

Cable & Wireless Jamaica Limited
Unaudited Condensed Consolidated Interim Financial Statements
For the Quarter ended December 31, 2015

The Board of Directors of Cable & Wireless Jamaica Limited ("the Company") hereby releases the unaudited consolidated results, comprising the Company, Jamaica Digiport International Limited (JDI), Digital Media & Entertainment Limited (DM&E) and other subsidiaries, (collectively referred to as "CWJ", or "the Group"), for the third quarter ended December 31, 2015.

Q3 Financial Summary:

For the third quarter, the Company is reporting revenues of J\$6,148m, operating profit before exceptional items of J\$1,504m and a net profit of J\$144m.

Q3 Highlights - compared to Q3 prior year:

- Total revenue up 8%
- Mobile subscriber base up 15%
- Mobile revenue up 22%
- Broadband subscriber base up 3%
- Broadband revenue up 9%
- EBITDA up 59%

Garfield Sinclair, CEO of Cable & Wireless Jamaica Limited, commenting on the year to date results, said:

"Our results for the nine months ended December 31, 2015, continue an almost 24 month trend of consistent growth in all of our key performance indicators. Our mobile business has again grown its revenues and subscriber base by 22% and 15% respectively on a year over year basis, which resulted from a more than doubling of our mobile data revenues and the acquisition of 125,000 new mobile subscribers on a fiscal year to date basis. Our mobile strategy continues to be driven by maintaining our status as the best value in the market for both voice and mobile data, along with providing access to the most affordable and feature filled mobile devices. We will continue investing in our island-wide 4G network and intend to introduce an LTE mobile experience in select areas as we ensure that we provide customers with the best mobile experience possible."

"The Fixed Voice business was flat for the first nine months to the end of December when adjusted for the recovery of prior period overpayments. Our strategically important fixed internet business is also performing well and grew subscribers by 3% and revenue by 11% on a year over year basis as we continue to expand capacity and provide high speed internet access to more homes across the island. We expect to add an additional 65,000 ports by the end of March 2016 and intend to expand this even further into the new fiscal year as we ensure that we are the first choice of customers across the island for this vital service."

"The Enterprise, SME and Government segment has experienced a year over year reduction in equipment sales and maintenance, while the all important data solutions services increased 4% over the same period. Our contract pipeline and work in progress along with procurement timelines usually result in the booking of a number of these transactions in the last quarter of the fiscal year and this year is expected to be no different."

"EBITDA increased by 51% compared to the corresponding period based on the performance of our combined business lines and despite the many service challenges that are being experienced by customers in stores, through our contact center and with general service availability. We wish to assure our customers that we are taking the necessary steps to improve our customer experience through every channel. These steps include: providing additional bill payment options and tablet equipped Customer Service Representatives (CSRs) in stores; building a state of the art Contact Centre right here in Jamaica to handle all of the Jamaican traffic, utilizing multiple tools and adequate staff levels; upgrading, expanding and securing our networks to ensure the widest access to the"

fastest and most reliable internet and voice services; and deploying a 100% in-sourced field service team to install and repair subscriber services as agreed or within reasonable timeframes.

"Our integration process is very advanced and we are already seeing the benefits of providing customers with a single brand proposition that delivers multiple products/services at affordable prices. We are encouraged by these results and will continue to execute on our operating model that has customers at its center supported by world class networks that are attended to by highly engaged, thoroughly professional employees."

Third Quarter Financial and Operating Results - compared to third quarter ended December 31, 2014:

Revenues increased by 8% quarter on quarter, influenced by the growth of Mobile subscribers of 15%, in turn driving Mobile revenue growth of 22%. The Broadband segment experienced revenue growth of 9% due to the positive performance of the Browse & Talk product.

Gross Margin improved by 9% quarter on quarter, due to the growth in our Mobile and Broadband subscriber base. Mobile increased by 44% and Broadband by 9%, as a result of the increase in revenues.

Administrative and Employee Expenses decreased by 16% quarter on quarter, due to a reduction in employee related expenses by 17% and a 15% decrease in administration and marketing expenses. The reduction in employee related expenses is as a result of our operational efficiency programmes.

Operating exceptional items relate to integration related costs such as network related costs and rebranding, associated with the merger of the Group's business operations with Columbus Communications Jamaica Limited, a wholly owned subsidiary of Cable & Wireless Communications Plc following the acquisition of Columbus International Inc. on 31 March 2015.

Investment in the renewal of spectrum licences and programmed capital expenditure has resulted in additional **financing cost**, as these investments were financed by related party loans.

The **net profit attributable to shareholders** for the quarter was reported at J\$144m.

On behalf of the Board



Mr. Mark Kerr-Jarrett
Director



Dr. Carolyn Hayle
Director

Cable & Wireless Jamaica Limited
Condensed consolidated interim income statement
For the period ended December 31, 2015

| | Notes | 3 months to Dec 31, 2015 \$m | Restated 3 months to Dec 31, 2014 \$m | 9 months to Dec 31, 2015 \$m | Restated 9 months to Dec 31, 2014 \$m |
|--|-------|------------------------------------|--|------------------------------------|--|
| Revenue | | 6,148 | 5,697 | 17,223 | 15,726 |
| Operating costs before depreciation and amortisation | 6 | (3,994) | (4,344) | (12,485) | (12,589) |
| Depreciation | | (392) | (438) | (1,054) | (1,118) |
| Amortisation | | (254) | (160) | (768) | (489) |
| Other operating (expense)/income | | (4) | 5 | (12) | 5 |
| Operating profit before exceptional items | | 1,504 | 760 | 2,904 | 1,535 |
| Operating exceptional items | 6 | (334) | (1,517) | (504) | (1,517) |
| Operating profit after exceptional items | | 1,170 | (757) | 2,400 | 18 |
| Finance income | | 17 | 18 | 51 | 52 |
| Finance expense | | (1,035) | (1,075) | (3,070) | (3,056) |
| Profit/(loss) before income tax | | 152 | (1,814) | (619) | (2,986) |
| Income tax expense | | (8) | (11) | (25) | (33) |
| Profit/(loss) for the period | | 144 | (1,825) | (644) | (3,019) |
| Profit/(loss) per share (cents per share) | 7 | 0.9 | (10.9) | (3.8) | (18.0) |
| Reconciliation of operating profit before exceptional items to EBITDA | | | | | |
| Operating profit before exceptional items | | 1,504 | 760 | 2,904 | 1,535 |
| Add: Depreciation and amortisation | | 646 | 598 | 1,822 | 1,607 |
| Add: Other operating (expense)/income | | 4 | - | 12 | (5) |
| EBITDA | | 2,154 | 1,358 | 4,738 | 3,137 |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of comprehensive income
For the period ended December 31, 2015

| | 3 months to Dec 31, 2015 \$m | Restated 3 months to Dec 31, 2014 \$m | 9 months to Dec 31, 2015 \$m | Restated 9 months to Dec 31, 2014 \$m |
|---|------------------------------------|--|------------------------------------|--|
| Profit/(loss) for the period | 144 | (1,825) | (644) | (3,019) |
| Other comprehensive income for the period comprised: | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Exchange differences on translation of foreign operations | 25 | 14 | 50 | 60 |
| Other comprehensive income for the period | 25 | 14 | 50 | 60 |
| Total comprehensive income/(loss) for the period | 169 | (1,811) | (594) | (2,959) |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of financial position
As at December 31, 2015

| | Notes | Dec 31, 2015 \$m | Restated March 31, 2015 \$m | Restated Dec 31, 2014 \$m |
|--|-------|---------------------|-----------------------------------|---------------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Intangible assets | | 6,594 | 4,699 | 853 |
| Property, plant and equipment | | 14,554 | 10,865 | 13,858 |
| Loan receivable | | 724 | 724 | 725 |
| Prepayments | | - | 1,252 | 1,534 |
| Retirement benefits assets | | 1,912 | 1,863 | 2,139 |
| | | 23,784 | 19,403 | 19,109 |
| Current assets | | | | |
| Assets held for sale | | 441 | 1,088 | - |
| Trade and other receivables | | 6,429 | 7,591 | 8,101 |
| Inventories | | 678 | 465 | 509 |
| Cash and cash equivalents | | 485 | 732 | 689 |
| Deferred expenditure | | - | - | 51 |
| | | 8,033 | 9,876 | 9,350 |
| Total assets | | 31,817 | 29,279 | 28,459 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | | 8,657 | 10,430 | 8,189 |
| Borrowings | | 45 | 55 | 160 |
| Provisions | | 812 | 931 | 1,398 |
| Due to related parties | 5 | 1,302 | 912 | 865 |
| | | 10,816 | 12,328 | 10,612 |
| Non-current liabilities | | | | |
| Trade and other payables | | 2,859 | 1,679 | 208 |
| Borrowings | | 327 | 314 | 308 |
| Provisions | | 1,854 | 2,179 | 1,345 |
| Due to related parties | 5 | 49,331 | 45,555 | 42,605 |
| | | 54,371 | 49,727 | 44,466 |
| Net liabilities | | (33,370) | (32,776) | (26,619) |
| Capital and reserves attributable to the stockholders | | | | |
| Share capital | | 16,817 | 16,817 | 16,817 |
| Reserves | | (50,187) | (49,593) | (43,436) |
| Net deficit | | (33,370) | (32,776) | (26,619) |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.



Mr. Mark Kerr-Jarrett
Director



Dr. Carolyn Hayle
Director

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of changes in equity
For the period ended December 31, 2015

| | Share capital \$m | Foreign currency translation \$m | Share-based payment reserve \$m | Employee benefits reserve \$m | Accumulated deficit \$m | Total equity \$m |
|---|----------------------|--|---------------------------------------|--|-------------------------------|---------------------|
| Balance at April 1, 2014 (restated) | 16,817 | 477 | 21 | 1,392 | (42,367) | (23,660) |
| Loss for the period (restated) | - | - | - | - | (3,019) | (3,019) |
| Exchange differences on translation of foreign operations | - | 60 | - | - | - | 60 |
| Total comprehensive income/(loss) for the period | - | 60 | - | - | (3,019) | (2,959) |
| Balance at December 31, 2014 (restated) | 16,817 | 537 | 21 | 1,392 | (45,386) | (26,619) |
| Balance at April 1, 2015 (restated) | 16,817 | 533 | 21 | 1,242 | (51,389) | (32,776) |
| Loss for the period | - | - | - | - | (644) | (644) |
| Exchange differences on translation of foreign operations | - | 50 | - | - | - | 50 |
| Total comprehensive income/(loss) for the period | - | 50 | - | - | (644) | (594) |
| Balance at December 31, 2015 | 16,817 | 583 | 21 | 1,242 | (52,033) | (33,370) |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of cash flows
For the period ended December 31, 2015

| | 9 months to Dec 31, 2015 \$m | Restated 9 months to Dec 31, 2014 \$m |
|--|---|--|
| Loss for the period | (644) | (3,019) |
| Adjustments for: | | |
| Tax expense | 25 | 33 |
| Depreciation | 1,054 | 1,118 |
| Amortisation | 768 | 489 |
| Unrealised translation losses on loan | 140 | 21 |
| Loss/(gain) on disposal of property, plant and equipment | 12 | (5) |
| Interest income | (51) | (52) |
| Interest expense | 2,930 | 3,035 |
| Site restoration provision | 97 | 78 |
| Employee benefits | (31) | (51) |
| Operating cash flows before working capital changes | 4,300 | 1,647 |
| Changes in working capital | | |
| (Decrease)/increase in provisions | (444) | 694 |
| Increase in inventories | (213) | (193) |
| Decrease/(increase) in trade and other receivables | 285 | (1,641) |
| Increase in related companies' balances | (244) | (2,040) |
| Increase in trade and other payables | 528 | 1,558 |
| Cash generated from operations | 4,212 | 25 |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of cash flows
For the period ended December 31, 2015

| | 9 months to Dec 31, 2015 \$m | 9 months to Dec 30, 2014 \$m |
|---|---|---|
| Cash flows from operating activities | | |
| Cash generated from operations | 4,212 | 25 |
| Income taxes paid | - | (50) |
| Net cash generated from/(used in) operating activities | 4,212 | (25) |
| Cash flows from investing activities | | |
| Finance income | 51 | 52 |
| Proceeds on disposal of property, plant and equipment | - | 700 |
| Deferred income | (21) | (15) |
| Purchase of property, plant and equipment | (5,774) | (5,051) |
| Net cash used in investing activities | (5,744) | (4,314) |
| Net cash flow before financing activities | (1,532) | (4,339) |
| Cash flows from financing activities | | |
| Proceeds/(payments) from borrowings | - | (256) |
| Interest costs | (2,930) | (3,035) |
| Due to related parties | 4,165 | 7,842 |
| Net cash from financing activities | 1,235 | 4,551 |
| Net (decrease)/increase in cash and cash equivalents | (297) | 212 |
| Cash and cash equivalents at beginning of period | 732 | 504 |
| Exchange gains/(losses) on cash and cash equivalents | 50 | (27) |
| Cash and cash equivalents at end of period | 485 | 689 |
| Cash and cash equivalents | | |
| Comprised of: | | |
| Cash and cash equivalents | 485 | 689 |
| Cash and cash equivalents at end of period | 485 | 689 |

The notes on pages 7 to 10 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
December 31, 2015

1. Reporting entity

Cable & Wireless Jamaica Limited (the “Company”) is incorporated and domiciled in Jamaica and its ordinary stock units are listed on the Jamaica Stock Exchange. The Company’s registered office is located at 2-6 Carlton Crescent, Kingston 10, Jamaica, West Indies.

The condensed consolidated interim financial statements of Cable & Wireless Jamaica Limited as at, and for the nine months ended December 31, 2015 comprise those of the Company and its subsidiaries (together referred to as “the Group”). The consolidated financial statements of the Group as at, and for the year ended March 31, 2015 are available upon request from the Company’s registered office.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). They do not include all of the information required for complete annual financial statements. The interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended March 31, 2015, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. Income tax expense in the interim period is based on our best estimate of the weighted average annual income tax rate expected for the full financial year.

Statutory accounts for the year ended March 31, 2015 have been reported on by the Group's auditors.

The Directors have made an assessment of the Group’s ability to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Unless otherwise stated, all figures are reported in Jamaica dollars (J\$) and are rounded to the nearest million.

3. Significant accounting policies and principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended March 31, 2015. On April 1, 2015, the Group adopted certain new and revised accounting standards and interpretations as detailed in the consolidated financial statements for the year ended 31 March 2015 to comply with the specific requirements of IFRS. None of these had a material impact on the Group’s consolidated results, financial position or cash flows.

4. Significant accounting policies and principles

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended March 31, 2015.

5. Related parties

The nature of the related party transactions of the Group has not changed from those described in the Group's consolidated financial statements for the year ended March 31, 2015. The balances due to related parties are as outlined below:

| | Dec 31, 2015 | March 31, 2015 | Dec 31, 2014 |
|--|---------------------|-----------------------|---------------------|
| Due to related parties: | \$m | \$m | \$m |
| CWI Caribbean Limited | | | |
| <i>Short term</i> | | | |
| Principal | 1,258 | 839 | 800 |
| Accrued interest | 44 | 73 | 65 |
| | 1,302 | 912 | 865 |
| Cable & Wireless Jamaica Finance (Cayman) Limited | | | |
| <i>Long term</i> | | | |
| Principal | 46,545 | 42,033 | 39,909 |
| Accrued interest | 2,786 | 3,522 | 2,696 |
| | 49,331 | 45,555 | 42,605 |

The amount due to CWI Caribbean Limited represents the amount drawn down on a short term revolving facility, with a principal credit limit of US\$25 million. Interest is charged on the net daily loan balances at the average 1-month LIBOR plus 300 basis points. The rate was 3.24300% per annum as at December 31, 2015.

The amount due to Cable & Wireless Jamaica Finance (Cayman) Limited represents the amount drawn down on a long-term revolving facility, with a principal credit limit of \$47.3 billion. The loan has no fixed repayment term. Interest is charged at 100 basis points above the weighted average yield rate applicable to the six month Bank of Jamaica Treasury Bill Tender ('WATBY'). The interest rate is reviewed semi-annually on May 11 and November 11. The rate was 7.22552% per annum as at December 31, 2015.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
December 31, 2015

6. Operating costs

Detailed below are the key expense items charged in arriving at our operating profit. Outpayments are paid to other operators when our customers call customers connected to other networks. Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

| | 9 months to Dec 31, 2015 | | | 9 months to Dec 31, 2014 | | |
|---|-----------------------------|-----------------------------|---------------|-----------------------------|-----------------------------|---------------|
| | Pre - exceptional \$m | Exceptional items \$m | Total \$m | Pre - exceptional \$m | Exceptional items \$m | Total \$m |
| Outpayments and direct costs | 4,707 | - | 4,707 | 4,431 | - | 4,431 |
| Employee and other staff expenses | 1,844 | 9 | 1,853 | 2,265 | 119 | 2,384 |
| Administrative, marketing and selling expenses | 5,935 | 495 | 6,430 | 5,893 | - | 5,893 |
| Legal costs | - | - | - | - | 1,398 | 1,398 |
| Operating costs before depreciation and amortisation | 12,486 | 504 | 12,990 | 12,589 | 1,517 | 14,106 |
| Depreciation of property, plant and equipment | 1,054 | - | 1,054 | 1,118 | - | 1,118 |
| Amortisation of intangible assets | 768 | - | 768 | 489 | - | 489 |
| Operating costs | 14,308 | 504 | 14,812 | 14,196 | 1,517 | 15,713 |

Exceptional items comprise restructuring costs for employee termination and other staff benefits.

The exceptional administrative costs relate to network restructuring activities.

7. Loss per share

The calculation of loss per stock unit is based on 16,817,439,740 (December 31, 2014: 16,817,439,740) issued and fully paid ordinary stock units.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
December 31, 2015

8. Prior period adjustment

The condensed consolidated interim income statement for the three and nine months ended December 31, 2014 has been restated to reflect the correction of an error in the determination of telephone call tax deducted from revenue in prior periods. The effects of the prior period adjustment on the results of operations and financial position of the Group were as follows:

| | Reported \$m | Adjusted \$m | Restated \$m |
|---|-------------------------|-------------------------|-------------------------|
| Condensed consolidated interim income statement | | | |
| 3 months ended Dec 31, 2014 - Revenue | 5,627 | 70 | 5,697 |
| 9 months ended Dec 31, 2014 - Revenue | 15,528 | 198 | 15,726 |
| Condensed consolidated interim statement of financial position | | | |
| Dec 31, 2014 | | | |
| Trade and other receivables | 7,737 | 364 | 8,101 |
| Reserves | (43,800) | 364 | (43,436) |
| March 31, 2015 | | | |
| Trade and other receivables | 7,135 | 456 | 7,591 |
| Reserves | (50,049) | 456 | (49,593) |
| Condensed consolidated interim statement of changes in equity | | | |
| April 1, 2014 - Accumulated deficit | (42,533) | 166 | (42,367) |
| April 1, 2015 - Accumulated deficit | (51,845) | 456 | (51,389) |
| Condensed consolidated interim statement of cash flows | | | |
| Dec 31, 2014 - Decrease/(increase) in trade and other receivables | (1,443) | (198) | (1,641) |

CABLE & WIRELESS JAMAICA LIMITED

**LIST OF SHAREHOLDERS
AS AT 31 DECEMBER 2015**

10 LARGEST SHAREHOLDERS

| SHAREHOLDERS | SHAREHOLDING | % HOLDING |
|---------------------------------------|-----------------------|------------------|
| CWC CALA HOLDINGS LIMITED | 12,971,777,982 | 77.16 |
| KELFENORA LIMITED | 818,523,212 | 4.87 |
| CARL MARKS AND COMPANY INC. | 156,889,759 | 0.93 |
| SAGICOR POOLED EQUITY FUND | 131,923,428 | 0.78 |
| TRADING A/C - NATIONAL INSURANCE FUND | 96,273,768 | 0.57 |
| MAYBERRY WEST INDIES LIMITED | 94,800,880 | 0.56 |
| AUSTIN BROWN | 65,009,702 | 0.39 |
| CASA CORPORATION LTD | 64,960,272 | 0.39 |
| PETER FORDE | 60,117,493 | 0.36 |
| URSUS CORPORATION LIMITED | 50,000,000 | 0.30 |
| TOTAL | 14,510,276,496 | 86.31 |

**DIRECTORS' HOLDINGS
AS AT 31 DECEMBER 2015**

| DIRECTORS | SHAREHOLDING | CONNECTED PARTY | SHAREHOLDING |
|---------------------------|---------------------|------------------------|---------------------|
| BELL, JOHN | Nil | | |
| HAYLE, CAROLYN | 37,005 | | |
| KERR-JARRETT, MARK NEWTON | Nil | | |
| MCBRIDE, RALPH | Nil | | |
| SINCLAIR, GARFIELD HUGH | Nil | PLATOON LIMITED | 4,021,000 |

SENIOR MANAGEMENT HOLDINGS
AS AT 31 DECEMBER 2015

| SENIOR MANAGERS AND CONNECTED PARTIES | SHAREHOLDING | CONNECTED PARTY | SHAREHOLDING |
|--|--------------|--|--------------|
| BAXTER, CARLTON | Nil | | |
| BROWN, WALTER | 2,174 | | |
| CAMERON, ROCHELLE CHERISA BUNMI | 39,800 | | |
| CLEVERLY, IAN | Nil | | |
| PAUL, RAJESH | Nil | RIMJHIM, PAUL | 4,113,392 |
| PRICE, STEPHEN PATRICK DAVID | | STEPHEN PATRICK PRICE/GRACE IMANI DUNCAN | 139,596 |
| REDWOOD, CARLO | Nil | | |
| THOMPSON, RONNIE | 2,174 | | |
| WHITE, DONOVAN | Nil | | |
| TOTAL NUMBER OF SHAREHOLDERS - 24,234 | | | |

N.B. The Report has been updated based on information provided as at 28 January 2016

Effective 30 November 2015, Phadra Saunders resigned as a Senior Manager

Effective 4 December 2015, Gail Abrahams resigned as a Senior Manager