

Nortel Networks Oy (in Administration)

Administrators' receipts and payments account for the period: 14 July 2017 to 31 October 2017

Currency: GBP	Period 14 January 2009 to 13 July 2017	Period 14 July 2017 to 31 October 2017	Total to 31 October 2017
Opening balance	39,744		39,744
<u>Receipts</u>			
<i>Trading:</i>			
- Intercompany	2,874,512	1,090	2,875,602
- Other taxes	(138,080)	586	(137,494)
- Overpayment refunds	19,272	-	19,272
- Other receipts	12,592	-	12,592
- Post appointment sales	8,688	-	8,688
- FX translation movement	14,158	-	14,158
<i>Other:</i>			
- SPSA locked box proceeds	24,156	-	24,156
- US Settlement Allocation on Claims	368	-	368
- Bank interest	2,880	5	2,885
	<u>2,818,545</u>	<u>1,681</u>	<u>2,820,226</u>
<u>Payments</u>			
<i>Trading:</i>			
- Payroll, employee benefits, and payroll taxes	(413,515)	-	(413,515)
- Other payments	(121,379)	-	(121,379)
- Property costs	(95,252)	-	(95,252)
- Utilities	(63,357)	-	(63,357)
- Pension contributions	(57,590)	-	(57,590)
- Contractors	(1,719)	-	(1,719)
<i>Other:</i>			
- Joint Administrators' fees and disbursements	(1,569,153)	-	(1,569,153)
- Legal fees	(257,963)	(3,793)	(261,756)
- Other professional services costs	(167,565)	(5,998)	(173,563)
- Bank charges and interest	(3,595)	(98)	(3,694)
- FX translation movement on FX transactions within the entity	(566)	-	(566)
- FX translation movement	(67,633)	21	(67,612)
	<u>(2,819,286)</u>	<u>(9,868)</u>	<u>(2,829,154)</u>
Closing balance	<u>39,004</u>	<u>(8,188)</u>	<u>30,816</u>
Account reconciliations:			
Local Accounts	4,174	(3,308)	867
Administration Accounts	34,830	(4,880)	29,950
	<u>39,004</u>	<u>(8,188)</u>	<u>30,816</u>

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Administrators' receipts and payments account for the period: 14 July 2017 to 31 October 2017

Currency: EUR	Period 14 January 2009 to 13 July 2017	Period 14 July 2017 to 31 October 2017	Total to 31 October 2017
Opening balance	40,093		40,093
Receipts			
<i>Trading:</i>			
- Intercompany	2,946,956	1,239	2,948,195
- Other taxes	(190,289)	666	(189,624)
- Overpayment refunds	18,870	-	18,870
- Other receipts	12,407	-	12,407
- Post appointment sales	8,511	-	8,511
<i>Other:</i>			
- SPSA locked box proceeds	28,629	-	28,629
- US Settlement on Claims	349	-	349
- Bank interest	2,882	5	2,888
	2,828,314	1,910	2,830,225
Payments			
<i>Trading:</i>			
- Payroll, employee benefits, and payroll taxes	(386,586)	-	(386,586)
- Other payments	(115,900)	-	(115,900)
- Property costs	(89,184)	-	(89,184)
- Utilities	(60,383)	-	(60,383)
- Pension contributions	(53,709)	-	(53,709)
- Contractors	(1,603)	-	(1,603)
<i>Other:</i>			
- Joint Administrators' fees and disbursements	(1,701,729)	-	(1,701,729)
- Legal fees	(245,027)	(4,311)	(249,339)
- Other professional services costs	(165,050)	(6,819)	(171,868)
- Bank charges and interest	(3,671)	(112)	(3,783)
- FX translation movement on FX transactions within the entity	(700)	-	(700)
- FX translation movement	(453)	(109)	(562)
	(2,823,995)	(11,351)	(2,835,346)
Closing balance	44,412	(9,441)	34,971
Account reconciliations:			
Local Accounts	4,753	(3,770)	984
Administration Accounts	39,659	(5,671)	33,988
	44,412	(9,441)	34,971

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Notes to the Joint Administrators' receipts and payments account for the period 14 July 2017 to 31 October 2017

Note 1

Account balances have all been reported in the distribution currency, GBP, in addition to the local currency, EUR.

Opening balances have been converted using January 2009 month-end spot rates and closing balances converted using October 2017 month-end spot rates which have been provided by the Company. This approach is in line with the Company's internal reporting procedures.

Transactions that have taken place through the accounts over the course of the reporting period (14 July 2017 to 31 October 2017) have been converted at average spot rates over this period, which have been sourced from Reuters.

Consequently, foreign exchange movements have occurred in the period as a result of fluctuations in currency conversion rates. These are translation movements only and do not reflect an actual receipt or payment.

Note 2

The numbers used to prepare the receipts and payments summary have been provided by the Company and are unaudited. Material items have been reviewed for accuracy and reasonableness.

Note 3

The amounts reported are inclusive of sales tax where applicable.

Note 4

Post-appointment intercompany receipts for the period 14 July 2017 to 31 October 2017 reflect the first dividend from the Nortel Networks UK Limited ("NNUK") estate at a rate of 22.1p in the £ in respect of the Company's pre-appointment intercompany claim against NNUK.

Note 5

Settlement Plans Support Agreement ("SPSA") locked box proceeds reflects the amount received by the Company from the locked box, in respect of the global business and intellectual property sales, as agreed under the global settlement agreement.

Note 6

The total FX translation movement to 31 October 2017 is a result of the fluctuations in exchange rates against GBP. As such the interim FX translation movement does not represent a true monetary gain or loss.