

# Cable & Wireless Jamaica Limited

## UNAUDITED GROUP RESULTS

FOR THE THREE MONTHS, ENDED JUNE 30, 2001

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	THREE MONTHS ENDED	
	30th JUNE: 2001	30th JUNE: 2000
	J\$'000	J\$'000
Gross operating revenue	<u>5,209,515</u>	<u>4,652,239</u>
Profit before taxation	830,906	1,480,357
Taxation	<u>252,075</u>	<u>534,183</u>
Net profit attributable to stockholders	<u>578,831</u>	<u>946,174</u>
Earnings per stock unit	4.53 Cents =====	7.40 Cents =====

NOTE:

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- i) 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 2000 have been restated to reflect the 'one-for-six' bonus issue on November 20, 2000.
- 3) The prior year has been restated to reflect the change in Accounting Policy with respect to the treatment of Exchange Gains and Losses on the translation of foreign loans and bank balances, and the treatment of fixed asset disposals.

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## **Stock Exchange Release Quarter Ending June 2001**

CEO Errald Miller said, "These results are in line with expectations as we continue to aggressively accelerate efficiency gains and improve customer quality and services. I expect to see additional benefits as we implement the efficiency gains planned for the Caribbean Region"

### **Financial Performance**

Gross operating revenue for the three months ended 3 01h June 2001 increased by 12% over the corresponding quarter last year to J\$5.2 billion and net profit attributable to stockholders for the same period decreased by 39% to J\$0.6 billion.

Whilst the increase in gross operating revenue clearly demonstrates an underlying growth trend, the reduction in net profit attributable to stockholders is as a result of expenditures incurred associated with the company's continued drive for operational efficiency, improved customer services and increased market share, which may continue into subsequent quarters.

The Company continues to demonstrate its commitment to growth and to Jamaica and has, in the first three months of the current financial year, invested J\$1.2 billion on capital expenditure to ensure that its customers are provided with the most up to date technology.

### **Business Review**

The Company continued its drive to improve service delivery and after sales support. These initiatives were driven by the Customer Charter and the business process improvements.

The Company has managed to keep its revenues growing due to the diversification of the product portfolio. Consistent growth has been seen in the Company's Mobile, Internet, and Data lines of business and it is reasonable to expect these market segments to sustain this level of performance throughout the financial year.

As the Company moves to deal with the adverse effects on margins due to some cost components, the cost rationalization programmes being pursued will be intensified. Bypass continues to affect the business and the Company will continue its efforts, through the duly authorized bodies, to tackle this problem,

### **Note - What is Bypass**

Bypass is where incoming and outgoing international telephone calls are being routed to and from Jamaica through unauthorized 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 within Jamaica