

12-07-2000

FORM PTO-1594



U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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HEET

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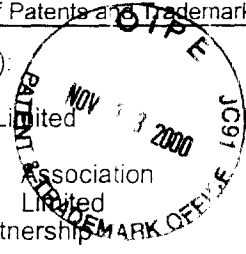
Attorney Docket No. 2052.0366

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name(s) of conveying party(ies):
 Courtaulds Textiles (Holdings) Limited

Individual(s) Association
 General Partnership Limited Partnership
 Corporation

Other: _____



2. Name(s) and address(es) of receiving party(ies):
 Name: Christy UK Ltd
 Address: PO Box 19, Newton Street
 Hyde, Cheshire SK14 4NR
 The United Kingdom

Additional name(s) of conveying party(ies) attached? Yes No

Individual(s)
 Association
 General Partnership
 Limited Partnership
 Corporation
 Other:

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name

Other: _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Execution Date: July 6, 2000

(Designation must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
 75/737,414
 75/859,605
 75/282,583

B. Trademark Registration No.(s)
 1,949,910
 1,169,393

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Mark S. Sommers, Esq.
 Address: Finnegan, Henderson, Farabow,
 Garrett & Dunner, L.L.P.
 1300 I Street, N.W.
 Washington, D.C. 20005-3315

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41): \$ 140.00

Enclosed
 Authorized to be charged to deposit account
 Authorized to be charged to deposit account only if fee is deficient

8. Deposit account number:
 06-0916

DO NOT USE THIS SPACE

9. Statement and signature.
 To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document

Mark S. Sommers
Name of Person Signing

Signature

November 13, 2000
Date

Total number of pages including cover sheet, attachments, and document: 4

EXHIBIT A

<u>Registration/Application No.</u>	<u>Issue/Filing Date</u>	<u>Mark</u>
1,949,910	January 23, 1996	CHRISTY
1,169,393	February 22, 1980	CHRISTY ROYAL SLUMBER
75/282,583	April 24, 1997	RENAISSANCE BY CHRISTY
75/737,414	June 25, 1999	ARCADIAN
75/859,605	November 30, 1999	GREENHILLS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

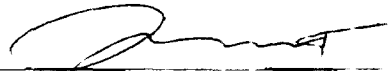
Applicant: Courtaulds Textiles (Holdings) Limited
Serial Number: 75/282,583
Filing Date: April 24, 1997
Mark: RENAISSANCE BY CHRISTY

ASSISTANT COMMISSIONER FOR TRADEMARKS
2900 Crystal Drive
Arlington, Virginia 22202-3513

DESIGNATION OF DOMESTIC REPRESENTATIVE

Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P., having a postal address at 1300 I Street, N.W., Washington, D.C. 20005-3315, is hereby designated as the applicant's representative upon whom notice or process in proceedings affecting the mark may be served.

Christy UK Ltd.

By: 

Name: Joel Rosenblatt

Title: Managing Director

Date: 25 October 2000

LAW OFFICES
FINNEGAN, HENDERSON,
FARABOW, GARRETT,
& DUNNER, L.L.P.
1300 I STREET, N.W.
WASHINGTON, DC 20005
202-406-4000

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

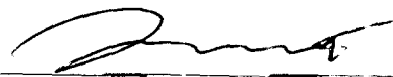
Applicant: Courtaulds Textiles (Holdings) Limited
Serial Number: 75/859,605
Filing Date: November 30, 1999
Mark: GREENHILLS

ASSISTANT COMMISSIONER FOR TRADEMARKS
2900 Crystal Drive
Arlington, Virginia 22202-3513

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WASHINGTON, DC 20005
202-462-4000

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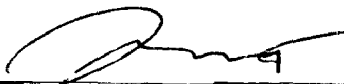
Registrant: Courtaulds Textiles (Holdings) Limited
Reg. Number: 1,169,393
Issue Date: February 22, 1980
Mark: CHRISTY ROYAL SLUMBER

ASSISTANT COMMISSIONER FOR TRADEMARKS
2900 Crystal Drive
Arlington, Virginia 22202-3513

DESIGNATION OF DOMESTIC REPRESENTATIVE

Finnegan, Henderson Farabow, Garrett & Dunner, L.L.P., having a postal address at 1300 I Street, N.W., Washington, D.C. 20005-3315, is hereby designated as the registrant's representative upon whom notice or process in proceedings affecting the mark may be served.

Christy UK Ltd.

By:  _____

Name: Joel Rosenblatt _____

Title: Managing Director _____

Date: 25 October 2000 _____

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1300 I STREET, N.W.
WASHINGTON, DC 20005
202-406-4000

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE


Registrant: Courtaulds Textiles (Holdings) Limited
Reg. Number: 1,949,910
Issue Date: January 23, 1996
Mark: CHRISTY

ASSISTANT COMMISSIONER FOR TRADEMARKS
2900 Crystal Drive
Arlington, Virginia 22202-3513

DESIGNATION OF DOMESTIC REPRESENTATIVE

Finnegan, Henderson, Farabow, Garrett & Dunner, L.L.P., having a postal address at 1300 I Street, N.W., Washington, D.C. 20005-3319, is hereby designated as the registrant's representative upon whom notice or process in proceedings affecting the mark may be served.

Christy UK Ltd.

By: 
Name: Joel Rosenblatt
Title: Managing Director
Date: 25 October 2000

LAW OFFICES
FINNEGAN, HENDERSON,
FARABOW, GARRETT
& DUNNER, L.L.P.
1300 I STREET, N.W.
WASHINGTON, DC 20005
202-462-4000

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

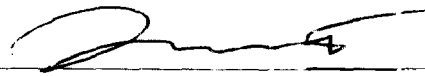
Applicant: Courtauld's Textiles (Holdings) Limited
Serial Number: 75/737,414
Filing Date: June 25 1999
Mark: ARCADIAN

ASSISTANT COMMISSIONER FOR TRADEMARKS
2900 Crystal Drive
Arlington, Virginia 22202-3513

DESIGNATION OF DOMESTIC REPRESENTATIVE

Finnegan, Henderson Farabow, Garrett & Dunner, L.L.P., having a postal address at 1300 I Street, N.W., Washington, D.C. 20005-3315, is hereby designated as the applicant's representative upon whom notice or process in proceedings affecting the mark may be served.

Christy UK Ltd.

By: 
Name: _____
 Joel Rosenblatt
Title: _____
 Managing Director
Date: 25 October 2000

FINNEGAN, HENDERSON,
FARABOW, GARRETT,
& DUNNER, L.L.P.
1300 I STREET, N.W.
WASHINGTON, DC 20005
202-408-4000

BUSINESS SALE AGREEMENT: SALE OF CHRISTY

THIS AGREEMENT is made on

6 July

2000 **BETWEEN**

- (1) **COURTAULDS TEXTILES (HOLDINGS) LIMITED** No. 1753996 whose registered office is at 13/14 Margaret Street, London W1A 3DA ("the Vendor");
- (2) **CHRISTY UK LIMITED** No. 3902741 whose registered office is at Newton Street, Hyde, Cheshire SK14 4MR ("the Purchaser");
- (3) **CHRISTY HOME TEXTILES LIMITED** No. 4008186 whose registered office is at Newton Street, Hyde, Cheshire SK14 4MR ("the German Purchaser");
- (4) **FLYSPARK LIMITED** No. 4021397 whose registered office is at Newton Street, Hyde, Cheshire SK14 4MR ("the Second Purchaser");
- (5) **CHRISTY US LLC** whose registered agent office is at The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington DE19801 USA ("the US Purchaser"); and
- (6) **JOEL SIMON ROSENBLATT** of 17 Cedar Road, Hale, Cheshire, WA15 9HZ
JAGJIT SINGH CHADHA of 21 Castle House Lane, Adlington, Nr. Chorley PR7 4DL
KATE ELIZABETH GOULD of The Golf Lodge, Davyhulme Road, Davyhulme, Manchester M41 8BX
KATHRYN ANN KEOGH of 5 Chudleigh Close, Bramhall, Cheshire SK7 3PN
GRAHAM McCOLL NAISMITH of 9 Cambridge Avenue, Wilmslow, Cheshire SK9 5JX and **ANDREW ROBERT DAVIES** of 209, Southport Road, Ulnes Walton, Leyland, Lancashire PR5 3LP (together "the Managers");

NOW IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement unless the context otherwise requires the following expressions shall have the following respective meanings:-

"Accounting Policies"	the principal accounting principles, policies and practices as set out in the Second Schedule;
"the Accounts"	the summary balance sheet of the Business at the Accounts Date and the summary profit and loss account of the Business for the year ended on that date, in the form initialled between the parties for the purposes of identification;
"the Accounts Date"	31 December 1999;

I hereby certify that this is a true copy of the original document

A Tim Foster CHRISTY7.doc

TRADEMARK
REEL: 002190 FRAME: 0008

"Adjustment"	the amount by which the Operating Capital at the Effective Time shall be greater or less than (as the case may be) the sum of £4,857,000;
"Agreed Bundle"	the set of disclosure material and documentation referred to in the Disclosure Letter, in the Agreed Form;
"Agreed Form"	in a form agreed by and signed by or on behalf of the Vendor and the Purchaser;
"the Assumed Liabilities"	the Creditors, all obligations of the Business at the Effective Time under the Contracts, the liabilities and obligations agreed to be assumed by the Purchaser under the terms of Clause 8.4 and all other liabilities and obligations expressly agreed to be assumed by the Purchaser under the terms of this Agreement;
"the Business"	the business of the design, manufacture, importing, supply, distribution and sale of towels, bath rugs and robes and related products, both under the "Christy" and "Ashton" brands and to own-label customers, as carried on by the Vendor at the Completion Date from the Property and at the Concessions and references to the Business includes references to the Sale Assets, but excluding for the avoidance of doubt Christy GmbH, the Christy Shares and the business operated by Christy GmbH and the business and assets of Christy US;
"business day"	a day on which banks generally are open in the City of London for the transaction of normal banking business;
"Cash Float"	the total balances of petty cash of the Business at the Effective Time held at the Property for the purposes of making petty cash disbursements and reimbursement of out-of-pocket expenses and petty cash held by sales employees on account of expenses;
"Christy GmbH"	the German limited liability company providing sales representation, warehousing and distribution facilities for the Business in Germany, registered with the Commercial Register of the local court D-72336 Balingen under reference HRB 875 particulars of which are set out in the Eleventh Schedule;

“Christy GmbH Accounts” the accounts of Christy GmbH for the period ending on the Accounts Date comprising a summary balance sheet and profit and loss account, in the form initialled between the parties for the purposes of identification;

“Christy GmbH Share Transfer Agreement” the transfer agreement to be executed before a German or Swiss notary public for the transfer by CTH GmbH to the German Purchaser of the Christy Shares to be executed on Completion in the Agreed Form;

“Christy GmbH Warranties” the Warranties in Section 3 of the Warranties;

“Christy Shares” the DM 50,000 issued shares in Christy GmbH described in the Eleventh Schedule;

“Christy UK” in relation to the Property means the purchaser of Parcel 1A (as defined in the First Schedule) being Christy UK Limited (Company No. 3902741);

“Christy US” the business and assets owned by Courtaulds Textiles America Inc. and used exclusively for the sales representation of the Business in the USA;

“Christy US Agreement” the Agreement for the transfer by Courtaulds Textiles America Inc. to the US Purchaser of Christy US to be entered into on Completion in the Agreed Form;

“Competent Authority” any person or legal entity (including any local provincial or national agency, department or government) having regulatory, legal or other authority to enforce or apply Environmental Laws and/or any court of law or tribunal;

“Completion” the completion of the sale and purchase of the Business under the provisions of Clause 12;

“the Completion Date” the date on which Completion actually takes place;

“Concessions” the concessions which form part of the Business, listed in Document 2.18 in the Agreed Bundle;

“Concession Debts” debts and receivables owing or accrued to the Vendor in respect of the Business by retailers at the Effective Time in respect of cash, cheque and credit card takings arising from sales by or

through the Concessions prior to the Effective Time, less the retailers' commission;

"Confidential Information" the following information concerning or relating to all or any of the following matters to the extent details of which are not in the public domain: Intellectual Property, any other know-how, trade secrets, technical processes, customer, supplier and client lists and information, price lists, details of contractual arrangements with customers and suppliers and third parties and any other matters concerning the business affairs or finances of the Business or clients or customers or other persons having details with the Business, however such information is held or stored;

"the Consideration" the aggregate purchase price to be paid for the Business as provided in Clause 3.1;

"the Contracts" all contracts, agreements, engagements and orders (including without limitation leasing, contract hire, hire purchase or other similar contracts) entered into by or on behalf of the Vendor prior to the Effective Time in relation exclusively to the Business, to the extent that such remain to be performed in whole or in part by the Vendor at the Effective Time but excluding the Excluded Contracts;

"the Creditors" all trade and sundry creditors and accounts payable of the Business due or accrued at the Effective Time (including without limitation (a) accrued obligations to or in respect of the Employees in respect of all salaries, wages, bonuses and other emoluments, other than National Insurance, any PAYE liabilities or pension contributions and (b) the Intra-Group Creditors) but excluding all other creditors and accounts payable of the Business to any other business or operation of the Vendor or any other company in the Vendor's Group);

"CTH GmbH" Courtaulds Textiles Holdings GmbH, the direct parent company of Christy GmbH;

"the Debts" (a) all trade debts in respect of goods or services invoiced or despatched by the Vendor in respect of the Business prior to the Effective Time (including without limitation the Concession Debts) whether or not yet due and payable;

- (b) all debts or receivables owing to the Vendor at the Effective Time in respect of all non-trading transactions of the Business, excluding the Excluded Debts;
- (c) any debts or receivables treated in the books of the Business as owing (whether in respect of trading transactions for the sale of goods or otherwise) to the Business by Christy US or Christy GmbH at the Effective Time, provided that any such debt or receivable shall only be so treated as a Debt if and to the extent such is provided or accrued as a trade or sundry creditor in the books of Christy GmbH or Christy US (as the case may be);

"Deed of Covenant"	the Deed of Covenant relating to the Property in the Agreed Form;
"the Disclosure Letter"	the letter in Agreed Form from the Vendor to the Purchaser on the date of this Agreement, including the Agreed Bundle;
"Domain Names"	the domain names details of which are set out in Part 2 of the Fifth Schedule;
"Effective Time"	the close of business on 30 June 2000, or on such other date as the parties may agree in writing;
"the Employees"	the employees employed in the Business at the Effective Time in respect of whom the Regulations apply;
"Encumbrance"	a mortgage, charge, pledge, lien, option, restriction, equity, right of pre-emption, third party right in the nature of a security interest or encumbrance or security interest of any kind;
"Environment"	all or any organisms (including man) and the following media: air (including the air within buildings and the air within other natural or man-made structures whether above or below ground), water (including water under or within land or in drains or sewers and coastal and inland waters), and land (including land under water);
"Environmental Laws"	all laws, statutes, bye-laws, regulations, directions, decisions, orders, notices or demands brought into

force prior to the Effective Time which impose in the relevant jurisdiction any mandatory obligation, duty or liability or any sanction for non-observance or breach relating to protection of the Environment, and any laws, whether criminal, civil or administrative in force as at the Completion Date which have as purpose or effect the protection of the Environment and/or the prevention of Harm and/or the provision of remedies in respect of Harm, including: European Community or European Union regulations, directives and decisions; statutes and subordinate legislation, regulations, orders and ordinances; Permits; codes of practice, circulars, guidance to the extent that they have the force of law pursuant to any such legislation or regulations; common law, local laws and bye-laws; and judgements, notices, orders, directions, instructions or awards of any Competent Authority; Provided that insofar as health and safety laws do not relate to the exposure of persons to Relevant Substances or the use, handling, storage, remediation or presence otherwise of Relevant Substances at the Properties, in each case where as part of an Existing Condition, such health and safety laws shall not be included;

"Environmental Liabilities"

any penalties, costs, claims, actions, proceedings, damages, losses, liabilities and expenses (including fines, penalties, reasonable costs of complying with any mandatory requirement or any requirement that could be enforced by a mandatory requirement or order under any Environmental Law of or by a competent local or other authority or of any Required Action and associated reasonable technical consultants, engineers and legal expenses) arising from the storage, handling, presence, escape, discharge or emission of any Relevant Substance, or from any breach of, or failure to obtain, any licence or consent required by, any Environmental Laws, arising from the carrying on from time to time of the Business or any other business or activity at the Property;

"the Equipment"

all plant, equipment, machinery, vehicles, furniture and fixtures and fittings owned by the Vendor and used exclusively or primarily in connection with the Business at the Effective Time, including but not limited to the key items of plant and equipment listed in of the Third Schedule;

"event"

includes any act omission transaction or circumstances (including any of such matters provided for under this Agreement);

"the Excluded Assets"

the benefit and burden of the Excluded Contracts, the Debts, the Excluded Debts, the names and/or trade marks "Courtaulds" and "Courtaulds Textiles" in any form and in conjunction with any other word, the Courtaulds Textiles Swatch Mark and any other trade or brand names, trade marks or logos of the Vendor (or rights to use the same) apart from the Names and the Trademarks, all stationery stocks bearing the "Courtaulds Textiles" name or Swatch Mark, all cash in hand (apart from the Cash Float) the Takings, bank balances and accrued interest of the Business on the Effective Time (provided that for this purpose cheques and lodgements received or despatched but not cleared at the Effective Time will be treated as debits/credits for the account of the Vendor), any amounts repayable in respect of Taxation attributable to the period prior to the Effective Time, and the Rate Rebate;

"Excluded Contracts"

the contracts listed in the Fourth Schedule;

"Excluded Debts"

all amounts owing to the Business by other operations of the Vendor or other members of the Vendor's Group in respect of transactions invoiced on or before the Effective Time, other than the following:-

- (a) sums due or owing to the Business by Zorbit in respect of the services described in Clauses 15.5 and 15.6 as provided to Zorbit up to the Effective Time to the extent such sums are paid within 10 Business Days following Completion;
- (b) any sums accrued in respect of trading transactions for the sale of goods by the Business to Zorbit prior to the Effective Time to the extent such sums are paid within 10 Business Days following Completion; and
- (c) any debts or receivables treated in the books of the Business as owing (whether in respect of trading transactions for the sale

of goods or otherwise) to the Business by Christy US or Christy GmbH at the Effective Time, provided that any such debt or receivable shall only be so treated as a Debt if and to the extent such is provided or accrued as a trade or sundry creditor in the books of Christy GmbH or Christy US (as the case may be);

"Excluded Liabilities"

any liabilities or obligations for or under or in respect of

- (a) Taxation (including PAYE and National Insurance contributions and VAT and penalties and interest payable thereon) or for deferred tax;
- (b) all bank overdrafts of the Vendor and all other liabilities to banks or providers of financial facilities to the Vendor;
- (c) the burden of the Excluded Contracts;
- (d) all other creditors and accounts payable of the Business to any other business or operation of the Vendor or any other company in the Vendor's Group, whether invoiced or not, apart from the Intra-Group Creditors;

"Existing Condition"

- (a) the presence (other than in quantities or forms permitted by Environmental Laws) of any Relevant Substance at, on, under or migrating from the Property or into controlled waters as defined by Environmental Laws, which is or are present at the Effective Time in, at, on or under the Property (including any building structure, tank, pit, trench or pipe at the Property) but excluding any Relevant Substance stored in operational storage tanks or pipes after the Completion Date in connection with the operations of the Business; and/or
- (b) any Relevant Substance described in (a) above which has Migrated or is Migrating from the Property into, over or under any neighbouring or other property (ies)

(including any such Migration occurring after the Completion Date);

“German Loan Adjustment” the amount by which the German Loan Balance shall be greater or less than (as the case may be) the German Initial Loan Repayment;

“German Initial Loan Repayment” the sum of £234,000;

“German Loan Balance” the balance of the intra-group loan owing by Christy GmbH to CTH GmbH as at the Effective Time, as adjusted at the Effective Time by adding to or reducing the balance of such loan by, for the credit or debit of CTH GmbH as the case may be under the profit, tax and cash pooling arrangements to which Christy GmbH is a party, the following items:-

- (a) payment by Christy GmbH to CTH GmbH of Value Added Tax (Mehrwertsteuer) Corporation Profits Tax and Solidarity Surcharge and Trade Tax Liabilities in respect of sales and activities of Christy GmbH up to the Effective Time;
- (b) payment by Christy GmbH to CTH GmbH of profits made in the period from the Accounts Date to the Effective Time (or vice versa in respect of losses); and
- (c) finally the clearance by CTH GmbH of the negative bank balance of Christy GmbH as reconciled to the Effective Time resulting from the transactions in (a) and (b);

“German OCE” the aggregate value of the fixed assets, stock debts and accrued receivables and any petty cash float LESS the trade and sundry creditors and accrued payables, in each case of Christy GmbH at the Effective Time and LESS the German Loan Balance, subject to and as calculated in accordance with the provisions of Clause 6;

“German Statement” the statement of the German OCE (including without limitation stating the German Loan Balance), prepared in accordance with the provisions of Clause 6;

"the Goodwill"	the goodwill of the Business including (so far as the Vendor is able to transfer the same but always excluding the Excluded Assets) the exclusive right for the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor;
"Harm"	harm to the health of living organisms or other interference with the ecological systems of which they form part and, in the case of man, includes offence caused to any of his senses or harm to his property;
"Home Furnishings"	Courtaulds Home Furnishings Limited
"Initial Payment"	the sum of £7,769,000 to be paid by the Purchaser to the Vendor on Completion in accordance with Clause 12.9;
"Intellectual Property"	all such rights and interests as the Vendor may own in copyrights, design rights, technical specifications, formulas, know-how, manufacturing processes and techniques, drawings and designs and related intellectual property rights used by the Vendor primarily or exclusively in the course of carrying on the Business;
"Intra-Group Creditors"	all accounts payable and accrued sundry expenses outstanding as at the Effective Time between the Business and other operations within the Vendor and/or other members of the Vendor's Group in respect of (a) rental payment for occupation of the Christy factory shop at Zorbit and paid by Zorbit within 10 business days of Completion and (b) all accounts payable and accrued items treated in the books of the Business as owing (whether in respect of trading transactions for the sale of goods or otherwise) by the Business to Christy US or Christy GmbH at the Effective Time provided that any such account payable or accrued item or receivable shall only be so treated as a Creditor if and to the extent such is provided or accrued as a trade or sundry debt or accrued receivable in the books of Christy GmbH or Christy US (as the case may be);
"Migration"	the migration, escape, release, leaking, seeping, leaching, dispersing or other movement of any Relevant Substance through air, land (including soil and surface or sub-surface strata) or water (including surface water, ground water and

sediments) and "Migrate", "Migrated" and "Migrating" shall be construed accordingly;

"the Names"

such rights as the Vendor has to all or any of the names "Christy", "Ashtons", "Ashton Brothers" or "Greenhills";

"Operating Capital"

the aggregate value of the Equipment, the Stock, the Prepayments and the Cash Float LESS the Creditors at the Effective Time and the provisions referred to in Clause 8.4, all subject to and as calculated in accordance with the provisions of Clause 5;

"the Operating Capital Statement"

the statement of the Operating Capital prepared in accordance with the provisions of Clause 5;

"Permits"

all and any licences, consents, permits, registration, filings, exemptions, approvals, authorisations or the like made or issued pursuant to, under, or required by, Environmental Laws in relation to the carrying on of the Business or any other business or activity at the Property;

"the Prepayments"

all accrued trade and sundry prepayments, payments in advance and accrued repayments and other receivables accrued as owing to the Vendor in respect of the Business at the Effective Time (other than the Debts), but excluding all amounts accrued owing to the Business by other divisions of, or centrally by, the Vendor in respect of transactions or services arising on or before the Effective Time other than the following:-

- (a) sums accrued as owing to the Business by Zorbit in respect of the services described in Clauses 15.5 and 15.6 as provided to Zorbit up to the Effective Time and paid by Zorbit within 10 business days of Completion;
- (b) any sums accrued in respect of trading transactions for the sale of goods by the Business to Zorbit prior to the Effective Time and paid by Zorbit within 10 business days of Completion;
- (c) any sums or other balances accrued in the books of the Business (whether in respect of trading transactions for the sale of goods or otherwise) as owing by the Business to

Christy US or Christy GmbH prior to the Effective Time, provided that any such sum or balance shall only be so treated as a Prepayment if and to the extent such is provided or accrued as a trade or sundry creditor in the books of Christy GmbH or Christy US (as the case may be);

- "the Property" the property in Hyde, Cheshire more particularly described in Part 1 of the First Schedule;
- "the Property Replies" all replies and information relating to the Property contained in Documents 5.10 in the Agreed Bundle.
- "the Purchaser's Accountants" Ernst & Young of 100 Barbirolli Square, Manchester M2 3EH;
- "Purchaser's Group" the Company, any holding company of the Company from time to time and any subsidiary of the Company or such a holding company from time to time, where the terms "holding company" and "subsidiary" shall have the meanings in the Companies Act 1985;
- "Rate Rebate" the right to receive a cash rebate, and therefore any cash received, in respect of the current appeal by the Vendor against the 1995 rating revaluation of the Property and any resulting rate rebate in respect of the period from 1 April 1995 up to the Effective Time;
- "the Records" all sales and purchase records and accounts, lists of customers and suppliers, P.A.Y.E. and National Insurance records and VAT returns for the six years ending on Completion and other information documents and papers owned by and held by or on behalf of the Vendor at the Property, the Concessions or the premises of Christy US and/or Christy GmbH or elsewhere relating primarily or exclusively to the Business and the Sale Assets (but excluding financial information and records maintained by the Vendor for central accounting purposes, which shall be retained by the Vendor and also excluding all records relating primarily or exclusively to the Excluded Contracts, the Excluded Debts, Excluded Assets and the Excluded Liabilities);

“the Registered Designs”	the registered designs or applications for registered designs short details of which are set out in the Sixth Schedule;
"the Regulations"	the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended);
“Relevant Substance”	any substance (whether alone or in combination with other matter and whether in solid, liquid or gaseous form) which (a) is prescribed or controlled under Environmental Laws and/or Health & Safety Laws by nature of its harmful or dangerous characteristics or which (b) capable of causing Harm;
“Remedial Action”	preventing, limiting, removing, remedying, monitoring, cleaning-up, abating or containing the presence or effect of any Existing Condition in the Environment including any associated reinstatement of the Environment;
“Required Action”	<p>any step to correct, remove, remedy, prevent, control or clean up any Existing Condition, or any Remedial Action, which is:</p> <ul style="list-style-type: none"> (a) required by any mandatory requirement or order under any Environmental Law of or by a Competent Authority in a proper exercise of its powers and notified to the Purchaser; or (b) agreed, in accordance with the terms of Clause 17.8 (including without limitation as to the party hereto entitled to agree the relevant step), by the Vendor or the Purchaser (as the case may be) pursuant to any negotiations with the Competent Authority or any other person; or (c) agreed between the Vendor and the Purchaser; or (d) on the basis of a written risk assessment performed by a suitably experienced, reputable and independent consultant and provided to the Vendor at least 14 days before the Purchaser commences any step for the purposes of this definition (other than in the case of an emergency in which case such notification shall be given as

soon as reasonably practicable before or after such step), reasonably necessary to prevent or mitigate Significant Harm to the health of humans or eco-systems, in circumstances where there is an imminent risk of such Significant Harm to the health of humans or eco-systems, which more likely than not would be required by a Competent Authority under Environmental Laws if such Competent Authority had full knowledge of the Existing Condition and the findings of the risk assessment referred to above;

- "Revenue" all fiscal authorities (national or local) whether of the United Kingdom or elsewhere;
- "the Sale Assets" the assets comprised in the Business to be sold and purchased hereunder, referred to in Clause 2.1;
- "Second Purchaser" in relation to the Property only the purchaser of Parcels 1B, 2, 3 and 4 (as defined in Part 1 of the First Schedule) being Flyspark Limited (Company No. 402139);
- "Significant Harm" has the same meaning as the concept of "significant harm" under Part IIA Environmental Protection Act 1990 and the statutory guidance issued thereunder;
- "the Stock" all stock (including but not limited to all finished products, work in progress, samples, raw materials, fuel, engineering stores and consumable and sundry stores) owned by the Vendor and held as the trading stock of the Business at the Effective Time (including items purchased subject to a reservation of title but excluding, for the avoidance of doubt, other stock owned by third parties such as yarn, chemical and dye stocks held on a consignment basis);
- "Takings" all cash, cheque and credit card takings of the Vendor in respect of the Business (including without limitation balances outstanding from credit card companies) in respect of sales by the Business prior to the Effective Time through its two factory shops or through its operation known as Christy Direct;

"Taxation"	all forms of taxation, duties, levies, imposts, charges, withholdings, contributions and rates whenever created or imposed and whether of the United Kingdom or elsewhere including any penalty fine or interest which is incidental to or arises in respect of any of the above and including amounts which represent or are equivalent to or are deemed to be taxation;
"Tax Covenant"	the terms of the covenant in Part 3 of the Thirteenth Schedule in relation to Taxation liabilities of Christy GmbH;
"Total Consideration"	the aggregate consideration paid under or pursuant to this Agreement and the Christy US Agreement for the Sale Assets, the Christy GmbH Shares and Christy US, plus the German Loan Balance;
"the Trademarks"	such rights as the Vendor has to use and to transfer the trademarks or pending applications for trademarks short details of which are set out in the Fifth Schedule;
"Transfer 1"	the transfer of Parcel 1A in Agreed Form
"Transfer 2"	the transfer of Parcel 1B in Agreed Form
"Underlease"	the Underlease of the Wigan Property in Agreed Form
"VAT"	Value Added Tax;
"the Vendor's Accountants"	PriceWaterhouseCoopers of Victoria House, 76 Milton Street, Nottingham NG1 3QY;
"Vendor's Group"	Courtaulds Textiles plc and its subsidiaries from time to time;
"the Vendor's Scheme"	the Courtaulds Textiles Pension Scheme;
"Vendor's Solicitors"	Warner Cranston of Pickfords Wharf, Clink Street London SE1 9DG;
"Warranties"	the warranties contained or referred to in Clause 13 and the Seventh Schedule and in Part 2 of the Thirteenth Schedule;
"Wigan Property"	the shop premises forming part of Trencherfield Mill Wigan Greater Manchester more particularly described in the Underlease

“Zorbit”

the business carried on by the Vendor from premises in Wigan Lancashire under the name “Zorbit”.

- 1.2. Any reference to any Clause or Schedule (other than to a schedule to a statutory provision) is a reference to a Clause of or Schedule to this Agreement and the schedules form part of and are deemed to be incorporated in this Agreement.
- 1.3. Any reference to a statute or statutory provision includes a reference to that provision as amended, re-enacted or replaced at any time prior to Completion and any former statutory provision replaced (with or without modification) by the provision referred to.
- 1.4. Any reference to persons includes a reference to firms, corporations or unincorporated associations.
- 1.5. Any reference to the singular includes a reference to the plural and vice versa and any reference to the masculine includes a reference to the feminine.
- 1.6. Any agreement, warranty, representation, indemnity, covenant or undertaking on the part of two or more persons shall be deemed to be given or made by such persons jointly and severally
- 1.7. Words and expressions defined in the Companies Act 1985 as in force at the date of this Agreement bear the same respective meanings in this Agreement unless the context otherwise requires.
- 1.8. Headings and titles are used for ease of reference only and do not affect the interpretation of this Agreement.
- 1.9. In interpreting this Agreement the ejusdem generis rule of construction shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.
- 1.10. If any statement in this Agreement (including the Schedules) is qualified by the expression "to the best of the Vendor's information or belief" or "so far as the Vendor is aware" or any similar expression, that expression shall mean the actual knowledge of Andrew Carr-Locke, Richard Stanford and Julia Wilson on the basis of the Vendor having made all reasonable enquiry (which the Vendor hereby warrants to the Purchaser have been made through the Vendor's Solicitors) into the subject matter thereof of relevant senior managers in central functions in the Vendor (including without limitation enquiries of Michael Goldsworthy (in relation to matters relating to the Property), Peter Cooper and Christopher Hinchcliffe (in relation to environmental matters), Marios Pitsillos (in relation to tax matters), Eric Potter Clarkson (in relation to trade mark matters), Huw Jones (in relation to Health and Safety matters) and Graham

Wright (in relation to pensions matters). For the avoidance of doubt such term shall not imply any duty to make enquiries of the Managers or any other Employee

2: SALE AND PURCHASE

2.1. The Vendor shall with full title guarantee (save in the case of the Properties for Encumbrances referred to in the First Schedule) sell and assign or procure the grant sale and assignment of and the Purchaser relying on the Warranties and the other undertakings and covenants of the Vendor contained herein shall take and purchase (or in the case of Parcels 1B, 2, and 3 (as defined in Part 1 of the First Schedule) procure the purchase by the Second Purchaser) on a going concern basis with effect from the Effective Time upon the terms and conditions and for the Consideration hereinafter referred to:-

2.1.1. the Property

2.1.2. the Equipment;

2.1.3. the Stock;

2.1.4. the Prepayments;

2.1.5. the Cash Float;

2.1.6. the Goodwil ;

2.1.7. the Name, the Trademarks and the Domain Names;

2.1.8. the Registered Designs;

2.1.9. the Intellectual Property;

2.1.10. the benefit (but subject to the burden) of the Contracts;

2.1.11. the Records; and

2.1.12. any other asset or right owned by the Vendor or any other member of the Vendor's Group (in respect of which the Vendor is authorised to sell as agent for the owner) and used exclusively in the conduct of the Business at the Effective Time, always excluding the Excluded Assets.

2.2. The Vendor shall with full title guarantee sell and procure the sale and assignment of the Christy Shares to the German Purchaser, and the German Purchaser shall purchase the Christy Shares, with effect from the effective Time. Such sale and assignment shall only be made subject to the Warranties given with respect to Christy GmbH in Section 3 of the Seventh Schedule and in Part 2 of the Thirteenth Schedule, and all other sections of the Seventh Schedule and any other undertakings and covenants of the Vendor contained herein shall not

be applicable with respect to Christy GmbH or the sale and transfer of the Christy Shares in anyway whatsoever.

- 2.3. The Vendor shall not sell to the Purchaser and the Purchaser shall not purchase from the Vendor any tangible or intangible real property, assets or rights of the Vendor not included in the Sale Assets. Without limiting the foregoing, there shall not be sold, assigned, transferred, delivered or assumed hereunder any of the Excluded Assets or the Excluded Liabilities.
- 2.4. The parties acknowledge that notwithstanding Completion taking place immediately after the signing of this Agreement any trading activities of the Vendor exclusively in connection with the Business in the period from the Effective Time to the Completion Date shall, subject to Completion taking place, be regarded as having been conducted by the Vendor as agent for the Purchaser and the parties shall, following Completion, make such arrangements as may be necessary (including without limitation in respect of the matters referred to in Clause 5.9 and 5.10) to ensure that the benefit (subject always to the burden) of all such trading activities shall, as between the Vendor and the Purchaser, belong to or be borne by the Purchaser
- 2.5. The Rate Rebate is an Excluded Asset. The Vendor shall continue to be responsible for handling the appeal and claim for the Rate Rebate and shall be entitled to any cash receipt which is forthcoming from the relevant Competent Authority in respect thereof, and the Purchaser shall give any assistance and information reasonably requested by the Vendor for the purposes of progressing that appeal.

3. **CONSIDERATION FOR THE SALE ASSETS**

- 3.1. The consideration for the sale and purchase hereunder of the Business and the Sale Assets shall be an aggregate sum equal to £1,775,000 plus the Operating Capital plus the sum of £1,137,000 for the Property which shall, along with the assumption of the Creditors, represent the prices for the respective Sale Assets as set out in the Eighth Schedule and shall be paid as follows:-
 - 3.1.1. the Initial Payment which shall be paid by the Purchaser to the Vendor in full on Completion; and
 - 3.1.2. the Adjustment shall be payable or repayable after Completion (whether by the Vendor or the Purchaser, as the case may be) in accordance with Clause 5.8.
- 3.2. The Initial Payment and the Adjustment shall be paid in full free of any deduction, set-off, withholding or counterclaim whatsoever.

4. **CONSIDERATION FOR THE CHRISTY SHARES AND REPAYMENT OF THE GERMAN LOAN BALANCE**

- 4.1. The consideration for the sale and purchase hereunder of the Christy Shares shall be DM 50,000 and shall be paid in full on Completion.
- 4.2. The Purchaser shall repay (or procure the repayment of) the German Loan Balance, as follows:-
 - 4.2.1. the German Initial Loan Repayment which shall be paid by the Purchaser (on behalf of Christy GmbH) to the Vendor (on behalf of CTH GmbH) in full on Completion; and
 - 4.2.2. the German Loan Adjustment shall be payable or repayable after Completion (whether by the Vendor or the Purchaser, as the case may be) in accordance with Clause 6.2 but shall be subject to adjustment in accordance with Clause 6.3.
- 4.3. The consideration for the Christy Shares and the German Loan Repayment shall be paid in full free of any deduction, set-off, withholding or counterclaim whatsoever.
- 4.4. The internal distribution of the payments pursuant to Clauses 4.1 and 4.2 will be carried out by the Vendor. Therefore the consideration in respect of the Christy Shares and payments pursuant to Clause 4.2 will be received by the Vendor as agent for CTH GmbH and payment to the Vendor shall be a good discharge for the Purchaser for the amount so paid. The Vendor shall indemnify the Purchaser for any claim or liability which may arise by virtue of the fact that payment for the Christy Shares is made to the Vendor and not to CTH GmbH.
- 4.5. All payments under this Clause 4 shall be made in Sterling and for this purpose all relevant sums due in DM shall be converted to Sterling at the mid-market spot rate of DM to Sterling quoted in the Financial Times on the business day prior to whichever is the earlier of the actual date of payment and the due for payment of the sums concerned.
- 4.6. With effect from the Completion Date, all use of any bank accounts of Christy GmbH within the cash pooling agreement with CTH GmbH shall cease, except only as may be required to effect the transactions described in the definition of German Loan Balance. Therefore the Purchaser shall ensure that a new bank account is established and operated by Christy GmbH with effect from Completion. The parties will co-operate in any adjustments in the form of redirection of payments or receipts required to reflect this termination of old and commencement of new bank accounts.
- 4.7. The Purchaser acknowledges and agrees that Christy GmbH shall, and the Purchaser shall procure that Christy GmbH shall, obtain and operate a new VAT registration in Germany with effect from Completion

5. OPERATING CAPITAL

- 5.1. As soon as practicable after the Effective Time the Purchaser shall prepare a draft Operating Capital Statement, stating the Operating Capital as at the Effective Time. The Operating Capital Statement shall be prepared, and therefore the Equipment, Stock, Prepayments, Cash Float, Creditors and provisions referred to in Clause 8.4 shall be determined, applying first the Accounting Policies, and then, in respect of any matter not provided for in the Accounting Policies, applying accounting principles, policies and practices as adopted by the Vendor in the Accounts and consistently applied in respect of the relevant Business in the manner in which they had been applied in the Accounts and then, in respect of any matter not provided for in the Accounting Policies or in the policies, principles and practices adopted by the Vendor in the Accounts in respect of the Business, in accordance with UK GAAP. The draft Operating Capital Statement shall exclude the Excluded Assets and the Excluded Liabilities and shall be prepared in the same format as the balance sheet in the Accounts. The Vendor shall promptly give to the Purchaser all assistance and information that the Purchaser may reasonably request for the purposes of preparing the draft Operating Capital Statement.
- 5.2. The Vendor shall have the right to name one or more representatives to consult with the Purchaser in the course of the Purchaser's preparation of the Operating Capital Statement so as to seek to ensure proper and consistent application of accounting principles, policies and practices in accordance with Clause 5.1, and the Purchaser shall consult with such person(s) throughout such preparation and shall give due consideration to such person(s) reasonable requests regarding the principles, policies and practices to be applied with a view to minimising the scope for later dispute
- 5.3. In relation to all Stocks of the Business, the quantities of Stock at the Effective Time shall be determined on the basis of the results of the formal physical stock-take made by the Vendor attended by representatives of the Purchaser and the Purchaser's Accountants as at 30 June 2000, backdated in respect of Finished goods in Stocks at the Concessions to the Effective Time in accordance with the Vendor's management and accounting records in respect of all movements in the identity and quantities of the relevant categories of stock between the Effective Time and the stock-take thereof and with the Vendor's standard approach in the ordinary course of the Business for adjusting back stock-take results through management accounting records.
- 5.4. The Operating Capital Statement shall include provision for all accrued Creditors in the nature of periodical charges and outgoings, and provision for all Prepayments and accruals, including but not limited to:-
 - 5.4.1. rent, rates, gas, electricity, water, telephone charges, licence fees, maintenance charges and royalties and insurance premiums but only to the extent in each case that such are referable to the Business;

5.4.2. all liabilities in relation to salaries, wages, accrued holiday pay for weekly paid Employees and all other payments to or in respect of the Employees;

which shall be apportioned on a time basis so that such part of the relevant charges and outgoings attributable to the period up to the Effective Time shall be borne by the Vendor and such part of the relevant charges and outgoings attributable to the period commencing on the Effective Time shall be borne by the Purchaser. All rents, licence fees, royalties and other similar sums receivable in respect of the Business shall be apportioned between the Vendor and the Purchaser on like terms. Rebates due to or from third parties in respect of transactions or periods in the course of the Business prior to the Effective Time (but excluding without limitation the Rate Rebate) shall be subject to valuation as accruals in the Operating Capital Statement as Creditors or Prepayments (as the case may be) to the extent such have not been settled or become due prior to the Effective Time, and for this purpose shall where necessary be apportioned between transactions or periods before and after the Effective Time in a manner appropriate for the rebate concerned. All VAT due or repayable on supplies made or received in the period up to the Effective Time shall be for the account of the Vendor and in respect of supplies after the Effective Time shall be for the account of the Purchaser.

5.5. The Purchaser shall issue a preliminary draft Operating Capital Statement to the Vendor and the Vendor's Accountants not later 11 am on 4 August 2000, and shall issue its final draft Operating Capital Statement to the Vendor and the Vendor's Accountants not later 11 am on 11 August 2000 after the Completion Date, in each case together with a reasonable level of supporting details and schedules reflecting the Purchaser's assumptions and calculations. The Vendor shall complete its review of the final draft Operating Capital Statement and notify the Purchaser of any areas of dispute as soon as practicable thereafter, and in the event of any such dispute, the parties shall use all reasonable endeavours to reach agreement thereon. The final draft Operating Capital Statement shall be deemed to have been approved by the Vendor if the Vendor fails to notify the Purchaser in writing of any objection to their contents within 15 business days of their receipt from the Purchaser. If an objection is made then the final draft Operating Capital Statement shall be deemed to have been agreed in respect of all matters not in dispute and the Adjustment shall be made and payment made pending final outcome of the matter in dispute.

5.6. For the purposes of the Vendor's review of either the preliminary or final draft Operating Capital Statement, the Purchaser shall give to the Vendor on request all assistance and information, and access to the books and records of the Business for the Vendor and/or the Vendor's Accountants, as the Vendor may reasonably request.

5.7. In the event that any objection notified by the Vendor has not been resolved within 10 business days of the notification of such objection, either the Vendor or the Purchaser may immediately refer the dispute for final determination to an independent Chartered Accountant agreed between the parties or in default of agreement to be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales who shall be instructed to issue

his final determination within 30 days. Such independent accountant shall act as an expert and not as an arbitrator, and in the absence of manifest error, his decision shall be final and binding on the parties. His fees shall be borne by the parties in equal proportions.

- 5.8. the Purchaser shall pay to the Vendor, or the Vendor shall repay to the Purchaser (as the case may be) the Adjustment (if any), within 30 days after the Operating Capital Statement having been approved or agreed between the parties or the independent accountant issuing his final determination under Clause 5.7.
- 5.9. All cash in hand and bank balances (whether in debit or credit) of the Business as at the Effective Time (other than the Cash Float) shall be retained by the Vendor and are excluded from the sale of the Business hereunder. Where there have been any movements in the cash in hand and bank balances (whether in debit or credit) of the Business in the period between the Effective Time and the Completion Date, the Purchaser shall within twenty (20) business days of Completion complete a reconciliation of all bank accounts and cash books operated by the Business showing the movement in cash and bank balances including (without limitation) drawn but unrepresented cheques and funds received or despatched by the Vendor but not yet cleared for the period between the Effective Time and close of business on the Completion Date. Such reconciliation shall be delivered to the Vendor within twenty (20) business days of Completion together with such other information or access to such other information as the Vendor may reasonably require to verify the reconciliation produced. If and to the extent necessary the Vendor shall provide to the Purchaser access to such of the records retained by it (including without limitation bank statements) as the Purchaser may reasonably require for the purposes of completing such reconciliation.
- 5.10. If the Vendor accepts (or does not notify the Purchaser in writing that it does not accept) the reconciliation as prepared by the Purchaser as representing an accurate record of the movement of the cash and bank balances of the Business between the Effective Time and close of business on the Completion Date within 10 business days of receipt thereof, such reconciliations shall be final and binding and the aggregate amount of such movement (whether debit or credit) shall be dealt with in accordance with Clause 2.4. Any payment due to or from the Purchaser pursuant to this Clause 5.10 shall be added to or deducted from (as the case may require) any payments to be made pursuant to Clause 3.1.2. The terms of Clause 5.7 shall apply mutatis mutandis in respect of any dispute regarding the amount of the payment required under this Clause 5.10 which is not resolved within the said period of 10 business days.

6. GERMAN OCE

- 6.1. The provisions of Clauses 5.1 to 5.7 shall apply mutatis mutandis for the purposes of determining of the German OCE on the basis that (subject to Clause 6.2):-

- 6.1.1. references in Clauses 5.1 to 5.7 to the Operating Capital, Operating Capital Statement, the Business and the Accounts shall mean the German OCE, the German Statement, Christy GmbH and the Christy GmbH Accounts respectively;
 - 6.1.2. references in Clauses 5.1 to 5.7 to the Equipment, Stocks, Cash Float, Creditors, Excluded Assets and Excluded Liabilities shall mean the equivalent categories of assets and liabilities (actual or accrued and including related provisions) in Christy GmbH, on the basis that the matters to be included in and excluded from the German Statement shall (with the exception of the inclusion of the German Loan Balance) be consistent with the manner in which operating capital employed has been calculated for the Vendor's accounting purposes within the Business in the past; and
 - 6.1.3. the German Loan Balance shall be calculated in a manner consistent with the calculations of the intra-group loan balance between Christy GmbH and CTH GmbH in the past so that when included in the German OCE calculation, the German OCE balance equates to the share capital of DM50,000, and for this purpose the Vendor shall procure that CTH GmbH gives the Purchaser all relevant information to enable this to be calculated and stated in the German Statement.
- 6.2. Notwithstanding Clause 6.1:-
- 6.2.1. German OCE shall be determined so as to include trade and sundry debts and therefore the equivalent of Debts (actual or accrued and including related provisions) in Christy GmbH shall be included in calculating German OCE as if reference to Debts were included in German OCE and in the Clauses 5.1 to 5.7 where applicable;
 - 6.2.2. no provision shall be made in calculating German OCE for the claim by Peter Kreklau referred to in Clause 8.9; and
 - 6.2.3. the German Statement shall make reasonable provision for any liabilities of Christy GmbH to taxation for periods or part periods ending prior to the Effective Time and which arise because Christy GmbH is deemed for any tax purposes to cease to be treated as participating in the profit and loss pooling arrangement with CTH GmbH earlier than the Effective Time, so that, for the avoidance of doubt, such provision shall (if any) be taken into account in completing the German Loan Balance and therefore the German Loan Adjustment.
- 6.3. The Vendor shall pay the net amount due from CTH GmbH to the Purchaser (on behalf of Christy GmbH) or the Purchaser (on behalf of Christy GmbH) shall pay the net amount due from the Purchaser to CTH GmbH (as the case may be) in respect of the German Loan Adjustment (in each case as finally agreed or determined hereunder) within 5 Business Days after the German Statement having been approved or agreed between the parties or the independent

accountant issuing his final determination under the provisions (mutatis mutandis) of Clause 5.7.

- 6.4. All cash in hand and bank balances (whether in debit or credit) of Christy GmbH as at the Effective Time shall, by the operation of the cash pooling arrangement to which Christy GmbH is a party, effectively be transferred to or borne by the CTH GmbH and will therefore be excluded from the sale of Christy GmbH hereunder. Where there have been any movements in the cash in hand and bank balances (whether in debit or credit) of Christy GmbH in the period between the Effective Time and Completion which shall have been transferred to or borne by the CTH GmbH by the operation of the said cash pooling arrangement, the Purchaser shall within twenty (20) business days after Completion complete a reconciliation of all bank accounts and cash books operated by Christy GmbH showing the movement in cash and bank balances (including without limitation) drawn but un-presented cheques and funds received or despatched by Christy GmbH but not yet cleared for the period between the Effective Time and close of business on the Completion Date. Such reconciliation shall be delivered to the Vendor within twenty (20) business days after Completion together with such other information or access to such other information as the Vendor may reasonably require to verify the reconciliation produced. If and to the extent necessary the Vendor shall provide to the Purchaser access to such of the records retained by it (including without limitation bank statements) as the Purchaser may reasonably require for the purposes of completing such reconciliation.
- 6.5. If the Vendor accepts (or does not notify the Purchaser in writing that it does not accept) the reconciliation as prepared by the Purchaser as representing an accurate record of the movement of the cash and bank balances of Christy GmbH between the Effective Time and close of business on the Completion Date within 10 business days of receipt thereof, such reconciliations shall be final and binding and the aggregate amount of such movement (whether debit or credit) shall result in a payment due to or from (as the case may be) the Purchaser pursuant to this Clause 6.5 which shall be added to or deducted from (as the case may require) any payments to be made pursuant to Clause 4.2.2. The terms of Clause 5.7 shall apply mutatis mutandis in respect of any dispute regarding the amount of the payment required under this Clause 6.5 which is not resolved within the said period of 10 business days.
- 6.6. The Vendor shall procure that any agreement in existence prior to completion to which Christy GmbH is a party and which relates to control and profit and loss pooling (and as may be referred to as an "Organschaft" or "Beherrschungs- und Gewinnabführungsvertrag" and hereinafter referred to as the "German Group Agreement") shall be terminated with effect from 30th June 2000 (unless already terminated prior to that date). In particular the Vendor shall procure that the German Group Agreement dated June 22nd 1992 (Deed Poll No. 477/1992d the notary Spöttl, Hechirgen) shall be terminated with effect from 30th June 2000.
- 6.7. To the extent that the German Group Agreement is not terminated on or before 30th June 2000 the Vendor shall pay to the Purchaser an amount which, on an after tax basis, is equal to any cost, loss, damage or expense or liability of any

kind as incurred by Christy GmbH and would not have been incurred but for the continued existence of the German Group Agreement. All dividends and advance payments on dividends paid by Christy GmbH to CTH GmbH or an affiliated company pursuant to the German Group Agreement which relate to the period after 30 June 2000 shall immediately be transferred to the Purchaser.

- 6.8. To the extent that the German Group Agreement is not terminated on or before 30th June 2000 the Vendor and the Purchaser agree, that in their relation to each other the German Group Agreement shall be deemed as terminated with effect from 30th June 2000. Neither the Vendor nor any company affiliated with the Vendor (i.e. CTH GmbH) nor the Purchaser nor any company affiliated with the Purchaser (i.e. Christy GmbH) shall be entitled to assert any claim or right or duty or obligation in connection with the German Group Agreement with respect to the period after 30th June 2000.
- 6.9. The Vendor and the Purchaser shall comply with their respective obligations under the German Group Agreement up to the Effective Time and shall procure that any primary tax liabilities in respect of provisions made within Creditors of Christy GmbH in the German Statement and which are taken into account in computing the German Loan Balance are promptly discharged in full.

7. THE CONTRACTS

- 7.1. The Purchaser shall as from the Effective Time perform and fulfil all the Contracts save that where any Contract contains a prohibition on assignment or requires the written consent of any other contracting party for the satisfaction of any requirement or condition for its assignment or novation then this Agreement shall not operate so as to transfer the benefit of such agreement or any rights thereunder and in that event:
- 7.1.1. the Vendor and the Purchaser shall use their respective reasonable endeavours to procure such an assignment or novation;
- 7.1.2. unless and until any such Contract is assigned or novated the Purchaser shall as the Vendor's agent perform and discharge all liabilities and obligations arising under such Contract at the Effective Time at the risk and cost of the Purchaser;
- 7.1.3. the Purchaser shall reimburse to the Vendor any costs and expenses incurred in connection with the performance or discharge of any Contract and shall on behalf of the Vendor discharge any liabilities in each case arising as a result of such performance and discharge by the Vendor and shall provide all reasonable facilities and assistance to the Vendor free of charge for such purpose; and

7.1.4. unless and until any such Contract is assigned or novated the Vendor shall hold the benefit of the same on trust for the Purchaser absolutely and the Vendor shall exercise its rights in respect of such agreement as the Purchaser may reasonably direct or approve and not otherwise (including enforcement at the cost of the Purchaser of any right of the Vendor against the other party to the Contract arising out of its termination by the other party or otherwise) and shall account to the Purchaser for all sums received thereunder and shall to the extent permitted under the terms thereof be deemed to have granted the Purchaser a licence free of charge to exercise all rights of the Vendor thereunder.

7.2.

7.2.1. The Purchaser shall indemnify and keep indemnified the Vendor against all costs claims expenses and liabilities which may arise in connection with the Contracts losses, liabilities, costs, damages, demands, actions and proceedings which may arise out of or in connection with a claim for breach of or other failure in the performance of the obligations under any Contract to the extent that the liability, cost, damage, demand, action or proceeding arises from any act or omission of the Purchaser, or of the Vendor at the direction of the Purchaser, after the Effective Time;

7.2.2. The Vendor shall indemnify and keep indemnified the Purchaser against all losses, liabilities, costs, damages, demands, actions and proceedings which may arise out of or in connection with a claim for breach of or other failure in the performance of the obligations under any Contract to the extent that the loss, liability, cost, damage, demand, action or proceeding arises from any act or omission of the Vendor prior to the Effective Time.

7.3. Notwithstanding the provisions of Clause 7.1 the Purchaser shall when required so to do by the Vendor in order to comply with the terms of a Contract at the Purchaser's expense enter into agreements for novation with the Vendor and the persons with whom the Vendor has entered into such Contracts whereby:-

7.3.1. the Purchaser undertakes with such persons to perform such Contracts and to be bound by the terms thereof in every way as if the Purchaser was from the date of such novation party thereto in lieu of the Vendor;

7.3.2. such persons release and discharge the Vendor from all claims and demands whatsoever in respect thereof; and

7.3.3. such persons accept the obligations of the Purchaser in every way as if the Purchaser was named in such Contracts as party thereto in place of the Vendor and until such novation the Purchaser shall indemnify and keep indemnified the Vendor against any losses costs damages or liabilities under or arising from the Contracts.

- 7.4. Without prejudice to the rights and obligations of the Vendor and the Purchaser pursuant to the provisions of Clause 7 those provisions will not, so far as concerns any third party, constitute any novation or assignment of the rights under the relevant Contracts to the extent that any such assignment or novation would, without the prior consent of the persons who are parties thereto, constitute any breach thereof.
- 7.5. The Vendor shall procure the Purchaser continues to have the benefit of the forward foreign exchange contracts entered into and arranged by the Courtaulds Textiles Treasury Department relating to the Business and outstanding at the Completion Date, as detailed in the Tenth Schedule ("the FOREX Contracts") on the following terms:-
- 7.5.1. not later than the Business Day prior to the maturity date under each FOREX Contract, the Purchaser undertakes to transfer to the nominated account of the Vendor the full amount in the relevant currency of the settlement value of the FOREX Contract concerned, and subject to and on condition of such receipt the Vendor shall on the relevant maturity date transfer the relevant currency value to the Purchaser; and
- 7.5.2. on Completion, the Purchaser will deliver to the Vendor an undertaking (or similar document) in the Agreed Form issued in favour of the Vendor by Barclays Bank PLC to pay the Vendor on demand 10 per cent of the face value of any FOREX Contract in respect of which the Purchaser shall fail to pay the Vendor the required settlement value payment in the relevant currency in accordance with Clause 7.5.1.
- 7.6. On Completion, the Purchaser will deliver to the Vendor an undertaking (or similar document) in the Agreed Form issued in favour of the Vendor or its Bankers by Barclays Bank PLC indemnifying the Vendor fully against any liability arising in respect of the bills of exchange outstanding at Completion in relation to the Business and listed in the Twelfth Schedule.
- 7.7. For the purposes of this Agreement including without limitation this Clause 7, but without prejudice to any other provision of this Agreement, any sale or purchase or other commitment or agreement recorded in the books of the Business as a contractual commitment owed by the Business to another operation or business retained by the Vendor shall be treated as a legally binding obligation even though the Business and such other operation or business may not be separate legal entities.

8. DEBT, CREDITORS AND ASSUMED AND EXCLUDED LIABILITIES

- 8.1. The Debts shall excluded from the sale and purchase hereby agreed.
- 8.2. The Purchaser shall after the Effective Time assume, pay and discharge all the Creditors (including for the avoidance of doubt Intra-Group Creditors), and shall pay each amount owing to Creditors in accordance with the normal payment period for the Creditor concerned as operated in the ordinary course of the

relevant Business prior to the Effective Time. The Purchaser shall render the Vendor a written report every 20 business days after the Effective Time setting out the details of all sums paid out in respect of Creditors in the preceding 10 business days.

- 8.3. In the event of any failure by the Purchaser to pay any Creditor due at or within 90 days of the Effective Time in full in accordance with Clause 8.2, and in any event if all the Creditors have not been discharged in full within 90 days after the Effective Time, the Vendor shall be entitled as agent for the Purchaser, and subject to giving the Purchaser 5 Business Days' notice thereof before doing so, to discharge any outstanding Creditors at such time except that this shall not apply where and for so long as the Purchaser demonstrates to the Vendor that the creditor is bona fide disputed by the Purchaser. Without prejudice to any other provision of this Agreement, the Purchaser shall immediately repay to the Vendor any sum so paid on its behalf.
- 8.4. The Purchaser shall be responsible for the handling, settlement and discharge of, and the Purchaser shall, subject always to the indemnity from the Vendor to the Purchaser set out in Clause 8.4.1, indemnify the Vendor and keep the Vendor fully indemnified against and in respect of any claims by customers for credit, replacement and reimbursement plus all other out-pocket costs, expenses and outgoings reasonably incurred in connection therewith or (but only up to a maximum of the original invoice value of the goods) otherwise in respect of defective goods or services supplied or delay or other defect in supply by the Vendor in the course of the Business prior to the Effective Time on the basis that the Purchaser shall have the benefit of (i) the Vendor's specific provisions (if any), determined in accordance with the Accounting Policies, in respect of such claims for the purpose of calculating the Operating Capital under the provisions of Clause 5 and (ii) any rights of the Vendor against the suppliers of the material concerned, Provided that:-
- 8.4.1. notwithstanding the other provisions of this Clause 8.4 the Purchaser shall not be liable to the Vendor under this Clause 8.4, and the Vendor shall indemnify the Purchaser and keep the Purchaser indemnified, in respect of any claims by customers plus all other out-pocket costs, expenses and outgoings reasonably incurred in connection therewith referred to in Clause 8.4 to the extent that the amount of liability established under all such claims in aggregate exceeds £125,000;
- 8.4.2. in calculating the aggregate amount of any liability to be indemnified by the Vendor under Clause 8.4.1 there shall first be deducted:-
- 8.4.2.1. any specific claims provision in relation to the particular claim concerned used to calculate the Operating Capital as referred to above;
- 8.4.2.2. the total of recoveries made by the Purchaser against suppliers of materials or services with respect to the defective goods concerned, provided that the Purchaser shall use its reasonable endeavours to make and pursue such claims; and

- 8.4.2.3. the total amounts realised by the Purchaser on resale or other disposal of fabric returned by customers rejected by customers in relation to claims which are the subject of this Clause 8.4, provided that the Purchaser shall use its reasonable endeavours to maximise the proceeds of sale or disposal of such returned material, using the same practices and level of diligence as used in the past in the Business;
- 8.4.3. in any event the Vendor shall have no liability to the Purchaser under this Clause 8.4, and the Purchaser's indemnity to the Vendor under Clause 8.4 shall not be qualified by Clause 8.4.1, in respect of any claim which shall not have been notified to the Vendor by the Purchaser in accordance with this Agreement or by the claimant prior to the date six months after the Effective Time;
- 8.4.4. the Vendor shall notify the Purchaser as soon as it receives any claim or notice from a customer alleging defective supply by the Vendor prior to Completion in the course of the Business and similarly the Purchaser shall notify the Vendor promptly in the event it receives such a claim. The parties shall consult with each other as to how to deal with such claim or notice, and the Purchaser shall if and to the extent, and where there is a reasonable possibility, that any liability for payment to such claimant may be borne by the Vendor under Clause 8.4.1 above observe any reasonable request by the Vendor as to how the claim should be handled. Subject to sub-clause 8.4.5 the Purchaser shall have conduct of the defence of any proceedings or claims or complaints from any customers alleging defective supply by the Vendor prior to Completion, unless the claim shall have been made by the customer directly on the Vendor and the Purchaser shall agree in writing to the Vendor retaining conduct of the defence in which case if and to the extent that liability for payment to such claimant shall be borne by the Purchaser under Clause 8.4 above the Vendor shall observe any reasonable request by the Purchaser as to how such claim shall be handled; and
- 8.4.5. notwithstanding sub-clause 8.4.4, if the Vendor notifies the Purchaser in writing with respect to any specific claim or notice referred to in sub-clause 8.4.4 which (a) is for a sum in excess of £25,000 and such sum is greater than the original invoice price of the products concerned (provided that in the case of a claim by Marks & Spencer, the said term "original invoice price of the products concerned" shall include any handling charge made by Marks & Spencer in respect of the claim concerned) and in addition (b) represents a claim which is likely to give rise to liability of the Vendor under sub-clause 8.4.1, that the Vendor wishes to have full conduct and control of such claim and agrees that the claim concerned shall be fully indemnified by the Vendor under Clause 16.1, then:-

- 8.4.5.1. the Purchaser shall not make any admission of liability or settle or compromise any such claim without the prior written consent of the Vendor, such consent not to be unreasonably withheld;
 - 8.4.5.2. subject to being indemnified to its reasonable satisfaction against all costs and expenses incurred or may incur in connection therewith, the Purchaser shall be subject to the same obligations with respect to such claim as appear in Clause 14.9.1;
 - 8.4.5.3. if the Vendor is indemnifying the Purchaser in respect of any claim then the Purchaser shall, if the Vendor so requests, retransfer to the Vendor free of charge any relevant applicable rights or claims against suppliers to the Business in respect of the subject matter of the claim concerned; and
 - 8.4.5.4. the Vendor shall regularly consult with the Purchaser in respect of the circumstances relating to and the Vendor's plans for resisting such claim, and shall keep the Purchaser regularly informed of all material developments relating to such circumstances, plans and claim.
- 8.5. The Purchaser shall assume pay and discharge all the Assumed Liabilities and shall, subject to the provisions of Clause 8, indemnify and hold harmless the Vendor fully at all times for and against all actions, proceedings, costs, claims, demands or liabilities whatsoever arising out of or in connection therewith.
- 8.6. The Vendors shall pay and discharge all the Excluded Liabilities and shall indemnify and hold harmless the Purchaser fully at all times for and against all actions, proceedings, costs, claims, demands or liabilities whatsoever arising out of or in connection therewith.
- 8.7. For the purposes of this Agreement but subject to any terms to the contrary in the definitions of Debts, Prepayments, Creditors and/or Intra-Group Creditors:-
- 8.7.1. all amounts treated in the books of the Business as trade or other creditors owed by the Business to another operation or business retained by the Vendor shall be deemed to be actual creditors, and therefore Creditors, even though the Business and each such other business or operation within the Vendor are not separate legal entities;
 - 8.7.2. all amounts treated in the books of the Business as trade or other debts owed to the Business by another operation or business retained by the Vendor shall be deemed to be actual debts, and therefore Debts, even though the Business and each such other business or operation are not separate legal entities.
 - 8.7.3. Accrued VAT liability of the Business due to H.M. Customs & Excise in respect of the period to the Effective Time shall not be included in the Operating Capital Statement and shall be the liability of the Vendor, and any accrued VAT refund due to the Business from H.M. Customs &

Excise in respect of the period to the Effective Time shall not be included in the Operating Capital Statement and shall be for the benefit of the Vendor. The terms of Clause 5 and the definitions of Creditors and Debts shall be subject to this Clause 8.7.

- 8.8. The Purchaser warrants and undertakes to the Vendor that it is not actually aware (having made all reasonable enquiry of the Managers (but not otherwise) which the Purchaser warrants that it has made) of any claims by customers or any third parties in respect of goods supplied or the delay in the supply of goods by the Vendor in the course of the Business prior to the Effective Time.
- 8.9. The Vendor shall indemnify and keep indemnified the Purchaser and Christy GmbH against all claims, demands, actions and proceedings by or in relation to Peter Kreklau and his resignation, or removal from office and/or the termination of his employment with Christy GmbH including all costs, expenses, outgoings and liabilities incurred or suffered in connection therewith.

9. EMPLOYEES

- 9.1. The Vendor and the Purchaser hereby agree and acknowledge that the contracts of employment of each of the Employees shall not be terminated but shall continue to have effect (save in respect of rights under any occupational pension scheme within the meaning of section 1 of the Pension Schemes Act 1993) as if originally made between each such Employee and the Purchaser in accordance with and save as may be otherwise provided by the Regulations.
- 9.2. The Purchaser shall indemnify the Vendor and keep it indemnified against all liabilities, claims, proceedings, damages, costs and expenses (including legal costs) incurred by the Vendor in relation to the Employees which arises out of or in connection with any claim for breach of a legal duty or obligation (contractual, statutory or otherwise and including but not limited to any claims for a protective award or for damages for personal injury) in respect of the Employees arising from any action or omission of the Purchaser on or after the Effective Time.
- 9.3. The Vendor shall indemnify the Purchaser and keep it indemnified against all liabilities, claims, proceedings, damages, costs and expenses (including legal costs) incurred by the Purchaser in relation to the Employees or any former employee of the Vendor in relation to the Business which arises out of or in connection with any claim for breach of a legal duty or obligation (contractual, statutory or otherwise and including any claim for a protective award) compensation under the Regulations or for damages for personal injury) in respect of the Employees or any former employee of the Vendor arising from any action or omission of the Vendor prior to the Effective Time.
- 9.4. The Managers warrant and undertake to the Vendor that none of them are aware (having made reasonable enquiry) of any claims by Employees or other circumstances that may give rise to a claim which would be subject to indemnification under Clause 9.3.

9.5. Subject to the final sentence of this Clause 9.5, the Purchaser undertakes to the Vendor, directly and for the benefit of each of the Employees, that the Purchaser shall, in respect of any Employee of Senior Staff grade, such Employees being identified by an asterisk in the Second Schedule, who may be dismissed by the Purchaser (or any company associated with the Purchaser) by reason of redundancy in the period between the Completion Date and 30 June 2001, comply fully with the redundancy terms practised by the Vendor as described in Document 13.35 of the Agreed Bundle as if those terms were contractual and binding upon the Purchaser (or such associated company) as the employer of the Employee(s) concerned. Should the Purchaser default in its obligation under this Clause 9.5 (subject always to the final sentence of this Clause 9.5), and the Vendor, at its discretion, decides to pay any or all of the above entitlement to any of the employees concerned made redundant by the Purchaser, the Purchaser shall pay the amount concerned to the Vendor in full. The Purchaser shall be released from this Clause 9.5 in respect of such future payments in respect of Employees if and for so long as the Purchaser shall be in material breach of any its financial covenants to any of the main providers to the Purchaser of finance and, to the extent reasonably corresponding to remedying the breach, the Purchaser makes redundancies as part of a series of measures designed to remedy such breach

10. PENSIONS

The Vendor and the Purchaser agree to perform the provisions of the Ninth Schedule relating to pensions.

11. PROPERTY

11.1. The Purchaser agree to procure the performance by Christy UK and the Vendor agrees to procure the performance by Home Furnishings of the provisions of the First Schedule relating to the Wigan Property.

11.2. The Vendor and the Purchaser respectively agree to perform and respectively agree to procure performance by Home Furnishings and by the Second Purchaser and by Christy UK of the provisions of the First Schedule relating to the Property.

12. COMPLETION

12.1. Completion shall take place at the offices of the Purchaser's Solicitors immediately following the exchange of this Agreement (or such other time as may be agreed in writing between the parties) when the events set out in the following provisions of this Clause 12 shall take place.

12.2. The Vendor shall effect delivery to the Purchaser on the Effective Time of those Sale Assets (including without limitation the Records) capable of being

transferred by delivery, which delivery shall be deemed to take place at the premises where they are being used or stored.

12.3. The Vendor shall:-

12.3.1. with effect from the Effective Time convey assign or otherwise vest in the Purchaser benefit and title to such of the Sale Assets as are not capable of being transferred by delivery (including without limitation any executed assignments of the Trademarks or the Goodwill in the Agreed Form) and deliver to the Purchaser possession of and title to all the other Sale Assets transferable by delivery;

12.3.2. deliver to the Purchaser all documents and/or deeds of title relating to the Property in the Vendor's possession, provided that any such documents and/or deeds of title as are situated at the Property shall be delivered to the Purchaser where they are situated;

12.3.3. deliver to the Purchaser the Records at the Property.

12.4. Beneficial ownership of and title to the Sale Assets shall not pass to the Purchaser until Completion and title to such Sale Assets which are capable of delivery shall pass by delivery.

12.5. The Vendor shall procure that on Completion CTH GmbH executes and the German Purchaser shall on Completion execute the Christy GmbH Share Transfer Agreement. All notarial fees resulting from or in connection with the execution of the Christy GmbH Share Transfer Agreement shall be borne by the German Purchaser.

12.6. There shall be executed and completed in accordance with its terms, by the parties named therein, the Christy US Agreement.

12.7. The Purchaser shall not be obliged to complete this Agreement unless:

12.7 1. the Vendor complies fully with all its obligations under this Clause 12, and

12.7 2. the purchase of all of the Sale Assets is completed simultaneously.

12.8. The Vendor shall not be obliged to complete this Agreement unless the Purchaser complies fully with all its obligations under this Clause 12.

12.9. Subject to the Vendor complying with its obligations under Clause 12.3, the Purchaser shall pay the aggregate of the Initial Payment, the consideration for the Christy shares under clause 4.1 and the German Initial Loan Repayment the Vendor in cleared funds on Completion by telegraphic transfer to the Vendor's bank account at National Westminster Bank plc, PO Box 305, Spring Gardens, Manchester, M60 2DB sort code: 01-10-01, account name: Courtaulds Textiles (Holdings) Limited - HQ Account, account number: 00666319.

13. RECORDS

- 13.1. The Vendor shall on the Completion Date deliver the Records to the Purchaser and if any of the same are not in the possession of the Vendor deliver a letter specifying their whereabouts and authorising the Purchaser to take possession of the same and the Purchaser shall thenceforth be entitled to custody and use thereof for the purposes of carrying out the Business.
- 13.2. The Purchaser and its agents will be entitled for two years after Completion, at all reasonable times, on giving reasonable notice (wherever practicable) and where reasonably required for the purposes of the Business, to have access and to take copies of any books and documents relating whether wholly or partly to the Business and the Sale Assets and which have not been delivered to the Purchaser.
- 13.3. The Vendor and its agents shall be entitled for two years after Completion at all reasonable times and on reasonable notice (wherever practicable) have free access to the Records as it shall require for taxation and accounting and other reasonable purposes but relating only to periods up to Effective Time.
- 13.4. The Purchaser shall procure, so far as it is able, that personnel of the Purchaser reasonably required by the Vendor shall provide to the Vendor free of charge such information and assistance as the Vendor may reasonably request in connection with the preparation of the Vendor's accounts, and the Vendor's tax returns and associated reporting documentation, for the periods ending 30 June 2000 and 31 December 2000 in accordance with the Vendor's usual reporting requirements and timetables, and in connection with the Vendor's tax returns in respect of the Business in relation to any period up to the Effective Time.
- 13.5. The Purchaser hereby agrees not to destroy such of the Records as are required to be kept pursuant to statute until the expiry of the period prescribed by statute.
- 13.6. On the Vendor's request, the Purchaser shall supply to the Vendor a VAT return in the Vendor's normal form in respect of the Business for the period from 1 April 2000 to the Effective Time.

14. WARRANTIES AND LIABILITY LIMITATIONS

- 14.1. The Vendor hereby warrants and represents to the Purchaser (and in respect of the Warranties which are relevant to the Parcels 1B, 2 and 3 (as defined in the First Schedule) only to the Second Purchaser and in respect of the Warranties which are relevant to Parcel 1A (as defined in the First Schedule) only to Christy UK) that, subject only as and to the extent fairly disclosed in the Disclosure Letter or expressly reserved or qualified in this Agreement or in the Disclosure Letter each of the Warranties is at the time of execution of this Agreement true and accurate.
- 14.2. Each of the Warranties is separate and independent.

- 14.3. In the absence of fraud the Vendor shall be under no liability in respect of any breach of the Warranties (subject to Clause 17.3.1) unless the Vendor shall have been given written notice by the Purchaser of the breach concerned prior to 31 December 2001 with respect to breach of any Warranty other than relating to Taxation and the seventh anniversary of Completion with respect to breach of any Warranty relating to Taxation.
- 14.4. The aggregate liability of the Vendor and other members of the Vendor's Group in respect of all claims under this Agreement (including without limitation the Tax Covenant), the Christy US Agreement and the Christy GmbH Transfer Agreement shall not in any event exceed the Total Consideration.
- 14.5. The liability of the Vendor and other members of the Vendor's Group in respect of the Warranties:-
- 14.5.1. shall not arise in respect of any claim in respect of which the amount to which the Purchaser or the US Purchaser would otherwise be entitled is less than £10,000 (or equivalent in local currency), provided that a series of claims resulting from the same matter, act, omission or circumstances, or from common matters, acts, omissions or circumstances comprising the same cause in terms of the subject-matter of the claims, shall be treated as one claim; and
- 14.5.2. shall not arise unless the amount of all claims thereunder (or which would have been made but for the operation of this Clause 14.5) exceeds £200,000 but once this threshold is reached the Vendor shall be liable for all claims made and not merely the excess.
- 14.6. The Purchaser shall reimburse to the Vendor an amount equal to any sum paid by the Vendor under any of the Warranties or under any express indemnity by the Vendor under this Agreement which is subsequently recovered by or paid to the Purchaser by any third party in respect of that matter which gave rise to the claim less any reasonable costs and expenses incurred by the Purchaser in obtaining payment of that sum up to a maximum of the amount paid by the Vendor to the Purchaser in respect of that Warranty or indemnity claim. The same provision shall apply mutatis mutandis in respect of any relevant claim under the Christy US Agreement.
- 14.7. Neither the Purchaser nor the US Purchaser nor the German Purchaser shall have any claim under this Agreement (including without limitation the Tax Covenant), the Christy US Agreement and the Christy GmbH Transfer Agreement:-
- 14.7.1. to the extent that the matter giving rise to a claim is the subject of a claim under some other provision of this Agreement or such other agreement (as the case may be) and such claim has been satisfied by payment by the Vendor or any member of the Vendor's Group in the same or a greater amount;

- 14.7.2. in respect of any matter or liability to the extent that a specific provision, allowance or reserve in respect thereof was made in the Operating Capital Statement or in the German Statement or the equivalent of the Operating Capital Statement in respect of Christy US;
- 14.7.3. in respect of any breach of the Warranties of which the Purchaser or any of the Managers had actual knowledge at Completion, except that this Clause 14.7.3 shall not apply in respect of any breach of Warranties 1.1 to 1.4 (inclusive), 2.1, 2.2, 2.5, 3.1 to 3.6 (inclusive), 3.9, 3.10, 3.11, 3.13 to 3.19 (inclusive), 5.6, 6.2 and 6.3;
- 14.7.4. to the extent that such liability would not have arisen but for:
- 14.7.4.1. a change after the date hereof in any legislation or government or governmental order or rule;
- 14.7.4.2. any voluntary act, omission, transaction or arrangement after the Effective Time of the Purchaser, Christy GmbH or the US Purchaser otherwise than in the ordinary course of business of the Business or (of Christy US or Christy GmbH as the case may be) as presently carried on or pursuant to any Contract or any law or statute; or
- 14.7.4.3. any claim, election, surrender or disclaimer made or notice or consent given or any other thing done after Completion by the Purchaser or by any person connected with the Purchaser under the provisions of any enactment or regulation relating to Taxation.

14.8. Notwithstanding anything to the contrary in this Agreement:-

- 14.8.1. the Vendor shall not have any liability to the Purchaser hereunder in relation to any Environmental Liabilities save to the extent that such liability arises under the indemnity provisions in Clause 17.1 or in respect of the Warranties set out in Paragraphs 11.1 to 11.7 of the Warranties; (which shall be referred to as "the Environmental Warranties") Provided that any liability under Warranties 3.19 and 4.10 (as the latter refers to Warranty 7.1) shall not be so restricted in so far as the liability arises in relation to Environmental Laws in Germany or the USA;
- 14.8.2. none of the Warranties other than Section 5 of the Seventh Schedule shall apply to the Property;
- 14.8.3. none of the Warranties other than Section 3 of the Seventh Schedule and Part 2 of the Thirteenth Schedule shall apply to Christy GmbH and/or the sale and transfer of the Christy Shares;
- 14.8.4. none of the Warranties other than Section 4 of the Seventh Schedule shall apply to Christy US and/or the sale and transfer of Christy US;

14.9. If the Purchaser shall be in receipt of any claim, or any fact or circumstance comes to the notice of the Purchaser, which may constitute or give rise to a liability of the Vendor pursuant to any of the Warranties or under any indemnity or other provision of this Agreement, the Purchaser shall notify the Vendor as soon as reasonably practicable and (in respect of any claim received by the Purchaser, or any fact or circumstance coming to the notice of the Purchaser, which the Purchaser is aware may constitute or give rise to a liability of the Vendor pursuant to any express indemnity by the Vendor under this Agreement) in any event within 20 business days (provided that delay or failure in meeting this time limit shall not disallow the Purchaser's claim under the relevant indemnity but shall entitle the Vendor to a counter-claim in respect of any loss suffered by reason of the delay or failure), giving all reasonable details as the Purchaser has concerning the same, shall not make any admission of liability or settle or comprise any such claim without the prior written consent of the Vendor such consent not to be unreasonably withheld or delayed, and (subject to being indemnified under the terms of this Agreement or, in the absence of such any indemnity in the circumstances concerned, to being indemnified to its reasonable satisfaction against all costs and expenses incurred or which it may incur):-

14.9.1. inform and keep the Vendor informed in respect of such claim and provide reasonable access to all relevant accounts, documents and records within its power, possession or control to enable the Vendor and its professional advisers to examine such claim and to take copies thereof;

14.9.2. take such action as the Vendor or its solicitor may reasonably request including attending any hearing to give evidence of fact and belief to avoid, dispute, resist, appeal, compromise or defend any such claim, including (without limitation) affording the Vendor care and control of any discussions, negotiations or legal proceedings relating to the same if it so requires, Provided that where (a) the claim concerned is by a customer of the Purchaser or could otherwise reasonably be expected to adversely affect a customer relationship of the Purchaser and (b) the Vendor is handling the claim in a manner different from that in which the Vendor would have handled the claim had the Vendor still been operating the Business, the Vendor shall take due account of reasonable requests from the Purchaser as to how the claim should be handled; and

14.9.3. the Vendor shall regularly consult with the Purchaser in respect of the circumstances relating to and the Vendor's plans for resisting such claim, and shall keep the Purchaser regularly informed of all material developments relating to such circumstances, plans and claim.

This Clause 14.9 shall not apply to any claim or liability under Clause 17.1 which shall be subject to the provisions of Clause 17.8.

14.10. The amount of any successful claim against the Vendor under the Warranties or for breach of this Agreement or under any of the specific indemnities under this

Agreement (including without limitation under Clause 17.1 and the Tax Covenant) shall be deemed to constitute a reduction in the Consideration. The same provision shall apply mutatis mutandis in respect of the consideration payable in respect of Christy US and the Christy GmbH Shares.

- 14.11. Save in respect of any claim or liability under Clause 17.1 which shall be subject to Clause 17.8, notwithstanding anything in this Agreement to the contrary, any liability of the Vendor under any express indemnity by the Vendor under this Agreement shall be reduced to the extent that the loss or damage suffered by the Purchaser in respect of which a claim is made is the result of any failure by the Purchaser after Completion to take reasonable steps to mitigate the loss or damage concerned.
- 14.12. The Purchaser accepts (a) that the sole remedy available to the Purchaser in respect of any breach of a Warranty shall be in damages and (b) that the Purchaser, the US Purchaser and the German Purchaser shall have no right to rescind this Agreement, the Christy US Agreement and the Christy GmbH Transfer Agreement following the execution hereof and that any such right is hereby expressly excluded.

15. REPRESENTATIONS AND UNDERTAKINGS BY THE PURCHASER, THE MANAGERS AND VENDOR

15.1. The Purchasers warrants and undertakes to the Vendor as follows:

- 15.1.1. the Purchaser has full corporate power to carry on the Business;
- 15.1.2. the Purchaser has applied to be and will be registered for VAT with effect from a date no later than Completion;
- 15.1.3. the Purchaser has full corporate power and authority to enter into and perform its obligations under this Agreement and the other documents to be executed pursuant hereto and the signing of this Agreement or any of such documents does not violate any provision of the Purchaser's Memorandum and Articles of Association;
- 15.1.4. the Board of Directors of the Purchaser has taken all action required by law, its Memorandum and Articles of Association or otherwise to authorise the signing and performance of this Agreement by or on behalf of the Purchaser.

15.2. The Purchaser further undertakes to the Vendor that:-

- 15.2.1. the Purchaser shall not and shall procure that any member of the Purchaser's Group shall not at any time after the Effective Time, directly or indirectly, and whether on packaging documentation or otherwise, make any use whatsoever in its business of any name containing the word "Courtaulds" or any other name or word resembling the same, or of the Courtaulds Textiles Swatch logo, and the Purchaser will at all times

procure that any such company in the Purchaser's Group will not carry on any such business under such name or logo

Provided that notwithstanding the foregoing, the Purchaser shall be permitted to use supplies of letter-head, invoices, business and marketing literature and packaging materials, contained in Stocks, containing the name "Courtaulds" or the Swatch Logo, for such short period after Completion as may be necessary to enable the Purchaser to replace such letter-head, invoices, business and marketing literature and packaging materials or make temporary arrangements, such as use of labels, to obscure the said name or logo, Provided (a) that the Purchaser may make no use whatsoever of letter-head, invoices, and business and marketing literature unless the "Courtaulds" name, the Swatch Logo and the name and corporate details of the Vendor are fully obscured by over-sticking or other means and (b) that the Purchaser shall use its best endeavours to conclude use of such materials containing the said name or logo as soon as practicable after Completion and shall in any event cease all such use within forty five (45) days after Completion; and

15.2.2. neither the Purchaser nor any member of the Purchaser's Group will at any time after the Effective Time make use of or disclose to any third party any commercial, technical or design information of a secret or confidential nature relating to any retained businesses of the Vendor (including information about its customers or suppliers).

15.3. The Vendor warrants and undertakes to the Purchaser as follows:

15.3.1. the Vendor has full corporate power to carry on the Business;

15.3.2. the Vendor will at Completion be registered for VAT;

15.3.3. the Vendor has full corporate power and authority to enter into and perform its obligations under this Agreement and the other documents to be executed pursuant hereto and the signing of this Agreement or any of such documents does not violate any provision of the Purchaser's Memorandum and Articles of Association; and

15.3.4. the Board of Directors of the Vendor has taken all action required by law, its Memorandum and Articles of Association or otherwise to authorise the signing and performance of this Agreement by or on behalf of the Vendor.

15.4. Subject to receipt from the Purchaser of sufficient cleared funds at least 3 business days in advance of the usual payroll payment date, the Vendor shall on behalf of the Purchaser and subject to payment by the Purchaser and subject to payment of a charge to the Purchaser equal to the current charges relevant to the Employees under the Cap Gemini/Hoskyns contract as a service fee in respect of the service in Clause 15.4.1 and subject to payment of the actual cost to be levied by Cap Gemini/Hoskyns in respect of the service in Clause 15.4.2:-

- 15.4.1. operate its Haydn Road payroll payment service for the payment of the monthly paid staff Employees for three monthly payroll runs after the Completion Date, and
- 15.4.2. use all reasonable endeavours to procure that the weekly payroll payment service operated by Cap Gemini/Hoskyns is operated for the payment of weekly paid Employees for the period of three months after the Completion Date.
- 15.5. In the period from Completion to 31 July 2000, the Purchaser shall continue to provide the same warehousing and product handling services (the "Warehouse Services") as have been provided by the Business to Zorbit in the past for the storage and handling of goods for collection by Marks & Spencer, and for a maximum period of 30 days after 31 July 2000 Christy will continue to operate that service in respect of any residual stocks of products delivered by Zorbit to the Business prior to 31 July 2000 but not delivered to Marks & Spencer prior to that date. Any such residual stock remaining at the Business at 31 August 2000 shall be promptly collected by Zorbit at its own cost.
- 15.6. In the period from Completion to 30 September 2000 subject to termination by the Vendor in advance by 30 days written notice, the Purchaser shall provide to the Vendor the same export/import and duty handling services (the "Export Services") as have been provided by the Business to Zorbit in the past, as described in Document 2.22 in the Agreed Bundle.
- 15.7. The Warehouse Services and the Export Services shall be provided on and subject to the following terms of this Clause 15.7:-
 - 15.7.1. in consideration for the Warehouse Services, Zorbit shall pay to the Purchaser a fee equal to 7.5% of the aggregate selling prices (excluding VAT) of products which have been collected by Marks & Spencer from the Purchaser under the Warehousing Services after the Effective Time;
 - 15.7.2. in consideration for the Export Services, Zorbit shall pay to the Purchaser a fee equal to £833 per month during which such services are provided;
 - 15.7.3. the fees for the above Services shall be exclusive of VAT which the Purchaser shall charge extra. The Purchaser shall invoice Zorbit monthly in arrears and Zorbit shall pay sums properly invoiced within 30 days of receipt of invoice;
 - 15.7.4. the Warehouse Services and the Export Services shall be performed by the Purchaser on a basis similar to but no less favourable than that upon which they were rendered to Zorbit during the period of 3 months immediately prior to the date hereof, and in any case shall be performed with reasonable skill and care;
 - 15.7.5. the Purchaser in supplying the Warehouse Services and the Export Services, and the Vendor in receiving such services, shall comply with

such practices and procedures as were followed in relation to the provision of such Warehouse Services and the Export Services to Zorbit by the Business prior to Completion.

- 15.8. In the period between the Effective Time and 31 August 2000, the Purchaser shall make available free of charge to the Vendor a single office in the Administration Block at the Property for the use from time to time of Julia Wilson, or other manager from time to time nominated by the Vendor, with associated reasonable services including access during normal working hours, computer, telephone, file storage in the office, toilet facilities etc. and a car parking space.
- 15.9. Neither the Purchaser nor any member of the Purchaser's Group nor any of the Managers shall directly or indirectly for the period of 1 year from the Effective Time without the prior written consent of the Vendor solicit or endeavour to entice away from Zorbit (except by means of public advertisement) any of the employees of the Vendor currently engaged in a senior managerial or technical capacity in Zorbit.
- 15.10. Neither the Purchaser nor any member of the Purchaser's Group shall directly or indirectly for the period of 3 years from the Effective Time without the prior written consent of the Vendor supply own-label terry towelling products for infants to Mothercare in competition with Zorbit, as the business of Zorbit is carried on at the Effective Date. For the avoidance of doubt the Purchaser shall not be prevented from supplying "Christy" branded towels to Mothercare, if requested or ordered to do this by Mothercare. The restriction contained in this Clause 15.10 and in Clause 15.9 are considered reasonable by the parties hereto and the Purchaser acknowledges that, in the light of the manner in which the Business and Zorbit have operated while part of the Vendor's Group, the provision of this Clause 15.10 and Clause 15.9 are reasonably necessary for the protection of the interests of Zorbit for a period following the separation of Zorbit and Christy into separately owned businesses.
- 15.11. The Purchaser shall, or shall procure that Christy GmbH shall, indemnify and keep indemnified CTH GmbH and all other members of the Vendor's Group against any liability to any third party arising from the debts, obligations, acts or omissions of Christy GmbH after Completion, including without limitation any such liability (i.e. only such liability as arises from debts or obligations created by or from acts or omissions of Christy GmbH after Completion) which arises under the operation of the pooling arrangements to which Christy GmbH has been a party as a member of the Vendor's Group.

16. INDEMNITIES

- 16.1. Subject, for the avoidance of doubt, to Clause 14.9, the Vendor shall be responsible for and shall pay, satisfy and discharge all liabilities or obligations of the Business (excluding the Assumed Liabilities but including the Excluded Liabilities) arising in respect of periods up to and including the Effective Time and accordingly the Vendor hereby indemnifies and shall keep the Purchaser

indemnified in full against any loss or damage to the Business or any liability (including all losses or costs, claims, expenses and damages) which the Purchaser may suffer or incur as a result of the Excluded Liabilities and any other liabilities or obligations of the Business incurred or arising prior to the Effective Time excluding the Assumed Liabilities.

- 16.2. The Purchaser shall pay satisfy and discharge the Assumed Liabilities promptly and in full, shall observe perform and fulfil the obligations of the Vendor falling due for performance after the Effective Time under the Contracts and shall be responsible for all other liabilities or obligations of the Business arising in respect of periods after the Effective Time and accordingly the Purchaser hereby indemnifies the Vendor and shall keep the Vendor indemnified in full from and against any liabilities or obligations of the Business (including all losses or costs, claims, expenses and damages) incurred or arising after the Effective Time or assessed against the Vendor as a consequence of any failure of the Purchaser so to pay satisfy and discharge or so to perform and observe and fulfil the Assumed Liabilities or any such other liabilities or obligations of the Business.

17. ENVIRONMENTAL

The following provisions shall apply with respect to Environmental Liabilities.

- 17.1. The Vendor hereby indemnifies and shall keep the Purchaser indemnified from and against any and all Environmental Liabilities which are paid, suffered or incurred by the Purchaser to the extent they result from or arise out of or are increased by:-

17.1.1. Required Actions in relation to any Existing Condition; or

17.1.2. any proceedings commenced or threatened to be commenced in any court or tribunal relating to an Existing Condition.

- 17.2. The maximum aggregate liability of the Vendor under this Clause 17 and any breach of the Environmental Warranties shall be limited to the Cap which shall mean £2,000,000 or such lesser amount as shall apply from time to time in accordance with the following terms of this Clause 17.2:-

17.2.1. in this Clause 17.2:-

17.2.1.1. a "Cap Reduction Date" means each of the first, second, third, fourth, fifth and sixth anniversaries of the Effective Time;

17.2.1.2. "Claim" means a claim under this Clause 17 or for any breach of the Environmental Warranties, notified by the Purchaser in writing to the Vendor in accordance with this Clause 17

17.2.2. on each Cap Reduction Date the Cap shall reduce on the following basis:-

17.2.2.1. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the first Cap Reduction Date shall total less than £2,000,000, the Cap shall with respect to all future Claims notified after the first Cap Reduction Date reduce by one/seventh of the shortfall (and therefore the reduction shall be £285,714 if there is no such liability);

17.2.2.2. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the second Cap Reduction Date shall total less than £2,000,000 less the reduction in the Cap at the previous Cap Reduction Date, the Cap shall with respect to all future Claims notified after the second Cap Reduction Date reduce by one/sixth of the then shortfall (and therefore the aggregate reduction at that point shall be £571,428 if there is no such liability);

17.2.2.3. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the third Cap Reduction Date shall total less than £2,000,000 less the aggregate reduction in the Cap at the previous Cap Reduction Dates, the Cap shall with respect to all future Claims notified after the third Cap Reduction Date reduce by one/fifth of the then shortfall (and therefore the aggregate reduction at that point shall be £857,142 if there is no such liability);

17.2.2.4. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the fourth Cap Reduction Date shall total less than £2,000,000 less the aggregate reduction in the Cap at the previous Cap Reduction Dates, the Cap shall with respect to all future Claims notified after the fourth Cap Reduction Date reduce by one/quarter of the then shortfall (and therefore the aggregate reduction at that point shall be £1,142,857 if there is no such liability);

17.2.2.5. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the fifth Cap Reduction Date shall total less than £2,000,000 less the aggregate reduction in the Cap at the previous Cap Reduction Dates, the Cap shall with respect to all future Claims notified after the fifth Cap Reduction Date reduce by one/third of the then shortfall (and therefore the aggregate reduction at that point shall be £1,428,571 if there is no such liability);

17.2.2.6. to the extent the aggregate liability of the Vendor under any Claims notified to the Vendor prior to the sixth Cap Reduction Date shall total less than £2,000,000 less the aggregate reduction in the Cap at the previous Cap Reduction Dates, the Cap shall

with respect to future Claims notified after the sixth Cap Reduction Date reduce by one/half of the then shortfall (and therefore the aggregate reduction at that point shall be £1,714,285 if there is no such liability).

- 17.3. The Vendor's liability under Clause 17.1 shall also be subject to the following:-
- 17.3.1. the Vendor shall have no liability in respect of a Claim unless the Vendor shall have been given written notice by the Purchaser of the Claim prior to the seventh anniversary of the Effective Time;
- 17.3.2. the liability of the Vendor in respect of any Claim shall not arise in respect of any claim in respect of which the amount to which the Purchaser would otherwise be entitled is less than £5,000, provided that a series of Claims resulting from the same matter, act, omission or circumstances, or from common matters, acts, omissions or circumstances comprising the same cause in terms of the subject-matter of the Claims, shall be treated as one Claim;
- 17.3.3. the Vendor shall not be liable under Clause 17.1 for any Environmental Liabilities:-
- 17.3.3.1. in respect of the Property after there shall have been a material change in the use of all the Property, or in respect of a part of the Property after there shall have been a material change in the use of such part of the Property, from its or their current use for towel manufacture, processing, storage, sale and/or other light industrial, warehousing or office applications which do not involve a materially higher level of risk of creating Environmental Liabilities than the current specific uses of the Property by the Business; or
- 17.3.3.2. subject to Clause 17.4, to the extent such Environmental Liabilities can be demonstrated to have been created or increased by any activities at the Property after Completion of (a) the Purchaser or any member of the Purchaser's Group or any person deriving title therefrom or (b) any person to whom the Purchaser or any member of the Purchaser's Group or person deriving title therefrom sells, leases or licences any part of the Property or any person deriving title from such a person (an "Occupier");
- 17.3.3.3. to the extent that such results from, arise out of or is increased by the introduction, spillage, discharge or emission at the Properties after Completion by the Purchaser or any member of the Purchaser's Group or person deriving title therefrom or any Occupier of (a) any Relevant Substance which was not part of an Existing

Condition or (b) any additional quantity of a Relevant Substance which is part of an Existing Condition; or

17.3.3.4. the creation by the Purchaser or any member of the Purchaser's Group or person deriving title therefrom or any Occupier of any new subsurface pathway, or any disturbance, interference or change by the Purchaser or any member of the Purchaser's Group or person deriving title therefrom or any Occupier of, with or in any existing sub-surface pathway or geological or ground-water or other under-ground conditions at the Property,

Provided that this Clause 17.3.3.4 shall not apply in circumstances where the Purchaser or the member of the Purchaser's Group or person deriving title therefrom or the Occupier concerned shall have taken all reasonable care and precautions in the circumstances to avoid creating or increasing Environmental Liabilities, having regard to the matters contained in any relevant report referred to in Clause 17.4.2, to matters revealed in the environmental reports by ERM in the Agreed Bundle and to other matters known to the Purchaser, and provided further that the Purchaser or the member of the Purchaser's Group or person deriving title therefrom or the Occupier shall have complied with any reasonable recommendations made by the Vendor based on any such relevant report referred to in Clause 17.4;.

17.3.4. the Vendor shall not be required to indemnify the Purchaser under Clause 17.1 in respect of any loss of profit, revenue, use or goodwill or any indirect or consequential losses arising from any Existing Condition or the execution of any Required Action.

17.4. The following terms shall apply with respect to any excavation, drilling or sub-surface construction work by the Purchaser or any member of the Purchaser's Group or person deriving title therefrom or any Occupier at the Property after Completion ("Relevant Work"):-

17.4.1. in the event that the Relevant Work is for a purpose outside the scope of uses of the Property referred to in Clause 17.3.3.1, the Vendor shall have no liability under this Clause 17 for Environmental Liabilities to the extent such can be demonstrated to have been created or increased by or to have arisen out of such Relevant Work;

17.4.2. if the Purchaser or any such other person proposes to carry out any Relevant Work for a purpose within the scope of uses of the Property referred to in Clause 17.3.3.1 (which shall therefore include, without limitation, redevelopment or new construction of a building for the purpose of that use) the Purchaser shall before commencing the Relevant Work obtain (or ensure that there is obtained) a soil survey report from a

reputable contractor, on a reasonable basis having regard to the work proposed and which shall be matrix-based where appropriate, to assess the suitability of the relevant location(s) for the Relevant Work concerned and assess any associated environmental risks;

17.4.3. the Purchaser will supply a copy of that survey report to the Vendor when it is received, and if it identifies any contamination that could constitute a Relevant Substance and give rise to Environmental Liabilities, the Vendor and Purchaser will consult regarding the implications, including without limitation the nature and potential extent of contamination, any sub-surface pathways that may be created by the proposed Relevant Work and how any consequences could be avoided);

17.4.4. any Existing Condition identified in a survey referred to in Clause 17.4.3 shall, notwithstanding Clause 17.3.3.3 but subject to any other terms of this Agreement, be subject to the Vendor's indemnity under this Clause 17.

17.5. Subject to Clause 17.7, the provisions of this Clause 17 shall cease to apply in respect of any part of the Property which shall have been sold, leased, licensed or otherwise disposed of (but not charge by way of mortgage, legal charge, debenture or similar security) by the Purchaser or a member of the Purchaser's Group to a third party outside the Purchaser's Group unless:

17.5.1. the use by the Occupier of the part concerned shall at all times be within the existing range of uses of the Property described in Clause 17.3.3.1;

17.5.2. the use by the Occupier shall be of the existing buildings (if any) on the part of the Property concerned at the date of this Agreement;

17.5.3. no building shall be constructed and no development shall be carried out on the part of the Property concerned, other than, where there are existing buildings on the said part at the date of this Agreement, the construction of minor ancillary buildings to those existing buildings, subject always to the terms of Clauses 17.3 and 17.4.

17.6. For the avoidance of doubt:-

17.6.1. if any member of the Purchaser's Group whose only or main asset is any part(s) of the Property shall cease to be a member of the Purchaser's Group, the provisions of Clause 17 shall forthwith cease to apply in respect of that part(s) of the Property; and

17.6.2. the provisions of Clause 17 shall cease to apply in respect of a part of the Property if there shall be a sale, lease or other disposal thereof (or if there shall be any works on the relevant part of the Property in contemplation of such a sale, lease or disposal) for the purpose of, or in connection with a proposal for, the subsequent use or development thereof for retail or housing, but (subject to any other provisions of this Clause 17) the

provisions of Clause 17 shall continue to apply in respect of the remainder (if any) of the Property.

17.7. In the event that Barclays Bank PLC ("the Bank") exercises its security in respect of the Property, it shall in accordance with Clause 24.4.2 be entitled to be assigned the residual benefit of the provisions of this Clause 17. In the event that the Bank subsequently sells, leases or otherwise disposes of (but not charge by way of mortgage, legal charge, debenture or similar security) all or part of the Property to any Occupier then the terms of this Clause 17 shall cease to apply in respect of such part unless:

17.7.1. the use by the Occupier of the part concerned shall at all times be within the existing range of uses of the Property described in Clause 17.3.3.1;

17.7.2. the use by the Occupier shall be of the existing buildings (if any) on the part of the Property concerned at the date of this Agreement;

17.7.3. no building shall be constructed and no development shall be carried out on the part of the Property concerned, other than, where there are existing buildings on the said part at the date of this Agreement, the construction of minor ancillary buildings to those existing buildings, subject always to the terms of Clauses 17.3 and 17.4.

17.8. The following shall apply with respect to conduct of claims relating to Clause 17.1:-

17.8.1. if the Purchaser shall be in receipt of any claim, or if any fact or circumstances comes to the notice of the Purchaser, which the Purchaser is aware may constitute or give rise to a liability of the Vendor under Clause 17.1, the Purchaser shall notify the Vendor as soon as practicable and in any event, within 20 business days, giving all reasonable details the Purchaser has concerning the same;

17.8.2. the Purchaser shall not make any admission of liability or settle or compromise any requirement or claim from any competent authority or other third party without the prior written consent of the Vendor, such consent not to be unreasonably withheld or delayed;

17.8.3. if the Vendor accepts liability in respect of such claim in accordance with this Clause 17 but not otherwise, then subject to the Vendor indemnifying the Purchaser in respect of the Environmental Liabilities in respect of the claim, the Purchaser shall take such action as the Vendor may reasonably request to avoid, dispute, resist, appeal, compromise or defend any such requirement or claim referred to in Clause 17.5.1 above, including without limitation, affording to the Vendor care, conduct and control of any discussions, negotiations or legal proceedings with any competent authority or other person in relation, inter alia, to any Remedial Action or any Existing Condition which may give rise to a claim under Clause 17.1, but if the Vendor does not accept liability and exercise rights in respect of a claim in accordance with this Clause

17.8.3, the Purchaser shall retain the conduct of the claim concerned subject always to the other terms of this Clause 17.8;

17.8.4. the Purchaser shall inform and keep the Vendor informed in respect of any such requirement or claim referred to in Clause 17.5.1 above and provide to the Vendor and its personnel, advisers and consultants all reasonable access to the Property and to all relevant personnel and documents, and (at the Vendor's reasonable cost) co-operate reasonably with the Vendor and such persons, to enable the Vendor to investigate, assess and take corrective steps in relation to any such requirement or claim;

17.8.5. it is agreed that all meetings and site visits with any competent authority or any third party claimant (or representative thereof) relating to a requirement or claim referred to in Clause 17.5.1 shall be conducted or made by the Vendor and the Purchaser jointly, and each of the parties shall have the right to be represented at any such physical attendance or meetings; and

17.8.6. any Remedial Action at the Property shall be carried out by or on behalf of the Purchaser in accordance with the conclusion of the negotiations or legal negotiations or legal proceedings referred to in Clause 17.8.3

17.9. The Vendor's liability under Clause 17.1 shall be subject to the following:-

17.9.1. except to the extent that it would be contrary to Environmental Laws or the requirements of any Competent Authority, the Purchaser shall take all reasonable steps to mitigate any actual or potential Environmental Liabilities which may give rise to a claim under Clause 17.1 subject to the Vendor agreeing to pay for the reasonable costs of such steps in accordance with Clause 17.9.3;

17.9.2. the Vendor shall not be liable under Clause 17.1 for any Environmental Liabilities to the extent that such Environmental Liabilities have arisen or been increased by a failure by the Purchaser to take steps in accordance with its duty to mitigate under Clause 17.9.1 or by a delay in giving notice in breach of Clause 17.9.1, so long as it would have been reasonable for the Purchaser to have understood such steps were required to mitigate Environmental Liabilities;

17.9.3. in the event that the Purchaser reasonably believes that steps to comply with its duty to mitigate under Clause 17.9.1 may be required it may serve a written notice ("Mitigation Notice") on the Vendor setting out details of the steps proposed to be taken with estimated costings and requesting agreement from the Vendor to pay for the reasonable costs of such steps (which agreement, for the avoidance of doubt, shall amount to an agreement between the Vendor and the Purchaser for the purposes of limb (c) of the definition of "Required Action" in Clause 1.1 and shall be treated as a Claim and Clauses 14.6.1 and 14.6.2 shall not apply to any such amounts payable by the Vendor under this Clause 17.9.2). The

Vendor shall promptly give reasonable and due consideration to any request in a Mitigation Notice. In the event that the Vendor fails within 20 business days of receipt of a Mitigation Notice to give written agreement to pay for the reasonable costs of all or any specific steps detailed in the Mitigation Notice, the failure to carry out such steps by the Purchaser shall not amount to a failure to take steps in accordance with its duty to mitigate in Clause 17.7.1.;

17.9.4. for the avoidance of doubt a failure by the Vendor to give agreement under Clause 17.7.1. to pay for the reasonable costs of some or all of the steps proposed in a Mitigation Notice shall not imply that those costs shall not be the subject of a claim under Clause 17.1 when they fall within the scope of Clause 17.1.

18. RESTRAINTS

18.1. The Vendor hereby agrees that it will not and will procure that each member of the Vendor's Group from time to time will not:-

18.1.1 for the period of 3 years from the Effective Time, directly or indirectly, carry on, be engaged, concerned or interested in a business engaged in the design, manufacture, sale, import, export, supply or delivery of terry towels, beach towels, bath mats or bath rugs in the United Kingdom, United States of America, Germany, Ireland, Greece, Denmark, Switzerland, Austria, Hong Kong, Australia and New Zealand in competition with the Business, where the term "Business" shall be limited to the activities of the Business as carried on at the Effective Time; or

18.1.2. for the period of 1 year from the Effective Time without the prior written consent of the Purchaser solicit or endeavour to entice away from the Purchaser (except by means of public advertisement) any of the Employees currently engaged in a senior managerial or technical capacity in the Business; or

18.1.3. for the period of 1 year from the Effective Time, make statements regarding the Business to key customers or suppliers of the Business with the deliberate and specific intention of damaging the goodwill of Business; or

18.1.4. at any time after the Effective Time use the Names or any colourable imitation of it in relation to or in connection with the design, manufacture, sale, supply or delivery of terry towels, beach towels, bath mats and bath rugs.

18.2 The provisions of Clause 18.1 shall not prevent the Vendor or any other member of the Vendor Group from time to time from:-

- 18.2.1. continuing to operate the Vendor's current business Zorbit in relation to the design, manufacture and sale of infant bedding and related furnishing products and of infant terry towelling products (but for the avoidance of doubt, not other products referred to in Clause 18.1.1); or
- 18.2.2. acquiring and holding a minority interest of less than 5% of any class of shares or other securities in any company which may be from time to time engaged in a competing business of the kind referred to in Clause 18.1; or
- 18.2.3. acquiring, and subsequently operating or holding an interest in, any company, business, firm or undertaking or group thereof carrying on, or engaged or interested in, an activity in breach of Clause 18.1.1 ("a competing business") Provided further that such part of the turnover of the competing business representing sales in such activity of products as dealt in by the Business at the date of this Agreement does not account for more than 10% of the aggregate turnover of the total operations and/or entities so acquired; or
- 18.2.4. acquiring, and subsequently operating or holding an interest in, any company, business, firm or undertaking or group thereof carrying on, or engaged or interested in, an activity in breach of Clause 18.1.1 ("a competing business") where such part of the turnover of the competing business representing sales in such activity of products as dealt in by the Business at the date of this Agreement accounts for more than 10%, but does not account for more than 25%, of the aggregate turnover of the total operations and/or entities so acquired Provided that the Vendor shall use all reasonable endeavours to dispose of the business in respect of such products within the period of 12 months after the acquisitions.
- 18.3. The restrictions contained in this Clause 18 are considered reasonable by the parties hereto and the Vendor acknowledges that, in the light of the total price paid under this agreement and the manner of computation thereof, the nature of the Business and all other relevant matters, the provision of this Clause 18 are reasonably necessary for the protection of the interests of the Purchaser.
- 18.4. In the event that any restriction in this Clause 18 shall be found to be unenforceable but would be enforceable if some part thereof were to be deleted, such restriction shall apply with such modification as may be necessary to make it legal and enforceable.
- 18.5. Each undertaking contained in this Clause 18 shall be construed as a separate undertaking and if one or more of the undertakings contained in this Clause 18 is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade the remaining undertakings shall continue to bind any member of the Vendor's Group.
- 18.6. The Vendor acknowledges that it has information in respect of the conduct, financing, dealings, transactions and affairs of the Business all of which is or may be secret or confidential to the Business ("Confidential Information").

disclosure of which the Vendor acknowledges may do damage to the Business and therefore agrees to undertake to the Purchaser that it will not:-

18.6.1. disclose to any person; or

18.6.2. use for its own purposes

any Confidential Information, but these restrictions will cease to apply to information which is in the public domain or (otherwise through the default of the Vendor) becomes in the public domain and will not in any event apply to the continued use by the Vendor or any of its businesses of any such Confidential Information which is already in use or held in the ordinary course of trading of any of its businesses by the Vendor at the date of this Agreement.

19. ELECTRICAL WORKS

The Vendor and the Purchaser have agreed the following terms with respect to the conduct of and payment for works to the electrical systems at the Property in order to ensure that the current electrical distribution systems at the Property meet, subject to Clause 19.2 below, the minimum standard required under the Electricity at Work Regulations 1989 ("the Minimum Standards").

19.1. In this Clause 19, the "Essential Works" means the minimum reasonable works required to bring the current electrical distribution systems at the Property up to the Minimum Standards.

19.2. For the purposes of determining the extent of Essential Works and the associated Costs as defined below:-

19.2.1. in determining what is required for the Essential Works, there shall be taken into account and assumed the continuation of the safe systems of work already in operation in the Business, and

19.2.2. the Essential Works shall not include upgrading equipment or systems to the standards of the 16th edition of the Institute of Electrical Engineers Regulations where other reasonable and practicable means of ensuring safety and legal compliance may be employed.

19.3. The Vendor and the Purchaser shall consult regarding the steps to be taken for the purposes of the Essential Works. The Purchaser shall obtain not less than two competitive quotations from contractors of repute for carrying out the Essential Works and the costs thereof, shall submit such quotations to the Vendor for comment and shall take due account of the Vendor's reasonable requests as to the contractor to be chosen and the specifying of work and fees and the terms agreed with the chosen contractor.

- 19.4. Subject to Clauses 19.1 and 19.2 above, the Purchaser shall have the Essential Works carried out as soon as practicable after Completion and shall indemnify the Vendor in full against any consequences of its failure so to do.
- 19.5. The responsibility of the Vendor for the fees and costs paid to the chosen contractor in respect of the Essential Works ("the Costs") shall be as follows:-
- 19.5.1. the Vendor shall pay 50% of the amount by which the Costs shall exceed £80,000 but be less than £150,000, so that the Vendor's maximum liability under this Clause 19.5 shall be £35,000;
- 19.5.2. the Vendor shall pay amounts due under this Clause 19.5 to the Purchaser promptly when required to enable the Purchaser to pay related fees to the contractor, on the basis that the Vendor's contribution will be subject to the Purchaser making its payment of 50% of such fees at the same time, and subject to the Vendor receiving copies of appropriate invoices and any reasonable evidence requested by the Vendor that expenditure is due;
- 19.5.3. for the avoidance of doubt the Vendor shall be under no liability to pay or contribute to Costs if and to the extent that they are for works outside the scope of Essential Works.

20. FURTHER ASSURANCE

The Vendor shall execute and procure to be executed by other members of the Vendor's Group from time to time after Completion all such deeds and documents as the Purchaser shall reasonably require in order to perfect the right title and interest of the Purchaser in and to the Sale Assets hereby agreed to be sold and pending the execution of such deeds and documents the Vendor shall hold the legal estate in such Sale Assets in trust for the Purchaser.

21. EXCLUSION OF OTHER WARRANTIES AND REPRESENTATIONS

- 21.1. Notwithstanding any other provision of this Agreement but without prejudice to the specific terms of Paragraph 8 of the Warranties, the Vendor does not warrant that the Name or any of the Trademarks are valid or will be granted or that the use of the Name or any of the Trademarks by the Vendor does not, or that the use by the Purchaser thereof will not, infringe any trademark or other rights of any third party in any part of the World.
- 21.2. This Agreement, together with the documents referred to herein to be executed on Completion, shall constitute the entire understanding and agreement between the parties to it relating to the sale and purchase of the Business, and, apart from the Warranties and the express provisions of this Agreement and those documents, no representations, warranties or undertakings, written or oral, express or implied, statutory or otherwise (including but not limited to the warranties, terms or conditions as to satisfactory quality, fitness for purpose,

compliance with sample or description and reasonable care and skill, but not including the implied warranty or condition as to title), made by or on behalf of the Vendor to any other of the parties in connection with or arising out of the acquisition of the Business, or during any prior discussions or negotiations relating thereto shall give rise to any liability on the part of the Vendor, save that this Clause 20.2 shall not exclude any liability for fraud or fraudulent misrepresentation.

21.3. Each of the Purchaser and the Managers hereby accepts and warrants that it has not been influenced to enter into this Agreement or any agreement relating hereto by any statements of fact or opinion other than such as are contained in favour of the Purchaser's Group in this Agreement or any agreement of even date relating thereto

22. VALUE ADDED TAX

22.1. All amounts expressed in this Agreement as being payable by the Purchaser are expressed exclusive of any VAT which may be chargeable thereon. However the parties hereto shall use all reasonable endeavours to secure as far as possible that pursuant inter-alia to Article 5(1) of the Value Added Tax (Special Provisions) Order 1995, SI 1268 the sale of the Sale Assets is treated as neither a supply of goods nor a supply of services for the purposes of VAT.

22.2. If notwithstanding the foregoing provisions, the Commissioners of Customs & Excise determine in writing and on the basis of a disclosure of all material facts that VAT is payable on any part of the supply from the Vendor to the Purchaser hereunder, the Purchaser shall pay the amount of any such VAT to the Vendor, in addition to any relevant payment pursuant to Clause 3.1, within 10 business days of the delivery to the Purchaser of the relevant tax invoices in respect thereof.

22.3. The Vendor shall on Completion deliver to the Purchaser all VAT records and the Purchaser undertakes to preserve such records after Completion as required by Section 49 VATA, and the Vendor shall not make any application to HM Customs and Excise for a direction that such records be taken out of the custody of the Purchaser.

23. ANNOUNCEMENTS

Except if and insofar as required by law, regulations or the rules of The Stock Exchange no announcement shall be made by any party either before or after Completion in relation to any of the transactions provided for in this Agreement without the prior consent of, in the case of an announcement by the Vendor, the Purchaser and in respect of an announcement by the Purchaser, the Vendor, which consent shall not be unreasonably withheld.

24. GENERAL

- 24.1. Any variation of this Agreement shall be binding only if it is recorded in a document signed by or on behalf of the parties to this Agreement.
- 24.2. Each party shall pay its own costs in relation to the negotiations leading up to the sale of the Business and to the preparation, execution and carrying into effect of this Agreement and of all other documents referred to in it. The Purchaser shall be responsible for all stamp duty or stamp duty reserve tax which may be payable in respect of the transfer of the Sale Assets to the Purchaser. The Purchaser shall indemnify and keep indemnified the Vendor against any loss or damage the Vendor or any member of the Vendor's Group may suffer as a consequence of the Purchaser failing to comply with the foregoing sentence of this Clause.
- 24.3. Interest shall be due at the rate of 4% per annum above the Base Rate of National Westminster Bank plc from time to time from the due date until the actual date of payment (as well before as after judgement) in respect of any payment under this Agreement which is late or in default.
- 24.4. This Agreement is personal to parties hereto and no benefit, right or obligation of a party hereunder may be assigned by that party without the prior written consent of the other party provided that:-
- 24.4.1. the Vendor may assign any of its rights and obligations under this Agreement to any member of the Vendor's Group and the Purchaser may assign any of its rights under this Agreement to any member of the Purchaser's Group, provided that any subsidiary of the Vendor or the Purchaser, as the case may be, to which rights and obligations shall have been so assigned shall forthwith cease to be entitled to such rights and shall reassign the rights and obligations to the Vendor or the Purchaser, as the case may be, immediately prior to such assignee ceasing to be a subsidiary of the Vendor or the Purchaser, as the case may be.
- 24.4.2. the Purchaser may assign any of its rights under Clause 17 only to any financial institution providing finance for the purposes of acquiring the Sale Assets under this Agreement, provided that no assignment by any such permitted assignee of the Purchaser shall be permitted without the Vendor's prior written consent as aforesaid;
- 24.4.3. the Vendor may assign its rights under Clauses 15.9 and 15.10 only to any purchaser of all or substantially all of Zorbit, provided that no assignment by any such permitted assignee of the Vendor shall be permitted without the Purchaser's prior written consent as aforesaid.
- 24.5. Subject always to Clause 24.4, this Agreement shall be binding upon and ensure for the benefit of the personal representatives of or other successors in title to the parties hereto.

- 24.6. No failure on the part of any party hereto to exercise, and no delay on its part in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other further exercise thereof or the exercise of any other right. The rights and remedies provided in this Agreement are cumulative.
- 24.7. This Agreement shall remain in full force and effect notwithstanding Completion in respect of obligations remaining to be performed thereafter.
- 24.8. Any liability of any party to the other under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given without in any way prejudicing or affecting that party's rights against the other in respect of the same or a like liability whether joint or several or otherwise.
- 24.9. No variation of this Agreement or any of the documents in the Agreed Form shall be valid unless it is in writing signed by or on behalf of each of the parties hereto, and refers specifically to this agreement.
- 24.10. This Agreement may be executed in any number of counterparts, each of which, when executed by one or more of the parties hereto, shall constitute an original but all of which will constitute one and the same instrument.
- 24.11. Subject to Clause 24.12, nothing in this Agreement shall entitle either party to commence proceedings against any third party who may benefit from this Agreement or any third party to commence any proceedings against either of the parties. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.
- 24.12. It is agreed by the Vendor (for itself and as agent and trustee on behalf of all members of the Vendor's Group) and by the Purchaser (for itself and as agent and trustee on behalf of all members of the Purchaser's Group) that all members of the Vendor's Group and all members of the Purchaser's Group (but only for so long as they may remain a member of the relevant Group) may benefit from and may make claims, take action or proceedings under and recover loss under all or any of this Agreement, the Christy US Agreement, the Christy GmbH Share Transfer Agreement and the Tax Covenant, or other documents relating to such documents) in its own name or for any member of its own Group notwithstanding that it may not be a party to the relevant agreement or deed.

25. COMMUNICATIONS

- 25.1. All communications between the parties with respect to this Agreement shall be delivered by hand or sent by pre-paid post (first class if inland, airmail if overseas) to the address of the addressee as set out in this Agreement, or to such other address in Great Britain as the addressee may from time to time have notified for the purposes of this Clause.

25.2. Communications shall be deemed to have been received if delivered by hand, on the day of delivery, or if sent by first class post, one business day after posting exclusive of the day of posting.

25.3. Communications under this Agreement:-

25.3.1. to the Vendor shall be addressed to:

The Company Secretary, Courtaulds Textiles plc, 13/14 Margaret Street, London W1A 3DA;

25.3.2. to the Purchaser, the US Purchaser or the German Purchaser shall be addressed to:

Joel Rosenblatt at the business address of the Purchaser

with a copy to: Andrew Ball at Lloyds TSB Development Capital Limited, 62 King Street Manchester,

25.3.3. to the Managers shall be addressed to:

Joel Rosenblatt at his address stated on Page 1 of this Agreement,

or such alternative addressee(s) as the relevant party may notify to the other parties for this purpose.

25.4. In proving service:-

25.4.1. by delivery by hand, it shall be necessary only to produce a receipt for the communication signed by or on behalf of the addressee;

25.4.2. by post, it shall be necessary only to prove that the communication was contained in an envelope which was duly addressed and posted in accordance with this Clause.

26. **PROPER LAW**

This Agreement shall be governed by and construed in accordance with the laws of England and Wales, and the parties agree to submit to the exclusive jurisdiction of the English Courts in relation to any claim arising out of or in connection with this Agreement.

IN WITNESS whereof this Agreement was executed on the date first above written.

LIST OF SCHEDULES

<u>No.</u>	<u>Description</u>
1.	The Property and the Wigan Property
2.	Accounting Policies
3.	The Equipment
4.	The Excluded Contracts
5.	The Trademarks
6.	The Registered Designs
7.	The Warranties
8.	Prices for the Sale Assets
9.	Pensions
10.	FOREX Arrangements
11.	Particulars of Christy GmbH
12.	Bills of Exchange
13.	Warranties and Tax Covenant for Christy GmbH

FIRST SCHEDULE**THE PROPERTY AND THE WIGAN PROPERTY****FIRST SCHEDULE****PART 1**

("the Property")

1. The land and premises (if any) described in the registers of title as being on the west side of Newton Street and on the west side of Old Road Hyde Tameside Greater Manchester but actually situated on the east side of Newton Street and Old Road Hyde known as Carrfield and Baileyfield Mills registered at HM Land Registry with Absolute Title under title number GM656712 ("Parcel 1") comprising land and buildings known as Carrfield and Baileyfields Mills and shown edged red on the plan annexed to Transfer 1 ("Parcel 1A") and land and reservoir shown edged red on the plan annexed to Transfer 2 ("Parcel 1B")
2. The land and premises (if any) on the north side of Dukinfield Road Hyde aforesaid known as the car parking land, registered at HM Land Registry with Absolute Title under title number GM627718 ("Parcel 2")
3. The land and premises (if any) on the east and west side of Dukinfield Road and south side of Throstle Bank Street Hyde aforesaid known as the Dukinfield Road Land registered at HM Land Registry with Absolute Title under title number GM451704 ("Parcel 3")
4. The land and premises (if any) on the north east side of Old Road and lying to the north East of Old Road Hyde known as the Old Road Gardens, registered at HM Land Registry with Absolute Title under title number GM457294 ("Parcel 4")

FIRST SCHEDULE**PART 2**1. **Standard Conditions**

Insofar as the same are applicable and are not inconsistent with the express terms of this agreement the Standard Conditions of Sale (3rd Edition) are incorporated in this agreement except that:

- 1.1. the "contract rate" means 4% per annum above the base rate of National Westminster Bank Plc;
- 1.2. "working day" means business day;

- 1.3. "seller" means in respect of Parcel 1 and Parcel 2 the Vendor and in respect of Parcel 3 and Parcel 4 Home Furnishings
- 1.4. "buyer" means in respect of Parcel 1A Christy UK and in respect of Parcel 1B Parcel 2 Parcel 3 and Parcel 4 the Second Purchaser
- 1.5. Conditions 1.1.1(a), 1.2, 1.3, 1.4, 2, 4.1.1, 4.2.1, 4.3.2 (save in relation to the missing land certificate for title number GM457294), 5.1.1, 5.1.2, 5.1.3, 5.2, 6.1, 6.3.1, 6.3.2, 6.3.6, 6.4, 6.7, 6.8, 7.1; 7.2, 7.3, 7.5, 7.6, 8.2.4, 8.2.5, 8.3 and 9 shall not apply; and

2. Insurance

If before Completion the Property suffers loss or damage from risks in respect of which the Vendor maintains insurance the Vendor shall:-

- 2.1. pay to the Purchaser on Completion the amount of policy monies which the Vendor has received; and
- 2.2. if no final payment has been received assign to the Purchaser at the Purchaser's expense all rights to claim under the policy in such form as the Purchaser reasonably requires and pending execution of the assignment hold any policy monies received in trust for the Purchaser
- 2.3. not be required to make good the Property or pay to the Purchaser any excess required by the insurers under any policy of insurance for the Property to the extent that it relates to the Property

3. Encumbrances

The Property is sold subject to and with the benefit of (where appropriate) the matters contained or referred to in Part 3 of this Schedule

4. The assurances of the Property shall (inter alia) contain the following covenants:-

"The Transferee hereby further covenants with the Transferor as follows:-

(a) Not for a period of seven years from the date of this transfer to use or occupy the Property or any part thereof or permit or authorise the same to be used or occupied for any purpose which is not either a use within Classes B1(b), B1(c), B2 or B8 of the Town & Country Planning (Use Classes) Order 1987 or a car park ancillary to such use or allotment gardens or a reservoir

(b) Not during the period of seven years from the date of this Transfer to transfer, grant a lease of or dispose (as defined in Section S205(1)(ii) of the Law of Property Act 1925) of the Property or any part or parts thereof unless the Transferee or its successor in title to the same shall first have procured that the person acquiring such interest enters into a covenant with the Transferor (or its successors in title) to observe and perform from the date of its acquisition of the Property or such part or parts thereof (as

the case may be) the covenants referred to in the preceding sub-clause [](a) of this Transfer and in this sub-clause

And the parties hereto hereby request the Chief Land Registrar to enter into a restriction on the Proprietorship Register of the title number to the Property that no disposition or dealing with the Property or any part thereof within a period of seven years from the date of this Transfer may be registered unless a certificate is given by the solicitor to the Transferor that the requirements of the preceding clause [](b) of Panel 12 of this Transfer have been complied with in relation to such disposition in respect of which registration is sought.”

FIRST SCHEDULE

PART 3

1. The matters contained or referred to in
 - 1.1. Clause 1.3 of the Transfer dated 1 February 1994 and made between Ashton Brothers & Company Limited (1) and the Vendor (2) so far as subsisting
 - 1.2. the Property and Charges Registers of title numbers GM656712, GM6277181, GM451704 and GM457294 other than charges of a financial nature
2.
 - 2.1. The use occupation and adverse possession there might be of the gardens forming part of title number GM656712
 - 2.2. The use occupation and any adverse possession there might be of the gardens forming the whole of title number GM457294
 - 2.3. The use and occupation by a fishing club of the reservoir forming part of title number GM656712

And the Purchaser accepts no written leases licences tenancy agreements or other written documentation authorising or regulating such occupancies can be found by the Vendor

FIRST SCHEDULE

PART 4

(“Deed of Covenant”)

On Completion there shall be executed and completed the Deed of Covenant.

FIRST SCHEDULE

PART 5

("Wigan Property")

1. In relation to the Wigan Property the following provisions shall apply:-

1.1. In this Part 5 of this First Schedule unless the context otherwise requires the following expressions shall have the following meanings:-

1.1.1. "**Wigan Completion Date**" means the date 5 Working Days after the later of (1) the Superior Landlord's written consent to the grant of the Underlease is obtained and (2) the grant of the Court Order

1.1.2. "**Court Order**" means an Order authorising in relation to the tenancy to be created by the Underlease the exclusion of the security of tenure provisions of the Landlord and Tenant Act 1954

1.1.3. "**Landlord**" means Home Furnishings

1.1.4. "**Superior Lease**" means a lease dated 24 November 1983 made between (1) The Wigan Borough Council and (2) Ashton Brothers & Company (Holdings) Limited as varied by a Variation Agreement dated 19 July 1992 and made between (1) The Wigan Borough Council and (2) Courtaulds Home Furnishings Limited (formerly Ashton Brothers & Company (Holdings) Limited and a Deed of Variation dated 18 April 200 and made between the same parties

1.1.5. "**Superior Landlord**" means the landlord of the Superior Lease

1.1.6. "**Tenant**" means Christy UK

1.1.7. "**VAT**" means value added tax

1.1.8. "**Working Day**" means a day on which the clearing banks in the City of London are open during banking hours and 'Working Days' shall be construed accordingly

1.2. Where the context so admits or requires words importing one gender shall be construed as importing any other gender and the singular includes the plural and vice versa and where any party hereto comprises two or more persons any obligation on the part of that party contained or implied herein shall be deemed to be joint and several obligations on the part of such person

2. SUPERIOR LANDLORD'S CONSENT

2.1. The Landlord and the Tenant shall use reasonable endeavours to obtain the written consent ("the Consent") of the Superior Landlord to the grant of the Underlease but shall not be obliged to give any consideration (other than

payment of the Superior Landlord's reasonable legal and other costs which shall be the responsibility of the Landlord) for the Consent

- 2.2. The Tenant shall not be obliged to accept or agree to any conditions requirements obligations or covenants required by the Superior Landlord other than as set out in the Superior Lease and the Tenant shall not be obliged to provide guarantor(s) but shall if reasonably required by the Superior Landlord offer to provide a rent deposit equivalent to six months' rent payable under the Underlease
- 2.3. The Landlord and Tenant shall use reasonable endeavours through their respective solicitors to include

3. TENANT'S OBLIGATIONS WITH REGARD TO LICENCE TO UNDERLET

The Tenant shall promptly and at the Tenant's own cost and expense:

- 3.1. supply such bank and other investor references and information (if any) in respect of the Tenant as the Superior Landlord may reasonably require in connection with the obtaining of the Consent;
- 3.2. promptly deal with all correspondence and documentation relating to the Landlord's application for the Consent which the Landlord reasonably requires the Tenant to deal with;
- 3.3. comply with the reasonable requirements of the Superior Landlord in relation to the granting of the Consent subject to clause 2.2 other than payment of Superior Landlord's costs for the Consent;
- 3.4. enter into direct covenants with the Superior Landlord to observe and perform the term of the Superior Lease in so far as they relate to the Wigan Property other than as to payment of rent;
- 3.5. subject to clause 2 execute such deed of covenant or counterpart licence to underlet with the Landlord and Superior Landlord as may be required within 5 Working Days of the engrossment having been submitted to the Tenant's Solicitors;
- 3.6. If the Superior Landlord shall lawfully and reasonably require any works of repair and/or decoration to be carried out pursuant to the terms of the Superior Lease prior to the issue of the Consent then the Tenant shall procure that such works are carried out as expeditiously as possible.

4. GRANT OF THE LEASES

- 4.1. Completion of the grant of the Underlease shall take place at the offices of the Vendor's Solicitors or at such place as they shall reasonably direct on the Wigan Completion Date

4.2. Subject to the other provisions of this Agreement vacant possession of the Wigan Property will be given to the Tenant on the Completion Date

5. **VAT**

The consideration for any supply made or to be made under the terms of Part 5 of this Schedule is exclusive of VAT unless otherwise stated and the party to whom the supply is made hereby agrees to pay all VAT thereon

6. **PURCHASER'S OBLIGATIONS FROM COMPLETION DATE**

From Completion and until the Wigan Completion Date or actual completion of the Underlease the Tenant shall observe and perform the following terms and conditions:

- 6.1. observe and perform the terms and conditions contained in the Underlease (and all documents supplemental thereto);
- 6.2. pay all rents, service charges and other payments due pursuant to the Underlease as if the same had been granted and indemnify the Landlord in respect of all outgoings payable in respect of the Wigan Property (including business rates);
- 6.3. be responsible for security of the Wigan Property and hereby acknowledges that the Landlord shall have no liability in respect of any loss or damage to any buildings, goods, property, fixtures and fittings or any other item of the Wigan Property; and
- 6.4. indemnify the Landlord against all proper costs, claims, demands, losses, liabilities and expenses against or incurred by Landlord arising by reason of or in connection with any failure by the Tenant to observe and perform the preceding provisions of this clause 6 but excluding all claims, actions and proceedings brought by and liabilities to the Superior Landlord of the Wigan Property arising by reason of such occupation being prior to the Consent

7. **OCCUPATION OF BUSINESS PROPERTY**

In the event that the Consent is not obtained by Completion then the Tenant may enter the Wigan Property as bare licensee until the earliest of the grant of the Underlease or the rescission of the provisions in Part 5 of this First Schedule and such occupation of the Wigan Property pursuant to this paragraph 7 shall be entirely at the risk of the Tenant

8. **INFORMATION**

The Tenant shall following the grant of the Wigan Underlease use reasonable endeavours to provide information reasonably requested by the Landlord in relation to any works which have been carried out to the Wigan Property.

9. **COURT ORDER**

9.1 The Landland and the Tenant shall as soon as practicable at the cost of the Landlord through their respective solicitors jointly make an application to a Court of competent jurisdiction for a Court Order and the Landlord and the Tenant shall procure that their respective solicitors diligently prosecute such application

9.2 The Landlord's solicitors shall deliver to the Tenant's solicitors a copy of the Court Order within three Working Days of receipt of the original

10. **TERMINATION**

If by the date five months after Completion the Consent and/or the Court Order shall not have been obtained in respect of the Underlease then either the Vendor or the Purchaser may by one month's written notice to the other terminate on the date of the expiry of that notice the obligations of the parties hereto in respect of the Wigan Property (but without prejudice to any antecedent breach) in which event the Purchaser shall vacate the Wigan Property by the end of such notice period

SECOND SCHEDULE

ACCOUNTING POLICIES

CHRISTY

ACCOUNTING POLICIES

The Accounts are prepared under the historical cost convention on a going concern basis, as modified by the revaluation of certain land and buildings, applying consistent Accounting Policies as detailed below and prepared in accordance with UK GAAP. The specific principles that apply are as follows:-

FIXED ASSETS

All expenditure of a capital nature that exceeds £1,000 (as an individual item or in aggregate as part of a capital project) is capitalised. In the US and Germany all expenditure of a capital nature is capitalised.

Depreciation is charged on a straight-line basis over the useful economic life of the relevant asset as follows:

Land	- No depreciation
Buildings: Freehold	- 75 years
Plant & Equipment	- 10 years
Office Machinery	- 10 years
Computer Hardware (incl. CAD)	- 5 years
PC's	- 3 years (<i>4 up to 1996</i>)
Motor Vehicles	- 5 years
Fixtures, fittings & furnishings	- 10 years
Shop fittings	- 5 years
Computer software	- 5 years

For expenditure in excess of £0.5m, depreciation commences in month following commissioning. Otherwise, there is no charge in the year of addition and a full year's charge in the year of disposal.

Fixed asset expenditure capitalised includes:

- installation and erection costs
- relevant carriage, insurance, freight and customs duties
- survey fees, legal expenses and stamp duty
- appropriate portion of establishment charges, design costs, overheads and labour costs for capital works undertaken
- cost of materials forming integral part of asset.

Capital grants are held in the balance sheet against the relevant asset class and amortised over the useful life of the asset.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost and net realisable value is defined as follows:

Cost is defined as being that expenditure which has been incurred in the normal course of business in bringing the product to its present location and condition. This expenditure includes the cost of purchase and the cost of conversion either to finished goods state or the stage of production, for Work in Progress. The cost of conversion comprises:

- a) direct costs specifically attributable to production, eg. direct labour, dyes and chemicals, making up materials, etc
- b) production overheads, and
- c) any other overheads incurred in bringing the product to its present location and condition.

Net Realisable value is the actual of estimated selling price less:

- a) all further costs to completion, and
- b) all costs to be incurred in marketing, selling and distributing.

Stock provisions are made against stock where the net realisable value is less than cost.

Cost and provisions are calculated by business as follows

i) Cost

All stock, with the exception of sundry stock items (which are valued at actual cost), is valued at standard cost. All stock transactions, i.e. purchases, production recoveries and cost of sales are valued using the same standard cost. Standard costs are revised annually, based on expected levels of production, efficiency and cost. While the budget may be used as a guide, the main parameters of the costing are determined and agreed separately by the senior managers of the business.

For all purchases of raw materials which are not at standard cost, the difference in price is taken to a purchase price variance account. This is then released on a FIFO basis (on the basis of the business' anticipated stockturn). The price variance account represents the difference between stock valued at standard cost and the actual cost shown on the balance sheet.

ii) Provision

Finished goods stock is reviewed monthly by commercial managers to identify stock of designs or colours that are not current. An appropriate provision is then made to write these items down to the lower of cost or net realisable based on prices that have been previously achieved through the business' usual clearance channels. Yarn and Work-in-Progress are reviewed for obsolescence on an ongoing basis and any provision required to write down to the lower of cost or NRV is made.

- iii) Stock in the US and Germany is held at cost plus the mark up charged by Hyde but excluding the cost of duty and freight incurred in shipping the stock from Hyde, as the aforementioned mark-up is constructed in such a way that is deemed to cover this cost.

CONSIGNMENT STOCK

Consignment stock is not included in the balance sheet of the Christy business.

SALES AND TRADE DEBTORS

Claims

- i) Returns are provided at the date of return at the full sales value, with the returned stock added back to book stock @ the valuation appropriate to its condition.
- ii) Quality claims are provided once the claim has been agreed with the customer.
- iii) Other claims are provided in full if there is doubt as to whether a debt will be settled.

Doubtful Debts

Provision is made for debts in legal/liquidation/receivership at 100% of the sales value less VAT. Where credit insurance applies, then provision is reduced for expected recovery (normally 90%, subject to certain minimum claims thresholds).

Settlement Discounts

Settlement discounts are charged to the P&L on sale.

Customer Rebates

Provision is made for rebates based on current forecasts through to the year-end at the contractual rate.

PURCHASES AND TRADE CREDITORS

Debit Notes

Provision against debit notes for claims on suppliers is made until the claim has been agreed by the supplier in writing.

Supplier Rebates

Supplier rebates are accrued at the rate applicable to the most recent forecast of volumes through to the year-end.

OVERHEADS

Repairs and Maintenance

Repairs and maintenance expenditure is accrued through the year in accordance with the budget unless the actual cost exceeds this in which event provision shall be made for the actual cost of repairs and maintenance.

Payroll

Provision is made for amounts actually due and for performance bonuses based on the budget. To the extent, if any, that an asset or liability of the business to the Group Pension Scheme exists at the effective date, such amounts shall be excluded from the Completion Accounts.

Holiday Pay

Holiday pay is accrued for amounts contractually earned but not yet paid. It is only accrued for weekly paid employees. Salaries are spread through the year on working days, effectively spreading the cost of holidays. Provision is not made for banked holidays.

Other Overheads

Variable overheads are accrued based on known levels of consumption (e.g. meter readings) or based on past quarter's experience adjusted for known trends.

Fixed overheads are provided according to statutory or contractual obligations, e.g. rent and rates. A calendar variance is used to adjust this to the production timetable.

Marketing costs are spread through the year based on the latest forecast.

Other payables and allowances

Provision is made for the cost of other commissions, bonuses, payments or allowances in accordance with the latest forecast.

Foreign Exchange

Where forward cover is in place trade creditors and trade debtors are converted at the forward applicable rate. Balances not covered are converted at the applicable month end rate.

Intercompany balances

With the exception of those items identified in the Sale and Purchase Agreement, intercompany balances will be excluded from the completion accounts.

Taxation

Unless an excluded liability, or an excluded asset, provision shall be made for any tax payable or receivable, arising from any matter, transaction or event arising prior to the Effective Date.

THIRD SCHEDULE

KEY ITEMS OF EQUIPMENT

FIXED ASSET REGISTER AS AT 31 DECEMBER 1999

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF ACQ	DEPR RATE	B/WID	WC TRFR	COST	DISP	CRWD	B/WID	CHG	DEPRECIATION	DISP	CRWD	NET BOOK VALUE	CHM117
							ADDS								B/WID	CRWD
WEAVING																
Wing type frame	1 REPLACEMENT M/C	2028	1987	10%	6,538.00				6,538.00	6,538.00	0.00	0.00		6,538.00	0.00	0.00
Monday	HALL & KAY AIR CONDITIONING	1246	1976	10%	4,154.00				4,154.00	4,154.00	0.00	0.00		4,154.00	0.00	0.00
Different units on Table Weaving	MOISTURE, 6 OVER GUNNE LOOMS	2061/5	1989	10%	4,428.50				4,428.50	4,428.50	0.00	0.00		4,428.50	0.00	0.00
Gunne Looms - phase 1		2001	1987	10%	455,389.00				455,389.00	455,389.00	0.00	0.00		455,389.00	0.00	0.00
Gunne Looms - phase 1		2001	1988	10%	73,456.00				73,456.00	73,456.00	0.00	0.00		73,456.00	0.00	0.00
Wing framework wires - Gunne		2002	1987	10%	35,534.00				35,534.00	35,534.00	0.00	0.00		35,534.00	0.00	0.00
NO DETAILS		2002	1987	10%	100.00				100.00	100.00	0.00	0.00		100.00	0.00	0.00
Gunne - Gunne	WEAVING FRAMES & DROP WIRES	2003	1987	10%	8,795.00				8,795.00	8,795.00	0.00	0.00		8,795.00	0.00	0.00
Gunne Looms - phase 2		2003	1987	10%	2,008.00				2,008.00	2,008.00	0.00	0.00		2,008.00	0.00	0.00
Wing framework wires - Gunne		2003	1988	10%	962,189.00				962,189.00	962,189.00	0.00	0.00		962,189.00	0.00	0.00
Gunne Looms - phase 2		2003	1988	10%	296,010.53				296,010.53	296,010.53	0.00	0.00		296,010.53	0.00	0.00
Wing framework wires - Gunne		2003	1988	10%	61,659.00				61,659.00	61,659.00	0.00	0.00		61,659.00	0.00	0.00
Gunne - Gunne		2003	1988	10%	20,466.66				20,466.66	20,466.66	0.00	0.00		20,466.66	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	3,106.00				3,106.00	3,106.00	0.00	0.00		3,106.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	3,378.96				3,378.96	3,378.96	0.00	0.00		3,378.96	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	438,813.32				438,813.32	438,813.32	0.00	0.00		438,813.32	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	13,084.00				13,084.00	13,084.00	0.00	0.00		13,084.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	8,159.00				8,159.00	8,159.00	0.00	0.00		8,159.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	3,700.00				3,700.00	3,700.00	0.00	0.00		3,700.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	3,000.00				3,000.00	3,000.00	0.00	0.00		3,000.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	21,450.00				21,450.00	21,450.00	0.00	0.00		21,450.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	58,779.00				58,779.00	58,779.00	0.00	0.00		58,779.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	107.71				107.71	107.71	0.00	0.00		107.71	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	40,424.08				40,424.08	40,424.08	0.00	0.00		40,424.08	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	25,807.00				25,807.00	25,807.00	0.00	0.00		25,807.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	1,351.00				1,351.00	1,351.00	0.00	0.00		1,351.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	5,240.00				5,240.00	5,240.00	0.00	0.00		5,240.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	75,216.00				75,216.00	75,216.00	0.00	0.00		75,216.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	1,421.43				1,421.43	1,421.43	0.00	0.00		1,421.43	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	2,134.00				2,134.00	2,134.00	0.00	0.00		2,134.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	24,525.13				24,525.13	24,525.13	0.00	0.00		24,525.13	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	5,449.00				5,449.00	5,449.00	0.00	0.00		5,449.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	523.00				523.00	523.00	0.00	0.00		523.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	37,152.84				37,152.84	37,152.84	0.00	0.00		37,152.84	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	2,866.00				2,866.00	2,866.00	0.00	0.00		2,866.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	694.00				694.00	694.00	0.00	0.00		694.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	27,000.00				27,000.00	27,000.00	0.00	0.00		27,000.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	939.00				939.00	939.00	0.00	0.00		939.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	1,661.00				1,661.00	1,661.00	0.00	0.00		1,661.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	1,450.00				1,450.00	1,450.00	0.00	0.00		1,450.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	1,900.00				1,900.00	1,900.00	0.00	0.00		1,900.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	2,417.00				2,417.00	2,417.00	0.00	0.00		2,417.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	34,000.00				34,000.00	34,000.00	0.00	0.00		34,000.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	927.00				927.00	927.00	0.00	0.00		927.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	516.00				516.00	516.00	0.00	0.00		516.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	39,346.00				39,346.00	39,346.00	0.00	0.00		39,346.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	8,574.00				8,574.00	8,574.00	0.00	0.00		8,574.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	11,904.00				11,904.00	11,904.00	0.00	0.00		11,904.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	73,963.00				73,963.00	73,963.00	0.00	0.00		73,963.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	37,769.03				37,769.03	37,769.03	0.00	0.00		37,769.03	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	7,665.92				7,665.92	7,665.92	0.00	0.00		7,665.92	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	2,794.00				2,794.00	2,794.00	0.00	0.00		2,794.00	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	59,171.66				59,171.66	59,171.66	0.00	0.00		59,171.66	0.00	0.00
Gunne Looms - phase 3		2003	1988	10%	3,019,564.31				3,019,564.31	3,019,564.31	0.00	0.00		3,019,564.31	0.00	0.00

TRADEMARK

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO.	YR OF ACQ	DEPR RATE	BRWD	LC TRFR'S	COST ADJS	DISP'S	CFWD	BRWD	CHG	DEPRECIATION DISP'S	CFWD	NET BOOK VALUE
Plant drying base	'D' SIZE STAINLESS PACK DYE CAGE	Longhouse Eng	1964	10%	492.00				492.00	492.00	0.00		492.00	0.00
Dyeing containers	2 PERFORATED DYE CONTAINERS	84127	1970	10%	251.00				251.00	251.00	0.00		251.00	0.00
Dyeing rack	1 DYEING PRESSURE TOWER DYEING	5394.00	1970	10%	5,994.00				5,994.00	5,994.00	0.00		5,994.00	0.00
Turntable Dyer	SMALL PACK M/C FOR SAMPLES	085	1973	10%	454.00				454.00	454.00	0.00		454.00	0.00
Turntable Dyer	CHERRY TREE M/C DATED 19817	283	1982	10%	5,875.00				5,875.00	5,875.00	0.00		5,875.00	0.00
Trucks for dyehouse	CHERRY TREE M/C DATED 1984 (28881)	2077	1984	10%	6,903.00				6,903.00	6,903.00	0.00		6,903.00	0.00
Dyeing machine unit	FOR DRUG STORE, CEV, E17500, BALANCE OF EXP 7	618008	1973	10%	251.00				251.00	251.00	0.00		251.00	0.00
Access washing range	ARTOS WASH RANGE	2006	1966	10%	6,370.00				6,370.00	6,370.00	0.00		6,370.00	0.00
Access washing range	PART OF ITEM FN 517	2008	1966	10%	165,496.00				165,496.00	165,496.00	0.00		165,496.00	0.00
Access washing range	PART OF ITEM FN 517	2008	1966	10%	21,945.00				21,945.00	21,945.00	0.00		21,945.00	0.00
Access washing range	FOR ARTOS WASHER	288173	1989	10%	625.00				625.00	625.00	0.00		625.00	0.00
Access washing range	FOR ARTOS WASHER	2008	1966	10%	587.00				587.00	587.00	0.00		587.00	0.00
Access washing range	FOR ARTOS WASHER	2008	1966	10%	3,740.00				3,740.00	3,740.00	0.00		3,740.00	0.00
Access washing range	CENTRALISE TOWELS BETWEEN ARTOS/MANHO	15444	1984	10%	3,740.00				3,740.00	3,740.00	0.00		3,740.00	0.00
Access washing range	2 ROLLERS FOR SWITHS No. 2 (7) MANGLE	2039	1988	10%	5,703.00				5,703.00	5,703.00	0.00		5,703.00	0.00
Access washing range	BETWEEN SWITHS No. 2 MANGLE & PITB	288441	1988	10%	6,360.00				6,360.00	6,360.00	0.00		6,360.00	0.00
Access washing range	ABOVE - SWITHS No. 2 MANGLE	2039	1987	10%	8,072.00				8,072.00	8,072.00	0.00		8,072.00	0.00
Access washing range	ADDITIONAL WASH BOX FOR SWITHS No. 2 MANGLE	288417	1988	10%	15,860.00				15,860.00	15,860.00	0.00		15,860.00	0.00
Access washing range	PAD DYEING M/C CEV, E1550, BALANCE OF EXP 7	288421	1989	10%	998.00				998.00	998.00	0.00		998.00	0.00
Access washing range	FOR PAD M/C	2045	1985	10%	3,888.00				3,888.00	3,888.00	0.00		3,888.00	0.00
Access washing range	FOR PAD M/C	2045	1985	10%	496.00				496.00	496.00	0.00		496.00	0.00
Access washing range	FOR PAD M/C	2042	1985	10%	448.00				448.00	448.00	0.00		448.00	0.00
Access washing range	FOR PAD M/C	281082	1991	10%	1,589.00				1,589.00	1,589.00	0.00		1,589.00	0.00
Access washing range	FOR PAD DYE	288442	1988	10%	10,500.00				10,500.00	10,500.00	0.00		10,500.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	1,241.00				1,241.00	1,241.00	0.00		1,241.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	1,903.00				1,903.00	1,903.00	0.00		1,903.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	25,000.00				25,000.00	25,000.00	0.00		25,000.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	43,590.00				43,590.00	43,590.00	0.00		43,590.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	9,439.00				9,439.00	9,439.00	0.00		9,439.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	5,424.00				5,424.00	5,424.00	0.00		5,424.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	7,291.00				7,291.00	7,291.00	0.00		7,291.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	16,318.00				16,318.00	16,318.00	0.00		16,318.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	5,012.00				5,012.00	5,012.00	0.00		5,012.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	14,312.00				14,312.00	14,312.00	0.00		14,312.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	26,806.00				26,806.00	26,806.00	0.00		26,806.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	391.00				391.00	391.00	0.00		391.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	10,173.00				10,173.00	10,173.00	0.00		10,173.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	1,779.00				1,779.00	1,779.00	0.00		1,779.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	2,477.00				2,477.00	2,477.00	0.00		2,477.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	121,558.00				121,558.00	121,558.00	0.00		121,558.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	772.00				772.00	772.00	0.00		772.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	350.00				350.00	350.00	0.00		350.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	5,901.00				5,901.00	5,901.00	0.00		5,901.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	1,322.00				1,322.00	1,322.00	0.00		1,322.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	2,562.00				2,562.00	2,562.00	0.00		2,562.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	4,095.00				4,095.00	4,095.00	0.00		4,095.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	28,056.00				28,056.00	28,056.00	0.00		28,056.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	12,165.00				12,165.00	12,165.00	0.00		12,165.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	2,310.66				2,310.66	2,310.66	0.00		2,310.66	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	13,029.90				13,029.90	13,029.90	0.00		13,029.90	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	281,151.00				281,151.00	281,151.00	0.00		281,151.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	86.00				86.00	86.00	0.00		86.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	14,529.00				14,529.00	14,529.00	0.00		14,529.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	19,128.00				19,128.00	19,128.00	0.00		19,128.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	3,789.49				3,789.49	3,789.49	0.00		3,789.49	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	17,045.00				17,045.00	17,045.00	0.00		17,045.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	6,600.00				6,600.00	6,600.00	0.00		6,600.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	4,235.00				4,235.00	4,235.00	0.00		4,235.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	28,789.00				28,789.00	28,789.00	0.00		28,789.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	8,841.00				8,841.00	8,841.00	0.00		8,841.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	23,560.00				23,560.00	23,560.00	0.00		23,560.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	9,990.00				9,990.00	9,990.00	0.00		9,990.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	2,149.00				2,149.00	2,149.00	0.00		2,149.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	6,281.00				6,281.00	6,281.00	0.00		6,281.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	3,815.00				3,815.00	3,815.00	0.00		3,815.00	0.00
Access washing range	FOR LAMIN DRYER & CROWTHER WAPER	2005	1988	10%	5,145.00				5,145.00	5,145.00	0.00		5,145.00	0.00

FIXED ASSET REGISTER AS AT 31 DECEMBER 1999

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF FCNSE	DEPN RATE	COST		DEPRECIATION		NET BOOK VALUE					
					B/FWD	U/C TRFR'S	ADDS	DISP'S	C/FWD	B/FWD	CHG	DISP'S	C/FWD	B/FWD
WAREHOUSE														
Wooden pallets	TO MOVE CARTONS TO RACKS	2042	1985	10%	1,050.00		1,050.00	0.00	1,050.00	0.00	0.00	0.00		
Vin trucks		2037	1985	10%	115.00		115.00	0.00	115.00	0.00	0.00	0.00		
Adhesive strips	4 SETS IN BAYLEFIELD WAREHOUSE	2051	1985	10%	900.00		900.00	0.00	900.00	0.00	0.00	0.00		
Light alarm	BAYLEFIELD SHED WAREHOUSE AREA	2058	1986	10%	2,625.00		2,625.00	0.00	2,625.00	0.00	0.00	0.00		
Security of warehouse		2015	1984	10%	7,791.00		7,791.00	0.00	7,791.00	0.00	0.00	0.00		
Special rtdg reorganisation	RACKING - BAYLEFIELD	2060 SB 2066	1985	10%	12,000.00		12,000.00	0.00	12,000.00	0.00	0.00	0.00		
Label printing	1 NEWLANDS EXTENDING CONVEYOR BAY 4	2080 SB 2085	1985	10%	8,500.00		8,500.00	0.00	8,500.00	0.00	0.00	0.00		
Vin trucks	MICRODATA LABEL PRINTER 777	2039	1985	10%	2,441.00		2,441.00	0.00	2,441.00	0.00	0.00	0.00		
Pallet trucks		2037	1984	10%	3,962.00		3,962.00	0.00	3,962.00	0.00	0.00	0.00		
Pallet truck		1970	1978	10%	822.00		822.00	0.00	822.00	0.00	0.00	0.00		
Fort fit trucks	PRIBLY 1 JUNGHENRICH TM2000 HAND PALLET TRUCK	2010	1985	10%	1,230.00		1,230.00	0.00	1,230.00	0.00	0.00	0.00		
		29503	1985	10%	16,608.00		16,608.00	0.00	16,608.00	0.00	0.00	0.00		
					58,042.00	0.00	58,042.00	0.00	46,417.60	1,560.60	0.00	48,078.40	11,624.20	9,963.60

9,963.60	11,624.20	48,078.40	0.00	1,560.60	46,417.60	58,042.00	0.00	0.00	0.00	0.00	9,963.60
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DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF ACQ	DEPR RATE	BFWD	VC TRFR'S	COST ADJS	DSP'S	CFWD	BFWD	DEPRECIATION CHG	DSP'S	CFWD	NET BOOK VALUE	CMT'S
Central															
Carsten Equip1 TOP 185660	THERE ARE A LARGE NUMBER OF ITEMS MANY OF WHICH ARE LIKELY TO HAVE ORIGINATED BETWEEN 1980 BUT ARE NOT DETAILED ENOUGH TO IDENTIFY POSITIVELY. ITEMS PRESENT IN MAY 1992 LISTED SEPARATELY.		1980	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Carsten Equip1 TOP 185660		Vehicle	1980	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	10,543.00	10,543.00	0.00	0.00	10,543.00	0.00	0.00	0.00	10,543.00	0.00	
Carsten Equip1 TOP 185660			1980	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Carsten Equip1 TOP 185660			1980	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	1,599.00	1,599.00	0.00	0.00	1,599.00	0.00	0.00	0.00	1,599.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	1,377.00	1,377.00	0.00	0.00	1,377.00	0.00	0.00	0.00	1,377.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	875.00	875.00	0.00	0.00	875.00	0.00	0.00	0.00	875.00	0.00	
Carsten Equip1 TOP 185660			1972	10%	67.00	67.00	0.00	0.00	67.00	0.00	0.00	0.00	67.00	0.00	
Carsten Equip1 TOP 185660			1983	10%	170.00	170.00	0.00	0.00	170.00	0.00	0.00	0.00	170.00	0.00	
Carsten Equip1 TOP 185660			1978	10%	128.00	128.00	0.00	0.00	128.00	0.00	0.00	0.00	128.00	0.00	
Carsten Equip1 TOP 185660			1988	10%	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	5,000.00	0.00	
Carsten Equip1 TOP 185660			1988	10%	2,300.00	2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	2,300.00	0.00	
Carsten Equip1 TOP 185660			1984	10%	4,066.00	4,066.00	0.00	0.00	4,066.00	0.00	0.00	0.00	4,066.00	0.00	
Carsten Equip1 TOP 185660			1975	10%	30.00	30.00	0.00	0.00	30.00	0.00	0.00	0.00	30.00	0.00	
Carsten Equip1 TOP 185660			1981	10%	4,377.00	4,377.00	0.00	0.00	4,377.00	0.00	0.00	0.00	4,377.00	0.00	
Carsten Equip1 TOP 185660			1987	10%	504.00	504.00	0.00	0.00	504.00	0.00	0.00	0.00	504.00	0.00	
Carsten Equip1 TOP 185660			1981	10%	504.00	504.00	0.00	0.00	504.00	0.00	0.00	0.00	504.00	0.00	
Carsten Equip1 TOP 185660			1981	10%	150.00	150.00	0.00	0.00	150.00	0.00	0.00	0.00	150.00	0.00	
Carsten Equip1 TOP 185660			1984	10%	15,696.00	15,696.00	0.00	0.00	15,696.00	0.00	0.00	0.00	15,696.00	0.00	
Carsten Equip1 TOP 185660			1985	10%	381.00	381.00	0.00	0.00	381.00	0.00	0.00	0.00	381.00	0.00	
Carsten Equip1 TOP 185660			1976	10%	14,616.00	14,616.00	0.00	0.00	14,616.00	0.00	0.00	0.00	14,616.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	11,266.00	11,266.00	0.00	0.00	11,266.00	0.00	0.00	0.00	11,266.00	0.00	
Carsten Equip1 TOP 185660			1982	10%	23,872.00	23,872.00	0.00	0.00	23,872.00	0.00	0.00	0.00	23,872.00	0.00	
Carsten Equip1 TOP 185660			1983	10%	12,228.00	12,228.00	0.00	0.00	12,228.00	0.00	0.00	0.00	12,228.00	0.00	
Carsten Equip1 TOP 185660			1984	10%	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	1,000.00	0.00	
Carsten Equip1 TOP 185660			1973	10%	146.00	146.00	0.00	0.00	146.00	0.00	0.00	0.00	146.00	0.00	
Carsten Equip1 TOP 185660			1987	10%	620.00	620.00	0.00	0.00	620.00	0.00	0.00	0.00	620.00	0.00	
Carsten Equip1 TOP 185660			1986	10%	550.00	550.00	0.00	0.00	550.00	0.00	0.00	0.00	550.00	0.00	
Carsten Equip1 TOP 185660			1974	10%	3,189.00	3,189.00	0.00	0.00	3,189.00	0.00	0.00	0.00	3,189.00	0.00	
Carsten Equip1 TOP 185660			1964	10%	116.00	116.00	0.00	0.00	116.00	0.00	0.00	0.00	116.00	0.00	
Carsten Equip1 TOP 185660			1971	10%	1,327.00	1,327.00	0.00	0.00	1,327.00	0.00	0.00	0.00	1,327.00	0.00	
Carsten Equip1 TOP 185660			1985	10%	3,637.00	3,637.00	0.00	0.00	3,637.00	0.00	0.00	0.00	3,637.00	0.00	
Carsten Equip1 TOP 185660			1985	10%	13,387.00	13,387.00	0.00	0.00	13,387.00	0.00	0.00	0.00	13,387.00	0.00	
Carsten Equip1 TOP 185660			1986	10%	1,532.00	1,532.00	0.00	0.00	1,532.00	0.00	0.00	0.00	1,532.00	0.00	
Carsten Equip1 TOP 185660			1986	10%	1,327.00	1,327.00	0.00	0.00	1,327.00	0.00	0.00	0.00	1,327.00	0.00	
Carsten Equip1 TOP 185660			1988	10%	41,385.00	41,385.00	0.00	0.00	41,385.00	0.00	0.00	0.00	41,385.00	0.00	
Carsten Equip1 TOP 185660			1983	10%	30,144.62	30,144.62	0.00	0.00	30,144.62	0.00	0.00	0.00	30,144.62	0.00	
Carsten Equip1 TOP 185660			1983	10%	3,596.00	3,596.00	0.00	0.00	3,596.00	0.00	0.00	0.00	3,596.00	0.00	
Carsten Equip1 TOP 185660			1978	10%	22,659.00	22,659.00	0.00	0.00	22,659.00	0.00	0.00	0.00	22,659.00	0.00	
Carsten Equip1 TOP 185660			1971	10%	1,236.00	1,236.00	0.00	0.00	1,236.00	0.00	0.00	0.00	1,236.00	0.00	
Carsten Equip1 TOP 185660			1970	10%	250.00	250.00	0.00	0.00	250.00	0.00	0.00	0.00	250.00	0.00	
Carsten Equip1 TOP 185660			1980	10%	1,628.00	1,628.00	0.00	0.00	1,628.00	0.00	0.00	0.00	1,628.00	0.00	
Carsten Equip1 TOP 185660			1982	10%	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	2,000.00	0.00	
Carsten Equip1 TOP 185660			1983	10%	4,641.00	4,641.00	0.00	0.00	4,641.00	0.00	0.00	0.00	4,641.00	0.00	
Carsten Equip1 TOP 185660			1986	10%	4,374.00	4,374.00	0.00	0.00	4,374.00	0.00	0.00	0.00	4,374.00	0.00	
Carsten Equip1 TOP 185660			1987	20%	28,255.90	28,255.90	5,651.18	11,896.12	5,651.18	11,896.12	0.00	0.00	0.00	5,651.18	16,953.54
Carsten Equip1 TOP 185660			1986	20%	59,480.60	59,480.60	0.00	0.00	59,480.60	0.00	0.00	0.00	0.00	59,480.60	47,564.46
Carsten Equip1 TOP 185660			1988	10%	29,420.00	29,420.00	0.00	0.00	29,420.00	0.00	0.00	0.00	0.00	29,420.00	1,856.40
Carsten Equip1 TOP 185660			1989	20%	1,699.00	1,699.00	0.00	0.00	1,699.00	0.00	0.00	0.00	0.00	1,699.00	3,061.60
Carsten Equip1 TOP 185660			1989	20%	6,420.00	6,420.00	0.00	0.00	6,420.00	0.00	0.00	0.00	0.00	6,420.00	16,953.54
Carsten Equip1 TOP 185660			1987	20%	14,722.10	14,722.10	0.00	0.00	14,722.10	0.00	0.00	0.00	0.00	14,722.10	47,564.46
Carsten Equip1 TOP 185660			1987	20%	23,420.00	23,420.00	0.00	0.00	23,420.00	0.00	0.00	0.00	0.00	23,420.00	16,953.54
Carsten Equip1 TOP 185660			1989	20%	1,699.00	1,699.00	0.00	0.00	1,699.00	0.00	0.00	0.00	0.00	1,699.00	3,061.60
Carsten Equip1 TOP 185660			1989	20%	6,420.00	6,420.00	0.00	0.00	6,420.00	0.00	0.00	0.00	0.00	6,420.00	16,953.54
Carsten Equip1 TOP 185660			1987	20%	14,722.10	14,722.10	0.00	0.00	14,722.10	0.00	0.00	0.00	0.00	14,722.10	47,564.46
Carsten Equip1 TOP 185660			1987	20%	23,420.00	23,420.00	0.00	0.00	23,420.00	0.00	0.00	0.00	0.00	23,420.00	16,953.54
Carsten Equip1 TOP 185660			1989	20%	1,699.00	1,699.00	0.00	0.00	1,699.00	0.00	0.00	0.00	0.00	1,699.00	3,061.60
Carsten Equip1 TOP 185660			1989	20%	6,420.00	6,420.00	0.00	0.00	6,420.00	0.00	0.00	0.00	0.00	6,420.00	16,953.54
Carsten Equip1 TOP 185660			1987	20%	14,722.10	14,722.10	0.00	0.00	14,722.10	0.00	0.00	0.00	0.00	14,722.10	47,564.46
Carsten Equip1 TOP 185660			1987	20%	23,420.00	23,420.00	0.00	0.00	23,420.00	0.00	0.00	0.00	0.00	23,420.00	16,953.54
Carsten Equip1 TOP 185660			1989	20%	1,699.00	1,699.00	0.00	0.00	1,699.00	0.00	0.00	0.00	0.00	1,699.00	3,061.60
Carsten Equip1 TOP 185660			1989	20%	6,420.00	6,420.00	0.00	0.00	6,420.00	0.00	0.00	0.00	0.00	6,420.00	16,953.54
Carsten Equip1 TOP 185660			1987	20%	14,722.10	14,722.10	0.00	0.00	14,722.10	0.00	0.00	0.00	0.00	14,722.10	47,564.46
Carsten Equip1 TOP 185660			1987	20%	23,420.00	23,420.00	0.00	0.00	23,420.00	0.00	0.00	0.00	0.00	23,420.00	16,953.54
Carsten Equip1 TOP 185660			1989	20%	1,699.00	1,699.00	0.00	0.00	1,699.00	0.00	0.00	0.00	0.00	1,699.00	3,061.60
Carsten Equip1 TOP 185660			1989	20%	6,420.00	6,420.00	0.00	0.00	6,420.00	0.00	0.00	0.00	0.00	6,420.00	16,953.54
Carsten Equip1 TOP 185660			1987	20%	14,722.10	14,722.10	0.00	0.00	14,722.10	0.00	0.00	0.00	0.00	14,722.10	47,564.46
Carsten Equip1 TOP 185660															

FIXED ASSET REGISTER AS AT 31 DECEMBER 1993

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF ACQ	DEPRN RATE	B/PWD	U/C INFRS	COST ADDS	DISP'S	C/PWD	B/PWD	DEPRECIATION CHG	DISP'S	C/PWD	NET BOOK VALUE	CHRSITL
														B/PWD	C/PWD
OFFICE															
Facsimile copier	(IN POST ROOM ON LOAN TO LINENS HQ (HYDE)	2088	1988	10%	2,450.00		0.00		2,450.00	2,450.00	0.00		2,450.00	0.00	0.00
Fax m/c	IN ACCOUNTS DEPT	2097	1988	10%	2,350.00		0.00		2,350.00	2,350.00	0.00		2,350.00	0.00	0.00
Canon microfiche	MERCURY TELEPHONE RENTALS)	2098	1988	10%	60,456.91		(60,456.91)		0.00	60,456.91	0.00	(60,456.91)	0.00	0.00	0.00
New telephone system		2082	1978	10%	216.00		0.00		216.00	216.00	0.00		216.00	0.00	0.00
Ball	PITNEY BOWES 5500, METER NO 3802410	2056	1988	10%	3,622.00		0.00		3,622.00	3,622.00	0.00		3,622.00	0.00	0.00
Printing m/c	FOR 1/2 IN. NO POS. ID. POSSIBLY THE 1 IN OFFICE	228	1978	10%	325.00		0.00		325.00	325.00	0.00		325.00	0.00	0.00
Glubbare	VERSHNER COMPACT EMP/RS 182030	438	1973	10%	65.00		0.00		65.00	65.00	0.00		65.00	0.00	0.00
Paper shredding m/c	TR Kom CHT W/pen	438	1986	20%	65.00		0.00		65.00	65.00	0.00		65.00	0.00	0.00
Canon L770 Fax					2,552.00		0.00		2,552.00	2,552.00	0.00		2,552.00	0.00	0.00
					72,164.91	2,552.00	0.00	(60,456.91)	14,260.00	74,736.91	0.00	(60,456.91)	14,260.00	(2,552.00)	0.00

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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TRADEMARK

FIXED ASSET REGISTER AS AT 31 DECEMBER 1998

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF PURCHSE	DEPR RATE	B/FWD	WC TRFR'S	COST ADJS	DISPS	CFWD	B/FWD	CHG	DEPRECIATION		CFWD	NET BOOK VALUE		
												DISPS	CFWD		B/FWD	CFWD	
COMPUTER																	
Desktop & Desktop	SOFTWARE ONLY	317	1979	20%	853.00				853.00	853.00	0.00	0.00	0.00	853.00	0.00	0.00	
EPSON EPX System	COMPAQ 386/286 NO. 8033HSF0427 & DOWTY MODEM	280/20	1980	20%	5,790.00				5,790.00	5,790.00	0.00	0.00	0.00	5,790.00	0.00	0.00	
PC (Wagon System)	EPSON FX1050 NO.7041842	280/09	1980	20%	3,703.70				3,703.70	3,703.70	0.00	0.00	0.00	3,703.70	0.00	0.00	
Printer (Wagon System)	NO DETAIL ASSUME 1 AT (IE) NO BESS0007844	290/09	1980	20%	419.30				419.30	419.30	0.00	0.00	0.00	419.30	0.00	0.00	
IBM AT	NO DETAIL ASSUME 1 AT (IE) NO BESS0007844	290/09	1980	20%	6,880.00				6,880.00	6,880.00	0.00	0.00	0.00	6,880.00	0.00	0.00	
PC (Quality Control)	GOLDSTAR 316 NO. 001000021	291/02	1991	20%	1,454.00				1,454.00	1,454.00	0.00	0.00	0.00	1,454.00	0.00	0.00	
Printer (Quality Control)	GOLDSTAR 316 NO. 001000021	291/02	1991	20%	599.00				599.00	599.00	0.00	0.00	0.00	599.00	0.00	0.00	
PC (Marketing Dept)	GOLDSTAR 316 NO. 001000021	291/03	1991	20%	869.00				869.00	869.00	0.00	0.00	0.00	869.00	0.00	0.00	
Printer (Retail Card Cr Wvg)	EPSON LX1050 NO. 00R012048	291/03	1991	20%	599.00				599.00	599.00	0.00	0.00	0.00	599.00	0.00	0.00	
PC (Retail Card Cr Wvg)	DELL 212V420 NO.	291/10	1991	20%	1,910.00				1,910.00	1,910.00	0.00	0.00	0.00	1,910.00	0.00	0.00	
Printer PC 2.2	ASSUME (AC) NOS 4715MF9F0224 & 4718MF9F0228	291/10	1991	20%	5,401.00				5,401.00	5,401.00	0.00	0.00	0.00	5,401.00	0.00	0.00	
PC (Renewing Dept)	TULIP EX COMPACT 2. NO. 100A8500004	296/57	1990	20%	1,485.00				1,485.00	1,485.00	0.00	0.00	0.00	1,485.00	0.00	0.00	
Printer (Retail Card Cr Wvg)	EPSON 60 9000 NO. R0288400273 - NOT FOUND	296/57	1990	20%	1,175.00				1,175.00	1,175.00	0.00	0.00	0.00	1,175.00	0.00	0.00	
PC (Retail Card Cr Wvg)	GOLDSTAR 316 NO.103000413	291/04	1991	20%	1,474.00				1,474.00	1,474.00	0.00	0.00	0.00	1,474.00	0.00	0.00	
Printer (Marketing)	STAR LCA NO.493010300085	291/04	1991	20%	399.00				399.00	399.00	0.00	0.00	0.00	399.00	0.00	0.00	
PC (Marketing Dept)		291/15	1992	25%	2,318.00				2,318.00	2,318.00	0.00	0.00	0.00	2,318.00	0.00	0.00	
Compaq PC & printer/Accounts		282/11	1993	25%	2,015.00				2,015.00	2,015.00	0.00	0.00	0.00	2,015.00	0.00	0.00	
LiveWord/QLIB EDI System		283/06	1993	25%	4,770.00				4,770.00	4,770.00	0.00	0.00	0.00	4,770.00	0.00	0.00	
ALSO/OL/PL EDI System		283/07	1993	25%	2,347.00				2,347.00	2,347.00	0.00	0.00	0.00	2,347.00	0.00	0.00	
Accounts Compand Profiles		284/02	1994	25%	811.00				811.00	811.00	0.00	0.00	0.00	811.00	0.00	0.00	
PC (K. LYNGH)		284/03	1994	25%	1,488.00				1,488.00	1,488.00	0.00	0.00	0.00	1,488.00	0.00	0.00	
EDI Software M. & S.		284/03	1994	25%	2,655.00				2,655.00	2,655.00	0.00	0.00	0.00	2,655.00	0.00	0.00	
Export Invoicing		284/01	1994	25%	1,781.00				1,781.00	1,781.00	0.00	0.00	0.00	1,781.00	0.00	0.00	
Laptop Computer		284/04	1994	25%	1,844.00				1,844.00	1,844.00	0.00	0.00	0.00	1,844.00	0.00	0.00	
Dot Computer		284/06	1994	25%	2,553.00				2,553.00	2,553.00	0.00	0.00	0.00	2,553.00	0.00	0.00	
Backup machine	Childe portable tape streamer	285/16	1995	25%	843.00				843.00	843.00	0.00	0.00	0.00	843.00	0.00	0.00	
M. & S. Contract Invoic		285/16	1995	25%	4,169.00				4,169.00	4,169.00	0.00	0.00	0.00	4,169.00	0.00	0.00	
INTER CO TRANSFERS		285/16	1995	25%	1,180.00				1,180.00	1,180.00	0.00	0.00	0.00	1,180.00	0.00	0.00	
M. & S. Contract Invoic		285/16	1995	25%	4,169.00				4,169.00	4,169.00	0.00	0.00	0.00	4,169.00	0.00	0.00	
P. C. Replacement		286/05	1996	25%	2,813.00				2,813.00	2,813.00	0.00	0.00	0.00	2,813.00	0.00	0.00	
Upgrade Printing Facility		286/06	1996	25%	4,968.00				4,968.00	4,968.00	0.00	0.00	0.00	4,968.00	0.00	0.00	
Printer		286/06	1996	25%	1,024.00				1,024.00	1,024.00	0.00	0.00	0.00	1,024.00	0.00	0.00	
Computer/PCs		1997	1998	20%	4,517.50				4,517.50	4,517.50	0.00	0.00	0.00	4,517.50	0.00	0.00	
General EDI Update		1998	1998	20%	3,004.00				3,004.00	3,004.00	0.00	0.00	0.00	3,004.00	0.00	0.00	
AS - EDI Project		1998	1998	20%	4,456.00				4,456.00	4,456.00	0.00	0.00	0.00	4,456.00	0.00	0.00	
EDI - ASB		1997	1997	20%	2,000.00				2,000.00	2,000.00	0.00	0.00	0.00	2,000.00	0.00	0.00	
Thin Client Computer facility		1998	1999	20%	6,900.00				6,900.00	6,900.00	0.00	0.00	0.00	6,900.00	0.00	0.00	
Thin Client Computer facility		1991	1999	20%	13,201.00				13,201.00	13,201.00	0.00	0.00	0.00	13,201.00	0.00	0.00	
EPSON LX1050 Printer		1991	1991	20%	395.00				395.00	395.00	0.00	0.00	0.00	395.00	0.00	0.00	
CS0 HP SI Printer		1991	1991	20%	368.00				368.00	368.00	0.00	0.00	0.00	368.00	0.00	0.00	
			1996	20%	368.00				368.00	368.00	0.00	0.00	0.00	368.00	0.00	0.00	
					102,228.50	763.00	20,101.00	(11,490.00)	111,602.50	72,653.36	6,779.36	(2,294.00)	77,134.76	18,035.12	34,467.74		

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF FCHSE	DEPN RATE	B/FWD	CG TRFR'S	COST ADD'S	DISP'S	C/FWD	B/FWD	DEPRECIATION CHG	DISP'S	C/FWD	NET BOOK VALUE	
														B/FWD	C/FWD
Field Travel 2.0	FORD CARGO REG E178WVU CV Z044	E22 XRL	1988	20%	8,335.00		0.00		8,335.00	8,335.00	0.00		8,335.00	0.00	0.00
Weapon for vint beam	PROBABLY E22XLA	E178WVU	1988	20%	14,456.00		0.00		14,456.00	14,456.00	0.00		14,456.00	0.00	0.00
Thermalis detector	CAR FOR OJN	ELC 927F	1989	20%	379.00		0.00		379.00	379.00	0.00		379.00	0.00	0.00
WAC Monitor 1.8		E22 XLA	1988	20%	6,800.00		0.00		6,800.00	6,800.00	0.00		6,800.00	0.00	0.00
Field 1 beam			1987	40%	9,287.01		3,706.80		3,707.00	3,706.80			7,413.80	5,580.01	1,653.21
					39,237.01	0.00	0.00	0.00	39,237.01	33,877.00	3,706.80	0.00	37,303.80	5,580.01	1,653.21

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF ACQ	DEPR RATE	RFWD	LC TRFN'S	COST ADJS	DISP	CRWD	BRWD	CHG	DEPRECIATION	CRWD	NET BOOK VALUE	CRWD
SHOT FIXTURES															
DURLEY BRISTOL			1988	20%	4,402.18			(4,402.18)	0.00	0.00	660.44	(660.44)	0.00	4,402.18	0.00
DEBS SOUTHAMPTON			1988	20%	7,808.63		(7,808.63)	0.00	0.00	0.00	1,521.73	(1,521.73)	0.00	7,808.63	0.00
ABERDEEN			1988	20%	278.65		(278.65)	0.00	0.00	0.00	35.73	(35.73)	0.00	278.65	0.00
WOLVES			1988	20%	678.50		(678.50)	0.00	0.00	0.00	678.50	(678.50)	0.00	678.50	0.00
BROMLEY			1988	20%	756.50		(756.50)	0.00	0.00	0.00	151.30	(151.30)	0.00	756.50	0.00
STIRLING			1988	20%	886.50		(886.50)	0.00	0.00	0.00	137.30	(137.30)	0.00	886.50	0.00
HARBOR			1988	20%	1,019.75		(1,019.75)	0.00	0.00	0.00	203.95	(203.95)	0.00	1,019.75	0.00
GLAUGHERD			1988	20%	283.65		(283.65)	0.00	0.00	0.00	56.73	(56.73)	0.00	283.65	0.00
EASTBOURNE			1988	20%	283.65		(283.65)	0.00	0.00	0.00	56.73	(56.73)	0.00	283.65	0.00
BROMLEY			1988	20%	283.65		(283.65)	0.00	0.00	0.00	56.73	(56.73)	0.00	283.65	0.00
LEAS SOUTHAMPTON			1991	20%	298.85		(298.85)	0.00	0.00	0.00	59.73	(59.73)	0.00	298.85	0.00
BOURNEMOUTH			1990	20%	298.85		(298.85)	0.00	0.00	0.00	59.73	(59.73)	0.00	298.85	0.00
OH EVANS			1990	20%	276.85		(276.85)	0.00	0.00	0.00	55.33	(55.33)	0.00	276.85	0.00
WOLVES			1990	20%	5,015.80		(5,015.80)	0.00	0.00	0.00	1,003.16	(1,003.16)	0.00	5,015.80	0.00
NEADONHALL			1990	20%	293.65		(293.65)	0.00	0.00	0.00	58.73	(58.73)	0.00	293.65	0.00
ABERDEEN			1990	20%	6,202.33		(6,202.33)	0.00	0.00	0.00	1,240.47	(1,240.47)	0.00	6,202.33	0.00
NEADONHALL			1990	20%	432.32		(432.32)	0.00	0.00	0.00	86.46	(86.46)	0.00	432.32	0.00
MEADONHALL			1990	20%	303.65		(303.65)	0.00	0.00	0.00	60.73	(60.73)	0.00	303.65	0.00
STIRLING			1987	20%	9,485.00		(9,485.00)	0.00	0.00	0.00	1,899.00	(1,899.00)	0.00	9,485.00	0.00
GLAUGHERD			1980	20%	400.00		(400.00)	0.00	0.00	0.00	80.00	(80.00)	0.00	400.00	0.00
GLAUGHERD			1980	20%	293.65		(293.65)	0.00	0.00	0.00	58.73	(58.73)	0.00	293.65	0.00
PETERBOROUGH			1980	20%	5,871.42		(5,871.42)	0.00	0.00	0.00	5,971.42	0.00	0.00	5,871.42	0.00
MANCHESTER			1981	20%	(285.00)		285.00	0.00	0.00	0.00	(57.00)	57.00	0.00	(285.00)	0.00
BRANMIDYAM			1982	20%	7,471.43		(7,471.43)	0.00	0.00	0.00	1,484.29	(1,484.29)	0.00	7,471.43	0.00
PETERBOROUGH			1982	20%	978.00		(978.00)	0.00	0.00	0.00	195.60	(195.60)	0.00	978.00	0.00
WOLVES			1982	20%	652.75		(652.75)	0.00	0.00	0.00	130.55	(130.55)	0.00	652.75	0.00
WOLVES			1982	20%	5,635.88		(5,635.88)	0.00	0.00	0.00	1,127.18	(1,127.18)	0.00	5,635.88	0.00
ANNY & NAVY			1982	20%	140.00		(140.00)	0.00	0.00	0.00	28.00	(28.00)	0.00	140.00	0.00
ANNY & NAVY			1982	20%	338.00		(338.00)	0.00	0.00	0.00	67.60	(67.60)	0.00	338.00	0.00
ANNY & NAVY			1982	20%	8,412.65		(8,412.65)	0.00	0.00	0.00	289.00	(289.00)	0.00	8,412.65	0.00
OH EVANS			1982	20%	1,445.00		(1,445.00)	0.00	0.00	0.00	34.00	(34.00)	0.00	1,445.00	0.00
PETERBOROUGH			1982	20%	170.00		(170.00)	0.00	0.00	0.00	34.00	(34.00)	0.00	170.00	0.00
PETERBOROUGH			1982	20%	328.00		(328.00)	0.00	0.00	0.00	65.60	(65.60)	0.00	328.00	0.00
ANNY & NAVY			1982	20%	183.40		(183.40)	0.00	0.00	0.00	36.68	(36.68)	0.00	183.40	0.00
LEAMINGTON SPA			1982	20%	108.50		(108.50)	0.00	0.00	0.00	21.70	(21.70)	0.00	108.50	0.00
LEAMINGTON SPA			1983	20%	8,837.00		(8,837.00)	0.00	0.00	0.00	8,837.00	0.00	0.00	8,837.00	0.00
CARDIFF			1983	20%	9,723.00		(9,723.00)	0.00	0.00	0.00	9,723.00	0.00	0.00	9,723.00	0.00
Kendals Mtr			1984	20%	2,983.00		(2,983.00)	0.00	0.00	0.00	2,983.00	0.00	0.00	2,983.00	0.00
DURLEY			1984	20%	3,530.00		(3,530.00)	0.00	0.00	0.00	706.00	(706.00)	0.00	3,530.00	0.00
ROCHAMBELED			1984	20%	9,683.00		(9,683.00)	0.00	0.00	0.00	1,938.60	(1,938.60)	0.00	9,683.00	0.00
CAVENDIH HBE CHELHAM			1985	20%	6,815.00		(6,815.00)	0.00	0.00	0.00	1,763.00	(1,763.00)	0.00	6,815.00	0.00
CHRYSLER RETAIL SHOP			1985	20%	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBS CARDIFF			1985	20%	6,858.00		(6,858.00)	0.00	0.00	0.00	1,391.60	(1,391.60)	0.00	6,858.00	0.00
OH EVANS			1985	20%	8,905.00		(8,905.00)	0.00	0.00	0.00	1,381.00	(1,381.00)	0.00	8,905.00	0.00
OH EVANS			1985	20%	12,941.00		(12,941.00)	0.00	0.00	0.00	12,941.00	0.00	0.00	12,941.00	0.00
OH EVANS			1985	20%	9,521.00		(9,521.00)	0.00	0.00	0.00	1,904.20	(1,904.20)	0.00	9,521.00	0.00
OH EVANS			1985	20%	4,507.00		(4,507.00)	0.00	0.00	0.00	911.40	(911.40)	0.00	4,507.00	0.00
OH EVANS			1985	20%	5,407.00		(5,407.00)	0.00	0.00	0.00	1,081.40	(1,081.40)	0.00	5,407.00	0.00
OH EVANS			1986	20%	28,876.00		(28,876.00)	0.00	0.00	0.00	6,265.40	(6,265.40)	0.00	28,876.00	0.00
OH EVANS			1986	20%	7,555.35		(7,555.35)	0.00	0.00	0.00	1,494.72	(1,494.72)	0.00	7,555.35	0.00
OH EVANS			1987	20%	7,272.58		(7,272.58)	0.00	0.00	0.00	1,511.07	(1,511.07)	0.00	7,272.58	0.00
OH EVANS			1987	20%	8,684.20		(8,684.20)	0.00	0.00	0.00	1,772.80	(1,772.80)	0.00	8,684.20	0.00
OH EVANS			1988	20%	25,305.00		(25,305.00)	0.00	0.00	0.00	5,081.00	(5,081.00)	0.00	25,305.00	0.00
OH EVANS			1988	20%	13,496.50		(13,496.50)	0.00	0.00	0.00	2,699.30	(2,699.30)	0.00	13,496.50	0.00
OH EVANS			1988	20%	20,918.88		(20,918.88)	0.00	0.00	0.00	4,183.78	(4,183.78)	0.00	20,918.88	0.00
OH EVANS			1988	20%	20,215.14		(20,215.14)	0.00	0.00	0.00	4,043.03	(4,043.03)	0.00	20,215.14	0.00
OH EVANS			1988	20%	15,779.50		(15,779.50)	0.00	0.00	0.00	3,155.90	(3,155.90)	0.00	15,779.50	0.00
OH EVANS			1989	20%	8,338.71		(8,338.71)	0.00	0.00	0.00	8,338.71	0.00	0.00	8,338.71	0.00
OH EVANS			1989	20%	7,421.16		(7,421.16)	0.00	0.00	0.00	7,421.16	0.00	0.00	7,421.16	0.00
OH EVANS			1989	20%	10,872.44		(10,872.44)	0.00	0.00	0.00	10,872.44	0.00	0.00	10,872.44	0.00
OH EVANS			1989	20%	9,989.80		(9,989.80)	0.00	0.00	0.00	9,989.80	0.00	0.00	9,989.80	0.00
OH EVANS			1989	20%	8,128.61		(8,128.61)	0.00	0.00	0.00	8,128.61	0.00	0.00	8,128.61	0.00
OH EVANS			1989	20%	8,624.26		(8,624.26)	0.00	0.00	0.00	8,624.26	0.00	0.00	8,624.26	0.00
OH EVANS			1989	20%	11,158.37		(11,158.37)	0.00	0.00	0.00	11,158.37	0.00	0.00	11,158.37	0.00
OH EVANS			1989	20%	9,980.63		(9,980.63)	0.00	0.00	0.00	9,980.63	0.00	0.00	9,980.63	0.00
OH EVANS			1989	20%	9,973.11		(9,973.11)	0.00	0.00	0.00	9,973.11	0.00	0.00	9,973.11	0.00

TRADEMARK

FIXED ASSET REGISTER AS AT 31 DECEMBER 1999

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF PCHASE	DEPR RATE	B/FWD	LC/TRFR	COST		CFWD	B/FWD	DEPRECIATION		CFWD	NET BOOK VALUE	
							ADD'S	DISP'S			CHG	DISP'S		B/FWD	CFWD
Shops - Debenham - Broun		199/11	1989	20%			9,152.67		9,152.67		0.00		0.00	0.00	9,152.67
Shops - Debenham - Hawley		99/20	1999	20%			9,413.51		9,413.51		0.00		0.00	0.00	9,413.51
Shops - Debenham - Leicester		99/24	1999	20%			9,047.19		9,047.19		0.00		0.00	0.00	9,047.19
Shops - Debenham - Luton		99/25	1999	20%			9,748.74		9,748.74		0.00		0.00	0.00	9,748.74
Shops - Debenham - Scotland		99/26	1999	20%			10,390.82		10,390.82		0.00		0.00	0.00	10,390.82
Shops - Debenham - Fakenham		99/27	1999	20%			9,575.75		9,575.75		0.00		0.00	0.00	9,575.75
Shops - Debenham - Mandeston		99/28	1999	20%			11,824.99		11,824.99		0.00		0.00	0.00	11,824.99
Shops - Debenham - Telford		99/29	1999	20%			12,650.29		12,650.29		0.00		0.00	0.00	12,650.29
					314,418.39	0.00	166,311.85	(89,708.97)	411,051.27	65,749.46	65,835.05	(24,294.61)	127,308.90	228,698.63	263,747.37



Fixed Assets as at 30/06/00

nbv c/f	3524
Additions	99
Disposals	(48)
	<hr/>
	3575
dep'n	(255)
br. dep'n	(3)
	<hr/>
nbv	3317

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TRADEMARK

DLA & Partners

REEL: 002190 FRAME: 0091

CAPITAL EXPENDITURE - REPORT JUNE 2000

Asset Description	Veh Ref	Voucher Value	Budget 2000	Spend 97/98/99	Actual	Actual	Actual	Actual	Actual	Actual
					Jan 00	Feb 00	Mar 00	Apr 00	May 00	Jun 00
Prior Year										
Dyehse Inv - Wash Range (97)	CVH97/10	500	0	519						1
Kinder Dosing System	CVH99/17	49	5	45	8	(1)	1			
Dextralog / Barlow	CVH99/19	76	17	59			2			
Sample Dye facility	CVH99/33	43	43	0				14		
Borehole			150	0						
Bianco Detwister	CVH99/13	12	0	10	1					
Mahlo Weft Straightener	CVH99/31	0	0	48						(48)
Shops										
Debenhams Guildford (Refit)	CVH99/5	10	0							
Debenhams Guildford (Refit) #2	CVH99/5#2	12	0			4		7		
Debenhams Dundee (Refit)	CVH99/34	10	0			6	6			
Debenhams Oxford (New)	CVH00/06	9	9							
Debenhams Milton Keynes (New)	CVH00/07	8	8							
Rackhams Birmingham (Refit)	CVH00/??	10								10
Debenhams Dudley (Refit)	CVH00/??	10								10
Shops New + Refit			158							
Factory										
pH Control Equipment	CVH00/05	3	0							3
Auto Hemming machine (Texpa)			250							
Weaving - IROs			50							
Weaving - Air line upgrade			11							
Replace Site Compressor			11							
Washer Guiders - Bianco			6							
IT										
Laptop L Dols	CVH00/04	2	2					2		
3x Laptops Sales Team	CVH00/08	2	2					2		
Laptops			6		0					
Unix Server for Batch Control			30							
Upgrade Comms			18							
Server for Thin Client extension			18							
Optical disc			8							
EPOS			8							
Air Con (Computer room)			8							
US / Germany			10							
Others										
Upgrade Blick Time & Attend	CVH00/01	6	0							
Internal Barcode Printing	CVH00/02	15	0			15				
Dyehouse Planning system			30		0					
Checkweigh - Colour stores			8		0					
Health, Safety & Environment										
Colour removal effluent discharge	CVH00/03	15	0							7
Dyehouse ventilation			21							
Mixing area improvement - Sizing			6		0					
Making-Up ventilation			10							
Group Transfers										
PC Ex Weavestyle								1		
Totals		792	903	681	9	24	7	9	19	(17)

CASH Effect

Opening Creditor					106	84	94	83	76	30
Additions					9	24	7	9	19	-17
Closing Creditor					(84)	(94)	(83)	(76)	(80)	
Cash additions					31	14	18	16	15	

FOURTH SCHEDULE

EXCLUDED CONTRACTS

All contracts of insurance to which the Vendor is a party in relation to the Business.

The Master Hire Agreement dated 1 August 1995 and made between (1) the Vendor and (2) MEVC Contract Hire Limited, the Master Hire Agreement dated 1 August 1997 and made between (1) the Vendor and (2) BCH Vehicle Management Limited and the Master Hire Agreement dated 1 August 1995 and made between (1) the Vendor and (2) NFC (UK) Limited in relation to vehicles in respect of the Business (as distinct from the individual contract hire agreements for specific vehicles used in the Business which are included in the Contracts).

All foreign exchange contracts, subject as provided in Clause 8.4

Cap Gemini Contract relating to the provision of payroll services.

Catalyst "Platinum" Disaster Recovery Agreement dated 22 September 1998 between (1) Catalyst Solutions plc and (2) Courtaulds Textiles (Holdings) Ltd.

Part 1

REGISTERED TRADEMARKS

Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T24317GB	ARCADIAN	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 27	2142338 15-Aug-1997	2142338 27-Feb-1998	REG	15-Aug-2007
T25248US	ARCADIAN	United States of America	Courtaulds Textiles (Holdings) Limited	24, 27	737414 25-Jun-1999		PEN	
T35718EM-A	C2 LIFE	Australia	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-B	C2 LIFE	Benelux	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM	C2 LIFE	Community Trademark	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-D	C2 LIFE	Denmark	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-FI	C2 LIFE	Finland	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-F	C2 LIFE	France	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	

T35718EM-D E	C2 LIFE	Germany	Courtaulds Textiles (Holdings) Limited 24, 25, 27	PEN
T35718EM-G R	C2 LIFE	Greece	Courtaulds Textiles (Holdings) Limited 24, 25, 27	PEN
T35718EM-IE	C2 LIFE	Ireland	Courtaulds Textiles (Holdings) Limited 24, 25, 27	PEN

Report 3 - TM File - Dennemeyer HyperMark TMS

Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T35718EM-IT I	C2 LIFE	Italy	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-P I	C2 LIFE	Portugal	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-E S	C2 LIFE	Spain	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-S F	C2 LIFE	Sweden	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35718EM-G B	C2 LIFE	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-A T	C2 SPIRIT	Austria	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-B X	C2 SPIRIT	Benelux	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM K	C2 SPIRIT	Community Trademark	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-D K	C2 SPIRIT	Denmark	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	

Report 3 - TM File - Denmemeyer HyperMark TMS

Page 2

Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T35715EM-F R	C2 SPIRIT	France	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-D E	C2 SPIRIT	Germany	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-G R	C2 SPIRIT	Greece	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-IE C2 SPIRIT		Ireland	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-IT C2 SPIRIT		Italy	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-P T	C2 SPIRIT	Portugal	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-E S	C2 SPIRIT	Spain	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-S E	C2 SPIRIT	Sweden	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	
T35715EM-G B	C2 SPIRIT	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27			PEN	

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T09389FR	CHRISTY	France	Courtaulds Textiles (Holdings) Limited	24, 25, 27	93/449629 06-Jan-1993	93/449629 06-Jan-1993	REG	06-Jan-2003
T09390DE	CHRISTY	Germany	Courtaulds Textiles (Holdings) Limited	24, 25, 27	C44545/24 13-Jan-1993	2059555 10-Mar-1994	REG	13-Jan-2003
T23059HK	CHRISTY	Hong Kong	Courtaulds Textiles (Holdings) Limited	27	04820/97 11-Apr-1997	04619/98 11-Apr-1997	REG	11-Apr-2004
T22475HK	CHRISTY	Hong Kong	Courtaulds Textiles (Holdings) Limited	24	02362/97 24-Feb-1997	06650/98 24-Feb-1997	REG	23-Feb-2004
T17519IN	CHRISTY	India	Courtaulds Textiles (Holdings) Limited	24	698807 19-Feb-1996		PEN	
T17520IN	CHRISTY	India	Courtaulds Textiles (Holdings) Limited	25	698806 19-Feb-1996		PEN	
T09394IN	CHRISTY	India	Courtaulds Textiles (Holdings) Limited	24	589480 28-Jan-1993		PEN	
T17521IN	CHRISTY	India	Courtaulds Textiles (Holdings) Limited	27	698805 19-Feb-1996		PEN	
T17516IE	CHRISTY	Ireland	Courtaulds Textiles (Holdings) Limited	24	170400 16-Feb-1996	170400 16-Feb-1996	REG	15-Feb-2003
T17517IE	CHRISTY	Ireland	Courtaulds Textiles (Holdings) Limited	25	170401 16-Feb-1996	170401 16-Feb-1996	REG	15-Feb-2003
T17518IE	CHRISTY	Ireland	Courtaulds Textiles (Holdings) Limited	27	170402 16-Feb-1996	170402 16-Feb-1996	REG	15-Feb-2003
2054	CHRISTY	New Zealand	Courtaulds Textiles (Holdings) Limited	24		130169 02-Nov-1979	REG	02-Nov-2000

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T09393PT	CHRISTY	Portugal	Courtaulds Textiles (Holdings) Limited	24	288454 05-Jan-1993	288454 06-Apr-1998	REG	06-Apr-2008
T17515PT	CHRISTY	Portugal	Courtaulds Textiles (Holdings) Limited	27	315537 21-Feb-1996	315537 04-Nov-1996	REG	04-Nov-2006
T09719PT	CHRISTY	Portugal	Courtaulds Textiles (Holdings) Limited	25	290281 17-Mar-1993	290281 01-Jul-1994	REG	01-Jul-2004
T08854TW	CHRISTY	Taiwan	Courtaulds Textiles (Holdings) Limited	36	81048827 30-Sep-1992	591613 01-Apr-1992	REG	01-Jan-2003
T08856TW	CHRISTY	Taiwan	Courtaulds Textiles (Holdings) Limited	37	81048828 30-Sep-1992	645824 16-Jun-1994	REG	16-Jun-2004
T09391TR	CHRISTY	Turkey	Courtaulds Textiles (Holdings) Limited	24, 25, 27	12701/93 15-Feb-1993	142934 15-Feb-1993	REG	15-Feb-2003
T09720GB	CHRISTY	United Kingdom	Courtaulds Textiles (Holdings) Limited	27	1525620 02-Feb-1993	1525620 15-Jul-1994	REG	02-Feb-2010
T09719GB	CHRISTY	United Kingdom	Courtaulds Textiles (Holdings) Limited	25	1525619 02-Feb-1993	1525619 09-Dec-1994	REG	02-Feb-2010
T09395GB	CHRISTY	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	1521263 12-Dec-1992	1521263 21-Jan-1994	REG	12-Dec-2009
T10312US	CHRISTY	United States of America	Courtaulds Textiles (Holdings) Limited	24, 25	386819 03-May-1993	1949190 23-Jan-1996	REG	23-Jan-2006
1422	CHRISTY LOGO	Australia	Courtaulds Textiles (Holdings) Limited	24	A343952	343952 14-Mar-1980	REG	14-Mar-2001

T26771AU CHRISTY LOGO

Australia

Courtaulds Textiles (Holdings) Limited 24, 25, 27

760689
28-Apr-1998

760689
11-Dec-1998

REG

28-Apr-2008

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T25385EM-A T	CHRISTY LOGO	Austria	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810	000689810	REG	26-Nov-2007
T25385EM-B X	CHRISTY LOGO	Benelux	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810	000689810	REG	26-Nov-2007
1588	CHRISTY LOGO	Benelux	Courtaulds Textiles (Holdings) Limited	24	043479 07-Mar-1980	364847 07-Mar-1980	REG	07-Mar-2010
T34108CN	CHRISTY LOGO	China	Courtaulds Textiles (Holdings) Limited	24	2000008513 19-Jan-2000		PEN	
T34116CN	CHRISTY LOGO	China	Courtaulds Textiles (Holdings) Limited	27	2000008515 19-Jan-2000		PEN	
T34163CN	CHRISTY LOGO	China	Courtaulds Textiles (Holdings) Limited	25	2000008514 19-Jan-2000		PEN	
T22475CN	CHRISTY LOGO	China	Courtaulds Textiles (Holdings) Limited	24	970039311 28-Apr-1997	1182845 14-Jun-1998	REG	13-Jun-2008
T23058CN	CHRISTY LOGO	China	Courtaulds Textiles (Holdings) Limited	27	970069342 07-Jul-1997	1212573 07-Oct-1998	REG	06-Oct-2008
T25385EM	CHRISTY LOGO	Community Trademark	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
1685	CHRISTY LOGO	Denmark	Courtaulds Textiles (Holdings) Limited	24	2922-1982 20-Aug-1982		REG	20-Aug-2002
T25385EM-D K	CHRISTY LOGO	Denmark	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810	000689810	REG	26-Nov-2007
					26-Nov-1997	07-Jul-1999		

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T25385EM-F R	CHRISTY LOGO	France	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
1739	CHRISTY LOGO	France	Courtaulds Textiles (Holdings) Limited	24	1576042 14-Mar-1980		REG	18-Feb-2010
3549	CHRISTY LOGO	Germany	Courtaulds Textiles (Holdings) Limited	24	1040622 12-Mar-1980	12-Nov-1982	REG	12-Mar-2010
T25385EM-F E	CHRISTY LOGO	Germany	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
T25385EM-G R	CHRISTY LOGO	Greece	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
T25385EM-I E	CHRISTY LOGO	Ireland	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
1889	CHRISTY LOGO	Ireland	Courtaulds Textiles (Holdings) Limited	24	103699 10-Mar-1980		REG	10-Mar-2001
T25385EM-I T	CHRISTY LOGO	Italy	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
1943	CHRISTY LOGO	Italy	Courtaulds Textiles (Holdings) Limited	24	382328 18-Mar-1980	27-Nov-1985	REG	18-Mar-2010
2055	CHRISTY LOGO	New Zealand	Courtaulds Textiles (Holdings) Limited	24	130168 02-Nov-1979		REG	02-Nov-2000

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T25385EM-P T	CHRISTY LOGO	Portugal	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
2466	CHRISTY LOGO	South Africa	Courtaulds Textiles (Holdings) Limited	24	B 81/4731 06-Aug-1981		REG	06-Jul-2001
T25385EM-E S	CHRISTY LOGO	Spain	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
2514	CHRISTY LOGO	Sweden	Courtaulds Textiles (Holdings) Limited	24	173295 22-Aug-1980		REG	22-Aug-2000
T25385EM-S E	CHRISTY LOGO	Sweden	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
T34762CH	CHRISTY LOGO	Switzerland	Courtaulds Textiles (Holdings) Limited	24, 25, 27	3614/2000 24-Mar-2000		PEN	
T25385EM-G B	CHRISTY LOGO	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27	000689810 26-Nov-1997	000689810 07-Jul-1999	REG	26-Nov-2007
6996	CHRISTY LOGO	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	1128123 05-Feb-1980	1128123 05-Feb-1980	REG	05-Feb-2001
2595	CHRISTY ROYAL SLUMBER	United States of America	Courtaulds Textiles (Holdings) Limited	24	22-Feb-1980	1169393 15-Sep-1981	REG	15-Sep-2001
1589	CHRISTY'S TOWELS	Benelux	Courtaulds Textiles (Holdings) Limited	24	037187 24-Mar-1976	339155 24-Mar-1976	REG	24-Mar-2006
1686	CHRISTY'S TOWELS	Denmark	Courtaulds Textiles (Holdings) Limited	24	1135-1977 25-Mar-1977		REG	25-Mar-2007

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
1785	CHRISTY'S TOWELS	Germany	Courtaulds Textiles (Holdings) Limited	24	29-Mar-1976	954921 16-Feb-1977	REG	29-Mar-2006
1942	CHRISTY'S TOWELS	Italy	Courtaulds Textiles (Holdings) Limited	24	07-Apr-1976	333073 05-Jul-1982	REG	07-Apr-2006
786	CHRISTY'S TOWELS	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	63971 13-Apr-1887	63971 13-Apr-1887	REG	13-Apr-2009
787	CHRISTY'S TOWELS	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	63970 13-Apr-1887	63970 13-Apr-1887	REG	13-Apr-2009
T16586GB	FAIRFIELD	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25	2021471 24-May-1995	2021471 16-Aug-1996	REG	24-May-2005
T13942AU	GREEN HILLS	Australia	Courtaulds Textiles (Holdings) Limited	25	A224335 13-Sep-1954	A224335 13-Sep-1954	REG	13-Sep-2006
T13939AU	GREEN HILLS	Australia	Courtaulds Textiles (Holdings) Limited	24	A120101 13-Sep-1954	A120101 13-Sep-1954	REG	13-Sep-2006
T09600IE	GREEN HILLS	Ireland	Courtaulds Textiles (Holdings) Limited	24	51006 02-Mar-1951	51006 02-Mar-1951	REG	02-Mar-2007
T09601IE	GREEN HILLS	Ireland	Courtaulds Textiles (Holdings) Limited	25	57127 12-Nov-1954	57127 12-Nov-1954	REG	12-Nov-2006
T12131NZ	GREEN HILLS	New Zealand	Courtaulds Textiles (Holdings) Limited	24	109094 29-Jul-1974	109094 29-Jul-1974	REG	29-Jul-2009
T09543GB	GREEN HILLS GREENHILLS	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	1522856 05-Jan-1993	1522856 21-Jan-1994	REG	05-Jan-2010

T11199FR

GREENHILLS

France

Courtaulds Textiles (Holdings) Limited 24, 25

1469619
03-Jun-1988

931582
03-Jun-1988

REG

08-Jun-2008

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T34184EM-A T	JOY	Austria	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-B Y	JOY	Benelux	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM	JOY	Community Trademark	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-D K	JOY	Denmark	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-FI	JOY	Finland	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-F R	JOY	France	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-D E	JOY	Germany	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-G R	JOY	Greece	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-IE	JOY	Ireland	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T34184EM-P T	JOY	Portugal	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-E S	JOY	Spain	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-S E	JOY	Sweden	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T34184EM-G S	JOY	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27	001496801 08-Feb-2000		PEN	
T25251DE	KENSINGTON BY CHRISTY	Germany	Courtaulds Textiles (Holdings) Limited	24, 27	39824266.6 02-May-1998	39824266 26-Jun-1998	REG	02-May-2008
T24322GB	LEAF DEVICE (Series of 4)	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27	2142359 18-Aug-1997	2142359 05-Jun-1998	REG	16-Aug-2007
T24320GB	PANACHE	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 27	2144300 06-Sep-1997	2144300 18-Sep-1998	REG	06-Sep-2007
T22478GB	RENAISSANCE	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25	2129200 10-Apr-1997	2129200 02-Oct-1998	REG	10-Apr-2007
T28447AU	RENAISSANCE BY CHRISTY	Australia	Courtaulds Textiles (Holdings) Limited	24	775503 13-Oct-1998	775503 17-Sep-1999	REG	13-Oct-2008
T22181KR	RENAISSANCE BY CHRISTY	Korea (South)	Courtaulds Textiles (Holdings) Limited		97-44054 18-Sep-1997	438557 20-Jan-1999	REG	20-Jan-2009
T28447NZ	RENAISSANCE BY CHRISTY	New Zealand	Courtaulds Textiles (Holdings) Limited	24	298862 28-Sep-1998	298862 23-Mar-1999	REG	28-Sep-2005

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
788	ROYAL	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	63969 13-Apr-1887	63969 13-Apr-1887	REG	13-Apr-2009
1763	ROYAL TURKISH TOWELS	France	Courtaulds Textiles (Holdings) Limited	24		1349059 06-Apr-1976	REG	02-Apr-2006
1965	ROYAL TURKISH TOWELS	Italy	Courtaulds Textiles (Holdings) Limited	24	07-Apr-1976	333074 05-Jul-1982	REG	07-Apr-2006
789	ROYAL TURKISH TOWELS	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	46118 04-Jul-1885	46118	REG	04-Jul-2007
T35092GB	SOAK CHRISTY SOAK SOAK BY CHRISTY SOAK SPIRIT SPIRIT SOAK SOAK BY SPIRIT SOAK C2 C2 SOAK SOAK BY C2	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27	2235387		PEN	
T32160DE	SPANGLEY	Germany	Courtaulds Textiles (Holdings) Limited	24, 27	399607129 01-Oct-1999	39960712 17-Jan-2000	REG	01-Oct-2009
T31022GB	SPANGLEY BY CHRISTY	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 27	2200192 15-Jun-1999	2200192 10-Dec-1999	REG	15-Jun-2009
T35722GB	SXI	United Kingdom	Courtaulds Textiles (Holdings) Limited	24, 25, 27	2235665 12-Jun-2000		PEN	
T34364EM-A T	TUBBY TOM	Austria	Courtaulds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-B X	TUBBY TOM	Benelux	Courtaulds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	

T34364EM TUBBY TOM

Community Trademark Courtauds Textiles (Holdings) Limited 24

001542935
07-Mar-2000

PEN

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TRADEMARK
REEL: 002190 FRAME: 0117

Report 3 - TM - Listing by Trademark, Country

TM/ID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T34364EM-D K	TUBBY TOM	Denmark	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-FI	TUBBY TOM	Finland	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-F R	TUBBY TOM	France	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-D E	TUBBY TOM	Germany	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-G R	TUBBY TOM	Greece	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-I-E	TUBBY TOM	Ireland	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-I-T	TUBBY TOM	Italy	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-P T	TUBBY TOM	Portugal	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T34364EM-E S	TUBBY TOM	Spain	Courtauds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	

T34364EM-S TUBBY TOM
E

Sweden

Courtaulds Textiles (Holdings) Limited 24

001542935

PEN

07-Mar-2000

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Report 3 - TM - Listing by Trademark, Country

TMID	Trademark	Country	Registered Owner	Classes	App No/ App Date	Reg No/ Reg Date	Status	Next Renewal
T34364EM-G B	TUBBY TOM	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	001542935 07-Mar-2000		PEN	
T32676GB	WOODLAND WALK	United Kingdom	Courtaulds Textiles (Holdings) Limited	24	2209863 29-Sep-1999	2209863 17-Mar-2000	REG	29-Sep-2009

End of Report: printed

04-Jul-2000

FIFTH SCHEDULE

Part 2

REGISTERED DOMAIN NAMES

3 July 2000

DOMAIN NAME SCHEDULE FOR 68272

Christy c/o Courtaulds Textiles

Case Number CHRH T00024318US
Applicant Courtaulds Textiles (Holdings)
Domain Name christy-towels.com
Trademark Application Date 12 September 1997 D
Registration Date 15 September 1997 D

Case Number CHRH T00024319GB
Applicant Courtaulds Textiles (Holdings)
Domain Name christy-towels.co.uk
Trademark Application Date 12 September 1997 D
Registration Date 12 September 1997 D

Case Number CHRH T00032941US
Applicant Courtaulds Textiles (Holdings)
Domain Name ashtons-towels.com
Trademark Application Date 16 September 1999 D
Registration Date 16 September 1999 D

Case Number CHRH T00032942US
Applicant Courtaulds Textiles (Holdings)
Domain Name greenhills-towels.com
Trademark Application Date 16 September 1999 D
Registration Date 16 September 1999 D

Case Number CHRH T00034863GB
Applicant Courtaulds Textiles (Holdings)
Domain Name christytowels.co.uk
Trademark Application Date 15 March 2000 D

Registration Date 15 March 2000 D

Case Number CHRH T00034864US
Applicant Courtaulds Textiles (Holdings)
Domain Name christytowels.com
Trademark Application Date 14 March 2000 D
Registration Date 14 March 2000 D

Case Number CHRH T00035577GB
Applicant Courtaulds Textiles (Holdings)
Domain Name ashtontowels.co.uk
Trademark Application Date 22 May 2000 D
Registration Date 22 May 2000 D

Case Number CHRH T00035578GB
Applicant Courtaulds Textiles (Holdings)
Domain Name ashtontowel.co.uk
Trademark Application Date 22 May 2000 D
Registration Date 22 May 2000 D

Case Number CHRH T00035579GB
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtonstowels.co.uk
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035580GB
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtonstowel.co.uk
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035581US
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtontowels.com
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035582US
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtontowel.com
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035583US
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtonstowels.com
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035584US
 Applicant Courtaulds Textiles (Holdings)
 Domain Name ashtonstowel.com
 Trademark Application Date 22 May 2000 D
 Registration Date 22 May 2000 D

Case Number CHRH T00035772GB

Applicant Courtaulds Textiles (Holdings)
Domain Name christytowel.co.uk
Trademark Application Date 12 June 2000 D
Registration Date 12 June 2000 D

Case Number CHRH T00035773GB
Applicant Courtaulds Textiles (Holdings)
Domain Name christystowels.co.uk
Trademark Application Date 12 June 2000 D

3 July 2000

DOMAIN NAME SCHEDULE FOR 68272 Christy c/o Courtaulds Textiles

Registration Date 12 June 2000 D

Case Number CHRH T00035774GB
Applicant Courtaulds Textiles (Holdings)
Domain Name christytowel.co.uk
Trademark Application Date 12 June 2000 D
Registration Date 12 June 2000 D

Case Number CHRH T00035776US
Applicant Courtaulds Textiles (Holdings)
Domain Name christytowel.com
Trademark Application Date 12 June 2000 D
Registration Date 12 June 2000 D

Case Number CHRH T00035777US
Applicant Courtaulds Textiles (Holdings)
Domain Name christystowels.com
Trademark Application Date 12 June 2000 D
Registration Date 12 June 2000 D

Case Number CHRH T00035778US
Applicant Courtaulds Textiles (Holdings)
Domain Name christytowel.com
Trademark Application Date 12 June 2000 D
Registration Date 12 June 2000 D

Case Number CHRH T00035943US
Applicant Courtaulds Textiles (Holdings)
Domain Name c2bathroom.com

Trademark Application Date 28 June 2000 D
Registration Date 28 June 2000 D

Class Number CHRH T00035944GB
Applicant Courtaulds Textiles (Holdings)
Domain Name c2bathroom.co.uk
Trademark Application Date 28 June 2000 D
Registration Date 28 June 2000 D

End of report . . .

3 July 2000

Clients Schedule for 68272 Christy c/o Courtaulds Textiles

Case Number	CHRD	D0000106OGB
Clients Reference	3120	(MO4978)
Applicant	Courtaulds Textiles (Hold) Ltd	
Title	Towel	.

App Number and Date	600479	12 February 1991 D
Grant Number and Date	600479	12/02/91 D

End of report . . .

SIXTH SCHEDULE

REGISTERED DESIGNS

CHRISTY

Registration No.	Filing Date	Renewal Date	Owner
600405	26.09.90	26.09.00	Courtaulds Textiles (Holdings) Limited
600479	12.02.91	12.02.01	Courtaulds Textiles (Holdings) Limited

SEVENTH SCHEDULE

WARRANTIES

1. THE VENDOR

- 1.1. (A) The Vendor is not in voluntary or compulsory liquidation and no receiver or administrator has been appointed over any of the assets employed in the Business, and (B) the Vendor has full corporate power to carry on the Business as it is now being carried on
- 1.2. No unsatisfied judgement, order or award is outstanding against the Vendor in relation to the Business and no distress or execution has been levied on, or other process commenced against, any asset of the Vendor in relation to the Business, in each case in relation to a sum in excess of £20,000.
- 1.3. The Vendor has full corporate power and authority to enter into and perform its obligations under this Agreement and the signing of this Agreement does not violate any provision of the Vendor's Memorandum and Articles of Association or any order arbitration award judgement or decree to which the Vendor is a party or by which it is bound.
- 1.4. The Board of Directors of the Vendor has taken all action required by law, their Memorandum and Articles of Association or otherwise to authorise the signing and performance of this Agreement by or on behalf of the Vendor.
- 1.5. So far as the Vendor is aware, the particulars relating to the Sale Assets set out in the Third, Fourth, Fifth and Sixth Schedules to this Agreement are true and accurate in all material respects.

2. SALE ASSETS AND ACCOUNTS

- 2.1. The Accounts fairly state in all material respects the position, assets and liabilities, reserves and provisions of the Business at the Accounts Date and the profits or losses of the Business for the year ended on the Accounts Date. For the purposes of interpreting this Warranty this Warranty is given only by reference to, and the Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied by the Vendor in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this Warranty 2.1 unless the overall effect of any inaccuracies in the Accounts (positive and negative) results in the profits or net assets of the Business for the year ended on the Accounts Date being overstated by more than £100,000

Provided that if such is the case the Vendor shall (subject to any other provision of this Agreement) be liable in respect of all loss arising out of such overall effect of the inaccuracies and not just the excess over £100,000.

- 2.2. The Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied by the Vendor in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this Warranty 2.2 unless the effect of any failure in breach of this Warranty results in the profits or net assets of the Business for the year ended on the Accounts Date being overstated by more than £100,000 Provided that if such is the case the Vendor shall (subject to any other provision of this Agreement) be liable in respect of all loss arising out of such failure and not just the excess over £100,000.

- 2.3. The Vendor owned at the Accounts Date all the assets included in the Accounts, and particulars of all fixed assets with a cost in excess of £25,000 acquired or, so far as the Vendor is aware, agreed to be acquired by the Vendor since the Accounts Date are set out in the Disclosure Letter.
- 2.4. Always excluding stock agreed to be sold or sold or agreed to be purchased or purchased in the ordinary course of trading, the Vendor has not since the Accounts Date disposed or, so far as the Vendor is aware, agreed to dispose of, any fixed assets or acquired or agreed to be disposed of any fixed assets with a cost in excess of £25,000.
- 2.5. The Vendor is entitled to sell and transfer the Sale Assets with full title guarantee on the terms set out in this Agreement.

3. **CHRISTY GMBH**

- 3.1. The Christy GmbH Accounts fairly state in all material respects the position, assets and liabilities, reserves and provisions of Christy GmbH at the Accounts Date and the profits or losses of Christy GmbH for the year ended on the Accounts Date. For the purposes of interpreting this Warranty this Warranty is given only by reference to, and the Christy GmbH Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied by the Vendor in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this

Warranty 3.1 unless the overall effect of any inaccuracies in the Christy GmbH Accounts (positive and negative) results in the profits or net assets of Christy GmbH for the year ended on the Accounts Date being overstated by more than £20,000 or local equivalent. Provided that if such is the case the Vendor shall (subject to any other provision of this Agreement) be liable in respect of all loss arising out of any such inaccuracies and not just the excess over £20,000 or local equivalent or loss arising out of such inaccuracies over £20,000 or local equivalent.

- 3.2. The Christy GmbH Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this Warranty 3.2 unless the effect of any failure in breach of this Warranty results in the profits or net assets of Christy GmbH for the year ended on the Accounts Date being overstated by more than £20,000 or local equivalent. Provided that if such is the case the Vendor shall (subject to any other provision of this Agreement) be liable in respect of all loss arising out of such failure and not just the excess over £20,000 or local equivalent.

- 3.3. Christy GmbH is a private company limited by shares incorporated in Germany and the information set out in the Eleventh Schedule is correct in all material respects.
- 3.4. Neither the Vendor nor any other member of the Vendor's Group is party to any agreement or arrangement to acquire any shares or other interests in Christy GmbH in addition to the shareholding specified in the Eleventh Schedule.
- 3.5. Christy GmbH has not declared, paid or made any dividends or other distributions of any nature to its shareholders in the period since the Accounts Date, with the exception of payments pursuant to the group profit pooling agreement to which Christy GmbH is a party.
- 3.6. The Disclosure Letter contains copies or all material details of any agreement or articles of association (or equivalent) or similar in relation to the shareholding in Christy GmbH or the constitution of its Board of Directors.
- 3.7. So far as the Vendor is aware, Christy GmbH is not a party to any litigation or other proceedings (whether current, pending or threatened), nor is it subject to any investigation by any government or other competent authority, which may have a material adverse effect on its finances or operations.

- 3.8. So far as the Vendor is aware there is no dispute with any revenue, or other official department in Germany or elsewhere, in relation to the affairs of Christy GmbH.
- 3.9. The capital contributions on the Christy Shares have been paid up in full and have not been repaid to the shareholders; the Christy Shares have not been pledged and are not subject to any other rights by third parties.
- 3.10. The Christy Shares constitute the whole of the allotted and issued share capital of Christy GmbH, are fully paid up, are not subject to any call and have been properly allotted and issued and there are no other options or agreements outstanding which call for the issue of or accord to any person the right to call for the issue or transfer of any shares in the capital of Christy GmbH.
- 3.11. Since the Accounts Date there has been no resolution of, or agreement in relation to Christy GmbH, by the members of Christy GmbH which may have a material adverse effect on the Business or the business of Christy GmbH.
- 3.12. So far as the Vendor is aware, Christy GmbH has obtained all material licences, permissions, authorisations and consents required for it lawfully to own and operate its assets and to carry on its business as such have been operated and carried on within the Vendor's Group and such are in full force and effect and so far as the Vendor is aware no notice has been received that Christy GmbH is in breach of any of the terms and conditions attached thereto.
- 3.13. Christy GmbH owned (legally and beneficially and free from Encumbrances) at the Accounts Date all the assets included in the Christy GmbH Accounts, and particulars of all fixed assets with a cost in excess of £25,000 or equivalent acquired or, so far as the Vendor is aware, agreed to be acquired by Christy GmbH since the Accounts Date are set out in the Disclosure Letter.
- 3.14. Always excluding stock agreed to be sold or sold or agreed to be purchased or purchased in the ordinary course of trading, Christy GmbH has not since the Accounts Date disposed, charged or encumbered, or, so far as the Vendor, is aware agreed to dispose of, any fixed assets or acquired or agreed to acquire any fixed assets with a cost in excess of £25,000 or equivalent.
- 3.15. All the property and assets which are described and included in the Christy GmbH Accounts and/or in the books of account or records of Christy GmbH as assets of Christy GmbH are legally and beneficially owned by Christy GmbH with good title free from all Encumbrances and so far as the Vendor is aware there is not any agreement or commitment to give or create, and no claim has been made by any person entitled to any Encumbrance.

- 3.16. Other than arrangements with the Business and arrangements in Germany relating to taxation and banking finance which will terminate on Completion, there is not outstanding in connection with the business of Christy GmbH any agreement or arrangement between Christy GmbH and any other company which is a member of the Vendor's Group.
- 3.17. Christy GmbH does not have outstanding:
- 3.17.1. any borrowing or indebtedness in the nature of borrowing including any bank overdrafts, liabilities under acceptances (otherwise than in respect of normal trade bills) and acceptance credits, with the exception of an inter-company loan referred to in Clause 6 of this Agreement and related banking liabilities which will be discharged on Completion;
- 3.17.2. so far as the Vendor is aware any guarantee indemnity or undertaking binding on Christy GmbH to procure the solvency of any person or any similar obligation.
- 3.18. Christy GmbH has not since its incorporation had any subsidiary or subsidiary undertaking.
- 3.19. So far as the Vendor is aware, Christy GmbH has not materially violated any obligation or legal duty (contractual, statutory, Environmental Laws or otherwise) (which shall include without limitation the keeping of statutory books or equivalent documents and the filing of returns or documents with regulatory authorities in Germany), Provided that the term "materially violated" shall mean a violation which is or could reasonably be expected to be material in the context of the financial or trading position of Christy GmbH.
- 3.20. So far as the Vendor is aware, Christy GmbH has not given any power of attorney or other similar authority which is still outstanding to any person to enter into any contract or commitment or do anything on its behalf (other than authority of directors or employees of Christy GmbH), excluding for the avoidance of doubt sales agents representing Christy GmbH in the ordinary course of business.
- 3.21. No insolvency proceedings have commenced in relation to Christy GmbH, no distress, execution or other process has been levied on any of its assets, it has not suspended payment and is not insolvent or unable to pay its debts and there is no unfulfilled or unsatisfied judgement, arbitration award or court order or arbitration order outstanding against it.
- 3.22. The following Warranties in this Seventh Schedule shall be deemed repeated with respect to Christy GmbH as if the references therein to the Business were to Christy GmbH and the references therein to the Vendor (other than in the expression "so far as the Vendor is aware") to the Vendor or Christy GmbH:- Warranties 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 8.1 to 8.8 (inclusive) and 9.1 to 9.3 (inclusive).

4. CHRISTY US

- 4.1. Courtaulds Textiles America Inc. is a corporation duly organized, validly existing and in good standing under the laws of Delaware, and has all requisite power and authority to own, operate and lease the Sale Assets and to carry on the Business as presently conducted.
- 4.2. Courtaulds Textiles America Inc. is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the ownership, operation or lease of the Sale Assets or the conduct of the Business requires such licensing or qualification, except where the failure to be so licensed or qualified or in good standing would have a material adverse effect on the Business.
- 4.3. Christy US is a trading division of Courtaulds Textiles America Inc.
- 4.4. The Accounts fairly state in all material respects the position, assets and liabilities, reserves and provisions of the Christy US Business at the Accounts Date and the profits or losses of the Christy US Business for the year ended on the Accounts Date. For the purposes of interpreting this Warranty this Warranty is given only by reference to, and the Christy US Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied by the Vendor in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this Warranty 4.4 unless the overall effect of any inaccuracies in the Christy US Accounts (positive and negative) results in the profits or net assets of the Christy US Business for the year ended on the Accounts Date being overstated by more than £40,000 (or local equivalent) Provided that if such is the case the Vendor shall (subject to any other provision of this Agreement) be liable in respect of all loss arising out of such overall effect of the inaccuracies and not just the excess over £40,000 or local equivalent.

- 4.5. The Christy US Accounts were prepared in all material respects in accordance with the Accounting Policies and otherwise, so far as consistent with the Accounting Policies and with accounting principles and practices consistently applied in the statutory accounts of the Vendor, to generally accepted accounting principles and practices in the United Kingdom applicable at the Accounts Date.

For the purposes of interpreting the words "in all material respects" the parties agree that the Vendor shall not be liable in respect of a claim for breach of this Warranty 4.5 unless the effect of any failure in breach of this Warranty results in the profits or net assets of the Christy US Business for the year ended on the Accounts Date being overstated by more than £40,000 (or local equivalent) Provided that if such is the case the Vendor shall (subject to any other provision

of this Agreement) be liable in respect of all loss arising out of such failure and not just the excess over £40,000 or local equivalent.

- 4.6. Always excluding assets agreed to be sold or sold or agreed to be purchased or purchased in the ordinary course of trading, so far as the Vendor is aware, Courtaulds Textiles America Inc. has not in relation exclusively to Christy US since the Accounts Date disposed or agreed to dispose of any fixed assets or acquired or agreed to acquire any fixed assets with a cost in excess of \$15 ,000.
- 4.7. The US Property comprises all the land and premises owned used or occupied by Christy US.
- 4.8. So far as the Vendor is aware, Christy US is not a party to any litigation or other proceedings (whether current, pending or threatened), nor is it subject to any investigation by any government or other competent authority, which may have a material adverse effect on its finances or operations.
- 4.9. All of the Employees (as defined in the Christy US Agreement) are employed by Courtaulds America in connection with the Christy US Business and no other person other than the Employees (as defined in the Christy US Agreement) is now employed in connection with the Christy US Business by Courtaulds America, excluding for the avoidance of doubt independent sales agents, representatives and distributors.
- 4.10. The following Warranties in this Seventh Schedule shall be deemed repeated with respect to Christy US as if the references therein to the Business were to Christy US and the references therein to the Vendor (other than in the expression "so far as the Vendor is aware") were to Courtaulds Textiles America Inc:- Warranties 6.1, 6.2, 6.3, 6.4, 6.6, 7.1 (in respect of which legal duty shall include Environmental Laws), 7.2, 7.4, 8.1 to 8.8 (inclusive) and 9.1 to 9.3 (inclusive) .

5. THE PROPERTY

- 5.1. So far as the Vendor is aware, the Vendor has not received in its operations, functions or departments outside the Business any written notice, communication or claim of any nature relating to the Property, whether from a third party or local authority or otherwise,, which remains outstanding and may have a material adverse effect on the Purchaser's use and enjoyment of the Property.
- 5.2. The Property, the Concessions and the factory shop in Zorbit's premises in Wigan comprise all the land and premises owned used or occupied by the Business.
- 5.3. The Vendor has not received in its operations, functions or departments outside the Business a written notification that any planning permission affecting the Property has been revoked or modified and a period of three months has expired since the grant of any permission without, so far as the Vendor is aware, any

person making either an application under Order 53 of the rules of the Supreme Court or an application under s 288 Town and Country Planning Act 1990.

- 5.4. The Vendor has not received in its operations, functions or departments outside the Business written notification of any claim by a third party to an interest or right in or to the Property.
- 5.5. The Property is free from any mortgage debenture or charge (whether specific or floating legal or equitable) securing the repayment of monies or other obligation or liability whether of the Vendor or any other party
- 5.6 Subject to the disclaimer contained in the replies to enquiries dated 7 June 2000 the replies of the Vendor to the written enquiries of the Purchaser's Solicitors are correct so far as the Vendor is aware.

6. **CONTRACTS AND COMMITMENTS**

- 6.1. The Vendor has not received in its operations, functions or departments outside the Business any written notice of any breach or default by a member of the Vendor's Group of any of the Contracts which may have a material adverse effect on the financial or trading position of the Business.
- 6.2. The Vendor has not created nor has it agreed to create in relation to the Business any mortgage, debenture, lien, charge or other similar encumbrance or security interest over all or any of its property assets undertaking or goodwill.
- 6.3. There are no guarantees, suretyships, indemnities or similar commitments (whether secured or unsecured) given by the Vendor's parent company, Courtaulds Textiles plc, or by any subsidiary of Courtaulds Textiles plc other than the Vendor, in relation to the Business in respect of which obligations or liabilities (whether actual or contingent) are still outstanding.
- 6.4. The Vendor is not in relation to the Business a member of any partnership or joint venture.
- 6.5. So far as the Vendor is aware, the Vendor has not been notified by any of the following key customers and suppliers of the Business:- Marks & Spencer, The John Lewis Partnership, The Debenhams Group, Bloomingdales and the House of Fraser: that such person will refuse to deal with the Purchaser in connection with the Business following Completion or deal with it on a materially smaller scale or on substantially different terms than with the Vendor as a result of the sale and purchase of the Business hereunder.
- 6.6. The Vendor has not received any government grant in relation to the Business which is or may be liable to be refunded in whole or in part.

7. LITIGATION ETC.

- 7.1. So far as the Vendor is aware, the Vendor has not received in its operations, functions or departments outside the Business any written notice or claim which is still outstanding that the Vendor has in the course of carrying on the Business materially violated any obligation or legal duty (contractual, statutory or otherwise) Provided that the term "materially violated" shall mean a violation which is or could reasonably be expected to be material in the context of the financial or trading position of the Business.
- 7.2. So far as the Vendor is aware, there is no material dispute with any revenue, or other official department in the United Kingdom or elsewhere, in relation to the affairs of the Business.
- 7.3. The Vendor is not engaged, at a central level and outside the involvement of the Managers, in any litigation or other legal proceedings relating to the Business.
- 7.4. There is not and has not been in the three years preceding the date of this Agreement any material dispute with the relevant authorities relating to tax or social security matters of any members of the Vendor's Group in relation to the Business.

8. INTELLECTUAL PROPERTY

- 8.1. Details of all registered intellectual property (including applications to register the same) owned by the Vendor in relation to the Business and which are material to the operation of the Business are set out in the Fifth and Sixth Schedules to this Agreement.
- 8.2. Apart from the Trademarks, the Registered Designs and the Domain Name, no registered intellectual property rights are used by the Vendor to carry on the Business, apart from trademarks owned by own-label customers or used under licences disclosed in the Disclosure Letter provided that no representation or warranty as to conflict with the rights of others is hereby given except as expressly set forth in Paragraph 8.3.
- 8.3. So far as the Vendor is aware, the Vendor has not received written notice in its operations, functions or departments outside the Business that the conduct of the Business infringes the intellectual property rights of any other person, nor that the Vendor has become liable to make any payment of any royalty or of any sum in the nature of any royalty to any such person in relation to the Business.
- 8.4. So far as the Vendor is aware and save for those agreements listed in the Disclosure Letter, the Vendor in relation to the Business has not entered into any agreement or arrangement for the licensing or otherwise permitting or authorising the use or exploitation of the Intellectual Property or which would prevent restrict or otherwise inhibit the Purchaser's freedom to use and exploit the Intellectual Property.

- 8.5. So far as the Vendor is aware, other than in the ordinary course of the Business or subject to appropriate confidentiality undertakings, the Vendor has not disclosed any material intellectual property or know-how or Confidential Information in relation to the Business to any third party.
- 8.6. The Vendor does not in relation to the Business, carry on business under a name other than its own corporate name or the Names or a name which is part of the Intellectual Property.
- 8.7. None of the computer systems used by the Vendor exclusively in relation to the Business is wholly or partly dependent on any other system or software of or used by a member of the Vendor's Group which will not transfer to the Purchaser (whether as a transferred asset or a right to use under the Contracts) under the terms of this Agreement.
- 8.8. So far as the Vendor is aware, none of the Records are recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic processes whether computerised or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of the Vendor in relation to the Business.

9. **COMPETITION**

- 9.1. The Vendor is not in respect of the Business prevented by any judgements from carrying on its business operations or from competing with any third parties in any areas of business or at any location.
- 9.2. The Vendor is not in relation to the Business a party to any agreement or arrangement, or has been involved in any business practice, in respect of which an undertaking has been given by or an order made against or in relation to it pursuant to any anti-trust or similar legislation in any jurisdiction in which it carries on business or has sales.
- 9.3. The Vendor is not in relation to the Business a party to any agreement or arrangement and is not involved in any business practice in respect of which:
 - 9.3.1. any request for information, statement of objections or similar matter has been received by the Vendor in its operations, functions or departments outside the Business from any court, tribunal, governmental, national or supra-national authority; or
 - 9.3.2. an application for negative clearance or exemption has been made by the Vendor to the Commission of the European Union.

10. PENSIONS

- 10.1. Save for the Vendor's Scheme, there are no schemes, agreements, arrangements or promises to pay, provide or contribute towards any pensions, gratuities, superannuation allowances or the like, or otherwise to provide "relevant benefits" within the meaning of Section 612 Taxes Act (as defined in the Ninth Schedule) for or in respect of any of the Employees.
- 10.2. All material particulars of the Vendor's Scheme are contained in, or annexed to, the Disclosure Letter. In particular, the following documents are disclosed:
 - 10.2.1. the trust deed and rules currently constituting and governing the Vendor's Scheme including all amendments made to them;
 - 10.2.2. all explanatory booklets notices and announcements of current effect.

These documents contain full details of the nature of the benefits payable under the Vendor's Scheme in respect of the Employees. No power to increase those benefits or to provide different benefits, or to admit to membership any Employee who would not otherwise have been eligible for membership or to pay a contribution which would not otherwise have been paid, has been exercised in respect of any of the Employees other than decisions to modify the benefits of members of the Vendor's Scheme generally as reflected in the up-to-date documentation referred to in Para 10.2.2. above.
- 10.3. The Vendor's Scheme is approved by the Pension Schemes Office of the Inland Revenue as an exempt approved scheme and has at all times been administered in accordance with any applicable legislation, regulations and requirements. So far as the Vendor is aware there has been no failure to comply with any applicable law, regulation or requirement which would or might result in the Vendor's Scheme losing exempt approval.
- 10.4. A Contracting-out Certificate within the meaning of the Pension Schemes Act 1993 is in force under the provisions of that Act in respect of the Vendor's Scheme.
- 10.5. The Vendor has complied with all its obligations under the Vendor's Scheme and has paid all amounts due to the Trustees of the Vendor's Scheme.
- 10.6. The Vendor has notified the Purchaser of the rate at which contributions or premiums to the Vendor's Scheme are paid and the basis on which they are calculated and whether they are paid in advance or in arrears. All amounts due to the Vendor's Scheme in respect of the Employees have been paid. The Vendor has not made any commitment which would have the effect of increasing the level of contributions or premiums payable to the Vendor's Scheme.
- 10.7. The Vendor's Scheme has not commenced winding-up or ceased to admit new members.

- 10.8. So far as the Vendor is aware, there are no claims outstanding or threatened against the trustees of the Vendor's Scheme by or in respect of any of the Employees.

11. ENVIRONMENTAL MATTERS

- 11.1. So far as the Vendor is aware the Vendor is not with respect to the Business in violation of, and the Business as currently conducted does not violate, in any material respect any Environmental Law.
- 11.2. The Vendor has not received written notice in its operations, functions or departments outside the Business that or alleging that there exists or has existed in the 3 years preceding the date of this Agreement any statutory nuisance (as defined in Sections 79-85 of the Environmental Protection Act 1990) on or arising from the Property or any of the other Sale Assets, with respect to or generated by the Business as currently conducted.
- 11.3. Except within the course of regular inspections by the competent authorities under the respective national laws the Vendor has not in respect of the Business been the subject of any environmental audit or investigation by or at the request of any administrative or regulatory authority and no objections or complaints relating to environmental matters have been made in writing to the Vendor in relation to the Business, by any administrative or regulatory authorities concerning its conduct.
- 11.4. The Disclosure Letter contains copies of any environmental survey, report or audit commissioned by the Vendor from any third party in relation to the Property in the last 3 years.
- 11.5. So far as the Vendor is aware, the Vendor has obtained and fully complied in all material respects with the terms and conditions of all Permits required for the Business. All current Permits remain in full force and effect and as far as the Vendor is aware there is no reason why any such Permits may be revoked, modified or suspended in the ordinary course.
- 11.6. There are no actual civil, criminal or administrative actions, claims, proceedings or suits against the Business arising from or relating to Permits or Environmental Law and, so far as the Vendor is aware, no such actions, claims, proceedings or suits are threatened against the Business.
- 11.7. So far as the Vendor is aware, the Vendor, in relation to the Business, has in the three years prior to Completion not received any notice of enforcement, prohibition, improvement, remediation or other notice of equivalent nature, or any judgment order, decree, award, demand or decision in respect of the Environment from any court, tribunal arbitrator or governmental or regulatory authority and so far as the Vendor is aware there have been no complaints, investigation, enquiries, requests, for information or other written notices of

threatened claims or legal actions or any written notices received by the Business in respect of the need under Environmental Law for investigation, remediation or other works in respect of the Property or the Environment from any person including, without limitation, any Competent Authority, in the three years prior to Completion which could have a material adverse effect on the Business.

12. INSURANCES

- 12.1. The Business is and has been at all material times covered by valid insurance against the normal risks for the type of Business carried on and assets and stock-in-trade owned or used by it, as part of the Courtaulds Textiles Group insurance arrangements, which insurance and arrangements shall terminate on the Effective Time.
- 12.2. The Disclosure Letter contains an accurate summary of all insurance policies maintained by the Vendor in respect of the Business. The premiums related to such insurance coverage are fully paid.
- 12.3. The Disclosure Letter contains an accurate summary of all claims under such insurance policies in excess of £20,000 which have been made by the Vendor in relation to the Business in the period of 2 years prior to the Effective Time.

13. TAXATION

- 13.1. The Purchaser will not by virtue of its purchase of the Sale Assets from the Vendor under this Agreement become liable for any Taxation primarily payable by the Vendor, or by any company which is or at any time has been a member of the same group as the Vendor for any Taxation purpose, in respect of any period prior to the Effective Time.
- 13.2. All instruments (other than those which have ceased to have any legal effect) in the possession or under the control of the Vendor or to the production of which the Vendor is entitled and which relate to any Sale Assets have been duly stamped.
- 13.3. The Vendor has in all material respects made payment in full of all taxes of whatever nature falling due and payable prior to the Effective Time in respect of the Business and the Sale Assets.
- 13.4. The Vendor has, in all material respects, in respect of the Business complied with all statutory requirements, orders, provisions, directions or conditions relating to VAT.
- 13.5. The Vendor has, in all material respects, in respect of the Business complied with all obligations in relation to the PAYE system for collection of tax, including (without limitation) all requirements to deduct and account for income

tax and national insurance contributions.

- 13.6. So far as the Vendor is aware, the Disclosure Letter describes any investigations made by the Inland Revenue within three years prior to the date hereof into or affecting the payment of tax and national insurance contributions on benefits by the Vendor in relation to the Business.
- 13.7. No election has been made and no election will be made on or before Completion under paragraph 2 of schedule 10 Value Added Tax Act 1994 in relation to the Property.
- 13.8. None of the Assets is a capital item the input tax on which may be subject to adjustment under Part VA Value Added Tax (General) Regulations 1985.
- 13.9. None of the Assets is or may be the subject of any charge, security, power of sale or other encumbrance or liability arising in respect of inheritance tax or VAT.

EIGHTH SCHEDULE

CONSIDERATION FOR INDIVIDUAL ASSETS

- (1) Property;
 - £1,137,000;
- (2) Equipment;
 - The value of such assets as shown in the Operating Capital Statement,
- (3) Stocks;
 - The value of such assets as shown in the Operating Capital Statement;
- (4) Prepayments;
 - The value of such assets as shown in the Operating Capital Statement;
- (5) the benefit of the Contracts and the Records;
 - £1
- (6) the Registered Designs
 - £1
- (7) the Intellectual Property;
 - £10,000
- (8) the Goodwill;
 - £1
- (9) the Names and the Trademarks;
 - The amount of the Consideration less the total of the items (1) to (8) above.

NINTH SCHEDULE

PENSIONS

1. Interpretation

1.1. For the purposes of this Schedule:-

1.1.1. "Eligible Employees" means those Employees who are active members of the Vendor's Scheme or any further employees of the Purchaser in the Business who become members of the Vendor's Scheme prior to the Transfer Date but only so long as they remain employees of the Purchaser in the Business;

1.1.2. "Transfer Date" means whichever is the earliest of:

1.1.2.1. the date which is one year after the Completion Date;

1.1.2.2. such earlier date as the Purchaser may notify in writing to the Vendor; or

1.1.2.3. such other date as the Vendor and the Purchaser may agree in writing such agreement not to be unreasonably withheld or delayed;

1.1.3. "Participation Period" means the period commencing on the day immediately after the Completion Date and ending on the day immediately before the Transfer Date;

1.1.4. "Purchaser's Actuary" means a Fellow of the Institute of Actuaries appointed by the Purchaser for the purposes of this schedule;

1.1.5. "Purchaser's Scheme" means the defined contribution retirement benefits scheme to be established and maintained by the Purchaser in respect of the Eligible Employees, referred to in Paragraph 3 below;

1.1.6. "Trust Deed and Rules" means the consolidated trust deed dated 5 April 1997 relating to the Vendor's Scheme together with the Rules scheduled thereto, a copy of which is contained in the Agreed Bundle;

1.1.7. "Vendor's Actuary" means a Fellow of the Institute of Actuaries appointed by the Vendor for the purposes of this schedule;

1.1.8. "Vendor's Scheme" means the Courtaulds Textiles Pension Scheme or, if the context so requires, its trustees;

1.1.9. Words and expressions used in Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 ("the Taxes Act"), or in the Trust Deed and Rules, shall have the same meanings in this Schedule.

2. The Vendor's Scheme

2.1. The Vendor shall use its best endeavours to procure that:

2.1.1. subject to the consent of the Commissioners of Inland Revenue (which the Vendor shall use its best endeavours to procure), the Eligible Employees will be permitted to remain members of the Vendor's Scheme and the Purchaser will be permitted to participate in the Vendor's Scheme throughout the Participation Period and the Vendor's Scheme shall continue to provide death benefits in respect of those Eligible Employees who are Associates in accordance with the terms of the Vendor's Scheme throughout the Participation Period; and

2.1.2. the Vendor's Scheme will be maintained, in relation to the Eligible Employees, in full force and effect and will not be terminated until after the Transfer Date and, except with the consent (such consent not to be unreasonably withheld or delayed) of the Purchaser:-

2.1.2.1.its provisions will not be amended in a manner which may adversely affect any of the Eligible Employees; prior to the Transfer Date; and

2.1.2.2.no power or discretion will be exercised in a manner which may adversely affect the interests under the Vendor's Scheme of any Eligible Employee or any spouse or dependant of such Eligible Employee;

2.1.2.3.its provisions will not be amended in a manner which may adversely affect the contributions payable to the Vendor's Scheme by the Purchaser during the Participation Period;

2.1.2.4.not to do or omit to do any act or thing which would or might prejudice the status of the Vendor's Scheme as an exempt approved scheme or as a contracted out scheme within the meaning of the Pension Schemes Act 1993.

2.2. The Purchaser undertakes that it will:-

2.2.1. pay to the Vendor's Scheme contributions in respect of the Eligible Employees in respect of the Participation Period, calculated at the rate of 11.4% per annum of the Fund Earnings of the Eligible Employees, and in addition the Purchaser will collect on the due date and forthwith pay on to the Vendor's Scheme all pension contributions made in respect of the Vendor's Scheme by Eligible Employees during the Participation Period;

- 2.2.2. comply during the Participation Period in all other respects with the provisions of the Vendor's Scheme as far as they are applicable to the Purchaser;
 - 2.2.3. not do or omit to do during the Participation Period any act or thing whereby the approval of the Vendor's Scheme as an exempt approved scheme or as a contracted out scheme would or might be prejudiced;
 - 2.2.4. not, without the prior written approval of the Vendor, increase the Earnings (as defined in the Trust Deed and Rules of the Vendor's Scheme) of any Eligible Employee (including the Managers with respect to their respective Earnings in their employment with the Vendor prior to Completion) during the Participation Period by a percentage exceeding 3.5% per annum Provided that without prejudice to its liability generally in respect of any breach of this provision and not later than 14 days after any such increase in breach of this paragraph shall have taken effect, pay to the Vendor's Scheme upon written demand by the Vendor such sum as the Vendor's Actuary shall reasonably certify as being necessary to meet the cost to the Vendor's Scheme of such excess increase;
 - 2.2.5. not exercise any power, right or discretion conferred on the Purchaser by the Vendor's Scheme other than with (and then only on the terms, whether as to payment of additional contributions or otherwise, as may be specified in) the prior written agreement of the Vendor.
- 2.3. The Vendor shall procure that the Purchaser is named in the contracting-out certificate held by Courtaulds Textiles plc as principal employer of the Vendor's Scheme in relation to the Vendor's Scheme in respect of the Participation Period and ceases to be named in that certificate with effect from the end of such period.
 - 2.4. The Vendor shall procure that such of the employments of the Eligible Employees as are contracted-out employments within the meaning of section 8 of the Pension Schemes Act 1993 by reference to the Vendor's Scheme at the Completion Date shall continue to be contracted-out employments by reference to the Vendor's Scheme throughout the Participation Period.
 - 2.5. The Vendor undertakes to indemnify and keep indemnified the Purchaser against all and any liabilities obligations, costs, claims losses, demands, expenses and proceedings whatsoever arising out of or in connection with:
 - 2.5.1. any liability of the Purchaser in relation to the Vendor's Scheme under section 75 of the Pensions Act 1995 or under any regulation thereunder;
 - 2.5.2. any liability of the Purchaser in relation to any deficiency in the amount certified under clause 13(3) of the Trust Deed and Rules of the Vendor's Scheme;

- 2.5.3. any liability of the Purchaser in relation to any shortfall payable under clause 17(1)(d) of the Trust Deed and Rules of the Vendor's Scheme;
- 2.5.4. any liability of the Purchaser to contribute to the Vendor's Scheme, in respect of the Participation Period at a rate in excess of that set out in paragraph 2.2.1 above, except where payment is required due to breach by the Purchaser of any term of this Schedule;
- 2.5.5. any liability of the Purchaser to any Employee in relation to any breach by the Vendor's Scheme, in respect of service prior to the Transfer Date concerning the Vendor's Scheme, of sections 62 to 66 of the Pensions Act 1995 or of article 119 of the Treaty of Rome or of article 141 of the Treaty of Amsterdam or of any subordinate legislation thereunder or of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000;
- 2.5.6. any liability of the Purchaser, by virtue of being a participating employer in the Vendor's Scheme, arising from any of those Eligible Employees who are or have been performing their duties under their contracts of employment outside the United Kingdom not being for any reason entitled to their full benefits under the Vendor's Scheme, or being subject to any additional tax on those benefits, as a consequence of contravention of the rules applicable to exempt approved retirement benefits schemes under chapter I of Part XIV of the Taxes Act.

3. Retirement benefits to be provided by the Purchaser

The Purchaser shall procure that retirement benefits are made available to and in respect of the Eligible Employees in relation to any period after the Participation Period under a defined contribution company pension scheme having the following basic features:-

- 3.1. employee contributions at an average rate (determined by reference to the Eligible Employees as at the Completion Date) of 5% of pensionable salary (less the employee's "minimum payments" as defined in section 8(2) of the Pension Schemes Act 1993, if the Purchaser's Scheme is not a "contracted-out scheme" as defined in that Act);
- 3.2. employer contributions at an average rate (determined by reference to the Eligible Employees as at the Completion Date) of 8% of pensionable salary (less the employer's "minimum payments" as defined above if the Purchaser's Scheme is not a "contracted-out scheme" as defined above) but variable by age of employee to provide protection for older members;
- 3.3. death in service benefit comparable overall to that under the Vendor's Scheme and suitable ill health benefits.

4. Options for Eligible Employees

The Vendor shall procure that each Eligible Employee will have the option as at the Transfer Date to transfer his interest in the Vendor's Scheme to either another exempt approved pension scheme or to a personal pension policy or to retain his benefits in the Vendor's Scheme, and in each case the benefits under the Vendor's Scheme will be calculated on a past service reserve basis, such calculation to be on the basis commonly used in respect of the withdrawal of participating companies as set out in Clause 13 of the Trust Deed and Rules of the Vendor's Scheme and, for the avoidance of doubt, on the basis that each eligible Employee accrues benefits under the Vendor's Scheme by reference to completed additional months of pensionable service as well as complete years of pensionable service under the Vendor's Scheme in accordance with (so far, if any, as consistent therewith) the practice for accruing months' service in the operation of the Vendor's Scheme prior to the Completion Date.

5. No assistance to be given by the Purchaser

The Purchaser undertakes to take no action to assist (whether directly or indirectly) any Eligible Employee or any other person in any claim against the Vendor's Scheme which would result in the Vendor's Scheme having to pay a larger amount than the value referred to in Paragraph 4 above to the Purchaser's Scheme.

TENTH SCHEDULE

FOREX ARRANGEMENTS

TENTH SCHEDULE

FOREX ARRANGEMENTS

FX Deal Outstanding with CHRISTY

Date	Reference	User Ref	Deal With	Cur	Amount	Deal Rate	Vs. Cur	Contra Amount	Dealing Date	
DEM: Deutsche Mark										
23-Aug-00	FXF004268		CT HOME TEXT HYDE	DEM	600,000 10,178.00	3.1675	GBP	(189,423.84)	23-Mar-00	
Total DEM: Deutsche Mark					10,178.00			(189,423.84)		
EUR: Euro										
28-Jul-00	FXF002861		CT HOME TEXT HYDE	EUR	306,775 44,531.00	0.68060	GBP	(208,791.07)	05-Aug-99	
Total EUR: Euro					44,531.00			(208,791.07)		
USD: US Dollar										
27-Sep-00	FXF004267		CT HOME TEXT HYDE	USD	600,000 10,778.00	1.5711	GBP	(381,898.03)	23-Mar-00	
29-Nov-00	FXF003582		CT HOME TEXT HYDE	USD	800,000 13,568.00	1.5990	GBP	(500,303.31)	30-Nov-99	
Total USD: US Dollar					28,744.00			(882,201.34)		
Overall total								=====	(1,280,416.25)	=====

ELEVENTH SCHEDULE

PARTICULARS OF CHRISTY GMBH

Incorporated: 22.06.92

Place of registration: Christy GmbH
Wiesfleckenstrasse 12/1
D-72336 Frommern/Balingen

Registered office: Trade register in D-72336 Balingen under the number HRB 875

Authorised Capital: DM 50,000 shares

Issued Capital: DM 50,000 shares

Shareholders: Courtaulds Textiles Holding GmbH - DM 50,000 shares

Directors: Laurence Dols

Secretary: Notary Public

Accounting reference 31.12.1999
Date:

Charges/Security None

TWELFTH SCHEDULE

BILLS OF EXCHANGE

The following Suppliers have Bills of Exchange from the Business which shall mature after the Completion Date:

Supplier	Balance	Maturity
Ozdilek	£15,627	17/7
Ozdilek	£15,824	15/8
Healey Fabric	£11,547	31/7

THIRTEENTH SCHEDULE

TAX COVENANT - CHRISTY GMBH

Part 1

Definitions and interpretation

1. In this Schedule the following words and expressions shall (except where the context otherwise requires) have the following meanings:

"Accounts Relief" means a Relief which has been treated as an asset in the German Statement;

"Actual Tax Liability" means any liability of the Company to make a payment of or increased payment of or in respect of Tax;

"Claim for Tax" includes any claim, notice, demand, assessment, letter or other document issued or any action taken by or on behalf of any Tax Authority whether before or after the date hereof from which it appears that the Company has or may have a Tax Liability;

"Effective Tax Liability" shall have the meaning given in paragraph 3 of this part 1;

"Event" includes any act, omission, event or transaction and without limitation, the receipt or accrual of any income, profits or gains, the declaration, making or payment of any distribution, membership of or ceasing to be a member of any group or partnership or any other association, death, any residence or change in the residence of any person for Tax purposes, the expiry of any period of time and Completion;

"non-availability" means loss, reduction, modification, cancellation, non-availability or non-availability ab initio;

"Post Completion Relief" means a Relief to the extent that it arises after Completion;

"Purchaser's Group" means the Purchaser and any companies within the same group or association of companies as the Purchaser for the purposes of the relevant Tax Statute;

"Relevant Person" means the Vendor and any person (other than the Company) which is or has been connected with the Vendor.

"Relief" includes any loss, relief, allowance, credit, deduction, exemption, set-off or right to repayment of Tax including, without limitation, any deduction in computing income profits or gains for the purposes of any Tax;

"Taxation" or **"Tax"** means any form of taxation, duty, impost, levy, tariff of any nature whatsoever, whether of the Federal Republic of Germany or elsewhere, whether or not any such taxation, duty, impost, levy or tariff arises in respect of actual, deemed, gross or net income, profits, gains, value, receipt, payment, sale, use, occupation, franchise, value added property or right and includes, without limitation, any withholding amount or other amount of or in respect of any of the foregoing payable by virtue of any Tax Statute and any penalty, charge, surcharge, fine or interest payable in connection with any such taxation, duty, impost, levy or tariff;

"Tax Authority" means any authority or body, whether of the Federal Republic of Germany or elsewhere, or of the European Union and whether national or otherwise having the power or authority or other function in relation to Tax;

"Tax Claim" means a claim under any Tax Warranty or the Tax Covenant;

"Tax Covenant" means any covenant set out in part 3 of this Schedule;

"Tax Liability" means any Actual Tax Liability, Effective Tax Liability or other liability of the Company which is relevant for the purposes of part 3 of this Schedule;

"Tax Statute" means any primary or secondary statute, instrument, enactment, order, law, by-law or regulation making any provision for or in relation to Tax;

"Tax Warranty" means any warranty set out in part 2 of this Schedule .

2. In this Schedule **"Company"** means Christy GmbH.

3. In this Schedule **"Effective Tax Liability"** shall mean the following:

3.1 the non-availability in whole or in part of any Accounts Relief;

3.2 the utilisation or set-off of any Post Completion Relief or any Accounts Relief against any Tax or against income, profit or gains in circumstances where but for such utilisation or set-off an Actual Tax Liability would have arisen in respect of which the Vendor would have been liable to the Purchaser under this Schedule.

4. The value of an Effective Tax Liability shall be as follows:
- 4.1 where the Effective Tax Liability involves the non-availability of any Accounts Relief:
- 4.1.1 if the Accounts Relief was not or is not a right to repayment of Tax, the amount of Tax which would have been saved but for the non-availability of the Accounts Relief and there is an actual Tax Liability which becomes due for payment in respect of that amount; or
- 4.1.2 if the Accounts Relief was or is a right to repayment of Tax, the amount of the right which is not available;
- 4.2 where the Effective Tax Liability involves the utilisation or set-off of a Post Completion Relief or an Accounts Relief, the value of the Effective Tax Liability shall be the amount of actual Tax saved by such utilisation or set-off.
5. Words and phrases which are defined or referred to in or for the purposes of the Tax Statutes have the same meanings in this Schedule (unless otherwise expressly defined in this Schedule).
6. Any reference to an Event or the consequences of an Event occurring on or before Completion shall include the combined effect of:
- 6.1 any two or more Events all of which shall have taken place or be deemed (for the purposes of Tax) to have taken place on or before Completion; or
- 6.2 any two or more Events at least one of which shall have taken place or be deemed for the purposes of any Tax to have occurred on or before Completion
7. Any reference to a Tax Liability in respect of income, profits or gains earned, accrued or received shall include a Tax Liability in respect of income, profits or gains deemed to have been or treated or regarded as earned, accrued or received and any reference to Tax Liability on the happening of any Event shall include Tax Liability where such Event (for the purposes of the Tax Statute in question) is deemed to have occurred or treated or regarded as having occurred.

Part 2

Tax Warranties

Tax returns and compliance

1. The Company has at all times (or will before Completion have) submitted to all relevant Tax Authorities by the requisite dates every computation, return and all information for the purpose of Tax howsoever required and each such computation, return and information was and remains true, complete and accurate in all material respects and leaves no material matter unresolved regarding the Tax affairs of the Company and so far as the Vendor is aware is not likely to be the subject of any dispute with any Tax Authority.
2. The Company has, or will before Completion have, discharged every Actual Tax Liability, whether or not a primary liability of the Company, due from the Company directly or indirectly in connection with any Event occurring on or before Completion and there is no Tax Liability or potential Tax Liability in respect of which the date for payment has been postponed by agreement with the relevant Tax Authority or by virtue of any right under any Tax Statute or the practice of any Tax Authority.
3. The Company has properly made all deductions, withholdings and retentions required to be made in respect of any actual or deemed payment made or benefit provided on or before Completion and has accounted for all such deductions, withholdings and retentions to each relevant Tax Authority and so far as the Vendor is aware complied in all material respects with all its obligations under Tax Statutes in connection therewith.
4. Neither the Company nor any director or officer of the Company (in his capacity as such) has or will at Completion have any liability or potential liability for any interest, fine, penalty or surcharge in connection with Tax.
5. No Relief claimed prior to Completion is so far as the Vendor is aware likely to be disallowed, lost, reduced or modified or be the subject of any dispute with any Tax Authority.
6. Every claim, election and disclaimer which has been taken into account for the purposes of the Accounts has been duly submitted by the Company within the requisite periods and either

has been accepted as valid or its validity has not been and is not so far as the Vendor is aware likely to be questioned or challenged by the relevant Tax Authority.

7. The Company has maintained and has in its possession and under its control all records and documentation that it is required by any Tax Statute to maintain and preserve and the Company has complete and accurate records and/or information to calculate its future Tax Liability or relief from Tax including, without limitation, arising upon the disposal of any asset owned by the Company at the date hereof or which has been disposed of since the Accounts Date.
8. So far as the Vendor is aware the Company has not been and is not likely to be subject to any investigation or non-routine audit or visit by any Tax Authority.

General provisions for tax

9. To the extent required by accounting principles generally accepted in the Federal Republic of Germany, provision or reserve was made in the Accounts in respect of every Tax Liability for which the Company at the Accounts Date was or may have been liable or accountable whether or not such Tax Liability was or is a primary liability of the Company and whether or not the Company had has or may have any right of reimbursement against any other person.

Tax avoidance

10. The Company has never been party to or concerned with any scheme or arrangement of which the main purpose or one of the main purposes was the avoidance of or a reduction in liability to Tax.

Stamp duty

11. So far as the Vendor is aware each document in the possession or under the control of the Company or to the production of which the Company is entitled and on which the Company relies or may rely for the purpose of establishing, maintaining or evidencing title to its assets and which, in the Federal Republic of Germany, requires any stamp or mark to denote that:
 - 11.1 any duty, tax or fee required to be paid by law has been paid; or

11.2 a duty, tax or fee referred to in paragraph 14.1 in this part 2 of this Schedule is not required to be paid or that the document in question or the Event evidenced by it qualifies from a relief or exemption from such duty, tax or fee; or

11.3 the document has been produced to the appropriate authority;

has been properly stamped or marked, as appropriate, and so far as the Vendor is aware no such document which is outside the Federal Republic of Germany or the United Kingdom would attract stamp duty if it were to be brought into the Federal Republic of Germany or the United Kingdom.

Value Added Tax

12. The Company is registered as a taxable person for the purposes of Mehrwertsteuer (VAT) in the Federal Republic of Germany.

13. The Company has complied in all material respects with all Tax Statutes relevant to Mehrwertsteuer and guidance published by all relevant Tax Authorities.

Overseas dealings

14. The Company has always exclusively been resident in the Federal Republic of Germany for all tax purposes and no circumstance or arrangement exists which would or may cause the Company to cease to be resident in the Federal Republic of Germany for Tax purposes.

15. The Company:

15.1 has never carried on and does not carry on any trade, business or other activity (including, without limitation, the ownership or entitlement to any asset or interest in any asset or the deriving of any income, profits or gains) outside the Federal Republic of Germany;

15.2 does not have and has not at any time had any branch agency or establishment outside the Federal Republic of Germany or any interest in any non-resident body corporate or entity.

Miscellaneous

16. No Event has or will have been carried out prior to Completion in consequence of which the Company is or may be held liable for any Tax primarily chargeable against or attributable to any person other than the Company.
17. The Company has never granted any right over or in respect of any shares of the Company or any other shares or been party to any arrangement whatsoever in connection with the grant of any such right to, or in relation to, any employee or officer or former employee or officer of the Company or any other company or to, or in relation to, any person connected or related to any such employee or officer of the Company.

Part 3

Tax Covenant

1. Covenant

- 1.1 The Vendor covenants to pay to the Purchaser an amount, whether or not that amount is a liability of or recoverable from another person, equal to:
 - 1.1.1 any Actual Tax Liability (whether or not discharged prior to Completion) which arises directly, indirectly, before or after Completion by reference to an Event occurring or income, profits or gains earned, accrued or received on or before Completion;
 - 1.1.2 the value of any Effective Tax Liability;
 - 1.1.3 any stamp duty (together with any interest and penalties) by way of liquidated damages in respect of which there is a breach of any of the warranties relating to stamp duty given under part 2 of this Schedule;
 - 1.1.4 the reasonable out-of-pocket costs and expenses of the Purchaser or the Company in connection with a claim under this Schedule or any Tax Liability.
- 1.2 Without prejudice to the generality of clause 1.1 above, the liability of the Vendor under clause 1.1 shall include:

- 1.2.1 any liability to the extent that it arises as a result of the Company having been or being, prior to Completion, a member of any "Organschaft" or profit and loss pooling arrangement or other tax grouping;
- 1.2.2 any liability to the extent that it arises as a result of the Company ceasing to be a member of any "Organschaft" or profit and loss pooling arrangement or other tax grouping;
- 1.2.3 any liability to the extent that it arises as a result of the steps contemplated for the repayment of the German Loan Balance; and
- 1.2.4 any liability to the extent that it would not have arisen but for the Company continuing to be a member of an "Organschaft" or profit and loss pooling arrangement other tax grouping after Completion of which it was a member before Completion.

2. Deductions from payments

- 2.1 All sums payable by the Vendor under any Tax Claim shall be paid gross, free and clear of any rights of counterclaim or set-off and without any deduction or withholding unless the deduction or withholding is required by law, in which event the Vendor shall pay such additional amount as shall be required to ensure that the net amount received and retained (free of any liability) by the Purchaser will equal the full amount which would have been received by it had no such deduction or withholding been required provided that this paragraph 2.1 shall not apply to any interest payable under paragraph 5.5 of part 4 of this Schedule.
- 2.2 If any amount payable under a Tax Claim is subject to Tax the amount so payable shall be grossed up by such amount as will ensure that, after deduction of the Tax in question, there shall be left an amount equal to the amount that would otherwise be payable under the Tax Claim.

Limitations and Procedure

1. Any claim or liability under any Tax Warranty or under paragraphs 1.1.1 to 1.1.2 of the Tax Covenant or this Schedule shall be subject to the terms clauses 14.4, 14.10, and 14.12 of this Agreement, without prejudice to the other terms of this Schedule.

2. **Limitations**

The Vendor shall not be liable under any Tax Warranty or any claim under paragraph 1.1.1 to 1.1.2 of the Tax Covenant in respect of any Tax Liability to the extent that:

2.1 provision, reserve or allowance has been made in the German Statement in respect thereof or to the extent that the payment or discharge thereof has been taken into account therein;

2.2 the provision for Tax made in the German Statement in relation thereto is only insufficient by reason of any increase in the rates of Tax after the Completion Date with retrospective effect;

2.3 such liability arises or is increased as a result of any change in legislation (primary or delegated) or the published practice of a Tax Authority occurring after the Completion Date (but not announced before that date) but this paragraph 2.3 shall not apply to any amount payable under paragraph 2.2 of part 3 of this Schedule;

3. The Vendor shall not be liable in respect of any breach of the Tax Warranties if and to the extent that the loss incurred is or has been included in any claim under the Tax Covenant which has been satisfied in full in cleared funds, nor shall the Vendor be liable in respect of a claim under the Tax Covenant if and to the extent that the amount claimed is or has been included in a claim for breach of the Tax Warranties which has been satisfied in full.

4. The Vendor shall not be liable in respect of any breach of the Tax Warranties to the extent that the Purchaser or any of the Managers have actual knowledge of such breach at Completion.

5. The Vendor shall not be liable in respect of a breach of any Tax Warranty or under paragraphs 1.1.1 or 1.1.2 of the Tax Covenant to the extent that:

5.1 such liability would not have arisen but for any voluntary act, transaction or omission of the Company or the Purchaser after Completion otherwise than the ordinary course of

business where the Purchaser or the Company, as appropriate, knew or ought reasonably to have known that such voluntary act, transaction or omission would give rise to the liability in question;

5.2 the liability would not have arisen but for a failure on the part of the Company after Completion to make any claim, election, surrender or disclaimer the making, giving or doing of which was taken into account in computing the provision for tax in the German Statement details of which have been set out in the Disclosure Letter or in a written notice given to the Purchaser not less than 30 days before the claim, election, surrender, disclaimer, notice, consent or other thing in question is required to be made, given or done in each case.

6. The Vendor shall not be liable in respect of any claim under the Tax Warranties or clauses 1.1.1 or 1.1.2 of the Tax Covenant or any other liability to make payment under this Schedule the amount of which is less than £1,000 or the equivalent in local currency provided that a series of claims resulting from the same subject matter, act, omission or circumstance or from common matters, acts, omissions or circumstances in terms of the subject matter of the claim shall be treated as one claim.

7. **Duration and Extent**

7.1 No claim shall be admissible and the Vendor shall not be liable in respect of any Tax Claim unless details of the Tax Claim shall have been notified in writing to the Vendor, within six years of the Completion Date provided that:

7.1.1 where the Tax Claim relates to any Claim for Tax in connection with a liability which can be recovered by a Tax Authority due more than six years after it arises the periods referred to shall be extended to the relevant time limit plus one year; and

7.1.2 where such notification in respect of the Tax Claim has been given, the Vendor hereby agrees not to exercise any of their rights under any statute of limitations or to invite any court to apply the provisions thereof in respect of the Tax Claim

8. **Conduct of claims**

8.1 If the Purchaser or the Company becomes aware of any Claim for Tax which gives or may give rise to a Tax Claim, the Purchaser shall or shall procure that the Company

shall, as soon as reasonably practicable and in any event within 20 Business Days of becoming so aware, give written notice of the Claim for Tax to the Vendor but such notice shall not be a condition precedent to the liability of the Vendor under this Schedule.

8.2 If the Vendor in writing reasonably requires the Purchaser shall or shall procure that the Company shall supply the Vendor with such available and relevant details documentation correspondence and information and shall (subject to paragraph 4) take such action as the Vendor may reasonably request in writing to negotiate, avoid, dispute, resist, compromise, defend or appeal against the Claim for Tax and any adjudication in respect thereof provided that:

8.2.1 the Vendor shall not be entitled to require the Company to delegate the conduct of such action to itself or to any agent or professional adviser of the Vendor; and

8.2.2 the Vendor shall first indemnify and secure the Company and the Purchaser to the reasonable satisfaction of the Purchaser against all sums for which the Vendor is or may be liable under this Schedule and for any costs, expenses and liabilities (including any additional tax) which may be incurred as a consequence of any action taken in accordance with this paragraph 8.

8.3 If the Vendor does not request the Purchaser or the Company to take action pursuant to paragraph 8.2 of this part 4 of this Schedule or shall fail to indemnify and secure the Purchaser or the Company concerned as mentioned therein within 10 Business Days of the said written notice to the Vendor the Purchaser or the Company shall be free to pay or settle the Claim for Tax on such terms as it may in its absolute discretion think fit.

8.4 The Purchaser shall keep the Vendor informed of the progress in settling the relevant Claim for Tax and shall, as soon as reasonably practicable, forward or procure to be forwarded to the Vendor copies of all material correspondence pertaining to it.

8.5 The Purchaser shall not be obliged to take or procure the taking of the following action pursuant to paragraph 8.2 of this part 4 of this Schedule:

- 8.5.1 agreeing to the settlement or compromise of any Claim for Tax or any proposal for the same which is likely to affect the future liability to Tax of the Company, the Purchaser or any member of the Purchaser's Group unless the Vendor indemnifies and secures the Purchaser and the Company to its reasonable satisfaction against any such future liability to Tax;
 - 8.5.2 contesting any Claim for Tax before any court or other appellate body unless at the sole expense of the Vendor, the Vendor obtains the written opinion of a lawyer, fully qualified to practice in the Federal Republic of Germany with at least ten years specialist experience in German tax after disclosure of all relevant information and documents and having regard to all the circumstances, that on the balance of probabilities the action will succeed;
 - 8.5.3 complying with any unreasonable instruction of the Vendor or to taking any action or procuring the taking of any action which it reasonably considers may be onerous or prejudicial to the Purchaser or the Company;
 - 8.5.4 any action whatsoever requested by any agent or representative of the Vendor including, without limitation, any receiver, administrator or trustee in bankruptcy.
- 8.6 If it is alleged by any Tax Authority in writing that the Vendor (at any time) or the Company (prior to Completion) has committed any act or omission constituting fraudulent or negligent conduct relating to Tax the subject of any subsisting Tax Claim paragraph 8.2 of this part 4 of this Schedule shall not apply and the Vendor shall cease to have any right thereunder.

9. **Date for payment**

- 9.1 Where a Tax Claim or any sum to which paragraph 2 of part 3 of this Schedule applies involves the Purchaser or the Company being under a liability to make a payment to any Tax Authority, the Vendor shall pay to the Purchaser in cleared funds the amount claimed on or before the later of the Business Day after demand is made therefor and the Business Day before the date on which the amount in question is payable to the relevant Tax Authority without any interest, penalty, fine or surcharge arising in respect thereof.

- 9.2 Where a Tax Claim is made under the Tax Covenant in respect of the non-availability of a right to payment of Tax, the Vendor shall pay to the Purchaser in cleared funds the amount in question on the later of the Business Day after demand is made therefor and the Business Day after the date on which the Tax in question would have been repaid but for that non-availability.
- 9.3 Where a Tax Claim is made under the Tax Covenant in respect of the utilisation or set-off of a Relief, the Vendor shall pay to the Purchaser in cleared funds the amount in question on the later of the Business Day after the date on which the Tax in question would have arisen but for such utilisation or set-off and the Business Day after demand is made therefor.
- 9.4 Where the Vendor is liable to make any payment under paragraph 1.1.4 of the Tax Covenant or under any other Tax Claim the date for the payment of which is not determined under paragraphs 9.1 or 9.2 of this part 4 of this Schedule, the Vendor shall pay to the Purchaser the amount in question on the fifth Business Day after demand is made therefor.
- 9.5 Any sum not paid by the Vendor on a date determined under paragraphs 9.1, 9.2, 9.3 or 9.4 of this part 4 of this Schedule ("**due date**") shall bear interest (which shall accrue from day to day after as well as before any judgement for the same) at the rate of 3% per annum over the base rate of Barclays Bank Plc or in the absence thereof at such similar rate as the Purchaser shall select from the due date up to and including the day of actual payment of such sum (or the next Business Day if the date of actual payment is not a Business Day) compounded quarterly. Such interest shall be paid on the demand of the Purchaser.

10. Tax affairs

- 10.1 The Vendor or its duly authorised agents or advisers shall, at the reasonable expense of the Company and otherwise at the expense of the Vendor prepare, submit and agree the tax computations and returns of the Company required to be submitted in the Federal Republic of Germany for periods of account for tax in the Federal Republic of Germany ended on or before the Accounts Date ("**Relevant Accounting Period(s)**") ("**Tax Computations**").
- 10.2 The Vendor shall deliver to the Purchaser for comments any Tax Computation, return, document or correspondence and details of any information or proposal

("Relevant Information") which it intends to submit to a Tax Authority before submission to a Tax Authority and subject to paragraph 10.3 of this part 4 of this Schedule shall take account of the reasonable comments of the Purchaser and make such amendments to the Relevant Information as the Purchaser may reasonably require in writing within 30 days of the date of delivery of the Relevant Information prior to its submission to a Tax Authority.

10.3 The Vendor shall not and shall procure that no other person shall submit to a Tax Authority any Relevant Information or agree any matter with a Tax Authority where the Purchaser reasonably considers and so notifies the Vendor in writing within 30 days of the receipt of the Relevant Information or proposal for agreement that:

10.3.1 such Relevant Information or matter is not true, accurate and lawful in all respects; or

10.3.2 such Relevant Information or matter is reasonably likely to prejudice the amount of a future Tax Liability.

10.4 Notwithstanding clauses 10.2 and 10.3, the Vendor shall be entitled to refuse to take account of comments or amendments required by the Purchaser or a notification by the Purchaser under clause 10.3, to the extent the Purchaser's comment, amendment or notification would require an adverse change to the tax position or treatment of CTH GmbH or other members of the Vendor's Group by comparison with the practice adopted (subject always to the extent such has been lawful) in prior Tax Computations.

10.5 The Vendor shall deliver to the Purchaser copies of any material correspondence sent to, or received from, a Tax Authority relating to the Tax computations and returns and shall keep the Purchaser fully informed of its actions under this paragraph 10.

10.6 Subject to paragraphs 10.2 to 10.5 of this part 4 of this Schedule, the Purchaser shall or shall procure that:

10.6.1 the Company properly authorises and signs the Tax Computations;

10.6.2 the Company provides to the Vendor such information and assistance, including without limitation such access to its books, accounts and records

which may reasonably be required to prepare, submit negotiate and agree the Tax Computations;

10.6.3 that any correspondence which relates to the Tax Computations shall, if received by the Purchaser or any Company or its agents or advisers be copied to the Vendor

PROVIDED that in respect of any matter which gives or may give the Purchaser a right to make a Tax Claim, the provisions of paragraph 4 of this part 4 of this Schedule with respect to appeals and the conduct of disputes shall apply instead of the provisions of this paragraph 10.

10.7 The Vendor shall use all reasonable endeavours to agree the Tax Computations as soon as reasonably practicable and shall deal with all such matters promptly and diligently and within applicable time limits.

10.8 Without prejudice to the covenant in paragraph 1 of part 3 of this Schedule the Vendor shall promptly take all such steps as the Purchaser shall reasonably require to terminate the membership of the Company of the "Organschaft" or profit pooling arrangement of which it has been a member with the Vendor.

11. Over-provisions

11.1 If before the sixth anniversary of the date hereof:

11.1.1 any provision for Tax excluding deferred Tax in the Completion Accounts proves to be an over-provision; or

11.1.2 the amount by which any right to repayment of Tax which has been treated as an asset in the Completion Accounts proves to have been understated,

then an amount equal to such over-provision or understated right to repayment of Tax ("**Relevant Amount**") shall be dealt with in accordance with paragraph 11.2 of this part 4 of this Schedule PROVIDED THAT no account shall be taken of any over-provision or understatement to the extent that they arise as a consequence of the utilisation of any Post Completion Relief or Accounts Relief or any action taken by the Company after Completion or any change in law after Completion.

11.2 The Relevant Amount:

11.2.1 shall first be set off against any payment then due from the Vendor under a Tax Claim;

11.2.2 to the extent there is an excess of the Relevant Amount after any application thereof under paragraph 11.2.1 of this part 4 of this Schedule a refund shall be made to the Vendor of any previous payment or payments made by the Vendor under a Tax Claim and not previously refunded under this paragraph 11.2.2 up to the amount of such excess; and

11.2.3 to the extent that the excess referred to in paragraph 11.2.2 of this part 4 of this Schedule is not exhausted under that paragraph, the remainder of that excess shall be carried forward and set off against any future payment or payments which become due from the Vendor under a Tax Claim.

11.3 If the Purchaser or the Company become aware of any circumstances which shall or may give rise to the application of paragraph 11.1 of this part 4 of this Schedule the Purchaser shall or shall procure that the Company shall, as soon as reasonably practicable, give written notice thereof to the Vendor.

11.4 The Vendor may, at its own expense require the Auditors to certify the existence and quantum of any Relevant Amount and in the absence of manifest error, their decision shall be final and binding.

12. Third party claims

12.1 If the Company or the Purchaser is before the sixth anniversary of the date hereof entitled to recover from another person (excluding any other company within the definition of Company or any current or ex-employees of the Company) or a Tax Authority a sum in respect of any Tax Liability to which a Tax Claim relates and which has been satisfied in full by the Vendor in cleared funds, the Purchaser shall as soon as reasonably practicable give written notice thereof to the Vendors' Representative and if the Vendor indemnifies and secures the Purchaser or as appropriate the Company (to the Purchaser's reasonable satisfaction) against the reasonable costs of the Purchaser or as appropriate the Company in connection with taking the following action, the Purchaser shall or shall procure that the Company

shall take such action reasonably requested by the Vendor to enforce recovery against that person or Tax Authority.

12.2 In the event that the Purchaser recovers any sum referred to in paragraph 12.1 of this part 4 of this Schedule after taking any action at the request of the Vendor under that paragraph, the Purchaser shall as soon as reasonably practicable account to the Vendor for the lesser of:

12.2.1 the sum recovered net of any Tax on the sum and the costs and expenses of recovering the same; and

12.2.2 any amount paid by the Vendor in respect of the Tax Liability giving rise to the relevant Tax Claim

13. **Application of this Part 4 to Tax Warranties**

The provisions of paragraphs 11 and 12 of this part 4 of this Schedule shall not apply to or in respect of any Tax Warranty to the extent that the relevant over-provision, understatement, corresponding benefit or right to recover has been taken into account in quantifying the liability of the Vendor under the relevant Tax Warranty.

14. **Miscellaneous**

Any payment to the Purchaser or the Company under any Tax Claim shall be deemed to be a reduction of the total consideration payable hereunder for the **Christy Shares**.

SIGNED BY J. WILSON
duly authorised for and on behalf of
COURTAULDS TEXTILES (HOLDINGS) LIMITED
in the presence of:-

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)




SIGNED BY G. NAISMITH
duly authorised for and on behalf of
CHRISTY UK LIMITED
in the presence of:-
SKH

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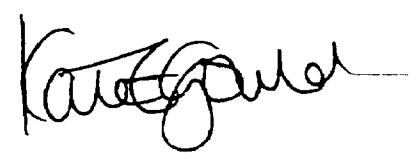
SIGNED BY G. NAISMITH
duly authorised for and on behalf of
FLYSPARK LIMITED
in the presence of:-
SKH

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)




SIGNED BY KATE GUNN
duly authorised for and on behalf of
CHRISTY US LLC
in the presence of:-
SKH

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EXECUTED AND DELIVERED AS A DEED BY
JOEL SIMON ROSENBLATT
in the presence of:-

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)
)



EXECUTED AND DELIVERED AS A DEED BY
JAGJIT SINGH CHADHA
in the presence of:-
SKH

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EXECUTED AND DELIVERED AS A DEED BY
KATE ELIZABETH GOULD

in the presence of:-

SKH HORSLEY

)
)
) *Kate Gould*

EXECUTED AND DELIVERED AS A DEED BY
KATHRYN ANN KEOGH

in the presence of:-

SKH HORSLEY

)
)
) *Kathryn A Keogh*

EXECUTED AND DELIVERED AS A DEED BY
GRAEME MCCOLL NAISMITH

in the presence of:-

SKH

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)
) *G Naismith*

EXECUTED AND DELIVERED AS A DEED BY
ANDREW ROBERT DAVIES

in the presence of:-

)
)
) *Andrew Robert Davies*

SIGNED BY G. NAISMITH
duly authorised for and on behalf of
CHRISTY HOME TEXTILES LIMITED

in the presence of:-

SKH

G Naismith

We hereby confirm that we
have compared this document
with the original and certify
it to be a true copy thereof.

Brian Peter Clarke

CHASITY
 FLEET ASSET REGISTER AS AT 31 DECEMBER 1999

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF PURCHSE	DEPN RATE	BFWD	ICTRFR'S	COST ADDS	DISP'S	CFWID	BFWD	CHG	DEPRECIATION DSP'S	CFWID	NET BOOK VALUE	CFWID
Cloth hucks	INSPECT/PLANT CLOTH EX LAMN VJETC/L TO WMC/CMR	2077	1986	10%	18,477.00				18,477.00	18,477.00	0.00		18,477.00	0.00	0.00
Public hucks (6)	FOR NET PROCESS - REPC/CTERS AFTER TO B LED	2016	1986	10%	1,095.00				1,095.00	1,095.00	0.00		1,095.00	0.00	0.00
Trucks	DEPT. NOT SPECIFIED, ASSUMED AS ORIG/ ALLOC	2075	1987	10%	10,060.00				10,060.00	10,060.00	0.00		10,060.00	0.00	0.00
Cloth hucks	DEPT. NOT SPECIFIED, ASSUMED AS ORIG/ ALLOC	2075	1986	10%	9,200.00				9,200.00	9,200.00	0.00		9,200.00	0.00	0.00
Baron scales	AVERY 130 LBS NO 62103 - DRUGSTORE	2321	1986	10%	143.00				143.00	143.00	0.00		143.00	0.00	0.00
Outing balance	MODEL R41 LAB	282	1986	10%	667.00				667.00	667.00	0.00		667.00	0.00	0.00
Master electronic balance	MOORE PE 600 LAB	282	1986	10%	925.00				925.00	925.00	0.00		925.00	0.00	0.00
Readout - knives	2 JEFFREYS ROTOCYBERS LAB	362	1986	10%	813.00				813.00	813.00	0.00		813.00	0.00	0.00
Matching cabinet	VERUDE (LABORATORY) LAB	831	1982	10%	41.00				41.00	41.00	0.00		41.00	0.00	0.00
Steel mangle	BOOM 2 BOWL SMITHS MANGLE LAB	280	1982	10%	3,970.00				3,970.00	3,970.00	0.00		3,970.00	0.00	0.00
Lab weighing m/c	SMITHS DOUBLE NIP 4 BOWL MANGLE LAB	2022	1982	10%	10,460.00				10,460.00	10,460.00	0.00		10,460.00	0.00	0.00
Whisker weighing m/c	LAB	2092	1986	10%	2,577.00				2,577.00	2,577.00	0.00		2,577.00	0.00	0.00
Lab furnace	LAB	2092	1986	10%	3,428.00				3,428.00	3,428.00	0.00		3,428.00	0.00	0.00
Van testing laboratory equipment	MULTITEM PROU. BALANCE CHARGED WHERE 7 LAB	2869	1988	10%	700.78				700.78	700.78	0.00		700.78	0.00	0.00
Master precision balance	METTERS DIGITAL INDICATOR LAB	2312	1988	10%	180.00				180.00	180.00	0.00		180.00	0.00	0.00
DLR 2000 Spectrophotometer	MEASURES CHEMICAL/OXYGEN LEVEL, EFFLUENT LAB	29110	1991	10%	81.00				81.00	81.00	0.10		81.00	0.00	0.00
DLR 2000 Spectrophotometer	CULVERT WALSON BROOK	29110	1992	10%	2,207.00				2,207.00	2,207.00	0.00		2,207.00	0.00	0.00
Corrosion Tester & Printer		28202	1992	10%	700.00				700.00	420.00	220.70		1,544.90	662.10	18.20
Alfa Dryer		28204	1992	10%	442,098.00				442,098.00	278,257.80	70.00		1,544.90	662.10	18.20
Alfa Dryer		28205	1992	10%	3,378.00				3,378.00	2,026.80	337.80		1,544.90	662.10	18.20
Alfa Dryer		28206	1992	10%	33,000.00				33,000.00	19,600.00	3,300.00		1,544.90	662.10	18.20
Alfa Dryer		28210	1992	10%	67,944.00				67,944.00	40,785.40	6,794.40		1,544.90	662.10	18.20
Alfa Dryer		28204	1992	10%	400.00				400.00	280.00	40.00		1,544.90	662.10	18.20
Alfa Dryer		28204	1993	10%	(6,143.00)				(6,143.00)	(4,121.50)	(614.50)		1,544.90	662.10	18.20
Alfa Dryer		28210	1993	10%	44,895.00				44,895.00	22,447.50	4,489.50		1,544.90	662.10	18.20
Alfa Dryer		28308	1994	10%	18.00				18.00	28,408.00	7,102.00		1,544.90	662.10	18.20
Alfa Dryer		28308	1994	10%	71,020.00				71,020.00	48,284.80	1,608.20		1,544.90	662.10	18.20
Alfa Dryer		28308	1994	10%	16,002.00				16,002.00	6,132.80	643.80		1,544.90	662.10	18.20
Alfa Dryer		28407	1994	10%	302.40				302.40	130.95	30.24		1,544.90	662.10	18.20
Alfa Dryer		28407	1994	10%	4,404.16				4,404.16	1,781.68	440.42		1,544.90	662.10	18.20
Alfa Dryer		28407	1994	10%	13,814.00				13,814.00	4,144.20	1,381.40		1,544.90	662.10	18.20
Alfa Dryer		28407	1994	10%	36,604.00				36,604.00	3,604.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		28407	1994	10%	710,772.98				710,772.98	142,332.70	71,077.30		1,544.90	662.10	18.20
Alfa Dryer		29601	1996	10%	24,045.04				24,045.04	2,404.50	2,404.50		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	5,600.00				5,600.00	560.00	560.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	4,200.00				4,200.00	840.00	840.00		1,544.90	662.10	18.20
Alfa Dryer		1988	1988	10%	6,891.40				6,891.40	689.14	689.14		1,544.90	662.10	18.20
Alfa Dryer		1988	1988	10%	4,250.00				4,250.00	425.00	425.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	920.00				920.00	920.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1988	1988	10%	494,757.29				494,757.29	49,475.73	49,475.73		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	8,906.00				8,906.00	890.60	890.60		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	194.80				194.80	194.80	194.80		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	485.00				485.00	485.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	1,575.00				1,575.00	1,575.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	407.00				407.00	407.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	47,790.40				47,790.40	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	10,269.49				10,269.49	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	18,039.08				18,039.08	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	2,970.36				2,970.36	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	45,282.99				45,282.99	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	9,659.39				9,659.39	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	1,360.00				1,360.00	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	3,077.70				3,077.70	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	1,575.00				1,575.00	1,575.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	2,035.00				2,035.00	407.00	407.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	47,790.40				47,790.40	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	10,269.49				10,269.49	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	18,039.08				18,039.08	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	2,970.36				2,970.36	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	45,282.99				45,282.99	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	9,659.39				9,659.39	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	1,360.00				1,360.00	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	3,077.70				3,077.70	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	1,575.00				1,575.00	1,575.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	2,035.00				2,035.00	407.00	407.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	47,790.40				47,790.40	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	10,269.49				10,269.49	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	18,039.08				18,039.08	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	2,970.36				2,970.36	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	45,282.99				45,282.99	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	9,659.39				9,659.39	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	1,360.00				1,360.00	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	3,077.70				3,077.70	0.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	1,575.00				1,575.00	1,575.00	0.00		1,544.90	662.10	18.20
Alfa Dryer		1987	1987	10%	2,035.00				2,035.00	407.00	407.00		1,544.90	662.10	18.20
Alfa Dryer		1989	1989	10%	47,790.40				47,790.40	0.00	0.00				

FIXED ASSET REGISTER AS AT 31 DECEMBER 1991

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO.	YR OF ACQ	DEPN RATE	B/FWD	JC TRFRS	COST ADDS	DISP'S	CFWD	B/FWD	CHD	DISP'S	CFWD	NET BOOK VALUE	
														B/FWD	CFWD
1 AUTO SCHMALE SLITER 1981 7			1982	10%	13,128.00		13,128.00		13,128.00		0.00		13,128.00	0.00	0.00
2 SOLE SIDE HEMMING M/C'S 1981 7			1982	10%	9,495.00		9,495.00		9,495.00		0.00		9,495.00	0.00	0.00
EXTRA COST - VARIABLE SPEED DBLE SIDE HEM M/C			1982	10%	27,451.00		27,451.00		27,451.00		0.00		27,451.00	0.00	0.00
1 SCHMALE DBLE SIDE HEMMING M/C 1987 7			1988	10%	47,298.24		47,298.24		47,298.24		0.00		47,298.24	0.00	0.00
ADDITIONAL EXP TO CNT Z20			1987	10%	69,537.00		69,537.00		69,537.00		0.00		69,537.00	0.00	0.00
1 SCHMALE DBLE SIDE HEMMING M/C 1988 7			1988	10%	463.00		463.00		463.00		0.00		463.00	0.00	0.00
ADDITIONAL EXP TO CNT Z20			1988	10%	60,152.20		60,152.20		60,152.20		0.00		60,152.20	0.00	0.00
1 DURBANT SATURN INSP FRAME & 2 SCHMALE TH			1988	10%	12,747.00		12,747.00		12,747.00		0.00		12,747.00	0.00	0.00
HEMMING UNIT, 2 VERY OLD SOL SIDE HEMMERS 7			1976	10%	27,654.00		27,654.00		27,654.00		0.00		27,654.00	0.00	0.00
AT/EX TOWER MILL 7			1965	10%	4,803.00		4,803.00		4,803.00		0.00		4,803.00	0.00	0.00
PROBABLY ON OLD SIDE HEMMER			1974	10%	400.00		400.00		400.00		0.00		400.00	0.00	0.00
AVERY 2KKG PROBABLY TYPE 3303CFB NO. S540026			1984	10%	253.00		253.00		253.00		0.00		253.00	0.00	0.00
PHASES 1 & 2 NO DETAILS			1981	10%	188.00		188.00		188.00		0.00		188.00	0.00	0.00
AVERY 13086CD 3KG NO. 7206012 (CLOTHROOM)			1971	10%	1,443.00		1,443.00		1,443.00		0.00		1,443.00	0.00	0.00
			1973	10%	2,243.00		2,243.00		2,243.00		0.00		2,243.00	0.00	0.00
			1974	10%	143.00		143.00		143.00		0.00		143.00	0.00	0.00
					277,396.44		277,396.44		277,396.44		0.00		277,396.44	0.00	0.00

TRADE MARK

FIXED ASSET REGISTRATION AS AT 31 DECEMBER 1992

MAKE UP	EXPANDED DESCRIPTION	PROJECT NO	YR OF PURCHASE	DEPR RATE	B/R/ND	I/C/T/R/S	COST ADJS	DISP'S	C/P/MD	B/R/ND	CHG	DEPRECIATION		NET BOOK VALUE		CMT
												DISP'S	C/P/MD	B/R/ND	C/P/MD	
Heat exchanger	11 D P HEAT SEALS/SHIRK WRAP 1994 (TOWER)	2043	1984	10%	8,800.00				8,800.00		0.00	8,800.00	0.00	0.00		
Heat exchanger	ADDITIONAL COBT TO KDM 78	2043	1985	10%	888.00				888.00	0.00	0.00	888.00	0.00	0.00		
Heat Seal M/C & Sewing Thread	11 D P HEAT SEALS/SHIRK WRAP 1988	TFR TALBOT	1981	10%	11,938.00				11,938.00	0.00	0.00	11,938.00	0.00	0.00		
Shirker also color	BEST 38 M/C	2041	1988	10%	37,776.00				37,776.00	0.00	0.00	37,776.00	0.00	0.00		
Shirker Red Label Sewer	ADDITION TO BEST 38 CROSS CUT M/C	2041	1990	10%	7,700.00				7,700.00	0.00	0.00	7,700.00	0.00	0.00		
Shirker metal washer	POLYMARK TRANSLATOR NO 2184	2041	1982	10%	1,605.00				1,605.00	0.00	0.00	1,605.00	0.00	0.00		
Handed monogrammer	BAVAUD	TFR EX-W/M/C 88	1982	10%	9,000.00				9,000.00	0.00	0.00	9,000.00	0.00	0.00		
Knives Cleaning System	SPOT REMOVER	TFR EX-W/M/C 88	1981	10%	8,500.00				8,500.00	0.00	0.00	8,500.00	0.00	0.00		
Temp Adster Auto-Temp		2041	1981	10%	247,649.00				247,649.00	0.00	0.00	247,649.00	0.00	0.00		
Barrel scalloper	1 X SCALLOP M/C (LIVE SEWING M/C)	TFR EX-W/M/C 88	1981	10%	4,220.00				4,220.00	0.00	0.00	4,220.00	0.00	0.00		
Barrel scalloper m/c	1 X SCALLOP M/C (LIVE SEWING M/C)	TFR EX-W/M/C 88	1983	10%	2,430.00				2,430.00	0.00	0.00	2,430.00	0.00	0.00		
Barrel (2nd hand)	1 X SCALLOP M/C (LIVE SEWING M/C)	TFR EX-W/M/C 88	1987	10%	600.00				600.00	0.00	0.00	600.00	0.00	0.00		
Barrel	2 X BARADAY EMIR	TFR EX-W/M/C 88	1979	10%	3,500.00				3,500.00	0.00	0.00	3,500.00	0.00	0.00		
Barrel	1 X BARADAY EMIR	TFR EX-W/M/C 88	1980	10%	29,198.00				29,198.00	0.00	0.00	29,198.00	0.00	0.00		
Auto entry m/c	3 X BARADAY EMIR	TFR EX-W/M/C 88	1982	10%	14,723.00				14,723.00	0.00	0.00	14,723.00	0.00	0.00		
Embroidery machine	3 X BARADAY EMIR	TFR EX-W/M/C 88	1982	10%	41,520.00				41,520.00	0.00	0.00	41,520.00	0.00	0.00		
Embroidery machine	CHERRY TREE TUMBLE DRYER 1978 (CHRISTY)	2000	1986	10%	41,520.00				41,520.00	0.00	0.00	41,520.00	0.00	0.00		
Embroidery machine	1 (CUTTING ROOM CORNER) OUT OF 4 IN MAKE UP	2000	1985	10%	2,285.00				2,285.00	0.00	0.00	2,285.00	0.00	0.00		
Embroidery machine	EXTEND SHELF AREA - SHIRT SCISSOR LIFT	2000	1985	10%	3,900.00				3,900.00	0.00	0.00	3,900.00	0.00	0.00		
Embroidery machine	4 PALLET TRUCKS	2060 SB 2068	1985	10%	6,200.00				6,200.00	0.00	0.00	6,200.00	0.00	0.00		
Embroidery machine	1 AUSAISE PEDESTRIAN CONTROLLED PALLET TRUCK	2060 SB 2066	1985	10%	900.00				900.00	0.00	0.00	900.00	0.00	0.00		
Embroidery machine	2 PRAFF 516M/28	2060 SB 2066	1985	10%	3,500.00				3,500.00	0.00	0.00	3,500.00	0.00	0.00		
Embroidery machine	3 OVERBEE M/C FOR FACE CLOTHS (EX USA)	115	1974	10%	610.00				610.00	0.00	0.00	610.00	0.00	0.00		
Embroidery machine	WITH STAND & MOTOR	2067	1985	10%	3,764.00				3,764.00	0.00	0.00	3,764.00	0.00	0.00		
Embroidery machine	2 M/C M/C-3/8" HEAD CW STAND & 3 PHASE MOTOR	272	1980	10%	1,089.00				1,089.00	0.00	0.00	1,089.00	0.00	0.00		
Embroidery machine	2 M/C 3" THINHEAD FOR F/C REPLACE 2 3/8" OLD M/C	2062	1987	10%	2,890.00				2,890.00	0.00	0.00	2,890.00	0.00	0.00		
Embroidery machine	2 MERRROW MGBRIDGE EDGE ROLLING M/C'S (M/S FACE CLD)	2068	1986	10%	2,511.00				2,511.00	0.00	0.00	2,511.00	0.00	0.00		
Embroidery machine	EASIBLE PROCESSOR, USER PRT, BOWE SLITTER	201017	1994	10%	2,430.00				2,430.00	0.00	0.00	2,430.00	0.00	0.00		
Embroidery machine		29101	1991	10%	7,650.00				7,650.00	0.00	0.00	7,650.00	0.00	0.00		
Embroidery machine		29101	1992	10%	2,162.00				2,162.00	0.00	0.00	2,162.00	0.00	0.00		
Embroidery machine		2027	1987	10%	5,488.00				5,488.00	0.00	0.00	5,488.00	0.00	0.00		
Embroidery machine	NOT WORKING & IN BITS IN SIDE STORE	TFR EX-W/M/C 88	1981	10%	7,300.00				7,300.00	0.00	0.00	7,300.00	0.00	0.00		
Embroidery machine	8 ORIG. ALLOCATED TO MIDDLE MILC	4497	1973	10%	210.00				210.00	0.00	0.00	210.00	0.00	0.00		
Embroidery machine	SHERIDAN JET 765 TUNNEL THE M/C (POSSIBLY 3)	271	1991	10%	10,848.00				10,848.00	0.00	0.00	10,848.00	0.00	0.00		
Embroidery machine	2 JUNGHEINICH TM 2000 PALLET TRUCKS	271	1981	10%	400.00				400.00	0.00	0.00	400.00	0.00	0.00		
Embroidery machine		152	1978	10%	2,912.00				2,912.00	0.00	0.00	2,912.00	0.00	0.00		
Embroidery machine		2046	1984	10%	5,455.00				5,455.00	0.00	0.00	5,455.00	0.00	0.00		
Embroidery machine	BLUE CLOTH TRUCKS	413377999999	1985	10%	3,955.00				3,955.00	0.00	0.00	3,955.00	0.00	0.00		
Embroidery machine	PROBABLY HYTRACK DRYHOUSE TO MAKE UP	4441	1971	10%	551.00				551.00	0.00	0.00	551.00	0.00	0.00		
Embroidery machine	NO DETAILS	031	1971	10%	389.00				389.00	0.00	0.00	389.00	0.00	0.00		
Embroidery machine		4478	1971	10%	48.00				48.00	0.00	0.00	48.00	0.00	0.00		
Embroidery machine	COLT EQUIPMENT	108	1974	10%	3,210.00				3,210.00	0.00	0.00	3,210.00	0.00	0.00		
Embroidery machine	A TEX TOWER MILL 7, RECD YEAR ENDED 201	272	1975	10%	487.00				487.00	0.00	0.00	487.00	0.00	0.00		
Embroidery machine	1 COMPRESSOR & 500 LV AIR	295	1986	10%	3,405.00				3,405.00	0.00	0.00	3,405.00	0.00	0.00		
Embroidery machine	ATCORP GA111-790599 & AM R33661(JIN WARP)	2041	1985	10%	5,622.00				5,622.00	0.00	0.00	5,622.00	0.00	0.00		
Embroidery machine	RE:ROUTE NAPPY CONVEYOR TO BAY 6	4485	1971	10%	99.00				99.00	0.00	0.00	99.00	0.00	0.00		
Embroidery machine	Open sided Drive (3)	9054	1987	10%	399.00				399.00	0.00	0.00	399.00	0.00	0.00		
Embroidery machine	Weighting scale for debatcher	9054	1987	10%	1,196.00				1,196.00	0.00	0.00	1,196.00	0.00	0.00		
Embroidery machine	Time up	2091	1987	10%	3,691.00				3,691.00	0.00	0.00	3,691.00	0.00	0.00		
Embroidery machine	BUZZER 2 MINS BEFORE SHUT-ENI - MIDDLE MILL	2022	1985	10%	10,833.00				10,833.00	0.00	0.00	10,833.00	0.00	0.00		
Embroidery machine	ALTERATION IMPROVEMENTS TO CUTTING ROOM ROOF	2022	1985	10%	10,833.00				10,833.00	0.00	0.00	10,833.00	0.00	0.00		
Embroidery machine	SEAL FLOOR & BLDGS WK IN WHWSW	2060 SB2066	1985	10%	21,773.00				21,773.00	0.00	0.00	21,773.00	0.00	0.00		
Embroidery machine		291112	1985	10%	4,297.50				4,297.50	0.00	0.00	4,297.50	0.00	0.00		
Embroidery machine	DIGITAL SCALE TO ITEM FN 358, MOVED TO MDM	29203	1982	10%	1,437.50				1,437.50	0.00	0.00	1,437.50	0.00	0.00		
Embroidery machine	PART OF ITEM FN 361, DS280 NO. 300348/30153	29203	1982	10%	2,386.00				2,386.00	0.00	0.00	2,386.00	0.00	0.00		
Embroidery machine	BUZZER 2 MINS BEFORE SHUT-ENI - MIDDLE MILL	2022	1985	10%	10,833.00				10,833.00	0.00	0.00	10,833.00	0.00	0.00		
Embroidery machine	ALTERATION IMPROVEMENTS TO CUTTING ROOM ROOF	2022	1985	10%	10,833.00				10,833.00	0.00	0.00	10,833.00	0.00	0.00		
Embroidery machine	SEAL FLOOR & BLDGS WK IN WHWSW	2060 SB2066	1985	10%	21,773.00				21,773.00	0.00	0.00	21,773.00	0.00	0.00		
Embroidery machine		291112	1985	10%	4,297.50				4,297.50	0.00	0.00	4,297.50	0.00	0.00		
Embroidery machine		29203	1982	10%	1,437.50				1,437.50	0.00	0.00	1,437.50	0.00	0.00		
Embroidery machine		29203	1982	10%	2,386.00				2,386.00	0.00	0.00	2,386.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	602.00				602.00	0.00	0.00	602.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	2,608.00				2,608.00	0.00	0.00	2,608.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	2,608.00				2,608.00	0.00	0.00	2,608.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	2,636.00				2,636.00	0.00	0.00	2,636.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	3,600.00				3,600.00	0.00	0.00	3,600.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1983	10%	952.00				952.00	0.00	0.00	952.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1985	10%	2,363.00				2,363.00	0.00	0.00	2,363.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1985	10%	2,388.00				2,388.00	0.00	0.00	2,388.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1985	10%	3,030.00				3,030.00	0.00	0.00	3,030.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1984	10%	598.00				598.00	0.00	0.00	598.00	0.00	0.00		
Embroidery machine		TFR CLOTHING	1984	10%	62,495.00				62,495.00	0.00	0.00	62,495.00				

FIXED ASSET REGISTER AS AT 31 DECEMBER 1999

DESCRIPTION	EXPANDED DESCRIPTION	PROJECT NO	YR OF ACQ	DEPR RATE	B/FWD	WTRFR'S	COST ADDS	DISP'S	C/FWD	B/FWD	DEPRECIATION		C/FWD	NET BOOK VALUE		C/M/N
											CHG	DISP'S		B/FWD	C/FWD	
Milwaukee BTJc	S/N 420618 transferred from clothing 1995		1995	25%	3,500.00				3,500.00	3,500.00	0.00	0.00	3,500.00	0.00	0.00	
Mil B Hand Dancer	Milwaukee sewing machine from Mission Store (No 81425)	79604	1996	25%	7,296.00				7,296.00	2,553.60	1,624.00	4,377.60	4,142.40	2,818.40	2.818	
Sewing machine	Tk from Mission Machine Stores		1997	25%	4,500.00				4,500.00	0.00	0.00	4,500.00	0.00	0.00		
Beauty BR 63188			1974	10%	2,201.00				2,201.00	2,201.00	0.00	2,201.00	0.00	0.00		
Small team sewing			1998	10%	66,687.85				66,687.85	6,668.79	6,668.79	60,019.06	60,019.06	60,019.06	60.019	
7 small sewing machines			1998	25%	47,815.00				47,815.00	9,981.25	11,953.75	37,833.75	37,833.75	25,860.00	25.860	
Winged sewing			1988		1,245.00				1,245.00	0.00	0.00	1,245.00	0.00	0.00		
Mil Locksmith	Tk from Mission Machine Stores		1981	10%	538.00				538.00	426.85	53.68	480.83	109.85	56.17	5.617	
Milwaukee 1/2" and capstan points			1989	33%	16,081.00				16,081.00	0.00	0.00	16,081.00	0.00	16,081.00	16.081	
Batch Office Help-Cord machines			1989	25%	3,562.50				3,562.50	0.00	0.00	3,562.50	0.00	3,562.50	3.562	
Milwaukee Sewing Machines			1999	25%	16,255.00				16,255.00	4,064.00	0.00	4,064.00	(4,064.00)	12,191.00	12.191	
Milwaukee Sewing Machines	Transfer from Clothing 2704099		1990	10%	4,960.00				4,960.00	4,464.00	0.00	4,464.00	(4,464.00)	496.00	4.960	
Milwaukee Sewing Machines	Tk from CHI - Wagon		1987	25%	3,752.00				3,752.00	1,563.34	926.00	2,501.34	2,168.66	1,250.66	1.250	
Mil Seal Machine			1987	25%	7,900.00				7,900.00	4,740.00	790.00	5,530.00	3,160.00	2,370.00	2.370	
Mil Seal Machine			1982	10%	7,900.00				7,900.00	4,740.00	790.00	5,530.00	3,160.00	2,370.00	2.370	
Mil Seal Machine					867,569.85	4,860.00	35,678.50	0.00	908,408.15	827,487.64	72,297.22	0.00	700,064.86	240,062.01	208,327.29	208,327.29

TRADEMARK