Cable & Wireless Jamaica Limited

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS RESULTS

FOR THE QUARTER AND NINE MONTHS ENDING 31 DECEMBER 2004

We hereby present the Unaudited Consolidated Financial Statements for Cable & Wireless Jamaica Limited and its subsidiaries for the quarter and nine months ended December 31, 2004.

Net profit attributable to shareholders for the quarter rose by 27 percent compared to the quarter ended September 30, 2004 and by 5 percent on a year to date basis when compared to the same nine month period last year. This represents year to date Earnings per share of 9.71 cents, up from 9.24 cents.

The current quarter's Revenue was marginally up on both of the preceding two quarters of the current financial year.

However, compared to prior year both the current quarter and the year to date revenue was down approximately 5 percent. As shown in the Segmental Analysis, headline Fixed lines revenue declined by J$906,977k or around 8 percent against the same nine month period last year. Of this approximately half was due to a more conservative application of long-established credit policies to reflect the recently liberalized market place. This resulted in approximately a J$450,000k reduction in revenues. Importantly however this had no impact on operating profits as the adjustment also reduced bad debts expense by an identical amount. Allowing for these one-off credits, outbound fixed line revenue is substantially unchanged from last year. The remaining reduction in Fixed lines revenue was attributable to international inbound voice traffic to fixed line customers. The proliferation of licencees precipitated significant declines in the settlement rates that the Company can charge to international carriers for terminating calls within Jamaica without any concomitant benefit to Jamaican consumers and with no attendant obligations upon new licencees to invest in infrastructure or people within Jamaica. The related settlement rates are now amongst the lowest in the world suggesting that further price pressures should be limited. Mobile revenue for the quarter was down 14 per cent percent on the same quarter last year and by 2 percent year on year for the nine months year to date. With around two thirds of all Jamaicans over 10 years of age now possessing a mobile phone we believe that, as witnessed in other markets, the emphasis will shift from excessive handset subsidies to more targeted customer value propositions and greater emphasis on overall value. Other revenue rose 6 percent year on year. This comprises a range of products and services from data and Internet to equipment sales and directory services and includes the high growth Broadband segment.

At J$1,224,295k Outpayments to other carriers in the quarter were substantially unchanged compared to the preceding two quarters and to the prior year run rate. Other cost of sales increased by 39 percent compared to the same quarter last year and by 10 percent year to date compared to same nine month period last year. The majority of Other cost of sales is the cost of mobile handsets which increased due to higher volumes of handset sales to new customers and the migration of existing TDMA customers to GSM. Due to the Company's policy of immediately expensing handset subsidies the increased volumes of handset sales around the Christmas period traditionally result in suppressed profits for the quarters ending December 31.

Total operating expenses (excluding depreciation) for the quarter reduced by 5 percent compared to the same quarter last year and by 14 percent. when compared to the same nine month period last year. This reflects year on year savings of approximately J$500,000k each in both Employee expenses and in Administrative, marketing and selling expenses. As noted above, approximately J$450,000k of the savings in Administrative, marketing and selling expenses are attributable to reductions in reported bad debts expenses associated with the fixed line business. Depreciation is also down 16 percent on prior year on a quarter by quarter basis and by 13 percent on a year to date basis compared to last year.

As a result Operating profit for the nine months rose 3 percent over prior year despite lower revenues and gross margin.

Net finance costs, which comprises net interest payable and foreign exchange losses, reduced by 36 percent for the quarter compared to last year and by 18 percent year on year for the nine month period. While interest payable increased commensurate with the switch from US$ to J$ denominated borrowings, this was more than offset by reduced foreign exchange losses. Other income for the quarter represents profits on disposal of surplus land and buildings.

Profit before tax for the quarter increased by 3 percent year on year and by 13 percent for the year to date when compared to prior year.

The Company incurred around J$250,000k of expenses arising from Hurricane Ivan in the quarter. These expenditures have not been deducted in arriving at the Net profit attributable to stockholders but rather are reflected as deferred expenditures included on the Group Balance Sheet. The company is insured against such losses and is in the process of submitting the appropriate claims.

Capital expenditure was maintained at similar levels to prior year. GSM related investment, which has represented the majority of recent expenditure, should now reduce. The network is substantially complete and network performance such as congestion, call quality, completed calls and dropped calls are all consistent with, and in some cases exceed, world-class benchmarks. Net cashflow from operations increased quarter on quarter throughout the current financial year although on a year to date basis it is consistent with the same nine month period last year. Overall quarter end cash balances reduced as a result of the Company's effort to reduce borrowing in order to minimize interest expense and foreign exchange exposures.

These Unaudited Consolidated Financial Statements have been prepared in accordance with and comply with standards issued by the International Accounting Standards Board. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent audited annual financial statements.

On behalf of the Board

Hon. Patrick Rousseau	**Jacqueline Holding**
Director	**President**

February 14, 2005

Group Income Statement

Quarter ended December 31, 2004
$000's

	3 months to Dec 31, 2003	3 months to Dec 31, 2004	9 months to Dec 31, 2003	9 months to Dec 31, 2004
Revenue	**5,944,007**	**5,617,359**	**17,596,066**	**16,700,461**
Outpayments	(1,307,658)	(1,224,295)	(3,642,565)	(3,743,369)
Other cost of sales	(491,320)	(682,101)	(1,610,198)	(1,776,933)
Total costs of sales	**(1,798,978)**	**(1,906,396)**	**(5,252,763)**	**(5,520,302)**
Gross margin	**4,145,029**	**3,710,963**	**12,343,303**	**11,180,159**
Employee expenses	(635,080)	(662,059)	(2,554,720)	(2,058,477)
Administrative, marketing and selling expenses	(1,686,378)	(1,540,537)	(4,539,645)	(4,065,083)
Depreciation	(713,034)	(602,261)	(2,164,950)	(1,880,486)
Total operating expenses	**(3,034,492)**	**(2,804,857)**	**(9,259,315)**	**(8,004,046)**
Operating profit	**1,110,537**	**906,106**	**3,083,988**	**3,176,113**
Net finance costs	(398,024)	(253,720)	(885,744)	(725,287)
Other	(17,966)	65,939	30,829	58,511
Total other income/(expenses)	**(415,990)**	**(187,781)**	**(854,915)**	**(666,776)**
Profit before taxation	**694,547**	**718,325**	**2,229,073**	**2,509,337**
Taxation	(179,300)	(247,814)	(674,579)	(876,477)
Net profit attributable to stockholders	**515,247**	**470,511**	**1,554,494**	**1,632,860**
Earnings per share	**3.06**	**2.80**	**9.24**	**9.71**

Group Balance Sheet

Quarter ended December 31, 2004
$000's

	Dec 31, 2003	Mar 31, 2004	Dec 31, 2004
Property, plant & equipment	37,445,772	25,597,540	27,169,797
Investments	316,011	316,011	316,011
Deferred expenditure	47,057	30,208	45,759
Deferred tax asset	318,987	458,937	458,936
Employee benefits assets	2,006,250	2,119,000	2,556,113
Total non-current assets	**40,134,077**	**28,521,696**	**30,546,616**
Cash and cash equivalents	2,382,447	2,434,912	1,635,338
Accounts receivable	3,329,183	3,572,567	3,287,631
Due from related companies	92,795	85,605	39,031
Inventories	719,771	657,019	602,507
Current portion of deferred expenditure	276,089	221,981	158,494
Total current assets	**6,800,285**	**6,972,084**	**5,723,001**
TOTAL ASSETS	**46,934,362**	**35,493,780**	**36,269,617**
Share capital	16,817,440	16,817,440	16,817,440
Reserves	668,372	756,366	760,137
Accumulated (deficit) / profit	6,579,829	(506,187)	1,126,673
TOTAL EQUITY	**24,065,641**	**17,067,619**	**18,704,250**
Bank overdraft, unsecured	0	323,661	29,740
Accounts payable	4,277,206	5,007,565	3,882,801
Current portion of loans	1,652,676	1,824,337	978,617
Taxation	2,638,603	2,295,503	2,952,861
Due to ultimate parent company	8,409,318	6,457,239	7,717,351
Due to related companies	52,310	82,613	15,482
Total current liabilities	**17,030,113**	**15,990,918**	**15,576,852**
Loans	1,899,936	1,441,477	695,712
Deferred tax liability	2,977,213	0	219,118
Employee benefits obligations	961,459	993,766	1,073,685
Total non-current liabilities	**5,838,608**	**2,435,243**	**1,988,515**
TOTAL LIABILITIES	**22,868,721**	**18,426,161**	**17,565,367**
TOTAL EQUITY & LIABILITIES	**46,934,362**	**35,493,780**	**36,269,617**

Group Statement of Cashflows

Quarter ended December 31, 2004
$000's

	3 months to Dec 31, 2003	3 months to Dec 31, 2004	9 months to Dec 31, 2003	9 months to Dec 31, 2004
Net Profit/(loss) attributable to stockholders	515,247	470,511	1,554,494	1,632,860
Employee benefits	(229,013)	(121,068)	(377,176)	(357,194)
Depreciation	713,034	602,261	2,164,950	1,880,486
Provision for impairment	0	0	0	0
Gain on disposal of property, plant & equipment	0	(65,181)	0	(59,512)
Gain on disposal of investment	(135)	0	(58,279)	0
Loss on fixed asset retirement and adjustment	27,450	0	27,450	0
Amortisation of deferred expenditure	129,172	53,613	407,992	207,840
Unrealised translation losses on loans	98,630	1,647	364,328	32,302
Deferred taxation	44,825	61,952	168,645	219,118
Total adjustments for non-cash items	**783,963**	**533,224**	**2,697,910**	**1,923,040**
Operating cashflow before working capital movements	**1,299,210**	**1,003,735**	**4,252,404**	**3,555,900**
(Increase) / decrease in current assets			0	0
Accounts receivable	(132,548)	548,498	(552,783)	284,936
Due from related companies	53,960	80,748	9,921	46,574
Inventories	62,167	(14,066)	(100,505)	54,512
Increase / (decrease) in current liabilities	0	0	0	0
Accounts payable	(811,982)	(359,219)	(2,167,343)	(1,124,764)
Taxation	134,475	185,861	489,922	657,358
Due to ultimate parent company	1,623,934	261,990	2,815,610	1,260,112
Due to related companies	620	(18,672)	4,131	(67,131)
Total movements in working capital	**930,626**	**685,140**	**498,953**	**1,111,597**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**2,229,836**	**1,688,875**	**4,751,357**	**4,667,497**
Unrealised translation adjustment on consolidation	2,494	403	13,203	3,771
Acquisition of property, plant and equipment, net	(1,569,153)	(1,511,215)	(3,573,139)	(3,468,840)
Proceeds from disposals of investments	2,123	0	73,906	0

Proceeds from disposals of property, plant and equipment	2,519	66,027	8,365	77,920
Deferred expenditure incurred	(33,545)	(43,203)	(206,951)	(145,300)
NET CASH USED BY INVESTING ACTIVITIES	**(1,595,562)**	**(1,487,988)**	**(3,684,616)**	**(3,532,449)**
Net cash generated before financing activities	**634,274**	**200,887**	**1,066,741**	**1,135,048**
Loan Received	28,421		28,421	
Loans repaid	(441,249)	(381,057)	(1,377,109)	(1,640,701)
Dividends paid	0	0	(121,086)	0
NET CASH USED BY FINANCING ACTIVITIES	**(412,828)**	**(381,057)**	**(1,469,774)**	**(1,640,701)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**221,446**	**(180,170)**	**(403,033)**	**(505,653)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,161,001	1,785,768	2,785,480	2,111,251
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,382,447**	**1,605,598**	**2,382,447**	**1,605,598**

Group Statement of Changes in Shareholders' Equity

Quarter ended December 31, 2004
$000's

	Share capital	Reserves	Retained earnings	Total equity
Balance at April 1, 2003 - restated	**15,883,138**	**634,691**	**6,973,099**	**23,490,928**
Net profit after tax for the period	0	0	1,554,494	1,554,494
Dividends	0	0	(1,013,462)	(1,013,462)
Bonus issue of shares	934,302	0	(934,302)	0
Translation adjustment on consolidation	0	13,203	0	13,203
Transfer to capital reserves	0	0	0	0
Reversal of JDI asset revaluation	0	(1,600)	0	(1,600)
Investment revaluation gains	0	22,078	0	22,078
Balance at December 31, 2003 - restated	**16,817,440**	**668,372**	**6,579,829**	**24,065,641**
Balance at April 1, 2004	**16,817,440**	**756,366**	**(506,187)**	**17,067,619**
Net profit after tax for the period	0	0	1,632,860	1,632,860
Dividends	0	0	0	0
Bonus issue of shares	0	0	0	0
Translation adjustment on consolidation	0	3,771	0	3,771
Transfer to capital reserves	0	0	0	0

Reversal of JDI asset revaluation	0	0	0	0
Investment revaluation gains	0	0	0	0
Balance at December 31, 2004	**16,817,440**	**760,137**	**1,126,673**	**18,704,250**

Segmental Analysis

Quarter ended December 31, 2004
$000's

	3 months to Dec 31, 2003 (Restated)	3 months to Dec 31, 2004	9 months to Dec 31, 2003 (Restated)	9 months to Dec 31, 2004
Fixed lines	3,664,801	3,662,622	11,091,425	10,184,448
Mobile	1,306,156	1,128,718	4,490,754	4,378,803
Other	973,050	826,019	2,013,887	2,137,210
Total turnover	**5,944,007**	**5,617,359**	**17,596,066**	**16,700,461**
Fixed lines	698,663	855,538	2,376,712	2,129,855
Mobile	(138,301)	(317,262)	41,555	110,642
Other	550,175	367,829	665,721	935,615
Segment operating results	**1,110,537**	**906,106**	**3,083,988**	**3,176,113**
Fixed lines	24,199,361	14,582,133	24,199,361	14,582,133
Mobile	10,542,560	8,371,116	10,542,560	8,371,116
Other	6,845,601	8,145,717	6,845,601	8,145,717
Segment assets	**41,587,521**	**31,098,966**	**41,587,521**	**31,098,966**
Unallocated assets	**5,346,841**	**5,170,651**	**5,346,841**	**5,170,651**
Total assets	**46,934,362**	**36,269,617**	**46,934,362**	**36,269,617**
Fixed lines	2,683,001	2,094,102	2,683,001	2,094,102
Mobile	4,549,803	2,695,523	4,549,803	2,695,523
Other	649,324	782,987	649,324	782,987
Segment liabilities	7,882,128	5,572,612	7,882,128	5,572,612
Unallocated liabilities	14,986,593	11,992,755	14,986,593	11,992,755
Total liabilities	22,868,721	17,565,367	22,868,721	17,565,367
Fixed lines	491,134	249,991	827,048	862,209
Mobile	968,634	916,923	2,243,498	2,124,365
Other	109,385	344,301	502,593	482,266

Additions to property, plant and equipment	**1,569,153**	**1,511,215**	**3,573,139**	**3,468,840**
Fixed lines	455,311	391,696	1,348,852	1,181,487
Mobile	100,836	86,747	298,725	261,659
Other	156,886	123,817	517,372	437,339
Depreciation and amortisation	**713,034**	**602,261**	**2,164,950**	**1,880,486**
Other non-cash items	**318,987**	**458,936**	**318,987**	**458,936**