

BARCLAYS PLC

Form F-6

July 16, 2002

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uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. These risks and uncertainties are described in the following section. We specifically decline any obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. ITEM 3:

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK We are exposed to financial market risks, including changes in interest rates and foreign currency rates. Our exposure to interest rate risk is the result of our need for periodic additional financing for our large operating losses and capital expenditures associated with establishing and expanding our operations. The interest rate that we will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates we have secured on our current debt.

Additionally, the interest rates charged by our present lenders adjust on the basis of the lenders' prime rate. Almost all of our sales have been denominated in U.S. dollars. A portion of our expenses are denominated in currencies other than the U.S. dollar and in the future a larger portion of our sales could also be denominated in non-U.S. currencies.

As a result, currency fluctuations between the U.S. dollar and the currencies in which we do business could cause foreign currency translation gains or losses that we would recognize in the period incurred. We cannot predict the effect of exchange rate fluctuations on our future operating results because of the number of currencies involved, the variability of currency exposure and the potential volatility of currency exchange rates. We attempt to minimize our currency exposure risk through working capital management and do not hedge our exposure to translation gains and losses related to foreign currency net asset exposures. We do not hold or issue derivative, derivative commodity instruments or other financial instruments for trading purposes. Investments held for other than trading purposes do not impose a material market risk. We believe that the relatively moderate rate of inflation in the United States over the past few years and the relatively stable interest rates incurred on short-term financing have not had a significant impact on our sales, operating results or prices of raw materials. There can be no assurance, however, that inflation or an upward trend in short-term interest rates will not have a material adverse effect on our operating results in the future should we require debt financing in the future. 22 PART II OTHER INFORMATION ITEM 1: LEGAL

PROCEEDINGS On September 10, 2001, holders of outstanding Series A Preferred Stock of our Sorrento subsidiary obtained a preliminary injunction prohibiting it from issuing further shares of its Series A Preferred Stock or incurring any additional debt without the consent of the holders of a majority of the currently outstanding shares of such Series A Preferred Stock. We are requesting such consent from the holders of these shares. Our management does not believe that the preliminary injunction will prevent us from making capital contribution to our Sorrento subsidiary. From time to time, we are involved in various legal proceedings and claims incidental to the conduct of our business. Although it is impossible to predict the outcome of any outstanding legal proceedings, we believe that such legal proceedings and claims, individually and in the aggregate, are not likely to have a material effect on our financial position or results of operations or cash flows. ITEM 2: **CHANGES IN SECURITIES AND USE OF PROCEEDS** On March 26, 2001 we issued 1,525,995 of our common stock at \$6.5531 per share to a group of three private institutional investors, receiving \$9,645,292 in net proceeds to be used for working capital purposes. There were no underwriters in the transaction; however, we paid of fee of \$300,000 to a placement agent. In addition the purchasers received three year warrants to acquire an additional 381,499 shares of our common stock at \$8.19 per share. In the event we issue shares of our common stock or equity securities convertible into our common stock at a price less than \$6.5531 per share the purchasers are entitled to receive additional shares of common stock in order to reduce their effective purchase price to such lower amount. This sale was made without general solicitation or advertising and no underwriters received fees in connection with this security sale. The purchasers were accredited and sophisticated investors with access to all relevant information necessary. The shares were issued pursuant to exemptions from registration under Rule 506 of Regulation D and Section 4(2) of the Securities Act of 1933 as a transaction not involving any public offering. We have filed a Registration Statement on Form S-3 covering the resale of these shares. ITEM 3: **DEFAULTS UPON**

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SENIOR SECURITIES Not Applicable ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY
HOLDERS Not Applicable ITEM 5: OTHER INFORMATION Not Applicable ITEM 6: EXHIBITS AND REPORTS
ON FORM 8-K A. Exhibits 20 Consolidated Financial Statements for the Quarter Ended July 31, 2001 (included in
Part I, Item 1) B. Reports on Form 8-K June 1, 2001 Fiscal 2002 First Quarter Results August 3, 2001 Convertible
Debentures Placement 23 SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the
Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
SORRENTO NETWORKS CORPORATION (Registrant) By: /s/ Joe R. Armstrong Date: September 14, 2001
----- Joe R. Armstrong, Chief Financial Officer Principal Accounting Officer 24