

EGCO

บริษัท ผลิตไฟฟ้า จำกัด (มหาชน)
ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

Management Discussion and Analysis

For the Six-month Period Operating Results

Ended June 30, 2005

Note: This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. The information provided in this MD&A may change if the aforementioned factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Section, Corporate and Investor Relations Division of the Electricity Generating Public Company Limited at Tel: 662-998-5131-2 or Email: ir@egco.com

Management Discussion and Analysis

1. Executive Summary

The Electricity Generating Public Company Limited (EGCO) is an Independent Power Producer (IPP) with 12 operating plants totaling 2,414 equity MW and two major power plant projects under development, namely Nam Theun 2 project and Kaeng Khoi 2 (KK2) project. The first drawdown of Nam Theun 2 USD 238 million equivalent project loans provided by a group of commercial and bi-lateral lenders occurred on June 15, 2005 after the World Bank and the Asian Development Bank (ADB) agreed to support the project. The KK2 project is in the process of meeting the conditions precedent set by a syndicate of Thai banks for its next major drawdown of loans expected in the third quarter of 2005.

EGCO's consolidated net profit for the first six months of 2005 was Baht 2,339 million, a decrease of Baht 178 million or 7% compared to the same period of 2004. Excluding the impact of foreign exchange, the net profit was Baht 2,722 million, representing a decrease of Baht 23 million or 1% as compared to the same period of last year. The details of net profit (before F/X) are as follows:

- **EGCO's** net profit was Baht 56 million, a decrease of Baht 115 million, as a result of less dividends from its financial investments.
- **IPP Group** which consists of Rayong Electricity Generating Co.,Ltd (REGCO) and Khanom Electricity Generating Co.,Ltd (KEGCO) showed a net profit of Baht 2,280 million, a decrease of Baht 37 million mainly due to a decrease of REGCO and KEGCO's electricity sales.
- **SPP Group**, comprising five companies including Gulf Electric Public Company Limited (GEC), Amata-EGCO Power Ltd. (AEP), Amata Power (Bang Pakong) Ltd. (APBP), TLP Cogeneration Co.,Ltd. (TLP Cogen) and Roi-Et Green Co.,Ltd. (Roi-Et Green), had a net profit of Baht 155 million, an increase of Baht 18 million caused by an increase in GEC and TLP Cogen's electricity sales together with a decrease in TLP Cogen's administrative expenses.
- **Overseas Group**, which refers to Conal Holdings Corporation (CONAL) and Nam Theun 2 Power Co.,Ltd. (NTPC), reported a net profit of Baht 111 million, up by Baht 47 million due to an increase in CONAL's electricity sales and the deferred income tax adjustment for fiscal 2004.
- **Other Business Group** includes two subsidiaries, EGCO Engineering & Service Co.,Ltd. (ESCO) and Egcom Tara Co., Ltd. (ET) from which the net profit increased by Baht 64 million due to increased service income of ESCO. The net profit of this business group was reported at Baht 120 million.

2. Business Expansion Analysis

EGCO is the first Independent Power Producer (IPP) in Thailand established in 1992 through the partial privatization of EGAT Public Company Limited or EGAT (formerly named “The Electricity Generating Authority of Thailand”). EGCO is structured as a holding company with a number of subsidiaries. Our vision is to be the leading Thai integrated electric power company with comprehensive energy services in Thailand and in the ASEAN region with full commitment to environmental protection and social development support.

EGCO’s major business is to produce and sell electricity to EGAT under long-term power purchase agreements (PPA). EGCO focuses its investment on pursuing opportunities in power generation in Thailand and also seeks to expand its business in the ASEAN countries by acquisitions with the aim to provide strong returns to shareholders by improving the profitability of its existing assets and acquiring new projects with acceptable returns and risks.

As at the end of June 2005, Thailand’s total generating capacity was reported at 26,428.56 MW¹, of which 9.1% was attributable to EGCO. During the first half of the year 2005, the peak demand reached 20,537.5 MW¹, which was 6.27% higher than the peak demand in March 2004. The next round of IPP bidding (for capacity required in 2011-2015) is expected to be launched after the establishment of a regulatory body by the Ministry of Energy. EGCO intends to pull together the expertise within the group to compete in this new bidding program.

Currently, EGCO has 12 operating plants totaling 2,414 equity MW, of which 85% is produced from two natural gas-fired IPP power plants: a 1,232 MW REGCO plant and a 824 MW KEGCO plant. In addition to our existing assets, we are developing 3 power plant projects, representing an additional 1,011 equity MW as follows:

1. **The Kaeng Khoi 2 (KK2) project**, a 1,468 MW natural gas-fired power plant in Saraburi Province. EGCO has a 50% stake in this project by holding 50% of the shares in GEC, which owns 100% of Gulf Power Generation Co.,Ltd. (GPG), the Kaeng Khoi 2 project company. The commercial operation dates (COD) for unit 1 and unit 2 with a capacity of 734 megawatts each are scheduled on March 1, 2007 and March 1, 2008, respectively. The KK2 project is in the process of meeting the conditions precedent set by a syndicate of Thai banks for its next major drawdown of loans expected in the third quarter of 2005.

¹ Source: EGAT Public Company Limited (EGAT)

2. **The Nam Theun 2 project**, a 1,070 MW hydroelectric power plant in the Lao PDR, in which EGCO has a 25% stake in the project company, NTPC. The first drawdown of Nam Theun 2 USD 238 million equivalent project loans provided by a group of commercial and bi-lateral lenders occurred on June 15, 2005 after the World Bank and the Asian Development Bank (ADB) agreed to support the project. This project is targeted for COD in November 2009 with a contracted capacity to EGAT of 995 MW.
3. **The Gulf Yala Green Project**, is a 23 MW parawood-fuel biomass power plant in Yala Province, in which EGCO holds a stake of 47.5% through its ownership of GEC. Due to the public security situation in the three southernmost provinces of Thailand, the construction of this project has been delayed. The project is in the process of getting approval from EGAT to postpone the COD from August 2005 to April 2006.

In the absence of unforeseen circumstances, the company intends to distribute approximately 40% of the available profits of the company by way of dividend. This dividend policy may change in the light of investment opportunities that may become available to the company or as a result of other economic or financial factors or when a dividend payment may have a significant impact on the normal operation of the company.

3. Report and Analysis of the Operating Results

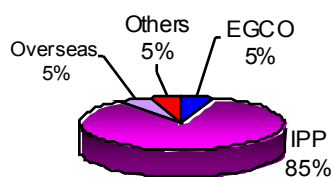
EGCO is structured as a holding company that invests primarily in electricity generation and energy service businesses. The main source of its income is dividends from investments in its subsidiaries, joint ventures, and associates. The objective of the holding company structure is to provide flexibility for business expansion and to facilitate financing of new projects without recourse to existing ones.

This report contains the analysis of the financial statements of EGCO and its subsidiaries as follows:

3.1 Operational Results

EGCO's consolidated net profit for the first six months of 2005, as of June 30, 2005, was Baht 2,339 million, a decrease of Baht 178 million or 7% compared to the same period of the year 2004.

Unit:: Million Baht



Net Profit after FX – 1H2005

	Net Profit of 1H2005		Net Profit of 1H2004	
	Before FX	After FX	Before FX	After FX
EGCO	56	109	171	181
IPP Group	2,280	1,998	2,317	2,197
SPP Group	155	(4)	137	20
Overseas	111	116	64	62
Others	120	120	55	55

Remarks: - IPP : REGCO, KEGCO
- Overseas : Conal, Nam Theun 2

- SPP : GEC, AEP, APBP, TLP Cogen, Roi-Et Green
- Others : ESCO, ET

The net profit for the first six months of 2005 included a foreign exchange loss of Baht 383 million whereas the Company incurred a foreign exchange loss of Baht 228 million for the first six months of 2004. An unrealized foreign currency exchange loss in the amount of Baht 449 million for the first six months of 2005 is an accounting number in accordance with the Thai accounting standard. It incurs from the difference of the translation of the net debt denominated in foreign currency to the Thai Baht equivalent amount using the foreign exchange rate at the end of this accounting period (June 30, 2005) and the previous period (December 31, 2004).

Excluding the effect of foreign currency exchange, the profit was Baht 2,722 million, representing a decrease of Baht 23 million or 1% as compared to the same period of 2004.

For the first half of 2005, excluding the effect of foreign currency exchange of Baht 383 million, interest expenses of Baht 956 million, income tax of Baht 256 million and depreciation and amortization of Baht 1,353 million, the EBITDA would be Baht 5,287 million, representing a decrease of Baht 232 million or 4% as compared to the same period of 2004, which the EBITDA was Baht 5,519 million, excluding the effect of foreign currency exchange of Baht 228 million, interest expenses of Baht 1,154 million, income tax amounting to Baht 257 million and depreciation and amortization amounting to Baht 1,364 million.

Important Financial Ratios for the period were as follows;

- Gross Profit Ratio was 53.47%.
- Net Profit Ratio (excluding the effect of foreign exchange) was 32.72%.
- Earnings (excluding the effect of foreign exchange) per share (EPS) was Baht 5.18

The gross profit ratio of 53.47% that was lower than last year's ratio of 54.70%, mainly resulted from a decrease in electricity sales of REGCO and an increase of APBP's cost of sales. The net profit margin (excluding the effect of foreign exchange) of 32.72% was close to last year's margin of 32.59%.

3.2 Income Analysis

The total revenues of EGCO and its subsidiaries for the first six months of 2005 as well as the share of profits from its associates and interest in joint ventures were Baht 8,321 million, a decrease of Baht 100 million or 1% compared to the same period of 2004. The details are as follows:

<i>Total Revenues:</i>	Unit : Million Baht		
	<i>1H2005</i>	<i>1H2004</i>	<i>%Changes</i>
<i>EGCO</i>	245	388	<i>(37%)</i>
<i>IPP Group</i>	4,820	5,053	<i>(5%)</i>
<i>SPP Group</i>	2,439	2,340	<i>4%</i>
<i>Overseas</i>	418	371	<i>13%</i>
<i>Others</i>	399	269	<i>48%</i>

1) **EGCO's Revenues** totaled Baht 245 million, representing a decrease of Baht 143 million or 37% from last year due to a decrease of dividend income of Baht 177 million or 51% as compared to the same period of 2004, reflecting the stock market fluctuation. EGCO's revenues comprised of dividend income from financial investment of Baht 172 million, interest income of Baht 59 million and other income of Baht 15 million.

EGCO's revenues are essentially dividends from Krung Thai Dividend Selected Flexible Portfolio Fund (KTSF) in the amount of Baht 91 million representing a decrease of Baht 214 million as compared to the same period of 2004; dividends from Eastern Water Resources Development and Management Public Company Limited (EASTW) of Baht 61 million, up by Baht 21 million; interest income of Baht 59 million, up by Baht 25 million and other income of Baht 15 million, up by Baht 10 million.

2) **Revenues from the IPP Group**, consisting of two principal subsidiaries, REGCO and KEGCO, were Baht 4,820 million. The details are as follows:

- **Sales of electricity** amounting to Baht 4,746 million, represented a decrease of Baht 221 million or 4% compared to last year. REGCO's electricity sales of Baht 2,485 million reflected a decrease of Baht 206 million, caused by a decrease of the Capacity Rate whilst KEGCO's electricity sales of Baht

2,262 million represented a decrease of Baht 15 million, as a result of a decrease of the Base Availability Credit. This was in accordance with the capacity payment formula calculated on a "Cost Plus Basis" under the PPAs and in line with the company's projection.

Sales of Electricity – IPP Group:

Unit : Million Baht

	1H2005	1H2004	%Changes
REGCO	2,485	2,690	(8%)
KEGCO	2,262	2,277	(1%)

The PPAs cover the full amount of the projected fixed costs, debt financing charges and major maintenance charges, which are used in calculating the electricity tariffs for each period. Moreover, the calculation of the capacity payment is adjusted to include compensation of the exchange rate effect from debt services and expenses of major maintenance parts denominated in US Dollar. REGCO and KEGCO receive the compensation monthly for each billing period. They receive higher capacity charge if the exchange rate is above Baht 28 per US Dollar and vice versa.

In the first six months of 2005, REGCO and KEGCO received compensation for the exchange rate effect of Baht 346 million.

- **Interest income and others** amounted to Baht 74 million, a decrease by Baht 12 million or 14%, mainly from REGCO and KEGCO's lower amount of deposits at banks and financial institutions which caused a drop in return of Baht 10 million. Moreover, other revenues decreased by Baht 2 million.

3) Revenues from the SPP Group were Baht 2,439 million, an increase of Baht 99 million or 4% compared to the same period of 2004. The SPP Group incorporates five companies, GEC, AEP, APBP, TLP Cogen and Roi-Et Green. The details are as follows:

- **Sales of electricity** of the SPP Group were Baht 2,397 million, representing an increase of Baht 75 million or 3% compared to the same period of last year.

Sales of Electricity – SPP Group:

Unit : Million Baht

	1H2005	1H2004	%Changes
GEC	1,374	1,331	3%
TLP Cogen	812	784	4%
APBP	124	139	(11%)
Roi-Et Green	87	69	26%

An increase of SPP group's electricity sales was from GEC, TLP Cogen, and Roi-et Green in the amount to Baht 43 million, Baht 29 million and Baht 18 million, respectively. An increase of GEC's electricity sales of Baht 43 million was due to peak-load demand calls from EGAT whilst an increase of Baht 29 million was caused by TLP Cogen's increased electricity sales and steam sales to new industrial users. The increase of Roi-et electricity sales came from higher tariff thanks to the tariff formula that is linked to the price of fuel oil. APBP's electricity sales decreased by Baht 15 million due to a physical impairment of an electricity generating equipment.

- **Interest income and others** amounted to Baht 23 million, an increase of Baht 11 million mainly from the increase in TLP Cogen's interest income and Roi-et Green's other income from an increase of selling ash from burnt rice husk and bagasse.

- **Share of profit of associates and joint ventures** was from AEP totaling Baht 19 million, an increase of Baht 14 million as compared to the same period of 2004 mainly due to major maintenance in 2004.

4) **Revenues from the Overseas Group** were Baht 418 million, an increase of Baht 47 million compared to the same period of 2004. The overseas group refers to CONAL and NTPC. The details are as follows:

- **Sales of electricity** of the overseas group were Baht 396 million, an increase of Baht 26 million or 7% compared to last year, resulting from higher capacity payment.

- **Interest income and others** amounted to Baht 21 million, a decrease of Baht 3 million or 12%.

- **Share of expenses of associates and joint ventures** showed a decrease of Baht 24 million compared to the same period in the previous year. This is because NTPC is accounted on an equity method and the recognition of the share of expenses caused the investment value to become zero at the end of 2004 while the recognized share of expenses in the first six months of 2004 was Baht 24 million.

5) **Revenues from the Other Business Group** were Baht 399 million, an increase by Baht 130 million or 48%. The other business group includes two subsidiaries, ESCO and ET. The details are as follows:

Revenues from the Other Business:

	Unit : Million Baht		
	1H2005	1H2004	% Changes
<i>Service Income – ESCO</i>	309	184	68%
<i>Sales of Water – ET</i>	83	78	6%

- **Service income** from ESCO amounted to Baht 309 million, up by Baht 125 million or 68%, resulting mostly from an increase of operation and maintenance (O&M) services and selling spare parts to Elgali 2 Power Plant in Sudan.

- **Sales of water from a subsidiary**, ET, were Baht 83 million, up by Baht 5 million, or 6%, thanks to an increase of water tariff under the Water Purchase Agreement.

- **Interest income and others** amounted to Baht 7 million, an increase by Baht 0.86 million or 15%, mainly from ET's interest income.

- **ESCO's share of profit of associates and joint ventures** totaled Baht 0.08 million, a decrease by Baht 1.54 million, mainly from Amata Power-Esco Service Co.,Ltd (AMESCO)'s increased expenses.

3.3 Expense Analysis

Total expenses from EGCO, its subsidiaries and joint ventures in the first six months of 2005 were Baht 5,456 million, a decrease of Baht 98 million or 2% from the same period of last year. The details are as follows:

<i>Total Expenses:</i>		Unit : Million Baht	
	1H2005	1H2004	% Changes
<i>EGCO</i>	189	217	(13%)
<i>IPP Group</i>	2,540	2,736	(7%)
<i>SPP Group</i>	2,259	2,182	4%
<i>Overseas</i>	203	218	(7%)
<i>Others</i>	264	201	31%

1) **Total expenses** of EGCO, which were administrative expenses, totaled Baht 189 million, a decrease from last year by Baht 27 million or 13% because EGCO's debenture matured in October 2004.

2) **The IPP Group's expenses** were Baht 2,540 million, a decrease of Baht 196 million or 7%. The details are as follows:

- **Cost of sales**, with the total of Baht 1,447 million, a decrease by Baht 41 million or 3% compared to the same period of 2004, mainly from the result of a decrease of REGCO's major maintenance expenses.

Cost of Sales – IPP Group:

	Unit: Million Baht		
	1H2005	1H2004	%Changes
REGCO	813	876	(7%)
KEGCO	634	612	4%

- **Administrative expenses and income tax** were Baht 336 million, an increase of Baht 25 million or 8%, mainly from KEGCO's amortization of losses from transfer of investments from available-for-sale to held-to-maturity in the amount of Baht 40 million.

- **Interest expenses** were Baht 757 million, a decrease of Baht 181 million or 19%, resulting from the decrease in interest expenses at REGCO and KEGCO of Baht 112 million and Baht 69 million, respectively, owing to lower principal amounts.

3) The SPP Group's expenses were Baht 2,259 million, an increase from the same period of last year by Baht 78 million or 4%, according to the following reasons:

- **Cost of Sales** were Baht 1,934 million, an increase of Baht 74 million or 4%, substantially driven by an increase at TLP Cogen amounting to Baht 26 million in line with an increase of its revenues; whilst an increase at APBP amounting to Baht 27 million was due to higher maintenance expenses. Moreover, Roi-Et Green's cost of sales increased by Baht 18 million due to higher fuel costs.

Cost of Sales - SPP:

	Unit : Million Baht		
	1H2005	1H2004	%Changes
GEC	1,142	1,139	0.29%
TLP Cogen	612	586	5%
APBP	127	100	27%
Roi-Et Green	53	36	50%

- **Administrative expenses** were Baht 163 million, a decrease of Baht 16 million or 9%, coming substantially from TLP Cogen's lower administrative expenses by Baht 28 million as a refinancing fee was incurred in the first six months of 2004.

- **Interest expenses** were Baht 163 million, an increase of Baht 19 million or 13%, driven by an increase in TLP Cogen's interest expenses amounting to Baht 11 million because of higher loan amount

from refinancing fees plus higher interest rate from swapping floating rate to fixed rate to minimize interest rate risk. GEC's interest expenses increased by Baht 7 million due to loan drawdown for power plant construction. GEC and TLP Cogen's interest expenses were Baht 54 million and Baht 95 million, respectively.

4) The Overseas Group's expenses were Baht 203 million, a decrease of Baht 15 million or 7% compared to the same period of 2004, owing to the following reasons:

- **Cost of Sales** were Baht 94 million, an increase of Baht 10 million or 12%, in line with an increase of revenues.
- **Administrative expenses and income tax** were Baht 76 million, a decrease of Baht 24 million or 24% due to CONAL's deferred income tax adjustment of 2004.
- **Interest expenses** were Baht 33 million, a decrease of Baht 2 million or 5% owing to lower principal amount.

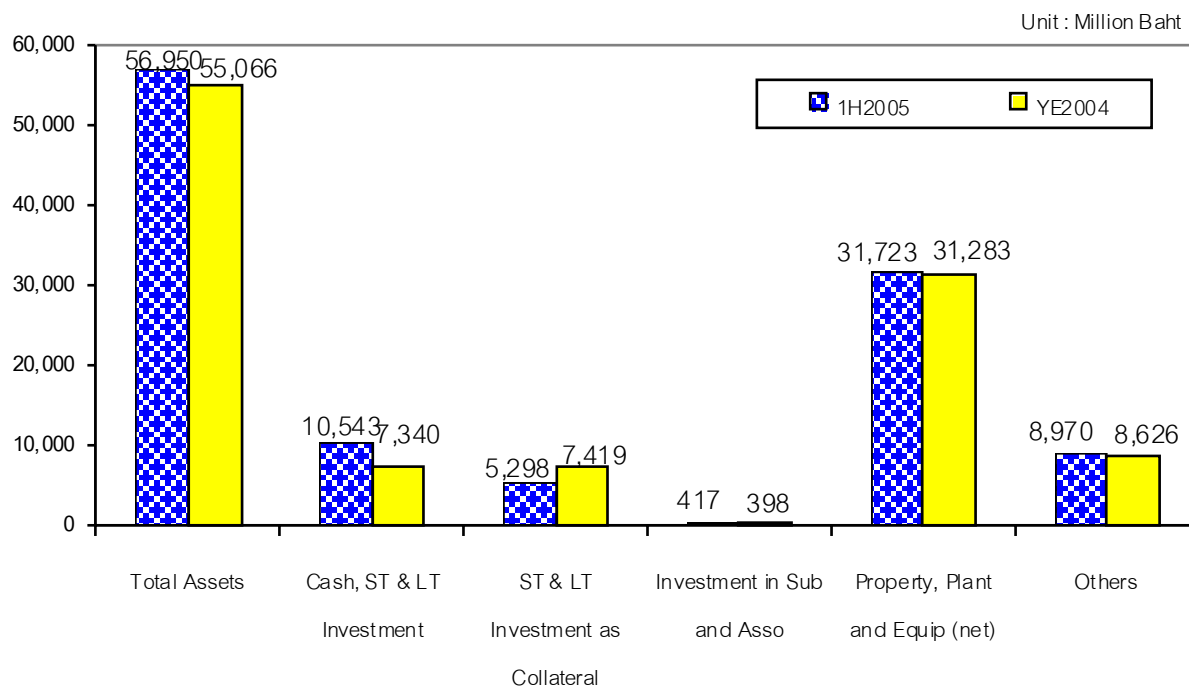
5) The Other Business Group's expenses were Baht 264 million, an increase of Baht 63 million or 31%, owing to the following reasons:

- **Service costs** were Baht 189 million, an increase of Baht 59 million or 46%, resulting from an increase of ESCO's operation and maintenance (O&M) services to customers which was consistent with its increased revenue.
- **Cost of water sales** of ET was Baht 27 million, a decrease of Baht 1 million or 2% mainly from a decrease of operating and maintenance service costs.
- **Administrative expenses and income tax** were Baht 44 million, an increase of Baht 6 million or 16%, mostly from ESCO's income tax expenses that amounted to Baht 18 million, which was in line with an increase of ESCO's net profit; whereas, the administrative expense shrank by Baht 11 million as there was Agro-Energy Co.,Ltd.'s write-off of bad debt in 2004.
- **Interest expenses** were Baht 3 million, a decrease of Baht 2 million or 40%, resulting from the lower principal amount of ET.

4. Report and Analysis of Financial Position

4.1 Asset Analysis

As at June 30, 2005, total assets of EGCO, its subsidiaries, associates and joint ventures amounted to Baht 56,950 million, an increase of Baht 1,884 million or 3% from December 31, 2004. The important details are as follows:



1) Cash and deposits at financial institutions, and short term and long term marketable securities were Baht 10,543 million or 19% of the total assets, up Baht 3,203 million or 44%. This came from an increase of Baht 4,313 million in cash and cash equivalent, a decrease of Baht 1,079 million in deposits at financial institutions and short-term marketable securities and Baht 31 million in long-term investments in marketable securities.

2) Short-term and long-term investments used as collateral were Baht 5,298 million or 9% of the total assets, down Baht 2,122 million or 29% after REGCO obtained lenders' approval in the first quarter to reduce the Foreign Exchange Reserve Account (FEXRA) to USD 1.5 million and to release Debt Service Reserve Account (DSRA) amounting to USD 13.2 million by pledging a Bank Guarantee.

3) Investment in subsidiaries and associates and interests in joint ventures amounted to Baht 417 million or 1% of the total assets, up by Baht 19 million or 5%. This increase is mainly a result of the recognition of the share of profit of AEP.

4) Property, plant and equipment (net) totaled Baht 31,723 million or 56% of the total assets. They were up Baht 440 million or 1% due to an increase in property, plant and equipment related to GEC's

construction of Baht 1,372 million and the recording of capital spare parts as property, plant and equipment following the major maintenance of REGCO and TLP Cogen in the amount of Baht 169 million and Baht 28 million, respectively. The translation adjustment of overseas assets increased by Baht 65 million as well.

However, a decrease in property, plant and equipment was from depreciation of EGCO and subsidiaries' assets totaling Baht 1,214 million, the reclassification of unutilised capital spare parts from property, plant and equipment to inventories of TLP Cogen and REGCO amounting to Baht 23 million and Baht 15 million, respectively.

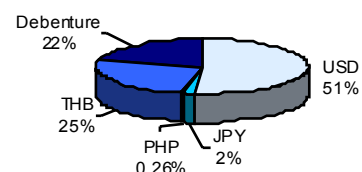
5) **Other assets** were Baht 8,970 million or 16% of the total assets, up Baht 344 million or 4% mainly from amounts due and trade receivable from related companies that were up Baht 337 million, other assets that were up by Baht 410 million, and spare parts and supplies up by Baht 155 million while long-term loans to related parties down by Baht 514 million following NTPC's shareholder loan repayment for the whole amount; goodwill was down by Baht 43 million.

4.2 Liability Analysis

As at June 30, 2005, the company's total liabilities were Baht 26,134 million, up Baht 171 million or 1% as a result of the increase in interest payable and construction payable. The total liabilities consist of the following:

1) **Long-term loans and debentures** totaled Baht 23,775 million, or 91% of total liabilities, down Baht 158 million or 1%. The details are as follows:

- USD loans in the amount of USD 296 million
- Yen loans in the amount of Yen 1,115 million
- Philippines Peso loans in the amount of Peso 83 million
- Baht loans in the amount of Baht 5,928 million
- Baht debentures in the amount of Baht 5,304 million



In the first six months of 2005, the amount of loans denominated in Baht increased by Baht 538 million due to the loan drawdown for the construction of GEC whereas the amount of loans denominated in USD and Yen decreased by Baht 438 million, mostly from principal repayment by REGCO, KEGCO, and Roi-Et green. Baht debentures were down by Baht 253 million following KEGCO's repayment.

2) **Other liabilities** amounted to Baht 2,359 million or 9% of total liabilities, mostly from bank overdrafts and short-term loans from financial institutions of Baht 214 million, trade payables of Baht 522 million, construction payables of Baht 258 million, interest payable of Baht 180 million, value added tax payable and income tax payable of Baht 379 million, and others of Baht 806 million.

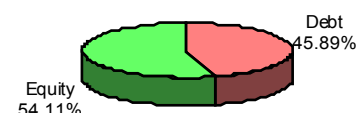
4.3 Shareholders' Equity Analysis

As at June 30, 2005, Shareholders' Equity amounted to Baht 30,816 million, which was Baht 1,713 million higher than the amount as at December 31, 2004. This was due mainly to the profits from operation of the first six months of 2005.

The analysis of the company's capital structure as at June 30, 2005 is summarized as follows:

Shareholders' equity was Baht 30,816 million or 54.11%.

Liabilities were Baht 26,134 million or 45.89%.



Important financial ratios were as follows:

- Debt to equity ratio was 0.85 times, lower than 0.89 times at the end of last year.
- Book value per share was Baht 56.63, higher than Baht 53.55 at the end of last year.

5. Report and Analysis of Cash Flow Position

Cash Flow Statement shows the change in cash flows from operating activities, investing activities, and financing activities at the end of the accounting period, and indicates the ending balance of the cash and the cash equivalents. As at June 30, 2005, the ending balance of the cash and the cash equivalent was Baht 6,164 million, up by Baht 4,313 million from the end of 2004. The details of the sources and uses of funds are as follows:

-**Net cash received from operating activities** totaled Baht 4,959 million. Most of this was cash from operating activities that amounted to Baht 4,095 million and cash received from working capital increase by Baht 864 million.

-**Net cash received from investing activities** was Baht 754 million. Cash received from deposits at financial institutions increased by Baht 1,035 million. Cash received from shareholder's loan repayment from NTPC was Baht 971 million. In addition, cash inflows were from dividends of EASTW, KTSF and the other open-ended funds, which amounted to Baht 61 million, Baht 91 million and Baht 20

million, respectively. Whereas the cash outflow was from the investment in GEC's power plant construction amounting to Baht 965 million

- **Net cash payment for financing activities** was Baht 1,400 million, mainly owing to loan and debenture repayment from REGCO, KEGCO, ET, TLP Cogen, Roi-Et Green, APBP, GEC and Conal, which amounted to Baht 1,586 million, plus dividend payment to shareholders that amounted to Baht 881 million; while, there were debt drawdown of GEC in the amount of Baht 983 million and cash received from selling treasury stock of Baht 100 million.