

TREE-MENDOUS!

The literature stated: 'You don't need to be a Royal Marine!' But after completing the recent Power Challenge, being a lumberjack may have helped! Held in its 4th year in the Yair Forest, near Selkirk in the Scottish Borders, the event was a team challenge of adventure, trees, teamwork, trees, initiative and, you guessed it, more trees.

By John Boyer

Manweb was well represented with five teams. After a warm up session which included Gaelic dancing and aerobics, the teams had their first orienteering experience within the forest. All clues led to the bivouacs site, which surprisingly enough was clear of trees. Two plastic sheets, some rope and four poles provided the materials for what, in most cases, was inadequate sleeping accommodation. After a night under the stars, reveille was at 06.30, when the teams experienced the culinary delights of their ration packs. The 'food' came in packets to which boiling water was added. Breakfast included reconstituted egg and toast, oatmeal biscuits and jam. The 320 competitors faced gruelling tasks to test ingenuity, lateral thinking, communication and each team's sense of adventure. The artistic ability of the teams was also tested, with each performing a song or a sketch. After the eliminator, only the team from Prenton (aptly named 'Calm Down') were left in to fly the flag for Manweb.

Their rendition of 'In My Liverpool Home', with jokes and sketches thrown in for good measure, was inspirational.

After a very welcome shower, the teams made their way to the event marquee for some proper food and plenty of beer. The scores for the 51 teams were then announced. The 'Ratcliffe Rats' (PowerGen) won the event, with the Manweb teams finishing as follows: 3rd - Chester (Glam Mental Dyslexics); 12th - Dee Valley (Death Valley); 36th - Prenton (Birkenhead); 44th Manweb Metering Services & Guest (Free the Brookside Two); 46th - Head Office (The Anthill Mob).

Special Award

For the first time, there was a special award for the team that had maintained their spirits and everybody else's over the weekend. The selection of the Prenton team for the Crumble Award, named after Jamie Rumble from Raleigh International, who died last year, was extremely popular.

By taking part in this enjoyable event, the teams raised money for Raleigh International's Youth Development Programme, a special scheme which involves young people 'at risk' in expeditions for conservation and the community. The event is set to raise over £50,000 and the Manweb teams would like to thank their supporters, including several of the company's suppliers, for contributing to this extremely worthwhile cause. Special thanks for their outstanding generosity goes to Hinton Deevex Ltd and Weidmuller (Klippon), Datel Computing Ltd, Thorn Security Ltd, Hewlett-Packard, Schlumberger Industries Ltd, GEC Meters and Amdahl (UK) Ltd.



CONTACT

NEWSLETTER FOR MANWEB PEOPLE

SEPTEMBER 1995

Focus on the bid

There's a new look to your 'Contact' this month, with a revamp to help us focus on the take-over bid.

In this lively A4 format newsletter, which we are able to produce in-house and distribute quickly to your work locations, we'll be providing as much information as possible about our company's fight to stay independent - within the constraints of strict take-over panel rules.

And, of course, there'll be plenty of other news about Manweb and its people. So if you've any news or views, contact the Editor on 700 2090.



Chief Executive John Roberts (left) and Finance Director Stuart Siddall launch Manweb's defence.

WAR OF THE WORDS

By Jackie Unsworth

Manweb fired the first shots in its battle to stay independent when the company issued its defence to ScottishPower's hostile £1bn bid.

The document, mailed out to all shareholders, challenged the Scottish company's claims that it could run Manweb better, setting the record straight on some of the comparisons made.

"In our defence document we explain how ScottishPower's criticisms of Manweb are simplistic and ill-founded. ScottishPower's case relies on meaningless comparisons and innuendo," said Manweb's Chief Executive John Roberts.

"ScottishPower's core electricity business faces a number of

uncertainties and its diversification strategy is failing to provide the answers. Its failure to build businesses on its own has led it to look to Manweb.

"We will not let ScottishPower cover up its own problems by acquiring Manweb on the cheap."

Under take-over panel rules, the 'war of words' is set to continue until the Scots' offer closes on 6 October.

The Department of Trade and Industry's decision on 31 August not to refer the bid to the Monopolies and Mergers Commission led to a sharp increase in Manweb's share price, which closed at 970p on the day.

(Continued on page 6)

THINK MANWEB, THINK ENVIRONMENT

Manweb has recently published its fourth annual environmental report, highlighting the progress we have made on green issues over the last year.

Several major environmental achievements have been chalked up, both with in-house projects and on a national level.

The launch of an environmental management system for the Distribution Business is likely to have the most noticeable effect for a great number of staff. The system chosen by Manweb is modelled on British Standard 7750 and should be fully operational in 1996.

Other initiatives have focused on continuing reductions in the amount of energy Manweb uses in its depots and offices. In 1992 the company set itself a target of reducing energy consumption by 10 per cent by 31 March 1995. By closely monitoring usage at each Manweb site, a 21 per cent reduction was achieved.

Energy management projects for customers have also been to the fore in the past year, and at the end of 1994 Manweb

launched its £6.8m Knowsley Power Save project, which is aimed at helping businesses in the Merseyside borough operate more profitably by saving energy.

The project builds on the success of the earlier Demand Side Management schemes in Holyhead and Crewe, and has attracted 50 per cent funding from the European Community.

As well as working to save energy, Manweb has been further developing its interests in renewable energy. Our wind farms in Carland Cross, Cornwall and Coal Clough, Lancashire, continued to generate electricity, which avoided about 27,000 tonnes of CO₂ from conventional power stations. We also won Government Non-Fossil Fuel Order contracts to generate electricity in three proposed wind farms in Wales, the first of which, on Anglesey, received outline planning permission

ENVIRONMENT

By Graeme Cooper

earlier this year.

In addition to giving details of Manweb's achievements, the 1995 report for the first time deals with the issue of oil loss from transformers and storage tanks. Last year there were seven instances of loss, and in each case the regulatory authorities were notified and remedial action taken.



Director, Corporate Affairs, David Vernon-Smith, and Arthur Ellinson, with the Environmental Report.

Arthur Ellinson, Manweb's Head of Regulation and Environmental Strategy, said: "This year's Report illustrates continued progress with a wide range of environmental initiatives, each of which make good environmental and business sense."

Remember

"But while some of our projects grab the headlines, like the Holyhead or Knowsley schemes, perhaps the

most important aspect of Manweb's environmental performance is how each of us does our job.

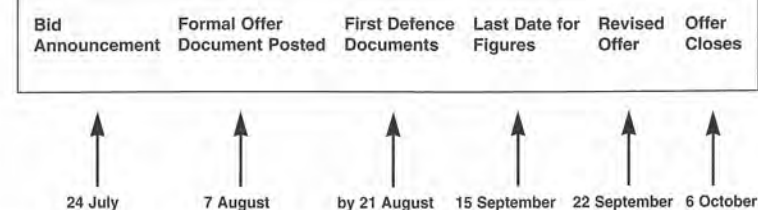
Remember, wherever we are working each day

- In the garage, replacing engine oil
- In the stores, segregating scrap
- Excavating or reinstating the highway
- Handling oil drums in a substation
- Working on overhead lines at a local farm
- Completing a major contracting job on an industrial estate
- Working at a customer's premises
- Working in the office or customer service centre, disposing of waste paper or switching off an electrical appliance after use...

Think Manweb, Think Environment

Copies of the report are available for staff, their families and retired employees from Public Relations, Head Office.

Rules of the Game



PLAYING THE POWER GAME

By Nigel Charlton

ScottishPower's contested bid for Manweb started the clock ticking towards the success or failure of their offer. The announcement on 24 July was the first stage in the process, but it was not until a formal offer document was posted to shareholders on 7 August that the countdown began on a 60-day timescale. If the bid follows a typical pattern, this is how the timetable will emerge:

Start at Day One

Taking 7 August as Day One in the formal bid process, Manweb had 14 days to respond. This came in the shape of our first defence document, published on 21 August, which outlined why the Board believes shareholders should refuse the offer from ScottishPower.

Move from Day 15 to Day 39

It is anticipated there will be further exchanges between Manweb and ScottishPower up to 15 September, including a formal document issued before Day 39.

Go from Day 40 to Day 46

ScottishPower has the option within seven days until 22 September to increase its offer.

Day 47 to Day 60

During this time, Manweb could issue a final defence document, but this cannot

contain any new information to shareholders. The crucial date for determining whether the bid has been successful is Day 60 - 6 October - by which time ScottishPower must hold over 50 per cent of Manweb shares. The offer closes on this date and if ScottishPower do not control the amount of shares needed, the bid is deemed to have failed. ScottishPower cannot launch another bid for Manweb for 12 months, except with the consent of the Take-over Panel.

Return to GO!

If a second bidder enters the fray at any time during the 60 days, the whole process goes back to Day Zero. Had the bid been referred by the Government to the Monopolies and Mergers Commission, all activity would have been suspended at the time of referral.

What the papers say...

"Small shareholders in the besieged regional power company Manweb yesterday voiced fierce opposition to ScottishPower's £1bn hostile bid for the company"...*The Guardian*.



"The takeover bid is the largest in Scottish corporate history and the Glasgow and Edinburgh business community regards it as something of a virility symbol"...*Daily Post*

"Electricity group Manweb has issued a hands-off message to ScottishPower, claiming that its £1bn hostile bid for the company is inadequate"...*The Western Mail*.

"ScottishPower chief Ian Robinson has ruled out an increased offer for Chester-based Manweb, describing the £1.04bn approach as a 'full value bid'..."*Manchester Evening News*.

"After a week of convulsions within an already volatile electricity sector...the consensus of opinion among analysts was that the Scots would fail to secure control of Manweb at the current offer price of 915p per share and may need to go £1 higher"...*Scotland on Sunday*.

"Mr John Roberts, Chief Executive, said ScottishPower 'cannot make its own business work properly so it wants to buy someone else's on the cheap'..."*Financial Times*.

TAKE NO ACTION!

Take no action in relation to ScottishPower's offer...that was the message to shareholders attending Manweb's AGM.

Chief Executive John Roberts said: "Manweb's shareholders and customers have benefited from the pursuit of a consistent strategy of focusing on its core businesses and aggressively driving down costs. ScottishPower's offer ignores Manweb's track record and future potential."

Mr Roberts told shareholders that Manweb had outperformed ScottishPower in several key areas:

- ScottishPower shares have risen in value over the period from flotation to 21 July 1995 - the last business day before they announced their offer for Manweb - by approximately 32 per cent. Over the same period, Manweb's share price has risen by approximately 91 per cent.

- ScottishPower reported total net dividends per share in 1991/2 and 1994/5 of 10.13p and 13.65p respectively - an increase over the period of 35 per cent. During the same period, Manweb's management has delivered an increase in net dividends per share of 63 per cent. Manweb's proposed total net dividend for the 1994/95 financial year is 29.8p per share.

- ScottishPower has reduced its standard domestic tariffs in real terms over the period from 1991/2 to 1994/5 by five per cent. Over the same period, Manweb's standard domestic tariffs have fallen in real terms by eight per cent.

Gambit

Mr Roberts said: "The Board continues to recommend that shareholders should take no action in relation to the offer from ScottishPower."

"ScottishPower's current bid is an opening gambit and does not fully reflect the value of Manweb."

During the AGM there was a resolution which included a change in the Company's Articles of Association to remove the 15 per cent ceiling on individual shareholding - the so-called 'golden share' which was included in the articles on privatisation.

There was much debate about this resolution, which was eventually passed after a poll was conducted.

Mr Roberts told shareholders: "Manweb does not need to hide behind the 15 per cent restriction on holdings to mount its defence."



Chief Executive John Roberts gives his response to the takeover bid during a press conference after the AGM.



EXCELLENCE OF THE FIRST ORDER

Pictures by Mike Hall

Manweb has come a long way since privatisation, Chairman Bill Goodall told shareholders attending the Company's fifth Annual General Meeting, held on 1 August.

"Much has been achieved in our strategies for efficiencies and control of costs - and the vigorous pursuit of excellence of the first order as a regional electricity distributor in all its aspects, whilst not ignoring new opportunities. This focus has served us well since 1990 and it will continue to do so as we now enter an exciting phase in our development," he said.

Mr Goodall paid tribute to Manweb's staff and unions, saying that the changes the company had undergone - including restructuring of the Distribution Business and pulling out of electrical retailing - could not have happened without their co-operation and understanding.

"I would like to express my thanks to them for that," said Mr Goodall, who continued: "The efficiency gains from these major initiatives are clearly to the benefit of customers but will also strengthen further the base on which the

Company's policy for enhancing shareholder value is constructed."

Mr Goodall said Manweb's performance during 1994/5, after taking exceptional costs into account, clearly reflected the underlying strengths of the company.

"The benefits of the radical steps we have taken will become more apparent over the next two years. However, we will continue to work harder than ever to improve the efficiency of the core business," he said.

Costly

He added: "Your Board has deliberately not taken the company into areas outside of its expertise. Several others who have pursued diversification outside their immediate experience have found these to be costly experiments."

"Nevertheless at Manweb we recognise the value and benefit of profits from unregulated business and there is a strategic requirement to develop a growing group of businesses related to our core operations and with good opportunities for growth outside the scope of regulation by Offer.

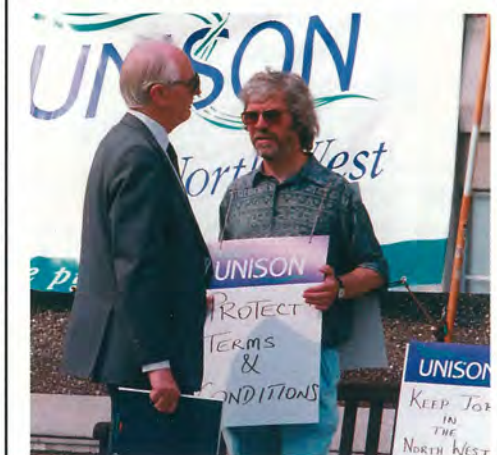
Unions voice their fears

Placard-bearing union officials and members showed their opposition to the take-over bid by arranging an orderly demonstration outside the AGM.

Union representatives voiced their concerns for job prospects in Wales, the North West and Manweb in particular as shareholders arrived for the meeting.

Steve Williams, Unison Branch Organiser and Staff Side Secretary of the Manweb Joint Council, said: "We continue to regard the bid by ScottishPower as being of great concern to our members, who should not become cannon fodder in the battle for control of this strategic electricity business."

"We have been fully consulted on the need for changes within Manweb and as a result we have been able to co-operate in a programme to streamline the company, even though this has had associated job losses since privatisation."



"Manweb has begun 1995/6 in very good shape, following excellent progress in the last five years. The company has demonstrated its capability to develop and manage major changes, which has led to its current success. Our aim is to build on this base for the future..."
Bill Goodall, Chairman.

WAR OF THE WORDS

(Continued from page 1)

Chief Executive John Roberts said: "Manweb welcomes the removal of uncertainty arising from the announcement by the President of the Board of Trade. The sharp rise in our share price confirms that ScottishPower plc's offer is totally inadequate. We will now be moving ahead with the robust defence proposals we have promised.

"As we have already stated in our recent defence document, this will contain a profit and dividend forecast for the year to 31 March 1996 as well as a package to shareholders which will include cash and our holding in the National Grid."

Heartened

The previous day - 30 August - ScottishPower announced that its offer for Manweb had received acceptances from shareholders in respect of only five per cent of Manweb's issued share capital. This increased ScottishPower's stake in Manweb to approximately 19.9 per cent.

Manweb Chairman Bill Goodall said he was "heartened" by the low level of acceptances.

"This supports the Board's view that ScottishPower's offer fundamentally undervalues Manweb."

He added: "We will be writing to our shareholders again in due course. In the meantime, we continue to advise shareholders to reject ScottishPower's offer and not to sell their shares in the market."



Manweb's Business Energy efficiency Manager Peter Benstead presents £300 worth of low energy lightbulbs to Pat Sykes of the Wirral Local Energy Advice Centre. The bulbs use up to 80 per cent less electricity than conventional lamps and can last up to ten times longer. They will be distributed locally to raise awareness of energy saving measures.

Peter said: "As a local company we have a commitment to helping our customers make the best possible use of energy."

SHARESAVE... THE OPTIONS

The Manweb Sharesave Scheme will continue to operate in its present form unless ScottishPower's takeover bid is successful.

However, the rules of the Scheme do provide for the exercise of options if there is a takeover.

Staff could only use their accumulated savings to date, plus any interest due, to buy shares under their commensurately reduced option.

Alternatively, any acquiring company may permit staff to exchange their options for a replacement option over its shares.

ScottishPower has stated in its offer document that it would make appropriate proposals to option holders in due course, if the offer

became, or was declared, unconditional - although they would not be bound to offer option exchange.

The last pay award incorporated a commitment from the company to extend employee share ownership. Although

ScottishPower's offer document states that they will safeguard the existing rights of employees, including pension rights, it is not clear if they would honour this part of the agreement.

A staff helpline has been set up to deal with any queries employees may have about the ScottishPower bid. The helpline numbers are:

700 2084 & 700 2086

FREE ADS

TOURING CARAVAN: Bailey Prima, 4-berth, 12ft, plus awning & other extras, £600 ono. Tel. 01978 362365.

FRENCH POLISHING: Furniture restoration, traditional and modern techniques, colours matched. Free quotations. Gavin Pye on 01978 846539 or 0378 262513.

PHOTOGRAPHY: Quality wedding and portrait at highly competitive prices. Contact Ken Smythe, 0151 609 2032, or home 01244 544771.

FOR SALE: Motorcycle helmet, Arai Ultravent, black, small, as new, with spare visor, £110. Black leather m/c jacket, medium, £35. Black leather m/c trousers, waist 30", £35. Black, white and grey studded Bieffe racing m/c boots, size 7, hardly worn, £35. Black leather studded Norton m/c gloves, men's, small, £15. Tel. Wendy Winnard, 01829 270221.

LIVERY: DIY part or full for 1 horse/pony with 2 others on private yard in Tattenhall. Chester 10 miles, lovely hacking area, good grazing, secure fencing and surroundings. BHS certified supervision. Tel. 01829 770109.

VAUXHALL ASTRA: 1.3 Merit, '87 D-reg, 50,000 miles, tax & MOT to January, one family ownership from new, £1,555. Tel. 01244 682371.

BUNGALOW: Overlooking golf course, at foot of cul-de-sac, 4-beds, 2-baths, inc. walk-in shower cubicle, gas CH, mod. UPVC D.Glazing, garage, large summer house, easily maintained gardens, £159,950 ono. Tel. 01244 373665.

ATTENTION GARDENERS! Free horse manure, well rotted, to be collected, 10 miles from Chester. Tel. 01829 770109.

COSTA DEL SOL: Benalmadena studio apartment to let Sept, Oct, Nov, beautiful pool & gardens, 10 mins beach, convenient for Malaga Airport. Help with flights/ins. if needed, £90-£100pw. Tel. Bette Flanagan on 01244 341097.

TAI HANG RESTAURANT: Peking & Cantonese cuisine, 574 Chester Road, Sandiway, Northwich, tel. 01606 882477. Discount for Manweb employees.

PHOTOGRAPHER: Bookings for 1995/6 being taken for weddings, also sittings for portraits in well equipped studio. Contact Peter David Studio, Wrexham, tel. 01978 263448.

RIDING HAT: Jockey skull cap type BS4472, size 2 - fits small adult, large child, vgc, £15ono. Tel. 01829 770109.

FOR SALE: Sharp PA 1410 personal word processor with daisy wheel printer, compatible with IBM (ASCII) text files. Features inc. spell check,

thesaurus & many editing facilities, 2yrs old, boxed, with manual, £200ono. Tel. Chris Byrne on 700 3451 or 01244 313514.

VALENTINE DUGGINS SOLICITORS offer all Contact readers fixed price conveyancing on sale or purchase at £180+vat+disbursements. Full detailed breakdown on request. Appointments available out of hours in Chester & Wirral. Tel. 0151 638 4844.

PART TIME SALES/COUNSELLORS required to service enquiries. Earnings initially £8/£12ph. Unique service, maturity an asset, car & phone essential, tel. 0151 355 0835.

ORNAMENTAL METALWORK: Take a step in the right direction for a range of hand made metalwork, including curtain poles, static caravan steps, gates & garden furniture (flower basket stands, foot scrapers, penny farthings, wishing wells). Oak flower tubs also available. Tel. Colin Wait on 01244 682710.

NORTH MERSEY RETIREES ASSOCIATION would like it to be known that they are still going strong despite the closure of Bridle Road. They now meet on the last Wednesday of every month at the Old Roan Royal British Legion at 1.30pm. Anyone wishing to join us will be made most welcome. Just turn up on the day or contact Winnie Haskayne (Hon. Sec.) on 0151 520 1230.

FOR SALE: Hey Park, Huyton, Liverpool 36, 1st floor purpose built flat, full gch, 1-bedroom, hall (inc. storage cupboards), lounge, fitted kitchen, coloured bathroom suite and fittings, Triton T80 shower, telephone points, excellent decoration throughout, separate garage & brick shed. Reduced from £29,995 to £27,995. Tel. 0151 489 9468.

Pension Scheme Elections

The responsibility for the management of the Manweb section of the Electricity Supply Pension Scheme is in the hands of nine Group Trustees. Six of these are elected by the members, four being employee members and two being pensioner members. Every 18 months the term of office of two of the employee Group Trustees and one of the pensioner Group Trustees expires and an election is held to fill the vacancies.

The term of office of David Hughes, Frederick Rose and Roland Sands will expire on 31 December 1995 and an election will be necessary. Nominations are therefore sought from both employee and pensioner members as candidates in this election. Nomination forms and copies of the rules of the election may be obtained from the Pension Section, Manweb plc, Sealand Road, Chester, CH1 4LR (tel. 01244 652582 (external) or Head Office ext. 2582 (internal)).

Each nomination form must be signed by ten members (employees and/or pensioners) and be sent or handed to the Group Administrator at the above address, to reach him by 2 October 1995 at the latest. If there are more nominations than vacancies in either category, an election will be held in November/December with the results being announced before the end of December. The candidates elected will hold office until 31 December 1998.