

Michelin Luxembourg SCS

Société en Commandite Simple

Non audited accounts
as of and for the period ended June 30, 2012

69, Boulevard de la Pétrusse
L-2320, Luxembourg
R.C.S. - B96.546

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Michelin Luxembourg SCS

Declarations

COMPAGNIE FINANCIERE DU GROUPE MICHELIN, “Senard et Cie” a « société en commandite par actions » under Swiss law, with its registered office at 1763 Granges-Paccot (Switzerland), Rte Louis-Braille 10, duly represented by Mr. Georges-Henri BARRAS ,Executive Vice-President, sole Managing Partner of the company MICHELIN LUXEMBOURG SCS, a « société en commandite simple » under Luxembourg law, with its registered office at 2320 Luxembourg (Luxembourg), 69 Bvd de la Pétrusse, registered with the *Registre du Commerce et des Sociétés in Luxembourg* under number B 96.546 (hereinafter « the Issuer »);

Jean-Noël QUILLET, Chairman of the Supervisory Board of the Issuer, Professional address, 63040 Clermont-Ferrand (France), 23, Place des Carmes-Déchaux;

Marc HENRY, Member of the Supervisory Board of the Issuer, Professional address, 63040 Clermont-Ferrand (France), 23, Place des Carmes-Déchaux;

and

Bernard GERARDIN, Member of the Supervisory Board of the Issuer, Professional address, 63040 Clermont-Ferrand (France), 23 Place des Carmes-Déchaux,

state that to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Issuer and that the management report includes a fair review of the development and performance of the business and the position of the Issuer, together with a description of the principal risks and uncertainties that it faces.

COMPAGNIE FINANCIERE DU GROUPE MICHELIN, “Senard et Cie”

Signed by
Georges-Henri BARRAS,
Executive Vice-President

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

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Balance sheet
as at June 30th, 2012
(expressed in EUR/000)

ASSETS	Note(s)	30.06.2012 '000 EUR	31.12.2011 '000 EUR
C. Fixed assets			
III. Financial fixed assets			
2. Amounts owed by affiliated undertakings	3	993'797	750'000
		<u>993'797</u>	<u>750'000</u>
D. Current assets			
II. Debtors			
2. Amounts owed by affiliated undertakings	4		
a) becoming due and payable within one year		302'679	564'821
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand			
		34	23
		<u>302'713</u>	<u>564'844</u>
E. Deferred charges	5	3'329	3'030
		<u>1'299'839</u>	<u>1'317'874</u>
LIABILITIES			
A. Equity			
I. Subscribed capital			
	6	1'000	1'000
IV. Reserves			
1. Legal reserve	7	100	100
4. Other reserves		0	8'800
VI. Loss for the financial year	8	15'048	(8'800)
		<u>16'148</u>	<u>1'100</u>
D. Non-subordinated debts			
1. Debenture loans			
b. Non-convertible loans			
i. becoming due and payable within one year	9	0	437'587
ii. becoming due and payable after more than one year	9	993'797	680'594
2. Amounts owed to credit institutions			
a. Becoming due and payable within one year	9	279'870	0
6. Amounts owed to affiliated undertakings			
a. becoming due and payable within one year		0	198'587
9. Other creditors			
a. becoming due and payable within one year		10'024	6
		<u>1'283'691</u>	<u>1'316'774</u>
		<u>1'299'839</u>	<u>1'317'874</u>

Michelin Luxembourg SCS

Profit and loss account
for the period from January 1st, 2012 to June 30th, 2012
(expressed in EUR/000)

	Note(s)	30.06.2012 '000 EUR	31.12.2011 '000 EUR
A. CHARGES			
2. Other external charges		271	119
8. Interest and other financial charges			
a. concerning affiliated undertakings	9	683	933
b. interest on guaranteed bonds/bank	9	36'065	93'256
c. debt issuance costs	5	1'052	2'521
d. realized on partial repurchase of bonds	9	12'416	11'533
12. Profit for the period		<u>15'048</u>	
Total charges		65'535	108'362
B. INCOME			
6. Income from financial fixed assets			
a. derived from affiliated undertakings		55'610	65'820
7. Income from financial current assets			
a. derived from affiliated undertakings		9'925	33'742
Loss for the financial year		<u>0</u>	<u>8'800</u>
Total income		<u>65'535</u>	<u>108'362</u>

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Notes to the unaudited accounts
as at June 30th, 2012
(continued)

1 General Information

Michelin Luxembourg SCS (“the Partnership”) is a limited liability partnership (“société en commandite simple”) incorporated under the laws of the Grand-Duchy of Luxembourg on October 31, 2003.

The Partnership is established for an unlimited period.

The Partnership’s financial year starts on January 1st and ends on December 31st of each year.

The principal activity of the Partnership is the provision of loans to affiliated undertakings within the Michelin group of companies. These loans have been financed by the issue of guaranteed bonds on the Luxembourg Stock Exchange. On April 2, 2009, the Partnership set up a Euro Medium Term Note Programme registered with the Luxembourg Stock Exchange. The Partnership launched a Bond issue on June 20, 2012 at the Luxembourg Stock Exchange and issued on April 25, 2012 a US Commercial Paper Programme.

The principal activities of Michelin Group companies include the manufacture and distribution of vehicle tyres and the publication of travel guides and maps.

The registered office of the Partnership is established at 69, boulevard de la Pétrusse, L-2320, Luxembourg. The Partnership is registered with the Registre de Commerce of Luxembourg under the section B Number 96 546.

98% of the share capital of the Partnership is held by Compagnie Financière du Groupe Michelin, “Senard et Cie” (“CFM”) and the remaining 2% is held by Nitor S.A. (together the “Partners”). These companies are both subsidiaries of Compagnie Générale des Etablissements Michelin. The registered office of CFM and Nitor S.A. is at Route Louis-Braille 10 CH-1763 Granges-Paccot, Switzerland.

The Partnership is included in the consolidated accounts of CFM. The consolidated accounts are available at CFM’s registered office.

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Notes to the unaudited accounts
as at June 30th, 2012
(continued)

2 Summary of significant accounting policies

2.1 Basis of preparation

The accounts of the Partnership have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the Management.

2.2 Financial fixed and current assets

Financial assets consist of intercompany loans bearing accrued interest. In case of durable depreciation in value according to the opinion of the Management, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.3 Foreign currencies translation

The Partnership maintains its financial records in euros ("EUR"). Assets and liabilities denominated in other currencies are translated into EUR at the rate effective at the balance sheet date. Income and expense transactions are recorded at the rate effective at the date of the transactions. Realized exchange gains and losses, and unrealized exchange losses, are recorded in the profit and loss account.

2.4 Deferred charges

Deferred charges represent costs associated with the issuance of the guaranteed bonds. They are amortized to the profit and loss account over the contractual term of the bonds.

2.5 Debts

Debts are recorded at their reimbursement value.

Loans and amounts owed to affiliated undertakings bear interests which are accrued on a pro rata temporis basis.

2.6 Non-convertible loans

Non-convertible loans are represented by guaranteed bonds such are valued at their nominal value and bear interests which are accrued on a pro rata temporis basis.

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Notes to the unaudited accounts
as at June 30th, 2012
(continued)

3 Financial fixed assets

Amounts owed by affiliated undertakings represent interest bearing loans made to finance the development of the Michelin group's operations. Movements for the year are as follows:

	'000 EUR			
Book value-opening balance	750'000			
Partial repayment	(156'203)			
Issuing of new loan	400'000			
Book value closing balance	993'797			
Financial fixed assets				
	Within one year	After one year and within five years	Total 30.06.2012	Total 31.12.2011
	'000 EUR	'000 EUR	'000 EUR	'000 EUR
Compagnie Financiere du Groupe Michelin, "Senard et Cie" 6.83% Repayable on April 16 th , 2012				495'000
Compagnie Financiere du Groupe Michelin, "Senard et Cie" 8.87% Repayable on April 24 th , 2014		593'797	593'797	750'000
Compagnie Financiere du Groupe Michelin, "Senard et Cie" 2.85% Repayable on June 30 th , 2019		400'000	400'000	
Total		993'797	993'797	1'245'000

4 Debtors

Debtors are mainly composed of amounts owed by affiliated undertakings becoming due and payable within one year

	30.06.2012	31.12.2011
	'000 EUR	'000 EUR
Amounts owed by affiliated undertakings	292'523	495'000
Interest receivable	10'156	69'821
	302'679	564'821

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Notes to the unaudited accounts
as at June 30th, 2012
(continued)

5 Deferred charges

	30.06.2012	31.12.2011
	'000 EUR	'000 EUR
Deferred charges are mainly composed of issuance costs relating to the guaranteed bonds		
Opening net book value	3'030	5'551
Issuing costs new bond	1'352	
Amortization for the year	(1'053)	(2'521)
Closing net book value	<u>3'329</u>	<u>3'030</u>

6 Subscribed capital

The Partnership's subscribed capital is set at EUR 1'000'000 divided into two classes of partnership units, comprising 98'000 unlimited partnership units (parts commanditées) and 2'000 limited partnership units (parts commanditaires) with a par value of EUR 10 per unit, each one of them fully paid up.

The authorized capital amounts to EUR 1'000'000.

The unlimited partnership units are owned by CFM and the limited partnership units by Nitor S.A.

No movement in the subscribed capital during the current period occurred.

7 Legal reserve

The company is required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

8 Profit or loss for the financial year

The Annual General Meeting held on April 3rd, 2012 approved the loss for the financial year 2011, being EUR 8'800'495, 96 and the contribution by the Partners on a pro rata basis. The Partnership's result for the period ended June 30th, 2012 is a profit of EUR 15'048'042, 78.

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Notes to the unaudited accounts
as at June 30th, 2012
(continued)

	Legal reserve (EUR)	Other reserves (EUR)	Result for the financial year (EUR)
As at December 31st, 2011	100	8'800	(8'800)
Movements for the year:			
• Allocation of previous year's profit or loss		(8'800)	8'800
• Profit or loss for the year/period			15'048
• Other movements Partner's compensation reserve			
As at June 30th, 2012	100		15'048

9 Non-subordinated debts

The loans to Michelin group companies are being financed by guaranteed bond issuances totaling EUR 993'797 as per June 30th, 2012.

Non-convertible guaranteed bonds/amounts owed to credit institutions

			Total 30.06.2012	Total 31.12.2011
	Within one year '000 EUR	After one year and within five years '000 EUR	'000 EUR	'000 EUR
500 million bond - 6.5% guaranteed bonds repayable on April 16 th , 2012				437'587
750 million bond - 8.625% guaranteed bonds repayable on April 24 th , 2014		593'797	593'797	680'594
400 million bond – 2.75% guaranteed bonds repayable on June 30 th , 2019		400'000	400'000	
Amounts owed to credit institutions	279'870			
Total	279'870	993'797	1'273'667	1'118'181

The total interest payable on the above guaranteed bonds amounts to EUR 35'954'251 for the period January 1st, 2012 up to June 30th, 2012.

The accrued interest payable as at June 30th, 2012 amounts to EUR 9'872'815,80.

The remaining outstanding amount of the 500 million 6.5% guaranteed bond was paid in full on its maturity date April 16th, 2012.

On April 24, 2009, under its Euro Medium Term Note Programme, the Partnership issued the 8.625% bonds of EUR 750'000'000 due April 24, 2014.

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(continued)

The entity repurchased on the EUR 750 million bond, for a total of EUR 156'203'000 of which EUR 86'797'000 during the first half of 2012.

The entity realized a loss of EUR 12'415'992 with the repurchases during the first half year.

On June 20th, 2012, the Partnership issued the 2.75% bonds of EUR 400'000'000 due June 20th, 2019.

On April 25th, 2012, the Partnership started issuing US Commercial Paper. As per June 30th, 2012 the total debt amount to USD 350'090'351.

Both bonds are listed on the Luxembourg Stock Exchange and guaranteed by CFM.

10 Staff

The Partnership does not have any employee, same in 2011.

11 Related parties transactions

During the financial year, the transactions entered with related parties, described in the previous notes, have been carried out at arm's length.