

MIRA INFORM REPORT

Report No. :	521788
Report Date :	27.07.2018

IDENTIFICATION DETAILS

Name :	FEDERAL-MOGUL LLC
Formerly Known As :	FEDERAL MOGUL CORPORATION
Registered Office :	26555 Northwestern Hwy, Southfield, MI, 48033
Country :	United States
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	1899
Legal Form :	Limited Liability Company
Line of Business :	Subject supplies automotive components, accessories, and systems worldwide.
No. of Employees :	6,100 53,000 (whole Group)

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	No Complaints
Litigation :	Exist

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United States	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

UNITED STATES - ECONOMIC OVERVIEW

The US has the most technologically powerful economy in the world, with a per capita GDP of \$59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

In the US, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, businesses face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.

Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.

The onrush of technology has been a driving factor in the gradual development of a "two-tier" labor market in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits. But the globalization of trade, and especially the rise of low-wage producers such as China, has put additional downward pressure on wages and upward pressure on the return to capital. Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.

Imported oil accounts for more than 50% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments. Oil prices climbed another 50% between 2006 and 2008, and bank foreclosures more than doubled in the same period. Besides dampening the housing market, soaring oil prices caused a drop in the value of the dollar and a deterioration in the US merchandise trade deficit, which peaked at \$840 billion in 2008. Because the US economy is energy-intensive, falling oil prices since 2013 have alleviated many of the problems the earlier increases had created.

The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the US into a recession by mid-2008. GDP contracted until the third quarter of 2009, the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program (TARP) in October 2008. The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011. In January 2009, Congress passed and former President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover. In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the Federal Government reduced the growth of spending and the deficit shrank to 7.6% of GDP. US revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries.

Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through FY 2018, the direct costs of the wars will have totaled more than \$1.9 trillion, according to US Government figures.

In March 2010, former President OBAMA signed into law the Patient Protection and Affordable Care Act (ACA), a health insurance reform that was designed to extend coverage to an additional 32 million Americans by 2016,

through private health insurance for the general population and Medicaid for the impoverished. Total spending on healthcare - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.

In July 2010, the former president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.

In December 2012, the Federal Reserve Board (Fed) announced plans to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short-term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. The Fed ended its purchases during the summer of 2014, after the unemployment rate dropped to 6.2%, inflation stood at 1.7%, and public debt fell below 74% of GDP. In December 2015, the Fed raised its target for the benchmark federal funds rate by 0.25%, the first increase since the recession began. With continued low growth, the Fed opted to raise rates several times since then, and in December 2017, the target rate stood at 1.5%.

In December 2017, Congress passed and President Donald TRUMP signed the Tax Cuts and Jobs Act, which, among its various provisions, reduces the corporate tax rate from 35% to 21%; lowers the individual tax rate for those with the highest incomes from 39.6% to 37%, and by lesser percentages for those at lower income levels; changes many deductions and credits used to calculate taxable income; and eliminates in 2019 the penalty imposed on taxpayers who do not obtain the minimum amount of health insurance required under the ACA. The new taxes took effect on 1 January 2018; the tax cut for corporations are permanent, but those for individuals are scheduled to expire after 2025. The Joint Committee on Taxation (JCT) under the Congressional Budget Office estimates that the new law will reduce tax revenues and increase the federal deficit by about \$1.45 trillion over the 2018-2027 period. This amount would decline if economic growth were to exceed the JCT's estimate.

Source : CIA

STATUTORY INFORMATION

Order: FEDERAL MOGUL CORPORATION

The name provided in the order is company's OLD LEGAL NAME. Its current legal name is FEDERAL-MOGUL LLC

Address in the order: 27300 West 11 Mile Road, Southfield MI 48034
United States

Legal Name: FEDERAL-MOGUL LLC

Trade Name: FEDERAL-MOGUL CORPORATION
FEDERAL-MOGUL

ID: 4294124

Date Created: 1899

Date Incorporated: 1/31/2007

Legal Address: 26555 NORTHWESTERN HWY. SOUTHFIELD MI 48033

Operative Address: 27300 West 11 Mile Road
Southfield, Michigan 48034
United States

Telephone: 248-354-7700

Fax: 248-354-7700

Legal Form: Limited Liability Company

Email: NA

Registered in: DELAWARE

Website: www.federalmogul.com

Contact: Rainer Jueckstock

Staff: 6,100
53,000 (whole Group)

Activity: Transportation Equipment Manufacturing Industry
Automobile Parts Manufacturing Industry

BANKS

Bank of America

The company does not disclose its bank details.

HISTORY

Federal-Mogul was founded in 1899 by J. H. Muzzy and Edward F. Lyon in Detroit, Illinois. Its industry is automotive and energy and its headquarters is in Southfield, Michigan
The company merged with the Federal Bearings & Bushings Corporation in 1924. In 1965, it merged with Sterling Aluminum Products.

It acquired the Champion Spark Plug Company in 1998.
In 2015, the company split into two sectors: Federal-Mogul Powertrain and Federal-Mogul Motorparts.

In January 2017, majority shareholder Carl Icahn completed a \$300 million deal for all of Federal-Mogul's stock, after which he changed the company from Public company to Private company.

In April 2018, Tenneco announced that they had purchased Federal-Mogul in a deal worth approximately US\$5.4 Billion.

PRESS RELEASE:

Icahn to sell Federal-Mogul to Tenneco for \$5.4 billion
Arunima Banerjee
3 MIN READ

(Reuters) - Activist investor Carl Icahn said on Tuesday he was selling auto parts maker Federal-Mogul to Tenneco Inc (TEN.N) in a \$5.4 billion deal, unloading an investment he has held for nearly two decades and picking up a new stake in Tenneco.

Icahn Enterprises will get \$800 million cash and 29.5 million of Tenneco common shares in the deal.

The equity value of the deal is \$2.4 billion. Federal-Mogul, which makes powertrain parts including pistons, ignition coils and spark plugs, had gross debt of \$3.1 billion.

PRINCIPAL ACTIVITY

Federal-Mogul Corporation supplies automotive components, accessories, and systems worldwide.

Products/Services description: Federal-Mogul Powertrain
BEARINGS
CYLINDER LINERS
IGNITION
LIGHTING
PISTON RINGS
PISTONS
SEALING

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SYSTEMS PROTECTION
VALVE SEATS & GUIDES
VALVETRAIN

Federal-Mogul Motorparts
BRAKES
CLUTCH
DRIVELINE
ENGINE
FILTERS
GASKETS & SEALING SYSTEMS
IGNITION
LIGHTING
STEERING
SUSPENSION
WIPERS

Brands:

PowertrainBentley-Harris®
Bentley-Harris®
Protection ProductsChampion®
Champion®
Performance Driven™Daros®
Daros®
Piston Rings for 2-Stroke Large Bore EnginesDeva®
Deva®
Glycodur®
Goetze ®
Mechanical Face SealsGoetze®
ABEX
ANCO
FEL-PRO
FERODO
JURID
MOOG
WAGNER
Wholesale

Sales are:

Clients:

Suppliers:

INDUSTRIAS JOHN DEERE ARGENTINA
Menon Exports
Indiana

Operations area:

The company imports from

The subject employs

Payments:

FEDERAL MOGUL SA DE CV
Mexico
National
United States, Mexico
6,100
53,000 (whole Group)
No complaints

LOCATION

Headquarters : 27300 West 11 Mile Road
Southfield, Michigan 48034
United States

Branches: 26555 Northwestern Highway
Southfield, Michigan 48033
USA

Federal-Mogul
1273 Joe Battle Blvd
El Paso, Texas

Federal-Mogul
6420 Glenn Hwy
Cambridge, Ohio

Federal-Mogul
7450 McCormick Blvd
Skokie, Illinois

Federal-Mogul
150 Fisher Ave
Van Wert, Ohio

Federal-Mogul Corporation
2845 W State Road 28
Frankfort, Indiana

Federal-Mogul
101 E Industrial Blvd
Logansport, Indiana

Federal-Mogul
407 Stonehenge Cir
Rockledge, Florida

Federal-Mogul
47001 Port St
Plymouth, Michigan

Federal-Mogul
1 Grizzly Ln
Smithville, Tennessee

Federal-Mogul

241 Welsh Pool Rd
Exton, Pennsylvania

Federal-Mogul
3575 Forest Lake Dr # 500
Uniontown, Ohio

Federal-Mogul
3874 Research Park Dr
Ann Arbor, Michigan

Federal-Mogul
3150 Rand Rd
Indianapolis, Indiana

Federal-Mogul
2318 Waldo Blvd
Manitowoc, Wisconsin
Icahn Enterprises L.P.
Federal Mogul Goetze (India) Ltd
Federal Mogul Powertrain Inc
Federal Mogul World Wide Inc
Federal Mogul (China) Co Ltd
Federal Mogul Ignition Company
Federal Mogul Acquisition Co Ltd
Federal Mogul TPR (India) Ltd
T&N Limited
Federal-Mogul Global Inc
Federal-Mogul Products, Inc
Federal Mogul Bearing India Ltd
Federal Mogul World Trade Pte. Ltd
Federal-Mogul SARL
Federal Mogul Japan K.K.
Federal Mogul Financial Services SAS
Federal Mogul Piston Rings Inc
Dana Incorporated
GKN PLC
BOSCH CORPORATION

Related Companies:

Competitors:

GROUP STRUCTURE AND SUBSIDIARY COMPANIES

Listed at the stock exchange: NO

Capital: NA

Shareholders: Federal-Mogul group of companies was purchased by Tenneco.

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Acquisition of Federal-Mogul

Tenneco signed a definitive agreement on April 10, 2018, to acquire Federal-Mogul, a leading global supplier to original equipment manufacturers and the aftermarket. Tenneco intends to separate the combined businesses into two independent, publicly traded companies through a tax-free spin-off to shareholders that will establish an aftermarket and ride performance company and a powertrain technology company.

The Federal-Mogul acquisition is expected to close in the second half of 2018, subject to regulatory and shareholder approvals and other customary closing conditions, with the separation expected to occur in the second half of 2019. The transaction is expected to be value accretive with run-rate earnings synergies of at least \$200 million and one-time working capital synergies of at least \$250 million within 24 months of closing.

Tenneco is a \$9.3 billion global manufacturing company with headquarters in Lake Forest, Illinois and approximately 32,000 employees worldwide.

Management:

Mr. Rainer Jueckstock, Co-Chairman, Co-CEO & CEO of Powertrain
Mr. Bradley S. Norton, Co-Chairman of the Board, Co-CEO and CEO of Federal-Mogul Motorparts
Mr. Jerome Rouquet, Chief Financial Officer and Senior Vice President
Mr. Martin M. Hendricks, President of Global Braking, Global Wipers and EMEA Federal-Mogul Motorparts
Mr. Andrew D. Sexton, President of EMEA for Federal-Mogul Motorparts

FINANCIAL INFORMATION

The company does not make its financial statements public. The following information has been provided by private sources:

USD 2017- \$ Millions

NET INCOME	\$361
EBITDA	\$717

Federal-Mogul 2017 Revenues

Powertrain: \$4.5B
Motorparts: \$3.3B

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LEGAL FILINGS

PATENTS

Thermal spray applications using iron based alloy powder
Patent number: 9624568
Type: Grant
Filed: March 8, 2013
Date of Patent: April 18, 2017
Assignees: Federal-Mogul Corporation
Inventors: Denis B. Christopherson, Jr., Gilles L'Esperance, Jeremy Koth,
Philippe Beaulieu, Leslie John Farthing, Todd Schoenwetter

Metal gasket
Patent number: 9618121
Type: Grant
Filed: June 24, 2013
Date of Patent: April 11, 2017
Assignee: Federal-Mogul Corporation
Inventors: Bhawani Tripathy, Thomas O. Zurfluh

Piston and method of making a piston
Patent number: 9616529
Type: Grant
Filed: April 13, 2012
Date of Patent: April 11, 2017
Assignee: Federal-Mogul Corporation
Inventors: Airton Martins, Carmo Ribeiro

CASES

Welch v. Federal Mogul Corporation et al
Plaintiff: Brian Welch
Defendant: Federal Mogul Corporation, Federal Mogul Powertrain, LLC
and Terry Offerle
Case Number: 3:2017cv00487
Filed: March 9, 2017
Court: Ohio Northern District Court
Office: Toledo Office
County: Van Wert
Presiding Judge: Jack Zouhary
Nature of Suit: Other
Cause of Action: 29:2661
Jury Demanded By: Plaintiff

Federal-Mogul Corporation et al v. Mevotech L.P.
Plaintiff: Federal-Mogul Corporation and Federal-Mogul Motorparts
Corporation
Defendant: Mevotech L.P.
Case Number: 2:2015cv13205
Filed: September 10, 2015

Court: Michigan Eastern District Court
Office: Detroit Office
County: Oakland
Referring Judge: Anthony P. Patti
Presiding Judge: George Caram Steeh
Nature of Suit: Patent
Cause of Action: 15:1126
Jury Demanded By: Plaintiff

Flanders et al v. Federal-Mogul Corporation et al
Plaintiff: Lisa Flanders, Arya Flanders and Shiva Flanders
Defendant: Federal-Mogul Corporation and Consumer Auto Parts, Inc.
Case Number: 5:2016cv00027
Filed: February 2, 2016
Court: Vermont District Court
Office: Rutland Office
County: Windham
Presiding Judge: Geoffrey W. Crawford
Nature of Suit: Motor Vehicle Product Liability
Cause of Action: 28:1441
Jury Demanded By: Defendant

TRADEMARKS

FLEXSTOP

Gaskets for internal combustion engines, Automotive parts, namely, engine seals

Owned by: Federal-Mogul Corporation
Serial Number: 77688266

MAGNUM MONOSTEEL

Pistons for internal combustion engines
Owned by: Federal-Mogul Corporation
Serial Number: 85158234

ECOFLO

Fuel pumps for land vehicles
Owned by: Federal-Mogul Corporation
Serial Number: 85563156

MAXIM GASKETS

Gaskets for internal combustion engines
Owned by: Federal-Mogul Corporation
Serial Number: 85587738

SUMMARY

Founded in 1899, FEDERAL-MOGUL is a large-sized organization in the automotive industry located in Michigan, United States.

The company has 53,000 employees and generates \$7,434 billion in annual revenue.

FEDERAL-MOGUL operates in the national area.

FEDERAL MOGUL Group of companies were recently purchased, by TENNECO group.

We suggest working with low credit line and monitoring its progress.

RISK INFORMATION

DEBTS	CONTROLLED
PAYMENTS	NO COMPLAINTS
CASH FLOW	NORMAL
STATUS	ACTIVE

INTERVIEW

NAME	Claudia
POSITION	Assistance
COMMENTS	She confirmed new legal name, staff number, management and new parent group.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
USD	1	INR 68.72

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)