

Registered number: 3930041

Sprintlink UK Limited

**Annual report and financial statements
for the year ended 31 December 2009**



Sprintlink UK Limited

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Sprintlink UK Limited

Company Information

Director	S W Andreasen
Company number	3930041
Registered office	Kinnaird House 1 Pall Mall East London SW1Y 5AU
Auditors	KPMG Chartered Accountants and Registered Auditor 1 Stokes Place St Steven's Green Dublin 2 Ireland
Bankers	Deutsche Bank 18th Floor 6 Bishopsgate London EC2N 4DA
Solicitors	Quatrills Solicitors The Peninsula Business Centre Wherstead Ipswich IP9 2BB Olswang LLP 90 High Holborn London WC1V 6XX

Sprintlink UK Limited

Director's report for the year ended 31 December 2009

The director presents his report and the financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company is the provision of telecommunication services in the United Kingdom. The ultimate parent of the company is Sprint Nextel Corporation, a company registered in the US.

Business review

As Sprint Nextel Corporation continues to grow its US domestic and international customers, Sprintlink UK Limited will remain a core backbone to providing telecommunication services.

Sprintlink UK Limited will continue to address challenges and changes within the telecommunications industry, both in the United Kingdom and around the globe. Sprintlink UK Limited will face these challenges with the network and financial assistance of its Sprint Nextel affiliated US and International partners.

Sprintlink UK Limited receives 100% of its funding from its parent company Sprint International Holding, Inc. A Letter of Support from Sprint International Holding, Inc. to Sprintlink UK Limited has been issued pledging financial support through to 31 December 2011.

Sprintlink UK Limited entered into a transfer pricing agreement with Sprint International Network Company LLC. The agreement is in support of the transfer pricing strategy implemented across all Sprint International entities, including Sprintlink UK Limited. The strategy focuses on providing global services to new and existing multinational customers. The agreement provides a full cost recovery system that will reimburse Sprintlink UK Limited for all expense incurred during the year, which should generally result in a net operating profit.

Financial risk management

Foreign exchange risk

Sprintlink UK Limited does not use foreign exchange hedges or forward contracts relating to currency exposures. Sprintlink UK Limited faces limited foreign exchange risk on accounts receivable and payable balances as the majority of its transactions are in Sterling.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales contracts are completed.

Future developments

Revenues and operating profits for 2010 will remain consistent with the current year.

Key performance indicators

Given the straight forward nature of the business, the company's director is of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The profit for the year, after taxation, amounted to £184,846 (2008: £756,859).

The director does not recommend a dividend in respect of the year ended 31 December 2009 (2008: £Nil).

Sprintlink UK Limited

Director's report for the year ended 31 December 2009

Director

The director who served during the year and up to the date of this report is as follows

S W Andreasen

Qualifying third party indemnity provisions

Liability insurance cover for the director and officers of the company was maintained during the year

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 director confirms that he has complied with the above requirements in preparing the financial statements.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 the auditors

The director at the time when this annual report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Sprintlink UK Limited

Director's report for the year ended 31 December 2009

Auditors

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG will therefore continue in office

This report was approved by the board on 10 September 2010 and signed on its behalf

A handwritten signature in black ink, appearing to read 'S W Andreasen', written in a cursive style.

S W Andreasen
Director



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Sprintlink UK Limited

We have audited the financial statements of Sprintlink UK Limited for the year ended 31 December 2009, which comprise the profit and loss account, the 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 (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out page 3, the directors are responsible for preparing 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.apb.org.uk/apb/scope>.

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 profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Sprintlink UK Limited (*continued*)

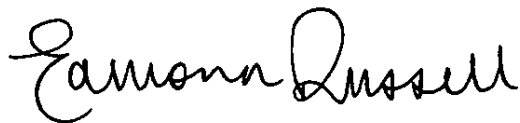
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report 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



*Eamonn Russell (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
1 Stokes Place
St Stephens Green
Dublin 2
Ireland*

10 September 2010

Sprintlink UK Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	20,992,086	22,633,255
Cost of sales		(12,716,030)	(13,848,238)
Gross profit		8,276,056	8,785,017
Administrative expenses		(7,945,254)	(8,508,832)
Operating profit	3	330,802	276,185
Interest receivable and similar income	5	3,156	629,310
Profit on ordinary activities before taxation		333,958	905,495
Tax on profit on ordinary activities	6	(149,112)	(148,636)
Profit for the financial year	13	184,846	756,859

The above results were derived entirely from continuing operations

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

The notes on pages 9 to 19 form part of these financial statements

Sprintlink UK Limited

Registered number: 3930041

Balance sheet as at 31 December 2009

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible fixed assets	7		4,929,996		4,862,463
Current assets					
Debtors (including £1,611,364 (2008 £1,760,476) due after one year)	8	8,552,198		17,743,552	
Cash at bank		2,028,594		2,719,680	
		<u>10,580,792</u>		<u>20,463,232</u>	
Creditors amounts falling due within one year	9	<u>(1,145,183)</u>		<u>(1,838,426)</u>	
Net current assets			9,435,609		18,624,806
Total assets less current liabilities			<u>14,365,605</u>		<u>23,487,269</u>
Creditors: amounts falling due after more than one year	10		<u>(19,043,003)</u>		<u>(28,492,410)</u>
Net liabilities			<u>(4,677,398)</u>		<u>(5,005,141)</u>
Capital and reserves					
Called up share capital	12		2		2
Share premium account	13	481,563		338,666	
Profit and loss account	13	<u>(5,158,963)</u>		<u>(5,343,809)</u>	
Total shareholder's deficit	14		<u>(4,677,398)</u>		<u>(5,005,141)</u>

The financial statements were approved by the director on 10 September 2010



S W Andreasen
Director

The notes on pages 9 to 19 form part of these financial statements

Sprintlink UK Limited

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

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies, which have been applied consistently, are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. In concluding that it was appropriate to adopt this basis, the director has relied upon the undertaking of the parent company, Sprint International Holding, Inc. to provide continued financial support to the company for a period not less than 12 months after the date of approval of the financial statements.

1.3 Turnover

Turnover comprises capacity and installation fees. Capacity fees are recognised as services are rendered to the customer. Installation fees are deferred and amortised over the average life of the service, generally two years.

1.4 Cash Flow Statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

1.5 Tangible fixed assets and depreciation

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

Network equipment	-	14-20% per annum
Office equipment	-	20-33% per annum

1.6 Share-based payments

The cost of employee services received in exchange for an award of equity-based securities is measured using the fair value of the award on the date of the grant, and the cost is recognized over the period that the award recipient is required to provide service in exchange for the award. Any awards of liability instruments to employees are measured at fair value at each reporting date through settlement.

The fair value determined at the grant date is expensed by treating each vesting tranche as a separate award with a separate vesting period. Compensation cost is attributed over the vesting period relating to each separate tranche on a straight-line basis. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been estimated using the average of the vesting term and the contractual term of the option.

Sprintlink UK Limited

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

1 Accounting policies (continued)

1.7 Taxation

Current tax, including UK corporation tax and foreign 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 provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

1.8 Pensions

Contributions made by the company to employees' personal pension plans are charged to the profit and loss account in the year in which they accrue. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

1.9 Foreign currencies

Transactions in foreign currencies are recorded at the average rate of exchange ruling in the month of the transaction

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date

All exchange differences are included in the profit and loss account

1.10 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the leases

2. Turnover

An analysis of turnover by class of business is as follows

	2009 £	2008 £
Sales to fellow group undertakings	18,194,754	18,701,895
Sales to third parties	2,797,332	3,931,360
	<u>20,992,086</u>	<u>22,633,255</u>

All revenue is generated from the provision of telecommunication services within the United Kingdom

Sprintlink UK Limited

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

3 Operating profit

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	989,009	913,978
Auditor's remuneration	54,705	40,756
Operating lease charges		
- plant and machinery	776,356	742,669
- other	8,830,065	9,173,300
Foreign exchange loss/(gain)	88,027	(405,591)
	<u> </u>	<u> </u>

4 Staff costs

Staff costs were as follows

	2009 £	2008 £
Wages and salaries	4,007,974	4,778,590
Social security costs	463,809	557,318
Pension costs	169,423	184,807
	<u> </u>	<u> </u>
	4,641,206	5,520,715
	<u> </u>	<u> </u>

Included within wages and salaries is an amount of £142,897 (2008 £134,273) which relates to the cost of the employee share scheme (see note 15)

The company makes contributions to employees' personal pension plans which are charged to the profit and loss account as they accrue. Contributions payable during the year amounted to £169,423 (2008 £184,807). Contributions outstanding at 31 December 2009 amounted to £Nil (2008 £Nil).

The director did not receive any remuneration in respect of his services to the company (2008 £nil).

The average monthly number of employees, including the director, during the year was as follows

	2009 No.	2008 No.
Sales	27	32
Administration	10	13
Production	13	14
	<u> </u>	<u> </u>
	50	59
	<u> </u>	<u> </u>

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

5. Interest receivable and similar income

	2009 £	2008 £
On amount owed by group undertakings	-	547,348
Deposit interest income	3,156	81,962
	<u>3,156</u>	<u>629,310</u>

6. Taxation

	2009 £	2008 £
Current tax (see note below)		
Adjustments in respect of prior periods	-	(17,877)
	<u>-</u>	<u>(17,877)</u>
Deferred tax		
Origination and reversal of timing differences	147,046	166,513
Adjustment in respect of prior periods	2,066	-
	<u>149,112</u>	<u>166,513</u>
Total deferred tax (see note 11)	<u>149,112</u>	<u>166,513</u>
Tax on profit on ordinary activities	<u>149,112</u>	<u>148,636</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 lower than) the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	<u>333,958</u>	<u>905,495</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	93,508	258,066
Effects of		
Expenses not deductible for tax purposes	14,837	21,842
Capital allowances in excess of depreciation	(263,592)	(402,683)
Other timing differences	155,247	122,775
Adjustments to tax charge in respect of prior periods	-	(17,877)
	<u>-</u>	<u>(17,877)</u>
Current tax credit	<u>-</u>	<u>(17,877)</u>

Sprintlink UK Limited

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

7. Tangible fixed assets

	Network equipment £	Office equipment £	Total £
Cost			
At 1 January 2009	17,161,367	1,137,815	18,299,182
Additions	1,039,689	16,853	1,056,542
At 31 December 2009	18,201,056	1,154,668	19,355,724
Depreciation			
At 1 January 2009	12,329,406	1,107,313	13,436,719
Charge for the year	972,046	16,963	989,009
At 31 December 2009	13,301,452	1,124,276	14,425,728
Net book value			
At 31 December 2009	4,899,604	30,392	4,929,996
At 31 December 2008	4,831,961	30,502	4,862,463

8. Debtors

	2009 £	2008 £
Trade debtors	663,986	1,055,112
Amounts owed by group undertakings	5,641,564	13,902,253
Other debtors	315,551	315,551
Prepayments and accrued income	149	252,607
VAT recoverable	319,584	457,553
Deferred tax asset (see note 11)	1,611,364	1,760,476
	8,552,198	17,743,552

All debtors are due within one year with the exception of the deferred tax asset

Amounts owed by group undertakings are trading balances and are due within one year. Interest is only charged on balances which remain unpaid for a period in excess of three months at a rate of LIBOR plus 1.5%.

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

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	16,577	196,637
Amounts owed to group undertakings	433,050	935,924
Taxation and social security	126,791	139,535
Other creditors	303,341	89,946
Accruals and deferred income	265,424	476,384
	<u>1,145,183</u>	<u>1,838,426</u>

10. Creditors amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	<u>19,043,003</u>	<u>28,492,410</u>

The above non-interest bearing amounts have no fixed repayment schedule, however the parent undertaking is not seeking repayment of this debt within the next 12 months. Consequently amounts due to parent undertaking have been disclosed within amounts falling due after more than one year.

11. Deferred tax asset

	2009 £	2008 £
At 1 January	1,760,476	1,926,989
Charge to profit and loss account (see note 6)	(149,112)	(166,513)
At 31 December	<u>1,611,364</u>	<u>1,760,476</u>

Deferred tax is analysed as follows:

	Unrecognised 2009 £	Recognised 2009 £	Unrecognised 2008 £	Recognised 2008 £
Decelerated capital allowances	-	1,339,517	-	1,605,174
Other timing differences	133,527	271,847	94,827	155,302
Total	<u>133,527</u>	<u>1,611,364</u>	<u>94,827</u>	<u>1,760,476</u>

Deferred tax assets are recognised to the extent that there is considered by management to be available suitable future taxable profits.

Sprintlink UK Limited

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

12. Called up share capital

	2009 £	2008 £
Authorised		
2009 N/A (2008 1,000 ordinary shares of £1 each)	-	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

By special resolution of the company passed on 16 December 2009, the authorised share capital clause, which by virtue of section 28 of the Companies Act 2006 was treated as a provision of the articles of association of the company, was deleted. Accordingly, with effect from 16 December 2009, the company no longer has an authorised share capital.

13. Reserves

	Capital contribution reserve £	Profit and loss account £
At 1 January 2009	338,666	(5,343,809)
Profit for the financial year	-	184,846
Share-based payment contribution	142,897	-
	<u> </u>	<u> </u>
At 31 December 2009	481,563	(5,158,963)
	<u> </u>	<u> </u>

14. Reconciliation of movement in shareholder's deficit

	2009 £	2008 £
Opening shareholder's deficit	(5,005,141)	(5,896,273)
Profit for the financial year	184,846	756,859
Capital contribution in respect of share-based payment	142,897	134,273
	<u> </u>	<u> </u>
Closing shareholder's deficit	(4,677,398)	(5,005,141)
	<u> </u>	<u> </u>

Sprintlink UK Limited

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

15. Share-based payments

Share-based Payment Plans

Under the 2007 Omnibus Incentive Plan ("2007 Plan"), the Board of Directors of Sprint Nextel Corporation ("Parent") may grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other equity based and cash awards to employees, outside directors and certain other service providers. Under the 1997 Long-Term Stock Incentive Program, or 1997 Program, the Board of Directors of the Parent previously had the authority to grant stock options and restricted stock unit awards to directors and employees. No new grants can be made under the 1997 Program. Stock options are generally granted with an exercise price equal to the market value of the underlying stock on the grant date, generally vest on an annual basis over three or four years, and generally have a contractual term of ten years.

Employees and directors who are granted restricted stock units are not required to pay for the shares but must generally remain employed within the group, or continue to serve as a member of the board of directors, until the restrictions on the shares lapse, which is typically three years for employees and one year for directors.

Currently, treasury shares are used to satisfy share-based awards or new shares if no treasury shares are available.

Compensation Costs

The cost of employee services received in exchange for an award of equity-based securities is measured using the fair value of the award on the date of the grant, and the cost is recognized over the period that the award recipient is required to provide service in exchange for the award. Any awards of liability instruments to employees are measured at fair value at each reporting date through settlement.

Cash-settled awards were granted in 2009 under the 2007 plan and have a carrying value of £19,590 at 31 December 2009. For the year ended 31 December 2009, the compensation cost charged against income for stock options and restricted stock units was £142,897 of which £123,307 related to equity-settled awards and £19,590 related to cash-settled awards.

Stock Options

The fair value of each option award is estimated on the grant date using the Black-Scholes option valuation model based on several assumptions, including the risk-free interest rate, volatility, expected dividend yield and expected term noted in the following table.

	2009	2008
Weighted average grant date FV (£)	1.90	3.14
Risk-free interest rate	2.24%	2.76%
Expected volatility	113.8%	78.7%
Expected dividend yield	0.00%	0.00%
Expected term (years)	5.75 - 7.25	5.5 - 6.5
Options granted (thousands)	62	11

The risk-free rate used is based on the zero-coupon U.S. Treasury bond, with a term equal to the expected term of the options. The volatility used is the implied volatility from traded options on the Parent company's common shares over a period that approximates the expected term of the stock options. The expected dividend yield used is estimated based on historical dividend yield and other factors. The expected term of options granted is estimated using the simplified method, defined as the average of the vesting term and the contractual term. Options outstanding as of 31 December 2009 include stock options granted under the 2007 Plan and the 1997 Program as discussed above.

Sprintlink UK Limited

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

15 Share based payments (continued)

A summary of the options under share-based payment plans and changes during the year, is presented below

	2009 Number of shares under option	2009 Weighted average exercise price £	2008 Number of shares under option	2008 Weighted average exercise price £
Ordinary share options				
Outstanding at 1 January	63,104	12.22	52,324	9.97
Granted	61,979	2.30	10,780	3.54
Outstanding at 31 December	125,083	6.59	63,104	12.22
Exercisable at 31 December	50,001	11.77	34,652	13.92

A summary of options outstanding at 31 December 2009 and 31 December 2008 is as follows

	2009 Number of shares	2009 Weighted average remaining contractual life (in years)	2008 Number of shares	2008 Weighted average remaining contractual life (in years)
Exercise price £				
2.22	61,979	9.15	-	-
4.04	10,780	8.23	10,780	9.23
4.89	1,636	3.23	1,636	4.23
6.66	3,271	3.23	3,271	4.23
10.14	3,141	4.11	3,141	5.11
10.30	1,572	4.11	1,572	5.11
11.63	17,742	7.16	17,742	8.16
12.83	14,671	6.10	14,671	7.10
13.75	4,020	5.10	4,020	6.10
15.00	4,875	1.02	4,875	2.02
30.18	1,396	1.02	1,396	2.02

Sprintlink UK Limited

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

15 Share based payments (continued)

Restricted Stock Units

The fair value of each restricted stock unit award is calculated using the stock price at the date of grant. Restricted stock units outstanding consist of those units granted under the 2007 Plan and the 1997 Program, as discussed above.

A summary of the status of restricted stock units and changes during the year ended 31 December 2009 is as follows:

	2009 Number of restricted stock units	2009 Weighted average grant date fair value of restricted stock units £	2008 Number of restricted stock units	2008 Weighted average grant date fair value of restricted stock units £
Outstanding at 1 January	28,415	6.57	10,707	10.05
Granted	9,506	1.75	28,185	3.15
Vested	(22,737)	2.59	(10,477)	5.66
Outstanding at 31 December	<u>15,184</u>	<u>8.24</u>	<u>28,415</u>	<u>6.57</u>

16 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Expiry date				
Within 1 year	5,004	13,103	-	50,860
Within 2 and 5 years	606,210	606,210	223,840	223,840
After more than 5 years	30,381	-	96,281	102,943
Total	<u>641,595</u>	<u>619,313</u>	<u>320,121</u>	<u>377,643</u>

17. Related party transactions

The company undertakes significant transactions with group companies and has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Sprint Nextel Corporation.

Sprintlink UK Limited

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

18. Ultimate controlling party

The company is a wholly owned subsidiary of Sprint International Holding, Inc , a company incorporated in the USA

The company's ultimate holding company is Sprint Nextel Corporation, a company incorporated in the USA and whose stock is traded on the NASDAQ National Market

Sprint Nextel Corporation is the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are drawn up

The financial statements of Sprint Nextel Corporation can be obtained from 6200 Sprint Parkway, Mail stop KSOPHF0302-3B124 Overland Park, KS66251, USA