



Mission Statement

To run a reliable and efficient service;

to be a good corporate citizen in the

local environment and workplace

and to ensure a satisfactory dividend

stream for its shareholders.

People,
Power,
Progress



Corporate Information

St Lucia Electricity Services Limited (LUCELEC)

Registered Office	Head Office San Soucis John Compton Highway Castries, St Lucia Telephone: 1 (758) 452-2324 Fax: 1 (758) 452-1127 E-mail: lucelec@candw.lc
Auditors	PriceWaterhouseCoopers Pointe Seraphine P.O. Box 195 Castries, St Lucia
Attorneys-at law	Mc Namara & Company 20 Micoud Street Castries, St Lucia



Financial Highlights

	1999	1998
	\$' 000	\$' 000
Capital Investment	13,860	33,680
Operating Revenue	113,514	102,737
Fuel Surcharge Costs	24,678	22,695
Interest Expense	8,259	7,055
Net Profit after Taxation	18,601	13,075
Dividends Declared	11,819	8,341
Return on Rate Base	10.470%	8.151%
Earnings per Share (\$)	1.58	1.10
Dividend per Share (\$)	1.00	0.70
Dividends as % of net profits after tax	63.5%	63.8%
Debt/Equity Ratio	49/51	51/49

Operating Statistics

	1999	1998
Sales (MWh)	215,661	198,828
Customers	45,006	42,988
Peak Demand (MW)	41.0	37.2
Installed Capacity (MW)	59.9	59.9

Chairman's Report

Challenges for the New Millennium

Lucelec performed very successfully during 1999. The number of units of power sold was 8.5% above the level for 1998 and was even 5.1% above the budget for 1999. A number of factors contributed to this performance not least of which was the significant increase of 2000 new customers who were connected to the system as a result of the intense rural electrification program undertaken by the company. Some upsurge in economic activity also played a major part in boosting the demand for power. That improvement was being manifested particularly in the tourism and construction sectors. Also contributing to this performance was the virtual stability in the price of power, at least in real terms, and the significant expansion of the company's installed power capacity.

This performance translated to a profit level before tax of \$26.9M, an increase of 34% above the level for last year. These results allowed the company to come close to generating the statutorily determined rate of return while making a significant contribution of \$7.3M to Government revenue through corporate income tax as compared to under \$1M in 1998.

The company successfully faced the challenge of the so-called "millennium bug". Through proper planning and diligent implementation the company was able to ensure an uninterrupted and reliable power supply to the country. But that challenge was just the beginning of the many challenges the company would have to

anticipate and prepare for in the years ahead. From my perspective I see the major challenges as:

- ensuring consumer satisfaction;
- reducing tariff levels in real terms;
- generating stable and steady growth in operations;
- maintaining investor confidence;
- enhancing good governance and management; and
- nurturing good stakeholder relations.

I will address each of these in turn.

Customer Satisfaction

The raison d'être for Lucelec's existence is to satisfy St. Lucia's demand for electric power. We recognize this as being able to provide customers with a safe, reliable, efficiently generated and distributed and competitively-priced source of power. We have been doing this at levels of financial and operational efficiencies that compare quite favorably not only with similarly-placed utilities in the Caribbean but even with larger utilities in developed economies. But we recognize that maintaining, and even exceeding, these performance standards should be a challenging goal for the company. And this is a challenge that we embrace.

We see the challenge as going beyond the mere physical and quantitative provision of power. We recognize that our customers are becoming more sophisticated and demanding and are increasingly expecting more courteous and efficient service. They want their problems and concerns to be handled more promptly and with greater empathy. They want to be kept abreast and informed of developments in the company, the problems that the company faces and the reasons why certain policy actions are taken. They will also want the company to set progressively higher standards and goals in the company's Customer Charter. Our challenge, therefore, is not only to provide reliable power cost-effectively to our customers but also for our customers to be manifestly satisfied in the service that we provide.

Tariff Reduction

Reducing tariffs in real terms will be a major challenge for Lucelec. We will need to demonstrate that the application of efficient technologies, the

Chairman's Report (cont'd)

continual training to improve staff efficiency and productivity, the completion of the rural electrification program and the attainment of critical mass and economies of scale do translate into reduced per unit cost of supplying power. If it does not there could be queries about the utility of investing in training and cutting edge technology. Areas that suggest themselves for improvement include: technical and non-technical loss reductions; improving efficiencies in fuel utilization through the use of state of the art technology; cost-effective outsourcing of services; more streamlined administrative system and procedures; and improved financial leveraging to reduce the cost of capital to the company.

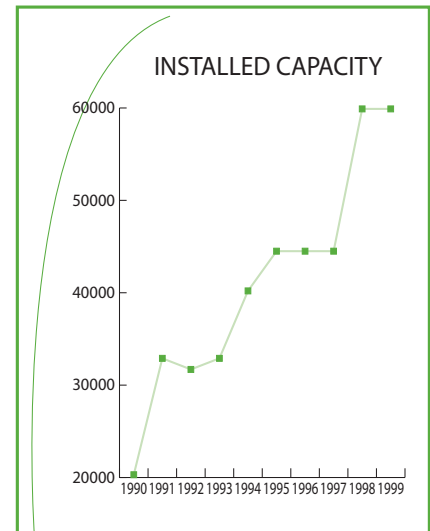
On this issue of tariff reduction I wish to take this opportunity to comment on the very popular misconception that the company is imposing a higher than necessary rate or charge, through the fuel surcharge, for fuel used. Unfortunately the term 'surcharge' is misleading and can give the impression of a penalty or additional cost. In practice, however, the fuel surcharge is basically the full cost of fuel used in the generation of power. Whatever these costs they are simply passed on to the consumer that is with the company not making any profit on it or imposing any additional charge. In fact, an analysis of the company's audited financial statement would show that the cost of fuel to the company is roughly equal to the fuel surcharge paid by consumers. The reason why these fuel charges have, so far, not been incorporated in the tariff is because of the possible very wide swings in international fuel prices within a period of a year and the fact that tariffs are fixed annually. If the fuel costs for the year were simply estimated at the beginning of the year and incorporated into the tariff it could result in the consumer paying more than necessary when fuel prices fall below the estimated value. Conversely, it could result in the company incurring a loss when the estimated fuel price is lower than the

current price. The existing fuel surcharge formula, which is widely used internationally, is the most equitable arrangement but other arrangements can be devised and will be looked at to address this misconception.

Stable Growth

Like most companies Lucelec's objective is to

achieve steady growth in its operations. The company is achieving this objective by many means including its attempt to make electric power available to all St. Lucians who desire the service. So far the company estimates that over 98% of households and virtually all business establishments are connected to the system. Given the nature of the company's product and restricted geographical service area the company's growth in operations can only be achieved through an expansion in general economic activity. Such economic growth would result not only in more enterprises requiring electric power but also in increasing incomes that have a very elastic impact on the demand for power. Thus the company's growth is closely intertwined with the growth in the economy and the sale of power is a good indicator of the level of economic activity and buoyancy.



The company, like other progressive and proactive enterprises, must try to seek out other avenues for sustaining its long run growth. There will be a need to explore other avenues to seek potential opportunities in additional but related areas that the company can get involved in, for example in solar power, telecommunication and water and

Chairman's Report (cont'd)

sewerage sectors in strategic alliances. In addition, the company could consider developing broader ownership and service contract arrangements in and with other power utilities in the region particularly in the smaller countries.

Investor Confidence

A power system is very capital intensive and requires a considerable amount of investment that has to come from either shareholders or creditors. Both groups of financiers require assurances that not only will their capital appreciate in value and/or be repaid but also that they will earn a fair return on their investments commensurate with the risks they have perceived to take in the company. The higher the investor's perception of risk the higher will be the cost of capital and, correspondingly, the level of tariffs charged. So far, the company has been very successful in raising its capital requirements at comparatively very low costs. That this has been so is the result of investor confidence in the company. This confidence has come about as a result of a well leveraged financial structure, sound management and efficiency in operations, a transparent and established automatic mechanism for determining tariff levels, a well established and internationally recognized strategic investor partner, and the absence of controversy and adverse publicity around the company. The company's challenge will be to ensure that this favorable investor environment is maintained and even enhanced. This will be particularly necessary in a global environment where the competition for financing is becoming very intense and where very lucrative opportunities for generating attractive returns are becoming increasingly available as a result of globalization, liberalization, technology and innovation.

Sound Management

The company's success in facing up to the many challenges will be largely dependent on the quality of management. Management will have to be even more visionary, tenacious, proactive, responsive and creative. Not only will Management have to continue to optimize the use of the man and material available to it but it will also have to manage the delicate and sometimes complex relations between various vested interests while ensuring customer satisfaction.

The company recognizes that this will become an even greater challenge given the high and increasing expectations of customers and other stakeholders, the rapid changes being made in the development of technology and the ever changing paradigms in Management science reflecting the increasing complexity of the management environment.

We are very aware of these expectations and are continually equipping our Management and staff through training, goal setting, performance incentives, adoption of best practices, and other means to cope with these challenges.

Stakeholder Relations

More than most companies Lucelec interfaces with many stakeholders or groups who have a direct or indirect interest in its activities. Some of the major ones are customers who expect safe, reliable and competitively priced electric power and good customer service; staff who want a pleasant, challenging and rewarding working environment that offers opportunities for personal growth and development; Government with its concern that the terms of the company's mandate are satisfied, that the company is making an optimum contribution to social and economic development and that the wider community is satisfied with the service; and financiers/investors who expect a fair return on their investments. The company has succeeded in the past in maintaining these relations and will endeavor to continue improving on these relations.

Conclusion

Lucelec has the capacity and commitment to meet these continuing challenges and will not shirk from its responsibility. Our goal is to be a model utility worthy of emulation, a source of pride for its workers and St. Lucians and a major contributor to the economic and social development of St. Lucia. To these goals we pledge and will work assiduously to deliver on them.



Mr. Marius St. Rose
Chairman

DIRECTORS'

R e p o r t

Financial Results

The operations of St Lucia Electricity Services Limited yielded an increase in sales of 8.5% for the year ended December 31, 1999. This resulted in net income before tax of \$26,862,700 and net income after tax of \$18,601,414. Peak demand increased to 41,000kW while system losses decreased from 12.0% in 1998 to 11.6% in 1999. The number of customers served by the company increased by 4.7%, from 42,988 in 1998 to 45,006 this year.

During the year, fixed asset expenditure totalled \$13,859,833. The company spent \$2,685,318 (19.4%) on the rural electrification program, which the company has fully undertaken, and \$3,350,992 (24.2%) on generation unit # 7, (an additional generator, which the company is in the process of installing). The company repaid \$11,087,399 in long-term loans during the year.

Dividends

The directors are recommending a final dividend of \$0.60 per share to shareholders of record at December 31, 1999 having agreed to and paid an interim dividend of \$0.40 per share.

Directors

Since the last annual general meeting, Mr. Justin Braithwaite retired from the Board of Directors and was replaced by Mr. Michael Hogan who was appointed by the CDC Group plc. The appointment was made in accordance with Article 73B of the Articles of Association.

Management

The Board for Directors would like to record its appreciation for the excellent performance which the Management and Staff achieved during the year. The Board would also like to place on record its appreciation for the significant contribution made by Mr. John C. Joseph, who resigned as Financial Controller effective December 31, 1999, after providing 21 years of service to Lucelec to assume the chief executive position of a sister utility.

By order of the Board.

Cathy-Ann Wright-Auguste
Company Secretary

BOARD OF DIRECTORS

Back row from left to right:

- Mr. Irving John
Director
- Mr. Michael Hogan
Director (from 06.01.2000)
- Mr. David Bishop
Director
- Mr. Bernard C. Theobalds OBE
Managing Director

Front row from left to right

- Mrs. Ingrid Skeritt
Director
- Mr. Marius St. Rose
Chairman
- Ms. Zenith James
Director
- Mr. Joel Huggins
Director

Inset from left to right

- Mr. Justin N. Braithwaite
Director (up to 15.12.99)
- Mrs. Patricia Downes-Grant
Director
- Mrs. Cathy-Ann Wright-Auguste
Company Secretary

MANAGEMENT TEAM

From top: left to right:

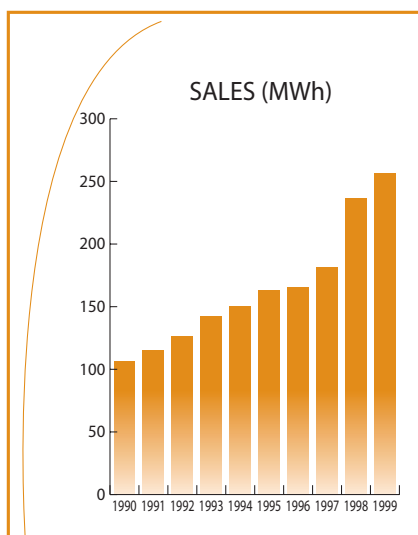
- Mr. Bernard C. Theobalds OBE
Managing Director
BSc. (Elec. Eng.) Dip. A&F
- Mr. John C. Joseph
Financial Controller
BSc. (Econ.) MBA.
- Mr. Dalkeith Foster
Information Systems Manager
BSc. (Info. Sys.) MA. (Mgmt. Sys.)
- Mr. Timothy Chaderton
Personnel and Training Officer
BSc. MBA.
- Ms. Jennifa R. Flood
Customer Service Manager
BSc. (Mgmt)
- Mrs. Nicole (Edmunds) Du Boulay
Training Manager
B.A. (Psych) MBA
- Mr. Marcellus Phillip
Chief Accountant
BSc. (Acct.) FCCA
- Mrs. Cathy-Ann Wright-Auguste
Company Secretary/Internal Auditor
BSc. (Acct.) CGA
- Dr. Frederick N. Isaac
Planning and Projects Engineer
BSc. M.Sc. PhD
- Mr. Victor Emmanuel
Generation Engineer
BEng. (Elec.) MSc.
- Mr. Trevor Louisy
Chief Engineer
BSc (Elec. Eng.)
- Mr. Goodwin L. d'Auvergne
System Control Engineer
BSc (Elec. Eng.)
- Mr. Francis Daniel
Transmission and Distribution Engineer
BSc (Elec. Eng.)

Review of 1999 Operations

Net income before tax increased by 34.3% over 1998 to a record \$26.9m. This increase is largely attributable to an 8.5% expansion in unit sales. The achieved return on rate base was 10.47%, compared with 8.15% for the previous year. The difference of 1.01% between the achieved rate and the allowable rate of return of 11.48% for 1999 resulted in a tariff increase of 0.411 cents per kWh. Earnings per share grew from \$1.10 in 1998 to \$1.58 in 1999, while the debt:equity ratio was 49:51 at 31.12.99.

A current tax liability of \$7.3m has been incurred for the year. The company has fully exhausted its tax losses from previous years and capital allowances for the year were lower because of a smaller capital expansion programme. A deferred tax liability of \$1.0m was also recorded for 1999.

Sales volume for the year, at 215,661,230 kWh, grew by 8.5% over last year (1998 – 198,827,741 kWh), while the total number of customers grew by 2,018 or 4.7% to 45,006. Two major factors contributing to overall growth in sales were the continuing expansion of the housing stock coupled with the effect of the rural electrification programme. Also, the average annual consumption per customer increased by 3.6% over 1998. The commercial sector recorded a 13.3% growth in sales, reflecting a general increase in activity throughout the sector. The hotels sector grew by 6.9%, while the industrial and domestic sectors increased by 5.4% and 5.1% respectively. Street lighting also grew by 11.6%.

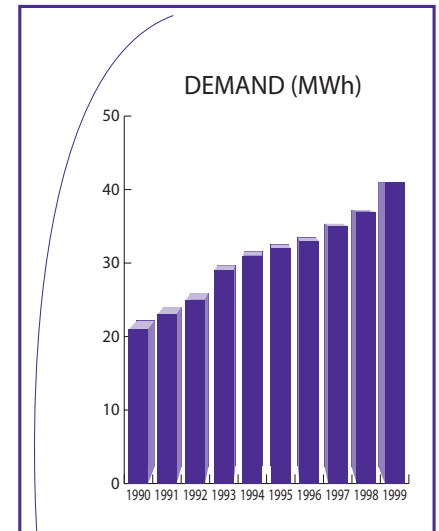


At the end of the year, there was a significant increase in the amounts due by the government and its agencies for electricity consumption. The amounts outstanding represented 43.3% of trade receivables (1998 – 32.1%). Negotiations are continuing with

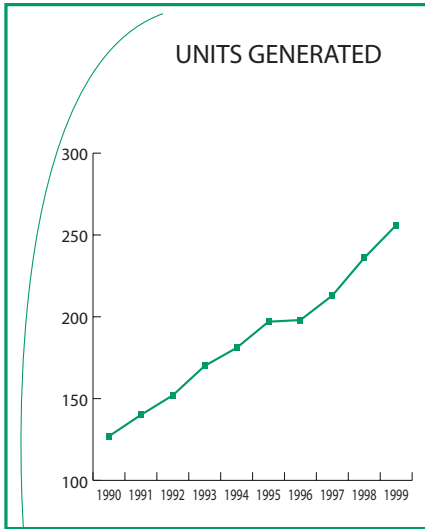
these agencies with a view to substantially reducing the amounts owed early in the new year.

The cost of operations for the year, including provision for depreciation and interest on loans, amounted to \$86.7m compared with \$82.7m in 1998 – an increase

of \$4.0m. This increase was primarily due to higher fuel costs associated with the expansion in sales and sharp increases in the international price of fuel towards the second half of the year. There was an increase in interest payments as interest charges on loans associated with the expansion project have been expensed this year. These were partially capitalized in 1998 during construction of the power station facility at Cul de Sac. Depreciation charges were also up, again reflecting a full year's depreciation on the new power station facility, together with associated plant. Administration expenses have increased by \$1.7m, reflecting increases in staff costs, training, insurance premiums etc. These are detailed in Note 13 of the Notes to the Financial Statements.



Generation Operations



During 1999 Generation operations surpassed all previous indicators. The company recorded a first ever breakdown free year while at the same time setting new records for fuel efficiency and plant availability. A record 234 million units

were produced and demand peaked at 41,000 kilowatts.

During the year the price of diesel fuel, used in generation, oscillated widely. The year began with prices at their lowest for almost a decade, and ended more than two times higher. This was reflected in the surcharge rates customers were charged.

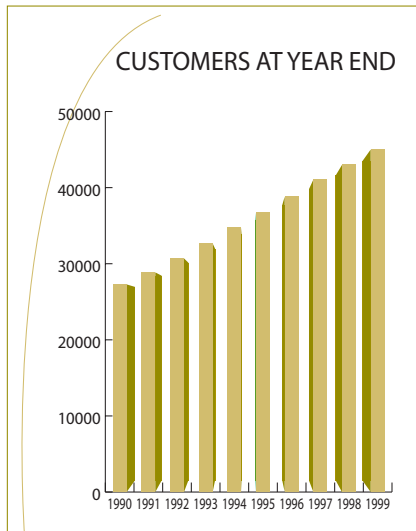
Fuel costs represent over 40% of operating costs. Cul de Sac power station remained the mainstay of operations, though the aging Union Power Station was held in availability in case of need. The even older Vieux Fort Power Station was decommissioned at the end of 1998 and discussions are currently in progress with a potential overseas buyer for the retired plant.

Cul de Sac remains a state of the art station, where the facilities and sophistication can compare with any in the world. The performance and reliability of the new Wartsila diesel generators have been superlative, and the system operates in very marked contrast to earlier periods which were plagued with teething difficulties. The earlier problems with the MaK machines were also completely resolved and the company can now boast one of the finest generating systems in the region.

The company has been engaged in a continuing and extensive programme of training for its employees, to equip them to function in a highly sophisticated atmosphere. Almost every facet of operations requires knowledge of and capability with computer systems.

Demand for electricity grew strongly, almost 10% in 1999, and indications are that this will continue in the medium term. To meet this requirement the company contracted with Wartsila to install another diesel unit at Cul de Sac, to be commissioned before end 2000. This will bring the installed capacity at Cul de Sac to 56,800 kilowatts, sufficient to meet the demand for at least the next two years at current growth rates.

System Control



System Control was formed with a view to co-ordinating the various facets of system operation, and in particular to manage the unified transmission and generating systems introduced in 1990.

This year the department co-ordinated the operations of Cul de Sac and Union power stations,

with a transmission and distribution system serving six 66 kV substations and over 1000 miles of overhead lines.

During the year, a contract was awarded to the US company NELES Automation, to provide an enhanced computerised SCADA (System Control and Data Acquisition) system capable of significantly improving the capability to manage an increasingly sophisticated network from a central console.

Transmission and Distribution

The critical transmission and distribution system generally fared well, though problems caused by saline pollution and heavy rains continued to cause disruption.

During the year more than 1600 poles were replaced and 58 miles of new lines constructed. Significantly, system losses continued to fall and we were on target to achieve

single digit losses in the short term. The company continued to provide for major rural electrification, and by year-end had connected more than 98% of all households to the system. Domestic consumption comprises more than one-third of all electricity sales.

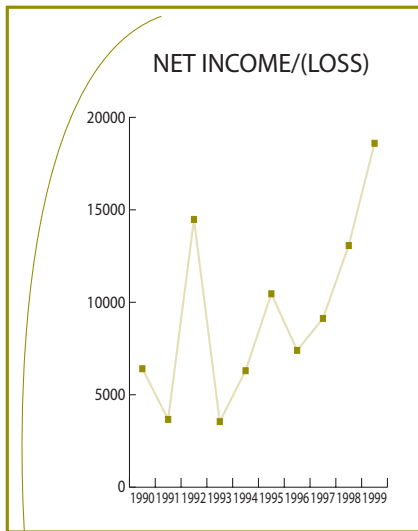
In keeping with commitments in the company's Customer Service Charter, planned line outage times were being steadily reduced, and when necessary at least two days' notice of any interruption was provided.

During the year, the company issued a major contract to the UK firm Clough Smith, to build a new 66 kV line to the north, extend Reduit Substation, and build a new 66 kV substation on the East Coast near Dennery. The work is expected to be completed early in 2001.

Planning & Projects

In order to provide for an orderly and systematic development, the company created a Planning and Projects department in 1998. This department is now headed by Dr. Fred Isaac, responsible directly or with the support of external consultants, for all technical programmes.

The department has been functioning as the springboard for various studies and development plans and identified and justified the following programmes, which are currently being implemented.



- Northern Transmission Expansion & Praslin Substation, to meet the need for secure and reliable power in the north and east of the island.
- SCADA system replacement, to provide for the centralised management and control of the transmission system.

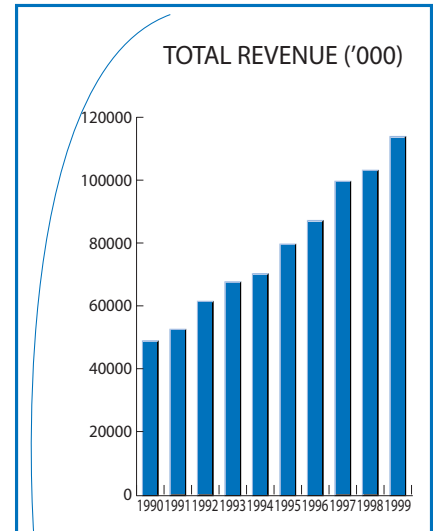
- Generation Expansion - provision of a fourth diesel generator at Cul de Sac.
- Primary & Secondary Underground Design, Construction and Maintenance Standards Development. This is to address the need to secure the supply to urban centres against hurricane and other sources of interruption.

A highlight of the work of the department has been the annual load and sales forecast normally completed during the first quarter of each year. This forecast has been used as the basis for many systems analyses and studies. By the end of the year an actual maximum demand of 41,000 kW can be compared with the predicted forecast of 40,750 kW.

The department was also engaged in an exercise to model the system both at 11 kV and 66 kV using sophisticated computer software. To date some studies have been carried out and the results obtained have been used for small protection studies and other analyses to improve system reliability.

Future exercises include:

- Completing a 15-year development plan
- Comprehensive Transmission & Distribution Studies for stability, protection and security assessments.
- Introducing distribution automation.
- Designing and constructing underground distribution systems.
- Introducing more rigorous distribution management and fault reporting systems.
- Introducing new technologies and materials.



The next few years will be very challenging as well as rewarding. The company will require to prepare itself for the major changes expected in the power environment including deregulation, new metering technologies, power quality concerns, distributed generation and alternative energy technologies.

The department's motto is to **"be proactive in addressing all issues"**.

Administration and Finance

The company utilises the IBM AS/400, one of the most advanced computer systems available today, for its billing operations. This, together with the ORCOM software module, provides a capability to effectively manage the almost 45,000 existing customer accounts.

Alternate month meter reading for domestic accounts was introduced in 1998, and this currently saves more than EC\$0.15m in costs annually; however, some customers have not completely accepted the change, and this is a concern the company will need to explain more fully.

The ORCOM software module also allows a fully integrated solution in accounts, greatly simplifying the collation and analysis of critical data and the presentation of timely information.

During the year, computer facilities were greatly expanded through the company, providing all operating centres access to the information they need to manage in an increasingly demanding environment. The company's intranet is now an indispensable tool in everyday use.

Currently all customer enquiries can only be made at the company's offices at Castries and Vieux Fort, though payments can be made at a number of banks and other locations around the island. To address the need for more and better access, the company is currently considering an expansion of the computer network to provide for customer needs at all the main population centres on the island. Also in preparation is the company's own web page and facilities for greater use of the Internet as a business tool.

The company is committed to reducing the cost of operations at all levels and one important consideration is the outsourcing of those functions, which can be done effectively, but less costly than with internal resources. This and other initiatives now being considered, will prepare the company for the challenges and changes the future is expected to bring in.

Happily, the company experienced the millennium date change without a single computer related incident.

Human Resources

The company employed 244 permanent employees on December 31, 1999 and the fact that it is seen as an employer of the first rank is reflected in the more than 1000 applications for employment received during the year.

All employees are required to have a formal qualification for employment, and almost 10% are professionally qualified to degree level. There is an in-house training capability for all but the most skilled professional needs, and the company can boast that every one of its employees is a national of St. Lucia. There is a continuing focus on the need to prepare for the future and all the company's training programs place a high priority on this.

The health and welfare of employees remain paramount, and the Health, Safety, and Environmental regulations were further strengthened during the year. A Safety Officer was appointed in 1999 and the company continued free and private screening for diabetes and hypertension. A comprehensive medical scheme remains in effect, and the company also provided medical assistance overseas for four employees suffering from life threatening illnesses. The company intends to review the medical scheme to provide for greater coverage for major medical expenses of staff.

Training and development of employees remains a cornerstone of the company's Human Resources policy. Training dollars reached 0.94% of total annual revenues, the highest ever to date, against the company's target of 1%. More than 30% of all employees were engaged in some form of formal study during the year, and virtually the entire workforce was computer literate by year-end.

During the year, the Board approved an employee computer ownership assistance scheme, which was overwhelmingly subscribed to.

Initiatives were introduced during the year to assist with the development of a

“learning culture” throughout the company. Extensive library services were provided together with Internet facilities, freely accessible by all employees to encourage self-learning. The company continued its pledge of financial support to employees for relevant educational programmes, and reinforced the learning culture by introducing policies that made self-development a necessity for promotion.

The very successful vacation work scheme, which has given opportunity to hundreds of students to gain valuable work experience, was maintained. This has also provided a useful database of potential recruits.

The company continued its support for a wide range of

deserving programmes in sport and charity, and commenced this year a programme to provide schools with computer facilities. This will be continued in future periods.

The company’s long serving Financial Controller, Mr. John Joseph, resigned from the company at year-end. Chief Accountant Mr. Marcellus Philip was temporarily assigned to fill the post.

PriceWaterhouseCoopers

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February 9, 2000

Auditors' Report**To the Shareholders of
St. Lucia Electricity Services Limited**

We have audited the accompanying balance sheet of **St. Lucia Electricity Services Limited** as of December 31, 1999 and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

**Chartered Accountants**

Balance Sheet
As of December 31, 1999
(expressed in Eastern Caribbean dollars)

	1999	1998
	\$	\$
Assets		
Current assets		
Cash and fixed deposits (note 3)	4,105,290	9,518
Accounts receivable and prepaid expenses (note 4)	32,706,609	23,498,742
Inventory	14,918,708	12,816,717
Investments	-	3,000,000
	51,730,607	39,324,977
Fixed assets (note 5)	238,027,980	241,148,710
	289,758,587	280,473,687
Liabilities		
Current liabilities		
Bank overdraft (note 6)	6,615,419	5,103,322
Accounts payable and accrued expenses	8,822,861	11,144,936
Income tax payable	4,655,707	951,787
Current portion of long-term debt (note 7)	12,955,652	11,087,357
Dividends payable	12,265,543	9,208,396
	45,315,182	37,495,798
Long-term debt (note 7)	88,047,381	95,117,317
Consumer deposits (note 8)	7,488,034	6,874,532
Deferred tax liability (note 9)	26,700,079	25,694,500
	167,550,676	165,182,147
Redeemable preference shares (note 10)	1,517,660	2,276,490
Shareholders' Equity		
Ordinary share capital (note 11)	80,162,792	80,162,792
Consumer contributions (note 12)	22,340,384	21,447,637
Retained earnings	18,187,075	11,404,621
	120,690,251	113,015,050
Contingent liability (note 18)	289,758,587	280,473,687

Approved by the Board of Directors

_____ Director

_____ Director

Statement of Income
For the year ended December 31, 1999
(expressed in Eastern Caribbean dollars)

	1999	1998
	\$	\$
Revenue		
Energy sales	87,922,576	79,202,607
Fuel surcharge recovered	24,878,356	22,858,611
Other revenue	713,685	675,517
	113,514,617	102,736,735
Operating expenses		
Diesel generation	19,948,951	21,531,551
Transmission and distribution	18,865,466	18,250,242
Fuel surcharge	24,677,849	22,694,513
	63,492,266	62,476,306
Gross income	50,022,351	40,260,429
Administrative expenses (note 13)	14,906,242	13,230,610
Net operating income (note 14)	35,116,109	27,029,819
Other expenses/(income)		
Interest expenses	8,259,403	7,055,055
Realised foreign exchange (gain)/loss	(4,970)	57
Gain on disposal of fixed assets	(93,724)	(25,440)
Loss on disposal of investment	92,700	-
	8,253,409	7,029,672
Net income before tax	26,862,700	20,000,147
Income tax		
Current	7,255,707	951,787
Deferred	1,005,579	5,973,804
	8,261,286	6,925,591
Net income for the year	18,601,414	13,074,556
Earnings per share (note 19)	1.58	1.10



Statement of Retained Earnings

For the year ended December 31, 1999

(expressed in Eastern Caribbean dollars)

	1999	1998
	\$	\$
Retained earnings – beginning of year		
As previously stated	11,404,621	26,391,662
Change in accounting policy (note 9)	–	(19,720,696)
As restated	11,404,621	6,670,966
Net income for the year	18,601,414	13,074,556
Ordinary dividends declared		
Interim	(4,688,000)	(2,930,000)
Final	(7,032,000)	(5,274,000)
Preference dividends declared	(98,960)	(136,901)
Retained earnings – end of year	18,187,075	11,404,621

Statement of Cash Flows

For the year ended December 31, 1999
(expressed in Eastern Caribbean dollars)

	1999 \$	1998 \$
Cash flows from operating activities		
Net income before tax	26,862,700	20,000,147
Adjustments for		
Depreciation	16,974,193	13,857,390
Interest expenses	7,956,789	6,705,972
Interest on consumer deposits	302,614	349,083
Gain on disposal of fixed assets	(93,724)	(25,440)
Loss on disposal of investment	92,700	-
Amortization	(1,526,287)	(1,395,706)
Operating income before working capital changes	50,568,985	39,491,446
(Increase)/decrease in accounts receivable and prepaid expenses	(9,207,867)	2,283,352
Increase in inventory	(2,101,991)	(4,068,807)
Decrease in accounts payable and accrued expenses	(2,076,411)	(1,908,132)
Cash generated from operations	37,182,716	35,797,859
Interest paid	(8,253,935)	(6,471,596)
Income tax paid	(3,551,787)	-
Net cash from operating activities	25,376,994	29,326,263
Cash flows from investing activities		
Purchase of fixed assets	(13,859,833)	(33,680,215)
Proceeds on disposal of investments	2,907,300	-
Proceeds on disposal of fixed assets	100,094	25,440
Net cash used in investing activities	(10,852,439)	(33,654,775)
Cash flows from financing activities		
Repayment of long-term debt	(11,087,399)	(27,582,979)
Proceeds from long-term debt	5,885,758	20,376,750
Dividends paid	(8,761,813)	(6,964,064)
Preference shares redeemed	(758,830)	(758,830)
Consumer contributions received	2,419,034	2,836,603
Consumer deposits received/(applied)	362,370	(125,987)
Net cash used in financing activities	(11,940,880)	(12,218,507)
Decrease in (bank indebtedness)/net cash	2,583,675	(16,547,019)
(Bank indebtedness)/net cash - beginning of year	(5,093,804)	11,453,215
Bank indebtedness - end of year	(2,510,129)	(5,093,804)
Bank indebtedness comprises		
Cash and deposits	4,105,290	9,518
Bank overdraft	(6,615,419)	(5,103,322)
	(2,510,129)	(5,093,804)



Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

1 Status of company, principal activity and operations

The company was incorporated under the Commercial Code of St. Lucia on November 9, 1964 and re-registered as a public company on August 11, 1994. The company was also re-registered under the Companies Act of St. Lucia on October 22, 1997. The company operates under the Electricity Supply Act No. 10 of 1994 (which repealed the Electricity Supply Ordinance 1964, as amended), and has an exclusive licence for the exercise and performance of functions relating to the supply of electricity in St. Lucia.

2 Summary of significant accounting policies

Provision for bad debts

The provision for bad debts is based on the specific identification of disconnected accounts and other accounts in arrears. Accounts are written off against the provision when they are considered to be uncollectible.

Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Fixed assets

Fixed assets are stated at historical cost.

Depreciation is provided over the estimated useful lives of depreciable assets on the straight-line basis using the following annual rates:

Buildings	2.5 - 12.5%
Plant and machinery	5 - 14%
Motor vehicles	20 - 33.3%
Furniture and fittings	12.5 - 25%

No depreciation is provided on work-in-progress until the assets involved have been completed and are put into use.

Investments

Investments are shown at cost less any provision for permanent diminution in value.

Deferred income tax

Deferred income tax is accounted for using the liability method whereby the future tax liability resulting from timing differences is provided for at the current income tax rate.

Consumer contributions

In certain specified circumstances, consumers requiring line extensions are required to contribute the estimated capital cost of the extension. These contributions are recorded in shareholders' equity and are amortised over the estimated useful lives of the relevant capital cost at an annual rate of 5%. The annual amortization of consumer contributions is deducted from the depreciation charge provided in respect of the capital cost of these line extensions. Contributions in excess of the applicable capital cost of line extensions are recorded as other revenue in the period in which they are completed. The capital costs of consumer line extensions are included in fixed assets.

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

2 Significant accounting policies ...continued**Revenue recognition**

Revenue from energy sales is based on meter readings which are carried out on a rotational basis throughout each month. A provision equal to 50% of the current month's billings, excluding the fuel surcharge, is made to record unbilled energy sales at the end of each month. The provision for unbilled sales is included in accrued income.

In addition to the normal tariff rates charged for energy sales, a fuel surcharge is calculated which is based on the difference between the actual cost of fuel per unit used to generate energy sales in the current month and the established base price of fuel per unit as at July 1, 1973. The surcharge is recovered by applying the months surcharge rate to units billed in the following month. The provision for unbilled fuel surcharge is included in accrued income.

Translation of foreign currencies

Current assets and all liabilities denominated in foreign currencies are translated into Eastern Caribbean dollars at exchange rates prevailing at the balance sheet date or forward contract rates where applicable. Revenues and expenses denominated in foreign currencies are translated at exchange rates prevailing on the dates the transactions occurred. Realised and unrealised exchange gains and losses arising on translation of assets and liabilities are included in current operations.

3 Cash and deposits

Bond proceeds of US\$1,519,434 were drawn down in December 1999 from the Royal Merchant Bank and Finance Company Limited (Note 7). These funds are to be disbursed to meet commitments in respect of the purchase of a further generation set at the Cul de Sac Power Station which will be commissioned in 2000.

4 Accounts receivable and prepaid expenses

	1999	1998
	\$	\$
Trade receivables	24,690,001	17,427,145
Accrued income	6,513,345	4,966,892
Staff loans	248,569	287,710
Other receivables	1,649,716	982,249
Prepaid expenses	327,348	285,778
	33,428,979	23,949,774
Less: provision for doubtful receivables	722,370	451,032
	32,706,609	23,498,742

Trade receivables include amounts due from Castries City Council of \$13,268 (1998 - \$54,883) and from the Government of St Lucia and its agencies of \$10,797,289 (1998 - \$5,574,908).

Accrued income represents \$3,645,939 (1998 - \$3,445,281) provision for unbilled sales, and \$2,867,406 (1998 - \$1,521,611) provision for unbilled fuel surcharge.

Other receivables include amounts due from the Government of St. Lucia of \$482,928 (1998 - \$293,316).

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

5 Fixed assets

	Land & Buildings \$	Plant & Machinery \$	Motor Vehicles \$	Furniture & Fittings \$	Work in Progress \$	Total \$
Cost						
As at January 1, 1999	59,201,210	271,975,527	3,033,407	5,725,250	507,193	340,442,587
Additions in the year	199,517	2,570,728	767,590	636,612	9,685,386	13,859,833
Disposals in the year	-	-	(317,270)	-	-	(317,270)
Transfers in the year	-	6,323,408	-	-	(6,323,408)	-
As at December 31, 1999	59,400,727	280,869,663	3,483,727	6,361,862	3,869,171	353,985,150
Accumulated depreciation						
As at January 1, 1999	10,252,931	83,284,507	2,595,983	3,160,456	-	99,293,877
Charge for the year	1,392,010	14,390,826	375,143	816,214	-	16,974,193
Disposals for the year	-	-	(310,900)	-	-	(310,900)
As at December 31, 1999	11,644,941	97,675,333	2,660,226	3,976,670	-	115,957,170
Net book value						
As at December 31, 1999	47,755,786	183,194,330	823,501	2,385,192	3,869,171	238,027,980
As at December 31, 1998	48,948,279	188,691,020	437,424	2,564,794	507,193	241,148,710

The company carries insurance coverage on its main assets and transmission and distribution system on a group basis with two neighbouring islands electricity utility companies. Combined liability is limited to \$250,000,000 for each and every event and in aggregate for all three utilities. Liability on the external transmission and distribution system which is included in fixed assets at an historical cost of \$119,984,394 at December 31, 1999 is limited to an annual aggregate of \$45,000,000 for all three utilities.

The company also carried breakdown insurance coverage of \$30,000,000 per occurrence for certain of its generating sets which are included in fixed assets at an historical cost of \$100,652,421.

Fixed assets additions in the year include capitalised interest charges totalling \$783,265 for plant and machinery.

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

6 Bank overdraft

The company has an overdraft facility of \$5,000,000 with Barclays Bank PLC which currently bears interest at 11% per annum. The overdraft is secured along with the long-term loans (Note 7).

7 Long-term debt

	1999 \$	1998 \$
CDC Group plc Loan repayable by September 2002 in 24 semi-annual instalments in Pounds Sterling and bears interest at 8.5% per annum*	10,868,956	14,491,942
National Insurance Board (NIB) Loan repayable by 60 quarterly instalments and bears interest at 8% per annum	12,678,866	13,584,500
Loan repayable by June 2002 in 20 semi-annual instalments and bears interest at 9% per annum.	1,250,000	1,750,000
Loan repayable by December 2002 in 24 semi-annual instalments and bears interest at 7.5% per annum	1,400,002	1,866,668
European Investment Bank (EIB) Loan repayable by December 2001 in 22 semi-annual instalments in Pounds Sterling, Swiss Francs and Japanese Yen and bears interest at 5% per annum*	2,008,529	2,940,713
Loan repayable by December 2007 in 22 semi-annual instalments in Pounds Sterling, US Dollars and Japanese Yen and bears interest at 5.15% per annum*	5,996,145	6,692,557
Loan repayable by 24 semi-annual instalments in US dollars commencing in April 2000 and bears interest at the greater of 3% per annum and the Bank's average borrowing rate reduced by an annual subsidy of 3.63% per annum	24,191,268	24,191,268
The Royal Bank of Canada, Barclays Bank PLC, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia and National Commercial Bank of St. Lucia Limited (Bank Consortium) Five loans of \$2,000,000 ranking pari passu repayable in 40 quarterly instalments commencing in 1996 and bearing interest at 1% above base rate per annum.	6,250,000	7,250,000
Amount b/f	64,643,766	72,767,648

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

7 Long-term debt ...continued

	1999 \$	1998 \$
Amount c/f	64,643,766	72,767,648
Royal Merchant Bank and Finance Company Limited		
Floating rate non-callable bond issued at 98.5%. Principal repayable over ten years with a one-year moratorium followed by thirty-six equal quarterly payments. Interest is payable quarterly at the average of the Eastern Caribbean Dollar Prime rates of Caribbean Banking Corporation, Barclays Bank PLC, Canadian Imperial Bank of Commerce and Bank of Nova Scotia minus a margin to give an effective current rate of 7.95%	5,885,758	-
CIBC Caribbean Limited		
Loan repayable in 40 quarterly instalments commencing July 1998 and bears interest at 8.7% per annum	12,134,473	13,060,276
Barclays Bank PLC		
Loan repayable by August 2008 in 40 quarterly instalments in US Dollars and bears interest at 7.41% per annum	18,339,036	20,376,750
	101,003,033	106,204,674
Less: current portion	(12,955,652)	(11,087,357)
	88,047,381	95,117,317

On December 10, 1995 the company entered into a currency swap transaction with Barclays Bank PLC which provides for those loans denominated in foreign currencies *(except for the US Dollar portion of the European Investment Bank loan) to be repaid at a fixed rate in United States Dollars until December 10, 2001. The contract bears interest at 10.92% per annum. Barclays Bank PLC has the option to terminate the contract on December 9, 2000.

The CDC Group plc, NIB, CIBC, Barclays Bank, Consortium loans, Royal Merchant Bank and Finance Company Limited Bank, and the bank overdraft facility (Note 6) all rank pari passu and are secured by hypothecary obligations and mortgage debentures creating fixed charges over all immoveable property and floating charges over all other assets, pursuant to a security sharing agreement. In addition, the Consortium loans have been assigned a comprehensive insurance policy over the company's assets. The EIB loans are guaranteed by the Government of St. Lucia.

Principal repayments on long-term loans over the next five years and beyond are as follows:

2000	\$	12,955,652
2001	\$	17,188,097
2002	\$	14,237,479
2003	\$	8,935,900
2004	\$	9,151,555
Thereafter	\$	38,534,350

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

8 Consumer deposits

Consumers requesting energy connections are required to pay a deposit which is refundable when service is no longer required. Interest accrues on these deposits at a rate of 6% per annum. Accrued interest of \$2,132,831 (1998 - \$1,881,699) is included in consumer deposits.

9 Taxation

Tax on the company's net income before tax differs from the theoretical amount that would arise using the statutory tax rate of 33.33% as follows:

	1999 \$	1998 \$
Net income before tax	26,862,700	20,000,147
Tax calculated at the statutory rate of 33.33% (1998 - 33.33%)	8,954,233	6,666,716
Tax effect of income not subject to tax	(8,836)	(75,000)
Tax effect of movement on general provisions not deductible for tax	(715,011)	333,875
Tax effect of expenses not deductible for tax	30,900	-
Tax charge	8,261,286	6,925,591

The deferred tax liability consists of the following component:

	1999		1998	
	Full Potential Liability \$	Provision Made \$	Full Potential Liability \$	Provision Made \$
Accelerated Capital Allowances	26,700,079	26,700,079	25,694,500	25,694,500

The deferred tax liability arises primarily from timing differences relating to the deductibility of depreciation for financial statement and tax purposes.

During the prior year, the company adopted the revised International Accounting Standard with respect to the treatment of deferred taxation. The revised accounting standard applies to financial periods commencing January 1, 1998 and requires provision for all temporary timing differences irrespective of whether they are expected to crystallize as a liability in the foreseeable future. The change in accounting policy was accounted for retrospectively resulting in an increase in the deferred tax liability at January 1, 1998 of \$19,720,696 and a decrease in retained earnings of \$19,720,696.

Prior to this change no provision was made for deferred income tax on the basis that the company anticipated that timing differences would not crystallize as a liability in the foreseeable future due to projected level of capital expenditure.



Notes to Financial Statements
December 31, 1999
(expressed in Eastern Caribbean dollars)

10 Redeemable preference shares

	1999	1998
	\$	\$
Authorised		
1,214,128 (1998 – 1,214,128) 5% redeemable preference shares		
Issued		
303,532 (1998 – 455,298) 5% redeemable preference shares	1,517,660	2,276,490

On August 10, 1999, 151,766 shares were redeemed for \$758,830, the sixth of eight equal annual instalments.

Preference dividends are payable on a cumulative basis at an annual rate of 5% on the outstanding nominal value of the shares.

11 Ordinary share capital

	1999	1998
Authorised		
Voting ordinary shares	15,000,000	15,000,000
Non-voting ordinary shares	800,000	800,000
	\$	\$
Issued		
11,200,000 (1998 – 11,200,000) voting ordinary shares	77,562,792	77,562,792
520,000 (1998 – 520,000) non-voting ordinary shares	2,600,000	2,600,000
	80,162,792	80,162,792

12 Consumer contributions

	1999	1998
	\$	\$
Balance, beginning of year	21,447,637	20,006,740
Contributions received	2,419,034	2,836,603
Amortization	(1,526,287)	(1,395,706)
Balance – end of year	22,340,384	21,447,637

Excess contributions of \$39,863 (1998 - \$26,250) are included in other revenue.

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

13 Administrative expenses

Administrative expenses comprise the following:

	1999	1998
	\$	\$
Consumer services	2,203,027	2,019,392
Administrative staff costs	2,292,426	2,112,143
Training	1,078,847	826,538
Property costs	1,092,997	891,460
Professional fees	1,095,420	1,213,904
Insurance	3,790,738	3,278,278
Communications costs	484,740	445,191
Public relations and donations	426,370	398,522
Bad debts	264,323	218,456
Stores obsolescence	374,352	25,500
Depreciation	854,069	838,335
Other	948,933	962,891
	14,906,242	13,230,610

14 Net operating income

Net operating income is stated after charging:

	1999	1998
	\$	\$
Depreciation	16,974,193	13,857,390
Repairs and maintenance	19,793,651	19,720,350
Pension costs	801,494	753,953
Directors fees	66,000	66,000
Audit fee	60,000	60,000

15 Pension plan**Grade 1 Employees**

The company contributes to a defined benefit pension scheme with Barbados Mutual Life Assurance Society for grade I employees. No valuation of the scheme has been carried out to date.



Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

15 Pension plan ...continued

Grade 2 Employees

The company contributes to a defined benefit pension scheme with Colonial Life Insurance Company for grade 2 employees.

The most recent actuarial valuation of the plan dated September 30, 1996 showed assets valued at \$2,793,100 and pension benefit liabilities valued at \$2,507,400. The plan was valued using the "Projected Unit Credit" method of valuation. The financial assumptions made included a rate of interest earned of 7% and a rate of salary increases of 6%. No allowance was made for increases to pensions in payment.

Grade 3 Employees

For its senior employees, the company contributes to the CDC Caribbean Pension Scheme administered by the Barbados Mutual Life Assurance Society.

The assets supporting the plan are invested by Deutsche Bank Ag.

The most recent actuarial valuation of the plan dated January 1, 1999 showed assets valued at \$21,148,572 and pension benefit liabilities valued at \$11,483,633. The plan was valued using the "Projected Unit" method of valuation. The financial assumptions made included a rate of return on assets of 7%, a rate of salary increases of 6% and a rate of pension increases during retirement of 3%.

Pension plans registered in St. Lucia are regulated under the Insurance Act of St. Lucia which was enacted in 1995. The CDC Caribbean Pension Scheme has not yet been registered under this Act. It is, however, expected that within the next twelve months, the fund will meet the requirements for registration in St. Lucia as provided for in Section 153 (1) of the Act which regulates the type and location of assets in which the Trustees of a pension plan may invest.

16 Related party transactions

Revenue earned from shareholders represents 12.3% (1998 - 12.2%) of energy revenue. The Government of St. Lucia receives a 10% discount on energy costs.

Transactions with shareholders, the CDC Group plc and the National Insurance Board, during the year were as follows:

	1999	1998
Interest expense	\$2,740,634	\$4,000,440
Management fee	620,820	620,907

Accounts payable and accrued expenses include \$303,139 (1998 - \$163,133) due to CDC Group plc

Notes to Financial Statements

December 31, 1999

(expressed in Eastern Caribbean dollars)

17 Commitments

The company had capital commitments at December 31, 1999 of \$15,176,408 in respect of Phase 3 of the System Expansion and \$15,217,052 in respect of a further generation set for Cul de Sac Power Station. These commitments will be financed by the floating rate non-callable bond of \$36,000,000 with the Royal Merchant Bank and Finance Company Limited (Note 7) of which a balance of funds of \$30,114,242 was not drawn down at December 31, 1999.

18 Contingent liability

The company is defendant in various legal actions. In the opinion of the directors, after taking appropriate legal advice, the results of such actions will not have a material effect on the company's financial position.

19 Earnings per share

Earnings per share have been calculated by dividing the net income for the year of \$18,601,414 (1998 - \$13,074,556) less preference dividends of \$98,960 (1998 - \$136,901) by the weighted average number of issued ordinary shares of 11,720,000 (1998 - 11,720,000).

20 Financial instruments

Derivative instruments

The company has entered into a currency swap transaction to manage its exposure to fluctuations in foreign currency exchange rates on certain loans denominated in foreign currencies (Note 7). The company does not use derivative financial instruments for speculative purposes.

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of cash, term deposits and trade receivables. The company's cash and term deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the provision for doubtful receivables. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the company's customer base and their dispersion across different economic sectors. Accordingly, the company has no significant concentration of credit risk at December 31, 1999.

With respect to the currency swap transaction, the company has contracted with a major international bank as the counterparty. The company's exposure in respect of the transaction is to the extent that the company incurs losses as a result of non-performance by this counterparty. The company has no expectation of any losses in respect of this transaction.

Interest rate risk

The interest rates on the company's loans are presented in Note 7.

Fair values

At December 31, 1999, the carrying amounts of cash and term deposits, accounts receivable, accounts payable and accrued expenses and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of investments and of long-term borrowings are not materially different from the carrying amounts.



Notes to Financial Statements
December 31, 1999
(expressed in Eastern Caribbean dollars)

21 Comparative figures

The comparative figures have been reclassified to conform with the presentation used in the current year.

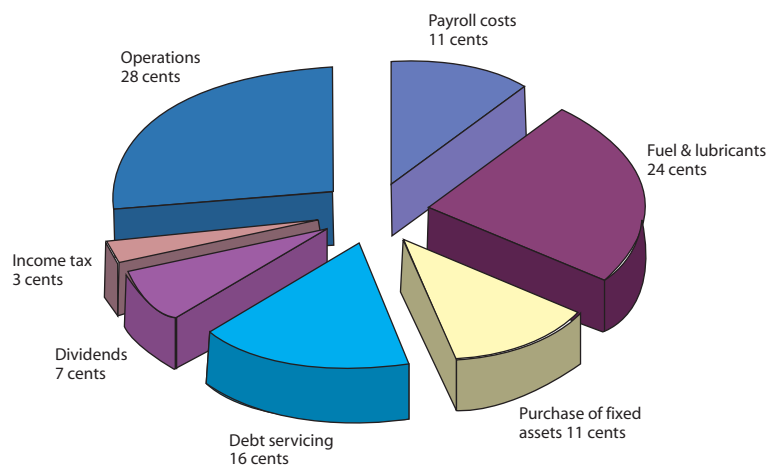
22 Currency

These financial statements are expressed in Eastern Caribbean dollars.

SIMPLIFIED FINANCIAL STATEMENT
EC\$000's

	1999	1998
Where the Lucelec dollar came from		
Sale of electricity	112,801	102,062
Long term loans	5,886	20,377
Proceeds from disposal of investments and assets	3,007	
Consumer contributions & deposits	2,781	2,711
Sundry sales	714	675
	125,189	125,825
How the Lucelec dollar was spent		
Payroll costs	13,059	13,012
Fuel & lubricants	29,591	27,903
Purchase of fixed assets	13,860	33,680
Debt servicing	19,696	35,397
Dividends	8,762	6,964
Income tax	3,552	
Operations	34,085	25,416
	122,605	142,372
Increase (Decrease) in cash at bank	2,584	(16,547)
	125,189	125,825

How every \$1.00 collected was spent



Operating Statistics 1990 - 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Generating Plant (kW)										
Installed capacity	59,900	59,900	44,500	44,500	44,500	40,200	32,900	31,700	32,900	20,300
Firm Capacity	46,700	46,700	32,600	32,600	31,300	28,700	21,800	23,000	23,100	16,800
Peak Demand	41,000	37,200	34,650	32,500	31,850	30,750	28,900	25,200	22,900	20,800
Percentage growth in peak demand	10.2%	7.4%	6.6%	2.0%	3.6%	6.4%	14.7%	10.0%	10.1%	3.7%

Sales (kWh x 1000)	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Domestic	79,491	75,639	69,617	65,653	62,668	56,025	52,442	47,449	42,113	37,756
Commercial (including Hotels)	120,628	108,618	97,248	86,518	85,683	78,802	74,576	64,975	58,797	54,064
Industrial	12,271	11,640	11,287	10,860	12,697	13,160	12,541	11,412	12,243	13,069
Street Lighting	3,271	2,931	2,605	2,185	2,282	2,121	1,906	1,674	1,449	1,344
Total sales	215,661	198,828	180,757	165,216	163,330	150,108	141,465	125,510	114,602	106,233

Percentage growth in sales	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Power Station and Office Use (kWh x 1000)	10,800	8,817	8,455	8,189	8,073	6,691	6,285	5,549	5,552	5,082
Losses (kWh x 1000)	29,734	28,236	23,935	24,628	25,171	23,880	22,682	21,073	19,525	15,589
Percentage Losses	11.6%	12.0%	11.2%	12.4%	12.8%	13.2%	13.3%	13.9%	14.0%	12.3%
Units Generated (kWh x 1000)	256,196	235,881	213,147	198,033	196,574	180,679	170,432	152,132	139,679	126,904
Percentage growth in units generated	8.6%	10.7%	7.6%	0.7%	8.8%	6.0%	12.0%	8.9%	10.1%	9.9%

Number of Customers at Year End	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Domestic	38,825	37,956	36,071	33,725	31,858	30,166	28,333	26,593	24,931	23,530
Commercial (including Hotels)	5,049	4,896	4,843	4,888	4,697	4,444	4,183	3,957	3,778	3,616
Industrial	115	119	121	180	141	134	131	133	131	118
Street Lighting	17	17	19	20	17	16	20	17	21	19
Percentage growth in customers	4.7%	4.7%	5.8%	5.7%	5.6%	6.4%	6.4%	6.4%	5.8%	6.0%

Average Annual Consumption Per Customer (kWh)	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Domestic	1,996	1,993	1,930	1,947	1,967	1,857	1,851	1,784	1,689	1,605
Commercial (including Hotels)	23,892	22,185	20,080	17,700	18,242	17,732	17,828	16,420	15,563	14,951
Industrial	106,709	97,815	93,281	60,333	90,050	98,209	95,733	85,805	93,458	110,754
Street Lighting	192,394	172,412	137,105	109,250	134,235	132,563	95,300	98,471	69,000	70,737

Diesel fuel consumed (Imp. Gall.)	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
	13,276,298	12,599,190	11,826,009	10,890,044	10,776,772	9,901,546	9,413,399	8,549,954	7,915,415	7,460,130

Financial Statistics 1990 - 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Units Sold (kWh x 1000)	215,661	198,828	180,757	165,216	163,330	150,108	141,465	125,510	114,602	106,233
Revenue (cents per kWh)	52.3	51.3	54.6	52.1	47.7	46.4	47.4	48.5	45.6	45.6
Summarised Balance Sheet (EC\$000's)										
Fixed Assets (Net)	234,159	240,642	166,982	168,736	169,735	133,186	130,442	128,529	125,746	91,753
Capital work in progress	3,869	507	54,344	638	-	28,050	6,019	922	913	21,529
Current Assets	51,731	39,325	48,983	29,529	44,074	41,279	35,866	19,748	18,865	18,380
Current Liabilities	(45,315)	(37,496)	(28,464)	(27,075)	(37,651)	(23,613)	(18,602)	(21,543)	(25,892)	(19,611)
Total	244,443	242,978	241,845	171,828	176,158	178,902	153,725	127,656	119,632	112,051
Share Capital	80,163	80,163	80,163	51,600	51,600	51,600	24,070	6,894	6,894	6,894
Share Premium	-	-	-	14,563	14,563	14,563	-	-	-	-
Retained Earnings	18,187	11,405	6,671	20,796	19,799	15,781	24,207	28,576	14,983	12,206
Other Reserves	22,340	21,448	20,007	19,108	16,865	14,359	13,244	10,662	7,132	5,689
Long Term Debt	88,047	95,117	105,597	55,723	62,786	71,707	78,103	68,072	78,114	75,654
Other long term liabilities	35,706	34,845	29,407	10,038	10,545	10,892	14,101	13,452	12,509	11,608
Total	244,443	242,978	241,845	171,828	176,158	178,902	153,725	127,656	119,632	112,051

Financial Statistics 1990 - 1999 continued

Summarised Income Statement (EC\$000's)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Operating Revenues										
Electricity	87,923	79,203	70,623	60,478	57,658	51,702	48,630	43,086	34,711	29,945
Fuel Surcharge	24,878	22,859	28,008	25,651	20,161	17,618	18,293	17,482	17,115	18,193
Other	715	701	629	659	1,444	561	347	492	337	381
Total	113,516	102,763	99,260	86,788	79,263	69,881	67,270	61,060	52,163	48,519
Operating Costs										
Fuel (cost over base)	24,678	22,695	27,357	25,809	19,999	17,278	18,096	17,208	17,134	18,028
Generation O & M	12,564	16,690	19,861	15,056	14,164	13,227	12,496	9,954	8,185	8,188
Transmission & Distribution	10,130	10,072	9,665	9,523	9,080	8,628	10,170	8,975	7,353	5,438
Administrative & Selling	14,054	12,393	10,879	10,314	10,249	7,409	5,127	4,680	5,016	5,151
Depreciation	16,974	13,857	12,025	11,649	10,222	8,513	7,988	7,732	6,943	4,011
Total	78,400	75,707	79,787	72,351	63,714	55,055	53,877	48,549	44,631	40,816
Operating Income										
Interest expense	35,116	27,056	19,473	14,437	15,549	14,826	13,393	12,511	7,532	7,703
Foreign exchange (gain) loss	8,259	7,055	6,644	6,987	7,640	6,614	6,538	7,440	6,809	3,226
Net Income before tax	(5)	-	27	48	(2,551)	1,912	3,309	(9,412)	(2,944)	10,884
Taxation	26,862	20,001	12,802	7,402	10,460	6,300	3,546	14,483	3,667	(6,407)
Net Income after tax	8,261	6,926	3,673	-	-	-	-	-	-	-
Dividend declared	18,601	13,075	9,129	7,402	10,460	6,300	3,546	14,483	3,667	(6,407)
Retained Earnings for year	11,819	8,341	7,207	6,405	6,442	3,696	1,474	890	890	767
Retained Earnings beginning of year	6,782	4,734	1,922	997	4,018	2,604	2,072	13,593	2,777	(7,174)
Scrip Share Issue	11,405	6,671	20,796	19,799	15,781	24,207	28,576	14,983	12,206	17,413
Prior year adjustment	-	-	(16,047)	-	-	(11,030)	(6,441)	-	-	1,967
Retained Earnings end of year	18,187	11,405	6,671	20,796	19,799	15,781	24,207	28,576	14,983	12,206
Return on Rate Base										
Earnings per share (EC\$)	10.47%	8.15%	8.28%	8.01%	8.25%	9.24%	9.18%	9.73%	6.19%	6.09%
Dividend per share (EC\$)	\$1.58	\$1.10	\$0.86	\$0.70	\$0.99	\$0.90	\$0.56	\$2.91	\$0.69	\$0.62
Debt/Equity Ratio	\$1.00	\$0.70	\$0.60	\$0.60	\$0.60	\$0.58	\$0.43	\$0.43	\$0.43	\$0.43
	49/51	51/49	45/55	40/60	44/56	47/53	60/40	64/36	76/24	73/27

