First Quarter Earnings Rise 12% at Consolidated Water Co. Ltd.; Revenue Gains in March Suggest Caribbean Tourism is Recovering Post-9/11

GEORGE TOWN, Cayman Islands, B.W.I., May 15, 2002 /PRNewswire-FirstCall/ -- Consolidated Water Co. Ltd. (Nasdaq: CWCO), which develops and operates seawater conversion plants and water distribution systems in areas where natural supplies of drinking (i.e., potable) water are scarce, today announced record revenue and earnings for the first quarter of 2002.

For the three months ended March 31, 2002, the Company's revenue increased 7.8% to a record $3.2 million, compared with $3.0 million in the first quarter of 2001. Net income increased 11.5% to a first quarter record of $926,500, versus net income of $830,890 in the prior-year period. The Company earned $0.23 per diluted share in the most recent quarter, compared with $0.21 per diluted share in the quarter ended March 31, 2001. The weighted average number of diluted shares outstanding totaled 4,054,949 in the first quarter of 2002, versus 3,977,299 average diluted shares outstanding in the year-earlier quarter.

"I am pleased to report another record quarter in revenue and earnings, when compared with prior-year levels," stated Rick McTaggart, President of Consolidated Water Co. Ltd. "Modest declines in revenue during January and February were more than offset by a 20% gain in March. When combined with good water sales in April, this suggests that tourism to the Cayman Islands may be recovering to more normal levels following a slowdown after the tragic events of September 11, 2001."

"Water sales in Belize were slightly ahead of budget for the first quarter of 2002, and although we benefited from reduced energy costs after the resolution of maintenance issues that plagued our operations on Ambergris Caye for several months, our costs were up slightly because of a one-time rebate to our customer, which resulted from erroneous inflation index data stated in the original water supply contract. In March, our diesel pumps were brought back on line, and this should benefit operating efficiencies in Belize during the balance of the year. Sales continue to build in the Bimini Islands in the Bahamas, and a newly completed block of condominiums should add to demand in coming months. Although sales in the Bahamas are still modest when compared with our operations in the Cayman Islands, I am pleased to report that we came within $1,000 of cash flow breakeven in that new market during the quarter ended March 31, 2002."

"The most impressive statistic for the quarter related to General and Administrative Costs, which declined 7.3% to $600,223 (19.3% of sales), versus $647,360 (22.7% of sales) in the first quarter of 2001," continued McTaggart. "This was accomplished despite an increase in travel and other expenses related to the pursuit of new project opportunities in a number of countries in the Caribbean region."

"I believe that 2002 should be another record year for Consolidated Water," noted Jeffrey Parker, Chairman and Chief Executive Officer of the Company. "I am also pleased to report that the investment community has taken a greater interest in the Company, as evidenced by the 55% increase in CWCO's common stock price during the twelve months ended March 31, 2002. While we are pleased with such recognition, our investors should recognize that we remain firmly committed to the further enhancement of shareholder values."

The Company recently announced a 5% increase in its quarterly cash dividend to $0.105 per share.

The Company will host an investor conference call at 11:30 am EDT today, May 15, 2002, to discuss its operating results. To participate in the conference call, please dial 800-360-9865, or 973-694-6836 for international callers, a few minutes before 11:30 a.m. EDT. A replay of the conference call will be available until May 22, 2002, by dialing 800-428-6051 or 973-709-2089 for international callers. The Access Code is 241313 for the replay.

Consolidated Water Co. Ltd. is engaged in the development and operation of seawater conversion plants and water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. It currently operates a public water utility in certain areas of the Cayman Islands under a 20-year exclusive license from the Government of the Cayman Islands. The Company also operates reverse osmosis seawater conversion facilities on Ambergris Caye off the mainland of Belize, and in the Commonwealth of the Bahamas.

The common stock of Consolidated Water Co. Ltd. is traded on the Nasdaq National Market under the symbol "CWCO".

This press release includes statements that may constitute "forward- looking" statements, usually containing the words "believe", "estimate", "project", "intend", "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products and services in the marketplace, changes in its relationship with

the Governments of the jurisdictions in which it operates, the ability to successfully secure contracts for water projects in other countries, the ability to develop and operate such projects profitably, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

Consolidated Water Co. Ltd.

SELECTED FINANCIAL HIGHLIGHTS
(All figures in U.S. Dollars and determined in accordance with U.S. Generally Accepted Accounting Principles)

	Three Months Ended March 31, 2002	March 31, 2001
Income		
Water sales	$3,107,496	$2,857,204
Other income	85,679	104,435
	3,193,175	2,961,639
Expenses		
Cost of water sales	1,666,452	1,483,389
Indirect expenses	600,223	647,360
Net Income	$926,500	$830,890
BASIC EARNINGS PER COMMON SHARE		
Net income	$0.24	$0.21
DILUTED EARNINGS PER COMMON SHARE		
Net income	$0.23	$0.21
Weighted number of common shares used in the determination of earnings per common share		
Basic	3,923,209	3,866,921
Diluted	4,054,949	3,977,299

CONSOLIDATED WATER CO. LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Expressed in United States Dollars and determined in accordance with USGAAP)

	March 31, 2002 (Unaudited)	December 31, 2001
ASSETS		
Current assets		
Cash and cash equivalents	1,177,293	516,446
Accounts receivable	1,781,750	1,323,156
Spares inventory	312,583	271,134
Inventory of water	52,859	48,377
Prepaid expenses and other assets	241,893	319,900
Total current assets	3,566,378	2,479,013
Property, plant and equipment	19,789,383	18,414,935
Intangible asset	1,766,066	1,814,780
Investment	12,450	12,450

Total assets	$25,134,277	$22,721,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Bank overdrafts	500,000	--
Dividends payable	473,416	499,383
Accounts payable and other liabilities	821,097	1,087,470
Stock compensation liability	148,050	210,324
Current portion of long term debt	505,840	355,840
Total current liabilities	2,448,403	2,153,017
Long term debt	2,551,304	1,213,804
Security deposit	102,763	52,763
Advances in aid of construction	36,274	37,494
Total liabilities	5,138,744	3,457,078
Stockholders' equity		
Common stock	4,741,759	4,704,077
Additional paid-in capital	7,084,181	6,896,753
Vested redeemable preferred stock	2,841	2,841
Non-vested redeemable preferred stock	27,393	27,393
Retained earnings	8,139,359	7,633,036
Total stockholders' equity	19,995,533	19,264,100
Total liabilities and stockholders' equity	$25,134,277	$22,721,178