

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE FINANCE AND ECONOMICS
COMMITTEE ON TUESDAY 16th MARCH 2004, BY THE DEPUTY OF ST. JOHN**

Question

It has been reported that the Jersey Electricity Company wishes to purchase the Jersey New Waterworks Company. Would the President inform members what involvement, if any, the Committee has had in this respect to date, or is intending to have in the future?

Answer

I refer members to the press release of the Finance and Economics Committee issued to States members on 13th January 2004, attached over the page.

The Committee, on behalf of the States as the majority shareholder of both companies, has been in contact with representatives of both Boards of Directors in connection with the proposed purchase and will maintain that contact.

I am not at liberty to disclose the nature or details of any proposal, at this stage, due to commercial confidentiality and the strict rules of conduct governing the proposed transaction.

The Committee will continue to take professional and legal advice to ensure that it acts in the best interests of the shareholding which it represents, whilst not prejudicing the interests of the minority shareholders of either company.

I assure members that I shall keep the States fully informed of all developments as and when I am able to do so, and confirm that it is the Committee's view that should an acceptable offer be made by the Board of Jersey Electricity Company Limited for the shares in Jersey New Waterworks Company Limited owned by the States, this would be brought to the Assembly for debate.

PRESS RELEASE

January 13th 2004

For Immediate Release

Jersey Electricity Co Ltd's Bid for Jersey New Waterworks Co Ltd

The Board of Directors of Jersey Electricity Co Ltd has advised the Finance and Economics Committee of its interest in acquiring the issued share capital of Jersey New Waterworks Co Ltd.

The Finance and Economics Committee will be taking independent legal and professional advice to ensure that it acts at all times in a responsible and ethical manner, recognising also the obligations owed to the public as consumers of water and electricity.

The States of Jersey is the majority shareholder of the Jersey Electricity Co Ltd and Jersey New Waterworks Co Ltd, and the day-to-day policy in respect of these investments is in the hands of the Finance and Economics Committee. On behalf of the major shareholder, the Finance and Economics Committee is anxious to act in a way which will not prejudice the interests of the minority shareholders of either Jersey Electricity Co Ltd or Jersey New Waterworks Co Ltd. It is also bound by the strict rules of conduct of the London Stock Exchange, and those relating to mergers and takeovers. The Finance and Economics Committee is therefore taking a neutral position at this time, pending further investigation work being carried out by Jersey Electricity Co Ltd on Jersey New Waterworks Co Ltd.

<< OLE Object: Picture (Metafile) >>

President, Finance and Economics Committee