

Michelin Luxembourg SCS

Société en Commandite Simple

Non audited half-yearly accounts
as at June 30, 2011

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



Michelin Luxembourg SCS

Declarations

COMPAGNIE FINANCIERE MICHELIN, 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 MICHELIN

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

Michelin Luxembourg SCS

Balance sheet
as at June 30th, 2011
(expressed in EUR)

ASSETS	Notes	30.06.2011 '000 EUR	31.12.2010 '000 EUR
Fixed assets			
Financial assets			
Long term loans to affiliated undertakings	3	750'000	1'245'000
		750'000	1'245'000
Current assets			
Debtors			
Short term loans to affiliated undertakings	4	495'000	-
Amounts owed by affiliated undertakings becoming due and payable within one year		19'380	71'181
Cash at bank		23	26
		514'403	71'207
Prepayments	5	4'546	5'551
		1'268'949	1'321'758
 LIABILITIES			
Capital and reserves			
Subscribed capital	6	1'000	1'000
Legal reserve	7	100	100
Result for the financial year	8	(147)	(1'169)
Partners' compensation reserve	8	-	1'169
		953	1'100
Creditors			
Non-convertible guaranteed bonds			
Becoming due and payable after more than one year	9	750'000	1'227'693
Non-convertible guaranteed bonds			
Becoming due and payable within one year	9	454'870	-
Amounts owed to affiliated undertakings			
Becoming due and payable within one year		44'959	26'172
Interests accrued on guaranteed bonds			
Becoming due and payable within one year		18'158	66'779
Other creditors			
Becoming due and payable within one year		9	14
		1'267'996	1'320'658
		1'268'949	1'321'758

The accompanying notes form an integral part of the half-yearly accounts.

Michelin Luxembourg SCS

Profit and loss account
for the period ended June 30th, 2011
(expressed in EUR)

	Note	30.06.2011 '000 EUR	31.12.2010 '000 EUR
CHARGES			
External charges		48	88
Interest payable and similar charges			
. charges in relation with the guarantee of the bonds		471	989
. interest on guaranteed bonds	9	46'859	96'609
. debt issuance costs	5	1'005	2'062
		<hr/>	<hr/>
		48'335	99'748
. loss on bond partial repurchase	9	1'254	1'684
		<hr/>	<hr/>
		49'637	101'432
		<hr/> <hr/>	<hr/> <hr/>
INCOME			
Income from loans forming part of fixed assets			
. derived from affiliated undertakings	3	32'955	100'263
Income from loans forming part of current assets			
. derived from affiliated undertakings	4	16'535	-
Loss for the financial year		147	1'169
		<hr/>	<hr/>
		49'637	101'432
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral
part of the half-yearly accounts.

Michelin Luxembourg SCS

Notes to the non-audited half-yearly accounts
as at June 30th, 2011
(continued)

1 Status and principal activities

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 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.

The Partnership’s financial year begins on the first day of January and terminates on the last day of December.

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 Michelin (“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.

2 Summary of significant accounting policies

2.1 Basis of presentation

The half-yearly accounts of the Partnership are prepared in accordance with Luxembourg legal and regulatory requirements.

2.2 Accounting convention

The half-yearly accounts have been prepared under the historical cost convention.

Michelin Luxembourg SCS

Notes to the non-audited half-yearly accounts
as at June 30th, 2011
(continued)

2 Summary of significant accounting policies (cont.)

2.3 Financial assets

Financial assets are recorded at cost. Value adjustments are recorded at the end of the financial year if the net realizable value of any asset is lower than the book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 Foreign currencies

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

The Partnership does not currently maintain any material assets or liabilities in foreign currencies.

2.5 Prepayments

Prepayments 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.

2.6 Loans and amounts owed by/to affiliated undertakings

Loans and amounts owed by/to affiliated undertakings are valued at their nominal value. Loans and amounts owed by affiliated undertakings are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

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

2.7 Guaranteed bonds

Guaranteed bonds are valued at their nominal value and bear interests which are accrued on a pro rata temporis basis.

Michelin Luxembourg SCS

Notes to the non-audited half-yearly accounts
as at June 30th, 2011
(continued)

3 Long term loans to affiliated undertakings

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

	30.06.2011	31.12.2010
	'000 EUR	'000 EUR
Compagnie Financière Michelin 8.87% repayable on April 24, 2014	750'000	750'000
Compagnie Financière Michelin 6.83% repayable on April 16, 2012	-	495'000
	<u>750'000</u>	<u>1'245'000</u>

There is no guarantee attached to this loan.

4 Short term loans to affiliated undertakings

	30.06.2011	31.12.2010
	'000 EUR	'000 EUR
Compagnie Financière Michelin 6.83% repayable on April 16, 2012	495'000	-
	<u>495'000</u>	<u>-</u>

There is no guarantee attached to this loan.

5 Prepayments

	30.06.2011	31.12.2010
	'000 EUR	'000 EUR
Issuance costs relating to the guaranteed bonds :		
Opening net book value	5'551	7'613
Issuance costs on the 8.625% guaranteed bonds	-	-
Amortization for the year	(1'005)	(2'062)
Closing net book value	<u>4'546</u>	<u>5'551</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 unlimited partnership units are owned by CFM and the limited partnership units by Nitor S.A..

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Notes to the non-audited half-yearly accounts
as at June 30th, 2011
(continued)

7 Legal reserve

Luxembourg companies are 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 Result for the period

The Partnerships result for the period ended June 30th, 2011 is a loss of Eur 147'492,57.

The Annual General Meeting held on April 1, 2011 approved the loss for the financial year 2010, being EUR 1'168'894.67, and the contribution by the Partners on a pro-rata basis.

9 Guaranteed bonds

The loans to Michelin group companies are being financed by guaranteed bond issuances totaling EUR 1'204'870 as per June 30, 2011.

Details of the guaranteed bonds outstanding at June 30, 2011 are as follows:

	31.12.2010 '000 EUR	31.12.2010 '000 EUR
Becoming due and payable after more than one year		
8.625% guaranteed bonds repayable on April 24, 2014 *	750'000	750'000
Becoming due and payable within one year		
6.5% guaranteed bonds repayable on April 16, 2012 **	454.870	477'623
	<u>1'204'870</u>	<u>1'227'693</u>

* The coupon is due and payable annually on April 24

** The coupon is due and payable annually on April 16

The 6.5% guaranteed bonds were issued on April 16, 2002 by Michelin Invest Luxembourg SCS (formerly Michelin Finance Luxembourg S.A.) and are listed on the Luxembourg Stock Exchange. The bonds were transferred to the Partnership on December 4, 2003 and are irrevocably and unconditionally guaranteed by CFM. They are due on April 16, 2012. During the first half year, the Partnership proceeded to additional repurchases on the EUR 500 million bond for a total of Eur 22'823'000. As a consequence, as at June 30, 2011, the outstanding amount of the Eur 500 million bond is Eur 454'870'000.

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. These bonds are guaranteed by CFM.

These bonds are listed on the Luxembourg Stock Exchange.

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Notes to the non-audited half-yearly accounts
as at June 30th, 2011
(continued)

10 Employees

The Partnership does not have any employee (2010: none).