SCOTTISH POWER PLC
Form 6-K
November 10, 2005

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of November, 2005

SCOTTISH POWER PLC

(Translation of Registrant s Name Into English)

CORPORATE OFFICE, 1 ATLANTIC QUAY, GLASGOW, G2 8SP

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F __X__ Form 40-F ______

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ______ No __X__

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____ .)

FORM 6-K: TABLE OF CONTENTS

1. Notification by Scottish Power plc on Interim Results, dated November 10, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/ Scottish Power plc

(Registrant)

Date: November 10, 2005

By: /s/ Donald McPherson

Donald McPherson
Deputy Company Secretary

SCOTTISH POWER plc

2005/06 HALF YEAR RESULTS including 2nd Quarter to 30 September 2005

Highlights

- **Strategy successfully delivering strong organic growth from continuing businesses**
  - **Operating profit* of £326 million, up 40%**
  - **Profit before tax* of £273 million, up 45%**
  - **Earnings per share* of 12.83 pence, up 64%**
  - **Capital investment of £529 million, with 72% for growth**
- **Total group**
  - **Earnings per share* of 20.50 pence, up 26%**
  - **Dividend per share 5.20 pence for quarter & 10.40 pence for half year, both up 5%**
- **Corporate restructuring will deliver annualised cost savings of £60 million**
- **Sale of PacifiCorp is proceeding on schedule**

Quarter 2			Half Year	
		Continuing businesses		
2005/06	**2004/05**	**£ million**	**2005/06**	**2004/05**
1,073	950	Revenue	**2,157**	1,906
148	105	Operating profit, as adjusted*	**326**	233
126	84	Profit before tax, as adjusted*	**273**	189
7.08	3.42	Earnings per share, as adjusted* (pence)	**12.83**	7.81
34	125	Operating profit	**197**	269
(98)	104	(Loss)/profit before tax	**17**	225
0.22	4.18	Earnings per share (pence)	**4.72**	9.18

		Group		
11.70	8.75	Earnings per share, as adjusted* (pence)	**20.50**	16.24
6.63	9.50	Earnings per share (pence)	**12.53**	17.60

*Note: The group s half year results have been prepared in accordance with IFRS for the first time. Comparative figures for the previous year have also been restated on this basis. IAS 39 (Financial Instruments: Recognition and Measurement) has been applied prospectively with effect from 1 April 2005 and as a result the statutory results for the half year are not directly comparable to the equivalent period last year largely due to the recognition of fair value losses before tax of £289 million relating to IAS 39 for continuing operations this year. As shown in the table above, the main focus of our results is on our continuing businesses, as PacifiCorp is now reported as a discontinued operation. Items marked * represent adjusted results, further details of which are given in the Operational Performance - Continuing Businesses section, below. Reconciliations from the reported to the adjusted operating profit, profit before tax and earnings per share are shown in Note 13 to the Interim Report & Accounts.*

Ian Russell, ScottishPower Chief Executive, said:

Our continuing businesses have again performed strongly in the first half, delivering operating profit growth of 40%*. This reflects the success of our strategy of focusing on organic growth and improving operational performance. The corporate restructuring programme which will drive further efficiency improvements is being implemented and will deliver annualised cost savings of £60 million. The process of selling PacifiCorp is proceeding on schedule and upon completion this will enable us to return approximately £2.5 billion to shareholders. Overall, ScottishPower is well positioned and we are on track to deliver strong results for the full year.

CHIEF EXECUTIVE S REVIEW

The significant increase of £93 million*, or 40%, in operating profit for the half year, is principally attributable to the performance of our UK businesses. Energy Networks is benefiting from the recent regulatory reviews and we expect the quarter on quarter revenue growth to continue for the remainder of the financial year. Energy Retail & Wholesale has benefited from the significant growth in customer numbers and investment in generation plant last year. Energy Retail & Wholesale s results for the remainder of the financial year will be impacted by the combination of new generation plant being fully incorporated into the portfolio by the end of the second quarter last year and a slower rate of growth in customer numbers. PPM Energy s half year results were lower than the previous year due to the phasing of profit recognition from our contracted gas storage business. PPM Energy s operating profit for the full year is expected to be ahead of last year, as a result of profits from our gas storage business and this year s wind development programme that will contribute to operating profit in the fourth quarter. Overall, ScottishPower is well positioned and we are on track to deliver strong results for the full year.

Investment for growth in our continuing businesses, for the half year, was £379 million, representing 72% of the total net capital investment spend. The investment for growth primarily related to expenditure on our windfarm portfolios in the UK and US. Construction of the 574 MW of windfarms announced by PPM Energy for this financial year is on schedule. The US Energy Bill, signed in August, extended Production Tax Credits for two years to the end of December 2007 and as a result PPM Energy announced the first of its projects for 2006, a 200 MW windfarm in Washington state. PPM Energy has also purchased 500 MW of turbines, at competitive prices, for projects due to be constructed in 2006 and 2007. In the UK we are the largest windfarm generator with 271 MW operational and 58 MW under construction. Forecast capital investment for our continuing businesses remains consistent with our expectations at £1 billion for the full year, with some 70% for growth. We expect to invest £0.5 billion in PPM Energy by the end of the current financial year.

Returns from our investment programme are expected to be well ahead of the cost of capital and are already evident in the strong operating profit growth of our continuing businesses. Damhead Creek, Brighton and phase one of Black Law have contributed to the operating profit growth in Energy Wholesale whilst PPM Energy is benefiting from its wind development programme and gas storage facilities acquired in Alberta and Texas. In addition, we announced the sale of our underground natural gas storage project at Byley and as a result have reported an exceptional gain on sale of £79 million this quarter. The sale, combined with securing a 15-year gas storage contract for a substantial portion of the planned capacity, presented an attractive opportunity for ScottishPower to immediately maximise value from the project for shareholders and secure our long-term gas storage requirements in the UK.

In September, we announced a corporate restructuring that will lead to annualised cost savings of £60 million. We have established a flatter organisational structure that will increase our focus on operational excellence and efficiency, reduce layers of management and consolidate shared support functions in the UK. As previously announced, the restructuring will remove more than 700 full time positions. We anticipate that there will be a reduction of approximately 200 positions across the organisation by the end of the current financial year with a further reduction of 500 positions the following year. In addition to the personnel savings, a comprehensive set of initiatives are underway to simplify and standardise existing processes, many of which relate to the cessation of activities related to the ownership of PacifiCorp. We anticipate that some £10 million of savings will be delivered in the second half of this financial year, representing an annualised equivalent of £20 million. Approximately £50 million will be delivered next year and the full £60 million in 2007/08.

The sale of PacifiCorp is proceeding on schedule. In June, the first of the regulatory filings was made with the Nuclear Regulatory Commission. In July, ScottishPower shareholders approved the sale at the Extraordinary General Meeting and filings were subsequently submitted to the Federal Energy Regulatory Commission. In July, filings were also submitted to the six state utility commissions and hearings are scheduled, for all states, from November 2005 to January 2006. As a result of the repeal of the Public Utility Holding Company Act, approval by the Securities and Exchange Commission is no longer required. As previously announced, we expect that the sale of PacifiCorp will be completed between May and November 2006 and upon completion this will enable us to return approximately £2.5 billion to shareholders. PacifiCorp s trading results for the half year were in line with our expectations.

OPERATIONAL PERFORMANCE CONTINUING BUSINESSES

Items marked * represent the results of our operations adjusted to (i) exclude the effects of IAS 39 on current results; (ii) for 2004/05, exclude the impact on results of contracts which were previously marked to market or otherwise fair valued but are now subject to IAS 39; (iii) exclude exceptional items; and (iv) in relation to PacifiCorp, include depreciation and amortisation charges on non-current assets held for sale, which under IFRS are not recognised in the group reported results from 24 May 2005. Reconciliations from the reported to the adjusted results are provided in Note 13 to the Interim Report & Accounts. As a consequence of these adjustments, the half year results for both years are presented on a comparable basis. ScottishPower believes that the adjusted measures provide a better comparison of underlying business performance. Unless otherwise stated half year relates to the six months to 30 September 2005, and quarter relates to the three months to 30 September 2005.

Energy Networks (formerly Infrastructure Division)

Energy Networks adjusted operating profit rose by £26 million to £120 million* in the quarter and by £48 million to £243 million* for the half year. Regulated revenues increased by £28 million in the quarter and by £55 million in the year-to-date, mainly as a result of the implementation of the Distribution Price Control Review and Transmission Price Control Extension on 1 April. This is the second quarter that has benefited from revenue growth as a result of higher allowances for taxation and pension costs and an increase in the allowed cost of capital. We expect this quarter-on-quarter revenue growth to continue for the remainder of the year. The increase in revenues was partly offset by a one-off rebate of £6 million received in the first quarter of last year and by higher other net costs, including depreciation and operational rates.

We are confident of achieving, and where possible outperforming, over the five-year period of the review, the new incentive targets for network performance. Initiatives driving effectiveness include: the installation of network automation; deploying a greater proportion of the workforce to restore customers to the network; improved scheduling and monitoring of repairs; programmes targeted at worst performing circuits; and a re-prioritised maintenance programme.

We acquired the remaining 50% of Core Utility Solutions (Core) from Alfred McAlpine in October for £10 million. Core has become a major player in the utility connections market and acquiring the remaining 50% will provide further organic growth opportunities for Energy Networks through the provision of contract services to third parties.

Energy Network s net capital investment was £128 million for the half year, with £33 million (26%) invested for organic growth. This included development spend on the proposed investments arising from the Renewable Energy Transmission Study (RETS), new windfarm connections and system reinforcement expenditure. RETS will amount to £190 million and includes upgrades to the two Anglo-Scottish interconnectors and a section of the Denny to Beauly line. Details of the Denny to Beauly overhead line route were announced on 25 July 2005 and section 37 applications were submitted to Scottish Ministers on 28 September 2005.

Energy Retail & Wholesale (formerly UK Division)

Energy Retail & Wholesale s adjusted operating profit for the quarter was higher by £33 million at £34 million* and for the half year was higher by £80 million at £90 million*. Our new investments, Damhead Creek, Brighton and phase one of Black Law delivered £40 million of the half year increase. A further £33 million increase came from growth in customer numbers, improved large business revenues and the efficient management of our asset portfolio which is now operating under BETTA and subject to new limits imposed by environmental legislation. Realised gains relating to our hedging programme contributed an additional £13 million. Other net costs were higher by £6 million, largely due to power station operating costs and depreciation. Energy Retail & Wholesale s results for the remainder of the financial year will be impacted by the combination of new generation plant being fully incorporated into the portfolio by the end of the second quarter last year and a slower rate of growth in customer numbers.

Customer numbers increased by some 73,000 to 5.2 million in the half year, as Energy Retail continued to focus on gaining profitable customers. In response to the sustained period of high wholesale prices, tariffs were raised during October by between 5% and 8% for electricity, depending upon payment method and region, and by 12% for gas. At the same time a new Capped Price Offer was launched to protect customers from further increases until October 2007. Our forward commodity procurement strategies have ensured that we are substantially covered for both the coming winter and next winter across all commodities, including carbon dioxide emissions. The 6 Sigma programme continued to deliver revenue and cost benefits of £5 million for the half year.

The Energy Wholesale business has performed well in the first six months of the new BETTA environment. Our generating plant which has proven itself to be highly competitive on a GB-wide basis, is supporting our increasing customer demand and has performed strongly in the Balancing Mechanism, contributing some £12 million in the half year.

Energy Retail & Wholesale s net capital investment was £107 million for the half year, with £53 million (50%) invested for growth, largely consisting of windfarm developments. ScottishPower is the largest windfarm generator in the UK and now has 271 MW operational including 16 MW at Coldham and 97 MW at Black Law. A further 58 MW is under construction including 30 MW at Beinn Tharsuinn and the 28 MW second phase of Black Law.

PPM Energy

PPM Energy s adjusted operating profit was £13 million lower for both the quarter and half year, at £4 million* and £10 million*, respectively. Adjusted dollar operating profit was $20 million lower for the quarter at $6 million* and $19 million lower for the half year at $15 million*. Energy management activities, focusing on the management of core assets and the optimisation of wholesale energy positions, contributed an additional $7 million to the half year results, benefiting from market volatility and higher power prices. Owned gas storage added an additional $10 million due to favourable sales. The contribution from wind generation decreased slightly by $2 million largely due to underperformance of third-party plants, where PPM Energy purchases output, in contrast to PPM Energy s owned plants which are performing at or above expectations. Operating costs, including depreciation, increased by $13 million as the business continues to grow. The contribution from contracted gas storage was $21 million lower as a consequence of realised losses from our rolling hedge programme, which has secured profits to be realised in the latter part of 2005/ 06 when gas is withdrawn under forward gas sales. Given this and the returns from this year s 574 MW wind development programme, we expect the business s full year adjusted operating profit to be ahead of last year.

PPM Energy s net capital investment for growth was £293 million for the half year, including £274 million invested in wind generation. The 75 MW Klondike II plant in Oregon began operations in June, ahead of schedule and on budget, with full commercial operations in July. A further four windfarms, totaling 499 MW, will be completed in this financial year with approximately half of these turbines recently commissioned and generating electricity. Gas-related spend was £17 million and included expansion investment in our Waha gas storage development in west

Texas. In October, PPM Energy announced that it plans to build the 200 MW Big Horn wind project in Washington state next year. PPM Energy has purchased 500 MW of wind turbines, for this and other projects expected to be built in 2006 and 2007, through its agreement with GE Energy.

FINANCIAL REVIEW

The group s results for the half year have been prepared in accordance with IFRS for the first time, with prior year comparatives restated on a consistent basis, except for the adoption of IAS 39, which has been applied prospectively from 1 April 2005. As a consequence of our agreement to sell PacifiCorp, each line description of the Group Income Statement now excludes items directly associated with the disposal, as these items are now netted within a separate discontinued operations line for both the current and prior year. Similarly, for the current year only, PacifiCorp s balance sheet is aggregated within either assets or liabilities held for sale. The classification of corporate costs has also been reviewed and these are now included within unallocated income and expenses, together with the results of non-regulated activities which will be retained by the group, and were previously reported within the PacifiCorp business.

External **group revenue** from continuing operations increased by £123 million in the quarter to £1,073 million and by £251 million to £2,157 million for the half year, compared to the equivalent periods last year. Energy Network s revenue increased by £87 million for the half year largely due to a combination of a change in billing arrangements under BETTA and increased external regulatory income following the recent price control reviews. Energy Retail & Wholesale s revenue rose by £164 million, primarily as a result of customer number growth and tariff rises within the retail electricity and gas markets, which were required due to increasing commodity prices. PPM Energy s revenue increased by £9 million due to sales from energy management activities and owned gas storage, partly offset by lower revenues from contracted gas storage and renewable generation. Unallocated revenues were £9 million lower largely due to reduced Synfuel royalties.

Adjusted **operating profit** from continuing operations increased by £43 million to £148 million* for the quarter and by £93 million to £326 million* for the half year. The strong growth delivered by our UK businesses both for the quarter and the half year was partly offset by the reduction in PPM Energy s operating profit and an adverse movement in unallocated income and expenses due to lower Synfuel royalties and one-off gains in the prior year. Details of the adjustments made at the half year to each of our business segments to exclude: (i) the effects of IAS 39 on current year results; (ii) for 2004/05 only, the impact on results of proprietary trading and other contracts which are now subject to IAS 39 and; (iii) exceptional items, are shown in the table below. Discontinued operations have also been adjusted to include depreciation and amortisation charges on non-current assets held for sale, which under IFRS are not recognised in the group s reported results from 24 May 2005. The exceptional items are discussed in more detail below.

£ million	Energy Networks	Energy Retail & Wholesale	PPM Energy	Unallocated income/ (expense)	Total continuing	PacifiCorp discontinued
September 2004 UK GAAP Reported Segments	**193.1**	**46.6**	**23.9**		**263.6**	**268.0**
Reallocated Corporate items	0.8	2.1	0.1	(5.0)	(2.0)	2.0
Reallocated PacifiCorp non-regulated				11.2	11.2	(11.2)
September 2004 UK GAAP Adjusted Segments	**193.9**	**48.7**	**24.0**	**6.2**	**272.8**	**258.8**
IFRS adjustments	1.1	(1.9)	0.6	(0.6)	(0.8)	15.4
Associates & jointly controlled entities	(0.4)	(2.1)	(0.3)		(2.8)	
September 2004 IFRS Reported Segments	**194.6**	**44.7**	**24.3**	**5.6**	**269.2**	**274.2**
Adjust for items now within scope of IAS 39		(34.2)	(1.7)		(35.9)	0.3
September 2004 IFRS Adjusted Segments*	**194.6**	**10.5**	**22.6**	**5.6**	**233.3**	**274.5**
September 2005 IFRS Reported Segments	**239.2**	**63.8**	**(54.7)**	**(51.0)**	**197.3**	**361.8**
IAS 39 adjustments		96.3	64.3		160.6	(2.1)
Exceptional items	3.7	(70.1)		34.3	(32.1)	
Adjust for depreciation and amortisation on non-current assets held for resale						(81.1)

September 2005 IFRS Adjusted Segments*	**242.9**	**90.0**	**9.6**	**(16.7)**	**325.8**	**278.6**

During the quarter a number of items have been recorded as exceptional items. These items totalled £32 million on a pre-tax basis and comprised: a £79 million gain on sale of the underground natural gas storage project at Byley in July; a charge of £21 million, representing the first tranche of the £35 million restructuring costs announced in September as part of the corporate restructuring programme; and a £25 million impairment provision within the retained US non-regulated business s historic aircraft lease portfolio which was inherited with the PacifiCorp acquisition. In common with other lessors, this charge has resulted from recent Chapter 11 bankruptcies in the airline industry.

As shown in the table above, the adoption of IAS 39 in the half year to 30 September 2005 reduced reported operating profit for continuing operations by £161 million as a result of mark-to-market losses of £145 million, hedge ineffectiveness of £15 million and the unwind of opening balance sheet positions of £1 million. Reported operating profit, for continuing operations, was £72 million lower than the prior half year as a result of adverse year on year IAS 39 movements of £197 million, offset by the £93 million improvement in adjusted operating profit and the net £32 million of favourable exceptional items.

Adjusted **net finance costs** for continuing operations were £8 million higher for the half year at £52 million* mainly as a result of higher net debt and higher net interest receipts in the prior half year arising from the settlement of outstanding tax claims. Reported net finance costs for continuing operations were £137 million higher for the half year at £181 million, after £128 million of adverse IAS 39 adjustments reflecting the significant impact the rise in our share price has had on the fair value of the $700 million convertible bond.

Adjusted **profit before tax** for continuing operations was £42 million higher for the quarter at £126 million* and £84 million higher for the half year at £273 million*, as shown in the table below. The increase was due to the favourable operating performances of Energy Networks and Energy Retail & Wholesale, partly offset by higher adjusted net finance costs. The combined adverse impact of IAS 39 on continuing operations operating profit and finance costs was £256 million for the quarter and £289 million for the half year. This more than offset the improvement in adjusted operating profit and the net favourable exceptional items recognised in the quarter. As a result, the group reported a loss before tax of £98 million for the quarter and profit before tax reduced by £208 million to £17 million for the half year.

Continuing Operations Profit before Tax (£ million)

	Half Year 2005/06	Half Year 2004/05
Adjusted Operating Profit*	325.8	233.3
Net finance costs	(180.8)	(44.3)
IAS 39 adjustments to net finance costs	128.3	
Adjusted Profit before Tax	273.3	189.0

The income **tax credit** for continuing operations was £71 million for the half year compared to a £56 million charge for the prior half year. The tax credit was largely due to tax credits of £92 million arising from IAS 39 operating and financing derivative losses and a further tax credit of £16 million on exceptional items. These more than offset the underlying tax charge of £37 million, which benefited from a £42 million settlement of outstanding tax claims during the quarter. Whilst this tax settlement had a disproportionate effect on the second quarter, the effective tax rate for the full year will be in line with our expectations, before taking account of any potential tax impact of IAS 39.

Adjusted half year **earnings per share** for continuing operations of 12.83 pence* were 5.02 pence ahead of the same period last year. Reported half year earnings per share for continuing operations of 4.72 pence were lower by 4.46 pence, as a result of the adverse effect of IAS 39 more than offsetting underlying business growth, net favourable exceptional items and the timing of the tax settlement. Adjusted half year earnings per share for the total group were 20.50 pence*, an increase of 4.26 pence, whilst reported earnings per share for the total group were 12.53 pence a reduction of 5.07 pence compared to the equivalent period last year. This decrease reflected the significant adverse effect of IAS 39, partly offset

by the underlying growth in our continuing operations, the non-depreciation of PacifiCorp s non-current assets from 24 May, the net favourable impact of the exceptional items and the timing of the tax settlement.

Net cash from operating activities for continuing operations, was £63 million and primarily represented cash generated from operations of £180 million and net tax and interest payments of £123 million. Net cash from operating activities was impacted by seasonal working capital movements at PPM Energy that are expected to reverse by the end of the financial year. Net cash used in investing activities represented a net outflow of £582 million and primarily related to expenditure associated with our capital investment programme, the equity investment in PacifiCorp net of dividends received from PacifiCorp, and the cash received from the sale of Byley. Net cash from financing activities represented a net outflow of £200 million and primarily consisted of dividend payments of £235 million. After adjusting for the cash outflow from the repayment of borrowings of £60 million and for adverse non-cash movements of £112 million, primarily relating to the effect of foreign exchange, net debt for continuing operations was £2,816 million at 30 September 2005, £771 million higher than at 1 April 2005. Net debt in relation to discontinued operations is now disclosed within assets and liabilities held for sale.

Net assets of £4,415 million were £458 million higher than at 31 March 2005. An increase of £265 million, net of tax, arose on the implementation of IAS 39 in respect of operating and financing derivatives held at 1 April 2005. In the half year the subsequent movements in the value of these and new derivatives which qualify for hedge accounting increased net assets by £237 million. The movements arose principally within Energy Wholesale and PPM Energy as a consequence of an effective economic hedging strategy and rising commodity prices. Net assets reduced by £23 million as a result of the revaluation of the group s pension obligations and by a further £21 million primarily relating to dividends, tax movements and the reclassification of PacifiCorp s minority interests, partly offset by the profit for the half year.

The **dividend** for the second quarter of 2005/06 will be 5.20 pence per share, payable on 28 December 2005. The ADS dividend will be confirmed in a separate announcement today. The dividend for each of the first three quarters of 2005/ 06 is set at 5.20 pence per share with the balance of the total dividend to be set in the fourth quarter. We aim to grow dividends broadly in line with earnings and we expect to continue this policy following the sale of PacifiCorp and the return of capital to shareholders.

DISCONTINUED OPERATIONS - PACIFICORP

The profit for the half year from discontinued operations represents the post-tax earnings of PacifiCorp s regulated activities, together with the impact of hedging PacifiCorp s dollar earnings and disposal proceeds and the interest rate differential benefit arising from our balance sheet hedging.

PacifiCorp s adjusted operating profit was £279 million* for the half year, £4 million higher than the equivalent period last year. The increase was largely as a result of higher regulated revenues and improved thermal generation performance, partly offset by higher volume-related net power costs and last year s £31 million environmental provision release.

Reported operating profit increased by £88 million mainly due to lower depreciation and amortisation costs as under IFRS PacifiCorp s non-current assets were no longer subject to these charges from 24 May. Net financing costs increased by £89 million and included £24 million of IAS 39 adjustments in respect of financing derivatives and a £46 million loss on de-designation of net investment hedges. Reported post-tax earnings fell by £12 million to £144 million for the half year.

PacifiCorp s net capital investment was £264 million for the half year, with £129 million (49%) invested for organic growth. This included new generation build spend of £70 million on both the partly operational 525 MW Currant Creek plant and the under construction 534 MW Lake Side plant. Net debt for discontinued operations was £2,581 million at the half year, an increase of £225 million compared to 1 April 2005.

On 28 September 2005, PacifiCorp was awarded $26 million of additional annual revenue by the Oregon Public Utility Commission (OPUC), which represents a 3.2% average increase in rates effective from 4 October 2005. PacifiCorp originally filed for $102 million in November 2004 and, through settlement agreements subsequently reduced its request to $52 million to reflect more current costs and revised load forecasts. The difference in revenue requirement of $26 million is entirely attributed by the OPUC to taxes related to its interpretation of the recently enacted Oregon Senate Bill 408 tax legislation. In October 2005 PacifiCorp filed a motion for reconsideration of the order.

In July, PacifiCorp was awarded recovery of $5.75 million by the Idaho Public Utility Commission in resolution of the General Rate Case (GRC) originally filed in January 2005. In October 2005, PacifiCorp filed a GRC in Wyoming requesting approximately $40 million related to investments and increased costs, including net power and employee related costs, with resolution expected by September 2006.

In October, the Utah Committee of Consumer Services filed a request with the Utah Public Service Commission (UPSC) seeking an order requiring PacifiCorp to return to Utah ratepayers at least $50 million collected in Utah rates for taxes. In November, PacifiCorp filed a response with the UPSC seeking dismissal of the request.

In July 2005, the US district court judge dismissed the $1 billion lawsuit filed against PacifiCorp by the Klamath Tribes and in September 2005 rejected the Klamath Tribes request to reconsider the dismissal. In October 2005, the Klamath Tribes appealed the district court s decision to the 9th Circuit Court of Appeals. A final decision from the 9th Circuit Court of Appeals would be expected to take 18 to 24 months.

INVESTOR TIMETABLE

16 November 2005	Shares go ex-dividend for the second quarter
18 November 2005	Last date for registering transfers to receive the second quarter dividend
28 December 2005	Second quarter dividend payable
8 February 2006	Announcement of results for the third quarter
March 2006	Third quarter dividend payable
24 May 2006	Announcement of results for the fourth quarter and full year ending 31 March 2006
June 2006	Fourth quarter dividend payable

Safe Harbor

Some statements contained herein may include statements regarding our assumptions, projections, expectations or beliefs about future events. These statements are intended as Forward-Looking Statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements with respect to us, our corporate plans, future financial condition, future results of operations, future business plans, strategies, objectives and beliefs and other statements that are not historical facts are forward looking. Statements containing the words may , will , expect , anticipate , believe , intend , estimate , continue , plan , project , target , on track to , meet or other similar words are also forward-looking. These statements are based on our management s assumptions and beliefs in light of the information available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

We wish to caution readers and others to whom forward-looking statements are addressed, that any such forward-looking statements are not guarantees of future performance and that actual results may differ materially from estimates in the forward-looking statements. We undertake no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof. Important factors that may cause results to differ from expectations include, for example:

- the success of reorganisational and cost-saving or other strategic efforts, including the proposed sale of PacifiCorp;

- any regulatory changes (including changes in environmental regulations and legislation or regulatory outcomes limiting the ability of public utilities to recover income tax expense in retail rates such as Senate Bill 408) that may increase the operating costs of the group, may require the group to make unforeseen capital expenditures or may prevent the regulated business of the group from achieving acceptable returns;

- the outcome of general rate cases and other proceedings conducted by regulatory commissions;

- the cost, feasibility and eventual outcome of hydroelectric facility relicensing proceedings;

- future levels of industry generation and supply, demand and pricing, political stability, competition and economic growth in the relevant areas in which the group has operations;

- the availability of acceptable fuel at favorable prices;

- weather and weather-related impacts;

- the availability of operational capacity of plants;

- adequacy and accuracy of load and price forecasts that could impact the hedging strategy and costs to balance electricity load and supply;

- timely and appropriate completion of the Request for Proposals process, unanticipated construction delays, changes in costs, receipt of required permits and authorizations, and other factors that could affect future generation plants and infrastructure additions;

- the impact of interest rates and investment performance on pension and post-retirement expense;

- the impact of new accounting pronouncements on results of operations; and

- development and use of technology, the actions of competitors, natural disasters and other changes to business conditions.

Further Information:

Jennifer Lawton	Director, Investor Relations	0141-636-4527
David Ross	Group Investor Relations Manager	0141-566-4853
Colin McSeveny	Group Media Relations Manager	0141-636-4515

Group Income Statement

		Three months ended 30 September				Six months ended 30 September			
		Before exceptional items 2005	Exceptional items 2005	Total 2005	2004	Before exceptional items 2005	Exceptional items 2005	Total 2005	2004
	Notes	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations									
Revenue	2	1,073.1		1,073.1	950.2	2,157.1		2,157.1	1,905.8
Cost of sales		(749.2)		(749.2)	(661.9)	(1,496.7			