

F-M Trademarks Limited (formerly T&N Trade Marks Limited)

Company Number 305253

Director's Report for the Year Ended 31st December 2008

FRIDAY



The Director presents his report and financial statements for the year ended 31 December 2008.

Administration

On 1 October 2001, the Company's then 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 that will be 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 51 UK filing subsidiaries but not the Company. These proposals were approved at shareholders' and creditors' meetings 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 a fellow group company of 75%, therefore a write-off of £2,334,939 was made in the profit and loss account in 2006.

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

On 8 November 2007, the US Bankruptcy Court confirmed Federal-Mogul Corporation's Fourth Amended Joint Plan of Reorganization ("the Plan") and on 14 November 2007 the Plan was affirmed by the US District Court. On 27 December 2007, following a 30 day period when objections to the Plan could be raised, the Plan became effective in accordance with its terms (the "Effective Date") and Federal-Mogul Corporation, together with 59 of the UK filing companies, emerged from Chapter 11.

On the Effective Date, the Chapter 11 Cases of a further 75 Federal-Mogul subsidiaries in the UK, including the Company, were dismissed. Each of those UK subsidiaries has either few or, in most cases, no known third-party creditors, has no history of using asbestos or manufacturing, selling or distributing asbestos containing products. None of the UK subsidiaries whose Chapter 11 Cases were dismissed were a party to the Plan.

F-M Trademarks Limited

Company Number 305253

Director's Report for the Year Ended 31st December 2008 (continued)

Principal activities, review of the business and future developments

The business of the Company is to deal with intellectual property matters.

Results for the year can be found on page 7. The Company made a profit after tax of £2,656,949(2007: £1,962,948).

The director does not recommend payment of a dividend (2007: £nil).

On 19 January 2009 the Company changed its name from T&N Trade Marks Limited to F-M Trademarks Limited.

Treasury Policies

Financial Instruments

The Company's financial instruments comprise of balances with group undertakings and cash at bank. These financial instruments are used to fund the Company's operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Foreign Currency Risk

The majority of the Company's transactions are in foreign currency. As a member of a multi-national group, the Company does not hedge currency exposure, and, as all foreign currency transactions are with fellow group undertakings there is no foreign currency risk at group level. Any gains and losses are reflected in the profit and loss account as they arise.

Interest Rate Risk

The interest rates applying to loans with a fellow group undertaking are linked to a bank rate and so are floating. As this interest is receivable from a fellow group undertaking and therefore there is no interest rate risk at group level, the Company does not hedge this interest rate exposure.

Director

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

A G Holmes

F-M Trademarks Limited

Company Number 305253

Director's Report for the Year Ended 31st December 2008 (continued)

Completeness of information to Auditors

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

- 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: 21/7/09

F-M TRADEMARKS LIMITED

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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 director is 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. He is 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
F-M TRADEMARKS LIMITED

We have audited the Company's financial statements for the year ended 31 December 2008 which comprise the Profit & Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 Annual Report and the financial statements in accordance with applicable United Kingdom' law and Accounting Standards (United Kingdom 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 judgments 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
F-M TRADEMARKS LIMITED (CONTINUED)

Opinion

In our opinion:

- the financial statements 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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
Manchester

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2009

F-M TRADEMARKS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	2008 £	2007 £
Bank fees and charges		(254)	(243)
Other operating income	2(a)	2,448,199	1,783,661
Operating income excluding exceptionals		2,447,945	1,783,418
Exceptional operating charges – net write-off of inter-company balances arising from the Plan	2(b)	-	(1,055)
Operating income		<u>2,447,945</u>	<u>1,782,363</u>
Operating profit on ordinary activities	2	2,447,945	1,782,363
Net interest receivable	3	210,769	195,937
Profit on ordinary activities before taxation		2,658,714	1,978,300
Tax on profit on ordinary activities	5	<u>(1,765)</u>	<u>(15,352)</u>
Retained profit on ordinary activities after taxation		<u>2,656,949</u>	<u>1,962,948</u>

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

All results have been derived from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profits for the years ended 31 December 2008 and 31 December 2007.

F-M TRADEMARKS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2008

	Notes	2008 £	2007 £
<u>Fixed Assets</u>			
Intangible assets	6	<u>9,758,138</u>	<u>9,758,138</u>
<u>Current Assets</u>			
Debtors: amounts falling due within one year	7	4,223,811	3,882,549
Debtors: amounts falling due after more than one year	8	11,412,598	8,959,466
		<u>15,636,409</u>	<u>12,842,015</u>
Cash		<u>-</u>	<u>25</u>
		15,636,409	12,842,040
Creditors: amounts falling due within one year	9	<u>(3,176,401)</u>	<u>(3,038,981)</u>
Net current assets		<u>12,460,008</u>	<u>9,803,059</u>
Net Assets		<u>22,218,146</u>	<u>19,561,197</u>
<u>Capital and Reserves</u>			
Called up share capital	10	24,000	24,000
Profit and loss account	11	<u>22,194,146</u>	<u>19,537,197</u>
Shareholders' funds – equity		<u>22,218,146</u>	<u>19,561,197</u>

The financial statements on pages 7 to 13 were approved by the Board on 21 July 2009 and were signed on its behalf by:-



Director

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Deferred taxation

Deferred taxation 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 a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the director considers 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(c) Cash flow statement

Under Financial Reporting Standard 1, 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 prepares a consolidated cashflow statement.

(d) Foreign Currencies

Transactions in foreign currency are recorded at the rate ruling at the date of transaction. Any monetary 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) Related parties

The Company has taken advantage of the exemption in FRS 8 Related Party Disclosures from disclosing transactions with related parties that are part of the Icahn Enterprises group, of which the ultimate parent undertaking is Icahn Enterprises L.P.

(f) Intangible assets

Intangible assets are capitalised at cost and are not amortised, as it is considered that their useful lives are not limited. Their carrying values are reviewed annually to determine whether there has been any permanent impairment in value and any such reductions in value are taken to the profit and loss account.

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

2. OPERATING PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
(a) <u>Is stated after crediting / (charging)</u>		
Trademark royalties – current year	2,448,199	1,943,978
Adjustment to accrual brought forward for trademark royalties	<u>-</u>	<u>(159,317)</u>

Due to changes in the business of one of the licensees in recent years a reduction to its royalties payable has been agreed. In 2007, this reduced the accrual brought forward for prior year royalties by £159,317.

The audit fees of £4,000 (2007: £5,500) were borne by a fellow group company during the period.

(b) Exceptional operating charges – write-off of inter-company balances arising from the Plan

In 2007 a write-off of £1,055 was made against an amount due from Federal-Mogul Corporation under the terms of the Plan.

3. NET INTEREST RECEIVABLE

	2008 £	2007 £
Interest receivable from group company	210,769	170,586
Interest receivable on bank account	<u>-</u>	<u>25,351</u>
Net interest receivable	<u>210,769</u>	<u>195,937</u>

4. DIRECTOR AND EMPLOYEES

The director has not received any remuneration for services to the Company during the year (2007: £nil).

There are no employees of the Company (2007: nil).

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

5. TAXATION

(a) Analysis of charge in the period

	2008 £	2007 £
Current tax:		
UK corporation tax @ 28.5% (2007: 30%) on profit of the period	21,595	1,505
Adjustments in respect of previous periods	(19,830)	11,088
Double taxation relief	<u>(21,595)</u>	<u>(1,505)</u>
	(19,830)	11,088
Foreign Tax:		
Current year	21,595	1,505
Adjustments in respect of previous periods	<u>-</u>	<u>2,759</u>
Total current tax (note 5(b)) and tax on profit on ordinary activities	<u>1,765</u>	<u>15,352</u>

(b) Factors affecting tax charge for period

The tax charge for the period is lower than the standard rate of corporation tax in the UK (28.5%). In 2007 the tax charge was lower than the standard rate of corporation tax (30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>2,658,714</u>	<u>1,978,300</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	757,733	593,490
Effect of:		
Expenses not deductible for tax purposes	-	317
Group relief received for nil payment	(736,138)	(592,302)
Adjustments in respect of previous periods	<u>(19,830)</u>	<u>13,847</u>
Current tax charge for period (note 5(a))	<u>1,765</u>	<u>15,352</u>

(c) Factors that may affect future tax charges

Capital losses of approximately £33,000 (2007: £33,000) are carried forward for utilisation against future capital gains.

The Company has unrelieved ACT carried forward of £507,615 (2007: £210,000) the recovery of which is uncertain.

The Finance Act 2007 included changes which affect future tax charges. The rate of corporation tax has reduced from 30% to 28% with effect from 1 April 2008.

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

6. INTANGIBLE ASSETS

These consist of trade marks whose value is carried at cost.

	2008 £	2007 £
Cost at 31 December	<u>9,758,138</u>	<u>9,758,138</u>

7. DEBTORS: Amounts falling due within one year

	2008 £	2007 £
Amounts owed by ultimate parent undertaking	-	2,690,000
Accrued income	821,444	637,457
Amounts owed by fellow subsidiary undertakings	3,227,059	537,045
UK corporation tax	175,308	18,047
	<u>4,223,811</u>	<u>3,882,549</u>

On 3 July 2008 Icahn Enterprises L.P. became the Company's ultimate parent company.

8. DEBTORS: amounts falling due after more than one year

	2008 £	2007 £
Amounts owed by fellow subsidiary undertaking	<u>11,412,598</u>	<u>8,959,466</u>

9. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Amounts owed to fellow subsidiary undertakings	3,176,401	3,038,970
Accruals	-	11
	<u>3,176,401</u>	<u>3,038,981</u>

10. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised: 25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid: 24,000 ordinary shares of £1 each	<u>24,000</u>	<u>24,000</u>

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Profit & Loss Account	Total
	£	£	£
At 1 January 2007	24,000	17,574,249	17,598,249
Profit for the year 2007	-	1,962,948	1,962,948
At 31 December 2007	24,000	19,537,197	19,561,197
Profit for the year 2008	-	2,656,949	2,656,949
At 31 December 2008	24,000	22,194,146	22,218,146

12. ULTIMATE PARENT COMPANY

The Company's immediate parent company is AE Limited which is registered in England and Wales. The ultimate parent company and controlling party is Icahn Enterprises L.P. which is registered in the USA. Copies of the Icahn Enterprises L.P. Annual Report and Accounts can be obtained from Icahn Enterprises L.P., 767 Fifth Avenue, Suite 4700, New York, NY 10153, USA.

13. COMPOSITE CROSS-GUARANTEE

Contingent liabilities exist in respect of cross guarantees given by the Company and certain of its UK fellow subsidiaries to support some of the UK banking facilities. At the year end these facilities amounted to £nil (2007: £nil).