

**ST. LUCIA ELECTRICITY SERVICES LIMITED**  
**UNAUDITED BALANCE SHEET**  
**As at September 30, 2005**  
**(Expressed in Eastern Caribbean Dollars)**

	Unaudited September 30, 2005 \$000's	Audited December 31, 2004 \$000's
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Equivalents	3,119	4,333
Accounts Receivable and Prepayments (Net)	50,678	39,634
Inventories	13,369	10,911
	<b>67,166</b>	<b>54,878</b>
<b>Available-for-Sale Financial Asset</b>	1,892	1,266
<b>Retirement Benefit Asset</b>	2,395	2,395
<b>Property, Plant and Equipment (Net)</b>	274,414	273,862
	<b>345,867</b>	<b>332,401</b>
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Borrowings	4,395	14,302
Accounts Payable and Accrued Expenses	17,616	12,767
Income Tax Payable	4,224	4,254
Dividends Payable	5,412	16,842
	<b>31,647</b>	<b>48,166</b>
<b>Borrowings</b>	98,757	88,848
<b>Consumer Deposits</b>	6,918	9,337
<b>Deferred Tax Liability</b>	30,636	32,291
<b>Consumer Contributions</b>	21,659	22,120
	<b>189,617</b>	<b>200,763</b>
 <b>Shareholders' Equity</b>		
Share Capital	80,163	80,163
Retirement Benefit Reserve	2,395	2,395
Retained Earnings	73,693	49,081
	<b>156,251</b>	<b>131,638</b>
	<b>345,867</b>	<b>332,401</b>

Approved by :                      Director .....

Director .....

**UNAUDITED STATEMENT OF INCOME**  
**For the nine months ended September 30, 2005**  
**(Expressed in Eastern Caribbean Dollars)**

	Unaudited September 30, 2005	Unaudited September 30, 2004
<b>Units Sold (kWhx1000)</b>	<b>208,687</b>	<b>198,703</b>
	\$000's	\$000's
<b>Revenue</b>		
Energy Sales	85,592	82,892
Fuel Surcharge Recovered	64,239	41,661
Other Revenue	592	398
	<b>150,424</b>	<b>124,951</b>
<b>Operating Expenses</b>		
Diesel Generation	15,929	17,287
Transmission and Distribution	19,611	17,581
Fuel Surcharge	63,910	41,242
	<b>99,450</b>	<b>76,110</b>
<b>Gross Income</b>	50,974	48,841
<b>Administrative Expenses</b>	15,029	12,837
<b>Net Operating Income</b>	35,946	36,005
<b>Other Income (Charges)</b>	(30)	(5)
<b>Net Income Before Finance Charges &amp; Tax</b>	35,916	36,000
<b>Finance Charges</b>	4,832	4,440
<b>Net Income Before Tax</b>	31,084	31,561
<b>Income Tax</b>	6,472	10,426
<b>Net Income for the Period</b>	<b>24,612</b>	<b>21,134</b>
<b>Earnings Per Share</b>	<b>2.10</b>	<b>1.80</b>

**UNAUDITED STATEMENT OF RETAINED EARNINGS**  
**For the Nine Months ended September 30, 2005**  
**(Expressed in Eastern Caribbean Dollars)**

	Unaudited September 30, 2005	Unaudited September 30, 2004
	\$000's	\$000's
Balance at Beginning of Period	49,081	40,831
Net Income for the Period	24,612	21,134
Balance at End of Period	<b>73,693</b>	<b>61,965</b>

**Statement of Cash Flows**  
**For the nine-months ended September 30, 2005**  
**(Expressed in Eastern Caribbean Dollars)**

	Unaudited September 30, 2005	Unaudited September 30, 2004
	\$000's	\$000's
<b>Cash flows from Operating Activities</b>		
Net Income Before Tax	31,084	31,560
Adjustments for		
Depreciation	17,104	16,080
Finance Charges	4,832	4,440
Loss/(Gain) on Disposal of Property, Plant and Equipment	(28)	0
Amortization of Consumer Contributions	(1,268)	(1,513)
Operating Income before Working Capital Changes	<u>51,724</u>	<u>50,567</u>
Decrease/(Increase) in Accounts Receivable and Prepayments	(11,044)	(7,699)
Decrease/(Increase) in Inventories	(2,458)	(919)
(Decrease)/Increase in Trade and Other Payables	<u>3,917</u>	<u>1,032</u>
Cash Generated from Operations	42,139	42,981
Interest Paid	(3,901)	(3,974)
Income Tax Paid	<u>(8,157)</u>	<u>(6,965)</u>
Net Cash from Operating Activities	<u>30,081</u>	<u>32,042</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of available -for-sale investment	(626)	(629)
Purchase of Property, Plant and Equipment	(17,656)	(24,070)
Proceeds on Disposal of Property, Plant and Equipment	28	0
Net Cash from Investing Activities	<u>(18,254)</u>	<u>(24,699)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	9,909	14,895
Repayment of Borrowings	(9,907)	(9,184)
Dividends Paid	(11,430)	(6,275)
Consumer Contributions Received	807	606
Consumer Deposits Received	(2,419)	(2,609)
Net Cash used in Financing Activities	<u>(13,040)</u>	<u>(2,567)</u>
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<u>(1,214)</u>	<u>4,776</u>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<u>4,333</u>	<u>(899)</u>
<b>Cash and Cash Equivalents, End of Period</b>	<u>3,119</u>	<u>3,877</u>