

**COLT Telecommunications
Nominees Limited**

Annual Report

For the year ended 31 December 2005

Registered no: 4404461



COLT Telecommunications Nominees Limited

Directors' report For the year ended 31 December 2005

The Directors present the report and financial statements of the Company for the year ended 31 December 2005.

Principal activity and review of business

The Company has not traded on its own account during the period and, in the opinion of the Directors, this situation is unlikely to change in the foreseeable future. Therefore, the Company has no material recognised gains and losses. Hence no profit or loss account and separate statement of total recognised gains and losses have been presented.

The company had no employees during the years ended 31 December 2004 and 31 December 2005.

Directors

The Directors of the Company who held office during the year were:

M Sharif
P Smee
C Griffin Pain (appointed 5 July 2005)
C Staveley (appointed 5 July 2005)

No Director had any interests in the Company at 31 December 2005. The interests of the Directors who held office at the end of the financial year in COLT Telecom Group plc, the ultimate parent company, were as follows:

	At 1 January *	At 31 December
Ordinary shares		
P Smee	7,680	7,680
C Griffin Pain	8,000	8,000
Share options		
M Sharif	90,000	210,000
P Smee	78,000	85,500
C Griffin Pain	50,000	80,000
Deferred bonus plan		
P Smee	1,635	Nil

* Or date of appointment if later.

During the year, 120,000 share options were awarded to M Sharif and 30,000 share options were awarded to C Griffin Pain. 7,500 share options were awarded to P Smee and his 1,635 deferred bonus plan options lapsed.

COLT Telecommunications Nominees Limited

Directors' report For the year ended 31 December 2005

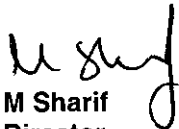
Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that 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. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements 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.

By order of the board


M Sharif
Director

13 September 2006

COLT Telecommunications Nominees Limited

Balance sheet As at 31 December

	Notes	2005 £	2004 £
Fixed assets			
Investment	2	1	1
Current assets			
Called up share capital not paid		2	2
Total assets		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	3	2	2
Creditors			
Amounts falling due after more than one year	4	1	1
Total liabilities, capital and reserves		<u>3</u>	<u>3</u>

For the year ended 31 December 2005 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- ensuring the Company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The accounts have been prepared in accordance with special provisions in Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 13 September 2006
and signed on their behalf by


M Sharif
Director

COLT Telecommunications Nominees Limited

Notes to the financial statements For the year ended 31 December 2005

1. Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

Change in accounting policy

The company has adopted FRS 25 'Financial instruments: disclosure and presentation' in these financial statements. There was no impact as a result of adopting the presentation requirements of the standard. The Company has taken advantage of the exemption provided by FRS 25 for subsidiary undertakings of which 90% or more of the voting rights are controlled within the group of an ultimate parent that publishes consolidated financial statements which comply with the disclosure requirements of the standard, and therefore the disclosure requirements of the standard have not been adopted in these financial statements.

Related party disclosures

The Company has taken advantage of the exemption provided by FRS 8 for subsidiary undertakings of which 90% or more of the voting rights are controlled within the group of the ultimate parent which publishes its consolidated financial statements and has not disclosed transactions with other group companies.

Cash flow statements

The Company has taken advantage of the exemption offered by FRS 1 (revised) and has not produced a cash flow statement as it is a more than 90% owned subsidiary of a parent publishing consolidated financial statements.

Investments

The Company's investments are stated at cost less provision for impairment in value.

2. Fixed asset investments

Cost	£
At 1 January and 31 December	<u>1</u>

Details of the Company's interests in fixed asset investments as at 31 December 2005 are set out below.

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issue shares held	Activity
COLT Telecommunications	England and Wales	"A" Ordinary shares of 2p and £1 preference shares.	1%	Telecommunications services provider

COLT Telecommunications Nominees Limited

Notes to the financial statements For the year ended 31 December 2005

3. Called up share capital

	31 December 2005 £	31 December 2004 £
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and unpaid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4. Creditors

	2005 £	2004 £
Amounts owed to ultimate parent	<u>1</u>	<u>1</u>

5. Ultimate parent company and controlling party

The Company's immediate parent company is COLT Telecom Limited. With effect from 30 June 2006, the Company's ultimate parent company and controlling party became COLT Telecom Group S.A., a company registered in Luxembourg, following a Scheme of Arrangement involving the Company's former ultimate parent company, COLT Telecom Group plc. COLT Telecom Group S.A. is the parent undertaking of the largest group to consolidate these financial statements.

COLT Telecom Group plc was converted to a private limited company on 30 June 2006 and is the parent undertaking of the smallest group to consolidate these financial statements. Copies of COLT Telecom Group plc consolidated financial statements for years ended 31 December 2005 and prior are available from the Company's registered address at Beaufort House, 15 St. Botolph Street, London EC3A 7QN. Copies of COLT Telecom Group S.A.'s future financial statements will be available from its registered office at Kansallis House, Place de l'Etoile, L-1479, Luxembourg or from the Company's registered office as set out above.