

19th October, 2006

Dear Customer,

I am writing to you to let you know that we had a security breach which compromised our core services at 20.16 on the 16th October. We were affected by the theft of some core network equipment, resulting in an outage of our services to a number of Customers.

In line with our fault management process, all available engineering resources were called in to restore services to our Customers during the following 24 hours. Using existing reserve stock and working closely with our suppliers we were able to restore service to the majority of customers by 01:30 on the 17th of October. We were also able to replenish our spares and other lost equipment overnight.

Full services were restored by mid day on the 17th of October although we had some intermittent faults during the day as a result of damaged cables which were replaced promptly.

We have put in place additional security measures over and above the ones we had prior to the incident. Naturally there is a limit to how much we can disclose to you in this area, and appreciate your understanding.

I would like to apologise for any inconvenience caused by this incident, and thank you for your tolerance during this unexpected and difficult 24 hours.

A handwritten signature in black ink, consisting of a stylized initial 'D' followed by a horizontal line and a small dot.

David Rowe
CEO