

Net Sales for the Nine Months Ended September 30, 2011

October 26, 2011





Nine-month net sales up 17.3% to €15,246 million

- ▶ **Sales volumes up 9.3%**
- ▶ **Markets expanding, despite slower momentum in the third quarter**
- ▶ **Solid performance by the MICHELIN brand**
- ▶ **Pricing policy added 10.0% to nine-month sales growth and, as announced, will offset the full-year impact of the raw materials headwind**



Outline

- **Net sales:**
Sustained firm growth
- **Markets:**
Slowing momentum
- **Reporting segments:**
Varying growth
- **Guidance:**
Vigilance and measured optimism



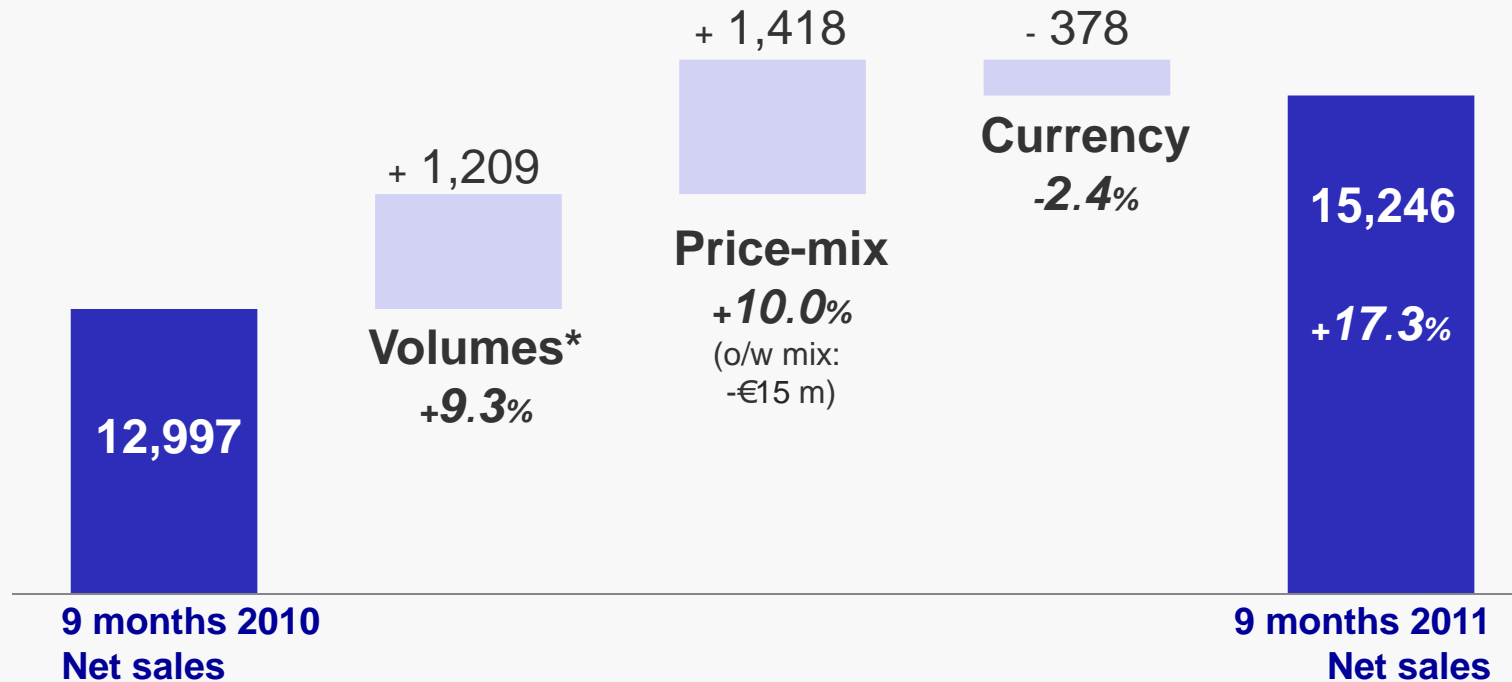
*Net sales:
Sustained firm growth*





Tangible growth in sales volumes Efficient pricing policy

YoY Change in € Millions and as a % of Net Sales



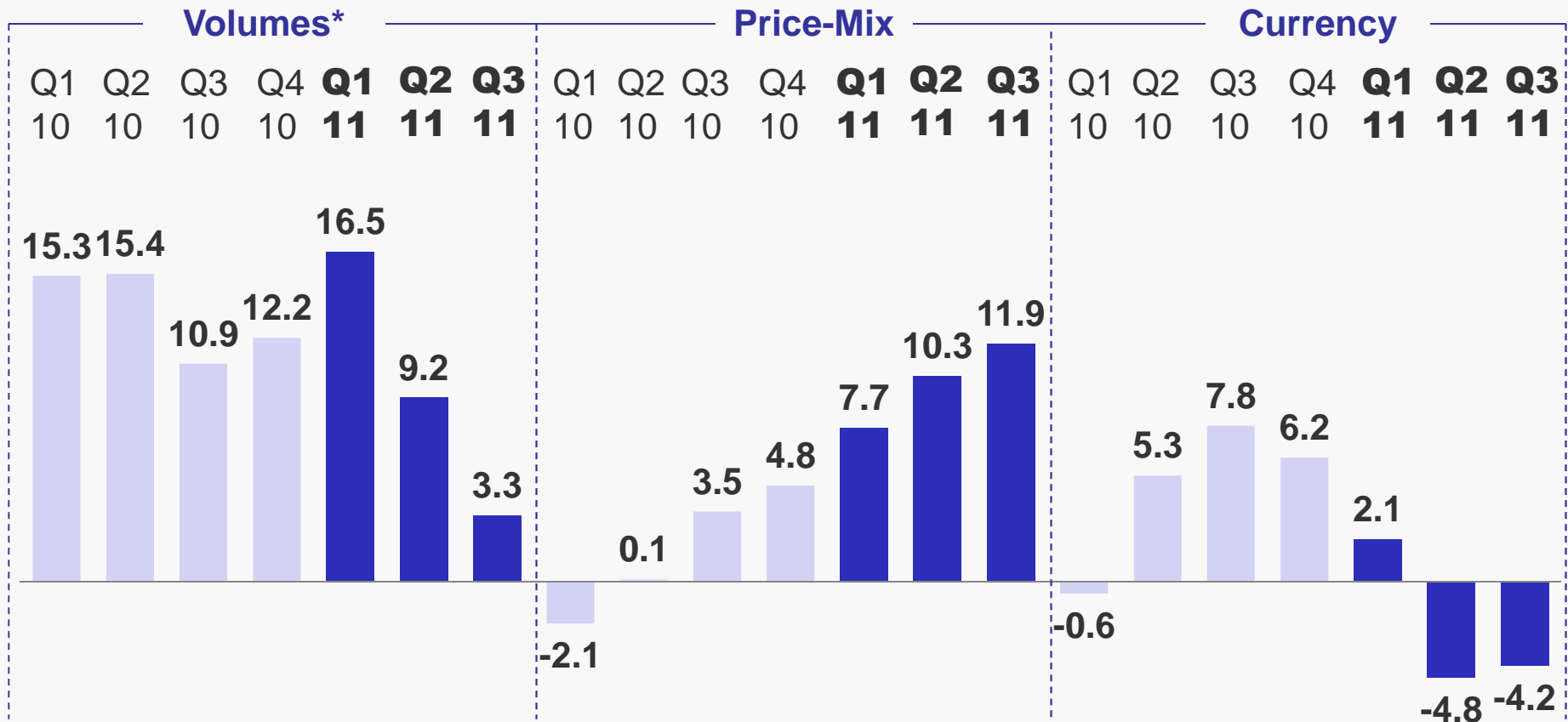
* Volumes in tonnes





A sharply rising price effect

% Change YoY



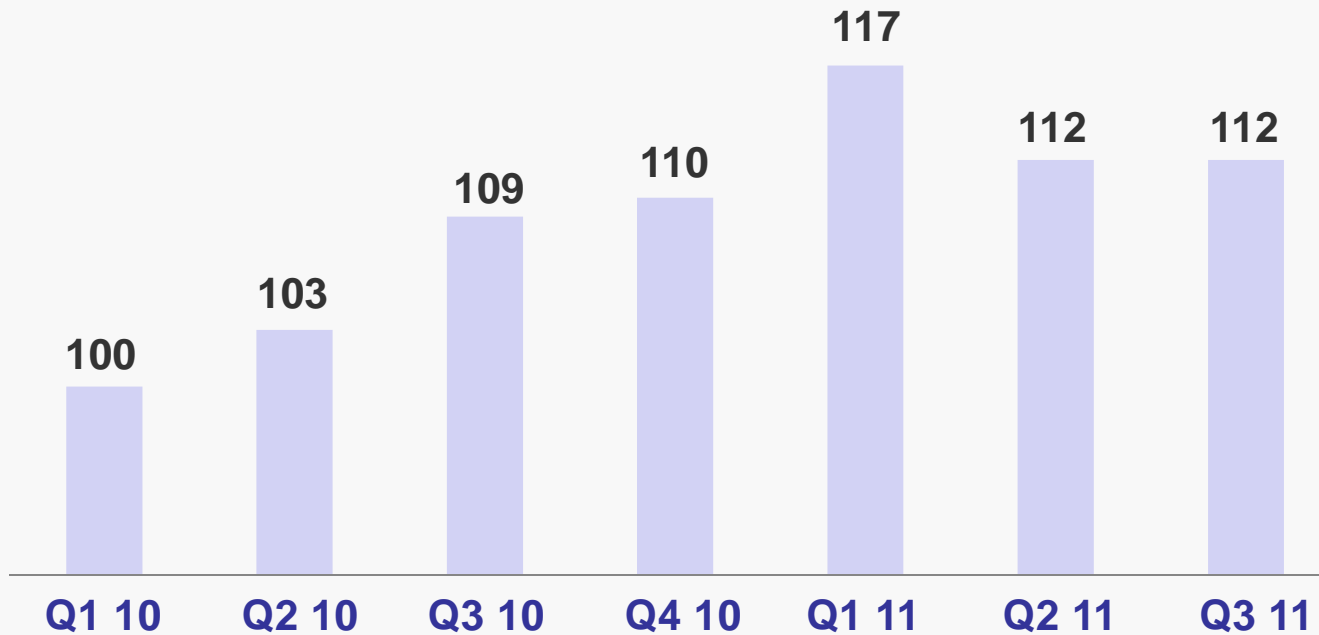
* Volumes in tonnes





Robust volume growth off of high prior-year comparatives

Tonnage (Base 100 = Q1 2010)



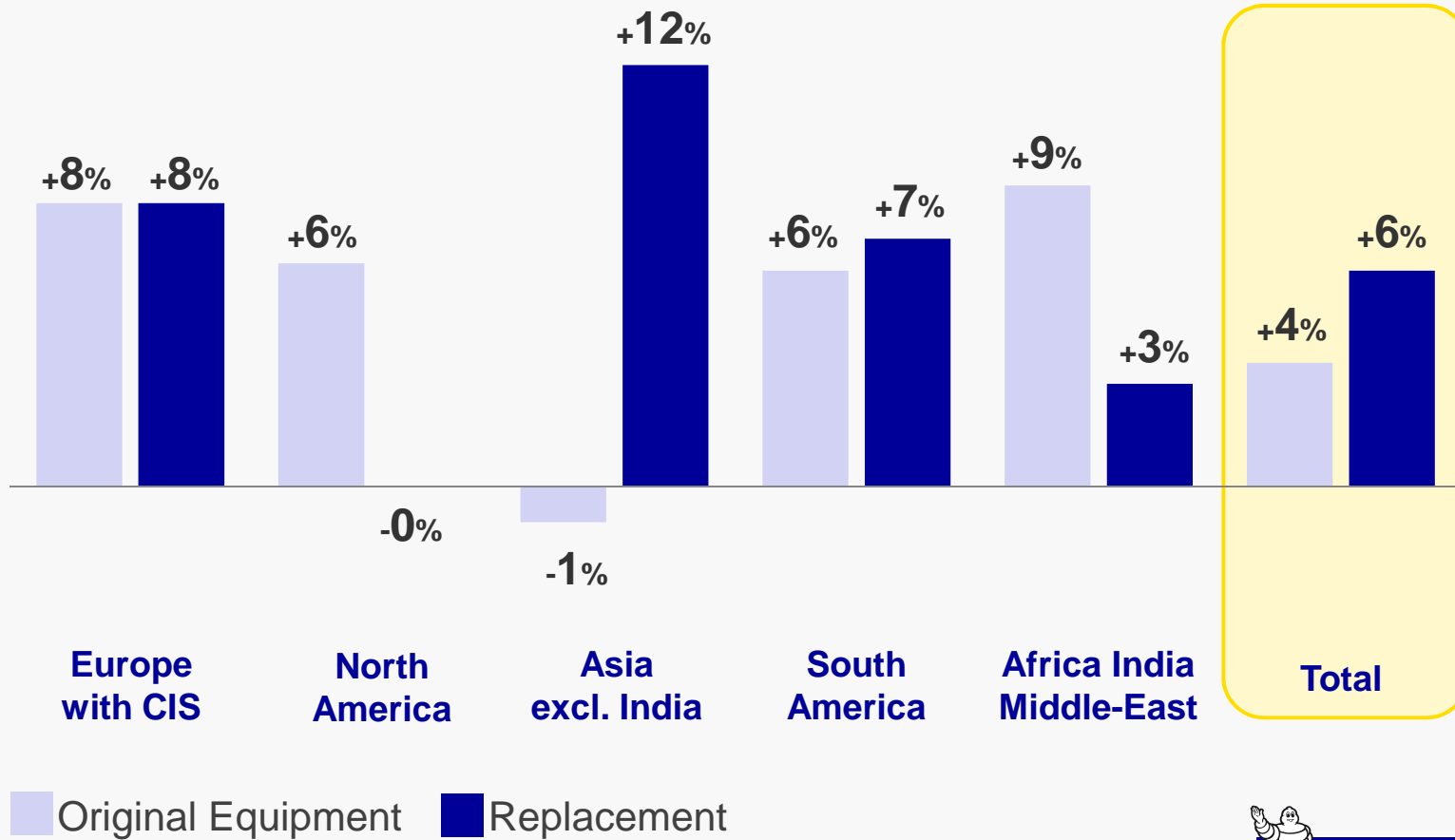
Markets:
Slowing momentum





Car and Light Truck Tires: sustained growth, strong OE except Japan

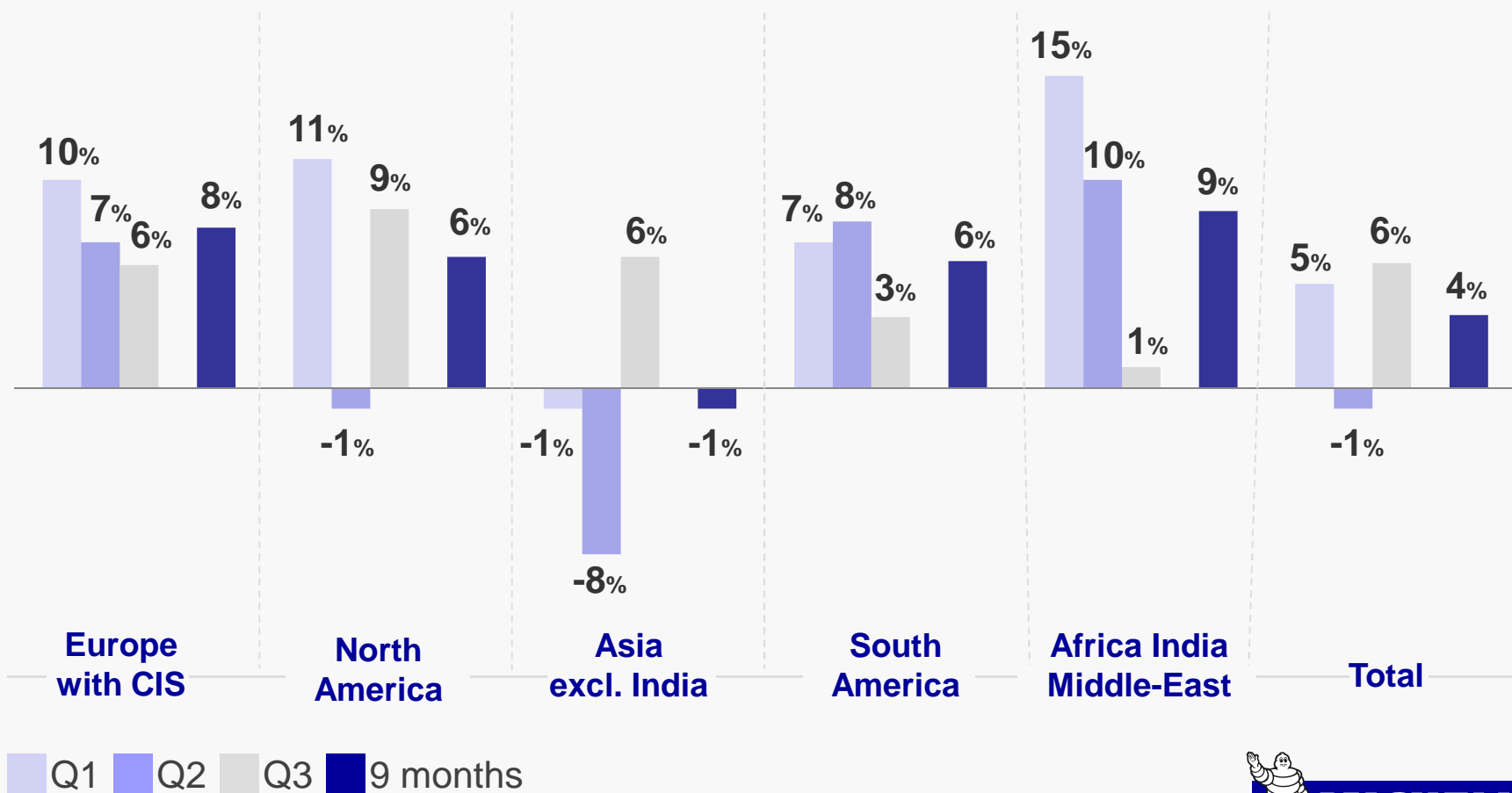
Markets at Sept. 30, 2011 (change in number of tires)





OE Car and Light Truck markets: cloudy economic outlook had little impact in Q3

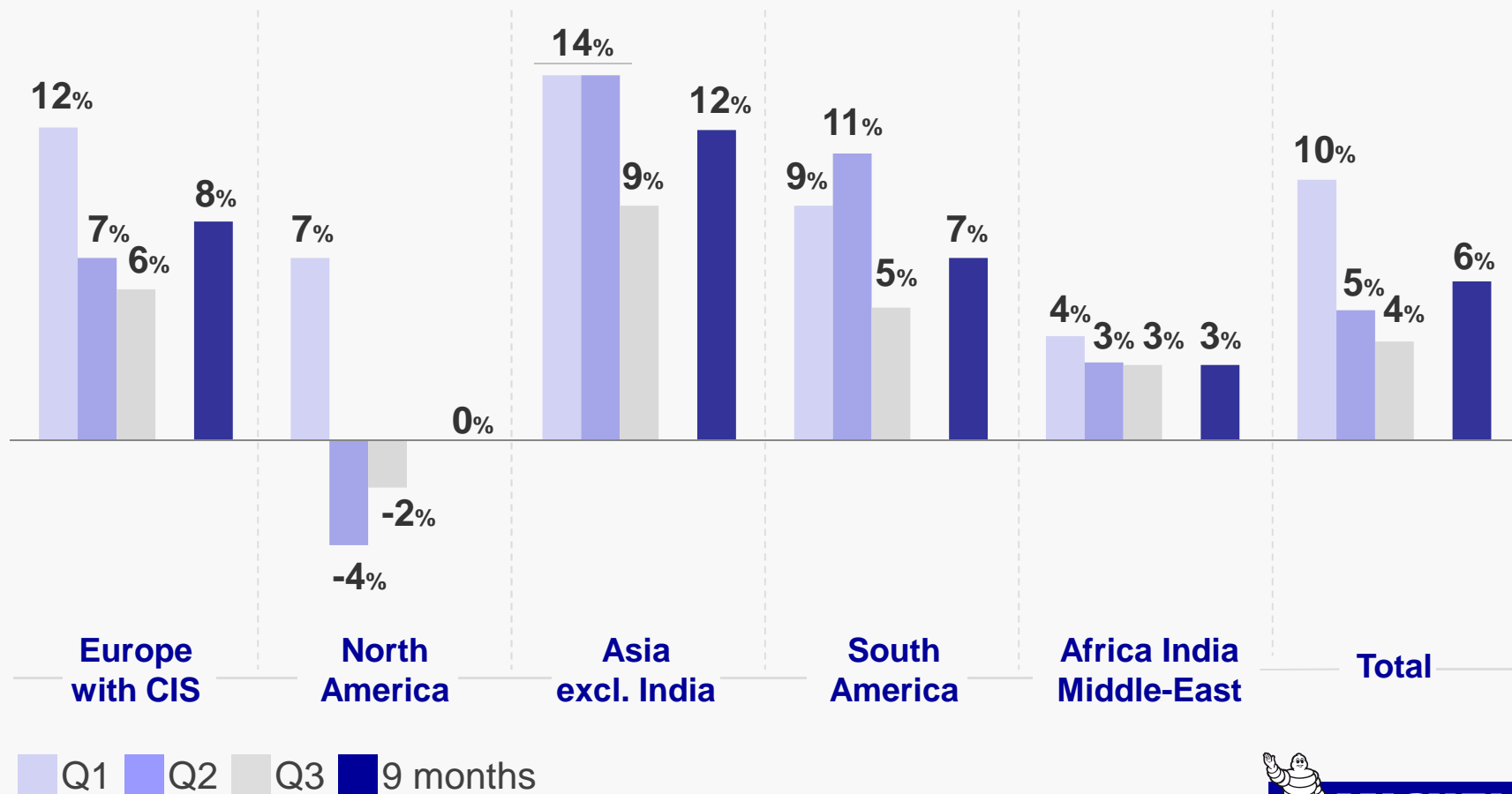
OE Car & Light Truck Markets 2011 / 2010
(change in number of tires)





Replacement Car and Light Truck markets: a return to long-term trends

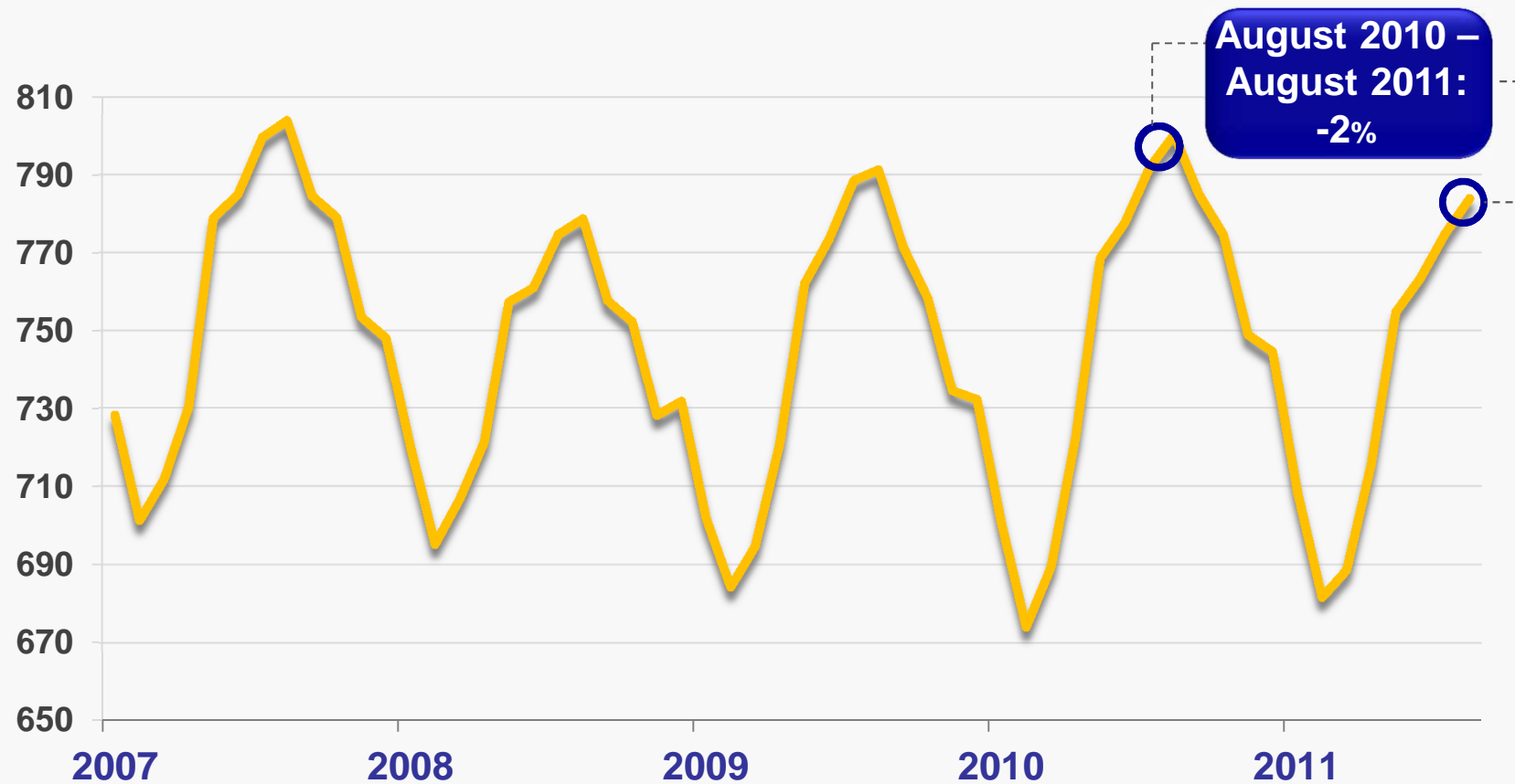
Replacement Car & Light Truck Markets 2011 / 2010
(change in number of tires)





US vehicle miles driven stable

US Miles Driven (rolling 3 months)



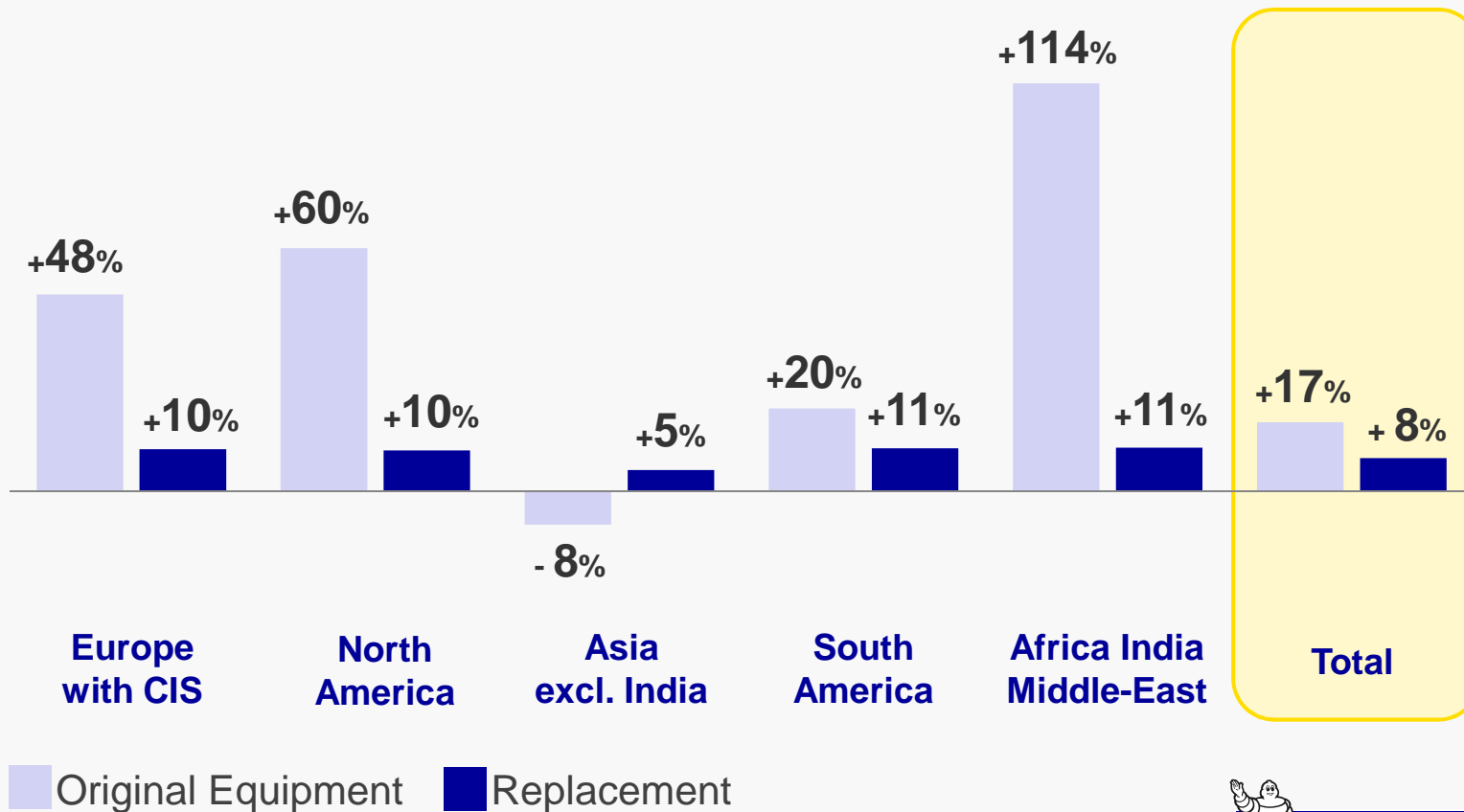
Source: US department of transportation / Federal Highway Administration





Truck Tires: sharp rebound in OE sales

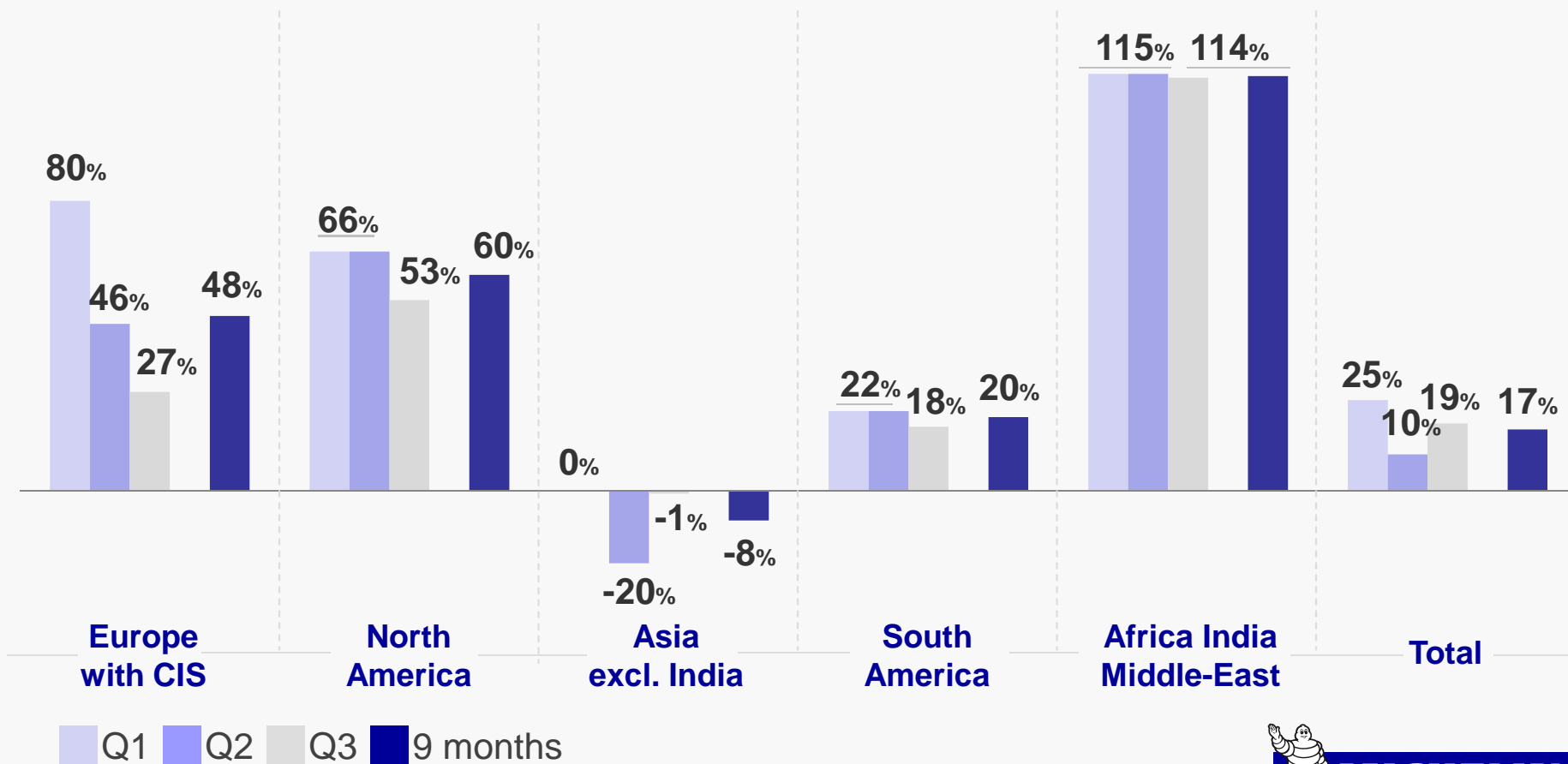
*Radial Truck Market as at September 30, 2011 / 2010
(change in number of tires)*





OE Truck markets: still strong rebound in mature markets

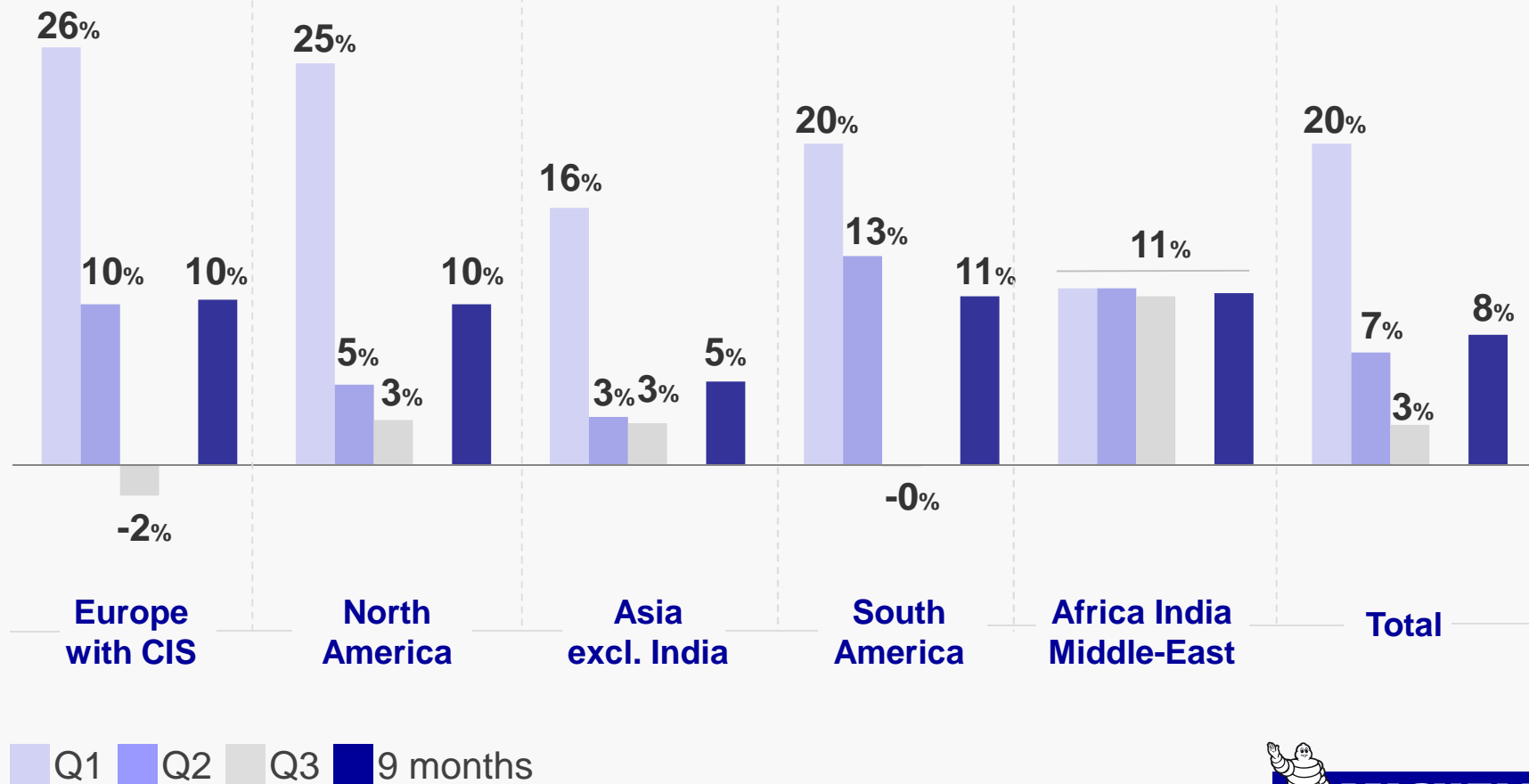
OE Radial Truck Market 2011 / 2010
(change in number of tires)





Replacement Truck markets: inventory drawdowns in Q3, especially in Europe

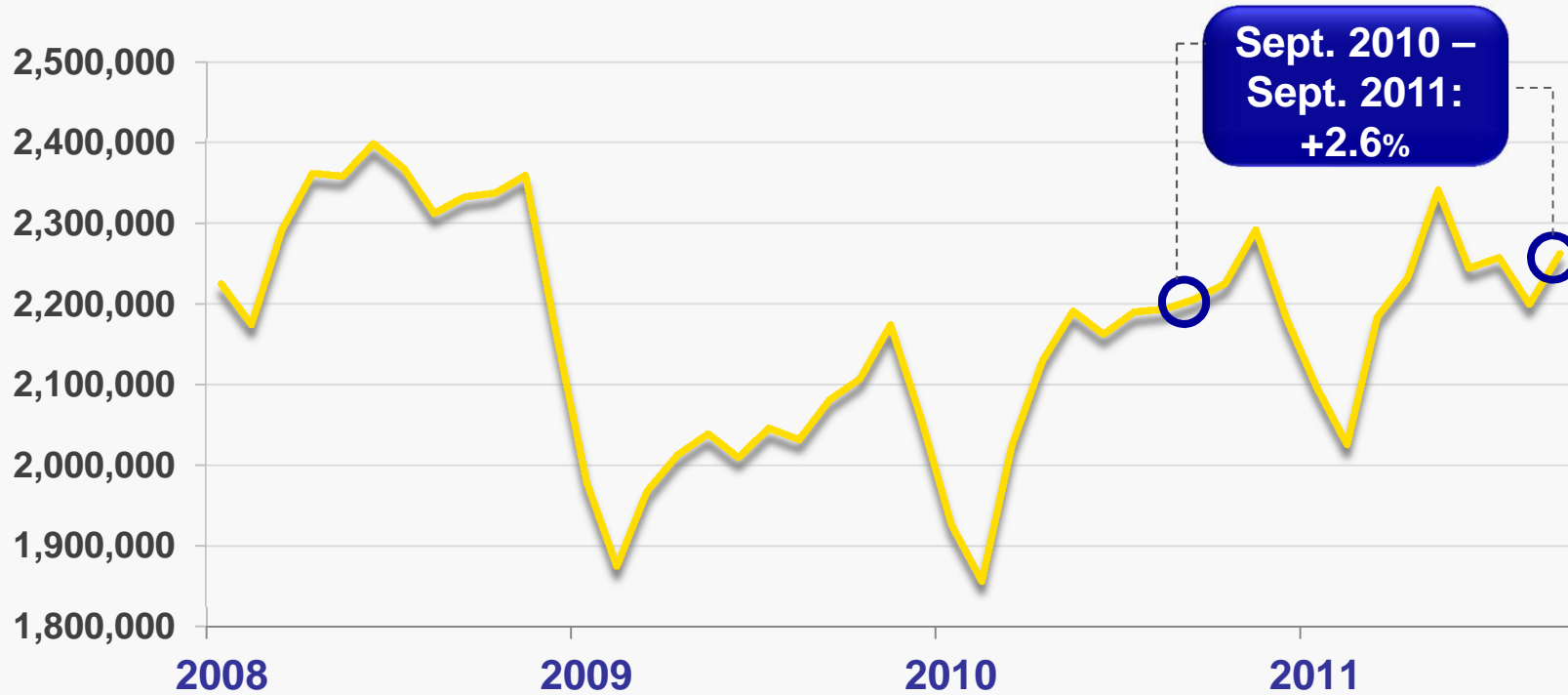
Replacement Radial Truck Market 2011 / 2010
(change in number of tires)





Freight kilometers driven in Germany at 2010 levels

German Freight (rolling 3 months)



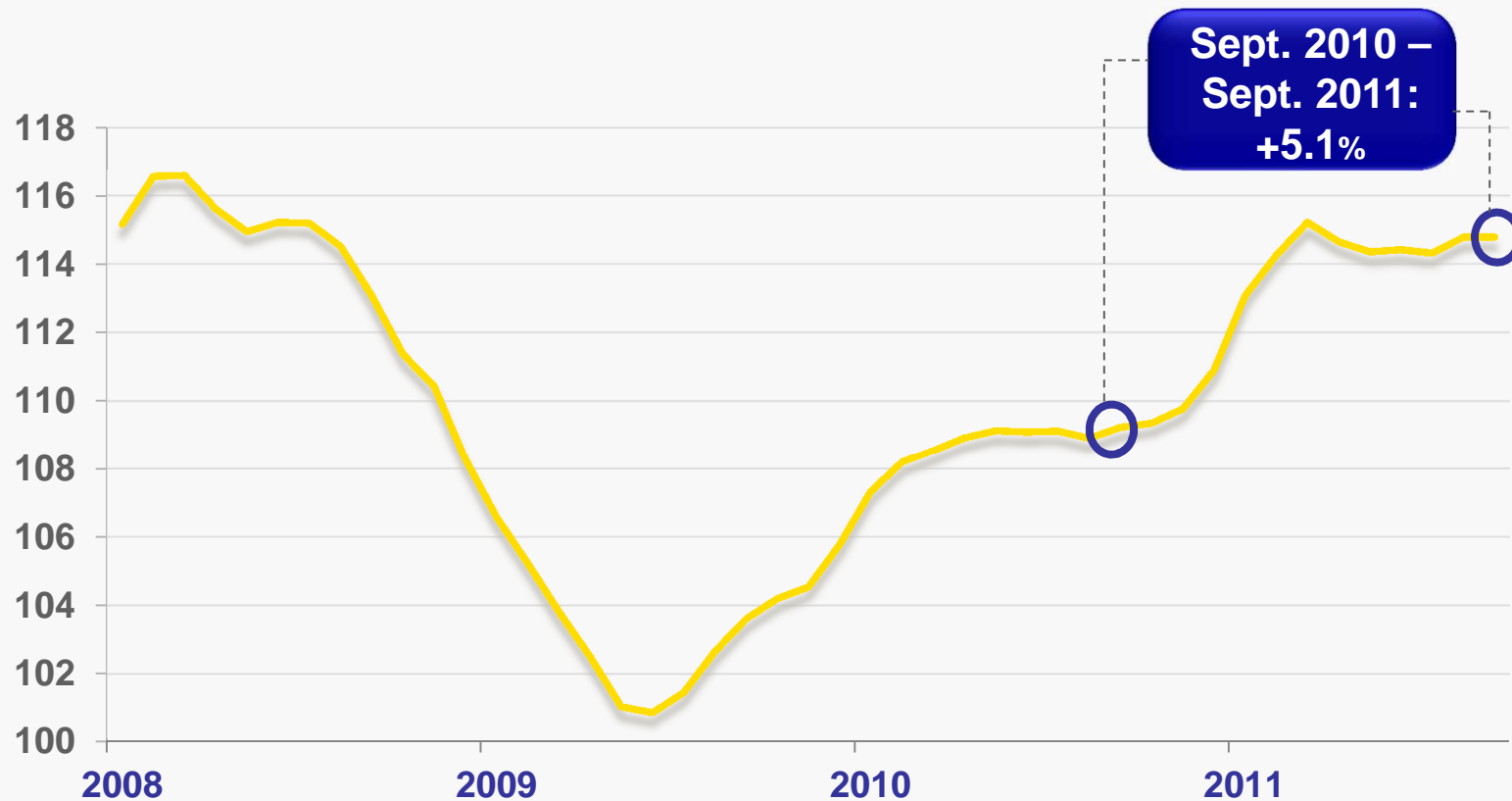
Source: Bundesamt für Güterverkehr





US freight tonnage: still moving back up to pre-recession levels

US Freight (rolling 3 months)



Source: ATA – American Trucking Associations

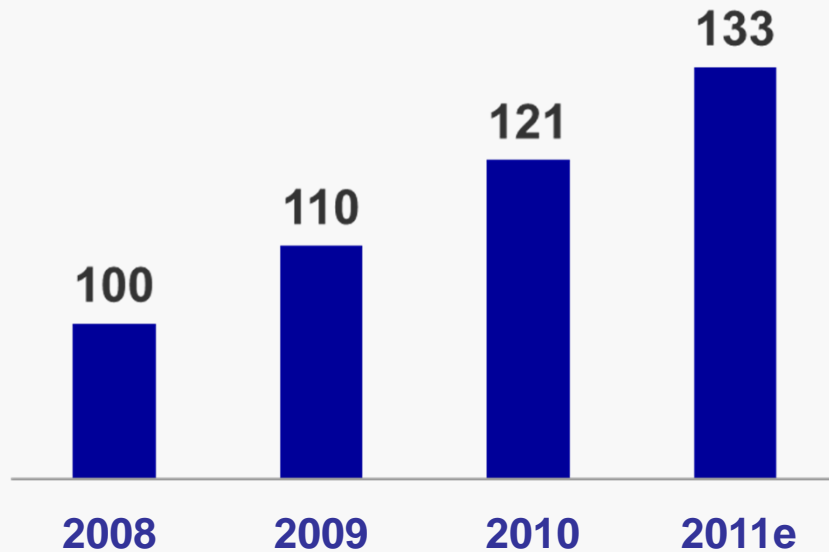




Earthmover Tires: still on a strong upward trend

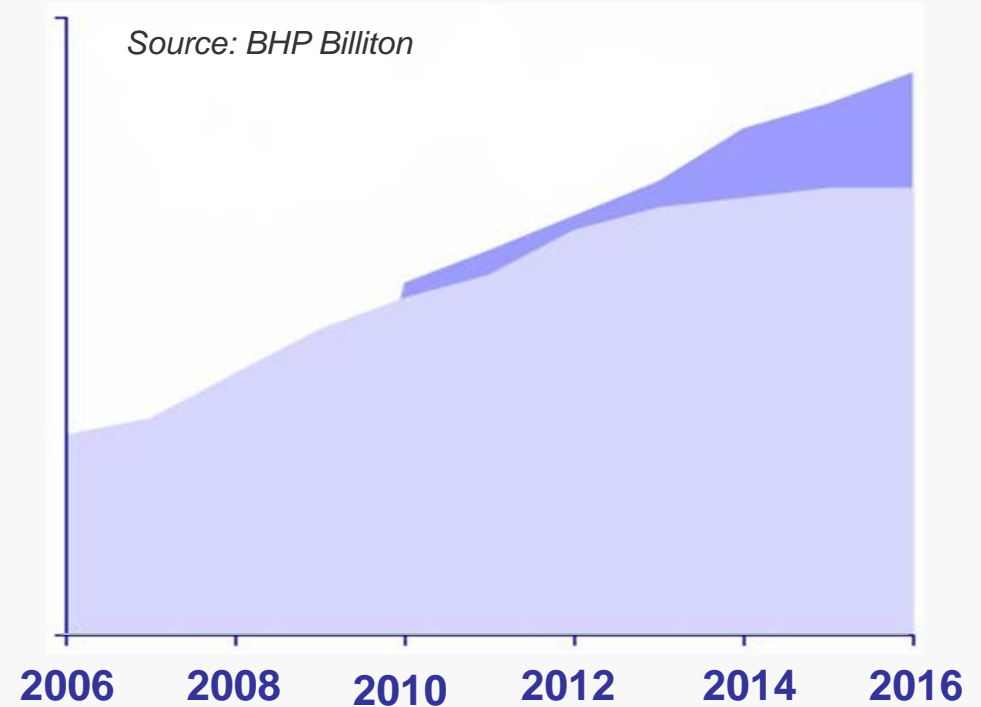
Mining tire market
(base 100 = 2008)

Source: Michelin



Large mining tires
(market supply and demand)

Source: BHP Billiton



Primary supplier radial capacity
Market Demand



Reporting segments: Varying growth





Passenger Car and Light Truck Tires: robust growth

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
7,136	7,916	+10.9%

Tonnages up 5.6%

- Winter tire sell-in at record highs
- Successful launch of the MICHELIN Energy XM2, especially designed for the new markets
- Successful launch of the MICHELIN Pilot Super Sport

▶ **Powerful price dynamic**

▶ **Full use of production capacity**





Truck Tires: growth dampened by the uncertain economic outlook

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
4,096	4,995	+22.0%

- ▶ **Tonnages up 10.5%**
 - New MICHELIN X® Works™ product-services solution
 - Sustained success of the MICHELIN X One
- ▶ **Price increases**



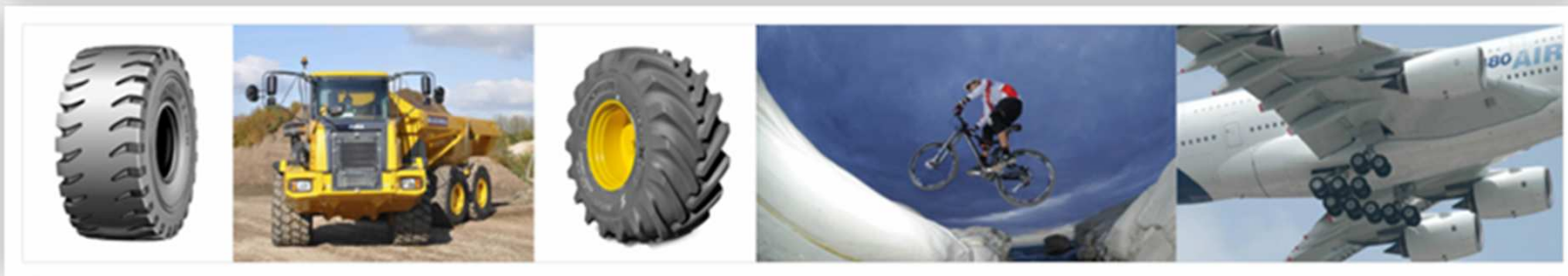


Specialty Tires: strong growth

% change in net sales (in € millions)

9 months 2010	9 months 2011	% Change
1,765	2,335	+32.3%

- ▶ Tonnages up 24.1%
- ▶ Fast rebound in demand
- ▶ High capacity utilization
- ▶ Favorable impact from price indexing clauses



Guidance:
Vigilance and measured optimism





2011 guidance

▶ Markets in Q4 2011

- Passenger Car and Light Truck Tires:

- Europe replacement demand will depend on winter tire sell-out
- New markets demand still trending upwards

- Truck Tires: uncertain outlook, particularly in Europe

- Specialty Tires: very buoyant

▶ Growth in sales volumes trending towards 8% by year end

- Barring any significant worsening of the current economic environment

▶ Free cash flow temporarily negative in 2011

▶ Substantial increase in operating income





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