

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

ANNUAL REPORT OF THE SUPERVISORY BOARD
Presented to the
Ordinary annual general meeting held on April 3rd, 2012 relating to the accounts
for the financial year ended December 31, 2011

Ladies and Gentlemen,

As prescribed by law and statute, we have brought you together, as an ordinary annual general meeting, to highlight the activities of the Partnership during the accounting period ended December 31st, 2011, and to submit the relevant annual accounts for your approval.

We would be happy to supply any further information regarding those documents and details required by current legislation within the legally stipulated limit.

Operations and activity of the Partnership

During the financial year ended December 31st, 2011, the Partnership continued with the repurchases of bonds. The Partnership repurchased for a total of EUR 40'106'000 of the 6.5% guaranteed bonds 2012 and for a total of EUR 69'406'000 of the 8.625% guaranteed bonds 2014.

This operation had a negative impact on the profit and loss account of EUR 11'532'570. 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 'financial fixed assets' to 'amounts owed by affiliated undertakings becoming due and payable within one year'.

During the year 2011, the Partnership has registered a total interest charge of EUR 93'256'012 on the guaranteed bonds and an interest income of EUR 99'561'256 on the loans to Compagnie Financière Michelin.

The Partnership has also registered a charge of EUR 933'325 linked to the guarantee granted by Compagnie Financière Michelin on the bond issues.

During the year 2011, the Partnership has not had other specific activities.

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 1st, 2011 approved the allocation of the loss for the year 2010, being EUR 1'168'895.00 to the Partners on a pro-rata basis of their participation in the Partnership. The corresponding amounts have been paid to the Partnership by Partners on January 20th, 2011.

The result for the financial year 2011 is a loss of EUR 8'800'496.00.

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.

The Partnership will redeem the Bond at their principal with the exception of those previously redeemed, or purchased and cancelled, and the payment of the accrued interest on April 16th, 2012.

We hereby ask your approval of the annual accounts (balance sheet, results and annexe) such as are presented and which indicate a loss of EUR 8'800'496.00. This loss has already been recognized by the partners and automatically recorded in the profit and loss accounts of the partners according to art. 19 of the Articles of Association of the Partnership.

For the financial year 2012 we do not foresee any new operations or activities.

Administration and control of the Partnership

The mandate of the members of the Supervisory Board, Mr. Jean-Noël QUILLET, Mr. Marc HENRY and Mr. Bernard GERARDIN has reached its expiry date with the present general meeting.

We now propose a renewal of their mandates until the Annual General Meeting adopting the accounts as at 31 December 2012.

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

