

1 FINANCIAL INFORMATION

1.1 SELECTED PRO FORMA FINANCIAL STATEMENTS

The selected pro forma financial information set forth herein has been derived from the audited accounts for companies within the NextGenTel Group before the reorganization (see chapter 6 in prospectus “The reorganization of NextGenTel”) for the years ending December 31, 2000, 2001 and 2002 and the unaudited accounts for companies within the NextGenTel Group before the reorganization for the interim period ending September 30, 2002 and 2003. NextGenTel’s auditor, Ernst & Young, has carried out a limited review of NextGenTel’s financial statements for the period ending September 30, 2003, and has issued a statement relating thereto set forth in Appendix IV in prospectus.

The selected pro forma financial statements set forth below should be read in conjunction with the 2002 annual report for NextGenTel AS, and the notes thereto, appearing in Appendix II, the September 30, 2003 interim report for NextGenTel AS, appearing in Appendix III in prospectus.

1.1.1 Preparation of the selected pro forma financial statements

Prior to reorganization, the holding company within the NextGenTel Group was NextGenTel UK (for details regarding the reorganization see chapter 6 in prospectus).

The operational entity within the NextGenTel Group has historically been, and remains, NextGenTel AS. The cost base in NextGenTel UK has been related to professional services fees, as well as a management fee charged from NextGenTel AS to carry out general administration and secretarial services.

NextGenTel UK will be liquidated through the reorganization, and the Group will no longer have any UK based activities. The selected financial pro forma figures are derived from the historical figures of NextGenTel AS. Management fees and cost reimbursements invoiced from NextGenTel AS to NextGenTel UK for the years 2000-2003 have been eliminated in the pro forma figures, reducing the revenue accordingly for the pro forma figures compared to the audited figures for NextGenTel AS. The management fee invoiced from NextGenTel AS to NextGenTel UK has amounted to approximately mNOK 3-4 per year, reducing the revenue in the pro forma Group figures compared to the historical NextGenTel AS figures.

Internal costs directly related to development of core management systems and strategic products, such as IP-telephony, and to the build-out of our core network are from January 2002 capitalized in NextGenTel’s balance sheet as assets, and depreciated over the expected economic life cycle of the asset, maximum three years. All development costs prior to January 1, 2002 are booked as costs due to previous uncertainty. This principle is not changed in the pro forma figures.

During the period until June 30, 2002, NextGenTel UK was partly financed through convertible preferred debt, carrying 6.0 percent annual interest. The convertible loans were equity instruments, held by equity investors, intended to be converted to shares. All convertible loans were converted to preference shares at June 30, 2002, including accumulated interest. This interest charge is therefore not included in the selected pro-forma financial data set forth herein as they relate to convertible loans no longer valid. These interest costs are not related to the current and future business of NextGenTel.

NextGenTel’s auditor, Ernst & Young, has issued a statement regarding the pro forma historical consolidated financial statements for NextGenTel Holding ASA, appearing in Appendix V in prospectus.

1.1.2 Selected pro forma income statement NextGenTel Group

The table below shows a selected pro forma income statement for NextGenTel Group for the years ending December 31, 2000, 2001 and 2002 and for the interim periods ending September 30, 2002 and 2003.

NextGenTel Group, pro forma¹	Q1-Q4			Q1-Q3		Q3	
All figures in NOK 1.000	2000	2001	2002	2002	2003	2002	2003
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Operating revenues	110	30 247	147 481	96 034	208 426	38 784	76 091
Operating costs							
Cost of goods sold	0	28 597	76 770	50 343	100 822	19 172	36 266
Salaries and wages	5 318	29 317	36 465	26 651	33 025	9 089	13 192
Other operating expenses	19 302	67 172	63 373	49 859	40 320	17 593	13 632
EBITDA²	(24 510)	(94 839)	(29 127)	(30 819)	34 258	(7 070)	13 001
Depreciation and amortization	167	11 374	47 460	33 846	66 117	11 545	23 541
EBIT³	(24 677)	(106 213)	(76 587)	(64 665)	(31 858)	(18 615)	(10 540)
Financial income	1 035	2 856	3 290	211	1 727	0	410
Financial expenses	(148)	(6 368)	(24 350)	(14 461)	(27 610)	(6 219)	(7 513)
Net financial items	887	(3 512)	(21 060)	(14 250)	(25 883)	(6 219)	(7 103)
Profit before tax	(23 790)	(109 725)	(97 647)	(78 915)	(57 490)	(24 834)	(17 643)
Estimated taxation	6 644	30 687	27 341	22 096	16 097	6 954	4 940
Net result	(17 146)	(79 038)	(70 306)	(56 819)	(41 393)	(17 880)	(12 703)

¹ Please see section 1.1.1 for details regarding the pro forma adjustments.

² EBITDA – earnings before interest, taxes, depreciation and amortization.

³ EBIT – earnings before interest and taxes.

1.1.3 Selected income statement NextGenTel AS

The table below shows a selected historical income statement for NextGenTel AS for the years ending December 31, 2000, 2001 and 2002 and for the interim periods ending September 30, 2002 and 2003.

NextGenTel AS	Q1-Q4			Q1-Q3		Q3	
All figures in NOK 1.000	2000	2001	2002	2002	2003	2002	2003
	Audited	Audited	Audited	Unaudited	Limited review	Unaudited	Limited review
Operating revenues	110	33 248	151 532	96 034	211 576	38 784	77 141
Operating costs							
Cost of goods sold	0	28 597	76 770	50 343	100 822	19 172	36 266
Salaries and wages	5 318	29 317	36 465	26 651	33 025	9 089	13 192
Other operating expenses	19 302	67 172	63 373	49 859	40 321	17 593	13 632
EBITDA¹	(24 510)	(91 837)	(25 077)	(30 819)	37 408	(7 070)	14 051
Depreciation and amortization	167	11 374	47 460	33 846	66 117	11 545	23 541
EBIT²	(24 677)	(103 211)	(72 537)	(64 665)	(28 708)	(18 615)	(9 490)
Financial income	1 035	2 856	3 290	211	1 727	0	410
Financial expenses	(148)	(6 368)	(24 350)	(14 461)	(27 359)	(6 219)	(7 513)
Net financial items	887	(3 512)	(21 060)	(14 250)	(25 632)	(6 219)	(7 103)
Profit before tax	(23 790)	(106 724)	(93 597)	(78 915)	(54 340)	(24 834)	(16 593)
Estimated taxation	6 644	29 847	26 170	22 096	15 215	6 954	4 646
Net result	(17 146)	(76 877)	(67 428)	(56 819)	(39 125)	(17 880)	(11 947)

¹ EBITDA – earnings before interest, taxes, depreciation and amortization.

² EBIT – earnings before interest and taxes.

1.1.4 Selected pro forma balance sheet NextGenTel Group

The table below shows a selected pro forma balance sheet for NextGenTel Group as per December 31, 2000, 2001 and 2002 and as per September 30, 2002 and 2003.

NextGenTel Group, pro forma ¹	31.12.			30.09.	
All figures in NOK 1.000	2000	2001	2002	2002	2003
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
ASSETS					
Deferred tax	6 642	37 304	63 805	58 561	80 670
Intangible assets	0	7 285	14 602	8 279	20 817
Fixed assets, leased	0	104 411	253 719	257 966	240 871
Other fixed assets	3 088	7 406	41 472	38 595	45 140
Financial assets, long-term	211	1 211	1 252	979	12 626
Restricted cash deposit	1 006	7 770	16 127	15 176	20 194
Total long-term assets	10 947	165 387	390 977	379 556	420 319
Customer receivables	151	7 351	22 182	18 552	34 058
Other receivables	4 682	11 924	21 112	11 348	17 327
Cash and cash equivalents	60 180	5 109	3 007	9 787	2 104
Total current assets	65 013	24 384	46 301	39 687	53 490
Total assets	75 960	189 771	437 278	419 243	473 809
EQUITY AND LIABILITIES					
Equity contributions	78 000	140 000	248 200	225 200	293 300
Earned equity	(17 140)	(96 104)	(167 249)	(153 763)	(207 748)
Total equity	60 860	43 896	80 951	71 437	85 552
Long-term liabilities	0	0	14 196	23 240	34 833
Long-term debt, leasing	0	101 633	220 605	230 328	193 598
Total long-term liabilities	0	101 633	234 801	253 568	228 431
Short-term liabilities	6 316	24 344	99 006	70 429	99 731
Accruals of income	0	0	15 136	12 766	51 824
Other short-term liabilities	8 784	19 898	7 384	11 042	8 270
Total current liabilities	15 100	44 242	121 526	94 237	159 825
Total equity and liabilities	75 960	189 771	437 278	419 243	473 809

¹ Please see section 1.1.1 for details regarding the pro forma adjustments.

1.1.5 Selected balance sheet NextGenTel AS

The table below shows a selected balance sheet for NextGenTel AS as per December 31, 2000, 2001 and 2002 and as per September 30, 2002 and 2003.

NextGenTel AS	31.12.			30.09.	
All figures in NOK 1.000	2000	2001	2002	2002	2003
	Audited	Audited	Audited	Unaudited	Limited review
ASSETS					
Deferred tax	6 642	36 464	62 598	58 561	77 813
Intangible assets	0	7 285	14 602	8 279	20 818
Fixed assets, leased	0	104 411	253 719	257 966	240 871
Other fixed assets	3 088	7 406	41 472	38 595	45 140
Financial assets, long-term	211	1 211	8 303	979	12 626
Restricted cash deposit	1 006	7 770	16 127	15 176	20 194
Total long-term assets	10 947	164 547	396 821	379 556	417 463
Customer receivables	151	7 351	22 182	18 552	34 058
Other receivables	4 682	14 925	21 112	11 348	27 528
Cash and cash equivalents	60 180	5 109	3 007	9 787	2 104
Total current assets	65 013	27 385	46 301	39 687	63 691
Total assets	75 960	191 932	443 122	419 243	481 153
EQUITY AND LIABILITIES					
Equity contributions	78 000	140 000	248 200	225 200	293 300
Earned equity	-17 140	-93 943	-161 279	-150 762	-200 403
Total equity	60 860	46 057	86 921	74 438	92 897
Long-term liabilities	0	0	14 196	23 240	34 833
Long-term debt, leasing	0	101 633	220 605	230 328	193 598
Total long-term liabilities	0	101 633	234 801	253 568	228 431
Short-term liabilities	6 316	24 344	99 006	70 429	99 731
Accruals of income	0	0	15 136	12 766	51 824
Other short-term liabilities	8 784	19 898	7 258	8 042	8 270
Total current liabilities	15 100	44 242	121 400	91 237	159 825
Total equity and liabilities	75 960	191 932	443 122	419 243	481 153

1.1.6 Selected pro forma cash flow statement NextGenTel Group

The table below shows a selected pro forma cash flow statement for NextGenTel Group for the years ending December 31, 2000, 2001 and 2002 and for the interim periods ending September 30, 2002 and 2003.

NextGenTel Group, pro forma ¹ All figures in NOK 1.000	Q1-Q4			Q1-Q3		Q3	
	2000	2001	2002	2002	2003	2002	2003
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Ordinary profit before tax	(23 790)	(109 725)	(97 647)	(78 915)	(57 489)	(24 834)	(17 643)
Depreciation and amortization	167	11 374	47 460	33 846	66 117	11 545	23 541
Changes in receivables	(151)	(7 200)	(14 831)	(11 201)	(11 877)	(6 253)	1 057
Changes in short-term debt	6 316	22 234	61 569	43 037	(4 529)	30 027	19 177
Other cash flow changes	(362)	(3 988)	4 194	(17 602)	(972)	6 472	(948)
Net cash flow from operations	(17 820)	(87 305)	745	(30 835)	(8 751)	16 957	25 184
Investments in fixed assets	0	(127 388)	(238 152)	(130 515)	(72 825)	(98 863)	(23 619)
Loan repayments	0	(14 152)	(77 788)	(54 560)	(76 331)	(38 793)	(27 558)
Net cash flow from investments	0	(141 540)	(315 940)	(185 075)	(149 156)	(137 656)	(51 177)
Net changes in long-term debt	0	111 956	191 801	135 388	69 962	97 544	23 098
Net change in short-term debt	0	(182)	13 092	0	41 943	0	(2 238)
Change in share capital	78 000	62 000	108 200	85 200	45 100	0	0
Net cash flow from financing	78 000	173 774	313 093	220 588	157 005	97 544	20 860
Net cash flow	60 180	(55 071)	(2 102)	4 678	(903)	(23 155)	(5 133)
Cash at beginning of period	0	60 180	5 109	5 109	3 007	32 942	7 237
Cash at end of period	60 180	5 109	3 007	9 787	2 104	9 787	2 104

¹ Please see section I.1.1 for details regarding the pro forma adjustments.

1.1.7 Selected cash flow statement NextGenTel AS

The table below shows a selected cash flow statement for NextGenTel AS for the years ending December 31, 2000, 2001 and 2002 and for the interim periods ending September 30, 2002 and 2003.

NextGenTel AS	Q1-Q4			Q1-Q3		Q3	
All figures in NOK 1.000	2000	2001	2002	2002	2003	2002	2003
	Audited	Audited	Audited	Unaudited	Limited rev.	Unaudited	Limited rev.
Ordinary profit before tax	(23 790)	(106 724)	(93 597)	(78 915)	(54 340)	(24 834)	(16 593)
Depreciation and amortization	167	11 374	47 460	33 846	66 117	11 545	23 541
Changes in receivables	(151)	(7 200)	(14 831)	(11 201)	(11 877)	(6 253)	1 057
Changes in short-term debt	6 316	22 234	61 569	43 037	(4 529)	30 027	19 177
Other cash flow changes	(362)	(6 989)	144	(17 602)	(4 122)	6 472	(598)
Net cash flow from operations	(17 820)	(87 305)	745	(30 835)	(8 751)	16 957	25 184
Investments in fixed assets	0	(127 388)	(238 152)	(130 515)	(72 825)	(98 863)	(23 619)
Loan repayments	0	(14 152)	(77 788)	(54 560)	(76 331)	(38 793)	(27 558)
Net cash flow from investments	0	(141 540)	(315 940)	(185 075)	(149 156)	(137 656)	(51 177)
Net changes in long-term debt	0	111 956	191 804	135 388	69 962	97 544	23 098
Net change in short-term debt	0	(182)	13 092	0	41 943	0	(2 238)
Change in share capital	78 000	62 000	108 200	85 200	45 100	0	0
Net cash flow from financing	78 000	173 774	313 093	220 588	157 005	97 544	20 860
Net cash flow	60 180	(55 071)	(2 102)	4 678	(903)	(23 155)	(5 133)
Cash at beginning of period	0	60 180	5 109	5 109	3 007	32 942	7 237
Cash at end of period	60 180	5 109	3 007	9 787	2 104	9 787	2 104

1.1.8 Selected pro forma financial and operational figures

The tables below shows selected financial and operations figures derived partly from the selected pro forma consolidated financial statements presented in this chapter and partly from operational figures and data provided by NextGenTel or presented elsewhere in this Prospectus for the years ending December 31, 2000, 2001 and 2002 and for the interim periods ending September 30, 2002 and 2003.

Key financial figures

NextGenTel Group, pro forma ¹	Q1-Q4			Q1-Q3		Q3	
	2000	2001	2002	2002	2003	2002	2003
All figures in NOK 1.000							
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Gross profit ²	110	1 650	70 711	45 691	107 604	19 612	39 825
Gross margin % ³	100.0%	5.5%	47.9%	47.6%	51.6%	50.6%	52.3%
Other operating costs / revenues %	nm	222.1%	43.0%	51.9%	19.3%	45.4%	17.9%
EBITDA margin % ⁴	nm	-313.5%	-19.7%	-32.1%	16.4%	-18.2%	17.1%
EBIT margin % ⁵	nm	-351.2%	-51.9%	-67.3%	-15.3%	-48.3%	-13.9%
Fully diluted shares outstanding	4.00	5.25	.58	7.11	8.61	7.11	8.61
Shares outstanding end of period	4.00	5.19	7.43	6.96	8.38	6.96	8.38
Earnings per share ⁶	(4.29)	(15.40)	(9.62)	(8.16)	(4.94)	(2.57)	(1.52)
Weighted average shares outst.	2.00	4.59	6.31	6.18	7.90	6.93	8.38
Earnings per share ⁷	(8.57)	(17.39)	(11.33)	(9.35)	(5.24)	(2.57)	(1.52)
Dividends per share	--	--	--	--	--	--	--
Equity ratio ⁸	80.1%	22.8%	18.5%	17.0%	18.1%	17.0%	18.1%
Booked equity per share	15.2	8.3	10.9	10.3	10.2	10.3	10.2
Net interest bearing debt ⁹	(61 186)	88 754	215 667	228 605	206 133	228 605	206 133

¹ Please see section 1.1.1 for details regarding the pro forma adjustments.

² Gross profit – operating revenues less cost of goods sold.

³ Gross margin – gross profit as a percentage of operating revenues.

⁴ EBITDA margin – EBITDA as a percentage of operating revenues.

⁵ EBIT margin – operating profit as a percentage of operating revenues.

⁶ Earning per share – net result divided by share outstanding end of period.

⁷ Earnings per share – net result divided by weighted average shares outstanding.

⁸ Equity ratio – equity divided by total equity and liabilities.

⁹ Net interest-bearing debt – long-term interest bearing debt less cash.

Key operational figures

NextGenTel Group, pro forma ¹ All figures in NOK 1.000	Q1-Q4			Q1-Q3		Q3	
	2000	2001	2002	2002	2003	2002	2003
Number of private subscribers ²	800	6 700	30 000	21 900	48 600	21 900	48 600
Number of corporate subscribers ²	0	1 400	5 000	4 000	5 700	4 000	5 700
Total number of subscribers ²	800	8 100	35 000	25 900	54 300	25 900	54 300
Increase in period	800	7 300	26 900	17 800	27 400	6 800	7 500
Growth in period %	nm	912.5%	332.1%	219.8%	101.09%	35.6%	16.0%
Private subscriber revenues	88	18 415	95 318	59 985	148 072	25 159	54 433
Corporate subscriber revenues	22	11 032	52 163	36 049	56 032	13 628	21 651
ARPU ³	642	778	597	615	506	566	502
ARPU for private subscribers ³	498	573	448	454	407	434	403
ARPU for corporate subscribers ³	1 949	1 919	1 414	1 454	1 258	1 268	1 328
Number of employees	20	60	101	97	139	97	139
Number of LEOs ⁴	10	80	140	130	160	130	160

¹ Please see section 1.1.1 for details regarding the pro forma adjustments.

² The number of customers specified above is the number of active and billed subscribers. Volume figures used elsewhere in the Prospectus may include active lines that will result in a slightly higher number, as those figures also include subscribers that are active but not yet billed.

³ ARPU – average revenue per user.

⁴ LEO – local exchange office.

1.1.9 Adjustments and restatements of historical financial figures

Other than mechanisms for preparing the selected pro forma financial information herein, as described in section 1.1.1, no changes or restatements have been made to the audited financial statements for the years ending December 31, 2000, 2001 and 2002 and for the unaudited financial statements for the interim periods ending September 30, 2002 and 2003 for companies within the NextGenTel Group after the Restructuring.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of NextGenTel Group and NextGenTel AS have been prepared in accordance with Norwegian GAAP. Where feasible, the guidelines in International Financial Reporting Standards (IFRS) will be followed, which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect. The Norwegian entities may have some variances to these principles, using Norwegian GAAP; the variances are specified where feasible.

The consolidated financial statements have been prepared on an historical cost basis, except for the measurement of fair value of investment properties, derivative financial instruments and available-for-sale financial assets. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Going concern – need for additional equity/loan financing

NextGenTel's Management have prepared cash flow information for two years from the date of approval of these accounts. On the basis of this cash flow information and current trading results, NextGenTel's Management consider that sufficient funds will be available for the

NextGenTel Group to meet its continuing debts as and when they fall due, given that NextGenTel may secure additional financing/liquidity, by way of new loans, re-financing of existing financing or new equity . Accordingly, the accounts have been prepared on the going concern basis.

EBITDA reporting

NextGenTel's Management have decided to publish EBITDA as they consider that EBITDA is a standard measure commonly reported and widely use by analysts, investors and other interested parties in the software and telecommunications industry. EBITDA represents earnings before net interest expense, taxation, depreciation and amortisation.

Revenue

Revenue represents the invoiced value adjusted for time variances (excluding value added tax) of services supplied by the NextGenTel Group.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the NextGenTel Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Subscriptions

Subscription income arising from connections is accounted for on a straight-line basis over the term on ongoing subscription. A revenue recognition tool is developed splitting each line in every separate invoice into the relevant revenue periods.

Establishment fee

Revenue from the installation of connections and services are recognised by reference to the stage of completion. Stage of completion is measured by reference to installation date where the line is established by NextGenTel's suppliers.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the NextGenTel Group have passed to the buyer and the amount of revenue can be measured reliably.

Cost of Goods sold

Cost of goods sold is charged to the profit and loss account as it is carried, value adjusted for time variances.

Installation costs

Installation costs in local exchange offices and in NextGenTel's network are booked in NextGenTel's balance sheet as investments and depreciated over the expected life cycle of the installation, which maximum is 5 years.

Installation cost on customer level

The installation cost related to direct external installation costs on the customer level is booked in NextGenTel's balance sheet as investments and depreciated over the initial 12 months.

Customer Acquisition cost

All costs related to customer acquisition are carried as costs as they incur.

Research and development costs

Development expenditure incurred on an individual project is capitalized in the balance sheet when its future recoverability can reasonably be regarded as assured. Any capitalization is amortized over the period of expected future sales from the related project, with a maximum of 36 months from the project is ended and the result of the development project is implemented.

Internal costs directly related to development of core management systems and strategic products, such as IP-telephony, and to the build-out of NextGenTel's core network are from January 2002 capitalized in the balance sheet as assets and depreciated over the expected economic life cycle of the asset, maximum 3 years. All development prior to January 1, 2002 is booked as costs.

All other expenditure on research and development is charged against the profit and loss account in the year in which it is incurred.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

NextGenTel does not have any research activities.

For additional details, please see Appendix II in prospectus.

1.2.1 Summary of differences between Norwegian GAAP and IAS (IFRS)

NextGenTel will, in line with other publicly listed companies, with effect from 2005 issue its financial statements in accordance with IFRS. NextGenTel has started to map out the possible differences between IFRS and Norwegian GAAP, for the financial statements of NextGenTel to be in compliance with IFRS, hereunder the preparation of comparable financial statements from 2004. So far the following differences between IFRS and Norwegian GAAP have been identified:

1. The reporting structure (IAS 1):
 - a. More detailed disclosures if classification by function (rather than nature) is chosen for the profit and loss statement;
 - b. No use of extraordinary or other items;
 - c. Items in the balance sheet needs to be classified as (i) current/non-current assets and liabilities, or (ii) in order of liquidity;
 - d. A separate statement showing changes in equity;
 - e. Increased need for disclosing of accounting principles.
2. Share based incentive plans
 - ED 2 share based payments requires disclosures and new accounting treatment for share option schemes.
3. Disclosures in general
 - a. Generally increased need for disclosures in different areas, e.g. for leased equipment.
 - b. Disclosures of income statement and balance sheet items will have to cover the whole amount.
4. Research and development
 - a. Generally, IFRS requires a direct charge to profit and loss for research expenditures. Development expenditures will have to be capitalized if the criteria for capitalization are met.

- b. IFRS requires a higher probability for future net taxable income in order to include deferred tax assets on the balance sheet. This could have an effect on the NextGenTel balance sheet.

5. Leasing

Leasing is an important area for NextGenTel, and both the description of accounting principles and the disclosures need to be significantly expanded to be in compliance with IAS 17. IAS 17 is generally in line with the Norwegian GAAP standards for leasing, and a change in the accounting principles used by NextGenTel is therefore considered not be required.

IFRS 1 - First Time Adoption of IFRS – covers the conversion to IFRS from local GAAP.

IFRS sets out both voluntary and obligatory exemptions from a full retrospective conversion (i.e. as if IAS always had been used in preparing the financial statements).