

**Michelin Luxembourg S.C.S.**

**Société en Commandite Simple**

Non audited half-yearly accounts  
for the period ended June 30, 2009

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, residing at 63400 Chamalières, (France), 78, Avenue Joseph-Claussat;

**Gérard CHAPIROT**, Member of the Supervisory Board of the Issuer, residing at 63130 Royat (France), 31, avenue Phelut ;

and

**Rudolf JURCIK**, Member of the Supervisory Board of the Issuer, residing at 76275 Ettlingen (Germany), Am Grabenacker 12a,

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 Issuers 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  
Gérard CHAPIROT,  
Member of the Supervisory Board

Signed by  
Rudolf JURCIK,  
Member of the Supervisory Board



# Michelin Luxembourg SCS

Balance sheet  
as at June 30, 2009  
(expressed in EUR)

ASSETS	Note	30.06.2009 '000 EUR	31.12.2008 '000 EUR
<b>Fixed assets</b>			
Financial assets			
Loans to affiliated undertakings long term	3	1'245'000	495'000
		<u>1'245'000</u>	<u>495'000</u>
<b>Current assets</b>			
Debtors			
Loans to affiliated undertakings short term	3	0	479'000
Amounts owed by affiliated undertakings becoming due and payable within one year		19'433	45'988
Cash at bank		13	230
		<u>19'446</u>	<u>525'218</u>
<b>Prepayments</b>	4	8'634	1'949
		<u>1'273'080</u>	<u>1'022'167</u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Subscribed capital	5	1'000	1'000
Legal reserve	6	100	100
Profit for the financial period	7	274	629
		<u>1'374</u>	<u>1'729</u>
<b>Creditors</b>			
Non-convertible guaranteed bonds			
becoming due and payable after more than one year	8	1'250'000	500'000
becoming due and payable within one year	8	0	470'163
Amounts owed to affiliated undertakings becoming due and payable within one year		2'883	6'605
Interests accrued on guaranteed bonds becoming due and payable within one year		18'819	43'664
Other creditors becoming due and payable within one year		4	6
		<u>1'271'706</u>	<u>1'020'438</u>
		<u>1'273'080</u>	<u>1'022'167</u>

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



# Michelin Luxembourg SCS

Profit and loss account  
for the period ended June 30, 2009  
(expressed in EUR)

	Note	Period ended June 30, 2009 '000 EUR	Period ended June 30, 2008 '000 EUR
<b>CHARGES</b>			
External charges		42	12
Expenses i.c.w. bond issuing		24	
Interest payable and similar charges			
. interest concerning affiliated undertakings		42	149
. charges in relation with the guarantee of the bonds		479	604
. other interest payable		36'727	30'397
. debt issuance costs	4	419	561
		<u>37'667</u>	<u>31'711</u>
Profit for the period ended June 30		<u>274</u>	<u>298</u>
		<u>38'007</u>	<u>32'021</u>
<b>INCOME</b>			
Income from loans forming part of fixed assets			
. derived from affiliated undertakings		38'006	32'015
Other interest receivable and similar income		<u>1</u>	<u>6</u>
		<u>38'007</u>	<u>32'021</u>

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 30, 2009

## 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. Part of these bonds (EUR 495’000’000) were originally issued by Michelin Invest Luxembourg SCS (formerly Michelin Finance Luxembourg S.A.) on April 16, 2002 and were assigned to the Partnership on December 4, 2003. The rest of the bonds were issued on April 24, 2009 by the Partnership under its Euro Medium Term Note Programme registered with 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.. 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 Company 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.

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.

# Michelin Luxembourg SCS

Notes to the non audited half-yearly accounts  
as at June 30, 2009  
(continued)

## 2.3 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. Exchange gains and losses are reflected in the profit and loss account. The Partnership does not currently maintain any assets or liabilities in foreign currencies.

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

## 2.4 Prepayments

Prepayments represent costs associated with the issue of the guaranteed bonds. They are amortized to the profit and loss account over the term of the bonds.

## 3 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:

	<b>30.06.2009</b>	<b>31.12.2008</b>
	<b>'000 EUR</b>	<b>'000 EUR</b>
Michelin Invest Luxembourg SCS - 8.87% repayable April 24, 2014	750'000	
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
	<u>1'245'000</u>	<u>974'000</u>

There is no guarantee attached to these loans.

## 4 Prepayments

	<b>30.06.2009</b>	<b>31.12.2008</b>
	<b>'000 EUR</b>	<b>'000 EUR</b>
Issuance costs relating to the guaranteed bonds :		
Opening net book value	1'949	3'071
Issuance costs new bond	7'380	
Amortisation charge for the period	(695)	(1'122)
Closing net book value	<u>8'634</u>	<u>1'949</u>

## 5 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.

## **Michelin Luxembourg SCS**

Notes to the non audited half-yearly accounts  
as at June 30, 2009  
(continued)

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

# Michelin Luxembourg SCS

Notes to the non audited half-yearly accounts  
as at June 30, 2009  
(continued)

## 6 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.

## 7 Profit for the financial period ended June 30, 2009

The Partnership's result for the financial period ended June 30, 2009 is a profit of EUR 274'291.39.

## 8 Guaranteed bonds

The loans to Michelin group companies are being financed by guaranteed bond issues totaling EUR 1,250,000,000 as per June 30, 2009.

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

	<b>30.06.2009</b>	<b>31.12.2008</b>
	<b>'000 EUR</b>	<b>'000 EUR</b>
8.625% guaranteed bonds repayable April 24, 2014 *	750'000	
6.5% guaranteed bonds repayable April 16, 2012 **	500'000	500'000
6.125% guaranteed bonds repayable April 16, 2009		470'163
	<u>1'250'000</u>	<u>970'163</u>

\* The coupon is due and payable annually on April 24, commencing April 24, 2010

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

The 6.5% guaranteed bonds were issued on April 16, 2002 by Michelin Finance Luxembourg S.A. (subsequently Michelin Invest Luxembourg SCS) 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.

On April 24, 2009 the Partnership issued a EUR 750'000'000, 8,625% guaranteed bonds due April 2014 under its Euro Medium Term Note Programme.

The 6,125% EUR 470'163'000 guaranteed bonds were repaid on April 16, 2009

## 9 Employees

The Partnership does not have any employee (2008: none).