

Date: 21 October 2007

Update from Stanhope Pension Trust to Members re developments arising from the offer to acquire telent plc

Dear Member

Important development in the trusteeship of the Plan

Following on from my letter of 25 September, I am writing to update pension plan Members on an important development in the trusteeship of the Plan, arising out of the recommended cash offer for telent plc by Co-Investment No. 5 LP Incorporated (CILP), in conjunction with Pension Corporation, LLP.

On 19 October the Pensions Regulator (TPR), at the request of SPT, ordered the appointment of three independent trustees to the Plan. SPT initially approached TPR to express its concerns in view of the imminence of the first closing date for the recommended cash offer by CILP.

SPT is neutral regarding the ownership structure of telent plc. We have, however, been concerned that the acquisition of the sponsoring company whose size is small in relation to the Plan could have serious implications for the security and welfare of the Plan's members. Accordingly we have been keen to learn about and discuss CILP's plans, and we have been open to considering carefully a range of alternative options for the Plan's future, consistent with the Plan's long term investment objectives. We expect that this will be high on the agenda for the three independent trustees.

SPT's priority has been and remains the continuing security and welfare of our 62,000 members and the available protection of the Plan's assets and the escrow fund that is further security. The additional funding and the creation of the escrow following the sale of the Marconi businesses to Ericsson in 2005 significantly improved the financing of the Plan, and the appointment of the independent trustees will help determine the optimum way forward whilst protecting the position of members.

We expect that the independent trustees will be writing to members in the near future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Holden'.

Chris Holden
Chairman