

**St. Lucia Electricity Services Limited**  
**Statement of Cash Flows**  
**For the six-months ended June 30, 2005**  
**(Expressed in Eastern Caribbean Dollars)**

	Unaudited Six months to 30th June 2005 \$000's	Audited Full year to Dec 31st 2004 \$000's
<b>Cash flows from Operating Activities</b>		
Net Income Before Tax	20,821	38,752
Adjustments for		
Depreciation	11,305	21,905
Foreign Exchange Loss	48	0
Finance Charges	2,943	5,686
Loss/(Gain) on Disposal of Property, Plant and Equipment	(13)	(30)
Amortization of Consumer Contributions	(844)	(1,950)
Pension benefits	0	(412)
Dividend Adjustment	9	0
Operating Income before Working Capital Changes	34,270	63,951
Decrease/(Increase) in Accounts Receivable and Prepayments	(7,542)	(6,244)
Decrease/(Increase) in Inventories	(1,262)	(789)
(Decrease)/Increase in Trade and Other Payables	3,674	3,329
Cash Generated from Operations	29,139	60,249
Interest Paid	(3,662)	(5,662)
Income Tax Paid	(4,831)	(9,026)
Net Cash from Operating Activities	20,646	45,561
<b>Cash Flows from Investing Activities</b>		
Purchase of Available-for-Sale Financial Asset	(626)	(656)
Purchase of Property, Plant and Equipment	(12,942)	(42,881)
Proceeds on Disposal of Property, Plant and Equipment	13	30
Net Cash from Investing Activities	(13,555)	(43,506)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	9,909	26,764
Repayment of Borrowings	(7,438)	(13,612)
Dividends Paid	(11,407)	(11,113)
Consumer Contributions Received	448	803
Consumer Deposits Received	(2,549)	336
Net Cash used in Financing Activities	(11,037)	3,178
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(3,946)</b>	<b>5,232</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>4,333</b>	<b>(899)</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>388</b>	<b>4,333</b>