


ScottishPower
 Communicating with employees:
 Corporate restructuring and the impact on stock plans

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Agenda


- Overview of ScottishPower
- Stock plans offered to employees
- Corporate actions
- Effect on employee stock plans
- Communication Issues
- Conclusions and learning points
- Questions

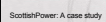






ScottishPower - Overview

- What SP does
- Company structure
- Locations
- Employees



Employee Stock Plans

- UK All Employee
 - Sharesave
 - SIP
- UK Discretionary
 - Approved options
 - Unapproved options
 - LTIP
 - Legacy option plans
- US All Employee
 - 401K
- US Discretionary
 - Stock incentive plan
 - NQSO
 - LTIP

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Corporate Activity

- Scheme of Arrangement - July 1999
- Pacificorp merger - November 1999
- Thus IPO - November 1999
- Thus demerger - March 2002
- Sale of Southern Water - April 2002



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Effect on UK Stock Plans



- Discretionary Options
- LTIP
- Sharesave
- SIP

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Effect on US Stock Plans




- Stock Incentive Plan
 - Executive
- 401K Plan
- LTIP

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Key Communication Issues

- Scheme of Arrangement
- Pacificorp merger
- Thus IPO
- Thus demerger
- Southern Water sale



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Communication Solutions

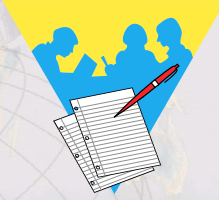
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Learning Points

- Assumptions
- Strong working relationship with plan administrators
- Communication is key
- Information access through various channels
- Impact of Intranet
- Effect on participation levels



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Any Questions?

Thank You

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