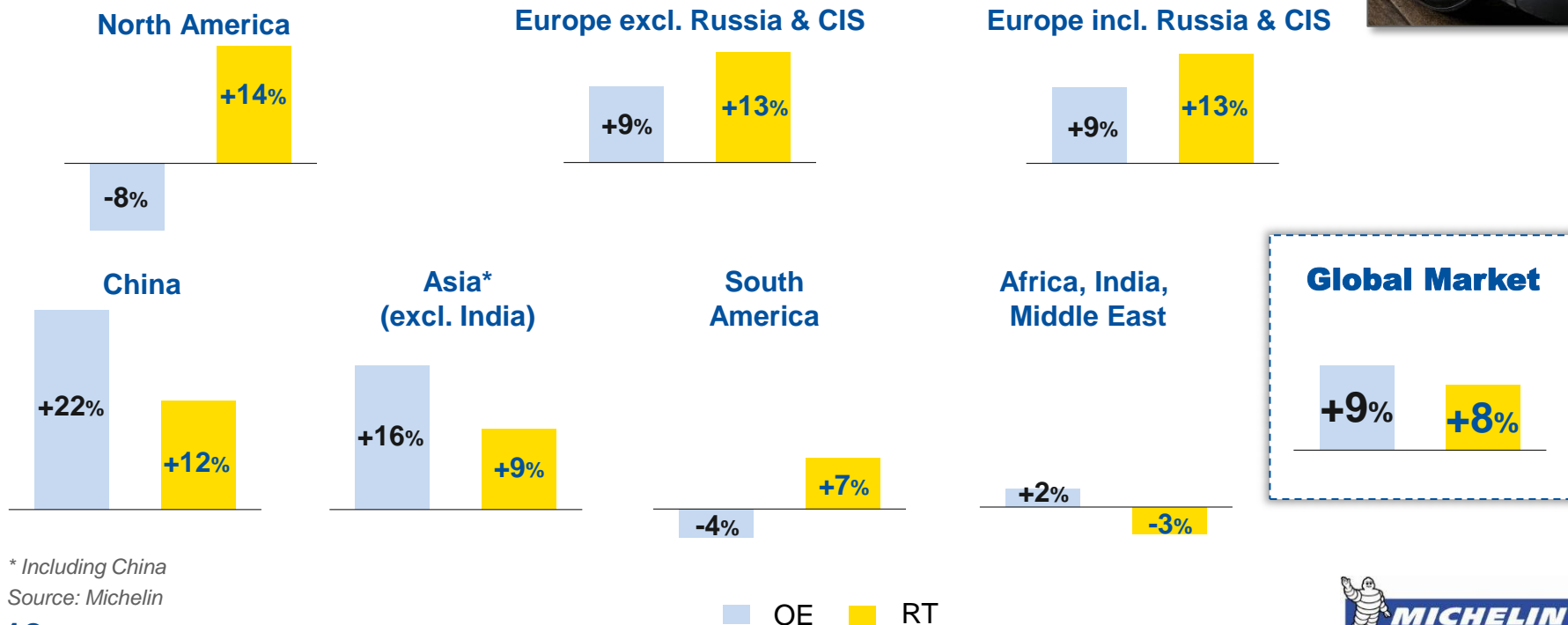


▲ Passenger car and Light truck market at March 31, 2017
(YoY in %, in number of tires)



Truck & Bus: rebound in global market fueled by sharp growth in China and sell in pre-buy

▲ Truck tire market at March 31, 2017
(YoY in %, in number of new tires)

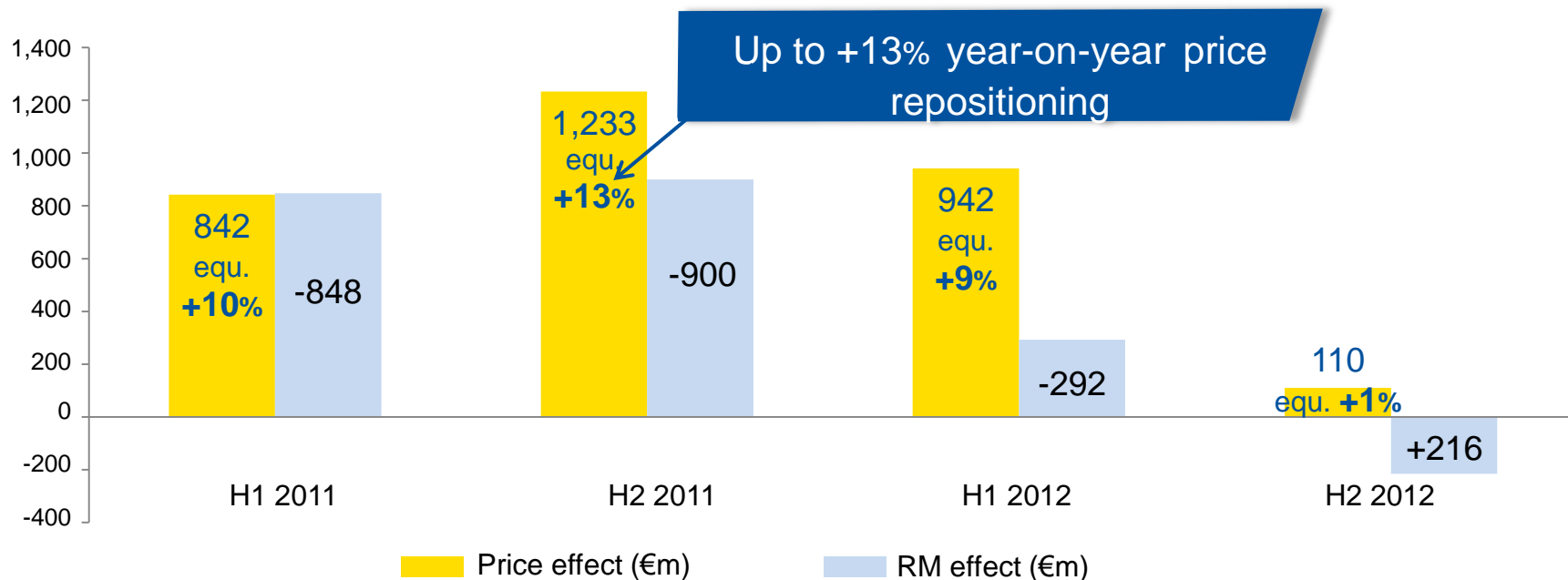


* Including China

Source: Michelin

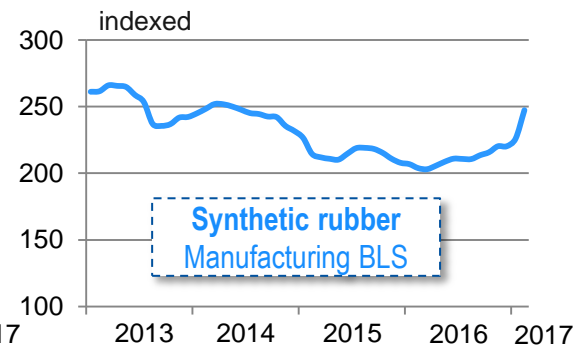
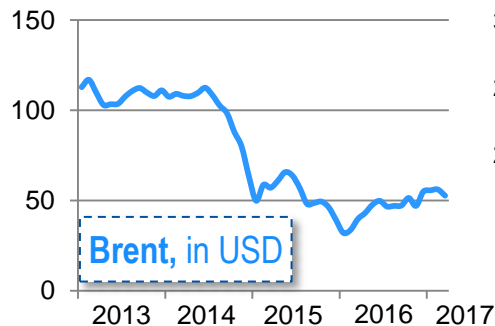
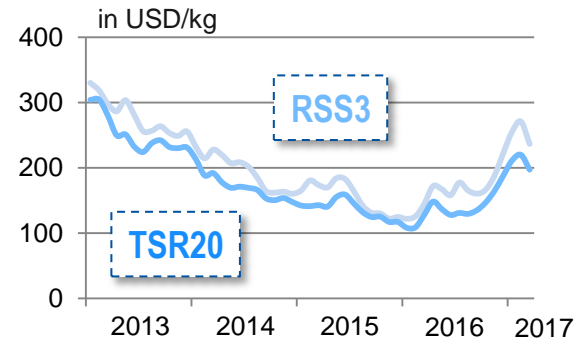
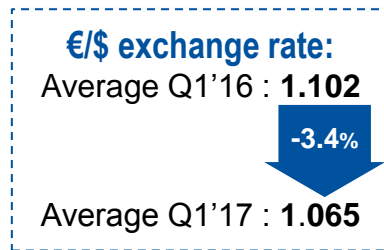
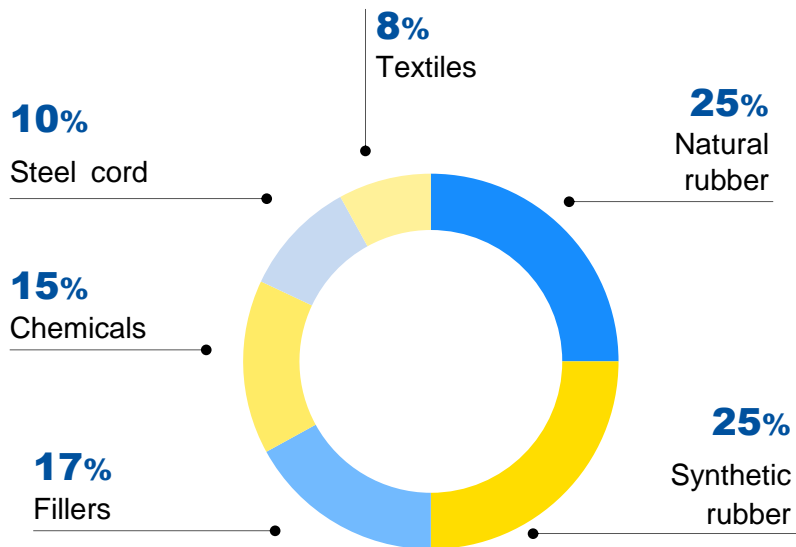
Demonstrated ability to pass along sharp price increases in response to surging raw materials costs

▲ Price and raw materials effects by half year, 2011-2012; price increases
(in € millions and % of net sales, YoY)



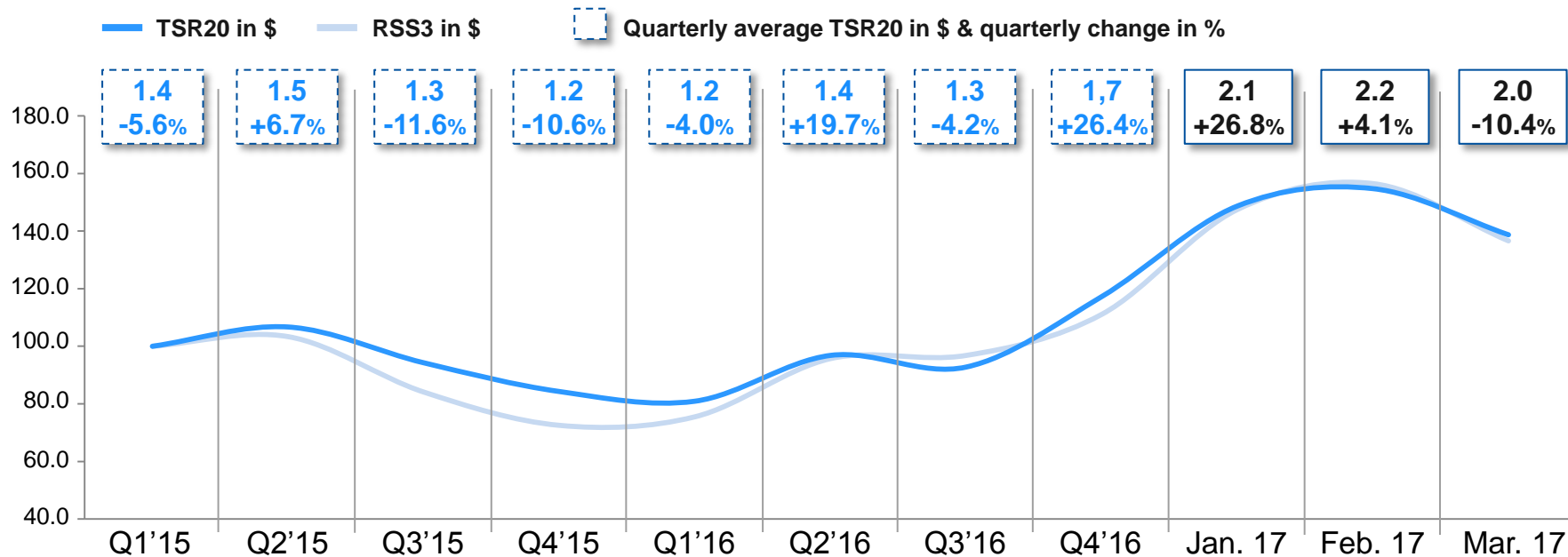
Raw materials in 2016 and 2017

▲ Raw material purchases in 2016 (€4.3bn)



Natural rubber price trend

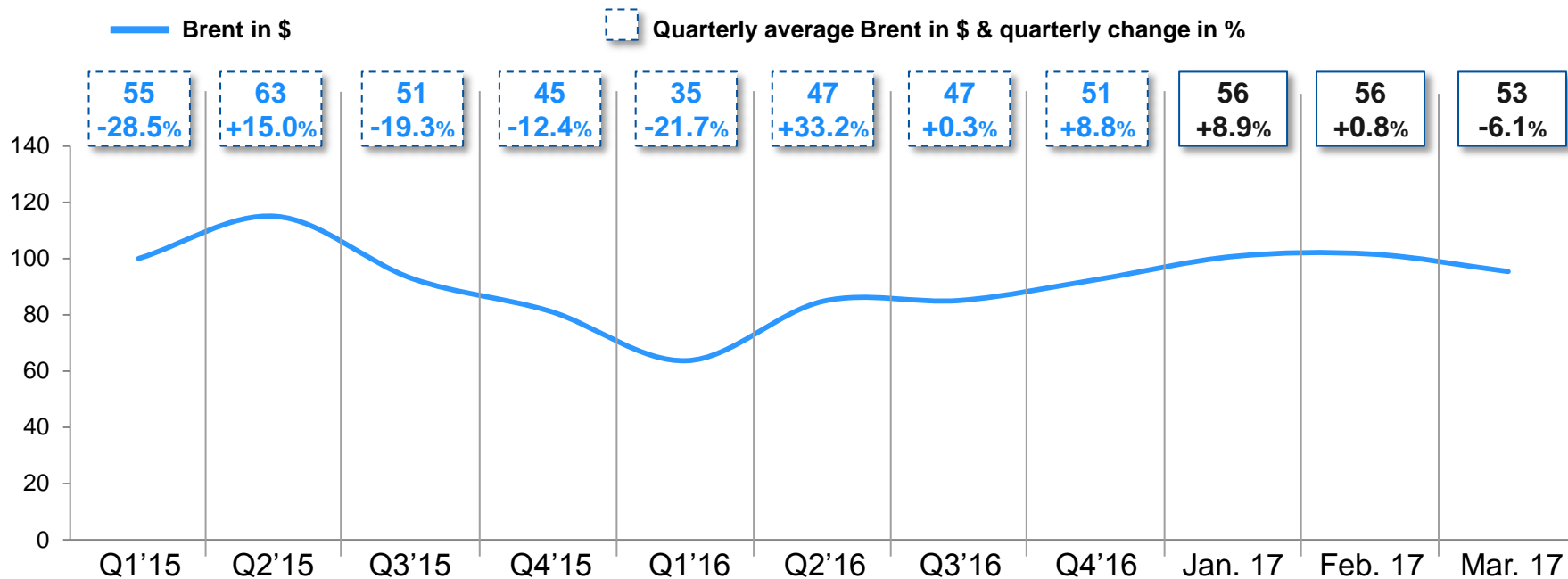
▲ Indexed, at end of March 2017 (per kg, base 100 in Q1'15)



Source : SICOM

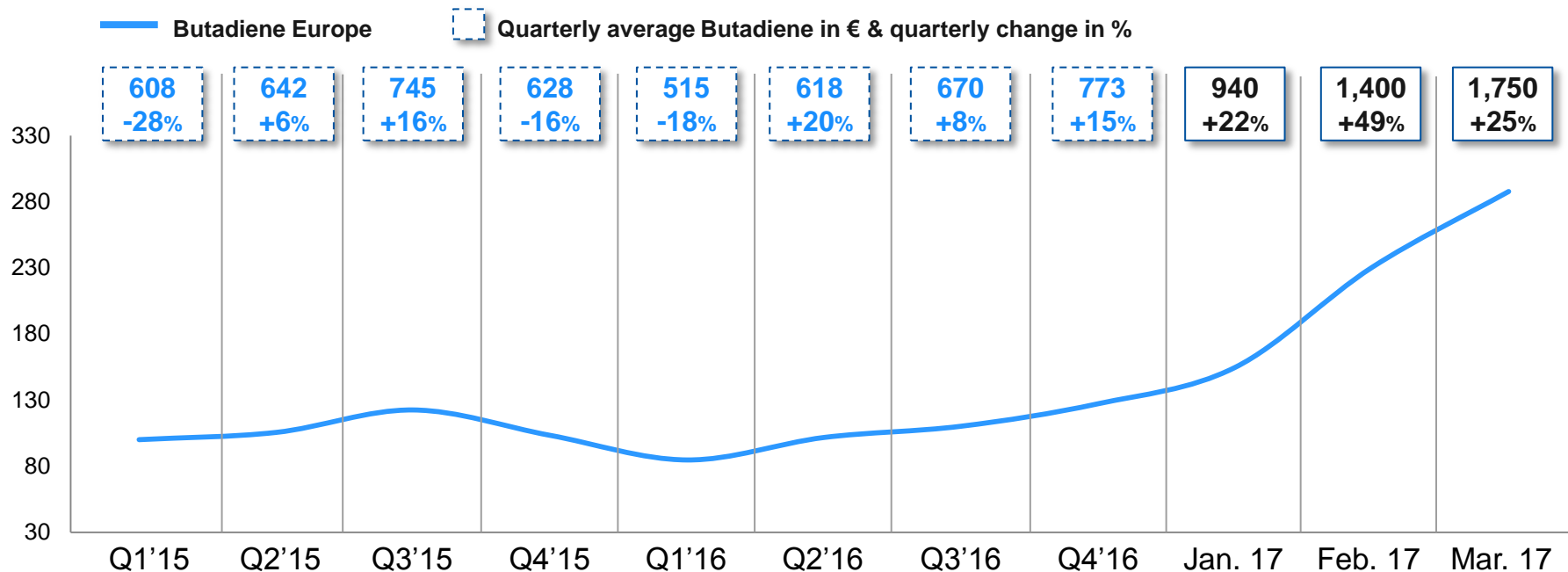
Brent price trend

▲ Indexed, at end of March 2017 (per barrel, base 100 au Q1'15)



Butadiene price trend

▲ Indexed, at end of March 2017 (per tonne, base 100 in Q1'15)



Source : IHS

Disclaimer

"This presentation is not an offer to purchase or a solicitation to recommend the purchase of Michelin shares. To obtain more detailed information on Michelin, please consult the documentation published in France by Autorité des Marchés Financiers available from the <http://www.michelin.com/eng/> website.

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