

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
LERNOUT & HAUSPIE SPEECH) Case No. 00-4398 (JHW)
PRODUCTS N.V.)
)
Debtor.) Objection Deadline: June 21, 2004 @ 4:00 p.m. (ET)
) Hearing Date: TBD
)

TWENTY-FIFTH AND FINAL APPLICATION OF MORRIS, NICHOLS, ARSHT & TUNNELL, BANKRUPTCY COUNSEL FOR THE DEBTOR AND DEBTOR-IN-POSSESSION LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., FOR (I) INTERIM ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF OF LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., DEBTOR AND DEBTOR-IN-POSSESSION IN THE CAPTIONED CASE, FOR THE PERIOD MARCH 1, 2004 THROUGH APRIL 2, 2004 AND (II) FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD NOVEMBER 29, 2000 THROUGH APRIL 2, 2004

Name of Applicant: MORRIS, NICHOLS, ARSHT & TUNNELL

Authorized to Provide Professional Services to: Debtor - Lernout & Hauspie Speech Products N.V. ("L&H NV")

Date of Retention: January 18, 2001, nunc pro tunc to November 29, 2000

Period for which compensation and reimbursement is sought: Interim Compensation for the period March 1, 2004 through and including April 2, 2004 (the "Interim Compensation Period")

Final Compensation for the period November 29, 2000 through and including April 2, 2004 (the "Final Compensation Period")

Amount of interim compensation sought as

actual, reasonable and necessary: \$9,891.50

Amount of interim reimbursement sought as actual, reasonable and necessary: \$7,988.86

Amount of final compensation sought as actual, reasonable and necessary: \$1,078,122.53, plus \$5,000 for the preparation of this Application

Amount of final reimbursement sought as actual, reasonable and necessary: \$669,373.46

This is an interim application x final application

The total time expended for the preparation of this application is approximately 26.0 hours¹ and the corresponding compensation requested is approximately \$5,000.00¹.

If this is not the first application filed, disclose the following for each prior application:

| Date Filed | Period Covered | Requested Fees/Expenses | Approved/Allowed Fees/Expenses | Paid/Approved Fees/Expenses |
|--------------------------------------|-----------------------|--------------------------------|---------------------------------------|---|
| 1 st D. I. 333 – 02/13/01 | 11/29/00 - 12/31/01 | \$52,497.50/\$15,115.29 | Approved | \$59,448.02 |
| 2 nd D. I. 461 – 03/23/01 | 01/01/01 - 01/31/01 | \$33,958.50/\$15,110.97 | Approved | \$43,685.55 |
| 3 rd D. I. 542 – 04/10/01 | 02/01/01 - 02/28/01 | \$33,754.00/\$6,604.72 | Approved | \$28,610.86 |
| 4 th D. I. 880 – 06/15/01 | 03/01/01 - 03/31/01 | \$48,055.00/\$17,085.21 | Approved | \$30,087.79 |
| 5 th D. I. 1427 10/16/01 | 04/01/01 – 07/31/01 | \$142,487.50/\$155,119.64 | Approved | \$103,562.37 (Dictaphone Allocation); \$118,356.00 (L&H NV Allocation); |

¹ Although Morris, Nichols, Arsht & Tunnell's representation of L&H NV, debtor and debtor-in-possession in the above-captioned case, is generally concluded, there may be fees and expenses periodically charged by attorneys, paralegals and other staff pursuant to the completion of Morris, Nichols, Arsht & Tunnell's responsibilities to L&H NV. Morris, Nichols, Arsht & Tunnell reserves the right to seek payment of such items by further application, as appropriate.

| Date Filed | Period Covered | Requested Fees/Expenses | Approved/Allowed Fees/Expenses | Paid/Approved Fees/Expenses |
|--|---|------------------------------------|---------------------------------------|---|
| | | | | \$73,972.60 (L&H Holdings Allocation) |
| 6 th D. I. 2031 – 1/31/02 | 08/01/01 – 08/31/01 | \$38,880.50/\$21,752.77 | Approved | \$21,851.13 (Dictaphone Allocation); \$24,253.31 (L&H NV Allocation); \$14,528.83 (L&H Holdings Allocation) |
| 7 th D. I. 2237 – 2/25/02 | 09/01/01 – 11/30/01 | \$149,249.50/\$154,919.30 | Approved | \$102,304.49 (Dictaphone Allocation); \$117,638.82 (L&H NV Allocation); \$74,153.76 (L&H Holdings Allocation) |
| 8 th D. I. 2340 – 3/21/02 | 12/1/01 – 1/31/02 | \$71,254.50/\$67,821.92 | Approved | \$43,688.93 (Dictaphone Allocation); \$49,930.21 (L&H NV Allocation); \$31,206.38 (L&H Holdings Allocation) |
| 9 th D. I. 2521 – 5/24/02 | 2/1/02 – 2/28/02 | \$23,761.00/\$23,904.27 | Approved | \$15,031.80 (Dictaphone Allocation); \$17,179.20 (L&H NV Allocation); \$10,737.00 (L&H Holdings Allocation) |
| 10 th Interim and Final (Dictaphone) D. I. 2534 – 5/28/02 | 3/1/02 – 3/31/02 (L&H Holdings and L&H NV). 11/29/00 – 3/28/02 Dictaphone Corporation | Interim \$28,189.00/\$22,807.63 | Approved | \$11,345.96 (L&H Holdings Allocation); \$19,753.53 (L&H NV) |
| 11 th D. I. 2713 – 8/2/02 | 4/1/02 – 5/31/02 (L&H NV and L&H Holdings) | \$31,155.00/\$31,649.85 | Approved | \$28,286.93 (L&H NV Allocation); \$33,944.32 (L&H Holdings Allocation) |
| 12 th D. I. 2764 – 8/21/02 | 6/1/02 – 6/30/02 (L&H NV and L&H Holdings) | \$12,840.00/\$10,983.13 | Approved | \$12,753.08 (L&H Holdings Allocation); \$8,502.05 (L&H NV) |
| 13 th D. I. 2822 – 9/27/02 | 7/1/02 – 7/31/02 with | \$13,263.00/\$10,959.19 | Approved | \$1,086.00 (L&H Holdings); \$20,483.59 |

| Date Filed | Period Covered | Requested Fees/Expenses | Approved/Allowed Fees/Expenses | Paid/Approved Fees/Expenses |
|---|--|---------------------------------|---|------------------------------------|
| | some unbilled entries 6/1/02 – 6/30/02 (L&H NV and L&H Holdings) | | | (L&H NV) |
| 14 th D. I. 2872 – 10/29/02 (L&H NV) | 8/1/02 – 9/30/02 | \$16,459.00/\$12,738.49 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$16,459.00/12,738.49 |
| 14 th Interim and Final D. I. 2940 – 11/25/02 (L&H Holdings) | 8/1/02 – 9/23/02 (Interim) 11/29/00 – 9/23/02 (Final) | \$3,754.00/\$1,168.04 (Interim) | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$3,754.00/1,168.04 |
| 15 th D. I. 3395 – 1/20/03 (L&H NV) | 10/1/02 – 11/30/02 | \$129,896.50/\$22,358.57 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$129,896.50/20,678.92 |
| 16 th D. I. 3557 – 3/19/03 (L&H NV) | 12/1/02 – 12/31/02 | \$47,821.00/\$13,800.86 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$47,821.00/13,800.86 |
| 17 th D. I. 3678 – 5/20/03 (L&H NV) | 1/1/03 – 3/31/03 | \$113,651.00/68,409.75 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$113,651.00/68,409.75 |
| 18 th D. I. 3795 – 8/7/03 (L&H NV) | 4/1/03 – 6/30/03 | \$42,742.50/11,491.12 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$42,742.50/11,491.12 |
| 19 th D. I. 3867 – 10/7/03 (L&H NV) | 7/1/03 – 7/31/03 | \$19,214.00/3,404.71 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$19,214.03/1,703.50 |

| Date Filed | Period Covered | Requested Fees/Expenses | Approved/Allowed Fees/Expenses | Paid/Approved Fees/Expenses |
|--|------------------------|--------------------------------|--|------------------------------------|
| 20 th D. I. 3901 – 11/7/03 (L&H NV) | 8/1/03 – 9/30/03 | \$7,598.00/2,229.78 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$6,078.40/2,229.78 |
| 21 st D.I. 3980 1/20/04 (L&H NV) | 10/1/03 – 11/30/03 | \$10,720.00/6,683.04 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$8,576.00/6,683.04 |
| 22 nd D.I. 153 2/24/04 (L&H NV) | 12/1/03 – 12/31/03 | \$7,679.50/\$2,327.84 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$6,143.60/2,327.84 |
| 23 rd D.I. 4051 3/24/04 (L&H NV) | 01/01/04 – 01/31/04 | \$9,147.50/\$4,389.34 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$7,318.00/4,389.34 |
| 24 th D.I. 4092 04/28/04 (L&H NV) | 02/01/04 – 02/29/04 | \$6,843.00/\$5,350.83 | Allowed 80% fees and 100% expenses. Awaiting court approval for 20% holdback of fees | \$5,474.40/5,350.83 |

ATTACHMENT TO FEE APPLICATION

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.

(Case No. 00-4398/JHW)

March 1, 2004 through April 2, 2004

(Interim Fee Period)

| Name of Professional Person | Position of the Applicant/ Year of Admittance/ Area of Expertise | Hourly Billing Rate (including changes) | Total Billed Hours | Total Compensation |
|------------------------------------|---|--|---------------------------|---------------------------|
| Donna L. Culver | Partner/1991/Bankruptcy | 450 | 2.70 | \$ 1,215.00 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 360 | 4.20 | 1,512.00 |
| Donna L. Harris | Associate/1998/Bankruptcy | 310 | 4.40 | 1,364.00 |
| Emma J. Campbell | Paralegal | 155 | 3.00 | 465.00 |
| Angela R. Conway | Paralegal | 155 | 24.10 | 3,735.50 |
| Anne M. Phillips | Case Clerk | 100 | 11.00 | 1,100.00 |
| Lisa M. Bate | Case Clerk | 100 | 5.00 | 500.00 |
| | | | 54.40 | \$9,891.50 |
| GRAND TOTAL: | \$ 9,891.50 | | | |
| BLENDED RATE: | \$ 181.50 | | | |

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.
 (Case No. 00-4398/JHW)
 November 29, 2000 through and including April 2, 2004
(Final Fee Period)

| Name of Professional Person | Position of the Applicant/ Year of Admittance/ Area of Expertise | Hourly Billing Rate (including changes) | Total Billed Hours | Total Compensation |
|------------------------------------|---|--|---------------------------|---------------------------|
| William O. LaMotte, III | Partner/1969/General Business | 450 | 1.50 | \$ 675.00 |
| William H. Sudell, Jr. | Partner/1971/Bankruptcy | 450 | 11.40 | 5,130.00 |
| William H. Sudell, Jr. | Partner/1971/Bankruptcy | 480 | 71.90 | 34,512.00 |
| William H. Sudell, Jr. | Partner/1971/Bankruptcy | 525 | 8.90 | 4,672.50 |
| Richard D. Allen | Partner/1974/General Business | 480 | 16.30 | 7,824.00 |
| Richard D. Allen | Partner/1974/General Business | 525 | 2.60 | 1,365.00 |
| Donna L. Culver | Partner/1991/Bankruptcy | 330 | 7.90 | 2,607.00 |
| Donna L. Culver | Partner/1991/Bankruptcy | 390 | 122.60 | 47,814.00 |
| Donna L. Culver | Partner/1991/Bankruptcy | 450 | 61.70 | 26,555.00 |
| Eric D. Schwartz | Associate/1992/Bankruptcy | 290 | 2.40 | 696.00 |
| David J. Teklits | Partner/1993/Corporate | 340 | 12.70 | 4,318.00 |
| David J. Teklits | Partner/1993/Corporate | 400 | 0.30 | 120.00 |
| Derek C. Abbott | Associate/1995/Bankruptcy | 260 | 0.90 | 234.00 |
| Derek C. Abbott | Associate/1995/Bankruptcy | 275 | 3.90 | 1,072.50 |
| Derek C. Abbott | Partner/1995/Bankruptcy | 320 | 0.20 | 64.00 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 235 | 3.30 | 775.50 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 250 | 435.10 | 108,177.00 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 305 | 125.40 | 38,247.00 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 330 | 42.00 | 13,860.00 |
| Gregory W. Werkheiser | Associate/1996/Bankruptcy | 360 | 8.70 | 3,132.00 |
| Wendy L. Walter | Associate/1996/Commercial | 250 | 0.20 | 50.00 |
| Robert J. Dehney | Partner/1997/Bankruptcy | 340 | 87.10 | 29,614.00 |
| Robert J. Dehney | Partner/1997/Bankruptcy | 385 | 378.50 | 145,722.50 |
| Robert J. Dehney | Partner/1997/Bankruptcy | 425 | 16.50 | 7,012.50 |
| Donna L. Harris | Associate/1998/Bankruptcy | 140 | 31.40 | 4,396.00 |
| Donna L. Harris | Associate/1998/Bankruptcy | 200 | 155.00 | 30,585.00 |
| Donna L. Harris | Associate/1998/Bankruptcy | 250 | 161.40 | 40,350.00 |
| Donna L. Harris | Associate/1998/Bankruptcy | 280 | 141.70 | 39,676.00 |

| | | | | |
|-------------------------|-----------------------------|-----|--------|------------|
| Donna L. Harris | Associate/1998/Bankruptcy | 310 | 10.20 | 3,162.00 |
| Jason W. Staib | Associate/1998/Bankruptcy | 180 | 0.90 | 162.00 |
| Jason W. Staib | Associate/1998/Bankruptcy | 200 | 5.30 | 1,060.00 |
| Mathew Neiderman | Associate/2000/Corporate | 180 | 2.60 | 468.00 |
| Michael G. Busenkell | Associate/2000/Bankruptcy | 235 | 78.40 | 18,424.00 |
| Michael G. Busenkell | Associate/2000/Bankruptcy | 250 | 97.40 | 24,350.00 |
| Gilbert R. Saydah, Jr. | Associate/2002/Bankruptcy | 280 | 0.90 | 252.00 |
| Michael G. Wilson | Associate/2000/Bankruptcy | 150 | 11.70 | 1,755.00 |
| Michael G. Wilson | Associate/2000/Bankruptcy | 180 | 5.50 | 990.00 |
| Michael G. Wilson | Associate/2000/Bankruptcy | 200 | 1.70 | 306.00 |
| Thomas W. Briggs, Jr. | Associate/2001/Litigation | 120 | 27.80 | 3,336.00 |
| Thomas W. Briggs, Jr. | Associate/2001/Litigation | 160 | 26.70 | 4,272.00 |
| Thomas W. Briggs, Jr. | Associate/2001/Litigation | 210 | 27.70 | 5,817.00 |
| Thomas W. Briggs, Jr. | Associate/2001/Litigation | 240 | 107.00 | 25,680.00 |
| Christopher Winter | Associate/2001/Bankruptcy | 160 | 3.30 | 528.00 |
| Jason C. Harbour | Associate/2002 Bankruptcy | 210 | 0.10 | 21.00 |
| Jason A. Cincilla | Associate/2002/Corporate | 190 | 2.30 | 437.00 |
| James C. Carignan | Associate/2002/Bankruptcy | 190 | 1.60 | 304.00 |
| James C. Carignan | Associate/2002/Bankruptcy | 220 | 25.30 | 5,566.00 |
| Gregory T. Donilon | Associate/2002/Bankruptcy | 190 | 6.40 | 1,216.00 |
| Daniel B. Butz | Associate/2002/Bankruptcy | 190 | 25.10 | 4,769.00 |
| Tiffany Fonseca | Associate/2002/Litigation | 190 | 5.60 | 1,064.00 |
| Samuel T. Hirzel, II | Summer Associate/Litigation | 160 | 3.80 | 608.00 |
| Angela R. Conway | Paralegal | 110 | 58.40 | 6,424.00 |
| Angela R. Conway | Paralegal | 125 | 77.20 | 9,650.00 |
| Angela R. Conway | Paralegal | 145 | 681.30 | 98,788.50 |
| Angela R. Conway | Paralegal | 155 | 865.10 | 135,330.50 |
| Cynthia A. McCollum | Paralegal | 125 | 0.60 | 75.00 |
| Renae M. Fusco | Paralegal | 145 | 7.70 | 1,116.50 |
| Renae M. Fusco | Paralegal | 155 | 13.00 | 2,015.00 |
| Melissa Bisaccia | Paralegal | 155 | 24.80 | 3,844.00 |
| Tom D. Bielli | Paralegal | 145 | 19.00 | 2,755.00 |
| Tom D. Bielli | Paralegal | 155 | 12.70 | 1,968.50 |
| Tammie J. Bello | Paralegal | 155 | 0.60 | 93.00 |
| Denise S. (Neal) Stitik | Paralegal | 155 | 1.00 | 155.00 |
| Emma J. Campbell | Paralegal | 145 | 94.50 | 13,702.50 |

| | | | | |
|----------------------|------------|-----|--------|-----------|
| Emma J. Campbell | Paralegal | 155 | 119.00 | 18,445.00 |
| Christine Ingram | Paralegal | 110 | 0.90 | 99.00 |
| Nancy Skaggs | Paralegal | 145 | 62.00 | 8,990.00 |
| Nancy Skaggs | Paralegal | 155 | 16.60 | 2,573.00 |
| Anne Cobourn | Paralegal | 155 | 165.20 | 25,606.00 |
| Elaine J. McFarlane | Paralegal | 110 | 15.30 | 1,683.00 |
| Elaine J. McFarlane | Paralegal | 155 | 0.30 | 46.50 |
| Cynthia M. Caskey | Paralegal | 155 | 0.30 | 46.50 |
| Jason W. Smith | Paralegal | 145 | 51.30 | 7,438.50 |
| Jason W. Smith | Paralegal | 155 | 9.20 | 1,426.00 |
| Robin D. Boyd | Paralegal | 145 | 0.30 | 43.50 |
| Robin D. Boyd | Paralegal | 155 | 0.50 | 77.50 |
| Barbara Pietruczenia | Paralegal | 110 | 7.00 | 770.00 |
| Barbara Pietruczenia | Paralegal | 125 | 1.20 | 150.00 |
| Barbara Pietruczenia | Paralegal | 145 | 31.60 | 4,582.00 |
| Crystal M. Dooling | Case Clerk | 80 | 27.80 | 2,299.80 |
| Anne M. Phillips | Case Clerk | 100 | 15.00 | 1,500.00 |
| Sara J. Tumey | Case Clerk | 70 | 0.50 | 35.00 |
| Sara J. Tumey | Case Clerk | 80 | 43.50 | 3,480.00 |
| Collen F. Holly | Case Clerk | 80 | 102.00 | 8,160.00 |
| Jillian Pitcher | Case Clerk | 80 | 1.50 | 120.00 |
| Rachel McGhee | Case Clerk | 80 | 47.40 | 3,792.00 |
| Lisa M. Bate | Case Clerk | 80 | 84.40 | 6,752.00 |
| Lisa M. Bate | Case Clerk | 100 | 14.90 | 1,490.00 |
| Alicia R. Boulonge | Case Clerk | 80 | 3.80 | 304.00 |
| Alicia R. Boulonge | Case Clerk | 100 | 1.70 | 170.00 |
| Trudy A. Apple | Case Clerk | 50 | 0.50 | 25.00 |
| Trudy A. Apple | Case Clerk | 70 | 62.40 | 4,368.00 |
| Trudy A. Apple | Case Clerk | 80 | 58.20 | 4,656.00 |
| Sonja P. Tate | Case Clerk | 70 | 20.60 | 1,442.00 |
| Sonja P. Tate | Case Clerk | 80 | 23.10 | 1,848.00 |
| Sonja P. Tate | Case Clerk | 100 | 6.00 | 600.00 |
| Patricia A. Cass | Case Clerk | 80 | 30.10 | 2,408.00 |
| Heidi X. Finnegan | Case Clerk | 80 | 23.70 | 1,896.00 |
| Adam D. Peacock | Case Clerk | 70 | 3.40 | 238.00 |
| Dion P. Wynn | Case Clerk | 50 | 8.60 | 430.00 |

| | | | | |
|----------------------|------------|-----------------------------------|-----------------|-----------------------|
| Dion P. Wynn | Case Clerk | 70 | 61.70 | 4,214.00 |
| Dion P. Wynn | Case Clerk | 80 | 28.20 | 2,256.00 |
| Adam B. Lavinski | Case Clerk | 70 | 3.30 | 231.00 |
| Eric H. Hahn | Case Clerk | 70 | 2.00 | 140.00 |
| Marisa J. Mead | Case Clerk | 70 | 3.40 | 238.00 |
| TOTALS | | | 5,403.10 | \$1,104,762.50 |
| GRAND TOTAL: | | \$1,104,762.50² | | |
| BLENDED RATE: | | \$ 202.47 | | |

COMPENSATION BY PROJECT CATEGORY

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.

(Case No. 00-4398/JHW)

March 1, 2004 through April 2, 2004

(Interim Fee Period)

| Project Category | Total Hours | Total Fees |
|-----------------------------|--------------------|-------------------|
| Case Administration | 9.30 | \$ 2,042.50 |
| Fee/Employment Applications | 15.30 | 1,890.50 |
| Avoidance Action Analysis | 6.20 | 1,929.50 |
| Other Contested Matters | 7.20 | 1,145.50 |
| Claims Administration | 7.30 | 1,271.00 |
| Plan & Disclosure Statement | 0.50 | 93.00 |
| General Bankruptcy | 8.60 | 1,519.50 |
| TOTALS | 54.40 | \$9,891.50 |

² The total compensation requested for the Final Fee Period reflects the compensation requested in Morris, Nichols, Arsht & Tunnell's Interim Fee Applications for the period November 29, 2000 through April 2, 2004. Therefore, the amount does not necessarily reflect the Court ordered amount. Morris, Nichols, Arsht & Tunnell is only seeking final approval of the amounts set forth in this Application.

COMPENSATION BY PROJECT CATEGORY

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.
 (Case No. 00-4398/JHW)
 November 29, 2000 through and including April 2, 2004
(Final Fee Period)

| Project Category | Total Hours | Total Fees |
|---|--------------------|-----------------------|
| Case Administration | 1251.60 | \$ 213,521.50 |
| Asset Analysis and Recovery | 32.40 | 12,818.50 |
| Asset Disposition | 127.30 | 39,105.00 |
| Relief from Stay/Adequate Protection | 11.00 | 2,756.50 |
| Meetings of and Communications with Creditors | 10.00 | 2,318.00 |
| Fee/Employment Applications | 814.70 | 136,501.50 |
| Fee/Employment Objections | 3.50 | 1,347.50 |
| Avoidance Action Analysis | 483.80 | 151,559.50 |
| Assumption/Rejection of Leases/Contracts | 19.30 | 6,167.00 |
| Other Contested Matters | 446.50 | 160,042.00 |
| Non-Working Travel | 84.00 | 13,070.00 |
| Operations | 6.40 | 1,519.00 |
| Business Operations | 7.80 | 1,786.50 |
| Employee Benefits/Pensions | 7.60 | 2,236.00 |
| Financing/Cash Collections | 32.50 | 11,379.50 |
| Tax Issues | 0.40 | 100.00 |
| Real Estate | 3.20 | 999.00 |
| Claims and Plans | 2.80 | 757.00 |
| Claims Administration and Objections | 143.30 | 27,590.00 |
| Plan and Disclosure Statement | 106.10 | 28,022.00 |
| Bankruptcy – Related Advice | 1.00 | 385.00 |
| Miscellaneous | 106.40 | 33,080.50 |
| General Bankruptcy | 1701.50 | 257,701.00 |
| TOTALS | 5,403.10 | \$1,104,762.50 |

EXPENSE SUMMARY

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.

(Case No. 00-4398/JHW)

March 1, 2004 through April 2, 2004

(Interim Fee Period)

| Expense Category | Service Provider (if applicable) | Total Expenses |
|----------------------------|---|-----------------------|
| Transcripts | | \$ 123.20 |
| Photos/Art/Spec'l Dupl. | | 6,869.73 |
| In House Messenger Service | | 24.00 |
| Courier Service | | 300.35 |
| Duplicating | | 399.50 |
| Telephone | | 6.83 |
| Telecopy | | 181.68 |
| Paralegal Overtime | | 62.64 |
| Computer Research | Other | 20.93 |
| TOTAL | | \$7,988.86 |

LERNOUT & HAUSPIE SPEECH PRODUCTS N.V.
 (Case No. 00-4398/JHW)
 November 29, 2000 through and including April 2, 2004³
(Final Fee Period)

| Expense Category | Service Provider (if applicable) | Total Expenses |
|----------------------------------|-------------------------------------|---------------------|
| Transcripts | | \$15,681.97 |
| Certification Costs | | 742.40 |
| Court Costs | | 24,676.82 |
| Out of Town Travel | | 17,899.54 |
| Photos/Art/Spec'l Dupl. | | 305,619.48 |
| Business Meals | | 2,453.96 |
| Document Service/Filing/Delivery | | 2,142.00 |
| Postage | | 313.65 |
| Courier Service | | 163,189.25 |
| Duplicating | | 115,950.06 |
| Telephone | | 1,988.62 |
| Telecopy | | 37,258.28 |
| Paralegal Overtime | | 8,566.81 |
| Case Clerk Overtime | | 1,480.70 |
| Special | | 4,310.04 |
| Secretarial Overtime | | 4,533.01 |
| Computer Usage | Other | 5,508.71 |
| Computer Usage | Westlaw | 3,190.78 |
| Computer Usage | Lexis | 233.54 |
| Miscellaneous | | 435.50 |
| TOTAL | | \$716,175.12 |

³ The total expenses requested for the Final Fee Period reflects the expenses requested in Morris, Nichols, Arsht & Tunnell's Interim Fee Applications for the period November 29, 2000 through April 2, 2004. Therefore, the amount does not necessarily reflect the Court ordered amount. Morris, Nichols, Arsht & Tunnell is only seeking final approval of the amounts set forth in this Application.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
LERNOUT & HAUSPIE SPEECH)
PRODUCTS N.V.) Case No. 00-4398 (JHW)
Debtor.)
) **Objection Deadline: June 21, 2004 @ 4:00 p.m. (ET)**
) **Hearing Date: TBD**
)

TWENTY-FIFTH AND FINAL APPLICATION OF MORRIS, NICHOLS, ARSHT & TUNNELL, BANKRUPTCY COUNSEL FOR THE DEBTOR AND DEBTOR-IN-POSSESSION LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., FOR (I) INTERIM ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF OF LERNOUT & HAUSPIE SPEECH PRODUCTS N.V., DEBTOR AND DEBTOR-IN-POSSESSION IN THE CAPTIONED CASE, FOR THE PERIOD MARCH 1, 2004 THROUGH APRIL 2, 2004 AND (II) FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD NOVEMBER 29, 2000 THROUGH APRIL 2, 2004

Morris, Nichols, Arsht & Tunnell ("Morris Nichols"), bankruptcy counsel for Lernout & Hauspie Speech Products N.V. ("L&H NV"), debtor and debtor-in-possession in the above-captioned case, submits this application (the "Application") seeking allowance of compensation and reimbursement of expenses under 11 U.S.C. §§ 327, 330 and 331, Rule 2016 of the Federal Rules Of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 2016-2 of the Local Rules Of Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 effective January 30, 1996 (the "U.S. Trustee Guidelines") and the Second Amended Administrative Order, Pursuant To Sections 105(a) And 331 Of The Bankruptcy Code, Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals, dated July 17, 2001

(D. I. 987) (as amended, the "Interim Compensation Order"), for (i) interim allowance of reasonable compensation for professional services rendered by Morris Nichols to L&H NV for the period March 1, 2004 through April 2, 2004, and reimbursement of actual and necessary charges and disbursements incurred by Morris Nichols in the rendition of required professional services on behalf of L&H NV during the same period, (ii) final allowance of reasonable compensation for professional services rendered by Morris Nichols to L&H NV for the period November 29, 2000 through and including April 2, 2004, and final reimbursement of actual and necessary charges and disbursements incurred by Morris Nichols in the rendition of required professional services on behalf of L&H NV during the same period, and (iii) payment of the foregoing from such sources as are available. In support of this Application, Morris Nichols represents as follows:

BACKGROUND

A. General Background

1. On November 29, 2000, the Debtor filed a voluntary petition for reorganization under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). L&H NV, Case No. 00-4398, emerged from chapter 11 on April 2, 2004.

2. By its Order Approving Retention Of Morris, Nichols, Arsht & Tunnell As Co-Counsel For The Debtors In Possession (D. I. 248) (the "Morris Nichols Retention Order") dated January 18, 2001, the Court authorized the Debtors to retain Morris Nichols as Delaware bankruptcy counsel to the Debtors in these cases. Morris Nichols has acted as bankruptcy counsel for the Debtors since November 29, 2000.

3. Creditors' Committees. On December 13, 2000, the United States Trustee appointed an Official Committee of Unsecured Creditors in these chapter 11 cases with respect

to the three members of the L&H Group. On March 31, 2001, however, the United States Trustee appointed (a) a separate committee relating only to the unsecured creditors of Dictaphone (the “Dictaphone Creditors' Committee”) and (b) the Committee of Unsecured Creditors of Lernout & Hauspie Speech Products N.V. and L&H Holdings USA, Inc (the “L&H Creditors' Committee”). The Dictaphone Creditors' Committee remained in existence until March 28, 2002, the effective date of the Dictaphone Plan. No trustee or examiner has been appointed in these chapter 11 cases.

4. L&H NV. On April 24, 2003, L&H NV filed the Revised Disclosure Statement Pursuant to Section 1125 of Bankruptcy Code with Respect to Official Committee of Unsecured Creditors' Plan of Liquidation for Lernout & Hauspie Speech Products N.V. Under Chapter 11 of the Bankruptcy Code (the “L&H NV Disclosure Statement”) and the Chapter 11 Plan of Reorganization of the Official Committee of Unsecured Creditors of Lernout & Hauspie Speech Products N.V. (the “L&H NV Plan”) on March 11, 2003. The Court entered an Order confirming the L&H Holdings Plan on May 30, 2003, and the L&H NV Plan became effective on April 2, 2004. Therefore, this Application seeks reimbursement for fees and expenses for services rendered on behalf of L&H NV for the period November 29, 2000 through and including April 2, 2004.

5. Jurisdiction. Pursuant to 28 U.S.C. § 1334, the Court has jurisdiction over this Application, which is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of the L&H NV's chapter 11 case and this Application is proper in this district under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016.

B. Billing History

6. Pursuant to the Interim Compensation Order, the Court established procedures for interim compensation and reimbursement of expenses for certain professionals in these cases. Morris Nichols has filed and served on negative notice previous fee applications in this case as set forth herein in accordance with the terms of the Interim Compensation Order.

7. Morris Nichols submits this Application, (i) for interim allowance of reasonable compensation for actual, reasonable and necessary professional services by it as counsel for L&H N.V. for the period from March 1, 2004 through April 2, 2004, and for reimbursement of actual, reasonable and necessary expenses incurred in representing L&H N.V. during that same period, and (ii) for final allowance of reasonable compensation for actual, reasonable and necessary professional services by it as counsel for L&H N.V. for the period November 29, 2000 through and including April 2, 2004, and for final reimbursement of actual, reasonable and necessary expenses incurred in representing L&H N.V. during that same period. This application is made pursuant to the provisions of sections 327, 330 and 331 of the Bankruptcy Code; Bankruptcy Rule 2016; Local Rule 2016-2; the U.S. Trustee Guidelines; the Morris Nichols Retention Order and the Interim Compensation Order.

RELIEF REQUESTED

8. By this Application, Morris Nichols seeks approval and allowance of (a) reasonable interim compensation in the amount of \$9,891.50 for actual and necessary professional services by it as counsel to L&H N.V. in these cases for the period March 1, 2004 through April 2, 2004 (the "Interim Compensation Period"); (b) reimbursement of actual and necessary interim expenses in the amount of \$7,988.86 incurred in representing L&H N.V. during the Interim Compensation Period; (c) compensation on a final basis for actual and necessary professional services by it as counsel to L&H N.V. in the amount of \$1,078,122.50 (as

allocable to L&H NV), plus \$5,000 for preparation of this Application, for services rendered during the period November 29, 2000 through April 2, 2004 (the “Final Compensation Period”); and (d) reimbursement of \$669,373.46 (as allocable to L&H NV) for actual, reasonable and necessary expenses incurred in representing L&H N.V. for the Final Compensation Period.

9. Morris Nichols also requests that the Court authorize and direct that, to the extent that cash proceeds remain available, Morris Nichols be paid, on a pro rata basis with other professionals, as appropriate, the currently unpaid balance of any of its allowed fees and expenses from the various available sources referenced herein, with any further unpaid balance to be paid from future proceeds available to chapter 11 administrative claimants, on a pro rata basis, with the allowed claims of such administrative claimants.

BASIS FOR RELIEF

10. Morris Nichols believes that it has capably and effectively served L&H NV throughout the Final Compensation Period, because of, among other things, the firm's extensive experience, knowledge and resources in the fields of, inter alia, debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code, general corporate law, tax law and commercial law. Furthermore, Morris Nichols has been particularly suited to act as co-counsel to L&H NV because of its expertise, experience, and knowledge in practicing before this Court, its proximity to the Court and its ability to respond quickly to emergency hearings and other matters in this Court.

11. The Interim Compensation Order provides, among other things, that the fees and expenses of professionals involved in the previous cases of L&H Holdings USA, Inc. (“L&H Holdings”) and Dictaphone Corporation (“Dictaphone”, and, together with L&H NV and L&H Holdings, the “L&H Group”) are to be allocated among the members of the L&H Group in

accordance with an allocation schedule attached to the Interim Compensation Order (the “Allocation Schedule”). The Interim Compensation Order further provides that any professional retained by more than one member of the L&H Group is required, to the extent possible, to allocate its fees and expenses among the members of the L&H Group. Morris Nichols has worked extensively with the L&H Group with respect to the proper allocation of fees and expenses. Those fees and expenses not allocated to L&H N.V. have been allocated to the other members of the L&H Group. Professional services and expenses for which compensation and reimbursement are sought were rendered and expended on behalf of the Debtors pursuant to chapter 11 of the Bankruptcy Code. Morris Nichols believes it is appropriate that it be compensated for the time spent and be reimbursed for the expenses incurred in connection with these matters.

12. For the period covered by the Interim Compensation Period⁴, Morris Nichols has provided professional services to L&H N.V. and incurred fees for such services totaling \$9,891.50. For the same period, Morris Nichols has incurred actual, reasonable and necessary expenses in connection therewith totaling \$7,988.86. With respect to these amounts, as of the date of this Application, Morris Nichols has received no payments.

13. For the period covered by the Final Compensation Period, Morris Nichols has provided professional services to the L&H Group and incurred fees for such services totaling \$1,104,762.50. For the same period, Morris Nichols has incurred actual, reasonable and necessary expenses in connection therewith totaling \$716,175.12. Morris Nichols has allocated the fees and expenses incurred throughout the Final Compensation Period on behalf of L&H

⁴ Morris Nichols seek compensation and reimbursement for the Interim Compensation Period only for work performed on behalf of L&H N.V., and therefore need not allocate this time according to the Allocation Schedule.

N.V. according to the Allocation Schedule or as otherwise set forth in certain interim fee applications filed throughout the Final Compensation Period .

14. Set forth on the Attachment To Fee Application hereof are monthly summaries by subject matter categories of the time expended by timekeepers billing time to these cases.

15. Exhibit A attached hereto contains logs, sorted by professional, which show the date, how much time was recorded and a description of the services provided during the Interim Compensation Period.

16. Exhibit B attached hereto contains a breakdown of disbursements incurred by Morris Nichols over the period to which the Interim Compensation Period relates.

17. Morris Nichols charges \$.15 per page for photocopying.

18. Morris Nichols charges \$1.00 per page for outgoing domestic facsimiles and nothing for incoming facsimiles.

19. In accordance with Bankruptcy R. Del. L.R. 2016-2 Morris Nichols has reduced its request for compensation, if any, for non-working travel to 50% of its normal rate.

20. Morris Nichols has endeavored to represent L&H N.V. in the most expeditious and economical manner possible. Tasks have been assigned to attorneys, paralegals, and secretaries at Morris Nichols so that work has been performed by those most familiar with the particular matter or task and, where attorney or paralegal involvement was required, by the lowest hourly rate professional appropriate for a particular matter. Moreover, Morris Nichols has sought to coordinate with other professionals involved in these cases so as to minimize any duplication of effort and to minimize attorneys' fees and expenses to L&H N.V. We believe we have been successful in this regard.

21. Morris Nichols is holding \$0.00 as an advance against services and disbursements from the Debtors.

22. No agreement or understanding exists between Morris Nichols and any other person for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

23. The undersigned has reviewed the requirements of Local Rule 2016-2 of the United States Bankruptcy Court for the District of Delaware and certifies to the best of her information, knowledge and belief that this application complies with Local Rule 2016-2.

WHEREFORE, Morris, Nichols, Arsht & Tunnell respectfully requests that this Court enter an order,

(a) allowing Morris Nichols (i) interim compensation of \$9,891.50 for actual, reasonable and necessary professional services rendered on behalf of the Debtors during the period March 1, 2004 through April 2, 2004, (ii) interim reimbursement in the amount of \$7,988.86 for actual, reasonable and necessary expenses incurred during the same period, (iii) final compensation of \$1,078,122.53 (as allocable to L&H N.V.), plus \$5,000 for preparation of this Application for actual, reasonable and necessary professional services rendered on behalf of L&H N.V. during the period November 29, 2000 through and including April 2, 2004, and (iv) final reimbursement in the amount of \$669,373.46 (as allocable to L&H N.V.);

(b) authorizing and directing the Debtors to pay to Morris Nichols the amount of \$15,902.06, which is equal to the sum of 80% of Morris Nichols' allowed interim compensation and 100% of Morris Nichols' allowed expense reimbursement for the period March 1, 2004 through April 2, 2004;

(c) authorizing and directing the Debtors to pay Morris Nichols' allowed final compensation and expense reimbursement in the total amount allocable to L&H N.V. according to the Allocation Schedule and Morris, Nichols' previous fee applications out of \$1,747,495.99, less the amount previously paid by the L&H Group (and allocable to L&H N.V.) for the period November 29, 2000 through and including April 2, 2004;

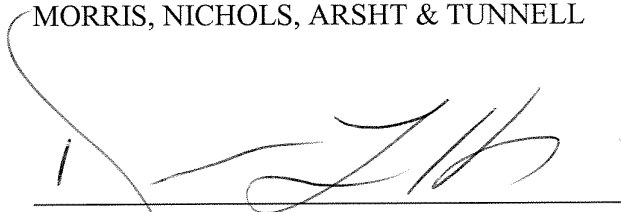
(d) approving all prior payments made to Morris Nichols on behalf of or from L&H N.V. in accordance with the Interim Compensation Order;

(e) authorizing the estate to pay Morris Nichols its fair pro rata share from any other source that might in the future become available to satisfy any unpaid portion of its allowed fees and expenses; and

(f) granting such other and further relief as is just and proper.

Dated: June 1, 2004
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL



Robert J. Dehney (DE Bar No. 3578)
Gregory W. Werkheiser (DE Bar No. 3553)
Donna L. Harris (DE Bar No. 3740)
1201 North Market Street
Wilmington, DE 19899-1347
Telephone: (302) 658-9200

Co-Counsel for Lernout & Hauspie Speech Products
N.V., Debtor and Debtor-in-Possession