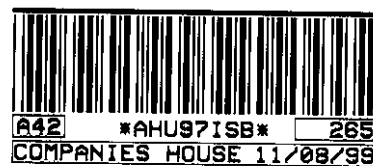


REGISTERED NUMBER: 02989622

**ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1998**  
**FOR**  
**IP FIBRE DEVICES (UK) LIMITED**



**IP FIBRE DEVICES (UK) LIMITED**

**CONTENTS OF THE ABBREVIATED FINANCIAL STATEMENTS  
for the Year Ended 30 November 1998**

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**IP FIBRE DEVICES (UK) LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 30 November 1998**

<b>DIRECTORS:</b>	S Chernikov V P Gapontsev
<b>SECRETARY:</b>	S Chernikov
<b>REGISTERED OFFICE:</b>	Stuart House 55 Catherine Place London SW1E 6DY
<b>REGISTERED NUMBER:</b>	02989622
<b>AUDITORS:</b>	Orr Shotliff Chartered Accountants Registered Auditor Stuart House 55 Catherine Place London SW1E 6DY
<b>BANKERS:</b>	Barclays Bank plc 77 Gloucester Road London SW7 4SS

**IP FIBRE DEVICES (UK) LIMITED**  
**REPORT OF THE AUDITORS TO**  
**IP FIBRE DEVICES (UK) LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 30 November 1998 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to six are properly prepared in accordance with those provisions.



Orr Shotliff  
Chartered Accountants  
Registered Auditor  
Stuart House  
55 Catherine Place  
London  
SW1E 6DY

Dated: 9 August 1999

**IP FIBRE DEVICES (UK) LIMITED**

**ABBREVIATED BALANCE SHEET**  
30 November 1998

		1998	1997
	Notes	£	£
<b>FIXED ASSETS:</b>			
Tangible assets	2	3,666	40,316
Investments	3	<u>110,427</u>	<u>110,427</u>
		114,093	150,743
<b>CURRENT ASSETS:</b>			
Debtors		25,102	22,772
Cash at bank		<u>183,394</u>	<u>25,254</u>
		208,496	48,026
<b>CREDITORS:</b> Amounts falling due within one year		<u>273,912</u>	<u>163,494</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(65,416)</u>	<u>(115,468)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		48,677	35,275
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>		<u>750</u>	<u>-</u>
		<u>£47,927</u>	<u>£35,275</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	4	1,000	1,000
Profit and loss account		<u>46,927</u>	<u>34,275</u>
Shareholders' funds		<u>£47,927</u>	<u>£35,275</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

.....  
S. Chernikov - DIRECTOR

Approved by the Board on 27th May 1999

The notes form part of these financial statements

**IP FIBRE DEVICES (UK) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
for the Year Ended 30 November 1998**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**2. TANGIBLE FIXED ASSETS**

	<u><b>Total</b></u>
	£
<b>COST:</b>	
At 1 December 1997	69,034
Additions	1,037
Disposals	<u>(59,543)</u>
At 30 November 1998	<u>10,528</u>
<b>DEPRECIATION:</b>	
At 1 December 1997	28,718
Charge for year	1,362
Eliminated on disposals	<u>(23,218)</u>
At 30 November 1998	<u>6,862</u>
<b>NET BOOK VALUE:</b>	
At 30 November 1998	<u>3,666</u>
At 30 November 1997	<u>40,316</u>

**IP FIBRE DEVICES (UK) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
for the Year Ended 30 November 1998**

**3. FIXED ASSET INVESTMENTS**

<b>COST:</b>	£
At 1 December 1997	
and 30 November 1998	<u><b>110,427</b></u>

<b>NET BOOK VALUE:</b>	
At 30 November 1998	<u><b>110,427</b></u>

At 30 November 1997	<u><b>110,427</b></u>
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The investments are made up of:

			<b>1998</b>	1997
			£	£
IP Fibre Optics Limited	% of equity held 100%	Country of origin England	<b>100</b>	100
IPG Laser Components GmbH	100%	Germany	<b>18959</b>	18959
IPG Laser GmbH	50%	Germany	<b>91368</b>	91368
			<u><b>110427</b></u>	<u><b>110427</b></u>

All the companies are in the Fibre Optics Industry

Aggregate Capital and Reserves  
and Profit and Loss as follows:

<u>IP Fibre Optics</u>	<b>30.11.98</b>	30.11.97
	£	£
Issued Share Capital	<b>100</b>	100
Profit and Loss Account	<u><b>8703</b></u>	<u>2434</u>
Shareholders Funds	<u><b>8803</b></u>	<u>2534</u>
Profit for the year after tax	<u><b>6269</b></u>	<u>1499</u>

**IP FIBRE DEVICES (UK) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
for the Year Ended 30 November 1998**

IPG Laser Components GmbH

	<b>31.12.97</b>	31.12.96
	£	£
Issued Share Capital	<b>16900</b>	18958
Profit and Loss Account	<u>74</u>	<u>(3076)</u>
Shareholders Funds	<u><b>16974</b></u>	<u>15882</u>
Profit for the year after tax	<u><b>2817</b></u>	<u>18928</u>

IPG Laser GmbH

	<b>31.12.97</b>	31.12.96
	£	£
Issued Share Capital	<b>169005</b>	189588
Profit and Loss Account	<u><b>10949</b></u>	<u>6172</u>
Equity Shareholders Funds	<u><b>179954</b></u>	<u>195760</u>
Profit for the year after tax	<u><b>5446</b></u>	<u>6172</u>

**4. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>1998</b>	1997
			£	£
1,000	Ordinary	£1	<u><b>1,000</b></u>	<u>1,000</u>