



SCOTTISH AND SOUTHERN ENERGY PLC DISPOSAL OF TELECOMS SITES ASSETS

Scottish and Southern Energy plc ("SSE") has entered into an agreement with The Wireless Infrastructure Company Limited, a wholly owned subsidiary of Wireless Infrastructure Group Limited ("WIG"), under which it has sold its telecoms sites assets from its telecoms business, SSE Telecommunications Ltd ("SSET"), for a total consideration of £79m, excluding working capital.

The transaction involves over 220 tower sites which mobile phone operators, the emergency services and local authorities use to provide mobile communications and data services. SSET is retaining its network of fibre optic assets across Great Britain and will continue to provide telecoms services to both commercial and public sector customers under the Neos Networks brand.

The assets which have been disposed of contributed approximately 0.3% of SSE's profit[Note:1] in 2006/07.

Ian Marchant, Chief Executive of SSE, said:

"At our preliminary results we set out our intention to complete the re-focusing of our telecoms business on network-related services, as opposed to site-related services, and the sale of these assets is in line with that. The outcome of this competitive process has allowed us to realise excellent value from a non-core part of our business."

Scott Coates, Director of Wireless Infrastructure Group, said:

"The acquisition of SSE's telecom site assets is highly strategic for WIG and increases our UK tower portfolio to in excess of 1,000 sites. The transaction extends WIG's geographic footprint and firmly establishes us as the leading independent tower company in the UK. Key to this transaction was the ongoing, long term relationship with SSE to supply services and develop new sites."

Adrian Pike, Group Managing Director of SSE Telecom, said:

"The disposal of these assets will allow us to concentrate on our core business of providing networking services to other telecoms providers, companies and public sector organisations.

Neos Networks, the wholly owned subsidiary of SSE Telecom, has enjoyed excellent growth over the last three years. Our innovation, competitive pricing and quality of service have helped to deliver a threefold increase in operating profit. Extensions to our fibre optic network and continuous focus on customer service will enable us to achieve additional growth in the future.

As part of the sale we have entered into a long term contract for the provision of site services to support our core business. WIG's extensive experience in the tower sector was an important factor in determining the final purchaser."