

ST. LUCIA ELECTRICITY SERVICES LIMITED
BALANCE SHEET
As at June 30, 2008

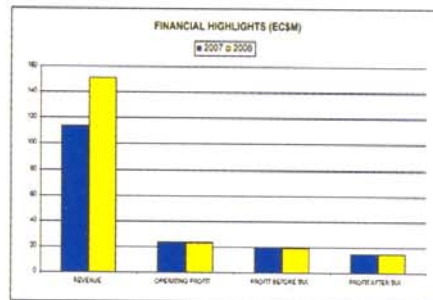
	Unaudited Jun 30 2008 EC\$ 000s	Audited Dec 31 2007 EC\$ 000s
Assets		
Non-Current		
Property, Plant and Equipment	295,019	302,549
Retirement Benefit Asset	3,274	3,274
Available-for-Sale Financial Asset	3,496	3,452
Total Non-Current Assets	301,788	309,275
Current		
Inventories	19,757	14,003
Income Tax Refundable	1,366	0
Trade and Other Receivables	58,961	46,267
Deferred Expenses	1,371	575
Cash and Cash Equivalents	168	3,149
Total Current Assets	81,622	63,994
TOTAL ASSETS	383,410	373,269
Equity and Liabilities		
Shareholders' Equity		
Stated Capital	80,163	80,163
Retained Earnings	74,733	59,678
Total Equity Attributable to Equity Holders	154,896	139,841
Retirement Benefit Reserve	3,274	3,274
Total shareholders' equity	158,170	143,115
Liabilities		
Non-Current		
Borrowings	107,288	107,288
Consumer Deposits	11,809	11,311
Deferred Tax Liabilities	29,232	29,232
Consumer Contributions	25,586	24,547
Total Non-Current Liabilities	173,915	172,378
Current		
Borrowings	16,951	22,083
Trade and Other Payables	34,224	25,277
Income Tax Payable	0	1,247
Dividends Payable	151	9,169
Total Current Liabilities	51,325	57,776
Total Liabilities	225,240	230,154
Total Equity and Liabilities	383,410	373,269

Director

Director

ST. LUCIA ELECTRICITY SERVICES LIMITED
STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2008

	Unaudited June 30 2008 ECS 000s	Unaudited June 30 2007 ECS 000s
Revenue		
Energy Sales	122,861	113,394
Fuel Surcharge Recovered	28,021	(222)
Other Revenue	585	520
	<u>151,466</u>	<u>113,691</u>
Operating Expenses		
Diesel Generation	10,288	9,671
Transmission and Distribution	15,122	14,436
Fuel Surcharge	90,763	55,884
	<u>116,173</u>	<u>79,990</u>
Gross Income	35,293	33,701
Administrative Expenses	11,612	10,518
Operating Profit	23,681	23,183
Other Gains	378	(3)
Profit Before Finance Costs and Taxation	24,059	23,181
Finance Costs	4,649	3,324
Profit Before Taxation	19,410	19,857
Taxation	4,828	4,964
Net Profit for the Period	14,581	14,892



less efficient generators during that period. We still expect to achieve the year end target.

System reliability has been excellent with the year to date system average interruption duration index (SAIDI) recorded as 2.54 hours, a dramatic improvement over the 5.3 hours recorded for the same period last year.



Mr. Marius St. Rose
Chairman

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

2007	ECS 000s Stated Capital	ECS 000s Retirement Benefit Reserve	ECS 000s Tariff Reduction Reserve	ECS 000s Retained Earnings	ECS 000s Total
Balance at December 31, 2006	80,163	2,850	-	53,932	136,945
Profit for the period	-	-	-	14,880	14,880
Balance at June 30, 2007	80,163	2,850	-	68,812	151,825
2008					
Balance at December 31, 2007	80,163	3,274	-	59,678	143,115
Profit for the period	-	-	-	14,581	14,581
Tariff reduction rebate adjustment	-	-	-	474	474
Balance at June 30, 2008	80,163	3,274	-	74,733	158,170

Interests of Directors, Chief Executive and their Associates.

Name	Ordinary Voting Shares
Mr. Marius St. Rose	34,100 shares
Mr. Trevor Louisy	2,514 shares
Stephen Mc Namara	1,000 shares

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

	Unaudited June 30, 2008 ECS 000s	Unaudited June 30, 2007 ECS 000s
Cash flows from Operating Activities		
Net Income Before Tax	19,410	19,857
Adjustments for:		
Depreciation	14,655	13,143
Finance Charges	4,554	3,324
Gain on Disposal of Property, Plant and Equipment	(184)	(1)
Amortization of Consumer Contributions	(750)	(742)
Operating Income before Working Capital Changes	37,685	35,578
Increase in Accounts Receivable and Prepayments	(12,694)	(9,685)
Increase in Deferred Expenses	(796)	0
Increase in Inventories	(5,754)	(1,947)
Increase/(Decrease) in Trade and Other Payables	8,947	(4,431)
Cash Generated from Operations	27,388	19,515
Interest Received	96	0
Interest Paid	(4,708)	(3,718)
Income Tax Paid	(7,442)	(2,900)
Net Cash from Operating Activities	15,334	13,282
Cash Flows from Investing Activities		
Purchase of Available for Sale Financial Asset	(44)	(643)
Purchase of Property, Plant and Equipment	(7,124)	(28,467)
Proceeds on Disposal of Property, Plant and Equipment	184	1
Net Cash used in Investing Activities	(6,984)	(29,110)
Cash Flows from Financing Activities		
Proceeds from Borrowings	0	39,163
Repayment of Borrowings	(9,798)	(15,534)
Decrease in Tariff Reduction Reserve	474	0
Dividends Paid	(9,018)	(4,221)
Consumer Contributions Received	1,789	1,807
Consumer Deposits Received/(paid) net	498	521
Net Cash (used in)/ from Financing Activities	(16,055)	21,736
(Decrease)/Increase in Cash and Cash Equivalents	(7,705)	5,908
Cash and Cash Equivalents, Beginning of Period	767	8,041
Cash and Cash Equivalents, End of Period	(6,938)	13,949