

Stanhope Pension Trust Limited



Dear Member of the GEC 1972 Plan

You may have heard about the proposed purchase of **telent** plc by Holmar Holdings, a company formed at the direction of Fortress Investment Group LLC (**Fortress**) announced on 25 May.

Under the terms of the possible offer, telent Shareholders would be entitled to receive 529.5 pence per **telent** Share in cash. The agreement in principle is not binding on either party.

Prior to announcing a formal offer, **telent** and Fortress will be seeking confirmations from a small number of significant customers that existing contractual arrangements will continue unaffected by the proposed change of control. These confirmations are expected to take 2 - 3 weeks from the date of the announcement to obtain and so any offer, if made, is unlikely to be completed before the end of July 2006.

As you are no doubt aware, as a result of the earlier the purchase of the majority of Marconi's telecommunications equipment business by Ericsson (the **Ericsson** transaction), **telent** became the principal employer of the G.E.C. 1972 Plan (the **Plan**) and hence any new transaction may have implications for the Plan. By way of a reminder, on completion of the Ericsson transaction, £185M was contributed directly into the Plan and an additional £490M was placed into a separate account (the **Escrow**) to provide a buffer against future eventualities such as adverse investment performance and increasing longevity.

Over the past few months SPT Ltd, the Trustee of the G.E.C. 1972 Plan has been working closely with Fortress and **telent**. As there is yet no formal offer by Fortress for **telent**, you will appreciate that there is little that can be said at this time. I will give you an update via the website and in future editions of Pensions Update, once any formal offer is made. I would like to take this opportunity to assure members that the escrow remains in place and that the interests of members have been to the fore of our concerns during these discussions.

Yours faithfully

Chris Holden
Chairman of the Trustee