



**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES AND INSOLVENCY LIST
[2018] EWHC 3568 (Ch)**

No. CR-2016-006154

**IN THE MATTER OF NORTEL NETWORKS UK LIMITED & OTHERS
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

Royal Courts of Justice
7 Rolls Buildings, Fetter Lane,
London, EC4A 1NL

Date: Monday 17 December 2018

Before:

Mr Justice Snowden

Alan Robert Bloom, Alan Michael Hudson, David Martin Hughes and Stephen John, as joint administrators of the Companies

Applicants

MR. H PHILLIPS (instructed by Herbert Smith Freehills LLP)
appeared on behalf of the Applicants

Hearing date: Monday 17 December 2018

Mr Justice Snowden:

1. I have before me a number of applications by the Administrators of a number of companies in the Nortel Group of companies. They seek to extend the hearing of the administrations in relation to all companies apart from Nortel Romania for a period of about a year until 13 January 2020; and in relation to Nortel Romania, to extend the administration by six months to 13 July 2019.
2. The reasons for the requested extensions are set out in a number of witness statements of one of the Administrators, supported by a separate witness statement in relation to Nortel Ireland by one of its Administrators.
3. That evidence indicates that the administrations and related CVAs for some of the companies are proceeding to their conclusions according to plan. However, there are still various balances to be collected in, adjudication of claims and expense claims to be finalised, final distributions to be made and ultimately for the companies to be put into liquidation under local law. The only exception to the planned progress is in relation to Nortel Romania, where a hitch has been encountered in relation to putting the company into liquidation in Romania. Reasons for that are awaited from the Romanian Court.
4. I am satisfied that it is in the interest of the creditors of all the companies concerned to grant the extensions. There is no conceivable benefit to be obtained by requiring the companies to go into liquidation in England at this very late stage which would simply cause further disruption and expense. For reasons which I have set out in previous judgments, and which were also alluded to in a decision of Hildyard J in Lehman Brothers Holdings Inc. [2016] EWHC 3379, it is appropriate for the court to allow a company to continue in an administration where that would be the most cost-effective way of serving the interests of the parties.
5. It is envisaged by the Administrators that it is likely that the purpose of the administrations of each of the companies will be achieved within the extension period. As and when that is the case in relation to any of the individual companies, the Administrators will likely make an application for the termination of the administration and for their discharge. The purpose of the extension is to provide a window within which that should occur.
6. The Administrators also acknowledge that if there is any material change or significant unforeseen change in the circumstances of the companies over the extension period, they in any event have an obligation to come back to the court to seek appropriate relief and directions.
7. That latter point may be particularly relevant in the current circumstances in which the likely terms and effect of BREXIT (if and when it occurs) is unknown. The Administrators have told me through Mr. Phillips (who has appeared today) that they are keeping the potential implications of BREXIT on these administrations under close review. Should the court be able to assist in that respect at any point in the New Year, it will be available to do so.
8. It seems to me that that is an entirely sensible course for the administrators to adopt and on that basis, I am content to make the orders in the form sought. In relation to Nortel Romania I think that the form of the order should make it clear that the extension which I am going to grant is without prejudice to the continued operation of

para.1 of the order of 24 August which will automatically bring an end to the appointment of the Administrators as and when a liquidator is appointed by the Romanian Court.

CERTIFICATE

Opus 2 International Ltd. hereby certifies that the above is an accurate and complete record of the judgment or part thereof.

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This transcript has been approved by the Judge