

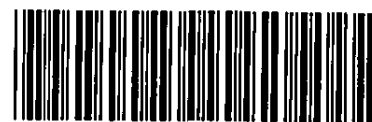
COLT Telecom Finance Limited

Annual report and financial statements

For the year ended 31 December 2009

Registered number: 4150069

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COLT Telecom Finance Limited

Directors' report For the year ended 31 December 2009

The Directors present the report and audited financial statements of COLT Telecom Finance Limited ("the Company") for the year ended 31 December 2009

Principal activities and business review

The Company's principal activity is to act as a finance company within the group comprising Colt Group S A (formerly COLT Telecom Group S A) and its subsidiaries ("the Group"). Colt Group S A is a Company incorporated in Luxembourg. The results of the Company are included in the consolidated financial statements of Colt Group S A for the year ended 31 December 2009.

The principal risks and uncertainties facing the Company are integrated with the principal risks and uncertainties facing the Group and are not managed separately. Details of the risks and uncertainties facing the Group, the Group's financial risk management policy and an analysis of the performance of the Group, including key performance indicators, can be found in the consolidated Group annual report which does not form part of this report. The Group annual report is available from the Company's registered office, as set out in note 8 to the financial statements.

Results and dividends

The loss on ordinary activities before taxation was £178 (2008: £nil). The Directors do not recommend the payment of a dividend (2008: £nil).

Directors

The Directors of the Company who held office during the year and up to the signing date of the financial statements were

C Griffin Pain
M Harrison
C Jarvis (resigned 31 July 2010)
L Patmore
D Spang

The Company Secretary who held office during the year was

E Chengapen

COLT Telecom Finance Limited

Directors' report (continued) For the year ended 31 December 2009

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 UK 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that

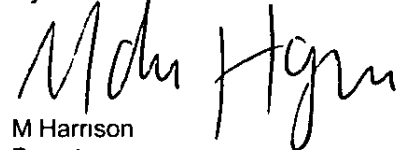
- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Qualifying third party indemnity provisions for the benefit of Directors

The Company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

By order of the board



M Harrison
Director

29 September 2010

COLT Telecom Finance Limited

Independent auditors' report to the members of COLT Telecom Finance Limited

We have audited the financial statements of COLT Telecom Finance Limited for the year ended 31 December 2009, which comprise the Profit and Loss account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

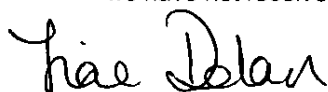
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Fiona Dolan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2010

COLT Telecom Finance Limited

Profit and loss account For the year ended 31 December 2009

	Notes	2009 £	2008 £
Administrative expenses	2	(233)	--
Operating loss		(233)	--
Exchange gains		55	--
Loss on ordinary activities before taxation		(178)	--
Tax on loss on ordinary activities	4	--	--
Loss for the year	7	(178)	--

All activities are regarded as continuing. The Company has no recognised gains and losses other than as above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalent.

The accompanying notes are an integral part of the financial statements.

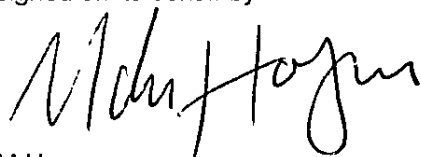
COLT Telecom Finance Limited

Balance sheet

As at 31 December 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	5	<u>9,144,366</u>	<u>9,144,544</u>
Total assets		<u>9,144,366</u>	<u>9,144,544</u>
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account reserve	7	<u>9,144,364</u>	<u>9,144,542</u>
Shareholders' funds	7	<u>9,144,366</u>	<u>9,144,544</u>
Total liabilities, capital and reserves		<u>9,144,366</u>	<u>9,144,544</u>

The financial statements on pages 4 to 8 were approved by the board on 29 September 2010 and signed on its behalf by



M Harrison
Director

COLT Telecom Finance Limited

Registered number: 4150069

COLT Telecom Finance Limited

Notes to the financial statements For the year ended 31 December 2009

1. Principal accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The principal accounting policies which have been applied consistently throughout the year are set out below.

Financial instruments presentation

The Company has taken advantage of the exemption provided by FRS 25 for subsidiary undertakings of which 90% or more of the voting rights are controlled within the group of an ultimate parent that publishes consolidated financial statements which comply with the disclosure requirements of the standard, and therefore the disclosure requirements of the standard have not been adopted in these financial statements.

Debtors

Debtors are shown at their book value less any provision for bad or doubtful debts.

Related party disclosures

The Company has taken advantage of the exemption provided by FRS 8 for subsidiary undertakings of which 90% or more of the voting rights are controlled within the group of the ultimate parent which publishes its consolidated financial statements and has not disclosed transactions with other group companies.

Cash flow statements

The Company has taken advantage of the exemption offered by FRS 1 (revised 1996) and has not produced a cash flow statement as it is a more than 90% owned subsidiary of a parent publishing consolidated financial statements.

2. Loss on ordinary activities before taxation

The Company's audit fees of £2,750 (2008: £2,750) have been paid by a group company.

The Company had no employees during the years ended 31 December 2009 and 31 December 2008.

3. Directors' emoluments

No Director received emoluments in respect of services provided to the Company during the year (2008: £nil).

COLT Telecom Finance Limited

Notes to the financial statements (continued) For the year ended 31 December 2009

4. Tax on loss on ordinary activities

a) Analysis of charge in year

There is no tax charge arising in the years ended 31 December 2009 and 2008 due to group relief claimed from other group companies. No payment is required for the group relief claimed.

b) Factors affecting tax charge for year

The tax assessed for the year is lower than (2008: equal to) the standard rate of corporation tax in the UK. The differences are explained below.

	2009 £	2008 £
Loss on ordinary activities before taxation	(178)	--
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.0% (2008: 28.5%)	(50)	--
Effects of		
Utilisation of tax losses under a claim for group relief	50	--
Current tax charge for the year	--	--

c) Factors affecting future tax charges

The company expects to continue to benefit from group relief surrendered by other group companies in future years.

5. Debtors

	At 31 December 2009 £	At 31 December 2008 £
Amounts due from immediate parent company	9,144,366	9,144,544

Amounts due from immediate parent company are unsecured, interest free and due within less than one year.

6. Called up share capital

	At 31 December 2009 £	At 31 December 2008 £
Authorised		
100 (2008: 100) ordinary shares of £1 each	100	100
Allotted and fully paid		
2 (2008: 2) ordinary shares of £1 each	2	2

COLT Telecom Finance Limited

Notes to the financial statements (continued) For the year ended 31 December 2009

7. Reconciliation of movement in shareholders' funds

	Share Capital	Profit and loss account reserve	Total
	£	£	£
At 1 January 2009	2	9,144,542	9,144,544
Loss for the year	--	(178)	(178)
At 31 December 2009	<u>2</u>	<u>9,144,364</u>	<u>9,144,366</u>

8. Ultimate parent company and controlling party

The ultimate parent company and controlling party is Colt Group S A (formerly COLT Telecom Group S.A), which is the parent undertaking of the largest and smallest group to consolidate these financial statements and is registered in Luxembourg. The immediate parent company is Colt Technology Services Group Limited (formerly COLT Telecom Group Limited), a company incorporated in the UK and registered in England and Wales.

Copies of Colt Group S A 's financial statements are available from its registered office at K2 Building, Forte 1, 2a rue Albert Borschette, L-1246 Luxembourg, or from the Company's registered office at Beaufort House, 15 St Botolph Street, London, England, EC3A 7QN.