

Annex I - Regulatory Financial Statements

Regulatory Year	2007 <i>Forecast</i>	2008 <i>Forecast</i>	2009 <i>Forecast</i>	2010 <i>Forecast</i>	2011 <i>Forecast</i>
General Inputs & Assumptions					
Receivables	13% of revenue				
Fixed amount of Inventory	1% of revenue				
Fixed amount of investments	(assumed fixed for the regulatory period)				
Other assets	9,804,818 (assumed fixed for the regulatory period)				
Stockholders Equity (end 2007)	118,750,000 (assumed fixed for the regulatory period)				
Reserves (general)	150,000,000 (assumed fixed for the regulatory period)				
Fixed amount of short-term liabilities	14% of revenue				
Fixed amount of other liabilities	289,251,588 (Use this figure to balance initial balance sheet)				
% of post-tax profit used for dividends payable	15% (assumed fixed for the regulatory period)				
Related business revenue	2,500,000 (assumed fixed for the regulatory period)				
Tax losses to carry forward from 2007	-				
Retained earnings (end 2007)	154,349,916				
Cash position at end of 2007 regulatory year	139,381,815				

Balance Sheet					
Assets	2007	2008	2009	2010	2011
Fixed Assets (RAB)	1,145,298,369	1,251,364,668	1,494,117,583	1,686,040,856	2,144,652,509
Cash	139,381,815	97,763,054	19,242,534	80,192,749	13,980,988
Receivables	34,029,535	45,462,856	61,474,757	83,089,712	111,398,853
Inventory	3,420,931	4,570,304	6,179,953	8,352,868	11,198,737
Investments	-	-	-	-	-
Other assets	9,804,818	9,804,818	9,804,818	9,804,818	9,804,818
Total Assets	1,331,935,469	1,408,965,699	1,590,819,645	1,867,481,003	2,291,035,905
Stockholders Equity and Liabilities					
Stockholders Equity	118,750,000	118,750,000	118,750,000	118,750,000	118,750,000
Retained Earnings	154,349,916	195,487,408	282,012,555	438,132,898	685,536,305
Reserves (general)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Reserves (Assets used over normal lives)	68,400,723	68,400,723	68,400,723	68,400,723	68,400,723
Payables	35,798,976	47,826,797	64,671,273	87,410,145	117,191,282
Long Term Debt	515,384,266	539,249,183	617,733,506	715,535,649	861,906,007
Other short-term liabilities	289,251,588	289,251,588	289,251,588	289,251,588	289,251,588
Total Stockholders Equity and Liabilities	1,331,935,468	1,408,965,699	1,590,819,645	1,867,481,003	2,291,035,905
<i>Check - out of balance</i>	-	-	-	-	-
<i>Total Assets - (Total Liabilities + Equity) = 0</i>					

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Income Statement					
	2007	2008	2009	2010	2011
Sales	250,969,829	336,131,201	455,396,243	616,395,765	827,257,099
Related Business Revenue	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Operating Expenses					
Operation	(39,252,769)	(45,050,076)	(53,329,110)	(62,641,673)	(74,082,705)
Maintenance	(13,627,934)	(14,974,734)	(16,929,915)	(18,538,921)	(20,377,886)
Consumer accounts	(29,060,250)	(31,140,709)	(33,106,287)	(35,101,852)	(37,250,505)
Administrative & general	(39,169,310)	(42,631,130)	(47,518,417)	(51,951,498)	(56,893,669)
WESM compliance	(7,526,817)	(8,249,343)	(9,134,184)	(10,112,505)	(11,105,257)
Other taxes, levies & duties	(3,282,051)	(3,568,675)	(3,848,584)	(4,139,919)	(4,456,842)
EBITDA	121,550,697	193,016,533	294,029,745	436,409,396	625,590,234
Depreciation of RAB	(49,952,153)	(57,751,300)	(70,134,615)	(79,025,645)	(98,059,843)
EBIT	71,598,545	135,265,233	223,895,130	357,383,751	527,530,392
Interest on cash/investments	6,272,182	6,132,800	4,301,574	885,157	3,769,059
Interest expense on borrowings	(69,061,492)	(72,259,391)	(82,776,290)	(95,881,777)	(115,495,405)
Profit before Tax	8,809,235	69,138,642	145,420,414	262,387,131	415,804,046
Tax losses carried forward	-	-	-	-	-
Net taxable income	8,809,235	69,138,642	145,420,414	262,387,131	415,804,046
Income Tax calculated	(2,642,770)	(20,741,593)	(43,626,124)	(78,716,139)	(124,741,214)
Profit after Tax	6,166,464	48,397,049	101,794,290	183,670,992	291,062,832
Dividends Payable	(924,970)	(7,259,557)	(15,269,143)	(27,550,649)	(43,659,425)
Retained profit at year end	5,241,494	41,137,492	86,525,147	156,120,343	247,403,407
EBIT margin	29%	40%	49%	58%	64%
Net profit margin	2%	14%	22%	30%	35%
Return on investment		7.7%	11.3%	15.6%	19.1%
Cash-flow Statement					
	2007	2008	2009	2010	2011
Cash flow from Operating Activities					
EBIT		135,265,233	223,895,130	357,383,751	527,530,392
Add back depreciation		57,751,300	70,134,615	79,025,645	98,059,843
Change in reserves		-	-	-	-
Change in other liabilities		-	-	-	-
Change in working capital		(554,872)	(777,075)	(1,048,997)	(1,373,873)
Operating Income	-	192,461,661	293,252,670	435,360,399	624,216,361
Net Interest Paid		(66,126,591)	(78,474,716)	(94,996,620)	(111,726,346)
Income Tax Paid		(20,741,593)	(43,626,124)	(78,716,139)	(124,741,214)
Net cash provided by Operating Activities	-	105,593,477	171,151,830	261,647,640	387,748,801
Cash flow from Investing Activities					
Additions to Plant		(163,817,598)	(312,887,531)	(270,948,918)	(556,671,495)
Change in investments		-	-	-	-
Cash flows from Investing Activities	-	(163,817,598)	(312,887,531)	(270,948,918)	(556,671,495)
Cash flow from Financing Activities					
Proceeds from issuance of stock	-	-	-	-	-
Dividends paid		(7,259,557)	(15,269,143)	(27,550,649)	(43,659,425)
Change of Long Term Debt		23,864,917	78,484,323	97,802,143	146,370,358
Cash flows from Financing Activities	-	16,605,360	63,215,180	70,251,494	102,710,933
Net Cash Flows for the Year	-	(41,618,761)	(78,520,521)	60,950,215	(66,211,761)
Add cash at the Start of the Year	-	139,381,815	97,763,054	19,242,534	80,192,749
Cash at the end of the Year	139,381,815	97,763,054	19,242,534	80,192,749	13,980,988