

**MICHELIN LUXEMBOURG S.C.S.**  
**69, boulevard de la Pétrusse**  
**L 2320 Luxembourg**  
**R.C.S. Luxembourg B 96.546**  
**(hereinafter the «Partnership »)**

**HALF-YEARLY REPORT OF THE SUPERVISORY BOARD**  
**for the financial period ended June 30, 2011**

As prescribed by law the Supervisory Board wishes hereby to highlight the activities of the Partnership during the accounting period ended June 30<sup>th</sup>, 2011, and to comment the non audited half-yearly accounts.

**Operations and activity of the Partnership**

During the accounting period ended June 30<sup>th</sup>, 2011, the Partnership continued with the repurchase of the 6,5% guaranteed bonds 2012. During the first half year the Partnership proceeded to additional repurchases for a total of EUR 22'823'000. As a consequence, as at June 30, 2011, the outstanding amount of EUR 500 million bond is EUR 454'870'000. This operation is having a negative impact on the profit and loss account of EUR 1'254'712,30.

The 6,5% guaranteed bond 2012 has been reclassified from 'becoming due and payable after more than one year' to 'within one year', while the EUR 495'000'000 loan to Compagnie Financière Michelin is also reclassified from 'long term loan' to 'current assets'.

During the first six months of 2011, the Partnership has registered a total interest charge of EUR 47'590'895,56 on the guaranteed bonds and an interest income of EUR 49'489'787,10 on the loans to Compagnie Financière Michelin.

The Partnership has also registered a charge of EUR 470'659,91 linked to the guarantee granted by Compagnie Financière Michelin on the bond issues.

During the first half accounting period, the Partnership has not had other specific activities.

Neither have there been important events after the closing of the 6 months period.

**Risks**

The risk on the operations of the Partnership is considered low, the main income being generated by the loans to Compagnie Financière Michelin, a group company.



### Results - Allocation

The Annual General Meeting held on April, 1<sup>st</sup>, 2011 approved the allocation of the loss for the year 2010, being EUR 1'168'894, 67, to the Partners on a pro-rata basis of their participation in the Partnership. The corresponding amounts have been paid to the Partnership by the Partners on January 20<sup>th</sup>, 2011.

### Others

We would like to state that the accounts in question have been drawn up according to the provisions and methods stipulated in the Grand Duchy of Luxembourg.

For the second half of the financial year 2011 we do not foresee any new operations or activities.

For the Supervisory Board of  
MICHELIN LUXEMBOURG SCS

Signed by  
Jean-Noël QUILLET,  
Chairman of the Supervisory Board

Signed by  
Marc HENRY,  
Member of the Supervisory Board

Signed by  
Bernard GERARDIN,  
Member of the Supervisory Board