

Federal-Mogul Global Growth Limited

Company No: 3454611

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

The director presents his report and the audited financial statements for the year ended 31 December 2010

Principal activities, review of the business and future developments

The principal activity is that of a holding company and it is not envisaged that this will change in the foreseeable future

Results and dividends

The profit after tax for the year was £581.2m (2009 profit £60.6m). The Company wrote back provisions against investments of £153.7m (2009 £68.3m).

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 £36.4m (2009 £37.5m) has been included in the profit and loss account. Also included in the profit and loss account is a release of the accrual in relation to cumulative preference dividends up to 20 December 2010 amounting to £463.6m, further described in note 10.

Financial Instruments

The Company's financial instruments comprise of balances with group undertakings and preference shares. 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.

Foreign Currency Risk

The Company's transactions are all in sterling and therefore there is no foreign currency risk to the Company.

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.

Directors

The following served as directors during (and unless otherwise indicated, throughout) the year

L. D. Hangran



A43

03/06/2011

COMPANIES HOUSE

18

Federal-Mogul Global Growth Limited

Company No: 3454611

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

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

Employees

The Company has no employees (2009 nil)

Statement of the director's responsibilities

The director is responsible for preparing the Director's Report and 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). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 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 him to ensure that the financial statements comply with the Companies Act 2006. 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

L. D. Hangran
Director

Date: 27 May 2011



Independent Auditors' Report to the members of Federal-Mogul Global Growth 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 16. 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 2, 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.

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

Independent Auditors' Report to the members of Federal-Mogul Global Growth 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

1 June ,

2011

Federal-Mogul Global Growth Limited

Profit and Loss Account

For the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Net operating (expense) / income	3	-	-
Operating (expense) / income excluding exceptionals		-	-
Exceptional operating income – profit on disposal of investments	3	0.8	-
Exceptional operating income – provisions against fixed asset investments written back	3	153.7	68.3
Operating income		<u>154.5</u>	<u>68.3</u>
Operating profit		154.5	68.3
Net interest receivable / (payable)	4	<u>426.7</u>	<u>(37.6)</u>
Profit on ordinary activities before taxation		581.2	30.7
Tax on profit on ordinary activities	6	-	29.9
Profit on ordinary activities after taxation		<u>581.2</u>	<u>60.6</u>

A reconciliation of movements in shareholders' funds is given in Note 12 of the financial statements

All results have been derived 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 2010 and the profit for the year ended 31 December 2009

Federal-Mogul Global Growth Limited

Balance Sheet

At 31 December 2010

	Notes	2010 £m	2009 £m
FIXED ASSETS			
Investments	7	814 0	660 7
		<u>814 0</u>	<u>660 7</u>
CURRENT ASSETS			
Debtors falling due within one year	8	80 6	79 5
Debtors falling due after more than one year	8	64 9	64 3
		<u>145 5</u>	<u>143 8</u>
Cash at bank and in hand		-	-
		<u>145 5</u>	<u>143 8</u>
CREDITORS – amounts falling due within one year	9	<u>(7 9)</u>	<u>(6 8)</u>
NET CURRENT ASSETS		<u>137 6</u>	<u>137 0</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		951 6	797 7
CREDITORS – amounts falling due after more than one year	10	(648 4)	(1,075 7)
NET ASSETS / (LIABILITIES)		<u>303 2</u>	<u>(278 0)</u>
CAPITAL AND RESERVES			
Called up share capital	11	58 9	58 9
Profit and loss account	12	244 3	(336 9)
SHAREHOLDERS' FUNDS / (DEFICIT)	12	<u>303 2</u>	<u>(278 0)</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 27 May 2011 and were signed on its behalf by



L. D. Hangran
Director

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010

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) 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.

c) 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.

d) Investments

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

2. Consolidation and related party disclosures

The Company's ultimate parent undertaking is Icahn Enterprises L.P., a company listed on the New York Stock Exchange. The Company is included in the consolidated financial statements of Icahn Enterprises L.P., which are publicly available. Consequently, 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 Icahn Enterprises Group or investees of the Icahn Enterprises Group.

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 s 401 of the Companies Act, has not prepared consolidated financial statements. The financial statements therefore contain information about Federal-Mogul Global Growth Limited as an individual company and not as a group.

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010 (continued)

3. Operating profit

(a) Exceptional operating income

The Company's trade investment, Daido Industrial Bearings Europe Limited, was sold on 7 December 2010 for £1.1m, leading to a profit on disposal of £0.8m which has been included in the profit and loss account in the current year

(b) Exceptional income - write-back of provision against fixed asset investments

Following an impairment review of the Company's investments, it was decided that provisions of £153.7m were no longer required and accordingly were written back in the current year (2009 £68.3m)

(c) Audit fees

The audit fees of £4,300 (2009 £6,500) 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 £0.4m (2009 £0.3m)

4. Net interest payable

	2010 £m	2009 £m
Interest receivable from other companies within the Federal-Mogul Corporation Group	1.2	2.0
Dividend on preference shares	(36.4)	(37.5)
Waiver and release of accrued dividends on preference shares	463.6	-
Interest payable to other companies within the Federal-Mogul Corporation Group	(1.7)	(2.1)
Net interest receivable / (payable)	<u>426.7</u>	<u>(37.6)</u>

Following an amendment to the Company's Articles of Association, made by Written Resolution on 20 December 2010, the preferential dividend on the Company's Preference Shares will no longer accrue automatically with effect from that date. Therefore charged in the profit and loss account in the current year is the cumulative preferential dividend for 2010 on those preference shares up to and including the 20 December 2010 amounting to £36.4m. Also, on the 20 December 2010, the owners of the Company's Preference Shares agreed, by deed, to waive and release all debts due to themselves by the Company in relation to dividends accrued on those shares up to and including that date, amounting to £463.6m. This amount has been released to the profit and loss account in the current year.

5. Directors' emoluments

The directors have not received emoluments in respect of their services as directors of the Company (2009 £nil)

6. Tax on profit on ordinary activities

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

	2010 £m	2009 £m
Current tax	-	-
UK corporation tax at 28% (2009 28%)	-	-
Adjustments in respect of previous periods	-	(29.9)
Total current tax (note 6(b))	<u>-</u>	<u>(29.9)</u>

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010 (continued)

6. Tax on profit on ordinary activities (continued)

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

The tax charged / (credited) for the period is lower (2009 – higher) than the standard rate of corporation tax in the UK (28%) (2009 28%) The differences are explained below

	2010 £m	2009 £m
Profit on ordinary activities before taxation	581.2	30.7
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	162.7	8.6
Effect of		
Income not taxable	(0.3)	-
Non-taxable release of provision against investments	(43.0)	(19.1)
Preference share dividends not deductible for tax purposes	-	10.5
Non-taxable release of accrued dividend	(119.5)	-
Adjustment in respect of previous period	-	(29.9)
Group relief surrendered for nil payment	0.1	-
Current tax charge / (credit) for period (Note 6(a))	-	(29.9)

(c) Factors that may affect future tax charges

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.

7. Investments

	Subsidiary undertakings Shares £m	Other Investments Shares £m	Total £m
Cost			
At 1 January 2010	1,476.2	1.3	1,477.5
Disposal	-	(1.3)	(1.3)
At 31 December 2010	1,476.2	-	1,476.2
Provisions			
At 1 January 2010	(815.9)	(0.9)	(816.8)
Release on disposal	-	0.9	0.9
Reduction in provision	153.7	-	153.7
At 31 December 2010	(662.2)	-	(662.2)
Net book value			
At 31 December 2010	814.0	-	814.0
At 31 December 2009	660.3	0.4	660.7

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	31.12.2010	(0.54)	(0.02)	Ignition
Federal-Mogul Ltd		Ordinary shares	100	31.12.2010	303.7	75.4	Automotive Components

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

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

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010 (continued)

7. Investments (continued)

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

In accordance with FRS11, the director has compared the carrying value of investments to their value in use to the Company. In earlier years this comparison indicated that some investments were impaired and an impairment charge was recorded. The exercise undertaken at 31 December 2010 indicated that certain impairments were no longer required in full and consequently a reversal of £153.7m has been recorded in the current year (2009 reversal of £68.3m)

The value in use has been derived from discounted cash flow projections using a nominal discount rate of 11.5% (2009 11.5%) on a pre-tax basis. Long-term growth rates consistent with each applicable global industry sector, ranging from 1.5% to 3%, have been assumed for all years.

8. Debtors

	2010 £m	2009 £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	11.9	10.8
Amounts owed by fellow subsidiary undertakings	68.7	68.7
	<u>80.6</u>	<u>79.5</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	64.9	64.3

9. Creditors – amounts falling due within one year

	2010 £m	2009 £m
Amounts owed to subsidiary undertakings	-	0.6
Amounts owed to fellow subsidiary undertakings	7.9	6.2
Accruals	-	-
	<u>7.9</u>	<u>6.8</u>

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

	2010 £m	2009 £m
Amounts owed to fellow subsidiary undertakings	23.2	23.3
Redeemable preference shares	625.2	-
Cumulative redeemable preference shares	-	625.2
Cumulative redeemable preference shares – dividend arrears	-	427.2
	<u>648.4</u>	<u>1,075.7</u>

Following an amendment to the Company's Articles of Association, made by Written Resolution on 20 December 2010, the preferential dividend on the Company's Preference Shares will no longer accrue automatically with effect from that date. Also, on the 20 December 2010, the owners of the Company's Preference Shares agreed, by deed, to waive and release all debts due to themselves by the Company in relation to dividends accrued on those shares up to and including that date. Consequently, an amount of £463.6m has been released to the profit and loss account in the current year, including £427.2m which was accrued at 31 December 2009.

Preference shares	2010 £m	2009 £m
Authorised share capital		
Redeemable preference shares of £1 each		
Authorised – 1,150,000,000	1,150.0	-
6.0 % Cumulative Redeemable Preference shares of £1 each – Class A		
Authorised – 650,000,000	-	650.0
6.0 % Cumulative Redeemable Preference shares of £1 each – Class B		
Authorised – 500,000,000	-	500.0

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010 (continued)

10. Creditors – amounts falling due after more than one year (continued)

Called up share capital	2010 £m	2009 £m
Redeemable Preference shares of £1 each		
Allotted and fully paid – 625,222,114	625.2	-
6.0 % Cumulative Redeemable Preference shares of £1 each – Class A		
Allotted and fully paid – 515,230,000	-	515.2
6.0 % Cumulative Redeemable Preference shares of £1 each – Class B		
Allotted and fully paid – 109,992,114	-	110.0
Total called up share capital	625.2	625.2

The redeemable preference shares carry the following rights

- 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	2010 £m	2009 £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

12. Reconciliation of movements in shareholders' funds

	Share Capital	Profit & Loss Account	Total
	£m	£m	£m
At 1 January 2009	58.9	(397.5)	(338.6)
Profit for the year 2009	-	60.6	60.6
At 31 December 2009	58.9	(336.9)	(278.0)
Profit for the year 2010	-	581.2	581.2
At 31 December 2010	58.9	244.3	303.2

Federal-Mogul Global Growth Limited

Notes To The Financial Statements For The Year Ended 31 December 2010 (continued)

13. Principal subsidiaries, associated undertakings and trade investments at 31 December 2010

Holding Companies			
Federal-Mogul (T&N) Hong Kong Limited	Hong Kong	Camshafts	
Federal-Mogul Limited **	UK	Federal-Mogul Camshaft Castings Ltd	UK
FDML Holdings Ltd	UK		
Federal-Mogul UK Investments Ltd	UK	Powder Metal Products	
Federal-Mogul SAS	France	Federal-Mogul Sintered Products Ltd	UK
		Federal-Mogul Sintertech SAS	France
Powertrain		Systems Protection	
Federal-Mogul Bradford Ltd	UK	Federal-Mogul Japan KK	Japan
Piston Rings (UK) Limited	UK	Federal-Mogul Systems Protection SAS	France
Federal-Mogul Operations France SAS – Chasseneuil	France	Ignition	
Federal-Mogul Operations France SAS – Garennes	France	Federal-Mogul Ignition (U K) Ltd **	UK
Federal-Mogul Piston Segman (50%) #	Turkey	Sealing Products	
Federal-Mogul Izmit (42.99%) #	Turkey	Federal-Mogul Sealing Systems Ltd	UK
Dongsuh Industrial Company Ltd (50%) #	South Korea	Federal-Mogul Sealing Systems SAS	France
Friction Products		Engine Parts Aftermarket	
Federal-Mogul Friction Products Ltd	UK	Federal-Mogul Aftermarket UK Ltd	UK
Federal-Mogul Friction Products a s	Czech Rep	Federal-Mogul Aftermarket France SAS	France
Federal-Mogul Friction Products SAS	France		
Federal-Mogul Friction Products SA	Spain	Bearings	
K-B Autosys Co Ltd (33.61%) #	South Korea	Federal-Mogul Operations France SAS – Orleans	France
Federal-Mogul Friction Products (Thailand) Ltd	Thailand		

Apart from FDML Holdings Ltd, Federal-Mogul UK Investments Ltd and Federal-Mogul Ignition (U K) Ltd, the UK companies are constituted as branches of Federal-Mogul Limited. All are registered in England and Wales. Investments in overseas companies are held by subsidiaries of Federal-Mogul 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

** Directly owned by the Company

14. 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.

There are no other related party transactions.

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 Icahn Enterprises L P, which is registered in the USA. Financial statements of this company may be obtained from Icahn Enterprises L P, 767 Fifth Avenue, Suite 4700, New York, NY 10153, USA.

16. Composite Cross-Guarantee

Contingent liabilities exist in respect of cross-guarantees given by the Company and certain of its fellow UK subsidiaries to support some of the UK banking facilities. At the year-end these facilities amounted to £nil (2009: £nil).