

Nortel Networks Romania SRL (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	481,683		481,683
Receipts			
<i>Trading:</i>			
- Post appointment sales	1,959,418	-	1,959,418
- Other receipts	85,054	-	85,054
- Overpayment refunds	5	-	5
<i>Other:</i>			
- Pre appointment sales	663,258	-	663,258
- SPSA locked box proceeds	272,900	-	272,900
- US Settlement Allocation on Claims	715	-	715
- Bank interest	2,265	319	2,584
	<u>2,983,615</u>	<u>319</u>	<u>2,983,934</u>
Payments			
<i>Trading:</i>			
- Payroll, employee benefits, and payroll taxes	(389,762)	-	(389,762)
- Other payments	(360,991)	-	(360,991)
- Contractors	(253,536)	-	(253,536)
- Other taxes	(218,549)	(64,871)	(283,420)
- Intercompany	(182,298)	(87,572)	(269,870)
- Property costs	(159,167)	(2,270)	(161,437)
- Accounts payable - Inventory related	(22,745)	-	(22,745)
- Trade payables	(15,290)	-	(15,290)
- Utilities	(12,107)	-	(12,107)
<i>Other:</i>			
- Legal fees	(552,634)	(3,514)	(556,148)
- Joint Administrators' fees and disbursements	(467,516)	(300,726)	(768,243)
- Other professional services costs	(144,266)	(6,332)	(150,598)
- Bank charges and interest	(5,417)	(66)	(5,483)
- FX translation movement on FX transactions within the entity	(11,880)	(4,254)	(16,134)
- FX translation movement	(10,980)	(26)	(11,006)
	<u>(2,807,138)</u>	<u>(469,632)</u>	<u>(3,276,770)</u>
Closing balance	<u>658,160</u>	<u>(469,313)</u>	<u>188,846</u>
Account reconciliations:			
Local Accounts	3,105	1,575	4,680
Administration Accounts	655,055	(470,888)	184,167
	<u>658,160</u>	<u>(469,313)</u>	<u>188,846</u>

Nortel Networks Romania SRL (in Administration)

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

Currency: RON	Period 14 January 2009 to 13 July 2017	Period 14 July 2017 to 31 October 2017	Total to 31 October 2017
Opening balance	2,084,390		2,084,390
Receipts			
<i>Trading:</i>			
- Post appointment sales	7,874,167	-	7,874,167
- Other receipts	344,523	-	344,523
- Overpayment refunds	18	-	18
<i>Other:</i>			
- Pre appointment sales	2,610,751	-	2,610,751
- SPSA locked box proceeds	1,470,593	-	1,470,593
- US Settlement Allocation on Claims	3,004	-	3,004
- Bank interest	10,779	1,657	12,436
- FX translation movement	335,124	13,892	349,016
	12,648,960	15,549	12,664,509
Payments			
<i>Trading:</i>			
- Payroll, employee benefits, and payroll taxes	(1,540,640)	-	(1,540,640)
- Other payments	(1,461,801)	-	(1,461,801)
- Contractors	(1,008,661)	-	(1,008,661)
- Other taxes	(785,640)	(337,466)	(1,123,106)
- Intercompany	(720,684)	(455,564)	(1,176,248)
- Property costs	(774,818)	(11,810)	(786,628)
- Accounts payable - Inventory related	(89,531)	-	(89,531)
- Trade payables	(60,186)	-	(60,186)
- Utilities	(48,224)	-	(48,224)
<i>Other:</i>			
- Legal fees	(2,226,058)	(18,279)	(2,244,337)
- Joint Administrators' fees and disbursements	(1,887,385)	(1,564,436)	(3,451,821)
- Other professional services costs	(632,266)	(32,941)	(665,207)
- Bank charges and interest	(22,756)	(344)	(23,100)
- FX translation movement on FX transactions within the entity	(61,730)	(22,137)	(83,867)
	(11,320,380)	(2,442,977)	(13,763,357)
Closing balance	3,412,970	(2,427,428)	985,542
Account reconciliations:			
Current accounts	16,100	8,323	24,423
Administration deposit accounts	3,396,870	(2,435,751)	961,119
	3,412,970	(2,427,428)	985,542

Nortel Networks Romania SRL (in Administration)

Notes to the Joint Administrators' receipts and payments account for the period 14 January 2009 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

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 5

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.