

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

Company Number 305253

Director's Report for the Year Ended 31st December 2009

The Director presents his report and financial statements for the year ended 31 December 2009

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 6. The Company made a profit after tax of £1,927,381 (2008 £2,656,949).

The director does not recommend payment of a dividend (2008 £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.



F-M Trademarks Limited

Company Number 305253

Director's Report for the Year Ended 31st December 2009 (continued)

Director

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

A G Holmes

Disclosure of information to Auditors

In accordance with s 418(2) of the Companies Act 2006 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*



A G Holmes

Director

Date 17/6/10

## F-M TRADEMARKS LIMITED

### STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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;
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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  
F-M TRADEMARKS LIMITED

We have audited the Company's financial statements for the year ended 31 December 2009 which comprise the Profit & Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
F-M TRADEMARKS LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Barry Flynn (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Manchester

21 June, 2010

F-M TRADEMARKS LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2009

	Notes	2009 £	2008 £
Bank fees and charges		(334)	(254)
Other operating income	2	1,706,903	2,448,199
Operating income		<u>1,706,569</u>	<u>2,447,945</u>
Operating profit on ordinary activities	2	1,706,569	2,447,945
Net interest receivable	3	264,912	210,769
Profit on ordinary activities before taxation		<u>1,971,481</u>	<u>2,658,714</u>
Tax on profit on ordinary activities	5	<u>(44,100)</u>	<u>(1,765)</u>
Retained profit on ordinary activities after taxation		<u>1,927,381</u>	<u>2,656,949</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 2009 and 31 December 2008

F-M TRADEMARKS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2009

	Notes	2009 £	2008 £
<u>Fixed Assets</u>			
Intangible assets	6	<u>9,758,138</u>	<u>9,758,138</u>
<u>Current Assets</u>			
<u>Debtors</u> amounts falling due within one year	7	3,372,069	4,223,811
<u>Debtors</u> amounts falling due after more than one year	8	14,788,110	11,412,598
		<u>18,160,179</u>	<u>15,636,409</u>
<u>Creditors</u> amounts falling due within one year	9	<u>(3,772,790)</u>	<u>(3,176,401)</u>
Net current assets		<u>14,387,389</u>	<u>12,460,008</u>
Net Assets		<u>24,145,527</u>	<u>22,218,146</u>
<u>Capital and Reserves</u>			
Called up share capital	10	24,000	24,000
Profit and loss account	11	<u>24,121,527</u>	<u>22,194,146</u>
Shareholders' funds – equity		<u>24,145,527</u>	<u>22,218,146</u>

The financial statements on pages 6 to 12 were approved by the Board on 17 June 2010 and were signed on its behalf by -



A G Holmes  
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

	2009 £	2008 £
<u>Is stated after crediting / (charging)</u>		
Trademark royalties – current year	<u>1,706,903</u>	<u>2,448,199</u>

The audit fees of £4,000 (2008 £4,000) were borne by a fellow group company during the period

3 NET INTEREST RECEIVABLE

	2009 £	2008 £
Interest receivable from group company	142,847	210,769
Interest receivable on UK taxation balance	<u>122,065</u>	<u>-</u>
Net interest receivable	<u>264,912</u>	<u>210,769</u>

4 DIRECTOR AND EMPLOYEES

The director has not received any remuneration for services to the Company during the year (2008 £nil)

There are no employees of the Company (2008 nil)

5 TAXATION

(a) Analysis of charge in the period

	2009 £	2008 £
Current tax		
UK corporation tax @ 28% (2008 28.5%) on profit of the period	23,397	21,595
Adjustments in respect of previous periods	20,703	(19,830)
Double taxation relief	<u>(23,397)</u>	<u>(21,595)</u>
	20,703	(19,830)
Foreign Tax		
Current year	<u>23,397</u>	<u>21,595</u>
Total current tax (note 5(b)) and tax on profit on ordinary activities	<u>44,100</u>	<u>1,765</u>

# F-M TRADEMARKS LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

### 5 TAXATION (continued)

#### (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 of 28% (2008 28.5%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,971,481</u>	<u>2,658,714</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	552,015	757,733
Effect of		
Group relief received for nil payment	(528,618)	(736,138)
Adjustments in respect of previous periods	<u>20,703</u>	<u>(19,830)</u>
Current tax charge for period (note 5(a))	<u>44,100</u>	<u>1,765</u>

#### (c) Factors that may affect future tax charges

Capital losses of approximately £33,093 (2008 £33,000) are carried forward for utilisation against future capital gains

The Company has unrelieved ACT carried forward of £1,646,202 (2008 £507,615) the recovery of which is uncertain

### 6 INTANGIBLE ASSETS

These consist of trade marks whose value is carried at cost

	2009 £	2008 £
Cost at 31 December	<u>9,758,138</u>	<u>9,758,138</u>

### 7 DEBTORS Amounts falling due within one year

	2009 £	2008 £
Accrued income	682,069	821,444
Amounts owed by fellow subsidiary undertakings	2,690,000	3,227,059
UK corporation tax	-	175,308
	<u>3,372,069</u>	<u>4,223,811</u>

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

8	<u>DEBTORS</u> amounts falling due after more than one year	2009 £	2008 £
	Amounts owed by fellow subsidiary undertaking	<u>14,788,110</u>	<u>11,412,598</u>
9	<u>CREDITORS</u> Amounts falling due within one year	2009 £	2008 £
	Amounts owed to fellow subsidiary undertakings	<u>3,772,790</u> <u>3,772,790</u>	<u>3,176,401</u> <u>3,176,401</u>
10	<u>CALLED UP SHARE CAPITAL</u>	2009 £	2008 £
	Authorised 25,000 ordinary shares of £1 each	25,000	25,000
	Allotted, called up and fully paid 24,000 ordinary shares of £1 each	<u>24,000</u>	<u>24,000</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total £
At 1 January 2008	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
Profit for the year 2009	-	1,927,381	1,927,381
At 31 December 2009	<u>24,000</u>	<u>24,121,527</u>	<u>24,145,527</u>

12 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS8 (amended 2008) Related Party Disclosures not to disclose related party transactions with wholly owned subsidiaries

Included in trademark royalty income is £144,015 (2008 £272,982) from Anqing TP Goetze Piston Ring Company Limited. A fellow group company owns 35.7% of the ordinary shares in that company.

There are no other material related party transactions.

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

13 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.

14 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 (2008 £nil).