

# Cable & Wireless Jamaica Limited

## UNAUDITED GROUP RESULTS

FOR THE THREE MONTHS, ENDED JUNE 30, 2002

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### Group Income Statement

	Unaudited 3 months to June 30, 2002 \$000's	(Restated) Unaudited 3 months to June 30, 2001 \$000's
Gross operating revenue	6,631,942	5,209,515
Outpayments	<u>(1,339,849)</u>	<u>(500,417)</u>
Operating revenue	5,292,093	4,709,098
Total Operating expenses	<u>(4,030,926)</u>	<u>(3,312,456)</u>
Profit before net finance costs and taxation	1,261,167	1,396,642
Net finance costs	<u>(280,673)</u>	<u>(74,922)</u>
Profit before taxation	990,494	1,321,720

Taxation	<u>(252,304)</u>	<u>(505,232)</u>
Net Profit Attributable to Stockholders	728,190	816,488
	=====	=====
Earnings per Stock unit of \$1.00		
Earnings per stock unit based upon:		
Stock units in issue at end of year (14,748,628,364)	<u>4.94c</u>	<u>5.54c</u>
Stock units adjusted for the bonus issue (15,883,138,238)		
Proposed for the 2002 Annual General Meeting	<u>4.59c</u>	<u>5.14c</u>

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### Consolidated Balance Sheets as at 30 June

	(Restated)		
	Unaudited	Unaudited	Audited
	As at	As at	As at
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>March 31, 2002</u>
	\$000's	\$000's	\$000's
Current Assets:			
Cash resources	3,754,465	1,796,976	2,961,160
Accounts receivables	3,810,638	2,957,568	3,585,518
Due from related companies	51,661	45,187	52,839
Inventories	439,767	641,853	695,705
Current portion of deferred expenditure	<u>1,443,217</u>	<u>1,513,157</u>	<u>1,106,613</u>
	<u>9,499,748</u>	<u>6,954,741</u>	<u>8,401,835</u>
Current Liabilities:			
Bank overdraft, unsecured	896,775	125,225	24,754

Accounts payable	5,546,733	5,010,866	6,520,762
Current portion of loans	2,610,750	2,090,601	2,544,782
Taxation	1,664,269	627,355	1,489,597
Due to ultimate parent company	2,417,982	1,460,888	1,905,392
Due to related companies	60,005	59,917	50,115
Dividends proposed	2,154,434	2,059,630	2,154,434
	<u>15,350,948</u>	<u>11,434,482</u>	<u>14,689,836</u>
Net current liabilities	(5,851,200)	(4,479,741)	(6,288,001)
Fixed assets	36,253,538	35,710,302	36,217,471
Investments	145,264	145,556	145,264
Deferred expenditure	225,564	279,665	161,266
Loans	(3,957,964)	(5,096,526)	(4,227,590)
Deferred taxation	<u>(2,524,762)</u>	<u>(3,890,052)</u>	<u>(2,447,130)</u>
NET ASSETS	24,290,440	22,669,204	23,561,280
	=====	=====	=====
STOCKHOLDERS EQUITY			
Share capital	14,748,628	12,782,144	14,748,628
Capital reserves	2,224,509	2,223,673	2,223,539
Retained earnings	7,317,303	7,663,387	6,589,113
	<u>24,290,440</u>	<u>22,669,204</u>	<u>23,561,280</u>
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**GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - UNAUDITED**

**3 Months ended June 30, 2002**

	Share Capital \$000 's	Capital Reserves \$000 's	Retained Earnings \$000 's	Total \$000 's
Balance at March 31, 2002 - Audited	14,748,628	2,223,539	6,589,113	23,561,280
Net profit for the period	0	0	728,190	728,190
Translation gains	0	970	0	970
Balance at June 30, 2002	<u>14,748,628</u>	<u>2,224,509</u>	<u>7,317,303</u>	<u>24,290,440</u>

**GROUP STATEMENT OF CASH FLOWS - UNAUDITED**

**3 months ended June 30, 2002**

	June 30, 2002 \$000 's	(Restated) June 30, 2001 \$000 's
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit	728,190	816,488
Items not affecting Cash	<u>1,306,454</u>	<u>803,514</u>
Changes in non-cash working capital	2,034,644	1,620,002
	<u>(244,881)</u>	<u>(1,053,967)</u>
Cash provided by operating activities	1,789,763	566,035

Cash (used) / provided by investing activities	<u>(1,490,575)</u>	<u>(1,244,645)</u>
Cash generated before financing activities	299,188	(678,610)
Cash (used) / provided from financing activities	<u>494,117</u>	<u>(559,436)</u>
(Decrease)/ Increase in cash and short term deposits	793,305	(1,238,046)
Cash and short-term deposits at beginning of period - audited	<u>2,961,160</u>	<u>3,035,022</u>
Cash and short-term deposits at end of period	<u>3,754,465</u>	<u>1,796,976</u>
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### Notes to the Unaudited Interim Financial Report

We hereby present the Interim Financial Report of Cable & Wireless Jamaica Limited (consolidating its subsidiaries) for the three months ended, and as at, June 30, 2002.

- 1 The same accounting policies and methods of computation are followed as those used for the March 31, 2002 audited financial statements.
- 2 Net operating revenue represents amounts, excluding general consumption tax, for the provision of domestic and international telecommunications services less outpayments. In accordance with normal practice in the telecommunications industry, estimates are included to provide for that portion of revenue which connecting carriers have not yet reported.
- 3 The calculation of earnings per stock unit and stockholders' funds per stock unit is arrived at by dividing profit after taxation and stockholders' funds by 14,748,628,000 stock units of 100 cents each. The 2001 figure has been restated to give effect to the bonus issue made in November 2001.

- 4 An interim ordinary dividend of 4 cents (gross) per stock unit was paid on August 9, 2002, to stockholders on record at the close of business on June 26, 2002.
  
- 5 The directors have recommended, for the approval of stockholders, at the 2002 Annual General Meeting:
  - An increase of \$1,100,000,000 in the authorised share capital by the creation of 1,100,000,000 ordinary shares of \$1 each, such shares to rank pari passu in all respects with the existing ordinary stock units of the company;
  - The capitalisation of the sum of \$1,134,509,874 fully out of the profits of the company for the year ended March 31, 2002, to be capitalised and applied in paying up in full 1,134,509,874 unissued shares of the company, to be allotted, as fully paid up shares (to be converted into stock units at the time of issue) of the company, to members of the company in the ratio of one (1) share for every thirteen (13) units held on the date of closure of the register of members.
  
- 6 There are significant seasonal variations in the Group's activities; therefore, the results for any period are not necessarily indicative of the final results for the whole year.
  
- 7 The first quarter results demonstrate that the company is well positioned to compete in the fully liberalised market from March 2003. Revenue growth was achieved from diversifying the product portfolio and investing heavily in sales and service improvements. Programmes to rationalize key business process, reduce costs and improve its operating efficiency are being accelerated to counteract the adverse effect on margins of the change in revenue mix.
  
- 8 This interim financial report is in compliance with the Institute of Chartered Accountants of Jamaica's Statement of Standard Accounting Practice, Interim Financial Reporting and the Jamaica Stock Exchange Regulations, wherever applicable.

On behalf of the Board.

P. H. Rousseau, OJ

Andrew B. Cocking

Director

Director