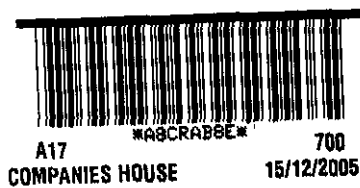


Company Registration No. 2672641

RELTEC (COVENTRY) LIMITED

Report and Financial Statements

Year ended 31 March 2005



RELTEC (COVENTRY) LIMITED

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RELTEC (COVENTRY) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C G Donaldson
K D Smith

SECRETARY

C G Donaldson

REGISTERED OFFICE

New Century Park
PO Box 53
Coventry,
Warwickshire
CV3 1HJ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Birmingham

RELTEC (COVENTRY) LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of the Company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The Company has not traded during the year and did not trade during the previous year. The Directors do not anticipate that the Company will resume trading in the foreseeable future.

RESULTS AND DIVIDENDS

Results for the year are shown in the profit and loss account on page 6.

The Directors do not recommend the payment of a dividend (2004: £nil).

DIRECTORS

The Directors holding office since 1 April 2004 are listed below:

Mr C G Donaldson.

Mr K D Smith

DIRECTORS' INTERESTS

According to the Register kept by the Company under Section 325 of the Companies Act 1985, none of the Directors holding office at the end of the year had any disclosable interests in the shares of the Company, Marconi Corporation plc, the Company's ultimate holding company as at 31 March 2005, or its subsidiaries, other than those given below.

Marconi Corporation plc

(a) Interests in warrants over ordinary shares of 25 pence each fully paid:

Name of Director	At 1 April 2004	Lapsed during the year	Exercised during the year	Granted during the year	At 31 March 2005
C G Donaldson	23	-	-	-	23

(b) Options over ordinary shares of 25 pence each in Marconi Corporation plc have been granted under the Employee Share Option Plan and the Marconi Sharesave Plan:

Name of Director	At 1 April 2004 (or at date of appointment)	Lapsed during the year	Exercised during the year	Granted during the year	At 31 March 2005
C G Donaldson	20,000	-	1,978	1,124	19,146
K D Smith	20,000	-	4,041	1,874	17,833

The interests of Directors in options over ordinary shares of 5 pence each in M (2003) plc are not disclosed in this report as it is no longer the ultimate parent company of the Company. It should be noted that, as a result of the Restructuring, M (2003) plc shares were delisted from the London Stock Exchange and are now of negligible value. It is highly unlikely, therefore, that the Directors will be able to realise any value in relation to any options held.

RELTEC (COVENTRY) LIMITED

DIRECTORS' REPORT *(continued)*

POST BALANCE SHEET EVENT

On 25 October 2005, the Marconi Group announced the proposed disposal of its telecommunications equipment and international services business to Ericsson for approximately £1.2 billion. Completion is expected to take place by the end of January 2006, although the effective date of completion is 1 January 2006 under a Memorandum of Agreement. The Disposed Business represents approximately 75% of the Group's turnover for the year ended 31 March 2005.

Marconi Corporation plc, the Company's ultimate parent undertaking, will be renamed telent plc. It will retain its UK Telecommunications Services business, its UK and German Value Added Services businesses and its System X product and support business along with the payphones business. Accordingly, following the proposed disposal, the Company shall continue to be dormant.

By order of the Board



C G Donaldson
Director

14TH DECEMBER 2005

RELTEC (COVENTRY) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will *continue in business*.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RELTEC (COVENTRY) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March

	Note	2005 £	2004 £
Administration costs		-	(1,000)
OPERATING PROFIT/ (LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(1,000)
Tax on profit/(loss) on ordinary activities	2	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR TRANSFERRED TO/(FROM) RESERVES		-	(1,000)
BALANCE AT 1 APRIL		(1,000)	-
BALANCE AT 31 MARCH		(1,000)	(1,000)

All operations are discontinued.

There were no recognised gains or losses in the year or in the prior year other than the loss for the relevant year. Accordingly, no Statement of Total Recognised Gains or Losses has been prepared.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit/(Loss) for the financial year	-	(1,000)
Equity shareholders' funds at 1 April	-	1,000
Equity shareholders' funds at 31 March	-	-

RELTEC (COVENTRY) LIMITED

BALANCE SHEET At 31 March

	Note	2005 £	2004 £
NET CURRENT ASSETS AND NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	3	1,000	1,000
Profit and loss account		(1,000)	(1,000)
EQUITY SHAREHOLDERS' FUNDS		-	-

Statements

- (a) For the year ended 31 March 2005 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985 (the "Act").
- (b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Act.
- (c) The Directors acknowledge their responsibility for:
- ensuring the Company keeps accounting records which comply with section 221 of the Act, and
 - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These accounts were approved by the Board of Directors on 14TH DECEMBER 2005

Signed on behalf of the Board of Directors



CG Donaldson
Director

RELTEC (COVENTRY) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year, after taking account of adjustments in respect of prior period liabilities. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TAX ON LOSS ON ORDINARY ACTIVITIES

	2005 £	2004 £
Tax credit on loss on ordinary activities		
UK corporation tax at 30% (2004: 30%)	-	-
Reconciliation of current taxation credit for the year		
Profit/(Loss) before tax	-	(1,000)
Tax credit on loss at UK statutory rate of 30% (2004: 30%)	-	(300)
Tax losses and other deferred tax items not recognised in current tax	-	300
Current tax for the year	-	-

3. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised, issued and fully paid 1,000 ordinary shares of £1 each	1,000	1,000

4. DIRECTORS AND EMPLOYEES

The Directors are employed and remunerated by other companies in the Marconi Group. They do not receive any remuneration specifically for their services as Directors of the Company (2004: £nil). The Company had no employees during the year (2004: none).

RELTEC (COVENTRY) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2005

5. PARENT UNDERTAKING

The Company's immediate parent Company is Reltec Services (UK) Limited.

The Company's ultimate parent and controlling company is Marconi Corporation plc, which is the only parent undertaking for which Group accounts are prepared. Copies of the Group accounts are available from the Secretary at Marconi Corporation plc, New Century Park, P.O. Box 53, Coventry, CV3 1HJ.

6. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Reltec Services (UK) Limited, which is a subsidiary of Marconi Corporation plc. Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with entities that are part of the Marconi Group or investees of the Group qualifying as related parties.

7. POST BALANCE SHEET EVENT

On the 25 October 2005, the Marconi Group announced the proposed disposal of its telecommunications equipment and international services business to Ericsson for approximately £1.2 billion. Completion is expected to take place by the end of January 2006, although the effective date of completion is 1 January 2006 under a Memorandum of Agreement. The Disposed Business represents approximately 75% of the Group's turnover for the year ended 31 March 2005.

Marconi Corporation plc, the Company's ultimate parent undertaking, will be renamed telent plc. It will retain its UK Telecommunications Services business, its UK and German Value Added Services businesses and its System X product and support business along with the payphones business. Accordingly, following the proposed disposal, the Company shall continue to be dormant.