

**Federal - Mogul Global Growth Limited
(In Administration)**

Report and financial statements

2001

**Registered No: 3454611
Registered address**

**Manchester International Office Centre
Styal Road
Manchester
M22 5TN**



Federal-Mogul Global Growth Limited (In Administration)

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

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 and the majority of its UK subsidiaries, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986. The affairs, business and property of the Company are being managed by Kroll Limited, the Administrators.

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 should allow 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.

This agreement is subject to various approvals and determinations by the UK and US Courts before it can be implemented.

Principal activities, review of business and future developments

The Company is an intermediate holding company.

Preparation of financial statements

The Company is required to prepare consolidated financial statements by Section 227 of the Companies Act 1985 and Financial Reporting Standard 2 "Accounting for Subsidiary Undertakings". The directors have not prepared consolidated financial statements. Consequently, these financial statements are for the Company only.

Significant events

On 31 August 2001, the Company disposed of 83% of its investment in a joint venture company, Federal-Mogul Daido HWB Limited, giving rise to a loss of £3.8m. The Company has retained a 10% investment in the company.

Results and dividends

In the year to 31 December 2001, the Company recorded a loss after taxation of £118.7m (2000 restated loss: £110.2m).

The directors do not recommend the payment of a dividend to the holders of ordinary shares and no interim dividend was paid.

Directors and their interests

The following served as directors during the year:

D Bozynski		
J H Devonald	Resigned 9 January 2001	
A C Boydell	Resigned 9 January 2001	
D.M. Sherbin	Appointed 9 January 2001	Resigned 22 December 2004
J. Zamoyski	Appointed 9 January 2001	Resigned 25 November 2003

No director has interests in the shares of the Company or any of its subsidiaries.

Employees

The Company has no employees.

Statement of directors' responsibilities

The directors are required to prepare, for each financial period, financial statements which give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the profit or loss of the Company for that period.

In preparing the 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 Accounting Standards have been followed, subject to any material departure being disclosed and explained in the notes to the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Federal-Mogul Global Growth Limited (In Administration)

Directors' Report (continued)

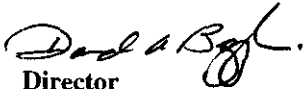
Statement of directors' responsibilities (continued)

The directors are also responsible for maintaining adequate 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.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By Order of the Board


Director

Date: 6/7/06

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERAL-MOGUL GLOBAL GROWTH LIMITED (IN ADMINISTRATION)

We have audited the Company's financial statements for the year ended 31 December 2001, which comprise the profit and loss account, Statement of total recognised gains and losses, balance sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of 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

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company 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 United Kingdom Auditing Standards 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.

Fundamental uncertainty – 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 U.S Bankruptcy Code and for Administration under the U.K. Insolvency Act of 1986. 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.

Adverse opinion

Recoverability of group balances

Included in the balance sheet is an amount of £240.3m (2000 restated: £114.8m) due from Federal-Mogul companies which are the subject of an Administration Order under the Insolvency Act 1986 and/or 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 £240.3m (2000: £114.8m) should have been made, reducing net assets by up to that amount.

Included in the balance sheet is an amount of £1,461.5m (2000 restated: £1,491.1m) representing the Company's investments in group companies which are the subject of an Administration Order under the Insolvency Act 1986 and/or 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 £1,461.5m (2000: £1,491.1m) should have been made, reducing net assets by up to that amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERAL-MOGUL GLOBAL GROWTH LIMITED (IN ADMINISTRATION) (continued)

Failure to prepare group financial statements

As more fully explained in note 1, group financial statements have not been prepared incorporating the Company's subsidiaries and equity accounting for the group's associates. In our opinion:

- the subsidiaries meet the criteria in which Financial Reporting Standard 2 requires the preparation of group financial statements
- information about the Company and its subsidiary undertakings as a single economic entity, in order to show the economic resources controlled by the group, the obligations of the group and the results of the group achieves with its resources, is necessary for a proper understanding of the Company's state of affairs and profit or loss.

It has not been practicable to quantify the consolidated net assets and profit of the group had group financial statements been prepared.

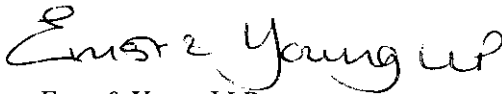
Omission of certain disclosures required by Schedule 5 to the Companies Act 1985

Schedule 5 to the Companies Act 1985 requires, in respect of interests in subsidiaries, and other significant holdings in undertakings held by the Company, details of the capital and reserves at the end of the year, and profit or loss for the year. As explained in Note 1, these details have not been given.

In view of the effect of the absence of the provisions against group balances, in our opinion the financial statements do not give a true and fair view of the state of the affairs of the Company as at 31 December 2001 and of the loss of the Company for the year then ended.

In view of the effect of the failure to consolidate the Company's subsidiaries, in our opinion the financial statements do not give a true and fair view of the state of affairs of the group as at 31 December 2001 and of its result for the year then ended.

Except for the absence of these provisions and the failure to prepare group financial statements and except for the omission of the details of financial information required by Schedule 5 to the Companies Act 1985 in respect of interests in subsidiaries and other significant holdings, in all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor

Manchester

10/7/06

Federal-Mogul Global Growth Limited (In Administration)

Profit and Loss Account

For the year ended 31 December 2001

	Notes	2001 £m	2000 Restated £m
Net operating expenses	3	(2.2)	(0.9)
Operating loss on ordinary activities		(2.2)	(0.9)
Loss on sale of investment	4	(3.8)	-
Exceptional write-off of loan following disposal of related investment	4	(1.7)	-
Impairment of investment	8	(15.5)	-
Net interest payable	5	(73.9)	(75.5)
Loss on ordinary activities before taxation	6	(97.1)	(76.4)
Tax on loss on ordinary activities	7	15.9	-
Loss on ordinary activities after taxation		(81.2)	(76.4)
Dividend appropriation in respect of non-equity shares		(37.5)	(33.8)
Loss for the financial year		(118.7)	(110.2)

All operating losses arise from continuing operations.

Statement of total recognised gains and losses

For the year ended 31 December 2001

	2001 £m	2000 Restated £m
Loss for the financial year	(118.7)	(110.2)
Total recognised gains and losses relating to the year	(118.7)	(110.2)
Prior year adjustment (as explained in Note 15)	5.7	-
Total gains and losses recognised since last annual report and financial statements	(113.0)	(110.2)

Federal-Mogul Global Growth Limited (In Administration)

Balance Sheet

At 31 December 2001

		2001 £m	2000 Restated £m
FIXED ASSETS			
Investments	8	<u>1,462.0</u>	<u>1,498.0</u>
		1,462.0	1,498.0
CURRENT ASSETS			
Debtors falling due within one year	9	42.0	13.7
Debtors falling due after more than one year	9	214.3	117.5
Cash at bank and in hand		<u>1.7</u>	<u>-</u>
		258.0	131.2
CREDITORS – amounts falling due within one year	10	<u>(226.9)</u>	<u>(145.5)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>31.1</u>	<u>(14.3)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,493.1	1,483.7
CREDITORS – amounts falling due after more than one year	11	<u>(1,101.4)</u>	<u>(1,011.8)</u>
NET ASSETS		<u>391.7</u>	<u>471.9</u>
CAPITAL AND RESERVES			
Called up share capital	12	684.1	683.1
Profit and loss account	13	<u>(292.4)</u>	<u>(211.2)</u>
TOTAL SHAREHOLDERS' FUNDS	14	<u>391.7</u>	<u>471.9</u>
Analysis of shareholders' funds			
Equity		<u>(360.8)</u>	<u>(242.1)</u>
Non-equity		<u>752.5</u>	<u>714.0</u>
		391.7	471.9

The financial statements on pages 5 to 13 were approved by the Board of Directors on 6th July 2006 and were signed on its behalf by

Dan A. Byrle
Director

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

1. Accounting Policies

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards and Practice. The directors consider that the accounting policies are suitable and are supported by reasonable and prudent judgements and estimates.

b) Basis of Consolidation

The Company is required to prepare consolidated financial statements by Section 227 of the Companies Act 1985 and Financial Reporting Standard 2 "Accounting for Subsidiary Undertakings". The directors have not prepared consolidated financial statements. Consequently, these financial statements are for the Company only

Omission of certain disclosures required by Schedule 5 to the Companies Act 1985

Companies are required under Schedule 5 to the Companies Act 1985 to provide details of the capital and reserves at the end of the financial year, and profit or loss for the financial year in respect of interests in subsidiaries, and other significant holdings in undertakings held by the Company. In previous years prior to the Administration of the Company on 1 October 2001 this has not been required because the Company prepared group accounts. It has not been practicable to provide this information. The list of subsidiaries and significant holdings is in Note 17 and the information is available in respect of the UK companies from their latest published accounts.

c) 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 should allow 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.

This agreement is subject to various approvals and determinations by the UK and US Courts before it can be implemented.

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 above proceedings. 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. It is likely that the final outcome will not be known for some time. 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 and to provide for any further liabilities which might arise and to reclassify any fixed assets as current assets.

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.

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

1. Accounting Policies (continued)

e) Taxation

Deferred taxation is attributable to timing differences between results as computed for tax purposes and as stated in the financial statements. These differences arise from, for example, different rates at which allowances are granted for capital expenditure for tax purposes and at which depreciation is charged in the financial statements. Provision for deferred tax, including that relating to post retirement benefits, is made only to the extent that it is probable that an actual liability or asset will crystallise.

f) Investments

Fixed asset investments are stated at cost less provision for any impairment.

2. Cash flow statement, related party disclosures and segmental information

The Company's ultimate parent entity is Federal-Mogul Corporation, a company listed on the New York Stock Exchange. As the Company is included in the consolidated financial statements of Federal-Mogul Corporation, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Federal-Mogul Corporation Group or investees of the Federal-Mogul Corporation Group.

3. Net operating expenses

	2001 £m	2000 £m
Reorganisation costs	0.1	-
Bad debt provision - loan	1.2	-
Foreign exchange	0.9	0.9
Net operating expenses	2.2	0.9

A bad debt provision of £1.2m has been made against a loan due from Federal-Mogul TP Sunderland Limited. This company filed for Administration and is subject to a Company Voluntary Arrangement (CVA). The provision takes into consideration anticipated dividend payments under the CVA.

4. Disposal of business

On 31 August 2001, the Company disposed of 83% of its investment in a joint venture company, Federal-Mogul Daido HWB Limited, giving rise to a loss of £3.8m. The Company has retained a 10% investment in the company.

One of the conditions of the disposal agreement was that a loan due to the Company by Federal-Mogul TLC SAS (TLC), a subsidiary of Federal-Mogul Daido HWB Limited, would be utilised to subscribe for shares in TLC which would then be sold for a nominal value. Consequently, a write-off of £1.7m has been made to restate the book value of this loan to that nominal value.

5. Net interest payable

	2001 £m	2000 Restated £m
Interest receivable from other companies within the Federal-Mogul Corporation Group	12.9	9.6
Interest payable to other companies within the Federal-Mogul Corporation Group	(83.9)	(85.1)
	(71.0)	(75.5)
Bad debt provision	(2.9)	-
Net interest payable	(73.9)	(75.5)

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

5. Net Interest payable (continued)

A bad debt provision of £2.9m (2000: £nil) has been made against interest receivable arising after the date of filing, 1 October 2001, on loans made prior to the date of filing to other group companies that also filed for Chapter 11 and Administration. This is because there is uncertainty as to whether the interest will be received under UK Insolvency Law.

6. Loss on ordinary activities before taxation

The remuneration of the auditors was paid by another group undertaking. The Company has no employees, other than directors.

Directors

None of the directors received emoluments in their capacity as directors of Federal-Mogul Global Growth Limited. It has not been possible to apportion their emoluments as directors of Federal-Mogul Corporation between subsidiary companies.

7. Tax on loss on ordinary activities

2001	2000
£m	£m

The taxation (credit) based on the results for the year is made up as follows:

Current year UK corporation tax at 30% (2000: 30%)	(6.7)	-
Deferred tax	-	-
Adjustments in respect of prior periods	(9.2)	-
	<u>(15.9)</u>	<u>-</u>

The current year tax credit relates to the surrender of tax losses to fellow subsidiaries. Adjustments in respect of prior periods relate to group relief surrendered for payment.

Tax losses of approximately £93.6m (2000: £66.6m) are carried forward for utilisation against non-trading profits of future periods. There are capital losses of approximately £3.8m (2000: £nil) carried forward.

8. Investments

	Subsidiary undertakings Shares £m	Other Investments Loan £m	Other Investments Shares £m	Total £m
Cost				
At 1 January 2001 as previously stated	1,494.9	-	-	1,494.9
Prior year adjustment (as explained in note 15)	3.1	-	-	3.1
At 1 January 2001 as restated	1,498.0	-	-	1,498.0
Addition	0.9	-	-	0.9
Disposal	(6.3)	-	-	(6.3)
Revision to acquisition costs	(15.1)	-	-	(15.1)
Reclassification	-	1.7	-	1.7
Transfer to trade investment	(1.3)	-	1.3	-
At 31 December 2001	1,476.2	1.7	1.3	1,479.2

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

8. Investments (continued)

	Subsidiary undertakings Shares £m	Other Investments Loan £m	Other Investments Shares £m	Total £m
Provisions				
At 1 January 2001	-	-	-	-
Impairment of investment	(14.7)	(1.7)	(0.8)	(17.2)
At 31 December 2001	(14.7)	(1.7)	(0.8)	(17.2)
Net book value				
At 31 December 2001	1,461.5	-	0.5	1,462.0
At 31 December 2000 as restated	1,498.0	-	-	1,498.0
At 31 December 2000 as previously stated	1,494.9	-	-	1,494.9

An accrual of an anticipated recharge of acquisition costs incurred during the 1998 acquisition of T&N Limited has been released in the absence of any such recharge.

The entire investment in Federal-Mogul TP Sunderland Limited of £14.7m has been impaired and is provided for. Also, the investment in Federal-Mogul Daido HWB Limited has been impaired by £0.8m in light of the partial disposal in 2001.

On 31 August 2001, the Company disposed of 83% of its investment in a joint venture company, Federal-Mogul Daido HWB Limited, giving rise to a loss of £3.8m. The Company has retained a 10% investment in the company.

9. Debtors

	2001 £m	2000 Restated £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	25.1	12.4
Amounts owed by fellow subsidiary undertakings	16.9	1.0
Other debtors	-	0.3
	<u>42.0</u>	<u>13.7</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	200.2	103.1
Amounts owed by fellow subsidiary undertakings	14.1	14.4
	<u>214.3</u>	<u>117.5</u>

10. Creditors – amounts falling due within one year

	2001 £m	2000 Restated £m
Amounts owed to subsidiary undertakings	114.2	82.7
Amounts owed to fellow subsidiary undertakings	112.2	62.8
Taxation	0.5	-
	<u>226.9</u>	<u>145.5</u>

11. Creditors – amounts falling due after more than one year

	2001 £m	2000 £m
Amounts owed to subsidiary undertakings	403.0	441.7
Amounts owed to fellow subsidiary undertakings	698.4	570.1
	<u>1,101.4</u>	<u>1,011.8</u>

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

12. Share capital	2001 £m	2000 £m
Authorised share capital		
Ordinary shares of £1 each		
Authorised – 100,000,000	100.0	100.0
6.0 % Cumulative Redeemable Preference shares of £1 each – Class A		
Authorised – 650,000,000	650.0	650.0
6.0 % Cumulative Redeemable Preference shares of £1 each – Class B		
Authorised – 500,000,000	500.0	500.0
 Called up share capital		
Ordinary shares of £1 each		
Allotted and fully paid – 58,850,100	58.8	58.8
6.0 % Cumulative Redeemable Preference shares of £1 each – Class A		
Allotted and fully paid – 515,230,000	515.2	515.2
6.0 % Cumulative Redeemable Preference shares of £1 each – Class B		
Allotted and fully paid – 109,992,114 (2000: 108,992,114)	110.1	109.1
Total called up share capital	684.1	683.1

The Company issued 1,000,000 Class B Preference shares of £1 each at par during the year.

The Class A and Class B cumulative redeemable preference shares carry the following rights:

- priority to dividend over any other class of share at a rate of 6% per annum;
- priority to any payment to the holders of any other class of shares on return of capital or winding up;
- voting rights pari passu with ordinary shares;
- are redeemable at any time at the option of the Company.

Dividends in respect of the cumulative preference shares have not been paid, and dividend arrears amount to £127.2m as at 31 December 2001 (2000: £89.7m).

13. Profit and Loss account	£m
At 1 January 2001 as previously stated	(216.9)
Prior year adjustments (as explained in note 15)	5.7
At 1 January 2001 as restated	(211.2)
Retained loss for the year	(118.7)
Credit for other appropriations for preference dividends not yet declared	37.5
At 31 December 2001	(292.4)

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

14. Reconciliation of movements in shareholders' funds

£m

Total shareholders' funds

At 1 January 2001 as previously restated	466.2
Prior year adjustments (as explained in note 15)	5.7
At 1 January 2001 as restated	471.9
Issue of additional share capital	1.0
Retained loss for the year	(118.7)
Credit for other appropriations for preference dividends not yet declared	37.5
At 31 December 2001	391.7

15. Prior year adjustment

Interest

A loan agreement between the Company and T&N Limited, a subsidiary, states that a variable interest rate, reset on a quarterly basis, should be charged. The interest calculation for 2000 was incorrectly calculated using the 1999 rate.

The error has resulted in an adjustment to increase interest receivable in 2000 by £2.3m.

There is also a loan agreement between the Company and T&N Investments Limited, a subsidiary, which states that a variable interest rate, reset on an annual basis, should be charged. The interest calculations for 1999 and 2000 were incorrectly calculated using the 1998 rate.

This error has resulted in an adjustment to increase interest payable in 2000 by £0.4m. In addition there has been a cumulative reduction in amounts owed to subsidiary undertakings of £3.4m.

Investments

During the takeover of T&N Limited in 1998 some T&N Limited share option holders exercised those options and Federal-Mogul Global Growth Limited then acquired the shares that were issued as a result. Payment was made to the shareholders of an amount equal to the difference between the offer price and the share option price and the net amount was capitalised as investment cost. The amount capitalised should have been the offer price and a liability to T&N Limited in respect of the share option price should have been created.

This error has resulted in an adjustment to increase the investment cost of T&N Limited by £3.1m and to create the corresponding liability to T&N Limited.

Tax

The tax impact of the prior year adjustments is nil.

16. Deferred Taxation

	2001 £m	2000 £m
Liability/(asset) recognised:	-	-
Unprovided liabilities / (assets)		
Other timing differences	(33.7)	(18.3)
Tax losses	(29.2)	(20.0)
	<u>(62.9)</u>	<u>(38.3)</u>

Federal-Mogul Global Growth Limited (In Administration)

Notes To The Financial Statements For The Year Ended 31 December 2001

17. Principal subsidiaries, associated undertakings and trade investments at 31 December 2001

Holding Companies

T&N Limited **	UK
T&N Holdings Ltd	UK
T&N Investments Ltd	UK

Camshafts

Federal-Mogul Camshaft Castings Ltd	UK
Federal-Mogul Camshafts Ltd	UK

Powertrain

Federal-Mogul Bradford Ltd	UK
Federal-Mogul Bridgwater Ltd	UK
AE India Pistons Precision Products Ltd (50%)#	India
Federal-Mogul Sapanca Segman (50%)#	Turkey
Federal-Mogul Izmit(42.5%)#	Turkey
Dongsuh Industrial Company Ltd (50%)#	South Korea
Anqing TP Goetze Piston Ring Company Ltd (35.7%)#	China
Federal-Mogul TP Sunderland Ltd (75%) **	UK

Powder Metal Products

Federal-Mogul Sintered Products Ltd	UK
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Systems Protection

Federal-Mogul Systems Protection Group Ltd	UK
Federal-Mogul Systems Protection Group KK	Japan

Ignition

Federal-Mogul Ignition (U.K.) Ltd **	UK
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Friction Products

Federal-Mogul Friction Products Ltd	UK
Federal-Mogul Eurofriction Ltd	UK
Federal-Mogul Friction Products a.s.	Czech Rep.
Federal-Mogul Friction Products SA	Spain
Federal-Mogul Materials de Friccao	Brazil
Japan Brake Industrial Company Ltd (12.2%)*	Japan
Korea Beral Ltd (22.9%)*	South Korea
Federal-Mogul Friction Products Company (70%)	China
Federal-Mogul Friction Products (Thailand) Ltd (91%)	Thailand

Sealing Products

Federal-Mogul Sealing Systems (Rochdale) Ltd	UK
Federal-Mogul Sealing Systems (Slough) Ltd	UK
Federal-Mogul Sealing Systems Company (83%)	China
Talbro Automotive Components Ltd (30%)#	India

Engine Parts Aftermarket

Federal-Mogul Aftermarket UK Ltd	UK
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Apart from T&N Holdings Ltd, T&N Investments Ltd., Federal-Mogul Ignition (U.K.) Ltd and Federal-Mogul TP Sunderland Limited, the UK companies are constituted as branches of T&N Limited. All are registered in England and Wales. Investments in overseas companies are held by subsidiaries of T&N Limited. The companies are incorporated and operate principally in the countries indicated. Equity capital are wholly owned, unless otherwise shown, and consist of ordinary shares.

Associated undertakings

* Trade investments

** Directly owned by the Company

18. Ultimate and intermediate holding undertaking

The intermediate parent undertaking is Federal-Mogul Growth B.V, a company registered in Holland. The ultimate holding undertaking and controlling party is Federal-Mogul Corporation registered in the USA. Financial statements of this company may be obtained from Federal-Mogul Investor Relations, 26555 Northwestern Highway, Southfield, MI 48034, USA.