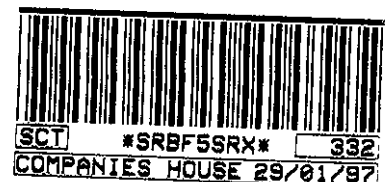


GEC-MARCONI (ABERDEEN) LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1996**

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GEC-MARCONI (ABERDEEN) LIMITED

Report of the Directors

The Directors present their report and the audited accounts of the Company for the year ended the 31st March, 1996.

The profit for the year after taxation amounted to £2,899. The Directors do not recommend the payment of a dividend.

The present members of the Board, Messrs. I. G. King and E. A. Peachey, are the only persons who have been Directors of the Company during the financial year.

According to the Register kept by the Company in accordance with Section 325 of the Companies Act 1985 the Directors had no disclosable interests in the shares of The General Electric Company p.l.c. or its subsidiaries other than those shown below:-

IN THE GENERAL ELECTRIC COMPANY p.l.c.			
At 1st April, 1995	Options granted during the year	Options exercised during the year	At 31st March, 1996

Options in respect of Ordinary Shares of 5p each

- i) Under the terms of The GEC Managers' 1984 Share Option Scheme the following Options were outstanding:-

E. A. Peachey	24,500	-----	4,500	20,000
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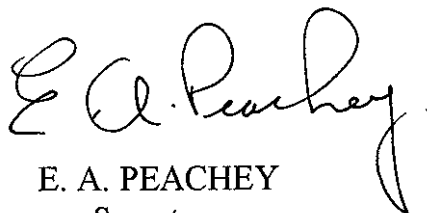
No Options were granted under the above Scheme to the named Director during the year. Normally the Options are exercisable during the years 1997 to 2004 at a subscription price of 328p per share.

- ii) Under the terms of The GEC Employee Savings-Related Share Option Scheme and The GEC Employee 1992 Savings-Related Share Option Scheme the following Options were outstanding:-

E. A. Peachey	12,661	2,061	1,846	12,876
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Normally the Options are exercisable within six months of the 1st April, 1996, 1997, 1998, 1999, 2000 and 2001 at subscription prices between 138p and 262p per share.

By Order of the Board


E. A. PEACHEY
Secretary

Registered Office:
Crewe Toll,
Ferry Road
Edinburgh EH5 2XS

17 JAN 1997

AUDITORS' REPORT

TO THE MEMBERS OF GEC-MARCONI (ABERDEEN) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of Directors and auditors

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for the financial year and to state whether the accounts have been prepared in accordance with applicable accounting standards.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

It is our responsibility as auditors to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

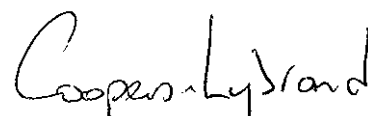
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers and Lybrand
Chartered Accountants and Registered Auditors
London

22 JANUARY 1997

ACCOUNTS

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1996

	Note	1996 £000	1995 £000
TURNOVER		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation on profit on ordinary activities	1	(3)	1
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3	(1)
MOVEMENT ON PROFIT AND LOSS ACCOUNT RESERVE			
At 1 April		5,254	5,255
Retained profit/(loss) for the financial year		3	(1)
At 31 March		5,257	5,254

There were no recognised gains or losses other than those reported above. The above results relate entirely to the continuing activities of the Company. There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

ACCOUNTS

BALANCE SHEET

31 March 1996

	Note	1996 £000	1995 £000
Current Assets			
Debtors	2	8,205	8,205
Cash			
		<u>8,205</u>	<u>8,205</u>
Current Liabilities: amounts falling due within one year			
Creditors	3	2,933	2,936
		<u>5,272</u>	<u>5,269</u>
Net Current Assets			
		<u>5,272</u>	<u>5,269</u>
Total Assets Less Current Liabilities			
		<u>5,272</u>	<u>5,269</u>
Equity Shareholders' Funds			
		<u>5,272</u>	<u>5,269</u>
Capital and Reserves			
Called up share capital	4	15	15
Profit and loss account		5,257	5,254
		<u>5,272</u>	<u>5,269</u>

Approved by the Board of Directors on 17 JAN 1997

Director



NOTES TO THE ACCOUNTS

1. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1996 £000	1995 £000
United Kingdom taxation		
Under/(Over) provisions of previous years	(3)	1
	(3)	1

2. DEBTORS

	1996 £000	1995 £000
Amounts falling due within one year		
Amounts owed by parent and fellow subsidiary companies	8,205	8,205
	8,205	8,205

NOTES TO THE ACCOUNTS - Continued

3. CREDITORS

	1996 £000	1995 £000
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Amounts falling due within one year

Amounts owed to parent and fellow subsidiary undertakings	2,933	2,933
Corporation Tax	-	3

	2,933	2,936
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Amounts due to parent and fellow subsidiary undertakings comprises £2,933,000 Unsecured Loan Notes.

4. SHAREHOLDERS' INTEREST

Share Capital

At 1 April 1995 and 31 March 1996
Ordinary Shares of £1 each fully paid,

Authorised	£200
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Issued	£200
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At 1 April 1995 and 31 March 1996
6% Non-Cumulative Preference Shares
of £1 each fully paid,

Authorised	£15,000
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Issued	£15,000
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No preference dividends have been declared during the year (1995:Nil)

NOTES TO THE ACCOUNTS - Continued

5. DIRECTORS AND EMPLOYEES

The Directors are full time executives of other Group companies. They do not receive any remuneration for their services as Directors of the Company and it is not practicable to allocate their emoluments for other services.

6. PARENT UNDERTAKINGS

The Company's ultimate parent Company is The General Electric Company, p.l.c. ("GEC") which is registered in England and Wales. GEC is the parent undertaking of the largest group of undertakings of which the Company is a member for which group accounts are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a member is GEC-Marconi Limited which is registered in England and Wales. Copies of the accounts of GEC are available from the Secretary, 1 Stanhope Gate, London W1A 1EH.

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £000	1995 £000
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	3	(1)
NET ADDITION TO SHAREHOLDERS' FUNDS	3	(1)
SHAREHOLDERS' FUNDS AS AT 1 APRIL	5,269	5,270
SHAREHOLDERS' FUNDS AS AT 31 MARCH	5,272	5,269

ACCOUNTING POLICIES

The accounts have been prepared on the historical cost basis in accordance with applicable accounting standards in the United Kingdom. The Company is a wholly owned subsidiary of The General Electric Company, p.l.c. ("GEC"), consequently the Company is exempt under the terms of Financial Reporting Standard 1 from the requirement to publish its own cash flow statement.