

**Alcatel Networks Limited (and
subsidiary undertaking)**

Report and accounts
for the 8 months ended 31 December 2000

Registered number: 2020682



Director's report

For the 8 months ended 31 December 2000

The directors present their report on the affairs of the group, together with the accounts and auditors' report, for the 8 months ended 31 December 2000.

Principal activities

The principal activities of the group are the development, marketing and support of integrated digital networking products that enable corporations and Public Telephone Authorities to build, expand and manage their national and international networks.

On 25 May 2000, Alcatel acquired the entire share capital of the group's parent company – Newbridge Networks Corporation. As a result of this acquisition, on 25 May 2000 the name of the company was changed to Alcatel Networks Limited, and the company's accounting reference date was changed to 31 December.

On 1 January 2001, Alcatel Telecom Limited a company incorporated in England and Wales, entered into an agreement to acquire the entire issued share capital of Alcatel Networks Limited.

On the same date, the trade and assets of Alcatel Networks Limited were transferred to Alcatel Telecom Limited for a consideration of £79,000,000.

Results and dividends

The audited accounts for the period ended 31 December 2000 are set out on pages 5 to 21.

The group incurred losses for the 8 months ended 31 December 2000 of £86,440,000 (year ended 30 April 2000 – loss £3,299,000).

Directors and their interests

The directors who served during the period, together with their interests in the shares of the company at the beginning of the year, or date of appointment, are set out below.

Directors:

T H Matthews	(resigned 27 July 2000)
K Dawes	(resigned 27 July 2000)
P D Charbonneau	(resigned 27 July 2000)
P Flynn	(resigned 31 January 2001)
D Lewis	(appointed 27 July 2000)
M Couzens	(appointed 12 March 2001)

Secretary:

C Woodhead

Director's report (continued)

Directors and their interests (continued)

No directors held any shares in the company at the year-end. The interest of the directors in the shares of the holding company and ultimate holding company are disclosed in the accounts of the respective company.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that the appropriate training is arranged. It is the policy of the group that the training and career development for disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings.

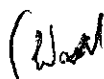
Auditors

Deloitte and Touche resigned as auditors during the period. Arthur Andersen were appointed as auditors to fill the casual vacancy.

A resolution will be placed before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Coldra Woods
Chepstow Road
Newport
NP18 2YB

By order of the Board



C Woodhead
Secretary

30 October 2001

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts comply with 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.

To the shareholder of Alcatel Networks Limited

We have audited the accounts on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 2000 and of the group's loss and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

1 The Square
Temple Quay
Bristol
BS1 6DG

30 October 2001

Consolidated profit and loss account

For the 8 months ended 31 December 2000

	Note	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Turnover	2	57,456	300,415
Cost of sales		(79,830)	(220,789)
Gross (loss)/profit		(22,374)	79,626
Distribution costs		(40,636)	(53,933)
Administrative expenses		(22,501)	(27,314)
Operating loss		(85,511)	(1,621)
Interest receivable and similar income		477	1,229
Interest payable and similar charges	3	(1,613)	(2,744)
Loss on ordinary activities before taxation	4	(86,647)	(3,136)
Taxation on loss on ordinary activities	7	207	(163)
Loss on ordinary activities after taxation, being retained loss for the period	17	(86,440)	(3,299)

All the company's activities relate to continuing operations.

There were no recognised gains or losses other than the retained loss for each period.


The accompanying notes are an integral part of this consolidated profit and loss account.

Consolidated balance sheet

31 December 2000

	Note	31 December 2000 £'000	30 April 2000 £'000
Fixed assets			
Tangible assets	9	14,509	17,258
Current assets			
Stocks	11	4,404	3,514
Debtors			
Due within one year	12	103,233	166,352
Due after one year	12	8,800	8,102
Cash at bank and in hand		-	19,328
		116,437	197,296
Creditors: Amounts falling due within one year	13	(132,086)	(147,647)
Net current (liabilities)/assets		(15,649)	49,649
Total assets less current liabilities		(1,140)	66,907
Creditors: Amounts falling due after more than one year	14	-	(363)
		(1,140)	66,544
Provisions for liabilities and charges	15	(19,248)	(492)
Net (liabilities)/assets		(20,388)	66,052
Capital and reserves			
Called-up share capital	16	120,000	120,000
Profit and loss account	17	(140,388)	(53,948)
Equity shareholder's funds	17	(20,388)	66,052

The accounts on pages 5 to 21 were approved by the board of directors on 30 October 2001 and signed on its behalf by:


D Lewis
Director

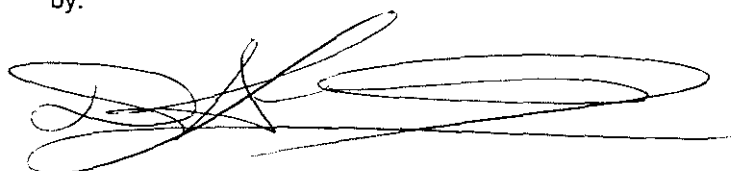
The accompanying notes are an integral part of this consolidated balance sheet.

Company balance sheet

31 December 2000

	Note	31 December 2000 £'000	30 April 2000 £'000
Fixed assets			
Tangible assets	9	14,509	17,258
Investments	10	-	-
		<u>14,509</u>	<u>17,258</u>
Current assets			
Debtors			
Due within one year	12	91,617	146,848
Due after one year	12	8,713	8,252
Cash at bank and in hand		-	17,795
		<u>100,330</u>	<u>172,895</u>
Creditors: Amounts falling due within one year	13	(118,695)	(125,813)
Net current (liabilities)/assets		<u>(18,365)</u>	<u>47,082</u>
Total assets less current liabilities		<u>(3,856)</u>	<u>64,340</u>
Creditors: Amounts falling due after more than one year	14	-	(363)
		<u>(3,856)</u>	<u>63,977</u>
Provisions for liabilities and charges	15	(19,248)	(492)
Net (liabilities)/assets		<u>(23,104)</u>	<u>63,485</u>
Capital and reserves			
Called-up share capital	16	120,000	120,000
Profit and loss account	17	(143,104)	(56,515)
Equity shareholder's funds	17	<u>(23,104)</u>	<u>63,485</u>

The accounts on pages 5 to 21 were approved by the board of directors on 30 October 2001 and signed on its behalf by:



D Lewis
Director

The accompanying notes are an integral part of this balance sheet.

Consolidated cash flow statement
For the 8 months ended 31 December 2000

	8 months ended 31 December 2000 £'000	Year Ended 30 April 2000 £'000
Net cash outflow from operating activities (note 18)	<u>(58,381)</u>	<u>(17,251)</u>
Returns on investments and servicing of finance		
Interest received	477	1,229
Interest paid	<u>(1,613)</u>	<u>(2,744)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(1,136)</u>	<u>(1,515)</u>
Taxation		
UK corporation tax paid	(491)	(376)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(3,054)</u>	<u>(5,895)</u>
Net cash outflow before financing	<u>(63,062)</u>	<u>(25,037)</u>
Financing		
Capital element of finance lease rental payments (note 19)	<u>(350)</u>	<u>(149)</u>
Net cash outflow from financing	<u>(350)</u>	<u>(149)</u>
Decrease in cash in the period (note 19)	<u>(63,412)</u>	<u>(25,186)</u>

Notes to accounts (continued)

1 Accounting policies

A summary of the group's principal accounting policies, all of which have been applied consistently throughout the period and the preceding year is set out below.

a) Basis of accounting

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

b) Basis of consolidation

The group accounts consolidate the accounts of Alcatel Networks Limited and its subsidiary undertaking drawn up to 31 December 2000.

No profit and loss account is presented for the company as permitted by s230 Companies Act 1985.

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	-	2% straight line
Fixtures and fittings	-	30% reducing balance
Equipment	- computer and production	- 45% straight line
	- other	- 30% reducing balance
Own equipment capitalised	-	50% straight line
Leasehold improvements	-	4% straight line

d) Investments

Fixed asset investments are shown at cost less any provision for impairment.

e) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is calculated on the liability method and is provided on timing differences which are expected to reverse in the future without being replaced, at the rate of tax likely to be in force at the time of reversal.

Notes to accounts (continued)

1 Accounting policies (continued)

g) Turnover

Group turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

h) Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

i) Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

j) Research and development

Research and development costs are charged to the profit and loss account as they are incurred.

k) Pensions

The company operates a defined contribution pension scheme. The pension cost charged to the profit and loss account represents the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

l) Government grants

Revenue based grants are recognised in the profit and loss account in the period in which the conditions for payment are substantially met.

Notes to accounts (continued)

2 Turnover

The analysis of turnover by geographical area is as follows:

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Europe	46,694	266,186
Africa and the Middle East	7,789	30,758
Americas	2,049	1,832
Asia	479	567
Russia and the Baltic States	445	1,072
	<u>57,456</u>	<u>300,415</u>

3 Interest payable and similar charges

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Bank loans and overdrafts	1,593	2,735
Finance leases and hire purchase contracts	20	9
	<u>1,613</u>	<u>2,744</u>

Notes to accounts (continued)

4 Loss on ordinary activities before taxation

8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
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The loss on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets

- owned assets	3,596	7,936
- assets held under finance leases	244	35

Operating lease rentals

- plant and machinery	2,515	3,231
- other	1,431	1,206

Auditors' remuneration

- audit fees	54	25
- other services	96	5

Foreign exchange losses

1,264	44
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Research and development

2,346	8,902
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Corporate charge from parent company

- included in research and development	848	2,499
- other	-	6,009
	<u>848</u>	<u>8,508</u>

5 Employee costs

8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
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Wages and salaries	30,291	42,498
Social security costs	3,335	3,317
Other pension costs (see note 22)	1,514	2,121
	<u>35,140</u>	<u>47,936</u>

Notes to accounts (continued)

5 Employee costs (continued)

The average monthly number of employees (including directors) was as follows:

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
General administration	130	99
Sales and marketing	267	238
Research and development	12	49
Operations	67	66
Technical support	192	204
	<u>668</u>	<u>656</u>

6 Directors' remuneration

The remuneration of the directors was as follows:

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Emoluments	642	648
Company contributions to money purchase pension schemes	44	50
	<u>686</u>	<u>698</u>

Pensions

The number of directors who were members of pension schemes was as follows:

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Money purchase schemes	<u>2</u>	<u>1</u>

Notes to accounts (continued)

6 Directors' remuneration (continued)

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
Emoluments and long-term incentive schemes	564	648
Company contributions to money purchase pension schemes	39	50
	<u>603</u>	<u>698</u>

7 Tax on loss on ordinary activities

	8 months Ended 31 December 2000 £'000	Year ended 30 April 2000 £'000
United Kingdom corporation tax (credit)/charge	<u>(207)</u>	<u>163</u>

The company has no unprovided deferred tax liability at the period ended.

8 (Loss)/profit attributable to Alcatel Networks Limited

The loss for the period dealt with in the accounts of the company, Alcatel Networks Limited, was £86,589,000 (year ended 30 April 2000 – loss £2,731,000).

Notes to accounts (continued)

9. Tangible Fixed Assets

Company and group	Leasehold Improvements £'000	Freehold Land £'000	Freehold Buildings £'000	Equipment Fixtures and Fittings £'000	Total £'000
Cost					
At 30 April 2000	1,883	882	5,878	31,938	40,581
Additions	-	-	12	3,042	3,054
Disposals	(254)	-	(104)	(13,801)	(14,159)
At 31 December 2000	1,629	882	5,786	21,179	29,476
Depreciation					
At 30 April 2000	292	-	971	22,060	23,323
Charge for the period	44	-	77	3,719	3,840
Disposals	(162)	-	(7)	(12,027)	(12,196)
At 31 December 2000	174	-	1,041	13,752	14,967
Net book value					
At 31 December 2000	1,455	882	4,745	7,427	14,509
At 30 April 2000	1,591	882	4,907	9,878	17,258

Included within the net book value is £555,000 (30 April 2000 - £799,000) relating to assets held under finance leases.

10 Fixed asset investments

The parent company has investments in the following subsidiary undertaking, which principally affected the profits and net assets of the group.

	Country of incorporation	Principal activity	Holding %
Alcatel Networks Services Limited	England and Wales	The support of integrated digital networking products	100

Notes to accounts (continued)

11 Stocks

	31 December 2000 £'000	30 April 2000 £'000
Group		
Finished goods for resale	<u>4,404</u>	<u>3,514</u>

The company held no stocks at the start or end of the period.

12 Debtors

Amounts falling due within one year:

	Group		Company	
	31 December 2000 £'000	30 April 2000 £'000	31 December 2000 £'000	30 April 2000 £'000
Trade debtors	89,170	123,654	75,409	100,040
Amounts owed by group undertakings	10,800	37,598	13,718	42,027
Other debtors	835	288	189	289
Prepayments and accrued income	<u>2,428</u>	<u>4,812</u>	<u>2,301</u>	<u>4,492</u>
	<u>103,233</u>	<u>166,352</u>	<u>91,617</u>	<u>146,848</u>

Amounts falling due after more than one year:

	Group		Company	
	31 December 2000 £'000	30 April 2000 £'000	31 December 2000 £'000	30 April 2000 £'000
Other debtors	<u>8,800</u>	<u>8,102</u>	<u>8,713</u>	<u>8,252</u>
	<u>112,033</u>	<u>174,454</u>	<u>100,330</u>	<u>155,100</u>

Notes to accounts (continued)

13 Creditors: Amounts falling due within one year

	Group		Company	
	31 December 2000 £'000	30 April 2000 £'000	31 December 2000 £'000	30 April 2000 £'000
Obligations under finance leases and hire purchase contracts	482	469	482	469
Bank loans and overdrafts	44,084	-	36,290	-
Trade creditors	8,476	8,670	8,098	7,589
Amounts owed to group undertakings	41,141	114,852	40,740	108,145
Other taxation and social security	4,887	4,061	4,404	2,677
Accruals and deferred income	33,016	19,595	28,681	6,933
	<u>132,086</u>	<u>147,647</u>	<u>118,695</u>	<u>125,813</u>

The company's bank loans and overdrafts are secured by a charge over the company's freehold premises.

14 Creditors: Amounts falling due after more than one year

	Group		Company	
	31 December 2000 £'000	30 April 2000 £'000	31 December 2000 £'000	30 April 2000 £'000
Obligations under finance leases and hire purchase contracts	-	363	-	363
Borrowings are repayable as follows:				
Within one year	482	469	482	469
Between one and two years	-	363	-	363
	<u>482</u>	<u>832</u>	<u>482</u>	<u>832</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

15 Provisions for liabilities and charges

	Product Returns £'000	Redundancy Costs £'000	Total £'000
Group and company			
At 1 May 2000	-	492	492
Charged to profit and loss account	37,959	4,357	42,316
Utilised in the year	(20,622)	(2,938)	(23,560)
At 31 December 2000	<u>17,337</u>	<u>1,911</u>	<u>19,248</u>

Notes to accounts (continued)

15 Provisions for liabilities and charges (continued)

Product returns

Following the acquisition of the group by Alcatel, certain product lines have been discontinued and provision has been made for the estimated costs to the group of this decision. It is expected that the majority of this expenditure will be incurred in the next financial year.

Redundancy costs

The group has provided for the cost of redundancies resulting from a restructuring of the business. This is to be utilised within the next financial year.

16 Called-up share capital

	31 December 2000 £'000	30 April 2000 £'000
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Group and company

Authorised

130,000,000 ordinary shares of £1 each (30 April 2000 – 130,000,000 ordinary shares of £1 each)

130,000	130,000
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Allotted, called-up and fully paid

120,000 ordinary shares of £1 each (30 April 2000 – 120,000,000 ordinary shares of £1 each)

120,000	120,000
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17 Statement of movements in equity shareholders' funds

	Issued share Capital £'000	Profit and loss Account £'000	Total 8 months to 31 December 2000 £'000	Total Year to 30 April 2000 £'000
Group				
At beginning of period	120,000	(53,948)	66,052	69,351
Loss for the period	-	(86,440)	(86,440)	(3,299)
At end of period	120,000	(140,388)	(20,388)	66,052
Company				
At beginning of period	120,000	(56,515)	63,485	62,626
Loss for the period	-	(86,589)	(86,589)	859
At end of period	120,000	(143,104)	(23,104)	63,485

Notes to accounts (continued)

18 Reconciliation of operating profit to operating cash flows

	8 months to 31 December 2000 £'000	Year to 30 April 2000 £'000
Operating loss	(85,511)	(1,621)
Depreciation charges	3,840	7,971
Loss on sale of tangible fixed assets	1,963	2,693
(Increase)/decrease in stocks	(890)	15,100
Decrease/(increase) in debtors	63,119	(88,135)
(Decrease)/increase in creditors	(59,658)	46,741
Increase in provisions	18,756	-
Net cash outflow from operating activities	(58,381)	(17,251)

19 Reconciliation of net debt

	At 30 April 2000 £'000	Cash flow £'000	At 30 December 2000 £'000
Cash at bank and in hand	19,328	(63,412)	(44,084)
Finance leases	(832)	350	(482)
Net funds/(debt)	18,496	(63,062)	(44,566)

Notes to accounts (continued)

20 Analysis reconciliation of net debt

	8 months to 31 December 2000 £'000	Year to 30 April 2000 £'000
Decrease in cash in the year	(63,412)	(25,186)
Cash outflow from decrease in lease financing	350	149
Change in net debt resulting from cash flows	(63,062)	(25,037)
New finance leases	-	(981)
	(63,062)	(26,018)
Net funds at 30 April 2000	18,496	44,514
Net (debt)/funds at 31 December 2000	(44,566)	18,496

21 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2000		30 April 2000	
	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Group and company				
Expiry date				
- within one year	64	510	64	510
- between one and two years	-	1,487	-	1,487
- after five years	2,292	-	2,292	-
	<u>2,356</u>	<u>1,997</u>	<u>2,356</u>	<u>1,997</u>

22 Pension arrangements

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The scheme is funded partly by contributions by members of staff and partly by contributions from the company. In addition the company pays the full cost of the death in service and disability benefits.

The pension contributions payable by the company to the fund amounted to £1,514,000 (Year ended 30 April 2000 £2,121,000). Contributions totalling £ 247,000 (Year ended 30 April 2000 £290,000) were payable to the fund at the period end and are included in creditors.

23 Contingent liabilities

Guarantees

At 31 December 2000 the company had given guarantees of £5,380,324 (Year to 30 June 2000: £3,644,284) in respect of performance bonds and advance payments given in the normal course of trade to customers.

24 Subsequent events

On 1 January 2001, Alcatel Telecom Limited a company incorporated in England and Wales, entered into an agreement to acquire the entire issued share capital of Alcatel Networks Limited.

On the same date, the trade and assets of Alcatel Networks Limited were transferred to Alcatel Telecom Limited for a consideration of £79,000,000.

The ultimate controlling party, Alcatel S.A., a company incorporated in France, has not changed following this corporate restructuring.

25 Ultimate holding company

The directors regard Alcatel S.A., a company incorporated in France, as the ultimate parent company and the ultimate controlling party.

Alcatel Networks Limited is the parent company of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Coldra Woods, Chepstow Road, Newport, N198 2YB. Alcatel S.A. is the parent company of the largest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from 54, Rue La Boetie, 75382, Paris, France.

As a subsidiary undertaking of Alcatel S.A., the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Alcatel S.A.