

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

Company Number 305253

Director's Report for the Year Ended 31st December 2010

The Director presents his report and financial statements for the year ended 31 December 2010.

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 £1,991,917 (2009 £1,927,381)

The director does not recommend payment of a dividend (2009 £nil).

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 2010 (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 27 May 2011

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 2010 which comprise the Profit & Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. 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. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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 2010 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

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

1 June 2011

F-M TRADEMARKS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	2010 £	2009 £
Bank fees and charges		(267)	(334)
Other operating income	2	2,077,129	1,706,903
Operating income		<u>2,076,862</u>	<u>1,706,569</u>
Operating profit on ordinary activities	2	2,076,862	1,706,569
Net interest receivable	3	88,265	264,912
Profit on ordinary activities before taxation		<u>2,165,127</u>	<u>1,971,481</u>
Tax on profit on ordinary activities	5	<u>(173,210)</u>	<u>(44,100)</u>
Retained profit on ordinary activities after taxation	11	<u>1,991,917</u>	<u>1,927,381</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 2010 and 31 December 2009

F-M TRADEMARKS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2010

	Notes	2010 £	2009 £
<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	3,441,722	3,372,069
<u>Debtors</u> amounts falling due after more than one year	8	16,860,369	14,788,110
		<u>20,302,091</u>	<u>18,160,179</u>
<u>Creditors</u> amounts falling due within one year	9	<u>(3,922,785)</u>	<u>(3,772,790)</u>
Net current assets		<u>16,379,306</u>	<u>14,387,389</u>
Net Assets		<u>26,137,444</u>	<u>24,145,527</u>
<u>Capital and Reserves</u>			
Called up share capital	10	24,000	24,000
Profit and loss account	11	<u>26,113,444</u>	<u>24,121,527</u>
Shareholders' funds – equity		<u>26,137,444</u>	<u>24,145,527</u>

The financial statements on pages 6 to 12 were approved by the Board on 27 May 2011 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

	2010 £	2009 £
<u>Is stated after crediting / (charging)</u>		
Trademark royalties – current year	<u>2,077,129</u>	<u>1,706,903</u>

The audit fees of £3,000 (2009 £4,000) were borne by a fellow group company during the period

3 NET INTEREST RECEIVABLE

	2010 £	2009 £
Interest receivable from group company	88,265	142,847
Interest receivable on UK taxation balance	-	122,065
Net interest receivable	<u>88,265</u>	<u>264,912</u>

4 DIRECTOR AND EMPLOYEES

The director has not received any remuneration for services to the Company during the year (2009 £nil)

There are no employees of the Company (2009 nil)

5 TAXATION

(a) Analysis of charge in the period

	2010 £	2009 £
Current tax		
UK corporation tax @ 28% (2009 28%) on profit of the period	149,995	23,397
Adjustments in respect of previous periods	-	20,703
Double taxation relief	-	(23,397)
	<u>149,995</u>	<u>20,703</u>
Foreign Tax		
Current year	<u>23,215</u>	<u>23,397</u>
Total current tax (note 5(b)) and tax on profit on ordinary activities	<u>173,210</u>	<u>44,100</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 (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>2,165,127</u>	<u>1,971,481</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	606,236	552,015
Effect of ACT utilised	(433,026)	-
Group relief received for nil payment	-	(528,618)
Adjustments in respect of previous periods	-	20,703
Current tax charge for period (note 5(a))	<u>173,210</u>	<u>44,100</u>

(c) Factors that may affect future tax charges

Capital losses of approximately £33,093 (2009 £33,093) are carried forward for utilisation against future capital gains

The Company has unrelieved ACT carried forward of £1,213,176 (2009 £1,646,202) the recovery of which is uncertain

In his budget of 23 March 2011, the Chancellor of the Exchequer announced certain tax changes which have an effect on the Company's future tax position The proposals included phased reductions in the corporation tax rate to 23% from 1 April 2014 The 2011 Finance Bill contains proposals to reduce the corporation tax rate to 26% from 1 April 2011 and to 25% from 1 April 2012 with the further reductions to 23% expected to be reflected in future Finance Acts

The rate changes would impact the amount of any future cash tax payments made by the Company The effect of the proposed changes to the UK tax system will be reflected in the financial statements in future years, as appropriate, once the proposals have been substantively enacted

6 INTANGIBLE ASSETS

These consist of trade marks whose value is carried at cost

	2010 £	2009 £
Cost at 31 December	<u>9,758,138</u>	<u>9,758,138</u>

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

7	<u>DEBTORS</u> Amounts falling due within one year	2010 £	2009 £	
	Accrued income	751,722	682,069	
	Amounts owed by fellow subsidiary undertakings	<u>2,690,000</u>	<u>2,690,000</u>	
		<u>3,441,722</u>	<u>3,372,069</u>	
8	<u>DEBTORS</u> amounts falling due after more than one year	2010 £	2009 £	
	Amounts owed by fellow subsidiary undertaking	<u>16,860,369</u>	<u>14,788,110</u>	
9	<u>CREDITORS</u> Amounts falling due within one year	2010 £	2009 £	
	Amounts owed to fellow subsidiary undertakings	3,772,790	3,772,790	
	UK Corporation Tax	<u>149,995</u>	<u>-</u>	
		<u>3,922,785</u>	<u>3,772,790</u>	
10	<u>CALLED UP SHARE CAPITAL</u>	2010 £	2009 £	
	Authorised 25,000 ordinary shares of £1 each	25,000	25,000	
		<u> </u>	<u> </u>	
	Allotted, called up and fully paid 24,000 ordinary shares of £1 each	24,000	24,000	
		<u> </u>	<u> </u>	
11	<u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>			
		Share Capital	Profit & Loss Account	Total
		£	£	£
	At 1 January 2009	24,000	22,194,146	22,218,146
	Profit for the year 2009	-	1,927,381	1,927,381
	At 31 December 2009	24,000	24,121,527	24,145,527
	Profit for the year 2010	-	1,991,917	1,991,917
	At 31 December 2010	24,000	26,113,444	26,137,444

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

12 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS8, para 3c, not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

Included in trademark royalty income is £212,767 (2009 £144,015) from Anqing TP Goetze Piston Ring Company Limited. At 31 December 2010 Anqing TP Goetze Piston Ring Company Limited owed £206,708 to the Company. A fellow group company owns 35.7% of the ordinary shares in that company.

There are no other material related party transactions.

13 POST BALANCE SHEET EVENT

On 29 March 2011, an agreement was signed by the director of the Company, assigning all rights, title and interest in the Goetze family of trademarks to Federal-Mogul Limited as of 1 April 2011. The consideration for this assignment was £9,758,138 being the UK GAAP carrying value of those trademarks.

14 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.

15 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 (2009 £nil).