



August 4, 2011

FOR IMMEDIATE RELEASE

**Caribbean Utilities Company, Ltd. is listed for trading in United States dollars on the Toronto Stock Exchange under the trading symbol "CUP.U".**

### **CUC Announces Second Quarter Results for the Period Ended June 30th, 2011**

**Grand Cayman, Cayman Islands-** Caribbean Utilities Company, Ltd. ("CUC" or the "Company") announced today its unaudited results for the second quarter ended June 30, 2011 (all figures in United States dollars).

Net earnings for the three months ended June 30, 2011 ("Second Quarter 2011") were \$5.9 million, a decrease of \$0.3 million or 5% when compared to \$6.2 million for the three months ended June 30, 2010 ("Second Quarter 2010"). A 3% decline in kilowatt hour (kWh) sales and higher general and administration, consumer service and transmission and distribution costs were partially offset by an increase in other income and lower finance charges for the Second Quarter 2011 when compared to the Second Quarter 2010.

Electricity sales for the Second Quarter 2011 totalled 144.9 million kWh, a decrease of 4.9 million kWh, or 3%, in comparison to 149.8 million kWh for the Second Quarter 2010. Sales for the Second Quarter 2011 were negatively impacted by a reduction in commercial customer accounts during the period, low residential rental property occupancy, cooler weather conditions and customer conservation efforts that affected customer air conditioning load. The average temperature for the Second Quarter 2011 was 83.3 degrees Fahrenheit as compared to an average temperature of 84.3 degrees for the same period last year.

CUC's President and CEO, Mr. Richard Hew said, "The economic downturn in the Cayman Islands has negatively impacted energy usage and electricity sales. The impact of recent high diesel fuel prices on electricity rates has exacerbated the situation and remains of concern for CUC. We continue to actively seek viable alternative energy sources to reduce the Island's dependency on diesel fuel for electricity generation. In the short term we are advising customers to conserve energy and are providing assistance through energy conservation education."

CUC also received approval from the Electricity Regulatory Authority (ERA) in March 2011 to hedge against further increases in the price of fuel and the Company has initiated a hedging program for 40% of its annual fuel requirements.

Total customers as at June 30, 2011 were 26,387, an increase of 570 customers, or 2%, compared to 25,817 customers as at June 30, 2010. The Company had a net increase of 126 customers for the Second Quarter 2011, comprising 131 residential connections and five commercial disconnections. However, despite increases in overall customer numbers, average monthly kWh customer consumption for the residential and commercial categories combined has declined from 1,744 kWh for the first half of 2010 to 1,687 kWh for the first half of 2011.

**Caribbean Utilities Company, Ltd.**

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CUC's Second Quarter Report for the period ended June 30, 2011 is attached to this release and incorporated by reference and can be accessed by clicking the link below:

[INSERT LINK](#)

The Management's Discussion and Analysis section of this report contains a detailed discussion of CUC's unaudited second quarter financial results, the Cayman Islands economy, liquidity and capital resources, capital expenditures and the business risks facing the Company. The release and Second Quarter Report can be accessed at [www.cuc-cayman.com](http://www.cuc-cayman.com) (Investor Relations/Press Releases) and at [www.sedar.com](http://www.sedar.com).

CUC provides electricity to Grand Cayman, Cayman Islands, under an Electricity Generation Licence expiring in 2029 and an exclusive Electricity Transmission and Distribution Licence expiring in 2028. Further information is available at [www.cuc-cayman.com](http://www.cuc-cayman.com).

*CUC includes forward-looking statements in this material. Forward looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "plan", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedule", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Some of the important risks and uncertainties that could affect forward looking statements are described in the [MD&A](#) in the section labeled "Business Risks" and include but are not limited to operational, general economic, market and business conditions, regulatory developments and weather. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.*

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