

## Nortel Networks UK Limited (In Administration)

### Joint Administrators' Abstract of Receipts and Payments from 14 January 2009 to 13 July 2018 (GBP)

Nortel Networks UK Limited (In Administration)			
Administrators' receipts and payments account for the period: 14 January 2009 to 13 July 2018			
Currency: GBP	Period 14 January 2009 to 13 January 2018	Period 14 January 2018 to 13 July 2018	Total to 13 July 2018
Opening balance	236,900,621		236,900,621
<b>Receipts</b>			
<i>Trading:</i>			
- Post-appointment intercompany	346,279,105	3,611	346,282,716
- 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	10,287,626	1,012,091	11,299,717
- Property income	2,420,194	-	2,420,194
- Pre-liquidation distribution from NN Saudi	1,908,194	-	1,908,194
- Overpayment refunds	943,190	120	943,310
<i>Other:</i>			
- Pre-appointment sales	64,978,537	-	64,978,537
- SPSA locked box proceeds	809,890,400	-	809,890,400
- Unclaimed Distribution funds held on behalf of EMEA entities	-	624	624
- Pre-appointment intercompany - EMEA entities	8,871,519	29,174,604	38,046,123
- Pre-appointment intercompany - Nortel Networks Limited	39,900,782	-	39,900,782
- Pre-appointment intercompany - Asia Pacific entities	14,811,051	844,004	15,655,054
- Pre-appointment intercompany - Nortel Networks Israel	203,011	-	203,011
- US Settlement Allocation on Claims	10,699,825	-	10,699,825
- Bank interest	7,506,985	264,341	7,771,326
	1,636,398,207	31,299,394	1,667,697,602
<b>Payments</b>			
<i>Trading:</i>			
- Accounts payable - inventory related	(290,691,120)	-	(290,691,120)
- Payroll, employee benefits, and payroll taxes	(174,113,570)	(1,582,772)	(175,696,342)
- Property costs	(34,837,995)	(66,829)	(34,904,824)
- Other payments	(28,632,386)	(1,407,027)	(30,039,413)
- Utilities	(8,922,195)	(1,485)	(8,923,680)
- Pension contributions	(9,363,069)	(100,327)	(9,463,396)
- Trade payables	(6,726,163)	-	(6,726,163)
- Contractors	(2,971,076)	-	(2,971,076)
<i>Other:</i>			
- Legal fees	(190,929,688)	(252,912)	(191,182,601)
- Joint Administrators' fees and disbursements	(101,983,466)	(2,186,735)	(104,170,201)
- Other professional services costs	(14,815,035)	(288,384)	(15,103,419)
- First Distribution Dividend of 22.1p on 27 July 2017	(493,617,528)	(1,339)	(493,618,867)
- Second Distribution Dividend of 16.5p on 5 Dec 2017	(369,381,865)	(222,384)	(369,604,249)
- LRE payments	(3,619,548)	(473,047)	(4,092,595)
- 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	(23,897,197)	(34,958)	(23,932,155)
- Bank charges and interest	(1,091,053)	(31,203)	(1,122,256)
- Capital expenditure	(115,282)	-	(115,282)
- FX translation movement	(4,303,884)	39,193	(4,264,691)
	(1,765,390,854)	(6,610,209)	(1,772,001,062)
Closing balance	107,907,975	24,689,186	132,597,161
<b>Account reconciliations:</b>			
Local Accounts	997,407	(385,559)	611,849
Administration Accounts	106,910,568	25,074,744	131,985,312
	107,907,975	24,689,186	132,597,161

## **Nortel Networks UK Limited (In Administration)**

### **Notes to R & P**

#### ***Note 1***

Account balances have all been reported in the local currency.

Opening balances have been converted using January 2009 month-end spot rates and closing balances converted using June 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 13 July 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***

Pre-appointment intercompany receipts for the period 14 January 2018 to 13 July 2018 reflect dividends received relating to the Company's unsecured claims against various EMEA Companies.

#### ***Note 5***

LRE payments during the period 14 January 2018 to 13 July 2018 reflect the capital contributions made by the Company to the LRE Companies.

#### ***Note 6***

The total FX translation movement to 13 July 2018 is a result of the fluctuations in historical exchange rates against the reporting currency. As such the interim FX translation movement does not represent a true monetary gain or loss.

## Nortel Networks UK Limited (In Administration)

### Joint Administrators' Abstract of Receipts and Payments from 14 January 2009 to 13 July 2018 (GBP) – Nortel Networks UK Limited - Saudi Arabia Branch (In Administration)

Nortel Networks UK Limited - Saudi Arabia Branch (in Administration)			
Administrators' receipts and payments account for the period: 14 January 2009 to 13 July 2018			
Currency: GBP	Period 14 January 2009 to 13 January 2018	Period 14 January 2018 to 13 July 2018	Total to 13 July 2018
Opening balance	2,076,800		2,076,800
<b>Receipts</b>			
<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	(499)	154	(345)
	1,893,531	154	1,893,685
<b>Payments</b>			
<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)
	(3,964,574)	-	(3,964,574)
Closing balance	5,757	154	5,911
<b>Account reconciliations:</b>			
Local Accounts	5,626	151	5,777
Administration Accounts	131	4	135
	5,757	154	5,911

## **Nortel Networks UK Limited - Saudi Arabia Branch (In Administration)**

### **Notes to R & P**

#### ***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 December 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 13 January 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***

The total FX translation movement to 13 July 2018 is a result of the fluctuations in historical exchange rates against the USD. As such the interim FX translation movement does not represent a true monetary gain or loss.