FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following Fourth Quarter 2015 press release should be read in conjunction with the Caribbean Utilities Company Ltd. ("CUC" or the "Company") Management's Discussion and Analysis ("MD&A") and audited consolidated financial statements and notes thereto for the year ended December 31, 2014 in the Company's 2014 Annual Report, with 2013 comparatives, prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). Financial information in this Fourth Quarter 2015 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 consolidated financial statements. The financial statements and analysis in this press release were approved by the Audit Committee.

Financial and Operational Highlights

($ thousands, except basic earnings per ordinary share, dividends paid per ordinary share and where otherwise indicated)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Electricity Sales Revenues	**19,390**	17,835	**76,747**	73,408	**3,339**	5%
Fuel Factor Revenues	**26,492**	40,357	**112,133**	158,297	**(46,164)**	-29%
Operating Revenues	**45,882**	58,192	**188,880**	231,705	**(42,825)**	-18%
Fuel and Lube Costs	**26,492**	40,357	**112,133**	158,297	**(46,164)**	-29%
Other Operating Expenses	**13,403**	11,554	**51,480**	48,080	**3,400**	7%
Total Operating Expenses	**39,895**	51,911	**163,613**	206,377	**(42,764)**	-21%
Earnings for the Period	**6,151**	5,397	**22,842**	20,815	**2,027**	10%
Cash Flow from Operating Activities	**15,387**	9,864	**59,021**	46,780	**12,241**	26%
Per Class A Ordinary Share:						
Basic Earnings	**0.18**	0.16	**0.71**	0.68	**0.03**	4%
Dividends Paid	**0.165**	0.165	**0.660**	0.660	**-**	0%
Total Customers	**28,204**	27,784	**28,204**	27,784	**420**	2%
Total Employees*	**201**	198	**201**	198	**3**	2%
Customer per Employee (#)	**140**	140	**140**	140	**-**	0%
System Availability (%)	**99.94**	99.97	**99.96**	99.96	**-**	0%
Peak Load Gross (MW)	**100.7**	92.7	**100.7**	99.7	**1.0**	1%
Millions of kWh:						
Net Generation	**157.1**	145.5	**623.7**	604.7	**19.0**	3%
Kilowatt-Hour Sales	**146.5**	135.8	**582.0**	564.2	**17.8**	3%
Sales per employee	**0.73**	0.69	**2.90**	2.85	**0.05**	2%

*Total full time CUC employees

EARNINGS

Net earnings for the three months ended December 31, 2015 ("Fourth Quarter 2015") were $6.2 million, a $0.8 million increase when compared to $5.4 million for the three months ended December 31, 2014 ("Fourth Quarter 2014"). This increase is attributable to an 8% growth in kilowatt-hour ("kWh") sales and lower finance charges. These items were partially offset by higher consumer services, general and administration, depreciation and maintenance costs for the Fourth Quarter 2015 when compared to the Fourth Quarter 2014.

Net earnings for the twelve months ended December 31, 2015 were $22.8 million, a $2.0 million increase from net earnings of $20.8 million for the twelve months ended December 31, 2014. This increase is attributable to a 3% increase in kWh sales, 1.5% and 0.9% base rate increases effective June 1, 2014 and June 1, 2015 respectively, lower finance charges and increased other income. These items were partially offset by higher depreciation, maintenance and general and administration costs.

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 2015 were $5.6 million, or $0.18 per Class A Ordinary Share, as compared to $4.8 million, or $0.16 per Class A Ordinary Share for the Fourth Quarter 2014.

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, 2015 were $21.9 million, or $0.71 per Class A Ordinary Share as compared to $19.9 million, or $0.68 per Class A Ordinary Share for the twelve months ended December 31, 2014.

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 31,041,240 and 29,130,536 for the twelve months ended December 31, 2015 and December 31, 2014, respectively.

The Company successfully completed a Rights Offering (the "Offering") on May 4, 2015. The Offering raised gross proceeds of $31,563,639 through the issue of 2,930,700 Class A Ordinary Shares. The weighted average number of Class A Ordinary Shares used to calculate the earnings per Class A Ordinary Shares for the twelve months ended December 31, 2015 was impacted by the shares issued through the Offering.

SALES

For the Fourth Quarter 2015, kWh sales were 146.5 million, an increase of 10.7 million kWh or 8% when compared to 135.8 million for the Fourth Quarter 2014. Sales were positively impacted by warmer weather conditions that affected customer air conditioning usage. The average monthly temperature for the Fourth Quarter 2015 was 83.0 degrees, 3.6 degrees Fahrenheit higher than the average monthly temperature experienced during the Fourth Quarter 2014 of 79.4 degrees.

Sales for the twelve months ended December 31, 2015 were 582.0 million kWh, an increase of 17.8 million kWh or 3% when compared to 564.2 million kWh for the twelve months ended December 31, 2014. Sales were positively impacted by large commercial development, growth in customer numbers and warmer weather conditions that affected customer air conditioning usage. The average temperature for 2015 was 83 degrees Fahrenheit compared to 82 degrees for 2014.

Total customers as at December 31, 2015 were 28,204, an increase of 420 compared to 27,784 customers as at December 31, 2014.

The following tables present sales and customer highlights:

Customers (#)	December 31, 2015	December 31, 2014	Change %
Residential	**24,007**	23,685	1%
Commercial	**4,197**	4,099	2%
Total Customers	**28,204**	27,784	2%

Sales

(thousands kWh)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Residential	**70,995**	63,315	**276,944**	266,742	**10,202**	4%
Commercial	**73,861**	70,785	**298,285**	290,745	**7,540**	3%
Other (street lighting, etc.)	**1,690**	1,683	**6,748**	6,740	**8**	0%
Total Sales	**146,546**	135,783	**581,977**	564,227	**17,750**	3%

Average Consumption per Customer

(kWh)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Residential	**988**	894	**968**	946	22	2%
Commercial	**56,921**	54,614	**57,740**	56,371	1,369	2%

OPERATING REVENUES

Operating revenues decreased by $12.3 million, to $45.9 million for the Fourth Quarter 2015 from $58.2 million for the Fourth Quarter 2014. Operating revenues decreased 18%, or $42.8 million, to $188.9 million for the twelve months ended December 31, 2015 from $231.7 million for the twelve months ended December 31, 2014. These decreases were the result of lower fuel factor revenues partially offset by higher electricity sales revenues.

Total operating revenues were as follows:

Revenues

($ thousands)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Residential	**9,237**	8,206	**35,948**	34,910	**1,038**	3%
Commercial	**9,980**	9,497	**40,060**	37,981	**2,079**	5%
Other (street lighting, etc.)	**173**	132	**739**	517	**222**	43%
Electricity Sales Revenues	**19,390**	17,835	**76,747**	73,408	**3,339**	5%
Fuel Factor Revenues	**26,492**	40,357	**112,133**	158,297	**(46,164)**	-29%
Total Operating Revenues	**45,882**	58,192	**188,880**	231,705	**(42,825)**	-18%

Electricity sales revenue increased $1.6 million, or 9%, in the Fourth Quarter 2015 to $19.4 million when compared to electricity sales revenues of $17.8 million for the Fourth Quarter 2014. This increase is attributable to an 8% increase in kWh sales and the 0.9% base rate increase effective June 1, 2015.

Electricity sales revenue increased $3.3 million, for the twelve months ended December 31, 2015 to $76.7 million when compared to electricity sales revenues of $73.4 million for the twelve months ended December 31, 2014. This increase is attributable to a 3% increase in kWh sales and the 1.5% and 0.9% base rate increases effective June 1, 2014 and June 1, 2015 respectively.

Fuel factor revenues for the Fourth Quarter 2015 totalled $26.5 million, a 34% or $13.9 million decrease from the $40.4 million in fuel factor revenues for the Fourth Quarter 2014. The average Fuel Cost Charge rate per kWh charged to consumers for the Fourth Quarter 2015 was $0.17, a 39% decrease when compared to $0.28 per kWh for the Fourth Quarter 2014.

Fuel factor revenues for the twelve months ended December 31, 2015 totalled $112.1 million, a $46.2 million increase from the $158.3 million in fuel factor revenues for the twelve months ended December 31, 2014. The average Fuel Cost Charge rate per kWh charged to consumers for the twelve months ended December 31, 2015 was $0.19 per kWh compared to the Fuel Cost Charge rate of $0.27 per kWh for the twelve months ended December 31, 2014. This decrease in the average Fuel Cost Charge rate has resulted in savings of $46.6 million to consumers for the twelve months ended December 31, 2015 when compared to the twelve months ended December 31, 2014. Fuel factor revenues for the Fourth Quarter 2015 and the twelve months ended December 31, 2015 decreased when compared to the Fourth Quarter 2014 and the twelve months ended December 31, 2014 due to a decline in global oil prices and a reduction in custom duties levied on diesel fuel imports by the Cayman Islands Government. Further reductions to the fuel cost charge rate per kWh are expected to occur in 2016 due to an additional decrease of $0.30 per imperial gallon in customs duties levied on fuel imports by the Government effective January 2016.

OPERATING EXPENSES

Total operating expenses for the Fourth Quarter 2015 decreased $12.0 million to $39.9 million from $51.9 million for the Fourth Quarter 2014. The main contributing factors to the decrease in operating expenses were lower power generation partially offset by higher general and administration, consumer services and maintenance and depreciation expenses.

Total operating expenses for the twelve months ended December 31, 2015 decreased $42.8 million to $163.6 million from $206.4 million for the twelve months ended December 31, 2014. The main contributing factors to the decrease in operating expenses were lower power generation costs partially offset by higher depreciation, maintenance, general and administration and transmission and distribution expenses.

Operating expenses were as follows:

Operating Expenses

($ thousands)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Power Generation Expenses	**27,427**	41,340	**116,105**	161,832	**(45,727)**	-28%
General and Administration	**2,461**	2,167	**9,134**	8,796	**338**	4%
Consumer Service	**1,205**	659	**3,212**	3,357	**(145)**	-4%
Transmission and Distribution	**723**	634	**2,853**	2,619	**234**	9%
Depreciation	**6,593**	5,957	**25,961**	24,030	**1,931**	8%
Maintenance	**1,366**	1,074	**5,861**	5,406	**455**	8%
Amortization of Intangible Assets	**120**	80	**487**	337	**150**	45%
Total Operating Expenses	**39,895**	51,911	**163,613**	206,377	**(42,764)**	-21%

POWER GENERATION

Power generation costs for the Fourth Quarter 2015 decreased $13.9 million, to $27.4 million when compared to $41.3 million for the Fourth Quarter 2014. Power generation costs for the twelve months ended December 31, 2015 decreased $45.7 million to $116.1 million when compared to $161.8 million for the twelve months ended December 31, 2014. This decrease is as a result of lower fuel costs.

Power generation expenses were as follows:

Power Generation

($ thousands) *Fuel and Lubricating Oil costs stated net of deferred charges*

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Fuel costs (net of deferred fuel charges)	**26,072**	39,769	**110,067**	155,955	**(45,888)**	-29%
Lubricating Oil costs (net of deferred lubricating oil charges)	**420**	588	**2,066**	2,342	**(276)**	-12%
Temporary generation costs	**157**	212	**707**	412	**295**	72%
Other generation expenses	**778**	771	**3,265**	3,123	**142**	5%
Total Power Generation expenses	**27,427**	41,340	**116,105**	161,832	**(45,727)**	-28%

The Company's average price per imperial gallon ("IG") of fuel for the Fourth Quarter 2015 decreased to $2.64 from $4.17 for the Fourth Quarter 2014. The Company's average price per IG of fuel for the twelve months ended December 31, 2015 decreased to $2.98 from $4.56 for the twelve months ended December 31, 2014.

The Company's average price per IG of lubricating oil for the Fourth Quarter 2015 decreased to $10.67 from $13.10 for the Fourth Quarter 2014. The Company's average price per IG of lubricating oil for the twelve months ended December 31, 2015 decreased to $11.07 from $12.59 for the twelve months ended December 31, 2014.

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 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 2015 utilize call options and call spreads to promote transparency in pricing. The monthly hedging costs and returns are also included within the Fuel Tracker Account.

CUC has secured the supply of 7.5 MW of temporary mobile generation following the retirement of 17.5 MW of generation in early 2014 in accordance with the Generation Licence. Temporary generation expenses for the Fourth Quarter 2015 totalled $0.2 million, comparable to the Fourth Quarter 2014. Temporary generation expenses for the twelve months ended December 31, 2015 totalled $0.7 million, an increase of $0.3 million when compared to temporary generation expenses of $0.4 million for the twelve months ended December 31, 2014. Temporary generation was initially acquired in June 2014.

Other generation expenses for the Fourth Quarter 2015 totalled $0.8 million, comparable to Fourth Quarter 2014. Other generation expenses for the twelve months ended December 31, 2015 totalled $3.3 million an increase of $0.2 million when compared to $3.1 million for the twelve months ended December 31, 2014.

GENERAL AND ADMINISTRATION ("G&A")

G&A expenses for the Fourth Quarter 2015 totalled $2.5 million, a $0.3 million or 14% increase when compared to G&A expenses of $2.2 million for the Fourth Quarter 2014. This increase was due primarily to higher costs associated with the Company's Performance Share Unit ("PSU") plan.

G&A expenses for the twelve months ended December 31, 2015 totalled $9.1 million, an increase of $0.3 million, or 3%, from $8.8 million for the twelve months ended December 31, 2014. This increase was due mainly to higher staff welfare costs, higher PSU plan costs and higher costs related to the Company's defined benefit pension plan. These increases were partially offset by higher General Expenses Capitalized ("GEC").

The increased staff welfare costs relate to employee separation payments in addition to the purchase of additional safety equipment for employees. The Company's Health and Safety standards require employees to wear suitable clothing and footwear that provides adequate protection from any exposure to unavoidable hazards.

The Company capitalizes certain overhead costs not directly attributable to specific capital assets but which do relate to the overall capital expenditure program. GEC totalled $1.1 million for the Fourth Quarter 2015, $0.2 million higher than $0.9 million for the Fourth Quarter 2014. GEC totalled $4.2 million for the twelve months ended December 31, 2015, $0.6 million higher than $3.6 million for the twelve months ended December 31, 2014.

CONSUMER SERVICES ("CS")

CS expenses for the Fourth Quarter 2015 totalled $1.2 million an increase of $0.5 million or 71% when compared to $0.7 million for the Fourth Quarter 2014. The increase seen in Fourth Quarter 2015 is primarily attributable to an adjustment to the Allowance for Doubtful Accounts ("AFDA") for Datalink receivables from third party telecommunications companies in the amount of $0.3 million, and a change in estimate to the Company's AFDA. During Fourth Quarter 2015, the Company reviewed the days outstanding for receivable balances and determined that an increase was required to the AFDA. The effect of this change in estimate for Fourth Quarter 2015 was to increase the provision of AFDA by $0.2 million.

CS expenses for the twelve months ended December 31, 2015 totalled $3.2 million, a decrease of $0.2 million or 6% when compared to $3.4 million for the twelve months ended December 31, 2014. This decrease is attributable to an adjustment in 2014 to the AFDA which resulted from a review of the Company's accounts receivable balances at that time.

In accordance with its AFDA policy, the Company maintains an accumulated provision for uncollectible customer accounts receivable that is estimated based on known accounts, a risk element for aging of accounts receivable, historical experience and other currently available information, including the economic environment.

TRANSMISSION AND DISTRIBUTION ("T&D")

T&D expenses for the Fourth Quarter 2015 totalled $0.7 million an increase of $0.1 million when compared to T&D expenses of $0.6 million for the Fourth Quarter 2014.

T&D expenses for the twelve months ended December 31, 2015 totalled $2.9 million an increase of $0.3 million, or 12%, when compared to T&D expenses of $2.6 million for the twelve months ended December 31, 2014. This increase in T&D expenses for Fourth Quarter 2015 and the twelve months ended December 31, 2015 were impacted by higher street light maintenance and general tree trimming projects when compared to Fourth Quarter 2014 and Fiscal 2014.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT ("DEPRECIATION")

Depreciation expenses for the Fourth Quarter 2015 totalled $6.6 million, an increase of $0.6 million from $6.0 million for the Fourth Quarter 2014.

Depreciation expenses for the twelve months ended December 31, 2015 totalled $26.0 million, an increase of $2.0 million, or 8%, from $24.0 million for the twelve months ended December 31, 2014. This increase in depreciation is related to capital projects completed in prior periods.

MAINTENANCE

Maintenance expenses for the Fourth Quarter 2015 totaled $1.4 million, an increase of 27% or $0.3 million when compared to maintenance expenses of $1.1 million for the Fourth Quarter 2014. Maintenance expenses for the twelve months ended December 31, 2015 totalled $5.9 million, an increase of $0.5 million from $5.4 million for the twelve months ended December 31, 2014. This increase is due to ongoing maintenance projects of the generating units and an increase in maintenance costs for various information technology programs.

AMORTIZATION

Amortization of intangible assets for the Fourth Quarter 2015 totaled $0.1 million, comparable to amortization expenses for the Fourth Quarter 2014. Amortization of intangible assets for the twelve months ended December 31, 2015 totalled $0.5 million, an increase of $0.2 million when compared to $0.3 million for the year ended December 31, 2014.

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.

OTHER INCOME AND EXPENSES

Net Other Income for the Fourth Quarter 2015 totalled $0.2 million, an increase of $1.1 million when compared to Net Other Expense of $0.9 million the Fourth Quarter 2014. Net Other Expenses for the twelve months ended December 31, 2015 totalled $2.4 million, a decrease of $2.1 million from $4.5 million for the twelve months ended December 31, 2014. These decreases are the result of higher Allowance for Funds Used during Construction ("AFUDC") and higher Other Income.

Finance charges for the Fourth Quarter 2015 totaled $1.2 million, a decrease of $1.0 million, when compared to $2.2 million for the Fourth Quarter 2014. AFUDC for the Fourth Quarter 2015 totaled $1.9 million, an increase of $1.1 million when compared to $0.8 million for the Fourth Quarter 2014. This increase was attributable to higher capital expenditure, driven primarily by the generation expansion project and a higher cost of capital rate.

Finance charges for the twelve months ended December 31, 2015 totalled $7.3 million, a decrease of $1.8 million from $9.1 million for the twelve months ended December 31, 2014. The AFUDC amount for the twelve months ended December 31, 2015 totalled $5.3 million, a $2.5 million increase when compared to $2.8 million for the twelve months ended December 31, 2014. This increase was attributable to higher capital expenditure, driven primarily by the generation expansion project, and a higher cost of capital rate.

Under the T&D Licence there is a provision for an 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 2015 was 8.25% (2014:8.0%), as agreed with the ERA in accordance with the T&D Licence, and is reviewed annually.

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 2015 totaled $0.4 million, a decrease of $0.1 million when compared to $0.5 million for the Fourth Quarter 2014. Foreign exchange gains totalled $1.4 million for the twelve months ended December 31, 2015, a $0.5 million decrease when compared to foreign exchange gains of $1.9 million for the twelve months ended December 31, 2014. Foreign exchange gains have decreased due to the decline in global oil prices which result in lower fuel purchases.

Other income is comprised of pole rental fees, income from pipeline operations, sales of meter sockets, the sale of recyclable metals, income from the Company's subsidiary DataLink and other miscellaneous income. Other income for the Fourth Quarter 2015 totaled $0.9 million, an increase of $0.1 million from $0.8 million compared to the Fourth Quarter 2014.

Other income totalled $3.4 million for the twelve months ended December 31, 2015, an increase of $0.7 million, from $2.7 million for the twelve months ended December 31, 2014. The Company's new Customer Service Code ("CSC") became effective on January 1, 2015. The CSC sets out the terms and conditions of the supply of electricity to the Company's customers, as well as the standards for the level of service which CUC is required to provide to its customers. The new CSC also provides for an increase in various customer service fees such as reconnection fees and the introduction of late fees on outstanding customer receivables.

Revenues from DataLink are recorded in Other Income in the amount of $0.3 million for the Fourth Quarter 2015, a decrease of $0.1 million, from $0.4 million for Fourth Quarter 2014. For the twelve months ended December 31, 2015 revenues from DataLink totalled $1.0 million, an increase of $0.1 million, from $0.9 million for the twelve months ended December 31, 2014.

THE ECONOMY

The Cayman Islands Economics and Statistics Office ("ESO") released the Consumer Price Index ("CPI") report for the Third Quarter in December 2015. According to the report, the CPI for the Third Quarter declined by 2.9% compared to Third Quarter 2014. This decline is as a result of reductions in the prices for housing and utilities, transport and miscellaneous goods and services and household equipment. Prices for electricity, gas and other fuels declined as a result of the decrease in global oil prices. The ESO is forecasting 2015 annual inflation of 1.8%.

The ESO also issued the 2015 Semi-Annual Economic Report in December 2015. The report indicated that the Gross Domestic Product ("GDP") expanded by an estimated 1.6% in the first six months of 2015. The expanding sectors were led by real estate, renting and business services; construction; and financing and insurance services.

The ESO is forecasting Annual GDP growth in 2015 of 1.7% with the pick-up in real estate activity and construction expected to continue for the second half of the year.

The financial services sector continues to experience its challenges. Overall, there were fewer bank licenses, mutual funds, registered companies and captive insurance companies when compared to the prior year. Despite the downward trends, the Cayman Islands continue to be one of the world's largest banking sectors in terms of assets and one of the top jurisdictions for captive insurance companies in terms of the number of captive insurance companies and total assets under management.

The table below itemises trends in some of the key financial areas for the twelve months ending December 31:

Indicators for the Financial Services Industry

(for the years ending December 31)

	2015	2014	2013	2012	2011
Bank Licences	184	198	213	222	234
Mutual Funds *	10,940	11,010	11,379	10,841	9,258
Mutual Fund Administrators	108	115	121	124	129
Registered Companies	98,838	99,459	95,530	93,612	92,964
Captive insurance companies	739	788	788	768	739

*The Cayman Islands Mutual Funds (Amendment) Law, 2011, dated December 22, 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"). Registration for these funds was required for the first time in 2012. Previously registration of any such funds was voluntary in nature. As at December 31, 2015 there were 2,805 registered Master Mutual Funds (2014:2,685) and nil as at December 31, 2011 and prior periods.

The tourism sector is the second main pillar of the Cayman Islands economy. The Cayman Islands tourism demographic is largely comprised of visitors from the United States of America ("US"). For 2015 76% of air arrivals to the country were citizens of the US. As such the US economy largely impacts that of the Cayman Islands.

Air arrivals for 2015 were up 1% when compared to 2014 and cruise arrivals increased by 7% when compared to 2014. 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:

Tourist Arrivals to the Cayman Islands

(for the twelve months ending December 31)

	2015	2014	2013	2012	2011
By Air	**385,379**	382,816	345,387	321,650	309,091
By Sea	**1,716,812**	1,609,555	1,375,872	1,507,370	1,401,495
Total	**2,102,191**	1,992,371	1,721,259	1,829,020	1,710,586

The tourism industry is expected to be positively impacted by the expansion of the Owen Roberts International Airport in Grand Cayman. The expansion is expected to be completed in 2018 and will accommodate the anticipated growth in air arrivals. In addition to the airport expansion, the tourism sector will receive a boost by the completion of the Kimpton Hotel. The luxury resort hotel will be completed in 2016, and will host 5 restaurants and 6 beachfront bungalows in addition to the 10 story 265 room ocean front complex. Both projects are expected to create additional employment opportunities and increase stay over tourism.

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.caymanfinancialreview.com www.caymanislands.ky.

LIQUIDITY AND CAPITAL RESOURCES

The following table outlines the summary of cash flow:

Cash Flows

($ thousands)

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change	% Change
Beginning cash	**17,489**	3,467	**21,815**	1,215	**20,600**	1695%
Cash provided by/(used in):						
Operating activities	**15,387**	9,864	**59,021**	46,780	**12,241**	26%
Investing activities	**(25,186)**	(18,743)	**(78,574)**	(39,774)	**(38,800)**	98%
Financing activities	**(6,325)**	27,227	**(897)**	13,594	**(14,491)**	-107%
Ending cash	**1,365**	21,815	**1,365**	21,815	**(20,450)**	-94%

Operating Activities:

Cash flow provided by operations, after working capital adjustments, for the Fourth Quarter 2015, was $15.4 million, an increase of $5.5 million when compared to $9.9 million for the Fourth Quarter 2014. This increase was primarily attributable to changes in non-cash working capital balances and higher earnings.

Cash flow provided by operations, after working capital adjustments, for the twelve months ended December 31, 2015, was $59.0 million, an increase of $12.2 million from $46.8 million for the twelve months ended December 31, 2014. This increase was primarily due to increased earnings and changes in regulatory deferrals.

Investing Activities:

Cash used in investing activities totalled $25.2 million for the Fourth Quarter 2015, an increase of $6.5 million from $18.7 million for the Fourth Quarter 2014. This increase is due to higher capital expenditures, driven primarily by the generation expansion project.

Cash used in investing activities for the twelve months ended December 31, 2015 totalled $78.6 million, an increase of $38.8 million from $39.8 for the twelve months ended December 31, 2014. This increase is due to higher capital expenditures, driven primarily by the generation expansion project.

Financing Activities:

Cash used in financing activities totalled $6.3 million for the Fourth Quarter 2015 compared to $27.2 million of cash provided in financing activities in the Fourth Quarter 2014. This decrease is due primarily to debt receipts of $50.0 million in long term funding during the Fourth Quarter 2014, compared to no proceeds from debt during the Fourth Quarter 2015.

Cash used in financing activities totalled $0.9 million for the twelve months ended December 31, 2015, a decrease of $14.5 million from $13.6 million of cash from financing activities for the twelve months ended December 31, 2014. During the twelve months ended December 31, 2014, the Company received $65.0 million in debt proceeds. During the twelve months ended December 31, 2015, the Company received $33.3 million in proceeds from the issuance of Class A Ordinary Shares under the 2015 Rights Offering.

FINANCIAL POSITION

The following table is a summary of significant changes to the Company's balance sheet from December 31, 2014 to December 31, 2015:

Significant changes in Balance Sheets		
(from December 31, 2014 to December 31, 2015		
Balance Sheet Account	**Increase (Decrease) *($ millions)***	**Explanation**
Cash and Cash Equivalents	(20.5)	Decrease due to cash provided by operating activities of $59.0 million offset by cash used in financing activities of $0.9 million and cash used in investing activities of $78.6 million.
Accounts Receivable	(2.5)	Lower billings due to a decrease in fuel costs and increased allowance for doubtful accounts.
Regulatory Assets	(9.2)	Decrease attributable to a reduction in fuel costs.
Prepayments	(0.7)	Decrease due to a reduction in costs associated with the Company's property and machinery breakdown insurance policy.
Property, Plant and Equipment	53.0	Net increase is comprised of capital expenditures of (1) $78.0 million (2) depreciation expense of $26.0 million (3) $1.0 million in accrued capital expenditure
Accounts Payable and Accrued Expenses	(5.9)	Decrease attributable to lower fuel costs.
Regulatory Liabilities	0.7	Increase due to the recovery of Licence & Regulatory Fees paid to the ERA which were previously owed to the Company by consumers.
Long-Term Debt	(13.8)	Decrease due to principal payments made on the Company's Senior Unsecured Notes.
Share Premium	33.2	The Company issued 2,930,700 shares through the 2015 Rights Offering and 190,810 shares through its share purchase plans.
Retained Earnings	1.1	Increase due to net earnings for the period of $22.8 million offset by Class A dividends of $20.8 million and Class B dividends of $0.9 million.

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 2015 and the Company's Share Purchase Plans.

Certain of the Company's long-term debt obligations have covenants restricting the issuance of additional debt such that consolidated debt cannot exceed 60% of the Company's consolidated capital structure, as defined by short-term and long-term debt agreements. As at December 31, 2015, the Company was in compliance with all debt covenants.

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

Capital Structure	December 31, 2015 ($ millions)	%	December 31, 2014 ($ millions)	%
Total debt	236.6	52	250.4	58
Shareholder's equity	214.5	48	179.8	42
Total	**451.1**	**100**	**430.2**	**100**

During the twelve months ended December 31, 2015, the Company's capital structure increased $20.8 million to $451.1 million from $430.2 million at December 31, 2014.

During the twelve months ended December 31, 2015, the Company repaid debt of $14.0 million. The increase in shareholder's equity was primarily attributable to the issuance of Class A Ordinary Shares under the 2015 Rights Offering, and an increase in retained earnings.

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

S&P A-/Negative
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.

Following Fortis Inc.'s February 9, 2016 announcement of the proposed $11.3 billion acquisition of ITC Holdings Corporation, a Michigan based Company that operates electricity transmission facilities in the United States, S&P affirmed the Company's A- rating and revised its outlook on the Company from stable to negative. The negative outlook on CUC reflects the application of S&P's group rating methodology and an expectation of the execution risks associated with the transaction including selling up to 19.9% of ITC to one or more infrastructure-focused minority investors. The A- 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 DBRS "A" rating reflects a supportive regulatory regime, solid credit metrics and a stable island economy and the demand for electricity. 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:

Short-Term Financing
($ millions)

Credit Facilities	December 31, 2015
Corporate Credit Card Line	0.5
Letter of Credit	0.5
Operating, Revolving Line of Credit	7.5
Catastrophe Standby Loan	7.5
Demand Loan Facility- Interim Funding of Capital Expenditures	31.0
Total	**47.0**

Of the total above, $44.3 million was available at December 31, 2015.

CAPITAL EXPENDITURES

Capital expenditures for the Fourth Quarter 2015 were $25.0 million, a $6.6 million, or 36% increase from $18.4 million in capital expenditures for the Fourth Quarter 2014. Capital expenditures for the twelve months ended December 31, 2015 were $78.0 million, a $38.5 million, or 97% increase from $39.5 million in capital expenditures for the same period of the previous year.

During the twelve months ended December 31, 2015, capital expenditure related to the Generation Expansion project totalled $47.9 million. Additional capital expenditures for 2015 primarily relate to the generation asset replacements and distribution system extension and upgrades. Included within the various 2015 projects is AFUDC of $5.3 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, 2015.

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 by the ERA.

Insurance – Terms and Coverage

The Company renewed its insurance policy as at July 1, 2015 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 and the application of a Finance Charge on overdue accounts beyond 60 days, through the resources of its customer service department. The Finance Charge was approved by the ERA in late 2014 with an effective date of January 1, 2015.

As at December 31, 2015, the net exposure on the balance sheet is $4.9 million.

Trade and other accounts receivable
($ thousands)

	As at December 31, 2015	As at December 31, 2014
Current	8,160	9,212
Past due 31-60 days	1,018	1,628
Past due 61-90 days	240	516
Past due over 90 days	4,313	4,397
Total Accounts Receivable	**13,731**	**15,753**
Less: Allowance for doubtful accounts	(1,964)	(1,481)
Less: Consumer Deposits	(6,823)	(5,461)
Net Exposure	**4,944**	**8,811**

CHANGES IN ACCOUNTING POLICIES

Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period

Effective January 1, 2015, the Company early adopted ASU No. 2014-12 that resolves diversity in practice for employee share-based payments with performance targets that can entitle an employee to benefit from an award regardless of if they are rendering services at the date the performance target is achieved. The adoption of this update did not have an impact on the Company's consolidated financial statements.

Simplifying the Presentation of Debt Issuance Costs

Effective December 1, 2015, the Company early adopted ASU No. 2015-03 that requires debt issuance costs to be presented on the consolidated balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The adoption of this update was applied retrospectively and resulted in the reclassification of debt issuance costs of $1.6 million from Other Assets to Long-Term Debt on the Company's consolidated Balance Sheet as at December 31, 2014. Additionally, the Company early adopted ASU No. 2015-15 that clarifies the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements. The update permits an entity to defer and present debt issuance costs as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. The adoption of this update was applied retrospectively and did not have a material impact on the Company's consolidated financial statements.

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.

Quarterly Results

The table "Quarterly Results" summarises unaudited quarterly information for each of the eight quarters ended March 31, 2014 through December 31, 2015. 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 Class A ordinary shares	Earnings per Class A ordinary share	Diluted earnings per Class A ordinary share
December 31, 2015	45,882	6,151	5,560	0.18	0.18
September 30, 2015	50,242	7,893	7,780	0.25	0.25
June 30, 2015	44,048	5,514	5,401	0.17	0.17
March 31, 2015	48,709	3,284	3,171	0.11	0.11
December 31, 2014	58,192	5,397	4,806	0.16	0.16
September 30, 2014	63,437	6,221	6,108	0.21	0.21
June 30, 2014	56,571	5,749	5,636	0.2	0.2
March 31, 2014	53,505	3,448	3,335	0.11	0.11

OUTLOOK

On October 3, 2014 the ERA announced that CUC was the successful bidder for new generation capacity. CUC will develop and operate a new 39.7 megawatts ("MW") diesel power plant including two 18.5 MW diesel generating units and a 2.7 MW waste heat recovery steam turbine. The generation expansion project is on track for the handover of the first generating unit on May 1, 2016 and the second generating unit and steam turbine will be handed over on June 1, 2016. The project is estimated at $85 million.

In December 2015 the ERA approved CUC's 2016-2020 Capital Investment Plan in the amount of $204 million. Approved projects for the upcoming period include completion of the generation expansion project and ongoing generation and T&D system replacements and upgrades.

The Company continues to facilitate the connecting of renewable energy sources to the grid. During the Fourth Quarter, the ERA approved a Power Purchase Agreement ("PPA") for a 5 MW plant to be built by Entropy Cayman Solar Limited in the district of Bodden Town.

This 5 MW Solar project, scheduled for completion in October 2016, will provide energy to power approximately 800 homes with clean renewable solar energy and will significantly reduce emissions into the atmosphere through the avoidance of diesel fuel consumption.

Consolidated Balance Sheets

(expressed in thousands of United States Dollars)

Unaudited	As at December 31, 2015	As at December 31, 2014
Assets		
Current Assets		
Cash and Cash Equivalents	**1,365**	21,815
Accounts Receivable	**11,767**	14,272
Related Party Receivables	**-**	12
Regulatory Assets	**14,346**	23,543
Inventories	**2,237**	3,517
Prepayments	**2,096**	2,793
	31,811	65,952
Property, Plant and Equipment	**447,700**	394,680
Other Assets	**24**	24
Intangible Assets	**3,271**	3,174
Total Assets	**482,806**	463,830
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank Overdraft	**1,735**	-
Accounts Payable and Accrued Expenses	**20,410**	26,318
Related Party Payables	**14**	16
Regulatory Liabilities	**863**	145
Current Portion of Long-Term Debt	**14,000**	14,000
Consumers' Deposits and Advances for Construction	**6,823**	5,461
	43,845	45,940
Defined Benefit Pension Liability	**1,242**	1,415
Long-Term Debt	**222,594**	236,430
Other Long term Liabilities	**636**	210
Total Liabilities	**268,317**	283,995
Shareholders' Equity		
Share Capital	**2,177**	1,992
Share Premium	**116,201**	83,044
Additional Paid in Capital	**467**	463
Retained Earnings	**96,822**	95,722
Accumulated Other Comprehensive Loss	**(1,178)**	(1,386)
Total Shareholders' Equity	**214,489**	179,835
Total Liabilities and Shareholders' Equity	**482,806**	463,830

Consolidated Statements of Earnings

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

Unaudited	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Operating Revenues				
Electricity Sales	**19,390**	17,835	**76,747**	73,408
Fuel Factor	**26,492**	40,357	**112,133**	158,297
Total Operating Revenues	**45,882**	**58,192**	**188,880**	**231,705**
Operating Expenses				
Power Generation	**27,427**	41,340	**116,105**	161,832
General and Administration	**2,461**	2,167	**9,134**	8,796
Consumer Services	**1,205**	659	**3,212**	3,357
Transmission and Distribution	**723**	634	**2,853**	2,619
Depreciation	**6,593**	5,957	**25,961**	24,030
Maintenance	**1,366**	1,074	**5,861**	5,406
Amortization of Intangible Assets	**120**	80	**487**	337
Total Operating Expenses	**39,895**	**51,911**	**163,613**	**206,377**
Operating Income	**5,987**	**6,281**	**25,267**	**25,328**
Other (Expenses)/Income:				
Finance Charges	**(1,153)**	(2,181)	**(7,301)**	(9,115)
Foreign Exchange Gain	**393**	464	**1,435**	1,917
Other Income	**924**	833	**3,441**	2,685
Total Net Other (Expenses)/Income	**164**	(884)	**(2,425)**	(4,513)
Earnings for the Period	**6,151**	**5,397**	**22,842**	**20,815**
Preference Dividends Paid- Class B	**(591)**	(591)	**(930)**	(930)
Earnings on Class A Ordinary Shares	**5,560**	**4,806**	**21,912**	**19,885**
Weighted-Average Number of Class A Ordinary Shares Issued and Fully Paid (in thousands)	**32,289**	29,197	**31,041**	29,131
Earnings per Class A Ordinary Share	**0.18**	0.16	**0.71**	0.68
Diluted Earnings per Class A Ordinary Share	**0.18**	0.16	**0.71**	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, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Earnings for the Period	**6,151**	**5,397**	**22,842**	**20,815**
Other Comprehensive Income/(Loss):				
Amounts arising during the period				
Defined Benefit Pension plans:				
Net actuarial (loss)/gain	2	(1,214)	2	(1,214)
Reclassification to net income				
Defined Benefit Pension plans:				
Amortization of prior service costs	-	22	-	82
Amortization of net actuarial loss	52	-	206	-
Total Other Comprehensive Income	54	(1,192)	208	(1,132)
Comprehensive Income	**6,205**	**4,205**	**23,050**	**19,683**

Consolidated Statements of Shareholders' Equity

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

Unaudited	Class A Ordinary Shares (in thousands)	Class A Ordinary Shares Value ($)	Preference Shares ($)	Share Premium ($)	Additional Paid-in Capital ($)	Accumulated Other Comprehensive Loss ($)	Retained Earnings ($)	Total Equity ($)
As at January 1, 2015	**29,260**	**1,742**	**250**	**83,044**	**463**	**(1,386)**	**95,722**	**179,835**
Net earnings	-	-	-	-	-	-	22,842	22,842
Common share issuance and stock options plans	3,122	185	-	33,157	4	-	-	33,346
Defined benefit plans	-	-	-	-	-	208	-	208
Dividends on common shares	-	-	-	-	-	-	(20,812)	(20,812)
Dividends on preference shares	-	-	-	-	-	-	(930)	(930)
As at December 31, 2015	**32,382**	**1,927**	**250**	**116,201**	**467**	**(1,178)**	**96,822**	**214,489**
As at January 1, 2014	**29,060**	**1,730**	**250**	**81,023**	**479**	**(254)**	**95,064**	**178,292**
Net earnings	-	-	-	-	-	-	20,815	20,815
Common share issuance and stock options plans	200	12	-	2,021	(16)	-	-	2,017
Defined benefit plans	-	-	-	-	-	(1,132)	-	(1,132)
Dividends on common shares	-	-	-	-	-	-	(19,227)	(19,227)
Dividends on preference shares	-	-	-	-	-	-	(930)	(930)
As at December 31, 2014	**29,260**	**1,742**	**250**	**83,044**	**463**	**(1,386)**	**95,722**	**179,835**

Consolidated Statements of Cash Flows

(expressed in thousands of United States Dollars)

Unaudited	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Operating Activities				
Earnings for the period	6,151	5,397	22,842	20,815
Items not affecting cash:				
Depreciation	6,593	5,957	25,961	24,030
Amortization of Intangible Assets	120	80	487	337
Non-cash Pension Expenses	48	22	48	-
Amortization of Deferred Financing Costs	42	34	161	156
Stock-based compensation	1	1	4	(17)
	12,955	**11,491**	**49,503**	**45,321**
Net change in non-cash working capital balances related to operations	(1,525)	(6,043)	(397)	726
Net Change in Regulatory Deferrals	3,957	4,416	9,915	733
Cash flow related to operating activities	**15,387**	**9,864**	**59,021**	**46,780**
Investing Activities				
Purchase of property, plant and equipment	(24,983)	(18,367)	(77,947)	(39,472)
Costs related to intangible assets	(203)	(376)	(627)	(643)
Contributions in Aid of Construction	-	-	-	320
Proceeds on sale of property, plant and equipment	-	-	-	21
Cash flow related to investing activities	**(25,186)**	**(18,743)**	**(78,574)**	**(39,774)**
Financing Activities				
Proceeds from debt financing	-	50,000	-	65,000
Repayment of debt	(3,000)	(18,000)	(14,000)	(32,000)
Increase/(Decrease) in bank overdraft	1,735	(455)	1,735	(1,258)
Dividends paid	(5,528)	(4,937)	(21,976)	(20,184)
Net proceeds from share issues	468	619	33,344	2,036
Cash flow related to financing activities	**(6,325)**	**27,227**	**(897)**	**13,594**
(Decrease)/Increase in net cash and cash equivalents	(16,124)	18,348	(20,450)	20,600
Cash and cash equivalents - Beginning of period	17,489	3,467	21,815	1,215
Cash and cash equivalents - End of period	**1,365**	**21,815**	**1,365**	**21,815**
Supplemental disclosure of cash flow information:				
Interest paid during the period	6,105	5,565	12,529	11,634