ST. LUCIA ELECTRICITY SERVICES LIMITED

UNAUDITED BALANCE SHEET

As at September 30, 2005

(Expressed in Eastern Caribbean Dollars)

	(Expressed in Lastern Cambbean Dollars	·)	
		Unaudited September 30, 2005	Audited December 31, 2004
		\$000's	\$000's
Assets			
Current Assets		0.440	4 000
Cash & Equivalents	Also	3,119	4,333
Accounts Receivable and Prepa	ayments (Net)	50,678	39,634
Inventories	_	13,369	10,911
Assilable for Oak Einemaial A		67,166	54,878
Available-for-Sale Financial A	sset	1,892	1,266
Retirement Benefit Asset	of (Not)	2,395	2,395
Property, Plant and Equipmen	it (Net)	274,414 345,867	273,862
	=	343,007	332,401
Liabilities			
Current Liabilities			
Borrowings		4,395	14,302
Accounts Payable and Accrued	Expenses	17,616	12,767
Income Tax Payable	Expenses	4,224	4,254
Dividends Payable		5,412	16,842
Dividende i dyabie	-	31,647	48,166
Borrowings		98,757	88,848
Consumer Deposits		6,918	9,337
Deferred Tax Liability		30,636	32,291
Consumer Contributions		21,659	22,120
	-	189,617	200,763
	_		
Shareholders' Equity			
Share Capital		80,163	80,163
Retirement Benefit Reserve		2,395	2,395
Retained Earnings	_	73,693	49,081
	_	156,251	131,638
	=	345,867	332,401
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Approved by:	Director		
	Director		
	Director		

UNAUDITED STATEMENT OF INCOME

For the nine months ended September 30, 2005 (Expressed in Eastern Caribbean Dollars)

Unaudited Unaudited September September 30, 2005 30, 2004

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

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	73,693	61,965

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

Cash flows from Operating Activities \$000's \$000's Net Income Before Tax 31,084 31,560 Adjustments for 17,104 16,080 Pepreciation 17,104 16,080 Finance Charges 4,832 4,440 Loss/(Gain) on Disposal of Property, Plant and Equipment (22) 0 Amortization of Consumer Contributions (1,268) (1,513) Operating Income before Working Capital Changes 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities (8,157) (6,965) Purchase of available for-sale investment (62) (22) Purchase of Property, Plant and Equipment (7,666) (24,070) Proceeds from Borrowings </th <th></th> <th>Unaudited September 30, 2005</th> <th>Unaudited September 30, 2004</th>		Unaudited September 30, 2005	Unaudited September 30, 2004
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 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities Purchase of available -for-sale investment (626) (629) Purchase of Property, Plant and Equipment (7,656) (24,070) Proceeds on Disposal of Property, Plant and Equipment 17,856 (24,09) Net Ca		\$000's	\$000's
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 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities (626) (629) Purchase of available -for-sale investment (626) (629) Purchase of Property, Plant and Equipment (86) (24,070) Proceeds on Disposal of Property, Plant and Equipment 28 0 Net Cash from Investing Activities (11,246) (24,699)	Cash flows from Operating Activities		
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 1,1268 (1,513) Operating Income before Working Capital Changes 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 Flows from Financing Activities 9,909 14,895 Repayment of B	Net Income Before Tax	31,084	31,560
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 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities Very Cash From Investing Activities (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 (18,254) (24,699) Cash Flows from Financing Activities 9,909 14,895 Repayment of Borrowings	Adjustments for		
Loss/(Gain) on Disposal of Property, Plant and Equipment Amortization of Consumer Contributions (1,268) (1,513) Operating Income before Working Capital Changes 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities Variable of variable investment (626) (629) 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 (18,254) (24,699) Cash Flows from Financing Activities 9,909 14,895 Repayment of Borrowings 9,909 14,895 <td>Depreciation</td> <td>17,104</td> <td>16,080</td>	Depreciation	17,104	16,080
Amortization of Consumer Contributions (1,268) (1,513) Operating Income before Working Capital Changes 51,724 50,567 Decrease/(Increase) in Accounts Receivable and Prepayments (11,044) (7,699) Decrease/(Increase) in Inventories (2,488) (919) (Decrease)/Increase in Trade and Other Payables 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities (626) (629) 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 (18,254) (24,699) Cash Flows from Financing Activities (9,907) (9,184) Dividends Paid (11,430) (6,275) Consumer Contributions Received (807) 606	Finance Charges	4,832	4,440
Operating Income before Working Capital Changes 51,724 50,567 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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities (626) (629) 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 (18,254) (24,699) Cash Flows from Financing Activities 9,909 14,895 Repayment of Borrowings 9,909 14,895 Repayment of Borrowings (9,907) (9,184) Dividends Paid (11,430) (6,275)	Loss/(Gain) on Disposal of Property, Plant and Equipment	(28)	0
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 3,917 1,032 Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities Cash Flows from Financing Activities Proceeds from Borrowings 9,909 14,895 Repayment of Borrowings (9,907) (9,184) Dividends Paid (11,430) (6,275) Consumer Deposits Received (2,419) (2,609) <	Amortization of Consumer Contributions	(1,268)	(1,513)
Decrease/(Increase) in Inventories (Decrease)/Increase in Trade and Other Payables (2,458) (919) (919) (1,032) Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (1,03,974) (1,000)	Operating Income before Working Capital Changes	51,724	50,567
Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776	Decrease/(Increase) in Accounts Receivable and Prepayments	(11,044)	(7,699)
Cash Generated from Operations 42,139 42,981 Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899) <td>Decrease/(Increase)in Inventories</td> <td>(2,458)</td> <td>(919)</td>	Decrease/(Increase)in Inventories	(2,458)	(919)
Interest Paid (3,901) (3,974) Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities Proceeds from Borrowings 9,909 14,895 Repayment of Borrowings (9,907) (9,184) Dividends Paid (11,430) (6,275) Consumer Contributions Received (2,419) (2,609) Net Cash used in Financing Activities (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents (1,214) 4,333 (899)	(Decrease)/Increase in Trade and Other Payables	3,917	1,032
Income Tax Paid (8,157) (6,965) Net Cash from Operating Activities 30,081 32,042 Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Cash Generated from Operations	42,139	42,981
Cash Flows from Investing Activities 30,081 32,042 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 (18,254) (24,699) Cash Flows from Financing Activities 9,909 14,895 Proceeds from 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Interest Paid	(3,901)	(3,974)
Cash Flows from Investing Activities 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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776	Income Tax Paid	(8,157)	(6,965)
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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Net Cash from Operating Activities	30,081	32,042
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 (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment Proceeds on Disposal of Property, Plant and Equipment Ret Cash from Investing Activities Cash Flows from Financing Activities Proceeds from Borrowings Proceeds from Borrowings Repayment of Borrowings Poividends Paid Consumer Contributions Received Consumer Deposits Received Received Ret Cash used in Financing Activities (11,430) Received Recei	_	(626)	(629)
Proceeds on Disposal of Property, Plant and Equipment 28 0 Net Cash from Investing Activities (18,254) (24,699) Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Purchase of Property, Plant and Equipment		
Cash Flows from Financing Activities 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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)			
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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Net Cash from Investing Activities	(18,254)	(24,699)
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 (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Cash Flows from Financing Activities		
Dividends Paid (11,430) (6,275) Consumer Contributions Received 807 606 Consumer Deposits Received (2,419) (2,609) Net Cash used in Financing Activities (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Proceeds from Borrowings	9,909	14,895
Consumer Contributions Received 807 606 Consumer Deposits Received (2,419) (2,609) Net Cash used in Financing Activities (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Repayment of Borrowings	(9,907)	(9,184)
Consumer Deposits Received (2,419) (2,609) Net Cash used in Financing Activities (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Dividends Paid	(11,430)	(6,275)
Net Cash used in Financing Activities (13,040) (2,567) (Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Consumer Contributions Received	807	606
(Decrease)/Increase in Cash and Cash Equivalents (1,214) 4,776 Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Consumer Deposits Received	(2,419)	(2,609)
Cash and Cash Equivalents, Beginning of Period 4,333 (899)	Net Cash used in Financing Activities	(13,040)	(2,567)
	(Decrease)/Increase in Cash and Cash Equivalents	(1,214)	4,776
Cash and Cash Equivalents, End of Period 3,119 3,877	Cash and Cash Equivalents, Beginning of Period	4,333	(899)
	Cash and Cash Equivalents, End of Period	3,119	3,877