News Release

31 October 2006

DELIVERY SUCCESS FOR COLCHESTER SIGNAL POST TELEPHONE SYSTEM

STS Signals have announced the successful completion and on-time delivery of a major contract awarded by Network Rail and prime contractor **telent** Enterprise Services to renew the SPT telephone system in the Colchester and East Anglia region, on one of the busiest commuter and freight lines into London's Liverpool Street station.

The contract is part of Network Rail's major investment programme and involves the replacement of the existing life-expired concentrators at Colchester PSB and remote sites at Manningtree, Ipswich, Stowmarket, Diss and Norfolk. The new networked system will have a capacity in excess of 650 trackside telephones and a Public Emergency Telephone (PETS) system at 20 level crossings covering a 60 mile route between Colchester and Norfolk.

Commenting on the contract award, Phil Tait, STS Signals' General Manager, said:
"We are delighted to have been awarded this contract and to be part of the significant investment being made by Network Rail South East Territory".

All STS Signals' systems are manufactured in England and provide a cost effective, genuine non-blocking concentrator solution that offers high reliability and improved maintainability with full engineering support.

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Notes to editors:

- STS Signals also designs, manufactures and repairs a wide range of electro-mechanical products for railways applications. Products include signalling relays, concentrators for trackside telecoms, Train Protection Warning System and Automatic Warning Systems.

- The Company also provides *ad hoc* solutions to specific problems encountered by railway customers.

- STS Signals is part of the STS International Group, which also includes STS Defence, STS Switchgear and STS Motors.