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## Further amendment regarding recommended cash offer for telent plc

31 October 2007

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Recommended Cash Offer for telent plc by Co-Investment No. 5 L.P. Incorporated ("CILP") a limited partnership whose general partner is advised by Pension Corporation LLP ("Pension Corporation")

On 25 September 2007, CILP announced a recommended cash offer for the entire issued and to be issued share capital of telent plc and on 2 October 2007, posted its Offer Document (the "Offer Document") to telent Shareholders setting out the full terms and Conditions of the Offer.

CILP further announced on 24 October 2007 that in light of the exceptional circumstances arising as a consequence of the Pensions Regulator exercising its statutory powers to appoint three trustees of telent's UK pension scheme (the "Pensions Regulator's Action"), telent and CILP had agreed with the Panel Executive that, in relation to the first closing date of the Offer, which was 1.00 p.m. (London time) on 23 October 2007, the deadlines for making an appropriate announcement pursuant to paragraph 2(a) of Part B of Appendix I to the Offer Document and to announce any decision to extend the time and/or date by which the acceptance condition has to be fulfilled pursuant to paragraph 2(b) of Part B of Appendix I to the Offer Document would each be extended to 8.00 a.m. (London time) on 31 October 2007.

### Level of acceptances

CILP announces that as at 1.00 p.m. (London time) on 23 October 2007, being the first closing date of the Offer, valid acceptances of the Offer had been received from telent Shareholders in respect of a total of 26,079,804 telent Shares, representing approximately 41.73 per cent. of the existing issued share capital of telent.

This total includes acceptance of the Offer received in respect of 846 telent Shares which were subject to irrevocable undertakings procured by CILP from the Board of telent.

As at 22 October 2007, CILP and Merrill Lynch (which is deemed to be acting in concert with CILP (within the meaning of the City Code)) held such number of telent Shares as set out below:

Holder	Number of telent Shares	% of total issued share capital
CILP	18,369,372	29.39
Merrill Lynch	734	0.00

As at 22 October 2007, CILP had received no valid acceptance of the Offer with respect to the telent Shares held by Merrill Lynch.

Save as disclosed in this announcement, neither CILP, nor any person acting in concert with CILP, had an interest in or had any rights to subscribe for any relevant securities of telent nor had any short position or any arrangement in relation to any relevant securities of telent. For these purposes, "arrangement" includes any agreement to sell or any delivery obligation or option arrangement or right to require another person to purchase or take delivery of any relevant securities of telent and any borrowing or lending of any relevant securities of telent which have not been on-lent or sold and any outstanding irrevocable undertaking with respect to any relevant securities of telent.



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**Extension of the Offer**

CILP announces that the Offer, which remains subject to the terms and Conditions set out in the Offer Document, is being extended and will remain open until 1.00 p.m. (London time) on 7 November 2007. Any further extensions to the Offer will be publicly announced by 8.00 a.m. (London time) on the Business Day following the day on which the Offer is otherwise due to expire, or such later time or date as the Panel may agree. Purported acceptances of the Offer which have been received since 1.00 pm on 23 October 2007 will be treated as valid acceptances of the Offer provided that such acceptances are otherwise valid or are deemed to be valid in accordance with the terms of the Offer.

CILP and telent are in discussions with the Pensions Regulator and other interested parties regarding the Pensions Regulator's Action and will seek to continue to have constructive dialogue with these parties. CILP and telent have agreed with the Panel Executive that the Pensions Regulator's Action constitutes a breach of the condition in paragraph (k) of Part A of Appendix I to the Offer Document and that in the present circumstances, that breach may be invoked by CILP to lapse the Offer. If the Offer becomes or is declared unconditional as to acceptances and such circumstances continue to persist on the 21st day after the date on which the Offer becomes or is declared unconditional as to acceptances, CILP will invoke the condition in paragraph (k) of Part A of Appendix I to the Offer Document and allow the Offer to lapse.

Terms defined in the Offer Document have the same meaning in this announcement.

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*This announcement is not intended to and does not constitute, or form part of, an offer to sell or invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor will there be any purchase or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation. The Offer is being made solely through the Offer Document and, in the case of certificated telent Shares, the Form of Acceptance accompanying the Offer Document, which contains the full terms and conditions of the Offer, including details of how to accept the Offer. Any acceptance or other response to the Offer should be made only on the basis of the information in such documents.*

*Merrill Lynch, which is authorised and regulated in the UK by the Financial Services Authority, is acting exclusively for CILP and Pension Corporation and no one else in connection with the Offer and will not be responsible to anyone other than CILP and Pension Corporation for providing the protections afforded to customers of Merrill Lynch or for giving advice in relation to the Offer.*

*Lazard and JPMorgan Cazenove, which are authorised and regulated in the UK by the Financial Services Authority, are acting exclusively for telent and no one else in connection with the Offer and will not be responsible to anyone other than telent for providing the protections afforded to the respective customers of Lazard or JPMorgan Cazenove nor for giving advice in relation to the Offer.*

*The availability of the Offer to persons who are not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about, and observe, any applicable requirements. Further details in relation to overseas shareholders will be contained in the Offer Document.*

*The release, publication or distribution of this announcement in jurisdictions other than the UK or the Offer Document may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. This announcement and the Offer Document have been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and/or regulations of jurisdictions outside the UK.*

*Any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Offer Document and/or any other related document to any jurisdiction outside the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.*

**Notice to US investors**

*This announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for securities, nor is it a solicitation of any vote or approval in any jurisdiction, nor will there be any purchase or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation.*

*The Offer is being made for securities of a UK company and United States investors should be aware that this announcement, the Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with the City Code and UK disclosure requirements, format and style, all of which differ from those in the United States. telent's financial statements, and all financial information that is included in this announcement or that may be included in the Offer Document or any other documents relating to the Offer, have been or will be prepared in accordance with United Kingdom generally accepted accounting principles and International Financial Reporting Standards and thus may not be comparable to financial statements of United States companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*The Offer is being made in the United States in accordance with any obligations CILP may have under applicable securities laws (including any obligations under Rule 14e-1(d)) and otherwise in accordance with the requirements of the City Code. Accordingly, the Offer is being made subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.*



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*The receipt of cash pursuant to the Offer by a United States holder of telent Shares may be a taxable transaction for United States federal income tax purposes and under applicable US state and local, as well as non-US and other tax laws. Each holder of telent Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.*

*telent is incorporated under the laws of England and Wales. No telent Director is a resident of the United States. In addition, telent's articles of association contain provisions to the effect that all proceedings between a telent Shareholder (in its capacity as such) and telent or any of its Directors or professional service providers may only be brought in the courts of England and Wales. As a result, it may not be possible for United States shareholders of telent to effect service of process within the United States upon telent or such telent Directors or to enforce against any of them judgements of the United States predicated upon the civil liability provisions of the federal securities laws of the United States. It may not be possible to sue telent or its officers or directors in a non-US court for violations of the US securities laws.*

*To the extent permitted by applicable law, in accordance with the City Code and normal UK market practice and pursuant to class exemptive relief granted by the Staff of the Division of Market Regulation of the US Securities and Exchange Commission from Rule 14e-5 of the US Exchange Act, CILP or its nominees or brokers (acting as agents) may from time to time during the period in which the Offer remains open for acceptance make certain purchases of, or arrangements to purchase, telent Shares otherwise than under the Offer, such as in open market or privately negotiated purchases. In accordance with the requirements of Rule 14e-5 and exemptive relief granted by the SEC, such purchases, or arrangements to purchase, will comply with all applicable UK rules, including the City Code and the rules of the London Stock Exchange. In addition, in accordance with the City Code, normal UK market practice and Rule 14e-5(b) of the Exchange Act, Merrill Lynch will continue to act as exempt principal traders in telent securities on the London Stock Exchange. Information regarding such activities which is required to be made public in the United Kingdom pursuant to the City Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be communicated in the United States in accordance with applicable US securities laws to the extent that such information is made public in the United Kingdom.*

**Forward-looking statements**

*This announcement may contain "forward-looking statements" concerning the Offer, CILP and telent. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. CILP and telent assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law and regulation.*