

Nortel Networks UK Limited (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	Notes
Opening balance	236,900,621		236,900,621	1
Receipts				1, 2, 3
Trading:				
- Post-appointment intercompany	344,410,538	93,566	344,504,105	4
- Post-appointment sales	252,216,912	-	252,216,912	
- Realisations from subsidiaries	3,502,720	-	3,502,720	
- TSA receipts	43,322,739	-	43,322,739	
- Asset sales	12,756,209	-	12,756,209	
- Other receipts	5,899,209	-	5,899,209	
- Other taxes	10,332,752	479,174	10,811,926	5
- Property income	2,420,194	-	2,420,194	
- Pre-liquidation distribution from NN Saudi	1,908,194	-	1,908,194	
- Overpayment refunds	941,104	2,025	943,130	
Other:				
- Pre-appointment sales	64,978,537	-	64,978,537	
- SPSA locked box proceeds	809,890,400	-	809,890,400	
- Pre-appointment intercompany - Nortel Networks Limited	32,064,494	-	32,064,494	
- Pre-appointment intercompany - Asia Pacific entities	14,811,051	-	14,811,051	
- Pre-appointment intercompany - Nortel Networks Israel	203,011	-	203,011	
- US Settlement Allocation on Claims	10,699,825	-	10,699,825	
- Bank interest	7,196,476	122,956	7,319,433	
	<u>1,617,554,366</u>	<u>697,722</u>	<u>1,618,252,088</u>	
Payments				
Trading:				
- Accounts payable - inventory related	(290,691,120)	-	(290,691,120)	
- Payroll, employee benefits, and payroll taxes	(169,377,083)	(894,323)	(170,271,406)	
- Property costs	(34,771,521)	(38,765)	(34,810,286)	
- Other payments	(28,138,114)	(155,628)	(28,293,742)	
- Utilities	(8,920,654)	(1,018)	(8,921,673)	
- Pension contributions	(9,264,204)	(49,432)	(9,313,636)	
- Trade payables	(6,726,163)	-	(6,726,163)	
- Contractors	(2,971,076)	-	(2,971,076)	
Other:				
- Legal fees	(189,939,004)	(600,728)	(190,539,733)	
- Joint Administrators' fees and disbursements	(100,785,844)	(282,758)	(101,068,603)	
- Other professional services costs	(14,522,233)	(200,514)	(14,722,747)	
- First Distribution Dividend payments	-	(495,043,534)	(495,043,534)	6
- Liquidators fees for winding up of subsidiaries	(89,646)	-	(89,646)	
- Restructuring costs	(2,236,840)	-	(2,236,840)	
- Other payments	(3,052,247)	-	(3,052,247)	
- FX translation movement on FX transactions within the entity	(23,828,372)	-	(23,828,372)	
- Bank charges and interest	(1,059,019)	(18,832)	(1,077,852)	
- Capital expenditure	(115,282)	-	(115,282)	
- FX translation movement	(4,255,417)	(21,673)	(4,277,090)	1, 7
	<u>(890,743,840)</u>	<u>(497,307,206)</u>	<u>(1,388,051,046)</u>	
Closing balance	<u>963,711,147</u>	<u>(496,609,484)</u>	<u>467,101,663</u>	
Account reconciliations:				
Local Accounts	1,324,386	(1,018,068)	306,318	
Administration Accounts	962,386,761	(495,591,416)	466,795,345	
	<u>963,711,147</u>	<u>(496,609,484)</u>	<u>467,101,663</u>	

Nortel Networks UK Limited (in Administration)

Administrators' receipts and payments account for the period: 14 January 2009 to 31 October 2017

Currency: USD	Period 14 January 2009 to 13 July 2017	Period 14 July 2017 to 31 October 2017	Total to 31 October 2017
Opening balance	338,622,958		338,622,958
Receipts			
<i>Trading:</i>			
- Post-appointment intercompany	513,261,348	(1,946,978)	511,314,371
- Post-appointment sales	394,299,915	-	394,299,915
- Realisations from subsidiaries	5,710,478	-	5,710,478
- TSA receipts	66,449,334	-	66,449,334
- Asset sales	19,672,103	-	19,672,103
- Other receipts	8,763,972	-	8,763,972
- Other taxes	16,900,743	627,574	17,528,317
- Property income	3,763,805	-	3,763,805
- Pre-liquidation distribution from NN Saudi	2,900,000	-	2,900,000
- Overpayment refunds	1,473,066	2,653	1,475,719
<i>Other:</i>			
- Pre-appointment sales	101,595,114	-	101,595,114
- SPSA locked box proceeds	1,023,634,366	-	1,023,634,366
- Pre-appointment intercompany - Nortel Networks Limited	40,526,864	-	40,526,864
- Pre-appointment intercompany - Asia Pacific entities	22,449,730	-	22,449,730
- Pre-appointment intercompany - Nortel Networks Israel	308,492	-	308,492
- US settlement Allocation on Claims	17,927,587	-	17,927,587
- Bank interest	11,152,038	161,035	11,313,074
- FX translation movement	54,032,780	14,995,143	69,027,923
	<u>2,304,821,735</u>	<u>13,839,428</u>	<u>2,318,661,162</u>
Payments			
<i>Trading:</i>			
- Accounts payable - inventory related	(451,510,922)	-	(451,510,922)
- Payroll, employee benefits, and payroll taxes	(263,034,969)	(3,038,936)	(266,073,904)
- Property costs	(53,855,621)	(50,771)	(53,906,392)
- Other payments	(43,675,544)	(203,826)	(43,879,370)
- Utilities	(13,813,834)	(1,334)	(13,815,168)
- Pension contributions	(14,375,913)	(64,742)	(14,440,655)
- Trade payables	(10,532,622)	(644,421,355)	(654,953,977)
- Contractors	(4,627,372)	-	(4,627,372)
<i>Other:</i>			
- Legal fees	(300,139,402)	(786,773)	(300,926,175)
- Joint Administrators' fees and disbursements	(156,979,510)	(370,328)	(157,349,838)
- Other professional services costs	(22,410,088)	(262,613)	(22,672,701)
- Liquidators fees for winding up of subsidiaries	(135,457)	-	(135,457)
- Restructuring costs	(3,442,817)	-	(3,442,817)
- Other payments	(3,860,635)	-	(3,860,635)
- FX translation movement on FX transactions within the entity	(47,185,162)	-	(47,185,162)
- Bank charges and interest	(1,630,889)	(24,665)	(1,655,553)
- Capital expenditure	(180,407)	-	(180,407)
	<u>(1,391,391,165)</u>	<u>(649,225,341)</u>	<u>(2,040,616,505)</u>
Closing balance	<u>1,252,053,528</u>	<u>(635,385,913)</u>	<u>616,667,615</u>
Account reconciliations:			
Local Accounts	1,720,643	-	1,720,643
Administration Accounts	1,250,332,885	-	1,250,332,885
	<u>1,252,053,528</u>	<u>-</u>	<u>1,252,053,528</u>

Nortel Networks UK Limited (in Administration)

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 local currency, GBP.

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 recharges of various costs to other Nortel EMEA entities.

Note 5

Other taxes reflect VAT refunds received during the reporting period.

Note 6

First Distribution Dividend payments reflect the payments made in respect of the first interim dividend of 22.1p in the pound, paid on 27 July 2017.

Note 7

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

Nortel Networks UK Limited - Saudi Arabia Branch (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	2,076,800		2,076,800
Receipts			
<i>Trading:</i>			
- Other receipts	13,744	-	13,744
<i>Other:</i>			
- Pre-appointment sales	1,530,885	-	1,530,885
- Intercompany	321,640	-	321,640
- Bank interest	27,761	-	27,761
- FX Translation movement	(276)	(95)	(371)
	<u>1,893,754</u>	<u>(95)</u>	<u>1,893,659</u>
Payments			
<i>Trading:</i>			
- Other payments	(613,597)	-	(613,597)
- Trade payables	(326,559)	-	(326,559)
- Other taxes	(211,099)	-	(211,099)
- Payroll, employee benefits, and payroll taxes	(161,925)	-	(161,925)
- Other professional services costs	(133,817)	-	(133,817)
- Property costs	(75,049)	-	(75,049)
- Utilities	(58,264)	-	(58,264)
- Contractors	(23,819)	-	(23,819)
<i>Other:</i>			
- Pre-liquidation distribution - NN UK	(2,352,528)	-	(2,352,528)
- FX translation movement on FX transactions within the entity	(7,145)	-	(7,145)
- Bank charges and interest	(772)	-	(772)
	<u>(3,964,574)</u>	<u>-</u>	<u>(3,964,574)</u>
Closing balance	<u>5,980</u>	<u>(95)</u>	<u>5,885</u>
Account reconciliations:			
Local Accounts	5,844	(93)	5,751
Administration Accounts	136	(2)	134
	<u>5,980</u>	<u>(95)</u>	<u>5,885</u>

Nortel Networks UK Limited - Saudi Arabia Branch (in Administration)

Administrators' receipts and payments account for the period: 14 January 2009 to 31 October 2017

Currency: SAR	Period 14 January 2009 to 13 July 2017	Period 14 July 2017 to 31 October 2017	Total to 31 October 2017
Opening balance	9,585,178		9,585,178
Receipts			
<i>Trading:</i>			
- Other receipts	63,431	-	63,431
<i>Other:</i>			
- Pre-appointment sales	7,065,584	-	7,065,584
- Intercompany	1,484,482	-	1,484,482
- Bank interest	128,127	-	128,127
- FX translation movement	275	(0)	275
	8,741,899	(0)	8,741,899
Payments			
<i>Trading:</i>			
- Other payments	(2,831,972)	-	(2,831,972)
- Trade payables	(1,507,187)	-	(1,507,187)
- Other taxes	(974,296)	-	(974,296)
- Payroll, employee benefits, and payroll taxes	(747,342)	-	(747,342)
- Other professional services costs	(617,615)	-	(617,615)
- Property costs	(346,380)	-	(346,380)
- Utilities	(268,911)	-	(268,911)
- Contractors	(109,931)	-	(109,931)
<i>Other:</i>			
- Pre-liquidation distribution - NN UK	(10,857,763)	-	(10,857,763)
- FX Translation movement on FX transactions within the entity	(32,978)	-	(32,978)
- Bank charges and interest	(3,563)	-	(3,563)
	(18,297,938)	-	(18,297,938)
Closing balance	29,139	(0)	29,139
Account reconciliations:			
Local Accounts	28,476	0	28,476
Administration Accounts	663	(0)	663
	29,139	(0)	29,139

Nortel Networks UK Limited - Saudi Arabia Branch (in Administration)

Receipts and payments comments

There has been a significant reduction in the receipts and payments activity during the interim period against prior periods. This is representative of the wind down position of the business.

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

Note 1

Account balances are reported in the common currency for NNUK, GBP.

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

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