

LUCENT TECHNOLOGIES CAPITAL IRELAND

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

30 SEPTEMBER 2006

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 30 September 2006

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LUCENT TECHNOLOGIES CAPITAL IRELAND

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Patrick Clark

SECRETARY & REGISTERED OFFICE

Patrick Clark,
Optimus,
Windmill Hill Business Park,
Swindon,
Wiltshire SN5 6PP

REGISTERED NUMBER OF INCORPORATION

04031846

BANKERS

Deutsche Bank AG,
Herengracht 450 – 454,
1017 CA Amsterdam,
The Netherlands

AUDITORS

PricewaterhouseCoopers,
Chartered Accountants and
Registered Auditors,
One Spencer Dock,
North Wall Quay,
Dublin 1

DIRECTORS' REPORT
for the year ended 30 September 2006

The directors present their report and audited financial statements for the year ended 30 September 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with the provisions of the Companies Act, 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company operates in Dublin, Ireland and its principal activity is the provision of financing facilities to members of Lucent

The level of business during the period and the financial position as at 30 September 2006 were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

PROFIT DIVIDENDS AND RESERVES	€'000
Loss for the year amounted to	(80)

DIRECTORS' REPORT

for the year ended 30 September 2006 (Continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) the directors have taken all the steps they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

DIRECTORS

The names of the persons who were directors at any time during the year ended 30 September 2006 are set out below Unless indicated otherwise they served as directors for the entire year

Patrick Brady (resigned 28 February 2007)

Richard Pitceathly (resigned 22 June 2007)

Patrick Clark

AUDITORS

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

On behalf of the Board

Directors



Date



PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland
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Telephone +353 (0) 1 792 6000
Facsimile +353 (0) 1 792 6200
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCENT TECHNOLOGIES
CAPITAL IRELAND**

We have audited the financial statements of Lucent Technologies Capital Ireland for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act, 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. In addition we report to you, in our opinion if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCENT TECHNOLOGIES
CAPITAL IRELAND (Continued)**

Basis of audit 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state on the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

17 June 2009

LUCENT TECHNOLOGIES CAPITAL IRELAND

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2006

	<i>Note</i>	<i>2006</i> <i>€'000</i>	<i>2005</i> <i>€'000</i>
Interest receivable and similar income	2	4	71
Administration expenses		(84)	(8)
Operating (loss)/profit and (loss)/profit on ordinary activities before taxation	3	(80)	63
Taxation	4	-	(18)
(Loss)/Profit for the financial year		(80)	45

STATEMENT OF MOVEMENT IN PROFIT AND LOSS ACCOUNT for the year ended 30 September 2006

	<i>2006</i> <i>€'000</i>	<i>2005</i> <i>€'000</i>
Opening balance	(16,074)	(16,119)
(Loss)/Profit for the year (absorbed)/retained	(80)	45
Retained at 30 September 2006	(16,154)	(16,074)

In arriving at the (loss)/profit for the year, all amounts dealt with above relate to continuing operations

The company has no recognised gains and losses other than those included in the (loss)/profit above, and therefore no separate statement of total recognised gains and losses has been presented. All of the above (losses)/profits are in respect of continuing operations.

There is no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit stated above, and their historical cost equivalents.

LUCENT TECHNOLOGIES CAPITAL IRELAND

BALANCE SHEET at 30 September 2006

		30 September 2006 €'000	30 September 2005 €'000
	<i>Note</i>		
CURRENT ASSETS			
Debtors	5	7,018	7,000
Cash at bank and in hand		81	190
		<u>7,099</u>	<u>7,190</u>
CREDITORS (amounts falling due within one year)	6	(24)	(35)
		<u>7,075</u>	<u>7,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	7	3,841	3,841
Capital reserve		19,388	19,388
Profit and loss account		(16,154)	(16,074)
		<u>7,075</u>	<u>7,155</u>
Equity shareholders' funds	8		

On behalf of the Board

Directors

P. Clark.
2nd June 2009

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2006

1 ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom ('UK GAAP'), which are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board

(b) Income recognition

Interest income and expense is recognisable on an accruals basis

(c) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rate in effect at the balance sheet date, or at the hedge rate where appropriate and all transactions have been translated at the exchange rate in effect at the time of the transaction, or at the hedge rate where appropriate. All exchange differences are dealt with in arriving at profit before taxation

(d) Derivative financial instruments

All derivative transactions undertaken are for hedging purposes. Derivative transactions are accounted for on an accruals basis, consistent with the assets and liabilities being hedged

(e) Current Taxation

Corporation tax is calculated on the results of the period

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Timing differences are differences between (loss)/profit as computed for taxation purposes and taxation as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date

LUCENT TECHNOLOGIES CAPITAL IRELAND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2006 (Continued)

2	INTEREST RECEIVABLE AND SIMILAR INCOME	2006 €'000	2005 €'000
	This can be analysed as follows		
	Group companies	-	-
	Third party	4	71
		<u>4</u>	<u>71</u>
3	OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2006 €'000	2005 €'000
	This is stated after charging		
	Director's remuneration	-	-
	Auditors' remuneration	7	7
		<u>7</u>	<u>7</u>
4	TAXATION	2006 €'000	2005 €'000
	(a) Analysis of charge/(credit) for the period		
	Corporation tax	-	18
	Overprovision in respect of prior years	-	-
	Withholding tax	-	-
		<u>-</u>	<u>18</u>
	(b) Factors affecting tax charge/(credit) for the period		
	The tax assessed for the period is lower than that calculated using the standard rate of tax in the Republic of Ireland		
	The differences are explained below	2006 €'000	2005 €'000
	(Loss)/Profit on ordinary activities before tax	(80)	63
	(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5%	(10)	8
	Overprovision in respect of prior years	-	-
	Withholding tax	-	-
	Tax on passive income	-	10
	Losses not available for relief	10	-
	Tax losses utilised	-	-
		<u>-</u>	<u>18</u>
	Current tax charge for the period	<u>-</u>	<u>18</u>

LUCENT TECHNOLOGIES CAPITAL IRELAND

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2006 (Continued)

5	DEBTORS (amounts falling due within one year)	2006 €'000	2005 €'000
	Interest free loans to group undertakings	7,000	7,000
	Taxation recoverable	18	-
		<u>7,018</u>	<u>7,000</u>
6	CREDITORS (amounts falling due within one year)	2006 €'000	2005 €'000
	Sundry creditors	<u>24</u>	<u>35</u>
7	CALLED UP SHARE CAPITAL	2006 €'000	2005 €'000
	<i>Authorised</i>		
	1,000,000,000 ordinary shares of €1 each	<u>1,000,000</u>	<u>1,000,000</u>
	<i>Issued and fully paid</i>		
	3,841,101 ordinary shares of €1 each	<u>3,841</u>	<u>3,841</u>
8	RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2006 €'000	2005 €'000
	Opening balance	7,155	7,110
	Profit for the financial year	(80)	45
	Closing shareholders' funds	<u>7,075</u>	<u>7,155</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2006 (Continued)

9 PARENT COMPANY AND CONTROLLING PARTY

Lucent Technologies Inc , which is incorporated in Delaware, USA, is the company's immediate and ultimate parent company and controlling party. The smallest and largest groups in which the results of the company are consolidated is that headed by Lucent Technologies Inc. Copies of the group financial statements of Lucent Technologies Inc , are available from Lucent Technologies Inc , 600 Mountain Avenue, Murray Hill, NJ 07974.

10 EMPLOYEES

The company currently has no employees.

11 CASH FLOW STATEMENT

The directors availed of the exemption in Financial Reporting Standard No 1 (Revised 1996) "Cash Flow Statements" which permits wholly owned subsidiaries of a company, whose financial statements are available to the public and which include the subsidiary, not to produce a cash flow statement.

12 RELATED PARTY DISCLOSURES

The directors have availed of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" which permits wholly owned subsidiaries not to disclose transactions and balances between group undertakings which are eliminated on consolidation.

13 REPORTING CURRENCY

The currency used in these financial statements is the euro, the functional currency of the company, which is denoted by the symbol "€".

14 APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the financial statements on *2nd June 2009*