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Rurelec PLC

Interim results for the 6 months ended 30th June 2009

Rurelec PLC ("Rurelec" or "the Company"; AIM: RUR), the electric utility focused on the development of power generation capacity and rural electrification projects in Latin America, announces its unaudited interim results for the six months ended 30 June 2008.

Financial Highlights:

- Revenues increased by 50% to £18.5m (2008: £11.9m), an increase of 36% on like-for-like accounting basis.
- First half operating loss of £0.7m (2008: £1.3m profit).
- Placings of 119.6m new ordinary shares in aggregate completed in the first half year.
- Debt reduction at PLC level associated with disposal of 50% interest in Argentine subsidiary.
- Bolivian bond financing closed at \$24m.

Operational Highlights:

- Record levels of generation in Bolivia and new, increased capacity prices effective from April.
- Argentine expansion project completed, with 60 MW of new capacity on line from May.
- New capacity and export initiative to Brazil underlines co-operation with Government of Bolivia.

Commenting on these results, Peter Earl, Rurelec's Chief Executive, said:

“Due to upheavals in the global economy, the Company has been concentrating on consolidating its cash position. With 60 MW of new capacity having entered commercial operations in Argentina during the first half and a further 100 MW of new capacity due to come online in Bolivia early 2010, we are looking forward to the enhanced revenue earning potential of the Group in the coming months.”

For further information please contact:

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RURELEC PLC

CONDENSED CONSOLIDATED INCOME STATEMENT (unaudited)

for the half year ended 30 June 2009

(expressed in thousands of pounds)

	6 months to 30/06/09 £'000	6 months to 30/06/08 £'000	12 months to 31/12/08 £'000
Revenue	18,476	11,950	29,133
Cost of sales	<u>(16,672)</u>	<u>(9,156)</u>	<u>(24,719)</u>
Gross profit	1,804	2,794	4,414
Administrative expenses	<u>(2,506)</u>	<u>(1,501)</u>	<u>(3,174)</u>
(Loss) / profit from operations	(702)	1,293	1,240
Foreign exchange losses	<u>(2,674)</u>	<u>(183)</u>	<u>(1,390)</u>
Finance income	40	41	203
Finance expense	<u>(2,163)</u>	<u>(676)</u>	<u>(3,283)</u>
Other income	<u>2,361</u>	<u>1,279</u>	=
(Loss) / profit before tax	<u>(3,138)</u>	1,754	<u>(3,230)</u>
Tax expense	<u>(236)</u>	<u>(910)</u>	<u>(923)</u>
(Loss) / profit after tax	<u>(3,374)</u>	<u>844</u>	<u>(4,153)</u>
Attributable to:			
Equity interests	<u>(3,105)</u>	108	<u>(4,157)</u>
Minority interests	<u>(269)</u>	<u>736</u>	<u>4</u>
	<u>(3,374)</u>	<u>844</u>	<u>(4,153)</u>
Basic and diluted loss per share	(2.99p)	0.15p	(5.23p)



RURELEC PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
 for the half year ended 30 June 2009
 (expressed in thousands of pounds)

	6 months to 30/06/09 £'000	6 months to 30/06/08 £'000	12 months to 31/12/08 £'000
(Loss) / profit after tax attributable to equity interests for the period	(3,105)	108	(4,157)
Other comprehensive income:			
Revaluation on acquisition	-	2,800	3,150
Exchange differences on translation of foreign operations	<u>(6,745)</u>	<u>37</u>	<u>13,120</u>
Total other comprehensive income	<u>(6,745)</u>	<u>2,837</u>	<u>16,270</u>
Total comprehensive income for the Period attributable to equity interests	<u>(9,850)</u>	<u>2,945</u>	<u>12,113</u>



RURELEC PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

at 30 June 2009

(expressed in thousands of pounds)

	6 months to 30/06/09 £'000	6 months to 30/06/08 £'000	12 months to 31/12/08 £'000
Assets			
Non-current assets			
Property, plant and equipment	132,735	113,763	168,053
Intangible assets	4,003	8,959	9,335
Trade and other receivables	4,713	12	4,793
Deferred tax assets	<u>1,158</u>	<u>705</u>	<u>1,112</u>
	<u>142,609</u>	<u>123,439</u>	<u>183,293</u>
Current assets			
Inventories	2,673	3,139	3,817
Trade and other receivables	11,021	8,474	9,939
Current tax assets	2,599	6,549	4,154
Cash and cash equivalents	<u>7,382</u>	<u>7,126</u>	<u>5,031</u>
	<u>23,675</u>	<u>25,288</u>	<u>22,941</u>
Total assets	<u>166,284</u>	<u>148,727</u>	<u>206,234</u>
Equity and liabilities			
Shareholders' equity			
Share capital	4,108	1,716	1,716
Share premium account	38,182	31,608	31,558
Foreign currency reserve	825	(5,513)	7,570
Other reserves	1,575	2,800	3,150
Profit and loss reserve	<u>6,494</u>	<u>14,434</u>	<u>8,024</u>
Total equity attributable to Shareholders of Rurelec PLC	51,184	45,045	52,018
Minority interests	<u>32,288</u>	<u>27,603</u>	<u>37,116</u>
Total equity	<u>83,472</u>	<u>72,648</u>	<u>89,134</u>
Non-current liabilities			
Trade and other payables	296	225	290
Deferred tax liabilities	2,153	3,379	4,052
Borrowings	<u>49,082</u>	<u>31,469</u>	<u>47,264</u>
	<u>51,531</u>	<u>35,073</u>	<u>51,606</u>
Current liabilities			
Trade and other payables	18,266	20,038	27,185
Current tax liabilities	1,395	1,887	2,347
Borrowings	<u>11,620</u>	<u>19,081</u>	<u>35,962</u>
	<u>31,281</u>	<u>41,006</u>	<u>65,494</u>
Total liabilities	<u>82,812</u>	<u>76,079</u>	<u>117,100</u>
Total equity and liabilities	<u>166,284</u>	<u>148,727</u>	<u>206,234</u>



RURELEC PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited) for the half year ended 30 June 2009 (expressed in thousands of pounds)

	Attributable to equity shareholders							Total equity £'000
	Share capital	Share premium £'000	Foreign currency £'000	Retained earnings reserve £'000	Other reserves £'000	Total £'000	Minority interest £'000	
Balance at 1.1.08	1,466	23,983	(5,550)	14,326	-	34,225	28,681	62,906
Allotment of shares	250	7,875	-	-	-	8,125	-	8,125
Share issue costs	-	(250)	-	-	-	(250)	-	(250)
Minority dividend	-	-	-	-	-	-	(1,814)	(1,814)
Profit for period	-	-	-	108	-	108	736	844
Exchange differences	-	-	37	-	-	37	-	37
Revaluation on acquisition	=	=	=	=	<u>2,800</u>	<u>2,800</u>	=	<u>2,800</u>
Total recognised income and expense for the period	=	=	<u>37</u>	<u>108</u>	<u>2,800</u>	<u>2,945</u>	<u>736</u>	<u>3681</u>
Balance at 30.6.08	1,716	31,608	(5,513)	14,434	2,800	45,045	27,603	72,648
Share issue costs	-	(50)	-	-	-	(50)	-	(50)
Minority dividend exchange adjustment	-	-	-	-	-	-	(692)	(692)
Equity dividend	-	-	-	(2,145)	-	(2,145)	-	(2,145)
Loss for period	-	-	-	(4,265)	-	(4,265)	(732)	(4,997)
Exchange differences	=	=	<u>13,083</u>	=	<u>350</u>	<u>13,433</u>	<u>10,937</u>	<u>24,370</u>
Total recognised income and expense for the period	=	=	<u>13,083</u>	<u>(4,265)</u>	<u>350</u>	<u>9,168</u>	<u>10,205</u>	<u>19,373</u>
Balance at 31.12.08	1,716	31,558	7,570	8,024	3,150	52,018	37,116	89,134
Allotment of shares	2,392	7,178	-	-	-	9,570	-	9,570
Share issue costs	-	(554)	-	-	-	(554)	-	(554)
Loss for period	-	-	-	(3,105)	-	(3,105)	(269)	(3,374)
Transfer on realisation of revaluation	-	-	-	1,575	(1,575)	-	-	-
Exchange differences	=	=	<u>(6,745)</u>	=	=	<u>(6,745)</u>	<u>(4,559)</u>	<u>(11,304)</u>
Total recognised income and expense for the period	=	=	<u>(6,745)</u>	<u>(1,530)</u>	<u>(1,575)</u>	<u>(9,850)</u>	<u>(4,828)</u>	<u>(14,678)</u>
Balance at 30.6.09	<u>4,108</u>	<u>38,182</u>	<u>825</u>	<u>6,494</u>	<u>1,7575</u>	<u>51,184</u>	<u>32,288</u>	<u>83,472</u>



RURELEC PLC

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (unaudited)

for the half year ended 30 June 2009

(expressed in thousands of pounds)

	6 months to 30/06/09 £'000	6 months to 30/06/08 £'000	12 months to 31/12/08 £'000
Result for the period before tax	(3,138)	1,754	(3,230)
Net finance costs	2,123	635	3,080
Adjustments for:			
Depreciation	2,711	1,717	4,051
Profit on sale of 50% of EdS	(2,361)	-	-
Profit on sale of equipment	-	-	(577)
Profit on sale of land	-	(562)	-
Change in inventories	351	(173)	80
Change in trade and other receivables	(3,321)	(3,053)	(4,209)
Change in trade and other payables	<u>221</u>	<u>3,679</u>	<u>4,283</u>
Cash (used in) generated from operations	(3,414)	3,997	3,478
Taxation paid	(953)	(1,077)	(915)
Interest received	40	41	203
Interest paid	<u>(827)</u>	<u>(726)</u>	<u>(1,418)</u>
Net cash (used in) generated from operations	<u>(5,154)</u>	<u>2,235</u>	<u>1,348</u>
Cash flows from investing activities			
Purchase of plant and equipment	(9,195)	(13,095)	(29,186)
Sale of plant and equipment	-	-	1,250
Sale of land	-	1,500	-
Acquisition (net of cash)	-	<u>(5,893)</u>	<u>(5,989)</u>
Net cash used in investing activities	<u>(9,195)</u>	<u>(17,488)</u>	<u>(33,925)</u>
Net cash outflow before financing activities	<u>(14,349)</u>	<u>(15,253)</u>	<u>(32,577)</u>
Cash flows from financing activities			
Issue of shares (net of costs)	6,770	7,875	7,825
Net increase in loans	9,930	5,719	23,835
Dividend paid to minorities	-	(1,814)	(2,506)
Equity dividend paid	-	-	<u>(2,145)</u>
Net cash generated from financing activities	<u>16,700</u>	<u>11,780</u>	<u>27,009</u>
Increase / (decrease) in cash and cash equivalents	2,351	(3,473)	(5,568)
Cash at cash equivalents at start of period	5,031	10,599	<u>10,599</u>
Cash and cash equivalents at end of period	<u>7,382</u>	<u>7,126</u>	<u>5,031</u>



RURELEC PLC

Notes to the Interim Statement for the six months ended 30 June 2009

1. Basis of preparation

The interim financial statements do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2008 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under section 237(2) or (3) of the Companies Act 1985. The financial information contained in this interim statement has been prepared in accordance with all relevant International Reporting Standards ('IFRS') in force and expected to apply to the Group's results for the year ending 31 December 2009 and on interpretations of those Standards released to date.

2. Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Group's financial statements for the year ended 31 December 2008 except for the adoption of IAS 1 Presentation of Financial Statements (Revised 2007).

3. Other income

Other income in the six months to 30 June 2009 comprises the profit arising on the sale of 50% of Patagonia Energy Ltd, following which the Group now owns 50% of Energia del Sur, a company incorporated in Argentina.

4. Earnings per share	6 months to 30/06/09	6 months to 30/06/08	12 months to 31/12/08
Basic and diluted			
Average number of shares in issue during the period	104m	80m	74m
Loss (profit) for the period	(£3.1m)	£0.1m	(£4.2m)
Basic and diluted (loss) /	(2.99p)	0.15p	(5.23p)

5. The Board of Directors approved this interim statement on 8 September 2009. This interim statement has not been audited.

6. Copies of this statement are being sent to all shareholders. Copies may be obtained from the company's registered office, 5th Floor, Prince Consort House, Albert Embankment, London SE1 7TJ.