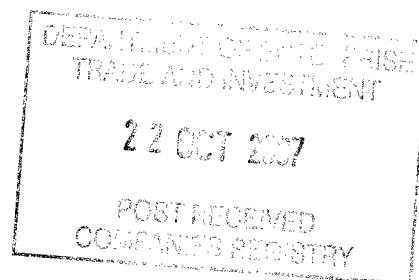




00423883

Company No: NI 5145



NORTEL NETWORKS (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

NORTEL NETWORKS (NORTHERN IRELAND) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors submit their annual report and accounts for the year ended 31 December, 2006.

PRINCIPAL ACTIVITY AND RESULTS

The Company has not traded during the year ended 31 December 2006. There has been no income or expenditure and therefore no change in the Company's position has arisen. Any expenses have been met by the Company's parent company, Nortel Networks UK Limited.

DIRECTORS

The following served as directors of the Company during the year:-

C Conway
R Lowe

DIRECTORS' INTERESTS

The directors held no declarable interests in any Group company at 31 December 2006.

AUDITORS

For the year ended 31 December 2006 the company was entitled to exemption under Article 257AA(1) of the Companies (Northern Ireland) Order 1986.

BY ORDER OF THE BOARD

Registered Office:

Doagh Road,
Newtownabbey,
County Antrim,
Northern Ireland,
BT3 66XA



C. Conway
Director

Date 2nd October 2007

NORTEL NETWORKS (NORTHERN IRELAND) LIMITED

BALANCE SHEET at 31 December 2006

	Note	2006 £'000	2005 £'000
CURRENT ASSETS			
Debtors - Amounts owed by fellow subsidiary undertakings		5,000	5,000
		<hr/>	<hr/>
NET ASSETS		5,000	5,000
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	2	5,000	5,000
		<hr/>	<hr/>
TOTAL CAPITAL EMPLOYED		5,000	5,000
		=====	=====

For the year ended 31 December 2006 the company was entitled to exemption under Article 257AA(1) of the Companies (Northern Ireland) Order 1986.

Members have not required the company to obtain an audit in accordance with Article 257B(2) of the Companies (Northern Ireland) Order 1986.

The director's acknowledge their responsibility for: (i) ensuring the company keeps accounting records which comply with Article 229: and (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with the requirements of Article 234, and which otherwise comply with the requirements of the Companies Order relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors.

Signed on behalf of the Board of Directors


C. Conway
Director

Date: 2nd October 2007

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

NORTEL NETWORKS (NORTHERN IRELAND) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policy, which has been applied consistently, is set out below.

Basis of Accounting:

The financial statements have been prepared in accordance with the historical cost basis of accounting.

2. CALLED UP SHARE CAPITAL

The authorised share capital consists of 5,000,000 Ordinary shares of £1 each, which are allotted and fully paid.

3. ULTIMATE HOLDING COMPANY

The Company's ultimate parent company and the parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Nortel Networks Corporation, a company registered in Canada. The parent undertaking of the smallest such group is Nortel Networks UK Limited, a company registered in England. Copies of the group financial statements of Nortel Networks Corporation are available from Nortel Networks, One Brunswick Square, Atrium Suite 100, Saint John, New Brunswick, E2L 4VL, Canada. Copies of the group financial statements of Nortel Networks UK Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.