SCOTTISH POWER PLC
Form 6-K
August 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 August, 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 1st Quarter Results dated August 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: August 10, 2005

By: /s/ Donald McPherson

Donald McPherson
Assistant Company Secretary

SCOTTISH POWER plc

2005/06 1st QUARTER RESULTS to 30 June 2005

Highlights

Continuing businesses pre IAS 39

- **Operating profit* of £178 million, up 39%**
- **Profit before tax* of £147 million, up 41%**
- **Earnings per share* of 5.75 pence, up 31%**
- **Capital investment of £205 million**

Total group pre IAS 39

- **Earnings per share* of 8.79 pence, up 17%**
- **Dividend per share of 5.20 pence for the quarter, up 5%**

Sale of PacifiCorp is on track

- **Shareholder approval received**
- **Filings submitted to state utility commissions, FERC and NRC**

The table below represents the results for our continuing businesses which exclude PacifiCorp.

Full Year 2004/05	Continuing Businesses £ million	Quarter 1 2005/06	Quarter 1 2004/05
4,595	Revenue	**1,084**	956
580	Operating profit, as adjusted*	**178**	128
459	Profit before tax, as adjusted*	**147**	105

19.04	Earnings per share, as adjusted* (pence)	**5.75**	4.39
673	Operating profit	**163**	144
552	Profit before tax	**114**	121
22.60	Earnings per share (pence)	**4.51**	5.00

Note: The group s 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. As shown in the table above, the main focus of our results is on our three continuing businesses, as PacifiCorp is now reported as a discontinued operation.

*Items marked * represent the results of our operations adjusted to (i) exclude the effects of IAS 39 on current quarter 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; and (iii) 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 Notes 7 and 10 to the quarterly Accounts. As a consequence of these adjustments, the results for both periods are presented on a comparable basis. ScottishPower believes that the adjusted measures provide a better comparison of underlying business performance.*

Ian Russell, ScottishPower Chief Executive, said:

The year has started well with earnings growth from our continuing businesses of 31%* compared with the same quarter last year. Both UK businesses have performed strongly in the quarter and we expect PPM Energy s full year profit to be ahead of last year. The process to approve the sale of PacifiCorp is on track to complete between May and November 2006. Our trading outlook for the full year remains unchanged.

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CHIEF EXECUTIVE S REVIEW

Following the announcement in May that we had agreed to sell PacifiCorp, these quarterly results focus on our three continuing businesses - Infrastructure Division, UK Division and PPM Energy, and report PacifiCorp as a discontinued operation. The results are prepared under IFRS for the first time, and in order to present the results on a comparable basis, we have excluded the impact of contracts subject to IAS 39 from the discussion of our adjusted results.

The strong increase in operating profit this quarter of £50 million*, or 39%, is largely attributable to the Infrastructure Division s good performance following the recent regulatory reviews; and the UK Division s significant growth in customer numbers and investment in generation plant last year. Investment for growth in our continuing businesses was £133 million, representing 65% of the total spend and primarily related to expenditure on our windfarm developments in the UK and the US.

In July, we announced the sale of our underground natural gas storage project at Byley to E.ON UK plc for £96 million. As part of the deal we also negotiated a 15-year gas storage contract which gives us secure access to reliable gas storage with high deliverability. The sale, combined with securing the gas storage contract, presents an attractive opportunity for ScottishPower to immediately maximise value from the development for shareholders.

The process to approve the sale of PacifiCorp to MidAmerican is on track. In June, the first of the regulatory filings was completed with the Nuclear Regulatory Commission. In July, ScottishPower shareholders approved the sale at the Extraordinary General Meeting and filings were submitted to the six state utility commissions where PacifiCorp operates and to the Federal Energy Regulatory Commission. As previously announced, we expect that the sale of PacifiCorp will be completed between May and November 2006. PacifiCorp s trading results were in line with our expectations.

Trading for the group has been in line with our expectations and our trading outlook for the full year remains unchanged. The UK Division has benefited in this quarter from the profile of last year s customer growth and plant acquisitions, whereas the growth in PPM Energy s contribution from the expansion of its windfarm developments and gas storage business is expected to be delivered largely in the fourth quarter.

INVESTING FOR GROWTH CONTINUING BUSINESSES

Net capital investment for our continuing businesses in the quarter was £205 million, of which £133 million (65%) was invested for growth, primarily focused on expansion of the UK Division s and PPM Energy s windfarm portfolios.

Infrastructure Division s net capital investment was £65 million, with £16 million (25%) invested for organic growth, including expenditure on windfarm connections and system reinforcement. Other net investment of £49 million mainly consisted of refurbishment of substations and replacement of switchgear and overhead lines.

The UK Division s net capital investment was £55 million, including £33 million (60%) invested for growth. Growth investment related primarily to windfarm developments at: the 100 MW Black Law site, where 42 turbines are now operational; the 30 MW windfarm at Beinn Tharsuinn where infrastructure and grid work are progressing well; and the 16 MW windfarm at Coldham.

PPM Energy s net capital investment for the quarter was £85 million, with £84 million of this invested for growth. This comprised £77 million of wind generation spend, including investment in our Klondike II, Shiloh, Elk River and Maple Ridge windfarms, and £7 million on the expansion of our gas storage facilities.

Forecast capital investment for our continuing businesses remains consistent with our expectations at £1 billion for the full year, with some 70% for growth. This balanced programme of expenditure will aim to achieve at least the allowed rate of return in our Infrastructure Division, with opportunities for enhanced returns through incentive mechanisms and non-regulated investments. Investments in our competitive businesses will aim to achieve returns of at least 300 basis points above each of our competitive businesses weighted average cost of capital.

OPERATIONAL PERFORMANCE CONTINUING BUSINESSES

Infrastructure Division

Infrastructure Division s operating profit rose by £22 million to £123 million. Regulated income increased by £27 million in the quarter mainly as a result of the implementation on 1 April of the Distribution Price Control Review and Transmission Price Control Extension, which included higher allowances for taxation and pension costs and an increased return on the cost of capital; each quarter of this year should benefit from higher revenues. The quarter on quarter growth was partly offset by a one-off rebate of £6 million received in the first quarter of last year and operating efficiencies offset higher depreciation.

We are confident of achieving, and where possible outperforming, over the five-year period of the review, the new incentive targets for network performance. This would result in reduced fault times for our customers, minimise the risk of financial penalty from Ofgem and provide the potential for incentive revenue. Initiatives driving effectiveness include 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. Network reinforcement projects, including the £30 million, five-year, Liverpool city centre regeneration programme, are on schedule.

There continues to be significant activity in the area of infrastructure to support renewables, including both the implementation of recent Ofgem proposals and the development and eventual regulatory approval of future infrastructure requirements. The Renewable Energy Transmission Study, amounting to £190 million, includes upgrades to the two Anglo-Scottish interconnectors and the Denny to Beauly line. Details of the Denny to Beauly line were announced on 25 July.

On 1 April 2005, the British Electricity Trading and Transmission Arrangements (BETTA) were successfully introduced with National Grid assuming operational control of the Great Britain (GB) transmission system, including balancing of generation and demand in Scotland. ScottishPower retains network ownership and all associated responsibilities including development of the network.

UK Division

UK Division s adjusted operating profit for the first quarter was up £47 million to £56 million*, compared to the equivalent period last year. The increase included a full quarter s operating profit of £24 million* from Damhead Creek and Brighton power plants compared to a partial quarter s operating profit of £3 million for the equivalent period last year. The substantial growth in customer numbers achieved during 2004/05 of 865,000, combined with the effective management of our generation portfolio in the new BETTA environment, and the benefits from our forward commodity procurement strategy, added £34 million to gas and electricity margins. Other net operating costs, excluding Damhead and Brighton, increased by £8 million due to higher customer servicing costs reflecting the growth in customer numbers, and higher depreciation charges.

Customer numbers increased by over 52,000 to 5.16 million in the quarter reflecting the Division s focus on gaining profitable customers through this period of high wholesale prices. The business has performed well in the first quarter of the new BETTA environment. Our generating plant has proven itself to be highly competitive on a GB-wide basis, has performed strongly in the Balancing Mechanism and is supporting our increasing customer demand. Our forward commodity procurement strategies have ensured that we are substantially covered for the coming winter across all commodities, including carbon dioxide emissions.

With 42 turbines, totalling approximately 100 MW, now operational at Black Law, ScottishPower is the largest windfarm generator in the UK. Renewable development remains a key part of our business strategy and, with the second phase of turbines under construction at Black Law together with construction at Coldham and Beinn Tharsuinn, ScottishPower now has 255 MW operational and 73 MW under construction in the UK.

PPM Energy

PPM Energy s adjusted operating profit of £6 million* was in line with the equivalent quarterly period last year. Adjusted dollar operating profit increased by $1 million to $9 million*. The performance of core assets, optimisation and trading contributed an additional $20 million to PPM Energy s results in the quarter. This was partly offset by a reduction in the contribution from contracted gas storage of $10 million, due to timing of earnings, which are generated upon the withdrawal of gas, expected to come later in the year. The contribution from contracted wind generation decreased by $2 million in the quarter, and operating costs, including depreciation, increased by $7 million as the business continued to grow.

Construction at the 75 MW Klondike II windfarm was completed ahead of schedule with operation beginning in June. In July, construction of the 150 MW Shiloh wind project in California commenced and PPM Energy also signed long-term agreements to sell 125 MW of the proposed Shiloh windfarm. Construction of the 198 MW joint venture Maple Ridge windfarm in upstate New York is continuing. Other windfarm projects being constructed include Elk River (150 MW) and Trimont (100 MW). Together these windfarm developments, totalling 574 MW, are expected to be operational this year and, upon completion, will qualify for Production Tax Credits (PTCs). By the end of this year, PPM Energy will have about 1,400 MW of wind energy under its control, well on target toward its goal of at least 2,300 MW online by 2010. Approximately 90% of PPM Energy s wind output is now sold under long-term contract. In August, President Bush signed the US Energy Bill that included a two-year extension of PTCs which will allow for the continued growth of the US wind energy market. PPM Energy is actively working to secure adequate turbine supplies for the next two years.

FINANCIAL REVIEW

The group s results 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 £128 million for the quarter to £1,084 million. Infrastructure Division s revenue increased by £45 million mainly due to a change in billing arrangements under BETTA, whereby transmission exit costs previously charged internally to UK Division are now billed externally to National Grid, who then recharge UK Division and also as a result of increased external regulatory income following the recent price control reviews. UK Division s revenue rose by £116 million, primarily as a result of increased customer numbers and tariff rises within the retail electricity and gas markets, which were required due to increasing commodity prices. PPM Energy s revenue reduced by £25 million due to lower sales from energy management activities, renewable generation and contracted gas storage assets. Unallocated revenues reduced by £8 million due to lower Synfuel royalties.

Adjusted **operating profit** from continuing operations increased by £50 million to £178 million* in the quarter, as improvements in Infrastructure Division and UK Division performance were partly offset by 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 to each of our business segments to exclude the effects of IAS 39 on current year results and, for 2004/05 only, the impact on results of proprietary trading and other contracts which are now subject to IAS 39, 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.

£m	Infrastructure Division	UK Division	PPM Energy	Unallocated income/(expense)	Total continuing	PacifiCorp discontinued
June 2004 UK GAAP Reported Segments	**101.1**	**23.6**	**8.5**		**133.2**	**116.7**
Reallocated Corporate items	(0.5)	0.3	(0.1)	1.7	**1.4**	(1.4)
Reallocated PacifiCorp non-regulated				11.1	**11.1**	(11.1)
June 2004 UK GAAP Adjusted Segments	**100.6**	**23.9**	**8.4**	**12.8**	**145.7**	**104.2**
IFRS adjustments	0.6	(0.1)	0.2	(0.5)	**0.2**	7.6
Associates & Jointly Controlled Entities	(0.2)	(1.1)	(0.2)		**(1.5)**	
June 2004 IFRS Reported Segments	**101.0**	**22.7**	**8.4**	**12.3**	**144.4**	**111.8**
Adjust for items now within scope of IAS 39		(13.3)	(2.7)		**(16.0)**	(0.2)
June 2004 Adjusted Segments*	**101.0**	**9.4**	**5.7**	**12.3**	**128.4**	**111.6**
June 2005 IFRS Reported Segments	**123.0**	**44.6**	**2.6**	**(7.0)**	**163.2**	**140.3**
IAS 39 adjustments		11.6	3.3		**14.9**	(0.8)
Adjust for depreciation and amortisation on non-current assets held for resale						(23.0)
June 2005 Adjusted Segments*	**123.0**	**56.2**	**5.9**	**(7.0)**	**178.1**	**116.5**

Reported operating profit from continuing operations was £163 million for the quarter compared to £144 million for the equivalent period last year. The increase of £19 million was attributable to the improvement in adjusted operating profit being partly offset by adverse movements from the impact of IAS 39. As shown in the table above, the adoption of IAS 39 in

the current quarter reduced operating profit for continuing operations by £15 million as a result of the unwind of opening balance sheet positions of £19 million, offset by the fair value of unrealised gains relating to operating derivatives of £3 million and hedge ineffectiveness of £1 million.

Further reconciliations of previously reported financials statements under UK GAAP to IFRS, including a segmental operating profit reconciliation for the year ended 31 March 2005, are included within Note 10 to the quarterly Accounts.

Reported net finance costs for continuing operations were £25 million higher for the quarter at £49 million mainly as a result of £18 million of adverse IAS 39 adjustments primarily associated with the convertible bond issued in 2003/04. Higher net debt and an increase in net interest charges associated with the US bonds issued in March 2005, also contributed to higher net finance costs.

Adjusted **profit before tax** for continuing operations was £42 million higher for the quarter at £147 million* due to the favourable operating performance at Infrastructure Division and UK Division, partly offset by higher adjusted net finance costs. Reported profit before tax was £7 million lower than last year, at £114 million, with the improvement in adjusted operating profit being more than offset by adverse movements from the impact of IAS 39 on both operating and financing derivatives and other increases in net finance costs.

The **tax charge** for continuing operations was £31 million for the quarter compared to a charge of £29 million for the equivalent period last year, and the effective tax rates were 27% and 24%, respectively. The implementation of IFRS has increased the effective rate of tax for both the current and prior year quarters. Looking forward, we anticipate that IAS 39, in particular, may result in further tax rate volatility.

Adjusted **earnings per share** for continuing operations of 5.75 pence* were 1.36 pence ahead of the first quarter last year. Reported earnings per share for continuing operations of 4.51 pence were 0.49 pence lower than the first quarter last year, as business growth has been more than offset by the adverse effect of IAS 39. Adjusted earnings per share for the total group of 8.79 pence*, were 1.29 pence ahead of the first quarter last year, whilst reported earnings per share for the total group were 5.90 pence compared to 8.10 pence for the equivalent period last year. The reduction was mainly due to the impact of IAS 39, partly offset by continuing operations growth and the non-depreciation of PacifiCorp s non-current assets from 24 May.

Net cash from operating activities for continuing operations, was £159 million and represented cash generated from operations of £181 million and net tax and interest payments of £22 million. Net cash used in investing activities represented a net outflow of £270 million and primarily related to expenditure associated with our capital investment programme. Net cash from financing activities represented a net outflow of £117 million and primarily consisted of dividend payments of £141 million. After adjusting for the cash inflow from the increase in borrowings of £6 million and for adverse non-cash movements of £108 million, primarily relating to the effect of foreign exchange, net debt for continuing operations was £2,387 million at 30 June 2005, £342 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 £4,344 million were £387 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 quarter the subsequent movements in the value of these and new derivatives, which qualify for hedge accounting, increased net assets by

£385 million. This increase arose principally within the UK Division as a consequence of an effective economic hedging strategy and rising commodity prices. Net assets reduced by £139 million as a result of the revaluation of the group s pension obligations, mainly in relation to the US schemes and by a further £124 million primarily relating to dividends, tax movements and the reclassification of PacifiCorp s minority interests, partly offset by the profit for the quarter.

The **dividend** for the first quarter of 2005/06 will be 5.20 pence per share, payable on 28 September 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 period 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. The continuation of our balance sheet hedging strategy means that the anticipated proceeds from the disposal are substantially hedged at an exchange rate of approximately $1.80.

PacifiCorp s adjusted operating profit of £117 million* was £5 million higher than the equivalent period last year. PacifiCorp s adjusted dollar operating profit was $200 million* for the quarter, compared to $189 million*. The increase of $11 million was primarily due to higher regulated revenues and lower net power costs.

As shown in Note 5 to the quarterly Accounts, reported post-tax earnings reduced by £32 million to £26 million for the quarter. Reported operating profit increased by £29 million in the quarter, 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 £70 million and included £18 million of IAS 39 adjustments in respect of financing derivatives and a £46 million loss following de-designation of net investment hedges. As a result of lower profit and the impact of IFRS, the tax charge reduced by £9 million.

PacifiCorp s net capital investment was £133 million for the quarter, with £68 million (51%) invested for organic growth. Of this, £40 million was invested in building new generation, namely the first phase of the 525 MW Currant Creek plant, which was completed on schedule and is now operational, and the construction of the 534 MW Lake Side plant. A further £28 million was invested in new connections and network reinforcement.

On 5 May 2005, PacifiCorp filed a general rate case request in Washington for approximately $39 million related primarily to increased operating costs, with resolution expected in April 2006. In Idaho, a request that was originally filed in January 2005, for approximately $15 million is progressing with an outcome expected by the autumn of this year. In Oregon, the $102 million general rate case continues, with resolution of the case expected in September.

In July 2005, the US district court judge dismissed the $1 billion lawsuit filed against PacifiCorp by the Klamath tribes. The final judgment in the case will be subject to appeal 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

Key investor dates going forward are as follows:

17 August 2005	Shares go ex-dividend for the first quarter
19 August 2005	Last date for registering transfers to receive the first quarter dividend
28 September 2005	First quarter dividend payable
10 November 2005	Announcement of results for the second quarter and half year ending 30 September 2005

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) 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	Head of Investor Relations	0141-636-4527
Colin McSeveny	Group Media Relations Manager	0141-636-4515

Group Income Statement

for the three months ended 30 June 2005

		Three months ended 30 June	
		2005	2004
	Notes	£m	£m
Continuing operations			
Revenue	2	1,084.0	955.6
Cost of sales		(747.5)	(660.6)
Transmission and distribution costs		(76.6)	(68.2)
Administrative expenses		(88.5)	(86.4)
Fair value losses on operating derivatives	2	(14.9)	
Other operating income		7.4	5.5
Share of loss of jointly controlled entities		(0.8)	(1.5)
Share of profit of associates		0.1	
Operating profit	2	163.2	144.4
Finance income		48.8	45.3
Fair value losses on financing derivatives		(18.1)	
Finance costs	3	(79.8)	(69.1)
Net finance costs		(49.1)	(23.8)
Profit before tax		114.1	120.6
Income tax expense	4	(30.8)	(29.0)
Profit for the period from continuing operations		83.3	91.6
Discontinued operations			
Profit for the period from discontinued operations	5	25.6	57.8
Profit for the period		108.9	149.4
Attributable to:			
Equity holders of Scottish Power plc		108.3	148.4
Minority interests			
- equity (continuing operations)		0.6	0.1
- non-equity (discontinued operations)			0.9
		108.9	149.4
Basic earnings per share	7		
- Continuing operations		4.51p	5.00p
- Discontinued operations		1.39p	3.10p
- Continuing and discontinued operations		5.90p	8.10p
Diluted earnings per share	7		
- Continuing operations		4.48p	4.89p
- Discontinued operations		1.39p	2.95p

- Continuing and discontinued operations	5.87p	7.84p

The Notes on pages X to X form part of these Accounts.

Group Statement of Recognised Income and Expense

for the three months ended 30 June 2005

	Three months ended 30 June	
	2005	2004
	£m	£m
Gains on effective cash flow hedges recognised	385.0	
Exchange movement on translation of overseas results and net assets	139.9	44.3
Losses on net investment hedges	(172.1)	(44.3)
Actuarial (losses) / gains on retirement benefits	(138.8)	83.9
Tax on items taken directly to equity	(21.6)	(30.2)
Cumulative adjustment for the implementation of IAS 39 (net of tax)	264.5	
Net income recognised directly in equity	456.9	53.7
Gain removed from equity and recognised in the period	(8.9)	
Tax on items transferred from equity	2.5	
Profit for the period	108.9	149.4
Total recognised income and expense for the period	559.4	203.1
Attributable to:		
Equity holders of Scottish Power plc	558.8	202.1
Minority interests		
- equity	0.6	0.1
- non-equity		0.9
	559.4	203.1

Group Statement of Changes in Equity

for the three months ended 30 June 2005

	Three months ended 30 June	
	2005	2004
	£m	£m
Profit for the period	108.9	149.4
Net income recognised directly in equity	456.9	53.7
Gain removed from equity and recognised in period (net of tax)	(6.4)	
Dividends	(139.4)	(112.9)
Share capital issued	12.1	9.5
Consideration paid in respect of purchase of own shares held under trust	(1.9)	(27.9)
Credit in respect of employee share awards	2.3	1.4

Consideration received in respect of sale of own shares held under trust	6.9	4.4
Reclassification of non-equity minority interests on implementation of IAS 32	(52.5)	
Net movement in non-equity minority interests		(4.3)
Net movement in equity	386.9	73.3
Opening equity	3,957.1	4,574.8
Closing equity	4,344.0	4,648.1

The Notes on pages X to X form part of these Accounts.

Group Cash Flow Statement

for the three months ended 30 June 2005

		Three months ended 30 June	
		2005	2004
	Note	£m	£m
Continuing operations			
Operating activities			
Cash generated from operations		180.8	44.6
Interest paid		(32.5)	(46.9)
Interest received		18.5	23.9
Income taxes paid		(2.9)	(10.9)
Reallocation (to) / from discontinued operations		(4.8)	9.6
Net cash from operating activities		159.1	20.3
Continuing operations			
Investing activities			
Purchase of property, plant and equipment		(222.8)	(102.0)
Purchase of intangible assets		(0.9)	(3.9)
Deferred income received		5.6	4.2
Proceeds from sale of property, plant and equipment		0.4	0.4
(Purchase) / sale of fixed asset investments		(12.1)	1.4
Equity investment in discontinued operations		(67.4)	
Dividend received from discontinued operations		27.4	26.7
Purchase of subsidiaries			(318.6)
Sale of businesses and subsidiaries			(0.8)
Net cash used in investing activities		(269.8)	(392.6)
Continuing operations			
Financing activities			
Issue of share capital		12.1	9.5
Dividends paid to company s equity holders		(140.9)	(112.9)
Net consideration received/ (paid) in respect of own shares held under trust		5.6	(23.5)
Proceeds from/ (repayments of)borrowings		5.8	(82.3)
Reallocation from discontinued operations			67.7
Net cash used in financing activities		(117.4)	(141.5)
Net decrease in net cash and cash equivalents - continuing operations		(228.1)	(513.8)
Net (decrease) / increase in net cash and cash equivalents - discontinued operations	5	(17.2)	15.3
Net decrease in net cash and cash equivalents		(245.3)	(498.5)

Movement in Net Cash and Cash Equivalents from Continuing Operations

for the three months ended 30 June 2005

	Note	Three months ended 30 June 2005 £m	Three months ended 30 June 2004 £m
Continuing operations			
Net cash and cash equivalents at beginning of period - continuing operations		1,629.9	1,312.8
Increase in net cash and cash equivalents on implementation of IAS 39		0.7	
Net decrease in net cash and cash equivalents		(228.1)	(513.8)
Effect of foreign exchange rate changes		4.7	1.6
IAS 39 movement		1.6	
Net cash and cash equivalents at end of period - continuing operations	(i)	1,408.8	800.6

(i) Net cash and cash equivalents from continuing operations at 30 June 2005 comprises cash and cash equivalents of £1,410.3 million less bank overdrafts of £1.5 million.

Reconciliation of Net Movement in Net Cash and Cash Equivalents to Movement in Net Debt

for the three months ended 30 June 2005

	Three months ended 30 June 2005 £m
Net debt at end of previous period - as reported under UK GAAP	(4,147.0)
Net debt at end of previous period - discontinued operations	2,236.8
Net debt at end of previous period - continuing operations	(1,910.2)
IFRS adjustments to net debt at end of previous period - continuing operations	(117.0)
Increase in net debt on implementation of IAS 39 on 1 April 2005 - continuing operations	(17.8)
Net debt at 1 April 2005 as restated under IFRS - continuing operations	(2,045.0)
Continuing operations:	
Decrease in net cash and cash equivalents	(228.1)
Inflow of net cash and cash equivalents from increase in debt	(5.8)
Foreign exchange	(67.8)
IAS 39 movement	(26.1)
Other non-cash and cash equivalent movements	(13.7)
Net debt at end of period - continuing operations	(2,386.5)

The Notes on pages X to X form part of these Accounts.

Group Balance Sheet

as at 30 June 2005

	Notes	30 June 2005 £m	30 June 2004 £m	31 March 2005 £m
Non-current assets				
Intangible assets				
- goodwill		92.5	1,879.3	885.1
- other intangible assets		147.1	390.5	409.5
Property, plant and equipment		4,964.3	8,959.5	9,334.9
Investments accounted for using the equity method		67.1	68.2	53.1
Other investments			126.6	120.3
Trade and other receivables		2.0	57.9	56.2
Derivative financial instruments		715.5		
Finance lease receivables		163.9	176.1	158.4
Non-current assets		6,152.4	11,658.1	11,017.5
Current assets				
Inventories		276.1	306.8	185.4
Trade and other receivables		853.4	1,216.1	1,675.5
Derivative financial instruments		860.3		
Finance lease receivables		18.2	25.5	17.3
Cash and cash equivalents		1,410.3	844.4	1,747.8
Assets classified as held for sale	5	7,048.0		
Current assets		10,466.3	2,392.8	3,626.0
Total assets		16,618.7	14,050.9	14,643.5
Current liabilities				
Loans and other borrowings		(245.5)	(544.7)	(547.1)
Obligations under finance leases		(12.8)	(19.8)	(14.5)
Derivative financial instruments		(335.6)		
Trade and other payables		(1,143.9)	(1,220.5)	(1,632.9)
Current tax liabilities		(328.9)	(245.8)	(338.9)
Short-term provisions		(2.3)	(130.9)	(80.1)
Liabilities classified as held for sale	5	(4,717.5)		
Current liabilities		(6,786.5)	(2,161.7)	(2,613.5)
Non-current liabilities				
Loans and other borrowings		(3,460.6)	(4,580.4)	(5,362.2)
Obligations under finance leases		(77.9)	(179.9)	(158.8)
Derivative financial instruments				