

## NOTICE REGARDING THE ESTIMATED OUTCOME TO CVA CREDITORS OF NORTEL NETWORKS S.A. – 22 May 2020

### Nortel Networks S.A. (In Administration, *Liquidation Judiciaire* and subject to a Company Voluntary Arrangement (“CVA”)) (the “Company”)

This notice is provided by the Joint Supervisors and provides an important update regarding the estimated outcome to CVA Creditors of the Company. Unless otherwise defined, capitalised terms used in this notice have the meaning given to them in Annex 1 (Definitions and Interpretation) of the CVA Proposal dated 24 August 2018.

In the Joint Administrators’ progress report dated 13 February 2020, it was noted as likely that unsecured creditors in the CVA may, without further realisations being made by the Joint Administrators or the *Liquidator Judiciaire* and subject to any unforeseen issues to the closure of the Administration, receive aggregate dividends in the region of 70c in the €.

Following the conclusion of the CVA claims adjudication process, the Joint Supervisors currently estimate that unsecured creditors in the CVA may, without further realisations being made by the Joint Administrators or the *Liquidateur Judiciaire* (and therefore without any recovery of the potential tax refund as disclosed in the Higher Case Estimated Outcome Statement<sup>1</sup>) and subject to any unforeseen issues to the closure of the Administration, receive aggregate dividends of up to approximately 90c in the €. If the potential tax refund is recovered in full it is possible that CVA Creditors will make a full recovery of their CVA Claims with an element of post-filing interest in due course.

The Joint Supervisors intend to make a third distribution when the Company’s tax position has been finalised and the outstanding matters in the Administration are substantially complete. As such, the timing and quantum of a third distribution is dependent on a number of factors. A further update will be included in the Joint Administrators’ next progress report due in August 2020.

Owing to the nature of this notice, the Joint Supervisors should like to draw your attention to the ‘Important Notice’ section of the CVA and the disclaimers below.

For further information please email us at [cva@emeanortel.com](mailto:cva@emeanortel.com) or call +44 (0)118 328 2523.

The Institute of Chartered Accountants in England and Wales in the UK authorises A R Bloom, S J Harris and S J Taylor to act as Insolvency Practitioners under section 390A(2)(a) of the Insolvency Act 1986 and the Insolvency Practitioners Association authorises A M Hudson to act as an Insolvency Practitioner under section 390A(2)(a) of the Insolvency Act 1986.

The affairs, business and property of Nortel Networks S.A. are being managed by the Joint Administrators, A R Bloom, S J Harris, A M Hudson and S J Taylor who act as agents of Nortel Networks S.A. only and without personal liability.

The Company is also subject to a Company Voluntary Arrangement. The Joint Supervisors are A R Bloom, S J Harris, A M Hudson and S J Taylor who act as agents of the Company and without personal liability.

Nortel Networks S.A. was placed into French *liquidation judiciaire* on 28 May 2009. The business and assets of the Company that are situated in France are under the control of *le liquidateur judiciaire*.

We advise that this notice is provided pursuant to our appointment as Joint Supervisors of the Company. It is provided solely for the purpose of informing creditors of certain aspects of the current status of the CVA. As this notice is only an indication of the position of the Company, and not a valuation of the current or future value of any particular item of debt, and is liable to change, it should not be relied upon as an indication of the final return to creditors and, in particular, neither we nor the Company shall have any responsibility to any person who relies on this notice for the purpose of trading in debt of the Company.

The Joint Administrators and Joint Supervisors may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators and Joint Supervisors. Personal data will be kept secure and processed only for matters relating to the Joint Administrators’ and Joint Supervisors’ appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

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<sup>1</sup> CVA Proposal, Annex 6 and described in Note 10 to the Higher Case Estimated Outcome Statement, page 94