

Cable & Wireless Jamaica Limited

UNAUDITED GROUP RESULTS

For the nine months ended December 31, 2000

- Continued revenue and profits growth
- The new Cable & Wireless Regional purchasing initiative has achieved additional cost savings
- On track to deliver 100,000 gross lines by February 2001
- Full mobile digitalisation - completed December 15, 2000
- Continued investment in superior informatics infrastructure

CEO, C&W Jamaica Ltd., Errald Miller said: "The continued growth of the business reflects the ongoing successful implementation of the company's strategy. We continue to aggressively implement improvements in customer service, change management and the network for the benefit of all stakeholders. Yet again, we remain concerned at the levels of

bypass activity and continue to pursue these unauthorised operators by all legal means."

Financial Performance

Gross operating revenue for the nine months ended 31st December 2000 increased by 10% over the same period last year to J\$14,783 million. The growth in operating revenues reflects the increasing demand for mobile and data services but is offset by the continued reductions in international settlement rates, primarily by US carriers, and the bypass activity.

The net profit attributable to stockholders for the nine months ended 31 December 2000 increased by 24% compared with the same period last year to J\$3,218 million. The growth in net profit attributable to stockholders in the current year reflects the modest growth in revenues, and the J\$490 million redundancy costs paid in the previous period to 31 December 1999.

In the nine months ended 31 December 2000, the company invested J\$3,753 million to expand its telecommunications network in line with its strategic objectives and commitments to the Government. The company has now built 77,354 lines of the 100,000 lines it promised the Government would be built by February 28 1h 2001. Of the 77,354 lines, 26,087 are for new customers in rural communities. In addition, the mobile networks digitalisation programme is complete.

Business Review

Transformation efforts were accelerated with the Company focused on enhancing its human resource management and development, decision support systems, organizational structure and business processes to create better alignment of the business divisions with the externalities facing the company. The Company continued to fulfill its obligations under the new regulatory framework that will guide the unfolding competitive environment.

Additionally, stringent cost-containment initiatives plus more effective approaches to project management and execution, have been employed to counter-balance the negative impact of the lower accounting rates used to settle international call charges between carriers.

Customer requirements remained pivotal in the Company's product and market development. New products and services across our main lines of business were introduced and are receiving promising market acceptance. These include Internet Yellow Pages, Pay Per Use Three Way Calling, Jamaica Link Up Canada and Internet Flat Rate.

NOTES:

What is Bypass

Bypass is where incoming and outgoing international telephone calls are being routed to and from Jamaica through unauthorised VSAT and other satellite facilities and connected to CWJ's domestic

network. This traffic comprises basic voice telephony whereby an overseas caller (principally from the United States) can use any telephone to place a call to any telephone in Jamaica.

| 2000 | 1999 | | 2000 | 1999 |
|------------------|------------------|-------------------------|-------------------|-------------------|
| J\$'000 | J\$'000 | | J\$'000 | J\$'000 |
| <u>5,255,491</u> | <u>4,585,086</u> | Gross operating revenue | <u>14,783,162</u> | <u>13,394,016</u> |
| <u>1,829,621</u> | <u>1,538,048</u> | Profit before taxation | <u>4,784,857</u> | <u>4,025,966</u> |
| <u>597,126</u> | <u>542,244</u> | Taxation | <u>1,566,881</u> | <u>1,421,088</u> |
| | | Net profit attributable | | |
| <u>1,232,495</u> | <u>995,804</u> | to stockholders | <u>3,217,976</u> | <u>2,604,878</u> |
| <u>9.64¢</u> | <u>7.79¢</u> | Earnings per stock unit | <u>25.18¢</u> | <u>20.38¢</u> |

NOTE:

- 1) Gross operating revenue represents amounts excluding GCT accruing to the company for the provision of domestic and International telecommunications services.
- 2) Earnings per stock unit for 1999 have been restated to reflect the 'one-for-six' bonus Issue on November 20, 2000.
- 3) Profit before tax for the period to 31 st December 1999 was arrived at after Incurring redundancy costs of J\$490M.
- 4) These results Include those of Jamaica Digiport International Limited, a 100% wholly owned subsidiary of Cable & Wireless Jamaica Limited.