

## **Solid Solutions Associates**

**Consulting services and logistics & project management  
for corporate transactions and restructurings**

# Our experience

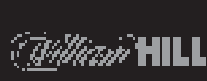
## ■ Every large UK privatisation since 1989



## ■ Majority of UK demutualisations



## ■ Majority of large UK share offers since 1992



## ■ Numerous mergers, demergers and takeovers



## ■ Similar work internationally



# What we do

For over a decade Solid Solutions Associates has worked on most of the UK's largest corporate transactions that have involved significant numbers of members of the public, including privatisations, demutualisations, share offers, mergers and acquisitions. In total we have worked on over 90 transactions.

In our field, we are the most experienced consultancy – indeed we believe that there is no competitor who brings together the skills and knowledge we do.

Typically we apply our skills and knowledge to the following types of transaction or project:

- privatisations;
- IPOs, flotations and share offers;
- demutualisations of building societies and insurance companies;
- mergers, demergers, acquisitions and liquidations involving companies with significant numbers of shareholders;
- schemes to transfer policyholders between insurance and pension funds;
- conversion of unit trusts to OEICs and amalgamation of funds;
- introduction or restructuring of all-employee share schemes; and
- production of annual reports for companies with significant numbers of shareholders.

These projects involve the need to communicate with significant numbers of members of the public and are usually a “one-off” event for the client concerned.

We can contribute by providing:

- Consultancy on transaction design
- Transaction logistics management
- Development of communications materials

Solid Solutions has also developed for the UK market an “off the shelf” programme for implementing a retail offer as part of a public offer of shares – “Simple, low cost retail offers”.

These capabilities are described on the following pages.



# 20.5

The privatisation of the 12 Electricity Companies in 1990 required us to set up a call centre with 500 operators, who handled over 2.5 million phone calls. We arranged an initial mailing to all 20.5 million UK households and the printing and mailing of a total of 157 million documents. This included the printing and distribution of 12 million copies of the Mini Prospectus within 3 days. The five receiving banks we managed processed 12.75 million applications in 5 days.

## Consultancy on transaction design

We advise on the structure of the transaction with respect to the implementation of the communications and the call to action with members of the public.

As “logistics advisers” or “retail advisers” we work alongside the client’s other advisers, usually financial, legal, marketing and public relations advisers, to:

- design the manner and processes by which members of the public (or shareholders, customers, employees etc.) participate in the transaction – this usually involves both outgoing and incoming communications using multiple communications channels; and
- ensure that the overall nature and timing of the transaction can be carried out in practice, and to the required standard. Often, on larger projects, implementing the logistics can be sufficiently complex or time consuming to influence heavily the entire transaction structure and timing.

In particular, we have unrivalled experience in the City of London when it comes to planning and executing IPOs (and other share offers) that include participation by the private “retail” investor.

There are many ways to structure a retail offer. Our unique knowledge enables us to design a retail offer that satisfies precisely a client’s objectives – both for the share offer itself and for any wider commercial objectives such as customer acquisition or retention. We are happy to explore with companies and their advisers, on a confidential and “no commitment” basis, whether a particular offer lends itself to retail participation – and if so what form that might take.

We can also advise on how to incentivise retail investors to participate in the offer (e.g. through the offering of discounts on products or services) and how to manage those incentives after the offer (e.g. through shareholder clubs).

*“To date, even when ambitious targets for completion of a project have been set, we have never failed to deliver on time and to the required standards.”*

# Transaction logistics management

We plan and implement the transaction logistics programme and manage the various suppliers (i.e. running the practical “nuts and bolts” aspects).

We assemble and manage the third party resources (including, if appropriate, the client’s own internal resources) that are necessary for the transaction or initiative to be implemented. Third party resources typically include several of the following:

- printing and mailing operations;
- designers;
- telephone helplines;
- database sources;
- receiving banks;
- share registrars;
- website hosts;
- event production companies;
- data capture contractors;
- vote scrutineers;
- advertising agencies;
- employee share plan managers;
- retail stockbrokers; and
- share dealing firms.

We define the logistics activities, run tightly-scoped competitive tendering processes (retaining client confidentiality where necessary), negotiate the appointments, manage the contractors and, finally, check their invoices.

Alternatively, in cases where a client has available its own suitably experienced purchasing and project management resources, we can take a more “ advisory” approach and act in a consultancy capacity to a client’s own project team.

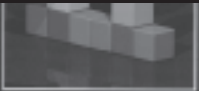
*“Our approach to contractor selection and management begins with us specifying accurately the full range of services required, from which competitive and firm prices are obtained. This in turn enables us to minimise the project costs and deliver it on budget”.*

# 350

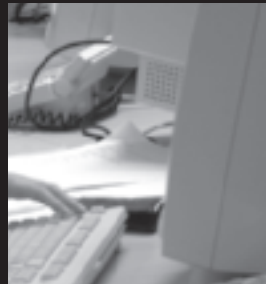
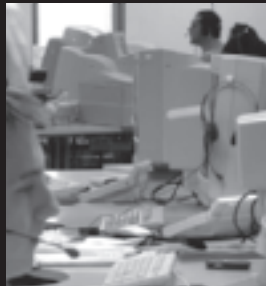
For Norwich Union’s demutualisation, the logistics we implemented included a 360 operator call centre to handle over 1 million phone calls and 14,000 written enquiries. We organised the drafting of over 350 different documents, the printing of 28 versions of the prospectus and for each mailing the production of 83 different pack types.



Alliance & Leicester  
conversion  
Some questions  
answered



ALLIANCE  
LEICESTER



**FRIENDS PROVIDENT  
VALIDATION**

■ This form sets out your personal details as shown on your policy.  
■ Please tick you receive your demutualisation benefits.  
■ Please read the back of this form before you complete it.  
■ Please sign, date and return this form with your demutualisation form.

First Name:  Surname:

Address Line 1:  Address Line 2:

Postcode:

Signature:

Date:



**Demutualisation  
Proposal**

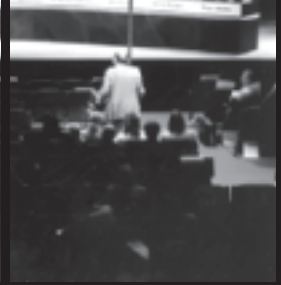
Policyholders' Circular  
and Notice of Extraordinary General Meeting

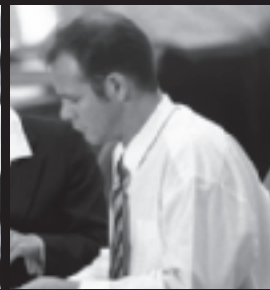
are Demutualisation



**Compensation  
Options for  
Qualifying  
Members**

Demutualisation and transfer of the business of  
SOUTHWESTERN LIFE ASSURANCE CO. LTD

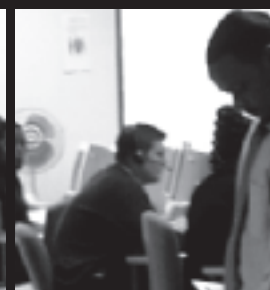
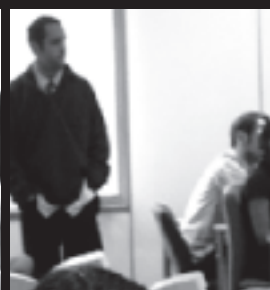




# Your vote is important...

The MERGER OF NORWICH UNION AND CGU  
Information for Norwich Union Shareholders

NORWICH UNION



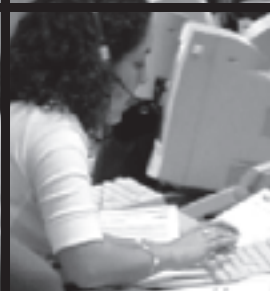
The Proposed Merger of TSB Bank and Lloyds Bank

**Q: Why is the merger?**  
**A:** Lloyds Bank and TSB Bank are confident of their ability to provide a better service to their customers.

EXPLANATORY LEAFLET

Recommended offer

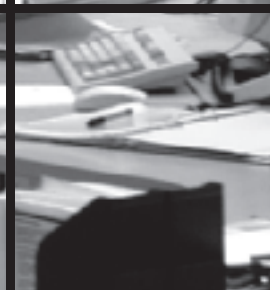
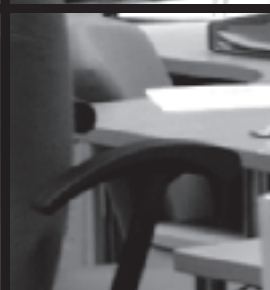
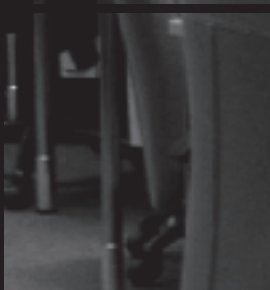
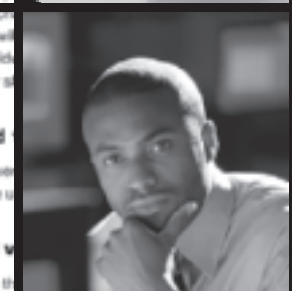
eircom



market price is one that the Merger will enable it to provide opportunities for all shareholders.

**Q: Do I need to vote?**  
**A:** Your vote is very important, although you are not obliged to vote.

**Q: How do I vote?**  
**A:** After reading the explanatory leaflet, you will be able to vote by post, by proxy or at a general meeting.



news

Speeches

Minister Jeff Fudge - Department of Public Enterprise  
Minister Jeff Fudge - Telikom Challenge  
Minister Jeff Fudge - Director General Department of Public Enterprise  
Minister Jeff Fudge - Head of Office  
Minister Jeff Fudge - Department of Public Enterprise  
Minister Jeff Fudge - Telikom Challenge  
Minister Jeff Fudge - Department of Public Enterprise  
Minister Jeff Fudge - Telikom Challenge  
Minister Jeff Fudge - Department of Public Enterprise  
Minister Jeff Fudge - Telikom Challenge

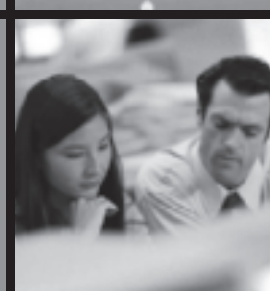
The National Grid Group plc

Mini Prospectus

YOUR GUIDE TO  
REGISTRATION FOR THE  
TELKOM SHARE OFFER

ScottishPower

Letter from  
the Chair



of Scottish

of Scottish



# 40

Sanlam's demutualisation was the first one in South Africa and one of the world's fastest. In a country with no previous experience of large corporate events, we established within 3 months a call centre with 100 operators, which handled over 400,000 calls. We arranged the printing and mailing of over 40 million documents and the data capturing of 3.5 million validation and voting forms within 8 weeks.

## Development of communications materials

We manage the drafting and design of the retail documentation (i.e. printed documents, call centre scripts, web site pages and related material).

We develop, or assist in the development of, user-friendly retail documentation that is easily understood by members of the public, whilst retaining precision and legal correctness. In the case of application forms, voting forms etc. we aim to make them eye-catching and easy to complete, so promoting a high level of response – and to make them quick and cheap to process by the receiving agent. We can provide both drafting and design expertise.

Similarly, we develop scripts for telephone helplines that are designed to answer frequently asked questions clearly and concisely in plain spoken English, to the benefit of both the enquirer and the helpline operator. Where there are existing databases of customers, policyholders or shareholders we structure the scripting around the interrogation of the database by the operator. We can also specify how databases must be built or modified to deal with enquiry handling requirements.

*“Our plain English approach to producing documents increases the response rates from members of the public, whilst reducing the number of calls to the helplines.”*

# Simple, low cost retail offers

Solid Solutions has developed, in conjunction with retail stockbrokers, an “off the shelf” cost effective programme for implementing a retail offer with a short lead time.

Based on the successful Share Shop concept developed for UK privatisations, our programme utilises the expertise and multi-million client databases of retail stockbrokers. It has been developed for use on IPOs where retail participation is considered beneficial, but the company, the vendor and their advisers prefer to devolve most of the management and marketing of the retail offer to others and so not impede the main IPO process.

The retail offer programme begins with confidential “no names and no commitment” test marketing sessions with some of the potential lead retail brokers, to gauge the likely level of response from their clients and their likely level of commitment and involvement. From their feedback, a decision can be made on the extent of the retail offer (or even whether to have one at all).

The client’s approach to the retail offer can vary from a reactive one (typically with limited advertising and promotion) to a proactive one with a high profile advertising and PR campaign, backed up with promotional material. Solid Solutions then implements and takes responsibility for the retail offer, including acting as a hub for communicating with retail brokers, drawn from our UK database of over 400 active contacts.

*“Our programme offers a straightforward, inexpensive and non-time consuming way to implement a retail offer. It has been successfully implemented on share offers such as 3i Group, Avis Europe and William Hill.”*

# 125

In 2002 the William Hill share offer was completed within 5 weeks from the announcement of the intention to float. This “simple, low cost retail offer” raised over £125 million from over 30,000 retail investors, at a time when many IPOs were being cancelled due to the uncertain market conditions.

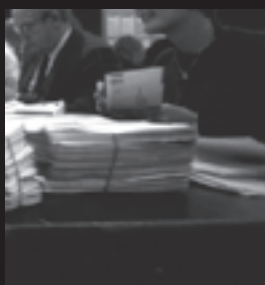
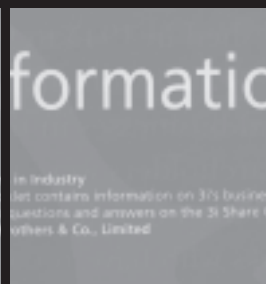
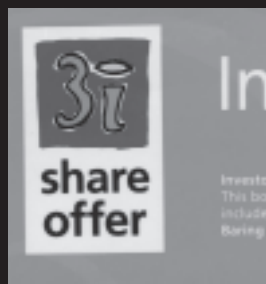
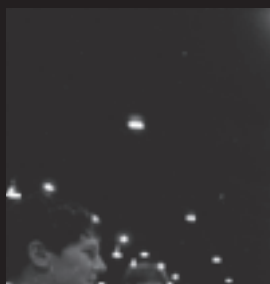
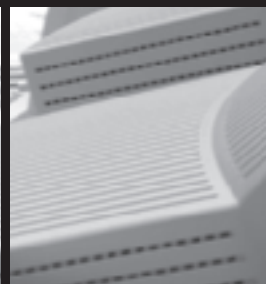
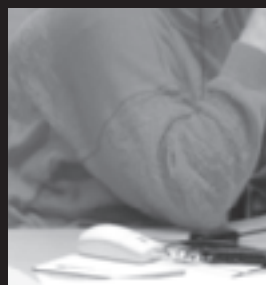
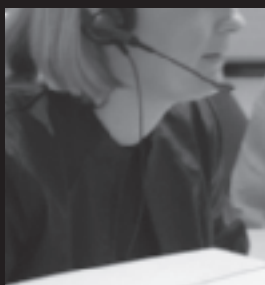
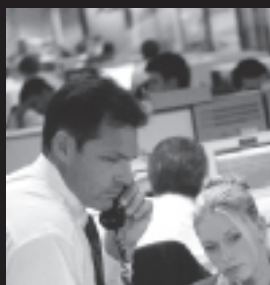
THE  
*William* HILL

# SHARE OFFER

PRICE RANGE PROSPECTUS

Orange plc share

offer



# Who we are

Solid Solutions Associates is based on the edge of the City of London, the heart of the UK financial district. Solid Solutions was established in January 1993 by Graham Webb and Nigel Morris. Jane Carroll joined the firm in 1998.

Prior to this, Graham and Nigel worked with Price Waterhouse Management Consultants. As project management consultants with PW they became involved, from 1989, with the management of the UK privatisation programme, being seconded to several investment banks acting as financial adviser to the UK Government.

Solid Solutions' first appointment was as retail adviser to HM Treasury for the sale of the third tranche of shares in BT plc. The firm continued as the retail adviser to the UK Government for the privatisation share offers that followed. During this period Solid Solutions was heavily involved with the development of the UK Government's Share Shop initiative, which channelled the large public demand for privatisation shares through retail stockbroking firms.

Following on from our privatisation work, Solid Solutions has managed the retail offer of many of the larger private sector share offers, using at times the Share Shop model to attract large numbers of investors. Through our use of Share Shop schemes we were instrumental in stimulating the development of the UK's execution-only retail stockbroking industry.

1996 saw the start of the main wave of UK building society and insurance company demutualisations. Whether the demutualisations involved a flotation or a takeover by another firm, these transactions were well suited to Solid Solutions' expertise and we were involved with nearly all of them.

From 1997 our unique expertise was used for the demutualisations of Sanlam and Old Mutual in South Africa and then Sun Life of Canada (which demutualised simultaneously in Canada, UK, USA, Philippines and Hong Kong). We have also undertaken work in Australia and Ireland, as well as the first large privatisations in modern South Africa and Russia.

In summary, over the years the range of transactions on which we work has expanded, and we continue to seek new areas in which we can apply our expertise.



**Graham Webb** is a graduate of Imperial College, London and, after starting work in manufacturing industry, spent ten years working on and managing projects internationally in the offshore oil and gas industry. After completing an MBA at the City University in London, he joined Price Waterhouse Management Consultants in 1988. From mid-1989 he worked almost exclusively with investment banks and government departments on offers for sale of shares, reaching the position of managing consultant before leaving to form Solid Solutions Associates.



**Nigel Morris** has a masters degree in civil engineering and worked in the engineering industry for six years. From 1985 to 1987 he ran his own business, which won the RASE Gold award and a Young Business of the Year award. He then became a consultant in project management with Coopers & Lybrand and from 1990 with Price Waterhouse, for whom he worked on a succession of government and private sector share offers. He left to form Solid Solutions Associates.



**Jane Carroll** joined Solid Solutions in May 1998, having previously been employed by the investment bank SG Warburg for 15 years, primarily within the corporate finance division where she was involved with a wide range of merger and acquisition and capital markets transactions. In particular she was closely involved with the UK Government's secondary offer of BT shares in 1991, the Australian Government's proposed flotation of Qantas (while on secondment in Australia) in 1993, and the demerger and flotation of ICI's pharmaceutical division to form Zeneca in 1993.



# Our track record

## Government share offers

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The Ten Water Companies of England and Wales (1989)

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The Twelve Regional Electricity Companies (1990)

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National Power & PowerGen (1991)

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Scottish Electricity (1991)

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BT plc – 2nd share offer (1991)

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BT plc – 3rd share offer (1993)

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Northern Ireland Electricity (1993)

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Commonwealth Bank of Australia – 2nd share offer (1993)

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National Power & PowerGen – 2nd share offer (1995)

---

Railtrack Group (1996)

---

British Energy (1996)

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Deutsche Telekom – 3rd share offer (2000)

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Deutsche Post (2000)

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Telkom (South Africa) (2003)

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VTB (Russia) (2007)

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## Other share offers

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Wellcome (1992)

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3i Group (1994)

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RJB Mining (1994)

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Nynex CableComms (1995)

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Orange (1996)

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Somerfield (1996)

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Sun Life and Provincial Holdings (1996)

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Thistle Hotels (1996)

---

Brunner Mond (1996)

---

Avis Europe (1997)

---

Thomson Travel Group (1998)

---

Alstom (1998)

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Kingston Communications (1999)

---

Freeserve (1999)

---

Exchange Holdings (1999)

---

QXL.com (1999)

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Interactive Investor International (2000)

---

lastminute.com (2000)

---

Stepstone (2000)

---

The Carphone Warehouse (2000)

---

Orange (2001)

---

Michael Page (2001)

---

HMV Group (2002)

---

William Hill (2002)

---

Investec (2002)

---

C&C Group (2002)

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Saga (2004 & 2007)

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Thames Water (2006)

---

Vector Hospitality (2007)

---

Moneysupermarket.com (2007)

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## Demutualisations

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Halifax Building Society – flotation (1997)

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Alliance & Leicester Building Society – flotation (1997)

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Norwich Union – flotation (1997)

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Bristol & West Building Society – takeover by Bank of Ireland (1997)

---

Scottish Amicable – takeover by Prudential (1997)

---

First National Building Society (Ireland) – flotation (1997)

---

Sanlam (South Africa) – flotation (1998)

---

Old Mutual (South Africa) – flotation (1999)

---

Automobile Association – takeover by Centrica (1999)

---

NPI – takeover by AMP (2000)

---

Sun Life of Canada – flotation (2000)

---

Scottish Widows – takeover by Lloyds TSB (2000)

---

Bradford & Bingley Building Society – flotation (2000)

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Friends Provident – flotation (2001)

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Scottish Provident – takeover by Abbey National (2001)

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National Mutual – takeover by GE Life (2002)

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Standard Life – flotation (2006)

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## Other projects

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Pearl Assurance – orphan assets communications programme (1996)

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Norwich Union – conversion of unit trusts to OEICs (1998)

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Standard Life – defeat of demutualisation proposals (2000)

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Scottish Amicable – transfer of M&G insurance funds (2000)

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AXA Sun Life – cash buyout of orphan assets (2001)

---

Scottish Widows – guaranteed annuities communications programme (2002)

---

Prudential – transfer of Scottish Amicable insurance funds (2002)

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Government of South Africa – IPO Manual (2004)

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Government of South Africa – review into wider share ownership (2004)

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## Mergers, demergers, acquisitions and other corporate actions

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National Grid – demerger from the Regional Electricity Companies and flotation (1995)

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Telewest and SBC CableComms – merger (1995)

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Scottish Power – takeover of Manweb (1995)

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PowerGen – bid for Midlands Electricity (1995)

---

Lloyds Bank and TSB – merger (1995)

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Enron – takeover of Wessex Water (1998)

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MTL Trust Holdings – restructuring of an employee-owned company (1999)

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CGU and Norwich Union – merger (2000)

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BT – disposal of Yell and demerger of mmO2 (2001)

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Halifax and Bank of Scotland – merger (2001)

---

Valentia Consortium – takeover of Eircom (Ireland) (2002)

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Sun Life Financial and Clarica – merger (Canada) (2002)

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Scottish Power – demerger of Thus (2002)

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Railtrack Group – disposal of railway assets and liquidation (2002)

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GE – takeover of Amersham (2004)

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Banco Santander – takeover of Abbey (2004)

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# We have worked alongside

## Investment banks and corporate finance advisory firms

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African Bank
Bank of America Merrill Lynch
BNP Paribas
BMO Capital Markets
CIBC World Markets
Citigroup
Close Brothers
Credit Suisse
Davy Stockbrokers
Deutsche Bank
Dresdner Kleinwort
Goldman Sachs
Greenhill
HSBC Investment Bank
ING
Investec Bank
Investment Bank of Ireland
JP Morgan
JP Morgan Cazenove
Lazard Brothers
Morgan Stanley
NM Rothschild
NCB
Nomura International
RBC Capital Markets
Renaissance Capital
RBS
Société Générale
Standard Bank (SA)
UBS
VTB
WIP Capital

## Law firms

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Allen & Overy  
Ashurst  
Blake Cassel & Graydon  
Brobeck Hale and Dorr  
Cameron McKenna  
Cleary, Gottlieb, Steen & Hamilton  
Clifford Chance  
Davis Polk & Wardwell  
Deneys Reitz  
Denton Wilde Sapte  
Dickson Minto  
DLA Piper  
Dundas & Wilson  
Edward Nathan Sonnenbergs  
Eversheds  
Freshfields Bruckhaus Deringer  
Herbert Smith  
Latham & Watkins  
Linklaters  
Lovells  
McGrigor  
McCann Fitzgerald  
Maclay Murray and Spens  
Mayer Brown  
Norton Rose  
Osborne Clarke  
Paul Hastings  
Shearman & Sterling  
Simmons & Simmons  
S J Berwin  
Skadden, Arps, Slate, Meagher & Flom  
Slaughter and May  
Stikeman Elliot  
Sullivan & Cromwell  
Torys  
Warner Cranston  
Werksmans  
White & Case

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## Public relations advisers

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Bell Pottinger Financial  
Burson Marsteller  
Brunswick  
Capital MS & L  
Cardew  
Chime Communications  
Citigate Dewe Rogerson  
College Hill  
Drury Communications  
Financial Dynamics  
Finsbury  
Gavin Anderson  
Hogarth  
Maitland  
Meropa  
Penrose Financial  
Weber Shandwick  
Smithfield Financial  
Spin Media  
Tulchan

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# Contact

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## ■ Every large UK privatisation since 1989



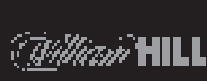
ScottishPower



## ■ Majority of UK demutualisations



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## ■ Numerous mergers, demergers and takeovers



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[www.solid-solutions.co.uk](http://www.solid-solutions.co.uk)