

Company Registration No. 855361

M DEFENCE OVERSEAS LIMITED
(formerly Marconi Defence Overseas Limited)

Report and Financial Statements

Year ended 31 March 2006



M DEFENCE OVERSEAS LIMITED (formerly Marconi Defence Overseas Limited)

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

Officers and registered office	1
Directors' report	2
Balance sheet	4
Notes to the accounts	5

M DEFENCE OVERSEAS LIMITED (formerly Marconi Defence Overseas Limited)

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND REGISTERED OFFICE

DIRECTORS

C G Donaldson

K D Smith

SECRETARY

C G Donaldson

REGISTERED OFFICE

New Century Park

PO Box 53

Coventry

CV3 1HJ

M DEFENCE OVERSEAS LIMITED (formerly Marconi Defence Overseas Limited)

DIRECTORS' REPORT

The Directors present their report and the financial statements of the Company for the year ended 31 March 2006.

This director's report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The Company did not trade 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.

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. The deal completed on 23 January 2006, although the effective date of completion was 1 January 2006 under a Memorandum of Agreement. The Disposed Business represented approximately 75% of the Group's turnover for the year ended 31 March 2005.

Marconi Corporation plc, the Company's ultimate parent undertaking, has been renamed **telent** plc. It has retained its UK Telecommunications Services business, its UK and German Value Added Services businesses and its System X product and support business. Accordingly, following the disposal, the Company continues to be dormant.

On 21 March 2006 the Company changed its name from Marconi Defence Overseas Limited to M Defence Overseas Limited.

RESULTS AND DIVIDENDS

The Company made neither a profit nor a loss for the year ended 31 March 2006 (2005: £nil). The Directors do not recommend the payment of a dividend (2005: £nil).

DIRECTORS

The Directors holding office since 1 April 2005 are listed below:

C G Donaldson
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, **telent** plc (formerly Marconi Corporation plc), the Company's ultimate holding company as at 31 March 2006, or its subsidiaries, other than those given below (the figures stated reflect the two for seven consolidation of **telent** plc (formerly Marconi Corporation plc) shares which took effect on 27 March 2006):

telent plc (formerly Marconi Corporation plc)

(a) Interests in warrants over ordinary shares of 87.5 pence (2005: 25 pence) each fully paid:

Name of Director	At 31 March 2005	At 31 March 2006
C G Donaldson	23	23

(b) Options over ordinary shares of 87.5 pence (2005: 25 pence) each in **telent** plc (formerly Marconi Corporation plc) have been granted under the the Employee Share Option Plan and the Sharesave Plan:

Name of Director	At 1 April 2005	Lapsed during the year	Exercised during the year	Granted during the year	At 31 March 2006
C G Donaldson	19,146	-	(5,019)	-	14,127
K D Smith	17,833	-	(3,032)	-	14,801

M DEFENCE OVERSEAS LIMITED (formerly Marconi Defence Overseas Limited)

DIRECTORS' REPORT (continued)

By order of the Board

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

C G Donaldson
Director

19/12

2006

M DEFENCE OVERSEAS LIMITED (formerly Marconi Defence Overseas Limited)

BALANCE SHEET

At 31 March 2006

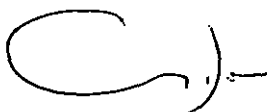
	Note	2006 £000	2005 £000
CURRENT ASSETS			
Debtors: Amounts falling due within one year			
Amounts due from ultimate parent company		90	90
NET CURRENT ASSETS AND NET ASSETS			
		90	90
CAPITAL AND RESERVES			
Called up share capital	3	-	-
Profit and loss account		90	90
EQUITY SHAREHOLDER'S FUNDS			
		90	90

STATEMENTS

- (a) For the year ended 31 March 2006 the Company was entitled to exemption from audit 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.

The financial statements were approved by the Board of Directors on 19/12 2006

Signed on behalf of the Board of Directors



C G Donaldson
Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2006

1. PRINCIPAL ACCOUNTING POLICIES

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

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.

Profit and loss account

The Company has been non-trading during the current and preceding financial years. Accordingly, neither a Profit and Loss Account, nor a Statement of Total Recognised Gains and Losses, has been prepared.

2. DIRECTORS AND EMPLOYEES

The Directors are employed and remunerated by other companies in the **telent** Group (formerly Marconi Group). They do not receive any remuneration specifically for their services as Directors of the Company (2005: £nil). The Company had no employees during the year (2005: none).

3. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2

4. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of **telent** plc (formerly Marconi Corporation plc), in whose consolidated Financial Statements, which are publicly available, the Company is included. Advantage has been taken of the exemption permitted by Financial Reporting Standard 8 not to disclose transactions with entities that are part of the **telent** Group (formerly Marconi Group) or investees of the Group qualifying as related parties. Balances with these entities are disclosed in the balance sheet on page 4 of these financial statements.

5. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of **telent** plc (formerly Marconi Corporation plc), in whose consolidated financial statements, which are publicly available, the Company is included. The Company is therefore exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised).

NOTES TO THE ACCOUNTS

Year ended 31 March 2006

6. PARENT UNDERTAKING

The Company's immediate parent undertaking is **telent Communications Limited** (formerly Marconi Communications Limited).

The Company's ultimate parent undertaking and controlling company is **telent plc** (formerly Marconi Corporation plc), which is the only parent undertaking to consolidate the financial statements of the Company.

Copies of the financial statements of **telent plc** (formerly Marconi Corporation plc) are available from the Secretary at New Century Park, P O Box 53, Coventry, CV3 1HJ.