

Nortel Networks Oy (in Administration)

Administrators' receipts and payments account for the period: 14 January 2009 to 31 March 2018

Currency: GBP	Period 14 January 2009 to 13 January 2018	Period 14 January 2018 to 31 March 2018	Total to 31 March 2018
Opening balance	39,744		39,744
Receipts			
<i>Trading:</i>			
- Intercompany	1,874,512	-	1,874,512
- Other taxes	(137,902)	(11,933)	(149,835)
- 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
- LRE receipts	1,065,000	-	1,065,000
- Pre-appointment intercompany - EMEA entities	6,381	180,925	187,305
- US Settlement Allocation on Claims	368	-	368
- Bank interest	2,901	36	2,937
	<u>2,890,125</u>	<u>169,029</u>	<u>3,059,153</u>
Payments			
<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)	(49,420)	(1,618,573)
- Legal fees	(262,406)	(509)	(262,915)
- Other professional services costs	(177,779)	(3,647)	(181,426)
- First Distribution Dividend of 95p on 5 December 2017	(9,414)	-	(9,414)
- Bank charges and interest	(3,947)	(111)	(4,058)
- FX translation movement on FX transactions within the entity	(566)	(1)	(567)
- FX translation movement	(67,566)	(46)	(67,612)
	<u>(2,843,641)</u>	<u>(53,733)</u>	<u>(2,897,374)</u>
Closing balance	<u>86,227</u>	<u>115,296</u>	<u>201,523</u>
Account reconciliations:			
Local Accounts	1,475	(64)	1,411
Administration Accounts	84,752	115,360	200,111
	<u>86,227</u>	<u>115,296</u>	<u>201,523</u>

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Administrators' receipts and payments account for the period: 14 January 2009 to 31 March 2018

Currency: EUR	Period 14 January 2009 to 13 January 2018	Period 14 January 2018 to 31 March 2018	Total to 31 March 2018
Opening balance	40,093		40,093
Receipts			
<i>Trading:</i>			
- Intercompany	1,794,345	-	1,794,345
- Other taxes	(190,088)	(13,526)	(203,613)
- 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
- LRE receipts	1,226,217	-	1,226,217
- Pre-appointment intercompany - EMEA entities	7,225	205,080	212,306
- US Settlement on Claims	349	-	349
- Bank interest	2,906	41	2,947
	<u>2,909,371</u>	<u>191,596</u>	<u>3,100,966</u>
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)	(56,018)	(1,757,747)
- Legal fees	(250,058)	(576)	(250,635)
- Other professional services costs	(176,616)	(4,133)	(180,750)
- First Distribution Dividend of 95p on 5 December 2017	(10,660)	-	(10,660)
- Bank charges and interest	(4,070)	(125)	(4,195)
- FX translation movement on FX transactions within the entity	(700)	(2)	(702)
- FX translation movement	(1,160)	2,064	904
	<u>(2,852,358)</u>	<u>(58,791)</u>	<u>(2,911,149)</u>
Closing balance	<u>97,105</u>	<u>132,805</u>	<u>229,910</u>
Account reconciliations:			
Local Accounts	1,661	(51)	1,610
Administration Accounts	95,444	132,856	228,300
	<u>97,105</u>	<u>132,805</u>	<u>229,910</u>

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Notes to the Joint Administrators' receipts and payments account for the period 14 January 2018 to 31 March 2018

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 March 2018 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 January 2018 to 31 March 2018) 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 January 2018 to 31 March 2018 reflect the first dividend from the Nortel Networks (Ireland) Limited estate at a rate of 90p in the £ in respect of the Company's pre-appointment intercompany claim against Nortel Networks (Ireland) Limited.

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 March 2018 is a result of the fluctuations in exchange rates against the GBP. As such the interim FX translation movement does not represent a true monetary gain or loss.