

BASE PROSPECTUS



Michelin Luxembourg SCS

(incorporated in Luxembourg as limited partnership (société en commandite simple))

Unconditionally and irrevocably guaranteed by
Compagnie Financière Michelin

(incorporated with limited liability in Switzerland, as a corporation limited by shares with unlimited partners (société en commandite par actions))

€2,000,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority for the purpose of the Luxembourg law of 10 July, 2005 concerning the prospectus relating to transferable securities (the "**Prospectus Law**"), as a base prospectus issued in compliance with the Prospectus Law for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. Application has been made for the Notes, during the period of twelve months after the date hereof, to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*), which is a regulated market as defined in the Markets in Financial Instruments Directive 2004/39/EC (the "**Regulated Market**") and published on the list of the regulated markets in the Official Journal of the European Union. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

Arranger

CALYON Crédit Agricole CIB

Dealers

BNP Paribas

CALYON

Citi

HSBC

Mitsubishi UFJ Securities International plc

Natixis

Société Générale Corporate & Investment
Banking

The Royal Bank of Scotland

Date: 2 April 2009

TABLE OF CONTENTS

IMPORTANT NOTICES	1
SUMMARY	4
GENERAL DESCRIPTION OF THE PROGRAMME	12
RISK FACTORS.....	18
INFORMATION INCORPORATED BY REFERENCE	30
FORMS OF THE NOTES	32
TERMS AND CONDITIONS OF THE NOTES.....	37
FORM OF FINAL TERMS	70
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	87
DESCRIPTION OF THE ISSUER	92
DESCRIPTION OF THE GUARANTOR.....	98
TAXATION	112
SUBSCRIPTION AND SALE.....	114
GENERAL INFORMATION	118

IMPORTANT NOTICES

Each of Michelin Luxembourg SCS (the "**Issuer**") and Compagnie Financière Michelin (the "**Guarantor**" or "**CFM**" and together with the Issuer, the "**Responsible Persons**") accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the Rules and the Regulations of the Luxembourg Stock Exchange which entered into force on 9 March 2009. To the best of the knowledge and belief of the Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called final terms (the "**Final Terms**"). This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Issuer and the Guarantor have confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus, to the best of their knowledge, contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other

information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars and references to "**€**", "**EUR**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant

Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

For a more complete description of certain restrictions on offering and sale of Notes and on distribution of this Base Prospectus and any Final Terms, see "Subscription and Sale".

Copies of this document will be available free of charge during normal business hours on any week day (except public holidays) at the offices of the Issuer.

This document will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Base Prospectus (including any information incorporated by reference) is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States where the claim is brought, be required to bear the costs of translating the Base Prospectus (including any information incorporated by reference) before the legal proceedings are initiated.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.

I. KEY INFORMATION IN RELATION TO THE NOTES

Issuer: Michelin Luxembourg SCS, with head office at 69, Boulevard de la Pétrusse, L-2320 Luxembourg (Luxembourg), registered at the Commercial Register of Luxembourg under number B 96546.

Guarantor: Compagnie Financière Michelin, with head office at Route Louis-Braille 10, 1763 Granges-Paccot (Switzerland), registered at the Commercial Register of Fribourg under number CH-217-0-136.115-2.

Arranger: CALYON

Dealers: BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, Natixis, Mitsubishi UFJ Securities International plc, Société Générale, The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Fiscal Agent: BGL Société Anonyme

Luxembourg Listing Agent: BGL Société Anonyme

Listing and Trading: Applications have been made for Notes to be admitted during the period of twelve months after the date hereof

to listing on the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Clearing Systems: Euroclear and/or Clearstream, Luxembourg and, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

Initial Programme Amount: Up to €2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes: Notes may be issued in bearer form or in registered form.

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant

Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Notes in registered form ("**Registered Notes**") will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies:

Notes may be denominated in euro or in any other currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) (as indicated in the applicable Final Terms) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Status of the Guarantee:

Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.

Issue Price: Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities: Any maturity or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.

Redemption: Notes may be redeemable at par as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.

Redemption on Change of Control:	Notes may be redeemed before their stated maturity at the option of the Noteholders in the event of a Change of Control as described in Condition 9(f) (<i>Redemption and Purchase - Change of Control Redemption at the option of Noteholders</i>).
Tax Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (<i>Redemption and Purchase - Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements provided that no Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency at their issue date), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13 (<i>Events of Default</i>).

Taxation:	All payments in respect of Notes or the Guarantee of the Notes will be made free and clear of and without deduction or withholding for or on account of taxes, duties, assessments, fees or other governmental charges of Luxembourg or Switzerland, as the case may be, save as required by law. If any such withholding or deduction is so required, the Issuer or, as the case may be, the Guarantor will (subject as provided in Condition 12 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.
Governing Law of the Notes:	English law.
Governing Law of Guarantee of the Notes:	English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, Noteholders' rights against the Issuer will be governed by a Deed of Covenant dated 2 April 2009, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	Unless otherwise specified in the applicable Final Terms, Notes to be issued under the Programme with a maturity of 12 months or more will be rated Baa2 by Moody's Investors Service Limited (" Moody's ") and will be rated BBB by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. (" S&P ") and Notes to be issued under the Programme with a maturity of less than 12 months will be rated P-2 by Moody's and will be rated A-3 by S&P. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, the European Economic Area, the United Kingdom, Luxembourg, France and Switzerland, see "Subscription and Sale" below.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below and include the risks mainly generated by their industrial activities. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors.

II. KEY INFORMATION RELATING TO THE ISSUER AND THE GUARANTOR

Issuer: Michelin Luxembourg SCS

Michelin Luxembourg SCS is a limited partnership incorporated in Luxembourg as a "*société en commandite simple*" and registered with the *Registre de Commerce et des Sociétés* in Luxembourg under the reference B 96.546.

Its registered office is located at 69 Boulevard de la Pétrusse, L-2320 Luxembourg (Luxembourg).

Michelin Luxembourg SCS is established for an unlimited period.

98% of the share capital of the Issuer is held by Compagnie Financière Michelin which is "*associé-commandité*" (general partner) and the remaining 2% is held by Nitor S.A. which is "*associé commanditaire*" (limited partner). These companies are both subsidiaries of Compagnie Générale des Etablissements Michelin.

Selected financial information

	31/12/2008	31/12/2007
	(in thousand) EUR	(in thousand) EUR

Total Assets and Liabilities	1,022,167	1,023,394
Profit for the financial year	629	613
Subscribed Capital	1,000	1,000
Result carried forward	0	0

Guarantor: Compagnie Financière Michelin (“CFM”)

Compagnie Financière Michelin is a corporation limited by shares with unlimited partners incorporated in Switzerland as a *"société en commandite par actions"* registered with the *Registre du Commerce de la Sarine* in Fribourg, under the reference number CH-217-0-136.115-2.

Its registered office is at Route Louis Braille 10, 1763 Granges-Paccot, Switzerland.

Compagnie Financière Michelin is a subsidiary of Compagnie Générale des Etablissements Michelin (“CGEM” and, together with its consolidated subsidiaries and affiliates taken as a whole, the “**Michelin Group**”). CGEM owns 100% (rounded) of the issued share capital of CFM.

The partners have unlimited personal liability for CFM, while the liability of shareholders, as in any limited liability corporation, is limited to the extent of their shareholding. The current Unlimited Partners of CFM are François Michelin, Michel Rollier and René Zingraff whereas François Michelin and Michel Rollier are its Managing Partners.

At 31 December 2008, the issued and subscribed capital of CFM was CHF 2,238,949,500, divided into 22,389,495 registered shares (actions nominatives) carrying enhanced voting rights of par value CHF 100 each. CFM is owned as to 99.99 per cent by CGEM.

CFM is the holding company for the industrial, sales and research businesses of the Michelin Group outside France.

Selected consolidated financial information

<i>Millions euros</i>	<i>31/12/2008</i>	<i>31/12/2007</i>
Total Balance Sheet	16,412	16,403
Net Result	253	671
Share Capital	1,500	1,352

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.

Issuer: Michelin Luxembourg SCS, having its head office at 69, Boulevard de la Pétrusse, L-2320 Luxembourg (Luxembourg), registered at the Commercial Register of Luxembourg under number B 96546.

Guarantor: Compagnie Financière Michelin, having its head office at Route Louis-Braille 10, 1763 Granges-Paccot (Switzerland), registered at the Commercial Register of Fribourg under number CH-217-0-136.115-2.

Arranger: CALYON

Dealers: BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, Natixis, Mitsubishi UFJ Securities International plc, Société Générale, The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Fiscal Agent: BGL Société Anonyme.

Luxembourg Listing Agent: BGL Société Anonyme.

Listing and Trading: Applications have been made, during the period of twelve months after the date hereof, for Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Clearing Systems: Euroclear and/or Clearstream, Luxembourg and, in relation to any Tranche of Notes, any other clearing

system as may be specified in the relevant Final Terms.

Initial Programme Amount: Up to €2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes: Notes may be issued in bearer form or in registered form.

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms, as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in

accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached to them and, if appropriate, a Talon for further Coupons.

Each Tranche of Notes in registered form ("**Registered Notes**") will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies:

Notes may be denominated in euro or in any other currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) (as indicated in the applicable Final Terms) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Status of the Guarantee:

Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.

Redemption:

Notes may be redeemable at par as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

Optional Redemption:

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.

Redemption on Change of Control:

Notes may be redeemed before their stated maturity at the option of the Noteholders in the event of a Change of Control as described in Condition 9(f) (*Redemption and Purchase - Change of Control Redemption at the option of Noteholders*).

Tax Redemption:

Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase - Redemption for tax reasons*).

Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements provided that no Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency at their issue date), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default provision as described in Condition 13 (<i>Events of Default</i>).
Taxation:	All payments in respect of Notes or the Guarantee of the Notes will be made free and clear of and without deduction or withholding for or on account of any taxes, duties, assessments, fees or other governmental charges of Luxembourg or Switzerland, as the case may be, save as required by law. If any such withholding or deduction is so required, the Issuer or, as the case may be, the Guarantor will (subject as provided in Condition 12 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.
Governing Law of the Notes:	English law.
Governing Law of Guarantee of the Notes:	English law.
Enforcement of Notes in Global	In the case of Global Notes, Noteholders' rights against

Form: the Issuer will be governed by a Deed of Covenant dated 2 April 2009, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Ratings: Unless otherwise specified in the applicable Final Terms, Notes to be issued under the Programme with a maturity of 12 months or more will be rated Baa2 by Moody's Investors Service Limited ("**Moody's**") and will be rated BBB by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. ("**S&P**") and Notes to be issued under the Programme with a maturity of less than 12 months will be rated P-2 by Moody's and will be rated A-3 by S&P. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Luxembourg, France and Switzerland, see "Subscription and Sale" below.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below and include the risks mainly generated by their industrial activities. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors.

RISK FACTORS

Prior to investing in any Notes issued under the Programme, potential investors should take into account, together with all other information contained in this Base Prospectus, the factors described below. These considerations are not exhaustive and other considerations, including some which may not be presently known to the Responsible Persons, or which the Responsible Persons currently deem immaterial, may impact on any investment in the Notes. In addition, the value of the relevant series of Notes could decline due to any of these risks, and prospective investors may lose some or all of their investment.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, among other things, the following:

Risk Relating To The Notes

There is no active trading market for the Notes.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor. Although application has been made for the Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the official list of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or Switzerland or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such

circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Notes issued with a Minimum Denomination.

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or other relevant clearing system) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued in the circumstances described in (b) above, if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs. The Final Terms may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum

denomination and such Notes will be cancelled and holders will have no rights against the Issuer or the Guarantor (including rights to receive principal or interest or to vote) in respect of such Notes.

Credit Rating

The Notes to be issued under the Programme with a maturity of 12 months or more will be rated Baa2 by Moody's Investors Service Limited ("**Moody's**") and will be rated BBB by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. ("**S&P**") and Notes to be issued under the Programme with a maturity of less than 12 months will be rated P-2 by Moody's and will be rated A-3 by S&P. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Risks Relating To The Issuer And The Guarantor

Operating Risk Management

Michelin Group (as defined in the Summary, paragraph II "Key information relating to the Issuer and the Guarantor") relies on three tiers of independent and highly responsible groups to guarantee the robustness of its risk control policy:

- Operating managers identify and manage risks in their respective entities (prevention, protection and business continuation plan) in line with Michelin Group standards.
- Michelin Group Services (Finance, Legal, Environment & Prevention...): analyze risks, define prevention and protection standards, manage and monitor implementation of risk policy in their own field of expertise.
- Internal auditors: review overall risk control measures.

Michelin Groups's risk policy is defined, supervised and coordinated by the Group's Risk Manager.

The Michelin Group's Risk Committee meets 3 times per year to review a number of risk control measures, in order, more specifically, to support the Managing Partners in their risk control decisions with special emphasis on potentially serious risk.

Financial Risk

Organization of financial risk management

Financial risk control, measurement and supervision is carried out under the responsibility of the Group's finance function, at the company and geographic zone level, and at the Group level by the Michelin Group Finance Department. The Michelin Group Finance Department reports directly to Michelin Group's financial management.

One of the Michelin Group Finance Department's ongoing missions includes the formulation of financial risk management policy, monitored on the basis of a full array of internal standards, procedures and referentials. Geographic zone financial managers are in charge of the implementation of Michelin Group's financial risk management policy by the Guarantor finance managers. In addition, compliance with financial risk policy is assessed through internal audit reviews to evaluate risk control efficiency and identify means of improvement.

All strategic decisions concerning Michelin Group financial risk hedging policy are taken by Michelin Group's financial management. As a general rule, Michelin Group strictly limits the use of derivatives to the sole purpose of hedging clearly identified exposures.

In 2008, a financial risk committee was created whose mission is to establish and validate policies governing the management of financial risk, the identification and evaluation of this risk and the validation and control of financial hedging instruments. The risk committee meets on a monthly basis and includes members of Michelin Group's financial management and of the Michelin Group Finance Department.

Liquidity Risk

The Michelin Group Finance Department is responsible for ensuring the financing of Michelin Group's liquidity position at the lowest cost. Michelin Group raises financial resources on the capital markets through long-term financial instruments (bond issues), bank resources (loans and credit lines), as well as commercial paper programs and the securitization of accounts receivables. The levels of the confirmed credit lines and available cash in-hand are fixed by taking into account the forecast for treasury requirements including a security margin to cope with economic uncertainties. These long-term backup credit lines are essentially concentrated at the Guarantor. Except in the case of particular obligations related to the specificities of local financial markets, Michelin Groups' operating subsidiaries have access to ample short-term non-confirmed credit lines from banks to meet their day-to-day financing requirements, as well as access to the Guarantors' confirmed credit lines in order to deal with major contingencies.

The management of liquidity risk is based on management rules and standards defined at Michelin Group level in order to meet the financing needs in the normal course of business as well as in the event of exceptional circumstances.

Short-term financing requirements are managed at local level by each treasury entity. Medium, long term and strategic financing requirements are managed by the Guarantor.

As a matter of prudent financial policy, Michelin Group has always guarded against the inclusion in its financial contracts of covenants providing for ratios or "material adverse change" that could affect its ability to mobilize loans or affect their term. As at 31 December 2008 no such clause featured in Michelin Group borrowings whatsoever. A number of contracts, however, included "negative pledge" and "cross default" clauses, but these were qualified by thresholds and exemptions.

Currency risk

Transaction Currency Risk

Michelin Group subsidiaries continually calculate their accounting foreign exchange exposure in relation to their functional currency and hedge it systematically. A number of temporary exemptions can, however, be granted by Michelin Group Finance Department where justified under exceptional market conditions. Foreign currency payables and receivables of the same type and with similar maturities are netted off and only the net exposure is hedged. This is normally carried out through the Guarantor, or, alternatively, through a bank. The Guarantor in turn assesses its own resulting exposure and hedges it with its banking partners. The main hedging instruments used are forward currency contracts, of which the majority have short maturities of around three months. Constant monitoring of exchange gains and losses as well as regular internal audits ensure that the hedging policy is adhered to by all Michelin Group entities.

Currency risk monitoring and hedging is based on Michelin Group internal referentials.

A transactional exchange risk alert system is in place throughout the Michelin Group and implemented by the Michelin Group Finance Department, whose responsibility includes ensuring proper monitoring and management of exchange risk. These exposures are followed on a monthly basis on a detailed management report.

Currency Translation Risk

Equity investments in foreign subsidiaries are booked in the functional currency of the Guarantor. These investments, which are not included in the holding company foreign exchange position, are financed in the currency of the Guarantor.

Future cash flows from these long-term investments (dividends, fees for R&D services and trademark licenses and capital increases) are hedged on a selective basis according to the probability of the cash flows occurring.

Available-for-sale investments are not hedged for currency exchange risks.

Interest Rate Risk

The interest rate management is carried out at Michelin Group level with an objective of minimizing financing costs whilst protecting future cash flows against unfavorable movements in interest rates. For that purpose, the Michelin Group uses various financial instruments available in the market, but restricts itself to the use of "plain vanilla" instruments (interest rate swaps, caps, collars, etc).

Interest rate exposure is analyzed and monitored by Michelin Group through monthly performance indicators and management reports.

Equity Risk

Equity investments are made with a strategic rather than trading approach.

Equities are held for medium and long term prospective, and not for a short term trading portfolio management.

This investment portfolio is managed at Michelin Group level.

Counterparty Risk

Michelin Group chooses its banks extremely carefully and even more so with respect to cash investments. Indeed, considering it to be inappropriate to add financial risk to the industrial and trade risks that are associated with its operations, Michelin Group gives priority to the security and the liquidity of all its cash investments. These are invested in the short term (less than three months) with blue chip banks and on investment-type (deposit certificate, UCITS) financial instruments while avoiding significant concentration levels. When investing in monetary funds, Michelin Group systematically assures itself of the liquidity of the investments made and ensures that they meet the criteria of standard IAS 7 and the stipulations of the French Stock Exchange regulator (AMF).

Credit Risk

Trade receivables represent about 15 % of annual sales. In each legal entity, the Credit Department, which is part of Michelin Group Finance Department, sets the maximum payment terms and customer credit limits to be applied by the operating companies. It manages and controls the credit activity, risk and results, and is also responsible for accounts receivable and collection.

The main policies and procedures are defined at Michelin Group level and are monitored and controlled at both the zone and Michelin Group level. A monthly credit reporting system operates within the Michelin Group.

In 2008, the Michelin Group Credit Department contributed to the introduction of projects aimed at a progressive reduction of accounts receivables over the coming years. It also focused on improving credit management systems, and enhancing the skills of credit managers in the Michelin Group.

Industrial Hazards

Industrial hazard control is vital for the continuation of Michelin Group's operations over the long term while ensuring the protection of its personnel, its assets and its environment.

Michelin Group's industrial risk map is updated at least once a year. This helps to identify Michelin Group risks and assess their criticality. Prioritized multi-annual action plans with a strong emphasis on prevention are drawn up and implemented in the annual plans. They address in particular the issues of safety at the workplace, industrial hygiene, and asset and environmental protection.

Monitoring of Michelin Group's progress in the areas of Environment and Prevention (EP) is based on:

- 5-year orientations and objectives, which are revised each year based on the evolution of the assessments that are carried out. Such orientations and objectives are given concrete expression in progress plans and investment plans for each operating company.
- a network of experts who are based in each site and bring technical and methodological support to the local site managers. The latter bear ultimate responsibility for the performance of their entity's Environmental and Prevention performance.

The robustness of the approach is based on implementation of an Environmental and Risk Prevention Management System (SMEP). This is an extension to all other EP fields (Asset Protection, Work Safety, Industrial Hygiene, Ergonomics) of the existing Environmental Management System.

The system is being rolled out in the industrial sites. Michelin Group teams have been auditing sites since 2005 and 2006. The system will be fully deployed by 2011.

Limited Industrial Hazards

The main risk factors arising from Michelin Group's operations are as follows:

Industrial operations	Main risk factors	Michelin Group action
Synthetic rubber production 2 plants, Bassens in France and Louisville, Kentucky in the USA.	Inflammability of hydrocarbons used in synthetic rubber.	Regular review of safety and site protection measures; ongoing significant investment programs to further enhance risk control and limit the consequences of an event.
Metal reinforcement production Production in 10 sites supplying 68 factories worldwide.	Accidental spillage from electrolytic metal reinforcement processing plant.	Regular inspection of the facilities and processing of effluents at waste water treatment plants.
Rubber mix production Production in 49 sites supplying 68 factories worldwide.	Fire-prone situation.	Pursuit at Michelin Group level of a program to equip all facilities with sprinkler devices and risk confinement through fragmented operations.
Textile reinforcement production Production in 3 sites.	Vapor and gas emitted while manufacturing adhesives.	Installation of air purifiers at every plant

Fire Risk

Fire is Michelin Group's main industrial hazard, both at process and raw material and finished product storage levels. The number of significant fire starts reported Michelin Group-wide is, however, very limited.

For more than five years, no fire nor in fact any other industrial accident, resulted in serious damage to personnel, Michelin Group or third-party assets or environmental impact for the neighboring communities.

Efficient control of fire hazards hinge on a detailed evaluation approach and proper implementation of means of prevention, protection and intervention.

- *Michelin Group took the initiative of an ambitious test program*, aimed at improving and sharing technical knowledge in the area of automatic protection by sprinkler systems of tire warehouses and in the area of environmental impact of tire fires.

This series of tests, completed between 2001 and 2006 in the United States and in France, involved the main tire manufacturers, supply chain specialists and a specialized parts manufacturer, under the umbrella of SNCP (Syndicat National du Caoutchouc et des Polymères).

This innovative program was conducted on significant quantities of stored tires (2,000 to 4,000 tires per real life test), arranged in actual storage conditions. Some 21 preliminary tests and 12 real life tests were conducted with a variety of tire storage configurations. The tests enabled a benchmarking of different types of sprinklers and to assess the efficiency of wetting agents in conjunction with fire-fighting water.

The findings of these tests have led to improvements in fire protection for existing warehouses and to measure the effectiveness of new technologies for future infrastructures, while safely optimizing their operations. They also produced further information on the environmental impact of such fires based on analysis of smoke components, fire fighting water and atmospheric dispersion.

- *A robust approach to fire risk control*: Michelin Group developed its own standards of major industrial and fire risk control: the High Protected Risk Michelin (HPRM) standard.

HPRM is based on three mainstays:

- prevention (an array of hazard prevention measures)
- protection (automatic protection devices and passive measures to segregate risks in order to minimize damage in the event of serious damage)
- intervention (early detection, fast-reaction personnel and equipment)

The Michelin Group-level risk control expert team is supported by a network of site-based operational counterparts who ensure gradual implementation of Michelin Group standards in all facilities. The condition of, and measures taken by, sites were reviewed against HPRM standards. The progress targets that are identified are prioritized as part of multi-annual progress plans drawn up by all industrial and logistics sites.

Moreover, new projects (construction, revamping, expansion, introduction of new manufacturing processes and so on), are subject to prior approval by Environment and Prevention experts who ensure compliance with HPRM standards.

Michelin Group's global internal control approach is based on a proprietary tool (EC-HPRM, High Protected Risk Michelin Compliance Assessment) developed and deployed at central level. This application serves to assess site conformity to internal standards. It entered into mainstream application on January 1, 2008.

- *Leveraging test experimentation and exchanging best practices*: further to the success obtained through use of the Michelin "SECURISTAT" data collection and processing software for events in connection with industrial hazards deployed since 2004, the Michelin Group-level fire prevention department developed a system to build on the experience obtained internally and from third parties: events are analyzed and the conclusions drawn from them are shared across Michelin Group to drive further progress.

"Seveso" Classification

The "Seveso III" European directive aims to prevent major chemical hazards at industrial sites and to limit their consequences for man and the environment. It induces site classification with reference to the volume of site hazardous substance inventory. The level of regulatory disclosure requirements and prevention measures is based on this classification. At the end of 2008, out of more than 40 Michelin European sites, 2 were classified "high-level" and 8 "low-level" risk sites.

Risk Transfer to Insurance Companies

In addition to a proactive protection and prevention policy, Michelin Group's insurance strategy is based on the following three principles:

1. Risk Assessment

Michelin Group's risk map based on a method shared by all entities, is used to assess the level of coverage required.

2. Transfer of High-Intensity Risk

Michelin Group has contracted integrated global insurance programs, within the limits of the insurance and reinsurance markets, to cover high-intensity risk. These involve mainly "property damage" and "civil liability".

Property Damage

A EUR 500 million insurance program was negotiated. To ensure continued operations under the best financial terms in case of emergency, this program includes a EUR 50 million incremental operating cost coverage.

Civil Liability

This program includes three key aspects:

- product civil liability,

- general liability insurance which is direct in European Union countries and in all other countries in excess of local contracts,
- environmental impact liability coverage for all Michelin Group companies.

The guarantee does not cover Legal Fees and Product Recall Expenses.

Other insurance programs cover lower-level risk.

3. Michelin Group captive insurance companies

Michelin Group owns several "captive" insurance companies whose role is to cover medium-level risk. This involves risk pooling and helps control Michelin Group insurance costs.

Captive companies, within ceilings commensurate with their resources, mainly handle:

- "property", with a EUR 30 million per event,
- "product liability" in the USA and Canada, with a USD 5 million maximum coverage per claim,
- "product recall" liability with a EUR 20 million per event.

The aggregate premia for financial year 2008 amounted to EUR 55 million*.

* This amount includes premia paid to captive companies.

Legal Risk

Michelin employs policies and procedures to assure compliance with laws and regulations applicable to its business practices. Management is not aware of any law or regulation (i) presently in effect or (ii) already promulgated and scheduled for implementation, the effect of which would have a material adverse effect on the Michelin Group's operations or financial standing.

Michelin Group companies can acquire legal liability as a result of operations connected with tire design, development, manufacture, sales and distribution. Michelin Group's quality systems and ongoing research and development (which is in significant part focused on tire performance and customer safety) are employed by the Michelin Group companies, in part, to promote safety – therefore also mitigating risk.

Michelin Group companies can be exposed to legal claims in the following areas: products liability claims (chiefly in the United States); claims associated with the sale and distribution of products; claims regarding social obligations (for example, post-retirement benefits); claims associated with intellectual property (for example infringement claims); and, claims regarding alleged occupational disease.

In 2005, a number of Michelin Group pension fund beneficiaries in Canada started a legal action against the Canadian subsidiary of Michelin Group aimed at forcing that subsidiary to pay a sum of

CAD 350 million to said pension fund. The sum was revised downwards to CAD 268.9 million at December 31, 2005.

Michelin Group believes that the Company was entitled to reduce, or not make some of its annual contributions, due to excess capital generated by the management of the defined benefit plan, up to the above-mentioned amount. Nova Scotia's Supreme Court ruled in Michelin Canada's favor on October 30, 2007. The plaintiffs filed an appeal for this decision. By a decision of November 20, 2008, which has become final, Nova Scotia's Court of Appeal dismissed the appeal.

Michelin Group had made no provision for this claim.

As part of their ordinary day-to-day business, certain companies within the Michelin Group are parties to legal proceedings. A number of such legal proceedings involve alleged asbestos exposure claims or employment-related discrimination claims. Although the outcome of such pending actions can be unpredictable, Michelin Group currently considers that such claims will not have a materially adverse affect on its financial status.

As at December 31, 2008, there existed no claim, arbitration proceeding or exceptional event which Management deemed likely to have or have had a materially adverse impact on Michelin Group financial standing, earnings, business or assets.

Risks arising from competition

Michelin Group is confronted with significant worldwide competition; this is intensifying, particularly on the part of competitors from Asian countries. Although the Michelin Group is pursuing a continuous innovation strategy, accelerating the pace of its development in the high-growth markets and enhancing its competitiveness position, this competitive situation could impact Michelin Group operations, financial position and results negatively.

Risks in connection with non-completion of the "2010 Horizon" plan

Michelin Group's strategy for the next two years is clear: leverage ongoing innovation, accelerate the pace of development in the high-growth markets and achieve substantial competitiveness gains. Michelin Group's ability to implement this strategy successfully could be jeopardized by external factors having a negative impact on its business. These include (i) increasingly strong worldwide competition characterized by the emergence of new players with improved technological know-how, (ii) lasting industrial overcapacity leading to a general downward pressure on prices, (iii) a bearish economic environment, particularly in the developed economies, and finally (iv) further significant external cost increases, especially concerning raw material prices.

For all these reasons, the Michelin Group is not in a position to guarantee the successful implementation of its horizon 2010 strategy. Should major obstacles prevent this strategy from being implemented, this could have a negative impact on Michelin Group's operations, financial standing and results.

Risks in connection with the raw material environment

Raw material purchases account for a significant share of Michelin Group's charges, representing close to a half of all Michelin Group purchases in 2008. Although Michelin Group's policy has always been one of integrating raw material price increases into its sales prices, one may not take it for granted that a further hike in raw material costs can again be offset by an increase in selling price. Moreover, it is to be noted that Michelin Group is not in a position to hedge its raw material purchases, as hedging instruments have not so far been efficient enough.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (1) the audited annual accounts (including the independent auditors' reports [1 report for each year] thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2007 and 31 December 2008 (set out on pages 3 to 7 and 6 to 11, respectively, of the 2007 and 2008 annual reports of the Issuer); and
- (2) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Guarantor in respect of the years ended 31 December 2007 and 31 December 2008 (set out on pages 25 to 90 and 29 to 91, respectively, of the 2007 and 2008 annual reports of the Guarantor).

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Information Incorporated by Reference

Reference

Details of Issuer's Annual Accounts

Audited annual accounts for the year ended December 31, 2007

Balance Sheet	2007 Issuer Annual Accounts page 3
Profit and loss account	2007 Issuer Annual Accounts page 4
Notes to the annual accounts	2007 Issuer Annual Accounts page 5 to 7
Independent Auditor's Report	2007 Issuer Annual Accounts page 1 to 2

Audited annual accounts for the year ended December 31, 2008

Balance Sheet	2008 Issuer Annual Accounts page 6
Profit and loss account	2008 Issuer Annual Accounts page 7
Notes to the annual accounts	2008 Issuer Annual Accounts page 8 to 11
Independent Auditor's Report	2008 Issuer Annual Accounts page 4 to 5

Details of Guarantor's Financial Statements

Audited consolidated financial statements for the year ended 31 December 2007

Consolidated Income Statement	2007 Guarantor Annual Report page 27
Consolidated Balance Sheet	2007 Guarantor Annual Report page 28
Consolidated Statement of Changes in Equity	2007 Guarantor Annual Report page 29
Consolidated Cash Flow Statement	2007 Guarantor Annual Report page 30
Notes	2007 Guarantor Annual Report page 31 to 90
Independent Auditors' Report	2007 Guarantor Annual Report page 9

**Audited consolidated financial statements for the
year ended 31 December 2008**

Consolidated Income Statement	2008 Guarantor Annual Report page 31
Consolidated Balance Sheet	2008 Guarantor Annual Report page 32
Consolidated Statement of Changes in Equity	2008 Guarantor Annual Report page 33
Consolidated Cash Flow Statement	2008 Guarantor Annual Report page 34
Notes	2008 Guarantor Annual Report page 30-90
Independent Auditors' Report	2008 Guarantor Annual Report page 10-11

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ECB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global

Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg and any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant

Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg and any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

However, in relation to any Notes issued with a denomination of EUR 50,000 (or equivalent) and integral multiples of EUR 1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable for Definitive Notes in the circumstances set out in paragraph (iii) above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms ; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if (a) Euroclear or Clearstream, Luxembourg and any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including,

without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme*: Michelin Luxembourg SCS (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €2,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Compagnie Financière Michelin (the "**Guarantor**").
- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a form of final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement*: The Notes are the subject of an issue and paying agency agreement dated 2 April 2009 ("**Agency Agreement**") between the Issuer, the Guarantor, BGL Société Anonyme as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), BGL Société Anonyme as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them
- (d) *Deed of Guarantee*: The Notes are the subject of a deed of guarantee dated 2 April 2009 (the "**Deed of Guarantee**") entered into by the Guarantor.
- (e) *Deed of Covenant*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 2 April 2009 (the "**Deed of Covenant**") entered into by the Issuer.
- (f) *The Notes*: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at BGL Société Anonyme, 50 Avenue John F.Kennedy, L-2951 Luxembourg,

Luxembourg and on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from BGL Société Anonyme, 50 Avenue John F.Kennedy, L-2951 Luxembourg, Luxembourg.

- (g) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at BGL Société Anonyme, 50 Avenue John F.Kennedy, L-2951 Luxembourg, Luxembourg.

2. **Interpretation**

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following

day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Credit Support" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and

any other agreement to be responsible for such Indebtedness;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360 (adjusted/unadjusted)**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date (as specified in the applicable Final Terms) or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Guarantee of the Notes" means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; and
- (iv) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(c) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding

the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period .

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means any present or future Indebtedness which is in the form of or represented by any bond, note, debenture, loan stock or other instrument which is, or is capable of being, listed, quoted or ordinarily dealt in on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a

Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms .
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified

Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement):

- (i) the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security Interest**"), other than any such Security Interest arising by operation of law, upon the whole or any part

of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness or any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes and the Coupons are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders; and

- (ii) the Guarantor will not create or permit to subsist any Security Interest, other than any such Security Interest arising by operation of law, upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness or any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Guarantor's obligations under the Guarantee of the Notes are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation

Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this

purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and

including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 12 (*Taxation*) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of Switzerland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes

effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by

which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (f) *Change of control redemption at the option of Noteholders:* If the Change of Control Put Option is specified in the relevant Final Terms as being applicable, then if at any time while any Note remains outstanding there occurs a Change of Control, the Holder of each Note will have the option (unless, prior to the giving of the Put Change of Control Notice referred to below, the Issuer gives notice of its intention to redeem the Notes under Condition 9(b)) to require the Issuer to redeem that Note or, at the Issuer's option, to procure the purchase of that Note on the date determined by the Issuer and notified to the Noteholders in accordance with Condition 19 (*Notices*) (the "**Put Change of Control Settlement Date**", which date shall be within a period of not less than 60 nor more than 90 days following the Put Change of Control Notice or, if the Issuer fails to give a Put Change of Control Notice within 15 days of the occurrence of a Change of Control, within a period of not less than 90 nor more than 120 days following the occurrence of a Change of Control) at the Optional Redemption Amount, together with (or, where purchased, together with an amount equal to) interest accrued to but excluding such Put Change of Control Settlement Date.

Promptly upon the occurrence of a Change of Control, the Issuer shall give notice (a "**Put Change of Control Notice**") to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 9(f)).

In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Put Change of Control Settlement Date, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed put option notice (a "**Put Option Notice**") in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed receipt for such Note (a "**Put Option Receipt**") to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; provided, however, that if, prior to the relevant Put Change of Control Settlement Date, any such Note becomes immediately due and payable or, upon due presentation of such Note on the relevant Put Change of Control Settlement Date, payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

A "**Change of Control**" shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to own or acquire(s) (i) more than 50 per cent. of the issued share capital of the Guarantor or of Compagnie Générale des Etablissements Michelin or (ii) such number of the shares in the capital of the Guarantor or of Compagnie Générale des Etablissements Michelin carrying more than 50 per cent. of the voting rights at ordinary or extraordinary general meetings of Shareholders, *provided that* there will be no Change of Control of the Guarantor as long as Compagnie Générale des Etablissements Michelin retains the ability to control, directly or indirectly, whether by ownership of shares, contract or otherwise, more than 50 per cent. of such voting rights at ordinary or extraordinary general meetings of the Guarantor.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed

for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (j) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments - Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by credit or transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next

succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by credit or transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by credit or transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or Switzerland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
 - (iii) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
 - (iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Luxembourg or Switzerland respectively, references in these Conditions to Luxembourg or Switzerland shall be construed as references to Luxembourg or (as the case may be) Switzerland and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any interest or any principal of the Notes when due and such failure continues for a period of fourteen days, or;
- (b) *Breach of other obligations:* the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) *Cross default of Issuer, Guarantor*
 - (i) any other present or future Indebtedness of the Issuer or the Guarantor for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described); or
 - (ii) any such Indebtedness is not paid on the due date or, as the case may be, within any applicable grace period; or

- (iii) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future Credit Support for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the Indebtedness, Credit Support and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds euro 50,000,000 (fifty million euro) or its equivalent in other currency or currencies; or

- (d) *Enforcement Proceedings*: an encumbrancer or a receiver or a person with similar functions appointed for execution in Luxembourg or Switzerland (including a *Curateur* or *Konkursverwalter*) takes possession of the whole or any material part of the assets or undertaking of the Issuer or the Guarantor or a distress, execution or other process being levied or enforced upon or sued out against the whole or substantially all of the property or assets of the Issuer or the Guarantor and not being paid, discharged, removed or stayed within 45 days; or
- (e) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that the aggregate amount of indebtedness secured by mortgages, charges, pledges, liens or other encumbrances in relation to which any such step is taken equals or exceeds euro 50,000,000 (fifty million euro) or its equivalent in any other currency or currencies and not being stayed within 45 days; or
- (f) *Insolvency etc*: the Issuer in accordance with Article 437 of the Luxembourg Code de Commerce or the Guarantor is (or is, or could be, deemed by law or a court to be (or in the case of the Guarantor, becomes in accordance with Article 725(2) of the Swiss Code of Obligations)) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, makes any agreement for the deferral or rescheduling of the whole or substantially all of its debts which it might otherwise be unable to pay when due, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor; or
- (g) *Winding up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or the Guarantor, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders and provided that a bona fide disposal for value on an arm's length basis of a substantial part of its

business or operations shall not be deemed to be a cessation of business for these purposes; or

- (h) *Ownership*: the Issuer ceases to be owned directly or indirectly as to at least fifty-one per cent. and controlled by the Guarantor; or
- (i) *Analogous Events*: Any event occurs which under the laws of any jurisdiction where the Issuer or the Guarantor is for the time being incorporated has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or
- (j) *Guarantee*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Note, may by notice in writing given to the Issuer and the Fiscal Agent at its Specified Office by the Holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any

obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; *provided, however, that:*

- (a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuer and the Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions, the Deed of Guarantee and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.
- (c) *Substitution:* The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons such company (the "**Substitute**") as further described in the Agency Agreement, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes and the Coupons shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Coupons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll, of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any necessary consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above, England and Switzerland as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or

which might otherwise reasonably be regarded as material to the Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 13 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 13 (*Events of Default*) shall be deemed to include that guarantee not being (or being claimed by the guarantor under such guarantee not to be) in full force and effect the provisions of Condition 13(c) –13(j) inclusive shall be deemed to apply in addition to the guarantor under such guarantee. By subscribing to, acquiring or otherwise purchasing the Notes or Coupons, the holders of the Notes or Coupons expressly consent to the substitution of such Issuer and to the release of such Issuer from any and all obligations in respect of the Notes or the Coupons and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. **Notices**

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law.
- (b) *English courts:* Subject to paragraph (d) below, the courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity.

- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 22(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 22 (*Governing law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Michelin Finance (U.K.) Limited at Aquis Court, 31 Fishpool Street, St Albans, Hertfordshire AL3 4RF (United Kingdom), at which service of process may be served on it in accordance with Part XXIII of the Companies Act 1985 and, as of 1 October 2009, in accordance with Part 34 of the Companies Act 2006. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [•]

Michelin Luxembourg SCS

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by **Compagnie Financière Michelin**

under the **€2,000,000,000 Euro Medium Term Note Programme**

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [•] [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address] [and copies may be obtained from [address]].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and either (1) the Notes which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state or (2) the Conditions (as defined in the next paragraph) do not contain, by comparison with the Base Prospectus, any "significant new factor" within the meaning of Article 16.1 of the Prospectus Directive. If neither (1) nor (2) applies the Issuer will need to consider effecting the issue by means of a supplement to the Base Prospectus or a stand alone prospectus rather than by Final Terms.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [original date]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Law, save in respect of the Conditions which are extracted from the base prospectus dated [original date] and are attached hereto. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date] [and the supplement to the Base Prospectuses dated • and •]. The Base Prospectuses [and the supplement to the Base Prospectus] are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) [and] during normal business hours at [address] [and copies may be obtained from [address]].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive].

1. (i) Issuer: Michelin Luxembourg SCS
- (ii) Guarantor: Compagnie Financière Michelin
2. (i) Series Number: []
- [(ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
- [(i) Series: []
- [(ii) Tranche: []]
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: []
- No Notes may be issued which have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency)*
- (ii) Calculation Amount: []
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
8. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
- [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a*

minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]

9. Interest Basis: [• per cent. Fixed Rate]
[[Specify reference rate] +/- • per cent. Floating Rate]
[Zero Coupon]
[Other (Specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (Specify)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. [(i) Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
[(ii) Status of the Guarantee: [Senior/[Dated/Perpetual]/Subordinated]
[(iii) [Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained: [] [and []], respectively
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable annually/semi-annually/quarterly/monthly/other

(specify)] in arrear]

- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) [Determination Dates: [] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s): []
- (ii) Specified Period: []
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (iii) Specified Interest Payment Dates: []
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")

- (iv) [First Interest Payment [] Date]:
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (vi) Additional Business Centre(s): [Not Applicable/*give details*]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [[*Name*] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (ix) Screen Rate Determination:
- Reference Rate: [*For example, LIBOR or EURIBOR*]
 - Interest Determination Date(s): []
 - Relevant Screen Page: [*For example, Reuters LIBOR 01/ EURIBOR 01*]
 - Relevant Time: [*For example, 11.00 a.m. London time/Brussels time*]
 - Relevant Financial Centre: [*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
- (x) ISDA Determination:
- Floating Rate Option: []
 - Designated []

Maturity:

- Reset Date: []
- (xi) Margin(s): [+/-][] per cent. per annum
- (xii) Minimum Rate of Interest: [] per cent. per annum
- (xiii) Maximum Rate of Interest: [] per cent. per annum
- (xiv) Day Count Fraction: []
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) [Amortisation/Accrual] Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [9(g)]]

PROVISIONS RELATING TO REDEMPTION

18. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such [] per Calculation Amount

amount(s):

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [] per Calculation Amount

(b) Maximum Redemption Amount: [] per Calculation Amount

(iv) Notice period: []

19. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount

(iii) Notice period: []

20. **Change of Control Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount

21. **Final Redemption Amount of each Note** [] per Calculation Amount

22. **Early Redemption Amount** [Not Applicable]
(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in

the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. **Form of Notes:** **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Registered Notes]**
24. New Global Note: [Yes] [No]
25. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details.*
Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(vi) and 18(x) relate]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details]*
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/*give details]*
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to

be made:

29. Redenomination, renominationalisation and reconventioning provisions: [Not Applicable/The provisions [in Condition •] apply]
30. [Consolidation provisions: [Not Applicable/The provisions annexed to this Final Terms apply]
31. Other final terms: [Not Applicable/give details]
- [(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
35. U.S. Selling Restrictions: Reg. S Compliance Category [2];
- (In the case of Bearer Notes) - [TEFRA C/TEFRA D]*
- (In the case of Registered Notes) - TEFRA Not Applicable*
36. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]]]

other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported]* (**Public Offer Jurisdictions**) during the period from *[specify date]* until *[specify date]* (**Offer Period**). See further Paragraph 10 of Part B below.

37. Additional selling restrictions: [Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the Regulated Market of the Luxembourg Stock Exchange of the Notes described herein] pursuant to the €2,000,000,000 Euro Medium Term Note Programme of Michelin Luxembourg SCS.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). [Each of the] The] Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Michelin Luxembourg SCS:

By:
Duly authorised

[Signed on behalf of the Compagnie Financière Michelin:

By:
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing [Official list of the Luxembourg Stock Exchange/ other (specify) / none]
- (ii) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) with effect from [].]
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from [].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: []]

[Moody's: []]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer []

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

AS LONG AS IT SHALL BE REQUIRED TO AVOID TRIGGERING SWISS WITHHOLDING TAX AND SWISS STAMP TAX ON ISSUANCE, THE ISSUER HEREBY UNDERTAKES TO USE THE PROCEEDS OF THE NOTES SOLELY OUTSIDE SWITZERLAND OR IN ACCORDANCE WITH ANY TAX RULING OF THE COMPETENT SWISS TAX AUTHORITIES.

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: []

*[Include breakdown of expenses]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

5. **[Fixed Rate Notes only – YIELD**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. ***[Floating Rate Notes only - HISTORIC INTEREST RATES***

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

ISIN Code: []

Common Code: []

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): []

Names and addresses of additional Paying Agent(s) (if any): []

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]
[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][<i>specify</i>]
Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
Description of the application process:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i>]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/ <i>give details</i>]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant.) Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Global Registered Notes

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without

charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

DESCRIPTION OF THE ISSUER - MICHELIN LUXEMBOURG SCS

Introduction

Michelin Luxembourg SCS ("**the Partnership**") was incorporated on 31 October 2003 as a limited partnership "*société en commandite simple*" under the laws of the Grand-Duchy of Luxembourg. It is registered with the Luxembourg trade and companies register "*Registre du Commerce et des Sociétés*" under reference number B 96.546. Its office is located at 69, Boulevard de la Pétrusse, L-2320 Luxembourg, Luxembourg and its telephone number is +352 40 49 60 1. The articles of association of the Partnership have been published in Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations, No. 1175. The Partnership is established for an unlimited period.

Principal activities and object of the Issuer

The object of the Issuer can be found at pages 3 and 4 of the *statuts* filed on 31 October 2003. The object of the Issuer includes, *inter alia*, the issue of bonds and debentures. The Issuer is also authorised under the terms of its articles of association, to grant loans to other members of the Michelin Group. The main activities of Michelin group companies include the manufacture and distribution of vehicle tyres and the publication of travel guides and maps.

Loans to affiliated undertakings

Loans to affiliated undertakings represent interest bearing loans made to finance the development of the Michelin group's operations. They comprise:

	2008 <i>(in thousand)</i> EUR	2007 <i>(in thousand)</i> EUR
Michelin Invest Luxembourg SCS - 6.83% repayable April 16, 2012	495,000	495,000
Michelin Invest Luxembourg SCS - 6.42% repayable April 16, 2009	479,000	479,000
	<hr/> 974,000	<hr/> 974,000

There is no guarantee attached to these loans.

Share Capital and Ownership structure

98% of the share capital of the Partnership is held by the Guarantor which is "*associé-commandité*" (general partner) and the remaining 2% is held by Nitor S.A. which is "*associé commanditaire*" (limited partner). These companies are both subsidiaries of Compagnie Générale des Etablissements Michelin. The registered office of the Guarantor and Nitor S.A. is at Route Louis-Braille 10, CH-1763 Granges-Paccot, Switzerland.

The Company is included in the consolidated accounts of the Guarantor. The consolidated accounts are available at the Guarantor's registered office.

Managing partner

Compagnie Financière Michelin is the managing partner of the Partnership.

Supervisory Board

The members of the Supervisory Board of the Partnership are Jean-Noël Quillet (Chairman), Gérard Chapirot and Rudolf Jurcik. Their commercial addresses are as follows:

Jean-Noël Quillet

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23
63040 Clermont-Ferrand
France

Gérard Chapirot

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23
63040 Clermont-Ferrand
France

Rudolf Jurcik

Michelin Reifenwerke AG & Co. Kommanditgesellschaft auf Aktien
Michelinstrasse 4
76185 Karlsruhe
Germany

Significant Outside Duties

The Issuer certifies that, to the best of its knowledge, there are no significant outside duties by the members of the Supervisory Board of the Partnership.

Annual General Meeting

The annual general meeting of shareholders of the Issuer takes place in Luxembourg at such place and date as specified in the convening notice.

Independent Auditors

The Issuer's independent auditors are PricewaterhouseCoopers S. à r.l., 400, route d'Esch, B.P. 1443, L-1014 Luxembourg, Luxembourg. PricewaterhouseCoopers S.à r.l is a member of the "Institut des Réviseurs d'Entreprises" in Luxembourg.

Audit Committee

As this is not required by Luxembourg law, the Issuer has no Audit Committee but does have a Supervisory Board which controls the management of the Company and holds meetings when this is necessary. Nevertheless, at Michelin Group level, an Audit Committee has been put into place.

Corporate Governance

There is no legal requirement under Luxembourg law to comply with such a corporate governance regime. Furthermore, the ultimate parent company of the Issuer, Compagnie Générale des Etablissements Michelin which is listed at the Paris Stock Exchange applies the corporate governance rules applicable to listed companies in France.

Advisers

Wildgen – Partners in Law, located at 69, Boulevard de la Pétrusse, L-2320 Luxembourg (Luxembourg), are legal advisers to the Partnership.

Financial Year

The financial year of the Issuer ends on 31 December in each year.

Selected Financial Information relating to Michelin Luxembourg SCS

BALANCE SHEET as of December 31, 2008 and 2007

(in thousands of EUR)

ASSETS	2008	2007
Fixed assets		
Financial assets		
Long term loans to affiliated undertakings	495,000	974,000
	495,000	974,000
Current assets		
Debtors		
Short term loans to affiliated undertakings	479,000	0
Amounts owed by affiliated undertakings becoming due and payable within one year	45,988	45,988
Cash at bank	230	335
	525,218	46,323
Prepayments	1,949	3,071
	1,022,167	1,023,394
LIABILITIES		
Capital and reserves		
Subscribed capital	1,000	1,000
Legal reserve	100	100
Profit for the financial year	629	613
	1,729	1,713
Creditors		
Non-convertible guaranteed bonds		
becoming due and payable after more than one year	500,000	970,163
becoming due and payable within one year	470,163	0
Amounts owed to affiliated undertakings becoming due and payable within one year	6,605	7,852
Interests accrued on guaranteed bonds becoming due and payable within one year	43,664	43,664
Other creditors becoming due and payable within one year	6	2
	1,020,438	1,021,681
	1,022,167	1,023,394

PROFIT AND LOSS ACCOUNT

(in thousands of EUR)

	Year ended Dec 31, 2008	Year ended Dec 31, 2007
CHARGES		
External charges	20	16
Interest payable and similar charges		
. interest concerning affiliated undertakings	288	314
. charges in relation with the guarantee of the bonds	1,215	1,210
. interest on bonds	61,297	61,297
. debt issuance costs	1,122	1,122
	<hr/> 63,922	<hr/> 63,943
Profit for the financial year	<hr/> 629	<hr/> 613
	<hr/> <hr/> 64,571	<hr/> <hr/> 64,572
INCOME		
Income from loans forming part of fixed assets		
. derived from affiliated undertakings	33,808	64,560
Income from loans forming part of current assets		
. derived from affiliated undertakings	30,752	0
Other interest receivable and similar income	<hr/> 11	<hr/> 12
	<hr/> <hr/> 64,571	<hr/> <hr/> 64,572

UNAUDITED CASH FLOW STATEMENT

	Year ended 31 December 2008 EUR	Year ended 31 December 2007 EUR
Cash flows from operating activities		
Cash payments to suppliers	(16 199,51)	(20 383,65)
Cash flows from investing activities		
Interest received	61 308 732,45	61 309 481,69
Cash flows from financing activities		
Interest payments	(61 297 983,75)	(61 297 983,75)
Loan advance(s) to affiliated companies	(100 000,00)	0,00
<i>Net cash from financing activities</i>	(61 397 983,75)	(61 297 983,75)
Net decrease in cash and cash equivalents	(105 450,81)	(8 885,71)
Cash and cash equivalents at the beginning of the period	335 542,06	344 427,77
Cash and cash equivalents at the end of the period	<u>230 091,25</u>	<u>335 542,06</u>

At the request of Michelin Luxembourg SCS, PricewaterhouseCoopers S. à r.l., the independent auditors of Michelin Luxembourg SCS, have compared the amounts included in the above table not derived from the audited non-consolidated annual accounts of Michelin Luxembourg SCS with the corresponding amounts in schedules and analyses prepared by Michelin Luxembourg SCS from its accounting records and found those amounts to be in agreement after giving effect to rounding, if applicable.

DESCRIPTION OF THE GUARANTOR - COMPAGNIE FINANCIERE MICHELIN

Introduction

Compagnie Financière Michelin ("the Guarantor" or "CFM") is a subsidiary of Compagnie Générale des Etablissements Michelin ("CGEM" and, together with its consolidated subsidiaries and affiliates taken as a whole, the "Michelin Group"). CFM was incorporated on 29 December 1960. CFM is registered with the *Registre du Commerce de la Sarine* in Fribourg, under the reference number CH-217-0-136.115-2, its registered office is at Route Louis Braille 10, 1763 Granges-Paccot, Switzerland and its telephone number is +41 26 467 44 44. CFM is the holding company for the industrial, sales and research businesses of the Michelin Group outside France.

History and Development of the Michelin Group

Michelin's history is bound up with that of the pneumatic tire. Ever since its first patent was registered, Michelin continuously drove innovation in tire technology, which accounts for the bulk of its operations. Michelin's invention of radial tires in 1946 still stands as a major technological breakthrough in the transportation industry and improved performance in a number of key areas including: grip, safety, durability, comfort and fuel consumption. While at first mainly used in Europe due to Michelin's marketing efforts, in the 1970's the radial architecture was gradually adopted by the main tire manufacturers worldwide, notably in the United States and Japan, where radial technology, very limited at the time, now accounts for nearly 100% of sales. In recent years, Michelin has focused research on environment friendly tire technologies, introducing the "green" tire under the "Energy" trademark. This fuel-saving technological innovation, which addresses environmental concerns by reducing fuel consumption significantly, maintains the high standards of wet grip and wear resistance Michelin is famous for.

The Michelin Group operates nearly 70 manufacturing sites in 19 countries and has commercial establishments in close to 170 countries. As of December 2008, the Michelin group employed approximately 120.000 employees worldwide, based on 5 continents.

Compagnie Générale des Etablissements Michelin

CGEM originated in July 1863 with the formation of the limited partnership company, Barbier, Daubrée & Cie. In 1889, Edouard Michelin, with the assistance of his brother, André Michelin, took over the business which was subsequently renamed Michelin & Cie.

In the late nineteenth century, the Michelin Group developed pneumatic tires and in 1900, the *Michelin Guide* for auto tourists was launched. In the early part of the twentieth century, the Michelin Group expanded its business and opened operations in London (in 1905), in Italy (in 1906) and in the USA (in 1908), although the American-business was subsequently closed down during the Depression. Subsequent innovations included detachable rims and spare tires, tubeless tires treads and modern low-profile tires. In 1946, the Michelin Group patented radial tires and continued to expand its operations throughout Europe and the rest of the world.

Compagnie Financière Michelin

In 1960, The Group's foreign assets were transferred to a single holding, Compagnie Financière Michelin, with its head office at Granges-Paccot, Canton of Fribourg (Switzerland). Compagnie Financière became the parent company of most of the Group's main industrial companies, thus forming a coherent group of companies. CFM also acts as the main financing vehicle for all Michelin Companies.

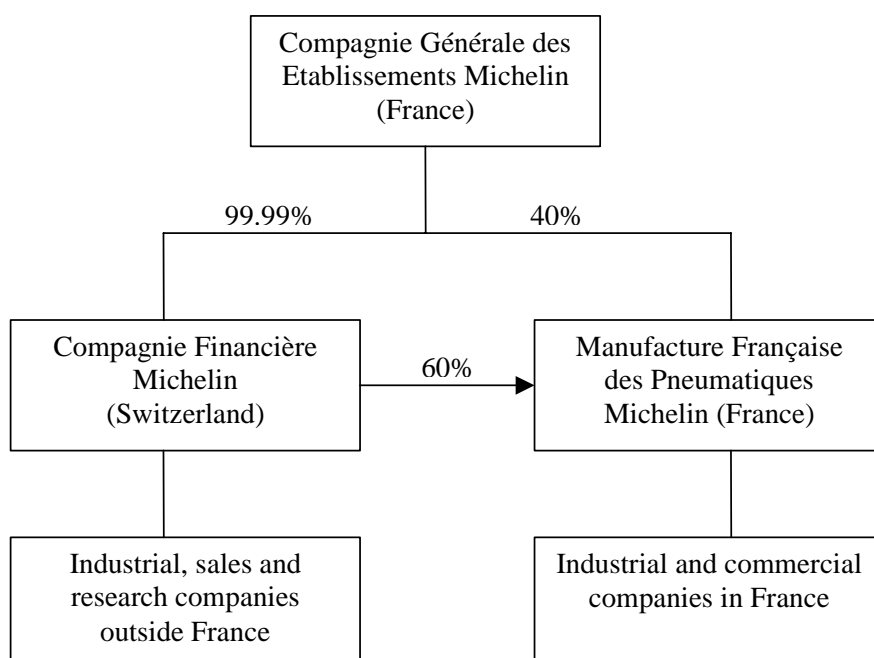
Principal activities and object of the Guarantor

The object of the Guarantor can be found at pages 3 and 4 of the *statuts* which were first filed on 29 December 1960 and most recently modified on 30 April 2008. CFM is the holding company for the industrial, sales and research businesses of the Michelin Group outside France. The object of the Guarantor is to ensure the Group's coherence and the development and continuity of the Group in line with the traditional management structure of the Group.

Share Capital and Ownership structure

CFM is a *société en commandite par actions* (a Swiss corporation limited by shares with unlimited partners). The partners have unlimited personal liability for CFM, while the liability of shareholders, as in any limited liability corporation, is limited to the extent of their shareholding. The current Unlimited Partners of CFM are François Michelin, Michel Rollier and René Zingraff. At 31 December 2008, the issued and subscribed capital of CFM was CHF 2,238,949,500, divided into 22,389,495 registered shares (actions nominatives) carrying enhanced voting rights of par value CHF 100 each. CFM is owned as to 99.99 per cent by CGEM.

Organisational structure



Principal activities

The Michelin Group has eight product lines (each a "Product Line") comprising: (i) passenger car and light truck tires; (ii) truck tires; (iii) agricultural tires; (iv) aircraft tires; (v) two-wheel tires; (vi) earthmover tires; (vii) components (for example, rubber and elastomers and reinforcement materials); (viii) maps and guides.

Due to the internationalisation of the car and tire markets, the Michelin Group maintains a consistent approach on all continents, while remaining close to the needs of each individual market. This is achieved through each Product Line having Tactical Operational Units ("TOUs"), operating in all the countries where the Michelin Group has a presence. Each Product Line is organised according to market segment into TOUs which bring together product development, marketing, manufacturing and sales. These TOUs are separate profit centres and as such, are accountable for their results.

In accordance with its Product Line organisation, the Michelin Group divides its activities into three segments for financial reporting purposes, namely the Passenger Car & Light Truck and related distribution segment, the Truck and related distribution segment and the Specialty Operations segment.

Passenger Car & Light Truck and related distribution

The Passenger Car/Light Truck Tire segment comprises the development, production, marketing and sales of tires for passenger cars and light trucks, as well as for racing vehicles.

The Passenger Car/Light Truck Tire segment sells its products to two types of market, namely the Original Equipment ("OE") market and the Replacement Tire ("RT") market. The OE market comprises sales of tires to vehicle manufacturers for the purpose of equipping new vehicles, whereas the RT market comprises sales of tires to distributors who in turn, sell tires to consumers who are replacing the tires on their vehicles. Less than one-third of the Passenger Car/Light Truck tires sold by the Michelin Group are sold through the OE market, with the majority of sales being made in the significantly less cyclical RT market.

The Michelin Group sells tires in the OE Market to the majority of the world's major vehicle manufacturers under non-exclusive distribution agreements.

Truck and related distribution

The Truck Tire segment comprises the development, production, marketing and sales of tires for heavy trucks (weighing more than 6 tonnes). The Truck Tire segment sells its products through both the OE and RT markets, with the RT market representing over 80 per cent. of the world's truck tire market sales. In addition, the Michelin Group is developing its fleet maintenance service, which is a means for transport companies to optimise their global tire costs by providing assistance with products (new and retread tires) and with services such as park management, breakdowns, tire elimination, administration costs and inventory and casing management.

Specialty Businesses segment

This segment comprises the Michelin Group's other activities, including:

- Speciality tire businesses (earthmover, agricultural, two wheel and aircraft tires);
- Maps & Guides
- ViaMichelin
- Michelin Lifestyle

Research and Development

In an environment characterized by stiffer competition and ever more stringent regulations, particularly in the areas of safety and the environment, Michelin is intent upon leveraging its full differentiation potential through outstanding customer value, based on superior product performance and tailor-made, innovative services. Consistent with this objective, Michelin Group spends approximately 3 to 4% of its net sales in research and development. Sustainable mobility underpins the Group's differentiation strategy. Its innovative capacity means that Michelin is poised to transform the sustainable mobility challenge into profitable growth opportunities. With some 4,000 research engineers and EUR 499 million spent in research and development in 2008, Michelin's research operations are the largest in the tire industry.

Safety, longevity, fuel efficiency and lower CO2 emissions: each year, Michelin develops new and better solutions to meet these increasingly pressing issues. Such breakthrough innovations as Michelin Durable Technologies for truck tires and the Michelin Energy Saver latest generation of very low rolling resistance tires are some of the latest illustrations of these superior solutions. More sophisticated and complex to make, those very high performance tires generate higher margins and are growing much faster than entry-level products, especially in developed markets. Other differentiation opportunities include mobility-enabling services that make professional transportation safer and optimize operations and bottom line. For its portfolio of long-haul truck fleets, airline and mining customers, Michelin develops high value-added solutions including truck-side maintenance and mileage – or number of landings – or volume – based invoicing, that make it a genuine partner contributing to optimum overall performance and bottom line.

Recent Events

The Company has carried out its activities in conformity with its corporate aims and its constitution as a holding company. It has managed and developed its investments by following, advising, coordinating and controlling its subsidiaries and affiliates, in line with the management concepts of the Group.

The main events that characterized the financial year are as follows:

- On June 9, 2008, Compagnie Financière Michelin entered into a Credit Facility Agreement for an amount of EUR 300 million with the European Investment Bank. The purpose of this

Credit Facility is to finance investment projects in the research and development activity of the Michelin Group within the European Union.

- On June 18, 2008, a EUR 250 million tranche of long term funding into the European securitization vehicle of the Company was renewed for 3 years.
- On October 7, 2008, Compagnie Financière Michelin has preventively drawn on a portion of one of its credit lines in order to increase the level of available cash and thus be in a position to face any market disruption. These concerns did not materialise.
- On November 25, 2008, Compagnie Financière Michelin entered into Credit Agreement for an amount of EUR 100 million with Société Générale. The purpose of any amounts raised by Compagnie Financière Michelin under this Credit Agreement is to serve as a back stop for any commercial paper.
- On November 28, 2008, Compagnie Financière Michelin entered into a EUR 100 million Term Loan Agreement with BNP Paribas. The purpose of this Term Loan is to participate in the general corporate financing of the Group.

Management of Compagnie Financière Michelin

Unlimited Partners

Mr. François Michelin
Mr. Michel Rollier
Mr. René Zingraff

Managing Partners

Mr. François Michelin
Mr. Michel Rollier

Executive Vice-Presidents

Mr. Georges-Henri Barras
Mr. Jean-Dominique Senard

Supervisory Board

Mr. Christoph Reinhardt, President
Mr. Alexandre Jetzer
Mr. Jean-Louis Moulin

The addresses of the management are as follows:

François Michelin

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23
63040 Clermont-Ferrand
France

Michel Rollier

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23
63040 Clermont-Ferrand
France

René Zingraff

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23

63040 Clermont-Ferrand
France

Jean-Dominique Senard

Manufacture Française des Pneumatiques Michelin
Place des Carmes-Déchaux 23
63040 Clermont-Ferrand
France

Georges-Henri Barras

Compagnie Financière Michelin
Route Louis-Braille 10
1763 Granges-Paccot
Switzerland

Christoph Reinhardt

Lenz&Stahelin
Bleicherweg 58
8027 Zurich
Switzerland

Alexandre Jetzer

Novartis AG
Forum 1-2.20
Boîte postale
3002 Bâle
Switzerland

Jean-Louis Moulin

Société Michelin
46, av. de Breteuil
75324 Paris cedex 07
France

Potential Conflicts of Interest

The Guarantor certifies that, to the best of its knowledge, there are no potential conflicts of interests between any duties owed to the Guarantor by its administrative, management or supervisory bodies or its unlimited partners and their private interests or other duties.

Significant Outside Duties

Michel Rollier – Director of Moria and director of Lafarge (since 7 May 2008).

François Michelin – Advisor to the Supervisory Board

René Zingraff – President of the board of Siparex Croissance, vice president of the chamber of commerce and industry of Clermont-Ferrand/Issoire and director of ASM Clermont-Auvergne.

Statutory Auditors

CFM's statutory auditors are PricewaterhouseCoopers SA, Avenue C.-F. Ramuz 45, 1001 Lausanne, Switzerland.

Audit Committee

As this is not required by Swiss law, the Guarantor has no Audit Committee but does have a Supervisory Board which supervises the management of the Company and which holds meetings on a regular basis. At the Michelin Group level, an Audit Committee and an internal control system which is made up of several process cycles have been put into place. The important cycles have been integrated by the Guarantor into its internal control system and adapted to its activity as well as to Swiss legislation as deployed in 2008: Finance, Commitments and General Ledger. These risks having been identified, risks management processes were defined and are applied, routine inspections are carried out and the Management regularly reports to the Board of Directors (Unlimited Partners) of the Guarantor to review the situation, to take all useful steps and to decide, if necessary, of an improvement of the internal control system.

Corporate Governance

There are no particular Swiss law rules imposing a particular corporate governance regime on unlisted companies. Furthermore, the ultimate parent company of the Guarantor, Compagnie Générale des Etablissements Michelin which is listed at the Paris Stock Exchange, applies the corporate governance rules applicable to listed companies in France.

Litigation

Save as disclosed herein, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Guarantor is aware including any claims against the directors of the Guarantor) which have, or have had during the 12 months prior to the date of this Base Prospectus, an effect on the financial position or profitability of the Guarantor and which have an impact on the ability of the Guarantor to fulfil its obligations under the Guarantee of the Notes, as applicable, which is material in the context of the Programme or the issue of Notes thereunder.

Credit Rating

The Guarantor has been assigned a credit rating of Baa2 by Moody's and BBB by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. ("S&P").

Selected Consolidated Financial Information relating to Compagnie Financière Michelin

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December 2008	Year ended 31 December 2007
(in EUR million, except per share data)		
Sales	16,391	16,780
Cost of sales	(12,022)	(11,693)
Gross income	4,369	5,087
Sales and marketing expenses	(2,141)	(2,153)
Research and development expenses	(279)	(363)
General and administrative expenses	(1,117)	(1,019)
Other operating income and expenses	(37)	(41)
Operating income before non-recurring income and expenses	795	1,511
Non-recurring expenses	(77)	(326)
Operating income	718	1,185
Cost of net debt	(328)	(283)
Other financial income and expenses	(6)	28
Share of profit/(loss) from associates	10	17
Income before taxes	394	947
Income tax	(141)	(276)
Net income	253	671

Attributable to Shareholders	245	679
Attributable to non-controlling interests	8	(8)
<hr/>		
Basic and diluted earnings per share (in euros)	10.92	30.27
<hr/>		

CONSOLIDATED BALANCE SHEET

(in EUR million)	31 December 2008	31 December 2007
Goodwill	399	402
Other intangible assets	309	199
Property, plant and equipment (PP&E)	7,014	7,091
Non-current financial assets and other assets	348	410
Investments in associates and joint ventures	65	62
Deferred tax assets	893	920
Non-current assets	9,028	9,084
Inventories	3,677	3,352
Trade receivables	2,527	3,046
Current financial assets	170	61
Other current assets	682	538
Cash and cash equivalents	328	322
Current assets	7,384	7,319
TOTAL ASSETS	16,412	16,403
Share capital	1,500	1,352
Share premia	-	-
Reserves	2,980	3,365
Non-controlling interests	294	315
Total equity	4,774	5,032
Non-current financial liabilities	2,420	1,816

Employee benefits	2,448	2,567
Provisions and other non-current liabilities	751	866
Deferred tax liabilities	26	46
Non-current liabilities	5,645	5,295
Current financial liabilities	2,523	2,388
Trade payables	1,499	1,633
Other current liabilities	1,971	2,055
Current liabilities	5,993	6,076
TOTAL LIABILITIES AND EQUITY	16,412	16,403

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)	Year ended 31 December 2008	Year ended 31 December 2007
Net income	253	671
EBITDA adjustments		
Cost of net debt	328	283
Other financial income and expenses	6	(28)
Income tax	141	276
Amortization, depreciation and impairment of intangible assets and PP&E	925	821
Non-recurring income and expenses	77	326
Share of loss/(profit) from associates	(10)	(17)
EBITDA adjusted (before non-recurring income and expenses)	1,720	2,332
Non-cash other income and expenses	(15)	(35)
Change in provisions, including employee benefits	(248)	(201)
Net finance costs paid	(291)	(266)
Income tax paid	(246)	(260)
Change in value of working capital, net of impairments	(146)	167
Cash flows from operating activities	774	1,737
Purchases of intangible assets and PP&E	(1,293)	(1,485)
Proceeds from sale of intangible assets and PP&E	56	109
Acquisitions of consolidated shareholdings, net of cash acquired	(1)	(106)
Proceeds from sale of consolidated shareholdings, net of cash disposed	5	-
Purchases of available-for-sale investments	(61)	(4)
Proceeds from sale of available-for-sale investments	6	10
Cash flows from other financial assets	33	20

Cash flows from investing activities	(1,255)	(1,456)
Dividends paid to Shareholders	(134)	(130)
Cash flows from financial liabilities	727	(451)
Other finance cash flows	(110)	(46)
Cash flows from financing activities	483	(627)
Effect of the change of currency rates	4	(9)
Increase / (decrease) of cash and cash equivalents	6	(355)
Cash and cash equivalents as at 1 January	322	677
Cash and cash equivalents as at 31 December	328	322

RELATED PARTY TRANSACTIONS

Subsidiaries and associated companies

Transactions between the parent company and its subsidiaries and between subsidiaries are eliminated on consolidation.

Transactions and balances between the Group and its associates and joint ventures are detailed in the table below.

(in EUR million)	2008	2007
Income statement		
Income from the sale of goods or supply of services	49	28
Interest income	2	2
Expenses for the purchase of products or supply of services	(176)	(142)
Other operating expenses	(179)	(225)
Interest expenses	(76)	(59)
Balance sheet		
Balances receivable	83	84
Loans receivable	3	26
Financial liabilities	(1,406)	(1,467)
Balance payable	(16)	(16)
Other current receivables and payables	(134)	(142)

Key management and Supervisory Board

The Management received in 2008, in connection with financial year 2007, an amount of EUR 1.3 million (2007 in connection with 2006: EUR 0.8 million).

The Supervisory Board received in 2008 in connection with financial year 2007 an amount of EUR 0.1 million (2007 in connection with 2006: EUR 0.1 million)

TAXATION

The following is a general description of certain Luxembourg and Switzerland tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

Luxembourg Taxation

The following is a general description of certain Luxembourg withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

All payments of interest and principal by the Issuer under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied,

withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg law of 21 June, 2005 implementing the European Union Savings Directive 2003/48/EC on the taxation of savings income (the "Directive") and certain agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (of 20 per cent. from 1 July, 2008 to 30 June, 2011 and 35 per cent. as from 1 July, 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities") (see, paragraph "EU Savings Directive" above, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive or agreements);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December, 2005 which has introduced a 10 per cent. final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June, 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July, 2005 and paid as from 1 January, 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June, 2005 and 23 December, 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

Switzerland Taxation

Under present Swiss tax law, payments of the Guarantor under the Deed of Guarantee or payments of the Issuer under the Notes are not subject to Swiss withholding tax (*Verrechnungssteuer*) and no Swiss stamp tax on issuance (*Emissionsabgabe*) is payable upon the issuance of the Deed of Guarantee or the Notes, provided that the proceeds of any guaranteed Notes are utilized solely outside Switzerland and do not, directly or indirectly, flow back to Switzerland, via an affiliate of the Issuer or otherwise. The Issuer will in the Final Terms of any Notes, as long as this shall be required to avoid triggering the above taxes, undertake to use the proceeds of such Notes solely outside Switzerland or in accordance with any tax ruling of the competent Swiss tax authorities.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, Mitsubishi UFJ Securities International plc, Natixis, Société Générale and The Royal Bank of Scotland plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 2 April 2009 (the "**Dealer Agreement**") and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the

expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Issuer and the Guarantor and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed to the public in France, this Base Prospectus and the applicable Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Switzerland

The Notes are not offered to the public in Switzerland and neither this Base Prospectus nor any Final Terms constitute a prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations and each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it will not offer any Notes to the public in Switzerland, unless the Base Prospectus is as the case may be supplemented and/or updated with respect to any information regarding the Issuer and/or the Guarantor so as to fully comply with the requirements of Art. 652a and Art. 1156 of the Swiss Code of Obligations.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by a resolution of the Managing Partner of the Issuer passed on 3 March 2009 and by a resolution of the Unlimited Partners of the Guarantor passed on 3 March 2009. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Legal and Arbitration Proceedings

2. Save as disclosed herein, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware including any claims against the directors of the Issuer or the Guarantor) which have, or have had during the 12 months prior to the date of this Base Prospectus, an effect on the financial position or profitability of the Issuer or the Guarantor and which have an impact on the ability of the Issuer or the Guarantor to fulfil its obligations under the relevant Notes or the Guarantee of the Notes, as applicable, which is material in the context of the Programme or the issue of Notes thereunder.

Significant/Material Change

3. Save as disclosed in this Base Prospectus and since the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been published there has been no significant adverse change in the financial or trading position of the Issuer which, in either case, is material in the context of the Programme or the issue of the Notes thereunder; and save as disclosed in this Base Prospectus and since the last day of the financial period in respect of which the most recent consolidated audited financial statements of the Guarantor have been prepared, there has been no significant adverse change in the financial or trading position of the Guarantor which, in either case, is material in the context of the Programme or the issue of the Notes thereunder.

Independent Auditors

4. The annual accounts of the Issuer have been audited for the years ended December 31, 2007 and 2008 by PricewaterhouseCoopers S. à r.l., 400, route d'Esch, B.P. 1443 L-1014 Luxembourg, Luxembourg.
5. The consolidated financial statements of the Guarantor have been audited for the years ended 2007 and 2008 by PricewaterhouseCoopers SA, Avenue C.-F. Ramuz 45, 1001 Lausanne (Switzerland). PricewaterhouseCoopers SA is a member of the Swiss Institute of Certified Accountants and Tax Consultants.

Documents on Display

6. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of BGL Société Anonyme at 50 Avenue John F.Kennedy, L-2951 Luxembourg, Luxembourg for 12 months from the date of this Base Prospectus:
- (a) the *statuts* of the Issuer;
 - (b) the *statuts* of the Guarantor;
 - (c) the audited financial statements of the Issuer for the years ended 31 December 2007 and 31 December 2008;
 - (d) the audited consolidated financial statements of the Guarantor for the years ended 31 December 2007 and 31 December 2008;
 - (e) the Agency Agreement;
 - (f) the Deed of Guarantee;
 - (g) the Deed of Covenant;
 - (h) the Dealer Agreement;
 - (i) the Programme Manual (which contains the forms of the Notes in global and definitive form);
 - (j) the Issuer-ICSDs Agreement;
 - (k) this Base Prospectus, including any future supplements thereto (copies of which will be obtainable free of charge and not just available for inspection); and
 - (l) any Final Terms relating to the Notes which are listed on any stock exchange (copies of which will be obtainable free of charge as well and not just available for inspection). (In the case of any Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders).

Material Contracts

7. Save as disclosed in this Base Prospectus (including the documents incorporated by reference), the Issuer has not entered into any material contract not entered into in the ordinary course of its business, which could result in the Issuer being under an obligation or entitlement that is material to its ability to meet its obligations in respect of the Notes.

Clearing of the Notes

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final

Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Passporting

9. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 19 of the Prospectus Law as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

Potential Conflicts of Interest

10. The Issuer certifies that, to the best of its knowledge, there are no potential conflicts of interests between any duties owed to the Issuer by members of its administrative, management and supervisory bodies and their private interests or other duties.

REGISTERED OFFICE OF THE ISSUER

Michelin Luxembourg SCS

69, Boulevard de la Pétrusse
L-2320 Luxembourg
Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Compagnie Financière Michelin

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United Kingdom

Citigroup Global Markets

Limited

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United Kingdom

Mitsubishi UFJ Securities

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France

Société Générale

29 Boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland

plc
135 Bishopsgate
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United Kingdom

FISCAL AGENT and PAYING AGENT

BGL Société Anonyme

50 Avenue John F. Kennedy
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Luxembourg

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*To the Issuer and the Guarantor
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London EC4V 6JA
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To the Dealers as to English law:

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*To the Issuer and the Guarantor
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*To the Issuer and the Guarantor
as to Swiss law:*

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LISTING AGENT

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