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Company Registration No 2434099 (England and Wales)

TREVES UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



TREVES UK LIMITED

COMPANY INFORMATION

Directors	B Treves G Treves
Secretary	MH Secretaries Limited
Company number	2434099
Registered office	12 Great James Street LONDON WC1N 3DR
Auditors	Mazars LLP Mazars House, Gelderd Road, Gildersome LEEDS West Yorkshire LS27 7JN
Business address	Farnham Lane KNARESBOROUGH North Yorkshire HG5 9JR
Bankers	National Westminster Bank plc 8 Park Row Leeds West Yorkshire LS1 5HD

TREVES UK LIMITED

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TREVES UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The principal activity of the company continued to be the manufacture of motor vehicle carpets, luggage systems and seat components

Turnover has increased by £11.2m in the year mainly in respect of new projects with existing customers. Margins have reduced slightly but overheads are under control and overall profitability has improved as a result of the turnover growth. Retained profit after tax of £1,166,428 is added to reserves.

The directors consider the key business risks affecting the company to be competition from other suppliers in the market and increasing raw material costs. The directors continue to monitor and address these issues and are confident that the company can continue to trade profitably in 2007 and for the foreseeable future.

Results and dividends

The results for the year are set out on page 5.

A dividend of €2m has been paid in July 2007 out of distributable reserves (see note 22).

Directors

The following directors have held office since 1 January 2006:

B Treves
G Treves

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

TREVES UK LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

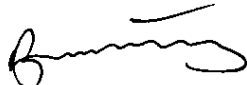
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material 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 directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



B Treves

Director

19 September 2007

TREVES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TREVES UK LIMITED

We have audited the financial statements of Treves UK Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared in accordance with 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 directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 directors' remuneration and transactions with the company 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TREVES UK LIMITED

INDEPENDENT AUDITORS' REPORT (continued) TO THE MEMBERS OF TREVES UK LIMITED

Opinion

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 and of its profit for the year then ended,

-the financial statements have been properly prepared in accordance with the Companies Act 1985, and

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

Mazars LLP

Mazars LLP

Chartered Accountants

and Registered Auditors

23 October 2007

Mazars House, Gelderd Road,
Gildersome

West Yorkshire
LS27 7JN

TREVES UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	43,985,201	32,744,679
Cost of sales		(35,656,707)	(26,213,694)
Gross profit		8,328,494	6,530,985
Administrative expenses		(6,606,965)	(5,779,798)
Operating profit	3	1,721,529	751,187
Other interest receivable and similar income	4	8,325	6,159
Interest payable and similar charges	5	(69,773)	(117,018)
Profit on ordinary activities before taxation		1,660,081	640,328
Tax on profit on ordinary activities	6	(493,653)	(197,704)
Profit on ordinary activities after taxation	16	1,166,428	442,624

The profit and loss account has been prepared on the basis that all operations are continuing operations

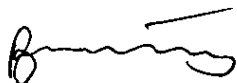
There are no recognised gains and losses other than those passing through the profit and loss account

TREVES UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	7	1,597,634		1,527,560	
Tangible assets	8	4,099,641		4,333,916	
		<u>5,697,275</u>		<u>5,861,476</u>	
Current assets					
Stocks	9	2,154,111	1,839,467		
Debtors	10	8,112,233	9,837,432		
Cash at bank and in hand		485,685	193,804		
		<u>10,752,029</u>	<u>11,870,703</u>		
Creditors amounts falling due within one year	11	<u>(9,406,129)</u>	<u>(11,584,234)</u>		
Net current assets		<u>1,345,900</u>		<u>286,469</u>	
Total assets less current liabilities		<u>7,043,175</u>		<u>6,147,945</u>	
Creditors amounts falling due after more than one year	12	(125,000)	(375,000)		
Provisions for liabilities and charges	13	<u>(160,771)</u>	<u>(181,969)</u>		
		<u>6,757,404</u>	<u>5,590,976</u>		
Capital and reserves					
Called up share capital	15	450,000	450,000		
Profit and loss account	16	6,307,404	5,140,976		
Shareholders' funds - equity interests	17	<u>6,757,404</u>	<u>5,590,976</u>		

The financial statements were approved by the Board on 14/9/2007



B Treves
Director



G Treves
Director

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cashflow statement as its results are included in the consolidated accounts of its ultimate parent company and these accounts are publicly available

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	2.5%-10% straight line
Plant and machinery	10 - 33% straight line
Fixtures, fittings & equipment	10 - 33% straight line
Motor vehicles	50% straight line

No depreciation is provided on freehold land

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

(continued)

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2006	2005
	£	£
United Kingdom	36,731,990	27,617,784
Belgium	1,144,198	1,148,268
Germany	4,984,977	3,271,102
Hungary	175,125	222,988
Austria	633	68,704
France	76,851	25,222
Spain	778,444	356,769
Czech Republic	92,983	33,842
	<u>43,985,201</u>	<u>32,744,679</u>

3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	499,343	331,545
Depreciation of tangible assets	625,814	644,127
Loss on disposal of tangible assets	9,881	-
Profit on tooling recharged	(232,008)	(267,248)
Operating lease rentals		
- Plant and machinery	97,595	97,485
Auditors' remuneration	17,500	34,000
Remuneration of auditors for non-audit work	578	4,521
and after crediting		
Profit on disposal of tangible assets	-	(9,866)
Profit on foreign exchange transactions	(149,193)	(69,195)
	<u></u>	<u></u>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

4	Investment income	2006	2005
		£	£
	Bank interest	8,325	6,159
		<u> </u>	<u> </u>
5	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	44,913	71,372
	Lease finance charges	4,692	25,474
	On amounts payable to invoice discounting company	20,168	20,172
		<u> </u>	<u> </u>
		69,773	117,018
		<u> </u>	<u> </u>
6	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	512,400	207,000
	Adjustment for prior years	2,451	-
		<u> </u>	<u> </u>
	Current tax charge	514,851	207,000
	Deferred tax		
	Deferred tax credit current year	(21,198)	(9,296)
		<u> </u>	<u> </u>
		493,653	197,704
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,660,081	640,328
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)	498,024	192,098
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	4,333	10,805
	Depreciation add back	190,708	190,278
	Capital allowances	(180,646)	(186,270)
	Adjustments to previous periods	2,451	-
	Other tax adjustments	(19)	89
		<u> </u>	<u> </u>
		16,827	14,902
		<u> </u>	<u> </u>
	Current tax charge	514,851	207,000
		<u> </u>	<u> </u>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

7 Intangible fixed assets

	Development Costs £
Cost	
At 1 January 2006	2,821,633
Additions	569,237
	<hr/>
At 31 December 2006	3,390,870
	<hr/>
Amortisation	
At 1 January 2006	1,293,893
Charge for the year	499,343
	<hr/>
At 31 December 2006	1,793,236
	<hr/>
Net book value	
At 31 December 2006	1,597,634
	<hr/>
At 31 December 2005	1,527,560
	<hr/>

Deferred development costs comprise design, tooling and development costs on separately identifiable projects which are reasonably expected to generate income in future periods. Development costs will be amortised in relation to production volumes over the lives of the projects.

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2006	2,874,716	5,461,528	176,609	11,000	8,523,853
Additions	-	403,120	-	-	403,120
Disposals	-	(377,120)	-	(11,000)	(388,120)
At 31 December 2006	2,874,716	5,487,528	176,609	-	8,538,853
Depreciation					
At 1 January 2006	407,879	3,594,926	176,132	11,000	4,189,937
On disposals	-	(365,538)	-	(11,000)	(376,538)
Charge for the year	65,377	559,959	477	-	625,813
At 31 December 2006	473,256	3,789,347	176,609	-	4,439,212
Net book value					
At 31 December 2006	2,401,460	1,698,181	-	-	4,099,641
At 31 December 2005	2,466,837	1,866,602	477	-	4,333,916

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 December 2006	-
At 31 December 2005	212,524
Depreciation charge for the year	
At 31 December 2006	-
At 31 December 2005	54,246

Included in freehold land and buildings is freehold land of £425,000 (2005 - £425,000) which is not depreciated

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

9	Stocks	2006 £	2005 £
	Raw materials and consumables	1,943,786	1,475,368
	Finished goods and goods for resale	210,325	364,099
		<u>2,154,111</u>	<u>1,839,467</u>

10	Debtors	2006 £	2005 £
	Trade debtors	4,201,556	5,716,164
	Amounts owed by parent and fellow subsidiary undertakings	4,567	42,328
	Other debtors	3,546,803	3,599,814
	Prepayments and accrued income	359,307	479,126
		<u>8,112,233</u>	<u>9,837,432</u>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	1,316,109	401,665
Net obligations under finance lease and hire purchase contracts	-	38,638
Trade creditors	3,739,360	5,396,880
Amounts owed to parent and fellow subsidiary undertakings	1,787,130	2,426,903
Corporation tax	203,400	139,960
Other taxes and social security costs	372,193	267,441
Other creditors	1,400,693	2,332,755
Accruals and deferred income	587,244	579,992
	<u>9,406,129</u>	<u>11,584,234</u>
Debt due in one year or less	<u>1,316,109</u>	<u>473,893</u>

The bank overdraft and loan are secured by a first legal mortgage over the freehold property at Farnham Road, Knaresborough and a letter of support from the ultimate parent company, Treves SA. An invoice discounting creditor of £nil (2005 - £72,228), included within other creditors, is secured by a fixed charge over the book debts of the company.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	-	38,638
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>38,638</u>

12 Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loans	<u>125,000</u>	<u>375,000</u>
Analysis of loans		
Wholly repayable within five years	<u>375,000</u>	<u>625,000</u>
	<u>375,000</u>	<u>625,000</u>
Included in current liabilities	<u>(250,000)</u>	<u>(250,000)</u>
	<u>125,000</u>	<u>375,000</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>125,000</u>	<u>250,000</u>
In more than two years but not more than five years	<u>-</u>	<u>125,000</u>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2006	181,969
Profit and loss account	(21,198)
	<hr/>
Balance at 31 December 2006	160,771
	<hr/>

The deferred tax liability is made up as follows.

	2006 £	2005 £
Accelerated capital allowances	160,771	181,969
	<hr/>	<hr/>

14 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £24,402 (2005-£23,797) were payable to the fund at the year end and are included in creditors.

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	269,356	266,574
	<hr/>	<hr/>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

15 Share capital	2006 £	2005 £
Authorised		
225,000 'A' ordinary shares of £1 each	225,000	225,000
225,000 'B' ordinary shares of £1 each	225,000	225,000
	<u>450,000</u>	<u>450,000</u>
Allotted, called up and fully paid		
225,000 'A' ordinary shares of £1 each	225,000	225,000
225,000 'B' ordinary shares of £1 each	225,000	225,000
	<u>450,000</u>	<u>450,000</u>
16 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2006		5,140,976
Retained profit for the year		<u>1,166,428</u>
Balance at 31 December 2006		<u>6,307,404</u>
17 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	1,166,428	442,624
Opening shareholders' funds	<u>5,590,976</u>	<u>5,148,352</u>
Closing shareholders' funds	<u>6,757,404</u>	<u>5,590,976</u>

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2006

18 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	2006 £	Other 2005 £
Operating leases which expire		
Within one year	4,096	13,474
Between two and five years	71,892	66,778
	<u>75,988</u>	<u>80,252</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
Administration	68	66
Manufacturing	186	192
	<u>254</u>	<u>258</u>

Employment costs

	2006 £	2005 £
Wages and salaries	5,543,589	5,385,913
Social security costs	512,514	544,799
Other pension costs	269,356	266,574
	<u>6,325,459</u>	<u>6,197,286</u>

20 Control

The ultimate parent company is Treves SA, a company registered in France. Treves SA prepares group financial statements and copies can be obtained from -

109 Rue de Faubourg St Honore
75008 Paris
France

TREVES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 DECEMBER 2006**

21 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 from the requirement to make disclosures concerning related parties within the group as its results are included in the consolidated accounts of its ultimate parent company which are publicly available

22 Post balance sheet events

In July 2007 the company paid the following dividends out of distributable reserves,

'A' Ordinary £1 shares - €1 million

'B' Ordinary £1 shares - €1 million