

CABLE & WIRELESS JAMAICA LIMITED 1998

Unaudited Group Results

for the Six Months Ended September

Three Months Ended			Six Months Ended	
30th September			30th September	
1998	1997		1998	1997
J\$'000	J\$'000		J\$'000	J\$'000
<u>4,315,753</u>	<u>3,779,376</u>	Gross operating revenue	<u>8,276,452</u>	<u>7,311,044</u>
1,342,423	1,324,229	Profit before taxation	2,458,725	2,453,127
<u>492,259</u>	<u>563,859</u>	Taxation	<u>94,964</u>	<u>1,047,027</u>
<u>850,164</u>	<u>760,370</u>	Net profit attributable to stockholders	<u>1,509,079</u>	<u>1,406,100</u>
<u>11,00c</u>	<u>9,84c</u>	Earnings per stock unit	<u>19,53c</u>	<u>18,20c</u>

NOTE:

- 1) Gross operating revenue represents amounts excluding GCT for the provision of domestic and international telecommunications services.

- 2) Earnings per stock unit for 1997 have been restated to reflect the 'one-for-one' bonus issue on December 12, 1997.

UNAUDITED GROUP RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 1998

- Customers up 17%, surpassing the 0.5 million target
- J\$1.7 billion invested to support future growth
- Commitment to improve customer service and operational performance

Errald Miller, President and CEO, said:

"Cable & Wireless Jamaica now provides services to over half a million customers. We are achieving our targets for network expansion and customer service improvement, and we remain committed to delivering quality services and good value to our customers as we position Cable & Wireless Jamaica for further success."

Financial performance

Gross operating revenue for the half year to 30 September increased by 13 per cent to J\$8,276 million. This increase reflects a 17 per cent increase in the company's customer base over the same period.

Net profit attributable to stockholders rose by 7 per cent to J\$1,509 million. Earnings per stock unit also increased by 7 per cent to 19.53 cents.

In the six months to 30 September, the company invested J\$1.7 billion to grow its telecommunications network. This investment has resulted in the net addition of 26,000 new customers, bringing the total to 516,000 including 71,000 mobile customers. This

includes the addition of approximately 4,000 new customers in rural communities.

Business review

Following the Minister of Commerce and Technology's decision not to vary or determine the rates proposed by Cable & Wireless Jamaica in accordance with its licence, the company made a successful application for leave to apply to the Supreme Court to bring a case against the Minister.

The company has conducted a preliminary review of the new telecommunications policy proposed by the Minister of Commerce and Technology and a written response was submitted to the Minister. The company launched its Intouch voicemail service in September and intends to complete its rollout to all single line residential customers by 30 November 1998. The Intouch voicemail system provides a platform for the future provision of a new range of messaging services.

Cable & Wireless Jamaica announced the launch of its digital mobile network. The digital technology will provide a range of features and benefits, including improved call quality, better security and roaming, initially across the Caribbean and the east coast of the USA.

The company is accelerating its programme to improve customer service. In support of this:

- . A collection initiative to reduce waiting time in all business offices from over 60 minutes during peak periods to an average of 10 minutes has been successfully completed.
- . The company has set targets for customer services standards for all customer contacts, including telephone contacts, which it will meet by the end of the financial year to:
 - answer 90 per cent of calls in 20 seconds; and
 - resolve 75 per cent of customer enquiries at the first point of contact.

Cable & Wireless Jamaica has made good progress in ensuring that its systems will be Year 2000 compliant. In the three months ended 30 September 1998, the company's principal customer service and billing system, CIS, was confirmed as Year 2000 compliant.
