J W Roberts Limited

Company Number 168882

Directors' Report for the Year Ended 31 December 2006

Administration

On 1 October 2001, the Company's ultimate parent undertaking, Federal-Mogul Corporation and its subsidiaries in the United States voluntarily filed for financial restructuring under Chapter 11 of the US Bankruptcy Code. In addition, the majority of Federal-Mogul subsidiaries in the United Kingdom, including the Company, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986.

On 26 September 2005, the Administrators entered into a Global Settlement Agreement with Federal-Mogul Corporation, the Plan Proponents and the Pension Protection Fund. The Agreement allowed Federal-Mogul to retain the businesses and other assets of the UK Filing Group in exchange for funding specific creditor payments and reserves used by the Administrators to provide distributions to creditors.

On 10 July 2006 the Administrators issued to the creditors their proposals for company voluntary arrangements ("CVAs") for the Company and 50 other UK filing subsidiaries. These proposals were approved at the shareholders and creditors meeting held on 7 September 2006 and were confirmed by the UK Court on 11 October 2006. This had the effect on the Company of a reduction in the net pre-filing receivable balance from its parent undertaking of 99.53%, therefore a write-off of £516,556 has been made in the profit and loss account and also a reduction in the net pre-filing payable balance to a fellow group company of 99.95%, therefore a write-back of £2,021 has been made in the profit and loss account. In addition, a CVA claims reserve of £3,000 has been created in accordance with the CVA.

On 1 December 2006, 64 of the UK filing companies, including the Company, exited from UK administration.

Activities

The Company has not traded during the year. It has written off interest receivable from other group companies. In addition to the CVA related write-off of £517,535 it has made a loss on the restatement of an overseas deposit account and also incurred bank charges on that deposit account. The loss for the year was £517,975 (2005: loss of £136). The directors do not recommend a dividend (2005: £nil).

Directors

The following served as Directors during (and, unless otherwise indicated, throughout) the year:

J H Devonald

Directors' Interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

Completeness of information to Auditors

In accordance with Section 234ZA of the Companies Act 1985 each of the directors:

- is not aware of any relevant audit information of which the Company's auditors are unaware;

  and

- has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Director

Date: 22 October 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J W ROBERTS LIMITED

We have audited the Company's financial statements, (the "financial statements") for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF J W ROBERTS LIMITED (CONTINUED)

Adverse opinion

Recoverability of group balances

Included in the balance sheet within debtors is an amount of £1,055 (2005: £1,352) due from Federal-Mogul group companies which are the subject of a filing under Chapter 11 of the US Bankruptcy Code. The Company has no security for this debt. In our opinion the Company is unlikely to receive full payment and a provision of up to £1,055 (2005: £1,352) should have been made, reducing net assets by up to that amount.

Also included in the balance sheet within fixed asset investments is an amount of £2,444 (2005: £519,000) representing the Company's loan investments in Federal-Mogul group companies which are the subject of a filing under Chapter 11 of the US Bankruptcy Code. In our opinion the Company is unlikely to realise full value from these investments and a provision of up to £2,444 (2005: £519,000) should have been made, reducing net assets by up to that amount.

In view of the effect of the absence of these provisions, in our opinion:

- the financial statements do not give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of the Company's loss for the year then ended.

In our opinion:

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Director's Report is consistent with the financial statements.

Emphasis of matter - going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements regarding the filing by the Company for financial restructuring under Chapter 11 of the US Bankruptcy Code. The financial statements are prepared on the going concern basis, the validity of which depends on the outcome of these proceedings. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Manchester

25 OCT 2007

J W ROBERTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Bank fees and charges		(140)	(141)
Foreign exchange (loss) / profit		(3)	5
Other operating charges	3	(517,535)	-
Operating loss		(517,678)	(136)
Net interest payable to Group Companies	4	(297)	-
Loss on ordinary activities before taxation		(517,975)	(136)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(517,975)	(136)
Loss attributable to shareholders		(517,975)	(136)

There is no difference between the result as disclosed above and the result given by an unmodified historical cost basis.

A reconciliation in movements in shareholders' funds is given in note 11 of the financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the period.

All results have been derived from continuing operations.

J W ROBERTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Fixed Assets			
Investments	6	2,444	519,000
Current Assets			
Debtors: amounts falling due within one year	7	1,055	1,352
Cash at bank		44	23
		1,099	1,375
Creditors: amounts falling due within one year	8	(301)	(2,158)
Net current assets / (liabilities)		798	(783)
Total assets less current liabilities		3,242	518,217
Creditors: amounts falling due after more than one year	9	(3,000)	-
Net assets		242	518,217
Capital and Reserves			
Called up Share Capital	10	519,000	519,000
Profit and loss account	11	(518,758)	(783)
Shareholders' funds – equity	11	242	518,217

The Company did not trade during the year.

The financial statements on pages 6 to 11 were approved by the Board on 22 October 2007 and were signed on its behalf by:

J H Devonald

Director

NOTES FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost convention.

(b) Fundamental Uncertainty

On 1 October 2001, the Company's ultimate parent undertaking, Federal-Mogul Corporation and its subsidiaries in the United States voluntarily filed for financial restructuring under Chapter 11 of the US Bankruptcy Code. In addition, the majority of Federal-Mogul subsidiaries in the United Kingdom, including the Company, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986.

On 26 September 2005, the Administrators entered into a Global Settlement Agreement with Federal-Mogul Corporation, the Plan Proponents and the Pension Protection Fund. The Agreement allowed Federal-Mogul to retain the businesses and other assets of the UK Filing Group in exchange for funding specific creditor payments and reserves used by the Administrators to provide distributions to creditors.

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On 1 December 2006, 64 of the UK filing companies, including the Company, exited from UK administration.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the outcome of the Chapter 11 filings. The directors of Federal-Mogul Corporation have stated that the actions are intended to preserve the companies' businesses and allow a reorganisation of their assets while protecting them from actions by creditors and asbestos claimants. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result if the outcome of the proceedings was that the Company was unable to continue as a going concern. The directors do not consider it possible to determine the effects on the financial statements with reasonable accuracy, but adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and to reclassify any fixed assets as current assets.

(c) Cash Flow Statement

Under Financial Reporting Standard 1 (Revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Federal-Mogul Corporation, a company which has prepared a consolidated cash flow statement.

1. ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies

Transactions in foreign currency are recorded at the rate ruling at the date of transaction. Any assets or liabilities denominated in foreign currency are retranslated at the year end rate. Exchange differences on transactions in foreign currencies are included in the profit and loss account.

(e) Deferred tax

The taxation charge is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax with the following exceptions:

- Provision is made for gains on disposals of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(f) Related Parties

The Company has taken advantage of the exemption in FRS8 Related Party Disclosures from disclosing transactions with related parties that are part of the Federal-Mogul Corporation group.

2. DIRECTORS

The directors have not received any remuneration for services to the Company during the year (2005: £nil).

3. OTHER OPERATING CHARGES

A write-off of £516,556 has been made against a net amount receivable from Fleetside Investments Limited. This company is subject to a Company Voluntary Arrangement and under the terms of the CVA the balance due will be recovered at an estimated dividend of 0.471p in the pound, hence the write-off. Due to the Company's own CVA there is a write-off of £979.

The impact of the CVAs on the balance sheet can be summarised as follows:-

	£
Fixed Asset Investments	(516,556)
Creditors: amounts falling due within one year	2,021
Creditors: amounts falling due after more than one year	(3,000)
Other operating charges	(517,535)

4. NET INTEREST PAYABLE TO GROUP COMPANIES

	2006 £	2005 £
Interest receivable from group company	-	70
Adjustment to interest receivable from group company	(297)	-
Interest payable to group company	-	(70)
Net interest payable to group companies	(297)	-

5. TAXATION

There is no tax charge/(credit) for either the current or prior year.

The tax assessed on the loss on ordinary activities for the year is higher than (2005: higher than) the standard rate of corporation tax in the UK. The difference is reconciled below:

	2006 £	2005 £
Loss on ordinary activities before tax	(517,975)	(136)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005: 30%)	(155,392)	(41)
Expenses not deductible for tax purposes	131	41
CVA adjustments not deductible	155,261	-
Tax charge / (credit) for the year	-	-

6. INVESTMENTS

Loan to parent undertaking	£
At 1 January 2006	519,000
Write-off required as a result of CVAs	(516,556)
At 31 December 2006	2,444

A write-off of £516,556 has been made against a net amount receivable from Fleetside Investments Limited. This company is subject to a Company Voluntary Arrangement and under the terms of the CVA the balance due will be recovered at an estimated dividend of 0.471p in the pound, hence the write-off.

7. DEBTORS: amounts falling due within one year

	2006 £	2005 £
Amounts owed by ultimate parent company	1,055	1,352

8. CREDITORS: amounts falling due within one year

	2006 £	2005 £
Amounts owed to fellow subsidiary undertaking	290	2,158
Other creditors	11	-
	301	2,158

For details of how these balances have been affected by the CVAs refer to note 3.

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

	2006	2005
9. CREDITORS: amounts falling due after more than one year	£	£
Amounts owed to fellow subsidiary undertakings	3,000	-

For details of how these balances have been affected by the CVAs refer to note 3.

	2006	2005
10. CALLED UP SHARE CAPITAL	£	£
Authorised 750,000 ordinary shares of £1 each	750,000	750,000
Issued and fully paid 519,000 ordinary shares of £1 each	519,000	519,000

11. RECONCILATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and loss Account £	Total £
At 1 January 2005	519,000	(647)	518,353
Loss for the year 2005	-	(136)	(136)
At 31 December 2005	519,000	(783)	518,217
Loss for the year 2006	-	(517,975)	(517,975)
At 31 December 2006	519,000	(518,758)	242

12. ULTIMATE PARENT COMPANY

The Company's parent company is Fleetside Investments Limited which is registered in England and Wales. The ultimate parent company and controlling party is Federal-Mogul Corporation which is registered in the United States of America. Copies of the Federal-Mogul Corporation Annual Report and Accounts can be obtained from Federal-Mogul Investor Relations, 26555 Northwestern Highway, Southfield, MI 48033-2146, USA.