

# Cable & Wireless Jamaica Limited

## UNAUDITED GROUP RESULTS

PERIOD ENDING 30 SEPTEMBER 2001

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Gary Barrow, President, Cable & Wireless Jamaica Limited said: "The results demonstrate the Company's ability to grow its gross revenues as we continue to aggressively prepare for competition and maintain our focus on efficiency, value for money, and quality of service, for the benefit of our customers."

### ***Financial Performance***

Gross Operating Revenues for the six months ended 30th September 2001 increased by 14.7% over the corresponding period last year to J\$10,924m.

The Company continues to grow its Gross Operating Revenues with second quarter growth of 9.7% over the first quarter of the current year.

Notwithstanding, Profit before Tax for the six months is 7.1% less than the corresponding period last year. As stated in our last report to the Stock Exchange, this is as a result of expenditures incurred associated with the Company's continued drive for operational efficiency, improved customer services, and market share in an increasingly competitive market place, as well as costs associated with the new regulatory environment.

The Company's tax charge for the half year has fallen, partly on account of the reduced net

income, and partly because the Company has accounted for the full extent of expected tax credits accruing to the Company for the tax year ending March 2002 and which can be apportioned to the half year, consequently Net Profit Attributable to Stockholders increased by 16.8% to J\$2,062m over the corresponding period last year.

**Business Review**

The Company continues to consolidate and rationalize its operations to further improve its efficiency and to meet the changing requirements of its customers.

To support this increasing customer demand and the efficiency drive, the Company spent a total of J\$3.4bn on new equipment and systems including spends on mobile, internet and customer relationship management platforms, as well as continuing to develop the network in line with its agreement with the Government. This investment will support the delivery of reliable, state-of-the-art, cost effective and customer centric solutions and services.

During the period of review the Company launched its fast internet product, ADSL (Asymmetrical Digital Subscriber Loop) which facilitates internet at high speeds using ordinary telephone lines. The Company also launched "Voyageur Classmate" which is a joint venture programme with Heart Trust NTA aimed at providing some 500 primary and secondary schools with internet access at special rates.

In addition, the Company re-surveyed its customers to obtain their views on our performance against their expectations. As a result of the survey, a special focus group has been established to coordinate the activities required to achieve the targeted customer service.

<b>THREE MONTHS ENDED</b>			<b>SIX MONTHS ENDED</b>	
<b>30th SEPTEMBER</b>			<b>30th SEPTEMBER</b>	
<b>2001</b>	<b>2000</b>		<b>2001</b>	<b>2000</b>
<b>J\$'000</b>	<b>J\$'000</b>		<b>J\$'000</b>	<b>J\$'000</b>
5,714,836	4,875,432	Gross operating revenue	10,924,351	9,527,671

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1,709,230	1,255,170	Profit before taxation	2,540,136	2,735,527
<u>225,594</u>	<u>435,572</u>	Taxation	<u>477,669</u>	<u>969,755</u>
1,483,636	819,598	Net profit attributable to stockholders	2,062,467	1,765,772
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11.61c	6.41c	Earnings per stock unit	16.14c	13.81c
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NOTE:

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- 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 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 changes in accounting policies approved by the Board of Directors consequent on the change in the company's regulatory framework. The change has been effected retrospectively as of April 1, 2001 and the comparative figures restated accordingly. The changes primarily relate to the treatment of exchange gains and losses on the translation of foreign loans and bank balances, the revaluation of fixed assets and attendant depreciation and the treatment of gains and losses on disposal of such assets.