Letter to the Shareholders

Light & Power Holdings Ltd. conducts its business principally through The Barbados Light & Power Company Ltd., which is engaged in supplying customers in Barbados with their electricity requirements.

The electricity is generated mostly by low speed diesel engines and steam turbines which use the lowest cost residual fuel available, and by gas turbines which are used for standby and peaking purposes. During 2005, the electric utility completed the installation and start up of a new low speed diesel generating plant that is realising considerable fuel efficiency. The benefits are all being passed on to customers.

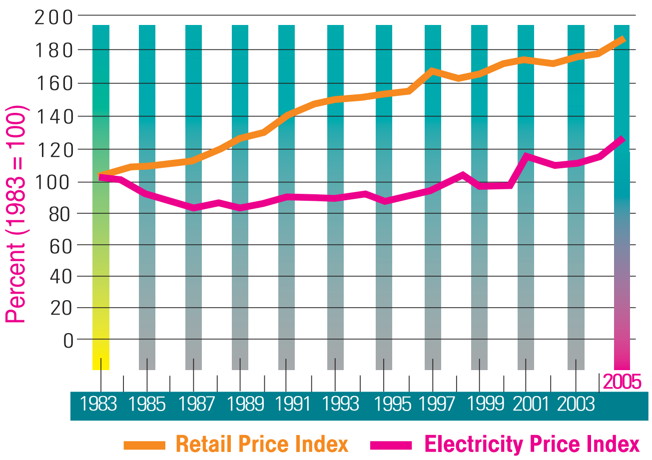
Highly competent manufacturers supply the utility with transmission and distribution equipment which is remotely managed by modern supervisory control and data acquisition (SCADA) systems that are integrated into the Barbados electricity grid.

Approximately BDS $800 million is invested in the complex electricity service network that is designed to provide quality power to customers at the flick of a switch.

In 2005, all the customers together paid BDS $339 million for the 885 million kwh of electricity they consumed. The majority of the money paid by customers for electricity was used to purchase fuel to generate the electricity, to pay suppliers for materials, to pay employees to operate the electricity system and for reinvestment in new plant and equipment. Net Income for the year was BDS $15 million.

With escalating demand for fuel oil, consumers all over the world are seeing unprecedented price increases for all forms of energy. Increases and decreases in the cost of the fuel oil the utility purchases to generate electricity are passed through to customers via the fuel adjustment clause on electricity bills, so that fluctuations in fuel oil prices do not directly impact the electric utility business.

If it were not for increases in the price of fuel, the total bill for a kilowatt hour of electricity would be no more than it was in 1983 when the last basic electricity price increase was granted by the Public Utilities Board.



With a fuel adjustment clause on electricity bills being linked to the cost of fuel used to produce electricity, increases in the total price of electricity in Barbados have been significantly less than increases in the retail price index since 1983. This means that during the same period, considering the increase in the Barbados retail price index, there has been a decline in the real price of electricity over the years.

The Barbados Government is encouraging investment in the latest high speed international telecommunications technology which requires deployment of new fibre optic networks to transmit data and voice traffic. This is critical for advancement of the whole economy as businesses, research institutions, and other service providers need high-capacity telecommunications links with other businesses and customers across the world.

In 2000 the Government published a detailed Green Paper on the Telecommunications Industry and amended the Telecommunications Act. In 2005, the Government issued a licence for a new enterprise, Antilles Crossing, LP, to build a new high capacity submarine fibre optic network from St. Croix in the U.S. Virgin Islands to Barbados. This new cable enables communications traffic to be delivered at very high speed to and from the Eastern Caribbean and the rest of the world.

The Government has also granted licences to TeleBarbados to build a communications network utilizing the new submarine cable to provide commercial service to businesses and organizations seeking dedicated international access to and from the island.

Light & Power Holdings Ltd. has carefully studied a proposal to assist with this investment and has established a wholly owned subsidiary, LPH Telecom Ltd., for the purpose of making a twenty-five percent investment in these new telecommunications enterprises. The major investor and manager is a subsidiary of Leucadia National Corporation. Leucadia is the parent of Canadian International Power Company Ltd., which has held a principal interest in The Barbados Light & Power Company for over forty years.

Another newly formed subsidiary, LPH Real Estate Inc., will own forty-five percent of Savoy Properties SRL, a real estate joint venture organized by Barbados Tourism Investment Inc., Leucadia National Corporation and Light & Power Holdings Ltd., for the purpose of investing in a property located in Bay Street, Bridgetown, comprising office space and a restaurant.

The new telecommunications business and the real estate venture will be financed from the proceeds of a shareholders' rights offering.

Sir Stanley Blanchette retired in September 2005, having served as a director of The Barbados Light & Power Company Ltd, since February, 1972 and of Light & Power Holdings Ltd., from its incorporation in October 1997. Sir Stanley's wise counsel and contribution to the growth and progress of the Company are highly valued. His analysis of Company matters is greatly missed.

Electricity has become the cornerstone of Barbadian life. High quality electricity service is the essential ingredient for the Barbados economy and over the years this has been provided through innovative leadership and people who are focused on satisfying customer requirements.

The Company continues working to satisfy customer requirements for reliable electricity service and is equally keen on helping to deploy the latest telecommunications infrastructure which will enable Government, commercial enterprises, educational institutions and health services in Barbados to continue meeting the demanding requirements of their customers in the most efficient manner.

The Directors congratulate the dedicated Light & Power people who make the power generation, distribution and customer service systems work so efficiently, and they appreciate the continued support of shareholders and lenders who provide the capital for new investments.

Frank O. McConney
On behalf of the Directors
Light & Power Holdings Ltd.
March 10, 2006

Sales in 2005 were 884,708 megawatt hours, an increase of 6.4 percent over the sales of 831,305 megawatt hours in 2004. This level of growth was higher than our forecast and occurred in spite of the increase in fuel prices in 2005.

RISING FUEL COSTS

Fuel is the Company's largest expense and particular attention is focused on minimizing fuel costs to ensure that customers are provided with electricity at the lowest possible price. The Company undertakes detailed studies before selecting new plant, to ensure that the equipment purchased is efficient and proven and will give reliable service for many years to come. Maintenance procedures are carefully followed to keep plant and equipment in good condition. Operating schedules are designed to maximize output from the most efficient base load units and to keep the use of the peaking plant to a minimum.

Following the substantial increases in world oil prices during 2004, prices continued to rise and reached record levels in 2005. In December 2005, the price of Bunker C, which is the main fuel used by the Company, was 53% above the price in January 2005. Fortunately, the commissioning of the new 2 x 30 megawatt low speed diesel station in May, helped to mitigate the impact of these fuel price increases. These new generators use the cheaper low-grade residual Bunker C fuel and replaced energy produced by gas turbine plant operating on the higher priced diesel and kerosene type jet fuels. As a result, the increase in the fuel clause adjustment on electricity bills was limited to 31% from January to December and a domestic customer using 200 kilowatt hours a month in December 2005 would have paid approximately $11 more on their electricity bill than they would have in January 2005, an increase of 13%.

ALTERNATIVE ENERGY AND FUEL SOURCES

The Company continues to investigate the possibilities of alternative fuels and renewable energy sources. Towards the end of the year the planning authorities approved the terms of reference for the Environmental Impact Assessment (EIA) study required for a

new horizons

Senior Management at Spring Garden Generating Plant L-R: Arthur Lewis - Senior Generation Engineer (Mechanical), Clive Layne - Senior Generation Engineer (Operations), Audley Williams - Senior Generation Engineer (Electrical), Roger Blackman - Senior Planning Engineer, Hallam Edwards - Generation Manager

James Hinds
Supervisor of the Year
Customer Services Department

proposed 10 megawatt wind farm at Lamberts East in St. Lucy. The EIA will commence early in 2006. The output of a wind farm falls off rapidly as the wind speed drops below the rated speed and the average output is expected to be approximately 30% of the rated output. It is projected that a 10 MW wind farm will produce 26 - 30 million kilowatt hours a year and save some 45,000 barrels of oil.

In the Prime Minister and Minister of Finance's Financial Statement and Economic Policy in January 2006, Prime Minister Arthur expressed Government's interest in the development of the wind farm and pledged support in moving the project forward. This project has been under discussion for a number of years and it is hoped that with this encouragement, it will proceed without further delay.

Discussions are continuing with the Ministry of Agriculture and the Barbados Agricultural Management Company on a generating plant to burn bagasse as part of a new sugar factory for a restructured sugar industry.

The technologies of both the sugar factory and power plant are mature, well established and therefore not in question. However, the concept of growing and harvesting high fibre cane on a year round basis is still to be proven. It is considered that the agronomic matters need to be resolved and the overall economics of the projects determined before proceeding. In the light of the high oil prices and the possibility of further price increases, it is certainly in the island's interest to develop all feasible sources of energy.

Importation of natural gas is also being actively investigated. A group from the twin island state of Trinidad & Tobago is proposing to build a pipeline from Tobago to Barbados and subsequently to extend it possibly as far north as Guadeloupe. Compressed natural gas delivered by a tug and barge process is also being considered as an alternative to the pipeline. At year end a team appointed by the Minister of Energy was evaluating these options and is to make a proposal for the Minister to take to Cabinet for approval.

Specifications are being prepared to invite tenders for supply of an oil/gas dual fuel low speed diesel station at Trents, St. Lucy in 2008. These engines can be operated on natural gas or Bunker C fuel oil. Generally, when natural gas is available, gas turbines are found to be the most economical option. Any delay, however, in the introduction of imported natural gas or any subsequent interruption of supply would result in a major cost penalty with gas turbine plant as the use of high priced diesel or kerosene type jet fuel would then be required. Low speed diesels, which can be switched to Bunker C fuel, would be a less risky option.

The Barbados National Terminal Company Limited (BNTCL) has constructed a new fuel terminal at Fairy Valley, Christ Church, with pipelines running from a mooring in Oistins Bay.

This terminal will handle all distillate products imported into the island, i.e. diesel, kerosene type jet fuel and gasoline, as well as store local crude pending shipment. Bunker C fuel will be stored at the Esso Holborn terminal, which is being leased by BNTCL, who have built a pipeline from Holborn to our Spring Garden Generating Station. This pipeline will replace the road tankers that transported the Bunker C fuel to Spring Garden and remove this traffic from our busy roads. The old fuel terminal at Needhams Point is being closed and the tanks removed, to allow tourism development in this area.

system expansion

A new 60-megawatt low speed diesel plant at Spring Garden was taken over from the contractor on May 25, 2005 and the introduction of the new plant went smoothly. At current oil prices it is delivering savings in fuel costs of some $5 million a month.

Improvements were made to the transmission and distribution network through the commissioning and upgrade of several substations and work on several cable projects.

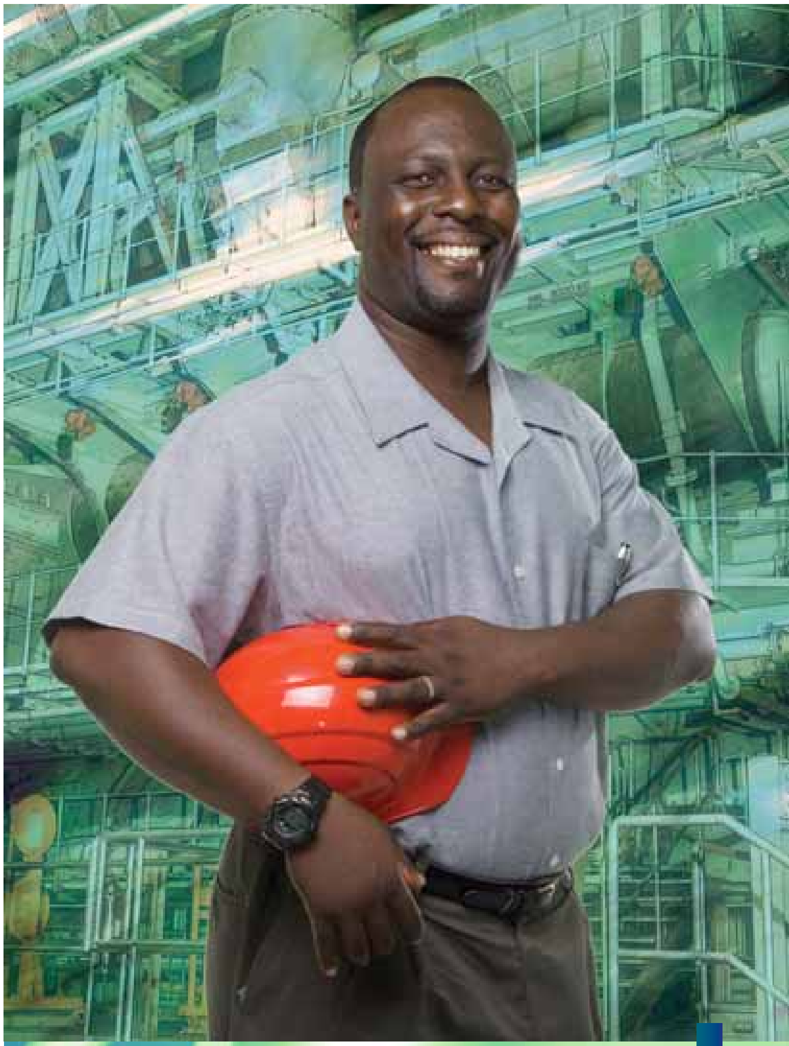
- A new substation was commissioned at Warrens to serve this rapidly developing commercial district and its surrounding areas more effectively.

- Regency Park substation was upgraded to strengthen the supply to customers along the south coast.

- A 10/13.3 MVA transformer was installed at Old Works Substation to increase capacity and release the mobile transformer that had been temporarily installed in late 2004 following failure of the 5/6.6 MVA transformer.

- A second 30/50 MVA 69/24 kilovolt transformer at Central Substation was commissioned and put into service in 2005. This provides backup to the previously existing transformer and increases security of supply at this important hub in the network.

- Civil works are in progress at North and St. Thomas substations. These buildings will house indoor switchgear to replace old outdoor equipment that is exposed to the elements.



Anderson Henry
Employee of the Year
Generation Department

- Civil works were finished for a new substation at Sion Hill, St. James, that is scheduled to be commissioned in 2006 and to be fed via underground cables being installed under the transmission project from St. Thomas substation to North substation. The first phase of this underground cable project commenced in late 2005, and is being carried out by ABB Power Technologies of Sweden on a turnkey basis. When completed, the transmission circuits will connect future generating plant in St. Lucy to the transmission system in the south of the island as well as provide a more secure and reliable supply for customers in the north of the island.

• The 24 kV underground cable circuit from Spring Garden Generating station to Temple Yard substation in Bridgetown had experienced a number of failures. It is being replaced and at year-end only one short section near Temple Yard remained to be done. This is planned for early 2006 to coordinate with other work in Fontabelle and Cheapside for Cricket World Cup 2007.

A duct bank from Garrison to Regency Park was completed in 2005 and cables will be installed early in 2006. This 24 kV underground circuit will provide a second feed to Garrison Substation and enhance reliability to the new Hilton Hotel and other tourism development proposed for the Needhams Point area.

plant retirement

It had been planned that after the introduction of the new low speed diesel generators, some of the old generating plant would be retired. The first retirement took place on August 31 when three 1.5 megawatt and five 2 megawatt high-speed packaged G.M. diesels at Garrison were officially retired during a small ceremony. These units had been installed between 1964 and 1967 and have served us well. Removal of these units is in progress.

The other plant retired was the 17.5 megawatt gas turbine at Spring Garden, installed in 1973. This gas turbine is still in working condition and will not be physically removed in the near future. It will remain available for emergency service until it is no longer serviceable. However it will not be included in our generating capacity list and only minor maintenance will be carried out on it. It is the least efficient unit on the system and parts have become difficult to obtain.

garrison compound clean up

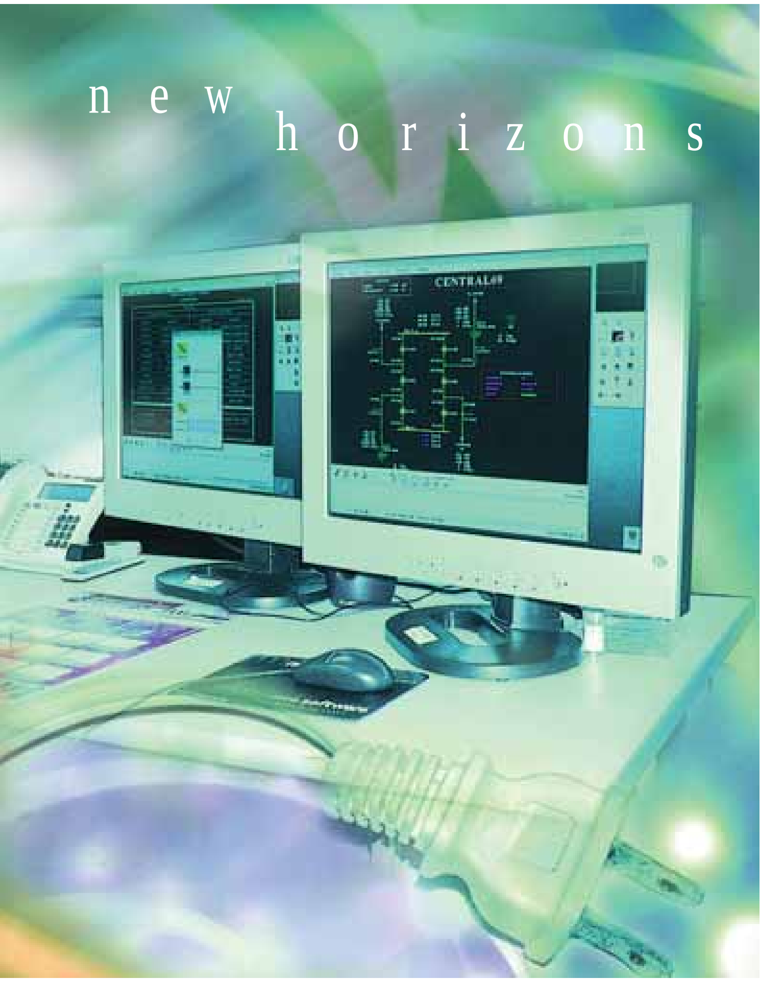
Having retired the old diesel units at the Garrison, the Company is now moving to clean up parts of our Garrison Hill compound that have been contaminated with oil products over the many years of power plant operation at this site. The adjacent site formerly occupied by the oil refinery, is similarly contaminated.

The Government of Barbados has engaged a contractor to remediate the refinery site and, since the Company cannot fully clean up its own

site until its operations are moved from Garrison, the contractor's scope of work was to include construction of a subsurface barrier wall along the refinery boundary between the properties to prevent possible recontamination of the refinery site by product from the Company's land. The intention was for the Company to contribute to the cost of this wall; however the cost has increased, and instead the Company offered to undertake construction of a steel sheet pile wall which could be installed on its boundary within the original budget, Government has not accepted this option and proposes to build its wall with the expectation that the Company will make a contribution to the cost. This matter was still being negotiated at year-end.

software upgrades

In 2000, the Company introduced the computerized PeopleSoft financial information package and the Maximo work management system, using the latest versions then available. New versions have been introduced and suppliers had advised that in the near future they would no longer support the previous version. As a result, it was necessary for the Company to upgrade to the latest



versions. Consultants were engaged and the PSMax upgrade project, which began in 2004, was completed in May 2005 when PeopleSoft version 5.2 and Maximo version 8.8 were rolled smoothly into operation.

Our geographic information system, Mapviewer, which was developed in house, was upgraded in 2005 to permit users to add notes to the maps. Mapviewer allows users to display maps showing roads, poles, streetlights and transformer locations on their computer screens and provides links to customer records and facilities databases.

During the year, an evaluation was carried out of the Customer Information System used for customer records, billing and collections. The existing system was developed in house some fifteen years ago. Key personnel in the Information Systems Department who worked on the design of the system and maintained and modified it over the years are approaching retirement. The options of upgrading the existing system, developing another system in house or purchasing a modern CIS package were investigated and the last option decided upon.

Tenders were invited and carefully analysed to determine how the packages offered would meet our business requirements. A decision will be made early in 2006.

internal changes

During 2005 the functions of the Technical Services Department were reallocated to the operating departments to which they relate, as recommended from a study completed in 2003. The Service Planning and Transmission and Distribution Planning functions were allocated to the Distribution Department, while the Generation Planning is now with the Generation Department. The Power Quality section was transferred to the Customer Services Department while Materials Management reports to the Chief Operating Officer.

customer service

A function of the Fair Trading Commission under the Utilities Regulation Act 2000 is the determination of standards of service by service providers. The Commission held public sessions to obtain comments and feedback from customers and has discussed draft service standards with the Company. Final drafting of the Commission's decision is in progress and Standards of Service for The Barbados Light & Power Company Limited are expected to be introduced in 2006. Some of these are guaranteed standards and, if it fails to achieve them, the Company will be required to pay a predefined penalty to the affected customer(s).

Our Key Accounts programme under the Marketing and Corporate Communications Department commenced in 2005. Key Accounts Representatives have visited some twenty of our largest customers who account for 20% of total sales. These visits initiated the process of building relationships with these customers and will provide them with a single point of contact at the Company. This programme has been well received by customers who are participating in the programme and provides the Company with a useful opportunity to become more proactive in meeting the needs of our customers.

In the mid 1990's the Company introduced the Total Quality Process. All staff were trained as the Company sought to enhance performance in meeting the requirements of external and internal customers. In order to ensure that the Total Quality process is maintained throughout the organisation, it has been decided that certification of our Quality Management System will be sought under the ISO 9001-2000 standard for Quality Management. This project, which will commence in 2006, will be an integrated management system that will also cover Health & Safety under the OHSAS 18001-1999 specification and Environmental Management under ISO 14001-2004 standard.

Staff accept and have risen to the challenges of providing a safe and reliable electricity service to customers and the nation. We thank them for their contribution and encourage their continued commitment to continuous improvement, as we support the National Initiative for Service Excellence to improve the competitiveness of Barbados in a globalised environment.

Andrew A. Gittens
Managing Director
The Barbados Light & Power Co. Ltd.

Senior Management

Managing Director	- Andrew A. Gittens
Finance Manager	- Hutson R. Best
Generation Manager	- R. Hallam Edwards
Customer Services Manager	- N. Hallam R. Hunte
Corporate Services Manager	- Hartley B. Richards
Distribution Manager	- Keith L. A. Richards
Information Systems Manager	- W. Anthony Watkins
Chief Operating Officer	- Peter W. B. Williams
Marketing & Corporate Communications Manager	- Stephen T. Worme

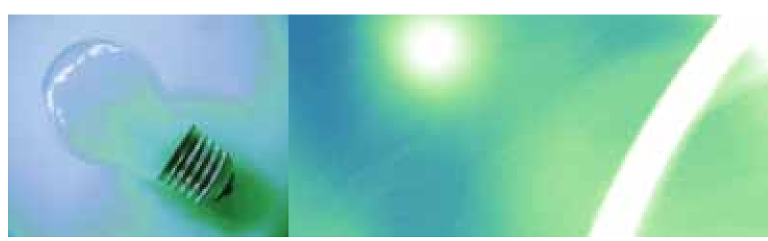
L-R: Andrew Gittens, Hal Hunte, Hallam Edwards, Hutson Best, Peter Williams, Stephen Worme, Keith Richards, Hartley Richards, Tony Watkins

Simplified Financial Statement

How each customer dollar was spent in 2005

45¢	Fuel excluding VAT
18 ¢	Labour & materials to operate & maintain the system
14 ¢	Taxes and VAT
14 ¢	Contributions to investment in new equipment needed to meet customers future requirements Investment in new equipment
3 ¢	Insurance
3 ¢	Repayment of long term loans
2 ¢	Interest on loans
1 ¢	Shareholders' dividends

100 cents TOTAL



Consolidated Statement of income

For the year ended December 31, 2005
(expressed in Barbados dollars)

	2005 $000's	2004 $000's
Operating revenue (Note 22)	339,231	301,593
Operating expenses		
Fuel	176,669	149,010
Generation	30,828	28,247
General	31,854	30,624
Distribution	10,538	10,121
Insurance	11,466	12,088
Depreciation	53,540	48,562
Foreign exchange gain	(86)	(32)
	314,809	278,620
Operating income	24,422	22,973
Interest income	813	307
Income before interest and finance charges	25,235	23,280
Interest and finance charges		
Long term loans	6,714	6,230
Other borrowings	1,516	1,362
Interest during construction	(1,163)	(3,836)
	7,067	3,756
Income before taxation	18,168	19,524
Taxation (Note 13)	2,779	(7,292)
Net income for the year	15,389	26,816
Basic and diluted earnings per share (cents) Note (14)	106.37	185.35

Consolidated Balance Sheet

As of December 31, 2005
(expressed in Barbados dollars)

	2005 $000's	2004 $000's
Assets		
Non–current assets		
Property, plant and equipment (Note 4)	700,836	710,648
Other assets (Note 5)	249	558
	701,085	711,206
Current assets		
Cash resources (Note 6)	35,035	27,996
Accounts receivable and prepaid expenses (Note 7)	31,904	27,050
Corporation tax recoverable	40	65
Inventories (Note 8)	30,976	23,292
	97,955	78,403
Total assets	799,040	789,609
Capitalisation and liabilities		
Shareholders' equity	549,518	537,192
Non-current liabilities		
Long term loans (Note 11)	109,113	121,935
Customers' deposits	17,646	15,621
Deferred credits (Note 12)	42,934	40,930
Deferred tax liability (Note 13)	34,308	33,336
	204,001	211,822
Current liabilities		
Accounts payable (Note 15)	31,679	28,073
Current portion of long term loans (Note 11)	13,842	12,522
	45,521	40,595
Total capitalisation and liabilities	799,040	789,609

Approved by the Board of Directors on March 7, 2006

F. O. McConney - Director

E. ~~L.~~ Greaves - Director

Consolidated Statement of changes in shareholders' equity

For the year ended December 31, 2005
(expressed in Barbados dollars)

	Preference Shares $000's	Common Shares $000's	Revaluation Surplus $000's	Other Reserves $000's	Retained Earnings $000's	Total $000's
Balance at December 31, 2003	500	89,150	162,152	7,368	235,272	494,442
Dividends paid	-	-	-	-	(5,811)	(5,811)
Issue of common shares	-	654	-	-	-	654
Repurchase of common shares	-	(250)	-	-	-	(250)
Surplus on revaluation of property, plant & equipment	-	-	21,341	-	-	21,341
Transfer from special reserve (Note 10)	-	-	-	(7,368)	7,368	-
Transfer of realised portion of revaluation surplus (Note 2 (d))	-	-	(17,870)	-	17,870	-
Transfer to capital reserve (Note 10)	-	-	-	109,522	(109,522)	-
Net Income for the year	-	-	-	-	26,816	26,816
Balance at December 31, 2004	500	89,554	165,623	109,522	171,993	537,192
Dividends paid	-	-	-	-	(5,818)	(5,818)
Issue of common shares	-	870	-	-	-	870
Repurchase of common shares	-	(1,084)	-	-	-	(1,084)
Surplus on revaluation of property, plant & equipment	-	-	2,969	-	-	2,969
Transfer of realised portion of revaluation surplus (Note 2 (d))	-	-	(13,956)	-	13,956	-
Net Income for the year	-	-	-	-	15,389	15,389
Balance at December 31, 2005	500	89,340	154,636	109,522	195,520	549,518

Consolidated Statement of Cash Flows

For the year ended December 31, 2005
(expressed in Barbados dollars)

	2005 $000's	2004 $000's
Cash flows from operating activities		
Income before taxation	18,168	19,524
Adjustments for:		
Depreciation	53,540	48,562
Gain on foreign exchange	(86)	(32)
(Gain)/loss on disposal of property, plant and equipment	(8)	6
Interest income	(813)	(307)
Interest expense	7,067	3,756
Deferred charges	309	(530)
Operating income before working capital changes	78,177	70,979
(Increase)/decrease in accounts receivable & prepaid expenses	(4,854)	5,542
Increase in inventories	(7,684)	(1,346)
Increase/(decrease) in accounts payable	3,606	(1,139)
Cash generated from operations	69,245	74,036
Interest paid	(6,632)	(3,709)
Corporation tax paid	(6)	(7,326)
Net cash from operating activities	62,607	63,001
Cash flows (used in)/from investing activities		
Additions to property, plant and equipment	(42,874)	(106,959)
Fixed term deposits	(6,900)	-
Proceeds on disposal of property, plant and equipment	28	24
Interest received	691	292
Net cash used in investing activities	(49,055)	(106,643)
Cash flows (used in)/from financing activities		
Repurchase of common shares	(1,084)	(250)
Issue of common shares	870	654
Long term loan instalments paid	(11,502)	(8,068)
Long term loans drawn down	-	46,775
Dividends paid	(5,818)	(5,811)
Customers' contributions received	2,096	2,254
Customers' deposits	2,025	1,052
Net cash (used in)/from financing activities	(13,413)	36,606
Net increase/(decrease) in cash and cash equivalents	139	(7,036)
Cash and cash equivalents - beginning of year	27,996	35,032
Cash and cash equivalents – end of year (Note 6)	28,135	27,996

1. General Information

Light & Power Holdings Ltd was incorporated on October 9, 1997 under the Laws of Barbados and is listed on the Barbados Stock Exchange Inc. The principal activity of the group is the generation, distribution and supply of electricity. Its wholly owned subsidiary company, The Barbados Light & Power Company Limited, is governed by the Electric Light and Power Act (1899) and regulated under the Fair Trading Commission Act, Cap. 2000-31 and the Utilities Regulation Act, Cap 2000-30. The registered office of the company is located at Garrison Hill, St. Michael.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

a) Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention, as modified by the revaluation of property, plant and equipment. (Note 2 (d)).

b) Consolidation

Subsidiaries are entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred and de-consolidated from the date that control ceases.

These financial statements consolidate the financial statements of the company and its subsidiary, The Barbados Light & Power Company Limited.

c) Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results could differ from these estimates.

d) Property, plant and equipment

Property, plant and equipment of the subsidiary company are stated at reproduction cost as of December 31, 2005. Reproduction cost was determined on the basis of an independent appraisal of the assets made by KEMA Inc., as of January 1, 2005. The value of the assets at that date, together with the costs of subsequent additions, less retirals and contributions received from customers, was reappraised to December 31, 2005 using indices supplied by AMEC Engineering and Construction Services Ltd. The method of the appraisers was to determine reproduction cost new less observed depreciation at the appraisal date.

The group has adopted the accounting policy of transferring to retained earnings, from revaluation surplus, the appraisal element included in the annual depreciation charge. The transfer for 2005 is $ 13.9 million (2004 - $17.9 million). Depreciation on the original cost basis for 2005 is $39.6 million (2004 - $30.7 million).

Contributions received towards construction of electric plant are credited to the cost of construction or are shown as deferred credits in the case where construction has not yet started. Interest charges are accrued during the period of construction of property, plant and equipment and are capitalised.

Land is not depreciated. No depreciation is provided on work-in-progress until the assets involved have been completed and are available for use. For financial reporting purposes depreciation on other assets is calculated by the straight line method using rates required to amortise the carrying value of the assets over their estimated service life as follows:

Generation	4%	-	7%
Transmission and Distribution	3%	-	14%
Other	2%	-	37%

When depreciable property, plant and equipment other than motor vehicles and property are retired, the gross book value less proceeds net of retiral expense is charged to accumulated depreciation. For material disposals of motor vehicles and property, the asset cost and accumulated depreciation are removed with any gain or loss credited or charged to current operations.

e) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

f) Cash and cash equivalents

These consist of cash held in hand and at bank, deposits held at call with banks and other short-term highly liquid investments with original maturities of three (3) months or less.

g) Accounts receivable

Accounts receivable are recognised initially at fair value less provision for discounts. A provision for impairment of accounts receivable is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. In addition a provision for discounts is created in anticipation of accounts that will be settled prior to the scheduled due date. The amount of the provisions is recognised in the income statement.

h) Inventories

Inventories of fuel, materials and supplies are valued at cost, which is determined on an average cost basis. Provision is made where appropriate for obsolete inventories.

i) Deferred income tax

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the asset is realised or the liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

j) Investment tax credit

The tax credit from investment allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over twenty (20) years.

k) Manufacturers' tax credit

The tax credit from manufacturing allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over the lives of the respective plant and equipment.

l) Customer deposits

Commercial and all other customers except Barbadian residents categorised under the Domestic Service tariff are normally required to provide security for payment; however, Barbadian residents under this tariff may be asked to provide security if they are delinquent in paying their bills. The cash deposit is refunded with accumulated interest when the account is terminated or arrangements made to provide alternative security (e.g. a banker's guarantee).

Given the long term nature of the customer relationship, customer deposits are shown in the balance sheet as non-current liabilities (i.e. not likely to be repaid within twelve months of the balance sheet date). Interest accrues on deposits at 8% per annum.

m) Revenue

The group records revenue, other than fuel clause revenue, as billed to its customers, net of value-added tax and does not recognise any unbilled portion which exists at the end of the accounting period. Fuel clause revenue is recognised on the basis of the amount actually recoverable for the accounting period. The unbilled revenue at year-end is not material.

n) Pension scheme

The group operates a fully insured purchased annuity plan pension scheme. This scheme takes the form of a defined benefit scheme in that it defines the amount of pension benefit that an employee will receive upon retirement. Pension costs are accounted for on the basis of contributions payable in the year, as the group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior period. (Note 16)

o) Share option scheme

The employees of the subsidiary company have the option to receive their annual bonus in cash and/or common shares of the parent company under General By-Law No. 1, Section 12.1 of the parent company's Articles of Incorporation and General By-Laws. The shares are issued at 80% of market value. The 20% discount is recognised as an expense which is included in employee benefits. (Note 20).

p) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Barbados dollars which is the group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Barbados currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end rates are recognised in the income statement.

q) Comparatives

Where necessary, comparative figures have been reclassified to conform to the current year's presentation.

3. Financial risk management

Financial instruments

Financial assets of the group include cash resources and accounts receivable. Financial liabilities include borrowings, accounts payable and customer deposits. The accounting policies for financial assets and liabilities are set out in note 2 or the individual notes associated with each item.

Fair values

The carrying values of cash, short term investments, accounts receivable and accounts payable are assumed to approximate fair value, due to the short term nature of these financial instruments. The fair values of borrowings and customer deposits are assumed to approximate carrying values, as interest rates are considered to reflect current market rates.

Financial risk factors

The group's activities expose it to a variety of financial risks:

Foreign currency risk

All foreign borrowings have formally been fixed to the United States dollar (US$) to manage exposure to fluctuations in foreign currency exchange rates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through adequate credit facilities to meet its current demands. Management is of the view that the company holds adequate cash and credit facilities to meet its funding requirements.

Credit risk

Financial assets, which potentially subject the group to concentrations of credit risk, consist principally of bank deposits and accounts receivable. Bank deposits are placed with highly rated financial institutions to limit exposure to risk. Credit risk with respect to trade receivables is substantially reduced due to the policies implemented by management. Deposits are required from commercial customers upon application for a new service and management performs periodic credit evaluations of its general customers' financial condition. The group does not believe significant credit risk exists at December 31, 2005.

Underinsurance risk

The group is exposed to underinsurance risk on its assets as indicated in note 17. The subsidiary company has established a "Self Insurance Trust Fund" and will continue to set aside funds on an annual basis to manage this risk. In addition to the fund credit facilities have been established with the group's bankers to support expenditure requirements in the event of a loss exceeding the assets of the trust.

Interest rate risk

Exposure to interest rates and the terms of loan repayments are disclosed in notes 6 & 11.

4. Property, Plant & Equipment

	Generation $ 000's	Transmission & Distribution $ 000's	Other $ 000's	Work in Progress $ 000's	Total $ 000's
Year ended December 31, 2004					
Valuation					
At December 31, 2003	563,208	340,673	100,172	106,220	1,110,273
Additions & Transfers	14	60,321	2,133	42,096	104,564
Disposals	-	(4,504)	(2,415)		(6,919)
Revaluations	12,563	25,179	139		37,881
At December 31, 2004	575,785	421,669	100,029	148,316	1,245,799
Accumulated Depreciation					
At December 31, 2003	308,916	126,155	42,008	-	477,079
Charge for the year	22,571	22,694	3,297	-	48,562
Disposals	-	(4,645)	(2,385)	-	(7,030)
Revaluations	8,111	8,238	191	-	16,540
At December 31, 2004	339,598	152,442	43,111	-	535,151
Net book value					
At December 31, 2004	236,187	269,227	56,918	148,316	710,648
Year ended December 31, 2005					
Valuation					
At December 31, 2004	575,785	421,669	100,029	148,316	1,245,799
Additions & Transfers	145,534	20,185	4,737	(129,678)	40,778
Disposals	(27,227)	(8,563)	(4,562)	-	(40,352)
Revaluations	(136,063)	65,804	710	-	(69,549)
At December 31, 2005	558,029	499,095	100,914	18,638	1,176,676
Accumulated Depreciation					
At December 31, 2004	339,598	152,442	43,111	-	535,151
Charge for the year	23,223	24,468	5,849	-	53,540
Disposals	(27,227)	(8,563)	(4,542)	-	(40,332)
Revaluations	(71,207)	16,815	(18,127)	-	(72,519)
At December 31, 2005	264,387	185,162	26,291	-	475,840
Net book value					
At December 31, 2005	293,642	313,933	74,623	18,638	700,836

If property, plant and equipment were stated on the historical cost basis, the net book value would be as follows:

	Generation $000's	Transmission & Distribution $000's	Other $000's	Work in Progress $000's	Total $000's
At December 31, 2004					
Cost	319,972	329,152	65,414	148,316	862,854
Accumulated depreciation	(188,962)	(100,230)	(28,636)	-	(317,828)
Net book value	131,010	228,922	36,778	148,316	545,026
At December 31, 2005					
Cost	462,211	343,210	67,489	18,638	891,548
Accumulated depreciation	(201,623)	(112,672)	(31,053)	-	(345,348)
Net book value	260,588	230,538	36,436	18,638	546,200

5. Other assets

	2005 $000's	2004 $000's
Finance charges	249	318
Other	-	240
	249	558

Finance charges associated with the financing of The Barbados Light & Power Company Limited's expansion programme are being amortised over the lives of the loans with which they are associated. Other deferred charges include the cost of work carried out for customers not yet billed.

6. Cash resources

This category includes cash and cash equivalents and term deposits.

	2005 $000's	2004 $000's
Cash in hand and at bank	10,331	10,109
Short term bank deposits	17,804	17,887
Cash and cash equivalents	28,135	27,996
Fixed term bank deposits	6,900	-
Cash resources	35,035	27,996

The effective interest rate on short-term bank deposits was 4 % (2004 – 2.8 %) per annum. These deposits have an average maturity of 90 days. The fixed term deposits bear interest at rates between (5.75% & 6.00 %) per annum and are expected to mature within 12 months of the balance sheet date.

7. Accounts receivable & prepaid expenses

	2005 $000's	2004 $000's
Trade receivables	22,840	21,512
Less provision for impairment and discounts	(260)	(210)
Trade receivables, net	22,580	21,302
Other receivables	3,777	2,007
Prepayments	5,547	3,741
	31,904	27,050

8. Inventories

	2005 $000's	2004 $000's
Fuel	5,109	3,601
Materials and spares	22,684	17,533
Goods in transit	3,183	2,158
	30,976	23,292

9. Share capital

Authorised

100,000 - 5.5% Cumulative preference shares
500,000 - 10% Cumulative redeemable preference shares
100,000,000 - Common shares
10 - Class A redeemable preference shares

Issued

	2005 $000's	2004 $000's
100,000 - 5.5% Cumulative preference shares	500	500
14,488,457 (2004 – 14,509,559) Common shares	89,340	89,554
	89,840	90,054

	2005	2004
Common Shares	No.	No.
Shares outstanding at January 1	14,509,559	14,464,515
Repurchased during the year	(98,394)	(27,607)
Issued during the year	77,292	72,651
Balance at December 31	14,488,457	14,509,559

The Directors have agreed to set aside 600,000 shares to be issued to the employees of the subsidiary company, under General By-Law No 1, Section 12.1 of the Articles of Incorporation and General By-Law of the Company. In November 2005, 77,292 common shares at $11.25 per share were issued under this Scheme. The company also repurchased 98,394 shares at prices ranging between $9.50 and $11.25 per share, which were cancelled.

10. Other reserves

a) Special reserve

The Public Utilities Board now established as The Fair Trading Commission in its decision of May 1983, granted tariffs to The Barbados Light & Power Company Limited which included an amount for depreciation expense, based on asset lives which are different from those used by the Company as the economic useful life of the assets for financial reporting purposes. The Directors consider it prudent to set aside in a special reserve the difference in the depreciation amounts arising therefrom.

	2005 $000's	2004 $000's
Balance at January 1	-	7,368
Transfer to retained earnings	-	(7,368)
Balance at December 31	-	-

b) Capital reserve

This represents an amount of retained earnings that was capitalised in the subsidiary company in 2004 and is no longer available for distribution by that company.

11. Long term loans

	2005 $000's	2004 $000's
FirstCaribbean International Bank (Bahamas) Limited U.S.$ 850,000 (2004 - U.S.$1,700,000) Libor plus 1.25% repayable 2006	1,733	3,466
European Investment Bank – Protocol 11 U.S.$ 11,469,999 (2004 - U.S.$13,188,799) 6.23% repayable 2006/2011	23,384	26,888
European Investment Bank – Protocol 111 U.S. $28,178,750 (2004 – U.S. $31,252,113) 4.27% repayable 2006/2013	57,450	63,715
National Insurance Board - Debenture Stock Certificates (Total facility BDS.$20,000,000) 5% repayable 2020	20,000	20,000
FirstCaribbean International Bank (Cayman) Ltd U.S. $10,000,000 5.98% repayable 2006/2015	20,388	20,388
Total long term loans	122,955	134,457
Less current portion	(13,842)	(12,522)
Total long term loans repayable after one year	109,113	121,935

The long term loans, with the exception of the European Investment Bank loans, are secured under a Debenture Trust Deed, which creates a first and floating charge on the Company's property, present and future. The Debenture Trust Deed restricts the subsidiary company from issuing debentures ranking pari passu with the floating charge created, unless the Company can meet the earnings coverage ratio and the equity/debt ratio set out in the Trust Deed. The subsidiary company may however issue a first security to manufacturers in respect of individual items of plant and machinery of up to 90% of the purchase price thereof and for a period not exceeding fifteen years. The financial ratios were met by the subsidiary company for 2005.

The European Investment Bank loans are guaranteed by the Government of Barbados.

The maturity of long term loans is as follows:

	2005 $000's	2004 $000's
Less than 1 year	13,842	12,522
Between 1 & 5 years	66,319	65,411
Over 5 years	42,794	56,524
Total	122,955	134,457

12. Deferred credits

	2005 $000's	2004 $000's
Accumulated investment tax credit	32,102	32,816
Accumulated manufacturing tax credit	9,928	7,438
Customer contributions for work not yet started	904	676
	42,934	40,930

13. Taxation

a) Corporation tax expense

	2005 $000's	2004 $000's
Current tax	31	3,030
Deferred tax	972	(995)
Deferred investment tax credit	(714)	4,207
Deferred manufacturing tax credit	2,490	1,225
	2,779	7,467
Deferred tax credit arising from change in tax rate	-	(14,759)
	2,779	(7,292)

The tax on income before taxation differs from the theoretical amount that would arise using the corporation tax rate of 25% (2004 - 33%) for the following reasons:

	2005 $000's	2004 $000's
Income before taxation	18,168	19,524
Corporation tax at 25% (2004 – 33%)	4,542	6,443
Depreciation on assets not qualifying for capital allowances	3,582	6,084
Tourism development fund allowance	(36)	(45)
Expenses not allowable for tax purposes	13	31
Manufacturing allowance net of deferred portion	(2,875)	(2,368)
Investment tax credit net of deferred portion	(2,711)	(2,668)
Unrecognised tax loss	245	-
Effect of reduction in tax rate	-	(14,759)
Over/(Under) provision of prior year's tax	19	(10)
	2,779	(7,292)

b) Deferred tax liability

The net deferred tax liability is calculated in full on temporary differences under the liability method using a tax rate of 25% (2004-25%). The movement on the account is as follows:

	2005 $000's	2004 $000's
Balance at January 1	33,336	49,090
Charged (credited) to the income statement	972	(15,754)
Balance at December 31	34,308	33,336

The deferred tax liability on the balance sheet consists of the following components:

	2005 $000's	2004 $000's
Accelerated tax depreciation	156,511	145,993
Taxed provisions	(12,678)	(12,650)
Unutilised tax losses	(6,601)	-
	137,232	133,343
Deferred tax liability at corporation tax rate of 25% (2004-25%)	34,308	33,336

Accelerated tax depreciation and taxed provisions have no expiry dates. The expiry dates of the unutilised tax losses are disclosed in note 13 (c).

c) Tax losses

The group has tax losses available for set off against future taxable income as follows:

Income Year	Balance b/fwd. $000's	Loss incurred $000's	Balance c/fwd $000's	Expiry date
1999	28	-	28	2008
2000	15	-	15	2009
2001	11	-	11	2010
2002	9	-	9	2011
2003	9	-	9	2012
2004	13	-	13	2013
2005	-	7,582	7,582	2014
	85	7,582	7,667	

14. Earnings per share

The earnings per share is calculated on the basis of the earnings applicable to common shareholders and the weighted average number of common shares in existence of 14,469,427 (2004 14,452,742). The company has no dilutive potential ordinary shares, therefore diluted earnings per share is the same as basic earnings per share.

15. Accounts payable

	2005 $000's	2004 $000's
Trade payables	16,987	10,211
Accrued expenses	1,954	4,900
Other payables	5,586	5,099
Provision for other liabilities & charges	7,152	7,863
	31,679	28,073

16. Retirement benefits

The group operates a defined benefit pension plan for its employees. It pays an annual insurance premium to fund the post employment benefit plan and will not have a legal or constructive obligation to either:

a) pay the employee benefits directly when they fall due; or
b) pay for the benefits if the insurer does not pay all future employee benefits relating to employee service in the current and prior periods.

In light of the above, and owing to the fact that benefits due to employees would have been secured by the prior payment of premiums, and the insurer has sole responsibility for paying the benefits, the plan has been accounted for as if it were a defined contribution plan as prescribed by IAS 19. Pension cost for the year was $4.2 million (2004 - $3.5 million)

17. Insurance fund

During 1998, the subsidiary company established a Trust under the Insurance Act 1996-32 and Regulations to effect self insurance cover on its transmission and distribution system, and also to cover the deductible on its general insurance policies.

The Trust is being financed by annual charges to income. The charge for the year was $ 7.5 million (2004 - $7.7 million) which is included in the insurance expense of $ 11.4 million (2004 - $12.1 million).

In addition to the funds held in trust, the subsidiary company's bankers have provided credit facilities of U.S. $5 million to support the expenditure requirements of the Company in the event of a loss exceeding the assets of the Trust.

18. Bank overdraft facilities

On December 23, 1975 The Barbados Light & Power Company Limited issued a letter of undertaking to the Royal Bank of Canada to create upon demand a debenture for $3,000,000 to be issued in accordance with the provisions of the Debenture Trust Deed to secure overdraft facilities granted to the Company. (Note 11).

19. Capital commitments

The group has budgeted capital expenditure of $105.8 million for the 2006 income year of which $41.0 million was contracted for at December 31, 2005 but not incurred.

20. Employee benefits

	2005 $000's	2004 $000's
Wages and salaries	35,615	33,518
Social security costs	1,870	1,755
Pension (note 16)	4,244	3,474
Other benefits and share discount	1,454	1,174
	43,183	39,921
Average number of persons employed by the group during the year	500	490

21. Related party transactions

Key management compensation

	2005 $000's	2004 $000's
Salaries & other short term benefits	3,407	3,216
Pension (Note 16)	609	886
Share discount	39	33
	4,055	4,135

22. Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The revenue collection of the subsidiary company, The Barbados Light & Power Company, is organised into domestic, commercial, street lighting and miscellaneous revenue segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The company has one geographical segment.

Costs and assets cannot be readily allocated to revenue segments, as common property, plant and equipment, other assets, labour and overheads are used to generate electricity for all revenue segments.

An analysis of revenue by business segment is detailed as follows:

Revenue segments	2005 $000's	2004 $000's
Domestic service	106,168	93,987
Commercial service	227,500	202,407
Street lights	3,871	3,581
Miscellaneous	1,692	1,618
Total revenue	339,231	301,593

23.

Contingent liabilities

The group is contingently liable in respect of various claims brought during the normal course of business. The amounts are considered negligible and are usually covered by insurance.

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Auditors' **Report**

to the Shareholders of Light & Power Holdings Ltd.

We have audited the accompanying consolidated balance sheet of Light & Power Holdings Limited as of December 31, 2005 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements set out on pages 12 - 21 are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2005 and the results of its operations, changes in shareholders' equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
March 7, 2006

Financial Statistics

	2005 $000's	2004 $000's	2003 $000's	2002 $000's	2001 $000's
PROPERTY PLANT AND EQUIPMENT	1,176,676	1,245,799	1,110,273	1,061,420	978,948
Less accumulated depreciation	(475,840)	(535,151)	(477,079)	(496,332)	(448,260)
Net fixed assets	700,836	710,648	633,194	565,088	530,688
	748,809	745,239	672,196	584,191	560,760
CAPITAL EMPLOYED					
Represented by:					
Long term debt (%)	16.4	18.0	14.2	10.4	10.2
Deferred credits (%)	10.2	9.9	12.6	14.0	14.7
Shareholders' equity	73.4	72.1	73.2	75.6	75.1
TOTAL	100.0	100.0	100.0	100.0	100.0
REVENUE AND EXPENSES					
OPERATING REVENUE	339,231	301,593	272,490	241,904	231,984
EXPENSES:					
Fuel	(176,669)	(149,010)	(124,964)	(101,122)	(96,533)
Operating and maintenance	(73,220)	(68,992)	(60,186)	(61,110)	(60,039)
Insurance	(11,466)	(12,088)	(12,400)	(12,928)	(9,795)
Depreciation	(53,540)	(48,562)	(52,447)	(44,737)	(43,090)
Gain (loss) on exchange	86	32	(101)	(2)	2
Operating income	24,422	22,973	22,392	22,005	22,529
Interest income	813	307	106	486	1,510
Income before interest & taxation	25,235	23,280	22,498	22,491	24,039
Interest & finance charges	(7,067)	(3,756)	(3,892)	(3,333)	(3,984)
Income before Taxation	18,168	19,524	18,606	19,158	20,055
Taxation	(2,779)	7,292	(7,870)	(3,850)	(8,840)
Income before extraordinary item	15,389	26,816	10,736	15,308	11,215
Extraordinary item	-	-	-	-	676
NET INCOME	15,389	26,816	10,736	15,308	11,891
ADD /(DEDUCT)					
Preference dividends	(27)	(27)	(27)	(27)	(27)
Common dividends	(5,791)	(5,784)	(5,773)	(5,330)	(5,186)
Transfer from /(to) special reserve	-	7,368	51,346	3,964	(441)
Prior year adjustments	-	-	-	-	2,956
Capitalisation of retained earnings	-	(109,522)			
Transfer from revaluation surplus	13,956	17,870	20,218	12,511	13,770
REINVESTED EARNINGS	23,527	(63,279)	76,500	26,426	22,963

Operating Statistics

of the subsidary company The Barbados Light & Power Company Limited

		2005	2004	2003	2002	2001
GENERATING PLANT (Megawatts)						
Installed capacity	Steam	40.0	40.0	40.0	40.0	40.0
	Diesel	113.1	66.0	66.0	66.0	66.0
	Gas turbine	86.0	103.5	103.5	103.5	83.5
	TOTAL	239.1	209.5	209.5	209.5	189.5
PEAK DEMAND		154.2	143.0	141.6	134.7	130.4
GENERATION AND SALES (GWh)						
Gross Generation	Steam	239.1	256.9	256.5	253.6	242.7
	Diesel	568.3	369.3	361.8	333.1	382.0
	Gas turbine	185.4	302.6	282.2	273.3	203.5
	TOTAL	992.8	928.8	900.5	860.0	828.2
Net generation		953.4	896.4	867.6	827.7	795.8
Sales (GWh's)	Domestic	293.7	275.7	267.9	256.0	243.1
	Commercial	591.0	555.6	538.0	507.9	491.9
	TOTAL	884.7	831.3	805.9	763.9	735.0
Load factor (%)		73.5	73.9	72.6	72.9	72.5
Losses (%)		6.9	7.0	6.8	7.4	7.3
NUMBER OF CUSTOMERS AT YEAR END						
	Domestic	95,223	94,045	92,809	91,641	90,194
	Commercial	16,520	15,443	14,423	13,554	12,938
	TOTAL	111,743	109,488	107,232	105,195	103,132
No. of street lights		26,666	25,962	25,417	24,600	23,600

Light & Power Holdings Ltd.

Corporate Information

Company Registered Office, Garrison Hill, St. Michael.

Company Officers

F. O. McConney, G.C.M., Managing Director, H. B. Richards, Secretary

Registrar & Transfer Agent

The Barbados Central Securities Depository Inc.

Attorneys-at-Law

Clarke, Gittens & Farmer, Carrington & Sealy

Auditors

PricewaterhouseCoopers

Dividend Payments

The Board of Directors sets the record and payment dates for quarterly dividends.

At the first meeting for 2006, the Directors declared a dividend of 10 cents per share that will be paid in March 2006.

Projected record dates for the remainder of 2006 are May 31, August 31 and November 29.

Projected payment dates for dividends declared during the remainder of 2006 are June 15, September 15 and December 15

Common Stock

The common stock of Light & Power Holdings Ltd. is listed and traded on the Barbados Stock Exchange Inc.

Board of Directors

I. M. Cumming, Chairman

Sir Stanley Blanchette, K.A. (Retired September 2005), I. St. C. Carrington , A. H. Clarke, C.B.E., Q.C.

R. L. V. Edghill, Sir Henry Forde, K.A., Q.C., A. A. Gittens , E. L. Greaves

F. O. McConney, G.C.M., H.E. Scruggs , M. A. R. Walcott, S.C.M.

Additional Information provided in accordance with the rules of the Barbados Stock Exchange Inc.

Subsidiary Company		Country of Operation
The Barbados Light & Power Company Limited	100% owned	Barbados

Directors interest in the share Capital of the Company:-

	No of shares held at December 31, 2005
F.O. McConney, G.C.M.	45,415
A.A. Gittens	39,083
M.A.R. Walcott, S.C.M.	2,917
R.L.V. Edghill	2,500

Note: There has been no change in the ownership interest of the persons listed above between December 31, 2005 and March 7, 2006.

Interest of persons other than Directors holding more than 5% of the issued shares.

	No of shares held
C.I. Power Company Limited	5,265,712
The National Insurance Board	3,316,157
The Sagicor Group	1,616,275

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