

Registered number 6924727

Fiberweb Joint Venture 2 Limited

Report and financial statements
for the year ended 31 December 2010

MONDAY



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COMPANIES HOUSE

FIBERWEB JOINT VENTURE 2 LIMITED

Officers and professional advisers

Directors

D A Dayan

D Abrams

Secretary

A O'Carroll

Registered office

Forsyth House
211-217 Lower Richmond Road
Richmond on Thames
London
TW9 4LN

Auditor

Deloitte LLP
Chartered Accountants
London

Directors' report

The directors present the report together with the audited financial statements of the Company for the year ended 31 December 2010

Principal activity

The Company's principal activity is that of an investment holding and group financing company

Business review and future developments

The directors consider the results for the period to be satisfactory and in line with expectations. The directors expect the Company to continue in its present capacity for the foreseeable future. More information is provided in note 1 to the financial statements.

Results and dividends

The results for the year ended 31 December 2010 are shown in the profit and loss account on page 6. During the period, no dividends were paid, and the directors do not recommend the payment of a final dividend (2009: \$nil).

Small Companies Exemption

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Going concern

The directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2010 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

Directors

The directors who held office during the period, were
D A Dayan
D Abrams

Charitable and political donations

There were no political or charitable contributions in the period.

Directors' report (continued)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting

Statement of directors' responsibilities

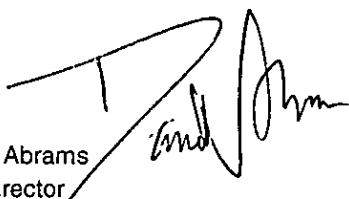
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on its behalf by


D Abrams
Director
12 August 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIBERWEB JOINT VENTURE 2 LIMITED

We have audited the financial statements of Fiberweb Joint Venture 2 Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and related notes 1 to 13. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- ♦ give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its result for the year,
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIBERWEB JOINT VENTURE 2 LIMITED
(continued)

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



John Adam (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

12 August 2011

FIBERWEB JOINT VENTURE 2 LIMITED

Profit and loss account

Year ended 31 December 2010

	Notes	2010 \$'000	7 months ended 2009 \$'000
Interest payable and similar charges	4	<u>(464)</u>	<u>(125)</u>
Loss on ordinary activities before taxation	2	(464)	(125)
Taxation on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Retained loss for the financial period	11	<u><u>(464)</u></u>	<u><u>(125)</u></u>

All profits or losses are derived from continuing operations

There is no material difference between the results as disclosed in the profit and loss account and their historical cost equivalent

The accompanying notes form an integral part of this profit and loss account

FIBERWEB JOINT VENTURE 2 LIMITED

Statement of total recognised gains and losses

Year ended 31 December 2010

	Notes	2010 \$'000	7 months ended 2009 \$'000
Loss for the financial period		(464)	(125)
Unrealised surplus on disposal of subsidiary undertakings	6	-	10,568
Total recognised gains and losses relating to the period		<u>(464)</u>	<u>10,443</u>

FIBERWEB JOINT VENTURE 2 LIMITED

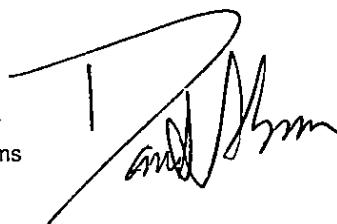
Balance sheet

At 31 December 2010

	Notes	2010 \$'000	2009 \$'000
Fixed assets			
Investments	7	61,856	61,839
Creditors amounts falling due within one year	8	<u>(2,726)</u>	<u>(125)</u>
Total assets less current liabilities		59,130	61,714
Creditors amounts falling due after more than one year	9	<u>(11,732)</u>	<u>(13,852)</u>
Net Assets		<u><u>47,398</u></u>	<u><u>47,862</u></u>
Capital and reserves			
Called-up share capital	10	-	-
Share premium account		37,419	37,419
Profit and loss account	11	9,979	10,443
Shareholder's funds	12	<u><u>47,398</u></u>	<u><u>47,862</u></u>

These financial statements of Fiberweb Joint Venture 2 Limited, registered number 6924727, were approved by the Board of Directors and authorised for issue on 12 August 2011 and were signed on its behalf by

Director
D Abrams



The accompanying notes form an integral part of this balance sheet

Notes to the financial statements

Year ended 31 December 2010

1 Accounting policies

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The financial statements are presented in US dollars as this is the most appropriate functional currency for the Company's operations.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary of Fiberweb Plc, which prepares consolidated financial statements which are publicly available. The Company is also exempt from the requirement of FRS 1 to present a cash flow statement.

b) Reporting period

These financial statements present the results of the Company for the year from 1 January 2010 to 31 December 2010.

c) Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currencies are converted into US dollars at the rate ruling on the date of the transaction. All differences on exchange are taken to the profit and loss account.

d) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

e) Related party transactions

Under FRS 8, the Company is exempt from disclosing related party transactions with other group companies as 100% of the voting rights are controlled within the group and the ultimate parent company, Fiberweb plc, has prepared consolidated financial statements which include the results of the Company for the year ended 31 December 2010 and are available to the public.

f) Investments

The carrying value of investments in subsidiary undertakings are stated at cost less provision for impairment. The carrying value is the higher of cost and the investment's value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted. If the value in use of an investment is estimated to be less than its carrying amount, the carrying amount is reduced to its fair value. An impairment loss is recognised immediately.

g) Going concern

The Company is reliant on the support of its ultimate parent company, Fiberweb Plc, to be able to meet its liabilities as they fall due. The directors consider that the Company is an integral part of Fiberweb Plc's structure and strategy and this is evidenced by a letter of support from Fiberweb Plc, which states that it will provide the necessary financial support to ensure that the company is a going concern for at least 12 months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements

Year ended 31 December 2010

2 Loss on ordinary activities before taxation

Fees payable to the Company's auditor for the audit of the Company's annual accounts total \$7,610 (2009 \$7,610) for the year ended 31 December 2010. These fees were borne by Fiberweb plc which is the ultimate parent of the Company. No fee was paid to the Company's auditor in relation to non-audit services.

3 Employees and employee costs

There were no full time employees during the period and the aggregate payroll costs were \$nil (2009 \$nil). No director received any remuneration in the year (2009 \$nil) for services to the Company.

4 Interest payable

	2010	2009
	\$'000	\$'000
<i>Interest payable and similar charges</i>		
Interest payable to Group undertakings	(464)	(125)

5 Tax on loss on ordinary activities

	2010	2010
	\$'000	\$'000
Total current tax charge	-	-
<i>Factors affecting the current tax charge</i>		
Loss on ordinary activities before taxation	(464)	(125)
Tax at the standard rate of corporation tax in the UK of 28% (2009 28%)	(130)	(35)
Fully utilised by group relief for no consideration	130	(35)
Total current tax charge	-	-

6 Unrealised surplus on disposal of subsidiary undertakings

Included within total recognised gains and losses for the period to 31 December 2009 is a surplus in relation to the transfer of 1 "A" share and 43,871 "B" shares in FitesaFiberweb Limited to Fitesa S A in return for 50% of the share capital of Fitesa Industrial S A being transferred to Fiberweb Brazil Limited (a company 100% owned by the Fiberweb Group) and 100% of the share capital of Fitesa US Inc being transferred to Fiberweb Joint Venture 3 Limited.

FIBERWEB JOINT VENTURE 2 LIMITED

Notes to the financial statements

Year ended 31 December 2010

7 Investments

	Shares in subsidiary undertakings \$'000	Long term loans in subsidiary undertakings \$'000	2010 \$'000	2009 \$'000
Cost				
At 1 January	61,839	-	61,839	-
Investments made in the period	17	-	17	61,839
At 31 December	61,856	-	61,856	61,856

Investments comprise 50% and 100% of the issued and outstanding ordinary shares of FitesaFiberweb Limited and Fiberweb Brazil Limited respectively. Both are investment holding companies and incorporated in the United Kingdom.

During 2009, as part of the initial acquisition of FitesaFiberweb Limited, the Company disposed of 50% of its investment therein which gave rise to an unrealised surplus as described in Note 6. As part of this transaction, 50% of the share capital of Fitesa Industrial S A was transferred to Fiberweb Brazil Limited (a company 100% owned by the Fiberweb Group) and 100% of the share capital of Fitesa US Inc was transferred to FitesaFiberweb Limited.

8 Creditors amounts falling due within one year

	2010 \$'000	2009 \$'000
Amounts owed to Group undertakings	2,726	125

Amounts owed to Group undertakings represents interest due on long term loan notes (note 9).

9 Creditors amounts falling due after more than one year

	2010 \$'000	2009 \$'000
Amounts owed to Group undertakings	11,732	13,852

Amounts owed to Group undertakings consist of loan notes of which are unsecured and incur interest on an arms length basis at a rate of 7.29%.

10 Share capital

	2010 \$'000	2009 \$'000
<i>Allotted, called up and fully paid</i>		
2 ordinary "A" shares of £1 each and 37,442 ordinary "B" shares of £0.01 each	-	-

11 Profit and loss account

	2010 \$'000	2009 \$'000
At 31 January	10,443	-
Retained loss for the period	(464)	(125)
Unrealised surplus on disposal of subsidiary undertakings (note 6)	-	10,568
At 31 December	9,979	10,443

Notes to the financial statements

Year ended 31 December 2010

12 Reconciliation of movement in shareholder's funds

	2010	2009
	\$'000	\$'000
At start of the period	47,862	-
Loss for the period	(464)	(125)
Shares issued	-	-
Premium on shares issued	-	37,419
Unrealised surplus on disposal of subsidiary undertakings (note 6)	-	10,568
At 31 December	<u>47,398</u>	<u>47,862</u>

13 Ultimate parent company

The Company's immediate parent company is Fiberweb Joint Venture 1 Limited, a company incorporated in Great Britain and registered in England and Wales

Fiberweb plc, the Company's ultimate parent, is the smallest and largest group which prepares group financial statements incorporating the financial statements of the Company. These group financial statements are available to the public from the Company Secretary of Fiberweb plc at Forsyth House, 211 217 Lower Richmond Road, Richmond on Thames, London TW9 4LN