

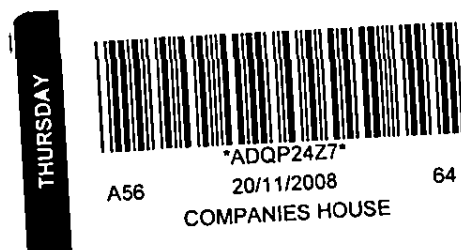
Federal-Mogul Global Growth Limited

Report and Financial Statements

2006

Registered No: 3454611
Registered address

Manchester International Office Centre
Styal Road
Manchester
M22 5TN



Federal-Mogul Global Growth Limited Director's Report

The director presents his report and the audited financial statements 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 and the majority of its UK subsidiaries, 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 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 net pre-filing amounts receivable from UK filing companies and also in the net pre-filing amounts payable to fellow group companies. The net effect of these was a write-back of £1,487.6m in the profit and loss account.

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, including the Company, emerged from Chapter 11.

On the Effective Date, the Chapter 11 Cases of a further 75 Federal-Mogul subsidiaries in the UK 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.

Principal activities, review of business and future developments

The Company is an intermediate holding company.

Results and dividends

In addition to the CVA related net write-back of £1,487.6m the Company has made impairment provisions against investments of £954.8m. The profit for the year was £442.2m (2005: Loss £111.7m).

The director does not recommend the payment of a dividend to the holders of ordinary shares and no interim dividend was paid. A preference dividend of £37.5m (2005: £37.5m) has been included in the profit and loss account.

Financial Instruments

The Company's financial instruments comprise of balances with group undertakings, preference shares and funds placed on short term deposit. The main purpose of these financial instruments is to raise finance for the Company's operations and to provide funding for the Company's subsidiaries.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Federal-Mogul Global Growth Limited Directors' Report (Continued)

Foreign Currency Risk

The Company's transactions are predominantly in sterling but it had received a financing loan from its ultimate parent undertaking that was denominated in US Dollars but following the CVAs this is now denominated in Sterling, and has made a loan to a fellow group company that is denominated in Euros. As these are balances with fellow group companies, and therefore there is no foreign currency risk at group level, the Company does not hedge this currency exposure.

Interest Rate Risk

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

The preference shares have a fixed rate dividend and so there is no risk that can be managed.

The funds placed on short term deposit, and the risks associated with the related interest earned, are not significant in the assessment of assets, liabilities and loss of the Company.

Director's Interests

The following served as a director during the year:

D Bozynski

There were no director's interest requiring disclosure under the Companies Act 1985.

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.

Employees

The Company has no employees (2005 nil).

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

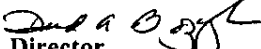
**Federal-Mogul Global Growth Limited
Directors' Report (Continued)**

Statement of the director's responsibilities (continued)

- 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.

On behalf of the Board


Director
Date. 11/11/08

Independent Auditors' Report to the members of Federal-Mogul Global Growth 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 16. 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 the director and auditors

The director's 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 the Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director 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 Federal-Mogul Global Growth Limited (continued)

Qualified opinion arising from the omission of prior year comparatives and the disagreement of prior year comparatives and opening balances

In our Audit Report of the previous period we said that included in the balance sheet within fixed asset investments was an amount of £1,462 0m representing the Company's investments in Federal-Mogul group companies which were the subject of a filing under Chapter 11 of the Bankruptcy Code or may have been impacted by the Chapter 11 filing. Also in the previous period the Company performed a review of the investment carrying value and identified impairments against certain individual subsidiary companies. This impairment review was not carried out in accordance with the requirements of FRS11 'Impairment of fixed assets and goodwill' and in our opinion, the Company was unable to realise the full value from these investments held on the balance sheet and an additional provision of up to £1,462 0m should have been made, increasing net liabilities by up to that amount. In the current year, the Company has carried out an impairment review in accordance with FRS11 and consequently has made an additional impairment provision of £954 8m which has been charged in the profit and loss account. Because no impairment review in accordance with FRS 11 was performed at 31 December 2005 or 31 December 2004, it is not practicable to determine to what extent any impairment provision should have been reflected in prior periods, with a consequential effect on the Company's profit for the current financial year.

Section 390B of the Companies Act 1985 requires details of fees payable to the Company's auditor and its associates for other services in respect of its subsidiaries. The information for 2006 has been included but not the comparative information for 2005. The Company states that it is impracticable to obtain this information.

Qualified opinion arising from the omission of prior year comparatives and the disagreement over prior year comparatives and opening balances

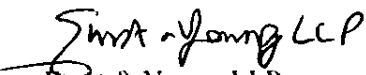
In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006.

Except for the financial effect of any impairment provision that may have been required in prior periods had the directors performed an impairment review in accordance with FRS 11 in prior periods and the omission described above in respect of prior year comparatives of fees for other services payable to the Company's auditor, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the Company's profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985

In our opinion:

- the information given in the Directors' Report is consistent with the financial statements


Ernst & Young LLP
Registered Auditor
Manchester

14 November 2008

Federal-Mogul Global Growth Limited

Profit and Loss Account

For the year ended 31 December 2006

	Notes	2006 £m	2005 £m
Net operating income / (expense)	3	1 3	(2 0)
Operating income / (expense) excluding exceptionals		1 3	(2 0)
Exceptional operating income – net write-back of inter-company balances arising from the CVA	3	1,487 6	-
Exceptional provision against fixed asset investments	3	(954 8)	-
Operating income / (charges)		534 1	(2 0)
Operating profit / (loss)		534 1	(2 0)
Net interest payable	4	(91 3)	(118 1)
Profit / (loss) on ordinary activities before taxation		442 8	(120 1)
Tax on profit / (loss) on ordinary activities	6	(0 6)	8 4
Profit /(Loss) on ordinary activities after taxation		442 2	(111 7)

All operating profits / (losses) arise from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year ended 31 December 2006 and the loss for the year ended 31 December 2005

Federal-Mogul Global Growth Limited

Balance Sheet

At 31 December 2006

	Notes	2006 £m	2005 £m
FIXED ASSETS			
Investments	7	507 2	1,462 0
		<u>507 2</u>	<u>1,462 0</u>
CURRENT ASSETS			
Debtors falling due within one year	8	36 2	61 5
Debtors falling due after more than one year	8	78 2	214 4
		<u>114 4</u>	<u>275 9</u>
Cash at bank and in hand		-	5 9
		<u>114 4</u>	<u>281 8</u>
CREDITORS – amounts falling due within one year	9	(1 4)	(543 4)
		<u></u>	<u></u>
NET CURRENT ASSETS / (LIABILITIES)		<u>113 0</u>	<u>(261 6)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		620 2	1,200 4
CREDITORS – amounts falling due after more than one year	10	(979 1)	(2,001 5)
		<u></u>	<u></u>
NET LIABILITIES		<u>(358 9)</u>	<u>(801 1)</u>
CAPITAL AND RESERVES			
Called up share capital	11	58 9	58 9
Profit and loss account	12	(417 8)	(860 0)
SHAREHOLDERS' FUNDS – DEFICIT	12	<u>(358 9)</u>	<u>(801 1)</u>

The financial statements on pages 6 to 15 were approved by the Board of Directors on *11 November* 2008 and were signed on its behalf by

David A. Bayle
Director

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2006

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 and all of its subsidiary undertakings are included in consolidated accounts for a larger group, Federal-Mogul Corporation, drawn up to the same date in the same financial year and those accounts are drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up. Accordingly the Company, in accordance with the exemption in S228A of the Companies Act, has not prepared consolidated accounts.

c) Fundamental Accounting Concept

The director believes it to be appropriate to prepare the accounts on the going concern basis due to the continued financial support by the ultimate parent undertaking.

d) 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 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 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.

e) 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.

f) Investments

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

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.

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2006 (continued)

3. Operating profit / (loss)

(a) Exceptional operating income – net write-back of inter-company balances arising from the CVA

A write-off of £167.7m has been made against a net amount receivable from T&N Limited. This company is subject to a CVA and under the terms of the CVA the balance due will be recovered at a dividend of 25p in the pound, hence the write-off. In addition, due to the Company's own CVA there has been a write-back of the net amount payable to fellow subsidiary undertakings of £1,655.3m.

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

	£m
Debtors: amounts falling due within one year	(25.9)
Debtors: amounts falling due after more than one year	(142.6)
Creditors: amounts falling due within one year	591.5
Creditors: amounts falling due after more than one year	1,064.6
Exceptional operating income	<u>1,487.6</u>

(b) Net operating income / (expense)

	2006 £m	2005 £m
Foreign exchange	1.3	(2.0)
Net operating income / (expense)	<u>1.3</u>	<u>(2.0)</u>

(c) Exceptional provision against fixed asset investments

As a result of the CVAs, the assets of the Company's subsidiaries suffered a permanent diminution in value and provisions totalling £954.7m have been made in the profit and loss account to reduce the carrying value accordingly. Provisions have also been made against trade investments amounting to £0.1m.

(d) Audit fees

The audit fees of £10,000 (2005: £9,500) were borne by a fellow group company during the year. There were audit fees and fees for other services payable to the Company's auditor and its associates during the year in respect of the Company's subsidiary undertakings amounting to £2.7m.

4. Net interest payable

	2006 £m	2005 £m
Interest receivable on deposits	0.2	0.3
Interest receivable from other companies within the Federal-Mogul Corporation Group	9.7	12.5
Dividend on preference shares	(37.5)	(37.5)
Interest payable to other companies within the Federal-Mogul Corporation Group	<u>(55.8)</u>	<u>(81.5)</u>
	(83.4)	(106.2)
Bad debt provision	(7.9)	(11.9)
Net interest payable	<u>(91.3)</u>	<u>(118.1)</u>

In accordance with FRS25 "Financial Instruments: Disclosure and Presentation", as the Company has no discretion to choose not to ultimately pay the preference dividends accruing to the Preference Shares, dividends relating to those Preference Shares are included in net interest payable.

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2006 (continued)

4. Net interest payable (continued)

A bad debt provision of £7.9m was made against interest receivable in the period up to the date of the first creditors meeting on 7 September 2006 (2005 £11.9m). This brought the total provision to £54.3m against interest arising after the date of filing on 1 October 2001 on loans made prior to that date to another group company that also filed for Chapter 11 and Administration. This provision has all been utilised against interest receivable from that other group company thereby reducing the CVA adjustment on this balance.

5. Director's emoluments

The director has not received emoluments in respect of his services as a director of the Company (2005 £nil).

6. Tax on loss on ordinary activities

(a) Analysis of charge / (credit) in the period

	2006 £m	2005 £m
<u>Current tax</u>		
UK corporation tax at 30% (2005 30%) on profit / (loss) of the period	-	-
Adjustments in respect of previous periods	0.6	-
Group relief recoverable	-	(8.4)
Tax charge / (credit) on profit / (loss) on ordinary activities	<u>0.6</u>	<u>(8.4)</u>

(b) Factors affecting tax charge / (credit) for period

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

	2006 £m	2005 £m
Profit / (loss) on ordinary activities before taxation	<u>442.8</u>	<u>(120.1)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	132.8	(36.0)
Effect of:		
Expenses not deductible / (income not taxable) for tax purposes	-	3.6
Non-taxable CVA adjustment	(446.3)	-
Non-deductible provision against investments and debtors	288.9	-
Preference share dividends not deductible for tax purposes	11.2	11.2
Utilisation of tax losses not recognised	-	(3.3)
Other timing differences	11.1	16.1
Adjustments in respect of previous periods	0.6	-
Group relief surrendered for nil payment	<u>2.3</u>	<u>-</u>
Current tax charge / (credit) for period (Note 6(a))	<u>0.6</u>	<u>(8.4)</u>

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2006 (continued)

6 Tax on loss on ordinary activities (continued)

(c) Factors that may affect future tax charges

At the year end there is an unrecognised deferred tax asset of £26.1m (2005 £123.3m) which is analysed below. This asset may become recoverable in the event that the underlying timing differences reverse or profits arise against which tax losses may be offset.

	2006 £m	2005 £m
Other timing differences	0.2	97.4
Tax losses	25.9	25.9
Total unrecognised deferred tax	26.1	123.3

Tax losses of approximately £86.2m (2005 £86.2m) are carried forward for utilisation against future profits. Since the year end the Company has emerged from Chapter 11. Subsequent to this the Company has agreed to assume responsibility for a capital gains tax liability arising on a profit in another group company. Tax losses of £37.8 million of the Company will be offset against this taxable profit and the Company will receive consideration of £424,000 for making these losses available.

During 2007 the Company has purchased part of a loan note and assumed responsibility for a capital gains tax liability deferred by the original issue of the loan note. The subsequent sale of this note, also in 2007, crystallises the tax liability and the Company is expected to utilise the balance of its tax losses against this liability.

The Finance Act 2007 includes changes which will affect future tax charges. The main change which will affect the Company is a reduction in the rate of Corporation Tax from 30% to 28% from 1 April 2008.

7 Investments

	Subsidiary undertakings Shares £m	Other Investments Shares £m	Total £m
Cost			
At 1 January 2006	1,476.2	1.3	1,477.5
At 31 December 2006	1,476.2	1.3	1,477.5
Provisions			
At 1 January 2006	(14.7)	(0.8)	(15.5)
Charge for the year	(954.7)	(0.1)	(954.8)
At 31 December 2006	(969.4)	(0.9)	(970.3)
Net book value			
At 31 December 2006	506.8	0.4	507.2
At 31 December 2005	1,461.5	0.5	1,462.0

Name of Company	Country of incorporation if outside Great Britain	Holding	Proportion of voting rights and shares held	For the year ending (*)	Aggregate amount of capital and reserves at the end of its most recent financial year £m	Profit or (loss) for the year £m	Nature of business
			%				
Federal-Mogul Ignition (UK) Ltd		Ordinary shares	100	31.12.2005	-97.4	1.1	Ignition
T&N Ltd		Ordinary shares	100	31.12.2005	-741.3	-47.5	Holding company

All subsidiary undertakings incorporated in Great Britain are registered in England and Wales.

(*) Financial information taken from the latest audited financial statements.

Investments in subsidiary undertakings are stated at cost less provision for impairment in value.

The director has reviewed the carrying value of investments and recorded an impairment charge for any individual investments that he considers impaired.

Notes To The Financial Statements For The Year Ended 31 December 2006 (continued)

8. Debtors	2006 £m	2005 £m
Amounts falling due within one year.		
Amounts owed by subsidiary undertakings	1 5	25 5
Amounts owed by fellow subsidiary undertakings	34 7	36 0
	<u>36 2</u>	<u>61 5</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	61 9	198 5
Amounts owed by fellow subsidiary undertakings	16 3	15 9
	<u>78 2</u>	<u>214 4</u>

Included in amounts owed by subsidiary undertakings and fellow subsidiary undertaking are balances totalling £13 2m (2005 £16 0m) receivable from Federal-Mogul group companies which are not the subject of a filing under Chapter 11

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

9 Creditors – amounts falling due within one year	2006 £m	2005 £m
Amounts owed to subsidiary undertakings	0 3	218 4
Amounts owed to fellow subsidiary undertakings	0 6	324 5
Taxation	0 5	0 5
	<u>1 4</u>	<u>543 4</u>

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

10. Creditors – amounts falling due after more than one year	2006 £m	2005 £m
Amounts owed to subsidiary undertakings	15 3	403 0
Amounts owed to fellow subsidiary undertakings	23 9	696 1
Cumulative redeemable preference shares	625 2	625 2
Cumulative redeemable preference shares – dividend arrears	314 7	277 2
	<u>979 1</u>	<u>2,001 5</u>

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

In accordance with FRS25 “Financial Instruments Disclosure and Presentation”, as the Company has no discretion to choose not to ultimately pay the preference dividends accruing to the Preference Shares, all balances relating to those Preference Shares are included in Creditors > 1 year

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2006 (continued)

10. Creditors – amounts falling due after more than one year (continued)	2006	2005
	£m	£m
Preference shares	2006	2005
	£m	£m
Authorised share capital		
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		
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	110 0	110 0
Total called up share capital	625 2	625 2
The Class A and Class B cumulative redeemable preference shares carry the following rights		
<ul style="list-style-type: none"> • 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 		
11. Share capital	2006	2005
	£m	£m
Authorised share capital		
Ordinary shares of £1 each		
Authorised – 100,000,000	100 0	100 0
Called up share capital		
Ordinary shares of £1 each		
Allotted and fully paid – 58,850,100	58 9	58 9

Federal-Mogul Global Growth Limited
Notes To The Financial Statements For The Year Ended
31 December 2006 (continued)

12. Reconciliation of movements in shareholders' funds

	Share Capital	Profit & Loss Account	Total
	£m	£m	£m
At 1 January 2005	58.9	(748.3)	(689.4)
Loss for the year 2005	-	(111.7)	(111.7)
At 1 January 2006	58.9	(860.0)	(801.1)
Profit for the year 2006	-	442.2	442.2
At 31 December 2006	58.9	(417.8)	(358.9)

13. Post Balance Sheet Event

On 8 November 2007, the US Bankruptcy Court confirmed Federal-Mogul Corporation's Fourth Amended Joint Plan of Reorganization 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 and Federal-Mogul Corporation, together with 59 of the UK filing companies, including the Company, emerged from Chapter 11.

On the Effective Date, the Chapter 11 Cases of a further 75 Federal-Mogul subsidiaries in the UK 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.

The effect of the Plan on the Company was to determine a reduction in the net pre-filing balances with group companies. This led to a write-off of £1,055 which is reflected in the profit and loss account of the Company in 2007.

14. Principal subsidiaries, associated undertakings and trade investments at 31 December 2006

Holding Companies		Camshafts	
T&N Limited **	UK	Federal-Mogul Camshaft Castings Ltd	UK
T&N Holdings Ltd	UK	Federal-Mogul Camshafts Ltd	UK
T&N Investments Ltd	UK		
Powertrain		Powder Metal Products	
Federal-Mogul Bradford Ltd	UK	Federal-Mogul Sintered Products Ltd	UK
Federal-Mogul Sapanca Segman (50%)#	Turkey	Systems Protection	
Federal-Mogul Izmit (42.5%)#	Turkey		
Dongsuh Industrial Company Ltd (50%)#	South Korea	Federal-Mogul Systems Protection Group Ltd	UK
Anqing TP Goetze Piston Ring Company Ltd (35.7%)#	China	Federal-Mogul Systems Protection Group KK	Japan
Friction Products		Ignition	
Federal-Mogul Friction Products Ltd	UK	Federal-Mogul Ignition (U K) Ltd **	UK
Federal-Mogul Eurofriction Ltd	UK	Sealing Products	
Federal-Mogul Friction Products a.s.	Czech Rep		
Federal-Mogul Friction Products SA	Spain	Federal-Mogul Sealing Systems (Rochdale) Ltd	UK
Federal-Mogul Materials de Friccao	Brazil	Federal-Mogul Sealing Systems (Slough) Ltd	UK
Japan Brake Industrial Company Ltd (12.2%)*	Japan	Federal-Mogul Sealing Systems Company (83%)	China
Korea Beral Ltd (22.9%)*	South Korea	Engine Parts Aftermarket	
Federal-Mogul Friction Products Company (70%)	China		
Federal-Mogul Friction Products (Thailand) Ltd (91%)	Thailand	Federal-Mogul Aftermarket UK Ltd	UK

Federal-Mogul Global Growth Limited
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14. Principal subsidiaries, associated undertakings and trade investments at 31 December 2006 (continued)

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

15 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 48033-2146, USA.

16. Composite Cross-Guarantee

The Company and certain of its fellow subsidiaries in the UK have entered into a composite cross-guarantee in relation to the facilities provided by its principal UK banker. The contingent liability in respect of this amounts to £nil (2005 nil).