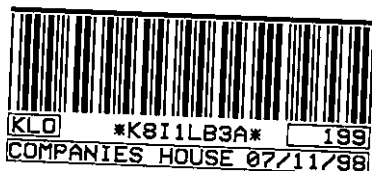


Eurobell Managed Services Limited

Directors' report and financial statements

31 May 1998

Registered number 3373001



Eurobell Managed Services Limited

Directors' report and financial statements

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Eurobell Managed Services Limited

Directors' report

The directors present their first report and the audited financial statements for the period from incorporation to 31 May 1998.

Principal activities

The company was incorporated on 19 May 1997 and did not trade during the period nor did it incur any expenditure and, accordingly, it made neither a profit nor a loss.

Directors

The following were directors of the company during the period and up to the date of this report:

A S Cornish (appointed 2 July 1997)
M J Laqua (appointed 2 July 1997)
R N Barnes (appointed 2 July 1997)
A M Blankfield (appointed 19 May 1997, resigned 2 July 1997)
A C Magowan (appointed 19 May 1997, resigned 2 July 1997)

None of the directors who held office at the end of the financial year had any interest in the share capital of any group company at any time in the year.

Auditors

Pursuant to Sections 366A and 385 of the Companies Act 1985, the company passed elective resolutions on 2 July 1997 dispensing with the requirements to hold Annual General Meetings and to re-appoint its auditors annually. KPMG will continue as the company's auditors.

By order of the board



A Cornish
Director

Eurobell House
Churchill Court
Manor Royal
CRAWLEY
West Sussex RH10 2PN

27 July 1998

Eurobell Managed Services Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Eurobell Managed Services Limited

Auditors' report to the members of Eurobell Managed Services Limited

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1998 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

Chartered Accountants

Registered Auditors

1 Forest Gate
Brighton Road
Crawley
West Sussex, RH11 9PT

27 July 1998

Eurobell Managed Services Limited


Balance sheet

at 31 May 1998

	<i>Note</i>	1998 £
Fixed Assets		
Investments	2	1
Current assets		
Amounts due from parent undertaking		1
Creditors: amounts falling due within one year		
Amounts owed to subsidiary undertakings		(1)
		<u>1</u>
		===
Capital and reserves		
Share capital	3	1
		===

During the year the company did not trade and received no income and incurred no expenditure. Consequently, during the period the company made neither a profit nor a loss. The company has no other recognised gains or losses in the period.

These financial statements were approved by the board of directors on 27 July 1998 and were signed on its behalf by:



A Cornish
Director

Eurobell Managed Services Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on grounds that it is a wholly owned subsidiary undertaking of a UK parent undertaking.

2 Fixed asset investments

Company	Shares in group undertakings
<i>Cost</i>	£
Additions	1
At end of period	1
	===

Shares in group undertakings comprise £1 in respect of a share held in a subsidiary undertaking. The subsidiary undertaking is an unlisted investment.

No provision for diminution in the value of shares in group undertakings is deemed necessary. The company in which the company's interest is more than 10%, which is a subsidiary undertaking is as follows:

	Country of registration	Principal activity	Percentage of shares held
<i>Subsidiary undertaking</i>			
EMS Investments Limited	England and Wales	Dormant	100%

Eurobell Managed Services Limited

Notes

(forming part of the financial statements)

3	Called up share capital	1998
		£
	<i>Authorised</i>	
	100 ordinary shares of £1 each	100
		===
	<i>Allotted, called up and fully paid</i>	
	1 ordinary share of £1 each	1
		===
4	Reconciliation of movement in shareholders' funds	
		1998
		£
	Share capital issued on incorporation	1
	Closing shareholders' funds	1
		===
5	Ultimate parent undertaking	

The immediate parent undertaking is Eurobell (Holdings) PLC.

Deutsche Telepost Consulting GmbH is the ultimate parent undertaking of the group of undertakings of which Eurobell Managed Services Limited is a member.

Copies of consolidated financial statements of Eurobell (Holdings) PLC are available from Eurobell House, Churchill Court, Manor Royal, Crawley, West Sussex RH10 2PN. No other group financial statements include the results of the company.