

Financial and Operational Highlights

The following Fourth Quarter 2012 press release should be read in conjunction with the Caribbean Utilities Company Ltd. ("CUC" or the "Company") (i) audited financial statements and notes thereto for the year ended December 31, 2011, with 2010 comparatives, prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and voluntarily filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") on March 19, 2012; (ii) "Supplemental Interim Financial Statements for the Year Ended December 31, 2012 (Unaudited)" contained in the above-noted voluntary filing which provides a detailed reconciliation between the Company's interim unaudited 2011 Canadian GAAP and interim unaudited 2011 US GAAP financial statements; and (iii) Management's Discussion & Analysis for the year ended December 31, 2011 included in the Company's 2011 Annual Report. Financial information in this Fourth Quarter 2012 press release has been prepared in accordance with US GAAP and following the same accounting policies and methods as those used in preparing the most recent interim unaudited financial statements. The financial statements and analysis in this press release were approved by the Audit Committee.

(\$ thousands, except basic earnings per ordinary share, dividends paid per ordinary share and where otherwise indicated)	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change	% Change
Electricity Sales	16,806	16,703	69,111	69,630	(519)	-1%
Fuel Factor Revenues	42,281	41,030	154,438	148,469	5,969	4%
Operating Revenues	59,087	57,733	223,549	218,099	5,450	2%
Fuel and Lube Costs	42,281	41,030	154,438	148,469	5,969	4%
Other Operating Expenses	11,744	10,673	46,494	44,613	1,881	4%
Total Operating Expenses	54,025	51,703	200,932	193,082	7,850	4%
Earnings for the Period	4,061	5,082	17,691	20,390	(2,699)	-13%
Basic Earnings per Class A Ordinary Share	0.12	0.15	0.58	0.68	(0.10)	-15%
Dividends paid per Class A Ordinary Share	0.165	0.165	0.660	0.660	-	0%
Peak Load Gross (MW)	91.5	94.4	95.9	99.0	(3.1)	-3%
Net Generation (millions of kWh)	142.0	142.2	587.1	594.0	(6.9)	-1%
Kilowatt-Hour Sales (millions of kWh)	132.4	132.6	547.8	554.0	(6.2)	-1%
Total Customers	27,035	26,636	27,035	26,636	399	1%
Customers per Employee (#)	142	138	142	138	4	3%
Sales per employee (millions of kWh)	0.70	0.69	2.88	2.87	0.01	0%

Earnings

Net earnings for the three months ended December 31, 2012 ("Fourth Quarter 2012") were \$4.1 million, a 20% or \$1.0 million decrease when compared to \$5.1 million for the three months ended December 31, 2011 ("Fourth Quarter 2011"). Higher depreciation and transmission and distribution costs for the Fourth Quarter 2012 when compared to the Fourth Quarter 2011 were partially offset by higher electricity sales revenues.

Net earnings for the twelve months ended December 31, 2012 were \$17.7 million, representing a 13% or \$2.7 million decrease from net earnings of \$20.4 million for the twelve months ended December 31, 2011. This decrease is attributable to a 1% decline in kWh sales and higher transmission and distribution and depreciation costs, increased finance charges and higher general and administration costs. The higher general and administration costs are related to the Company's defined benefit pension plan (see "General and Administration" section). These items were partially offset by decreased consumer service and maintenance costs and increased other income.

Earnings per share

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the Fourth Quarter 2012 were \$3.5 million, or \$0.12 per Class A Ordinary Share, as compared to \$4.5 million, or \$0.15 per Class A Ordinary Share for the Fourth Quarter 2011.

After the adjustment for dividends on the preference shares of the Company, earnings on Class A Ordinary Shares for the twelve months ended December 31, 2012 were \$16.8 million, or \$0.58 per Class A Ordinary Share as compared to \$19.5 million, or \$0.68 per Class A Ordinary Share for the twelve months ended December 31, 2011. The Company calculates earnings per share on the weighted average number of Class A Ordinary Shares outstanding. The weighted average Class A Ordinary Shares outstanding were 28,698,657 and 28,523,127 for the years ended December 31, 2012 and December 31, 2011, respectively.

Sales

KiloWatt-hour sales for the Fourth Quarter 2012 were 132.4 million comparable to 132.6 million for the Fourth Quarter 2011. Sales were negatively impacted by cooler weather conditions that affected customer air conditioning usage. The average temperature for the Fourth Quarter 2012 was 1.4 degrees Fahrenheit lower than the average temperature experienced during the Fourth Quarter 2011.

KiloWatt-hour sales for the twelve months ended December 31, 2012 were 547.8 million kWh, a decrease of 6.2 million or 1% when compared to 554.0 million for the year ended December 31, 2011. The average temperature for 2012 was 81.9 degrees Fahrenheit compared to 82.3 degrees for 2011.

On average, the year 2012 had higher monthly rainfall than 2011 with multiple months displaying above average trends. May 2012 saw a record breaking 17.7 inches of rainfall, the highest level recorded in one month in over 9 years and the highest level on record for the month of May in 20 years. August 2012 experienced 10.6 inches of rain as compared to the 6.48 inches of rain in August 2011, and September 2012 experienced 6.59 inches of rain as compared to 5.60 inches of rain in September 2011. The 10.59 inches of rainfall experienced in August 2012 was the largest quantity of rain experienced in an August month on Grand Cayman in over 20 years. The average monthly rainfall for the twelve months ended December 31, 2012 was 5.06 inches as compared to an average rainfall of 3.60 inches for the same period last year. Heavy rainfall is usually consistent with a reduction in air-conditioning load.

Sales for the year ended December 31, 2012 were positively impacted by an additional leap year sales day in February. Excluding the impact of this additional day, the Company's kWh sales were 546.3 million kWh, for the year ended December 31, 2012 when compared to 554.0 million kWh for the year ended December 31, 2011.

Total customers as at December 31, 2012 were 27,035, an increase of 1% compared to 26,636 customers as at December 31, 2011. The Company connected 141 customers for the three month period ended December 31, 2012 comprising 123 residential customers and 18 commercial customers.

The following tables present sales and customer highlights:

Customers (#)	December 31, 2012	December 31, 2011	Change %
Residential	23,075	22,731	2%
Commercial	<u>3,960</u>	<u>3,905</u>	1%
Total Customers	27,035	26,636	1%

Sales (thousands kWh)	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	% Change
Residential	60,941	61,693	254,397	258,765	-1.7%
Commercial	69,912	69,318	287,080	289,043	-0.7%
Other (street lighting, etc.)	<u>1,592</u>	<u>1,567</u>	<u>6,332</u>	<u>6,174</u>	2.6%
Total Sales	132,445	132,578	547,809	553,982	-1.1%

Operating Revenues

Operating revenues increased by 2%, or \$1.4 million, to \$59.1 million for the Fourth Quarter 2012 from \$57.7 million for the Fourth Quarter 2011 as a result of higher fuel prices. Operating revenues increased 2%, or \$5.5 million, to \$223.5 million for the twelve months ended December 31, 2012 from \$218.1 million for the twelve months ended December 31, 2011. This increase was the result of higher fuel factor revenues in 2012 as a result of fuel price increases.

Total operating revenues were as follows:

Revenues (thousands \$)	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change	% Change
Residential	8,013	8,046	33,240	33,592	(352)	-1%
Commercial	8,682	8,551	35,420	35,596	(176)	0%
Other (street lighting, etc.)	<u>111</u>	<u>106</u>	<u>451</u>	<u>442</u>	9	2%
Electricity Sales Revenues	16,806	16,703	69,111	69,630	(519)	-1%
Fuel Factor Revenues	<u>42,281</u>	<u>41,030</u>	<u>154,438</u>	<u>148,469</u>	5,969	4%
Total Operating Revenues	59,087	57,733	223,549	218,099	5,450	2%

Electricity sales revenue increased \$0.1 million, or 1%, in the Fourth Quarter 2012 to \$16.8 million when compared to electricity sales revenues of \$16.7 million for the Fourth Quarter 2011 due to the base rate increase of 0.7% instituted in June 2012.

Electricity sales revenue decreased \$0.5 million, in the year ended December 31, 2012 to \$69.1 million when compared to electricity sales revenues of \$69.6 million for the year ended December 31, 2011. Electricity sales revenues for the year ended December 31, 2012 were primarily lower as a result of cooler, wetter weather conditions and continued weak economic conditions.

Fuel factor revenues for the Fourth Quarter 2012 totaled \$42.3 million, a 3% increase from the \$41.0 million in fuel factor revenues for the Fourth Quarter 2011. The average Fuel Cost Charge rate per kWh charged to consumers for the three months ended December 31, 2012 was \$0.30 a 3% increase when compared to \$0.29 per kWh for the three months ended December 31, 2011. CUC passes through 100% of fuel costs to consumers on a two-month lag basis.

Fuel factor revenues for the twelve months ended December 31, 2012 totaled \$154.4 million, a 4% increase from the \$148.5 million in fuel factor revenues for the twelve months ended December 31, 2011. Fuel factor revenues increased due to an increase in the cost of fuel (see "Power Generation" section for further details). The average Fuel Cost Charge rate per kWh charged to consumers for the twelve months ended December 31, 2012 was \$0.27 comparable to the Fuel Cost Charge rate per kWh for the twelve months ended December 31, 2011.

Operating Expenses

Total operating expenses for the Fourth Quarter 2012 increased 4% to \$54.0 million from \$51.7 million for the Fourth Quarter 2011. Total operating expenses for the twelve months ended December 31, 2012 increased 4% to \$200.9 million from \$193.1 million for the twelve months ended December 31, 2011. The main contributing factors to the increase in operating expenses were higher depreciation, transmission and distribution and power generation expenses which were comprised predominantly of fuel costs.

Operating expenses were as follows:

<i>Operating Expenses (\$ thousands)</i>	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change	% Change
Power Generation Expenses	43,005	41,794	157,677	151,714	5,963	4%
General and Administration	2,353	2,429	9,635	9,254	381	4%
Consumer Service	386	344	1,549	1,616	(67)	-4%
Transmission and Distribution	570	396	2,406	1,998	408	20%
Depreciation	6,096	5,124	22,690	20,570	2,120	10%
Maintenance	1,532	1,535	6,602	7,622	(1,020)	-13%
Amortization of Intangible Assets	83	<u>81</u>	373	<u>308</u>	65	21%
Total Operating Expenses	54,025	51,703	200,932	193,082	7,850	4%

Power Generation

Power generation costs for the Fourth Quarter 2012 increased \$1.2 million, or 3%, to \$43.0 million when compared to \$41.8 million for the Fourth Quarter 2011. Power generation costs for the twelve months ended December 31, 2012 increased \$6.0 million, or 4%, to \$157.7 million when compared to \$151.7 million for the twelve months ended December 31, 2011. The increase is due to higher fuel costs.

Power generation expenses were as follows:

<i>Power Generation (\$ thousands)</i>	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change	% Change
Fuel costs (net of deferred fuel charges)	41,560	40,166	151,525	145,550	5,975	4%
Lubricating Oil costs (net of deferred lubricating oil charges)	721	864	2,913	2,919	(6)	0%
Other generation expenses	724	<u>764</u>	3,239	<u>3,245</u>	(6)	0%
Total power generation expenses	43,005	41,794	157,677	151,714	5,963	4%

The Company's average price per imperial gallon ("IG") of fuel for the Fourth Quarter 2012 increased to \$4.88 from \$4.72 for the Fourth Quarter 2011. The Company's average price per IG of fuel for the year ended December 31, 2012 increased to \$4.79 from \$4.63 for the year ended December 31, 2011.

The Company's average price per IG of lubricating oil for the Fourth Quarter 2012 decreased to \$13.68 from \$15.89 for the Fourth Quarter 2011. The Company's average price per IG of lubricating oil for the year ended December 31, 2012 decreased to \$14.10 from \$14.12 for the year ended December 31, 2011.

Diesel fuel and lubricating oil costs are recovered from consumers within the fuel factor revenues line item. The Fuel Tracker Account is comprised of total diesel fuel and lubricating oil costs to be recovered from consumers.

In March 2011 the ERA approved the Fuel Price Volatility Management Program. The objective of the program is to reduce the impact of volatility in the Fuel Cost Charge paid by the Company's customers for the fuel that the Company must purchase in order to provide electric service. Contracts initiated in May 2012 and November 2012 utilize call spreads to promote transparency in pricing. The monthly hedging costs and returns are also included within the Fuel Tracker Account.

Other generation expenses for the Fourth Quarter 2012 totaled \$0.7 million, a \$0.1 million decrease when compared to \$0.8 million for the Fourth Quarter 2011. This decrease primarily relates to the costs related to the disposal of lubricating oils in Fourth Quarter 2012 which declined when compared to those that were incurred in the Fourth Quarter 2011. Other generation expenses for the year ended December 31, 2012 totaled \$3.2 million comparable to \$3.2 million for the year ended December 31, 2011.

General and Administration ("G&A")

G&A expenses for the Fourth Quarter 2012 totaled \$2.4 million, comparable to G&A expenses for the Fourth Quarter 2011.

G&A expenses for the year ended December 31, 2012 totaled \$9.6 million, an increase of \$0.3 million, or 3%, from \$9.3 million for the year ended December 31, 2011. This increase was the result of higher expense related to the Company's defined benefit pension plan.

The Company established a defined benefit pension plan for the retired Chairman during 2003 and in May 2005, CUC's Board of Directors approved the establishment of a defined benefit pension plan for the retired President and Chief Executive Officer. The pension costs of the defined benefit pension plans are actuarially determined using the projected benefits method. A defined pension expense of \$0.9 million has been recorded for the year ended December 2012 an increase of \$0.5 million when compared to \$0.4 million for the year ended December 2011.

General Expenses Capitalised (“GEC”) totaled \$1.0 million for the Fourth Quarter 2012, \$0.3 million higher than \$0.7 million for the Fourth Quarter 2011. The Company capitalizes certain overhead costs not directly attributable to specific capital assets but which do relate to the overall capital expenditure program. GEC totaled \$3.1 million for the year ended December 31, 2012, \$0.2 million higher than \$2.9 million for the year ended December 31, 2011.

Consumer Services (“CS”)

CS expenses for the Fourth Quarter 2012 totaled \$0.4 million, comparable to CS expenses for the Fourth Quarter 2011.

CS expenses for the twelve months ended December 31, 2012 totaled \$1.5 million a decrease of \$0.1 million or 6% when compared to \$1.6 million for the twelve months ended December 31, 2011.

Transmission and Distribution (“T&D”)

T&D expenses for the Fourth Quarter 2012 totaled \$0.6 million, an increase of \$0.2 million, or 50%, from \$0.4 million for the Fourth Quarter 2011. This increase was partially due to a decline in capitalised labour as the T&D Division focused primarily on maintenance projects during the Fourth quarter 2012.

T&D expenses for the twelve months ended December 31, 2012 totaled \$2.4 million an increase of \$0.4 million, or 20%, when compared to T&D expenses of \$2.0 million for the twelve months ended December 31, 2011. This increase was partially due to a decline in capitalised labour as the T&D Division focused primarily on maintenance projects during 2012.

Depreciation of Property, Plant and Equipment (“Depreciation”)

Depreciation expenses for the Fourth Quarter 2012 totalled \$6.1 million, an increase of \$1.0 million, or 20%, from \$5.1 million for the Fourth Quarter 2011.

Depreciation expenses for the twelve months ended December 31, 2012 totalled \$22.7 million, an increase of \$2.1 million, or 10%, from \$20.6 million for the twelve months ended December 31, 2011.

In October 2010 the temporary cessation of depreciation on a 16 MW unit began and the temporary cessation of depreciation on a 7.59 MW unit began in March 2011. The 16 MW unit was taken out of service due to an overspeed failure and placed back in service in July 2011. The 7.59 MW unit was taken out of service due to a major mechanical failure, and retired in the second quarter of 2012 in accordance with the Company’s Generation Licence. The cost of the refurbishment for the 16 MW unit was covered by the Company’s insurance policy subject to the deductible (see ‘Insurance – Terms & Coverage’ in the Business Risks section of this press release for greater detail). Depreciation expense recommenced when the repaired 16 MW unit was placed back into service.

In accordance with the Licences when an asset is impaired or disposed of, within the original estimated useful life, the cost of the asset is reduced and the net book value is charged to accumulated depreciation. This treatment is in accordance with the rate regulation standard under US GAAP and differs from non-regulatory treatment of a loss being recognized on the statement of earnings. The amount charged to accumulated depreciation is net of any proceeds received in conjunction with the disposal of the asset. Proceeds can be funds received for sale of the asset, sale of parts or insurance proceeds. The amount charged to accumulated depreciation net of insurance proceeds is to be depreciated as per the remaining life of the asset based on the original life when the unit was initially placed into service.

In the case of the 16 MW unit, in accordance with the Licences, the costs associated with the refurbishment of the asset were capitalized and the insurance proceeds have been applied to accumulated depreciation.

The Company currently has an installed generating capacity of 149.59 MW. In the first quarter 2012 the Company purchased an additional 3 MW of mobile generation capacity to facilitate on-going planned generator maintenance, repairs and the retirement of the 7.59 MW unit as described above. The purchase of these units ensures that the Company is in compliance with the capacity requirements of the generation license.

Maintenance

Maintenance expenses for the Fourth Quarter 2012 totaled \$1.5 million, comparable to maintenance expenses for the Fourth Quarter 2011.

Maintenance expenses for the year ended December 31, 2012 totaled \$6.6 million, a decrease of \$1.0 million from \$7.6 million for the year ended December 31, 2011.

Maintenance expenses for the twelve months ended December 31, 2012 were expected to be lower than those seen in 2011 due to various capital projects scheduled in 2012. Certain upgrades to generating units are considered capital in nature as the upgrades extend the life or increase the output of the unit.

Amortization

Amortization of intangible assets for the Fourth Quarter 2012 totaled \$0.08 million comparable amortization expenses for the Fourth Quarter 2011. Amortization of intangible assets for the twelve months ended December 31, 2012 totalled \$0.4 million, an increase of \$0.1 million or 21% when compared to \$0.3 million for the twelve months ended December 31, 2011.

Amortization represents the monthly recognition of the expense associated with software purchases as well as other intangible assets such as the costs associated with the licence negotiations. The negotiations for the Company's electricity licence ceased in 2008 and the costs associated with the negotiations are being amortized over 20 years on a straight-line basis. The negotiations associated with DataLink's ICT licence ceased in 2012 and these costs are being amortized over 15 years on a straight-line basis.

Finance Charges

Finance charges for the Fourth Quarter 2012 totaled \$2.1 million comparable to finance charges for the Fourth Quarter 2011. Finance charges for the twelve months ended December 31, 2012 totaled \$9.1 million, an increase of \$0.4 million from \$8.7 million for the twelve months ended December 31, 2011. This increase was attributable to lower Allowance for Funds Used during Construction ("AFUDC") in the twelve months ended December 31, 2012.

Under the T&D Licence there is a provision for an Allowance for Funds Used During Construction ("AFUDC"). This capitalisation of the Financing Cost is calculated by multiplying the Company's Cost of Capital rate by the average work in progress for each month. The cost of capital rate for 2012 is 8.25% as agreed with the Electricity Regulatory Authority ("ERA"), in accordance with the T&D Licence, and is reviewed annually. The cost of capital rate for 2011 was 8.75%. The AFUDC amount for the Fourth Quarter 2012 totaled \$1.1 comparable to the AFUDC amount for the Fourth Quarter 2011.

The AFUDC amount for the twelve months ended December 31, 2012 totaled \$3.5 million, a \$0.2 million decrease when compared to \$3.7 million for the twelve months ended December 31, 2011. This decrease was attributable to lower capital expenditure.

Foreign exchange gains and losses are the result of monetary assets and liabilities denominated in foreign currencies that are translated into United States dollars at the exchange rate prevailing on the Balance Sheet date. Revenue and expense items denominated in foreign currencies are translated into United States dollars at the exchange rate prevailing on the transaction date. Foreign exchange

gains for the Fourth Quarter 2012 totaled \$0.5 million, a decrease of \$0.1 million when compared to \$0.6 million for the Fourth Quarter 2011.

Foreign exchange gains totaled \$2.2 million for the twelve months ended December 31, 2012 a \$0.1 million or 5% increase when compared to \$2.1 million for the twelve months ended December 31, 2011.

Other Income

Other income is comprised of pole rental fees, income from pipeline operations, sales of meter sockets, the sale of recyclable metals and other miscellaneous income. Other income for the Fourth Quarter 2012 totaled \$0.5 million comparable to other income for the Fourth Quarter 2011.

Other income totaled \$2.0 million for the twelve months ended December 31, 2012, an increase of \$0.1 million, from \$1.9 million for the twelve months ended December 31, 2011.

In March 2012 the ERA approved the creation of CUC's wholly owned subsidiary, DataLink Ltd. Subsequently the Information and Communications Technology Authority ("ICTA") granted DataLink a licence to provide fibre optic infrastructure in Grand Cayman. Revenues from DataLink are recorded in Other Income.

CUC and DataLink have entered into three agreements;

1. The Management and Maintenance agreement
2. The Pole Attachment agreement, and
3. The Fibre Optic agreement

All three agreements have been approved by the ERA. The ICTA licence allowed DataLink to assume full responsibility for the existing Pole Attachment Agreements and Optical Fiber Lease Agreement held by CUC with third party information and communications technology service providers. The novation and reassignment of existing contracts was completed in 2012.

The Economy

Financial services and tourism are the two main industries of the Cayman Islands. The recession that has impacted the global economy has also impacted the Cayman Islands and these sectors. In January 2013 the Cayman Islands Government ("Government") released the 2012 Third Quarter Economic Report where it was stated that the Cayman Islands economy was projected to improve in 2012, conditional on continued growth in major source markets for tourism and financial services.

In 2011, the Gross Domestic Product ("GDP") for the Cayman Islands increased by 1.1%, the first increase since 2007. The Third Quarter Economic Report indicated that the Cayman Islands GDP grew by an estimated annualised rate of 0.8% for the first nine months of 2012. The report also indicated the growth outlook for 2012 as 1.2%. As at September 2012 the consumer price index was forecasted at 1.2% for 2012. The CPI for the three months ended September 2012 was comparable to September 2011 and increased by 0.05% when compared to December 2011. The overall CPI stood at 100.9 in September 2012 and at 100.4 in December 2011.

The 2011 Annual Economic Report also indicated that the Cayman Islands population increased to 55,517 when compared to 55,036 in 2010. Cayman has a high proportion of foreign nationals that provide labour in various sectors of the economy. Foreign workers as at September 2012 totalled 20,112 a 1% increase when compared to 19,927 at the close of 2011 and a 5% increase when compared to 19,106 at the close of 2010.

Some of the key indicators for the Financial Services industry are shown in the table below:

	As at December 2012	As at December 2011	As at December 2010	As at December 2009	As at December 2008
Bank Licences	226	234	246	266	278
Mutual Funds*	10,841	9,258	9,438	9,523	9,870
Mutual Fund Administrators	124	129	134	141	155
Captive Insurance Companies	741	739	738	780	777

* The Cayman Islands Mutual Funds (Amendment) Law, 2011, published with the Extraordinary Gazette No. 113 dated 22 December, 2011, amended the Mutual Funds Law (2009 Revision) to require all Master Funds, as defined therein, to become registered by the Cayman Islands Monetary Authority ("CIMA"). A Master Fund must have either a minimum aggregate equity interest of CI\$80,000 (US\$100,000) purchasable by a prospective investor in the master fund or the equity interests of the master fund must be listed on a stock exchange approved by CIMA. As at December 31, 2012 there were 1,891 registered Master Mutual Funds compared to 0 as at December 31, 2011).

Construction as gauged by the value of building permits which, when compared to the same period in 2011, decreased 12% to \$104.8 million for the first six months of 2012. Building permits are a good indication of future development but not of future energy requirements from CUC. Customers may move from one building to another leaving the previous premises unoccupied.

The tourist demographic is largely comprised of visitors from the United States of America ("US"). For 2012 79% of air arrivals to the country were citizens of the US. As such the US economy largely impacts that of the Cayman Islands. 2012 air arrivals were up 4% when compared to 2011 and cruise arrivals increased by 8% when compared to 2011. Air arrivals have a direct impact on the Company's sales growth as these visitors are stay-over visitors who occupy the hotels. Cruise arrivals have an indirect impact as they affect the opening hours of the establishments operating for that market.

The following table presents statistics for tourist arrivals in the Cayman Islands for the twelve months ending December 31:

Arrivals	2012	2011	2010	2009	2008
By Air	321,650	309,091	288,272	271,958	302,879
By Sea	<u>1,507,370</u>	<u>1,401,495</u>	<u>1,597,838</u>	<u>1,520,372</u>	<u>1,553,053</u>
Total	1,829,020	1,710,586	1,886,110	1,792,330	1,855,932

All data is sourced from the Cayman Islands Government, Cayman Islands Economics & Statistics Office, Cayman Islands Monetary Authority, Cayman Financial Review and Cayman Islands Department of Tourism websites; www.gov.ky www.ESO.ky www.cimoney.com.ky www.immigration.gov.ky and www.caymanislands.ky.

Liquidity and Capital Resources

The following table outlines the summary of cash flow:

<i>Cash Flows (\$ thousands)</i>	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011	Change	% Change
Beginning cash	5,420	3,017	424	2,363	(1,939)	-82%
Cash provided by/(used in):						
Operating activities	5,836	8,891	33,833	37,111	(3,278)	-9%
Investing activities	(9,274)	(10,012)	(30,061)	(35,388)	5,327	-15%
Financing activities	(1,288)	(1,472)	(3,502)	(3,662)	160	-4%
Ending cash	694	424	694	424	270	64%

Operating Activities:

Cash flow provided by operations, after working capital adjustments, for the Fourth Quarter 2012, was \$5.8 million, a decrease of \$3.1 million when compared to \$8.9 million for the Fourth Quarter 2011. This decrease was primarily due to changes in non cash working capital balances. Cash flow provided by operations, after working capital adjustments, for the twelve months ended December 31, 2012, was \$33.8 million, a decrease of \$3.3 million from \$37.1 million for the twelve months ended December 31, 2011. This decrease was primarily due to changes in non cash working capital balances.

Investing Activities:

Cash used in investing activities totaled \$9.3 million for the Fourth Quarter 2012, a decrease of \$0.7 million from \$10.0 million for the Fourth Quarter 2011. This decrease is due to decreased capital related expenditures. Cash used in investing activities for the twelve months ended December 31, 2012 totaled \$30.1 million, a decrease of \$5.3 million from \$35.4 for the twelve months ended December 31, 2011. This decrease is due to decreased capital related expenditures.

Financing Activities:

Cash utilised in financing activities totaled \$1.3 million for the Fourth Quarter 2012, a decrease of \$0.2 million from \$1.5 million used in financing activities for the Fourth Quarter 2011. The Company utilised \$6.2 million of the overdraft facility during the Fourth Quarter 2012, and repaid debt of \$3.0 million and paid dividends of \$4.9 million. In the Fourth Quarter 2011 the Company utilized \$0.4 million of the overdraft facility and \$6.0 million in short term debt and repaid \$3.0 million in debt and paid \$5.4 million in dividends.

Cash used in financing activities totaled \$3.5 million for the twelve months ended December 31, 2012, a decrease of \$0.2 million from \$3.7 million used in financing activities for the twelve months ended December 31, 2011. During the twelve months ended December 31, 2012, the Company received \$25.0 million in debt financing, utilized \$5.1 million of the overdraft facility and repaid debt of \$15.5 million and paid dividends of \$19.9 million.

Financial Position

The following table is a summary of significant changes to the Company's balance sheet from December 31, 2011 to December 31, 2012:

Significant changes in Balance Sheets between December 31, 2011 and December 31, 2012 (\$ millions)	Increase (Decrease)	Explanation
Cash and Cash Equivalents	0.3	Increase due to cash provided by operating activities of \$33.8 million offset by cash used in financing activities of \$3.5 million and cash used in investing activities of \$30.0 million.
Accounts Receivable	4.1	Increase due to billing adjustments for 4 commercial customers and higher fuel billings in 2012.
Other Receivable - Insurance	(0.3)	Decrease due to insurance funds received in relation to the failure on a 7.59 MW unit.
Inventories	0.6	Increase in value of fuel inventory.
Property, Plant and Equipment	7.3	Net increase is comprised of capital expenditures of (1) \$30.8 million (2) depreciation expense of \$22.7 million (3) \$0.4 million in accrued capital expenditure and (3) \$1.2 million of insurance and asset sale proceeds.
Bank Overdraft	5.1	Increase in bank overdraft.
Accounts Payable and Accrued Expenses	(3.0)	Decrease in accrued expenses.
Short-Term Debt	25.0	Increase is due to an additional drawdown of \$25.0 million.
Current Portion of Long-Term Debt	4.0	Increase due to allocation of principal on 5.65% unsecured loan note from long term debt.
Long-Term Debt	(19.5)	Decrease due to principal repayments of \$15.5 million and \$4.0 million allocated to current debt
Share Premium	1.7	The Company issued 181,279 shares through its share purchase plans.

Capital Resources

The Company's principal activity of generation, transmission and distribution of electricity in Grand Cayman, requires CUC to have ongoing access to capital to build and maintain the electrical system for the community it serves.

To help ensure access to capital, the Company targets a long-term capital structure containing approximately 45% equity, including preference shares, and 55% debt. The Company's objective is to maintain investment-grade credit ratings.

The Company sets the amount of capital in proportion to risk. The debt to equity ratio is managed through various methods such as the Class A Ordinary Share rights offering that occurred in 2008.

Certain of the Company's long-term debt obligations have covenants restricting the issuance of additional debt such that consolidated debt cannot exceed 60 per cent of the Company's consolidated capital structure, as defined by short-term and long-term debt agreements. As at December 31, 2012, the Company was in compliance with all debt covenants.

The Company's capital structure is presented in the following table:

Capital structure	December 31, 2012 (\$ millions)	%	December 31, 2011 (\$ millions)	%
Total debt	219.5	56	210.0	55
Shareholder's equity	<u>173.9</u>	<u>44</u>	<u>173.3</u>	<u>45</u>
Total	393.4	100	383.3	100

The Company's capital structure at December 31, 2012 displays an increase in debt when compared to December 31, 2011 due to debt proceeds of \$25.0 million received in June 2012 net of \$15.5 million in debt repayment.

The Company's credit ratings under Standard & Poors ("S&P") and the Dominion Bond Rating System ("DBRS") are as follows:

S&P A-/Stable
DBRS A (low)

The S&P rating is in relation to long-term corporate credit and unsecured debt while the DBRS rating relates to senior unsecured debt.

In September 2012 S&P affirmed the Company's A Negative rating and stable outlook. This rating reflects S&P's positive view of the Company's current position as the sole provider of generation services, and the Company's licensed position as the sole provider of T&D services. The rating also reflects S&P's positive view of regulatory support and stable cash flows offset by the economic uncertainty and the limited history of the regulator. The stable outlook reflects S&P's expectation of predictable cash flows and credit metrics in a stabilizing environment.

In July 2012 DBRS affirmed the Company's 'A' credit rating while maintaining the categorisation of low with a Stable trend. Considerations for the rating were a supportive regulatory framework, solid credit metrics and a good economic area with stable load growth. Impacting the rating were such factors as hurricane event risk and small size of customer base.

Credit Facilities

The Company has \$47.0 million of unsecured credit facilities with the Royal Bank of Canada ("RBC") comprised of:

Credit Facilities	(\$ millions)
Corporate Credit Card Line	\$0.4
Letters of Credit	\$0.6
Operating, Revolving Line of Credit	\$7.5
Catastrophe Standby Loan	\$7.5
Demand Loan Facility- Interim Funding of Capital Expenditures	<u>\$31.0</u>
Total	\$47.0

Of the total above, \$8.8 million was available at December 31, 2012.

Capital Expenditures

Capital expenditures for the Fourth Quarter 2012 were \$9.2 million, a \$0.7 million, or 7% decrease from \$9.9 million in capital expenditures for the Fourth Quarter 2011. Capital expenditures for the twelve months ended December 31, 2012 were \$30.8 million, a \$8.8 million, or 22% decrease from \$39.6 million in capital expenditures for 2011. 2011 capital expenditures included \$4.8 million related

to repair of the units discussed in the depreciation section; these costs were covered by insurance proceeds net of a deductible. Included within the various 2012 projects is AFUDC totaling to \$3.5 million.

Off Balance-Sheet Arrangements

Disclosure is required of all off-balance sheet arrangements such as transactions, agreements or contractual arrangements with unconsolidated entities, structured finance entities, special purpose entities or variable interest entities that are reasonably likely to materially affect liquidity of or the availability of, or requirements for, capital resources. The Company has no such off-balance sheet arrangements as at December 31, 2012.

Business Risks

The following is a summary of the Company's significant business risks:

Economic Conditions

The general economic condition of CUC's service area, Grand Cayman, influences electricity sales, as with most utility companies. Changes in consumer income, employment and housing are all factors in the amount of sales generated. As the Company supplies electricity to all hotels and large properties, its sales are therefore partially based on tourism and related industry fluctuations.

Regulation

The Company operates within a regulated environment. As such the operations of the Company are subject to the normal uncertainties faced by regulated companies. Such uncertainties include approval by the ERA of billing rates that allow a reasonable opportunity to recover on a timely basis the estimated costs of providing services, including a fair return on rate base assets. The Company's capital expenditure plan requires regulatory approval. There is no assurance that capital projects perceived as required by the management of the Company will be approved.

Insurance – Terms and Coverage

The Company renewed its insurance policy as at July 1, 2012 for one year under similar terms and coverage as in prior years. Insurance terms and coverage include \$100.0 million in property and machinery breakdown insurance and business interruption insurance per annum with a 24-month indemnity period and a waiting period on Non-Named Wind, Quake and Flood of 60-days. Any named Wind, Quake and Flood deductible has a 45-day waiting period. All T&D assets outside of 1,000 feet from the boundaries of the main plant and substations are excluded, as the cost of such coverage is not considered economical. There is a single event cap of \$100 million. Each "loss occurrence" is subject to a deductible of \$1.0 million, except for windstorm (including hurricane) and earth movement for which the deductible is 2% of the value of each location that suffers loss, but subject to a minimum deductible of \$1.0 million and maximum deductible of \$4.0 million for all interests combined.

In accordance with the T&D Licence when an asset is impaired or disposed of, within the original estimated useful life, the cost of the asset is reduced and the net book value is charged to accumulated depreciation. This treatment is in accordance with rate regulated accounting and differs from the GAAP treatment of a loss being recognized on the statement of earnings. The amount charged to accumulated depreciation is net of any proceeds received in conjunction with the disposal of the asset. Insurance proceeds are included within the criteria.

In addition to the coverage discussed above, the Company has also purchased an excess layer of an additional \$100.0 million limit on property and business interruption (excluding windstorm, earth movement and flood).

The Company's insurance policy includes business interruption which covers losses resulting from the necessary interruption of business caused by direct physical loss or damage to CUC's covered property and loss of revenues resulting from damage to customers' property.

Credit Risk

There is risk that CUC may not be able to collect all of its accounts receivable and other assets. This does not represent a significant concentration of risk. The requirement for security deposits for certain customers, which are advance cash collections from customers to guarantee payment of electricity billings, reduces the exposure to credit risk. CUC manages credit risk primarily by executing its credit collection policy, including the requirement for security deposits, through the resources of its customer service department.

Trade and other accounts receivables	As at December 31, 2012	As at December 31, 2011
Current	11,474	10,848
Past due 31-60 days	2,644	1,297
Past due 61-90 days	1,371	485
Past due over 90 days	<u>4,697</u>	<u>3,436</u>
Total Accounts Receivables	20,186	16,066
Less: allowance for doubtful accounts	(184)	(156)
Less: Consumer Deposits and Advances for Construction	<u>(4,585)</u>	<u>(4,357)</u>
Net Exposure	15,417	11,553

As at December 31, 2012, the net exposure on the balance sheet is \$15.4 million.

Critical Accounting Estimates

The preparation of the Company's financial statements in accordance with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are based on historical experience, current conditions and various other assumptions believed to be reasonable under the circumstances. Due to changes in facts and circumstances and the inherent uncertainty involved in making estimates, actual results may differ significantly from the current estimates. Estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings in the period in which they become known.

CHANGES IN ACCOUNTING POLICIES

Transition to US GAAP: Effective January 1, 2012, CUC retroactively adopted US GAAP with the restatement of comparative reporting periods. The area of most significant financial statement impacts upon adopting US GAAP relates to the recognition of the funded status of the defined benefit plan on the balance sheet.

The above-noted item does not represent the only difference between US GAAP and Canadian GAAP. Other less significant differences have also been identified and accounted for. A detailed description of the differences and a detailed reconciliation between the Company's annual audited Canadian GAAP and annual audited US GAAP financial statements for 2011 is disclosed in Note 27 to the Company's voluntarily filed annual audited US GAAP financial statements with accompanying notes thereto for the year ended December 31, 2011, with 2010 comparatives. A detailed reconciliation between the Company's interim unaudited 2011 Canadian GAAP and interim unaudited 2011 US GAAP financial

statements is provided in the above-noted voluntarily filed document under the section "2011 Supplemental Interim Financial Statement Reconciliations" (Unaudited).

The audited quantification and reconciliation of the Company's balance sheet as at December 31, 2011, prepared in accordance with US GAAP versus Canadian GAAP, may be summarized as follows.

Liabilities as of December 31, 2011 increased by \$2.8 million. The increase is due to the increase in the pension liability in accordance with US GAAP.

Shareholders' equity as of December 31, 2011 decreased by \$2.8 million. The decrease is due to the recognition of the past service costs and net actuarial losses related to the defined benefit plan in accordance with US GAAP.

Other assets as of December 31, 2011 increased by \$1.6 million. The increase is due to the reclassification of deferred debt costs in accordance with US GAAP.

Long-term debt as of December 31, 2011 increased by \$1.6 million. The increase is due to the reclassification of deferred debt costs in accordance with US GAAP.

There were no adjustments to the Company's 2011 earnings under US GAAP due to the Company's continued ability to apply rate-regulated accounting policies.

New US GAAP Accounting Pronouncements: The following new US GAAP accounting pronouncements that are applicable to, and were adopted by, CUC effective beginning January 1, 2012 are described as follows:

Presentation of Comprehensive Income

The Company retroactively adopted the amendments to Accounting Standards Codification ("ASC") Topic 220, *Comprehensive Income*. The amended standard requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. CUC continues to report the components of comprehensive income in two separate but consecutive statements.

Fair Value Measurement

The Company retroactively adopted the amendments to ASC Topic 820, *Fair Value Measurements and Disclosures*. The amended standard improves comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with US GAAP. The amendment does not change what items are measured at fair value but instead makes various changes to the guidance pertaining to how fair value is measured and the required disclosures. The above-noted changes did not materially impact the Company's consolidated financial statements for the twelve months ended December 31, 2012.

Quarterly Results

The table "Quarterly Results" summarises unaudited quarterly information for each of the eight quarters ended March 31, 2011 through December 31, 2012. This information has been obtained from CUC's unaudited interim Financial Statements, which in the opinion of Management, have been prepared in accordance with US GAAP. These operating results are not necessarily indicative of results for any future period and should not be relied upon to predict future performance.

Quarterly results (\$ thousands, except basic and diluted earnings per ordinary share)	Operating Revenue	Net earnings	Income applicable to ordinary shares	Earnings per ordinary share	Diluted earnings per ordinary share
December 31, 2012	59,087	4,061	3,468	0.12	0.12
September 30, 2012	58,870	6,582	6,469	0.22	0.22
June 30, 2012	53,940	5,146	5,033	0.18	0.18
March 31, 2012	51,653	1,907	1,794	0.06	0.06
December 31, 2011	57,733	5,082	4,489	0.15	0.15
September 30, 2011	62,453	6,253	6,140	0.22	0.22
June 30, 2011	53,945	5,924	5,811	0.20	0.20
March 31, 2011	43,967	3,131	3,044	0.11	0.11

Outlook

A Certificate of Need was issued by the Company in November 2011, driven primarily by the upcoming retirements of some of the Company's generating units. In March 2012 the Electricity Regulatory Authority ("ERA") solicited Request for Proposals (RFP) for additional generation capacity from six Qualified Bidders (including CUC). CUC submitted its bid in July 2012 and the ERA's selection of the successful bidder is expected during the first quarter of 2013 to meet the projected commissioning date of July 2014. The proposed 2013-2017 CIP totaling \$124.6 million of non-generation installation expenditures was submitted to the ERA in October 2012 for approval. During this period of low growth, CIP initiatives focus on improving reliability of service and operational efficiencies. The ERA's decision on the proposed 2013-2017 CIP is expected during the first quarter of 2013.

Consolidated Balance Sheets

(expressed in thousands of United States Dollars)

Unaudited	As at December 31, 2012	As at December 31, 2011
Assets		
<i>Current Assets</i>		
Cash and Cash Equivalents	694	424
Accounts Receivable	20,002	15,910
Other Receivable - Insurance	123	438
Regulatory Assets	25,795	25,759
Inventories	4,380	3,807
Prepayments	<u>2,558</u>	<u>2,636</u>
	53,552	48,974
Property, Plant and Equipment	377,106	369,832
Other Assets	1,388	1,714
Intangible Assets	2,926	2,819
Total Assets	<u>434,972</u>	<u>423,339</u>
Liabilities and Shareholders' Equity		
<i>Current Liabilities</i>		
Bank Overdraft	6,200	1,059
Accounts Payable and Accrued Expenses	28,550	31,576
Regulatory Liabilities	345	281
Short-Term Debt	31,000	6,000
Current Portion of Long-Term Debt	19,500	15,500
Consumers' Deposits and Advances for Construction	4,585	4,357
	<u>90,180</u>	<u>58,773</u>
Defined Benefit Pension Liability	1,926	2,811
Long-Term Debt	<u>169,000</u>	<u>188,500</u>
Total Liabilities	261,106	250,084
Shareholders' Equity		
Share Capital	1,965	1,954
Share Premium	78,524	76,806
Additional Paid in Capital	450	415
Retained Earnings	94,647	96,827
Accumulated Other Comprehensive Loss	<u>(1,720)</u>	<u>(2,747)</u>
Total Shareholders' Equity	173,866	173,255
Total Liabilities and Shareholders' Equity	<u>434,972</u>	<u>423,339</u>

Consolidated Statements of Earnings

(expressed in thousands of United States Dollars, except basic and diluted earnings per ordinary share and the Weighted Average Number of Class A Ordinary Shares issued and fully paid)

Unaudited	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011
Operating Revenues				
Electricity Sales	16,806	16,703	69,111	69,630
Fuel Factor	<u>42,281</u>	<u>41,030</u>	<u>154,438</u>	<u>148,469</u>
<i>Total Operating Revenues</i>	59,087	57,733	223,549	218,099
Operating Expenses				
Power Generation	43,005	41,794	157,677	151,714
General and Administration	2,353	2,429	9,635	9,254
Consumer Services	386	344	1,549	1,616
Transmission and Distribution	570	396	2,406	1,998
Depreciation	6,096	5,124	22,690	20,570
Maintenance	1,532	1,535	6,602	7,622
Amortization of Intangible Assets	<u>83</u>	<u>81</u>	<u>373</u>	<u>308</u>
<i>Total Operating Expenses</i>	54,025	51,703	200,932	193,082
Operating Income	5,062	6,030	22,617	25,017
Other (Expenses)/Income:				
Finance Charges	(2,052)	(2,102)	(9,125)	(8,659)
Foreign Exchange Gain	526	624	2,165	2,125
Other Income	<u>525</u>	<u>530</u>	<u>2,034</u>	<u>1,907</u>
<i>Total Net Other (Expenses)/Income</i>	(1,001)	(948)	(4,926)	(4,627)
Earnings for the Period	4,061	5,082	17,691	20,390
<i>Preference Dividends Paid- Class B</i>	<u>(593)</u>	<u>(593)</u>	<u>(929)</u>	<u>(906)</u>
<i>Earnings on Class A Ordinary Shares</i>	3,468	4,489	16,762	19,484
Weighted-Average Number of Class A Ordinary Shares Issued and Fully Paid (in thousands)	28,766	28,579	28,699	28,523
<i>Earnings per Class A Ordinary Share</i>	0.12	0.15	0.58	0.68
Diluted Earnings per Class A Ordinary Share	0.12	0.15	0.58	0.68
Dividends Declared per Class A Ordinary Share	0.165	0.165	0.660	0.660

Consolidated Statements of Comprehensive Income

(expressed in thousands of United States Dollars)

Unaudited	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011
Earnings for the Period	4,061	5,082	17,691	20,390
Other Comprehensive Income/(Loss):				
Amounts arising during the period				
Defined Benefit Pension plans:				
Net actuarial gain/(loss)	252	(1,485)	252	(1,485)
Reclassification to net income				
Defined Benefit Pension plans:				
Amortization of prior service costs	62	62	248	249
Amortization of net actuarial loss	<u>59</u>	<u>10</u>	<u>527</u>	<u>40</u>
Total Other Comprehensive Income/(Loss)	373	(1,413)	1,027	(1,196)
Comprehensive Income	4,434	3,669	18,718	19,194

Consolidated Statements of Shareholders' Equity

(expressed in thousands of United States Dollars except Common Shares)

	Common Shares (in thousands)	Common Shares Value (\$)	Preference Shares (\$)	Share premium (\$)	Additional paid-in capital (\$)	Accumulated Other Comprehensive Loss (\$)	Retained Earnings (\$)	Total Equity (\$)
As At January 1, 2012	28,625	1,704	250	76,806	415	(2,747)	96,827	173,255
Net Earnings	-	-	-	-	-	-	17,691	17,691
Common Share Issuance & stock options plans	181	11	-	1,718	35	-	-	1,764
Defined benefit plans	-	-	-	-	-	1,027	-	1,027
Dividends on common shares	-	-	-	-	-	-	(18,942)	(18,942)
Dividends on preference shares	-	-	-	-	-	-	(929)	(929)
As At December 31, 2012	28,806	1,715	250	78,524	450	(1,720)	94,647	173,866
As At January 1, 2011	28,465	1,694	250	75,281	372	(1,551)	96,170	172,216
Net Earnings	-	-	-	-	-	-	20,390	20,390
Common Share Issuance & stock options plans	160	10	-	1,525	43	-	-	1,578
Defined benefit plans	-	-	-	-	-	(1,196)	-	(1,196)
Dividends on common shares	-	-	-	-	-	-	(18,827)	(18,827)
Dividends on preference shares	-	-	-	-	-	-	(906)	(906)
As At December 31, 2011	28,625	1,704	250	76,806	415	(2,747)	96,827	173,255

Consolidated Statements of Cash Flows

(expressed in thousands of United States Dollars)

Unaudited	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2011
<i>Operating Activities</i>				
Earnings for the period	4,061	5,082	17,691	20,390
Items not affecting cash:				
Depreciation	6,096	5,124	22,690	20,570
Amortisation of Intangible Assets	83	81	373	308
Non-cash Pension Expenses	141	-	141	-
Amortisation of Deferred Financing Costs	49	49	197	187
Stock-based compensation	<u>7</u>	<u>12</u>	<u>35</u>	<u>47</u>
	10,437	10,348	41,127	41,502
Net change in non-cash working capital balances related to operations	(6,345)	(3,705)	(7,323)	75
Net Change in Regulatory Deferrals	<u>1,744</u>	<u>2,248</u>	<u>29</u>	<u>(4,466)</u>
<i>Cash flow related to operating activities</i>	5,836	8,891	33,833	37,111
<i>Investing Activities</i>				
Purchase of property, plant and equipment	(9,229)	(9,895)	(30,788)	(39,624)
Costs related to intangible assets	(45)	(138)	(372)	(554)
Insurance funds received	-	21	1,051	4,771
Proceeds on sale of property, plant and equipment	<u>-</u>	<u>-</u>	<u>48</u>	<u>19</u>
<i>Cash flow related to investing activities</i>	(9,274)	(10,012)	(30,061)	(35,388)
<i>Financing Activities</i>				
Proceeds from debt financing	-	6,000	25,000	46,000
Repayment of debt	(3,000)	(3,000)	(15,500)	(32,500)
Increase in bank overdraft	6,200	449	5,141	1,059
Dividends paid	(4,859)	(5,373)	(19,872)	(19,757)
Net proceeds from share issues	<u>371</u>	<u>452</u>	<u>1,729</u>	<u>1,536</u>
<i>Cash flow related to financing activities</i>	(1,288)	(1,472)	(3,502)	(3,662)
Increase/(Decrease) in net cash and cash equivalents	(4,726)	(2,593)	270	(1,939)
Cash and cash equivalents - Beginning of period	<u>5,420</u>	<u>3,017</u>	<u>424</u>	<u>2,363</u>
Cash and cash equivalents - End of period	694	424	694	424
Supplemental disclosure of cash flow information:				
Interest paid during the period	5,949	6,222	12,032	12,079