

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: :  
: :  
FLAG TELECOM HOLDINGS LIMITED, : Chapter 11  
FLAG LIMITED, :  
FLAG ATLANTIC LIMITED, : Case Nos. 02-11732 through  
FLAG ATLANTIC HOLDINGS LIMITED, : 02-11736 and 02-11975 through  
FLAG PACIFIC USA LIMITED, : 02-11979 (ALG)  
FLAG TELECOM GROUP SERVICES LIMITED, :  
FLAG TELECOM LIMITED, : (Jointly Administered)  
FLAG TELECOM USA LTD., :  
FLAG ASIA LIMITED, and :  
FLAG ATLANTIC USA LIMITED, :  
: :  
Debtors. :  
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**ORDER GRANTING APPLICATIONS FOR ALLOWANCE OF FINAL  
PROFESSIONAL COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Upon consideration of the Applications for Allowance of Final Professional Compensation (the "Applications") for professional services rendered and expenses incurred by Houlihan Lokey Howard & Zukin Financial Advisors, Inc. and The Blackstone Group L.P. during the period commencing April 12, 2002 through October 9, 2002; and a hearing having been held before this Court to consider the Applications on November 19, 2002; and notice having been given pursuant to Federal Rules of Bankruptcy Procedure 2002(a)(7) and (c)(2); and no objections having been received thereto; and sufficient cause having been shown therefor, it is hereby

ORDERED that the Applications are granted to the extent set forth in Schedule A.

Dated: November 20, 2002

/s/ Allan L. Gropper  
UNITED STATES BANKRUPTCY JUDGE

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# **SCHEDULE A**

Case Numbers:

02-11732 through 02-11736 and 02-11975 through 02-11979 (ALG)

Case Name:

In re FLAG TELECOM HOLDINGS LIMITED, FLAG LIMITED, FLAG ATLANTIC LIMITED, FLAG ATLANTIC HOLDINGS LIMITED, FLAG PACIFIC USA LIMITED, FLAG TELECOM GROUP SERVICES LIMITED, FLAG TELECOM LIMITED, FLAG TELECOM USA LTD., FLAG ASIA LIMITED, and FLAG ATLANTIC USA LIMITED

ALL FEE PERIODS (INCLUDING THIS PERIOD)

| APPLICANT  | AMOUNT APPROVED IN PRIOR FEE APPLICATION |              | AMOUNT PAID BY DEBTORS WITH RESPECT TO PRIOR FEE APPLICATION |              | AMOUNT APPROVED IN CURRENT FEE APPLICATION |              | TOTAL AMOUNT APPROVED IN BOTH FEE PERIODS |              | TOTAL AMOUNT TO BE PAID BY DEBTORS UPON ENTRY OF ORDER |                          |
|--|--|--------------|--|--------------|--|--------------|---|--------------|--|--------------------------|
|  | FEES                                     | EXPENSES     | FEES   | EXPENSES     | FEES                                       | EXPENSES     | FEES                                      | EXPENSES     | FEES   | EXPENSES                 |
| THE BLACKSTONE GROUP                                   | \$817,500.00                             | \$123,789.59 | \$817,500.00   | \$123,789.59 | \$9,515,322.58                             | \$121,426.35 | \$10,332,822.58                           | \$245,215.94 | \$9,515,322.58   | \$71,426.35 <sup>1</sup> |
| HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC. | N/A                                      | N/A          | N/A  | N/A          | \$3,387,795.75                             | \$64,229.97  | \$3,387,795.75                            | \$64,229.97  | \$3,387,795.75   | \$64,229.97              |

Date: 11/20/2002

Initials: ALG

<sup>1</sup> The actual expenses incurred by The Blackstone Group during the current fee period and approved pursuant to this order total \$121,426.35. The amount to be paid by the Debtors is \$71,426.35. The Blackstone Group shall apply its \$50,000 post-petition expense deposit (which was approved and paid in connection with the first fee application, as described in Blackstone's Application) toward the remaining approved expenses.

USBJ